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PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, April 6, 1989*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, may not our own actions or accomplishments, however worthy, keep us from realizing our dependence on You and upon Your grace. While we know that pride and self-reliance are necessary elements of every life, may not these values hinder us from seeing and experiencing the wonders of Your free gifts granted to us. In Your holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. HORTON] kindly lead the Members in the Pledge of Allegiance to the flag?

Mr. HORTON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

APPOINTMENT AS MEMBER OF NATIONAL COMMISSION ON ACQUIRED IMMUNE DEFICIENCY SYNDROME

The SPEAKER. Pursuant to the provisions of section 244(a)(1)(B) of Public Law 100-607, the Chair appoints on the part of the House Mr. Don C. Des Jarlais to the National Commission on Acquired Immune Deficiency Syndrome to fill the existing vacancy thereon.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 666. An act to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, Florida, before the expiration of the otherwise applicable 60-day congressional review period.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 62. Joint resolution designating May 1989 as "National Stroke Awareness Month," and

S.J. Res. 92. Joint resolution to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989.

The message also announced that pursuant to Public Law 100-607, the Chair on behalf of the President pro tempore, appoints Dr. June E. Osborn, of Michigan, Mr. Larry Kessler, of Massachusetts, Mr. Harlon L. Dalton, of Connecticut, and Ms. Eunice Diaz, of California, from private life; to the National Commission on Acquired Immune Deficiency Syndrome.

The message also announced that pursuant to section 1505(a)(1)(B)(ii) of Public Law 99-498, the Chair on behalf of the President pro tempore, reappoints Mr. WALLOP to the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development, effective January 3, 1989.

JAPAN SHOULD BUY AMERICAN

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, the United States has the best fighter planes in the world. Our technology has been on the cutting edge for decades.

But we are about to give it away.

The administration wants to transfer American F-16 fighter technology to Japan to develop their FSX fighter.

A better deal—for the United States and for Japan—would be a direct purchase of United States aircraft.

Japan is our toughest trading competitor—currently running an annual trade deficit with the United States of $55 billion.

Under the Bush agreement, the Japanese get the hottest fighter technology in the world and all we get is merely a 40-percent share of the FSX development contracts.

Kids trading baseball cards could get a better deal than that.

And there is every reason to be concerned that American technology could end up helping the Japanese civilian aircraft industry.

When it comes to FSX, the Japanese should look for the label and buy American.

CONGRESSIONAL SUPPORT FOR GLOBAL CONVENTION ON HAZARDOUS WASTES

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, the House Government Operations Committee received testimony last year detailing global get-rich-quick schemes in which millions of tons of toxic waste were to be dumped on developing nations ill-equipped to handle the waste.

While the vast majority of wastes exported from the United States are handled in an environmentally sound manner, we must bring to a halt exports by those looking for cheap dumping grounds in the developing world. The legislation that I am introducing today with my friend and colleague from Pennsylvania, BILL CLINGER, is intended to help put these persons out of business.

Our bill calls for the United States to sign on as a party to a global convention regulating the shipment and disposal of hazardous waste. The bill also urges the President to submit to Congress, in as expeditious a manner as possible, his legislative proposal to

reform U.S. laws governing waste exports,

The United Nations' "Convention on the Transboundary Movement of Hazardous Wastes and Their Disposal", was recently adopted at an international conference attended by 116 nations. The United States played an active role in developing the convention, which establishes safeguards for waste exports.

While the subject of intense and heated negotiation, the convention establishes simple and common sense principles:

First, it requires nations to prohibit waste exports, if the exporting nation has reason to believe that the waste will not be managed in an environmentally sound manner. Under current U.S. law, a waste export cannot be prohibited even if EPA or the State Department has concrete evidence that the export will be handled in an unsafe manner.

Second, it requires exporting and importing nations to cooperate to ensure that unsafe or illegal waste exports are ultimately disposed of in an environmentally sound manner.

Third, the convention ensures that no nation will be faced with waste imports unless that nation has given its written consent to the import.

Thirty-four nations have already signed the convention. The United States should join with those nations in curbing abuses in waste exports by becoming a party to the convention.

As demonstrated by his earlier announcement, President Bush clearly recognizes the need for a reform of U.S. waste export policy. I applaud his announcement and am convinced that his reforms, in addition to the provisions of the U.N. Convention, will provide the tools necessary to protect human health and the environment.

I hope that my colleagues will join with me in urging American support for the U.N. Convention, and in encouraging President Bush to submit his export reform proposal for the timely consideration of Congress.

"STUCK WITH THE TAB—THE REASONABLE IMPLICATIONS OF THE SAVINGS AND LOAN BAILOUT"

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, as the Committee on Banking, Finance and Urban Affairs begins its markup today of legislation to implement the savings and loans bailout, I want to draw the attention of my colleagues to a report that is being issued today by the Northeast Midwest Coalition entitled "Stuck With the Tab—The Reasonable Implications of the Savings and Loan Bailout."

Mr. Speaker, this report raises some very serious questions. It is clear that, while the savings and loans crisis we are addressing now is primarily centered in a couple of States and was the direct consequence of the loose regulatory environment in those States and the fraud and mismanagement, it is taxpayers in the rest of the country that are being asked to pick up most of the tab for that bailout.

In 1988, for example, the Federal Savings and Loan Insurance Corporation took actions to close merger, stabilize some 223 insolvent thrift institutions at an estimated eventual cost of some 38 billion in 1988 dollars. The Northeast Midwest region, which pays 47 percent of the Nation's taxes, is responsible for less than 10 percent of the costs associated with FSLIC's 1988 actions. The report estimates the taxpayers of our region could be stuck with a tab of $12.5 billion, while the regions responsible, for only $3.7 billion in damage.

Mr. Speaker, no one questions the obligation of the Federal Government to guarantee the savings of depositors in failed savings and loan institutions. At the same time, however, it is important that some measure of accountability be established as we work our way through to a formula for resolving the immediate crisis.

Mr. Speaker, there must be some relationship between the costs of the bailout and the spread of responsibilities for those who created the problem in the first instance.

COMMUNIST RESPONSIBILITY FOR EL SALVADOR DEATH SQUAD ACTIVITY

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, rather stunning unclassified statistics have been released by U.S. Government sources concerning the political killings in El Salvador. Contrary to the Communist propaganda blaming the government forces for the killings, the evidence clearly shows that of the 172 political killings last year, nearly 80 percent were committed by the FMLN Communist guerrillas. Only 8 percent were committed by the army, with the balance being perpetrated by unidentified assailants. As we evaluate our continued support for the newly elected Government of El Salvador, it is important that the Congress and the American people know that the overwhelming majority of the killings are being committed by the FMLN Communist guerrillas, and not the government forces.

Since the elections the FMLN has continued its policy of intimidating and killing elected officials. Last year alone the FMLN acknowledged assassinating eight mayors. Let us support the duly elected Government of El Salvador against the Communist guerrillas.

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JAPANESE WANT GIFT OF F-16 FIGHTER

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Japanese have bought our banks. They have bought our hotels. They have bought our high-technology companies. They have bought our land. They are even buying Hollywood. That is bad enough, but now they do not want to buy. They want a gift of the F-16 fighter jet.

Now, let us figure this out. We have an M-1 tank that could not hit the ocean if it was fired from a boat dock. They do not want that.

We have an MX missile. It cannot fly straight. They do not want that.

We have a new missile from our submarines that when they detonated it, it did cartwheels. They do not want that.

They want America's best defense weapon. And do you know what? Maybe the Bush administration is going to give it to them because it is not entertaining enough for America.

I say let the Japanese not only buy the fighter jets, let them buy the spare parts and they will get a chance to see what American consumers are doing with those Toyotas. Those parts are awfully high and I think it is time Japan gets a smell of the real world.

INTRODUCTION OF LEGISLATION URGING PRESIDENT TO SIGN THE BASEL CONVENTION ON HAZARDOUS WASTES

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extent his remarks.)

Mr. CLINGER Mr. Speaker, as hazardous waste exports from the United States and other countries increase, there is growing global resolve to establish international standards to ensure that such exported wastes will be disposed of in a fashion that protects the environment and human health. On March 22, 1989, that global resolve under the auspices of the United Nations Environment Programme produced the Basel Convention, which, among other things, would prohibit a signatory country from exporting and importing hazardous wastes if that country believes that the disposal of those wastes will not be handled in an environmentally sound manner.

While I applaud President Bush's recent announcement of his intention to submit legislation to Congress which would restrict the export of hazardous wastes, his signing and the Senate's ratification of the Basel Convention would expeditiously move us toward reform of our current hazardous wastes export program.

Today I am joined by FRANK HORTON, vice-chairman of the Government Operations Committee, and MIKE SYNAR in introducing legislation urging President Bush to sign the Basel Convention. The United States is considered by many to be a world leader in protecting the environment. Failure to sign the Basel Convention would jeopardize our leadership role.

THANKS TO HUD SECRETARY JACK KEMP FOR HELPING A SMALL BOY WITH A BIG PROBLEM

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, I would simply like to publicly thank HUD Secretary Jack Kemp for assisting in helping a small boy in my district with a very big problem.

Joey Seiser is a 5-year-old boy in my district in Marshfield, WI, who is suffering from cerebral palsy. Federal housing rules as being applied by the local board would have forced Joey to either give up his tiny dog, Hercules, or else move out of the housing project. The boy's doctor felt that the boy needed the dog. So I asked Secretary Kemp to review the situation to see if he could help. He responded with a letter which indicated that it might be a violation of the Civil Rights Act if Joey were denied the companionship of his dog.

The board has now reviewed the situation. It has reversed its position and little Joey will be able to keep his dog.

It is good to see government put the needs of people ahead of rules and regulations.

I would also like to thank the local housing authority for having the courage to reverse its position. That is not an easy thing to do in public life. I think we are all happy that they did.

THE 37TH NATIONAL PRAYER BREAKFAST

(Mr. STUMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STUMP. Mr. Speaker, on behalf of the House and Senate Prayer Breakfast groups, it was my great honor to chair the 37th National Prayer Breakfast, which took place on February 2, 1989, at the Washington Hilton Hotel.

This annual breakfast is a unique gathering of national and international leaders and guests in the spirit of fellowship to share our faith and acknowledge that we are a nation founded on spiritual principles, whose strength is derived from our mutual dependence on God.

Perhaps no other event in Washington has been as meaningful and important to me, and I think many can benefit from the thoughts of those who spoke, as did those of us who were in attendance.

Accordingly, I include the program and transcript of the breakfast to be printed in the RECORD.

The program and transcript referred to follow:

NATIONAL PRAYER BREAKFAST

FEBRUARY 2ND, 1989, 8:00 A.M.

Pre-Breakfast

Prayer: The Honorable Charles E. Grassley, U.S. Senator, Iowa.

Opening Song: U.S. Naval Academy Chapel Choir, Dr. John B. Talley, Director.

Presiding: The Honorable Bob Stump, U.S. Representative, Arizona.

Opening Prayer: General Larry D. Welch, Chief of Staff, USAF.

Breakfast

Welcome: The Honorable Bob Stump.

Message from the United States Senate: The Honorable Paul Simon, U.S. Senator, Illinois.

Old Testament Reading: The Honorable John M. Buchanan, PC, QC, Premier of Nova Scotia, Canada.

New Testament Reading: Art Monk, All-Pro Wide Receiver, Washington Redskins.

Solo: Sandi Patti, Dick Tunney, Accompanist.

Message from the United States House of Representatives: The Honorable Ike Skelton, U.S. Representative, Missouri.

Reading: Justice Sandra Day O'Connor, United States Supreme Court.

Prayer for National Leaders: Dr. Billy Graham.

Message: The Honorable Alan Simpson, U.S. Senator, Wyoming.

THE PRESIDENT OF THE UNITED STATES

Closing Song: Sandi Patti.

Closing Prayer: Mrs. Susan Baker.

TRANSCRIPT OF PROGRAM

Senator GRASSLEY: Eternal God, sovereign ruler of nations, we acknowledge your presence in this place this morning. So guide in every detail of this extraordinary event, that each one here will sense your presence. We gather here, our Father, people from many nations and every state of the union. Many are here who have very special responsibilities in their respective state or nations. In a sense, here we are, the whole world in microcosm. Touch this world with love, trust, justice, and righteousness. As you know the hearts of each individual, so move in our midst that each will experience a fresh visitation of your grace. Grant, gracious God, that our thoughts, attitudes, words, actions and reactions individually and collectively will reflect your unconditional love. May President and Mrs. Bush, Vice President and Mrs. Quayle enjoy a special measure of blessings this morning and may every leader of every nation represented be influenced by what we experience. We thank you for the good food, the farmers who produced it, the industry which processed it, and those faithful men and women who prepare and serve it. As we enjoy this generous feast, may we be mindful, and compassionately so, of the many in this city and in cities and nations of the world who never have enough to eat. Sensitize us, our Father, to the homeless, the hungry, the poor, the lonely, the forgotten. We pray in His name who is love incarnate. Amen.

Mr. STUMP: Good morning, ladies and gentlemen.

I would first like to thank Senator Chuck Grassley from Iowa for that beautiful, pre-breakfast prayer.

Chuck, thank you very much.

And a very special thanks to an outstanding group of young men, the United States Naval Academy Chapel Choir under the direction of Dr. John Tally, not only for their beautiful music but for the way they represent this country.

Let's give them another hand, please.

(Applause.)

Mr. STUMP: Our opening prayer will be offered this morning by a man that has served this country for almost 40 years. Please remain seated as General Larry Welch, Chief of Staff, United States Air Force, offers our opening prayer.

General Welch.

OPENING PRAYER

General WELCH: Would you join me in prayer, please.

Father of all creation, we are thankful for the guidance and sustaining strength for all who lead this nation. And all who lead all nations who seek a world closer to your vision for mankind.

Give all the strength and wisdom to transfer ambitions to selfless purposes in our daily work. Grant us the sensitivity and generosity to remove the shackles of prejudice and parochialism so that we see more clearly our responsibilities to all people.

Our challenges are great. Our needs are many. Grant us the wisdom to recognize our failings and shortcomings and the courage to accept our responsibilities as caretakers of your creation.

Give us the vision, resolve and steadfast strength to build and sustain a national and international environment that nurtures the human spirit and provides for the human dignity that is the birthright of all.

We thank you for the peace of this day and pray that you will lead us to the path of enduring peace with justice and freedom for all mankind. Bless this nourishment to our use in Your service. These things we ask for all Your people, our God and Father. Amen.

Mr. STUMP. Thank you, General Welch.

Now, if you'll please continue your breakfast. Enjoy it.

(Pause.)

WELCOME AND INTRODUCTIONS

Mr. STUMP. It is a special privilege for me to welcome you to the 37th annual National Prayer Breakfast, especially our many friends from around the world who are here for the first time.

I am Bob Stump, a member of the U.S. House of Representatives from Arizona.

On behalf of the U.S. Senate and the House Prayer Breakfast Groups, we are delighted to have you here this morning.

Since 1953, the National Prayer Breakfast has provided the opportunity for a great many people from all walks of life to join in fellowship and prayer, seeking God's guid-

ance, enhancing our spiritual strength and bringing us closer together in His blessings.

From what started as a small group of our country's leaders some 37 years ago, this breakfast has grown to almost 4,000 of us gathered in prayer here today in this and adjoining rooms. We represent all 50 States in the Union and more than 140 nations from around the world.

Joining us this morning across this country are men and women meeting in both small and large groups, praying as we pray. In fact, there are some 15,000 in one group alone meeting in prayer today in Fort Worth, Texas.

In addition, our program is being rebroadcast to military bases around the world.

This breakfast and the activities which follow would not have been possible without the tireless efforts of almost 700 volunteers throughout the year. They come to our Nation's Capital from all over the country to volunteer their work on this breakfast. We are extremely grateful for all of their help.

Not too long ago, my dad was talking about God's tests of our faith. And he stated quite simply that:

God doesn't test our faith on those things He knows we can handle, but on our ability to meet those tests that God puts before us depends on our seeking His help and guidance.

Throughout the years, the members of our Prayer Breakfast in the House and the Senate and those members who have attended the National Prayer Breakfast over the years are the clearest example of the spiritual strength which comes from this fellowship and asking for God's help and guidance.

We pray that today's gathering will broaden and enrich our spiritual strength and that from this fellowship, we will be better able to meet God's tests with greater faith.

Again, we welcome you. We want you to know that your being here today is a very important reaffirmation of the spiritual foundation of this nation.

I would now like to introduce you to the members of the head table, whose names do not appear on your program but are very special to all of us.

Please help me welcome a very warm and gracious lady, an inspiration to all of us, our new First Lady, Barbara Bush.

(Ovation.)

Mr. STUMP: The Vice-President was unable to be with us today because his official duties took him out of the country, but we are pleased to welcome his charming wife, Marilyn Quayle.

(Applause.)

Mr. STUMP: Our next guest has served this country with honor and distinction for the last eight years, and we are very fortunate to have his continued service as our new Secretary of State, the Honorable Jim Baker.

(Applause.)

Mr. STUMP: Now, as I introduce our other guests at the head table, would you please hold your applause until they are all standing.

As you can see, we have quite a large head table this morning.

First, I would like to introduce Mavis Buchanan, wife of Nova Scotia Premier, John Buchanan.

(Applause.)

Mr. STUMP: My good friend, John O'Connor, husband of Justice Sandra Day O'Connor.

Ann Simpson, the wife of our speaker, Senator Alan Simpson.

Barbara Grassley, wife of Senator Charles Grassley. Barbara . . .

Jeanne Simon, wife of Senator Paul Simon.

Susan Skelton, wife of Congressman Ike Skelton.

Eunice Welch, wife of General Larry Welch.

And Ruth Graham, I think here for only the second time, in spite of the fact that her husband, I believe, has attended all these Prayer Breakfasts, the wife of Dr. Billy Graham. We're very glad to have you.

How about a nice welcome to all of them.

(Applause.)

Mr. STUMP: The Message from the United States Senate will be delivered by Senator Paul Simon. Paul has been a very active member of the House Prayer Group and is now a very loyal and dedicated member of the Senate Prayer Group.

Please welcome Senator Paul Simon of Illinois.

(Applause.)

MESSAGE FROM UNITED STATES SENATE

Mr. SIMON: Thank you, Bob, President and Mrs. Bush, and distinguished friends.

Our Senate Prayer Breakfasts are about as different from this gathering as you can imagine. There are only a few of us who gather—no spouses, no staff, no reporters. It is a small group. And I would love to say—my colleague, Senator Simpson would agree with this—I'd love to tell you that our conduct as Senators is markedly different from our colleagues. That would be giving you an absolutely false impression.

I think what does distinguish our group is that we feel our inadequacies and our needs. Our needs for each other and our need for guidance from the Source that is infinitely greater than the sum of all of us put together.

And, Bob, you mentioned your father's statement about God's test. I think I am safe in saying that those of us who gather each Wednesday morning feel that the test is not whether we gather on Wednesday morning or gather here. It is rather that man I saw sleeping on the grates on 17th Street as I came here this morning.

It's that man or woman who can't read and write that Barbara Bush has been working for all these years.

We live our faith inadequately, each of us. But coming together does help each of us. And we're pleased that you're coming together here, too, and on behalf of my colleagues, I'm pleased and honored both to welcome you and extend greetings.

Thank you.

(Applause.)

Mr. STUMP: Thank you, Senator Simon.

Representing our friends to the North, the Honorable John Buchanan, the Premier of Nova Scotia, Canada. He will deliver a reading from the Old Testament.

Please, a very warm welcome to our friend, Premier Buchanan.

(Applause.)

READING FROM THE OLD TESTAMENT

Premier BUCHANAN: Mr. President, Mrs. Bush, very distinguished ladies and gentlemen, I bring you greetings from the people of the Great Province of Nova Scotia, Canada who are here today in spirit with representatives from all over this world.

In this tremendous expression of faith as we put our trust in the Lord, our help comes from one Source, the Lord Jesus Christ, who cares for all.

And how well this is expressed in Psalm 146, the Old Testament, reading from the New International Version Study Bible which was presented to me on this occasion by the Canadian Bible Society.

"Praise the Lord. Praise the Lord, oh, my soul. I will praise the Lord all my life. I will sing praise to my God as long as I live. Do not put your trust in princes, in mortal men who cannot save. When their spirits depart, they return to the ground; on that very day their plans come to nothing.

Blessed is he whose help is the God of Jacob. Whose hope is in the Lord, his God, the Maker of Heaven and Earth, the sea and everything in them, the Lord who remains faithful forever. He upholds the cause of the oppressed and gives food to the hungry.

The Lord sets prisoners free. The Lord gives sight to the blind. The Lord lifts up those who are bowed down. The Lord loves the righteous.

The Lord watches over the aliened; He sustains the fatherless and the widow, but He frustrates the way of the wicked.

The Lord reigns forever, your God, O Zion, for all generations. Praise the Lord!"

This is the word of the Lord, the hope for the world and all its people.

(Applause.)

Mr. STUMP: Thank you, Premier Buchanan.

Next on our program is a gentleman that should be quite familiar to all of you, Art Monk, All Pro wide receiver for the Washington Redskins, who will bring us a reading from the New Testament.

Please welcome Art Monk.

(Applause.)

READING FROM THE NEW TESTAMENT

Mr. MONK: Good morning. It's really a great sight to see so many people down here this morning in the name of Jesus, and it's really my honor to be able to participate here with you.

My reading will come from the New Testament, Book of Colossians, first chapter, verses 15–20:

"He is the image of the invisible God, the firstborn over all Creation, for in Him all things are created, things in heaven and on earth, visible and invisible; whether thrones or powers or rulers or authorities, all things were created by Him and for Him.

He is before all things and in Him all things hold together. And He is the head of the Body, the Church. He is the beginning and the first born from among the dead, so that in everything He might have the Supremacy.

For God was pleased to have all His fullness dwell in Him and through Him to reconcile to Himself all things, whether things on earth or things in heaven, by making peace through His blood shed on the cross."

(Applause.)

Mr. STUMP: Thank you, Art.

It's a pleasure to present to you a woman who has been richly blessed with a great voice and who uses it daily in God's service.

Ladies and gentlemen, Sandy Patti will sing "In His Presence." She will be accompanied by Dick Tunney.

Sandy . . .

(Applause.)

(Music by Sandy Patti.)

(Applause.)

Mr. STUMP: Thank you, Sandy, for that wonderful music. And I'm sure all can feel His Presence here today.

One of the most faithful members of the House Prayer Group is a long-time friend of mine, one of the outstanding leaders in our group on the House side. He will bring us

the message today from the House of Representatives.

Please welcome Congressman Ike Skelton of Missouri.

(Applause.)

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Mr. SKELTON: Chairman Stump, Mr. President, Mrs. Bush, Mrs. Quayle, Ladies and Gentlemen, distinguished guests, in the spirit of Christ and the spirit of Prayer, I bring you greetings from the House of Representatives Prayer Breakfast Group.

We're a group of men and women, members of the United States House of Representatives, who meet Thursday morning at 8 o'clock in a room on the first floor of our Capitol.

We're a diverse group—different backgrounds, different States, different political philosophies. We share a common trust in God and belief in the power of prayer.

It's our custom to hear a message from a member which is drawn from his or her spiritual experiences and beliefs. We also believe in the words of the Psalmist who said:

"Come before His Presence with singing," by joining our voices in a familiar hymn.

And we pray.

We've had an outstanding year as a prayer group thanks to the leadership of Bob Stump, our president; Bob Whitaker, our secretary; Dan Akaka, our able song leader; and G.V., Sonny, Montgomery, who brings us news of happiness, illness or sorrow and who, for many years, has served as our unofficial chaplain.

When I first came to Congress in 1977 and began attending the House Prayer Breakfast, we had perhaps 15 or 20 members present each week. We've grown through the years and now we often have more than 50 members who attend our Prayer Group every Thursday.

I'm convinced that participation in our Prayer Breakfast Group is an immense help to us on other days, when the storms of political conflict rage. It's fitting that our Prayer Group meets in the morning. The early part of the day is the best part of the day, and our Prayer Meeting gives us an opportunity to begin each Thursday with a fresh outlook and uplifted feeling.

This is illustrated by the anonymous poet who wrote:

"I met God in the morning when the day was at its best. And His Presence came like sunrise, like a glory in my breast. All day long, His Presence lingered. All day long, He stayed with me. We sailed in perfect calmness on a very troubled sea.

Other ships were torn and battered. Other ships were sore distressed, but the winds that seem to drive them brought us to a peace and rest.

Then I thought of other mornings with a keen remorse of mine when I, too, had loosed the moorings with His Presence left behind.

So I think I know the secret learned from many a troubled way:

You must seek Him in the morning if you want Him through the day."

Attending a House Prayer Breakfast gives us the opportunity to realize the importance of prayer. Prayer is evidenced elsewhere on Capitol Hill, for there are small groups of House Members who meet on a regular basis for Bible study and prayer.

Each daily session of the House opens with a prayer by our Chaplain, James Ford. There's a small, but often used prayer room available just off the rotunda. And in the Capitol Rotunda itself, one of the large murals that grace the wall is a painting of the pilgrims kneeling in prayer as they embark on their journey to the New World.

Yes, prayer is all around us.

A Delegate at the Constitutional Convention by the name of Benjamin Franklin called for prayer to begin each day of deliberation, saying:

"God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice. Is it probable that an empire can rise without His aid?

I, therefore, beg leave to move that, henceforth, prayers imploring the assistance of Heaven and its blessing be held each morning in this assembly before we proceed to business."

And so what Benjamin Franklin began in 1787 continues—not just within the House Chamber itself, but elsewhere on Capitol Hill.

Were you to walk into the small prayer chapel located just a few feet from the statue of Abraham Lincoln, you would see the beautiful stained glass window portraying our first President, George Washington, kneeling in prayer, with the inscription from Psalm 16:

"Preserve me, O God, for in Thee do I put my trust."

It is my sincere hope that our prayer group will continue to reflect the spirit portrayed by that stained window in the days and years ahead, not just for us but for those whom we represent.

No truer words were ever written than those by Alfred Lord Tennyson when he penned:

"More things are wrought by prayer than this world dreams of."

Thank you, and God bless you.

(Applause.)

Mr. STUMP. Thank you, Ike.

Among this country's most dedicated public servants is a woman of the highest integrity and one whom I've been proud to call a friend for many, many years. She's an active member of the Judicial Prayer Breakfast and brings us another reading.

Please welcome Justice Sandra Day O'Connor.

(Applause.)

Justice O'CONNOR. Mr. President and Guests today, my friend from Arizona, Bob Stump, as he explained, I am a member of the Prayer Breakfast of the third branch of Government, the Judicial Branch. We borrow space from the Legislative Branch and meet regularly in the Capitol.

In the passage that I will read today, Solomon has been made king of the people of Israel and Judah, succeeding his father, David. Solomon is still a young man. He has a dream in which the Lord asks him what Solomon would like the Lord to do for him.

Solomon does not ask for riches nor a long life nor for victory over his enemies. Instead, he asks for the greatest gift of all:

An understanding of heart and mind.

A reading from the 1st Book of Kings, chapter 3:

"The Lord appeared to Solomon in a dream at night, and God said:

Ask what you wish Me to give you.

Then Solomon said:

Thou hast shown great loving kindness to Thy servant, David, my father. According as he walked before Thee in truth and righteousness and uprightness of heart toward Thee, and now has reserved for him this great loving kindness that Thou has given him a son to sit on his throne as it is this day.

And now, O Lord, my God, Thou hast made Thy servant king in place of my father, David. Yet, I am but a little child. I do not know how to go out or come in. And Thy servant is in the midst of Thy people which Thou hast chosen, a great people who cannot be numbered or counted for multitude.

So give Thy servant an understanding heart to judge Thy people, to discern between good and evil. For who is able to judge this great people of thine?

And it was pleasing in the sight of the Lord that Solomon had asked this thing."

(Applause.)

Mr. STUMP. Bringing us the Prayer this morning for our national leaders is a man who has dedicated his entire life to serving the Lord.

I'm very honored to present to you Dr. Billy Graham.

(Applause.)

PRAYER FOR NATIONAL LEADERS

Dr. GRAHAM. Congressman Stump, President and Mrs. Bush, Mrs. Quayle, shall we pray:

Our Father and our God, we humbly thank Thee for this unique occasion that brings us together year by year to reflect, meditate and pray. We've come here not to recount achievements of the past, but simply to seek Your Face and to pray. No matter what title we may hold, in Your Presence, we see ourselves as we really are—men and women who are subject to the frailties of human nature—and who need Your love and direction and forgiveness.

Our Father, we look into the future and see that door that President Bush referred to in his Inaugural Address. We need You to help us walk right through into a room called tomorrow.

We need you as we walk and we need you in that tomorrow.

Give us knowledge of Thy Truth and confidence in Thy mercy. We need our vision renewed, our faith restored and the desire to love and to serve mankind rekindled.

There are times when we feel as Sir Winston Churchill reminded us years ago, that our problems are beyond us. The social problems of our time are with us as they were since the dawn of history. Our vaunted technology has not solved the basic problems of human greed, pride, selfishness, and materialism. Nor has it solved the problem of loneliness, sorrow and suffering. We need thy light, we need thy compassion, we need thy strength. We need thy forgiveness. We pray this day for all the leaders of our government, whether federal, state, or local, but especially we pray for our new President.

We thank Thee for his personal faith in God. Give him wisdom, courage and strength. Make us remember that unto whom much is given, of him shall much be required, and that this applies to us all as individuals as well as the nation.

Grant that the strong, driving wind of the Holy Spirit may sweep across our land and may help our youth to regain their dreams, and our old men their visions.

Keep us on the Rock from which we were hewn. May we reestablish those values that materialism cannot give and cannot take away.

Help us to remember the words of our President, that:

"We are not the sum of our possessions. They are not the measure of our lives."

Grant us again the determination to seek justice, to love mercy and to walk humbly with our God.

In these surroundings in the midst of the bounty of this food this morning, help us to remember the lonely, the oppressed and the hungry. May we sense the Presence of Him who is the way, the truth and the light.

May this Prayer Breakfast become a commitment service for all of us. May we rededicate ourselves to the God of our fathers.

We pray this in the name of our Lord and Saviour, Jesus Christ. Amen.

Mr. STUMP: Thank you, Dr. Graham.

It's a distinct pleasure this morning for me to introduce our speaker. Senator Alan Simpson is a friend and a colleague who is known for his warmth, his wit, and his sincerity. He is widely respected and is a leader in the United States Senate Prayer Group.

Please join me in a warm welcome for Senator Alan Simpson of Wyoming.

(Applause.)

THE SPEAKER: SENATOR ALAN SIMPSON

Senator SIMPSON: Thank you, Bob. Mr. President, Barbara Bush, Marilyn Quayle, Dr. Graham, "fellow seekers". What a rare treat and honor. And Mr. President and our gracious First Lady, and the steady Marilyn, I was pleased to be one of the celebrants of that magnificent ceremony at the National Cathedral, the Sunday after your impressive dual inauguration. The world sees you and the Quayles as people of faith and enthusiasm and strong belief and spirit, who "live out" your religion—people who "walk the walk" instead of "talk the talk". To have two of the most visible and remarkable families in America, and those marvelous children of yours—a strong bond of family and a loving support system—we are indeed blessed.

I'm so pleased you learned a bit about our Senate Prayer Breakfast Group from our friend, Paul Simon. It's always a special time there. My father was a member when he was in the U.S. Senate. He's 91 years old. Someone asked him the other day if he had lived in Cody, Wyoming all his life, and he said: "Not yet." (Laughter.)

Senator SIMPSON: And it is here in that weekly gathering that we share our personhood in God—a sharing of ourselves—actually it is more the sharing of our own vulnerabilities. Often provocative, sometimes moving, a continual learning and growing.

Here we are gathered from the world over—meeting in the spirit of Christ, the foundation of faith and the spirit of reconciliation. Not as Christians or Jews or Moslems or Buddhists or Hindu—all under one common aegis—humans. All who believe in a higher Being, whatever that may mean to them individually.

This day is not about formal religion. That was always pretty "heavy" for me as a child. I'm reminded of the one about the restless and active child at the church service—jumpy rascal. He was antsy and he was hopping around in there and looking around and scratching. His mother was at the ready, however, She took the crayolas and the coloring books and little pencils and pads. And he sat there and he asked:

"What's that over there?"

And she said:

"That's the altar of the church."

He said, "What's that over there?"

She said, "That's where they baptize people."

He looked at the flag and said, "What's that?"

She said, "That's the flag of our country."

He said, "What's that up on the wall?"

She said, "That's the cross of our church."

He said, "What's that over there?"

She said, "That's a plaque for the boys who died in the Service."

And the young kid looked at her with resignation and wistfuly rolled his eyes heavenward and said, "Which one? The 9 o'clock or the 11 o'clock?"

(Laughter.)

Senator SIMPSON. Now, if you like that kind of stuff at this hour of the morning, why, I've got a quick other one for you.

(Laughter.)

Senator SIMPSON. The little boy sitting at a church service in London, mind you, and he looked at his mother with a very sad expression. He said: "Well, mummy, God won't be able to bless us any more, will He?"

And she said, "Why not, my son?"

He said, "Well, I just heard the minister say that Jesus was sitting on His right hand."

(Laughter.)

Senator SIMPSON. All right, that's enough.

(Laughter.)

Senator SIMPSON. Let me share a few thoughts with you in my brief time this morning about a subject that I know more about than anyone else does—me.

(Laughter.)

Senator SIMPSON. A hazardous statement in Washington, D.C. where there are lots of "experts" and "authorities". Indeed, those who travel the high road of humility in Washington, D.C. are not really troubled by heavy traffic.

(Laughter.)

Senator SIMPSON. First, let me tell you that my present faith in God was not what I had in mind at one time in my life.

I was raised by very dear and loving parents, and I have so very much to be thankful for. Dad, as I say, 91 years of age, suffering from Parkinson's Disease, arthritis, the loss of an eye years ago, sometimes the gentle fog of age rolls over him—but that is always penetrated when you say:

"How you doing, Pop?" And he always says: "Great."

And my mother is 88, a woman of immense faith and huge courage and grace and power and strength. My brother and I often referred to her as the "velvet hammer."

(Laughter.)

Senator SIMPSON. Well, I was a very rambunctious and very curious young guy. If it is true that "a spirited colt makes the best horse", then I should have been Secretariat or Whirlaway . . .

(Laughter.)

Senator SIMPSON. And then I got fat. And I had enough blemishes to be on one of those comic books ads of the old days in the forties. I didn't like myself. And then I learned about humor and I used it to cover pain. Many do. I also used it to cover shyness. Many do. A very valuable lesson for me.

In my formal religion, I was baptized in the Episcopal Church, served as an Acolyte, confirmed, married in that church to this very classy lady. I've been living with Ann for 35 years—married all that time, of course! You have to say that in politics, these days.

(Laughter.)

Senator SIMPSON. Then, in high school, I was always into something. And then finally I got into "the big something". We destroyed mailboxes, blew them up, shot them to pieces. It was a federal offense. I was on federal probation for two years. Not the best time of my life. And every time the probation officer came to see me, I was shooting pool.

(Laughter.)

Senator SIMPSON. In a pool hall.

(Laughter.)

Senator SIMPSON. Shades of River City!

(Laughter.)

Senator SIMPSON. And my parents had thought at birth that I had the strong and sensitive hands of the surgeon, but I could really stroke that cue!

(Laughter.)

Senator SIMPSON. So I'd come home with that green felt stain on the meaty part of my hand and my mother would say, "What have you been doing?" I'd say: "I've been mowing the grass."

(Laughter.)

Senator SIMPSON. And the old man never cracked a smile. But I was very loved. The single most important thing to give a child—love. I thought "why am I doing these things?". Am I doing that to hurt my parents, who were very obviously and visibly hurt enough, especially when the old man cried one night at the dinner table and said, "Where have we failed?"

Oh yes, I'd get guilty about that, but, never to the point of limiting my activities.

And then off to college. And I thought I was quite the big cheese, the "Bolshoi Shiska" as they say in Russian, the "big pine cone".

(Laughter.)

Senator SIMPSON. I smoked about three packs a day, got to be a fine broth of a boy. I weighted 260 pounds, had hair and thought beer was food.

(Laughter.)

Senator SIMPSON. Yes. That was me. That was the me of age 21. Got in to a couple of slugfests, spent a couple of nights in the clink. Even Ann's sorority sisters wouldn't raise the bail for me that night.

I'd been named to "Who Who in American Colleges and Universities" and the President of the university called me in and said, "We're not going to give you that award." I smiled, laughed, cracked a joke, but there was a real hard lump down inside. Kind of like cotton balls in my throat, choking to come up.

Then off to law school. I married this magnificant lady in '54 and headed for Germany to serve in the Army. And there was the test. It was the very first time in my life where other people were telling me what to do—and some real dire consequences out there if you didn't do it.

The humor, the charm, the old stuff didn't work anymore. I was miserable. I couldn't do what I wanted to do. It tore me up. I had ulcers, gas, heartburn, blood pressure at 220. Depression as if somebody had pulled the "big, black sheet" over my head.

That stuff happens in life—to almost everybody. Then out of the army and back to law school. Slowly I started to sort it out, searching through it. I call it "creeping maturity."

(Laughter.)

Senator SIMPSON. It is pretty slow sometimes, but isn't it an adventure? We search for peace, for stability, for love—to know where our own inner gyroscopes are. We're all seeking the "peace that passeth all understanding." And think about that one minute. We might have it—or be very close to it—and never even know it. For it is beyond our cognitive powers. After all: "Beyond understanding."

Then I grappled in my thirties with possessiveness and jealousy. Why not? A guy could feel that about a woman like that . . . couldn't he? And then I struggled with the distortion of love, when we get to a point

where we come to love things and try to possess persons—it used to be that we loved persons and possessed things. We learn that we lose a person when we try to possess him or her. And, if jealousy is one of your little red wagons you'd like to leave back in the shed, go see Shakespeare's "Othello" one more time.

Yes, it's sure been a slow process. When I have those pangs of self pity and guilt and compassion fatigue, or have that feeling of despair or disquietude and longing that I think no one else has ever had—when I do that, I reduce myself to a child again. And the worst part is when I take the child of Al Simpson into a relationship that demands the challenge of the man, Al Simpson, I can get pretty gummed up.

I practiced law for 18 years, did about 1,500 divorces over that time, learned more about my own marriage than I did about others. All the time learning.

As they used to say in the pool hall:

"Going to school on their shot."

Finding people you admire and trying to emulate them. Nothing wrong with that as long as you keep your own uniqueness. And don't spend too much time comparing. The act of comparing automatically puts you in second place.

Why would you do it?

Reading some good books. When somebody says that bad books and porno and trash don't affect people, then how come it is that good and inspirational books do?

There are some very sure things that I saw marked on the trees along the trail as I hit 57 years of life with this remarkable lady at my side. There's lots of things I've come to know.

But, the very prince of the one I learned to know was where to turn when I didn't know where to turn. One place, only:

God.

And I often don't match up too well with the continuing care and nurture of my fellow humans. One that hit me right between the eyes recently was a sermon I heard about caring people going to an institution of people of lesser capacity.

Some folks in there were doing pretty well, and some were very down. And some were just shuffling husks of humanity. And this group was passing through them, some ordained and some laymen. The lay ministry is just as vital as the clerical ministry in our church.

Finally, one of the bright and very old women looked up as they were all leaning over and speaking to her and saying, "God cares. The Lord cares about you. God bless you." She stopped them all—held up a gnarled hand, fixed them with a clear and steady eye and she said: "I know God cares. I want to know whether you care." Now that's where the rubber meets the road. It's too easy to say "God cares for you," and then just go about our lives. We have to be involved. We are the only instruments of His love and care that God has placed here. There are no others.

I often take periodic stock, try to assess, "Well, how'm I doing with the things that God gave me and entrusted to me on this Earth? We all hold those things in trust, as stewards for God during our lives—and then He will gather them back from us—one unknown day. And as stewards, we must properly care for the things that He has given us. Our Earth, our countries, our homes, our parents, our spouses, our children. We must do that actively and enthusiastically and with faith and good humor—not in monkish and silent ways that close us off and cloister us away from others. And live it. And humor—may I recommend that to you?

Humor. My dear mother, living her beautiful life at the age of 88, said to me as a child, "humor is the irreplaceable solvent against the abrasive elements of life." And so it is.

Our physical bodies will go back to the Earth, to dust—and others will come after us to manage what God has given, and will we really be able to account? Will we really have left a better place, a better government in our own lands? A better people? A better world?

What an opportunity. how do we be about it? My wise and earthly dad always said: "To do a thing, be at it." It wasn't original, but he loved it. And he also said, and I'll never forget this: "Any damned fool can be unhappy."

[Laughter.]

And he also said: "Son, I can't tell you how to succeed, but I can sure tell you how to fail and that's try to please everybody."

For heaven's sake, take a risk. Make a choice. Take a tough stand. Don't be one of the "dead unkilled."

[Laughter.]

I see a lot of those kind of people in this community. They sold themselves out somewhere back down the line. Stay in the present, for living in the present is the truest act of faith. Hear that. And fretfulness and worry are just the opposite of that.

There is a powerful story about the lady who was anguishing through life, stumbling, lashing out, filled with hostility and spewing it out to her pastoral counselor: "You tell me you can help to comfort me, and give me peace of mind, and in this terrible hell of a world, how am I going to do that?" That wise man said, "Well, I'll tell you if you'd like." She said sarcastically, "Do you mean you're going to actually tell me how to do that? How to get rid of pain and pity and hate and anxiety and the conflict way down inside of me? And you're the person, the smart aleck who's going to help me do that?" And the fellow said patiently, "Yes. Yes, I will." And she said finally, almost exhaustedly and beseechingly, "Okay, how do I do that?" And the fellow said, "Listen very carefully. Hear it. It's one word. It comes up in the east with the sun. One word. Only one:

"Start."

This is the only yard marker on the playing field of life. Today. Right now. This instant. This flash of time. February 2, 1989, 9:15 on a bright Thursday morning. Start. Not too profound, is it? But, maybe it is.

So let me close and share with you "Simpson's Laundry List of Life." It is very short. Here it is:

All of us are worth something.

Love is not enough, but it sure helps.

All of the important decisions of life will be made on the basis of insufficient data.

We are responsible for everything we do.

You can run but you can't hide.

It is most important to run out of scapegoats.

All of the significant battles of life are waged within the self.

You're free to do whatever you like. You need only to face the consequences.

And, finally, what do you know for sure anyway?

(Laughter.)

So I have much to be thankful for. Why then am I limited in word and act and deed? I have found the toughest thing in my life is to learn to forgive myself, and yet I have that ability—learned through a belief in a Higher Power—that openness, forgiveness, and God's wholeness are not separate entities—they are very much the same. Ah! that issue of foregiveness in our lives! I couldn't forgive others until I learned how to forgive myself. I couldn't love others until I learned to love myself. Teachers could forgive me. Principals in schools would forgive me. My buddies would forgive me. Other parents would forgive me as I led their sons astray but, boy! it was so tough to do that for myself. To be able to look in the mirror and say: "Al, I forgive you." That is when things began to fall together for me—with God's help. That is when pain passes, when old wounds heal—when new light comes to dark places. The most wretched and sad thing I ever observe in my life with my fellow humans is the person 45 or 50 or 60 years old still limited and constricted—and almost choking, like that cotton ball in the throat—in their present life—limited and in fear and loathing today—by "something" they did or had done to them that was "bad" or even unforgiveable, at least to them. Way back when they were 6 or 10 or 20 or 40 years old, and they just keep bringing it back. Hauling it back on those old red wagons—through the back channels of their minds and laying it so very hard and heavy on themselves. Well, God never intended that for us. That was not the promise of the Cross. The promise was that we would have life, and have it abundantly—through forgiveness of our sins and not just the latest ones—all of them.

When I learned God's grace of forgiveness, then the boy became a man. I sure wouldn't want to go back. For life is meaningful and savored and joyful and I am excited about it. And about these people, excited about this fine President and Barbara and about our fine Vice President and Marilyn, excited about this government, about this land and about our world. Those are things I wanted to share with you this day.

Thank you and God bless you.

(Ovation.)

Mr. STUMP: Thank you, Senator, for that great message.

Ladies and gentleman, history will undoubtedly judge George Bush as one of the greatest Vice President's this country has ever had. He brings to the Office of President unparalleled experience and leadership.

It is my great honor to present to you the President of the United States.

(Ovation.)

THE PRESIDENT

President BUSH: Thank you very much.

My special thanks to Bob Stump and Doug Coe, to our honored guests from throughout this country and from our foreign lands, and it is a pleasure for Barbara and me to be here once again.

There is no greater peace than that which comes from prayer and no greater fellowship than to join in prayer with others.

And coming to the Prayer Breakfast is, for us at least, like coming home. The Lord works in mysterious ways. There is nothing mysterious, however, about His priorities. I'm the one with the laryngitis and Sandy Patti is the one that lifted our spirits with that magnificent voice, clear as the finest crystal, and we're grateful to her.

And the Lord works . . .

(Applause.)

President BUSH: And the Lord works in very mysterious ways, but I wonder why it is that under the protocol sense of things, I always have to follow my friend, Al Simpson.

(Laughter.)

President BUSH: Let us all thank the Lord for having granted us this day, making it possible for us to spend this time together.

Billy Graham, my dear friend, tells me that when he was a boy living on a farm in North Carolina, one of his jobs was milking cows. And one day he was sent out to milk one of their cows, named Brindle, a cow he'd never milked before, and he was told that it was a gentle cow that would be very cooperative.

When he sat down on the stool to milk the cow, she swished her tail, slapped him in the face, nearly put his eye out. A few minutes later, kicked the bucket all the way across the barn and then tried to kick him.

At that point, he began to wonder if the person who described this kind and gentle cow had ever sat down next to her in the barn.

(Laughter.)

President BUSH: And I thought of that story in the light of my request for America to become a kinder and gentler nation. It's one thing to request it and it's another thing to see it actually happen.

And maybe a lot of folks out there, cynics, are thinking, well, if you people in Washington will stop trying to milk us, we'll stop kicking.

(Laughter.)

(Applause.)

President BUSH: We're facing some serious problems and some great opportunities in our country. Tough problems, great opportunities.

And I believe that a wonderful resource in dealing with them is prayer. Not just prayer for what we want, but prayer for what is in the heart of God for us individually and as a nation. And shouldn't we also remember with all that we have to be grateful for, to pause each day to offer a prayer of thanksgiving.

All of us should not attempt to fulfill the responsibilities we now have without prayer and a strong faith in God.

Abraham Lincoln said, and I quote:

"I've been driven many times to my knees by the overwhelming conviction that I have nowhere else to go."

Surely, he was not the first President, certainly not the last to realize that.

It's not just Presidents. I heard about a little boy whose elderly grandmother came to live with him for the winter. And the first day, the little boy played hard inside the house and he wanted to turn the heat down.

The grandmother insisted on keeping it hot. When he opened the windows, she closed them. And for several days, it went on like this—up and down, back and forth.

Said the little boy, "Too hot."

And the grandmother, "Too cold."

After about a week, the little boy knelt beside his bed one night and prayed:

"Lord, bless mother and daddy and make it hot for grandmother."

(Laughter.)

President BUSH; I suppose there may be some people in Washington and around the country who have already begun to pray: Make it hot for George.

(Laughter.)

President BUSH. But, those prayers will be answered over time. Be patient.

(Laughter.)

President BUSH: But I can also tell you from my heart that I freely acknowledge my need to hear and to heed the voice of Almighty God. I began my Inaugural Address with a prayer out of a deep sense of need and desire of God's wisdom in the decisions we face. And if we're to walk together toward a more caring, more generous America, let us all share in paving the way with prayer.

Thank you all, and God bless you.

(Ovation.)

Mr. STUMP. Thank you, Mr. President.

Ladies and gentlemen, would you please stand as Sandy Patti leads us in our closing song, "Great is Thy Faithfulness," and please remain standing for the closing prayer.

Please stand.

(Song.)

CLOSING PRAYER

Mr. STUMP. Our closing prayer will be offered by a very lovely lady. She's a woman of deep faith who leads by the example of her daily life.

It is my pleasure to call on Susan Baker.

(Applause.)

Mrs. BAKER; These words of praise are found in the Old Testament by the prophet Nehemiah:

"Stand up and praise the Lord, your God. He is from everlasting to everlasting. Blessed be your glorious name, and may it be exalted above all blessing and praise. You alone are the Lord. You made the heavens, even the highest heavens, and all their starry host, the earth and all that is on it, the seas and all that is in them. You give life to everything and the multitudes of heaven worship you."

We pray, Almighty God, that our worship of You today, however focused or distracted, however full of faith or tentative, will draw us closer to You and will change us, each one, for good.

Anoint us with Your Holy Spirit that we may leave here with the desire to be Your servant and to serve one another.

Tenderize our hearts and make us willing to be the instruments of Your healing in this broken world.

And, please, Lord, energize the leaders of our land and the other nations represented here today. Energize them with the power and the love that was evident in the life of Jesus Christ so that governance will be accomplished with justice and with righteousness.

It is in His Holy Name that I pray. Amen.

Mr. STUMP. Mr. President, Mrs. Bush, we thank you for being with us this morning. We thank all of you for participating in the program.

Ladies and gentleman, would you plese remain in your places until the President and Mrs. Bush have departed.

Thank you for coming, and may the Lord bless you.

(Applause.)

CONSUMER SHOULD NOT BE SENT BILL FOR MISTAKES FOR EXXON

(Mr. JONTZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONTZ. Mr. Speaker, many American consumers are now paying 5, 10, even 15 cents a gallon more for gasoline because of the *Exxon Valdez* tanker accident.

These increases in the prices of gasoline at the pump are not justified and should not be tolerated, because the *Valdez* accident notwithstanding, there is no shortage of oil.

The increased prices that the consumer is paying are the results of the psychology of shortage, rather than a real shortage.

Our Nation can easily secure the oil necessary to meet all domestic needs without price increases by utilizing our strategic petroleum reserve, or by increasing purchases from Mexico, Venezuela, or Saudi Arabia.

Mr. Speaker, the consumer should not be sent the bill for the mistakes of Exxon. The President ought to announce plans to insure adequate petroleum to meet our Nation's needs, calm the petroleum markets, and stop the psychology of shortage which is already costing the consumer millions for an accident for which they are not responsible.

CONGRESSIONAL ETHICS REFORM: THE TIME HAS COME

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, under current law, Members of Congress convicted of felonies and expelled from the House can still receive their Federal pensions. Furthermore, Members retiring need not file a disclosure of their financial transactions during their last year in office. And those first elected prior to January 8, 1980, can pocket hundreds of thousands of dollars in campaign funds for personal use. These practices are unconscionable and must be redressed.

Today, I am introducing legislation to close these loopholes. Under my bill, a Member of Congress would be refunded his own contributions and barred from receiving a pension if convicted of a felony. The bill also requires full and timely financial disclosures from retiring Members and would prohibit the practice of allowing Members to pocket campaign funds upon retirement.

Congress has rightly condemned unethical behavior in the executive branch departments. Now its time for us to look at our own institution and implement changes to ensure that the public can continue to look with pride at their elected representatives. We owe this much to ourselves and to the people we represent.

WHO IS GETTING WHAT IN THE FSX DEAL?

(Mr. ECKART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, in recent weeks the Congress and the American public have witnessed a real

treat, a struggle in an administration during which deliberations over the sale of sophisticated, supersophisticated technology to the Japanese, with the result in the exportation of jobs and technology for the building of a sophisticated fighter.

Many of us are concerned about the implications of that sale; but Members of Congress have been forced to rely mostly on press accounts for information, because, Mr. President, either you do not know what is going on or you are afraid to tell the American people.

What is going on, Mr. President, and who is in charge? Your self-imposed gag rules stifle the ability of important experts across this Nation and the committees of the Congress to participate in the significant deliberative action.

We have found that no administrative official is prepared to brief or comment on it until the deal is complete. In other words, lock the barn door after the horse has escaped.

Cooperation between the Congress and the administration is important. That is why my colleagues, the gentleman from Missouri [Mr. GEPHARDT] and the gentleman from California [Mr. COELHO] today are joining with dozens of others of us in petitioning you, Mr. President, to take the gag off. Let the sun shine in and let the American people and the Congress understand who is getting what in the FSX deal. After all, Mr. President, understand one thing, FSX does not mean for sale for all.

THE MISSING SERVICE PERSONNEL ACT

(Mr. ROWLAND of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Connecticut. Mr. Speaker, many concerned citizens are unaware that under current law, our Government has declared missing service personnel as dead. This information is based solely on the passage of time. Today I am joined by a bipartisan coalition of Members in introducing legislation designed to correct this situation. The primary purpose of this legislation is to insure that the U.S. Government fully accounts for all of our men and women, rather than arbitrarily writing them off.

Mr. Speaker, all but 1 of the 2,370 unaccounted for POW's and MIA's from the Vietnam era have had their official status changed to KIA [killed in action], regardless of individual circumstances surrounding their disappearance. Those missing servicemen who have been declared dead include men who were known to have been captured and held as POW's. The one serviceman officially listed as a POW by the Federal Government is done as a symbolic gesture.

I am introducing the Missing Service Personnel Act in an effort to correct the past and protect our future servicemen. The primary purpose of this legislation is to ensure that the U.S. Government fully accounts for our missing men and women.

This legislation establishes a thorough procedure of investigations to analyze the evidence pertaining to the missing person before the finding of death can be made. Mr. Speaker, we must insure that no stone is left unturned during this crucial process.

□ 1120

STOP FSX DEAL IN THE INTEREST OF THE UNITED STATES AND JAPAN

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, most of the argument about the FSX deal has centered on the technology transfer from the United States to Japan, and while this is a very compelling set of arguments, I think there is a much more compelling reason that the deal never should have been struck to begin with.

That has to do with the trade imbalance that exists between our two countries. This last year it was $52 billion in Japan's favor, and it now cumulates to $300 billion over the last 5 to 7 years. Japan's surplus is now one-third of our entire deficit to other countries, and it is not only the American side that has begun to question the wisdom of this situation.

Masahiro Sahomoto, chief economist of the Japan Foreign Trade Council and a frequent critic of United States businesses, recently said that weakened United States manufacturing, loss of technological superiority and protectionist sentiment can do major harm to Japan.

Mr. Speaker, the truth is that the FSX deal is a bad deal for Japan. It is in Japan's direct self-interest to buy the F-16 off the shelf, and so as we begin to debate and discuss this issue, I think it is important to say to our friends in Japan, "Let us stop the FSX deal for the United States' interest and for your interest as well."

PRAISING EFFORTS OF CIVIL AIR PATROL IN ALASKA OIL-SPILL CLEANUP

(Mr. CHANDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CHANDLER. Mr. Speaker, the news stories from Alaska have been filled with vivid images of oil-covered beaches, dying seabirds, and angry Alaska residents of Prince William Sound communities.

We have not heard many positive things lately, but let us not forget the efforts of many individuals and organizations working to clean up the spill. I would like to especially compliment one such organization—which has been actively involved in cleanup efforts.

Shortly after the spill, the Valdez squadron of the Civil Air Patrol was activated to offer assistance. The first air reconnaissance flight was flown on March 24—just hours after the spill occurred. CAP flight crews have been providing aerial surveys, monitoring the movement of the oilspill, providing transportation of emergency services and support personnel, and providing logistical support.

For forty years, the CAP has assisted in activities ranging from coastal patrols during wartime, to search and rescue missions, to drug surveillance missions on our borders. The work of the CAP in Alaska is just part of this great tradition of service and active commitment.

We owe to Maj. Gen. Eugene Harwell, CAP National Commander, and the corps of volunteers he commands, a great debt of thanks.

A summary of the oilspill activity follows:

SUMMARY OF OIL SPILL ACTIVITY

VALDEZ, ALASKA.—The Valdez Squadron, Civil Air Patrol was activated shortly after the oil spill, on Friday the 24th of March, by HQAAC-RCC Elmendorf, AFB. Upon notification a Wing Operations Center was activated to support the primary Operations Center at the Valdez CAP squadron. The Valdez on site commander is Captain Ken Chamberlin. Captain Chamberlin is currently coordinating all on scene CAP involvement in the operation.

The first sortie, flown in an amphib Beaver from the Juneau Composite Squadron, was released on the 24th. By the evening of April 2nd 76 sorties had been flown for a total of 119 hours. Flight crews have been providing aerial surveys, monitoring the oil spill, providing transportation of emergency services and support personnel, and providing logistical support. The Valdez operation was originally a float plane operation operating out of the small boat harbor. Wheeled aircraft were originally of limited value, however the need to access around Prince William Sound has included small village strips.

The Alaska Wing Operations Center is currently being manned daily. Aircraft assignment, maintenance, and mission tasking from CAP assets not currently committed to the site and crew mobilization and rotation are being handled by the Wing Operations Center. In addition CAP Cadets from several squadrons are assisting with radio and telephone communications. An HF communications net has been established between Valdez, Wing Headquarters and an airborne CAP aircraft. This has proved to be less than totally successful on 4585 but 7635 has worked better. This problem is apparently to the Northern Lights. The HF radio has supplemented the unreliable telephone serv-

ice. We are currently attempting to set up a Sat-com communications net on equipment loaned by Alaska Air Command. CAP units throughout the state are being kept up to date on the situation on the Alaska Wing computer Bulletin Board. The Eureka and Seward squadrons have been placed in a standby status. A new mission base at Seward will be opening on Tuesday.

Ground support crews at Valdez are being supplemented by crews from other squardons on a regular basis. Wind Headquarters is providing logistics support for the CAP crews. The influx of people into Valdez has caused a shortage of support facilities in the area. Visitors to the area are being discouraged due to the limited support.

During this mission Alaska Wing is still supporting and provides over 95% of all SAR activity in the State. We have run four additional SAR missions during the activity with the spill.

Current CAP Assets Directly Involved:
7 Separate Squadrons.
1 Wing Headquarters Operations Center.
12 Aircraft (CAP).
3 Radio Stations.
12 Mobile Radios.
1 Construction Team.
1 Communications Team.
1 PAO Team.
1 Video Tape Team.

(For the Commander,
Dixie L. Stawberry, 2LT. CAP,
Director of Administration).

NATIONAL EMPLOYEE ASSISTANCE PROGRAM RECOGNITION MONTH

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, I recently introduced legislation to declare November "National Employee Assistance Programs Recognition Month." Congress should recognize the valuable services that employee assistance programs [EAP's] provide, and help draw the attention of the Nation to their existence and to the benefits they offer. I am hoping that this resolution will accomplish these goals, and I urge my colleagues to cosponsor this measure and support its passage.

As the resolution, which I have reprinted below, states, an EAP is a program in the workplace designed to assist in the identification and resolution of personal problems of employees by accurately assessing the nature of the personal problems of employees, providing expert confidential consultation to the employees, referring the employees to appropriate services in the community, and following up to ensure that the assistance needed by employees is provided.

The problems addressed by EAP's are myriad. The EAP movement began as a workplace response to employee alcoholism. Today, alcoholism is recognized as being only one of many problems that employees may encounter during their working lives. Employee assistance programs have taken a broad approach to helping troubled employees. They have proven a valuable resource for individuals who are in need of guidance but who do not know where to turn. EAP's enable labor and management to assist employees in reestablishing satisfactory job performance.

Congress, in enacting the Anti-Drug Abuse Act of 1988, recognized the value of EAP's by authorizing the Secretary of Labor to provide grants to employers to develop employee drug and alcohol abuse assistance programs. The Drug-Free Workplace Act of 1988 requires Federal contractors to provide drug-free workplaces through the establishment of drug-free awareness programs, which provide assistance including informing employees about available employee assistance programs.

Mr. Speaker, EAP's have enabled countless numbers of our Nation's work force to get through difficult times. When workers are faced with problems associated with aging parents, personal substance abuse, financial difficulties, or delinquent children, a workplace EAP counselor can offer the direction and guidance that is needed. By referring these individuals to appropriate agencies, EAP's relieve anguish and preserve the health and productivity of these employees. There can be no question the employee assistance programs are beneficial to all involved.

Mr. Speaker, I urge my colleagues to join me in support of this measure.

DROUGHT ASSISTANCE FOR WINTER WHEAT

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS. Mr. Speaker, today I am introducing legislation to extend the provisions of Disaster Assistance Act of 1988 to cover the 1989 winter wheat crop. The drought experienced by the Midwest last year has moved to the high plains winter Wheat Belt. Early estimates suggest Kansas producers will harvest 100 million bushels less than last year—a loss of nearly $400 million at current market prices at the country elevator.

Last month, in the face of Dust Bowl conditions in western Kansas, I requested that the USDA implement discretionary disaster provisions to assist winter wheat producers. However, these provisions alone will not address the potential economic disaster in Kansas, particularly if Mother Nature continues depriving wheat producers of much needed spring rains.

The 1988 Disaster Act represented a responsible approach to help alleviate last year's drought impact on spring crops. In the interest of equity and consistency, winter wheat producers should be afforded this assistance since they were required to plant this year's crop early last fall.

This improving amendment to the 1988 act simply extends the assistance provisions dealing with yield losses for drought-related conditions to the 1989 winter wheat crop.

While some think it is too early to make hard and fast decisions relative to this year's drought, it is not too early to begin addressing winter wheat producers' concerns in a responsible, commonsense manner.

LEGISLATION DEALING WITH JUNK BONDS AND HOSTILE TAKEOVERS

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, I have a message today for some folks in Los Angeles. The Predators' Ball is going on this week in Los Angeles. The 3,000 Americans attending the Predators' Ball, are the speculators, the junk-bond kings, the hostile-takeover artists.

Mr. Speaker, the message to them is that the party is about over. This binge of greed is disgusting America and injuring this country's ability to compete.

These speculators say that this is all about good business. It is not. It is about greed, pure and simple greed. The king of the hill, Mr. Milken, now under indictment, last year made $550 million, $107,000 an hour, selling junk bonds and accommodating hostile takeovers.

Mr. Speaker, some of us are intent on offering legislation to put this country's business back on track. While our competitors are spending their time trying to build better products, our executives all too often are trying to figure out how to attack other companies or how to defend themselves from hostile takeovers. We have got to put this country back on track and get back to business basics.

Some of us in Congress are going to work to pass legislation to curb the use of junk bonds for hostile takeovers.

WASHINGTON, DC: A WORK-FREE DRUG PLACE

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, the new slogan for Washington, DC: "DC, a work-free drug place," a city out of control, a system so corrupt that people sleep on grates while repairs are ripped off on housing projects. The Mayor fires or cuts the police force and then in between trips to re-

sorts asks the U.S. Congress for $102 million for crime and drug control; a city that wants to be a State and wants total autonomy from congressional control, then allows its creeping crud to be furloughed and slither out to the suburbs and murder a very, very fine police officer in Alexandria, a city with a homicide rate so high its tourism promotion should issue every visitor a handgun.

Mr. Speaker, my slogan is: "Control Barry, not guns."

U.S. AEROSPACE COMPANIES NEED PROTECTION FROM FOREIGN COMPETITION

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, America is the world's leader in aviation and space technology. We should be doing everything we can to enhance and maintain the lead. Mr. Speaker, instead, we are in the process of handing over some of our most advanced and sophisticated technology in this field to Japan.

The FSX agreement is not a bad deal only because particular sensitive technologies will be transferred. It is also a bad deal because historically technology transfer between America and Japan has been a one-way street, and there is nothing in the FSX agreement to ensure that it will be anything other than that in this case.

□ 1130

Mr. Speaker, the FSX deal is also a bad deal for Japan which has a real stake and a real interest in reducing the $55 billion bilateral trade surplus it has with the United States. We need to prevent the one-way sale of critical U.S. technology abroad which exchanges limited short-term gains for the future competitiveness of an entire industry.

Let us reject the FSX deal unless it is dramatically altered.

REA LOAN PROGRAM REFORM

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, I am pleased to note a growing bipartisan coalition of support for the Bates-Hunter legislative effort to reform the Rural Electrification Administration loan program. The Council for Citizens Against Government Waste has joined the National Taxpayers Union, the National Propane Gas Association in supporting H.R. 1232. In addition, this legislation enjoys support from both sides of the aisle, from Congressman BARNEY FRANK to Congressman PHIL CRANE.

The Grace Commission recommendations focused on the need to reduce government loan guarantees for electric borrowers and to require the electric distribution cooperatives to seek financing from the private sector. The Bates-Hunter bill would end the abuse of many REA loan borrowers by only allowing those with financial hardship to obtain subsidized loans. It would reduce the budget deficit by $5 billion over the next 5 years, and I urge my colleagues to support this deficit reducing measure.

PREVENTING FUTURE TERRORIST TRAGEDIES

(Mrs. LOWEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY of New York. Mr. Speaker, earlier this week the families of the victims of the terrorist downing of Pan Am flight 103 came to Washington to mourn their loved ones whose lives were taken in that tragedy. They also came to tell their Government that action must be taken to address terrorism which threatens the lives of all our citizens.

Lynn Posen of Armonk, a beautiful young woman, daughter of Carol and Jack Posen was aboard that flight. She was in the prime of her life. Hers was a future full of promises, as were those of the other passengers of that aircraft. It was all destroyed, bringing sadness and grief to those who knew and loved her.

We cannot bring Pamela and the others whose lives were lost back. The very least we can do is to heed the urgings of their families. It is absolutely essential that we move aggressively to bring an end to the senseless terrorism caused not only by this immediate tragedy, but also spreads fear, fear throughout our country. The recommendations of these families of these victims of terrorism at a time of incredible grief deserve serious and thorough attention.

Failure to act on what they had to say would leave us seriously wondering if those who perished had died in vain. Their families deserve to know that their Government is taking seriously their advice on how to avoid such tragedies in the future.

CONGRESS SHOULD ACT ON SAVINGS AND LOAN CRISIS NOW

(Mr. BROWN of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Colorado. Mr. Speaker, time is money. Each day we delay in enacting a measure to address the savings and loan crisis, we potentially add $33 million to the price tag of the bailout. That's $1.4 million each hour, $23,000 a minute.

Since January 4, when Congress reconvened, the Congress has spent only 30 days in session. We've been here 3 months, and two-thirds of that time we have not been at work because we've chosen not to be.

Today marks the 44th day since President Bush sent his legislation to bail out the savings and loan industry to the Hill. The administration's 10-year proposal would require $126 billion to close down or merge insolvent S&Ls.

Each day that has passed has cost the industry an additional $33 million in losses. That amounts to $1.45 billion that has potentially been added to the price of the bailout because of Congress' inaction.

Several hundred insolvent thrifts remain open today because of our inaction.

Finally today, the House Banking Committee's Finanical Institutions Subcommittee begins markup of that bill. After months of delay, 1 day of work. The plan apparently now calls for 4 days off.

The Creator was willing to work 6 days before taking a day of rest.

This 4-day vacation could potentially add almost $132 million to the price of the bailout. The industry is hemorrhaging money.

I am today calling on the chairman of the subcommittee to forgo the 3 days of rest. I am calling for the lobbyists to give up their golf games and for everyone to roll up their sleeves and finish the work they've started—without further delay.

Our inaction could lead to financial panic. While we've sat debating the shape of a logo, there has been a steady loss of public confidence. The public loss of faith in the industry has resulted in record withdrawals from savings and loans.

Since May of last year, depositors have withdrawn a total of $35.5 billion from savings and loans. Almost one-third of this amount—a record $10.7 billion—was withdrawn in January alone, reflecting the depositors' growing anxiety about the safety of their money.

If we fail to act quickly, this could spread to other financial institutions, such as our banks and credit unions.

The future of America's financial security is at stake. We must act quickly now and without further interruption.

Time is money, Mr. Speaker.

EQUAL RIGHTS FOR WOMEN

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, today I would like to applaud the ef-

forts of the National Organization for Women for organizing the March for Women's Equality and Women's Lives to be held this Sunday. America's message, to its citizens and to the world, should always be freedom of choice and equality.

Yet, the battle for women's equality and freedom of choice is in serious jeopardy. I am deeply disturbed that this country has yet to make the constitutional assurance that equal rights under the law shall not be abridged on the basis of sex. Sunday's march will send a message to Congress, State legislators, and the American people that passage of the ERA is long overdue.

Unfortunately, ratification of the ERA will not mean much if Roe versus Wade is reversed by the Supreme Court. Like taking a step forward then falling flat on your back, this move would undermine constitutional guarantees of liberty for women. As a physician, it is hard for me to imagine that my colleagues in the medical community would be breaking the law by respecting a patient's decision to terminate her pregnancy. Yet, this scenario may be closer than we think, since Roe versus Wade is under assault, possibly one vote away from being overturned by the Supreme Court.

Polls show that a majority of Americans support freedom of choice. I believe that this support will be affirmed on Sunday. I strongly encourage my colleagues to join over 100,000 citizens in showing our President that the American people will not accept the appointment of an antichoice Justice to the Supreme Court. In doing so, we will be protecting the fundamental and indisputable right of equality and freedom of choice for all of our people.

SUPPORT POLAND'S DRIVE FOR DEMOCRACY

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, the people of Poland yesterday won a great victory. The Communist government agreed to recognize the independent union Solidarity, to face opposition in legislative elections, and to make other major reforms. The Polish Government has been forced to realize that Poland's economic future depends not on party edicts but on popular initiative—a historic concession.

We in the West now must offer the Polish people more than words of encouragement. We must offer incentives to promote political and economic pluralism. That is why today I am introducing, together with my colleague, Mr. KLECZKA, a bill to authorize aid by our Overseas Private Investment Corporation to the Polish private sector. Under this proposal, originally developed and introduced last year by Senator CARL LEVIN, aid would be carefully conditioned on actual implementation by the Polish Government of promised political and economic reforms.

In anticipation of yesterday's historic accord, I joined many colleagues in calling on President Bush to develop an action plan to support Poland's reform drive. White House comment on the accord indicates the administration is now seriously considering OPIC assistance. I welcome this and I urge the administration to move promptly. I also hope the administration will adopt the approach we have proposed—carefully directed aid to foster pluralism, carefully conditioned on fulfillment by the Polish Government of its promises.

PREVENTING INDIVIDUALS WITH HISTORY OF DRUNK DRIVING FROM SERVING IN SENSITIVE AND LIFE-THREATENING POSITIONS

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, the Alaskan oilspill has alerted America to the danger of allowing individuals with a history of drunk driving in sensitive and life-threatening positions.

Many believe the worst oil tanker spill in U.S. history could be attributed to the captain's drinking. It is no consolation to America to know that 2 years ago the Inspector General of the U.S. Department of Transportation disclosed that there were over 7,000 licensed air pilots in America who have failed to disclose a history of drunk driving convictions on their applications for pilots' licenses. And although the FAA has known this fact for more than 1 year, that agency has failed to establish a procedure matching pilot license applications with the national drivers' registry to catch those who are lying.

As we speak, thousands of air pilots across America are doing their jobs professionally and safely. But within their ranks a small percentage are flying with a history of drunk driving which they have illegally concealed.

The passengers on America's airlines deserve the protection of pilots who have a history of acting responsibly and professionally. The FAA should move as quickly as possible to make certain that those who have lied on their applications are brought before that Agency for disciplinary action or prosecution.

□ 1140

STRONG DEMOCRATIC VICTORIES IN INDIANA AND ALABAMA INDICATES PEOPLE BELIEVE IN DEMOCRATIC LEADERSHIP AND DEMOCRATIC PROGRAMS

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, this morning I read a statement in the New York Times where a spokeman for the National Republican Congressional Committee called congressional races paltry.

His direct quote was:

> I think the way the Democrats are taking whatever paltry victories they have and trying to extrapolate national trends is in some way pathetic.

This statement is an insult to the voters in Alabama and Indiana and every voter in this country and every Member of this body. I know the NRCC is embarrassed about their showing in the Indiana and Alabama special elections, but I think it is pathetic to insult my colleagues in the House. JILL LONG in Indiana and GLEN BROWDER in Alabama won strong Democratic victories because the people of Indiana and Alabama believe in Democratic leadership and Democratic programs.

If the NRCC thinks congressional races are paltry, why did they send Vice President QUAYLE, Senator DAN COATS, and the First Lady into Indiana to campaign for their candidates? That is an insult to those distinguished individuals.

I have no doubt that if the Republican nominee had won in Alabama, the NRCC—along with the RNC—would be talking in great detail about a "Southern" realignment for Republicans. I don't think they would have thought that was pathetic.

I suggest to those running the NRCC that if they think congressional races are paltry, they should find another line of work.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I take this time in order to inquire of the distinguished minority leader, the gentleman from Washington [Mr. FOLEY] the program for next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, we have completed the program for this week.

Tomorrow, April 7, the House will not be in session.

On Monday, April 10, the House will meet at noon. We do not have any legislative business scheduled for Monday.

But on Tuesday, April 11, the House will meet at noon to consider four bills under suspension of the rules.

They are:

H.R. 310, to remove a restriction from a parcel of land in Roanoke, VA, in order to convey the land to Virginia for use as a veterans' nursing home.

H.R. 419, to provide for the addition of certain parcels to Harry S. Truman National Historic Site in the State of Missouri.

H.R. 964, to correct an error in Public Law 100-29—relating to certain lands in Lamar County, AL.

H.R. 999, to establish a program for the preservation of additional historic property throughout the Nation.

Debate will be had on these suspensions on Tuesday, but any votes which may be ordered on such suspensions will be postponed until Wednesday, April 12.

On Wednesday, April 12, the House will consider those votes on suspensions which may have been ordered on Tuesday and H.R. 1487, the Department of State authorization for fiscal year 1990-91, subject to a rule; House Resolution 165, to disapprove the recommendations of the Commission on Base Realignment and Closure, 10 hours of debate, and an unnumbered H.R. which may be the subject of consideration next week regarding assistance and support for peace, democracy, and reconciliation in Central America, subject to a rule.

On Friday, April 14, the House will not be in session.

Obviously this is with the usual reservations that conference reports and other matters may be brought up with further notice.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader.

ADJOURNMENT TO MONDAY, APRIL 10, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. (Mr. CARR). Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FED UP WITH BROKEN PROMISES

The SPEAKER pro temporre. Under a previous order of the House, the gentleman from North Dakota [Mr. DORGAN] is recognized for 5 minutes.

Mr. DORGAN of North Dakota. Mr. Speaker, in my home State of North Dakota, the elements of making a deal are pretty simple: When you make a bargain, you keep it!

I take the floor of the House today to tell my colleagues that we in North Dakota are flat-out fed up with the Federal Government's failure to keep its part of a bargain made with North Dakota 40 years ago—that bargain was the Garrison diversion project.

Let me provide my colleagues with a brief history.

North Dakota has never gone to the Federal Government asking for a major water project. Instead, the Federal Government came to North Dakota over 40 years ago asking our State to play host to a permanent flood. At the time, Federal officials were trying to find a way to control the Missouri River. Downstream navigation was unpredictable, and downstream flooding was severe.

They decided that in order to solve those problems for the downstream States, the should build a series of upstream dams on the Missouri River, one of which would be the Garrison Dam in North Dakota. In proposing the building of the Garrison Dam in my State, the Federal Government asked North Dakota to play host to a 500,000-acre flood that came and stayed every year, flooding prime farmland in my State in order to avoid spring flooding in Kansas City and points south. Mind you, this permanent flood is large enough to inundate virtually the entire State of Rhode Island.

The Federal officials told North Dakota in the 1940's, that if they were allowed to build that dam and permanently flood part of our State, they would provide specific benefits to North Dakota. They would provide a program to move water from behind that dam to the rest of the State for municipal, industrial, and irrigation purposes. For a semi-arid State such as North Dakota, the ability to move water throughout the State was mighty attractive. North Dakota signed a contract with the Federal Government to seal the deal.

Since that contract was signed, a number of things have happened: The Federal Government built its dam, North Dakota has its Rhode Island-size flood, and they can now play softball in the parks of Kansas City and other areas downstream without worrying about being flooded in the spring. The entire region also gets cheap electricity generated by the turbines of the dam. In short, the Federal Government and all the downstream States got what they wanted.

Let me, parenthetically underscore that I do not object to flood protection for downstream States; I do fault the Federal Government for its broken promises on Garrison.

However, that was only half of the bargain—the second half was for North Dakota to get what it was promised. But along the way, that promise has been cut in half again and again until the present Garrison water diversion project is a miniature of the one that was originally promised to the State of North Dakota.

The final act of compromise in 1985, through the Garrison Reformulation Act, represented a commitment between the people of the State and the administration that we would make final concessions in revising the project to meet some of the objections of project critics. In return, the administration would move ahead now with full funding to complete this project.

Well, Mr. Speaker, that was the bargain; but it has been a one-sided deal. The painful lessons that we have learned over 40 years has destroyed our faith in the ability and the willingness of the Federal Government to keep its commitment. Broken promises have eroded our trust in the Federal Government.

A couple of months ago, the administration sent to Congress another broken-promise budget. Instead of the $40 to $50 million needed for the Garrison project, only $8 million was proposed. That is not enough money to build the next phase of the project; its just enough to keep some of the employees around at the Bureau of Reclamation and to purchase some mitigation land. It's a mothball budget.

Last year, North Dakota suffered its worst drought in 50 years. The loss of crops decimated family farms and small towns across the State. The Garrison Diversion project should have been available to provide irrigation and municipal water supplies, but it wasn't.

Mr. Speaker, I and the people that I represent are tired of this treatment. We want results. If the Federal Government is willing to keep its end of the bargain, then let's see some proof. Let's move forward and complete this project. Let's do it now! Let's stop playing games with North Dakota's future!

If the Federal Government insists on breaking its promise, then it ought to turn the entire project, including the dam, over to North Dakota. We'll take the money that comes from the power generated by the dam, and we'll

build our own project. I want the Federal Government to decide now. As of today, you are 10 years late and $40 million short. Either lead or get out of the way, because our patience is gone!

□ 1150

HOPE FOR THE HOMELESS INITIATIVES UNDERWAY IN WESTCHESTER COUNTY, NY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY of New York. Mr. Speaker, next Thrusday, April 13, will be "Homeless Day" in Westcheser County, NY. I expect there are those of you who are unaware of the severity of the homeless problem in Westchester. The facts, however, show that we have a problem in Westchester, a serious problem. The 5,000 homeless in the county represent the second largest concentration of homeless in New York State. I am glad to say, it is a problem that the Westchester community is working to address.

Next Thursday evening a major benefit in behalf of the homeless will be held in Westchester. The Hope for the Homeless Dinner will feature as its keynote speaker Mitch Snyder, the homeless activist from the Nation's Capital. Several Westchester leaders will be honored for their dedication and commitment to addressing this pressing human need. Those being honored include Mayor Alfred Del Vecchio of White Plains, Mayor Ronald Blackwood of Mount Vernon, and Greenburgh Supervisor Anthony Veteran as well as Craig Weatherup, the president of Westchester-based Pepsi Cola and Channel 7 anchorwoman Roz Abrahms.

The dinner has served as the major source of nongovernmental funding for meeting the needs of the Westchester homeless population. Clearly, we in the Congress have a responsibility to see that the McKinney Act is fully funded so that the vital programs for the homeless authorized by that legislation can be implemented to their maximum extent.

There are more homeless people in America today than at any time since the Great Depression. And despite the much-touted economic recovery, the number of homeless grew by approximately 25 percent a year during the mid-1980's. Homelessness now affects every region and every type of community—from urban to rural and from wealthy to poor.

The McKinney Act was enacted as an emergency response to a crisis situation. The measure authorized a variety of homeless aid programs—including emergency food and shelter programs, converting Government property into homeless facilities, and providing outpatient health care and mental health services to the homeless.

These services are absolutely essential to the survival of our Nation's large homeless population. Yet the McKinney Act has consistently been underfunded by Congress. For 1987, out of $430 million authorized, $350 million was actually appropriated. For 1988, out of $615 million authorized, only $360 million was actually appropriated.

We cannot tolerate this continued inattention to a crisis that strikes at the heart of American values and ideals. We must act to fully fund the McKinney Act, and I have joined as a cosponsor of House Joint Resolution 31, a resolution to fully fund this crucial measure.

But even with full funding of the McKinney Act, the homeless problem will not be fully addressed. We must act to increase the stock of affordable housing available to Americans in communities across the Nation. Housing simply is not affordable for American citizens, and until we act to increase the availability of affordable housing, this problem will not go away.

The Government must play a role in seeking solutions, and I plan to be extremely active in that regard during the 101st Congress. The private sector has a role to play as well. Our goal must clearly be to help these people help themselves. We must focus on assuring that they have the opportunity and the support to create a new life for themselves.

I am glad that the people of Westchester have a history of responding to this need, as evidenced by next week's dinner. I am hopeful that the dinner will be a great success, because initiatives such as this are vitally important to the well-being of the homeless, who so desperately need not only our compassion, but also our strong support.

I commend the sponsors of the Hope for Homeless Dinner and the local officials who have distinguished themselves in this area for their commitment and hard work to help the homeless help themselves. And I look forward to working both in Washington and in Westchester to devise lasting solutions to our Nation's crisis of homelessness.

HOUSE OF OUR FOREFATHERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 60 minutes.

Mr. FISH. Mr. Speaker, I am honored to participate in this commemoration arranged by the gentlewoman from Louisiana, [LINDY BOGGS] of the 200th anniversary of the first quorum of the House of Representatives.

This is the House of our political forebearers, the House of our Nation's fathers, the House of our fathers, literally and figuratively.

I am delighted to participate, and especially pleased to be joined by my cousin, the Gentleman from Louisiana, [BOB LIVINGSTON]. The Livingston, Kean, Morris, and Fish families share both familial ties and careers in public service dating back to this body's first days and beyond to the Continental Congress. They served this country before there were political parties, and thereafter as Federalists, Democrats, Whigs and Republicans. In the early years of our Republic, much more compact geographically and far smaller in population, it seemed that the same names kept appearing over and over in our quorum calls.

Since the first Livingston arrived in colonial America in 1673, seven of his descendants have served in the House of Representatives, a record for any family. The seventh, of course, is my friend, cousin, and colleague, ROBERT L. LIVINGSTON, of Louisiana. In fact, Mr. LIVINGSTON was elected as a Republican from the seat held by his ancestor, Edward Livingston.

A delegate to the Continental Congress from New York, Philip Livingston was the only Livingston to sign the Declaration of Independence. He served in the Continental Congress from 1774 to 1778.

Philip's brother William, although born in New York, served as a delegate from New Jersey to the Continental Congress from 1774 to 1776. William Livingston was elected Governor of New Jersey in 1776 and served until his death in 1790. He was one of the signers of the Constitution.

Two of William and Philip Livingston's nephews were extremely interesting individuals: Robert R. Livingston and Edward to whom I referred earlier.

Robert, born in New York in 1746, served as a delegate to the Continental Congress from 1775 to 1777 and from 1779 to 1781. As Chancellor of the State of New York, he administered the oath of office to President Washington in 1789. Before his death in Columbia County, NY, in 1813, he served as our minister to France and assisted Robert Fulton in the construction of the first steam boat. Many of his descendants, including Eleanor Roosevelt, lived along the Hudson River.

His brother Edward, 18 years his junior, served as a Representative from two different States and, in between, as the mayor of the city of New York. Edward Livingston was elected as a Democrat from New York and served in the 4th, 5th, and 6th Congresses from 1795 to 1801 before serving as mayor until 1803 when he moved to New Orleans. He fought with "Old Hickory", General and later President Jackson, at the battle of New Orleans in 1813. The people of Louisiana returned him to the House of Representatives from 1823 to 1829 and then to the Senate until 1831 when he became President Jackson's Secretary of State, and later Minister to France. He eventually returned to Montgomery place in Dutchess County until his death in 1836. Their cousin Walter, the son of Philip Livingston, was a member of the Continental Congress from 1784 to 1785. His son Henry Walter was elected to the 8th and 9th Congress from 1803 to 1807.

A century and a half later, with many sons and grandsons in between, our colleague Robert Livingston, was elected to serve in the House of Representatives.

Starting in the Continental Congress, there have been four members of the Kean family to serve in our legislative branch.

The first was John Kean, born in Charleston, SC, in 1756 at a time when we were beginning our struggle for independence. He was a high ranking member of our Revoluntionary Army and a member of the Continental Congress from 1785 to 1787. He was later chosen by President Washington to serve as cashier of the bank of the United States.

His great grandson, and namesake, was born over a century later in 1852, on the eve of another great American struggle, the Civil War. John Kean was elected as a Republican from New Jersey, to the 48th Congress in 1883, and to the 50th Congress. He also served in the other body from 1899 to 1911. It is interesting to note that although he failed to win the governorship of New Jersey in 1892—his great nephew, Thomas H. Kean, serves that State as Governor today.

Four years younger than John Kean, his brother, Hamilton Fish Kean, was elected as a Republican Senator from New Jersey in 1929 and served until 1935. His son, Robert Winthrop Kean, father of Governor Kean, born in New Jersey in 1893, had a distinguished military career during World War I before serving as a Republican member of the House from 1939 until 1959.

These two families, the Livingstons and the Keans, shared many things in common besides service in this House: In 1786, Susan Livingston the daughter of Peter Van Brugh Livingston, the niece of William, signer of the Constitution and Philip, a signer of the Delcaration of Independence, married John Kean, delegate to the last Continental Congress from South Carolina. Their son, Peter Philip James Kean married Sarah Sabina Morris, daughter of Revoluntionary War General Jacob Morris and granddaughter of Lewis Morris, another signer of the Declaration of Independence. Familial ties were added to the political ties when Julia Kean, the daughter of Peter Philip James and Sara Sabina, married my greatgrandfather, namesake and member of this body.

Mr. Speaker, most of these individuals I have mentioned were blessed for the most part with productive and long lives. I have wondered what it would be like if they were to all somehow appear on this floor to answer the quorum on Former Members Day. A fantasy, of course, and yet these relatives together with all of the other men and women from the past 100 Congresses are here, at least in spirit, every single legislative day.

For 200 years their children, brothers, nephews, cousins, and political inheritors have been entrusted with their very special legacy of public service in this house and to our Nation. We, as their political heirs and descendants, today, in our time, are privileged to serve in guiding the fortunes of this great republic. What greater honor, than the opportunity to preserve, protect, and strengthen the institutions of self-government for those who will come after us? What greater reward than to be part of the continuing development and perfection of the words in the preamble of our Constitution: to establish justice and to promote the general welfare.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding. I thank my cousin and distinguished colleague from New York, [Mr. FISH].

Mr. Speaker, I too am honored to participate in this special order arranged by the gentlewoman—and my friend—from Louisiana, LINDY BOGGS.

As we celebrate the 200th anniversary of the first House quorum, I can't help but reflect on how far the House, as an institution, has come. 200 years ago, the members had trouble reaching a quorum—there were charges and counter-charges of ethics violations and the pay raise was a big issue. Whereas today we have—Moving on to another subject.

Since my cousin and colleague from New York [Mr. FISH], spoke so eloquently about the Livingston family's roots in this historic chamber, I am pleased to reciprocate. In fact, when we speak of Keans, Fishes, Morrises and Livingstons, we are often speaking of the same family, so intertwined are the historical lineages of these names.

Mr. FISH's lineage is a long and distinguished one. In fact, for 50 of the last 146 years, the House has been graced by a Representative named Hamilton Fish.

□ 1200

Actually there were four in all. And there were two others, in addition to those four, who were actually candidates, one Nicholas in 1800, and then Hamilton III, the son of my colleague, HAM, who ran just last fall. So in fact a total of six have actually offered themselves for office in this great institution.

Mr. Speaker, the Fish tradition in public service began back in 1843 when a 35-year-old ex-New York City Commissioner named Hamilton Fish, running on the Whig ticket, won election to the 28th Congress. Though he was unsuccessful in his reelection bid 2 years later, Mr. Fish went on to serve ably as Governor of New York, Senator from New York, and, from 1869–77, as Secretary of State under President Ulysses S. Grant.

After 1845, the Fish name was absent from the Congress until 1909. That year, Hamilton Fish, son of the elder Fish, decided after 22 years in the New York State Assembly, where he served as Speaker, and 5 years in Teddy Roosevelt's administration, he was ready to join this Chamber. Two years later, in 1911, Mr. Fish retired from public life and once again, the House was without a Fish.

But not for long. On November 2, 1920, the third Hamilton Fish—a decorated veteran and grandson of the original Hamilton Fish—won a special election to join the Members of the 67th Congress. In World War I, he commanded soldiers in France, winning both the American Silver Star and the French Croix de Guerre. Mr. Fish proved to be as tenacious a politician as he was a fighter. He won 11 successive reelections, finally departing these Chambers in 1945.

However, after a score more years, his son, the distinguished gentleman from New York who preceded me a few moments ago, became the Honorable HAMILTON FISH, JR. From 1969 to the present, this man has carried on the finest traditions of his forebears and has ably served his constituents in the Empire State's 21st District, and I'm proud to call him cousin.

To complete the record, both grandfathers of Congressman FISH were speakers of the New York State Assembly and served in this Chamber. His maternal grandfather, Alfred C. Chapin, a Democrat, represented New York in the 52d Congress.

Mr. Speaker, while I'm at this lectern, I would also like to mention the great services of another family that helped shape our Nation during its nascent days.

Both Mr. Fish and I are related—distantly to be sure—to the Morris family. Though not as well remembered as other colonial families, they provided some of the best minds and able leaders of their time.

The most famous of the Members was Governeur Morris. In 1775, it was he who signed the Articles of Confederation. In 1777 and 1778, he served in the Continental Congress and soon thereafter became Assistant Minister of Finance. In 1787, Governeur Morris joined America's other Founding Fathers in confecting our Nation's Constitution during that long, hot summer in Philadelphia. In fact, with the possible exception of James Madison, no individual so influenced the final document as did Mr. Morris.

Though he never served in this House, Governeur Morris did spend 3 years in the other Chamber.

Mr. Morris' half-brother was Lewis Morris, a Member of the Continental Congress from 1775–77 and signer of our Declaration of Independence. Prior to that, Lewis Morris had spent 14 years as a judge in the Court of Admiralty. He never came to Washington in an official capacity, preferring instead the comfort of New York.

Lewis Robert Morris was the nephew of both Governeur Morris and Lewis Morris. He was elected as a Federalist to the Fifth, Sixth, and Seventh Con-

gresses and was also a member of the commission that presented Vermont's statehood plea to the Congress in 1791.

Yet Lewis Robert Morris' most notable action was probably something he didn't do. In the Presidential contest between Thomas Jefferson and Aaron Burr, which was decided right here in the House of Representatives, Morris withheld his vote on the 36th ballot, thus giving Jefferson Vermont's vote and the Presidency.

Mr. Speaker, few families have given more to America's system of government than the Fish and Morris families. Their selfless dedication to freedom and public service helped not only to forge, but to develop America's government, and to establish the most successful democracy in world history.

For this, we are all grateful.

Mr. FISH. Mr. Speaker, I yield back the balance of my time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RHODES) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Colorado, for 60 minutes, today.

(The following Members (at the request of Mr. SARPALIUS) to revise and extend their remarks and include extraneous material:)

Mr. SLATTERY, for 5 minutes, today.

Mrs. LOWEY of New York, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ECKART, for 60 minutes, on April 11.

Mr. ROSTENKOWSKI, for 15 minutes, on April 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. RHODES) and to include extraneous material:)

Mr. CLINGER.

Mr. RIDGE.

Mr. GOODLING.

Mrs. ROUKEMA.

Mr. QUILLEN.

(The following Members (at the request of Mr. SARPALIUS) and to include extraneous matter:)

Mr. RICHARDSON.

Mr. PEASE.

Mr. MARKEY.

Mr. FASCELL in three instances.

Mr. ROYBAL.

Mr. SPRATT.

Mr. WALGREN.

Mr. DURBIN.

Mr. FLORIO.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 62. Joint resolution designating May 1989 as "National Stroke Awareness Month;" to the Committee on Post Office and Civil Service.

S.J. Res. 92. Joint resolution to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989; to the Committee on Post Office and Civil Service.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day."

ADJOURNMENT

Mr. LIVINGSTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until Monday, April 10, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

931. A letter from the Auditor, District of Columbia, transmitting a copy of the report entitled, "Review of the Office of Business and Economic Development Loan Programs," pursuant to D.C. Code section 47-117(d); to the Committee on the District of Columbia.

932. A letter from the Secretary of Education, transmitting a copy of final regulations for the Strengthening Historically Black Colleges and Universities Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

933. A letter from the Director, Office of Information, Department of Agriculture, transmitting a report on activities under the Freedom of Information Act for the year ending December 31, 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

934. A letter from the Assistant Attorney General for Legislative Affairs and Assistant Secretary of State for Legislative Affairs, transmitting a draft of proposed legislation to provide for the issuance of special immigrant visas to certain aliens designated by the President, and for other purposes; to the Committee on the Judiciary.

935. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1990 and 1991, and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committees on Merchant Marine and Fisheries; Armed Services; and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL: Committee on Foreign Affairs. H.R. 1487. A bill to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes; with an amendment (Rept. 101-17). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHARP (for himself, Mr. MOORHEAD, Mr. TAUZIN, Mr. DANNEMEYER, Mr. LELAND, Mr. FIELDS, Mr. SYNAR, Mr. OXLEY, Mr. RICHARDSON, Mr. NIELSON of Utah, Mr. BRYANT, Mr. BILIRAKIS, Mr. HALL of Texas, Mr. BARTON of Texas, Mr. WALGREN, Mr. CALLAHAN, Mr. SWIFT, Mr. BATES, Mr. COOPER, Mr. BRUCE, Mr. THOMAS A. LUKEN, Mr. WHITTAKER, Mr. SLATTERY, Mr. BLILEY, Mr. WYDEN, Mr. SCHAEFER, Mr. MCMILLAN of North Carolina, Mr. WAXMAN, Mr. LENT, and Mr. DINGELL):

H.R. 1722. A bill to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price controls on the first sale of natural gas, and to make technical and conforming amendments to such act; to the Committee on Energy and Commerce.

By Mr. CARPER (for himself, Mr. HILER, and Mr. DREIER of California):

H.R. 1723. A bill to amend the Bank Holding Company Act of 1956 to clarify the law with respect to the applicability of such act to subsidiaries of bank subsidiaries of bank holding companies; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CLINGER:

H.R. 1724. A bill to suspend temporarily the duty on N-methylaniline and m-chloroaniline; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 1725. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the authority under that act to regulate pesticide chemical residues in food; to the Committee on Energy and Commerce.

By Mr. CLINGER:

H.R. 1726. A bill to suspend temporarily the duty on naphthalic acid anhydride; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 1727. A bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, waters, and natural resources within the park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FORD of Michigan:

H.R. 1728. A bill to suspend temporarily the duty on certain alloyed steel bars; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 1729. A bill to amend Federal laws to grant the same rights and privileges afforded to blind individuals who depend on seeing-eye dogs to other disabled individuals who depend on guide, hearing, or service dogs, or other animals, to assist them; jointly, to the Committees on Agriculture, Veterans' Affairs, Public Works and Transportation, and Energy and Commerce.

By Mr. ROWLAND of Connecticut (for himself, Mr. MACHTLEY, Mr. RAVENEL, Mr. DONALD E. LUKENS, Mr. GALLO, Mr. DONNELLY, Mr. SHARP, Mr. SHAYS, Mr. MCCURDY, Mr. DANNEMEYER, Mr. PAXON, Mr. SMITH of New Hampshire, Mr. LENT, Mr. WELDON, Mr. MCCRERY, Mr. TRAFICANT, Mr. MURPHY, Mr. DEFAZIO, Mr. WISE, Mr. YATRON, Mr. LANCASTER, Mrs. BENTLEY, Mr. WEBER, Mr. GUNDERSON, Mr. UPTON, and Mr. DORNAN of California):

H.R. 1730. A bill to amend title 10, United States Code, to establish procedures for determining whether members of the uniformed services in a missing status or certain civilian officers and employees of the uniformed services are deceased, to require certain information to be kept in the personnel files of such persons, and for other purposes; to the Committee on Armed Services.

By Mrs. KENNELLY (for herself, Mr. GEJDENSON, Mr. MORRISON of Connecticut, Mrs. JOHNSON of Connecticut, Mr. ROWLAND of Connecticut, and Mr. SHAYS):

H.R. 1731. A bill to prohibit a State from taking into account income from sources outside the State in determining the amount of income tax imposed on individuals who are not residents or domiciliaries of the State; to the Committee on Judiciary.

By Mr. LEVIN of Michigan (for himself and Mr. KLECZKA):

H.R. 1732. A bill to provide OPIC insurance, reinsurance, and financing to eligible projects in Poland; to the Committee on Foreign Affairs.

By Mr. MARKEY:

H.R. 1733. A bill to amend the Internal Revenue Code of 1986 to require any general election candidate who receives amounts from the Presidential election campaign fund to participate in debates with other such candidates; to the Committee on House Administration.

By Mr. MONTGOMERY (for himself, and Mr. STUMP):

H.R. 1734. A bill to exempt retired members of the Armed Forces called to active duty and assigned to full-time duty with the American Battle Monuments Commission from grade limitations on officers of the Armed Forces; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. RIDGE (for himself, Mr. WALSH, Mrs. SAIKI, Mr. PENNY, Mr. LAGOMARSINO, Mr. HATCHER, Mr. PARRIS, and Mr. LEWIS of Georgia):

H.R. 1735. A bill to establish a program of demonstration grants to local educational agencies to encourage reduction of student to teacher ratios in the primary grades; to the Committee on Education and Labor.

By Mr. ROBERTS (for himself and Mr. MARLENEE):

H.R. 1736. A bill to amend the Disaster Assistance Act of 1988 to protect winter wheat producers from yield losses on their 1989 crops caused by drought conditions; to the Committee on Agriculture.

By Mrs. ROUKEMA:

H.R. 1737. A bill to reform the laws relating to child care civil liability, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHULZE:

H.R. 1738. A bill to provide for the temporary suspension of the duty on molten salt cooled acrylic acid reactors and their associated parts, accessories, and equipment; to the Committee on Ways and Means.

H.R. 1739. A bill to extend the existing suspensions of duty on certain benzenoid dye intermediates; to the Committee on Ways and Means.

H.R. 1740. A bill to extend the temporary suspension of duty on certain textile machines; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 1741. A bill to require certain work on aircraft to be performed by a domestic repair station; to the Committee on Public Works and Transportation.

H.R. 1742. A bill to amend title 38, United States Code, to require the Secretary of Veterans' Affairs to reimburse veterans for the reasonable value of hospital care and medical services provided at rural hospitals that could otherwise be provided to such veterans in facilities of the Department of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. WILLIAMS:

H.R. 1743. A bill to amend the Forest and Rangeland Renewable Resources Research Act of 1978 to establish a center for the improved utilization of wood and wood products; to the Committee on Agriculture.

H.R. 1744. A bill to amend the Internal Revenue Code of 1986 to restore a preferential capital gains rate for timber; to the Committee on Ways and Means.

H.R. 1745. A bill to determine the status of reforesting National Forest System Lands; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. SCHAEFER:

H.J. Res. 232. Joint resolution to designate April 1989 as "National, Cable Television Month"; to the Committee on Post Office and Civil Service.

By Mr. CLINGER (for himself, Mr. HORTON, Mr. SYNAR, Mr. PORTER, and Mr. FISH):

H. Con. Res. 88. Concurrent resolution urging the President to sign and submit to the Senate for ratification the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, and for other purposes; jointly to the Committees on Foreign Affairs and Energy and Commerce.

By Mr. DENNY SMITH:

H. Res. 122. Resolution requesting the Secretary of Labor to publish certain standards respecting volunteer fire departments; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII,

53. The SPEAKER presented a memorial of the Legislature of the State of Indiana, relative to tax exempt bonds issued by State and local governments; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mrs. KENNELLY, Mrs. ROUKEMA, Mr. PEPPER, Mr. HILER, Mr. DREIER of California, and Mr. NEAL of Massachusetts.

H.R. 10: Mr. CONYERS, Mr. PERKINS, and Mr. WISE.

H.R. 17: Mr. PANETTA and Mr. TRAFICANT.

H.R. 100: Mr. PAXON, Mr. BROWN of Colorado, Mr. SHUMWAY, and Mr. NIELSON of Utah.

H.R. 145: Mr. DIXON, Mr. WYDEN, Mr. TRAXLER, and Mr. PICKETT.

H.R. 211: Mr. CALLAHAN, Mr. SWIFT, Mr. DICKS, Mr. MCEWEN, Mr. KOSTMAYER, Mr. PEASE, Mr. LEACH of Iowa, and Mr. PICKETT.

H.R. 214: Mr. BEREUTER, Mr. JONTZ, and Mr. RICHARDSON.

H.R. 215: Mr. CARPER.

H.R. 422: Mr. ECKART and Mr. DYMALLY.

H.R. 601: Mr. CARR.

H.R. 622: Mr. SMITH of New Hampshire.

H.R. 645: Mr. BUECHNER.

H.R. 658: Mr. ERDREICH and Mr. GARCIA.

H.R. 659: Mr. RICHARDSON.

H.R. 669: Mr. DIXON and Mr. JOHNSTON of Florida.

H.R. 718: Mr. FAUNTROY, Mr. MINETA, Mr. MORRISON of Connecticut, and Mr. SCHEUER.

H.R. 762: Mr. HOLLOWAY, Mr. CLARKE, Mr. STUDDS, Mr. FROST, Mr. DE LUGO, Mr. MILLER of Ohio, Ms. KAPTUR, Mr. ROE, Mr. QUILLEN, and Mr. ECKART.

H.R. 826: Mr. HERTEL.

H.R. 856: Mr. BATEMAN, Mr. FOGLIETTA, Mr. PAYNE of New Jersey, Mr. GLICKMAN, Mr. SHUMWAY, and Mr. ESPY.

H.R. 857: Mr. BATES.

H.R. 907: Mr. LEWIS of Georgia.

H.R. 908: Mr. CHAPMAN.

H.R. 927: Mr. PAYNE of New Jersey and Mr. ECKART.

H.R. 951: Mr. ANDREWS, Mr. BONIOR, Mr. DELLUMS, Mr. HAYES of Illinois, Mr. MCHUGH, Mrs. MEYERS of Kansas, Mr. RUSSO, Mr. SCHAEFER, Mr. TOWNS, Mr. TRAFICANT, and Mr. WHEAT.

H.R. 953: Mr. GARCIA.

H.R. 963: Mrs. BENTLEY, Mr. BROWN of California, Mr. CAMPBELL of California, Mr. FROST, Mr. LEWIS of Georgia, Mr. OBERSTAR, Mr. OWENS of New York, and Mr. TORRICELLI.

H.R. 996: Mr. FAZIO, Mrs. BENTLEY, Ms. PELOSI, Mr. JONES of Georgia, Mr. COURTER, Mr. ANDREWS, Mr. MCGRATH, Mr. HASTERT, Mr. ESPY, Mr. SMITH of Florida, Mr. KANJORSKI, Mr. OBERSTAR, Mr. HOLLOWAY, and Mr. TOWNS.

H.R. 1074: Mr. PERKINS, Mr. EDWARDS of California, Ms. SLAUGHTER of New York, Mr. RICHARDSON, Mr. YOUNG of Alaska, Mr. SLATTERY, Mr. SWIFT, Mr. PALLONE, and Mr. STAGGERS.

H.R. 1087: Mr. BEILENSON and Ms. PELOSI.

H.R. 1111: Mr. ECKART and Mr. DEFAZIO.

H.R. 1295: Mr. SMITH of New Jersey, Mr. COMBEST, Mr. BUECHNER, and Mr. GORDON.

H.R. 1335: Mr. JOHNSON of South Dakota.

H.R. 1425: Mr. DIXON, Mr. WOLPE, and Mr. OWENS of New York.

H.R. 1468: Mr. BALLENGER, Mr. TAUKE, Mr. HAMMERSCHMIDT, Mr. BUNNING, Mr. WALGREN, Mr. SCHUETTE, Mr. COUGHLIN, and Mr. SHAYS.

H.R. 1486: Mr. MANTON, Mr. PICKETT, and Mr. BRENNAN.

H.R. 1515: Mr. SCHAEFER and Mrs. UNSOELD.

H.R. 1528: Mr. WALGREN, Mr. KOSTMAYER, Mr. WELDON, Mr. MURTHA, Mr. YATRON, Mr. SCHULZE, and Mr. WALKER.

H.R. 1540: Mr. SMITH of Florida and Mr. DENNY SMITH.

H.R. 1641: Mr. HUGHES.

H.R. 1654: Mr. SMITH of Mississippi, Mr. PASHAYAN, Mr. ECKART, Mrs. VUCANOVICH, and Mr. HERGER.

H.R. 1658: Mr. BUECHNER and Mr. NIELSON of Utah.

H.J. Res. 1: Mr. FOLEY, Mr. GRAY, Mr. HOCHBRUECKNER, Mr. JOHNSTON of Florida, Mr. MOAKLEY, and Mr. PICKLE.

H.J. Res. 3: Mr. PAXON, Mr. BROWN of Colorado, and Mr. SHUMWAY.

H.J. Res. 91: Mr. SMITH of New Hampshire.

H.J. Res. 94: Mr. BRENNAN.

H.J. Res. 123: Mr. BLILEY.

H.J. Res. 151: Mr. MAVROULES, Mr. PACKARD, Mr. HANSEN, Mr. PAYNE of New Jersey, Mr. BALLENGER, Mr. MARTINEZ, Mr. SHAYS, and Mr. PARKER.

H.J. Res. 192: Mr. ANDERSON, Mr. ACKERMAN, Mr. FAZIO, Mr. KOLTER, Mr. DYMALLY, Mr. HORTON, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. MARTINEZ, and Mr. CONYERS.

H. Con. Res. 81: Mr. INHOFE, Mr. LIPINSKI, Mr. FORD of Michigan, Mrs. BENTLEY, Mr. BURTON of Indiana, and Mr. MARTINEZ.

SENATE—*Thursday, April 6, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 11 a.m., on the expiration of the recess, in the old Senate Chamber for a special Bicentennial Session of the Senate, and was called to order by the President pro tempore [Mr. BYRD].

THE U.S. SENATE 200TH ANNIVERSARY SPECIAL SESSION

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Eternal God, the Alpha and the Omega, sovereign Ruler of history, supreme Ruler of nations, in this awesome moment we are reminded of the words of Benjamin Franklin when he moved the Continental Congress to open with prayer: "I have lived a long time, Sir, and the longer I live the more convincing the proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it possible that an empire can rise without His aid?"

Thank You, almighty God, for the faith of our fathers in which our beloved Nation was conceived and born.

On this 200th birthday of the first session of the U.S. Senate may we never forget the faith which inspired a political system that has endured. For this rich and abiding legacy we thank Thee in His name who is incarnate truth. Amen.

The PRESIDENT pro tempore. The Senate will be in order. The Secretary will read the preamble and the first section of the convening resolution.

The Secretary of the Senate (Mr. WALTER J. STEWART). Senate Resolution 93, to provide for a special Bicentennial Session of the Senate on April 6, 1989.

S. RES. 93

Whereas the Senate of the United States achieved its first quorum and conducted its first legislative session on April 6, 1789;

Whereas on April 6, 1989, the Senate commemorates two centuries of existence under the Constitution of the United States;

Whereas the Senate's first two centuries were inextricably bound to the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights, and;

Whereas it is appropriate and desirable to provide for the observation and commemoration of this unique anniversary: Now, therefore, be it

Resolved, That the Senate at 11:00 a.m. on April 6, 1989, shall assemble in legislative session for ceremonies in the Old Chamber previously used by the Senate from 1810-1859, for ceremonies commemorating the Bicentennial Session of the Senate. Following remarks made by the President pro tempore, the Senate shall reassemble in the current chamber for further ceremonies commemorating the Bicentennial Session and shall recess at 12:45 p.m.

The PRESIDENT pro tempore. The Assistant Secretary will read from the Senate Journal of April 6, 1789.

The Assistant Secretary of the Senate (Ms. JERI THOMSON). Journal of the United States, April 6, 1789:

The Senate assembled at 11:00 am. The following twelve Senators answered to their names: Mr. Langdon, Mr. Wingate, Mr. Strong, Mr. Johnson, Mr. Ellsworth, Mr. Paterson, Mr. Elmer, Mr. Maclay, Mr. Morris, Mr. Bassett, Mr. Lee, and Mr. Few.

"Being a quorum, consisting of a majority of the whole number of Senators of the United States, the credentials of the aforementioned Members were read, and ordered to be filed.

"The Senate proceeded by ballot to the choice of a President, for the sole purpose of opening and counting the votes for President of the United States. John Langdon, Esquire, was elected.

"*Ordered,* That Mr. Ellsworth inform the House of Representatives that a quorum of the Senate is formed; that a President is elected for the sole purpose of opening the certificates and counting the votes of the electors of the several States in the choice of President and Vice President of the United States; and that the Senate is now ready in the Senate Chamber, to proceed, in the presence of the House, to discharge that duty: and that the Senate have appointed one of their Members to sit at the clerk's table to make a list of the votes as they shall be declared; submitting it to the wisdom of the House to appoint one or more of their Members for the like purpose:"

The PRESIDENT pro tempore. The Chair recognizes the former Senator from Missouri, Mr. Eagleton.

THE COMPROMISE OF 1850 COMPROMISE IN 1989

Mr. EAGLETON. Mr. President, many a night, while waiting out some interminable speech before a vote, I would take refuge on a big leather couch in the Democratic Cloakroom and stare at that lithograph on the south wall. For some time, I confess, I was only vaguely aware that it depicted an historic event that had occurred in the old Senate Chamber.

Then one night, when the television networks had belched out their final tributes to vacuity, I went up and studied the lithograph in detail. By God, there was old Henry Clay addressing the Chair. Daniel Webster was listening with his head—that great Webster head—propped up by his left arm. John C. Calhoun, with that ominous, severe look he carried around late in life, was standing near the curtains. It was 1850—and the Senate was compromising once again. Not only does that lithograph, by Robert Whitechurch, hang in the Democratic Cloakroom, but it hangs here in this Chamber as well—to my right—in this majestic old Senate Chamber. It served, coincidentally, as the cover for this morning's commemorative stamp ceremony as well.

Many say that the era of 1850 was the zenith of the U.S. Senate. Never again, it is said, would such talents of first-rank stride the halls of the Capitol.

Clay, Webster, and Calhoun—the Great Triumvirate—for 40 years—stretching from Madison to Pierce—they had dominated the American political scene. Each of the triumvirate had lusted for the White House—so many times, it is impossible to make a precise count. Instead each was forced to look on as a succession of second-rate generals and second-rate politicians occupied the Presidency. In the aggregate, their presence in the Senate constituted America's greatest political intellect of the first half of the 19th century. They were the second generation, the children of the Revolution having taken over from the Founding Fathers. It fell to them to protect, enhance, and give form to the legacy of 1787, the Constitution and the Union.

Although tariffs and matters of internal development caused some political division, there was one issue—one overriding issue above all—that threatened their political inheritance—slavery.

By 1850, Clay, Webster, and Calhoun were approaching their twilight years—about to give way to another political generation—but the spark of genius was still there. Clay—the Great Compromiser—would try one final compromise to try to save the Union. He knew that in a just-born and already divided nation with a government teetering on dissolution, there could be no knockout political victory on an issue such as slavery—not in 1850. If this fledgling republic were to be saved, if union rather than disunion were the overriding objective, then a compromise, Clay believed, had to be struck.

Daniel Webster knew slavery to be a great wrong. But he was also convinced that the Union had to be saved and thought that that was his highest obligation. It could only be saved by

compromise. But he knew that any flirtation with the Fugitive Slave Act could savage his reputation and his political career. Yet out of obligation—and with a tinge of political arrogance—he joined the compromise in one of his greatest oratorical performances.

Calhoun had philosophically traveled through the vineyard of compromise. He had been there before. He loved his country, but he was less worshipful of the framework of the Founding Fathers than were the two others. What they had wrought in 1787 was not to him an immortal document of governance. Although compromise might once again be a palliative of postponement, there would, in his mind, have to be structural change in the Union—if indeed, there were to be a Union at all. Calhoun had the trump card. He could call the game whenever he wanted. Webster and Clay believed in the game above all else.

The compromise was made, but, like its predecessors, failed—as 700,000 dead Americans were to attest.

What of this word "compromise"? Is it so inherently offensive as to taint both the subject matter and the participants? Is it betrayal, always? Some great Senators have seemingly thought so. Fighting Bob La Follette, the Wisconsin Progressive, whose portrait hangs with Clay, Webster, Calhoun and Senator Robert Taft in the Senate Reception Room, felt compromise to be morally unacceptable. In more contemporary times, Paul Douglas of Illinois and Wayne Morse of Oregon shared such views.

But today, compromise is de facto woven into the constitutional fabric of this Nation. We are a people of widely divergent and strongly held views whose representatives are charged with keeping disagreements from destroying our Government's capacity to function effectively.

We have, for reasons Madison could not have anticipated, a permanently Democratic House of Representatives. As the electoral clout of this Nation continues westward, there seems to be a Republican lock on the Presidency.

In terms of our recent political experience, we are left with the Senate as the only part of our governmental structure that may swing with change in voter attitude. This political combination is compromise personified.

Compromise is not only the art of smoke-filled-room politicians. It is not the "sellout" painted by those on the losing side. Compromise, in my judgment, has gotten a bad rap. It is the essence of our political existence—the grease for the skids of government. Without it we screech to a halt, paralyzed by intransigence.

And so today we celebrate the 200th birthday of the U.S. Senate. And as we do so in this historic Chamber, let us rethink this matter of compromise. Here in this room has been sheltered the structural side of our democratic Government for decades. That government's life force—what makes it work and endure—is our capacity to accommodate differences and to find a way beyond parochial, partisan, and ideological concerns to live together as a free nation.

We remember the poet Yeats' very gloomy assessment: "things fly apart; the center will not hold." Well, in the United States, with the tragic exception of the Civil War which had to be fought, the center has held: through expansion to the continental boundaries; through the transition from an agricultural to an industrial to a technological society; through Depression and world wars; through McCarthyism and nearly a half century of Cold War. It has held without religious or racial homogeneity. It has held without the reassuring and unifying symbol of a King or Queen. It has held without the built-in assurances provided by a parliamentary system.

The center has held because of our understanding of the importance of compromise. Those who have been privileged to serve in this Senate cannot all be the equal of Webster, Clay and Calhoun, or their modern counterparts—Humphrey, Muskie, Baker, Javits, Mansfield, and Jackson. But every Senator carries forward the legacy and traditions to the best of his or her ability, and every Senator learns lessons both from their triumphs as well as their failures.

So the lesson of that Whitechurch lithograph is not in the tragic failure of what Clay and Webster sought to do. The lesson is that without some accommodation and compromise, our Government cannot function and we will not be able to preserve the values we hold in common and in trust for future generations.

The PRESIDENT pro tempore. The Chair recognizes the former Senator from Tennessee, the former majority leader of the United States Senate, Mr. Baker.

THE ROLE OF THE SENATE

Mr. BAKER. Mr. President, my former colleagues and friends, it is a delight to be here, to be chosen, along with Senator Eagleton, to make these remarks on this momentous occasion.

I also knew if I lived long enough, sooner or later I would be on television in the Senate.

Mr. President, I spent 18 years in the Senate and I loved every day of it, though I will confess, as I have to many of you, I loved some days more than others. I am reminded today that when I first came to the Senate in 1967, I went for a walk down one of these majestic Capitol corridors with our late colleague, Senator Norris Cotton, of New Hampshire. And after we had walked a ways Norris Cotton said to me, "Howard, do you smell the white marble?" I said, "No, Norris, I don't believe you can smell marble." And he said, "One day you'll smell the marble, and you'll never get over it."

Unless you have been a Senator for a while, that counsel may mystify you as much as it did me on that day so long ago. But after serving in this body for a few years, I really discovered that you can smell white marble, you can sense and understand and appreciate the surroundings that make this place so great and house so many great men and women as the nesting place for the future hopes and aspirations of this Nation in so many ways.

I discovered at roughly the same time that once one is so thoroughly acclimatized to the special atmosphere of the Senate, the air in any other place is pretty thin.

This is a special place, my friends. It is not, as Mark Russell of an earlier day said, "a body of elderly gentlemen charged with high duties and misdemeanors."

It is, instead, the institution which has nurtured the Websters, the Clays, and Calhouns of America, the Lodges, the Lafollettes, the Russells, the Longs, the Johnsons, the Mansfields, the Tafts, the Dirksens, three Kennedys, three Byrds, a Thurmond, an Eagleton, a Stennis, a Javits, a Dole, occassionally a Margaret Chase Smith, and all too infrequently an Ed Brooke.

These men and women of distinction—and others like them—have been drawn to the Senate by the special role which this institution and its Members play and have played in the mainstream of the life of this Nation.

Mr. President, that role has been steadily evolving since the earliest days of the Republic, and indeed since the Constitution first spoke with such exquisite imprecision about the role of the Senate. Those of us who have occupied this and the other Chamber have attempted to define it.

The charter document says, for example, that anyone who is 30 years old, a 9-year resident in the United States, residing in the State that he or she will represent, is qualified to be a Senator, and it sets the term of a Senator at 6 years, which, as you know, is the longest elective term in our national political system.

For the institution itself, the Constitution requires that the Senate give equal representation to several States, that is try impeachments, and that it give advice and consent to the President on treaties and nominations, and beyond that the Constitution requires very little.

But 200 years of experience and precedents have given the Senate much richer definition. Powers implicitly granted by the Constitution have

been more explicitly acknowledged and more aggressively exercised with every new Congress.

I believe, Mr. President, that the danger we face in modern times, that we faced in my time in this Chamber, in this Senate, and that these men and women face today, is not that the Senate will do too much but that the Senate will do too little.

Ever since 1913, when the Constitution was amended to provide for the direct popular election of Senators—rather than election by the several State legislatures—its seems to me that some unfortunate law of political physics has tended to merge the missions of the Senate with that of the House of Representatives. While I have unlimited respect for the other body, as we say—and, indeed, both my father and my mother served in the House of Representatives—I believe that conceiving of and exercising the powers of the Senate as the mirror image of the powers of the House of Representatives is a temptation and a tendency which must be resisted because if we do not, we will lose the speciality of the Senate itself as a particular constitutional body.

These remarks and this comparison is not meant to diminish the House of Representatives in any way. Indeed, the House in so many ways is the front line of American democracy. Its 2-year terms are intentionally short, its local constituencies relatively small, so as to keep its Members close to the people and highly responsible to the public will.

But the Senate is different, and we all know that. We feel that without being told, certainly by me. Thomas Jefferson spoke it well when he said that the Senate is the saucer in which the passions of the Nation should be poured to cool.

We might speak of it today as a kind of national board of directors to set broad general policy, for I believe that the Senate was never intended to manage the day-to-day affairs of our Government, but, rather, to work in its special constitutional way, its unique and special way with the Chief Executive of our Republic in the formulation of public policy and its execution.

A Senator has more insulation from his electors than any other officer in the Government, including the President and Vice President of the United States.

The constituency a Senator serves is not only the people of his State but the State itself, the embodiment of the theoretical sovereignty of our Union, and in the Senate alone does the term "United States" have a literal political, and parliamentary meaning.

Similarly, the 6-year term, the longest in elective politics, encourages the historic view, and I may say the heroic judgment, by the Members of this body, and while "government by public opinion" is sacred to the Members of the House of Representatives, it is subject to proof in the Senate of the United States.

As we all know with varying degrees of approval or disapproval, the rules and the precedent of the Senate encourage extended debate among men and women who need no such encouragement. In the Senate a determined minority, sometimes even a minority of one, may make the Senate stop and consider carefully the consequences of its action. I look about this room and I can see individual Members with whom I have served, who aroused the index and quotient of frustration in my leadership role to the point where I could hardly stand it and on both sides of the aisle. But in retrospect, my friends, I wish to pay them a compliment because you who stood on principle, you who slowed the forward progress of the Senate's deliberations, far more often than not represented the very essence of the greatness of this body and required us to be that institution in which the passions of the Nation were allowed to cool.

My friends, I have had the privilege not only of serving in this body but also, and unexpectedly, to serve at the right hand of the President of the United States, and perhaps that gives me uniqueness of view and perspective that I might share with you in the concluding part of these remarks.

As you know, the President of the United States has many powers, inherent and explicit. He is the embodiment of our nationhood in so many ways; he is one of two officials that are elected by the entire Nation, but he has specified powers as well. And those specified powers in relation to the responsibility of the U.S. Senate are the matters on which I would like to speak.

The President of the United States may negotiate treaties with foreign powers, but he may ratify them only by and with the advice and consent of the Senate. The President may nominate whom he or she chooses for the principal officers of the executive branch, but the Senate must agree. Whatever partisan differences may separate the President of the United States and the Senate of the United States, the Constitution requires that a partnership be formed between the President and the Senate in these specified matters, and whether we like it or not that partnership begins on Inauguration Day and moves forward with varying degrees of tranquility throughout the Presidential and senatorial terms and sessions. The quality of that partnership, in my view, is for each President and each Senate to determine, but in those unhappy times when the partnership has suffered the Nation has inevitably suffered, and when that partnership has prospered, I believe so have we all.

For 8 years before I came to Washington and for almost 3 years thereafter, my father-in-law, Senator Everett McKinley Dirksen, of Illinois, was the Republican leader of the U.S. Senate and for the first 2 years of his tenure in that office his counterpart on the Democratic side was Senator Lyndon Baines Johnson, of Texas. I believe I am betraying no great confidence when I say that from time to time at the end of a legislative day Senator Dirksen and Senator Johnson would retire to a private quarter to discuss the issues and personalities of the day as only a couple of unrepentant politicians can do. There was magic in those moments, and they continued long after Senator Johnson became President Johnson. Those meetings did not save the country the sorrow of Vietnam, but they did help win the battle for civil rights. The did not solve every problem in Lyndon Johnson's or Everett Dirksen's "in" box, but, my friends, they solved their share. There was a bond of fundamental trust and personal goodwill about those meetings and those men, and it is well understood that if a national crisis should suddenly arise, the President of the United States and the Republican leader of the Senate could counsel frankly and deal effectively with one another.

That is the nature of the partnership implied by the constitutional responsibilities. I think we need those relationships throughout our history; we have always needed them. We need them today maybe more than ever. It is my hope that the Senate looks to its past today and will rediscover the real meaning, the essence of this institutional greatness, but among the elements that I hope it ascertains and redefines is the nature of friendship and civility and understanding and partnership between this body and the executive authority of the Government of the United States.

My friends, these remarks were too long perhaps, but I could not avoid the temptation to share these thoughts with you that have occurred to me over that day in January of 1985 when, as I recall, only the Presiding Officer, the distinguished occupant of this chair and I were on the floor at the moment of adjournment, that moment of my term ending, and I said something which now must join that long and growing list of issues on which I was wrong when I said these are the last words I will speak on the floor of the Senate of the United States.

[Applause.]

The PRESIDENT pro tempore. The Chair wishes to recognize the distinguished former majority leader of the United States Senate, Ambassador to Japan, the Honorable Mike Mansfield.

Would you stand, Mr. Mansfield, and be recognized by your former colleagues?

[Applause.]

The PRESIDENT pro tempore. Would those others of our former colleagues who are here today please stand and be recognized by the Senate?

[Applause.]

The PRESIDENT pro tempore. One hundred thirty years ago, on Tuesday, January 24, 1859, Vice President John C. Breckenridge addressed the Senate from this desk before proceeding in a body to the new Chamber, which we all know so well.

"The Senate is assembled for the last time in this Chamber," he said. "Hereafter, the American and the stranger, as they wander through the Capitol, will turn with instinctive reverence to view the spot on which so many great materials have accumulated for history. They will recall the image of the great and the good whose renown is the common property of the Union, and chiefly perhaps they will linger around the seats once occupied by the mighty three, Clay, Calhoun, and Webster, whose names and fame associated in life-death has not been able to sever, illustrious men who, in their generation, sometimes divided, sometimes led, and sometimes resisted public opinion, for they were of that higher class of statesmen who seek the right and follow their convictions."

Vice President Breckenridge then invited the assembled Senators, as I invite you now, to rise and form a procession to the Senate's new Chamber. And as they did, they closed a door upon a golden era in the Senate's history and marched toward their own destinies. Members of the Senate of the 101st Congress, continue in that march forward. I invite you now to join the procession that will follow their steps and honor their memory.

The Senate still stand in recess and proceed immediately to the Senate Chamber.

RECESS

Thereupon, at 11:36 a.m., the Senate recessed until 11:47 a.m.; whereupon, the Senate reassembled when called to order by the President pro tempore.

RECOGNITION OF FORMER SENATORS

The PRESIDENT pro tempore. Before proceeding with the program, the Chair recognizes two former Members of this body, both of whom are majority leaders, and will ask them to stand and be recognized. Senator Mansfield.

[Applause, Senators rising.]

The PRESIDENT pro tempore. Senator Baker.

[Applause, Senators rising.]

The PRESIDENT pro tempore. Those others of our former colleagues who are present today, would you please stand?

[Applause, Senators rising.]

THE STATES IN ORDER OF ADMITTANCE TO THE UNION

The PRESIDENT pro tempore. The Secretary will now call the role of the States in the order of admittance to the Union.

Mr. STEWART. The State of Delaware.

Mr. ROTH. Mr. President, Delaware was the first State admitted and was admitted to the Union on December 7, 1787, and the first two Senators were George Read, and Richard Bassett.

Mr. STEWART. The State of Pennsylvania.

Mr. HEINZ. Mr. President, the State of Pennsylvania was the second State admitted to the Union, and was admitted on December 12, 1787. The first two Senators were William Maclay and Robert Morris.

Mr. STEWART. The State of New Jersey.

Mr. BRADLEY. Mr. President, New Jersey was admitted to the Union on December 18, 1787, and the first two Senators were Jonathan Elmer and William Paterson.

Mr. STEWART. The State of Georgia.

Mr. NUNN. Mr. President, the State of Georgia was admitted to the Union January 2, 1788. The first two Senators were William Few and James Gunn.

Mr. STEWART. The State of Connecticut.

Mr. DODD. Mr. President, Connecticut was admitted to the Union on January 9, 1788. The first two Members of the Senate were Oliver Ellsworth and William Johnson.

Mr. STEWART. The State of Massachusetts.

Mr. KENNEDY. Mr. President, the Commonwealth of Massachusetts ratified its Constitution on February 6, 1788. Our first two Senators were two distinguished attorneys, Tristram Dalton, from Newburyport, MA. He held the seat which I hold today, and was Speaker of the House of Representatives of the State of Massachusetts. He was an eloquent speaker at the ratification of the Constitution. The second Senator was Caleb Strong, who occupied the seat which my colleague, JOHN KERRY, holds today, and he was a member of the Massachusetts Constitutional Convention which ratified the Constitution.

Mr. STEWART. The State of Maryland.

Mr. SARBANES. Mr. President, the State of Maryland was the seventh State admitted to the Union on April 28, 1788. Its first two Senators were Charles Carroll of Carrollton, and John Henry.

Mr. STEWART. The State of South Carolina.

Mr. THURMOND. Mr. President, the State of South Carolina was admitted to the Union on May 23, 1788. The first two Senators were Pierce Butler and Ralph Izard. South Carolina could not be the first State to be admitted to the Union, but we were the first State to secede in 1861. [Laughter.]

Mr. STEWART. The State of New Hampshire.

Mr. RUDMAN. Mr. President, the State of New Hampshire is the ninth State to be admitted to the Union and was admitted on June 21, 1788. The two Senators were Paine Wingate, a farmer; and John Langdon of Portsmouth, who was a seaman and a merchant. Senator Langdon was the first President pro tempore of the U.S. Senate.

Mr. STEWART. The State of Virginia.

Mr. WARNER. Mr. President, Virginia is the 10th State, and was admitted June 25, 1788. William Grayson was a U.S. Senator, as was Richard Henry Lee.

Mr. STEWART. The State of New York.

Mr. MOYNIHAN. Mr. President, the State of New York is the 11th State to enter the Union, was admitted on July 26, 1788. Our two Senators were Philip Schuyler and Rufus King. Senator King incidentally, had signed the Constitution.

Mr. STEWART. The State of North Carolina.

Mr. HELMS. Mr. President, the State of North Carolina was admitted to the Union on November 21, 1789. Our two first Senators were Benjamin Hawkins and Samuel Johnston.

Mr. STEWART. The State of Rhode Island.

Mr. PELL. Mr. President, the State of Rhode Island was admitted to the Union on May 29, 1790, and its first two Senators were Theodore Foster and Joseph Stanton, Jr.

Mr. STEWART. The State of Vermont.

Mr. LEAHY. Mr. President, Vermont was the first State to join the Union after the 13 original States on March 4, 1791. The first two Senators were Moses Robinson and Stephen R. Bradley. Senator Bradley also served as President pro tempore of the 7th and 10th Congresses. Vermont started a tradition which for 200 years with one exception elected only Republican Senators.

Mr. STEWART. The State of Kentucky.

Mr. FORD. Mr. President, the Commonwealth of Kentucky was admitted to the Union June 1, 1792. Its first two Senators were John Brown from 1792

through 1805, and John Edwards, who served from 1792 to 1795.

Mr. STEWART. The State of Tennessee.

Mr. SASSER. Mr. President, the State of Tennessee was the 16th State admitted to the Union on June 1, 1796. The first two Senators from Tennessee were William Cocke, who served from 1796 to 1797 and William Blount, who also served from 1796 to 1797.

Mr. STEWART. The State of Ohio.

Mr. GLENN. Mr. President, the State of Ohio was admitted to the Union on March 1, 1803, and the first two Senators were John Smith and Thomas Worthington.

Mr. STEWART. The State of Louisiana.

Mr. JOHNSTON. Mr. President, the State of Louisiana was admitted to the Union on April 30, 1812. Its first two Senators are John N. Destrehan and Allan B. Magruder.

Mr. STEWART. The State of Indiana.

Mr. LUGAR. Mr. President, Indiana was admitted to the Union on December 11, 1816, our two first Senators were James Noble, 1816 to 1831, and Waller Taylor, who served from 1816 to 1825.

Mr. STEWART. The State of Mississippi.

Mr. COCHRAN. Mr. President, the State of Mississippi was admitted to the Union on December 10, 1817. Our two first Senators were Walter Leake and Thomas Hill Williams.

Mr. STEWART. The State of Illinois.

Mr. DIXON. Mr. President, the State of Illinois was admitted to the Union on December 3, 1818. Our first two Senators were Jesse B. Thomas, who served from 1818 to 1829, and Ninian Edwards, who served from 1818 to 1824.

Mr. STEWART. The State of Alabama.

Mr. HEFLIN. Alabama was admitted to the Union on December 14, 1819. The first U.S. Senator elected was John Williams Walker, who had served as president of the First Constitutional Convention of Alabama. His seat is now held by the Honorable RICHARD SHELBY. The second U.S. Senator that was elected was William Rufus King. Senator King later became the President pro tempore of the Senate, and later the Vice President of the United States. I hold his seat.

Mr. STEWART. The State of Maine.

Mr. COHEN. Mr. President, the people of Maine wisely separated from the State of Massachusetts and on March 15, 1820 when the State of Maine was admitted to the Union. Its first two Senators were John Holmes and John Chandler.

Mr. STEWART. The State of Missouri.

Mr. DANFORTH. Mr. President, the State of Missouri was admitted to the Union on August 10, 1821. Its first two Senators were Thomas Hart Benton and David Barton.

Mr. STEWART. The State of Arkansas.

Mr. BUMPERS. Mr. President, Arkansas was admitted to the Union on June 15, 1836. Our first two Senators were William Fulton, and Ambrose H. Sevier.

Mr. STEWART. The State of Michigan.

Mr. RIEGLE. Mr. President, the State of Michigan came into the Union 152 years ago, and was admitted on the date of January 26, 1837. Our first two Senators were Mr. Lucius Lyon, and Mr. John Norvell.

Mr. STEWART. The State of Florida.

Mr. GRAHAM. Mr. President, the State of Florida was admitted to the Union on March 3, 1845. The first two Senators were David Levy Yulee, and James D. Westcott, Jr.

Mr. STEWART. The State of Texas.

Mr. BENTSEN. Mr. President, the Republic of Texas, the first Republic to join the United States, joined its ally to the north, on December 29, 1845 as a State in the United States. Its first two Senators were Thomas J. Rusk, and Sam Houston.

Mr. STEWART. The State of Iowa.

Mr. GRASSLEY. Mr. President, the State of Iowa was admitted to the Union on December 28, 1846 and our first two Senators were George W. Jones, who served from 1848 to 1859, and Augustus C. Dodge, who served from 1848 to 1855.

Mr. STEWART. The State of Wisconsin.

Mr. KASTEN. Mr. President, the State of Wisconsin was admitted to the Union on May 29, 1848. Our first two Senators were Henry Dodge, who served from 1848 to 1857, and Isaac P. Walker, who served from 1848 to 1855.

Mr. STEWART. The State of California.

Mr. CRANSTON. Mr. President, California was admitted to the Union on September 9, 1850. Our first two Senators were John C. Fremont, the pathfinder, who also was our first Governor, and who ran for President twice; and William M. Gwin. Fremont served from 1850 to 1851, and Gwin from 1850 to 1855.

Mr. STEWART. The State of Minnesota.

Mr. DURENBERGER. Mr. President, Minnesota was the 32d State admitted to the Union on May 11, 1858, 131 years ago last month. At the time of admission, Minnesota was the third largest State in the Union by land area, but it was inhabited by 150,000 individuals. Our original Senators were Henry M. Rice, our first senior Senator, who eventually became one of the two Minnesotans whose statue is in the Capitol. James Shields, the other Senator from Minnesota, eventually served three different States in the United States.

Mr. STEWART. The State of Oregon.

Mr. HATFIELD. Mr. President, the State of Oregon was admitted to the Union on Valentine's Day, February 14, 1859. Our firt two Senators were Delazon Smith and Joseph Lane.

Mr. STEWART. The State of Kansas.

Mr. DOLE. Mr. President, the State of Kansas was admitted January 29, 1861. The first two Senators were James H. Lane and Samuel C. Pomeroy.

Mr. STEWART. The State of West Virginia.

The PRESIDENT pro tempore. The State of West Virginia was the 35th star in the field of stars. It was born in the midst of the Civil War on June 20, 1863. The first two Senators were Peter G. Van Winkle and Waitman T. Willey.

Mr. STEWART. The State of Nevada.

Mr. REID. The State of Nevada was admitted to the Union as the 36th State on October 31, 1864, and is known as the Battle-Born State. The first two Senators were William M. Stewart and James W. Nye.

Mr. STEWART. The State of Nebraska.

Mr. EXON. Mr. President, the State of Nebraska came into the Union on March 1, 1867. Our first two United States Senators were Thomas W. Tipton and John M. Thayer.

Mr. STEWART. The State of Colorado.

Mr. ARMSTRONG. Mr. President, the State of Colorado was admitted into the Union on August 1, 1876. We were represented at that time in the State by Henry M. Teller and Jerome B. Chaffee.

Mr. STEWART. The State of South Dakota.

Mr. PRESSLER. Mr. President, the distinguished State of South Dakota was admitted to the Union on November 2, 1889. The Senators were Richard F. Pettigrew and Gideon C. Moody.

Mr. STEWART. The State of North Dakota.

Mr. BURDICK. Mr. President, Benjamin Harrison approved the admission of North Dakota to the Union on November 2, 1889. We are celebrating our centennial this year. North Dakota's first Senators were Lyman R. Casey and Gilbert A. Pierce.

Mr. STEWART. The State of Montana.

Mr. BAUCUS. The State of Montana, the 41st State entered into the Union, also celebrated its centennial this year and was admitted to the Nation on November 8, 1889. Our first

two Senators were Wilbur F. Sanders and Thomas C. Power.

Mr. STEWART. The State of Washington.

Mr. ADAMS. The State of Washington was admitted to the Union on November 11, 1889. We are celebrating our centennial this year. Our first two Senators were John B. Allen from Walla Walla and Watson C. Squire from Seattle.

Mr. STEWART. The State of Idaho.

Mr. McCLURE. Mr. President, on the Fourth of July, Independence Day for our Nation, in 1890, citizens of Idaho celebrated the action taken the previous day in this city with the admission of the State of Idaho to the Union on July 3, 1890. Our first two Senators were George L. Shoup and William J. McConnell.

Mr. STEWART. The State of Wyoming.

Mr. WALLOP. Mr. President, the State of Wyoming was admitted into the Union on July 10, 1890. It was the first State to grant women suffrage and has been known since as the Equality State. Our first two Senators were Francis E. Warren and Joseph M. Carey.

Mr. STEWART. The State of Utah.

Mr. GARN. Mr. President, Utah was admitted to the Union on January 4, 1896. Our first two Senators were Frank J. Cannon and Arthur Brown.

Mr. STEWART. The State of Oklahoma.

Mr. BOREN. The State of Oklahoma was admitted into the Union November 16, 1907. Our first two Senators were Robert L. Owen and Thomas P. Gore, the great Senator who was totally blind and who served in the Senate until 1921.

Mr. STEWART. The State of New Mexico.

Mr. DOMENICI. The State of New Mexico was admitted into the Union January 6, 1912. Our first Senators were Thomas B. Catron and Albert B. Fall.

Mr. STEWART. The State of Arizona.

Mr. DeCONCINI. The State of Arizona was the 48th State admitted on St. Valentine's Day, February 14, 1912. The first Senators were Henry F. Ashurst, who served until 1941, and Marcus A. Smith, who served until 1921.

Mr. STEWART. The State of Alaska.

Mr. MITCHELL. Mr. President, the State of Alaska was admitted to the Union on January 3, 1959. Its first Senators were E.L. Bartlett and Ernest Gruening.

Mr. STEWART. The State of Hawaii.

Mr. INOUYE. Mr. President, the State of Hawaii, the 50th State of the Union, was admitted to the Union on August 21, 1959. Our first two Senators were Hiram L. Fong and Oren E. Long.

The PRESIDENT pro tempore. I ask the Senator from South Carolina [Mr. THURMOND] to assume the chair.

The PRESIDING OFFICER (Mr. THURMOND). The distinguished President pro tempore of the Senate is now recognized.

TWO-HUNDREDTH ANNIVERSARY OF THE FIRST MEETING OF THE U.S. SENATE

Mr. BYRD. Mr. President, today we commemorate the 200th anniversary of the first meeting of a brand new entity: The Senate of the United States of America. The fact that this same Senate continues to flourish today is remarkable, for in 1789, many doubted that the Constitution under which it was established would endure beyond a generation or two. There were no examples in history to guide those who sought to build a republic based on the consent of the governed; there was no support in traditional political theory to encourage those embarking on this grand experiment. And yet this bold undertaking of representative government, confounding skeptics for two centuries, has succeeded. Much credit for that success belongs to the genius of those who framed our Constitution. But credit also goes in great measure to those who brought the Constitution to life. That is the story of men more than words—specifically the men of the first Senate.

When the roll was called in the Senate Chamber at New York City's Federal Hall on the morning of April 6, 1789, 12 Senators from the 11 States answered to their names. Rhode Island and North Carolina had not ratified the Constitution. From New Hampshire, there was John Langdon, who has sold 70 hogsheads of rum to outfit troops for the Continental Army; and Paine Wingate, a Harvard-educated Congregational minister. From Massachusetts came Caleb Strong. Connecticut sent two aggressive Federalists: Oliver Ellsworth and William Johnson. Pennsylvania's two Senators were Robert Morris, reputedly the richest man in America, and William Maclay. William Few made the hazardous journey from Georgia. From nearby New Jersey came William Patterson and Jonathan Elmer. Richard Bassett represented Delaware. With the arrival of Richard Henry Lee of Virginia, the Senate secured its first quorum.

All told, 29 men would take their seats in the Senate during the First Congress. Though their nation was new, most of them were no strangers to statecraft. Most had signed the Declaration of Independence, served in the Continental Congress, or attended the Constitutional Convention. George Read of Delaware had done all three. All but one of these new Senators had served in their States' legislatures. Many had been in uniform during the Revolutionary War. Only two, Johnson of Connecticut and Wingate of New Hampshire, had been lukewarm to independence. Most, but not all, had been born in the American colonies. Pierce Butler of South Carolina had been born in Ireland and first visited North America as an officer in the British Army. The majority described themselves as landowners and planters, but more than one-third were lawyers, and there were surveyors and merchants. These men are our colleagues, links in a continuous chain that stretches back 200 years and, the Lord willing, will extend ahead for countless generations.

Reading their diaries and letters, we feel a kinship that transcends the years. During the First Congress, one Senator's house was robbed while he was away. Another's wife died. William Grayson of Virginia died in office, the first Senator to do so. They worried about children growing up back home without them, and about infants with measles. They grew weary during long sessions and complained about their lodgings. And one wrote home about the excellent pineapple he had tasted.

On April 6, 1789, these first Senators got down to business and immediately became embroiled in bitter squabbles. Maclay grumbled that nothing was getting done, but he did not have our advantage of perspective. In fact, despite their differences, rooted in geography, ideology, and economic standing, those early Members left an enormously impressive record of achievement. They counted the first electoral votes, inaugurated the first President, and made certain that the President understood that their constitutional powers would not be trifled with. They established precedents at every turn. They passed the first revenue-producing bill, created the first executive Departments of War, State, and Treasury, recommended the 12 amendments to the Constitution, and arranged for the first census to count the Nation's 4 million inhabitants. They established the first bank of the United States, passed the Judiciary Act creating a system of Federal courts, and decided upon a permanent home for the National Government.

The First Congress adjourned in March 1791, in Philadelphia, where it settled in for a 10-year stay while the new Federal district was readied on the banks of the Potomac. Despite their differences, those first Senators could look back with satisfaction. They had gotten a new nation on its feet and underway. They had faced the very real dangers of falling into anarchy or depotism, but they had triumphed. In one form or another, they

had confronted, for the first time, challenges that would reappear in the decades ahead. These included secession, States rights, constitutional amendment, admission of the new States, threats of war, military preparedness, inflation, depression, unfavorable trade balances, taxation, sectionalism, minority rights, government patronage of the arts and sciences, veterans' pensions, and congressional salaries. These first Senators established a strong foundation that allowed a growing nation to address these problems through the next two centuries.

May we in our own time so discharge our duties that those who stand in our places a hundred years from now, will say of us: They did well—they faithfully discharged the trust that was confided to their hands.

[Applause.]

The PRESIDENT pro tempore. The United States Marine Band will now play "Columbia, the Gem of the Ocean."

(The band played "Columbia, the Gem of the Ocean.")

[Applause.]

The PRESIDENT pro tempore. The Chair recognizes the senior Senator from Kentucky [Mr. FORD].

THE SENATE IN 1789

Mr. FORD. Mr. President, as the Senators of the First Congress entered New York City's Federal Hall on the morning of April 6, 1789, they found that workmen were still putting the final touches to their new Chamber. Federal Hall had previously served as New York's City Hall and as the meeting place of the old Congress under the Articles of Confederation. Amidst painters and carpenters, the Senators settled into their richly carpeted 40-by-30-foot Chamber on the second floor. The Chamber's most striking features were its high arched ceiling, tall windows curtailed in crimson damask, fireplace mantels of beautifully polished marble, Presiding Officer's chair elevated 3 feet from the floor and topped with a crimson canopy, and the ceiling adorned with a sun and 13 stars.

Much of the institution that these new Senators shaped during the coming months endures today. In some ways, we might feel at home on the floor of the 1789 Senate; but in others, of course, we would be absolute strangers. We would recognize the Senate's officers. The first 12 Senators began by electing a President pro tempore, 47-year-old John Langdon of New Hampshire, and appointing a secretary, a doorkeeper, a chaplain, and three messengers.

We would not recognize the Senate's 1789 workload or many of its procedures. The Senate generally met each day from 11 a.m. until 2 p.m. A Senator at that time could introduce a bill only after he had given the Senate a day's notice of his intention, and had secured the permission of a majority of Members. Under these rules, a majority could—and did—thwart the introduction of any bill it found objectionable. A more common form of initiating legislation was for a Senator to move that a committee be appointed to report a bill to achieve a specific goal.

Committees conducted their business before and after Senate sessions, and on Saturday mornings. Committee members were elected in secret balloting by vote of the entire Senate. The member receiving the highest number of votes, generally the Senator who initiated the proposal, became the chairman. Most committees were composed of three members, although particularly significant matters were assigned to five- or seven-member panels. This system placed great burdens on the more active and innovative members, while a few Senators served on no committees at all. Committees seldom heard witnesses and never kept transcripts. As soon as a committee completed its work, it ceased to exist. The Senate waited until 1816 to establish its first permanent legislative committee.

The Constitution's framers had intended that the Senate would devote most of its energies to reviewing legislation conceived of and passed by the House. And, indeed, in the First Congress, 143 measures were introduced in the House, while only 24 originated in the Senate. While the House focused on revenue-related measures, the Senate tended to be more active in matters related to courts and judicial procedure, organization of state and territorial governments, foreign affairs, and banking.

The Senators of 1789 lost no time in trying to assert their superiority over the House. First, they decided that all Senate communications to the House should be carried there by the Secretary of the Senate, but that in the reverse case, two members of the House would bring the communications to the bar of the Senate. The House replied, with a mixture of amusement and resentment, that it would send messages any way it pleased—and it did. Next, the Senators tried to enhance their prestige by proposing a pay differential in their favor. You can imagine how that was greeted.

What was interpreted as the Senate's ultimate display of arrogance was actually not intended as such. The Senate of 1789, unlike the House, deliberated behind closed doors. For 5 years, the Senate's closed doors fed suspicions that dark, antidemocratic plots were hatching within. In fact, Senators were only following the precedent set by the continental Congresses. Senator Samuel Johnson of North Carolina thought the closed-door policy was for the best. He believed that opening the doors to visitors would only encourage posturing by Members and would cost money. Senator Paine Wingate of New Hampshire agonized over the decision to let even one spectator view the Senate at work. He reasoned, "I am not a friend to mystery and hypocrisy, but there are certain foibles which are inseparable from men and bodies of men and perhaps considerable faults which had better be concealed from observation. How would all the little domestic transactions of even the best regulated family appear if exposed to the world?" How indeed, Senator Wingate.

The PRESIDENT pro tempore. The Chair recognizes the distinguished Senator from Oregon [Mr. HATFIELD].

THE SENATE OF 1889

Mr. HATFIELD. Mr. President, 100 years ago, during the 51st Congress, this chamber housed 88 Senators from 44 States. Those included five States admitted to the Union during that Congress: Idaho, Montana, North Dakota, South Dakota, and Washington. Presiding as Vice President was Levi P. Morton of New York, whose marble bust stands just outside this Chamber. John J. Ingalls of Kansas served as President pro tempore, and his statue stands today in Statuary Hall. As a matter of fact, 6 of the Senators who served during the 51st Congress are memorialized in statuary within the Capitol, a reminder to us of the high standing of U.S. Senators at the close of the Senate's first century.

The Senate 100 years ago was both quite similar and quite different from the Senate of today. Reading through the CONGRESSIONAL RECORD of the era, we find much of the same parliamentary language, the references to distinguished colleagues and honorable gentleman—although none to gentlewoman yet. We find the same high precentage of lawyers—57 out of 88—with the rest of the Members listing largely business or agriculture as their occupations. We find them meeting in this same Chamber, at these same desks, with the same snuff boxes.

But back then, of course, there were no television cameras, and for the most part the Senate was a much quieter place than today. According to the Washington Evening Star, the Senate Press Gallery in 1889 was frequented chiefly by reporters who wanted a quiet place to sleep in the afternoons, since the Senate's proceedings lacked the hustle and bustle of the House.

Or, as House Speaker Tom Reed quipped: "The Senate is a nice quiet sort of place where good Representatives go when they die."

In those days, Senators were elected not by the people but by State legisla-

tures, and they sometimes acted like ambassadors from sovereign States. Among those Senators are names we still recognize: California's Leland Stanford, the railroad executive who endowed a great university, to become the Nation's greatest university, Stanford; Illinois' Shelby M. Cullom, who drafted the Interstate Commerce Commission Act; John Sherman of Ohio, who gave his name to the Sherman Antitrust Act; Michigan's James McMillan, author of the "McMillan Plan" which transformed Washington into a monumental city; and Justin Morrill of Vermont, author of one of the great educational acts in American history, establishing land-grant colleges.

These Senators drafted their legislation at a fairly leisurely pace. Members of the 51st Congress did not take their seats until December 1889, more than a year after the general elections. They took lengthy recesses to escape Washington during the hot summer months since the Capitol was not yet air-conditioned, and adjourned at the beginning of October.

While in session, Senators of the 51st Congress served on 42 standing committees and 11 select committees. Along with such familiar names as Finance and Foreign Relations, committees a century ago included those on Coastal Defenses, Fisheries, and Improvement of the Mississippi River. There was a modern-sounding Select Committee To Inquire Into All Claims of Citizens of the United States Against the Government of Nicaragua. There was also a Committee on Revolutionary War Claims—long after there were any living Revolutionary War veterans to make claims.

This was really a sinecure committee, which neither met nor handled legislation but existed only to provide its chairman with a committee room and a clerk—important commodities in the days before Senators had office space or much staff. The first Senate Office Building was not completed until 1909.

One hundred years ago the Senate had only 291 employees, a fraction of today's numbers, but enough to cause the New York Times to complain about a "very costly Senate." Those were the days when the Senate employed stable hands and wagon masters, and, when needed, only 34 Capitol policemen. Like the Senators they served, the staff included some memorable members, such as Secretary of the Senate Anson McCook, one of the "Fighting McCook" brothers of the Civil War; or the venerable assistant doorkeeper Isaac Bassett, with his long-flowing white beard, who had worked for the Senate since he was a page in the era of Daniel Webster; or the Senate's Chief Reporter of Debates, Dennis Murphy, who had first been hired by John C. Calhoun, a half century earlier.

Despite these ties with the past, the Senate of 1889 was moving into a new era. During the 1880's, the Senate Chamber had been converted from gas to electric light, the first Senate telephone operator was employed, and the first electric bell system summoned Senators to the Chamber to vote. There was no Congressional Research Service, and the Library of Congress was still located inside the Capitol, along the west front, where it housed half a million volumes with "no department of literature or science being unrepresented."

The Senate of a century ago has left us a gift. In 1886, it resolved to place marble busts of Vice Presidents in the niches that line our Gallery walls. In 1889 a bust of Hannibal Hamlin, Abraham Lincoln's first Vice President, who was still living at the time, was installed. The busts of Hamlin, Jefferson, Adams, Calhoun, Van Buren, and other Vice Presidents from our first century now, today, gaze down upon a Senate entering its third century, carrying on the traditions established in their generations and now entrusted to us.

[Applause.]

The PRESIDENT pro tempore. The Chair recognizes the senior Senator from Alaska [Mr. STEVENS].

HISTORY IN THE NEW SENATE CHAMBER

Mr. STEVENS. Thank you, Mr. President. I am delighted to see the presence in the Chamber of our two former leaders with whom I have the privilege to serve.

The Senate has just had a memorable visit to the Old Senate Chamber, an impressive, almost reverential place dedicated to our predecessors who served there. Some think of that Chamber as the historical setting, the meeting place of the Senate, and this Chamber as an arena in which we go about every day business, the business of the Senate. But much history took place in this Chamber as well.

Where we stand today, Union soldiers in fresh blue uniforms first camped in Washington in 1861. The Senate was out of session when these troops, who arrived to protect the Capitol, soldiers from a Massachusetts regiment, were quartered right here in the Senate. One of them discovered Jefferson Davis' old Senate desk and took out his vengeance against the Confederacy by stabbing that desk with his bayonet. Today a small piece of wood inlay in that desk covers the gash. But it is a reminder of that passional era.

Just think, in this room the Senate sat as a court of impeachment on President Andrew Johnson. A tremendous battle raged between Congress and the White House over the nature of post-Civil War reconstruction with the President seeking a speedy restoration of the South to the Union, while legislators demanded Federal protection for the rights of freed men.

When the Senate cast its ballots in 1868, they fell one vote short of removing President Johnson from office. Many have asked what would have been the fate of the American Presidency, if that vote had gone the other way. But just think of the high drama that unfolded here 7 years later when that same Andrew Johnson came to take his oath as a U.S. Senator, administered by some of those who had voted on that impeachment. He was the only former President to serve in the Senate.

Or imagine the scene in 1881 when the Senate found itself evenly divided between Republicans and Democrats. That is the only time it has happened in our 200-year history. At that time a Republican Vice President, Chester A. Arthur, cast a tie-breaking vote to enable Republican Senators to organize the committees. But in typical Senate fashion, the Democrats were permitted to control all patronage appointments of Senate officials in that Senate.

And think of the icy-cold day in 1909 when heavy snows drove the President-elect William Howard Taft's inauguration off the platform and into the Chamber, the only Presidential inauguration that has taken place in this Chamber although many Vice Presidents have taken their oaths here, and many of us were here when Nelson Rockefeller took his in 1974.

And just listen, listen to the echoes of the filibusters that have taken place here over 130 years. In 1917 a little group of willful men, as Woodrow Wilson called them, tied the Senate up in a filibuster that defeated Wilson's bill to arm American merchant ships in advance of the American entry into the First World War.

It was a result of that filibuster that the Senate adopted the first cloture rule, and we are still figuring out how to make it work. Here, filibusters were terminated to enact critical civil rights legislation in the 1950's and the 1960's.

And look at the front row here of the leaders, occupied by the Democratic leader and the Republican leader. Not until the 1920's did the parties designate majority and minority leaders. And not until 1927 did the Democratic leader take his seat on that side of the aisle, and not until 1937 did the Republican leader take his seat on that side of the aisle in the front-row desk.

Great constitutional clashes have taken place on this floor, such as when the Senate defeated Woodrow Wilson's Treaty of Versailles in 1919, or

when it refused to act on Franklin Roosevelt's court-packing plan in 1937.

Think also of the times that the Senate and the President have acted in concert in the dark days after Pearl Harbor, or during the foreign policy bipartisanship period between President Harry Truman and the Republican 80th Congress.

As Senator from Alaska, I hope I am not amiss in invading your time by reminding you of two important historical events. On April 9, 1867, the Senate approved in this Chamber the treaty by which the United States purchased Alaska from Russia. That is the smartest real estate deal the Senate was ever involved in.

And I was in this Chamber sitting up there in the Gallery 31 years ago, on June 30, 1958, when as Assistant Secretary of Interior I witnessed the Senate voting 64 to 20 to admit a new State, the first one in 45 years, as Alaska came into the Union. And the same year thereafter, Hawaii came in as our 50th State.

Those are historic occasions that I remember, as I think of the history of this Chamber. In addition to personal memories, we can read on yellowed copies of the CONGRESSIONAL RECORD of historic events that would be important to each of you.

But just think, as a result of the Senate's action recently, future Americans will look at video tapes that are being kept in storage to record the historical events that take place as the Senate continues to perform its constitutional duties.

Thomas Jefferson called the Congress a great theater. The Old Senate Chamber, with its wonderful acoustics, provided a stage for great debates of the Websters, the Clays, and the Calhouns. This Chamber is our stage, and we are its players for the time being. I think we are, indeed, fortunate to have a part in this 200th anniversary of the United States Senate and particularly a part in the 100th anniversary of the Senate's rival to this great Senate Chamber. Thank you, Mr. President.

[Applause.]

The PRESIDENT pro tempore. Master Gunnery Sergeant Michael Ryan, accompanied by the United States Marine Band, will now sing "America the Beautiful."

[Singing of America the Beautiful.]

[Applause.]

The PRESIDENT pro tempore. The Chair recognizes the majority leader, Mr. MITCHELL.

THE SENATE OF 1989 AND BEYOND

Mr. MITCHELL. Mr. President, Members of the Senate, earlier, Senator FORD and Senator HATFIELD described the Senate of 1789 and 1889. I have been asekd to speak briefly on the Senate of 1989 and beyond.

The Senate today is, in many ways, the same as it was in the past, but in other important ways, it is different. Unlike the institutions of 1789 and 1889, the Senate today is popularly elected. Its Members reflect directly the aspirations and demands of the people of 50 States. Today's Senate debates and votes in full public view, unlike the closed sessions of 200 years ago. Americans can see the Senate in action, judge its deliberations and reach their own conclusions about the institution and its Members. Sometimes that is a good thing.

Yet, like its predecessors, today's Senate still gives a powerful voice to the minority. It retains its important role in the appointment of executive and judicial officials. It remains an institution with unique authority to define the conditions of American life and the circumstances in which American rights are exercised.

Unlike the world of the past, ours is fast changing. Former adversaries have become partners. They are testing their new economic strength as often against us as with us. The less-developed nations no longer wait patiently for recognition of the needs of their new and growing millions.

Within our society, our traditions remain strong, but our basic institutions change to meet new circumstances. Family values endure, but family responsibilities have evolved. Free enterprise remains central to our system, but its responsibilities become clearer. Technology provides much comfort, but it imposes heavy demands on the environment. Change, more change, more rapid change are the hallmarks of our century.

Yet the Senate is the institution intended not to promote change but to temper it, to moderate the speed with which the Nation hurtles into the future. Former Senator Sam Ervin spoke truly when he said:

> Efficiency is not necessarily the be all and the end all of democratic government. We tolerate a certain amount of inefficiency because we know it is the price we must pay for liberty.

Can an institution devised to restrain change be created in shaping the Nation for its third century? I say yes.

The Senate possesses a responsiveness and depth unmatched elsewhere in Government. Six-year terms and staggered elections make the Senate a continuing body with experience and renewal. Senators can and do serve with many Presidents through many different crises, foreign and domestic. They confront continuing internal reform and external threat. Each Senator, although only 1 of a body of 100, may take upon himself or herself the sole responsibility for halting an initiative of the whole body or of the executive or of the House. Each Senator has that power and that responsibility.

The Senate is the principal partner of the executive in the conduct of foreign affairs, through the treatymaking authority and the confirmation power. We may share in the risks the President wishes to take or reject them, and we also share in the public judgment of the outcome.

There are no easy parallels in history to 20th century America. Here in our Nation our economy is entering a postindustrial age where Americans compete in an international workplace. Medical technology offers new hope and longer life to millions and huge costs to all. Prosperity is high but leaves many untouched.

Change abroad is also unprecedented in scope and pace. Never before has mankind's activity threatened the international environment.

Never before have the peoples of the world been so vulnerable to the actions of terrorists and madmen. Never before have the prosperous societies of the West seen first hand the tragedy of famine and deprivation in the Third World.

Can a 200-year-old institution respond to such change? We answer that question affirmatively every day. Throughout its existence, despite its built-in bias against haste, the U.S. Senate has been a revolutionary body. It has not become an aristocracy of birth or wealth, as many predicted. It has not paved the way for a parliamentary system, wholly deferential to the executive, as some feared. The Senate has been a guardian of tradition without becoming a barrier to change.

Hubert Humphrey, citing Emerson said:

> If * * * it is a "standing insurrection," it is a standing insurrection against the ancient enemies of mankind: war, poverty, ignorance, injustice, sickness, environmental ugliness, economic and personal insecurity.

We will never know greater honor than to serve in this body. We can justify that honor by striking down those ancient enemies, now and through our third century of existence.

The men who wrote the Constitution had as their central objective the prevention of tyranny in America. They were brilliantly successful. In 200 years we have had 41 Presidents and no kings. The institution most responsible for that happy result is the Congress.

As our distinguished colleague, Senator SARBANES, has so eloquently put it, an independent legislature is the distinguishing feature of democracy. All forms of government have executives. In many that is all there is. There is an abundance of government, present and past, without independent legislatures. Democracy is different, and the American democracy is unique.

Here in the most free, the most open, the most just society in all of human history, individual liberty has reached its zenith. The Congress, the independent American legislature, is the principal reason for that. As we enter our third century that is our proud heritage and our great responsibility.

[Applause.]

The President pro tempore. The Chair recognizes the Republican leader, Mr. DOLE.

AS WE HONOR THE PAST, WE MUST LOOK AHEAD

Mr. DOLE. Mr. President, first let me observe that nothing has changed in 200 years. We do not have a quorum here now.

We are down to 41 but I have included former Members to take us over 50. So we are in good shape. [Laughter.]

I want to thank my colleagues, and my former colleagues, certainly the presiding President pro tempore, the members of the Bicentennial Commission, our Senate officers and our historic curator. They deserve thanks for the contributions of this very special celebration, and it is a very special celebration. I want to thank particularly my former colleagues, Senator Eagleton and Senator Baker, for their participation.

I recall very well as we left the Old Chamber. It reminded me that in 1984 I was elected majority leader in that Chamber. It was an exciting moment at the time but it was also a time, as I am certain others in the leadership would agree, for some very sobering thoughts about the responsibilities that come to the job. Leading the greatest democratic body on the face of the Earth is certainly a challenge. It is an opportunity. It is one that is shared by five of us who are here today, the Presiding Officer, myself, the distinguished present majority leader, Senator Mansfield, and Senator Baker.

I guess as I looked around at the time knowing I would be following in the footsteps of Mike Mansfield, Howard Baker, ROBERT BYRD, Lyndon Johnson, and Robert Taft, the thing I thought about was that each of these men had made a different for America. So I was comforted and also inspired because I knew each of these men either personally or I had learned of their energies and their efforts as leaders. And each had a dedication and a vision to make a difference. That is why we are here after 200 years. That is why we are going to be here after another 200 years.

Certainly as we honor the past, we all must sort of look ahead. I have been asked to look ahead 200 years. And what the Senate is going to look like in 2189 is anyone's guess. Maybe by then we will have adopted Senator Russell Long's idea of voting from home. [Laughter.]

Or voting from overseas. [Laughter.]

We will not have to interrupt our travels. [Laughter.]

But no doubt about it, there are going to be a lot of changes, not only in the 200 years but 100 years or 50 years. I think it has already been observed that those who established the first quorum certainly never thought we would have television in the Senate, or computer terminals in every office, or an automobile parking lot on Capitol Hill, or political action committees. I guess we can only guess what this place would look like two centuries from now. But I am confident of one thing, I am not certain which party or there may be another party around by then which will prevail at that time, but the strength of the institution will prevail just as it has for two centuries despite world wars and depressions, or technological revolution.

The Senate will live on, rich in tradition and richer still in democracy, and there will be another ROBERT BYRD to keep us on our toes and to make certain we get the history right. There will be others to follow other leaders in the Senate now and their committees. I happen to believe that two centuries from now the people's business will come first just as it does now, and not the business of the special interests. It is never easy but we can only be true to our forefathers' dream that we judge issues not by whether they are popular but whether they are best for America. I can think in my short time in the Senate, some would say I have been here too long, we have sailed against the wind many times before. I think we will continue to do that in the next 100 or 200 years.

One of our greatest Senators, who has been referred to a number of times already this morning, said it best in my view in the historic original Chamber. It was Deniel Webster who proclaimed "I speak not as a Massachusetts man, not as a Northern man, but as an American." If our colleagues will stick to Senator Webster's invaluable road map the American people, and the men and women who represent them, will never lose their way.

Thank you. [Applause.]

EXPRESSION OF SENATE CONFIDENCE

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDENT pro tempore. The Secretary will read the resolution to the Senate.

The Secretary read as follows:

A resolution (S. Res. 94), to express the Senate's confidence, hope, and trust for those who will serve in the Senate during its third century.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 94) was agreed to, as follows:

S. RES. 94

Resolved, That the Members of the Senate of the 101st Congress extend to all who will serve in the Senate during its third century—

(1) our confidence that their deliberations and actions will be enlightened by an appreciation of the Senate's rich history and guiding traditions;

(2) our hope that they will strive ceaselessly to meet the aspiration of Daniel Webster that the Senate be a body to which the Nation may look, with confidence, "for wise, moderate, patriotic, and healing counsels"; and

(3) our trust that they will uphold the prerogatives of the Senate under the Constitution and will remain ever attentive to the well-being of their constituents, their Nation, and their world.

RECESS

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:25 p.m.

There being no objection, the Senate, at 1 p.m., recessed until 1:25 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

The PRESIDING OFFICER. At the request of the majority leader, the Senate, without objection, will stand in recess until 1:45 p.m.

There being no objection, the Senate, at 1:26 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

RESERVATION OF LEADERSHIP TIME

Mr. KENNEDY. Mr. President, I ask unanimous consent to reserve the leadership time.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business.

THE BICENTENNIAL OF THE UNITED STATES SENATE

Mr. WARNER. Mr. President, it gives me great pleasure today to share with my colleagues biographical information on the first two Members of this body from the Commonwealth of Virginia.

As my colleagues are aware, Virginia played a pivotal role in the founding of our country, and apart from Washington, Jefferson, Madison, and others of our distinguished predecessors, Virginia's first U.S. Senators played an important role in the First Congress.

At this point in the RECORD, I ask unanimous consent that biographies of the Honorable Richard Henry Lee and the Honorable William Grayson be printed for the benefit of my colleagues.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

Lee, Richard Henry (brother of Arthur Lee and Francis Lightfoot Lee), a Delegate and a Senator from Virginia; born at "Strafford," in Westmoreland County, Va., January 20, 1732; after a course of private instruction attended Wakefield Academy, England; returned in 1751; justice of the peace for Westmoreland County in 1757; member of the house of burgesses 1758–1775; Member of the Continental Congress 1774–1780; a signer of the Declaration of Independence; brought forward the resolution, in accord with instructions given in the Virginia convention of May 17, 1776, declaring "that these united Colonies are, and of right ought to be, free and independent States," etc.; author of the first national Thanksgiving Day proclamation issued by Congress at York, Pa., October 31, 1777, after the capture of Burgoyne's army at Saratoga, N.Y.; member of the State house of delegates in 1777, 1780, and 1785; served as colonel of the Westmoreland Militia in engagement with the British at Stratford Landing on April 9, 1781; again a Member of the Continental Congress 1784–1787 and served as President of the Congress in 1784; member of the Virginia convention which ratified the Federal Constitution June 26, 1788; elected to the United States Senate and served from March 4, 1789, until his resignation October 8, 1792; retired from public life; died at his home, "Chantilly," Westmoreland County, Va., June 19, 1794; interment in the old family burying ground at "Mount Pleasant," near Hague, Westmoreland County, Va.

Grayson, William (father of William John Grayson and uncle of Alexander Dalrymple Orr), a Delegate and a Senator from Virginia; born in Prince William County, Va., in 1740; attended the University of Pennsylvania at Philadelphia; pursued classical studies in England, and was graduated from the University of Oxford; studied law at the Temple in London; returned to Virginia and practiced law in Dumfries; during the Revolutionary War was appointed aide-de-camp to General Washington August 24, 1776; commissioned colonel of a Virginia regiment January 1, 1777; distinguished himself at the Battle of Monmouth in 1778; member of the board of war in 1780 and 1781; Member of the Continental Congress 1784–1787; delegate to the Virginia convention of 1788 for the adoption of the Federal Constitution, which he opposed; elected to the United States Senate and served from March 4, 1789, until his death in Dumfries, Va., March 12, 1790; interment on the old family estate at Belle Air near Dumfries, Va.

Mr. WARNER. It is fitting, indeed, that on this 200th anniversary of the convening of the U.S. Senate that we have allotted this time to honor those who first served in the positions we now hold. The Senate is now 100 strong and directly elected by the American people, but it still serves the function for which it was originally intended: Equal representation for each State of the Union.

ALABAMA'S FIRST SENATORS

Mr. HEFLIN. Mr. President, I rise today on this bicentennial of the U.S. Senate to pay tribute to the original Senators from the State of Alabama. During the historic 200 years of this great body, Alabama has been fortunate to have many outstanding statesmen represent us in the Senate. Names like John Sparkman, John Tyler Morgan, Edumund Pettus, Clement Comer Clay, Lister Hill, Hugo Black, and Jim Allen come to mind, but perhaps none of these had as great an impact on Alabama as our first two Senators, John Williams Walker and William Rufus King.

These great men each played a large role in helping Alabama achieve statehood in 1819. Both John Williams Walker and William Rufus King had played prominent roles in other States before coming to Alabama and helping make possible the transition from territory to State.

John Williams Walker was elected as Alabama's first U.S. Senator by Alabama's first general assembly on October 25, 1819. He had moved to Alabama from Georgia and his friendship with Georgia Senator Charles Tait helped pave the way for Alabama's admittance into the Union.

Although Walker suffered from tuberculosis, he managed to overcome the disease and achieve many great successes. Although orphaned at the age of 9 and raised by his brothers, he was graduated from Princeton with honors.

After moving to the Huntsville area of Alabama, John Williams Walker was soon elected to the Alabama Territorial Legislature and by 1818 had risen to the position of house speaker. It was here that his friendship with Georgia Senator Charles Tait helped clear the way for Alabama's statehood. Walker served as president of the first Alabama Constitutional Convention. He had served as a U.S. territorial judge appointed by President James Monroe but gave that up so he could be elected our first Senator.

John Williams Walker was a distinguished Senator and represented Alabama well. Perhaps his greatest accomplishment in the Senate was the passage of the Land Relief Act of 1821 which helped land owners survive the economic depressions which ravaged the country.

Unfortunately, John Williams Walker's tenure in the Senate was limited by his bad health. He retired from the Senate in November of 1822 and died in Alabama 4 months later. His service to Alabama and the Nation are recognized in the State by a monument at his gravesite in Huntsville and by Walker County in northwest Alabama which bears his name.

Alabama's other original Senator, William Rufus King, also distinguished himself with his service to Alabama and the Nation. He was elected in November of 1819 to the short term as U.S. Senator.

William Rufus King had many ties to the State of North Carolina before coming to Alabama. He was born there and was graduated from the University of North Carolina before launching his political career. He served in the State legislature and in the U.S. House of Representatives before representing the United States in Italy and Russia. He returned from overseas to settle in Dallas County in the Alabama Territory. Today the city of Selma, AL, can thank William Rufus King for his leadership in establishing their community.

King's prominence in Alabama politics appears when he was named a member of the Constitutional Convention in 1819, headed by the other future Senator John Williams Walker. As his sharp legal mind and keen intellect became apparent, William Rufus King's influence grew. He was one of only three men who drafted the final document at the Constitutional Convention which enabled Alabama to join the Union.

King's health was much better than Walker's and he served the Senate continuously for 25 years until 1844. He rose in prominence and in power, serving as President pro tempore of the Senate from 1836 until 1841. He would have continued to serve in the Senate had not the fight over the annexation of Texas prompted President Tyler to appoint King as the Minister to France. Both France and England were concerned about the United States admitting the Republic of Texas to the Union. King's outstanding diplomatic skills enabled him to alleviate France's fears about the annexation and thus diffuse a potential international conflict. England followed France's lead and lost interest in the Texas annexation.

William Rufus King returned to the U.S. Senate in 1848 to fill a vacant seat. It was here that King began to gain more national recognition. In 1852, King defeated Jefferson Davis to win the Democratic nomination for Vice President under Franklin Pierce.

They won the general election. King was not able to relish the victory for tuberculosis drove him to seek refuge from the winter in Cuba. When Congress realized that William Rufus King would not be able to be sworn in at the inauguration on March 4, 1853, they authorized the United States consul to Havana to give King the oath of office on that day in Cuba. It was then that King became the only major elected American official to take the oath of office on foreign soil.

King realized the extent of his sickness and returned home, reaching Dallas County only 2 days before his death on April 18, 1853. His death brought to an end the career of one of Alabama's most outstanding statesmen. He remains one of the few men ever to serve as a U.S. Representative, Senator, and Vice President.

Although Alabama was not yet a State when this Congress convened in 1789, this bicentennial of Congress remains an important time to examine the history of this historic institution. Senators John Williams Walker and William Rufus King both placed their mark on Alabama and on this Nation. Each one played a large role by shaping my great State and by beginning the tradition of great legislators Alabama has sent to Congress.

THE BICENTENNIAL OF THE UNITED STATES SENATE

Mr. THURMOND. Mr. President, I rise today on this historic occasion with a profound sense of pride and patriotism. We are gathered here to celebrate the 200th anniversary of the Senate of the United States. This great democratic institution was initially considered a experimental and revolutionary departure from the norm of government. Over the centuries, it has proven to be a flexible, fair and vital branch of the Government of our Nation.

However, the First Congress had a few difficulties at the outset. In fact, it seems that obtaining a quorum was almost as difficult then as it sometimes is today.

The first session of the Congress was scheduled to convene in New York on March 4, 1789. Only 13 Members of the House of Representatives, from 5 of the 11 States that had ratified the Constitution at the time, were present on that day. Thus, the House met and adjourned every day until April 1, when the 30 of the 59 elected members arrived in New York and the House finally reached a quorum.

On April 6, 5 days later, the Senate reached a quorum as well, although the President of the Senate, Vice President John Adams, did not arrive for another 2 weeks. Thus on April 6, 1989, we recognize the Bicentennial of the United States Senate.

The passage of time can have a fascinating effect on historical events—it has the power to transform the new into the old, the revolutionary into the traditional, and the experimental into the tested. This process characterizes the transformation which the U.S. Senate and our Government has undergone. Our unique system of government, a daring and risk-laden proposal in its time, has become the model of democracy for the free world.

Additionally, it is awe-inspiring to consider the tremendous foresight of our Founding Fathers. The documents, devices and tools of government they implemented 200 years ago are still flourishing today, watered by the spring of truth and justice. It is this factor—the timelessness of the principles of justice, truth and democracy—that energizes our system of government and endows it with perpetual life. Though times may change, the value of the principles on which the United States are founded are everlasting.

In closing, I would like to take this opportunity to reflect on the significance of the spirit of this occasion. The lofty feelings of pride and joy that we share for that which our Nation has achieved are relevant to our contemporary situation as well. I suggest we take this moment to look toward the future, interpreting the buoyant spirit of success as a harbinger of that which is to come. Let us be inspired on this important day to work for the good of the United States with renewed diligence and vigor.

BICENTENNIAL STAMP CEREMONY

Mr. MITCHELL. Mr. President, this morning the Old Senate Chamber was the site of a ceremony to dedicate a stamp commemorating the 200th anniversary of the U.S. Senate's first quorum.

During the ceremony at 9:30 a.m., statements were made by the chairman of the Bicentennial of the U.S. Senate, the Senator from West Virginia [Mr. BYRD], the Republican leader [Mr. DOLE], the Senator from Delaware [Mr. ROTH], the Postmaster General, Anthony M. Frank, and myself.

I ask that these statements be printed in the CONGRESSIONAL RECORD.

WELCOME REMARKS

Mr. BYRD. Mr. President, as chairman of the Commission on the Bicentennial of the United State's Senate I welcome my distinguished colleagues, Senators GEORGE MITCHELL, BOB DOLE, and JOHN GLENN, the Postmaster General Anthony Frank, and our invited guests to this ceremony dedicating the Senate Bicentennial stamp.

It is my hope that this commemorative stamp, depicting the eagle and shield above me, will act as an emissary to the people.

What better way to remind Americans of the Senate's bicentennial than by affixing it to the mail delivered to them each day.

As we all know, this date marks the official beginning of the Senate.

It is the 200-year anniversary of its first quorum.

Though the Senate's work had been delayed almost 5 weeks, the Senators present on April 6, 1789, wasted no time in getting to work. Everything these men did was done for the first time. They elected John Langdon of New Hampshire the first President pro tempore, counted the ballots that elected George Washington our first President and John Adams Vice President, and set about establishing the organization of the Senate. Not surprisingly one of the first items of contention in those early days was compensation for Members. The old saying "history repeats itself" could not be more true.

For this very reason, it is important that we are celebrating this occasion. That first Senate, to some degree, addressed almost every problem that would confront it in the years ahead. It set in motion the wheels that would make the Senate the greatest deliberative body in the world. The Senate is a great institution that is steeped in two centuries of history and traditions. It is, I believe, much greater than the sum total of its one hundred parts. Though some would find fault with its practices, it will surely endure for all the centuries to come.

Mr. MITCHELL. Mr. President, it is appropriate that the first quorum of the Senate that was achieved, on April 6, 1789, be commemmorated by the issuance of a stamp to mark the anniversary, for the Post Office was one of the very first Government departments to be reestablished when the new Congress began its work 200 years ago.

At that time, 75 post offices and 2,000 miles of post roads served the people of the Thirteen Colonies. When the service moved to Washington eleven years later, its entire inventory—records, furniture, and all—fitted into two wagons.

It was no accident that among the first orders of business for the new Senate was the reestablishment of Postal Service. The Constitution itself commanded it.

The Founders knew that for a nation to come into being from the 13 States with their far-flung people, communication was essential. That meant a postal system.

The first Congress is justly remembered for its achievements in drafting the Bill of Rights, in setting up the judicial branch, in establishing the major Government departments.

But to our forebears, the people of the Thirteen Colonies, no agency of

Government was as important as the Postal Service. And its importance to our people continued through the 19th century, when postal contracts were a primary source of reliable financing that made possible the construction of our Nation's transportation system.

The Service pioneered in the use of waterways and canals before railroads and highways thrust into the western wilderness. The Service was in the forefront of rail use as the lines were laid down.

With the introduction of rural free delivery in 1896, the long isolation of America's farmers was broken, as local governments were forced to improve access to farming communities across the Nation.

The adoption of parcel post paved the way for mail order services to farms and rural communities, bringing to Americans in remote districts the most modern goods of their age.

Today electronics make instant news, instant communication and instant delivery of letters a routine fact of life. Our communications network is the most efficient and complex in the world. Americans have it in their power to be the best-informed people in the world.

And that fact of today's life rests in large part on the historic role of the Postal Service in its efforts to give all Americans a way to reach each other. The Pony Express, which brought the two coasts to within 12 days' distance; the efforts of the first rural carriers, braving unpaved trails and unmarked roads to reach remote farmhouses, all played their part in helping our Thirteen Colonies grow into the great Nation we share today.

We salute the Congress that 200 years ago recognized this need, and the Postal Service which has worked to meet that need ever since.

THE EAGLE AND THE SHIELD

Mr. ROTH. Mr. President, I want to commend the U.S. Postal Service for the creation of this handsome stamp in honor of the Senate bicentennial. I am sure it was not an easy job to find the right symbol to express what the Senate is and has been. If you look around the Senate Chamber we are surrounded by symbols of our history—there are snuff boxes, and spittoons, mahogany desks, and marble busts of our past Presiding Officers. But I doubt whether any of those items would have expressed much meaning on a stamp.

The choice of the eagle and the shield, in my opinion, was exactly what was needed. The eagle and the shield have hung in the Capitol for at least 164 of our 200 years of Senate history. They were perched above the Senate when Henry Clay, Daniel Webster, and John C. Calhoun debated the great issues of this country in the decades before the Civil War. The strength and vigilance of the eagle, and the protection offered by the shield are the qualities of leadership that Senators have always worked to provide this country. Those are symbols that we are proud to exhibit to the Nation and the world on this commemorative stamp.

STAMPS OF THE BICENTENNIAL OF CONGRESS

Mr. FRANK. Senator BYRD, Members of the Senate, distinguished guests, ladies and gentlemen. Good morning. I am very pleased to be here to help celebrate the 200th anniversary of the first quorum of the United States Senate.

Several years ago, the Postal Service received thousands of requests to create a series of stamps celebrating the bicentennial of the U.S. Constitution. We did just that.

The Constitution series consists of more than 20 philatelic issues that pay tribute to our country's beginning. Each stamp and postal card highlights a major event in the development of our federal system—from the convening of the Constitutional Convention, to ratification of the document of the Thirteen Original States, to the drafting of the Bill of Rights.

This Senate stamp is one of four commemoratives specifically recognizing the separate branches of our Federal Government. This week, we are issuing stamps honoring the House of Representatives and the Senate. On April 16, at Mount Vernon, we will issue a commemorative stamp honoring the executive branch. Next year, a stamp honoring the judicial branch will complete the group.

The entire Constitution series offers every American the opportunity to create a personal collection of U.S. history. This series, more than any other, provides a complete perspective on the development of our unique form of Government. Those who buy and receive these stamps will be reminded anew of the importance and influence of our country's ideas and institutions in shaping their own lives and serving as a beacon of freedom and hope for peoples throughout the world.

A truly successful stamp design can indeed convey such complex ideas in a fraction of a second. Like all art forms, stamps are universally understood and so have great power to unite people and bridge the gulfs created by language and alphabet.

But stamps are a miniature art form, and their design extremely difficult. To create an image and a message in 1 square inch—that is the challenge—an enormous challenge.

I am sure you will join me in congratulating Howard Koslow for meeting that challenge in superb fashion in his design of this Senate stamp. Howard, thank you for your excellent work. [Applause.]

Stamps, postal cards, and envelopes provide a unique honor roll of persons and events important in our national history and life—persons and events deserving wide and lasting attention throughout the United States and, indeed, the entire world.

In a very real sense, stamps are our Nation's "calling cards"—powerful traveling billboards featuring our heritage—commemorating those people, events, institutions and achievements which comprise this great Nation's progress and success. Stamps—colorful, miniature works of art—provide a panorama of American history from the landing of the *Mayflower* to the landing on the Moon. They portray America's arts, crafts, and architecture—its great moments in sports—the natural glories of our land as well as our many achievements in space and aviation.

Former Chief Justice and Bicentennial Commission Chairman Warren Burger has called for a deepened national understanding of American history, noting that:

"Nothing could be more important than teaching our young people the value of the Nation's Constitution." Hence, the Commission is giving scholarship and education a high priority in its bicentennial commemoration activities.

Commission Staff Director Mark Cannon has also stressed the need for an "educational revolution," which would raise American's awareness of their constitutional heritage. He sees "promoting education as the most vital challenge of the bicentennial commemoration."

We sincerely hope the Postal Service's philatelic series commemorating the bicentennial of the Constitution will further understanding of American history. And in a much broader context, we do this routinely through our Benjamin Franklin stamp clubs.

During the last decade, we established some 37,000 Benjamin Franklin stamp clubs, with more than 1 million members, mostly in elementary schools. These stamp clubs use stamps to teach students—to help them relive great events and meet great people who have shaped our country.

Interesting children in history is far easier through stamps than through textbooks. Stamp collecting is a hobby that children naturally enjoy. The beauty of postage stamps and their graphic portrayals of historic events, cultural achievements, and the natural beauty of this land from the Chesapeake Bay to the Pacific Ocean fascinate and absorb youngsters like few other collectibles.

Many Benjamin Franklin stamp club members as well as students nationwide will discover the new constitution series of stamps in their classrooms, and on mail received in their homes. And through these new issues they will learn a little more about the Con-

stitution and all it has meant to our Nation for 200 years.

Through the constitution series Americans, both young and old, can follow the critical chain of events that began with the convention called "for the sole and express purpose of revising the Articles of Confederation. * * *" They can follow the months of debate and compromise that preceded the creation of a document that has proven to be the most successful blueprint for popular sovereignty in human history.

The Postal Service is proud of this philatelic tribute to the Constitution and pleased to issue this new commemorative stamp in honor of the bicentennial of the U.S. Senate.

Two hundred years ago, the business of our Government as required by the U.S. Constitution began to unfold. John Langdon of New Hampshire was selected President pro-tem of the Senate and the first ballot count for President of the United States began. Since that time, the Constitution has stood as our personal charter for liberty and a beacon of democracy that can be seen around the world.

This commemorative stamp provides all Americans the opportunity to collect and preserve a piece of our constitutional heritage. It serves as a small-but-powerful symbol for the world, transforming millions of letters into filers for freeedom.

And now, it gives me great pleasure to dedicate this new 25-cent commemorative stamp honoring the U.S. Senate. It is appropriate that Washington, DC, is the only city in the United States where these stamps may be purchased today. But starting tomorrow, 138 million of these tiny pages of American history will go on sale in 40,000 post offices across the country, carrying the story of one people, one government, one freedoms.

Thank you.

At this time, it is my pleasure to present souvenir albums to a few destinguished guests. By tradition, the first album goes to the President of the United States and this album will be presented to George Bush.

ADDITIONAL INFORMATION ON THE "EXXON VALDEZ" INCIDENT

Mr. STEVENS. Mr. President, I want to provide further insight into the circumstances surrounding the tragic oilspill in my home State of Alaska, and I would like to have printed in the CONGRESSIONAL RECORD four articles. One is from the Anchorage Times, two are from the New York Times, and one is from the Washington Post.

In yesterday's Anchorage Times, which is one of my hometown papers, an exclusive story sheds additional light on the situation in the wheelhouse of the *Exxon Valdez* when it went aground in Alaska's Prince William Sound.

The ship's third mate at the helm at the time of the impact was unaware that the captain, who had left the bridge, had put the ship on autopilot just before leaving the bridge. The time lost because the rudder did not respond to human commands, and the confusion in the wheelhouse until it was discovered that the ship was proceeding on a computer-set course on autopilot, was likely a contributing factor to this great tragedy. The Anchorage Times article describes that situation in depth.

The New York Times has made thoughtful comments in two recent editorials. The first appeared on March 30. It helps put in perspective the issue of further exploration for additional oil in the Arctic. Bearing in mind that 25 percent of the oil consumed by our Nation comes from Alaska, that New York Times editorial makes the point that the recent oilspill in Prince William Sound should not preclude oil exploration in the Arctic National Wildlife Refuge.

In the April 5 edition of the New York Times, a second editorial addresses a need for more clearly defined rules of marine safety. The article calls for clear, workable, realistic regulations to be in place to assure quicker and more adequate response should a tragedy, such as our recent tragedy, occur anywhere in our Nation's waters.

Mr. President, the Washington Post article that I mentioned is a column by Michael Herz that appeared also on April 5. Herz brings out the point that unless clearcut plans are tested and tested regularly before a spill and properly coordinated, those plans are not worth the paper they are printed on. Documents alone and industry promises are not enough to ensure that the environment of this country will receive adequate protection.

Mr. President, many people are asking me about suggestions. I want to commend these articles to the Senate and urge those who want to find out more about what happened and what should be done to read these articles.

Mr. President, I ask unanimous consent that the articles I mentioned be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Anchorage Times, Apr. 5, 1989]

AUTOPILOT LED SHIP TO REEF

COMPUTERS OVERRODE HUMAN HAND

(By Joe Hunt)

VALDEZ.—Confusion in the wheelhouse may have allowed the ship's computers to override human commands, keeping the Exxon Valdez on a course toward catastrophe, according to a Coast Guard investigator.

The confusion likely lasted for only 90 critical seconds, Mark DeLozier, chief marine investigator with the Coast Guard in Valdez, said Tuesday, but the captain of the Exxon Valdez plotted a course so perilously close to known reefs that the last minute and a half doomed the ship to the record books of great marine disasters.

Captain Joseph Hazelwood, 42, was not at the controls when the 987-foot tanker ran aground March 24, but he may have committed his vessel to its fateful perch upon Bligh Reefs before turning the ship over to this third mate, DeLozier said. The Coast Guard is conducting a separate investigation from the National Transportation Safety Board.

DeLozier described the details leading up to the grounding in the first public disclosure of how the Exxon Valdez grounded itself on well-charted and well-known reefs 25 miles south of Valdez. The accident tore open the ship's hull, releasing 10.1 million gallons of oil and changing the course of nature in Prince William Sound.

Testimony from the captain and crew members who were in the wheelhouse during the night of the accident shows that Hazelwood may have deliberately steered the tanker out of the designated shipping lanes before retiring to the lower deck, DeLozier said.

Hazelwood turned over the vessel to third mate Gregory Thomas Cousins, 38, while the tanker was on a course leading straight towards the reefs, the Coast Guard investigator said.

In describing the accident, DeLozier spoke in terms of minutes rather than miles. The Exxon Valdez was about nine minutes from impact when the captain left the wheelhouse, he said.

Though Hazelwood left instructions to gently steer the tanker back into the shipping lanes, he failed to tell his third mate that the ship was being controlled by automatic pilot, DeLozier stated. There is no way to confirm that the automatic pilot played a part in the accident, but DeLozier was told by at least one crew member that it was turned on and caused a delay in turning the vessel, "We're not confident exactly who put it in automatic pilot," DeLozier cautioned, "and we're not absolutely sure that it was."

DeLozier said that Hazelwood, in relinquishing control of the wheelhouse, failed to tell the third mate that the ship's controls were set on automatic pilot. About 4½ minutes before impact, Cousins ordered that the tanker turn 10 degrees to the right, just as the captain instructed, DeLozier said.

The rudder didn't respond. A ship will not respond to controls when the automatic pilot is engaged, DeLozier explained. After losing perhaps one precious minute and cruising perilously toward the reef, Cousins realized that the ship was not turning and ordered helmsman Robert Kagan to steer the boat another 10 degrees to the right. Again the tanker didn't respond.

The vessel was about three minutes away from running aground on Bligh Reef when someone in the wheelhouse realized the automatic pilot was on, DeLozier said. He wasn't sure who first recognized the problem.

Though Cousins ordered full right rudder immediately after disengaging the automatic pilot, it was too late.

The crew in the wheelhouse had about three very anxious minutes as they tried to avoid crashing on the rocks, but the tanker—more than three football fields in length—was slow to respond.

"There's not much time to react," DeLozier said. "The ships don't react that quickly."

According to the ship's logs, the tanker ran aground at 12:04 a.m. on Good Friday, March 24, 1989.

Six days later, the National Transportation Safety Board announced that Hazelwood had a blood-alcohol level of .061 even though the blood sample was taken nine hours after the ship went aground. The operator of a tanker cannot have a blood-alcohol content of more then .04 by federal law.

The alcohol may have impaired the captain's judgment and caused the missed communication about the automatic pilot, DeLozier said.

"When one person relieves another, the normal procedure is to communicate exactly (the state of the wheelhouse)," he said, "Since Mr. Hazelwood was under the influence, maybe this had something to do with the lack of proper relief."

The communication problem and Hazelwood's unauthorized movement out of the shipping lanes pale when compared to the charge of operating a tanker while intoxicated, DeLozier said.

"The mere fact that the guy was under the influence is enough to prove all charges that may or may not be filed as a result of the casualty," DeLozier said.

A tape recording of communication between Hazelwood and the Coast Guard's vessel traffic control center shows that the captain failed to respond to a request that he notify them of his location.

Hazelwood requested permission to alter course to avoid ice floes from the Columbia Glacier floating in the shipping lanes. The Coast Guard controller approved the request but also asked that the ship notify him when it entered the northbound shipping lane, according to the taped transcript.

The Coast Guard did not hear from the Exxon Valdez again until Hazelwood, talking slowly and in a deep, tired voice informed them of the grounding. The transmission was made at 12:28 a.m.

After making the initial contact with the Coast Guard, Hazelwood made the following transmission: "Yeah, we should be on your radar here. We've fetched hard aground. . . . We're leaking oil. We're going to be here a while. I just wanted to make a report."

DeLozier said it was not surprising that 24 minutes separated the official time of grounding and the time the Coast Guard was informed of the oil spill.

No one was looking at the clock at the time of grounding, he theorized, and the notation in the log book was probably made several minutes after impact. Plus, he said, the captain and crew might have taken a few minutes to assess the situation.

DeLozier discounted a published theory that the captain and third mate were trying to take a treacherous shortcut when the ship went aground. "Some of the rumors we hear that he intentionally made a short cut, that's not feasible," he said. "That's so far off the mark that even this idiot wouldn't have done it."

The tanker's path toward disaster began after the ship's pilot, an expert charged with navigating the tankers in and out of Port Valdez, left the vessel at Rocky Point outside of the Valdez Narrows.

As third mate Cousins assisted the pilot off the vessel from the main deck, Hazelwood contacted the Coast Guard to make his request to move about in the shipping lanes. The first transmission was made at 11:25 p.m., 39 minutes before the grounding.

Hazelwood: "The pilot disembarked and at this time we are hooking up sea speed (a 43-minute process in which the ship builds up its cruising speed.) Estimated time of arrival at Naked Island 0100 (1 a.m.)."

Coast Guard: "Roger that, sir, request updated ice report when you get down through there."

Hazelwood: "OK, I was just about to tell you judging from our radar we were just about to divert from the TSS and end up in the inbound lane if there is no conflicting traffic."

Coast Guard: "No reported traffic. I've got the Chevron California one hour out and the Arco Alaska is right behind them."

Hazelwood: "That will be fine. We may end up over in the inbound lane. We'll notify you when we leave the TSS and cross over the separation zone. Over."

Coast Guard: "Roger that. We'll be waiting your call. Traffic out."

Five minutes later, Hazelwood called the traffic control center again. "Present time going to alter my course to 200 and reduce speed to about 12 knots and winding my way through the ice. Naked Island ETA will be a little out of whack, but once we are clear of ice out of Columbia Bay we'll give you another shout. Over."

Coast Guard: "Roger that, sir, we'll be waiting your call. Traffic standing by."

The Coast Guard did not hear from the captain again until after the accident, according to DeLozier. Hazelwood apparently altered his course again to a heading of 180, a change of 20 degrees, without informing the control center.

That heading, said DeLozier, while charting the direction on a map, put the Exxon Valdez on a collision course with Bligh Reef.

[From the New York Times, Mar. 30, 1989]

OIL ON THE WATER, OIL IN THE GROUND

Does the Exxon tanker spill show that Arctic oil shipping is being mismanaged? Should the industry have been better prepared to cope with the accident? Should the spill deflect President Bush from his plan to open more of Alaska to oil exploration?

Six days after the Exxon Valdez dumped 240,000 barrels of crude into the frigid waters of Prince William Sound, questions come more easily than answers. But it is not too early to distinguish between the issue of regulation and the broader question of exploiting energy resources in the Arctic. The accident shouldn't change one truth: Alaskan oil is too valuable to leave in the ground.

Exxon has much to explain. The tanker captain has a history of alcohol abuse. The officer in charge of the vessel at the time of the spill was not certified to navigate in the sound. The company's cleanup efforts have been woefully ineffective. Local industries, notably fishing, face potentially disastrous consequences, and the Government needs to hold the company to its promise to pay. More important, Washington has an obligation to impose and enforce rules strict enough to reduce the risks of another spill.

That said, it's worth putting the event in perspective. Before last Friday, tens of thousands of tanker runs from Valdez had been completed without a serious mishap. Alaska now pumps two million barrels through the pipeline each day. And it would be almost unthinkable to restrict access to one-fourth of the nation's total oil procuction.

The far tougher question is whether the accident is sufficient reason to slow exploration for additional oil in the Arctic. The single most promising source of oil in America lies on the north coast of Alaska, a few hundred miles east of the big fields at Prudhoe Bay. But this remote tundra is part of the Arctic National Wildlife Refuge, and since 1980 Congress has been trying to decide whether to allow exploratory drilling.

Environmental organizations have long opposed such exploration, arguing that the ecology of the refuge is both unusual and fragile. This week they used the occasion of the tanker spill to call for further delays while the damage from the Exxon Valdez spill is assessed.

More information is always better than less. But long delay would have a cost, too: Prudhoe Bay production will begin to tail off in the mid-1990's. If exploration is permitted in the refuge and little oil is found, development will never take place and damage to the environment will be insignificant. If development does prove worthwhile, the process will undoubtedly degrade the environment. But the compensation will be a lot of badly needed fuel.

Environmentalists counter that, at most, the refuge will add one year's supply to America's reserves. They are right, but one year of oil is a lot of oil. The 3.2 billion barrels, if found, would be worth about $80 billion at today's prices, enough to generate at least $10 billion royalties for Alaska and the Federal Government. By denying access to it, Congress would be saying implicitly that the absolute purity of the refuge was worth at least as much as the forgone $10 billion.

Put it another way. Suppose the royalties were dedicated to buying and maintaining parkland in the rest of the nation—a not unthinkable legislative option. Would Americans really want to pass by, say, $10 billion worth of land in order to prevent oil companies from covering a few thousand acres of the Arctic with roads, drilling pads and pipelines?

Washington can't afford to assume that the Exxon Valdez accident was a freak that will never happen again. But neither can it afford to treat the accident as a reason for fencing off what may be the last great oilfield in the nation.

[From the New York Times, Apr. 5, 1989]

OIL AND DIRTY HANDS

The wreck of the Exxon Valdez: It's already the largest American oil spill. It may yet turn out to be America's most profound environmental disaster. It undermines the oil industry's credibility and threatens future exploration. And its traces will last for years to come, grim reminders of carelessness and official self-deception.

But this catastrophe can yet bring some measure of redemption by jolting Congress to write credible regulations for oil exploration and shipping, persuading the bureaucracy to enforce them and forcing industry to honor its trust.

It is true, as President Bush has said, that there is not direct connection between the wreck of the Exxon Valdez and the bill he favors to open up the Arctic National Wildlife Refuge to exploratory drilling. The accident could as easily have occurred off the coast of Lousiana.

But in terms of public perception, the connection has already been made. Support for the bill is dwindling fast and won't be revived without tough new regulations. Interior Secretary Manuel Lujan, an advocate of aggressive exploration, seems to grasp this point more clearly than does Mr. Bush.

"If the image of an uncareful and uncaring industry prevails among the U.S. public," he told an industry group on Monday, "then we can kiss goodbye to domestic oil and gas exploration in the [refuge], offshore, and in the public lands."

In relative terms, the Alaskan spill is small (see box). The 1978 spill from the Amoco Cadiz in prime fishing waters off the Brittany Coast was seven times bigger. But its damage was mitigated by high winds and heavy seas that broke down the oil and prevented formation of a continuous slick.

The special horror of the Alaskan spill lies in its location. Breathtakingly rich in animal life, the frigid waters of Prince William Sound are ringed by islands and largely isolated from the sea. The oil may thus resist chemical degradation for years. Even now, the spreading slick has turned the sound into a marine graveyard.

A public outraged by the sight of oil-soaked birds and sea otters has been made angrier still by evidence of industry irresponsibility. Exxon recertified the captain despite his drinking problems. The ship was in the hands of an unqualified third mate when the accident occurred. Cleanup efforts were confused and slow.

Yet others are also to blame. While Exxon is plainly responsible for the accident, the Clean Water Act of 1972 gives the Coast Guard responsibility for developing and monitoring plans for containing a spill.

The regulations are full of high-minded language calling for "regional response teams" and "on-scene coordination." As a practical matter, however, the Coast Guard has ceded responsibility to the Alyeska Pipeline Service Company, the eight-company consortium that operates the Valdez oil terminal.

Alyeska's record is one of appalling smugness. In 1981, it disbanded a 20-man round-the-clock emergency crew. In 1987, in an updated contingency plan, it boasted that it could deploy the necessary equipment in five hours. But when disaster came, the company had trouble finding the barrier booms designed to encircle the spill and a ship seaworthy enough to carry them to the scene.

In the end, it took 35 hours to circle the ship, still longer to mount an attack with much-touted chemical dispersants that, in cold water, may have been of little value anyway. And by then the oil was floating miles from the ship.

The rules clearly need tightening up. The limits of liability are now a puny $100 million for cleanup costs and unspecific economic damage; these surely need to be raised. But what the Exxon Valdez disaster demands even more is a wrenching shift of attitudes. It will be hard indeed to persuade the public to take the risks involved in seeking oil in inhospitable places until a complacent bureaucracy cleans up its act and until an equally complacent industry comes forward with clean hands.

[From the Washington Post, Apr. 5, 1989]

EXXON'S FAILED PROMISES

(Michael Herz)

The Exxon Valdez, impaled on the rocks and bleeding oil into Prince William Sound, should be a stark warning to the public agencies charged with protecting bays and coastlines throughout the country that industry can't be trusted to meet its promises to produce and ship oil without damage to the environment.

Federal regulations require that oil terminals, pipelines, drilling platforms and storage facilities on or under the ocean or on the shore have oil spill contingency plans. Under the law, operators of such facilities must promise through these weighty documents that they can respond to spills quickly and effectively.

But documents alone and sincere-sounding industry promises aren't enough to ensure that the environment will be protected. Both the Valdez spill and experience in other areas demonstrate that without monitoring of the oil industry's readiness to respond to spills—as promised in their plans—the plans are virtually worthless. Without skeptical, continuous governmental tests of oil spill response equipment and personnel, the environment will always be the loser when the real emergencies occur.

The operators of the Alyeska Terminal at the end of the Alaska Pipeline had dutifully drafted an oil spill contingency plan to meet the regulations. The plan detailed response and cleanup operations for the area and was approved by both federal and state governments.

But on the 24th of March, the contingency plan was put to its first real test and found to be seriously wanting. In a region held not to be treacherous by the Coast Guard, under the command of an apparently inebriated master, an Exxon tanker without a protective double bottom ran aground and dumped the largest quantity of oil ever spilled in U.S. waters. Public officials who failed to demand that industry prove its response capability must share a full measure of blame with Exxon and its employees.

And the proof of this? Instead of there being seven oil skimmers in five hours as promised in the contingency plan, three arrived at the stricken tanker more than 12 hours after the grounding, and skimming did not begin for 18 more hours. Pitting three small skimmers against 10 million gallons of oil is like trying to empty a swimming pool with an eyedropper.

Over the next two days, when moderate weather conditions were optimal for mechanical containment and recovery, little oil was skimmed despite the contingency plan's claim that thousands of barrels a day could be contained and recovered, even under storm conditions.

Chemical dispersants, which might have decreased the surface volume of the spill and reduced the impacts of oil on beaches and shorelines, were not applied. And oil booms which the plan said would be made available to prevent oil from entering fish hatcheries, streams and other sensitive habitats, were in short supply.

In short, the promises contained in the contingency plan could not be kept.

This should come as no surprise to anyone familiar with the way in which compliance with environmental laws or regulations is monitored. Too often, potential polluters are asked to be their own watchdogs. In the case of federal oil spill contingency plans there never has been an effective federal enforcement program to monitor the degree to which promised performance could be delivered.

Under the federal Coastal Zone Management Act, states are empowered to come to their own conclusions about the effectiveness of federal actions; in at least one case, a state has demanded that industry prove its ability to meet its promises.

In notable contrast to the federal laxity in monitoring plans, the California Coastal Commission has for more than 10 years had a staff person who has been responsible for evaluating plans. * * *

ARCHBISHOP IAKOVOS

Mr. MOYNIHAN. Mr. President, this past weekend marked a significant event in the religious life of the Greek Orthodox Church in North and South America. April 1 marked the 30th anniversary of the ordination of Archbishop Iakovos as primate of the Greek Orthodox Archdiocese of North and South America. Commemoration exercises took place in New York City and throughout two continents. I would like to pay tribute in this body to this extraordinary leader.

Archbishop Iakovos is a religious leader, humanitarian, educator, and international leader. Archbishop Iakovos' religious activities alone are awe-inspiring. He is the spiritual leader of over 2 million Greek Orthodox, founder and chairman of the Standing Conference of Canonical Orthodox Bishops in the Americas, chairman of the Standing Conference's "Orthodox Catholic Consultation," and former co-president of the World Council of Churches from 1959–68. He was also received in private audience by Pope John XXIII at the Vatican in 1959—the first Greek Orthodox Archbishop to visit the Pope in 350 years. This is just a sampling.

Archbishop Iakovos was born in Turkey, trained at the Ecumenical Patriarchate's Theological School in Istanbul, and also received a master's degree in Sacred Theology from Harvard University School of Divinity. His educational activities include: president of the board of trustees of St. Basil Academy in Basil, NY; president of the Board of Education of the Greek Orthodox Archdioceses of North and South America; and trustee of Anatolia College.

But, Archbishop Iakovos has educated people throughout the world in other profound ways. He has lectured and preached widely, addressing many Roman Catholic, Protestant, and Jewish groups and various universities and institutions. In this, he has encouraged and promoted exchange. As the leader of the delegation of Ecumenical Patriarchate to the World Council of Churches Assembly, he initiated the Orthodox dialogs with Judaism. Even as he has worked to establish similar dialog with Catholics, Anglicans, Lutherans, Southern Baptists, and black church leaders.

His service to the cause of civil and human rights has been undaunted. He was active in the civil rights movement and marched with the late Dr. Martin Luther King, Jr., in Selma, AL, in 1965. Internationally, Archbishop Iakovos has been an advocate, indeed a beacon for human rights and religious freedom. He has led protests against repressive governments throughout the world and also serves on the honorary board of the advisory council on Religious Rights in Eastern Europe

and the Soviet Union of the Senate Foreign Relations Committee.

The Archbishop's accomplishments and service to the world community are boundless. I congratulate Archbishop Iakovos and the Greek Orthodox Archdiocese on this significant occasion.

PATIENT OUTCOMES RESEARCH ACT OF 1989—S. 702

Mr. PRYOR. Mr. President, as chairman of the Senate Special Committee on Aging, I am delighted to join Senator MITCHELL and many of my colleagues on the Senate Finance Committee in introducing the Patient Outcomes Research Act of 1989. This watershed legislation has great potential to reduce unnecessary and inappropriate health care services, and their costs, by developing ways to accurately evaluate the effectiveness of treatments.

Over the past several years we have devoted a great deal of attention to technology assessment and to the licensure and certification of various health care providers. Too little attention, however, has been paid to measuring specific treatment outcomes. We have little useable data that adequately assesses the result of particular medical interventions. As a result of this void of information, it is practically impossible to determine whether a particular treatment was necessary in the first place and/or whether it achieved what it was intended to achieve.

The practice of medicine never has been and probably never will be an exact science. This helps explain why there appears to be wide variations in the rates of the use of certain procedures from provider to provider and from community to community. However, we all benefit if we can provide more detailed and useful information to physicians about the effectiveness of various medical interventions.

The legislation contains an important provision to establish practice guidelines as part of a crucial strategy to implement the outcomes research results. Based on the research findings produced, a practice guidelines committee—comprised of practicing health care professionals—will be established to develop both patient management and practice guidelines. It is important to note that the primary goal of these guidelines will be to improve the quality of care received by patients.

It goes without saying that the information that is expected to emerge from today's effort will eventually provide significant benefits to both patients and physicians. It will give doctors the information they need to make decisions on what treatment option(s) would be most appropriate and beneficial to their patients. Reductions in inappropriate treatment approaches will not only improve patient care, but it will reduce unnecessary medical expenditures. In addition, these guidelines also have great potential to make an invaluable contribution to addressing the medical malpractice problem. Physicians following general guidelines probably would be less likely to be on the losing end of a malpractice suit. These facts help explain why both major aging advocacy groups and the American Medical Association are supportive of this initiative.

The financing for this legislation will come primarily from Medicare's Hospital Insurance trust fund, and to a lesser extent, from the general fund. Contributions from these two sources makes good sense. Medicare, the primary public health insurer in this country, will be the primary payor of this bill. However, the research envisioned by this legislation will benefit not only Medicare beneficiaries—it will benefit all health care consumers in our society at large. Therefore, the general fund will appropriately contribute its fair share.

This legislation is consistent with and will complement a recent request of the General Accounting Office [GAO] to conduct a study to develop clinical practice guidelines that direct practitioners to the most cost-efficient and effective treatment options. Senator HEINZ, Senator MITCHELL, and myself initiated this study to help to develop policies and procedures for setting priorities for outcomes research, determining the most appropriate and cost-effective research strategy within a given priority area, and for developing practice guidelines.

Mr. President, this bill is a logical step in our continuing effort to improve the quality of care for all of our Nation's citizens while at the same time contributing significantly to our commitment to reducing or decelerating health care expenditures by identifying treatments that do not contribute to good patient outcomes. I urge my colleagues to support this bill, which I find to be one of the most exciting and promising pieces of legislation in the health care arena today.

A TRIBUTE TO SAMUEL A. COTHRAN

Mr. THURMOND. Mr. President, on March 31, 1989, Samuel A. Cothran, publisher of the Aiken Standard newspaper and one of South Carolina's most respected journalists, retired after more than 50 years of service to his profession. Although Mr. Cothran's involvement in the publishing field will be greatly missed, his many accomplishments will serve as a model for others who aspire to pursue a career in journalism.

A native of Laurens, SC, Mr. Cothran is an alumnus of Davidson College and a cum laude graduate of the University of South Carolina. He began his professional career in 1939 when he joined the staff of the News and Courier in Charleston, SC. Following a stint in the U.S. Army infantry in 1941, where he attained the rank of lieutenant colonel, Mr. Cothran returned to the News and Courier. In 1960, he was promoted to managing editor, where he served for 8 years before becoming editor and publisher of what was then the Aiken Standard and Review.

Under Mr. Cothran's leadership, the newspaper in Aiken experienced tremendous growth. In 1969 the newspaper, which was operating in a cramped building and used linotype machines and hot-lead production methods, moved to a 24,000-square-foot newspaper publishing plant fully modernized with the latest equipment. The newspaper's name was soon shortened to the Aiken Standard and its distribution was changed from morning to evening. Since that time, Mr. Cothran has continued to seek out new and innovative publishing procedures. Some recent modifications include the installation of computers and a million dollar press, the addition of a Sunday newspaper, and the publication of the State's only locally edited Sunday magazine.

The results of Mr. Cothran's hard work and foresight have been phenomenal. In 1968, the Aiken Standard had a circulation of just under 4,000 and employed only a handful of people. Now, 21 years later, the newpaper boasts over 16,000 subscribers and employs approximately 93 South Carolinians.

Mr. Cothran's many contributions to the State, however, are not limited to his work within his profession. Mr. Cothran has served his community as chairman of the Hitchcock Foundation Board of Trustees, president of Friends of the Hopeland, a member of the advisory board of the Salvation Army, and a member of the Aiken Chapter of the American Red Cross. He has also served as president of the Aiken Chamber of Commerce and was selected as Aiken's Man of the Year for 1989.

Although Mr. Cothran's conservative and patriotic editorials will be greatly missed by his readers, the Aiken Standard will continue to serve as a testament of his hard work and dedication for years to come.

I would like to congratulate Mr. Cothran on a fine career and wish him the best of luck for a productive and fulfilling retirement. I would also like to recognize his devoted family, his wife, Nona, and his three sons, Samuel A. Cothran, Jr., of Summerville; Thomas C. Cothran, of Minneapolis, and Frank C. Cothran, of Aiken.

Mr. President, I ask unanimous consent that the following newspaper article concerning Mr. Cothran be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEVOTION TO PRINCIPLES MARKED 50-YEAR CAREER

Not many persons are privileged to work with great success in the chosen profession for half a century. That is the accomplishment of Samuel A. Cothran, who retired Friday as president, publisher and editor of the *Aiken Standard*.

His retirement at 73 came as a climax to a career that took him from cub reporter to the top position in a growing South Carolina daily. For 21 years he has directed the fortunes and editorial policies of this newspaper. And they have been momentous years.

When the *Aiken Standard and Review*, as it was then known, was purchased by its present owners, the Evening Post Publishing Co. of Charleston, in 1968, it was a five-day morning newspaper with a circulation of less than 4,000. Published by Mrs. Annie Howell King, it was largely a family enterprise, with Mrs. King—an elderly widow—sometimes performing almost single-handedly.

For its purchase price, the new owners received a generous supply of good will and a collection of outdated equipment that was barely up to producing a newspaper.

As publisher, Mr. Cothran literally started from scratch. A new building was constructed, and new equipment installed throughout. In the years since, that equipment itself has been replaced several times to keep up with the latest trends in newspaper publishing.

Meanwhile, the staff grew from a handful to today's total of 92 employees.

With the dedication of the new plant in 1968, the *Aiken Standard* adopted a shortened name and became an afternoon newspaper. Major milestones since that time included the installation of computers, the installation of a million dollar press, the addition of a Sunday newspaper and the appearance of a Sunday magazine, the only locally-edited magazine published by a South Carolina newspaper.

Although affiliated with the Charleston newspapers, the *Aiken Standard* has maintained its own new policies and editorial independence. Employees soon learned that there was one boss, Samuel A. Cothran. They knew him as a retiring individual who could delegate authority but who did not hestitate to make his wishes known on matters of principle.

He took a personal interest in the editorial page, which reflected his conservative and patriotic viewpoint and also his natural flair for orderly makeup.

Some of Mr. Cothran's accomplishments in the community are known. He served as president of the Greater Aiken Chamber of Commerce and as chairman of the Friends of Hopelands. As chairman of the Hitchcock Foundation he was instrumental in bringing about the purchase of additional acreage from the Hitchcock heirs and also the implementation of a forestry improvement program.

He has served as an elder of the Presbyterian Church, first at historic First (Scots) Church in Charleston and later at the First Church in Aiken.

He was honored in January as the local Chamber of Commerce's Man of the Year.

Although he took his first permanent newspaper job 50 years ago, Mr. Cothran's newspaper career actually predates that. He worked as a correspondent for the *Charlotte Observer* while a student at Davidson College, and later did summer work with the *Greenwood Index-Journal*. While working with the *Charleston News and Courier*, he was co-author of the book, "Charleston Murders."

Journalism in South Carolina is significantly better because of the half century contribution of Mr. Cothran. His years at the helm of the *Aiken Standard* earn him a permanent place of honor in the annals of this newspaper. We as colleagues and employees salute him for his high principles and for his service to his profession and to this community.

THE "ANASTASIS"—A FAMED MERCY SHIP DOCKS AT WILMINGTON, NC

Mr. HELMS. Mr. President, I am proud that the mercy ship M/V *Anastasis* has docked in Wilmington, NC. The M/V *Anastasis* and her sister ship, the M/V *Good Samaritan* are fully equipped surgical hospitals funded by the interdenominational organization "Youth With a Mission." Both, ships provide medical and dental care to Third World areas.

The M/V *Anastasis* and her crew of doctors and nurses has just returned from her third trip to Jamaica since Hurricane Gilbert struck the island last fall. When the *Anastasis* leaves Wilmington on April 20 she will be sailing to the Yucatan peninsula area of Mexico.

Mr. President, the *Anastasis'* 450-man crew includes volunteers from more than 25 countries and almost every Christian denomination. The crew consists of doctors, nurses, dentists, medical technicans, builders, teachers, electricians, and plumbers—and 50 of their children.

Not only are these volunteers unsalaried—they pay for their room and board while they are on board. Their support comes from local churches, mission boards, friends, and family. These volunteers are truly dedicated.

Thus far this dedication has taken the *Anastasis* and the *Good Samaritan* to Greece, Malta, Guatemala, Haiti, Granada, Honduras, the Dominican Republic, Jamaica, the Amazon River, New Zealand, the South Pacific, Mexico, the United States, and Canada.

Mr. President, everywhere these vessels go, they provide medical assistance, food, medical and agricultural supplies, and training. They are an outstanding example of Christian charity and of love, compassion, and hope. And since they were purchased for their scrap value, they are also excellent examples of what can be accomplished by the private sector when governments permit it to function without interference.

Mr. President, Heather Choate, the *Anastasis'* director of communications, summed up their mission when she stated that they "are not designed to go speeding to a disaster. We find it most effective to go in a few weeks or months later, after a place has faded from the news, when people are trying to pick up the pieces and they need housing, medical attention, and moral support."

Mr. President, North Carolina welcomes the *Anastasis* to our State and we are honored to help her reprovision for her next mission of mercy.

KANSAS CITY COMIC RELIEF

Mr. DANFORTH. Mr. President, Kansas City, MO, is proud of a local initiative to bring health care to homeless people. In response to the success of the national Comic Relief campaign sponsored by Home Box Office, Kansas City developed its own Comic Relief.

Spearheading the effort is the Swope Parkway Health Center. The Center's Health Care for the Homeless program is meeting a pressing need in the community. Funds raised by the first Comic Relief helped purchase a mobile health care van, enabling the center to reach more homeless people in Kansas City.

The second Kansas City Comic Relief event was held last month. Congressman ALAN WHEAT and I were honored to serve as the cochairmen of the event. As with the first campaign, sponsors and supporters included cable television systems in the Kansas City area: American Cablevision, Jones Intercable, and Telecable.

Swope Parkway Health Center hopes to use this year's proceeds for a homeless family clinic. The drive will enlist service agencies throughout Kansas City, representatives of business and labor, and city government.

Swope Parkway Health Center intends to pioneer a promising new approach to meeting the needs of homeless families in Kansas City: comprehensive counseling services on all the needs of homeless parents and their children. As presently envisioned, the new program would offer one-stop counseling and referral on health care, nutrition, housing and other needs. There is to be a special emphasis on helping homeless teenagers, as well as teen-aged children of homeless families.

The success of Swope Parkway Health Center's efforts to help the homeless is due in large part to the humanitarian vision of its staff and volunteers. Enthusiastic community support has enabled their vision to become a reality. I commend to the attention of my colleagues this fine example of community service.

TRIBUTE TO TEMPLE UNIVERSITY SCHOOL OF DENTISTRY

Mr. SPECTER. Mr. President, during April 1989, the Temple University School of Dentistry, the second-oldest dental school in the United States in continuous existence, is celebrating its 125th anniversary.

Temple's School of Dentistry has consistently provided quality education and clinical training for its students. The school is acknowledged as an international leader in pioneering dental research and technology. Temple's dental students leave the school as dentists who are prepared to provide the highest level of dental care to communities all over the world.

The Temple School of Dentistry also makes substantial contributions to the local community. It provides dental health care to thousands of residents of Philadelphia and surrounding areas each year. In addition, its community outreach programs furnish the school's elderly and very young neighbors in north Philadelphia with free dental care.

The school's commitment to the future of dentistry and dental education is worthy of note. This dedication to dentistry is evident in the fact that it is constructing a major new clinical facility. The opening of this facility in 1990 will provide a substantial asset to the school as it prepares the next generation of dentists.

Temple has truly set the standard for excellent achievement and service in the field of dentistry. The achievements of the school and its graduates have benefited dental patients throughout the Nation and around the world. Therefore, on the occasion of its 125th anniversary, it is altogether fitting that the U.S. Senate take note of the great success of the Temple University School of Dentistry and commend its achievements in this field.

TRIBUTE TO JENNINGS COUNTY, IN, ON ITS STRONG STAND AGAINST DRUGS

Mr. COATS. Mr. President, drug abuse takes its hostages from every age group in every social class and in every American community. But it is the young who suffer most.

Four out of ten high school seniors use illegal drugs regularly. One in twelve uses cocaine. The average age for first-time drug abuse has dropped below 13.

These are not just statistics, they're lives. I've seen what drugs can do to families. They are a factor in teen suicide, in family breakup, in crime, even in the spread of AIDS through dirty needles.

Drug addiction is slow suicide that merits our compassion and help. It is the root of an industry that brings corruption and bloodshed wherever it's found. But most damagingly, it is a trap that robs our children of life and hope, and our families of stability and love.

So it is encouraging that much of the leadership in the fight against drugs has come from young men and women—those who have the most to lose from addiction.

I recently came across a model example of this type of activism—a coalition of students, school administrators and community leaders who have combined their efforts in a strong stand against drug abuse. Jennings County, IN, declared the last week in March "Substance Use Prevention Week," bringing police officials, medical professional and representives from Students Against Drunk Driving into schools to present programs on substance use and abuse. Every class in every county school was given material to review on the drug abuse crisis.

To set the tone for the week, fifth and sixth grade students were asked to write antidrug and antialcohol slogans and the winners were aired on local radio stations.

Their efforts were interesting and encouraging.

"I have hope! I don't do dope!" and "I would rather give hugs than take drugs." by Chris Brewer, a sixth grader from North Vernon Elementary School.

"Drugs are like shooting stars—you start out high, then you die!" by Chuck Brewer, a sixth grader from North Vernon Elementary School.

"People say yes, people say no! You know which way to go!" by Natalie Brown, a fifth grader from Scipio elementary.

"If you want to be cool, keep drugs from your school!" by Patricia Brooks, a fifth grader from Graham Creek Elementary School.

"Be smart, be cool, you don't need drugs to go to school!" by Jeremiah Johnson, a fifth grader from North Vernon Elementary.

"Scrambled eggs are your brains if you have drugs in your veins!" by Will Johnson, a fifth grader at Scipio Elementary.

"Say no! Stay in control!" by Kevin Peacock, a sixth grader at Graham Creek Elementary.

"Drugs might not cause pain, but they can really hurt your brain!" by Joey Stidham, a fifth grader at Brush Creek Elementary.

"My future's so bright, don't ruin it! Don't drink and drive!" by Christy Wilson, a fifth grader at North Vernon Elementary.

FEDERAL GASOLINE TAX HIKE

Mr. HEFLIN. Mr President, I rise today to voice my opposition to the proposal to raise the Federal gasoline tax. This would place an unfair burden on lower and middle income families as well as all rural drivers.

This proposed Federal tax increase would especially hurt my State since Alabamians rank seventh nationally in per capita gasoline usage. This figure stands so high since many Alabamians must commute many miles from rural areas to urban areas for work each day. These people do not have the benefit of the type of public transportation often available in metropolitan areas and must drive to earn a living.

Another problem with this tax is how to use the funds which would be earned. Under the current law, the Federal fuel tax funds a highway trust fund for upkeep of the roads. Under the proposal, this additional tax would not serve as an additional user tax but as a way to reduce the Federal deficit. In my judgment, it is unfair to place the budget reduction burden on one group of people. In this case an undue burden would be placed on both the rural people who rely on their automobiles to survive and the people with low incomes whose taxes could increase greatly with no resulting increase of benefits.

I urge my colleagues not to adopt this Federal gasoline tax increase. While I agree that reducing our Federal deficit should remain one of our top priorities, I do not believe the savings should come at the expense of lower income families and the rural areas of this Nation. Everyone should share the burden.

GREEK INDEPENDENCE DAY—SENATE JOINT RESOLUTION 64

Mr. HEFLIN. Mr. President, I am proud to rise today as a cosponsor of "Greek Independence Day: National Day of Celebration of Greek and American Democracy." The histories of our two cultures have much in common and indeed, the foundations for many of our ideas about democracy are based in Greece. This year, the day designated as Greek Independence Day, March 25, represented the 168th anniversary of the start of the Greek revolution against the Ottoman Empire.

Many of the ideas which served as the basis for the democracy in America came from ancient Greek philosophers like Aristotle and Plato. In a statement that could have been paraphrased from our Declaration of Independence, Aristotle said that, "The basis of a democratic state is liberty." These ideas survived the centuries to influence our Founding Fathers' ideas of the ideal state.

Just as the United States has gained from Greek ideas, so has Greece gained from the United States. In the 1820's when Greece began its struggle to escape the oppression of the Ottoman Empire, the people looked to the

American Revolution for inspiration and in fact used our Declaration of Independence as a model for their own.

This day celebrating Greek and American democracy offers us the opportunity to rejoice in the common heritage which has lead us both to the democracy and freedom which we today enjoy. both nations enjoy the liberty and equality made possible by democracy.

I am proud that our two countries share so many of the same traditions which make them both great. This day provides us with the opportunity to reflect on the glorious cultures found in both the United States and in Greece. This important occasion should serve to remind us the debt we owe Greece as the birthplace of American democracy.

Thank you, Mr. President.

ORDER OF PROCEDURE

Mr. KENNEDY. Mr. President, for the information of the Senate, I understand the Senator from Mississippi has a comment to make as if in morning business, and then we will go about the business of the legislation increasing the minimum wage.

Mr. LOTT. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. LOTT pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

MINIMUM WAGE RESTORATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minimum Wage Restoration Act of 1989".

SEC. 2. RESTORATION OF MINIMUM WAGE.

Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending December 31, 1989, not less than $3.85 an hour during the year beginning January 1, 1990, not less than $4.25 an hour during the year beginning January 1, 1991, and not less than $4.65 an hour after December 31, 1991;".

SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) GENERAL.—Subsection (s) of section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)) is amended to read as follows:

"(s)(1) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise that—

"(A)(i) has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person; and

"(ii) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated); or

"(B) is an activity of a public agency.

"(2) Any establishment that has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate e family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise. The sales of such an estalbishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection.".

(b) PRESERVATION OF COVERAGE.—

(1) IN GENERAL.—Any enterprise that on December 31, 1989, was subject to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) and that because of the amendment made by subsection (a) is not subject to such section shall—

(A) pay its employees not less than the minimum wage in effect under such section on December 31, 1989;

(B) pay its employees in accordance with section 7 of such Act (29 U.S.C. 207); and

(C) remain subject to section 12 of such Act (29 U.S.C. 212).

(2) VIOLATIONS.—A violation of paragraph (1) shall be considered a violation of section 6, 7, or 12 of the Fair Labor Standards Act of 1938, as the case may be.

(c) CONFORMING AMENDMENTS.—

(1) Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by striking out paragraphs (2) and (4).

(2) Section 13(g) of such Act is amended—

(A) by striking out "paragraphs (2) and" and inserting in lieu thereof "paragraph"; and

(B) by striking out ", except that" and all that follows in such subsection and inserting in lieu thereof a period.

(d) TECHNICAL AMENDMENTS.—Section 3(r) of such Act (29 U.S.C. 203(r)) is amended—

(1) by inserting "(1)" after "(r)";

(2) by striking out ": Provided, That, within" and inserting in lieu thereof a period and "Within";

(3) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(4) by striking out "For purposes of this subsection" and inserting in lieu thereof the following: "(2) For purposes of paragpraph (1)";

(5) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respetively; and

(6) by striking out "public or private or" in subparagraph (A) (as so redesignated).

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1990.

SEC. 4. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.—Section 5 of the Fair Labor Standards Act of 1938 (29 U.S.C. 205) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)—

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.—Section 6 of such Act (29 U.S.C. 206) is amended—

(1) in subsection (a)(3)—

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to section 5 and 8."; and

(B) by striking out the second sentence; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by—

"(i) the United States,

"(ii) an establishment that is a hotel, motel or restaurant,

"(iii) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or members of guests of members of clubs, or

"(iv) any other industry in which the average hourly wage is greater than or equal to $4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than $4.00 but not more than $4.64, the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1994.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than $4.00, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1995.

"(4) In the case of any employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than $4.00 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1, thereafter through January 1, 1996, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1996.".

(c) WAGE ORDERS.—Section 8 of such Act (29 U.S.C. 208) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)—

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)—

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.—Section 14(b) of such Act (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

SEC. 5 TIP CREDIT.

The third sentence of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate," and inserting in lieu thereof "in excess of (1) 45 percent of the applicable minimum wage rate during the period ending December 31, 1990, and (2) 50 percent of the applicable minimum wage rate after December 31, 1990,".

Mr. KENNEDY. Mr. President, today the Senate begins debate on the minimum wage. While we deliberated on this issue at some length in the past Congress, we have yet to pass this long overdue increase for our Nation's low-wage workers.

Last fall, we spent several weeks in extended debate on the minimum wage, but could not obtain cloture on debate. But during consideration of that bill, then-Vice President Bush announced he also favored an increase in the minimum wage, and as President, he has put forth a proposal that goes part way toward giving low income workers the fair pay they deserve.

So we have made some progress. Eight years of stonewalling against the minimum wage has ended. We may differ on the specifics of the proposal, but almost all of us now agree that an increase in the minimum wage should be enacted into law.

Last year marked the 50th anniversary of the Fair Labor Standards Act, which established our national policy that the minimum wage should be a living wage, that no one who works full time in America should be condemned to a lifetime in poverty. Six times Congress has reaffirmed this policy by raising the minimum wage, and six times our Nation and its workers have prospered.

But we have entered the ninth year without an increase in the minimum wage, and it has suffered severe erosion due to our neglect. The minimum wage has not increased 1 cent since January 1981—but consumer prices have increased 40 percent.

Over 14 million of our Nation's lowest paid workers have patiently awaited our action. They should wait no longer. The President has sent us a proposal for an increase. The House of Representatives has sent us an increase. Now it is time for the Senate to act, and give our lowest paid workers the long overdue increase they deserve.

The American people know that $3.35 an hour is not a living wage. A Gallup poll last June found that 76 percent of the American people think the minimum wage should be over $5 an hour. That support was consistent throughout the country: 80 percent in the East, 75 percent in the Midwest, 75 percent in the South, and 74 percent in the West. Even 67 percent of Republicans thought the minimum should be over $5 an hour.

Opponents of an increase claim that minimum wage workers are just kids. Well, they are just kidding; 72 percent of workers earning less than $4.65 are adults—not teens. Women bear an extra burden, too. While women make up 45 percent of the labor force, 63 percent of the workers earning less than $4.65 an hour are women.

Opponents also claim that the minimum wage workers are just part-timers, earning some pocket change.

But over 6.5 million full-time workers earn less than $4.65 an hour. Over 3.8 million are heads of households; 2.4 million of these workers live in poverty, and if you include the children of those households, this legislation will improve the lives of 4.6 million people in poverty.

Opponents of the legislation point to studies showing job loss, or inflation, or business failures which they predict will occur if the minimum wage is increased.

I point to the historical record. Six times economists have predicted higher unemployment if the minimum is increased, six times we have increased it, and six times the Nation has prospered. These doom and gloom prophesies have never come to pass, and they will not do so now.

The minimum has not been increased since January 1981. From January 1981 to January 1989, private employment has gone up 21 percent, and inflation has increased 39 percent.

I say, compare the period 1961 to 1969. The minimum wage increased 60 percent, total private employment increased 27 percent, and inflation went up only 22 percent.

From 1971 to 1979, the minimum wage increased 81 percent, total private employment increased 25 percent, and inflation went up 79 percent.

If the minimum wage causes inflation, why is the rate for the last 8 years double what it was in 1961-69, when the minimum wage went up 60 percent?

If the minimum wage leads to slower job growth, why did employment grow faster in the 1960's and the 1970's than in the 1980's, when the minimum has not gone up one cent?

The opponents can cite all the studies that their special interest money can buy: But the historical employment statistics prove that their inflated estimates of job loss and inflation are false.

We have done our best in this legislation to reach a fair compromise with the Bush administration. They requested four specific changes in the act. They asked that the tip credit provision be increased from the current 40 to 50 percent. I have serious reservations about that change, and I am concerned that many low-paid waiters and waitresses may be shortchanged on their wages.

Nevertheless, the committee adopted the tip credit proposal suggested by the administration, and offered by Senator HARKIN.

The administration also asked us to increase and expand the small business enterprise test. The committee accepted that suggestion, and adopted the Jeffords amendment expanding and increasing the small business enterprise dollar test to $500,000.

The administration asks that we limit the increase in the minimum wage to $4.25 an hour. But that is only a 26-percent increase, during a time inflation has gone up 40 percent. The administration's proposal gives too little protection, and the Senate will have an opportunity to vote on this critical issue which is the fundamental issue at the heart of our pledge that no man or woman who works full time should have to live a lifetime in poverty.

The administration also insists that we include a provision, a so-called training wage that would enable employers to pay a lower rate for the

first 6 months to anyone who switches jobs.

That proposal too is unfair, and the Senate should reject it. It is not a fair training wage. It is the same subminimum wage that special interest groups have supported for years as a way to undermine the basic concept of the minimum wage.

The Senate will have an opportunity to vote on the administration's alternative, and I hope that if the sense of the Senate is to adopt a training wage, we shall write one that is worthy of the name, and not simply a back-door device to undercut a fair minimum wage.

I look forward to the debate, although many in this Chamber feel that the issue has been debated long enough. I hope we can achieve a time agreement on the debate and the amendments to be offered. The issues before us are clear, the choices are simple. I want the Senate to proceed in as expeditious a manner as possible. The lowest paid workers in America have waited 8 years for some economic justice—and 8 years is long enough.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. ADAMS). The Senator from Utah.

Mr. HATCH. Mr. President, it seems just like yesterday that Senator Kennedy and I were here on the floor of the Senate debating an increase in the minimum wage. In fact, it has been about 6 months, and I suppose my good colleague from Massachusetts is just putting into practice the old adage: "If at first you don't succeed, try and try again."

During this debate, we will no doubt hear him argue that it has been 8 years since the minimum wage was last raised, as he has already argued. Now, that is true enough.

I wonder if Senators have given any thought to the reason why a minimum wage has not been enacted since 1977. Could it be that there are legitimate doubts about the effectiveness of a minimum wage as a means of helping the working poor? Could it be that Members of Congress are genuinely concerned about the job losses that will inevitably occur if the minimum wage is raised? I cannot help but think, Mr. President, that if raising the minimum wage was such an all-fired, good idea, we would have passed an increase by now regardless of who was President of the United States or which party controlled the Congress.

Despite his own reservations about the efficacy of a minimum wage increase for helping the Nation's working poor, President Bush has extended the opportunity to the Congress to enact a minimum wage increase. He has proposed a compromise which I will offer in the ordinary course at the appropriate time. But first, since it has been 6 months since we last discussed this issue, I would like to reiterate some of the major concerns I have with this legislation.

Mr. President, the Fair Labor Standards Act was established some 50 years ago. It established the minimum wage, and really more than 50 years ago was established. The Fair Labor Standards Act was passed as a depression-era protection for workers whose wages, because of the tremendous surplus of labor might have fallen under 25 cents an hour. There is no question that at the time, the Fair Labor Standards Act was landmark legislation. So there is a question today, Mr. President, about the wisdom of raising the minimum wage to the level provided for in S. 4 and without providing a workable training wage for new hires. While adjustments to the statutory minimum wage have been made over the last 50 years, the purpose of the minimum wage has markedly changed since 1938. Then it was simply a wage floor. Today it is touted as a means of helping the poor.

Mr. President, increasing the minimum wage is an ineffective means of helping the poor in this country and cannot achieve this goal. In fact, the evidence is overwhelming that this legislation will eliminate jobs and that really no positive impact will occur to the economy.

There are several reasons why Senators ought to oppose this bill: No. 1, it will cost jobs. Virtually everybody who knows anything about this admits that.

No. 2, it will result in wage inflation, not justified by economic growth.

No. 3, its adverse impact will not be borne equally by the States or by all States in all regions of the country.

No. 4, it will not help, but it will hurt the working poor.

No. 5, it provides no recognition that the difficulties faced by the unskilled in entering the labor market are serious difficulties.

And No. 6, it will result in price increases for certain products and services.

Mr. President, I would like to expand on each of these points because they are all important points. No. 1: Opinion among American economists is nearly unanimous that an increase in the minimum wage will cause a disemployment effect; that is, loss of jobs, not only of those jobs which already exist, but those new jobs which will not be created as a result of an increase in the minimum wage.

Robert R. Nathan and Associates, normally an economist who does work for the unions, certainly not a conservative economist, but a liberal economist, he estimated that 882,000 jobs would be lost over 3 years given an increase of 39 percent in the minimum wage.

Dr. Gerard Adams, another liberal economist, professor at Wharton School who testified before the Labor and Human Resources Committee, estimated a disemployment effect of around 200,000 jobs, and he does not take into consideration the disemployment effect of teenagers, one of the major groups we want to do some good for and get into the work force and get opportunity for and do some good with.

The Congressional Budget Office last year, certainly a conservative estimator in the matter, estimated losses of between 175,000 and 350,000 based on a 36-percent increase, which is less than what the Kennedy bill is but probably what it will wind up with before we finish on the floor. You are talking even the Congressional Budget Office.

The Labor Department, which probably knows more about it than anybody else, examines it more carefully than anybody else and yet still has been conservative through the years in these types of estimates, estimated the job loss at various levels of increase. Even at $4 per hour, the Labor Department estimates between 200,000 and 400,000 lost jobs; at $4.25 an hour, 270,000 to 540,000 jobs lost. If you increase it to $4.65 an hour, which is what the Kennedy bill will do, by 1992, that will cost between 400,000 and 600,000 lost jobs. That is basically what Robert Nathan says—who usually does his economic work for the unions in this country.

The Institute for Research on the Economics of Taxation estimated a loss of 300,000 to 750,000 with an increase of 39 percent.

I suppose we could collect a few more of these estimates for the record, or commission a few dozen more studies, but I do not think the message is going to be any different. Even novice economists know that if the price of a product or service goes up, we are inclined to buy less of it. The minimum wage hike will automatically increase the price of labor to employers without a corresponding increase in productivity, and it stands to reason that they will try to use less labor in the production or delivery of their goods and services. Congress had better realize that fact before it legislates away not only many of today's jobs but also jobs for the future.

No. 2. Job losses caused by a minimum wage increase are, of course, exacerbated by the ripple effect. The ripple effect is caused when workers who are more experienced or have greater skills than minimum wage workers require higher wages in order to maintain pay differentials that existed before the statutory minimum wage increase. The chart I have here details the effects of the proposed increases in the minimum wage on higher wages. For example, employees earning $4 an hour today would have to have raises to $5.15 if workers earn-

ing $3.35 an hour were raised to $4.65 by virtue of this legislation. Workers earning $5 an hour would need raises because they are senior to, or have more skills than, workers who were earning $4, and so it goes on up the pay ladder.

These estimates come from a study by Prof. Ronald Krumm of the University of Chicago and his doctoral student, Li-Wei Chao. They also find that the ripple effect could result in a cumulative hike in U.S. labor costs of 2.1 percent, or over $48 billion, and that by anybody's estimate is a conservative estimate. I find it incongruous that Congress, which has been so concerned with America's ability to compete worldwide, would legislate $48 billion in additional labor costs. And that is a conservative figure. We might be legislating a lot more than that if we adopt the Kennedy approach to the minimum wage. How can this possibly help America's international market position?

But even more important, the study also concludes that the real damage caused by the ripple effect is to compound the disemployment which will result from a minimum wage increase. Let me quote from the Krumm study:

> These ripple-induced wage increases are by no means benign. Quite the contrary, since they are unaccompanied by any offsetting increase in productivity that creates the profits necessary to pay the higher wages, they can only result in employment losses in job classifications traditionally compensated at rates higher than the minimum.

Even more alarming is the fact that the study shows that the adverse impact falls disproportionately on those whose current wages are closest to the new minimum, that is, those on the bottom of the wage scale. So, what the minimum wage increase really does is provide economically unjustified wage increases for more highly paid skilled labor at the expense of those who are struggling. Frankly, Mr. President, this is not only bad economic policy, it is morally shameful.

No. 3. There are inequities in the regional impact of this legislation. Several recent studies have found that an increase in the Federal minimum wage will have a disproportionate impact on States and regions which have lower average wages. The South and Midwest, in particular, which are struggling to attract new business and industry, will suffer significant job losses.

This chart shows the geographic distribution of minimum wage earners by census region. As it shows, 43 percent of minimum wage earners are in our Southrn States and 29 percent are in the Midwest. It has been pointed out by the bill's proponents that the South, for example, is unaffected by a minimum wage increase. Declining unemployment rates have been offered as evidence. But if Senators have studied the economic literature, they know that the real impact of the minimum wage is a disemployment effect. And, their good common sense will tell them that if a higher proportion of minimum-wage earners live in a given area, they will be affected by an increase more than workers in other areas. To suggest otherwise is like saying that Utah suffers the same as gulf coast States from a hurricane.

As you can see, 43 percent of the South are on minimum wage, 29 percent in the Midwest, 14 percent in the West, and 14 percent in the Northeast, I suppose because of the only 14 percent in the Northeast, it is easy to understand why Senator KENNEDY is not as concerned about these issues as those of us who really are concernd about the real impact of these issues.

The bill's proponents have also argued that the impact of the minimum-wage increase is dependent on the gap between the current statutory minimum and the average wage. If, for example, the average wage is $12 per hour, the negative impact will be less than if the average wage is $10 per hour. The argument goes that because the current minimum wage is only 36 percent of the national average wage the increase will simply fill in the gap and lead only to negligible job losses and costs due to the ripple effect.

The flip side to this argument, however, is that not all States are average. Many States have lower than average wages; in other words, the gap between the minimum and the average wage is much narrower. Other States have higher than average unemployment.

A study conducted by Profs. Richard McKenzie and Curtis Simon of Clemson University for the National Chamber Foundation estimated that nearly 1.9 million jobs will be lost by 1995 given a minimum wage rate of $4.65. Southern States would absorb a full one-third of these losses, or about 635,000 jobs. Job losses in the Midwest are projected at 446,000 jobs.

These findings are consistent with a study done by Prof. Ronald Krumm of the University of Chicago. He found that, overall, areas in and bordering the deep South would be most negatively affected by a minimum wage increase.

Senator KENNEDY's own efforts to help the people of Puerto Rico by alleviating the severe ramifications of the minimum-wage increase in that area is one which I supported. I believe it is ironic, however, that we are providing relief from the effects of minimum wage to Puerto Rico, but not to many areas of the United States with similar problems.

Why is it we are so compassionate to Puerto Rico but we do not recognize the disemployment effect in all of the other regions where it will occur and occur just as badly as in Puerto Rico.

Mr. President, if we can acknowledge the particular economic situation in Puerto Rico, why can we not allow Utah, or Texas, or Alabama, or North Dakota, or any other States, the same consideration? Would it not be the right thing to do?

No. 4. A most important reason to oppose S. 4, is that it will not help the working poor.

I think this is obvious if we start the rhetoric long enough to think about it. Let me take a minute to work through it because this is an extremely important point.

First, the number of minimum-wage earners is 3.9 million. This has declined by 50 percent since 1981. Stop increasing the minimum wage and the number of minimum-wage earners declines. Second, it was 3.9 million minimum-wage earners, and only 336,000 are heads of household living in poverty. That is only 8.8 percent of all minimum-wage earners but that is the group which is in most need and which we all want to help.

These are the heads of households, working poor, 8.8 percent. As this chart shows, the overlap between poverty and the minimum-wage workers is minimal. This blue circle shows minimum wage population, 3.97 million. Seven percent of these minimum-wage earners are single. Sixty percent are between the ages of 16 and 24. Just look at it. It is 66 percent which are part time.

The working age poverty population is 20.698 million. The number who are on the minimum wage living in poverty is this little overlap in here, 336,000 households living in poverty and earning the minimum wage.

Mr. President, we ought to be concerned about these people I agree. But our main concern is increasing the minimum wage for everybody in here, causing the loss of jobs, and these people go down the drain in the bargain. It would be far better to have an earned income tax credit for them. I believe before this debate is over that perhaps even the Senator from Massachusetts will offer it. If he does, I will support it even though it will cost a lot of money because there is a group of people who deserve that type of support. But that would be a far more intelligent way of solving this problem than it would be to continue to increase the minimum wage which causes such a disemployment effect.

This bill will increase the minimum wage across the board even though 80 percent of the intended beneficiaries are not poor. Moreover, depending upon which job loss estimate you want to accept, this legislation will price a substantial percentage of the target group out of the job market altogether, because they are the workers most likely to be unskilled, uneducated, undertrained, and unable to compete for

jobs at the higher legislative wage level. Employers can justify higher wages only if productivity and skill levels increase. That is not the case here. Who are the minimum wage earners?

Let us go through it again. Eighty-two percent of all minimum-wage earners are members of families with family incomes above the poverty level—82 percent above the poverty level. Seventy percent of the families with incomes of 150 percent above the poverty level or higher. Nearly 60 percent are under the age of 25, nearly 60 percent of them. Teenagers account for over 36 percent of all minimum-wage earners, 65 percent of whom report that school is their major activity. Sixty percent of all minimum-wage workers have never been married and 66 percent work part time.

Those are the real figures. I think they tell a real story here.

It is also important to remember that 80 percent of all part-time employees prefer part-time work and that 90 percent of all the new jobs created during the current economic expansion, which history books will refer to as the great recovery, work full-time jobs. Clearly the minimum wage which was created in 1938 only to provide a wage floor was never intended as an antipoverty tool, and that is the main argument of the distinguished Senator from Massachusetts and that argument has no defense. It has no logic. It has no science behind it. It has no economics behind it, and frankly it is a good cliche that sounds good and no wonder a majority of the people in this country are for increasing the minimum wage—that is the just thing to do. If they knew all the facts, they would resoundly say that is a lousy system.

Let us come up with something better. That is what I would like to do because we have to fight the minimum wage all the time. We never get to coming up with the right system.

I think when you stop and think about it, the evidence is mounting that the minimum wage is not only ineffective as such a tool as an antipoverty tool, but also it is very detrimental to the very people we want to help.

Let me take this next chart. As this next chart shows, the job loss of a $4.65 minimum wage is far greater than the number of householders living in poverty and earning the minimum wage who might benefit. For instance, the lost job opportunities at the $4.65 minimum wage, according to the Labor Department, almost reaches 700,000. But of those, guess who loses the bulk of those jobs? The number of householders in this column living in poverty and earning the minimum wage get hit the hardest. I do not think this is refutable. The fact of the matter is, this is an old idea that really ought to be thrown out.

It is hard to argue against because it is hard to argue why should we pay people more. But the fact of the matter is most people who are on the minimum wage, and get trained go on to make more in a relatively short period of time because our labor forces are diminishing and it is tough to get quality employees who have some background and training to do the jobs in this country.

Look at what happens. The minimum wage goes up, as Senator KENNEDY would like it to do and I know he is sincere in what he is doing, and I admire him for the facts he wages, albeit how wrong they are. Every time it goes up, the minimum wage goes up, and so does the loss of jobs. And the loss of jobs to those who are really the working poor go up too.

Well, these things are very important because we are simply eliminating jobs for the unskilled workers in our society with this fiction called the minimum wage. I have to say the union leaders love the minimum wage because if you can push up from the bottom the wages of 3.9 million people, 39 percent over a 3-year period, then they can make their demands at the top.

It has been a fiction they abused for years. I give them credit for it. It is a marvelous thing that they have been able to do. However, at this particular point in our society, we are having trade deficits that we cannot live with because we price ourselves out of the marketplace. And the minimum wage has played a major role in this particular effort. You do not need to take my word for it exclusively.

Let me quote from a couple of studies conducted for the Minimum Wage Study Commission. As Senators know, this Commission was chaired by former Congressman James O'Hara, was established by the 1977 Fair Labor Standards Act Amendments. Its report was issued in 1981.

This is from the study entitled, "The Short- and Long-Run Effects of Minimum Wages on the Distribution of Income," by Behrman, Taubman, and Sickles:

> * * * both the minimum wage rate and the Fair Labor Standards Act coverage reduce the mean earnings for those with low education and [presumably] low skill levels * * * There is practically no evidence that minimum wage provisions increase the earnings [or improve] the poverty position of the least educated. * * * Moreover, there is some evidence that these provisions increase unemployment and nonparticipation. * * * Thus the minimum wage policy appears to be a poor policy with effects that often have been misunderstood or misrepresented.

This comment is from a paper submitted for the Commission report entitled "Minimum Wages and the Distribution of Income," by Johnson and Browning:

They go on to say this:

> * * * the additions to household income produced by increasing the minimum wage are spread quite evenly across the distribution of household income. Households in the lower half of the distribution receive only about one half of the total "benefits" [sic] of this policy. In terms of the share of total benefits accruing to low-income households, the minimum wage compares unfavorably with government transfer programs.* * * Increasing the minimum wage redistributes income within income classes as well as across income classes. *More than 80 percent of low-income households are harmed by the minimum wage* [emphasis added].

That is a startling quote, but it is true. And, I cite also from Datcher and Loury's paper, "The Effect of Minimum Wage Legislation on the Distribution of Family Earnings Among Blacks and Whites":

> [Increases in the minimum wage] have had a positive effecct on the earnings of older white men, a significant negative impact on teenage black and white women and little or no effect on other workers as a whole * * * Overall, high income families tend to benefit relatively more than low income families.

More recently, there is this from a study by Burkhauser and Finegan at Vanderbilt University:

> The once strong bond between low wages and poverty has been broken. Most of the higher wages mandated by the Kennedy-Hawkins bill will go to workers in households far above the poverty line. And even under the most favorable assumptions, fewer than half of the full-time working poor will be helped by a higher minimum wage. * * * Today, whether a family headed by a low-wage worker falls above or below the poverty line turns mainly on variables largely beyond the reach of minimum wage policy.

There is more, but I will save the time and not read it. Suffice it to say that if the U.S. Congress votes to increase the minimum wage as provided in S. 4, the bill before us today, because we say we are concerned about helping the working poor, we have perpetrated a real fraud on the American people. We should know better.

No. 4. One better way to help the inexperienced and unskilled in our society to remove some of the barriers which prevent them from getting into the job market. This legislation provides absolutely no employment or learning opportunities.

The sponsors of the bill have argued that the demographic changes in our work force will solve the disemployment problem. They argue that we need not worry that jobs for teenagers will be lost since there will be fewer teenagers to fill them anyway.

This apparent willingness to sacrifice hundreds of thousands of entry-level jobs for unskilled workers is hard to understand. The sponsors seem to assume that all teenagers would be qualified to work at the higher mandated wage level. Employers will not pay high wages to workers whose skills

are insufficient to perform the job or whose work habits are untested. While it is certainly true that many employers today are offering $4, $5 and $6 per hour to attract teenage workers, we must point out that not all teenagers will be eligible for those jobs.

And what about the immigrant father who lacks English language skills, or the single mother who never finished high school? Will they find jobs at higher wage levels?

Today our economy is creating good jobs at good wages. As this chart illustrates, over 18 million of the new jobs created between 1982 and 1988 have paid wages of $10 an hour or more. Only 5 million jobs created between $5 and $10 an hour; we have actually lost jobs which pay less than $5 an hour.

There has been a reduction of 8.1 percent. Jobs between $5 an hour and $9.99 an hour have gone up 5 million. There has been 8.1 million reduction in lower income jobs and minimum-wage jobs. There has been an increase of 5 million in jobs between $5 and $10 an hour, $10 an hour or more. There has been an increase in jobs of 18.4 million. Now, that ought to tell us something.

I remember when the Carter administration was justifiable in bragging about a million new jobs in those 4 years. The Reagan administration has had an increase of 20 million jobs, during which time the minimum wage did not go up a nickel, and that is only 6 years of the Reagan administration. That is something you just cannot ignore, even though I am sure there can be arguments made that it had nothing to do with minimum-wage jobs, but I do not think those arguments hold very much water.

I might say today, our economy has created good jobs at good wages. I think that chart basically shows that. Applicants for higher paying jobs have to be literate; they have to be proficient; they have to have basic mathematic skills, and a minimum-wage hike will only exacerbate the loss of entry-level job opportunities. It really hurts women and minorities.

While we have all supported Federal programs to provide training and educational opportunities, and I plan to continue my support for programs like JTPA and the Carl Perkins Vocational Education Act as well as ideas like Senator Kennedy's JEDI proposal, we must recognize that an increase in the minimum wage will also raise the height of that first hurdle into the job market. I do not believe we can write off hundreds of thousands of jobs that are the stepping stones for unskilled and inexperienced workers. That is why it is so critical that an increase in the minimum-wage rate also include an 80-percent 6-month differential for new hires which would save a substantial number of entry-level jobs.

This administration is arguing for that trend, the 6-month training wage. It will save an awful lot of jobs, really. If we do not increase it, let us do something smart so we can decrease the loss of jobs. It is an important fact that the number of minimum-wage workers declined by 50 percent since the last raise in 1981. This is proof that individuals are not stuck in the minimum-wage jobs. Rather, they earn while they learn. They get raises, they get promoted, and they become employable in other occupations and industries.

I worked my way through school as a janitor. Last year when we debated this bill, my colleague from Massachusetts joked about that. He said surely I did not need a 3- or a 6-month training wage. Well, I will say to my friend from Massachusetts that if I needed or wanted that job—and I certainly did at the time—and a special wage for 6 months would have given the employer the incentive to hire me, then I did need a training wage. I worked for 60 cents an hour to start, as I recall.

You see, Mr. President, I believe in free labor markets. People should have the choice whether or not to accept a job for a given wage. The decision to take a job for the proposed new "hire" wage is a worker's own business. We should not be up here in Washington foreclosing an individual's options. That job as a janitor helped me get where I wanted to go—which, back then, was through college and law school. I would venture that most of us in this body have had similar job experiences. They were then, and are now, a means for self-improvement.

Mr. President, I do not think we can simply agree to eliminate hundreds of thousands of jobs—jobs for those who cannot yet compete at the higher wage level—without mitigating the adverse impact with a meaningful, workable training wage. The administration is proposing as such.

No. 6. The list of objections to this bill would not be complete without mentioning the inevitable impact of an arbitrary increase in labor costs on inflation. While the precise impact of the minimum wage on inflation is still being calculated, there is general agreement that the effect is positive.

Dr. Gerald Adams testified that the impact was "moderate," up to two-tenths percent annually. Dr. Beryl Sprinkel, Chairman of the Council of Economic Advisors under President Reagan, has projected that a minimum wage of $4.65 an hour would result in price increases for consumers of $13 billion.

But there is also going to be a big surprise for Congress when the bill comes due for increased costs of Federal programs such as Medicaid and Medicare. Every taxpayer in America is going to be socked to pay for that. Labor costs, for example, comprise 60 percent of all nursing home expenses. Since nursing homes cannot often do with fewer employees and still maintain adequate patient care, these increased labor costs will be passed on to patients, families of patients, and to the Federal Government.

That is to the consumers and the taxpayers. That is what it comes down to.

Currently, Medicare and Medicaid pick up 68 percent of all nursing home costs. The appropriations required to meet these additional costs could easily be into the billions of dollars depending on the ripple effect.

Now, let us ask ourselves another question. Who in our society is least able to afford these price increases? The working poor, that is who. A few cents rise in the price of gasoline or groceries matters more to the person earning $5 an hour than it does to the person earning $20 an hour. So, Mr. President, if Jane Smith is fortunate enough to keep a job at the higher wage level, her raise will be eaten up rather quickly with this congressionally induced inflation. The sponsors of this bill argue that the buying power of the minimum wage has eroded significantly since 1981. That is true. But does it make sense to anyone here to raise the minimum wage—promising recipients that they will have more change in their pockets—when the very act of passing this legislation reduces the value of the increase? Is Jane Smith really better off? I think is doubtful.

I think there are an increasing number of economists and commentators and writers and editorial boards who also think it is doubtful.

Let me just conclude by saying, Mr. President, that this proposal to increase the minimum wage to $4.65 an hour is absolutely counterproductive to helping the working poor. The evidence is overwhelming. If Congress passes this legislation, rhetoric will once again have triumphed over substance. It is time we stopped legislating by platitude and stood up to the facts about this measure.

The proponents say this bill is necessary to guarantee a living wage for all workers. I submit to my colleagues that if a living wage is our goal, we ought to pass a minimum wage of $10, $16, or $20 an hour. Of course, there would be no jobs, and a higher wage would not mean a thing.

But if that logic applies then why do we not do it the right way?

The proponents say we must raise the minimum wage to compensate for people's lost buying pewer. Mr. President, a higher wage is no compensation for someone who does not have a job.

I urge my colleagues and fellow Senator to look carefully at the negative impact of this type of legislation and

the negative impact it will have on our national economy in terms of the deficit and trade, on the economies of their States and local areas, and especially on those people in our country who are looking for opportunities. There really are better policies for us to pursue.

I might add I think the distinguished Senator from Massachusetts and I can sit down and come up with those policies, and when we get together a lot of good can be done. We do not happen to be together on this, and I am afraid the constituencies are with good reason for not being together.

Mr. President, at least, I hope Senators will consider the compromise proposed by President Bush.

As I view this matter the distinguished Senator from Massachusetts will probably offer an amendment which will be a substitute for this bill which will reduce it from $4.65 an hour I guess down to what the House will take, $4.55 an hour, what they passed.

The President has tried. Even though he realizes the disemployment effect of the minimum wage, he realizes the feeling of the general public that it is something that he just has to live with, so he has gone better than halfway, would increase the minimum wage 30 cents an hour for each of the next 3 years up to $4.25 an hour.

Let me just say this: I admire the President for standing up to his campaign pledge to support a modest increase in the minimum wage along with a meaningful training wage. He has not waffled on this particular score one iota. He has not played political games by "low-balling" the first offer only to engage in nickel and dime negotiations. The package he has proposed is straightforward. It provides for a substantial increase in the minimum wage yet is sensitive to the job losses which would result. In my opinion, it is a worthy alternative to the proposal now before us. I hope our Senators will support it.

It is up to the Senators here. If we would support that, I think we would have an increase in the minimum wage this year. If we do not support it and we cling to these outmoded approaches of the past and we do not do what really should be done which is to try and alleviate some of the disemployment effect through an appropriate training wage such as proposed by the President, then it seems to me the President's threat to veto this legislation will be carried out.

I do not think there is any question that he intends that because he knows that there are all kinds of considerations in our economy and in our life and in our political life that have to be taken, and he has done his best, it seems to me, to come up with a reasonable approach to try and meet everybody halfway on this thing.

There are some who do not want a minimum wage at all. I have to say I think we would probably be better off without it, but I am willing to vote for the President's proposal of the good faith embodied in that proposal. I cannot support the proposal of my friend and colleague from Massachusetts because I believe it really does do a lot of harm, it has done a lot of harm, and will do a lot of harm in the future, and I would like to see it voted down.

Mr. President, I yield the floor to my colleague.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would like to take a few moments to respond to the points that have been raised by my friend about the whole question about job loss.

I have a good deal of confidence in the Nathan Associates as other Members do here. And the Nathan Associates were quoted. Of course that is not really relevant because their study was on a different issue which included a higher wage and indexation and that is not the issue that is before us. They did their study for the retailers who are completely opposed to any increase whatsoever, and their study was not related to this bill other than as a general study on the minimum wage.

The Senator from Utah mentioned the Congressional Budget Office as being an authority on figures. The fact is that they do have information, they do have some expertise, and their figures for this year on our proposal are 125,000. I think that is important. The CBO report does not support excessive figures of the Chamber of Commerce, such as 600,000. They estimate 125,000.

According to Business Week, which is not known as being an instrument of policy for the trade union movement or for liberal policies, according to Business Week on this proposal, the figure for last year's bill is 100,000 by 1990.

The fact is, Mr. President, that Business Week itself addressed this issue, and I will include the article in the RECORD—imagine what they are saying is that there are those who are trying to underestimate and those who are trying to overestimate—but a close look at how each side reaches its conclusion throws doubt on both their estimates. Indeed, the harm from a higher minimum may not only be less than conservative figures but even less than liberals think.

That is Business Week.

So, Mr. President, I am not prepared to accept the inflated figures of the Chamber who have used these arguments over a very long period of time.

The best thing to do, Mr. President, is to look at what happened in terms of the job market the last six times that we have seen a raise.

Let us look at the record, rather than accepting the projected estimates and various studies that primarily are sponsored by groups and organizations that are opposed to increasing the minimum wage.

Let us look what has happened over the history of the increase.

In the 1949 amendments, Congress raised the minimum wage from 40 to 75 cents an hour in 1949, an 87.5-percent increase. During the deliberation of the amendments, business organizations consistently warned of significant increases in unemployment and inflation as a result of the legislation. Yet overall unemployment decreased from 5.9 percent in 1949 to 5.3 in 1950, youth unemployment fell from 13.4 to 12.2 percent, and total employment rose more than the prior year when there was no increase in the wage.

In the 1955 amendments, Congress raised the wage to $1 an hour, a 33-percent increase. Again Congress heard stern predictions from business groups of the certain unemployment and inflation which would follow as a consequence of the increase.

The U.S. Chamber of Commerce warned in testimony to the committee, "Low-paid workers who are covered by the law will have been barred from jobs by Members of Congress."

We heard that argument here on the floor of the U.S. Senate this afternoon, almost word for word the same, about all those who are going to be barred from work by the increase in the minimum wage.

Yet, overall unemployment fell from 4.4 to 4.2 percent, youth unemployment slightly increased from 11 percent to 11.1, and total employment increased more in 1956 than in the prior 2 years, in which there had been no increase.

1961 AMENDMENTS

Congress increased the minimum wage to $1.15, and to $1.25 in 1963, and expanded coverage to retail and service establishments. Again during consideration of the legislation, business opponents predicted significant impact on unemployment and inflation. In testimony before this committee, the U.S. Chamber of Commerce stated: "Many retail and service employers have already predicted layoffs * * * if brought under coverage of the $1.25 law." The chamber went on to assert: "Whatever good might result from minimum wage legislation would be far outweighed by the unemployment and inflation the legislation would provoke."

SAME ARGUMENTS, SAME GROUPS

Yet retail and service employment, which had increased 1.2 percent between 1960 and 1961 when not covered by the FLSA, jumped 3.3 percent between 1961 and 1962. Overall unem-

ployment fell from 6.7 to 5.5 percent, youth unemployment fell from 16.8 to 14.7 percent, and overall employment increased six times as much as in the prior year when there had been no increase. Inflation increased at a lower rate in the year after the increase in the minimum wage took effect than in the year prior to the increase.

1966 AMENDMENTS

Congress increased the minimum wage from $1.25 to $1.40 in 1967, to $1.60 in 1968, and expanded the coverage of the FLSA. Once again this committee received testimony from a variety of business organizations predicting significant adverse employment and inflationary impact. Yet unemployment fell from 3.8 percent in 1966 to 3.6 percent in 1968, youth unemployment fell from 12.8 to 12.7 percent for the same time period, employment increased by over 3 million workers, and labor market participation rates hit a postwar high in 1969.

The increase which took effect in 1968 raised the minimum wage to 55.8 percent of the average hourly earnings, the highest relative level of the minimum wage. Yet careful study of its impact on employment led Secretary of Labor George Schultz—George Shultz—that name must ring a bell to all Americans and to our Republican friends here, careful study led George Schultz in his report to Congress in 1970 to state:

There was continued economic growth during the period covering the third phase of the minimum wage and maximum hours standards established by the FLSA Amendments of 1966. Total employment on nonagricultural payrolls (seasonally adjusted) rose in 28 out of 32 consecutive months between January 1967 and September 1969. In the most recent 12-month period, employment climbed 3.2% * * * between September 1968 and September 1969. Employment rose in all major nonagricultural industry divisions during the 12-month period between September 1968 and September 1969. In retail, services and State and local government sector—where the minimum wage had its greatest impact in 1969, since only the newly covered workers were slated for Federal minimum wage increases—employment rose substantially.

The report to Congress of Secretary of Labor Hodgson the following year confirmed Secretary Shultz' analysis:

In view of the overall economic trends, it is doubtful whether changes in the minimum had any substantial impact on wage, price, or employment trends.

These are, Mr. President, from a Republican administration, a Republican Secretary of Labor.

Of much greater significance, however, is the fact that the 15-cent boost did help 2 million workers recover some of the purchasing power eroded by the steady upward movement of prices which had started even before the enactment of the 1966 amendments.

We should not be surprised, Mr. President, that these are Republican Secretaries of Labor, because this should not even be a partisan issue.

President Eisenhower recommended an increase in the minimum wage three different times. So we are not surprised with these quotes. We have had Republicans who know what the full impact of those increases were on the issues of inflation and employment, and they recommended the increase anyway.

1974 AMENDMENTS

Congress increased the minimum to $2 in May 1974, $2.10 in 1975, and $2.30 in 1976. In hearings before this committee prior to passage of the increase, again businesses testified to the adverse employment impact of the proposal. One witness for the American Retail Federation testified that they would be forced to implement alternatives, including: "Obviously to reduce the number of employees. The first ones to go would have to be marginal employees we in many cases are carrying now. We would also have to suggest retirement to employees who are no longer productive but who we are currently carrying."

Yet even during the 1975 recession during which unemployment rose from 5.5 percent in 1974 to 7.6 percent in 1976 and youth unemployment increased from 16 to 19 percent, retail employment increased by 655,000 jobs, a 5.2-percent increase.

1977 AMENDMENTS

Congress increased the minimum wage in four steps, to $2.65 in 1978, $2.90 in 1979, $3.10 in 1980, and to the current $3.35 in 1981. This committee again received testimony from business organizations predicting significant job loss stemming from passage of the amendments. The U.S. Chamber of Commerce testified that the proposed minimum wage increase would result in about 2 million lost jobs. They offered as evidence a study providing a State-by-State breakdown of the lost jobs totaling 1,977,000 by 1980, if the minimum wage reached $3.15 an hour—the bill which passed reached $3.10 by 1980. The chamber witness stated:

Rather than help a person who is now making $2.30 by raising the minimum wage to $2.65 or $3, you are hurting him because you put him out of work.

The same arguments that we heard a little while ago, Mr. President? Yes.

So the minimum wage may be $3, but his wage is zero unless he can collect welfare, because his job is eliminated.

The chamber testimony also calculated a first year job loss of 400,000, 387,000 of which would be teenage jobs. Minority teenage unemployment would increase almost 6 to 45 percent with a $2.65 minimum the first year.

One retailer testified that 5,800 of 29,000 convenience stores would have to close if the minimum wage increase became law. He concluded:

The minimum wage increases contemplated by S. 1871 could sound the death knell for a large number of convenience food stores. It could force mass layoffs and could cause some companies to completely go out of business.

Yet the following table demonstrates what the actual employment impact was.

Mr. President, I ask unanimous consent to have that printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Impact minimum wage	Percent increase	Unemployed percent	Youth unemployed percent	Total employed [1] (thousands)
1977	$2.30		7.1	17.8	88,734
1978	2.65	15.0	6.1	16.4	92.661
1979	2.90	9.4	5.8	16.1	95.477
1980	3.10	6.9	7.1	17.8	95,938
1981	3.35	8.1	7.6	19.6	97.030
1982	3.35		9.7	23.2	96.125

[1] Civilian, nonagricultural industries.

(Mr. KOHL assumed the chair.)

Mr. KENNEDY. As the table indicates, total employment increased 8,296,000 1977-81. The only decline in employment occurred in 1982, a year in which there was no increase in the minimum wage. Employment increased 3,313,000 in 1977, also a year in which there was no increase, and it increased 3,927,000 in 1978, the year a 15-percent increase of the minimum wage went into effect. Teen employment increased 382,000 in 1978, as compared to an increase of 352,000 in 1977 when there was no increase in the minimum wage. Minority teen unemployment declined 1.8 percent in 1978 when the minimum wage reached $2.65, instead of the almost 6-percent increase projected by the U.S. Chamber of Commerce testimony in 1977.

Contrary to the testimony projecting 5,800 of the 29,000 convenience stores closing if the minimum wage were increased, the number of convenience stores increased, Mr. President. It did not decrease by 5,800, it increased by 4,100 between 1977 and 1978, as compared to an increase of 2,000 between 1976 and 1977 when there was no increase in the minimum wage.

Retail employment also increased by 1.3 million, Mr. President.

I think this shows quite clearly, Mr. President, what has happened in the past. As I was reviewing the record of all the things the chamber has said we could see that these are the same tired old arguments that we have heard in the past. Each and every time this body has debated this issue, it is almost the same words. And each time the chamber has been wrong.

Mr. President, assume that there was a job loss. Let us even take what I consider the exaggerated figures of the chamber which talk about a

600,000 or 700,000 job loss. And let us compare these figures to the Department of Labor's projections for the labor force and employment growth from now until 1992. The Labor Department's projections are for 5,260,000 growth in job opportunities between 1989 and 1992—5,260,000.

They also estimate that the growth in the labor force will be 4.4 million. According to the Labor Department's own statistics, there will be 868,000 more jobs than workers.

So even if you took their position, even if you believe their projections, it is effectively a wash. I am not prepared to accept their estimates, but I am just using their figures to show that job loss will be a wash even using their statistics: five million two, the Department of Labor's own figures on growth in jobs and growth in the labor force. Mr. President, I ask unanimous consent that a DOL table showing these figures be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DOL projections for labor force and employment growth, 1989-92

[In millions]

Labor force growth:	
1989	122.932
1990	124.457
1991	125.947
1992	127.332
Employment growth:	
1989	113.606
1990	116.537
1991	118.606
1992	118.872

Labor force growth, 4.4 million 1989-92.
Employment growth, 5.26 million 1989-92.
886,000 more jobs than workers.

Mr. KENNEDY. Mr. President, I think it is better to look at the history of this issue. Quite clearly the major forces determining employment levels are varied and related to our general economic conditions. There has been a much more dramatic impact in teenage employment, in overall employment, than simply those following adjustments of the minimum wage. And I do not think that anyone who reviews the history and analyzes what has happened over a period of time can really question the fact that increasing the minimum wage has very little effect on job loss.

Mr. President, I would like to take a few more minutes on this issue with the charts back here to review these issues for the Members of the Senate, and to summarize the last three decades on the issues of inflation and jobs. These are on the retail trades.

On this chart we see that the CPI, between 1961 and 1969, went up 22 percent. Minimum wage went up 60 percent over that period of time. The actual employment in these areas of retail trades increased 31 percent. And the average wage increase actually went up 47 percent. So what we had, Mr. President, is an increase in the minimum wage, an expansion in terms of employment and an increase in the average hourly wage.

Here, we see 1971 to 1979. The CPI showed a 79 percent rate of inflation. Minimum wage went up 81 percent, almost keeping equal, at least in terms of purchasing power—an 81 percent increase in the minimum wage over this period. Total employment went up 32 percent. To summarize, we had a significant increase in the minimum wage, high rates of CPI, but the employment increased by 32 percent, and we saw a 74 percent increase in the average wage.

Now, 1981-89, what has happened? Thirty-nine percent increase in the Consumer Price Index. Zero, Mr. President, a zero percent increase in the minimum wage. What has happened in employment? It has not increased as much as it did in the previous decade or the decade before that. Zero increase in the wage, and yet the expansion in the job market was less than it was in the seventies and sixties.

So, Mr. President, you can look at it either epoch by epoch, in terms of the increase in the minimum wage, or you can look at it decade by decade. Either way, the history has been the same.

This represents the economic history, Mr. President. And these charts tell a different story than the opponents' dire predictions.

Mr. President, we hear a lot about who is affected by this and who is not. But I think it is important to try at least to take a look at who is really affected by the increase. We hear figures for this, heads of households in poverty, single heads of households, people on AFDC, in poverty, eligible for transfer payments. Let us look at the broad strokes. We will get into greater detail if anybody wants to, Mr. President. These are again extrapolated from the Department of Labor figures.

Hourly wages in low-wage industries have lost ground to inflation since 1981. This chart makes that very clear.

This column here represents the amount of inflation we have had since 1981: 39 percent. Look at the individual Americans who have lost out in terms of purchasing power, those who have not kept up with the cost of living.

In the variety stores, 250,000. Apparel and textile, 1,088,000.

In retail trade in general, 19 million Americans have seen their wages increase slower than inflation Mr. President.

These are workers. They have families. Nineteen million. And we hear, oh, they are just part-time workers, some going to school—these are the facts, Mr. President: 19,264,000.

Service station, 634,000 of our fellow citizens. The various eating and drinking establishments, 6,168,000. And the food stores—3 million people—their wages have increased 5.6 percent; a far cry from the 39 percent increase that inflation has had.

There are people who are making it in America. But these individuals, our fellow citizens, have not kept up even with the inflation level. And that is the issue before this body.

Mr. President, I saw a couple of charts that were used by my good friend from Utah. I would put a slightly different interpretation, on them than did the Senator from Utah. I am sorry he is not on the floor, but I am sure he will have the opportunity to respond. These were the charts that were put forth by Secretary of Labor Elizabeth Dole. She testified about that lost job opportunities versus the number of householders benefited.

She reported that the number of households living in poverty and earning the minimum wage is this number here, 336,000 heads of household. And this number was the job loss that she estimated, about 650,000.

Mr. President, this same chart was just presented by my good friend from Utah. This is comparing apples and oranges.

What you really ought to be doing is looking at the number of people below $4.65, that is, those affected by S. 4. You cannot use $3.35, as the number of people and then say well, if you boost it to $4.65 you are going to lose all these jobs—that is an irrelevant comparison. What you have to say, even using their figures, if you are going to go to $4.65 an hour, you add up all the numbers of people who are going to benefit from $4.65. It gives a little different view, hopefully, for our colleagues: 1.3 million heads of household will be assisted.

And, as I mentioned before, we are not prepared to accept the 600,000 as I mentioned. Jerry Adam at the Wharton School estimates it down here at 100,000. But, even if it is 600,000, given what is going to happen in the labor market, we think it is virtually de minimis in terms of the loss, and the general economic climate is going to have a great deal more of an impact.

So Mr. President, these are just a few of the items to address the questions of inflation that were raised during the course of this debate.

I see some of my friends on the floor. I have several other points that I would like to make but I will resist that temptation at the present time and permit others to speak on this issue.

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Mr. President, I rise in support of S. 4 and urge the Senate to act to approve this important legislation. Last week, our colleagues in the House acted to raise the minimum wage to $4.55 per hour over a 3-year

period. It is now incumbent upon the Senate to act without further delay.

S. 4 is a good bill which has been carefully crafted by the Senate Labor and Human Resources Committee. It will raise the minimum wage to $4.65 per hour over 3 years—10 cents more than the House bill.

Enactment of this legislation will mark the first time the minimum wage has been raised in 8 years. During those 8 years, the purchasing power of the minimum wage has decreased by 38.5 percent. In two-thirds of our States, basic welfare benefits provide greater cash income than do full-time work at the current minimum wage. What this means is that many people who currently are dependent on welfare cannot take a minimum wage job because they cannot afford to do so. This is an American tragedy and runs counter to all of the goals and objectives of our recent welfare reform efforts which aimed at getting welfare-dependent Americans into productive jobs.

I am pleased and proud that my own State of Washington has recognized the importance of this minimum wage increase. Seventy-seven percent of the people of Washington State voted last year to raise the State's minimum wage to $3.85 per hour this year and to $4.25 per hour next year. This is an overwhelming public expression of support for a decent living wage for those among us who are struggling to live on minimum wage salaries.

But I am pleased to say that my State has gone further to recognize the importance of addressing other needs of minimum wage workers. In Washington State, there are 720,000 people under the age of 65 who do not have any health insurance whatsoever.

Forty percent of these uninsured are children. Half of the uninsured are under the age of 25. And, nearly one-half of these people are minimum wage workers or members of families dependent on minimum wage jobs for livelihoods.

To address this ongoing tragedy, in Washington State we have begun a program of basic health benefits for minimum wage workers. Unfortunately, at this point we are not capable of providing such coverage to all of these needy workers—but we have made a start. We will serve 30,000 of these 720,000 workers.

Reality is, Mr. President, that we have to address the health needs of these workers, the day-care needs, and the need for education and training among these workers if we are to hope to end the cycle of poverty in their lives. So the debate will not end here today with this bill, but it will continue in the future in conjunction with other proposals and other bills.

As we consider this bill today, I want to address one point in particular—who labors under the minimum wage. It is often argued that we do not need to increase the minimum wage because it is basically students and nonpoverty workers who work in these jobs. While there are certainly significant numbers of this working population, Department of Labor data reflects the fact that there are over 14 million hourly workers earning less than $4.65 an hour. Sixty-three percent of these 14 million workers are women. Blacks and Hispanics also represent a disproportionate share of these workers. In contrast, only 27 percent of those earning less than $4.65 an hour were teenagers.

As importantly, of these 14 million workers, 6.5 million of these low-wage workers were full-time workers and 3.8 million were heads of households.

I also want to destroy another myth which usually accompanies debates over minimum wage increases—that they will be inflationary. Historically, this simply has not been the case. And the Congressional Budget Office has estimated that the inflationary impact of this increase will be minimal—between 0.2 and 0.3 percentage points per year.

Finally, before closing, I want to address the issue of the so-called training wage. The problem I have had to date regarding the specific proposals which have been attached to this concept, such as that suggested by the administration, is that they do not involve any legitimate training. They do not provide any educational or skill-enhancement programs which will help the minimum wage worker to secure a higher paying job. I simply do not buy the argument that many minimum wage workers deserve to get paid a lower wage initially for each job hire. I find the House-adopted provision a great improvement over the administration proposal, but still believe that the House-adopted provision could be improved in the ways I have suggested.

In conclusion, this is a badly needed bill long overdue. We cannot in good conscience continue to turn our heads the other way from the needs of the less fortunate in our society. If we are to have a first-class work force in the future, then we need to make sure that those who need a decent living wage, more education, health care and day care have access to it so that they can concentrate on improving their skills and moving to higher paying jobs. S. 4 is one small step toward achieving this goal. It deserves our full support.

Mr. President, in summary I rise in support of Senate S. 4, and I want to compliment the chairman of this committee not only for his long efforts in bringing this bill forward, but for his excellent explanation which I hope he will go forward with further this afternoon in laying to rest once and for all the myth that paying people a decent wage in America keeps people from having jobs. That has been disproved again and again, and it is very important that we make that point. I hope that he will go forward further. I intend to make a few remarks with regard to that.

Mr. President, I am very much in support of the bill that has come out of the committee to raise the minimum wage to $4.55 an hour. Most of the discussions so far today have been back and forth on wage loss. I want to talk about something else, and I will also address that. But we should first look at the fact that this is the first time that the minimum wage has been looked at, Mr. President, in 8 years. And during those 8 years, the purchasing power of all of those people who have been working at the minimum wage has decreased by 38 percent. Let us just think for a moment about the additional amount of economic activity that would be created by people being paid a decent minimum wage because if there is one thing that is true, Mr. President, it is those who are working at the minimum wage pour their money back into the economy, and it does make this economy turn over and at very basic levels—shoes, food, housing, clothing. These are people working full time to support their families or themselves, and if we look at the amount of money that they receive at a minimum wage, we find—and this is the tragic part—that in many States, people cannot take a minimum wage job because they can do better receiving welfare.

That is an American tragedy that runs counter to everything we all believe in, and I would say to my friends on the other side of the aisle who are constantly saying we must make the private sector work better, the private sector should not be bottomed on wages that are below what the Government has to pay as welfare.

One of the reasons I came to speak today early on in this bill, Mr. President, is that people may be worried—some of my colleagues—about what do the American people think about the minimum wage.

We just had a vote in my home State to raise the State minimum wage. Seventy-seven percent of the people in the State of Washington, Mr. President, voted last year to raise the State's minimum wage to $3.85 per hour this year and to $4.25 per hour next year. This was overwhelming public support for a decent living wage for those among us who work full time but are not able, on their minimum wage salaries at present, to make a poverty wage.

So I am pleased to say that my State has gone further to recognize the importance of addressing the needs of minimum wage workers that we have been prepared to do here. So now let

us do it in this body, in the U.S. Senate. Let us face the fact that the minimum wage is too low. It has been admitted to be too low. The plan that has been worked out by the committee is a good plan. It phases in the wage over a number of years, but it does begin to make up for the fact that a large number of people in the United States are not given a decent wage that would take them above what they would be paid by being on welfare.

Mr. President, there is one other thing that bothers me very much and I hope we will address later in this Congress, and surely it is a matter that we should be aware of now. Senator MIKULSKI and I raised it at the time of the debate on the minimum wage but felt the necessity that people have this cash and this benefit. We did not want to cloud this issue. But that is the fact that there are people under 65, nearly 38 million in the United States, but in the State of Washington alone, 720,000 people who do not have any health insurance at all. These are in the minimum wage area. Forty percent of these uninsured people have children. Half of the uninsured are under the age of 20 and nearly one-half of these people are minimum wage workers, members of families dependent on a minimum wage.

We thought that we should perhaps try to take a few pennies of this and create pools for minimum health benefits for the minimum wage workers. Those were to be very minimum benefits. They were to simply see that children got the necessary immunizations, that broken arms were taken care of, the children who were sick who could not go to a child care center had a place to go.

We hope in my State that we will be on the cutting edge of this, and we are trying to do it. We have begun a program of basic health. The reason I mention it today is that there are many things that should be done in the minimum wage and poverty area that we are not even talking about in this Congress. I hate to see the debate focus only on a $4.65 minimum wage when we do not even have any health benefits for the people who are there.

So we are starting in the State of Washington, and it is a small effort. At this point we just are not capable of covering all of them, but our basic program will start to cover 30,000 of the some 720,000 workers that need a minimum health benefit. Maybe we will stumble somewhat along the way, Mr. President, but better that we stumble full of heart than to walk straight with a cold mind.

We need to know that the families that are growing up now, and we do have a baby boom generation, that are only now beginning to have health problems and are beginning to have children and are beginning to work at jobs that are very low on this wage scale and have no health benefits, no pension plan. I say this to point out that what the chairman of this committee is asking for and what this committee is bringing to the Senate is a very minimum thing for a great number of people in the United States and does not address many of their other needs.

These are working people that we are talking about, Mr. President. These are not people that we are helping on welfare. We have tried helping with Medicaid and welfare. A number of people in the minimum wage area are not receiving any of these benefits.

These are the people below the age of 65.

It has often been said, Mr. President, that a society is judged by how it treats its elderly, and I think that is true.

A society is also judged by how it treats its children and its young people and the poor in its society. And so, Mr. President, when we talk about the minimum wage, I want people who are opposed to know that there were those of us on the committee urging the chairman to do more in terms of health care benefits being folded into the minimum wage, and we backed off from that position to unite solidly behind the chairman and this committee by trying to see that we do a decent thing for our working poor in the United States.

It is often argued—and that is why I am hopeful that the chairman will continue on with the explanation of the charts, and I see that the Senator from Illinois, who is also an expert in this field, is here also to explain this—again and again we do not need to increase the minimum wage because it is just students, nonpoverty workers who work at these jobs.

Well, sure, we have some students that work at minimum-wage jobs, but the Department of Labor data reflects the fact that there are over 14 million hourly workers earning less than $4.65 an hour; 63 percent of these people—and I hate to use statistics because these are people, flesh and blood and bone and heartache—63 percent of these 14 million people are women and blacks and Hispanics representing a disproportionate share.

Mr. President, our society is changing. We see it around us. We may like it or not like it, but it is a fact. We have single-parent families, many headed by women, many at this minimum wage level, and we are trying to react as a society as we should, as a decent people—yes, as a fairer and better society. And when we are talking about a $4.65 wage to support a family we are talking about very little money, and in this case this is after 3 years.

Historically we have found, as the chairman said—and I will not repeat it—we do not have this enormous job loss. What we do have, Mr. President, is a little lifting of a group in our society that deserves it, that works very hard.

Finally, before closing, I want to address the issue that has not come up yet but will in the form of an amendment. I just wanted to state my position on it and others will say more. But it is the so-called training wage. The problem I have with the proposal that will be presented by the Republicans is that there is no training involved. It is simply the old, old argument—and I heard it in Congress when I was in Congress, and I heard it come up when I was in the Cabinet—this is for the subminimum wage because you have to let people get into the society and they should be trained.

Well, now, if we had some training attached to this, I would say let us do it. But it has been used, unfortunately, by many, many in this country employing people to simply rotate people through at a lower wage—always, always the lower wage. All we are trying to do is floor out a wage here so people can live on it.

So if somebody wants to put some real training into it, I am very prepared to listen to that and perhaps vote for it, to have a lower wage, but it ought to have a cut-off date and it ought to be for first hires. It should not be just a two-tier minimum wage system. I find the House has adopted a very good bill, and I know we will debate it and it may be what we will pass. I happen to think that we are dealing with such low levels of wage for a decent living, Mr. President, that we should pass the Senate bill. That is why I support it. I support it because it is 8 years overdue. I support it because it gives people who work a chance to have reward for their work. It is a very small step.

I close, Mr. President, by saying as chairman of the Subcommittee on District of Columbia Affairs, I just finished a set of hearings, contentious in part, difficult in many other parts, on the drug and crime problem in the District of Columbia. It is not the kind of committee that usually arouses a great deal of controversy but in this case it does because we have, as many say, a war on the streets. It involves our young people. It involves poor people. It involves the impact of horrifying new drugs upon them. One of the things that is repeatedly stated by the officials, both police and administrative, is that there is no hope in these neighborhoods, that people are attracted to the immediate money. When they are given an alternative or even after they have had treatment, if somebody says, "We will give you a job," when we give people a job or create a job, Mr. President, the job has to have something to it in terms of wages.

I think what we are doing is very small. I do not say it will compete with these other kinds of wages, but it does give the family that is able to avoid the scourge a chance to say, "You, my son or daughter, can work into this work force and you will be fairly treated, you will have at least enough money that you can carry on a life that gives you some of the things you would like to have, not everything but some of the things."

I think a minimum wage is an important thing for this country. We can argue about the amount, but I think we ought to be a decent people and a fair people and a people that reward work among the young and the less fortunate and the untrained and not be either cruel or feel that because we have maybe been more fortunate we do not recognize that some people work all day very hard for very little. Let us give them a little bit more.

I thank the Chair. I hope we will pass this bill.

Mr. SIMON. Mr. President, I rise in support of this legislation. I join my colleague from Washington in that endeavor.

Let me just add my appreciation to Senator KENNEDY for his leadership.

We just went through ceremonies today honoring the 200th anniversary of the Senate. It was very interesting to me as we heard the names of Webster, Clay, Calhoun, on down through Paul Douglas and others more recently, a great number of those names were not people who bore the titles of leaders, but they were in fact leaders of this body. Senator KENNEDY does not bear the title of one of the leaders of this body other than the committee chair position that he holds but in fact is of the leaders and has been using that leadership to fight for the less fortunate. And I commend him for that and particularly for his leadership on this.

One of the things that is happening in our country, it is one of these things that is not happening dramatically so it does not erupt in headlines, we have a shrinking middle class, some people moving up, a lot more moving down. If that trend continues, that is bad news for the future of our country because those in the middle class understand the opportunities, and they feel they have hope. Those who get pushed down, you can only get pushed down so many times and you start giving up.

When I was in the State legislature in Illinois, we had no minimum wage law in Illinois. I remember sponsoring a bill, a 75-cent minimum wage law. I remember having a waitress come in and testify in behalf of my bill trying to support herself and three children under a minimum wage law. After I heard her testimony, I said no one can turn her down, and my bill was voted down by that committee.

We test whether we are a civilized society, not whether we respond to the whims and the wishes of the rich and the powerful, by whether we help people who really need help. I heard my distinguished friend from Utah, Senator HATCH, say that more than 80 percent of our population will be hurt if we pass a minimum wage law. I suppose if you want to calculate it out, each of us may pay a penny or two more on a meal we buy in a restaurant or whatever it may be. We may get hurt a little bit short-term, but long-term, all of us benefit by an increase in the minimum wage. You can turn that same argument about short-term against just about everything this Congress does. Social Security—when we pay into Social Security, short-term, that does not help me at all. Long-term, it helps me. My guess is my distinguished friend from Utah would favor the President's proposal to have a capital gains tax. Properly constructed, I might even support it, though frankly, not going back to the kind of capital gains tax we had where in 6 months you can get capital gains. But 95 percent of us do not get any benefit from the capital gains tax. The question is not who immediately benefits or if 100 percent of our people benefit short-term; the question is long-term, do all of us benefit? Long-term, do we do what is necessary to build a better future in our country? And I think clearly this helps us long-term.

January 1, 1981, the present minimum wage went into effect, $3.05 an hour. If we were to apply the inflation index, Consumer Price Index, we would be at $4.59 today, and by January 1, 1992, when the last phase of this bill goes into effect, we would be at $5.26. None of the bills, none of the three proposals, the House proposal eventually is $4.55, ours eventually at $4.65, and the President's at $5.25, come anywhere near just keeping up with the cost of living. And who benefits?

Well, one of the things we talk about here and we make speeches out on the stumps, we have to help women who face real problems in our society, particularly if their husbands leave them. We have all experienced the problems of people we run into. Sixty-three percent of the people now drawing the minimum wage, my friends, are women. If you want to do something that really helps women in our society, let us increase the minimum wage. We have already in this bill accepted some of the compromises that the President has suggested. The tip credit is in here. We have raised the minimum exemption for a small business to $500,000. And if it goes to conference or perhaps here on the floor, we might accept that 60-day training period. These are compromises that I hope the White House will consider, and I hope our colleagues will consider that as we vote on amendments on this.

The charge is made that we face unemployment as a result of this. Very interesting. Since 1981, 10 States have raised their minimum wage above the Federal minimum wage. In all these States, except for Alaska, because of the recession Alaska experienced in 1982 and the Nation did, employment increased and unemployment decreased or remained the same. The same has been true as you look at the pattern of unemployment following the minimum wage increase.

In 1949 before the minimum wage went into effect, the unemployment rate was 5.9 percent. Afterward, 5.3 percent; 1955, 4.4 percent and 4.1 percent; 1961, 6.7 percent and then down to 5.5 percent; 1966, 3.8 percent unemployment before the minimum wage increase, 3.6 percent afterward; 1974—and here we had a recession—5.6 percent before the minimum wage increase went into effect, 7.6 percent afterward; 1977, 7.1 percent unemployment before it went into effect, 6.1 percent afterward; 1982—and again a recession year—7.6 percent before, 9.7 percent afterward.

What these statistics suggest, Mr. President, is that there is really very little relationship between the unemployment rate and the minimum wage. And there is just no question that we can be helping some people.

Let me just add one thing that we have not calculated in all of this, and I do not know exactly what the savings would be. But there can be no question, I serve on the Budget Committee, that we are going to save dollars in the Federal budget because as you raise it, lift the income of those who are living below the poverty line, we are going to have to spend less money on welfare, less money on food stamps, less money on medication, and the other things, the other safety net things that we have in our society.

Then it is also interesting to see how the minimum wage that we are talking about affects a family of three compared to the poverty line. In 1968, the mimimum wage for a family of three was 120 percent of the poverty line. In other words, 20 percent above the poverty level. In 1974, 5.7 percent above the poverty line, 103.7 percent there; 1976, 105.4, or 5.4 percent above the poverty line.

Now let us look at where we are today. In 1988, 74 percent; 1989; this is an estimate now for 1989, 70.5 percent.

If this bill goes into effect we will be still by 1992 at 85 percent or below the poverty line for a family of three.

We are nowhere near where we were on a number of earlier occasions. If we keep the current law and do not change, by 1992 we will be at 61 percent of the poverty line for someone who works for a family of three, who

is working full time, I might add. We are not talking about part-time employment.

Under the administration proposal, it would be the 78 percent. Well, clearly, we can do better. Let me just add—and I have seen a variety of figures; I know that Secretary Dole used one set of figures and Senator KENNEDY used another, and I saw another figure where it says 560,000 heads of households would be affected.

I do not know whether the figure is 360,000 or 560,000 or 860,000, but what we know is, there are hundreds of thousands of people in this country today who are heads of households, trying to get by on the minimum wage. If we really want to help people here, let us pay something like this.

Senator ADAMS, a few minutes ago, mentioned something else that I think is important. People who draw the minimum wage, they spend it all. Savings are very, very minimal. So that there is a stabilizing factor to our economy, in the same way that Social Security has. I think we will never again, as a nation, experience the kind of depression we had in the late 1920's and early 1930's, because we have Social Security, because we have unemployment compensation, and because we have the minimum wage.

This stabilizes our economy so that we do not have these huge eruptions back and forth. The Washington Post, the other day, had an editorial, and I will not read it, but I ask unanimous consent, Mr. President, to have this printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOKEN WAGE

President Bush is to be commended for opening the door to an increase in the minimum wage, which Ronald Reagan prevented for eight years. But the gradual increase Mr. Bush is proposing is smaller than it sounds and not enough. Its effect would chiefly be to institutionalize the lost ground of the Reagan years rather than to recoup it.

The minimum wage has traditionally been maintained at nearly half the average wage in the economy. The last increase, to $3.35 an hour in 1981, preserved it in that zone; it was 46.2 percent of the average wage in that year. It has since declined to 34.4 percent, the estimate for this year—from nearly a half to about a third. Mr. Bush would lift it to $4.25 an hour, but not until 1992. That would equal only 38.1 percent of the average wage in that year, if the inflation estimates of the Congressional Budget Office are correct.

The minimum wage has also tendered over time to be enough to keep a family of three at about the poverty line if the earner worked full-time year-round. In 1981 it would have produced 96.1 percent of the necessary income by this standard. This year it will produce an estimate 70.5 percent. Mr. Bush would take it back in 1992 to only 78.1 percent.

Not even the Democratic bill the House passed two weeks ago would restore the wage completely. It would move the minimum to $4.55 in 1992, 40.8 percent of the likely average wage and 83.6 percent of the poverty line for a three-member family. But that would be tending in the right direction.

The president says he won't negotiate on the amount, that his first offer was also his last and he will veto anything higher. He wants and probably needs to show the Democrats he can't be pushed around, and he may have enough Republican votes to be sustained. But this is not the issue on which to have such a fight. The poor have been left out of the general prosperity of recent years. Real incomes in the poorest part of society have declined, income inequality is up, and the poverty rate for this stage of the business cycle in much too high. Weak wages at the bottom are among the reasons. A genuine increase in the minimum would help to correct this sick condition; a token increase would only perpetuate it.

Mr. SIMON. Finally, Mr. President, we went through a Presidential campaign where, frankly, there were not any speeches that I think history is going to write about. There were few phrases here and there. One of the phrases that stood out—and let me hasten to add, while I was involved in the Presidential race, I regret to say I did not make any speeches that history is going to write about—was from George Bush, our President, who said he wanted to build a "kinder and gentler America." We want to build a kinder and gentler America, and I think the question is: For whom?

Let us build a kinder and gentler America for middle-income America. Let us build a kinder, gentler America for people who are struggling to get by, working for $3.35 an hour. Millions of Americans are working at that figure.

We can do much better, Mr. President. You have been in business, Mr. President, in the State of Wisconsin. I was in business in the State of Illinois. I want a healthy business climate, but we do not need to have wages at $3.35 to have a healthy business climate.

We have exempted those small businesses. If their gross is less than a half million dollars a year, they are exempted, so small businesses can get started. We can do better in this country. One of the ways we are going to do better for a lot of people who need that help is through an increase in the minimum wage. I hope we do what is right.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURNS. Mr. President, everyone agrees that an increase in the minimum wage will result in job loss. At least 60 studies performed by different economists confirm that fact. The question is not whether or not jobs will be lost, it is how many.

I come from a State where small businesses and farms make up a large portion of our economic base. A large increase in the minimum wage will only hurt those people, thus dealing another blow to Montana's already weakened economy. While I commend the members of the committee for including the tip credit provision and raising the small business threshold to $500,000, the final numbers which came out of the committee are unacceptable to me. I will, however, support the Bush administration's compromise to raise the minimum wage to $4.25 over 3 years with a 6-month new hire training wage. The important selling point for me on the Bush proposal is that it will save 423,000 of the possible 650,000 losses under the $4.65 proposal in S. 4.

In Montana any job loss is a big job loss. Montana's economy is much weaker than the national economy. As of October 1988, our average hourly wage was $8.76 compared to the national average of $9.45. Our average per capita income for 1987 was $12,347 whereas the national average was $15,481. Maybe States like Massachusetts, Vermont, and Rhode Island can afford to increase the minimum wage to $4.65 an hour, but a State like Montana cannot! When fully implemented the $4.65 increase would result in Montana losing 1.7 percent of all its jobs—that is definitely a step in the wrong direction for Montana.

To those who say that history has not proven that increases in the minimum wage result in job loss, I ask a few simple questions—why is it when I go to the grocery store that the checker bags my groceries? Where are those that used to bag them and carry them to the car for me? Why do I see self-service this and self-service that wherever I go, be it a gas station or a restaurant? The answer is that those are the low-skill, entry-level jobs of days gone by where the minimum wage and good business common sense clashed.

I also want to point out that in the agriculture business—an area which is very near and dear to my heart—the application of the minimum wage from 1967-78 led to a loss of about 60,000 agriculture jobs as represented by the number of hired farm workers. There may be certain businesses which pay employees minimum wage when they could afford to pay them more and still make a profit. However, that does carry over the most small businesses and farms. The ranch/farm economy is such that an increased minimum wage cannot be passed on to consumers. Any increase will result in more layoffs in bad years, and fewer raises in good years since a farmer or rancher has a much lower margin of

profit. One farmer from Montana put it this way, "I am opposed to any minimum wage scale as only the worth of an employee will determine the wage. If we want good help on our ranch we must pay good wages and we have provided a safe, rewarding and learning experience for many people in the past 25 years. All of them go on to obtain higher paying jobs and with them goes the vast experiences they obtain on a ranch as well as knowing they earned it."

This rancher effectively points out the worth of making sure that the minimum-wage worker remains affordable to the employer! That unskilled, untrained worker gets a chance to start his or her first job, gain skills, and move on. Another example of this is a regional manager of Pizza Hut in Great Falls, MT. He started with Pizza Hut 15 years ago at minimum wage in high school and worked his way up to regional manager. That is what our economy is all about—giving those who most need it an opportunity to gain skills and knowledge to increase their market value. That is why if we raise the minimum wage, we must include a training wage. So that businesses can still afford to give young people, uneducated people, and people with few skills a chance to work their way up to regional manager.

One aspect which I think has been overlooked is that when the employer is able to start someone at a reasonable minimum wage or training wage, then he or she is able later to give that person a raise as an incentive. Is that not what a raise is anyway—an incentive. If we are requiring employers to start an employee at a wage that is barely affordable to them, how do we expect them to give raises? There is not a single person who does not feel good when he or she gets a raise—except the Members of this body possibly. There is an inherent value in being able to give or get a raise and I think we are jeopardizing that if we raise the minumum wage to $4.65 an hour.

Finally, the argument that an increase in the minimum wage will make it a livable wage pulling many out of poverty is just not supported by the facts. Figures show that 80 percent of those earning minimum wage do not fit the profile of the working poor. Only 8.6 percent of those earning minimum wage are heads of households. And 90 percent of them are part of households above the poverty level. In fact, the Labor Department estimates that only 1 percent of workers are both below the poverty threshold and minimum wage earners. If we are going to help the poor, the minimum wage is certainly not an effective way to do so. Also, the people most likely to lose their jobs are those who the proponents of S. 4 are claiming to help.

I hope that my colleagues will give some thought to these points. All of the statistics aside—let us look at the value of giving the unskilled a chance. A minimum-wage job is certainly better than no job at all. Let us consider the value of a raise. Let us consider the diversity of this country that we live in and the economic makeup of it. The small business person and farmer in Montana wants to create jobs and provide much needed training, but many people in Washington are making it awfully difficult for them to do so. I urge you all to join me in supporting the President's compromise giving both the business person and the minimum-wage worker a break.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LIEBERMAN). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

SHOULDERING THE RESPONSIBILITY TO COUNTER AIRLINE TERRORISM

Mr. BYRD. Mr. President, the Department of Transportation announced a series of measures this past Tuesday, April 3, 1989, on aviation safety, particularly aimed to shoring up our capacity to guard against and thwart terrorist actions directed at the Nation's airlines. The disaster last December at Lockerbie, Scotland, where a terrorist-planted device succeeded in the destruction of Pan Am flight 103 and extinguished the lives of 270 innocent human beings could happen again unless measures like those taken by the Department of Transportation this week are not followed up with a concerted nationally directed effort to upgrade the technology, training, and procedures necessary to protect against these sinister forces.

Mr. President, a fundamental issue has arisen in connection with counterterrorism in the world's airways. Who should bear the primary responsibility of combating terrorist activities against government? Today, the airlines carry that burden, with some assistance from the Federal Government, but the U.S. airlines are merely convenient symbols for terrorists to attack. From a political standpoint, the aim is to weaken the United States. It is an international political strategy, not a commercial strategy. The response to such a concerted attack on our Nation, then, should properly be the domain of the Federal Government. We should not expect the commercial airlines to alone carry the burden of protecting American citizens against essentially political-military attacks on the United States.

Recent commentary has indicated that airline security systems are antiquated, cannot match the growing technical threat posed by the terrorists, and may not have the financial ability to do so. The proposed new security steps by the Secretary of Transportation, particularly requiring deployment of explosive detection systems in the United States and overseas where U.S. airlines operate are steps in the right direction. Also, the announcement that FAA security specialists will provide greater surveillance and assistance to U.S. carriers operating at the busiest airports is another step in the right direction. More is needed, and a fundamental reorientation of the allocation of responsibility in this area needs urgent review.

Airline representatives today are making a vigorous case that if the threat to the airlines is sabotage by terrorists, then the Government should finance the acquisition of the proper equipment and the personnel training programs to cope with it.

Suggestions are being made to use the airline trust fund, now some $5.8 billion in surplus for these purposes. We ought to investigate the advisability of reinstating a program which was in existence in the late 1970's, to reimburse airlines for security costs incurred in international operations. The costs of combating terrorism are going to be high, but the key determination of the allocation of responsibility needs to be sorted out. Mr. Noel Koch, who was the key Pentagon counterterrorism official during the Reagan administration, has written a cogent brief on this point in the Washington Post last Sunday, April 2, 1989, in which he said that "what the airlines really need from the Federal Government is more direct assistance, and less responsibility for matters beyond their competence." He maintains that the "United States is the leading target of international terrorism today, and our airlines are both powerful and accessible symbols of America herself. But the U.S. Government does next to nothing to protect air travelers—dumping the burden on the airlines."

Mr. President, our innocent air travelers need to be reassured that their Government is doing everything possible to protect them from terrorist actions. A review is in order and, so while I commend Secretary Skinner for the initiatives that he has undertaken, more must be done and soon. It is clear that the full range of resources available in the Federal Government

should be coordinated to approach this threat, including those in our intelligence agencies, and that all possible cooperative measures need to be taken with our European allies and intelligence services. If the technology now being used by international terrorists is not effectively countered, the safety of our international carriers and their passengers will remain at risk, a situation I think we can all agree is unacceptable and deserving of substantial new efforts on the part of all branches of our Government.

MINIMUM WAGE RESTORATION ACT

The Senate continued with the consideration of the bill.

Mr. METZENBAUM. Mr. President, is the Senator from Ohio correct in his understanding that the issue on the floor at the present time is the minimum wage bill?

The PRESIDING OFFICER. That is correct, the issue on the floor is the minimum wage bill.

Mr. METZENBAUM. Mr. President, I rise to address myself to the fact that the increase in the minimum wage is long overdue. Minimum wage workers, working 40 hours a week, 52 weeks per year, earn $6,900. That is nearly $3,000 below the poverty level for a family of three.

Now I ask you to think about that. I ask my colleagues on the other side of the aisle to think about the fact that you are asking a person, a family person, to live on $6,900 a year. You know it is an impossibility. I know it is an impossibility. The President knows it is an impossibility. With that $6,900, you have to pay the rent, put food on the table, buy clothes for the children, and pray, literally pray, that there will be no health emergencies because you do not have the dollars to pay for these necessities. It is impossible to pay for these necessities when you earn only $134 a week for full-time work.

Oh, we will hear all the statistics today about job loss and the dire impact on business. I was a business person. I had people working for me and I can say without any fear of contradiction that a few cents an hour extra is not going to cause many businesses to retract.

It is an age-old argument. Any time there has been any proposal around the Congress to do something for those who need assistance—whether it had to do with Social Security in the first instance, or with minimum wage or Medicare or Medicaid or women and infant children's assistance—whatever the proposal has been the argument has always been the same: It is going to have such a terrible impact on business. Meanwhile profits of corporations have zoomed and the stock market has gone to untold highs. But the working poor have been left behind.

We are talking about tired, old arguments that are not applicable to the issue before us today. Suffice it to say that we have had six increases in the minimum wage since 1938 and none of the dire predictions have ever come to pass. This is not a debate about statistics. And I must say that I am concerned that we are being told by the President at this time that this is a matter that we can go so far and no further.

But I thought we were living in an age of cooperation, not confrontation. Can somebody really stand here and tell me that there ought to be and there must be a 6-month training wage instead of a 2-month training wage? I do not even believe in a 2-month training wage but I am willing to compromise on that point. But beyond that, can somebody tell me that there should be a training wage without any training?

It is absurd. It does not make sense. It is illogical. If you were going to train the people during that period, so be it. But this Senate ought not to be putting itself in the position of being defender of McDonald's and Wendy's and Burger King and all the others that want to pay the minimum wage, and all the others that are insistent that there be a training wage.

A training wage to be a McDonald's employee, to flip hamburgers—who are you kidding?

What we are talking about is how we treat the poorest members of our society. It is about basic human dignity. It is about the quality of life. It is about the ability of a person to take home enough money that he does not have to go on charity.

The minimum wage was enacted over 50 years ago to establish a minimum standard of decency. That standard has eroded dramatically. The purchasing power of the minimum wage has declined by nearly 40 percent in the 8 years since the last increase.

Go out and try to buy anything. Try to buy a cantaloupe. My wife brought home some watermelon the other day. Stores sell watermelon now in little pieces at so much a pound. Stores sell cantaloupes the same way. That was not the way it was a few years ago. Even 8 years ago we were not selling fruits and vegetables in that manner. But those extra costs are impacting upon the poor families in this country to the point that they cannot buy watermelon and cantaloupe and yes, they cannot even buy adequate food to feed their families.

We must restore the standard of decency so the lowest paid workers in our economy can share in the economic gains touted by the administration.

But, having said that, let me say that I do not think that we are doing enough. I think that this is a drop in the bucket. It is merely a step in the right direction. But although the step is in the right direction, we are being told there is a line in the sand and we cannot go any further or there will be a veto.

Why a veto? Why? Because we are going to rip the whole economy apart by giving people an extra 30 cents an hour, while we are saying to them that there should not be a training wage for 6 months and we compromised to the point of 2 months? I say I do not really approve of that. But others have agreed upon it, the House has agreed upon it, and I understand the manager of the bill is willing to agree to it. Under those circumstances I would not fight it.

But I cannot deny the fact I want to work with the President of the United States. I think this President is an able and well-intentioned human being. I think this is a President who is reasonable. And I have seen evidence of that reasonableness in a number of different areas already.

I just say to you, Mr. President, do not give us a take it or leave it proposal. That is the kind of administration we had for the last 8 years: confrontation, confrontation, confrontation, while the budget deficit went to untold heights. The people of this country suffered. And corporations made more money than they ever made before.

I think many of us in this Congress who want to see a change in the minimum wage law have already expressed themselves. We said: "OK, I do not like the training wage but I will go along with it for 30 days, provided there is some training." And then the House put in 60 days for a training wage. So some of us have said we do not like it but if that is the price we have to pay to compromise, we will go along with it.

But now we are told 35 Members of the Senate have signed a letter to the President announcing: No way, no way are we going to pay anything more than the pittance that has been advocated by the administration.

Why? Why should 35 Senators join together and take that kind of solid position? There are so many truly important issues in this country to resolve as a team. Why choose the minimum wage to say "we will not go one step beyond this?" I support the concept that these Senators are advocating—they want to support the President. But these Senators can support the President better by saying: "Come, let us reason together. Let us work this out."

If minimum wage increase goes down because there was an adamant position on the part of the administration and 35 Members of the U.S. Senate, I cannot believe that any Senator will sleep better by reason of that

fact. I think Senators would have trouble in explaining it to their wives, explaining it to their children, as to why they were so determined that there could not be some modification.

The legislative process is about compromise, not confrontation. It would be a cruel blow to the working poor for President Bush to veto a reasonable minimum wage bill.

We can all agree that there is a need to improve training. But the administration's proposal has nothing to do with training. There is no requirement for training in the administration training wage. The 6-month period that the administration advocates contradicts the Department of Labor's own estimates of the training needs for lower skill minimum-wage jobs.

Listen to this. This is amazing. The Department of Labor publishes a comprehensive volume entitled, "The Dictionary of Occupational Titles." It lists every job in the economy, including a job description, qualifications, and training time required.

According to the Department's own estimates, it takes 30 days or less to "learn the techniques, acquire information, and develop the facility needed for average performance" for such jobs as delivery driver, laundry worker, custodian, food service worker, dish washer, housekeeper, parking lot attendant, mail clerk, and sanitation worker.

If we stop to think about it, apparently the administration believes it will take 6 times longer to train minimum wage workers for lower skill jobs than its own experts in the Department of Labor have found to be the fact.

If we must have a training wage, then tie it to training. Make it for a reasonable period and adopt it on a temporary basis to test its impact. The House-passed provision of 60 days for first hires, with a requirement for on-the-job training with a sunset provision in 1992 to allow us to assess the impact makes much more sense than the administration's proposal. I am frank to say it goes further than I am inclined to go. But I believe, as I said earlier, that legislation is the art of compromise and so I would go along with that.

But it cannot be denied the working poor need to earn a living wage. They hve gone without a raise for 8 years. The time has come for us to do the right thing by restoring the minimum wage as a basic standard of decency.

The President said during the campaign, and I accept it and I believe he meant it and I believe he means it now, that we ought to have a kinder, gentler Nation.

If it is to be a kinder, gentler Nation, then we have to worry about those who do not have any lobbyists speaking for them here in the Halls, of the Senate.

They are the working poor who do not want to be on welfare but who want to make enough money to feed their families, not very well at best, but at least to keep themselves off charity.

This is an administration, this is a Senate, this is a Congress, this is an America that makes it clear that we think that people ought to work, not go on charity. And every so often we get a special proposal about how we are going to see to it that people get jobs rather than have to be on welfare.

But the fact is that welfare standards are set in such a way as to see to it that people at least have the bare sustenance. In too many instances, the minimum wage provides for less sustenance than is available under welfare. It is not the fault of welfare because welfare is based upon what people need. It is based upon need considerations. But instead of talking about basic needs, we are fighting here about 30 cents an hour; we are fighting about how long a training wage; we are fighting about the failure to have any actual training during that training period.

I say to my colleagues, relent, ease up, win another battle, but in this battle, you are being cruel, you are being inhumane, and you are being unfair. Do not do that to those who do not have any lobbyists in these Halls. Do not do that to poor people who want to work to earn enough money to provide for their families. I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. President, I have heard some eloquent, very fine, emotional statements about minimum wage. I wish to take a somewhat different tack. Let us take a look at the basic principles which caused the creation of the minimum wage and examine whether or not the situations have changed in the last 50 years.

Mr. President, the minimum wage has been an issue before this body for at least the 50 years that have passed since the enactment of the Fair Labor Standards Act of 1938. The arguments have remained much the same over the years.

Some elements of this debate are axiomatic. Increasing the price of labor will reduce the demand for labor, period. Some workers will benefit from an increase, period.

But while the debate has remained quite similar over the years, the problems have changed tremendously. Our family structure has changed, our expectations of women have changed, and we are concerned today about having too few workers with the skills to fill our jobs, a notion that was unthinkable back in the depth of the Depression.

The story of a woman who lives not far from me in Vermont really brought this point home. She lived through the Depression, and in the midst of it was working as a school teacher, one of the few professional avenues open to women at the time. She explained very matter-of-factly that when she got married back then she quit her job. No one asked her to do so; she simply understood that since her husband was employed, it was unconscionable that she, too, would hold down a job at that time when jobs were so scarce.

Those were obviously extreme circumstances. But her story does underscore the changes that have taken place since the Fair Labor Standards Act was enacted.

Today, we no longer expect that women will stay at home, indeed, most women with young children are in the work force. When the minimum wage was adopted, perhaps one-third of the women were in the work force. Now, it is about two-thirds. This is a startling fact, fewer than 10 percent of all families with children contain a mother who is at home caring for the children with a father working outside the home. Ten percent; less than ten percent.

Congress is trying to come to grips with these changes, whether through child care, family and medical leave or a host of other proposals to accommodate the nature of today's work place and work force. But this effort at accommodation seems sorely lacking in our approach to the minimum wage.

We do need to establish a minimum standard of living, both for those who work and those who do not. But we cannot establish such a standard for the working poor through the use of the minimum wage alone. Such a policy is doomed to failure.

The vast majority of minimum wage earners are not the poor family of three that had served as a benchmark of sorts for the minimum wage. Indeed, almost three-quarters are single, and only 14 percent of minimum wage earners are a head of household in the poverty area. A somewhat higher percentage of minimum wage earners, about one in five, do live in poverty households.

These households, however, are not necessarily going to be helped much by an increase in the minimum wage. The larger barrier for such households is a lack of work, not a lack of pay. Only 15 percent of the householders of families in poverty work full time, year round. Thus, the concern that an increase in the minimum wage will decrease hours or job opportunities is very real.

Charles Brown, a senior economist with the Minimum Wage Study Com-

mission, estimated that it takes a 22-percent increase in the minimum wage to effect a 1-percent increase in poverty household income. It is also worth noting that while the real value of the minimum wage has declined over the past 5 years, so, too, has the poverty rate.

Given the preponderance of minimum wage earners in one- or two-person families, perhaps our benchmark should be revised to reflect the wage levels required for one- or two-person households to remain out of poverty.

At the same time, we need to address the very real needs of larger families, as a matter of equity and as a critical factor in preventing the deterioration of the family structure. We can and should do this by revising the earned income tax credit, or EITC, to reflect family size, adjusting the credit based on the number of dependents.

The advantages to doing so are several. First, the benefits of such a policy are targeted directly to those who need it the most, the working poor. Second, any disemployment impact is minimized. Third, other economic dislocation, such as an impact on inflation or competitiveness, are reduced as well. Finally, the reward for working will actually increase for those families which need the greatest assistance.

A reform of the EITC will certainly reduce Treasury revenues, but it is important to remember that much of what is really being reduced are payroll taxes from the working poor.

Moreover, the policy and economic offsets to these losses are tremendous. Welfare and other transfer payments would be reduced to those already working, while the increased incentive to work would certainly have an impact on those who do not now hold jobs.

In other words, sure, we are going to lose some revenue, but if you look at the other side of the coin, you can obviously see that if you reduce the number of people on welfare, the gain for transfer payment is going to exceed certainly any loss of revenues for those individuals.

While the Minimum Wage Restoration Act would restore the minimum wage rate, a reform of the EITC would do far more to accomplish everyone's goal of a living wage for the working poor.

Unfortunately, I doubt that much of our discussion will be directed at the policy that underlies the minimum wage, or even our goals. Instead, we will argue whether the rate should be at one level or another, and whether the length of the training wage should be 6 months or 60 days.

This may be unavoidable, but I think there is a more important debate that we should get into. That debate is this: What should our society guarantee to the individual or the head of household who is willing to work full time, year round to support a family? This seems to me to be the principal reason behind the enactment of the Fair Labor Standards Act, and strikes me as the issue we should address in these amendments to that act.

Before us are two proposals, with differing rates, differing training wages, and differing approaches. The Democrats argue that their proposal will do the most good; the Republicans say theirs will do the least harm.

The biggest policy difference between the two lies in the training wage proposals. In one fashion or another, this concept has been around for some time. The Fair Labor Standards Act contains a few differentials, and many States have adopted them for certain categories of workers.

Secretary Dole has argued persuasively that low-wage workers need education and training to equip them to fill higher paying jobs.

I certainly agree with her and look forward to working with her and my colleagues on these issues in the months ahead. In fact, I will be offering an amendment during the course of considering this legislation that will attempt to deal with this issue but only in a small way, unfortunately.

But as we all know, our efforts to educate and train our workforce have been insufficient. Many workers, particularly young ones, lack the basic skills necessary in order to get entry-level jobs. The higher we raise the cost of that job, the less likely an employer will be to hire that young, inexperienced worker.

In some markets, the increases we are discussing will have little or no effect. But in others, the effect could be significant. That is why I support establishing a meaningful training wage.

It seems to me that "meaningful" connotes two things: first, that job opportunities will be retained—in other words, we do not reduce the number of job opportunities, and second, that we will induce some behavior that would not otherwise occur.

If I read the administration's economic analysis correctly, it satisfies the first test, but assumes failure on the second. More specifically, it believes that costs will be dampened in industries with seasonal or high-turnover jobs but that employer behavior in other industries will be unaffected by the training wage. In other words, employers in those industries will eliminate just as many job opportunities as if no training wage existed.

This strikes me as unfortunate. While employers certainly have no control over the seasonal nature of some jobs, and may have only limited control of turnover, I hope we could affect the behavior of employers who provide more stable employment.

The Democratic alternative probably fails on both of the principles I set forth. As a policy matter, I think 60 days makes a lot more sense than 6 months. It does not take 6 months for an employee to learn minimum wage skills. Either the employee acquires them over the course of a few weeks or the employer lets the employee go. It is unreasonable to assume that an employer who might be forced to eliminate jobs due to tight profit margins is going to tolerate incompetence for 6 months.

But I am not convinced that a training wage should be limited to the first job. The language adopted by the House has mechanical problems. For example, an employee would be ineligible for the training wage if he or she had worked for any employer for any period of time.

While I am not sure of the intent behind the choice of words, a court might construe "work" to mean something even broader than employment, the defined concept used throughout the act.

Moreover, the practical enforcement problems could doom this provision to the same fate that has befallen the current student-learner provisions—so complex that employers do not bother to use them. Again, we should not have a training wage if it is not going to provide an incentive for employers to behave differently.

Finally, I am not sure that such a wage should be limited to a single job. For the hard-to-employ youth, it may take a second or third job to get them started in a good employment relationship, especially, for instance, if his first one should be terminated.

I hope we agree on the purpose of a training wage; to save jobs and promote the hiring and training of low-skilled workers. If we are agreed, perhaps we can agree to some combination of the proposals of the administration or by the House, not this body, or some variation that would provide a simple entry-level rate that could be maintained only by leveraging some tangible training.

In conclusion, once we finish this debate, I hope we will begin to look anew at what it is we are trying to accomplish and how we should best accomplish it. While the Minimum Wage Restoration Act might restore the minimum wage rate, it will do very little to help the working poor.

Let me quote from the part from one relevant observer on this issue:

> The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and try it; if it fails, admit it frankly and try another. But above all, try something.

I know my Democratic colleagues chafe when Republicans use the words of Franklin Roosevelt, but I think his

approach may be as important as his legislative legacy. I think we should read those words again and again.

I know we are probably not going to take a dramatic turn and adopt changes to the EITC in the course of this debate. But I am also fairly confident that this legislation will be vetoed and that a veto will be sustained.

But if there is one benefit in the procedural course we are undertaking, I hope it is that all parties will look closely at the proposals put forward by Senator BOSCHWITZ, Representatives PETRI, DOWNEY, and others to reform the EITC, and that we will put their proposals into place.

Earlier today, we commemorated the two centuries of history of this institution. Let us profit from that rich experience but not become prey to it. I hope my colleagues will reexamine the changes of the past 50 years and renew our commitment to the working poor.

I thank the Chair.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. JEFFORDS. I am happy to yield.

Mr. KENNEDY. Mr. President, the Senator has mentioned the earned income tax credit, and I expect we will have an opportunity to debate that issue in the time. I do not want by silence to indicate that this is not a useful suggestion or idea. It would be very helpful in certain circumstances. We have had the opportunity in reviewing the earned income tax credit issue to evaluate the Boschwitz proposal of last year, for example. We found that with regards to the individual minimum wage worker, for a married couple, and a married couple with one child the increase in the minimum wage in our proposal is the better for them. If we move beyond that to larger families, the earned income tax credit as it was proposed by the Senator from Minnesota does have a positive impact. I do not want to exclude the possibility of consideration of the earned income tax credit at some time. Of course, we have been conditioned by what the administration has stated with regards to the budget; an earned income tax credit would add to the deficit. But I believe it is an idea that the Senate should consider at a future date. We also believe that with the increase in the minimum wage you will move a number of families out of eligibility for transfer payments which will result in lowering the Federal deficit. But we have been unable to quantify that.

So for the point I am making, I will consider the earned income tax credit as posed by the Senator from Minnesota last year. The administration has not indicated favoring that proposal. Secretary Dole did not, as the Senator remembers, during the course of our hearings. There is no other indication that they would. But I wanted to give that assurance to my good friend from Vermont, who has been very much involved in the shaping of this legislation, of my position. We talked about this briefly during the course of our markup. But that is at least where this Senator comes out on this issue.

I do not know whether the Senator has any additional remarks in reaction to that comment.

Mr. JEFFORDS. I would like to add a word or two. I think, again, if we go back and look at the major purpose of the legislation originally, it was to help the working poor family. We did that very successfully in the thirties by providing a minimum wage to bolster the family income, but now as we look at the 14 percent we will be helping by this approach I agree with the Senator that the $4.50 area will take care of the one- and two-dependent family.

But for those that need help in the three above, we do have little by this legislation. Plus that, if we go any higher, then we have all the additional problems of job dislocation which has been discussed rather extensively previously.

So my hope is that we do not just ignore this in our emotional debates over the issues of levels and training wages and not recognize that there is a very viable program which can be instituted which would help all of the working poor. Although the problems of estimating the impact upon the deficit are difficult, the fact is that the revenue loss occurs in one budget and one committee's responsibility, and the gain occurs in another committee with respect to reduced transfer payments. It is unfortunate the way the committee structures are set up in both the House and Senate, and we never seem to have a forum in which to openly discuss these matters and come up with a rational program to try to take care of these very difficult issues.

I hope we will not avoid this issue in this debate. It is unfortunate that we probably cannot come to the proper conclusion just by the nature of the way the House and Senate operate, and the fact we cannot pull these estimates and changes together. We really do not have any good figures.

Mr. KENNEDY. I thank the Senator. I particularly appreciate his comment about the way the Budget Act performs. If we were able to provide additional savings it would be useful and helpful to be able to use those savings in the other areas of human need.

I do not think there can be any argument about the fact that there will be welfare savings as a result of increasing the minimum wage. I believe that there will be important savings as people move off of welfare and move into better paying jobs. But we have not been able to estimate that savings.

But the benefit in my State is equal to about $5.20 an hour on welfare. We are talking about $3.35 here. If we are going to try to move people off of welfare, we have to raise the minimum wage. I am amazed that people are working even now. Yet we have millions of Americans who are working because they want to work. We are talking about people who want to work. If we were able to move the minimum wage up, do something in the areas of day care, health care, and skills training, then we are going to save the taxpayers money—I believe billions of dollars.

But we are going to try to see to the extent that the Senator can help us quantify those savings, and see if we cannot perhaps at least get credit for those savings for our particular function. It is a different issue than the general question of minimum wage but I think around here it is enormously important because we will be trying to deal with more programs such as voluntary service programs, and initiatives in health and education.

I appreciate the comments. I thank the Senator from Vermont for his very constructive comments on the whole issue.

Mr. JEFFORDS. Mr. President, I would like to make one further comment if I may. I think it is also important that we talk about EITC, and that we also do not forget what the purpose of the training wage certainly ought to be, and that is to improve the skills of people to be able to either increase their present employment under some circumstances, if it is allowed under that provision, or at least ought to urge employers to conduct some sort of training along with the wage or else we will not accomplish any of the goals.

As I pointed out, neither of the proposals of the House and Senate nor the administration reach the two basic goals which ought to be the goals of the training wage. I hope that in the course of time we will also along with the EITC give some serious thought as to forgetting about the emotionalism on each of these extreme positions on the issue and talk constructively about some options that we can use to try to get our employers to have some meaningful use for the training wage.

I thank the Chair and I thank the body. I at this time note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I rise today in opposition to the proposal as passed by the Labor Committee, Senator KENNEDY's bill, to increase the minimum wage from $3.35 to $4.65. That increase as many of us have heard, a lot of people are for it and many people are against it. I came out against it because I evaluated it and believe it would be very detrimental to my State and to the economy of the United States. I think it would cost jobs.

We have heard a lot today about helping the working poor. I want to help the working poor. I think putting the working poor out of a job is the meanest thing we could do. I have heard people say if you are against this bill you are mean, that you really did not care about helping those on the lowest end of the economic ladder. I say if we pull the ladder up, and if they cannot get that first job and reach it, we have done the cruelest thing of all. That is exactly what we would do.

I do not know of anybody who disputes the fact that if we increase the minimum wage from $3.35 to $4.65 we are going to cost jobs, thousands of jobs, estimated to be hundreds of thousands of jobs.

The Congressional Budget Office estimates that as many as 500,000 jobs would be lost. In my State of Oklahoma, it is estimated by the Chamber of Commerce that we would lose 10,000 jobs. Ten thousand jobs in the first year, 25,000 jobs in 4 years—25,000 jobs. We fight for jobs. We are hungry for jobs. We have gone through a difficult economic time in the last few years. We want jobs.

And the Senate of Oklahoma certainly does not want us passing laws that are going to cost us jobs, which are going to put thousands of people out of work. Unfortunately, it would be putting the people out of work who need the jobs, in many cases, the most. These are people who are trying to get started, trying to grow economically, trying to earn a living, trying to learn how to make a living, trying to get started in a business. Eighty percent of all new jobs are created in small business, and small businesses are the ones that pay minimum wage.

This is not going to impact negatively on General Motors and some of the larger companies. They pay a lot more. I think it will have a negative impact on them, because it will hurt the economy. I will talk about that momentarily. It will cost jobs. To give you an example, I, like many of my colleagues, went back to my State the last couple of weeks, and I traveled around and went into a lot of rural communities. I went into one town, Colgate, OK, population of about 5,000. I went into a grocery store—it was kind of interesting—a little grocery store, which was not a big national chain or anything, but I talked to the manager, and I shook hands with some of the employees. I asked the manager, "You have several people carring out groceries. What do you pay them?" Their ages, I would guess, would be 16 or 17; they were teenagers. He said, "We pay them about $3.50 or $3.60, something along that line." I said, "Can you afford to pay them $4.65?" He said, "No, we would just have self-serve. People would have to bag their own groceries." That is what we do in some of the big chains. I guess that is a fact of life now. He would not provide those jobs.

In Colgate, OK, there are not that many jobs. These people in high school and other areas would like to have a job. I do not think we should pass a law in Washington, DC—maybe it is appropriate for the State of Massachusetts—but I do not believe it would be appropriate in Colgate, OK, and I do not think it would be appropriate in many areas of this country.

Basically, it would say that, "We are sorry, but if that job is not worth $4.65, you do not have a job." That is exactly what we would be doing if we pass the increase in minimum wage to $4.65.

What we are, in effect, saying is that it is Federal law, and that you cannot pay less. So if the job is not worth $4.65, unless the employer wants to be very generous and maybe lose money economically on it or something, you do have a job. It is against the law. Mr. Employee and Mr. Employer, if you decide to get together and pay $4 an hour, and that is possibly a mutually beneficial arrangement, maybe, for a young person and an employer, to enter into an agreement where the pay would be $4 an hour, "We are sorry for the both of you, but that is against the law. If you cannot pay $4.65, do not do it."

I have a couple of teenagers. I have one who is making $4 an hour. I do not know if that employer would increase that job to $4.65, or if my teenager would be out of a job. I told my teenager, who happens to drive a car, "I want you to help pay for the gas." That was part of the deal. So she has a part-time job, and it pays $4 an hour. I do not want to price that job out of the marketplace. I do not want to deprive thousands of young people, thousands of people, who are trying to get started.

I do not want to pass a law that says that it is against the Federal law for you to have that job, because there are thousands of jobs that are in that category, somewhere between $3.35 and $4.65, thousands of them, hundreds of thousands of them. On some of them, I am sure, those wage rates would be increased, and some of those jobs would be priced out of existence.

If I am interested in sacking groceries, and that is one of the first jobs a lot of people get, because maybe they are in high school and they want a part-time job on the weekend. Maybe another one would be pumping gas. I have a son who is pumping gas. He did that part time in the summertime, pumping gas. He made less than $4.65 at one station, and he made more than that at another station. In some stations in Oklahoma, I think they pay less than $4.65. That job was important because it taught him something. It was telling him what it meant to show up on time, what it meant to get a job. He said, "Well, this is what I can make at this job. What can I do to make more money?"

I have the distinction of being the youngest Member of the Senate, and 20 years ago I worked for minimum wage. It was only 20 years ago. The minimum wage at that time was $1.60 an hour. But I learned a business. It was, actually, a janitor service. I worked for a janitor service when I was going through college, and my wife and I both did it for $1.60 an hour. We did not think that was enough, incidentally. We asked for a raise. We waited about 1 month, and we received a nickel. We received $1.65. We did not think that was enough, so we started our own janitor service and employed a lot of people. We happened to make a fair amount of money. We employed a lot of people and, incidentally, we paid them more than minimum wage. But what I am saying is that there was the opportunity to learn. We learned through that experience, and we started a business. Again, that is where 80 percent of all new jobs are created, in small business. A lot of them do start in that area of $3-and-something, not $4.65. We are going to price a lot of jobs out of existence. We are going to deny a lot of people opportunity if we increase this arbitrarily to $4.65.

I have heard the comments, well, they need it to be a living wage, and so on. I do not know if they are trying to turn a lot of jobs into welfare programs or what. Certainly, I am sympathetic. I want people to make more. I would like for everybody to make $8 or $10 or $12 or $16 an hour. I think that would be great.

Mr. KENNEDY. Will the Senator yield?

Mr. NICKLES. I will be happy to yield when I conclude a few of my comments.

I do not think we make any sense whatsoever to be mandating wage rates which will put people out of work. I do not think we make any sense whatsoever, when in the guise or disguise of trying to say we want to help people, we put people out of work.

We deny them the opportunity to work. We tell them if that job does not pay a certain level, $4.65 an hour, we

are sorry. We are sorry that you do not have a job now. A lot of times, and in many cases, we are talking about young people. They cannot get a job, and they do not learn work skills and work habits. They still need money, and how are they going to make money?

In a lot of neighborhoods, and this is just not in big cities, they find there is easy money in drugs. I was with a couple police officers in Oklahoma, and I wanted to see some of the drug problems that we had. So we drove around into an area that has a reputation of having a drug problem. I saw a youngster, who was 12, 13, or 14 years old on a bicycle. The officer said that he is probably already involved in drug trafficking. I said, "You have got to be kidding. How in the world could this youngster, who looked as innocent as my 13-year-old, do this?" He said, "He is probably serving as a scout, and somebody probably gave him $20 and said, 'If a car like this one pulls in, ride down here and let us know.' He is working as a lookout. He would notify the drug people."

He said, "The next thing you know, they will give him a little more money for delivering this little sack or brown paper bag over to another apartment in the housing complex. Maybe this time they will give him $50." Again, that youngster may or may not know that there are drugs inside. Maybe it is crack or some other type of drug, and that is easy money.

Would it not be better if that individual had the opportunity to have a job, to show up for work on time, to have the opportunity to be able to put a little money in his back pocket, maybe to buy gas for his automobile, or to buy some other type of commodity or something, to at least allow that individual to learn in the marketplace, instead of saying, "Well, I am sorry, youngster; if you cannot get a job above $4.65, it is not worth it. It is against the law, against Federal law, because we passed a law that says if you cannot get that amount for it, too bad."

Then what about the economic impact? I have already talked about the individual, but I am also concerned about the national economic impact. I have heard comments about it being inflationary. It is. No one can say it is not inflationary. It will increase the price of goods and services sold in the United States. The Council of Economic Advisers states that raising the minimum wage, as proposed, will cost consumers an extra $13 billion a year in higher prices. Some people think that if the Federal Government is not writing that check, maybe that is not too bad. Actually, it is estimated in a study by Makenzie and Simon of Clemson University that it would cause Federal spending to increase by $1 billion, because of an increase in unemployment benefits. We put people out of work.

They are not paying taxes. They are drawing unemployment and that has a negative impact on the economy.

Actually, according to the Institute for Research in the Economics of Taxation, they estimate that the Senate bill would increase the deficit by about $7 billion. The cost of raising the minimum wage would rise from an increase in Government spending as those who lose their jobs file for unemployment insurance and expand their use of food stamps. Government revenues would decline because fewer people would actually be working.

But there is no doubt if you increase the minimum wage, with the ripple effect throughout the country, there will be higher inflation.

I happened to be expressing some concerns to Alan Greenspan not too long ago that I think he is increasing interest rates too much. He has really been tightening down the money supply. With increasing interest rates, the prime interest rate now is 3 percent higher than it was a year ago. The T-bill rates, what we pay for money, is 3½ points higher than what it was just a year ago.

You might say, why? The Fed, the Federal Reserve, is concerned about inflation. They think inflation is getting heated up so they are making some precautionary moves. They are tightening up on money. They are increasing interest rates, trying to slow down the economy.

I am concerned about that, but I will tell you this will drive inflation up. This will put more pressure on Alan Greenspan and crew to jack the price of money up even higher, increase interest rates more.

If you happen to be in the housing market, if you are trying to buy a house, it is much more difficult today than it was a year ago because the price of borrowing money is higher. If you want to buy an automobile, the cost of borrowing money is higher. Why? Because the Fed is concerned about inflation.

If we passed this bill we are going to be increasing inflation. That will make us less competitive internationally. And that is another point.

Let us think about the macro effect of this on the economy.

Every Senator that I know of in this body has complained about our large trade deficit. Every Senator that I know of would say, "let us be more competitive."

This bill will not make us more competitive; it will make us less competitive. This bill will mean that, yes, we will be importing more and we will be exporting less.

And let us face it. There are a lot of things we can do in Congress that instead of helping our economy, instead of helping our competitiveness, we can do just the opposite. That is exactly what this bill is. It will increase the cost of domestic production. It will increase inflation. It will increase the cost of doing business in America. And I do not think we should be doing that. It will cost jobs.

We should be employing more people. We actually have today 19 million more Americans working today than we did in 1982. That is the longest, fastest, growing economic expansion in our Nation's history. Let us not mess it up. Let us not make it worse by higher interest rates. Let us not make it worse by additional Federal rules and regulations, whether it be increasing minimum wage or other Government mandates to make business more expensive in the United States than our competitive partners and allies.

I think this is a serious issue. Certainly macroeconomically it is important, but most of all, it is important to that youngster in Colgate, OK, who wants to have a job. Again, maybe it is pumping gas or maybe it is sacking groceries, or maybe it is working at the laundry, maybe it is washing cars. Whatever it is, let us not price that job out of the marketplace. Let us not tell him we would just as soon have him be unemployed and make $4 an hour. Let us not make it against the Federal law for a youngster or for a person to work for $4 an hour.

That is exactly what we would be doing if we pass this bill.

I will be happy to yield to my friend from Massachusetts.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. KENNEDY. If I could just ask a very brief question, I just have one question I would like to ask.

Mr. NICKLES. I am happy to answer.

Mr. KENNEDY. If I could, does the Senator from Oklahoma know what the AFDC and food stamp benefits for a family with three persons are in Oklahoma?

Mr. NICKLES. Imagining that the Senator from Massachusetts has that figure, I would be happy for him to share it with me.

Mr. KENNEDY. It is a maximum of $546 for anyone who is on welfare in Oklahoma. And does the Senator know that that is $10 more than what the minimum wage is today? Does the Senator know that?

I head a great deal of comment from the Senator from Oklahoma. But actually, the benefit package for not working in Oklahoma is more than the minimum wage.

Does that concern the Senator from Oklahoma since he is talking about disincentives?

Mr. NICKLES. I appreciate the Senator's question.

Let me just make a couple comments.

One, concerning welfare benefits, and they vary from State to State, and maybe they are larger in the State of Massachusetts. I am asking the Senator, what are they in the State of Massachusetts? They are $546 in Oklahoma.

Mr. KENNEDY. Six hundred ninety-four dollars in Massachusetts and $546 in Oklahoma, and that does not include the Medicaid in Oklahoma which would mean that if you do not work for a minimum wage you would be $250 better off by not working.

Mr. NICKLES. I think it is my time. One, I would like to correct the Senator.

Mr. KENNEDY. I just wondered how the Senator would respond to that observation.

Mr. NICKLES. I would be happy to.

First, I think the facts are about 80 percent, of the people who are on minimum wage are not from welfare homes. If they are not on minimum wage they are not on welfare because most of them, like my daughter or like my son, or other people who have minimum-wage jobs, their family is not on welfare.

You do have some individuals and some families who happen to be earning minimum wage, and that may be their sole source of income, but only 12.5 percent of minimum wage earners are heads of households.

The Senator from Massachusetts is acting like every minimum wage earner is a head of household. That is not correct. Only one out of eight is a head of a household. So you have seven out of eight that is not a head of household.

So I think that is an important fact.

I heard the Senator from Ohio making the same statement like if they are not making the minimum wage they are going to be on welfare. That is not the case.

My daughter, if she does not have that job or that job is priced out at $4 an hour, she is not going to be on welfare. My family is not going to be on welfare. I doubt that the family of the Senator from Massachusetts is going to be on welfare.

So we are not talking the case, well, we are either going to increase the minimum wage or we are going to increase welfare payments. That is not the case.

Mr. KENNEDY. The fact is the benefit package for not working in Oklahoma is $250 more than working for the minimum wage. The fact is people cannot afford to work at the minimum wage with that kind of alternative.

We are trying to get them off welfare.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Oklahoma has the floor.

Mr. NICKLES. I appreciate that and I appreciate the question from the Senator from Masachusetts.

The facts are, Mr. President, that 10,000 Oklahomans will lose a job if this bill passes. It is estimated in 3 or 4 years that 25,000——

Mr. KENNEDY. Will the Senator yield?

Mr. NICKLES. I will not yield at this time.

Twenty-five thousand Oklahomans will lose their jobs in 4 years if this bill becomes law. I think that would be a mistake.

I want those 10,000 or 25,000 Oklahomans to have a job. I want those youngsters who are working in that grocery store to have a job. Those youngsters will not be on welfare unless maybe they are priced out of a job, they cannot get a job, and then they would go on welfare. I think that would be a serious mistake.

Let us help those youngsters. Let us help people get involved and climb the economic ladder. But if they are priced out to where they cannot start, where they do not have the opportunity to get that first job, that increases the likelihood that they will be perpetually on welfare.

Let us help them to learn work habits. Let us help them to get involved in the economic train.

Mr. KERREY. Mr. President, will the Senator yield?

Mr. NICKLES. I will be happy to yield to the Senator from Nebraska.

Mr. KERREY. Mr. President, I am genuinely trying to listen to this debate and reach a rational conclusion myself. I appreciate that the Senator from Oklahoma has had some experience in a small business. I myself was in business in 1978, 1979, 1980, and 1981 when the last minimum wage increase went into effect.

I would just like to know, does the Senator think we should have a minimum wage? Should that rule be in place?

Mr. NICKLES. The Senator from Nebraska is asking a good question. That question is somewhat moot. I personally economically would say it might be a good time to abolish the minimum wage. That is not my proposal.

My proposal is, really, let us just leave the minimum wage where it is today. Let us not make it worse. Let us not put people out of work.

If I wished that the minimum wage were to be abolished over that, I would offer that. But that is not my intention. My intention is just let us not put people out of work any more than what we are doing with the present minimum wage at $3.35.

Mr. KERREY. If I hear the Senator correctly, then he thinks the 30-30-30 being proposed by President Bush should be rejected.

Mr. NICKLES. That would be correct.

To give the Senator a little more of my argument, or at least my thoughts on it, I think $4.25 would be a mistake. I think it is going to cost jobs. It will not cost us as many jobs as $4.65, but it is going to cost jobs. I think it is less damaging to the economy, less inflationary, and it will not cost quite as many jobs.

The estimates are—and I might read some of these. I mentioned CBO estimates it is going to cost 500,000 jobs. The Council of Economic Advisers estimates that it is going to cost 600,000 jobs. Robert Nathan & Associates estimates as many as 887,000 jobs will be lost if we pass the bill of the Senator from Massachusetts.

A Clemson University study calculates as many as 339,000 jobs for teenagers alone would be lost. And on and on.

There are many studies. There are going to be thousands of jobs that will be lost. That is at $4.65. And if you increase it to $4.25, certainly there are going to be thousands of jobs lost, as well. I do not want to see those jobs lost.

In the Senator's State of Nebraska and in my State of Oklahoma, we are having a difficult time. It is difficult in rural communities. I do not have to tell the Senator from Nebraska that.

If you go into a rural community and look at some of these shops that are really struggling, many of them are really just struggling to survive. Go down their main streets. Look at the drug store. Look at the hardware store. Look at the grocery store. Ask them if they are making any money. Most of them are not. Ask them what they pay their people. And maybe a lot of them will tell you, maybe $3.50 to $4 an hour. Ask them if they can afford to pay $4.65.

A lot of them will tell you they are not making any money right now and so if you increase their wages—maybe it is 50 cents, maybe it is $1 an hour—A lot of them are going to say they just cannot do it, so they are going to employ fewer people. They may go out of business or they may just get by and make it even more of a mom and pop operation and not employ the high school youngster.

I do not think we should deny opportunities to people getting started economically and I believe, and all of these studies believe, that we would be denying opportunities, whether it would be at $4.65 or even at $4.25 to a lesser extent.

Mr. KERREY. Will the Senator yield for one more question?

Mr. NICKLES. I am happy to yield.

Mr. KERREY. Does the Senator have a sense of what would happen if

we were to lower the minimum wage, let us say, to $2.30 an hour? Would that be something the Senator would think would be beneficial to rural Oklahoma?

Mr. NICKLES. No, I think that by leaving the minimum wage the last 7 years at $3.35, we have actually created, since 1982, 19 million new jobs. Most of those new jobs have been in small business.

Let us just leave the minimum wage where it is today and let us allow more new jobs to continue to be created. Let us not price out some of those. Let us not have this micromanagement from Washington, DC, that says this job is not worth $4.65 so you do not have a job. Maybe in Lincoln, NE, pumping gas, maybe it is a good deal for a 16-year-old to pump gas for $4 an hour. That 16-year-old might like to have that job. And it may be beneficial to the owner of that gas station, but he may not be able to afford $4.65 an hour.

Mr. KERREY. Do I hear the Senator saying to lower the minimum wage to $2.35 would be a mistake?

Mr. NICKLES. I did not say that. That is not my proposal. If the Senator would like to offer it, I will certainly consider it.

Mr. KERREY. Would the Senator forecast his expectation that it would produce good or bad to lower it to $2.35?

Mr. NICKLES. As I told the Senator, my belief would be to let us leave it at $3.35 where it is. We had 19 million new jobs created in the last 7 years. That is phenomenal job creation. Let us not distort it. Let us not hamper that.

If the Senator would like to propose abolishing the minimum wage, as I said, I would probably support that, but that is not my intention today. My intention is to let us try not to hamper this economy.

I happen to think we have a great, vibrant economy if we in Congress do not distort it and impair it, and I am afraid that is what we are going to do. I am afraid if we follow up with mandated benefits and other types of legislation that is being proposed, that that also will hamper our economy. I would not like to see us do that.

Mr. KERREY. Just for the Senator's information, my conclusion, both, by the way, as a business person who, to some extent, has a conflict of interest as a Senator voting on a minimum wage, I have concluded the Nation needs a minimum wage, that needs a rule setting the minimum wage. I do not see it as a poverty program. I do not see it as an effort to do anything other than to say this is the minimum wage standard.

What I am wrestling with is at what level it should be, whether it should be $3.35, $4.25, or $4.65.

What I see in front of us is essentially a proposal to raise the minimum wage in January 1990. Senator KENNEDY is proposing to raise it by 50 cents and President Bush by 30 cents. So I am really wrestling with a 20-cent differential at the moment and trying to measure what that impact would be, whether or not in the end I think it is fair.

It seems to me that all the numbers, particularly the forecasts, which forecasts all sorts of bad things. Unfortunately, Senator KENNEDY presents statistics that show the forecast did not come to pass.

If he would have asked me, had you been a politician in Nebraska and come into my store in 1978 and asked me what I thought about the minimum-wage increase, I would have said it would have been devastating. I did not like it. Fortunately, I was able to pass it on and survive.

I would not stand here and propose reducing it back to $2.35 an hour, which is what it was in 1977 when I objected to the increase to $3.35.

So I find myself discounting the economic forecasts and giving more credence to what actually happened in the aftermath of previous increases.

Mr. NICKLES. I appreciate the Senator's comments. I also appreciate the personal experience.

I would encourage him to go back to the store owners. He mentioned he was able to pass it on.

I ran a business during that time, too. We also went through a very hyperinflation period, if you remember, in the late 1970's, where all businesses were passing things on rather readily.

I remember when I was elected to this body we had an inflation rate of 13 percent, so business was in the process, in the habit, of passing it on, passing it on. And, of course, that is a real hidden tax to a lot of people. To a lot of people who are on fixed incomes, inflation is a very punitive tax. It hits them very hard. It erodes the financial ability of our country.

We found ourselves in very difficult times back in 1979 and 1980. So the Federal Reserves, they wanted to squeeze out the inflation, so they increased interest rates, too, and we had the prime interest rate up to 21½ percent back in 1980 and 1981 and 1982. Our country went through a heck of a recession to wipe out that inflation that was caused back in the late 1970's. So I hope we do not repeat that.

I am not saying this bill alone would do it, but there are a lot of things that we are looking at in Congress that will make us less competitive internationally, that will increase costs, that will put some people out of work. Some businesses have the capability of passing it on. I used to be in one of those businesses at one time. Price increases were good. We were in a good, strong, healthy economy.

But I also know in rural America today they cannot pass it on. They are not making any money.

We can mandate big increases. If we want to solve the welfare situation and we can say, "Well, let's make this better than welfare, let's make it $10 an hour."

But a lot of businesses will not be able to pass it on. They cannot stay in business indefinitely losing money, so they will employ less people. And I do not think anybody really disagrees with that.

Maybe in a growing, thriving economy, you can pass it on. In a lot of areas, you cannot.

I would tell you right in this area around Washington, DC, and Virginia and Maryland, this is not going to be that bit of an issue. They pay more than that right now. If they do, they can pass it on. This is a thriving economy.

But if you go into the rural areas, you go into the cities and towns that have populations of 5,000 that are predominantly dependent upon agriculture, they cannot pass it on.

Those youngsters will not have a job. They will have to leave those rural communities. They will not have the opportunity to stay in their home community where they graduated high school or maybe, if they go to college, they will not be able to go back to those small communities for a job. They will have to go to the big city. They will have to go to the east coast. They will have to go to the west coast. They will have to migrate to find a job.

Let us not price them out. Let us not make it more difficult. Let us not make it too punitive for small business owners across America to survive. Let us not hamper vigorous economy that has been doing quite well in job creation. That is the best welfare program in the world: Job creation in the private sector.

Nineteen million new jobs in just the last 7 years is phenomenal. Let us not deter that. That has happened in spite of the fact we did not increase the minimum wage in the last 7 years and we have had thousands, millions of new jobs. Let us not pass a law that almost any serious economic analysis says is going to cost us hundreds of thousands of jobs. That would be a serious mistake.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Can I ask the Senator, briefly, did the Senator from Oklahoma favor a cost-of-living increase for 32 million senior citizens on Social Security?

Mr. NICKLES. The Senator is correct.

Mr. KENNEDY. So the Senator voted for a cost-of-living increase for 32 million seniors.

Mr. NICKLES. If the Senator would yield? To correct my colleague, the cost-of-living increase was already in law.

Mr. KENNEDY. Fine. But the Senator supports that?

Mr. NICKLES. That is correct.

Mr. KENNEDY. Does the Senator support the cost-of-living increase that we have given the 2.5 million service men and women over the period of the last 7 years?

Mr. NICKLES. That would be correct.

Mr. KENNEDY. So the Senator supports the 32 million senior citizens' raises for costs of living and, as I understand what the Senator says, he supports it for 2.5 millon other Americans.

Did the Senator oppose the cost-of-living increase for the Federal employees?

Mr. NICKLES. No.

Mr. KENNEDY. Another 2 million there. Thirty-two million seniors, but according to the Senator from Oklahoma that is not going to have this devastating effect on the economy. The cost-of-living increase for 2.5 million service men and women, that is not going to disrupt our economy. The cost-of-living increase for 2 million Federal employees, that is not going to cost us. That is 38 million.

But raises for the 4 million people whose families are living in poverty is evidently going to destroy the American economy, according to the Senator from Oklahoma.

Mr. NICKLES. Will the Senator yield? Since the Senator made that comment, I might refer——

Mr. KENNEDY. I will yield for a brief question

Mr. NICKLES. I will make a comment.

Mr. KENNEDY. I am happy to yield the floor if the Senator wants it.

Mr. NICKLES. Well, just to put somewhat of a different light on it, we did not pass a law by giving COLA's and Social Security. That was made law some time ago and continued on in the previous Congress.

Mr. KENNEDY. But the Senator has not—I think I have the floor. The Senator has not offered anything——

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KENNEDY. The Senator has not offered any resolution or amendment to change it. I have not heard the Senator come over here on the floor of the Senate and speak against it as he has done with regard to the current proposal: a cost-of-living increase for working men and women who are at the bottom of the economic ladder.

Mr. NICKLES. Will the Senator yield for a question?

Mr. KENNEDY. I just ask, has the Senator spoken against it?

Mr. NICKLES. I have talked about COLA's on more than one occasion.

Mr. KENNEDY. Favorably, I imagine.

Mr. NICKLES. The point I want to make is that with respect to COLA's, we did not have a law that put people out of work. The Senator's bill is going to put hundreds of thousands of people out of work. Giving people a COLA did not do so.

They earn those COLA's, maybe by their work in the Federal Government, maybe by their contribution in Social Security. But we did not pass a law that said if you do not make $4.65 an hour you cannot have a job. There is a big difference.

Mr. KENNEDY. I listened to the Senator and the Senator has made those arguments. We have addressed those issues at very considerable length earlier in the debate. We will probably have to come back to it. I see other Senators on the floor. We will get a chance to come back to the issue of job loss.

First of all, Senators say very few people are going to be affected. Remember that, early in the debate? Very few people. Only a few heads of households.

It has already been put in the RECORD that it will be over 4 million people who are working in poverty and who will be assisted by this legislation. But nonetheless——

Mr. NICKLES. Will the Senator yield for a question?

Mr. KENNEDY. Four million is a good deal larger than the population of many States—if I can finish without interruption? I do not know what the population is of Oklahoma, but we are talking about affecting 4 million people with this legislation.

We have heard the argument about how disruptive this is going to be to our economy and yet we have effectively provided this kind of protection for about 40 million other Americans at least.

Mr. NICKLES. Will the Senator yield?

Mr. KENNEDY. I just have a great deal of trouble following the logic of that particular argument.

We have addressed the other issues earlier in terms of the whole question of the impact on employment.

I will yield, if the Senator would be good enough to answer this question. Could my colleague tell me, in the six times that we have raised the minimum wage what the job impact has been on your State?

Mr. NICKLES. I do not have a total access—just a second, Senator, let me finish. But I would estimate that it had a negative impact on employment.

Our job creation would have been greater had my colleagues not been making increases in the minimum wage.

I would also like to ask the Senator a question. The Senator mentioned this 3.9 or 4 million people who are on minimum wage and their welfare status. Is my daughter on welfare? She is making minimum wage, close to it.

Mr. KENNEDY. I do not expect so. I am using Department of Labor statistics, figures. We have already put those in the RECORD.

Mr. NICKLES. The Senator is characterizing that every person on minimum wage is on welfare. That is not the case.

Mr. KENNEDY. The Senator is not correct. That is not what I have said.

I see other Senators who wish to speak on that. We put this in the RECORD, the Department of Labor figures. I put them in the RECORD to indicate exactly the point that we were making in terms of poor earners, poor heads of households, family members who are working for minimum wage and also living in poverty. Those are the points I was making.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I listened with some interest to the debate recently taking place here on the floor. I think we see some of the problems with the differences that arise in our Nation. Obviously, the difference between Massachusetts and Oklahoma—I am from Indiana, right in the middle. And I rise, not to oppose an increase in the minimum wage, in fact I rise to support an increase in the minimum wage. But not to the degree that the Senator from Massachusetts suggests.

I think the debate that just transpired is an indication of some of the problems that we encounter when we mandate at a national level a certain standard. I am not necessarily saying that we should not do this in this instance with minimum wage. We have a minimum wage standard in place, and I think that is proper, and I am going to support an increase in that standard.

On the other hand, it does illustrate the problem that we have when we try to say here in Washington, DC, that everything is the same across the country.

The cost of living, and therefore the need for a certain minimum wage level, in Boston, MA, is not the same as the cost of living and the need for a wage in Enid, OK, or Fort Wayne, IN, or whatever.

We continually run into this problem, whether we are talking about minimum wage or parental leave or child care benefits or other benefits that are prescribed on a mandated na-

tional basis. But that is another subject for another time, and I am sure we will have plenty of opportunities to debate that.

Let me state that I am one Senator who is convinced that an increase in the minimum wage is justified. I do think that by doing so, we can assist an element of the public, the working poor, often those a step below or just a step above welfare and above poverty. And that since the minimum wage has not been increased since January of 1981, and since it has lost in that time period nearly 20 percent of its value to inflation, that an increase in the minimum wage is justified.

It is true, as the Senator from Oklahoma earlier said, that many people employed at the minimum wage level are not poor. They are second-income workers or young people with part-time jobs. I have two daughters who have worked at minimum wage level at a part-time job to supplement other income, or to provide spending money. and many of the mimimum wage jobs currently occupied are occupied for that purpose.

In addition, the number of minimum wage earners has declined by 2.6 million, or 40 percent, since 1982, a fact that I think is due largely to the robust economy of the past 6 or 8 years, which has enabled many of these people to move into higher-paying jobs.

In fact, during 1988 alone, the number of minimum wage earners declined by 770,000, a fact that I think we ought to acknowledge. According to the Labor Department, 72 percent of minimum wage earners are single; 67 percent work only part-time; 58 percent of all minimum wage workers are under 25 years of age; 36 percent are teenagers, and 61 percent of those young people are full-time students who need part-time work to help pay for their school expenses or to provide some extra spending money.

Nonetheless, we are faced with a significant number of families who are dependent on this wage as their sole or primary source of income. For those estimated households, the estimate runs somewhere in excess of 325,000, earning the minimum wage and living in poverty, an increase will be very welcomed news. I am convinced that a healthy increase in the minimum wage will provide help to those low-income working families that are having difficulty making ends meet. In the long run, it is a vibrant, growing, dynamic economy, with sustained job growth and creation combined with programs of improved education and job training.

These are the best methods of moving these working poor into the mainstream of American economic life and keeping them there. But for now, a reasonable minimum wage increase will keep them ahead of inflation and off the welfare rolls, and I think that is a good beginning and one we ought to pursue.

Anyone who approaches this debate without conflicting priorities, without a sincere struggle between commitments, has not really, in my opinion, understoood what is at stake.

Yes, we must be concerned about a fair working wage for the poor, but we also must be concerned about lost job opportunities, and to the extent these goals are in conflict, often we find that we must either choose or compromise.

The choice is not, as some have framed it, between compassion and greed, compassion toward workers and the greed of employers. I submit that it is a choice between compassion and compassion for those with jobs now and those who must find them in the future.

Today we have a choice to make in the Senate. Senator KENNEDY's original bill, S. 4, would boost the minimum wage over 3 years from $3.35 to $4.65, what I consider an excessive 39-percent increase and particularly troublesome because it does not include a training wage differential. I will talk about that in a moment.

The House recently passed a substitute which would raise the minimum wage over 3 years to $4.55, 10 percent less than the bill we are considering, with a 60-day training period set at $3.35 for the first year and at 85 percent of the applicable wage after that, but only for those hired for the initial time.

I am pleased to note that in committee we were able to amend S. 4 so that it agrees with the administration's package in two important ways. First, the small business exemption was raised from the current $362,000 to $500,000 and extended to all businesses grossing that amount, not just the retail and services establishments, as were previously covered, and, second, we passed the tip credit liberalization from 40 to 50 percent over 2 years, which I think is especially significant.

As a sponsor of the tip credit bill and as one who submitted an amendment to the committee and was ultimately offered by another Senator, I was pleased that we were able to provide some assistance to the 600,000 small businesses and their more than 8 million employees who constitute the food service industry in America, which, incidentally, is America's largest retail employer. These two amendments were included in the House bill and are both in the Bush package. So at least small business will receive some compensatory relief should the Congress approve a minimum wage increase, which I think they will.

But the problem, as I said, with these bills lies in the undeniable connection between a minimum increase and job loss. According to the Labor Department, a 10-percent increase in the minimum wage will result in the loss of 100,000 to 200,000 jobs. Other studies show similar results. Thus, an increase to $4.55 an hour up to 700,000 jobs, and an increase to $4.65 up to 800,000 jobs.

The Institute for Research on the Economics of Taxation has said that S. 4 will lead to a loss of a minimum of 300,000 to 750,000 in the next few years. Obviously, that differential is an indication of how imprecise our estimates are on just what the minimum wage will do. Obviously, many employers are already paying over the minimum wage. The labor market has dictated that. In this area and even in Indiana, a number of minimum wage employers, typical minimum wage employers, are now paying substantially more than minimum wage, and so the labor market has dictated that. But I think it is still undisputable the fact that increase in the minimum wage in the past has cost jobs, and it will in the future. That is why it is important to consider what I think are some mitigating factors.

In the Labor and Human Resources Committee, I was prepared to offer three amendments to attempt to deal with this problem of job loss. Not to eliminate it completely, but at least to alleviate it considerably.

One of the amendments that I submitted was to provide a training wage for new hires. If that failed, then to follow it up with a youth minimum wage recognizing the fact that often the biggest problem we have in our labor force is in our employing youth, particularly minority youth. Statistics are staggering about the amount of youth who are not in the labor force and not able to find jobs. We want to provide that incentive for that.

The third was to increase the tip credit to 50 percent, all, as I said, designed to minimize the negative impact of a minimum wage increase.

When the distinguished Senator from Utah, the ranking Republican of the Labor Committee, offered the administration's package, I withdrew my own amendments and threw my support behind that package. I was sorry to see that it failed in committee on a 10-to-6 vote but gratified that we were able to make minor adjustments; as I indicated, the increase in the small business exemption, as well as the increase in the tip credit.

I also think it is appropriate that the President has said that he is going to stick to his guns. We need to give credit here where credit is due. The President of the United States, during the campaign, made a promise to the American people that he would support an increase in the minimum wage, and he has fulfilled that promise in what I think is a more than generous way.

While many were calling for no increase in the minimum wage, holding the line at $3.25, others were calling for a substantial increase of nearly 40 percent to $4.65. The President said I will meet you more than half way. I will support an increase in minimum wage, which I think almost guaranteed such an increase, and I will not just go one-third of the way or half of the way, I will go more than half of the way. The President's proposal of $4.25 an hour, 30 cents a year for 3 years, is nearly a 75-percent makeup of the difference between the two.

I think that is often overlooked in the debate. We should not shape the debate on whether the administrative, the President, or a number of us want no increase, versus the increase offered by the Senator from Massachusetts, but rather just what amount should that increase be. The majority of this body, I am convinced, supports an increase and supports a generous increase—30 cents a year for 3 years, raising it to a level of $4.25.

The other important part, and I think the most significant difference between the President's proposal and the proposal on the Senate floor here today, is the inclusion of the training wage, and it is that that I want to focus on here for the next few moments.

The President has proposed a training wage equal to 80 percent of a minimum wage with a $3.55 floor for all new hires for a 6-month period. Proponents of S. 4, the bill of the Senator from Massachusetts, want no training period but as the House leadership took this up a compromise proposal was offered for a 60-day subminimum for first hires only. I would not be surprised if eventually we might be talking about some sort of proposal similar to that in this Chamber. I think we ought to carefully examine the one time only proposal, even though it is not before us at this particular time. The House Democratic substitute is no compromise simply because it raises the minimum wage to $4.55, 10 cents lower than the original bill. For one thing we need to remember that it moves the implementation date from January 1, 1990 to October 1 of this year, which effectively raises the rate to $4.61, not to $4.55 an hour, making the substitute a 4 percent reduction over 9 months—not much of a compromise.

Also, I am suspicious of the provision in the bill for creating a minimum wage review board to determine the need for increasing the minimum wage every 2 years. This could amount to back-door indexing, with regular recommendations for substantial future minimum wage increases regardless of their impact on jobs and the economy.

I submit that we have had a significant amount of problems with our deficit in this country by automatically indexing programs which removes Congress from what I think is its constitutional role of overseeing the laws we implement. We ought to debate the next increase with modifications in the law on this Senate floor, on the House floor, in Congress, and with the executive branch rather than automatically indexing provisions which in times of inflation can get us into severe trouble.

As I said, the major problem with the substitute is that its training wage is almost meaningless. The Democratic training wage would be available only to employees with no work history. Essentially that would restrict the pool to 16-year-olds only, hardly enough to make it worthwhile to employers and increase and preserve jobs for entry level workers. Moreover, the employer would be faced with the burden of proving that the new worker had never held a previous job or be penalized for paying that worker the subminimum wage. And the paperwork involved just in that process alone, in meeting that burden of proof perhaps would be a significant enough disincentive to employers to not hire anybody at the training wage.

In contrast, the training wage offered by the administration in their package is a meaningful incentive for employers and new workers alike. The President's training wage will clearly mitigate the effects of increasing the minimum wage by enabling youth and inexperienced workers to enter the work force and receive valuable on-the-job training and work experience for up to 6 months. Businesses are understandably reluctant to employ individuals lacking in training or experience, especially when wages rise rapidly and new hires can be justified often only if they are more productive. With a training wage, employers will be more receptive to giving such workers a chance. In other words, a training wage acts as an incentive to employers to provide entry level employment to those who need it the most—the youth, the unskilled, minorities, and those who need a helping hand. That is the direction that we ought to be going.

Now, I have also had some personal experience as an employee and as an employer with the minimum wage. Most of us can remember our first job. The employer is not certain: "What has been your background? What have you done?" "Well, I haven't worked before." "How do I know you can do the job or that you will be a dependable employee?" "Well, give me a chance."

When wages are competitive, employers are willing to do that. But when wages reach a certain level, employers are often reluctant to look at an unskilled, untrained, inexperienced worker and say, "I'll give you a chance." They look at the wage rate and say, "I'm not sure at this wage rate that I ought to take a chance at letting you prove yourself."

Unfortunately, we see that those most in need of the entry level job, the young, minorities, are the ones who need that first chance. It is the training wage, and perhaps it is misnomered—it is a training wage to some extent—in many instances will provide for training, much-needed training, and in this complex society that we are entering, the computer age, scientific age, we no longer have the kind of entry level jobs that do not require some kind of training, but often it is that incentive to the employer that allows the employer to give the employee a chance to prove themselves, to get in on that first rung of the economic ladder, to prove that they can show up for work on time, that they are dependable, that they are productive when they are working, and that they will stick to it, that they have the ability to learn the job and to perform satisfactorily. Often if that is the case, workers are moved quickly from that entry level wage rate to a higher rate to begin that move up the ladder where many of us started.

I started at 75 cents an hour. I do not know what it says about my age. I did not think it was very much at the time, but it was a chance to get in the door. It was a chance to prove that I could do the job. I did the job and I was moved up, a magnificent increase, to 90 cents an hour. Obviously, it bought more during those days than it buys now. But I think the same principle applies. That same incentive was needed then, but it is needed even more now because of the complexity of today's jobs. No longer do we walk in and are taught in an hour what the job ought to be. It requires more sophisticated training even at places like McDonald's, which is typically used as a minimum wage job. There is some training in customer relations, in operating the equipment, in demonstrating that you can be a capable, effective employee.

So I think the issue before us is not whether or not we are going to have a minimum wage increase. I think most would argue that we will, and most support that. I do also. But the question is how far ought we go? Has the President been fair in his proposal? What conditions ought to be attached to the minimum wage increase? I submit that 30 cents an hour over a 3-year period, moving the minimum wage from $3.35 to $4.25, is a more than generous offer on the part of the President. It meets the opposition. It meets those who have been pushing for a minimum wage for a number of years more than halfway. It means that we have come a long way since those days just a couple of years ago when the position of the executive

branch and the position of many in Congress was no increase whatsoever—let us hold it at $3.25. We are concerned about inflation; we are concerned about job loss.

Those were legitimate concerns. But today's labor force pressures are putting an upward pressure on the minimum wage and, as I said, many employers now are paying more than the minimum wage for entry-level jobs. But increases in the cost of living and other factors have justified an increase in the minimum wage.

Thirty cents a year over 3 years to $4.25 is more than generous, more than halfway. Most importantly, we have made some substantive changes with a tip credit, a small business exemption that will provide mitigating factors to what I think are very legitimate concerns about job loss. But most important of all is the concept of the training wage which I would like to expand the definition of to an entry-level wage, training wage, new-hire wage, minority-hire wage, youth-hire wage, because that is what we are talking about. Those are the people who need the incentive, need the provisions in the law that gives the employer the incentive to give them that first chance to prove they belong in the work force, that they can do the job and then move up the ladder to economic success.

Without that training wage we are going to see a significant job loss. We are going to see no alleviation of the problem of minority unemployment, of minority youth unemployment, of teenage unemployment.

We want those kids in the summers to be able to go to the employer and offer themselves up for a meaningful work experience. We want that employer to have the incentive to offer them, give them that job. And second, we need to recognize that today's jobs require training, that most jobs today are not walk in the door and go to work; walk in the door, be assigned to someone, be put through a training period and taught the skills necessary to be effective.

Employer after employer as I travel throughout the State of Indiana says, "I cannot take the employee in the door and assign them a job and turn them loose," for whatever reason. The school is not adequately training or not enough emphasis on the right things. Many new workers seeking jobs today need extensive training. The employers have programs, worked out in conjunction with local educational institutions. Often these training periods go even longer than 6 months but in most instances a significant amount of training must be provided.

So in recognition of the changing workforce, in recognition of the changing job demands, recognition of the changing skills that are needed in today's workforce, a training wage makes a great deal of sense.

Mr. President, I would like to submit along with my statement two editorials, one written in the Washington Times dated June 15, 1988, and the second written in the Fort Wayne News-Sentinel entitled "The New Minimum Wage Takes More Than It Gives" and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Fort Wayne News-Sentinel, Mar. 28, 1989]

THE NEW MINIMUM WAGE TAKES MORE THAN IT GIVES

The Bush administration should not only veto Congress' increase of the minimum wage but do so in a way that makes clear how cynically this issue has been manipulated.

That has been especially true of Sen. Ted Kennedy, whose political ambition requires him to posture in the name of the working poor. * * *

James Kilpatrick, a columnist who has written long and persuasively on this issue, put together some facts that to our knowledge are uncontested. For starters, he urges you to understand whose jobs, exactly, would be affected by the bill now on the president's desk.

The labor force, Kilpatrick reminds us, is estimated at 123.4 million persons, of whom 116.7 million are employed. Roughly 61 million of the employed are paid at hourly rates. Of these, 2.0 million currently earn the $3.35 minimum; another 1.3 million earn less than $3.35, but these are mostly special cases—the blind, the mentally incompetent, the employees of very small establishments that are exempt from federal law.

Then who are those 2.6 million workers eligible for the proposed increase in the minimum wage?

The Bureau of Labor Statistics says that 1.4 million of them are 16 through 20 years of age; another 864,000 are in the 20 to 24 bracket. "These are very young people just starting out in the labor market," Kilpatrick notes. "Most of them are working part time. Very few of them are the sole support of a family. Many are still in high school; almost none have education beyond high school."

OK, so they aren't the mythical symbol of Ted Kennedy's speeches—the head of a family of four, stuck at the old wage for the past eight years, working 40 hours a week, 52 weeks a year, but don't suburban teenagers, conscripted into summer jobs by their middle-class parents, deserve a break, too?

Perhaps, if it could be accomplished in a vacuum. But arbitrarily raising the cost of business, as does the bill, has the broadest consequences. Many marginal job opportunities will simply disappear. Certain small manufacturers, barely making ends meet, will decide to get along with, say, 10 persons on an assembly line instead of 12. And other salaries will have to be raised in tandem, taking the price of goods and the rate of inflation up with them.

Small cost to pay? Maybe, but for even smaller benefit. In the end, assuming one could actually find Kennedy's idealized minimum wage family, it is good but its members would prefer that Congress had left well enough alone.

[From the Washington Times, June 15, 1988]

THE MINIMUM-WAGE COWARDS

There's good news and bad news on the House minimum wage front. The good news is that there's a good chance of defeating House Resolution 1834, which would increase the minimum wage to $4.55 an hour from its present level of $3.35 an hour. The bad news is that an alternative, pushed by a bipartisan coalition led by Wisconsin Republican Thomas Petri and Minnesota Democrat Timothy Penny, would increase the minimum to $4.00 an hour by 1991.

Congressional debate over the increase has degenerated into an ugly brawl. The original bill approved a couple of months ago by the House Education and Labor Committee and pushed by committee chairman Augustus Hawkins would have increased the minimum wage to $5.05 by 1992. But then things started to unravel for minimum wage boosters. On March 25, the Congressional Budget Office reported that the increase would lead to higher consumer prices and destroy 500,000 jobs.

That report, the non-partisan Congressional Quarterly noted at the time, "barely saw the light of day" before it was superseded by a second version that omitted any reference to the measure's effect on the economy. "We requested certain information," noted Vermont Rep. Jim Jeffords, a liberal, pro-labor Republican. "But the majority . . . didn't like the looks of it, so it got deleted."

Since then, the minimum wage increase has been political trouble on the House side. The Democratic leadership, uncertain it has the votes to pass an increase, has been forced to delay a vote on the issue for several months, and has scaled back the increase to $4.55 an hour. That in turn has led to the Rube Goldberg compromise drafted by Reps. Petri and Penny.

They would increase the wage to $4.00 an hour in exchange for an expanded Earned Income Tax Credit—the idea being that conservatives will agree to a tax credit that makes work more attractive to low-skill workers whose earnings place them near the poverty line. But the problem is that such subtle changes still fail to repeal the economic law that makes a higher minimum wage a bad thing.

The minimum wage law is bad because it throws its ostensible beneficiaries—poor and low-skill laborers—out of work and reserves the higher-wage jobs for middle and upper class part-time workers with educational and job skills. It achieves this result by pricing the marginal workers out of the labor market and leaving behind retirees, educated housewives and others for whom work is more a recreation than a necessity.

The fact that the Petri-Penny proposal is the main "alternative" to a $4.55 minimum shows that many Hill conservatives at this point lack the courage of their own convictions and have decided to promote the politically convenient "alternative" even if it throws hundreds of thousands of marginal workers out on the streets.

Back in 1984, the Reagan Administration joined with the National Conference of Black Mayors, representing over 250 cities, to endorse a reduction to $2.50 an hour for young people up to age 22 during the summer months, a proposal Labor Secretary Ray Donovan estimated would create 640,000 jobs. Today, Republicans have ceded the moral and political high ground, and

the only question is how high the minimum wage should go.

That would be a tragic mistake. Young and underskilled workers would be poorly served by patronizing politicians who feel a greater need to look good than do good. A higher minimum wage will hurt the very groups it claims to help, which is why the House should reject the minimum-wage bill, as well as the Petri-Penny "alternative."

Mr. JEFFORDS. I yield the floor.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington [Mr. GORTON] is recognized.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, my home State, Washington, has very liberal and generous election laws. It is quite easy to get one's name on the ballot in Washington, and we have a voter's guide that allows a candidate to have his position printed and mailed to every registered voter for a mere $25 fee.

In 1988, one of the eight Presidential candidates on the general election ballot in Washington State was Larry Holmes of the Workers World Party. Mr. Holmes articulated a wide-ranging agenda that included, among other things, increasing the minimum wage to $10 an hour.

But not even Senator KENNEDY, who is leading on this bill, makes this extreme a proposal. This is an interesting fact, because, of course, it arises out of the proposition that the Senator from Massachusetts knows that to adopt such a proposal would create a devastating increase in the unemployment and a very sharp increase in inflation.

Nevertheless, the only difference between Mr. Holmes' proposal and that of the Senator from Massachusetts is the degree to which all Americans, including the working poor, would be hurt, the number of jobs lost, the percentage of increase in the rate of inflation, the negative effects on the economy. The only difference between what the Workers' World Party proposes and the proposal which is before us now is the degree to which all Americans, including the working poor, would be harmed. So, what is the issue before us today?

The issue, as we have been told so many times by the proponents of S. 4, is poverty. The proponents talk about the problems of the "families in poverty" and the "working poor" and say the solution is to raise the minimum wage.

But would raising the minimum wage lift people out of poverty? If it would, why do the proponents not ask us to raise the rate to $10 an hour and really give them a lift?

I will answer that question, Mr. President. The answer is that the facts tell us that this proposal will not work. What are the facts?

Fact No. 1 is, fewer than 4 percent of the entire American work force earned the minimum wage in 1988.

The fact is, 60 percent of those earning the minimum wage are less than 25 years of age.

The fact is that less than 9 percent of those earning minimum wage—or less than one-half of 1 percent of the entire American work force—are heads of households living below the poverty line.

And perhaps the most telling fact of all, during the same time period that the American economy was creating 19 million new jobs, the number of workers earning only the minimum wage declined by 2.6 million, or 40 percent.

In other words, more people are working, and they are working at increasingly higher rates of pay. Today, the people earning the minimum wage are not heads of poverty stricken households. Today, the typical minimum wage earner is young, single, works part time and lives at home—in a household above the poverty line.

So, what will the true impact of raising the minimum wage be?

The first impact would be a loss of jobs. Even the proponents do not argue about that—they only argue about the amount of job loss. According to competing estimates, raising the minimum wage to $4.65 an hour will result in 200,000 to 650,000 lost jobs.

When confronted with these facts, the proponents of raising the minimum wage merely shrug and repeat the worn-out line that we have to raise the rate to "help the working poor." Frankly, I do not understand the rationale that Government helps the working poor by taking away their jobs.

The real tragedy of this loss of jobs is that it will hurt the young people—particularly minority youth—who need their first work experience, who need the part-time work, and most especially, who need the opportunities to rise above the drug culture gripping so many of this group. With teenage unemployment in my own State at 16.5 percent, and double that for minority youth, it is impossible to tell these young people that Congress was really only thinking of their own good when we eliminated their first job. That is why I am committed to implementing President Bush's training wage as part of this package—because I want these kids to work, learning the values of honest employment and opportunity.

The second impact of raising the minimum wage would be an increase in the inflation rate, already a source of concern to economists. By raising the minimum wage to $4.65 per hour, as per the provisions in this bill, the majority party wants us to increase inflation by 0.2 percent and cause the consumers to lose between $3 and $10 billion in purchasing power. I came across a perfect example last week of what this means to consumers: I was in Vancouver, WA, jogging with Alex Fink, a local high school student, and we started talking about the new Washington State minimum wage, which was raised to $3.85 this year and $4.25 next year. Alex told me something I find very interesting. Alex had noticed that since the higher State minimum wage had taken effect, the price of hamburgers at the local burger establishment had already increased by 10 cents. This clearly demonstrates what happens—raise the minimum wage and you raise inflation. And for every 0.2 percent increase in inflation, another 230,000 jobs will be lost. Here we are, once again, taking jobs away from the people we supposedly would help with this proposal.

The cruelest impact of raising the minimum wage is that it will probably increase the number of people living in poverty. Some women who are working part time to supplement their household income could lose their job, and that would hurt their families. A number of seniors who supplement their Social Security with a part-time job would be out of luck. It would become increasingly difficult for recent high school graduates to get that first job. And all these people would be paying more for the necessities of life because of increased inflation.

The last time the minimum wage was increased, the poverty rate actually began to rise for the first time in the post-World War II American history. Is that the legacy the majority seeks to recreate?

Clearly, if the issue is how do we help the working poor, the answer is not to raise the minimum wage. There are many proposals being offered, such as child care tax credits and increasing the earned income tax credit, that speak much more directly to the point and need to be acted upon.

Unfortunately, we cannot act on these proposals. I am sure that if I were to offer an amendment to this bill increasing the earned income tax credit, I would be ruled out of order because we are not allowed to generate tax questions in this body. Congressman PETRI, who has been trying for over a year to increase the earned income tax credit, was not allowed to

introduce such an amendment in the House—because the majority party leadership would not let that happen under the rules.

It is a shame that the majority party is more interested in demogoging on this issue than in actually doing something to help the working poor. I fervently hope they will soon step out from in front of the television cameras and join us in our efforts to increase the earned income tax credit.

But today the proposal is increasing the minimum wage. I believe Robert Samuelson said it best in yesterday's Washington Post:

Raising the minimum is an expedient way for Congressmen to pretend they're helping the poor. Everyone wants to be seen doing good even though little good is being done. The best thing that could happen is nothing.

I agree. Ideally, we should be working on this issue in an entirely different fashion, but it is clear that some increase will, nevertheless, be passed. Those who are more concerned with their image than with actually helping the poor have turned on the propaganda machine and the steamroller is on its way.

The voters in Washington State decided last November what they wanted the minimum wage to be when they raised the State's minimum wage to $4.25. I agree. I intend to support the President's veto if this Congress passes a bill which raises the Federal minimum wage to more than $4.25 and does not include a training wage.

I urge my colleagues to reject the proposal before us and to support the decision of the citizens of the State of Washington and of the President of the United States.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ADAMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FOWLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT WITH RESPECT TO NATIONAL EMERGENCIES IN PANAMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—PM 30

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Panamanian emergency is to continue in effect beyond April 8, 1989, to the *Federal Register* for publication.

The actions and policies of the Noriega/Solis regime in Panama continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. If the Panamanian emergency were allowed to lapse, the current sanctions imposed against the Noriega/Solis regime, including the blocking of Panamanian governmental assets, would also lapse, impairing our Government's ability to apply economic pressure on the Noriega/Solis regime. In these circumstances, I have determined that it is necessary to maintain in force the broad authorities that may be needed to deal with the situation in Panama.

GEORGE BUSH.

THE WHITE HOUSE, *April 6, 1989.*

MESSAGES FROM THE HOUSE

At 1:47 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House had passed the following bill and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 18. An act to amend title 4, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections;

H.J. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week"; and

H.J. Res. 173. Joint resolution to designate April 16, 1989 and April 6, 1990, as "Education Day, U.S.A.".

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day".

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. BYRD).

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 18. An act to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections; to the Committee on Rules and Administration.

MEASURES PLACED ON THE CALENDAR

The following joint resolutions were read the first and second times by unanimous consent, and placed on the calendar:

H.R. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week"; and

H.J. Res. 173. Joint resolution to designate April 16, 1989 and April 6, 1990, as "Education Day, U.S.A.".

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 6, 1989, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LOTT (for himself and Mr. COCHRAN):

S. 713. A bill to provide for establishment of a revolving loan fund for the development of wayports and to establish a commission to propose areas suitable for the location of such wayports; to the Committee on Commerce, Science, and Transportation.

By Mr. McCLURE (for himself, Mr. FORD, Mr. SYMMS, Mr. BURNS, Mr. GARN, Mr. MATSUNAGA, Mr. THURMOND, Mr. LOTT, Mr. CONRAD, Mr. ROCKEFELLER, and Mr. COCHRAN):

S. 714. A bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993; to the Committee on Environment and Public Works.

By Mr. HEINZ:

S. 715. A bill to direct the Secretary of Transportation to carry out a highway demonstration project to extend Pennsylvania State Route 33 to provide a limited access highway to connect Interstate Routes I-78 and I-80; to the Committee on Environment and Public Works.

By Mr. ROTH:

S. 716. A bill to amend the copyright laws to permit the unlicensed viewing of videos under certain conditions; to the Committee on the Judiciary.

By Mr. HEINZ (for himself and Mr. JEFFORDS):

S. 717. A bill to amend the Harmonized Tariff Schedule of the United States to provide duty-free treatment for ice and field hockey gloves and pants; to the Committee on Finance.

S. 718. A bill to amend the Harmonized Tariff Schedule of the United States to provide duty-free treatment for certain sports clothing; to the Committee on Finance.

By Mr. METZENBAUM (for himself, Mr. SIMON, Mr. BIDEN, and Mr. KENNEDY):

S. 719. A bill to amend the McCarran-Ferguson Act to limit the Federal antitrust exemption of the business of insurance, to reaffirm the continued State regulation of the business of insurance, and for other purposes; to the Committee on the Judiciary.

By Mr. BOREN (for himself, Mr. HEINZ, Mr. MOYNIHAN, Mr. SYMMS, Mr. DANFORTH, Mr. PRYOR, and Mr. DURENBERGER):

S. 720. A bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit, and for other purposes; to the Committee on Finance.

By Mr. BAUCUS (for himself, Mr. HARKIN, and Mr. STEVENS):

S. 721. A bill to amend title XIX of the Social Security Act to provide coverage for certain prenatal and postnatal care services, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. DODD, and Ms. MIKULSKI):

S. 722. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the authority under that act to regulate pesticide chemical residues in food; to the Committee on Labor and Human Resources.

By Mr. HARKIN:

S. 723. A bill to authorize the Secretary of Agriculture to establish and carry out programs to eradicate the disease of scrapie in the sheep and goat populations of the United States and to conduct research regarding scrapie, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAHAM:

S. 724. A bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, water, and natural resources within the park, and for other purposes; to the Committee on Energy and Natural Resources.

S. 725. A bill to amend the Internal Revenue Code of 1986 to require any general election candidate who receives amounts from the Presidential Election Campaign Fund to participate in debates with other such candidates; to the Committee on Rules and Administration.

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 726. A bill to amend the Coastal Zone Management Act of 1972 regarding activities significantly affecting the coastal zone; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. ADAMS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BREAUX, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. BYRD, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. DASCHLE, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. FOWLER, Mr. GARN, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRASSLEY, Mr. HARKIN, Mr. HATCH, Mr. HATFIELD, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MATSUNAGA, Mr. MCCAIN, Mr. MCCLURE, Mr. MCCONNELL, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. RUDMAN, Mr. SANFORD, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. SIMON, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. WIRTH):

S. Res. 94. Resolution to express the Senate's confidence, hope, and trust for those who will serve in the Senate during its third century; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT (for himself and Mr. COCHRAN):

S. 713. A bill to provide for establishment of a revolving loan fund for the development of wayports and to establish a commission to propose areas suitable for the location of wayports; to the Committee on Commerce, Science, and Transportation.

WAYPORT DEVELOPMENT ACT

Mr. LOTT. Mr. President, today I am pleased to introduce legislation which would establish a 15-member Commission to examine the feasibility of suitable locations for remote transfer airfields, referred to as "wayports." These were originally suggested by James F. Sheppard, an official of the Federal Aviation Administration.

Speaking as one who utilizes our Nation's aviation system quite regularly—as most Members of this body do—it is clear to me our airports suffer from increasing airport and airspace congestion. It is forseeable that the wayport concept would expand the country's strained air capacity by locating remote wayports which would consist largely of runways and terminals in rural areas. This legislation is identical to the bill Representative ROY ROWLAND has introduced in the other body.

Congestion in the skies is approaching the breaking point at many of our major airports. The wayport concept is a new and relatively unexplored idea. Without a complete investigation by the Federal Aviation Administrator, we will be unable to adequately assess the costs and benefits of such a project.

This legislation establishes a revolving loan fund from the dollars earmarked for airports in the Federal Airport and Airway Trust Funds. It provides an opportunity to open the door to solving the problem most large airports face because of the inability to take on more flights than they were originally designed to handle. Accommodating extra demand for flights has been unsuccessful largely due to the obvious obstacles of airport expansion designs. Local opposition to airport noise, and lack of open land for construction both have contributed to the fact that no major airport has been built in the United States in about 15 years.

With the projected number of air travelers expected to increase dramatically in the 1990's, steps must be taken to alleviate airport congestion before the problems continue to mount without workable solutions in sight. Additionally, I would like to point out that my home State of Mississippi and other States have been actively working to determine what actions to be taken on the State level to implement the wayport concept.

Mr. President, I am honored to have the opportunity to introduce this legislation today with the distinguished senior Senator from Mississippi, Mr. COCHRAN. I ask unanimous consent that the text of the Wayport Development Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 713

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Wayport Development Act of 1989".

SEC. 2. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—Not later than 665 days after the date of the enactment of this Act, the Administrator shall establish a program for making loans for projects for wayport planning and wayport development for wayports located in areas identified in the final report of the Commission under section 7(b)(4).

(b) CONDITION OF ESTABLISHMENT.—The Administrator shall not establish a loan program under this Act if, within the 120-day period beginning on the date of the submission to the Congress of the report of the Commission under section 7(b)(4), a joint

resolution is enacted into law in accordance with section 8 disapproving such report. The days on which either House of the Congress is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of such 120-day period.

SEC. 3. LIMITATIONS ON LOANS.

(a) LOANS TO DESIGNATED WAYPORT AUTHORITIES.—The Administrator may approve loans under a program established under section 2 for wayport authorities designated by the Administrator under section 4 to be eligible for such loans.

(b) MAXIMUM AMOUNT.—The maximum amount of loans under this Act in a fiscal year for financing projects for wayport planning and wayport development for a particular wayport shall be the amount established by the Commission under section 7(a)(3).

(c) MAXIMUM PERCENTAGE OF COSTS.—

(1) IN GENERAL.—The aggregate amount of loans under this Act for projects for wayport planning and wayport development for a particular wayport shall not exceed 90 percent of the costs of such projects. Except as otherwise provided in this Act, any costs of projects for wayport planning and wayport development for a particular wayport not paid with loans under this Act may be paid for from any other funding source, except a source of Federal assistance.

(2) IN-LIEU CONTRIBUTIONS.—The non-Federal share of any project for wayport planning or wayport development carried out with financial assistance under this Act may be paid by non-Federal contributions of property and services necessary for carrying out the project, including non-Federal development of transportation systems which will provide access to a wayport developed with such assistance.

SEC. 4. DESIGNATION OF ELIGIBLE WAYPORT AUTHORITIES.

(a) APPLICATIONS.—

(1) IN GENERAL.—A loan under this Act may only be made to a wayport authority which—

(A) submits an application for such loan containing such information as the Administrator may require by regulation; and

(B) is designated by the Administrator to be eligible for loans under this Act.

(2) INVITATION OF APPLICATIONS.—Not later than 45 days after the date of the establishment of a program under section 2, the Administrator shall publish notice in the Federal Register inviting submission by wayport authorities of applications for loans under this Act.

(3) DESIGNATION OF ELIGIBLE WAYPORT AUTHORITIES.—Not later than 12 months after the date of the publication of a notice under paragraph (2), the Administrator shall designate wayport authorities which are eligible to receive loans under this Act.

(b) CRITERIA FOR DESIGNATION OF WAYPORT AUTHORITIES.—The Administrator shall designate wayport authorities eligible to receive loans under this Act on the basis of the following criteria:

(1) ABILITY TO REPAY.—The applicant's ability to repay the loan.

(2) CAPABILITY FOR UNDERTAKING PROJECT.—The applicant's capability for undertaking the proposed project.

(3) ECONOMIC IMPACT.—The impact of the proposed project on the economy of the area in which the wayport will be located, including the number of jobs which will be created and retained as a result of such improvements.

SEC. 5. TERMS AND CONDITIONS OF LOANS.

(a) MAXIMUM TERM OF LOAN.—The maximum term for any loan under this Act shall be 25 years.

(b) INTEREST RATE.—Loans under this Act shall be repaid at an interest rate that will ensure that the amount of funds in the Wayport Revolving Loan Fund established by this Act will increase, not counting future appropriations, at approximately the rate of inflation as determined by the Administrator.

(c) PAYMENT.—The amount of a loan approved by the Administrator under this Act shall be paid to a wayport authority—

(1) in full on the date on which the Administrator determines that the wayport authority is actively engaged in wayport development; or

(2) according to such schedule as may be established for payment of loans under this Act in the report of the Commission under section 7(b)(4).

(d) REPAYMENT.—The Administrator shall not require a wayport authority to begin repayment of a loan under this Act before the end of the grace period determined by the Commission under section 7(a)(3).

(e) AUDITS.—Projects funded with loans under this Act shall be subject to such audits as the Administrator determines are appropriate to carry out the objectives of this Act. After reasonable notice, a recipient of a loan under this Act shall make available to the Administrator for inspection such records as the Administrator may require to carry out the objectives of this Act.

(f) ADDITIONAL TERMS AND CONDITIONS.—In addition to the terms and conditions otherwise set forth in this section, loans under this Act shall be subject to such other appropriate terms and conditions as the Commission includes in its final report under section 7(a)(5) and are approved by the Administrator.

SEC. 6. WAYPORT REVOLVING LOAN FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the Wayport Revolving Loan Fund, consisting of such amounts as may be appropriated to such fund under subsection (b) plus all amounts deposited into such fund by the Administrator under subsection (c).

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to the Wayport Revolving Loan Fund from unobligated amounts in the Airport and Airway Trust Fund not more than $1,500,000,000 for each of fiscal years 1991, 1992, and 1993.

(2) BUDGETARY TREATMENT.—Amounts appropriated to the Wayport Revolving Loan Fund under the authority of this section shall for budgetary purposes be treated as intra-agency transfers until distributed in the form of a loan under this Act.

(c) REPAYMENT OF LOANS.—

(1) DEPOSITS INTO LOAN FUND.—The Administrator shall deposit into the Wayport Revolving Loan Fund all amounts the Administrator receives for repayment of loans under this Act, including interest on such loans.

(2) DEPOSIT IN THE TRUST FUND.—The Administrator shall deposit into the Trust Fund all amounts the Administrator receives as repayments of loans under this Act, including interest on such loans, after the Administrator issues a finding under subsection (f) that the Wayport Revolving Loan Fund is no longer needed for financing projects for wayport planning and wayport development under this Act.

(d) AVAILABILITY.—Amounts in the Wayport Revolving Loan Fund shall be available to the Administrator for making loans to wayport authorities for financing wayport planning and wayport development projects in accordance with this Act.

(e) INVESTMENT.—

(1) IN GENERAL.—The Secretary of the Treasury shall invest amounts in the Wayport Revolving Loan Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired (A) on original issue at the issue price, or (B) by purchase of outstanding obligations at the market price. Any obligation acquired by the Wayport Revolving Loan Fund may be sold by the Secretary of the Treasury at the market price.

(2) INTEREST.—(A) Except as provided in subparagraph (B), the interest on, and the proceeds from the sale or redemption of, any obligations held in the Wayport Revolving Loan Fund shall be credited to and be a part of the Wayport Revolving Loan Fund.

(B) Interest and proceeds referred to in subparagraph (A) earned during fiscal years 1991, 1992, and 1993 shall be deposited into the Trust Fund.

(g) TERMINATION OF LOAN FUND.—

(1) IN GENERAL.—The Wayport Revolving Loan Fund shall terminate, and the balance of amounts in such fund shall revert to the Trust Fund, upon issuance of a finding by the Administrator that the Wayport Revolving Loan Fund is no longer needed for financing projects for wayport planning and wayport development under this Act.

(2) SUBSEQUENT LOAN REPAYMENTS.—Amounts received by the Administrator after the date of the termination of the Wayport Revolving Loan Fund in the form of repayments of loans under this Act shall be deposited into the Trust Fund.

SEC. 7. ADVISORY COMMISSION.

(a) ESTABLISHMENT AND DUTIES.—There is established in the Department of Transportation an advisory commission, to be known as the Wayport Development Commission, which shall—

(1) propose a list of areas suitable for the location of wayports to be planned and developed with loans under this Act;

(2) propose design and cost criteria which shall apply to projects for wayport planning and wayport development carried out with financial assistance under this Act;

(3) determine the maximum amount of loans for a fiscal year which may be made under this Act for a particular wayport;

(4) determine a grace period of not more than 4 years, during which a wayport authority shall not be required to begin repayment of a loan under this Act;

(5) propose such other terms and conditions for loans under this Act as the Commission considers appropriate;

(6) propose requirements for the administrative structure for wayport authorities receiving loans under this Act;

(7) propose requirements a wayport authority must meet to demonstrate its ability to carry out a wayport development project with a loan under this Act; and

(8) propose indicators for measuring community support necessary for the success of such a project.

(b) ACTIVITIES OF COMMISSION.—

(1) STUDY.—Upon completion of appointment of the members of the Commission, the Commission shall undertake a study—

(A) to identify areas of the country that are suitable for the location of wayports which will—

(i) serve the air transportation needs of the general region of the country in which the wayport is located; and

(ii) best coordinate with, and reduce congestion of, the national air transportation system;

(B) to develop design criteria, cost criteria, and other matters relating to the development of a modular design and an efficient runway configuration that could be used for the cost-effective construction of all such wayports; and

(C) to make proposals regarding the matters referred to in subsection (a) (5) through (8).

(2) CRITERIA FOR IDENTIFYING LOCATIONS FOR WAYPORTS.—In conducting a study under paragraph (1) to identify areas of the country which are suitable for wayports, the Commission shall consider—

(A) the location of existing primary airports; and

(B) existing and projected air traffic congestion, as identified by the most recent national airport system plan published under section 504 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2203).

(3) INITIAL REPORT TO ADMINISTRATOR.—

(A) SUBMISSION TO ADMINISTRATOR.—Not later than 1 year after the completion of appointment of the members of the Commission, and based upon the study conducted under paragraph (1), the Commission shall submit a preliminary report to the Administrator proposing—

(i) areas of the country which are suitable for the location of wayports to be planned and developed with financial assistance under this Act;

(ii) design criteria and cost criteria which the Commission has determined are appropriate for application to wayports planned and constructed with financial assistance under this Act; and

(iii) the matters referred to in subsection (a) (3) through (8).

(B) COMMENTS OF ADMINISTRATOR.—Not later than 45 days after the date on which the Administrator receives the preliminary report of the Commission under this paragraph, the Administrator shall transmit to the Commission comments regarding the proposals of the Commission included in such report.

(4) FINAL REPORT.—

(A) IN GENERAL.—Not later than 60 days after receiving comments from the Administrator regarding the preliminary report of the Commission under paragraph (3), and based upon the study conducted under paragraph (1) and the comments of the Administrator provided under paragraph (3), the Commission shall submit to the Congress and to the Administrator a final report—

(i) identifying not less than 4 and not more than 6 areas of the country which are suitable for the location of wayports to be planned and developed with financial assistance under this Act;

(ii) describing design criteria and cost criteria which the Commission has determined are appropriate for application to wayports planned and constructed with financial assistance under this Act;

(iii) describing a schedule for payment of amounts loaned under this Act;

(iv) establishing pursuant to subsection (a)(3) a maximum amount of loans;

(v) establishing pursuant to subsection (a)(4) a grace period; and

(vi) making final proposals regarding the matters referred to in subsection (a) (5), (6), (7), and (8).

(B) LIMITATION ON IDENTIFICATION OF AREAS.—The areas identified in the final report submitted to the Congress under paragraph (4) shall not include any area located in the State of the State official appointed to the Commission pursuant to subsection (c)(12).

(c) MEMBERSHIP.—The Commission shall be composed of the Administrator and 14 other members appointed by the Administrator not later than 45 days after the date of the enactment of this Act, including—

(1) 1 member with knowledge and experience in the engineering and design of airports;

(2) 1 member with experience as an air traffic controller;

(3) 1 member who represents the Airport Managers' Association;

(4) 1 member who represents the aircargo industry;

(5) 1 member who represents general aviation;

(6) 1 member who represents the United States Postal Service;

(7) 1 member who represents the Airline Pilot Association;

(8) 1 member who represents the aerospace industry;

(9) 1 member who represents the National Association of State Airport Officials;

(10) 1 member who represents the interests of local governments;

(11) 1 member who represents persons engaged in air transportation of passengers;

(12) 1 member who is a State government official; and

(13) 2 members who have knowledge and experience in other areas of aviation.

(d) PAY.—

(1) IN GENERAL.—Except as provided in paragraph (2), each member of the Commission shall be paid at a rate not to exceed the rate of basic pay payable for positions under section 5316 of title 5, United States Code.

(2) OFFICERS AND EMPLOYEES OF UNITED STATES.—Members of the Commission who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(3) EXPENSES.—Members of the Commission while attending meetings of and hearings held by the Commission shall be entitled to travel or transportation expenses in accordance with section 5703 of title 5, United States Code.

(e) QUORUM.—10 members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(f) CHAIRMAN.—The Administrator shall serve as Chairman of the Commission.

(g) MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of the members of the Commission.

(h) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out its duties under this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this subsection.

(3) OBTAINING OFFICIAL DATA.—The Commission may obtain from the Department of Transportation information necessary to enable it to carry out its duties under this Act. Upon request of the Administrator, the Secretary of Transportation shall furnish such information to the Commission.

(i) STAFF.—The Commission may hire such staff as may be approved by the Administrator. Each member of such staff may be paid at a rate of basic pay payable for positions under section 5316 of title 5, United States Code.

(j) EXPERTS AND CONSULTANTS.—With the approval of the Administrator, the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 8. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT.

(a) TERMS OF THE RESOLUTION.—For purposes of section 2(b), the term "joint resolution" means only a joint resolution which is introduced before the 585th day after the date of the enactment of this Act, and—

(1) which does not have a preamble;

(2) the matter after the resolving clause of which is as follows: "That Congress disapproves the report of the Wayport Development Commission established by the Wayport Development Act of 1989 as submitted to the Administrator of the Federal Aviation Administration on ", the blank space being appropriately filled in; and

(3) the title of which is as follows: "Joint resolution disapproving the recommendations of the Wayport Development Commission.".

(b) REFERRAL.—A resolution described in subsection (a), introduced in the House of Representatives shall be referred to the Committee on Public Works and Transportation of the House of Representatives. A resolution described in subsection (a) introduced in the Senate shall be referred to the Committee on Commerce, Science, and Transportation of the Senate.

(c) DISCHARGE.—If the committee to which a resolution described in subsection (a) is referred has not reported such resolution (or an identical resolution) before the 585th day after the date of the enactment of this Act, such committee shall be, as of that day, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) CONSIDERATION.—(1) On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under subsection (c)) from further consideration of such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution (but only on the day after the calendar day on which such Member announces to the House concerned the Member's intention to do so). All points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and

the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on a resolution described in subsection (a) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) CONSIDERATION BY OTHER HOUSE.—(1) If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a resolution described in subsection (a) of the House receiving the resolution—

(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

(2) Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution that originated in the receiving House.

(f) RULES OF THE SENATE AND HOUSE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 9. REGULATIONS.

The Administrator shall issue such regulations as are necessary to carry out the objectives of this Act.

SEC. 10. ANNUAL REPORT.

(a) IN GENERAL.—The Administrator shall prepare and transmit to the Congress an annual report on the loans made under this Act, repayment of such loans, the status of projects for wayport planning and wayport development funded with such loans, and the current and projected financial condition of the Wayport Revolving Loan Fund.

(b) TERMINATION OF EFFECTIVENESS.—This section shall cease to be effective on the earlier of—

(1) the date on which all loans under this Act have been repaid; and

(2) the date of the enactment into law of a joint resolution of disapproval in accordance with section 8.

SEC. 11. DEFINITIONS.

For purposes of this Act—

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Federal Aviation Administration.

(2) AIRPORT.—The term "airport" has the meaning such term has in section 503(a)(1) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2202(a)(1)).

(3) AIR TRANSPORTATION.—The term "air transportation" has the meaning such term has in section 101(9) of the Federal Aviation Act (49 U.S.C. App. 1301(10)).

(4) COMMISSION.—The term "Commission" means the Wayport Development Commission established by section 7(a).

(5) PRIMARY AIRPORT.—The term "primary airport" has the meaning such term has in section 503(a)(12) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2202(a)(11)).

(6) TRUST FUND.—The term "Trust Fund" means the Airport and Airway Trust Fund established by section 9502 of the Internal Revenue Code of 1954 (26 U.S.C 9502).

(7) WAYPORT.—The term "wayport" means an airport used primarily as a location at which passengers and cargo may be transferred between connecting flights of air carriers engaged in air commerce.

(8) WAYPORT AUTHORITY.—The term "wayport authority" means any public agency which, either individually or jointly with one or more other public agencies, submits to the Administrator, in accordance with section 4, an application for financial assistance under this Act.

(9) WAYPORT DEVELOPMENT.—The term "wayport development" means any of the activities described in section 503(a)(2) of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2202(a)(2)) which are undertaken with respect to a wayport by a wayport authority.

(10) WAYPORT PLANNING.—The term "wayport planning" means planning as defined by such regulations as the Administrator shall prescribe.

(11) WAYPORT REVOLVING LOAN FUND.—The term "Wayport Revolving Loan Fund" means such fund established by section 6(a).

Mr. COCHRAN. Mr. President, I am pleased to join Senator LOTT today in introducing the Wayport Development Act of 1989. This measure is identical to legislation introduced in the other body by Representative ROY ROWLAND.

Air traffic in the United States has more than doubled during the last decade, and the Federal Aviation Administration [FAA] estimates that by 1999 annual passenger boardings will exceed 800 million. The Wayport Development Act will provide a long-term solution to growing airport and airspace congestion problems—a solution that can be in place before the year 2000 and can grow with the Nation's transportation needs into the next century.

The wayport concept will relieve the strain at major hub airports by establishing four to six regionally located facilities in rural areas. Wayports will differ from conventional airports by functioning merely as transfer points for cargo and passengers. Just as the Interstate Highway System was developed in the 1950's to bypass congested cities, the wayport system will bypass congested airports. Activities not required at large metropolitan airports, such as airline transfers and connections, express and cargo transport, general aviation and postal service activities, can be diverted to regional wayports.

This system will overcome the historical problems associated with locating new conventional airports in metropolitan areas. Restrictions imposed by noise, environmental problems, and lack of space will be greatly reduced or eliminated. Rural land will cost less, and estimated operational costs will be two-thirds less than at conventional airports. Since wayports will serve only as transfer points, infrastructure needs such as hotels, parking garages, and major highways will be minimal.

The bill we are introducing today will establish a Wayport Development Commission, chaired by the FAA Administrator, to study the feasibility, design, cost, and site selection of wayports. The Commission will submit its recommendations to Congress 1 year after appointment of members, and the recommendations will be deemed approved for implementation unless Congress disapproves them within 120 days.

The FAA will be the granting agency and will select one site within each region from bids submitted by local authorities. Financing for construction will come from a Federal revolving loan fund fed by the existing surplus in the Aviation Trust Fund. To minimize the budget impact, initial funds will be provided through an intra-agency account transfer. A State match of 10 percent will be required, with repayment of the loan over a specified period, to be determined by the Commission, as the wayports become self-sustaining.

Mr. President, a stable future for our air transportation system requires a national commitment to relieve the problems caused by increasing air congestion. The wayport concept has the potential for resolving these problems. I urge all Senators to join my State colleague and me in supporting this legislation.

By Mr. McCLURE (for himself, Mr. FORD, Mr. SYMMS, Mr. BURNS, Mr. GARN, Mr. MATSUNAGA, Mr. THURMOND, Mr. LOTT, Mr. CONRAD, Mr. ROCKEFELLER, and Mr. COCHRAN):

S. 714. A bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993; to the Committee on Environment and Public Works.

WATER RESOURCES RESEARCH ACT AUTHORIZATION

● Mr. McCLURE. Mr. President, today my colleagues and I are introducing legislation to reauthorize the Water Resources Research Act of 1984 for 5 more years.

This bill passed the House last year unopposed but the Senate failed to vote on it prior to adjournment. It is becoming more critical each day to move quickly on this legislation since the authorization for the Water Resources Research Program expires on September 30, 1989.

There are 54 institutes currently in existence as a result of this act. These institutes, funded through the Department of the Interior, USGS, make funds available on a competitive basis to educational institutions, private firms, foundations, agencies of State or local government for research on water problems. The funds were originally made available on a one-to-one matching grant basis through 1985, 1.5:1 in 1987, and a 2:1 match in 1989. My bill will return the matching level to the original one-to-one match.

The objective of the institutes is to plan, facilitate, and conduct research in water resources, to promote the spread and application of research results, and to provide training of scientists and engineers through their participation in this research. Each institute operates a program of multiyear research and information transfer projects focused on State and regional priorities, in conjunction with the USGS to avoid duplication of efforts.

More than half of the expenditures for research in this program deal with water quality deterioration. The principal themes of this research are: contaminant-source identification, transport mechanism, fate of contaminants, and methods to restore water quality or to prevent further degradation. Research on water shortages, the second major category, is conducted principally in the western States, focusing on increased efficiency of irrigation, artificial recharge, and conjunctive use of surface and ground water.

Funding levels for fiscal year 1989 are $10.8 million, resulting in a Federal grant to each of the institutes of $105,000. Fiscal year 1990 budget request level is $5.2 million which would result in a grant to each institute of $52,000.

This is a good program, one which deserves our support. In Idaho these funds have been used for diverse research programs. Grant funds were used to complete a study of heavy mineral loading of Lake Coeur D'Alene and funds from the program were used to help gather data in water quality studies in watersheds in south central Idaho. Many useful models have resulted from research efforts funded through the water resource research institute located at the University of Idaho. I want to see this research continued.

The U.S. Department of Agriculture is the lead agency in researching ground water quality in rural areas of this country. USDA efforts to gather data on ground water quality will be enhanced by the reauthorization of these research institutes. These institutes will be a focal point for the cooperative efforts which will be necessary to deal with the ground water quality issues before us.

I urge my colleagues to join me in this effort to reauthorize the Water Resource Research Act of 1984 and support this legislation.●

By Mr. HEINZ:

S. 715. A bill to direct the Secretary of Transportation to carry out a highway demonstration project to extend Pennsylvania State Route 33 to provide a limited access highway to connect Interstate Routes I-78 and I-80; to the Committee on Environment and Public Works.

DIRECTING THE SECRETARY OF TRANSPORTATION TO CARRY OUT A HIGHWAY DEMONSTRATION PROJECT IN PENNSYLVANIA

● Mr. HEINZ. Mr. President, by now it has become clear that enactment of the 1987 Surface Transportation Assistance Act, better known as the Highway Act, has been an important boost for our national economy. Construction work is ongoing to improve the quality of our Nation's highways, which are arteries of commerce and which stimulate economic development.

But even as this work continues, there are numerous other worthy highway projects which will become ready for construction by the time the 5-year funding cycle authorized in the 1987 act comes to a close.

Among the most important of these projects is the extension of Route 33 in Bethlehem, PA. This project consists of constructing a 3-mile extension at a cost of $68 million that will connect Route 22 in Bethlehem to Interstate 78, and will comprise the final leg of a 4-lane limited access north/south highway linking Interstates 78 and 80, two major east-west interstates in Pennsylvania.

The legislation I and Congressman RITTER are introducing today directs the Secretary of Transportation to undertake this project, which will demonstrate methods by which connection of two interstates will accomplish four important objectives in highway planning and construction.

First, the project will demonstrate how such connections can foster economic development and job creation by providing limited access transportation to a high-growth area.

Second, it will show how such projects significantly decrease the use of local roads by through traffic, particularly heavy trucks, and thereby promote highway safety.

Third, the project will demonstrate one means to reduce intraregional and interregional travel time and the concomitant transportation costs that result from delays and congestion.

Finally and most important, the project will demonstrate how to increase the efficiency and optimize the value of interstate routes as well as other Federal investments. Chief among these are the Lehigh Valley Industrial Parks, Inc., a project supported by $2 million in Economic Development Administration grants which is now responsible for $109 million in economic activity each year and sustains more than 7,000 jobs. The Route 33 extension will provide the infrastructure for the full potential of the Lehigh Valley project to be realized and the corridor along the extension is ripe for development of new industrial parks, particularly given the shortage of available land in Northampton County.

The economic benefits of the Route 33 extension will be significant and far reaching. An economic impact study funded by non-Federal sources has shown that this project could lead to as many as 15,000 new jobs by the year 2010, based on projected increases in the demand for industrial land such as that located along the Route 33 corridor.

What this demonstrates is that this area of Pennsylvania has a vibrant and growing economy, but one which cannot sustain the present rate of growth without improved infrastructure. By linking the growing corridors of Route 22 and Interstate 78, the Route 33 extension will prevent Lehigh and Northampton Counties from being strangled, quite literally, by their own growth.

Mr. President, we all know that the next highway authorization bill will not be considered by the Congress until the present legislation expires in 1991. At this time, it would be my hope that this project could be authorized, just as the 1987 act authorized construction of a number of worthy projects, such as the Basin Street rail crossing, which, when completed, will greatly reduce congestion in the city of Allentown.

However, it is important to begin preparing for the next highway bill well in advance of the time it will be considered. Local officials have spent years and significant amounts of their tax revenues on the economic impact study I have referred to, and this legislation indicates that the Federal Gov-

ernment is willing to undertake an important role in completing the project.

Mr. President, the Route 33 extension is a vital project, and one that is well worth our attention and Federal support.

I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PENNSYLVANIA DEMONSTRATION PROJECT.

(a) PROJECT DESCRIPTION.—The Secretary of transportation shall carry out a highway project in the vicinity of Bethlehem, Pennsylvania, of approximately three miles to extend Pennsylvania Route 33 on the Federal-aid primary system from its terminus at United States Route 22 to Interstate Route I-78 for the purpose of providing a four-lane limited access highway connecting Interstate Routes I-78 and I-80 and demonstrating methods by which connection of two interstate routes will—

(1) foster significant economic development and job creation by providing high speed, limited access motor vehicle transportation to an area in dynamic economic transition;

(2) appreciably decrease the use of local roads by through traffic particularly by heavy trucks and thereby promote highway safety;

(3) reduce intraregional and interregional travel-time, and reduce transportation costs; and

(4) increase the efficiency and optimize the value of such interstate routes.

(b) REPORT.—Not later than January 31, 1994 the Secretary of Transportation shall submit to Congress a report on the results of the project authorized by subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, out of the Highway Trust Fund (other than the Mass Transit Account), to carry out subsection (a) $500,000 for fiscal year 1989, $1,000,000 for fiscal year 1990, $8,000,000 for fiscal year 1991, $68,000,000 for fiscal year 1992.

(d) APPLICABILITY OF TITLE 23.—Funds authorized by this section shall be available for obligation in the same manner as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this section shall be 100 per centum and such funds shall remain available until expended and shall not be subject to any obligation limitation.●

By Mr. ROTH:

S. 716. A bill to amend the copyright laws to permit the unlicensed viewing of videos under certain conditions; to the Committee on the Judiciary.

VIDEO VIEWING IN GROUP HOMES

● Mr. ROTH. Mr. President, the legislation I introduce today, is a matter of simple equity. It would erase a glitch in our copyright law that discriminates against people confined in hospitals, hospices, nursing homes, or other similar group homes who would like to watch a video movie. Copyright law says that if you or I wish to buy or rent a video movie for home viewing, we may do so without negotiating a license and paying a fee to the copyright owners. In contrast, those confined to a hospital or a nursing home are prohibited from doing what you or I can do without a license.

Copyright law makes a distinction between the kind of home you live in. If you are healthy and wealthy enough to live in an apartment or residential home either alone or with members of the family, then the law says you don't have to buy a license. But if you are not so wealthy and healthy as to reside privately or in a family setting, if you must live with nonfamily members, if you are in need of care but cannot afford a private nurse or private accommodations in a hospital, then copyright law comes down on you with full force. You cannot watch a video movie without a license.

I find this distinction rather bizarre. The rank discrimination against those least able to pay is not something Congress intended when it wrote the revised copyright code in 1976. Congress knew that people in hospitals and nursing homes were entertained in common areas, not in a traditional family setting. That is one reason why Congress fashioned an exception to the licensing requirement for watching television in common areas.

Why did not Congress provide a similar exception for watching videos? Why is it permissible to watch a movie on television but not on a VCR? The answer is fairly obvious: In 1976, television was, as it is today, an integral part of American life, whereas VCR's have been a more recent phenomenon. Congress provided the appropriate exception for the technology it knew, not for what was to come. My bill updates the television exception to include VCR's.

While my bill tracks the language of the television exception, it is narrower in scope. The television exception applies to public viewing in common areas by any person. My VCR exception applies only to "a hospital, hospice, nursing home, or other group home providing health or health-related care and services to individuals on a regular basis." In other words, the provision could not be drafted more narrowly to achieve its purpose. Nevertheless, the motion picture industry objects, lest it lose any advantage, no matter how inappropriate.

Recognizing the weakness of its position, the Motion Picture Licensing Corp., which seeks to collect licensing fees from group homes, has sought to charge only "reasonable" fees. But that effort sadly misses the point. No matter what the charge, it is not a charge that must be paid by the wealthy and healthy, who live alone or in a family setting. Moreover, the fee sought by the Motion Picture Licensing Corp., would grant the payor only a partial license since the corporation is authorized to negotiate for only a fraction of the movie copyright owners that exist.

Such fees add up fast. Charging every viewer pennies a day can well mean that a health care facility must pay tens of thousands of dollars a year. The industry suggestion that these costs be passed along to Medicare does not strike me as reasonable. I can well understand that the industry may wish to oppose any contraction of copyright protection that it enjoys. But, in my opinion, fighting for advantages that it does not deserve can only leave it open to public ridicule and even larger legislative losses.

Many of our senior citizens living in group settings live day to day, in poor health, with modest means. For these, their group setting is their only home. Their fellow patients or residents are the only family they have left. Copyright law should not discriminate against them simply because they fail to constitute "a normal circle of a family and its social acquaintances." As a matter of simple equity, this wrong should be made right. A home is a home.

The legislation is identical to S. 2881, which I introduced in the 100th Congress on October 12, 1988. I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 110 of title 17, United States Code, be amended by adding after paragraph (5) the following:

"(6) the performance or display of a work by means of a video cassette recorder and a television set of a kind commonly used in private homes, if

"(A) the performance or display occurs in a hospital, hospice, nursing home, or other group home providing health or health-related care and services to individuals on a regular basis;

"(B) no direct charge is made to see or hear such performance or display; and

"(C) the performance or display is not further transmitted to the public;".

Redesignate the subsequent paragraphs accordingly.●

By Mr. METZENBAUM (for himself, Mr. SIMON, Mr. BIDEN, and Mr. KENNEDY):

S. 719. A bill to amend the McCarran-Ferguson Act to limit the Federal antitrust exemption of the business of insurance, to reaffirm the continued State regulation of the business of insurance, and for other purposes; to the Committee on the Judiciary.

INSURANCE COMPETITION IMPROVEMENT ACT OF 1989

● Mr. METZENBAUM. Mr. President, today I am introducing legislation to amend the McCarran-Ferguson Act to repeal the blanket exemption of the business of insurance from the Federal Antitrust Laws. I am pleased to be joined by Senators SIMON, BIDEN, and KENNEDY in this effort.

This legislation has three purposes: First, to reaffirm the authority of the States to regulate insurance; second, to promote free competition in the sale of insurance by eliminating the industry's general immunity from the antitrust laws; and third, to provide a safe harbor for certain joint activities by insurers, such as pooling historical loss data, which are essential to the business of insurance and benefit consumers.

This legislation is similar to a bill I introduced last session. The purpose of that legislation was exactly the same as the purpose of this proposed legislation: to subject insurance companies to the antitrust laws while preserving the full power of the States to regulate and tax their activities.

There is nothing inconsistent about applying the Federal antitrust laws to insurance companies while preserving State regulation of the industry. In the original debates on the McCarran-Ferguson act, President Franklin Roosevelt himself saw no inconsistency. In urging Congress not to sacrifice the antitrust laws, he wrote that:

> There is no conflict between the application of the antitrust laws and effective State regulation of insurance companies, and there is no valid reason for giving any special exemption from the antitrust laws to the business of insurance. The antitrust laws prohibit private rate fixing * * *. The antitrust laws do not conflict with affirmative regulation of insurance by the States such as agreed insurance rates if they are affirmatively approved by State officials. (Congressional Record, Vol. 91, Part 1, 79th Cong., 1st Sess. P. 482 (1945).

The Congress plainly did not intend to repeal the application of the antitrust laws to insurance when it enacted McCarran-Ferguson. The history of the act was exhaustively examined by the 1979 National Commission for the Review of Antitrust Laws and Procedures. In its report to the President and the Attorney General, it concluded that:

> Both the language of the McCarran-Ferguson Act, and the act's legislative history, make clear that the purpose of the insurance immunity was to permit state regulatory mechanisms to function without federal intervention, and not to give the industry broad license to operate without antitrust scrutiny. As the Supreme Court recently noted, the purpose of making antitrust immunity dependent on State regulation was to end the "system of private government" prevalent in the insurance industry before McCarran-Ferguson, and while agreements among insurers might be permitted, "public supervision of agreements is essential."

Nevertheless, as historically interpreted by the courts, the exemption has in fact served as a broad grant of immunity for unsupervised collective behavior by insurers. Courts have refused to require that the State regulation be comprehensive or effective as a condition for the permitting immunity to attach. Rather, as one court put it, "If a State has generally authorized or permitted certain standards of conduct, it is regulating the business of insurance under the McCarran Act." (Report of the Commission, p. 232)

This interpretation by the courts has given insurance companies a virtually absolute exemption from the Federal antitrust laws, contrary to the intent of the Congress when it wrote the McCarran-Ferguson Act. This is so even though many other industries that are similarly regulated by the States must nonetheless conform to the strictures of the Federal antitrust laws in the conduct of their business. This inequity cannot persist.

Whatever the reasons may have been for an exemption in 1945, there are none today. The case for repealing the insurance industry's antitrust exemption is overwhelming. Insurance is vital to the Nation. No one can be secure without it. Yet those who provide it do not have to comply with our national policy of free competition.

How can the Congress explain to the American people why the insurance industry is exempt from antitrust prohibitions that apply to every other industry, when the price of insurance has skyrocketed? How can the Congress explain that the rules of free competition should not apply to this vital industry when authoritative studies, including the landmark report of the Justice Department under President Ford, have concluded that competition, where it has existed, has been beneficial, and that the "full application of competitive principles, as embodied in the Federal antitrust laws, to the business of insurance would be consistent with the Public interest." ("The pricing and marketing of Insurance," a report of the U.S. Department of Justice to the task group on antitrust immunities, Jan. 1977, pp. 3, 31-34.) The Department further found that experience with competitive pricing of insurance "dispelled the historic notion that price competition would result in price wars, mass bankruptcies or excessive profits, the very reasons advanced by the industry for the antitrust exemption granted the industry in 1945." (DOJ report at 31.)

This February, a special commission of the American Bar Association issued a report to the ABA House of Delegates which recommended repeal of the McCarran-Ferguson exemption. (Report of the ABA commission to improve the liability system, recommendation 3.1 and 3.2; Feb. 1989.) The commission also recommended continued protection for certain joint activities and retention of State regulatory authority over insurance. The commission offered the following rationale for repeal:

> [T]he commission recommends enhancing competitive market forces as a means of improving the insurance industry. The continued existence of McCarran-Ferguson is inconsistent with that objective * * *. [T]he commission believes, in general, the insurance industry should be subject to normal antitrust doctrine except in those narrow circumstances where cooperative behavior has legitimate procompetitive consequences. (ABA commission report at 66.)

The ABA house of delegates recently approved the commission's recommendations.

Therre are several important reasons why legislation to repeal the exemption will promote competition without unduly interfering with the State's authority to regulate insurance or the ability of insurance companies to share historical risk data. First, requiring insurance companies to live by the rules of free competition would not undercut State regulatory policies regarding ratesetting. Almost all States have abandoned setting specific rates for insurance coverage. Instead, insurance companies have considerable flexibility in setting rates, subject to filing requirements. In addition, the Supreme Court has made clear that business conduct which is subject to a clearly articulated State regulatory scheme and actively supervised by the State is not subject to Federal antitrust law. The Supreme Court has recently held, for example, that collective ratemaking activities, permitted under a clearly articulated and actively supervised State policy, do not violate the antitrust laws. (*Southern Motor Carriers Rate Conf.* v. *U.S.*, 471 U.S. 48 (1985.)

Second, the proposed legislation would not prevent insurance companies from sharing information for the benefit of consumers. Courts recognize that joint activities by competitors which promote competition are permissible under the antitrust laws. Recently, the Supreme Court clearly stated that joint activities which reduce costs and enable products to be marketed more efficiently will be upheld. *Broadcast Music, Inc.* v. *Columbia Broadcasting System*, 441 U.S. 1 (1979). This principle would apply to sharing information about risks, joint underwriting of large-scale projects, and other joint activities which promote a more efficient and productive insurance industry. These considerations led the National Commission for the Review of Antitrust Laws and Procedures to recommend in 1979 that:

> The current broad antitrust immunity for the business of insurance granted by the McCarran-Ferguson Act should be repealed. In its place, narrowly drawn legislation should be adopted to affirm the lawfulness of a limited number of essential collective activities under the antitrust laws. * * *

The Commission believes that the current immunity is not only overly broad, but also unnecessary: Those collective activities by insurers that are essential to the functioning of a competitive industry would likely pass muster under the traditional rule of reason analysis of Sherman Act, Section 1. Similarly, where collective activity or other insurance company behavior is affirmatively mandated by a State in its capacity as sovereign, and effectively supervised by independent State officials, such behavior would fall within the judicially recognized "State action" exception to the antitrust laws. (Report of the Commission, pp. 225-26)

In short, the argument that the insurance industry requires an antitrust exemption to function effectively is nonsense. The antitrust laws allow joint activities by insurance companies which are in the public interest.

The bill which I am introducing today clarifies that certain indisputably essential joint activities would be legal under the antitrust laws. These activities are:

Joint collection and exchange of historical loss data, a task which is essential to assessing risk accurately and which cannot be performed adequately by many insurers acting on their own;

Joint preparation and filing of policy forms for voluntary use by individual insurers, a practice which benefits consumers by promoting the use of standardized forms and aids comparison shopping;

Joint collection and exchange of information on fraudulent claims; and

Joint research and on-site inspections for classifying public fire defenses.

This bill also would not affect joint underwriting and pools which do not unreasonably restrain trade, and would leave untouched State-mandated or approved residual market mechanisms, which insure high risk individuals who are not eligible for private coverage.

This list of permissible joint activities is not necessarily exhaustive. If the industry can show that other joint activities are also in the public interest and should not be prohibited by the antitrust laws, then additional, carefully defined exemptions can be made for those activities as well. These issues can best be pursued in hearings on this legislation, where the industry and other interested observers can comment. All other activities would be subject to the antitrust laws, and their legal status would be determined by the courts, applying general antitrust principles.

Finally, repealing the exemption will permit challenges to blatantly anticompetitive activity that is now immune from attack. Currently, a "back room" conspiracy to fix prices or allocate markets in the insurance industry could not be challenged by the Department of Justice, the Federal Trade Commission, or private plaintiffs. This type of conduct cannot be defended and should not continue to be immunized.

Repealing the exemption also would allow the Government to enforce the laws prohibiting unfair and deceptive trade business practices against insurance companies which mislead or take unfair advantage of their customers. Insurance companies are among the country's largest national advertisers, spending hundreds of millions of dollars a year on television advertisements and other forms of promotion. Yet today, if an insurance company misleads consumers in its advertising or marketing of insurance, the Federal Trade Commission is, in most cases, foreclosed from acting.

In short, the bill I am introducing today would simply apply the same standards of free competition and fair play to insurance that apply to other industries, without in any way diminishing the power of the States to regulate insurance as they do now.

The bill provides for a delayed effective date to enable the insurance industry to review its activities for potential antitrust liability. In particular, the bill provides that the repeal of the exemption is deferred for 1 year after the date of enactment. In addition, no criminal penalties or treble damages can be assessed for 2 years. Finally, no antitrust remedy is available for 2 years if the defendant in an antitrust case has relied in good faith on an advisory opinion by the Department of Justice. These provisions provide ample time for the industry to review its activities and ensure that they are in full compliance with antitrust standards.

This industry is too big, too important to every American, to remain exempt from antitrust scrutiny. Today, access to insurance and affordable prices have become critical problems for individuals, businesses small and large, and even governmental bodies. Requiring insurance companies to play by the rules of free competition, just as other companies do, will not solve all of the industry's problems, but it will be a positive—and long overdue—step in the right direction.

Representatives of the Reagan administration and a broad array of business, professional, governmental, labor, and consumer organizations all recognize that the antitrust exemption is not in the public interest and have called for repeal. Even segments of the industry have begun to see the light, and are at least supportive of a congressional reexamination of the exemption.

Congress eventually does the right thing. The antitrust exemption for the business of insurance outlived its legitimate purpose a long time ago. It is time to repeal it.

I ask unanimous consent that a copy of the bill and a statement by Senator SIMON be reprinted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Insurance Competition Improvement Act of 1989".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the continued regulation and taxation by the several States of the business of insurance is in the public interest; and

(2) the Federal antitrust laws comprise an essential component of congressional policy in favor of competition and consumer protection, and the current broad exemption from the antitrust laws afforded the insurance industry has adversely affected free competition and consumers of insurance.

(b) It is the purpose of this Act to promote free competition among insurers and to protect consumers of insurance by modifying the current antitrust exemption of the business of insurance.

AMENDMENTS TO THE MCCARRAN-FERGUSON ACT

SEC. 3. (a) The first section of the Act entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance", approved March 9, 1945 (15 U.S.C. 1011), commonly known as the McCarran-Ferguson Act, is amended by striking out the period and inserting in lieu thereof the following: "; but that a continued broad exemption of the business of insurance from the Federal antitrust laws is not in the public interest.".

(b) Section 2(b) of the McCarran-Ferguson Act (15 U.S.C. 1012(b)), is amended by striking out all after "insurance" the second place it appears and inserting in lieu thereof a period.

(c) Section 3 of the McCarran-Ferguson Act (15 U.S.C. 1013) is amended to read as follows:

"SEC. 3. (a) Except as provided in subsection (b) and (d), the antitrust laws shall apply to the business of insurance and to acts in the conduct of such business.

"(b) The antitrust laws shall not be construed to prohibit any agreement, understanding, or concert of action between or among insurers, any insurance advisory organizations or their members, any individual insurers or any other persons that is limited to—

"(1) collecting, compiling, and disseminating historical data on paid claims or reserves for reported claims from insurers or any other source, provided that such information is made available to an appropriate State regulatory agency;

"(2) preparing and filing policy forms and endorsements for voluntary use by individual insurers, provided that such forms do not include benefit levels;

"(3) conducting research and on-the-site inspections in order to prepare classifications of public fire defenses; and

"(4) collecting, compiling, and distributing information relating to fraudulent claims and other fraudulent practices, provided that such information is made available to an appropriate State regulatory agency.

"(c) Nothing in this Act or any State law shall render the antitrust laws inapplicable

to any agreement to boycott, coerce, or intimidate, or to any act of boycott, coercion, or intimidation.

"(d) Insurers and other persons participating in joint underwriting, pools, or residual market mechanisms may, in connection with such activity, act in cooperation with each other in the making of rates, rating systems, policy forms, underwriting rules, surveys, inspections, and investigations, if the residual market mechanism is required by law or is approved by and subject to the active supervision of an appropriate State regulatory agency, or if the joint underwriting or pools do not unreasonably restrain trade.

"(e) Nothing in this Act shall be construed to prohibit any State from establishing or approving a residual market mechanism.

"(f) Nothing in this Act shall be construed to prohibit any State from requiring a worker's compensation and employers' liability insurer to adhere to the uniform classification system and uniform rating plan applicable to these categories of insurance in such State, but no such insurer shall agree with any other insurer or with an insurance advisory organization to adhere to or use any rate.

"(g) As used in this section, the term—

"(1) 'advisory organization' means any organization which is comprised of, or is controlled by, one or more insurers and which prepares policy forms and endorsements for use by its members or subscribers, compiles and promulgates insurance-related statistical data, prepares and revises insurance rating plans and classification systems, and provides assistance in the preparation of insurance rates;

"(2) 'antitrust laws' means the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12 et seq.), and the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

"(3) 'residual market mechanism' means an arrangement, either voluntary or mandated by law, involving participation by insurers in the equitable apportionment among them of insurance which may be afforded applicants who are unable to obtain insurance through ordinary methods;

"(4) 'joint underwriting' means a voluntary arrangement established on an ad hoc basis to provide insurance coverage for a commercial individually rated risk under which two or more insurers contract with the insured at a price and under policy terms agreed upon between the insurers, or negotiated between the underwriter and the insured; and

"(5) 'pool' means a voluntary arrangement, other than a residual market mechanism, established on an ongoing basis, under which two or more insurers participate in the sharing of risks on a predetermined basis by means of an association, syndicate, or other pooling agreement.".

SEC. 4. (a) This Act and the amendments made by this Act shall become effective one year after the date of enactment.

(b) In any action brought under the provisions of the antitrust laws alleging a violation of those laws for conduct that would have otherwise been lawful under the provisions of the McCarran-Ferguson Act on the day before the effective date of this Act, no award of treble damages or criminal penalties shall be awarded against any such person for conduct by such person occuring within two years after the date of the enactment of this Act.

(c) During the two-year period referred to in subsection (b), no relief shall be granted against any person in an action referred to in subsection (b) for conduct by such person during such period, if such person has, in good faith, relied upon an advisory opinion issued by the Department of Justice.●

Mr. SIMON. Mr. President, I rise to compliment our distinguished colleague from Ohio for the introduction of his bill to narrow the antitrust exemption granted to the insurance industry under the McCarran-Ferguson Act. I am pleased to be a cosponsor of the legislation.

I, too, introduced legislation on this subject in 1986 and 1987. The legislation introduced today by my friend from Ohio embraces many of my own ideas in this area and is an appropriate place to begin the debate on this important subject in the 101st Congress.

There is no doubt in my mind that the antitrust laws can and should be made generally applicable to insurers. This will be good for insurers and, I am convinced, will be good for the industry itself.

We should seek maximum reliance on competition in the insurance industry because competition is the very lifeblood of our economic system. Like the Senator from Ohio, I believe the sun has set on whatever justification there was for the antitrust exemption the business of insurance now enjoys.

Today, the industry is protected by an immunity from the antitrust laws that, while not absolute, is broad. A more sensible approach is that embodied in this legislation, which narrows the immunity by establishing safe harbors that immunize specific, essential and pro-competitive activities.

For example, it makes good sense to allow insurers to share basic loss data. The laws of large numbers are such that individual small companies simply do not have statistically reliable experience to set rates on their own. They need data about losses from a larger segment of the industry—but they do not need to know what profits or overhead should be. This bill strikes that balance.

When I first became involved with this issue in 1985, there was little support for amending McCarran-Ferguson. Today, the picture has changed dramatically.

A broad coalition of organizations and elected officials now favors modification of the insurance industry's antitrust exemption. Among these are the American Bar Association, the American Association of Retired Persons, the American Bankers Association, the AFL–CIO, the Small Business Legislative Council, the National Association of Attorneys General, Consumers Union, the Federal Trade Commission—the list continues and is a long one.

It is my hope that we will soon be able to add insurers, industry trade associations and insurance regulators to this list. While this hasn't happened yet, there are some encouraging signs.

The National Association of Insurance Commissioners Advisory Organizations Activities Working Group passed a resolution recommending the industry advisory or ratemaking organizations "Should not be allowed to file or distribute final rates that contain provisions for expenses and profits and that this general principle should apply to all regulatory environments." This is one of the practices that would be barred under Senator METZENBAUM's bill. My previous bill contained similar provisions.

The board of directors of the Insurance Services Office, the industry-controlled rating organization that compiles advisory premium rates for most of the Nation's property/casualty companies, announced this week that it would alter its operations to comport with the NAIC group's recommendation.

The Independent Insurance Agents of America also passed a resolution calling for similar changes.

I am delighted that we are beginning the debate on the McCarran-Ferguson Act with a recognition by the insurance industry that it has heard the messages coming from the Congress, State attorneys general and insurance consumers that change is needed. I commend the industry for the steps it has taken.

I would now urge insurers to take a logical next step and work with the Congress to help us refashion the McCarran-Ferguson Act in ways that will benefit both consumers and the insurance industry.

Neither Senator METZENBAUM nor I desire to do anything that will hurt the insurance industry. It comprises a vital piece of our economy and the services it provides are essential to our national well-being. I should also add that my home State of Illinois is the number two insurance State in the Nation.

The Judiciary Committee needs the active assistance of the insurance industry in addressing outstanding issues of concern to insurers and to members of the committee. For example, small insurance companies are worried that they will be unable to price their products prudently without the benefit of final advisory rates. I want to be sure that the committee fully explores any potential harm this legislation might cause these companies, particularly the county mutuals that fill such an important niche in the market in rural America.

Another issue which I feel deserves a full examination by the committee during our debate on the McCarran-Ferguson Act is the relationship between State regulation of insurance rates and the antitrust laws.

The specific question is whether narrowing the Federal antitrust immunity, as Senator METZENBAUM and I propose, will result in more and more anticompetitive State rate regulation that undercuts the pro-competitive benefits we seek. And, if the answer is "yes," what should we do about it?

On this point, the National Commission for the Review of Antitrust Laws and Procedures concluded in 1980:

Given the competitively structured nature of the insurance industry, it is not suprising that the evidence presented to the Commission appears to demonstrate the regulatory schemes requiring prior state approval of rates have had an adverse effect on competition. The 1977 Department of Justice Report found that the benefits of open competition, when compared with prior approval regulation, included less adherence to bureau advisory rates, rates as reasonable or lower than in other states, and greater efficiency in distribution. Other studies and economic commentaries have confirmed these findings. Indeed, two recent reports concerning insurance company behavior in Illinois, the only state having no insurance rate regulation, came to the identical conclusion that performance was, on average, as good or better than that in comparable, more regulated states.

The empirical evidence developed from many studies that have been conducted on insurance rate regulation suggests, Mr. President, that the most rigidly regulated environments may not reproduce the benefits to consumers that result when market forces are permitted the freest possible reign in establishing insurance rates. These benefits include fair prices that truly reflect the costs of providing insurance; more moderate price increases over time; and more innovative product offerings from insurers.

As the National Commission Report suggested, Illinois has been a proving ground for the benefits of open competition ratemaking. In 1971, Illinois' property and casualty rating law expired, leaving the State without a rate regulatory law except that for workers compensation insurance. The next year, instead of enacting a new rating law, the Illinois General Assembly passed legislation allowing insurance advisory organizations to combine loss information from its member insurers, but not to make final advisory rates.

Numerous studies of the Illinois insurance market have all come to the same conclusion: prices for property and casualty insurance in Illinois are reasonable in terms of cost to insurers, and the vigorous competition in Illinois has moderated rate increases to the public.

The American Bar Association made reference to an aspect of this issue in its statement of support for this bill. The ABA stated that it did not believe that State regulation of insurance rates—

* * * should in general exempt insurers from the antitrust laws under the state action doctrine. In other words, the door to free and open price competition permitted by the repeal of the McCarran-Ferguson Act should not be closed by state regulation which commands joint pricing activity by various insurers.

While I think the committee should have the benefit of a formal presentation of this impressive body of evidence, I am not yet prepared to say that we can do away with State regulation of insurance rates. For example, there are States where only one or two companies provide coverage in certain commercial lines such as medical malpractice and day care. The discipline of the market might well be insufficient to assure the public affordable insurance in these instances.

I look forward to exploring these and other issues with my colleagues on the Judiciary Committee.

In closing, Mr. President, I would just say that I hope the insurance industry will heed the sound advice offered it by T. Lawrence Jones, who for 19 years was president of the American Insurance Association. Mr. Jones suggested in testimony before the Judiciary Committee in 1987 that:

The time has come for the insurance industry to rid itself of the negative public and official attitudes stemming from the McCarran-Ferguson Act * * * the insurance industry would be wise to seize this opportunity to work with the Committee and other relevant Committees of the Congress to redefine the relationship of the federal antitrust laws to the industry and to state regulation.

By Mr. BOREN (for himself, Mr. HEINZ, Mr. MOYNIHAN, Mr. SYMMS, Mr. DANFORTH, Mr. PRYOR, and Mr. DURENBERGER):

S. 720. A bill to amend the Internal Revenue Code of 1986 to extend and modify the targeted jobs credit, and for other purposes; to the Committee on Finance.

EXTENSION OF TARGETED JOBS TAX CREDIT

● Mr. BOREN. Mr. President, today Senator HEINZ and I, along with our colleagues Senators MOYNIHAN, SYMMS, DANFORTH, PRYOR, and DURENBERGER are introducing legislation that will extend for 3 years the Targeted Jobs Tax Credit [TJTC]. TJTC is not only the most cost effective program we have ever enacted, but it has also been responsible for inducing employers to hire over four and a quarter million structurally unemployed Americans since its inception in the fall of 1978. In fiscal 1988, nearly 520,000 welfare and SSI recipients, vocational rehabilitation referrals, economically disadvantaged youths 18 to 24 years old, ex-offender, Vietnam-era veterans, and summer youth were hired.

In Oklahoma alone in the fiscal year 1987, 11,000 individuals who traditionally would have been at the end of the hiring line were given preferential hiring consideration by employers. Of that number 1,800 came off the welfare rolls. What is more, over the 10 years of the program, more than 33,000 Oklahomans have been introduced to the work world and escaped from dependency on government assistance programs as a result of the TJTC program. As these figures show, the usage of TJTC has increased as the program has proven itself and gained the confidence of private sector employers, who are traditionally reluctant to incorporate government programs into their employment and hiring policies. The program has been successful in encouraging employers to change their hiring practices and actively seek out TJTC eligible workers at a relatively inexpensive average cost per job to the Federal Government of under $700.

Some might question why we need to extend a tax incentive to hire the structurally unemployed when unemployment is at its lowest in over a decade and a half. But when TJTC was originally enacted in the late 1970's, unemployment was also relatively low. What was true then remains true today. The official unemployment rate among minority youths and rural Americans is almost three times as high as the official overall unemployment rate, underscoring the importance of an incentive to hire from targeted populations. Because of poor job skills, and little if any work history, employers traditionally are reluctant to hire individuals they know from experience will cost more to train and who have higher work dropout rates.

Another factor affecting unemployment is that all too often the available jobs are not where the applicant lives. Many of these individuals come from poor minority communities where they have been led to believe by peers that if they don't have basic job skills, no one will hire them or allow them to advance beyond an entry level position. A similar picture of disproportionate high unemployment exists in rural America.

As a Senator from a predominantly rural State dependent on the depressed oil industry, I am particularly aware of whole streets and towns with boarded up buildings. I am also acutely aware of the plight of dislocated workers and the ever increasing burden on Oklahoma's social services programs.

After 10 years of the TJTC Program, the reality today is that many employers have been convinced that it is in their economic interest to actively recruit from this large relatively untapped labor pool. Employers understand that there is enough incentive in TJTC to offset the increased cost of training, supervision and special efforts needed to retain these workers. Many companies actually use TJTC to pay for the cost of transporting workers daily from where they live to the

job site. Many employers experienced in the use of TJTC have learned that if they want to both attract and keep these workers, they must offer them opportunities for promotion and higher wages.

In addition to extending TJTC for 3 years, our proposed legislation would restore eligibility of the 23 and 24-year-old economically disadvantaged youth. During consideration of the Technical Corrections Act of 1988, because of last-minute revenue constraints rather than policy considerations, this group was eliminated from TJTC eligibility.

From a policy standpoint, this action has been harmful to this important segment of the targeted youth. Prior to 1989, these economically disadvantaged youth people have been benefited from job opportunities made possible through TJTC. The 23 and 24-year-olds have especially acute needs for a helping hand to escape the poverty cycle. Those who have reached age 23 and 24 without successfully obtaining stable employment are often facing their last chance to become productively employed rather than becoming resigned to government assistance or succumbing to the lure of crime and drugs. Unlike teenagers who enter the workforce as first-time workers with lower paying hourly jobs, the older youth are often supporting themselves or have taken on responsibilities of supporting their own families. They need the TJTC incentive for employers to assume hiring risks.

Senator HEINZ and I ask that you join us in cosponsoring this legislation. I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 3-YEAR EXTENSION.

(a) IN GENERAL.—Paragraph (4) of section 51(c) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking "December 31, 1989" and inserting "December 31, 1992".

(b) EXTENSION OF AUTHORIZATION.—Paragraph (2) of section 261(f)(2) of the Economic Recovery Tax Act of 1981 is amended by striking "and 1989" and inserting "1989, 1990, 1991, and 1992".

SEC. 2. AGE LIMITATION FOR ECONOMICALLY DISADVANTAGED YOUTH.

(a) IN GENERAL.—Subparagraph (B) of section 51(d)(3) of the Internal Revenue Code of 1986 (relating to age requirements) is amended by striking "age 23" and inserting "age 25".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 1989.

SEC. 3. EXTENSION OF CREDIT TO INDIVIDUALS WHO HAVE COMPLETED DRUG REHABILITATION PROGRAM.

(a) IN GENERAL.—Section 51(d)(1) of the Internal Revenue Code of 1986 (relating to members of targeted groups)—is amended—

(1) by striking "or" at the end of subparagraph (I),

(2) by striking the period at the end of subparagraph (J) and inserting a comma and "or", and

(3) by adding at the end the following new subparagraph:

"(K) a drug rehabilitation referral.".●

● Mr. HEINZ. Mr. President, I am pleased to be joining Senator BOREN today in introducing a 3-year extension of the target jobs tax credit [TJTC]. Without this extension, TJTC will expire at the end of this year. I believe that it is important that TJTC be extended for an additional 3 years. Since its inception in 1978, 4½ million structurally unemployed individuals have found jobs because of this program. TJTC works, and needs to be extended.

TJTC allows employers a tax credit for employment of individuals belonging to one of nine targeted groups. The amount of the credit is generally equal to 40 percent of the first $6,000 of wages paid to a member of a targeted group in the first year of employment. The nine targeted groups of employees are the following:

First, economically disadvantaged youths—ages 18 to 22;

Second, economically disadvantaged summer youths—ages 16 to 17;

Third, economically disadvantaged youths participating in cooperative education programs;

Fourth, economically disadvantaged Vietnam-era veterans;

Fifth, economically disadvantaged exconvicts;

Sixth, certain handicapped workers;

Seventh, certain work incentive employees;

Eighth, AFDC and general assistance recipients; and

Ninth, supplemental security income recipients.

Last year during the Technical Corrections and Miscellaneous Revenue Act of 1988, disadvantaged youths aged 22 to 24 were dropped from coverage at conference. While both the Senate and the House tax bills extended TJTC, and modified the program, their modifications—which were added as a way to reduce the cost of the program—were not identical. At conference both modifications were taken. I believe that this was clearly a mistake. As a result I will work to add the economically disadvantaged 23- and 24-year-olds back in the program through the legislation Senator BOREN and I are introducing today.

TJTC is aimed at workers with severe barriers to employment, such as low literacy, lack of communication and problem solving skills, and physical, mental, or emotional handicaps. These individuals comprise an economic underclass in our inner cities. Trapped in a vicious circle of poverty and dependency they drop out of sight, and on the dole. Even in the best of times, these structurally unemployed have great difficulty finding jobs.

The idea behind TJTC is to focus employer demand on disadvantaged workers by means of a tax incentive. By getting these workers off welfare rolls and into private sector jobs, both the individual and society benefit and the financial drain on the Treasury is reduced in the long run.

Over the last few years, in numerous congressional hearings and countless visits back to Pennsylvania, I have talked to individuals who have found jobs because of TJTC. Often they had abandoned hope of finding anyone who would take a chance on them. Then they were certified, or they found an employer who understood TJTC, and would give them a chance. A chance is all they needed to prove themselves.

The companies that use TJTC have told me how they work to keep their TJTC employees. They use the money they earn from the credit to train these individuals, and help them become good employees. The limitation with the program is not in the product, but in the repeated threat of the program ending. Each year we go through the process of extending TJTC for a year at a time. That process has got to stop. Employers are not going to invest the time and money into TJTC if they do not think it will be around next year. A 3-year extension will end the confusion caused in this program.

Mr. President, I urge my colleagues to cosponsor this legislation.●

By Mr. BAUCUS (for himself, Mr. HARKIN, and Mr. STEVENS):

S. 721. A bill to amend title XIX of the Social Security Act to provide coverage for certain prenatal and postnatal care services, and for other purposes; to the Committee on Finance.

COVERAGE OF CERTAIN PRENATAL AND POSTNATAL SERVICES

● Mr. BAUCUS. Mr. President, today I am introducing a bill for the women and children who live in rural America, the Rural Obstetrical Care Access Act of 1989. I am pleased that my distinguished colleagues Senator HARKIN of Iowa and Senator STEVENS of Alaska are joining me as original cosponsors.

Last year, I introduced the Rural Health Payment Reform Act of 1988, which called for authorization of Medicaid demonstration projects to improve obstetrical care in rural America. Mr. President, demonstration projects are no longer adequate to address what is rapidly becoming a national tragedy and a national disgrace.

We live in the most wonderful country in the world. As infants are delivered and take their first breath of life they are offered almost unlimited freedom to reach their full potential as human beings. How sad then, in a land as bountiful as ours, when that potential is abrogated or lost because of inadequate access to obstetrical services.

Rural America is in the midst of a serious crisis attempting to provide acceptable obstetrical care.

In my own State of Montana, where more than two-thirds of the population lives outside of our cities, there have been drastic decreases in the numbers of providers of obstetrics care. Between 1986 and 1988 almost half the family doctors in my State stopped delivering babies, and the number of obstetricians decreased by 12 percent. As of January 1989, 45 percent of Montana's 56 counties had no obstetrical services.

The reason for this loss of providers in Montana is clear—skyrocketing malpractice premiums. In 1988, family practitioners with obstetrical coverage paid almost $25,000, and obstetricians almost $40,000 in annual premiums. All doctors who deliver babies pay the same insurance premium regardless of the number of deliveries annually. This means that a doctor must deliver 50 babies each year just to pay for malpractice premiums. The majority of rural family practitioners deliver fewer babies than sufficient to cover their liability costs.

These financial constraints on the low volume provider are magnified by the inadequate payment they receive when caring for women receiving Medicaid. A study by the National Governors' Association in 1988 revealed that the average Medicaid payment for total obstetrical care covered 44 percent, and in one State only 14 percent, of the community charge. This can severely restrict access, especially in a State like Montana, where 28 percent of deliveries are paid for by Medicaid.

What does this mean to a pregnant woman in Montana? Well, if she lives in McCone County, where the sole family doctor gave up his obstetrical practice, she might have to travel as far as 100 miles to see an obstetrician. If it's January or February, transportation can be abruptly stopped because of severe weather conditions. How can we expect her to get adequate prenatal care, let alone a safe delivery? To feel safe some Montana women move into a motel in a larger city for 2 to 3 months prior to their due date. This is just not right.

But this is not just a problem in Montana. Due to the cost of malpractice insurance, 19 percent of the Nation's family physicians have stopped delivering babies during the past 5 years. Increasingly, those providers who still practice obstetrics are refusing to take care of women receiving Medicaid. Concerns about the effect of low participation are especially acute in rural areas. Major participation problems in rural areas have been identified by 35 of the 50 States. In a national survey of obstetricians, inadequate reimbursement was the most commonly expressed reason for refusing Medicaid patients. Thus, despite Congress' mandating Medicaid eligibility in the Medicare Catastrophic Coverage Act of 1988 for women below 100 percent of poverty by 1990, access may be prevented by the inability of current payments to cover malpractice premiums.

The human and economic costs to society of a policy that ignores these issues of access, access that should begin soon after conception, are extraordinary. They include:

An infant mortality rate that places the United States near the bottom of industrialized nations. This rate is generaly worse in rural areas.

High infant mortality directly correlates with low birth weight. Low birth weight directly relates to the absence of prenatal care. In 1985, 210,000 women received little or no prenatal care; an additional 660,000 received inadequate prenatal care.

The costs of caring for a low birth weight infant are 28 times the cost of providing prenatal care and delivery. One stay in a neonatal intensive care unit can cost hundreds of thousands of dollars.

The malpractice crisis will require much attention in the coming months as an important source of health care costs. Reasonably, however, this complex issue has multiple causes, with no single perfect solution. The best efforts to resolve the crisis will share responsibility between Federal, State, and local governments.

The bill we are introducing today will give States the option to increase their Medicaid reimbursement for obstetrical care to a level that will help anchor the obstetrical provider in rural America. The bill gives an increased Federal match—90 percent—for obstetrics services in rural health manpower shortage areas when the payment to a provider is equal to at least 80 percent of that which the State provides in its own employee insurance package. This level of reimbursement should help to maintain that most critical element of access, keeping a provider within a reasonable distance of the patient.

We hope that our colleagues from both sides of the aisle will carefully consider this legislation, and join us in working to ensure that the women and children of rural America receive the proper health care they deserve.

Mr. President, I ask unanimous consent that the text of the Rural Obstetrical Care Access Act of 1989 be included following my statement. I would also ask unanimous consent to include in the RECORD an article from the Great Falls Tribune, by Linda Caricaburu, "Obstetrics Care Precarious for Rural Mothers-to-be."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COVERAGE OF CERTAIN PRENATAL AND POSTNATAL SERVICES.

(a) IN GENERAL.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by inserting after subsection (m) a new subsection as follows:

"(n) For purposes of this section, the term 'prenatal and postnatal care services' means those services made available by a State to pregnant women covered under the plan of prenatal, delivery, postpartum services, and those services relating to any other condition which may complicate pregnancy, but only if—

"(A)(i) such services are provided by a physician (as described in section 1861(r)), or

"(ii) such services are provided by a certified nurse midwife as described in section 1861(gg); and

"(B) such services are provided in an area that—

"(i) is designated (under section 332(a)(1)(A) of the Public Health Service Act) as a health manpower shortage area; and

"(ii) is a rural area (as defined in section 1886(d)(2)(D)).".

"(b) PAYMENT TO STATES.—Section 1903(a) of such Act (42 U.S.C. 1396(b)(a)) is amended—

(1) by striking "plus" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph:

"(7) with respect to services described in subsection (n), an amount equal to 90 per centum of so much of the sums expended during such quarter if the State's payments under the State plan for such services is equal to or greater than 80 per centum of the allowable charge for those services under the group health plan (or an average of the plans excluding health maintenance organizations (as defined in subsection (m)) offered by the State to State employees for such services; plus".

[From the Great Falls Tribune, Feb. 5, 1989]

OBSTETRICS CARE PRECARIOUS FOR RURAL MOTHERS-TO-BE

Every morning, 19-year-old Mary Jacquot checks the weather report and road conditions from her home in Lincoln.

Nine months pregnant, Jacquot faces an 80-mile drive on mountain roads to her physician in Missoula and the hospital where she plans to have her second child. She is painfully aware of the OB crisis.

In 1986, more than 200 obstetricians and family practitioners delivered babies in Montana. The number is down to about 120, and dropping, according to the Montana Medical Association.

Small, rural communities have seen the greatest impact, and nearly one fourth of

the state's 56 counties offer no delivery services. The MMA says 19 more counties are in danger of losing obstetrics care.

Jacquot's first child, born a year and a half ago, was delivered by her husband and her sister, a nurse, in Florida. She said she would have preferred a home birth for her second child.

"But in Florida, if anything went wrong, I was only 10 miles from a doctor and a hospital," she said. "Here in Lincoln, we're 80 miles from Missoula, 90 miles from Great Falls and about 60 miles to Helena."

On the lonely stretch of road between Jordan and Circle in eastern Montana, 22-year-old Michelle Ramsbacher is four months pregnant. Her monthly prenatal visits entail a 110-mile drive to Miles City.

"Sometimes, it's kind of scary," she said. "I try not to think about it too much, but you wonder whether you'll make it to town on time."

Two years ago, Ramsbacher could have delivered her baby 30 miles away, in Jordan. But the town has since lost its only physician and the hospital has closed.

Last year, then-Gov. Ted Schwinder formed an advisory council to study obstetrics. After seven months, the council concluded the shortage of obstetrics care could be traced to "skyrocketing malpractice insurance rates, a variety of tort-related issues and inadequate Medicaid reimbursement rates."

The council said the problem is "widespread and worsening, especially in rural areas." Among the worst effects reported were the "possible increase in the number of low birthweight babies, the factor most closely associated with infant mortality."

According to the National Commission to Prevent Infant Mortality, prenatal care, which may prevent low birthweight conditions, may cost as little as $400. The lifetime costs of caring for a low birthweight baby may reach $400,000.

Brian Zins, executive director of the Montana Medical Association, says the hefty increases in malpractice insurance rates for physicians who deliver babies is a major contributor to the OB crisis.

Insurance rates for obstetrical care in 1973 ranged from $1,900 to $3,500 per year. By last year, the rates had soared to a range of $20,000 to $67,000.

Rates are not based on the number of deliveries performed so a doctor must deliver a lot of babies to pay the premiums, Zins said. The state Department of Social and Rehabilitative Services estimates a doctor must deliver 50 babies a year just to "break even."

Those in the medical and insurance industries say one reasons rates are increasing is that lawsuit damages are increasing. Gary Neely, a Billings attorney specializing in medical liability, wrote recently: "A doctor who delivers babies now has a 50 percent chance of having a claim against him or her every two years."

Zins says tort reforms are necessary to alleviate the glut of lawsuits and the hopes of some people that they may "get rich quick" by suing a doctor.

"Unfortunately, most tort reform takes 6 to 10 years before you see the effects," he said. "We can't wait that long: we need help now."

A recent congressional study recommended that the federal government help in extending malpractice protection to rural and migrant health center physicians, but did not elaborate on a plan.

Some doctors are also dropping obstetric care from their practices because they are not reimbursed enough from Medicaid, the federal/state program that reimburses physicians for care given to poor people.

In 1986, the average physician's fee for a normal delivery in Montana was $778, while the fee for a Caesarean birth averaged $1,098, not including hospital costs. Last year, the average physician fees were $1,150 and $1,542 respectively.

According to an obstetrics advisory council report, Blue Cross and Blue Shield would reimburse physicians up to $1,175 last year for a normal birth. Medicaid, however, reimbursed only $619. The Medicaid reimbursement rate for this year will be $622.

"What it comes down to is, if you have a significant Medicaid practice, you've got a significant problem," Zins said. "You can't afford to do it."

EDITOR'S NOTE. Last Tuesday, Mary Jacquot and her husband drove through a blizzard from Lincoln to her doctor's appointment in Missoula. The doctor induced labor and the Jacquots had a healthy baby girl.●

By Mr. KENNEDY (for himself, Mr. DODD, and Ms. MIKULSKI):

S. 722. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the authority under that act to regulate pesticide chemical residues in food; to the Committee on Labor and Human Resources.

FOOD SAFETY AMENDMENTS

● Mr. KENNEDY. Mr. President, I rise to speak on behalf of the Food Safety Amendments of 1989, a bill I take pleasure in introducing today. This legislation will significantly enhance Federal oversight over the use of dangerous pesticides on our Nation's food supply, and provide greater assurance to all Americans that we truly have the safest food supply in the world.

Americans all across the Nation are concerned about the safety of the food we consume. Recent reports of the danger to children from the use of cancer-causing pesticides on apples have led many to question the benefits and risks of these chemicals. The scare involving the contamination of Chilean grapes with cyanide raises questions about the extent of food inspection by the Federal Government. Recent cover stories in Time and Newsweek, television reports, and numerous articles in newspapers across the country question the safety of the food supply. Obviously, the Federal Government is not doing enough to assure the American public of the safety of the fruits, vegetables, meats and fish that we eat.

Pesticides and other chemicals are commonly used by farmers to protect crops from infestation. These products have significantly improved crop yield and productivity, but at what expense to the health of our citizens? Many pesticides known to cause cancer and other adverse health conditions are commonly used by farmers. The two Federal agencies charged with the task of assuring the safety of the food supply and protecting the public health, the Environmental Protection Agency and the Food and Drug Administration, permit the use of these dangerous chemicals. To respond to the real and justifiable concerns about the safety of our food supply, we need to strengthen the authority under the Food, Drug and Cosmetic Act to limit pesticide and other chemical residues on foods and move toward removing from the marketplace chemicals known to give rise to adverse health effects.

An opinion poll conducted by the Food Marketing Institute revealed that the public considers pesticide residues among the most serious hazards affecting food safety. In 1987, according to a food industry poll, 76 percent of the public found pesticide residues a serious hazard. An additional 20 percent of those polled rated pesticides in food something of a hazard.

Reports from government and the private sector underscore the public's concern. In 1987, the National Academy of Sciences reported that legal applications of only 28 pesticides could lead to cancers for up to 6 individuals for every thousand people exposed. The Environmental Protection Agency has identified at least 25 other carcinogenic pesticides which are legally used on food. In 1988, a book entitled "Pesticides Alert," written by the Natural Resources Defense Council [NRDC], a national environmental organization, revealed that washing may not remove pesticide residues most often found in 26 common fruits and vegetables. Earlier this year, the Natural Resources Defense Council issued a report, "Intolerable Risk: Pesticides in Our Children's Food," which provides good evidence of the unconscionable risk of cancer to our children. In 1986 Congress' investigative arm, the General Accounting Office, reported that the current pesticide monitoring techniques used by the Food and Drug Administration can identify only 40 percent of the pesticides which the agency classifies as posing moderate to high health hazards.

As reports and analyses of the dangers of pesticides in food continue to be discussed and debated, one thing is clear—the current law is not protecting the public. The Environmental Protection Agency under the Federal Food, Drug and Cosmetic Act [FFDCA] is responsible for establishing limits on the allowable concentrations of pesticides in food. Unfortunately, they have failed to incorporate the newest health and safety data available when setting these standards.

EPA's new "commonsense" approach toward cancer-causing pesticide and chemical residues on foods appears to be based in good science, but is in fact poorly defined. The risk-benefit standard under which EPA prefers to regulate, allows a small risk

of cancer which counters the zero-tolerance cancer policy inherent in the law; this can no longer be tolerated. Under their definition of "negligible risk," the EPA will impose subjective risk assessments with little scientific basis. EPA officials maintain that this new policy, announced on October 12, 1988, provides better protection than the current law which requires strict consideration of the potential risk of cancer from pesticide residues.

In addition, the current calculation of negligible risk does not take into account total consumption of various food products for specific population groups, and does not consider inert ingredients. We need to strengthen the statutory requirements concerning food safety. And EPA has a very large task in the years ahead to ensure that legal food is in fact safe food.

The legislation I am introducing today amends and enhances the EPA's current authority under the FFDCA to set tolerances for pesticides that may remain in food. The bill is written as a substitute for section 408 of the FFDCA. The bill makes many important improvements in both EPA procedures and authorities which will help improve the public's confidence in the safety of our food supply.

This bill does not amend the basic pesticide regulatory statute, the Federal Insecticide, Fungicide and Rodenticide Act [FIFRA]. FIFRA is the statute that requires EPA to register pesticides before they may be used in this country. The bill I am introducing only ensures that pesticides which may remain as residues on food are adequately regulated under the FFDCA.

The bill incorporates many of EPA's current practices but also establishes certain fundamental reforms that have been recommended by the National Academy of Sciences to improve the safety of foods bearing pesticide residues. One of the most important provisions of this bill establishes a risk-based food safety standard that is consistent with the other regulatory authorities under the FDA relating to food additives, color additives and environmental contaminants. The bill establishes and defines as a standard "negligible risk," and specifies that all pesticides and chemicals used on food agriculture products must be found in quantities with less than a negligible risk of causing adverse human health effects in identifiable population groups such as infants and children.

Both old pesticides and newer pesticides would be required to meet the same standard. The creation of a single regulatory standard for pesticides in food is important because the National Academy of Sciences has found that old pesticides are not currently regulated as strictly as newer chemicals. NAS reported that 90 percent of estimated dietary cancer risk from pesticides stems from tolerances set before 1978. Additionally, a unitary regulatory standard is important because NAS found that pesticide residues in raw agricultural commodities are not currently regulated as strictly as they are when they occur in certain processed foods. Obviously, there is no health benefit to this differential protection of our food supply. The bill I am introducing today would remedy this unwarranted inconsistency.

A new standard would be established such that for any currently used pesticide exceeding the negligible risk standard in all of its food exposures together, its manufacturer would be provided a reasonable time period to achieve compliance with the standard before the tolerance is rescinded; that is, the product removed from the market. Two years following the enactment of the bill, each food exposure of a particular pesticide must be less than the negligible risk standard. Within 4 years of enactment, all of the food exposures of a pesticide in total must be less than the negligible risk standard.

Another important provision under this bill is the establishment of authority for the Administrator of EPA to require the submission of health and safety data. Because many tolerances were set on the basis of incomplete or outdated health and safety data, authority to require additional data is essential. Even for the few tolerances which are based on today's science, EPA also needs the authority to update the data if new concerns or new scientific evidence emerge. The bill grants EPA such authority. Deadlines established by the Administrator must be complied with in order to retain tolerances for pesticide residues in food. I expect and urge EPA to strictly enforce data submission deadlines. The bill also creates a narrow exception to ensure that food which was lawfully treated with the pesticide before the deadline can be marketed.

Improvement in our food safety laws to protect the public from potentially dangerous pesticide and chemical residues is vitally needed and long overdue. This bill will enhance our ability to safeguard the public health while giving due weight to the interests of farmers, the food industry and chemical companies. I intend to work with all parties to ensure the enactment of food safety legislation at the earliest possible opportunity. I look forward to consideration of this bill by the Labor Committee, and I urge all of my colleagues in the Senate to support this critically important legislation.

Mr. President, I ask uanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 722

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Food Safety Amendments of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 2. DEFINITIONS.

(a) PESTICIDE.—

(1) Section 201(q) (21 U.S.C. 321(q)) is amended to read as follows:

"(q)(1) The term 'pesticide chemical' means—

"(A) any substance which is a pesticide within the meaning of the Federal Insecticide, Fungicide, and Rodenticide Act and which is or has been used in the production, storage, or transportation of a raw agricultural commodity or processed food, and

"(B) all active and inert ingredients of the pesticide within the meaning of the Federal Insecticide, Fungicide, and Rodenticide Act.

"(2) Except as provided in subparagraph (B), the term 'pesticide chemical residue' means a residue in or on any raw agricultural commodity or processed food of—

"(A) any pesticide chemical, or

"(B) any other substance that is present in the commodity or food as a result of the metabolism or other degradation of a pesticide chemical.".

(2) Paragraphs (1) and (2) of section 201(s) (21 U.S.C. 321(s)) are amended to read as follows:

"(1) pesticide chemical residue in or on a raw agricultural commodity or processed food; or

"(2) a pesticide chemical to the extent that it is intended for use or is used in the production, storage, or transportation of any raw agricultural commodity or processed food; or".

(b) OTHER DEFINITIONS.—Section 201 (21 U.S.C. 321) is amended by adding at the end the following:

"(bb) The term 'processed food' means any food other than a raw agricultural commodity and includes any raw agricultural commodity that has been subject to processing, including canning, cooking, freezing, dehydration, or milling.

"(cc) The term 'Administrator' means the Administrator of the Environmental Protection Agency.".

SEC. 3. ADULTERATED FOOD.

Section 402(a)(2) (21 U.S.C. 342(a)(2)) is amended to read as follows:

"(2)(A) if it bears or contains any added poisonous or added deleterious substance (other than a substance which is a pesticide chemical residue in or on a raw agricultural commodity or processed food, a food additive, a color additive, or a new animal drug) which is unsafe within the meaning of section 406;

"(B) if it is a raw agricultural commodity or processed food and it bears or contains a pesticide chemical residue which is unsafe within the meaning of section 408(a); or

"(C) if it is or if it bears or contains—

"(i) any food additive which is unsafe within the meaning of section 409, or

"(ii) a new animal drug (or conversion product thereof) which is unsafe within the meaning of section 512; or".

SEC. 4. TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES AND PESTICIDE CHEMICALS.

Section 408 (21 U.S.C. 346a) is amended to read as follows:

"TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES AND PESTICIDE CHEMICALS

"SEC. 408. (a) REQUIREMENT FOR TOLERANCE OR EXEMPTION.—

"(1) GENERAL RULE.—Except as provided in paragraph (5), any pesticide chemical residue in or on a raw agricultural commodity or processed food or any pesticide chemical added to a raw agricultural commodity or processed food shall be deemed unsafe for the purpose of section 402(a)(2)(B) unless—

"(A)(i) a tolerance for such pesticide chemical residue or pesticide chemical in or on such commodity or food is in effect under this section and the quantity of such residue or chemical is within the limits of such tolerance, or

"(ii) an exemption from the requirement of subparagraph (A) is in effect for such pesticide chemical residue, and

"(B) except as provided in paragraph (2), in the case of an inert ingredient of a pesticide chemical residue or pesticide chemical, the ingredient is generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe.

"(2) INERT INGREDIENTS.—

"(A) GENERAL RULE.—An inert ingredient of a pesticide chemical residue or a pesticide chemical, which ingredient is not generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe, may be included in a pesticide chemical residue or a pesticide chemical but only if the Administrator determines that—

"(i)(I) the inert ingredient is essential for the active ingredient of the pesticide chemical residue or the pesticide chemical with which the inert ingredient is combined to have the effect the active ingredient is intended to have, or

"(II) it is not scientifically feasible, given the nature of the active ingredient of the pesticide chemical residue or pesticide chemical with which the inert ingredient is combined, to use with such active ingredient an inert ingredient which is generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe, and

"(ii)(I) if the inert ingredient is described in subclause (I) of clause (i), the tolerance for the active ingredients of the pesticide chemical residue or pesticide chemical with which it is combined includes the inert ingredient, or

"(II) if the inert ingredient is described in subclause (II) of clause (i), the inert ingredient has a tolerance which is separate from the tolerance for the active ingredient of the pesticide chemical residue or pesticide chemical with which it is combined.

"(B) RISK STANDARD.—

"(i) ESTABLISHMENT.—The tolerance of an active ingredient of a pesticide chemical residue or pesticide chemical may include an inert ingredient described in subparagraph (A)(i)(I) or a separate tolerance may be established for an inert ingredient described in subparagraph (A)(i)(II) if the risk to human health, including the health of identifiable population groups with special food consumption patterns, from dietary exposure to the combination of the inert ingredient and the active ingredient with which it is combined is negligible.

"(ii) REVOCATION OR MODIFICATION.—The tolerance for an inert ingredient or the tolerance for an active ingredient which includes an inert ingredient shall be revoked or modified if the risk to human health, including the health of identifiable population groups with special food consumption patterns, from dietary exposure to the inert ingredient and the active ingredient with which it is combined is greater than negligible.

"(iii) DIETARY EXPOSURE.—In applying the criteria of subsection (b)(2) to determine if the risk from dietary exposure to an inert ingredient when combined with an active ingredient is negligible, the dietary exposure shall be considered to include the inert ingredient and the active ingredient with which it is combined.

"(3) PROCESSED FOOD.—

"(A) TOLERANCES.—If a pesticide chemical residue is present in or on a raw agricultural commodity in conformity with a tolerance that is in effect under this section, if such commodity has been subjected to processing, and if the resulting pesticide chemical residue on the resulting processed food does not have a tolerance, the resulting pesticide chemical residue remaining in or on the resulting processed food shall not be considered unsafe within the meaning of section 402(a)(2)(B) if—

"(i) such residue has been removed from such processed food to the extent possible in good manufacturing practice, and

"(ii) the concentration of the residue of such chemical in such processed food is not greater than the tolerance prescribed for the pesticide chemical residue in such commodity when such processed food is ready for sale to consumers.

"(B) EXEMPTIONS.—If an exemption from the requirement for a tolerance is in effect under this section for a pesticide chemical residue in or on a raw agricultural commodity and if the pesticide chemical residue is present in or on a processed food because such food is made from such raw agricultural commodity, the pesticide chemical residue shall not be considered unsafe within the meaning of section 402(a)(2)(B) if such pesticide chemical residue has been removed during processing to the extent possible in good manufacturing practice.

"(4) PESTICIDE CHEMICALS WITH NO DETECTABLE RESIDUES.—If a pesticide chemical is added to a raw agricultural commodity or processed food and leaves no detectable residue, a tolerance shall be established for the pesticide chemical at a level which is the least amount of the pesticide chemical which can be detected by the method of detecting and measuring the pesticide chemical specified by the Administrator under subsection (b)(2)(E).

"(5) EFFECT OF A TOLERANCE OR EXEMPTION.—While a tolerance or exemption from the requirement for a tolerance is in effect under this section for a pesticide chemical residue or pesticide chemical with respect to any raw agricultural commodity or processed food, such commodity or food shall not by reason of bearing or containing any amount of such residue or chemical be considered to be adulterated within the meaning of section 402(a)(1).

"(b) GENERAL RULE FOR TOLERANCES.—

"(1) AUTHORITY.—

"(A) PESTICIDE CHEMICALS.—The Administrator may, in accordance with subsection (a)(4), promulgate regulations establishing, modifying, or revoking a tolerance for a pesticide chemical which leaves no detectable residue in or on a raw agricultural commodity or processed food—

"(i) in response to a petition filed under subsection (d), or

"(ii) on the Administrator's initiative under subsection (e).

"(B) PESTICIDE CHEMICAL RESIDUES.—The Administrator may, in accordance with this subsection, promulgate regulations establishing, modifying, or revoking a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food—

"(i) in response to a petition filed under subsection (d), or

"(ii) on the Administrator's initiative under subsection (e).

"(C) EXPIRATION DATE.—A regulation establishing or modifying a tolerance for a pesticide chemical residue or pesticide chemical may contain a provision stating an expiration date for the tolerance.

"(2) STANDARD.—

"(A) NEGLIGIBLE RISK STANDARD.—Except as provided in subparagraph (D)(ii) and section 5 of the Food Safety Amendments of 1989—

"(i) a tolerance may be established for a pesticide chemical residue in or on a raw agricultural commodity or a processed food only if the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue is negligible, and

"(ii) the tolerance for a pesticide chemical residue in or on a raw agricultural commodity or a processed food shall be revoked or modified if the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue is greater than negligible.

"(B) CRITERIA FOR NEGLIGIBLE RISK.—For purposes of subparagraph (A), the term 'negligible' means—

"(i) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are not likely to have any adverse human health effect below an identifiable level, the level at which the pesticide chemical residue will not cause or contribute to any known or anticipated adverse effects on human health, and

"(ii) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are likely to have an adverse human health effect at any level, the level at which the pesticide chemical residue—

"(I) is not likely to cause or contribute to any additional adverse human health effects in the population exposed to the pesticide chemical residue, and

"(II) will not cause or contribute in the population exposed to the pesticide chemical residue to a risk of adverse human health effects which exceeds a rate of one in a million,

using conservative risk assessment models.

In establishing a pesticide chemical residue level under clause (i) the Administrator shall include an ample margin of safety which is based on consideration of the nature of the toxic effects, the validity, completeness, and the reliability of the data about the pesticide chemical residue, the variability of individual sensitivities and the sensitivities of population subgroups to the adverse effects, and the possibility that human susceptibility to the adverse effects is significantly greater than that of test animals. For purposes of the preceding sentence, a margin of safety for a level of a pes-

ticide chemical residue is not ample unless human exposure per unit of body measurement to the pesticide chemical residue is at least 100 times less than the no observable effect level in animals on which the pesticide chemical residue was tested. The no observable effect level is the level of exposure which reliable experimental data, derived from exposing animals to the pesticide chemical, shows induces no adverse effects in the experimental animals.

"(C) EXPOSURE.—For purposes of subparagraph (A)—

"(i) in determining dietary exposure to a pesticide chemical residue, the Administrator shall take into account the dietary exposure resulting from the consumption of the raw agricultural commodity or processed food for which the tolerance is proposed or is in effect, all other tolerances or exemptions in effect for the same pesticide chemical residue, and all other sources (including drinking water) of dietary exposure to the same pesticide chemical residue, and

"(ii) in calculating dietary exposure to the pesticide chemical residue in or on the raw agricultural commodity or processed food for which the tolerance is proposed or is in effect, the Administrator shall consider the level of exposure to be the amount of exposure that would occur if all the commodities and food for which the pesticide chemical residue has a tolerance have amounts of pesticide chemical residues equal to their respective tolerances and if human exposure to the pesticide chemical residue at the tolerance level occurs for a period equal to a lifetime, except that—

"(I) the Administrator may calculate dietary exposure based on the percent of the raw agricultural commodities or processed food in which the pesticide chemical residue occurs if the Administrator has reliable data indicating the percent of such commodities or food in which such residue occurs and that the national distribution of such percent of such commodities or food does not vary significantly from the distribution of the total amount of such commodities or food, and

"(II) the Administrator may calculate dietary exposure to a pesticide chemical residue based on the actual levels of the pesticide chemical residue that occur if the Administrator has reliable data indicating the actual residue levels which occur and establishes a new tolerance or modifies an existing tolerance so that the tolerance permits amounts of the pesticide chemical residue which are no greater than the residue levels which are used to calculate the dietary exposure.

"(D) RULES FOR LEVELS.—

"(i) PHYSICAL OR OTHER TECHNICAL EFFECTS.—A tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food which is directly treated with the pesticide chemical producing the residue shall not be established or left in effect at a level higher than the Administrator finds to be reasonably required to allow the accomplishment of the physical or other technical effect for which the use of the pesticide chemical involved is intended.

"(ii) UNAVOIDABLE PERSISTENCE.—If some or all tolerances or an exemption from the requirement for a tolerance for a pesticide chemical residue are revoked and the pesticide chemical residue will unavoidably persist in the environment and contaminate raw agricultural commodities or processed food, the Administrator shall establish a new tolerance under subsection (e) for the pesticide chemical residue. The level permitted by the tolerance may not be greater than the level that permits such unavoidable levels to remain in raw agricultural commodities and processed food. The Administrator shall evaluate any such tolerance at least once a year to determine whether modification of such tolerance is necessary so that the tolerance provides only for the level of the pesticide chemical residue that is unavoidable.

"(E) PRACTICAL METHODS OF ANALYSIS.—

"(i) GENERAL RULE.—Except as provided in clause (ii), a tolerance for a pesticide chemical added to a raw agricultural commodity or processed food or a pesticide chemical residue in or a raw agricultural commodity or processed food shall not be established by the Administrator or allowed to remain in effect unless the Administrator determines, after consultation with the Secretary, that (I) there is a method for detecting and measuring the levels of such pesticide chemical or pesticide chemical residue on such commodity or food which will detect the level of the chemical or residue at the level established by the tolerance, and (II) such method is the best available practical method. A method shall be considered practical only if it can be performed by the Secretary on a routine basis as part of surveillance and compliance sampling of raw agricultural commodities and processed foods for pesticide chemical residues with the personnel, equipment, and other resources available to the Secretary.

"(ii) SPECIAL RULE.—If the Administrator determines that a method for a pesticide chemical residue is not practical and the method is a method which only detects and measures levels of a single pesticide chemical or pesticide chemical residue, the Administrator may establish or leave in effect a tolerance for the pesticide chemical or pesticide chemical residue if the Administrator determines that a method of analysis which detects and measures levels of the pesticide chemical or pesticide chemical residue and other chemicals and residues is not scientifically feasible. The Administrator shall, every 2 years after the date of the determination, review the determination to determine if the determination could still be made.

"(3) FACTORS TO BE CONSIDERED.—In determining whether to establish, modify, or revoke a tolerance for a pesticide chemical residue for a raw agricultural commodity or processed food, the Administrator shall consider—

"(A) the probable consumption of such commodity or food by the population group which consumes the greatest amount of such commodity or food or is at the greatest risk from exposure to such residue on such commodity or food,

"(B) the cumulative effect of such residue in the human diet, taking into account any chemically or pharmacologically related substance in such diet, and all other ways in which the consumer may be exposed to the same residue, and

"(C) safety factors which in the opinion of experts qualified by scientific training and experience to evaluate the safety of pesticide chemical residues are generally recognized as appropriate for use in connection with animal experimentation data.

"(c) GENERAL RULE FOR EXEMPTIONS.—

"(1) AUTHORITY.—The Administrator may promulgate regulations establishing, modifying, or revoking an exemption from the requirement for a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food—

"(A) in response to a petition filed under subsection (d), or

"(B) on the Administrator's initiative under subsection (e).

A regulation establishing or modifying an exemption for a pesticide chemical residue may contain a provision stating an expiration date for the exemption.

"(2) STANDARD.—

"(A) RISK STANDARD.—

"(i) ESTABLISHMENT.—An exemption from the requirement for a tolerance may be established for a pesticide chemical residue only if the residue presents no risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue, because human health is not affected by dietary exposure to the pesticide chemical residue at any level that could reasonably be expected to occur.

"(ii) REVOCATION.—An exemption from the requirement for a tolerance shall be revoked if the residue presents a risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue, because human health is affected by dietary exposure to the pesticide chemical residue.

"(B) EXPOSURE.—For purposes of subparagraph (A)—

"(i) in determining dietary exposure to a pesticide chemical residue, the Administrator shall take into account the dietary exposure to the raw agricultural commodity or processed food for which the exemption from the requirement for a tolerance is proposed or is in effect, all other tolerances or exemptions in effect for the same pesticide chemical residue, and all other sources (including drinking water) of dietary exposure to the same pesticide chemical residue, and

"(ii) in calculating dietary exposure to a pesticide chemical residue in or on a raw agricultural commodity or processed food for which an exemption is proposed or in effect, the Administrator shall consider the maximum amount of residue that could reasonably be expected to occur on the raw agricultural commodity or processed food if the instructions for use of the pesticide chemical were not followed.

"(C) PRACTICAL METHODS OF ANALYSIS.—

"(i) GENERAL RULE.—Except as provided in clause (ii), an exemption from the requirement for a tolerance for a pesticide chemical residue in or a raw agricultural commodity or processed food shall not be established or allowed to remain in effect by the Administrator unless the Administrator determines, after consultation with the Secretary, that there is a method for detecting and measuring the levels of such pesticide chemical residue on such commodity or food and that such method is the best available practical method. A method shall be considered practical only if it can be performed by the Secretary on a routine basis as part of surveillance and compliance sampling of raw agricultural commodities and processed foods for pesticide chemical residues with the personnel, equipment, and other resources available to the Secretary.

"(ii) SPECIAL RULE.—If the Administrator determines that a method for a pesticide chemical residue is not practical and the method is a method which only detects and measures levels of a single pesticide chemical or pesticide chemical residue, the Ad-

ministrator may establish an exemption for the pesticide chemical residue if the Administrator determines that—

"(I) a method of analysis which detects and measures levels of the pesticide chemical residue and other residues is not scientifically feasible, or

"(II) there is clear and convincing data which indicate that no pesticide chemical residue will be detectable on raw agricultural commodities or processed foods when sold to consumers.

The Adminstrator shall, every 2 years after the date of the determination that subclause (I) or (II) applies, review the determination to determine if the determination could still be made.

"(d) PETITIONS FOR A TOLERANCE OR EXEMPTION.—

"(1) GENERAL RULE.—Any person may file with the Administrator a petition proposing the issuance of a regulation establishing, modifying, or revoking a tolerance for a pesticide chemical or a pesticide chemical residue or establishing or revoking an exemption of the pesticide chemical residue from the requirement of a tolerance. A petition to revoke a tolerance, to revoke a tolerance and establish a new tolerance, or to revoke an exemption and establish a tolerance may request the Administrator to take such action under subsection (e)(4).

"(2) PETITION REQUIREMENTS.—

"(A) ESTABLISHMENT.—A petition under paragraph (1) to establish a tolerance for a pesticide chemical or pesticide chemical residue or to establish an exemption from the requirement of a tolerance for a pesticide chemical residue shall contain—

"(i)(I) an informative summary of the petition and of the data, information, and arguments submitted or cited in support of the petition, including a summary of the reports required under clause (iv) respecting the safety of the pesticide chemical or pesticide chemical residue and a characterization of the exposure to the pesticide chemical or pesticide chemical residue due to any tolerance already granted for the pesticide chemical or pesticide chemical residue and the additional exposure to the pesticide chemical or pesticide chemical residue which would result if the requested tolerance were granted, and (II) a statement that the petitioner agrees that such summary or any information it contains may be published as a part of the notice of filing of the petition to be published under this subsection and as part of a proposed or final regulation issued under this subsection,

"(ii) the name, chemical identity, and composition of such pesticide chemical or the pesticide chemical which produces such residue,

"(iii) data showing the requested amount, frequency, method, and time of application of such pesticide chemical,

"(iv) full reports of tests and investigations made with respect to the safety of such pesticide chemical, including full information as to the methods and controls used in conducting such tests and investigations,

"(v) full reports of tests and investigations made with respect to the nature and amount of the pesticide chemical residue that is likely to remain in or on the raw agricultural commodity or in or on the processed food when ready for sale to consumers, including a description of the analytical methods used,

"(vi) practical methods for detecting and measuring the levels of such pesticide chemical residue in or on the raw agricultural commodity or processed food,

"(vii) practical methods for removing any pesticide chemical residue which would exceed any proposed tolerance,

"(viii) a proposed tolerance for such pesticide chemical or pesticide chemical residue, if a tolerance is proposed,

"(ix) all relevant data bearing on the physical or other technical effect such pesticide chemical is intended to have and the quantity of such pesticide chemical required to produce such effect,

"(x) if the petition relates to a tolerance for a processed food, reports of investigations conducted using the processing method used to produce such food,

"(xi) such other data and information as the Administrator requires by regulation to support the petition.

If information or data required by this subparagraph is available to the Administrator, the person submitting the petition may in lieu of submitting the information or data cite the availability of the information or data. The Administrator may require a petition to be accompanied by samples of the pesticide chemical with respect to which the petition is filed.

"(B) INERT INGREDIENTS.—A petition to establish a tolerance for an inert ingredient of a pesticide chemical residue which tolerance will be separate from the tolerance for the active ingredient of the pesticide chemical residue with which the inert ingredient is combined and a petition to establish a tolerance for an active ingredient of a pesticide chemical residue which includes the inert ingredient with which it is combined shall each contain for the inert and active ingredients the information required by subparagraph (A).

"(C) MODIFICATION AND REVOCATION.—The Administrator may by regulation establish the requirements for petitions to modify or revoke a tolerance or to revoke an exemption from the requirement for a tolerance.

"(3) NOTICE.—A notice of the filing of a petition which the Administrator determines has met the requirements of paragraph (2) shall be published by the Administrator within 30 days after filing. Such notice shall announce the availability of a complete description of the analytical methods available to the Administrator for the detection and measurement of the pesticide chemical residue with respect to which the petition is filed and shall include the summary required by paragraph (2)(A)(i).

"(4) ACTIONS BY THE ADMINISTRATOR.—The Administrator shall, within 180 days of the submission of a petition under paragraph (1) and after giving due consideration to the petition and any other information available to the Administrator—

"(A) issue a final regulation in accordance with the petition establishing, modifying, or revoking a tolerance for the pesticide chemical or pesticide chemical residue,

"(B) issue a final regulation in accordance with the petition establishing or revoking an exemption of the pesticide chemical residue from the requirement of a tolerance,

"(C) issue a final regulation—

"(i) establishing, modifying, or revoking a tolerance for the pesticide chemical or pesticide chemical residue which is different from the tolerance requested in the petition, or

"(ii) establishing or revoking an exemption of the pesticide chemical residue from the requirement of a tolerance which is different from the request in the petition for the establishment or revocation of the exemption, or

"(D) issue an order denying the petition.

The Administrator may not take the action described in subparagraph (A) or (B) with respect to a petition unless the petition meets the requirements of paragraph (2).

"(5) NOTICE.—Before issuing a final regulation under subparagraph (A), (B), or (C) of paragraph (4), the Administrator shall issue a notice of proposed rulemaking and provide a period of not less than 30 days for public comment on the proposed regulation, except that a shorter period for comment may be provided if the Administrator finds that it would be contrary to the public interest to do so and states the reasons for that finding in the notice of proposed rulemaking.

"(6) EFFECTIVE DATE.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), a regulation issued under paragraph (4) shall take effect upon publication.

"(B) DELAY.—

"(i) GENERAL RULE.—If a regulation issued under paragraph (4) revokes or lowers one or more tolerances for a pesticide chemical residue or revokes an exemption for a pesticide chemical residue, the Administrator shall, in accordance with clause (ii), delay the effective date of the regulation to permit the tolerance or exemption to remain in effect at the level in effect immediately before such regulation is issued only—

"(I) for raw agricultural commodities and processed foods which, on the date of the publication of the regulation, contain such pesticide chemical residue in an amount which is not more than such level and for processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue, and

"(II) if dietary exposure to the pesticide chemical residue in or on the raw agricultural commodities or processed foods described in subclause (I) meets the negligible risk standard prescribed by subsection (b)(2).

For purposes of subclause (II), dietary exposure shall be determined only with respect to the tolerances or the exemption which are subject to the regulation and only with respect to the period of consumption of such commodities and food.

"(ii) PERIOD OF DELAY.—The effective date of such a revocation or modification shall be delayed under clause (i) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

"(7) FURTHER PROCEEDINGS.—Within 60 days after a regulation is issued under paragraph (4), any person adversely affected by the regulation (including a person without an economic interest) may file objections thereto with the Administrator, specifying with particularity the provisions of the regulation deemed objectionable and stating reasonable grounds therefor. An objection may include a request for a public evidentiary hearing upon any such objection. A copy of each objection filed by a person other than the petitioner shall be served by the Administrator on the petitioner. The petitioner shall have 30 days to make a written reply to the objections. The Administrator may, upon the initiative of the Administra-

tor or upon the request of the person who filed an objection and after due notice, hold a public hearing if and to the extent the Administrator determines a public hearing is necessary to receive factual evidence relevant to material issues of fact raised by such objections. As soon as practicable (but not later than 60 days after receiving such reply or after completion of the hearing, if a hearing was found to be necessary), the Administrator shall issue an order under this paragraph stating the action taken upon each such objection and setting forth any revision to the regulation issued under paragraph (4) that the Administrator has found to be warranted. If a hearing is held, the order issued under this paragraph and any revision to the regulation issued under paragraph (4) shall, with respect to questions of fact at issue in the hearing, be based only on substantial evidence of record at such hearing, and the order issued under this paragraph shall set forth detailed findings of facts, and conclusions of law or policy, upon which such revision shall be based. The revised regulation issued under this paragraph shall not take effect before the 90th day after its publication unless the Administrator finds that emergency conditions exist necessitating an earlier effective date, in which event the Administrator shall specify in the order issued under this paragraph his findings as to such conditions.

"(8) JUDICIAL REVIEW.—

"(A) GENERAL RULE.—Any person (including a person without an economic interest) who will be adversely affected by—

"(i) an order issued under paragraph (4) denying a petition, or

"(ii) an order issued under paragraph (7) or a regulation which is the subject of such an order,

may obtain judicial review of such order or regulation by filing in the United States Court of Appeals for the circuit wherein such person resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within 60 days after publication of the order under paragraph (4) or (7), a petition praying that the order or regulation be set aside in whole or in part.

"(B) PETITIONS.—A copy of the petition shall be forthwith transmitted by the clerk of the court to the Administrator, or any officer designated by the Administrator for that purpose, and thereupon the Administrator shall file in the court the record of the proceedings on which the Administrator based the order or regulation, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have exclusive jurisdiction to affirm or set aside the order or regulation complained of in whole or in part. The standard of review shall be that specified in section 706 of title 5, United States Code.

"(C) ADDITIONAL EVIDENCE.—If application is made to the court for leave to adduce additional evidence, the court may order such additional evidence to be taken before the Administrator and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may seem proper if such evidence is material and there were reasonable grounds for failure to adduce such evidence. The Administrator may modify the Administrator's findings as to the facts by reason of the additional evidence so taken and may modify the order or regulation accordingly. The Administrator shall file with the court any such modified finding, order, or regulation.

"(D) JUDGMENT.—The judgment of the court affirming or setting aside, in whole or in part, any order under paragraph (7) and any regulation which is the subject of such an order shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code. The commencement of proceedings under this paragraph shall not, unless specifically ordered by the court to the contrary, operate as a stay of a regulation or order.

"(e) ACTION ON ADMINISTRATOR'S OWN INITIATIVE.—

"(1) GENERAL RULE.—The Administrator may issue a regulation—

"(A) establishing, modifying, or revoking a tolerance for a pesticide chemical or a pesticide chemical residue, or

"(B) establishing or revoking an exemption of a pesticide chemical residue from the requirement of a tolerance.

"(2) EFFECTIVE DATE.—

"(A) GENERAL RULE.—

"(i) PUBLICATION.—Except as provided in subparagraph (B), a regulation issued under paragraph (1) shall take effect upon its publication.

"(ii) FURTHER PROCEEDINGS AND REVIEW.—Upon publication, a regulation issued under paragraph (1) shall be subject to paragraph (7) of subsection (d), except that copies of objections filed under such paragraph are not required to be served on any interested person by the Administrator and there is no requirement for a time period within which interested persons may make a written reply to the objections. If a regulation has been subject to further proceedings under such paragraph (7), the regulation shall be subject to review in accordance with paragraph (8) of subsection (d).

"(B) DELAY.—

"(i) GENERAL RULE.—If a regulation issued under paragraph (1) revokes or lowers one or more tolerance for a pesticide chemical or pesticide chemical residue or revokes an exemption for a pesticide chemical residue, the Administrator shall, in accordance with clause (ii), delay the effective date of the regulation to permit the tolerance or exemption to remain in effect at the level in effect immediately before such regulation is issued only—

"(I) for raw agricultural commodities and processed foods which, on the date of the publication of the regulation, contain such pesticide chemical residue in an amount which is not more than such level and for processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue, and

"(II) if dietary exposure to the pesticide chemical residue in or on the raw agricultural commodities or processed foods described in subclause (I) meets the negligible risk standard prescribed by subsection (b)(2).

For purposes of subclause (II), dietary exposure shall be determined only with respect to the tolerances which are subject to the regulation and only with respect to the period of consumption of such commodities and food.

"(ii) PERIOD OF DELAY.—The effective date of such a revocation or modification shall be delayed under clause (i) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

"(3) NOTICE.—Before issuing a regulation under paragraph (1), the Administrator shall issue a notice of proposed rulemaking and provide a period of not less than 30 days for public comment on the proposed regulation, except that a shorter period for comment may be provided if the Administrator finds that it would be contrary to the public interest to do so and states the reasons for that finding in the notice of proposed rulemaking.

"(4) IMMINENT HAZARD.—

"(A) GENERAL RULE.—If the Administrator determines that—

"(i) revocation of an exemption under subsection (c) from the requirement for a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food,

"(ii) in conjunction with the revocation of such an exemption, establishment of a tolerance for the pesticide chemical residue covered by the exemption under which tolerance only residues which meet the standard under subparagraph (A) or (B) of subsection (b)(2) will be permitted to remain on the commodity or food,

"(iii) establishment of a tolerance for a pesticide chemical residue in or on a raw agricultural commodity or processed food which is lower than a tolerance permitted in a regulation in effect for such pesticide chemical residue and under which new tolerance only residues which meet the standard under subparagraph (A) or (B) of subsection (b)(2) will be permitted to remain on the commodity or food, or

"(iv) revocation of a tolerance in effect for a pesticide chemical residue,

is necessary to prevent an imminent hazard to the public health, the Administrator shall, without regard to the procedures required for such action, by order take such action. In issuing such an order, the Administrator shall give prompt notice of the action to the person who requested the exemption or tolerance which will be changed by the order. Such an order shall be effective upon its issuance and shall be published in the Federal Register.

"(B) PROCEDURE.—

"(i) HEARING.—Within 5 days of the publication in the Federal Register of an order issued under subparagraph (A), any interested person may request the Administrator to hold a public hearing on the order. If the Administrator receives a request for a public hearing within the time period prescribed by the preceding sentence, the Administrator shall commence such hearing within 5 days of the receipt of the request. Within 10 days of the completion of such a hearing, the Administrator shall either affirm the order which was the subject of the hearing or revise it. The Administrator shall publish in the Federal Register any revised order.

"(ii) EFFECT OF HEARING.—If a hearing is requested under clause (i) with respect to an order issued under subparagraph (A), the Administrator shall not delay the effective date of the order. Such an order—

"(I) may not be judicially reviewed under chapter 7 of title 5, United States Code, until the order has been affirmed or revised by the Administrator after the completion of the hearing, and

"(II) may not be stayed by a court while the order is being judicially reviewed.

"(5) DEFINITION.—For purposes of this subsection, the Administrator may find an imminent hazard exists with respect to a pesticide chemical residue if the Administrator determines that the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical residue is significantly greater than the negligible risk standard prescribed by subsection (b)(2).

"(f) SPECIAL DATA REQUIREMENTS.—

"(1) DETERMINATION OF INADEQUATE DATA.—If a tolerance is in effect for a pesticide chemical added to a raw agricultural commodity or processed food or tolerance or an exemption from the requirement for a tolerance is in effect for a pesticide chemical residue in or on a raw agricultural commodity or processed food and the data contained in the petition under subsection (d) which had been submitted to establish the tolerance or exemption from the tolerance for such pesticide chemical or pesticide chemical residue, including a petition submitted before the date of the enactment of this paragraph, are not adequate to support the continuation of such tolerance or exemption because—

"(A) based on the data contained in the petition and other data available to the Administrator, there is reason to believe that dietary exposure to such pesticide chemical or pesticide chemical residue from all known sources (including drinking water) may present a risk to human health, including the health of identifiable population groups (such as infants and other children) with specific food consumption patterns, that is greater than the negligible risk standard prescribed by subsection (b)(2), or

"(B) the data contained in the petition do not meet the requirements of clauses (iv) and (v) of subsection (d)(2)(A),

the Administrator shall take the action described in paragraph (2).

"(2) ACTION BY ADMINISTRATOR.—When the Administrator makes the determination described in paragraph (1) with respect to a tolerance or exemption for a pesticide chemical or pesticide chemical residue, the Administrator shall, within 30 days of the date of the determination, require the submission of data to support—

"(A) the existing tolerance, or

"(B) a new tolerance for such chemical or residue,

which meets the standard under subsection (b)(2) or (c)(2), unless the Administrator initiates an action under subsection (e) to modify or revoke the tolerance or to revoke the exemption because such tolerance or exemption does not meet the standard under subsection (b)(2) or (c)(2).

"(3) SUBMISSION OF REQUIRED DATA.—When the Administrator requires the submission of data under paragraph (2), the Administrator shall publish in the Federal Register an order—

"(A) requiring one or more interested persons to notify the Administrator that such person will submit the required data,

"(B) describing the type of data required to be submitted,

"(C) describing the reports required to be made during and after the collection of the data,

"(D) requiring the submission of the data and reports referred to in subparagraphs (B) and (C), and

"(E) establishing deadlines for the actions described in subparagraphs (A) and (D).

The Administrator may revise any such order to correct an error.

"(4) DEADLINES.—

"(A) GENERAL RULE.—Except as provided in subparagraphs (B) and (C), if an order is issued under paragraph (3) with respect to a tolerance or exemption and a deadline in the order is not met, the tolerance or exemption shall be considered revoked.

"(B) DELAY REQUEST.—Any person identified under paragraph (3)(A) may request the Administrator to delay the effective date of the revocation. If the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date of the revocation for a period no longer than such time as is necessary for such person to submit the data.

"(C) DELAY.—

"(i) GENERAL RULE.—If a tolerance or exemption is to be considered revoked under subparagraph (A), the Administrator shall, in accordance with clause (ii), delay the effective date of the revocation to permit the tolerance or exemption to remain in effect at the level in effect immediately before the order is issued under paragraph (3) only for—

"(I) raw agricultural commodities and processed foods which, on the date of the deadline in the order, contain such pesticide chemical residue in an amount which is not more than such level, and

"(II) processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue.

"(ii) PERIOD OF DELAY.—The effective date of such revocation shall be delayed under clause (i) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

"(5) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a deadline in an order under paragraph (3) which has not been met, any person adversely affected (including any person without an economic interest) by—

"(A) the revocation of a tolerance or exemption prescribed by paragraph (4)(A), or

"(B) the effective date of a revocation established under paragraph (4)(C),

may file objections to the revocation or the effective date in accordance with paragraph (7) of subsection (d) and all provisions of such paragraph shall apply. If such revocation or effective date is subject to further proceedings under such paragraph (7), the order issued under paragraph (4) in response to the objections shall be subject to review under paragraph (8) of subsection (d).

"(6) EVALUATION OF DATA.—Within 90 days of the date of the receipt of data and reports under paragraph (3), the Administrator shall evaluate such data and reports and determine whether action is required under subsection (e) with respect to the pesticide chemical residue for which the data and reports were submitted so that such residue meets the negligible risk standard prescribed under subsection (b)(2).

"(g) CONFIDENTIALITY OF DATA.—

"(1) GENERAL RULE.—Data submitted to the Administrator in support of a petition under subsection (d) which have not previously been made available to the public without restriction shall upon request of the petitioner be considered as entitled to confidential treatment by the Administrator until publication of a regulation or order under subsection (d)(4) in response to the petition unless disclosure of such data is allowed by this subsection or subsection (h) or is otherwise required by law.

"(2) DISCLOSURE.—Data that are entitled to confidential treatment under paragraph (1) shall not be revealed to any person other than—

"(A) either House of Congress, to the extent of matter within its jurisdiction, any committee or subcommittee thereof, or any joint committee of Congress or any subcommittee of such joint committee,

"(B) employees of the United States authorized by the Administrator to examine such data in the carrying out of their official duties under this Act or other statutes administered by the Environmental Protection Agency, or

"(C) contractors with the United States authorized by the Administrator to examine such data in the carrying out of contracts under such statutes under such security requirements as the Administrator may provide.

"(3) SUMMARIES.—Notwithstanding any provision of this subsection or other law, the Administrator may publish the informative summary required by subsection (d)(2)(A)(i) and may, in issuing a proposed or final regulation or order under this section, publish an informative summary of the data relating to the regulation or order.

"(h) ACCESS TO DATA IN SUPPORT OF PETITION.—

"(1) GENERAL RULE.—If data in support of a petition is submitted to the Administrator, the Administrator, before acting on such petition, shall provide, in accordance with this paragraph, public access to health and safety data that are submitted or cited in support of such petition. To obtain access to such data, a person shall send by certified mail—

"(A) not later than 30 days after the publication under subsection (d)(3) of a notice of the filing of a petition, and

"(B) simultaneously to the Administrator and to the petitioner,

a request for such access and the affirmation required by paragraph (2). Unless within 15 days after the receipt by the Administrator of a request for access to such data and of an affirmation complying with paragraph (2) the petitioner submits to the Administrator an objection to the request asserting that the affirmation is inaccurate and the reasons for the objection, the Administrator shall grant the request. If an objection to a request is submitted to the Administrator within such 15-day period, the Administrator shall determine whether to grant the request within 5 days after the receipt of the objection. If the Administrator determines to grant the request, access shall not be permitted until 5 days after the petitioner making the objection has been notified that access has been granted. If access to data is denied, comments on the petition for which such data were submitted or cited shall be filed within 60 days after the decision of the Administrator denying access.

"(2) RESTRICTION.—Data referred to in paragraph (1) may be made available only to a person who provides an affirmation (and such supporting evidence as the Administrator considers necessary) which—

"(A) states that the person is not engaged in, and is neither employed by nor acting (directly or indirectly) on behalf of any other person or affiliate thereof engaged in, the production, sale, or distribution of a pesticide chemical,

"(B) identifies any business, employer, or other person, if any, on whose behalf the person is requesting access to the data, and

"(C) states that the person will not intentionally or recklessly violate this subsection. For purposes of this paragraph, an affiliate of a person is a person who directly or indirectly, through one or more intermediates, controls or is controlled by or is under common control with the other person. Section 1001 of title 18, United States Code, shall apply to an affirmation made under this paragraph.

"(3) COMMENTS.—

"(A) GENERAL RULE.—Data supporting a petition may be made available under paragraph (1) to a person only for the purpose of permitting the person to comment to the Administrator on such petition. Such comments may reasonably quote data submitted to the Administrator. No person, including the Administrator, may make such comments public before the decision of the Administrator on the petition for which such data were submitted or after such decision if the petition is denied.

"(B) RESTRICTIONS.—A person who obtains data under paragraph (1) (directly or indirectly) may not—

"(i) publish, copy, or transfer the data to any other person to obtain approval to sell, manufacture, or distribute a pesticide chemical anywhere in the world, or

"(ii) use the data for any purpose in any court or agency of the United States or any State or political subdivision thereof before the decision of the Administrator on the petition for which such data were submitted or after such decision if the petition is denied.

"(4) PROCEDURE.—Data made available under paragraph (1) may be examined at an office of the Environmental Protection Agency or an appropriate State agency under the conditions prescribed by this subsection and may not be removed from such office. The Administrator shall maintain a record of the persons who inspect data. A copy of such record shall be sent to the data submitter on request. Once access to data supporting a petition is granted, the data may be examined and notes may be taken for use in developing comments on the petition. Such comments on the petition shall be filed within 60 days after the decision of the Administrator granting access, unless the comment period is extended by the Administrator for an additional 30 days for good cause.

"(i) OTHER REGULATIONS.—

"(1) REGULATIONS UNDER SECTION 406.—Regulations affecting pesticide chemical residues in or on raw agriculture commodities promulgated, in accordance with section 701(e), under the authority of section 406(a) upon the basis of public hearings instituted before January 1, 1953, shall be deemed to be regulations issued under this section and shall be subject to modification or revocation under subsections (d) and (e).

"(2) REGULATIONS UNDER SECTION 409.—Regulations establishing tolerances for pesticide chemical residues in processed food under section 409 on or before the date of the enactment of this subsection shall be deemed to be regulations issued under this section if the pesticide chemical residue for which the tolerance was established meets the negligible risk standard under subsection (b)(2). If such pesticide chemical residue does not meet such standard, the 409 regulation for such residue shall be deemed to be a regulation issued under this section for such residue and the residue shall be subject to section 5 of the Food Safety Amendments of 1989.

"(j) F.D.A. MONITORING OF PESTICIDE CHEMICAL RESIDUES.—The Secretary shall conduct surveillance and compliance sampling of raw agricultural commodities and processed foods for pesticide chemical residues to determine if the pesticide chemical residues are in compliance with this section. As part of such surveillance and compliance sampling, the Secretary shall—

"(1) sample those raw agricultural commodities and processed foods for which there are tolerances under this section which are the subject of a notice under section 5(b)(1)(B) of the Food Safety Amendments of 1989 during the period section 5 of such Amendments applies, and

"(2) sample those raw agricultural commodities and processed foods for which there are tolerances under this section if the tolerances were established on a dietary exposure based on actual levels of the pesticide chemical residue under subsection (b)(2)(C)(ii)(II).

"(k) FEES.—The Administrator shall by regulation require the payment of such fees as will in the aggregate, in the judgment of the Administrator, be sufficient over a reasonable term to provide, equip, and maintain an adequate service for the performance of the Administrator's functions under this section. Under such regulations, the performance of the Administrator's services or other functions under this section may be conditioned upon the payment of such fees. Such regulations may further provide that the continuation in effect of a tolerance or exemption shall be conditioned upon the payment of an annual fee and for waiver or refund of fees in whole or in part when in the judgment of the Administrator such waiver or refund is equitable and not contrary to the purposes of this subsection.".

SEC. 5. EVALUATION OF EXISTING PESTICIDE CHEMICAL RESIDUES.

(a) INITIAL ACTION.—

(1) EVALUATION.—Within 90 days of the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall—

(A) for each pesticide chemical residue which is required to have a tolerance or an exemption from the requirement for a tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act, evaluate all available data with respect to the safety of such pesticide chemical residue and the nature and amount of such residue remaining in or on raw agricultural commodities and processed foods, and

(B) determine if there is reason to believe that dietary exposure to such a pesticide chemical residue may present a risk greater than the negligible risk standard prescribed by section 408(b)(2) of such Act.

(2) SUFFICIENT DATA.—If with respect to any pesticide chemical residue which is evaluated under paragraph (1)—

(A) the Administrator determines that data for the pesticide chemical residue are sufficient to determine that dietary exposure to the pesticide chemical residue presents a risk greater than such negligible risk standard and that additional data are needed to support the continuation of a tolerance for the pesticide chemical residue or of the exemption for such chemical under such section 408, and

(B) the Administrator intends to issue a subsection (b)(1)(B) notice for the residue,

the Administrator shall, within 30 days of the date of such determination, take the action described in section 408(f)(2) of the Federal Food, Drug, and Cosmetic Act.

(3) INSUFFICIENT DATA.—If with respect to any pesticide chemical residue which is evaluated under paragraph (1) the Administrator determines that the data are insufficient to make the determination described in subparagraph (B) of paragraph (1), the Administrator shall, within 30 days of the date of such determination, take the action described in section 408(f)(2) of such Act. When the Administrator determines that the data with respect to a pesticide chemical residue are sufficient to make such determination, the Administrator shall make the determination within 90 days of receiving the sufficient data.

(b) DETERMINATION OF RISK GREATER THAN NEGLIGIBLE.—

(1) ACTION BY THE ADMINISTRATOR.—If the Administrator of the Environmental Protection Agency determines under subsection (a) that dietary exposure to a pesticide chemical residue may present a risk greater than the negligible risk standard prescribed by such section 408(b)(2), the Administrator shall—

(A) initiate an action under section 408(e) of such Act to—

(i) lower one or more tolerances applicable to the pesticide chemical residue so that dietary exposure to the pesticide chemical residue meets such negligible risk standard,

(ii) revoke any exemption in effect for the pesticide chemical residue and establish one or more tolerances for the residue so that dietary exposure to the residue meets such negligible risk standard, or

(iii) revoke the exemption or all tolerances for the pesticide chemical residue if—

(I) lowering one or more tolerances for the pesticide chemical residue or establishing one or more tolerances upon the revocation of an exemption will not result in dietary exposure to the pesticide chemical residue meeting such negligible risk standard, and

(II) the risk from dietary exposure to the pesticide chemical residue during the 4-year period beginning on the date of the Administrator's determination is significantly greater than such negligible risk standard, or

(B) if the risk presented by dietary exposure to the pesticide chemical residue, during the 4-year period beginning on the date of the Administrator's determination, is not significantly greater than such negligible risk standard, issue a notice in the Federal Register containing the information prescribed by paragraph (2) and specifying that the requirements of paragraph (3) apply.

(2) NOTICE CONTENT.—A notice issued under paragraph (1)(B) for a pesticide chemical residue shall—

(A) state the name of the pesticide chemical residue for which the notice is issued,

(B) specify the raw agricultural commodities and processed foods for which the pesticide chemical residue has tolerances or an exemption and specify the level of the residue permitted under the tolerances,

(C) specify the dates the tolerances and the exemption were issued,

(D) specify the risk presented by dietary exposure to the pesticide chemical residue and by each tolerance and any exemption

issued for the pesticide chemical residue, and

(E) specify any identifiable population group (including infants and other children) with a special food consumption pattern for which the risk presented by dietary exposure to the pesticide chemical residue may exceed such negligible risk standard.

(3) REQUIREMENTS.—If a notice is issued under paragraph (1)(B) with respect to a pesticide chemical residue—

(A) then, within 2 years of the date of the issuance of the notice, the person who petitioned for the tolerance for the pesticide chemical residue or any other person who advises the Administrator that such person will submit the data required by this subparagraph shall submit to the Administrator data for such pesticide chemical which indicate the lowest residue level which is reasonably required to allow the accomplishment of the physical or other technical effect for which the use of such pesticide chemical is intended,

(B) then, within 2 years of the date of the issuance of the notice, there shall be a method for detecting and measuring the levels of such residues which meets the requirements of section 408(b)(2)(E) of such Act,

(C)(i) if the notice was issued for a pesticide chemical residue with one or more tolerances, then, within 2 years of the date of the issuance of the notice, the risk presented by dietary exposure under each tolerance for the pesticide chemical residue must not be greater than the negligible risk standard prescribed by such section 408(b)(2), except that for purposes of this clause such standard shall be considered to have been determined for each tolerance in effect for the pesticide chemical residue without regard to any other tolerance in effect for the residue, and

(ii) if the notice was issued for a pesticide chemical residue with an exemption, then, within 2 years of the date of the issuance of the notice, the exemption shall be revoked and one or more tolerances shall be established so that the risk presented by dietary exposure under each tolerance for the residue meets such negligible risk standard as described in clause (i), and

(D) then, within 4 years of the date of the issuance of the notice, the risk presented by dietary exposure to the pesticide chemical residue must not be greater than the negligible risk standard prescribed by such section 408(b)(2).

(4) CONSEQUENCES.—

(A) DATA NOT SUBMITTED.—If the data required to be submitted by paragraph (3)(A) for a pesticide chemical residue are not submitted to the Administrator within the time prescribed by such paragraph, each tolerance or the exemption in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c). A person required to submit such data may request the Administrator to delay the effective date of the revocation. If such a request is made and if the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date of the revocation for a period no longer than such time as is necessary for such person to submit the data.

(B) METHOD OF ANALYSIS NOT APPROVED.—If the method of analysis required by paragraph (3)(C) for a pesticide chemical residue is not approved by the Administrator by the expiration of the 2-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for the pesticide chemical residue, each tolerance and the exemption for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(C) SPECIAL RISK STANDARD.—

(i) RESIDUE WITH TOLERANCE.—Within 30 days of the expiration of the 2-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for a pesticide chemical residue with one or more tolerances, the Administrator shall determine from the best available data if the requirements of paragraph (3)(C)(i) have been met. If the Administrator's determination is that such requirements have not been met—

(I) the Administrator shall, within 30 days of the date of such determination, take action under section 408(e) of such Act to modify one or more existing tolerances so that the risk presented by dietary exposure to the pesticide chemical residue under each tolerance in effect for it is not greater than the negligible risk standard as described in paragraph (3)(C)(i), or

(II) if the Administrator determines that tolerances that will enable the pesticide chemical residue to meet such standard are not feasible, each tolerance in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(ii) RESIDUE WITH EXEMPTION.—Within 30 days of the expiration of the 2-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for a pesticide chemical residue with an exemption, the Administrator shall determine from the best available data if the requirements of paragraph (3)(C)(ii) have been met. If the Administrator's determination is that such requirements have not been met all tolerances and any exemption in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(D) NEGLIGIBLE RISK STANDARD.—Within 30 days of the expiration of the 4-year period beginning on the date of the issuance of a notice under paragraph (1)(B) for a pesticide chemical residue, the Administrator shall determine if the requirements of paragraph (3)(D) have been met. If the Administrator's determination is that the requirements have not been met—

(i) the Administrator shall—

(I) within 30 days of the date of the determination, initiate action under section 408(e) of such Act to modify one or more tolerances so that the risk presented by dietary exposure to the pesticide chemical residue meets the negligible risk standard prescribed by such section 408(b)(2), and

(II) within 180 days of the date of the determination, complete such action, or

(ii) if the Administrator determines that tolerances that will enable the pesticide chemical residue to meet such standard are not feasible, each tolerance in effect for the pesticide chemical residue shall be considered revoked, except as provided in subsection (c).

(c) PIPELINE.—

(1) GENERAL RULE.—The Administrator of the Environmental Protection Agency shall, in accordance with paragraph (2), delay the effective date of a revocation of a tolerance or exemption under subsection (b)(4) to permit the tolerance or exemption to remain in effect at the level in effect immediately before the date revocation was to take effect only—

(A) for raw agricultural commodities and processed foods which, on the date the revocation was to take effect, contain such pesticide chemical residue in an amount which is not more than such level and for processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue, and

(B) if dietary exposure to the pesticide chemical residue in or on the raw agricultural commodities or processed foods described in subparagraph (A) meets the negligible risk standard prescribed by such section 408(b)(2).

For purposes of subparagraph (B), dietary exposure shall be determined only with respect to the tolerances which are subject to the revocation and only with respect to the period of consumption of such commodities and food.

(2) PERIOD OF DELAY.—The effective date of such revocation shall be delayed under paragraph (1) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

(d) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a revocation under subsection (b)(4) determined without regard to subsection (c), any person adversely affected (including any person without an economic interest) by—

(1) the revocation of a tolerance or exemption prescribed by subsection (b)(4), or

(2) the effective date of a revocation established under subsection (c),

may file objections to the revocation or the effective date in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If such revocation or effective date is subject to further proceedings under such paragraph (7), the order issued under paragraph (7) in response to such objections shall be subject to review under paragraph (8) of such section 408(d).

SEC. 6. REVISED NEGLIGIBLE RISK STANDARD.

(a) NEW STANDARD.—Effective upon the expiration of 6 years after the date of the enactment of this Act, subparagraphs (A) and (B) of section 408(b)(2) of the Federal Food, Drug, and Cosmetic Act are amended to read as follows:

"(A) NEGLIGIBLE RISK STANDARD.—Except as provided in subparagraph (D)(ii) and section 5 of the Food Safety Amendments of 1989—

"(i) a tolerance may be established for a pesticide chemical residue in or on a raw agricultural commodity or a processed food only if the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to—

"(I) the pesticide chemical residue, and

"(II) all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or processed food as the pesticide chemical residue for which the tolerance is to be established,

is negligible, and

"(ii) the tolerance for a pesticide chemical residue in or on a raw agricultural commodity or a processed food shall be revoked or modified if the risk to human health, in-

cluding the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to—

"(I) the pesticide chemical residue, and

"(II) all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or processed food as the pesticide chemical residue for which the tolerance is to be established,

is greater than negligible.

"(B) CRITERIA FOR NEGLIGIBLE RISK.—For purposes of subparagraph (A), the term 'negligible' means—

"(i) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are not likely to have any adverse human health effect below an identifiable level, the level at which the pesticide chemical residue combined with all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or procesed food as the pesticide chemical residue will not cause or contribute to any known or anticipated adverse effects on human health, and

"(ii) for pesticide chemical residues in or on a raw agricultural commodity or a processed food which are likely to have an adverse human health effect at any level, the level at which the pesticide chemical residue combined with all other pesticide chemical residues which have a tolerance for such raw agricultural commodity or processed food and which are usually used on the same raw agricultural commodity or processed food as the pesticide chemical residue—

"(I) is not likely to cause or contribute to any additional adverse human health effects in the population exposed to the pesticide chemical residue, and

"(II) will not cause or contribute in the population exposed to the pesticide chemical residue to a risk of adverse human health effects which exceeds a rate of one in a million,

using conservative risk assessment models.

In establishing a pesticide chemical residue level under clause (i) the Administrator shall include an ample margin of safety which is based on consideration of the nature of the toxic effects, the validity, completeness, and the reliability of the data about the pesticide chemical residue, the variability of individual sensitivities and the sensitivities of population subgroups to the adverse effects, and the possibility that human susceptibility to the adverse effects are significantly greater than that of test animals. For purposes of the preceding sentence, a margin of safety for a level of a pesticide chemical residue is not ample unless human exposure per unit of body measurement to the pesticide chemical residue is at least 100 times less than the no observable effect level in animals on which the pesticide chemical residue was tested. The no observable effect level is the level of exposure which reliable experimental data, derived from exposing animals to the pesticide chemical, shows induces no adverse effects in the experimental animals.".

(b) ACTION BY ADMINISTRATOR.—Within one year of the effective date of the amendment made by subsection (a), the Administrator of the Environmental Protection Agency shall take action under section 408(e) of the Federal Food, Drug, and Cosmetic Act to revoke or modify all tolerances for pesticide chemical residues which do not meet the standard prescribed by such amendment.

SEC. 7. REVIEW OF EXISTING TOLERANCES.

Except as provided in section 5, not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall determine for each tolerance for a pesticide chemical residue established under section 408 of the Federal Food, Drug, and Cosmetic Act and in existence on the date of enactment whether the Administrator is required to take the action described in section 408(f)(2) of such Act. If the Administrator determines that the Administrator is required to take such action, the Administrator shall take such action within 180 days of the date of the determination.

SEC. 8. REVIEW OF EXISTING EXEMPTIONS.

(a) SUBMISSION OF DATA REQUIREMENTS.—Except as provided in section 5 of the Food Safety Amendments of 1989, not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register an order which—

(1) provides a list of all pesticide chemicals and pesticide chemical residues which, on the date of the enactment of this Act, have exemptions from the requirement for a tolerance and which do not meet the requirements of section 408(c) of the Federal Food, Drug, and Cosmetic Act,

(2) requires the identification of the person who will submit the necessary data to continue the exemption or to establish a tolerance for such pesticide chemical residues,

(3) describes the type of data required to be submitted,

(4) describes the reports required to be made during and after the collection of the data,

(5) requires the submission of the data and reports referred to in paragraphs (3) and (4) not later than 48 months after the issuance of the order, and

(6) establishes deadlines for the actions described in paragraphs (2), (3), (4), and (5).

(b) DEADLINES.—

(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), if an order is issued under subsection (a) with respect to an exemption and a deadline in the order is not met, the exemption shall be considered revoked.

(2) DELAY REQUEST.—A person identified under subsection (a)(2) may request the Administrator of the Environmental Protection Agency to delay the effective date of a revocation. If the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date of the revocation of the exemption for a period no longer than such time as is necessary for such person to submit the data.

(3) PIPELINE.—

(A) DELAY.—If an exemption is to be considered revoked under paragraph (1), the Administrator shall, in accordance with subparagraph (B), delay the effective date of the revocation to permit the exemption to remain in effect at the level in effect immediately before the order is issued under subsection (a) only for those—

(i) raw agricultural commodities and processed foods which, on the date of the deadline in the order, contain such pesticide chemical residue in an amount which is not more than such level, and

(ii) processed foods which are made from raw agricultural commodities which on such date contained such amount of such residue

(B) DELAY PERIOD.—The effective date of such revocation shall be delayed under subparagraph (A) for each type of raw agricultural commodity or processed food which contains such pesticide chemical residue until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

(4) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a deadline in an order under subsection (a) which has not been met, any person adversely affected (including any person without an economic interest) by—

(A) the revocation of a tolerance or exemption prescribed by such subsection, or

(B) the effective date of a revocation established under paragraph (3),

may file objections to the revocation or the effective date in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If such revocation or effective date is subject to further proceedings under such paragraph (7), the order issued under paragraph (7) in response to such objections shall be subject to review under paragraph (8) of subsection (d).

(c) EVALUATION OF DATA.—Within 90 days of the date of the receipt of data and reports under subsection (a), the Administrator of the Environmental Protection Agency shall evaluate such data and reports and determine whether action is required under section 408(e) of the Federal Food, Drug, and Cosmetic Act with respect to the pesticide chemical residue for which the data and reports were submitted so that a pesticide chemical residue meets the negligible risk standard prescribed under section 408(b)(2) of such Act.

SEC. 9. INERT INGREDIENTS.

(a) LIST.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register a list of inert ingredients—

(1) which are generally recognized, among experts qualified by scientific training or experience to evaluate the safety of inert ingredients, as safe, or

(2) which are required under section 408(a)(2) of the Federal Food, Drug, and Cosmetic Act to either have a tolerance or to be included in the tolerance for an active ingredient of a pesticide chemical residue or pesticide chemical.

(b) SUBMISSION OF DATA REQUIREMENTS.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register an order for inert ingredients described in subsection (a)(2) which—

(1) requires one or more interested persons to notify the Administrator that such person will submit the necessary data to establish a tolerance for such ingredient,

(2) describes the type of data required to be submitted,

(3) describes the reports required to be made during and after the collection of the data,

(4) requires the submission of the data and reports referred to in paragraphs (2) and (3), and

(5) establishes deadlines for the actions described in paragraphs (1), (2), (3), and (4).

(c) DEADLINES.—

(1) GENERAL RULE.—Except as provided in paragraph (2) or (3), if an order is issued under subsection (b) with respect to an inert ingredient and a deadline in the order is not met, any pesticide chemical or pesticide chemical residue which contains the inert ingredient shall be considered to be unsafe for purposes of section 402(a)(2)(B) of the Federal Food, Drug, and Cosmetic Act.

(2) DELAY REQUEST.—A person identified under subsection (b)(1) may request the Administrator of the Environmental Protection Agency to delay the effective date of such determination. If the Administrator determines that extraordinary circumstances beyond the control of such person prevented such person from submitting the required data, the Administrator may delay the effective date on which such pesticide chemical is to be considered unsafe for a period no longer than such time as is necessary for such person to submit the data.

(3) PIPELINE.—

(A) DELAY.—If a pesticide chemical or pesticide chemical residue is to be considered unsafe under paragraph (1), the Administrator shall, in accordance with subparagraph (B), delay the effective date on which the pesticide chemical or pesticide chemical residue would be considered unsafe to permit the inert ingredient to be considered safe only for those raw agricultural commodities and processed foods which, on the date of the deadline in the order, contain the inert ingredient and for processed foods which are made from raw agricultural commodities which on such date contained such inert ingredient.

(B) DELAY PERIOD.—The effective date on which the pesticide chemical or pesticide chemical residue containing the inert ingredient is to be considered unsafe shall be delayed under subparagraph (A) for each type of raw agricultural commodity or processed food which contains the inert ingredient until such type of raw agricultural commodity or processed food is sold to consumers in the course of the usual practice for persons engaged in the production, processing, transportation, storage, and distribution of that type of raw agricultural commodity or processed food.

(4) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the date of a deadline in an order under subsection (b), any person adversely affected (including any person without an economic interest) by—

(A) a pesticide chemical or pesticide chemical residue being considered unsafe, or

(B) the effective date of the pesticide chemical or pesticide chemical residue being considered unsafe established under paragraph (3),

may file objections to the pesticide chemical or pesticide chemical residue being considered unsafe or to the effective date in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If consideration of the pesticide chemical or pesticide chemical residue being considered unsafe or such effective date is subject to further proceedings under such paragraph (7), the order issued under subsection (b) in response to such objections shall be subject to review under paragraph (8) of such section 408(d).

(d) EVALUATION OF DATA.—Within 90 days of the date of the receipt of data and reports under subsection (b), the Administrator of the Environmental Protection Agency shall evaluate such data and reports and determine whether action is required under section 408(e) of the Federal Food, Drug, and Cosmetic Act with respect to the pesticide chemical residue for which the data and reports were submitted so that a pesticide chemical residue containing the inert ingredients for which the data and reports were submitted meets the negligible risk standard prescribed under section 408(b)(2) of such Act.

SEC. 10. REVIEW OF GENERALLY RECOGNIZED AS SAFE PESTICIDES.

(a) GENERAL RULE.—Pesticide chemicals and pesticide chemical residues which on the day before the date of the enactment of this Act do not have tolerances or exemptions from tolerances under section 408 of the Federal Food, Drug, and Cosmetic Act because they are generally recognized as safe shall on or after such date not be considered unsafe under section 402(a)(2)(B) of such Act solely because the chemicals do not have such a tolerance or exemption.

(b) SUBMISSION OF DATA REQUIREMENTS.—Not later than one year after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish in the Federal Register an order which—

(1) provides a list of all pesticide chemicals which on the day before the date of the enactment of this Act do not have tolerances or exemptions from tolerances under section 408 of the Federal Food, Drug, and Cosmetic Act because they are generally recognized as safe,

(2) requires the identification of the person who will submit the necessary data to establish a tolerance or exemption for such pesticide chemical,

(3) describes the type of data required to be submitted,

(4) describes the reports required to be made during and after the collection of the data,

(5) requires the submission of the data and reports referred to in paragraphs (3) and (4) not later than 48 months after the issuance of the order, and

(6) establishes deadlines for the actions described in paragraphs (2), (3), (4), and (5).

(c) DEADLINES.—If an order is issued under subsection (b) with respect to a pesticide chemical and a deadline in the order is not met, the Administrator of the Environmental Protection Agency may issue an order declaring the pesticide chemical to be unsafe for the purpose of section 402(a)(2)(B) of the Federal Food, Drug, and Cosmetic Act.

(d) FURTHER PROCEEDINGS AND REVIEW.—Within 60 days of the issuance of an order under subsection (a), any person adversely affected by the order (including any person without an economic interest) may file an objection to the order in accordance with paragraph (7) of section 408(d) of the Federal Food, Drug, and Cosmetic Act and all provisions of such paragraph shall apply. If such order is subject to further proceedings under such paragraph (7), the order shall be subject to review under paragraph (8) of such section 408(d).

SEC. 11. REVIEW OF EXISTING METHODS OF ANALYSIS.

Within 180 days of the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall determine for each method of detecting and measuring levels of pesticide chemical residues which are subject to section 5(b)(3)(B) of the Food Safety Amendments of 1989 if the requirements of section 408(b)(2)(E) of the Federal Food, Drug, and Cosmetic Act have been met. The Administrator shall issue a notice in the Federal Register identifying each pesticide chemical for which there is such a method which does not meet such requirements. Any such method which does not meet such requirements shall be revised so that it meets such requirements within 3 years of the date of the issuance of the notice. If upon the expiration of such 3 years, a method does not meet such requirements, then any tolerance or exemption in effect for the pesticide chemical residue subject to such method shall be considered revoked.

SEC. 12. DEFINITIONS.

(a) IN GENERAL.—The terms used in sections 5 through 11 of this Act which are the same as the terms used in section 408 of the Federal Food, Drug, and Cosmetic Act shall have the same meaning as is prescribed for those terms by sections 201 and 408 of such Act.

(b) DIETARY EXPOSURE.—As used in section 5 of this Act, the term "dietary exposure" refers to dietary exposure as determined under section 408(b)(2)(C) of the Federal Food, Drug, and Cosmetic Act.

(c) EXEMPTION.—As used in sections 5 through 11 of this Act, the term "exemption" means an exemption from the requirement for a tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act.●

● Mr. DODD. Mr. President, I rise in enthusiastic support of legislation being introduced today by my colleagues Senator KENNEDY and Congressman WAXMAN. The Food Safety Amendments of 1989, by Amending the Federal Food, Drug and Cosmetic Act, will enable the Environmental Protection Agency the authority it needs and deserves to establish risk-based tolerances for food-use pesticides. Further, and as important, it will simplify the defined procedure regarding regulation of these products.

Three weeks ago the Labor and Human Resources Committee, Subcommittee on Children, Families, Drugs and Alcoholism, which I chair, held a hearing on "Pesticide Residues and Their Health Risks to Children." The particular focus of the hearing was on the chemical daminozide [ALAR] and its breakdown product, UDMH. The issue of pesticide risks has become one of increasing concern to parents. The goals of the hearing were to clarify this charged, highly publicized issue, and allow all parties to present their views. Our intent was to provide parents with the balanced information they need to choose what their children eat. That objective I believe was met. However, we now need to go further. Important testimony given during the hearing made it clear that even though interim data is sufficiently worrisome in regard to its carcinogenic properties, a particular chemical pesticide—in this case, daminozide—can endure protracted periods before the EPA can finally cancel

the pesticide's registration. This is all due to peculiarities of the law which are both outdated and inadequate.

The Food Safety Amendments of 1989 will establish risk-based food safety standards which are consistent with the regulatory authority already in place for the Food and Drug Administration relating to food and color additives, and environmental contaminants. The EPA will regulate all pesticide residues in raw and processed foods, by using a negligible risk standard. Currently the registration of older pesticides that may pose risk exceeding a negligible risk standard can continue to be maintained. This bill will allow EPA to reduce the high risks associated with certain types of pesticides more quickly. If the EPA determines that test data suggest a certain pesticide poses greater than a negligible risk of causing cancer it would be removed from the market.

It is time to move on this vitally important area. The National Academy of Sciences issued a report in 1987 "Regulating Pesticides in Food" which criticized the U.S. pesticide regulatory authority and efforts. In 1988, the OTA released a similar report with consistent recommendations; new and improved methods for detection and regulation authority are needed. Numerous congressional hearings have been held. The recommendations have been common. A survey conducted this year by the Food Market Institute showed that approximately 75 percent of consumers polled are very concerned about the risks posed by pesticides in foods—a higher percentage than those worried about other components in foods, salt, cholesterol, fats, additives. There is a new administration, and a new and very well regarded Administrator of the EPA. I encourage my colleagues to join me in assisting the Agency in the ways that it can to ensure the safe use of chemicals and pesticides.●

By Mr. GRAHAM:

S. 724. A bill to modify the boundaries of the Everglades National Park and to provide for the protection of lands, waters, and natural resources within the park, and for other purposes; to the Committee on Energy and Natural Resources.

EVERGLADES NATIONAL PARK PROTECTION AND EXPANSION ACT OF 1989

● Mr. GRAHAM. Mr. President, I am pleased to introduce the Everglades National Park Protection and Expansion Act of 1989, an extremely important piece of legislation in the preservation of a world class resource in southern Florida. I want to thank my friend and colleague, DANTE FASCELL, who is introducing identical legislation today in the other body.

This legislation is vital to the immediate recovery and long-term restoration of Everglades National Park. The park was established in 1947, and since that time has suffered loss of flora and fauna. The ecological deterioration was exacerbated by canal projects in the 1960's, authorized prior to the National Environmental Policy Act and the Endangered Species Act.

As a result, the potential impacts of the central and southern projects were never fully assessed or understood in light of these statutes. This legislation offers the potential to mitigate the damages visited upon Everglades National Park by the central and southern projects and the loss of adjacent wetlands to development.

Since the 1930's, the park has lost about 90 percent of its wading bird population. The roseate spoonbill population has plummeted 50 percent since the 1980 census. For the last 2 years, at least 50 percent of the park's alligator reproduction has been destroyed. Since the 1950's, the endangered woodstork population has declined from 2,370 nesting pairs to 373 pairs in the 1980's. For the last 2 years, we have experienced total reproduction failure due to conditions aggravated by water management activities. The proposed addition will restore 35 percent of the former woodstork historic feeding range.

The last remaining habitat available to the park population for the endangered Florida panther will be protected in the park. Current the only known male panther in the park population utilizes the area to be added to the park. The proposed addition will also enhance the habitat available to the endangered snail kite and the endangered cape sable sparrow.

Everglades National Park is in danger of dying. Not from a single fatal blow, but from the cumulative impacts of numerous activities. Without this proposed addition and the subsequent alterations in water management practices, Everglades National Park could face ecological collapse within the next few decades if we fail to promote restoration to a more natural State.

This legislation is based upon recommendations of the East Everglades Land Acquisition Task Force, established by Governor Martinez in March 1988. Its members included Federal, State, and local government representatives, as well as two private citizens. Task force participation, bill drafting, and expansion support have been borne out of bipartisan cooperation.

Approximately 110,000 acres would be added to the Everglades National Park, of which about 43,000 acres would be transferred from the State to the Federal Government. The remaining acreage would be purchased on an 80 percent-Federal—20 percent-State cost-sharing basis, at an estimated total acquisition cost of $40 million.

The areas to be acquired, consistent with the task force recommendations, include: 70,740 acres in the northeast shark river slough—8,350 of these are already publicly owned; 34,560 acres in the East Everglades Wildlife and Environmental Conservation Area, jointly owned by the State and the south Florida water management district; and 2,300 acres in an area between the East Everglades Wildlife and Environmental Conservation Area and the L-31 canal.

This is a proposal that is vital if we are to save the fragile subtropical wilderness. We must restore the river of grass to the extent humanly possible, given the human deterioration imposed on this unique ecosystem. The expansion we are proposing complements the acquisition of the big cypress addition on the northern side of the everglades, approved last year. Such buffers to the park will make possible the preservation of the precious resource we call the everglades.

Mr. President, I invite and encourage cosponsorship of this important piece of preservation legislation. I ask unanimous consent that the full text of my bill be printed in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 724

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Everglades National Park Protection and Expansion Act of 1989".

TITLE I—EVERGLADES NATIONAL PARK EXPANSION

SEC. 101. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Everglades National Park is a nationally and internationally significant resource and the park has been adversely affected and continues to be adversely affected by external factors which have altered the ecosystem including the natural hydrologic conditions within the park.

(2) The existing boundary of Everglades National Park excludes the contiguous lands and waters of the Northeast Shark River Slough that are vital to long-term protection of the park and restoration of natural hydrologic conditions within the park.

(3) Wildlife resources and their associated habitats have been adversely impacted by the alteration of natural hydrologic conditions within the park, which has contributed to an overall decline in fishery resources and a 90 percent population loss of wading birds.

(4) Incorporation of the Northeast Shark River Slough and the East Everglades within the park will limit further losses suffered by the park due to habitat destruction outside the present park boundaries and will preserve valuable ecological resources for use and enjoyment by future generations.

(5) The State of Florida and certain of its political subdivisions or agencies have indicated a willing ss to transfer approximately 35,000 acres of lands u. r their jurisdic-

tion to the park in order to protect lands and water within the park, and may so transfer additional lands in the future.

(6) The State of Florida has proposed a joint Federal-State effort to protect Everglades National Park through the acquisition of additional lands.

(b) PURPOSE.—The purposes of this Act are to—

(1) increase the level of protection of the outstanding natural values of Everglades National Park and to enhance and restore the ecological values, natural hydrologic conditions, and public enjoyment of such area by adding the area commonly known as the Northeast Shark River Slough and the East Everglades to Everglades National Park; and

(2) assure that the park is managed in order to maintain the natural abundance, diversity, and ecological integrity of native plants and animals, as well as the behavior of native animals, as a part of their ecosystem.

SEC. 102. BOUNDARY MODIFICATION.

(a) AREA INCLUDED.—The boundary of the Everglades National Park (in this Act referred to as the "park") is hereby modified to include approximately 110,000 additional acres (in this Act referred to as the "addition") as generally depicted on the map entitled "Boundary Map, Everglades National Park Addition, Dade County, Florida", numbered 160-20,013, and dated April, 1989. The map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(b) BOUNDARY ADJUSTMENT.—The Secretary of the Interior (in this Act referred to as the "Secretary") may from time to time make minor revisions in the boundaries of the park in accordance with section 7(c) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4 and following). In exercising the boundary adjustment authority the Secretary shall ensure all actions will enhance resource preservation and shall not result in a net loss of acreage from the park.

(c) ACQUISITION.—(1) Within the boundaries of the addition described in subsection (a), the Secretary may acquire lands and interests in land by donation, purchase with donated or appropriated funds, or exchange. For purposes of acquiring property by exchange, the Secretary may, notwithstanding any other provision of law, exchange the approximately one acre of Federal land known as "Gilberts' Marina" for non-Federal land of equal value located within the boundaries of the addition. Any lands or interests in land which are owned by the State of Florida or any political subdivision thereof, may be acquired only by donation.

(2) It is the express intent of Congress that acquisition within the boundaries of the addition shall be completed not later than 5 years after the date of enactment of this section. The authority provided by this section shall remain in effect until all acquisition is completed.

(d) ACQUISITION OF TRACTS PARTIALLY OUTSIDE BOUNDARIES.—When any tract of land is only partly within boundaries referred to in subsection (a), the Secretary may acquire all or any portion of the land outside of such boundaries in order to minimize the payment of severance costs. Land so acquired outside of the boundaries may be exchanged by the Secretary for non-Federal lands within the boundaries, and any land so acquired and not utilized for exchange shall be reported to the General Services Administration for disposal under the Federal Property and Administrative Services Act of 1949 (63 Stat. 377).

(e) OFFERS TO SELL.—In exercising the authority to acquire property under this Act, the Secretary shall give prompt and careful consideration to any offer made by any person owning property within the boundaries of the addition to sell such property, if such owner notifies the Secretary that the continued ownership of such property is causing, or would result in undue hardship.

(f) AUTHORIZATION OF APPROPRIATIONS.—(1) Subject to the provisions of paragraph (2), there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(2) With respect to land acquisition within the addition, not more than 80 percent of the cost of such acquisition may be provided by the Federal Government. Not less than 20 percent of such cost shall be provided by the State of Florida.

(g) ASSISTANCE.—Upon the request of the Governor of the State of Florida, the Secretary is authorized to provide technical assistance and personnel to assist in the acquisition of lands and waters within the Kissimmee River/Lake Okeechobee/Everglades Hydrologic Basin, including the Big Cypress Swamp, through the provision of Federal land acquisition personnel, practices, and procedures. The State of Florida shall reimburse the Secretary for such assistance in such amounts and at such time as agreed upon by the Secretary and the State. Notwithstanding any other provision of law, reimbursement received by the Secretary for such assistance shall be retained by the Secretary and shall be available without further appropriation for purposes of carrying out any authorized activity of the Secretary within the boundaries of the park.

SEC. 103. ADMINISTRATION.

(a) IN GENERAL.—The Secretary shall administer the areas within the addition in accordance with this Act and other provisions of law applicable to the Everglades National Park, and with the provisions of law generally applicable to units of the national park system, including the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1-4). In order to further preserve and protect Everglades National Park, the Secretary shall utilize such other statutory authority as may be available to him for the preservation of wildlife and natural resources as he deems necessary to carry out the purposes of this Act.

(b) PROTECTION OF ECOSYSTEM.—The Secretary shall manage the park in order to maintain the natural abundance, diversity, and ecological integrity of native plants and animals, as well as the behavior of native animals, as a part of their ecosystem.

(c) PROTECTION OF FLORA AND FAUNA.—The park shall be closed to the operation of airboats—

(1) except as provided in subsection (d); and

(2) except that within a limited capacity and on designated routes within the addition, owners of record of registered airboats in use within the addition as of January 1, 1989, shall be issued nontransferable, nonrenewable permits, for their individual lifetimes, to operate personally-owned airboats for noncommercial use in accordance with rules prescribed by the Secretary to determine ownership and registration, established uses, permit conditions, and penalties, and to protect the biological resources of the area.

(d) CONCESSION CONTRACTS.—The Secretary is authorized to negotiate and enter into concession contracts with the owners of commercial airboat and tour facilities in existence on or before January 1, 1989, located within the addition for the provision of such services at their current locations under such rules and conditions as he may deem necessary for the accommodation of visitors and protection of biological resources of the area.

(e) VISITOR CENTER.—The Secretary is authorized and directed to expedite the construction of the visitor center facility at Everglades City, Florida, as described in the Development Concept Plan, Gulf Coast, dated February 1989, and upon construction shall designate the visitor center facility as "The Marjory Stoneman Douglas Center" in commemoration of the vision and leadership shown by Mrs. Douglas in the protection of the everglades and Everglades National Park.

TITLE II—FORT JEFFERSON NATIONAL MONUMENT REDESIGNATION STUDY

SEC. 201. FORT JEFFERSON NATIONAL MONUMENT REDESIGNATION STUDY.

The Secretary shall prepare and transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, not later than 2 years after the date of enactment of this Act, a feasibility and suitability study of expanding and redesignating Fort Jefferson National Monument in the Dry Tortugas as Fort Jefferson National Park. The study shall include cost estimates for any necessary acquisition, development, operation, and maintenance, as well as alternatives, including a joint Federal and State management scheme, to further protect the waters, reef tracts, fisheries, and shallow banks in and around the Florida Keys and Fort Jefferson National Monument.●

By Mr. GRAHAM:

S. 725. A bill to amend the Internal Revenue Code of 1986 to require any general election candidate who receives amounts from the Presidential Election Campaign Fund to participate in debates with other such candidates; to the Committee on Rules and Administration.

NATIONAL PRESIDENTIAL DEBATES ACT OF 1989

● Mr. GRAHAM. Mr. President, our colleagues in the Senate are well aware of the excessive amounts of money being spent on political campaigns. Among the alarming trends resulting from the necessity to amass a huge campaign war chest in order to be elected is what I call the privatization of our traditional public campaign process.

We have witnessed the traditional campaign's evolution into campaigns orchestrated and structured around carefully crafted television commercials—many of them negative in nature. Traditional campaigning and contact with voters are often minimized. The range of issues is narrowed to a few that can be broadcast in 30-second TV commercials.

Joint public appearances and debates with other serious candidates for the same office are avoided. Finally, a

disproportionate amount of time is spent by candidates raising money to bankroll this limited but expensive agenda.

Mr. President, our rich political heritage of a two-way dialog between the candidate and the voter is waning. What had been a publicly owned event has become a privately managed and privately staged effort.

In 1978, when I first ran for Governor of Florida, I participated in nearly 20 debates and public appearances with the other candidates. When I was campaigning for the Senate in 1986, my opponent and I received invitations to at least 10 major debates. Only one debate took place.

Mr. President, I believe the focus of our political campaigns should return to contact with voters. One way to achieve that goal is to require candidates for national office to appear with their opponents in debates in order to qualify for public financing of their campaigns. Debates are a time-honored forum of the political process that offer candidates an unfettered method of communicating with voters.

During consideration of congressional campaign finance reform in 1987, I offered an amendment that would have required candidates for the Senate in the general election to participate in at least two debates or forums. As my colleagues know, this legislation was not enacted. When the Senate next considers congressional campaign finance reform legislation, I intend to again pursue my amendment.

Today, I am introducing legislation that would require candidates for President of the United States who accept money from the taxpayer funded Presidential Election Campaign Fund to participate in four debates during the general election period. Congressman MARKEY is introducing identical legislation in the House of Representatives.

Each debate would be at least 90 minutes, with at least 30 minutes devoted to questions and answers or discussion directly between the candidates. Candidates for Vice President would be required to engage in at least one debate. These debates would be sponsored by nonpartisan organizations.

This year, an estimated 30 million Americans will check a box on tax returns that sends $1 to the fund that pays for our Presidential elections. If the public is going to support Presidential campaigns financially, then the public deserves to see the candidates answer tough questions, think on their feet, and address the issues of the day. With this bill, the public wins, the candidates win, and the political process wins.

Mr. President, I ask unanimous consent that the text of S. 725, the National Presidential Debates Act of 1989, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Presidential Debates Act of 1989".

SEC. 2. DEBATES BY GENERAL ELECTION CANDIDATES WHO RECEIVE AMOUNTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

(a) IN GENERAL.—Chapter 95 of the Internal Revenue Code of 1986 (26 U.S.C. 9001 et seq.) is amended by inserting after section 9003 the following new section:

"SEC. 9003A. PRESIDENTIAL ELECTION DEBATES.

"(a) IN GENERAL.—In addition to the requirements specified in section 9003, in order to be eligible to receive any payments under section 9006, the candidates of a party in a Presidential election shall agree in writing—

"(1) that the candidate of such party for the office of President will participate in not less than four debates with all other candidates for that office who are eligible under such section 9006;

"(2) that the candidate of such party for the office of Vice President will participate in not less than one debate with all other candidates for that office who are eligible under such section 9006; and

"(3) to participate in such debates as sponsored by a nonpartisan organization or organizations having no affiliation with any political party.

At least one of the debates referred to in paragraph (1) shall be held in the month of September before the Presidential election and at least two of such debates shall be held in the month of October before such election. Each debate under this section shall last at least 90 minutes, of which not less than 30 minutes shall be devoted to questions and answers or discussion directly between the candidates, as determined by the sponsor. No debate under this section may be held less than one week before the election. The sponsor of the debates shall announce the time, location, and format of each debate prior to the first Monday in September before the Presidential election.

"(b) INELIGIBILITY.—If the Commission determines that a candidate failed to participate in a debate under subsection (a) and was responsible at least in part for such failure, the candidates of the party involved shall—

"(1) be ineligible to receive payments under section 9006; and

"(2) pay to the Secretary of the Treasury an amount equal to the amount of the payments made to such candidates under such section.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 95 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 9003 the following new item:

"Sec. 9003A. Presidential election debates.".

SEC. 3. TECHNICAL AMENDMENT.

Section 9007(b)(5) of the Internal Revenue Code of 1986 (26 U.S.C. 9007(b)(5)) is amended by inserting "or section 9003A(b)" after "this subsection" each place it appears.●

By Mr. KERRY (for himself and Mr. CRANSTON):

S. 726. A bill to amend the Coastal Zone Management Act of 1972 regarding activities significantly affecting the coastal zone; to the Committee on Commerce, Science, and Transportation.

OFFSHORE OIL AND GAS LEASING

Mr. KERRY. Mr. President, I rise today to introduce legislation that is designed to make congressional intent clear on an issue of great concern to coastal States. The specific question that my legislation intends to make clear addresses the on-going debate over whether or not Congress intended for the Outer Continental Shelf [OCS] oil and gas lease sales proposed by the Interior Department to be subject to review by those coastal States affected.

The tragedy that occurred 3 weeks ago in Prince William Sound has certainly raised a myriad of questions relating to the issues surrounding the exploration and transportation of oil and gas, particularly in environmentally fragile areas.

In following the events of the past 3 weeks, so many thoughts have come to mind: The incident has highlighted our dependence on oil. It has brought to bare this Nation's lack of a cohesive energy policy. It has shown the need to develop an absolute strategy to lessen our dependence on oil through conservation, such as fuel efficiency of automobiles and alternative energy sources. It raises the concerns about whether or not we can safeguard our environmentally fragile areas both in the oceans and on land from the hazards of oil transportation and oil and gas related activities. Can the United States satisfy our need for oil while at the same time provide necessary protection to our national resources?

What are man's capabilities? Given the inadequate operation in Prince William Sound—first the accident itself, and then the inability to clean up the spill, the delays, the lack of equipment, the faulty contingency plan, can we ever truly be ready in the future for an incident of this magnitude?

Daily for almost 3 weeks we have witnessed the frustration of the Alaska State Government officials, the anger of fishermen, and the dire concerns of environmentalists. This issue has focused the spotlight on when is it safe to drill and extract oil and gas from land and sea, and when is it safe to transport oil across the ocean.

In Massachusetts I have heard from my own fishermen, coastal property owners, State officials and concerned citizens fearing that this type of tragedy could occur off our coast if oil and gas drilling is permitted on Georges Bank, our richest fishing ground.

For that reason, Mr. President I feel it is imperative to introduce today legislation that requires additional safeguards in the planning for off-shore Federal activities such as oil and gas leasing particularly in environmentally sensitive areas. My bill gives the States more authority over all Federal activities that occur within or outside but close by of their coastal zone.

Mr. President this bill responds to the ongoing debate on what Congress intended when it included under the Coastal Zone Management Act [CZMA], a provision that requires that all Federal activities affecting a State's coastal zone, be carried out in a manner that is consistent with the provisions of the State's coastal management plans? In my opinion what Congress had intended is clear, Federal and State governments should act cooperatively and jointly in managing our Nation's coastal zones. Nonetheless, a 1984 U.S. Supreme Court decision Interior versus California, has confused the issue and muddied the consistency interpretation of the CZMA.

The Supreme Court in a 5 to 4 decision ruled that the Interior Department's sale of OCS oil and gas leases is not an activity "directly affecting" a State's coastal zone and therefore is not subject to being consistent with the provisions included in a State's coastal management plan.

This interpretation is very narrow and raises some serious questions. First of all, the Supreme Court decision focused solely on activities within a State's 3 mile coastal zone. It ignored the affect of activities outside of the zone that could seriously affect the coastal zone itself.

In my view it is not difficult to understand that a very strong correlation exists between activity outside of a State's coastal zone and its impact on activity within a State's coastal zone. In Massachusetts for example, Interior's proposed lease sale No. 96 includes areas on Georges Bank which as I noted earlier comprise some of the most sensitive and important areas to the State's fishing interests. Our rich fishing areas support the port of New Bedford, which catches 95 percent of its fish off of Georges Bank and is economically one of the No. 1 ports in the country. In addition, it also supports the port of Gloucester which is the No. 3 port in the Nation for tonnage of food fish landed. The fishing industry in Massachusetts generates approximately $1.5 billion annually and has created roughly 40,000 jobs.

Considering that Georges Bank is one of the most productive off-shore habitats in the world, common sense would dictate that any activity on Georges related to off-shore oil and gas drilling is an activity that does have a significant environmental and economic impact on Massachusett's coastal zone.

I have also heard arguments that we should not be concerned over the affects of a lease or a sale because it is merely a financial transaction bearing no actual consequences on our ocean's natural resources. It does not take an economist to realize that once huge sums of money are invested in the oil and gas drilling process, that it will be close to impossible to stop such activity regardless of the environmental consequences. Furthermore, over a decade ago, eight exploratory wells were drilled on Georges at a cost of $800 million, and no oil was found. A study conducted just a few years ago, predicted a 70-percent chance that no oil will be found at all in the areas that are proposed under the Interior's current plan, yet they still plan on forging ahead with their overzealous efforts to find oil in and around Georges Bank. Such rationale is inappropriate.

And what are the economic gains of OCS oil and gas leasing on Georges? With the most generous estimates scientists predict that Georges can produce a total of 10 days worth of U.S. oil. The stakes for 10 days of oil are too high—an Interior Department environmental impact study on a previously proposed sale on Georges Bank, predicted that approximately 10 spills could occur within a 30-year period. That is 10 spills equaling more than 1,000 barrels per spill or a total of 10,000 barrels of oil destined to destroy our coastal resources.

Mr. President, to further add to the concern of drilling on Georges Bank, is its unique hydrological currents. There is scientific evidence that a gyre (clockwise water circulation pattern), occurs on roughly 10,000 square miles of Georges Bank. This circulation of water currents traps and keeps water in place. The positive consequences, are that fish like this habitat and therefore spawn and nurse in one area. The negative side however is that if there were to be an oilspill, oil would be trapped in the gyre for extended periods of time. Based on oceanographic models of water circulation on Georges Bank conducted by the Department of the Interior, it is estimated that oil could stay in the gyre for up to 2 months.

After witnessing the herring fishery closure in Prince William Sound, after just 2 weeks, imagine what 2 months of oil would do to our cod, haddock, flounder or lobster fishery. We've seen on the nightly news what 2 weeks of oil has done to the marine mammals and birds in Valdez. Imagine what would happen after 2 months.

Mr. President, keeping all of this in mind, it is critical that States be involved at the initial leasing phase to offer their expertise. I think we owe it to all citizens in every coastal State, to allow the experts who know their coast, and live there to make the decisions for its future. Particularly, decisions, as we have witnessed in Prince William Sound, that could have consequences for a long time to come.

The legislation I am offering today clarifies that Federal activities should be reviewed by States for consistency with their already federally approved coastal management plans. I urge my colleagues to join with me in cosponsoring this important legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 307(c)(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456(c)(1) is amended to read as follows:

"(c)(1) Each federal agency activity within or outside the coastal zone that directly affects any land or water use or natural resource of the coastal zone or that may lead to such effects shall be carried out in a manner which is consistent to the maximum extent practicable with the approved state management programs. A federal agency activity shall be subject to this paragraph unless it is subject to paragraphs (2) or (3) of this subsection.

ADDITIONAL COSPONSORS

S. 35

At the request of Mr. DANFORTH, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponosr of S. 35, a bill to provide for the establishment of rural enterprise zones, and for other purposes.

S. 177

At the request of Mr. DECONCINI, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 177, a bill entitled the Cable Compulsory License Non-Discrimination Act of 1989.

S. 185

At the request of Mr. DIXON, the names of the Senator from Tennessee [Mr. SASSER], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 185, a bill to amend title 18 of the United States Code to punish as a Federal criminal offense the crimes of international parental child abduction.

S. 243

At the request of Mr. MCCLURE, the names of the Senator from Georgia [Mr. FOWLER], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Alabama [Mr. SHELBY], the Senator from Iowa [Mr. HARKIN], the Senator from Indiana [Mr. COATS], the Senator from Washington [Mr. GORTON], and the Senator from Vermont [Mr. JEFFORDS] were added as co-

sponsors of S. 243, a bill to provide for the extension of regional referral center classification of certain hospitals under the medicare program and to continue the payment rates for such hospitals.

S. 318

At the request of Mr. JOHNSTON, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 318, a bill to facilitate the national distribution and utilization of the coal.

S. 342

At the request of Mr. DANFORTH, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 342, a bill to amend the Internal Revenue Code of 1986 to provide that certain credits will not be subject to the passive activity rules, and for other purposes.

S. 344

At the request of Mr. NICKLES, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 344, a bill to require certain work on aircraft to be performed by a domestic repair station.

S. 386

At the request of Mr. METZENBAUM, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. GLENN], the Senator from Colorado [Mr. WIRTH], the Senator from Connecticut [Mr. DODD], the Senator from New York [Mr. MOYNIHAN], the Senator from Washington [Mr. ADAMS], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 386, a bill to control the sale and use of assault weapons.

S. 408

At the request of Ms. MIKULSKI, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 408, a bill to establish a corporation to administer a National volunteer service program.

S. 419

At the request of Mr. SIMON, the names of the Senator from Florida [Mr. GRAHAM], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Texas [Mr. BENTSEN], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 419, a bill to provide for the collection of data about crimes motivated by race, religion, ethnicity, or sexual orientation.

S. 439

At the request of Mr. PELL, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 439, a bill to establish a program of grants to consortia of local educational agencies and community colleges for the purposes of providing technical preparation education, and for other purposes.

S. 448

At the request of Mr. SIMON, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States.

S. 458

At the request of Mr. DECONCINI, the names of the Senator from Hawaii [Mr. INOUYE], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 458, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes.

S. 476

At the request of Mr. SIMON, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 476, a bill to increase the number of refugee admission numbers allocated for Eastern Europe/Soviet Union and East Asia.

S. 479

At the request of Mr. HATCH, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 479, a bill to amend the Internal Revenue Code to allow for deduction of qualified adoption expenses and for other purposes.

S. 488

At the request of Mr. FOWLER, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 488, a bill to provide Federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 489

At the request of Mr. KENNEDY, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 489, a bill to transfer certain funds available for State legalization assistance grants to programs to assist refugees.

S. 570

At the request of Mr. DANFORTH, the names of the Senator from New Jersey [Mr. LAUTENBERG] and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 578

At the request of Mr. DANFORTH, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Hawaii [Mr. INOUYE], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 578, a bill to amend title 10, United States Code, to provide for consideration of whether certain defense agreements adversely impact the international competitive position of United States industry.

S. 579

At the request of Mr. GLENN, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from New York [Mr. MOYNIHAN], the Senator from Kentucky [Mr. FORD], the Senator from Illinois [Mr. SIMON], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 579, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to establish Federal motor vehicle safety standards to require that a schoolbus is equipped with a system of mirrors that provide the driver when seated with an unobstructed view of certain areas under and alongside of the schoolbus, and for other purposes.

S. 606

At the request of Mr. BOND, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 606, a bill to amend the Agricultural Act of 1949 to permit producers to plant supplemental and alternative income-producing crops considered to be planted to a program crop.

S. 625

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 625, a bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry, and for other purposes.

S. 670

At the request of Mr. ARMSTRONG, the names of the Senator from Virginia [Mr. ROBB] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 670, a bill to recognize the organization known as the Retired Enlisted Association, Incorporated.

S. 682

At the request of Mr. SIMON, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 682, a bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association," "visiting Nurse Service," "VNA," "VNS," or "VNAA," or the unauthorized use of the name or insignia of the Visiting Nurse Association of America.

SENATE JOINT RESOLUTION 56

At the request of Mr. GARN, the names of the Senator from Indiana [Mr. COATS], the Senator from Virginia [Mr. ROBB], and the Senator from Louisiana [Mr. BREAUX] were added as

cosponsors of Senate Joint Resolution 56, a joint resolution designating April 23 through April 29, 1989, and the last week of April of each subsequent year as "National Organ and Tissue Donor Awareness Week."

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the names of the Senator from Montana [Mr. BURNS] and the Senator from Missouri [Mr. BOND] were added as cosponsors of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 62

At the request of Mr. ARMSTRONG, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Wisconsin [Mr. KASTEN], the Senator from Montana [Mr. BURNS], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Joint Resolution 62, a joint resolution designating May 1989 as "National Stroke Awareness Month."

SENATE JOINT RESOLUTION 78

At the request of Mr. HEINZ, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 78, a joint resolution to designate the month of November 1989 and 1990 as "National Hospice Month."

SENATE JOINT RESOLUTION 81

At the request of Mr. DIXON, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of Senate Joint Resolution 81, a joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week."

SENATE JOINT RESOLUTION 84

At the request of Mr. HATCH, the names of the Senator from Indiana [Mr. LUGAR], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 88

At the request of Mr. WIRTH, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Vermont [Mr. LEAHY], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to establish that it is the policy of the United States to reduce the generation of carbon dioxide and for other purposes.

SENATE RESOLUTION 13

At the request of Mr. DOLE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Resolution 13, a resolution to amend Senate Resolution 28 to implement closed caption broadcasting for hearing-impaired individuals of floor proceedings of the Senate.

SENATE RESOLUTION 63

At the request of Mr. SYMMS, the name of the Senator from Missouri [Mr. BOND] was added as cosponsor of Senate Resolution 63, a resolution expressing the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

SENATE RESOLUTION 92

At the request of Mr. SYMMS, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate regarding Section 89 of the Internal Revenue Code of 1986.

AMENDMENTS SUBMITTED

MINIMUM WAGE LEGISLATION

DECONCINI AMENDMENT NO. 18

(Ordered to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to the bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; as follows:

At the appropriate place, insert the following new section:

SEC. . TEMPORARY TRAINING WAGE.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection:

"(g)(1) Any employer may, in lieu of the minimum wage prescribed by subsection (a)(1), pay any employee the wage described by paragraph (2), if such employee has not been previously employed by such employer.

"(2) The wage referred to in paragraph (1) shall be at least a wage equal to 85 percent of the wage prescribed by section 6, but at least $3.35 an hour.

"(3) An employer may pay an employee the minimum wage authorized by paragraph (1) for a period not to exceed 90 days beginning with the day the employee began employment with the employer, except no employer may pay the minimum wage authorized by paragraph (1) for a period exceeding 45 days beginning with the day the employment began with the employer if such employee has been previously employed in substantially the same training wage employment capacity by any employer for a period greater than 45 days.

"(4) No employee may be displaced by any employer (including partial displacement such as reduction in hours, wages, or employment benefits) as a result of an employer paying the rate described in this subsection.

"(5) No employer convicted of violating this Act may pay any employee the wage permitted under this subsection.

"(6)(A) Any person who willfully violates this subsection shall on conviction thereof by subject to—

"(i) a fine of not more than $25,000 or to imprisonment of not more than 6 months, or both; and

"(ii) any other penalties prescribed in section 16.

"(B) No person shall be imprisoned under this subsection except for an offense committed after the conviction of such person for a prior offense under this subsection.".

"(b) STUDY.—Not later than 2 years after the date of enactment of this Act, the Secretary of Labor shall transmit to the President and to Congress a report that describes—

"(1) youth and Older American worker employment levels;

"(2) employee turnover rates;

"(3) high school drop-out rates; and

"(4) any other information the Secretary considers would be relevant to the termination or extension of the temporary training wage authorized in section 6(g) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

"(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to an employee first employed by an employer on or after January 1, 1990, and shall terminate on the date that is 3 years after the date of enactment of this Act.

● Mr. DECONCINI. Mr. President, I rise in strong support of an immediate increase in the minimum wage. Yet, I caution that my support is not unequivocal. Political and economic necessity requires that we, as a nation, reevaluate our national minimum wage policy. For a half-century, our Government has operated under the assumption that our minimum wage policy advanced the interests of all American workers. Today, a great number of leading economists, business interests and the editorial boards of our Nation's print media have developed a large body of evidence to the contrary. At the same time, equally notable economists, labor interests and the human rights community urge maintenance of the minimum wage policies—policies that have withstood the test of time for over 50 years.

President Bush has also indicated support for a higher minimum wage. However, he qualified his position after the election. He now conditions his support of the minimum wage increase upon congressional passage of a two-tiered wage structure. The administration argues that a lower entry-level training wage can minimize the negative impacts resulting from minimum wage increases. I tend to believe that this might be correct. But, I seriously question why the administration, in its proposal, failed to target the training wage to those most affected.

In short, the administration advocates and opposes a national minimum wage policy in the same breath. Further, this administration, like the last, argues for reduced labor costs for certain businesses, just as our national data indicates that demand will soon

outstrip the supply of the workers that the preferred businesses currently employ. Conceptually, a training wage may hold promise if this two-tiered policy works in concert with other national job training and welfare policies. The administration's current training wage proposal must not be passed as is.

Without coordination, a two-tiered minimum wage policy allows only a preferred class of employers to exploit certain workers. In turn, a training wage encourages displacement of higher skilled workers by lesser skilled, subminimum workers in the same business. Indiscriminate usage of a subminimum wage over time increases governmental employment and human services expenditures—in effect, a gift to certain special interest businesses—of billions in subsidies paid by U.S. taxpayers. We cannot justify this hefty gift, especially since the Targeted Jobs Tax Credit Program grants businesses large subsidies to employ low-skilled, hard-to-employ workers. In this year alone, the estimated cost of TJTC is over a quarter of a billion dollars.

Mr. President, I disagree with the administration's training wage, but I do not want to further delay passage of an increase in the minimum wage. No one can deny that the proponents of S. 4 have insufficient votes to enact that bill without some type of training wage. Unfortunately, more ardent minimum wage proponents, though with good intentions, have offered a counter training wage proposal which is also politically and practically unrealistic. While their first-job training wage proposal goes in the right direction, it fails in practice since it affects too few for too short a period of time.

Mr. President, I believe that I understand the politics and process of the Senate as well as my colleague from Massachusetts who authored S. 4. I have a great deal of respect for him. I know that he is committed to the best interests of our Nation. But, I must respectfully reject his present position on the training wage issue. Instead of supporting compromise, the proponents appear to be resisting it in the belief that President Bush will veto any compromise proposal as well. Even if true, the Senate should fully debate the merits of S. 4 and make any modifications that the majority deem appropriate. That is what the legislative process is all about.

As for myself, I cannot tolerate inaction. Partisan, bullying politics, are impeding vital economic aid to the most unfortunate and unskilled members of our labor market. The working poor wait in the wings—hoping that partisan politics will subside, and cooler heads will prevail. The simple fact of the matter is that we don't have a perfect solution to establishing a fair and decent wage for low-skilled jobs. I do not pretend to have the best solution to our current impasse, but I have yet to hear any offer which is an acceptable approach to immediate passage.

I firmly believe that the President and Congress, with input from all interests, have the ability to create a coordinated minimum wage policy which properly utilizes a training wage. However, this process will take a little more time and will require a significant shift in the manner in which opponents and proponents alike are presently debating the bill before us today.

Many of my colleagues remember the debate on this issue last September. Many of my colleagues on this side of the aisle criticized me for expressing my support of a training wage, and urged that I forego the very same amendments that I am proposing today for discussion purposes. No doubt these same Senators will criticize me again, but I challenge them to show me progress on this bill.

As I stated earlier, the administration said that it will veto any increase above $4.25 per hour and any increase without an unrestricted 6-month training wage for any worker, regardless of experience. The Senate and House Labor Committees both propose a slightly higher minimum wage amount and a 60-day training wage applying only to the first job. As such, both proposals are administratively efficient. However, efficiency has its price in terms of fairness and scope.

I propose a training wage at 85 percent of the minimum wage for no greater than 90 days for any individual who has not previously worked in substantially the same training wage capacity for a period greater than 45 days. In all other cases, an employer may choose to pay any worker a training wage of at least 85 percent of the minimum wage, but for a period no greater than 45 days.

While this proposal lacks ease of administration, it has a greater rational basis than any that I have heard to date. But enforcement convenience presents an insufficient basis for rejection of this compromise. I trust that the Department of Labor can draft appropriate regulations and penalties to deter efforts to circumvent the intent of this amendment. As always, Congress maintains considerable ability to address any shortcomings in regulations, enforcement and sanctions. My amendment also increases sanctions for noncompliance and requires study of the effects of this training wage experiment.

In conclusion, I want to reiterate that our working poor have waited long enough for an increase in the minimum wage. They want and need an increase now. I believe they share my belief that Congress should not merely establish a posture, but should establish a definite policy. We must bargain in good faith whether or not a veto can be sustained; neither side should stonewall this debate with the intent to reopen negotiations after the anticipated veto. That style of leadership is foreign to our democracy.

Our Constitution and common law tradition entrusted the legislative branch of government to provide for public welfare. The American public now demands our leadership. Courage in the face of obstinance can only foster greater trust. Weakness will only breed distrust.●

SENATE RESOLUTION 94—EXPRESSING CONFIDENCE, HOPE, AND TRUST IN THOSE WHO WILL SERVE IN THE SENATE DURING ITS THIRD CENTURY

Mr. MITCHELL (for himself, Mr. DOLE, Mr. ADAMS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BREAUX, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. BYRD, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. DASCHLE, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. FOWLER, Mr. GARN, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRAHAM, Mr. GRAMM, Mr. GRASSLEY, Mr. HARKIN, Mr. HATCH, Mr. HATFIELD, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MATSUNAGA, Mr. MCCAIN, Mr. MCCLURE, Mr. MCCONNELL, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. PRYOR, Mr. REID, Mr. RIEGLE, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. RUDMAN, Mr. SANFORD, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. SIMON, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. WIRTH) submitted the following resolution; which was considered and agreed to:

S. RES. 94

Resolved, That the Members of the Senate of the 101st Congress extend to all who will serve in the Senate during its third century—

(1) our confidence that their deliberations and actions will be enlightened by an appreciation of the Senate's rich history and guiding traditions;

(2) our hope that they will strive ceaselessly to meet the aspiration of Daniel Webster that the Senate be a body to which the Nation may look, with confidence, "for wise, moderate, patriotic, and healing counsels"; and

(3) our trust that they will uphold the prerogatives of the Senate under the Constitution and will remain ever attentive to the well-being of their constituents, their Nation, and their world.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing on Thursday, April 13, 1989, at 9:30 a.m. in 428A Russell Senate Office Building to assess the impact of section 89 of the Internal Revenue Code on small business.

For additional information, please call Tracy Crowley, hearing clerk of the committee, at 224-3099.

SENATE IMPEACHMENT TRIAL COMMITTEE

Mr. BINGAMAN. Mr. President, I wish to announce that the Senate Impeachment Trial Committee will meet in SD-628, Dirksen Senate Office Building, on Wednesday, April 12, 1989, at 1:30 p.m., to hear arguments of the parties on pretrial issues in the impeachment of Judge Alcee L. Hastings.

For further information concerning this meeting, please contact Tony Harvey, administrator of the Senate Impeachment Trial Committee staff, on extension 4-2311.

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on the nomination of Susan Engeleiter to be Administrator of the Small Business Administration on Tuesday, April 11, 1989. This hearing was originally scheduled for Monday, April 10, 1989. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 2:30 p.m. For further information, please call Tracy Crowley, of the committee staff at 224-3099.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON ARMED SERVICES

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, April 6, 1989, at 2 p.m. in open session to receive testimony on the negotiations on conventional forces in Europe.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, April 6, 1989, at 10 a.m. to conduct a hearing on "Federal Leadership in Science."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. KERREY. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on Veterans' healthcare oversight on Thursday, April 6, 1989, at 8 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. KERREY. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 6, 1989, at 3:30 p.m. to hold a hearing on S. 255, legislation to authorize appropriations for the Local Rail Service Assistance Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 6, 1989, at 2 p.m. to hold a hearing on S. 462, legislation to authorize appropriations for the National Railroad Passenger Corporation [Amtrak].

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 6, 1989, at 9 a.m. to hold a hearing on the *Exxon Valdez* oil spill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. KERREY. Mr. President, I ask that the Select Committee on Indian Affairs be authorized to meet on April 6, 1989, beginning at 2 p.m., in 216 Hart Senate Office Building, on Indian water policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. KERREY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, April 6, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. KERREY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, April 6, at 2 p.m. to hold a nomination hearing on John D. Negroponte, to be Ambassador to Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ENGLISH, THE OFFICIAL LANGUAGE

● Mr. SIMON. Mr. President, there is a movement in this country to make English the "official" language of our country. I am not sure what that means exactly, but I do know the way to help those who come to this country without the ability to speak English is to provide opportunities for language classes. Proclamations declaring English the official language will not help a bit. In a column I write for newspapers in my State, I discuss this issue. I ask to have it printed in the RECORD.

The column follows:

"OFFICIAL" OR NOT, ENGLISH IS NATION'S LANGUAGE

(By Senator Paul Simon)

Periodically one issue arises that has superficial appeal: Make English the official language of the United States. (A few go even further and want to make "American" the official language.)

The reality is that English *is* the official language of our country. Anyone who lives in the United States and wants to participate in any meaningful way in our economy or in our political process has to learn English.

Exactly what it would mean to declare English the official language I don't know—and neither do its sponsors.

When I appeared in a debate with the person promoting this idea in California, I asked: "Does this mean there could be no court interpreters for someone in a California trial who speaks only Chinese? Does this mean that we would prohibit New Mexico from printing documents in both English and Spanish?" And on and on. No these things were not meant.

It is unclear precisely what is meant, other than the same vague anti-foreign feeling that has been part of our country since its earliest days.

Many believe that today we have the highest percentage of our population speaking English than at anytime in our history.

But that misses a basic point. Years ago, you could come into this country and easily get a job swinging an ax or a sledgehammer, and if you spoke Swedish or Italian or Polish instead of English, that was no great obstacle to getting a job.

Today, we are a vastly different society. To get most jobs you have to fill out an application form, impossible to do if you don't read English. If you are a custodian in a plant or a school, your employers want you to be able to read and understand the instructions for using cleaning compounds and chemicals.

Farming is no longer relatively simple chores. Farming today means operating milking machines and computers, in addition to the more routine duties.

In the world of 1989 and beyond, acquiring an adequate education is increasingly important. And almost as essential is being able to speak and read and write English.

The way to really deal with the problem for those who do not have this skill is not to advocate making English the official language, but providing classes for those who do not speak English.

And one of the ironies of the campaign to make English the official language is that many of those who back it are the same people who vote against funding classes to teach people how to speak English.

In Los Angeles there are about 35,000 on the waiting list to get into classes to acquire English skills and approximately 83,000 in California.

There were 4,749 on waiting lists last year to get into these adult education classes in Illinois. New York City has a waiting list of 10,000.

Yes, learning the English language is important in our nation with so many immigrants.

But the way to handle the problem is not pious-sounding proclamations that English is our official language. The way to deal with the problem is to provide funding for classes so that those who do not speak English can learn it.●

REFRESHING EDITORIAL

● Mr. COCHRAN. Mr. President, we all read editorials, but most Senators prefer their own to those written by others. And we are good at putting each other's op-ed pieces in the RECORD with laudatory comments about the intelligence and leadership qualities of the author, if he is a member of one's own party.

We also use articles from the editorial page as evidence of public support for, or opposition to, a position we have taken on a bill or proposal.

Occasionally, I encounter such a well-written and well-reasoned article on the editorial page that I am moved to cut it out and put it in the RECORD for no reason at all except to say to my fellow Senators: "Hey, stop for a minute and read this—carefully—and see if you don't feel refreshed, and even impressed."

That is the way I felt when I read the article by Meg Greenfield on March 28, 1989, in the Washington Post. I hope you do, too. Here it is:

The article follows:

[From the Washington Post, Mar. 28, 1989]

(By Meg Greenfield)

DON'T BET ON A "SURE THING"

Moscow, March 23.—Patriarch Pimen, head of the Russian Orthodox Church, won a seat in the new Soviet parliament, but Georgi Arbatov, the Kremlin's longtime expert on the United States, lost in a surprise defeat, the official Tass news agency reported today."

What? Only a couple of years ago, you would have taken this AP story as evidence that the reporter who filed it had either succumbed to the eternal journalistic temptation to perpetrate a hoax or, more likely, had been drugged out of his head by the KGB. But there it was: actual elections of a sort, surprise outcomes, a churchman's victory and a party apparatchik's loss—all publicly reported, yet, in the official Soviet press. I take this snippet of news as the text for my sermon today. It will be a very upbeat affair; its theme, as we preachers say, is: anything is possible, especially that which has been universally adjudged impossible.

The last few years have surely been the years in which just about everything we knew couldn't happen, did, starting of course with George Bush's election (to succeed another president who also couldn't possibly even get his party's nomination, let alone be elected) and proceeding through an absolutely awesome array of confounded domestic political predictions and upended articles of faith concerning the conduct of our enemies and friends abroad. What I find encouraging about this is the light it casts on the contemporary gloomy assumptions that have displaced the ones that were so recently proven wrong. The principal one at the moment concerns drugs. Drugs? Hell, we can't do anything much about drugs (the wisdom goes), and it was even (some say) downright irresponsible of Bush to claim so categorically that we both could and would. When I listen to the evidence propounded in support of this discouraging proposition and others like it, I am myself inclined to agree. What makes me doubt it is the shattering of so many other fatalistic certitudes over the years.

The examples are everywhere. I have just been reading Taylor Branch's wonderful book about the civil-rights movement, "Parting of the Waters," and have been continually struck by how utterly unattainable much of what we now take for granted once seemed. Importantly, it seemed unattainable in our lifetime to some of those who most wanted to see the changes come about, black and white leaders both who were morally (and miserably) certain that neither the system nor the society could be made to give. Seriously deficient as they still are, racial relations as they now exist in the United States, especially in the South, could not even be imagined as recently as the early 1960s.

And the same is surely true of the transformation for the better of societies and systems all over the world. When the aged fascist dictators of Spain and Portugal were succeeded in the 1970s, we all "knew" that the prospect for that peninsula was gruesome. Given left-wing pressures and right-wing military reactions and a populace utterly unpracticed in political self-expression and democratic rule, you could only foresee some bleak, threatening outcome, one that bears no resemblance to the way things did turn out. There are counterparts among democratically evolving authoritarian societies in every quarter of the globe, and there are the convulsive surprises that have occurred in China and the Soviet Union. Yes, I know: things can yet turn in a different direction in all these places. But it is impossible to sit, as I did last fall in a suite in a fancy Washington hotel with a bunch of newspaper colleagues drinking diet soda with Andrei Sakharov and chatting openly with him about his opinion of the Soviet government—this man whom, a couple of years before, we had pretty much given up for dead—and not be humbled by the fallibility of your own most confidently held assumptions.

Not everyone takes from this common contemporary experience the good cheer I do. The first thing that often happens is that people pocket the good news and simply demand the next step, not pausing to register the fact of basic change at all. The Soviet Union is no true democracy, racial discrimination still exists and so forth; the shortcomings of where we are obliterate the recollection of the horror of where we were. Another response is to use the new circumstance retroactively to justify the old, denying a change or a different past altogether. See, this argument runs, I told you that the Argentines—or the Hungarians or Russians or Chinese—weren't monsters. This is the spirit in which is generally alleged that the cold war was a nasty figment of a belligerent Western imagination.

I concede a tiny grain of truth in this. Dire exaggeration and extreme gloom have regularly created distorted national perceptions of everything from the immutability of Eastern European governments to the imminent destruction of the planet or the pauperizing of the country because of malign political, social, economic and/or environmental forces. But it is a mistake to dismiss the profound changes that occur in conditions around the world as something akin to the recognition of an optical illusion, the mere correction of a misperception.

To do this is, first, to deny the importance of human agency—the capacity of people to make things happen, the fact that a Martin Luther King or a Mikhail Gorbachev or a Lyndon Johnson or a Deng Xiaoping coming at a particular moment may be conclusive. And it is also to perpetuate our unfortunate habit of missing large important trends while concentrating on the itty-bitty daily stuff. Social and cultural and economic transformations, fed in part by the technology of transportation and communication, prepared the way for much of the change political leaders have been able to effect in recent years. We don't look at that though. We tend to stay mired in some original impression and get jolted out of it only when even our hard-bitten complacency can no longer pretend that the fish in the picture looks like a tree.

We had as many good reasons to believe the incredible political changes we have witnessed would never come about as we do now to suppose that we are doomed to an incurable drug-and-crime scourge. All the depressing supporting data are there. I hate to sound like Pollyanna, but I don't believe it. And I have plenty of historical precedent on my side.●

LONDON INFORMATION FORUM STATEMENT

● Mr. DECONCINI. Mr. President, on April 18, a meeting of vital importance to all who cherish the right to freedom of expression will begin. Known as the London Information Forum, the meeting was mandated by the Concluding Document of the Vienna Review Meeting of the Conference on Security and Cooperation in Europe [CSCE]. At the forum, the 35 signatory states of the CSCE, or Helsinki process, will discuss ways to improve the circulation of, access to, and exchange of information; cooperation in the field of information; and the improvement of working conditions for journalists.

Information is the most important defense of any free people seeking to guard their freedom or of any unfree people seeking to gain their liberty from a tyrannical government or an oppressive political system. The free

flow of information is also crucial to lowering the barriers of distrust and animosity among nations.

Accordingly, a fundamental political goal of the Helsinki Final Act is to foster the free flow of people, ideas, and information. Whether in the area of the security and economic cooperation provisions of baskets I and II or the cultural exchange sections of basket III, information is the base upon which rest all other commitments made in the Helsinki Final Act.

As Chairman of the Helsinki Commission, I wish to underscore to you the significance of the London Information Forum's subject matter. In this seemingly new world of glasnost and perestroika, it is often quite difficult to separate the provisional from the enduring policy, the cosmetic from the structural change. At the forum, the West will have the opportunity to examine exactly what is going on in the field of information in the East as well as to encourage these nations to move ahead with systemic liberalization of the media and all facets of the dissemination of information.

To conclude, I would like to quote the words of the distinguished journalist and rights activist Leonard Sussman, who said at a recent Commission hearing that:

The Helsinki Accords are a dynamic tool, something quite unique in diplomatic history. The accords marshall the power of information, of international persuasion, even the artful use of public shame to spotlight the oppressive deeds of signators. No part of the Helsinki Process is more vital than assessing the free flow of information within and between countries. For on that flow, and on the diversity of information depend all other aspects of the Helsinki Process; indeed, the guarantees of human rights and national security found in all baskets of the Final Act. Information is the key element, not just in the CSCE, but in fulfilling all promises of freedom for the human race.●

ACKNOWLEDGMENT OF LEADERSHIP, EDUCATION AND DEVELOPMENT FELLOWS

● Mr. WALLOP. Mr. President, I would like to take a moment to acknowledge a group of 19 men and women, from my fine State of Wyoming. These Wyoming citizens are in Washington, DC, representing the Wyoming Leadership, Education and Development Program, better known as the LEAD fellowship.

LEAD is designed to create, stimulate, and enhance leadership in Wyoming's agricultural sector. Its focus is on issues and policies related to agriculture in Wyoming, the United States, and the world. LEAD will provide our State with a highly motivated, well-informed cadre of leaders who will speak forcefully and articulately on behalf of Wyoming.

These participants represent nearly every sector of agriculture and related businesses. Their education in public policy and government during their first year in this program is achieved through attendance of regional and national seminars. The 2-year curriculum includes seminar topics on governmental and international affairs, communications, societal issues, resource management, and the arts. The LEAD fellows will begin the international phase of their program 1 year from now.

LEAD is sponsored by the University of Wyoming, College of Agriculture, the Cooperative Extension Service and private donors. I feel very fortunate to have this group come to town on behalf of Wyoming. They deserve a great deal of recognition and credit for their 2-year commitment to this program. There is much to be learned from this group of individuals sitting in this room today. I applaud and welcome all of you in the Wyoming LEAD Group III to Washington, DC. I look forward to working with you and am confident in the leadership you will bring to our State in the years to come.

I ask that a list of their names be printed in the RECORD.

The list of names follows:

WYOMING LEAD FELLOWSHIP, 1988-90

Mr. Thomas L. Davis.
Mrs. Patricia A. Frolander.
Miss Cynthia R. Garretson.
Mr. T. Clay Gibbons.
Miss Patricia A. Hoopengarner.
Mr. John R. Kaiser.
Mr. Michael I. Lohse.
Mr. William H. McClurg.
Mr. Oliver C. Hill.
Mr. Jose O. Montemayor.
Mr. Robert F. Frary.
Mr. Stevan H. Meuller.
Mr. Francis A. Philp.
Mr. Reuben R. Ritthaler.
Mr. Kent C. Shurtleff.
Mrs. Bonnie G. Smith.
Mr. John W. Snyder.
Mr. W. Robert Stoddard.
Miss Lois A. Van Mark.
Mr. Gary A. Zakotnik.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Jadine Nielsen and Roy Greenaway, members of the staff of Senator CRANSTON, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from May 17–June 1, 1989.

The committee has determined that participation by Ms. Nielsen and Mr. Greenaway in the program in China, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Rita Lewis, a member of the staff of Senator DASCHLE, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17-26, 1989.

The committee has determined that participation by Ms. Lewis in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Kent Hall, a member of the staff of Senator CONRAD, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17-26, 1989.

The committee has determined that participation by Mr. Hall in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Brent Franzel, a member of the staff of Senator BOND, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17-26, 1989.

The committee has determined that participation by Mr. Franzel in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Louisa Koch, a member of the staff of Representative HAMILTON, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17-26, 1989.

The Committee has determined that participation by Ms. Koch in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Jonathan Chambers, a member of the staff of Senator DANFORTH, to participate in a program in Turkey, sponsored by the Turkish Foreign Policy Institute, from March 24–April 2, 1989.

The committee has determined that participation by Mr. Chambers in the program in Turkey, at the expense of the Turkish Foreign Policy Institute,

is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Cynthia Blackburn, a member of the staff of Senator THURMOND, to participate in a program in Taiwan, sponsored by Soochow University, from March 24–April 1, 1989.

The committee has determined that participation by Ms. Blackburn in the program in Taiwan, at the expense of Soochow University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Wallace J. Henderson, a member of the staff of Senator BREAUX, to participate in a program in Taiwan, sponsored by Tamkang University, from March 25 to April 4, 1989.

The committee has determined that participation by Mr. Henderson in the program in Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mrs. Kennie Gill, a member of the staff of Senator FORD, to participate in a program in Korea, sponsored by the Korea Development Institute, from March 17 to 26, 1989.

The committee has determined that participation by Mrs. Gill in the program in Korea, at the expense of the Korea Development Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator and Mrs. Heinz participation in a program in Japan, sponsored by the Keizai Koho Center, from April 20 to 29, 1989.

The committee has determined that participation by Senator and Mrs. Heinz in the program in Japan, at the expense of the Keizai Koho Center, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Barry Strumpf, a member of the staff of Senator HOLLINGS, to participate in a program in Japan, sponsored by the Congressional Economic Leadership Institute, from March 21 to April 2, 1989.

The committee has determined that participation by Mr. Strumpf in the program in Japan, at the expense of the Japan-U.S. Friendship Commission, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Tim Carlsgaard, a member of the staff of Senator DECONCINI, to participate in a program in Taiwan, sponsored by the Chinese Culture University, from March 23 to April 1, 1989.

The committee has determined that participation by Mr. Carlsgaard in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator and Mrs. Helms, to participate in a program in Australia, sponsored by the American Chamber of Commerce in Australia, from March 20 to March 30, 1989.

The committee has determined that participation by Senator and Mrs. Helms in the program in Australia, at the expense of the American Chamber of Commerce in Australia, is in the interest of the Senate and the United States.●

PATIENT OUTCOMES RESEARCH ACT OF 1989—S. 702

● Mr. HEINZ. Mr. President, it is with great pleasure that I join the majority leader and my colleagues in the Senate today in introducing legislation that will go far to improve fundamental medical treatment decisions affecting the lives of millions of Americans each year.

This year, some 150,000 women will be diagnosed as having breast cancer. Last week, a study in the New England Journal of Medicine reported that the chances of survival for these women are just as good if they are treated conservatively, by simply removing the tumor and having radiation, than if they have a radical mastectomy.

This is good news for women who just 10 years ago would have had no choice but to go with the mastectomy—a far more risky and emotionally stressful option. This is only one example of the direct benefit to patients of getting a better handle on which diagnostic or treatment approaches are more or less effective. Too often, physicians and patients must make treatment decisions in the midst of great uncertainty and lack of scientific evidence on which tests or procedures will produce the best outcome.

Should, for example, one opt for bypass surgery or a less extreme procedure such as angioplasty in treating heart disease? When is an intrusive diagnostic technique such as endoscopy worth the health risk and the associated cost, which can run into the hundreds of dollars per procedure?

In the face of such uncertainty, we tend to error on the side of prescribing more, and often more intrusive and costly procedures—driving up the nation's health care bill and putting patients at unnecessary health risk.

I commend Senator MITCHELL for his foresight in introducing the Patient Outcomes Research Act of 1989. I am honored to be an original cosponsor of this important legislation that provides direction and much needed funding for research to reduce this gray area of modern medicine. I am also pleased that the Senator accepted my proposal to take the bill one step further—to also require that the Department translate research findings into medical guidelines that physicians can turn to in making medical decisions. Only this will ensure that what we learn in our laboratories and from our statistics gets to the patient's bedside.

I also wish to take this opportunity to announce a companion initiative I have requested of the General Accounting Office [GAO], with the support of Senator MITCHELL, Senator PRYOR, and Senator GLENN. We are asking that the GAO recommend a strategy for proceeding with research and the development of practice guidelines that will support Secretary Sullivan's personal commitment to this important new area of medical research and public policy. I will request, Mr. President, that copies of our correspondence to Secretary Sullivan and the GAO Comptroller Charles Bowsher on the GAO request be submitted for the RECORD at the conclusion of my statement.

I believe that the steps we are taking with this legislation, with our request of the GAO, and with the leadership of Secretary Sullivan, represent a turning point on an exciting new era of medical science that holds great promise for improving the quality while also controlling the costs of medical care.

I ask that the material earlier referred to be printed in the RECORD.

The material follows:

U.S. SENATE,
Washington, DC, April 3, 1989.

Hon. LOUIS W. SULLIVAN, M.D.,
Secretary, Department of Health and Human Services, Washington, DC.

DEAR DR. SULLIVAN: As Majority Leader, Chairman and Ranking Member of the Senate Special Committee on Aging, members of the Senate Committee on Finance, and Chairman of the Senate Committee on Governmental Affairs, we wish to inform you of our request that the General Accounting Office [GAO] conduct a study in a promising new area of health research that seeks to improve the quality and effectiveness of medical decision-making. We refer specifically to efforts to conduct research and develop clinical practice guidelines that can help direct practitioners toward the most effective and cost-efficient treatment options.

As you acknowledged at your recent confirmation hearing before the Senate Committee on Finance, growing public concern over the quality and rising costs of health care has driven the Congress, the Administration and the medical community to closely examine the true effectiveness of medical procedures used to diagnose or treat patients. We share your concern and are pleased that you have identified the need for improved information on effective medical practices as one of your highest priorities as incoming Secretary of the Department of Health and Human Services [the Department].

Too often, we discover that certain tests and procedures used in the course of medical treatment have increased the costs of caring for patients while providing little to no benefit to the patient and exposing them unnecessarily to intrusive and possibly high risk interventions. Knowing this, the Congress, the Administration and the medical community have each supported efforts to improve our understanding of variations in physician practice patterns and the relative impact of alternative interventions on patient outcomes.

This important area of research has the potential of both improving the quality of patient care and reducing unnecessary costs. If we are to be successful, we firmly believe that the methods and protocol for conducting outcomes research and developing practice guidelines must be scientifically valid and regarded as credible by the medical community, policy-makers, and the public.

Our concern is that the work being carried out in the public and private sectors is proceeding in the absence of any broad strategy or any clearly defined protocol for research and guideline development. We are also concerned by the limited discussion, at the outset, of how this research has been determined historically, what methods have been used, and their strengths and limitations. At the same time, we believe that the widespread support for this type of research presents a unique opportunity to draw on the resources and expertise available to the Congress and the Department in moving forward toward a common goal.

We have therefore requested that the GAO undertake a study on what procedures and/or protocols should be followed in setting priorities for outcomes research, for determining the most appropriate and cost-effective research strategy within a given priority area, and for developing practice guidelines.

Our intention is to have the GAO compile information and recommend approaches to decision-making that will support the Department's efforts to proceed with outcomes research and guidelines development in the most effective and scientifically sound manner possible. We have also asked that the GAO build on the work already underway and the expertise available within the agencies under your purview. For this reason and in light of the intended benefit of the GAO's work to the Department, we urge your full cooperation in any requests for information from the GAO during the course of their study.

In conducting their study, we have asked that the GAO take into account the full range of resources and programs within the Department. We have also urged that the study focus on specific medical procedures. This approach would not only provide a model for other types of diagnostic or treatment interventions, but also provide information immediately relevant to current research on the procedures selected for study.

Finally, we have asked that the GAO's study address the following questions.

(1) How is effectiveness defined by the different parties interested in medical practices and technologies (i.e. patients, physicians, insurers, and others)?

(2) What methods have been used and/or are being developed to determine the effectiveness of new or existing medical practices and technologies?

(3) What are the strengths and weaknesses of existing and emerging methods for determining effectiveness, including time and cost considerations?

(4) How should this information be integrated in planning future outcomes research and guideline development?

(5) What are the most successful approaches to disseminating information on research findings and practice guidelines to the medical community?

We appreciate your attention to this matter and look forward to working cooperatively to further our understanding of this important area of research and public policy. Should you have any questions regarding this letter, please do not hesitate to have your staff contact Nancy Smith of the Aging Committee minority staff at 224-1467.

Sincerely,

George J. Mitchell, Majority Leader; David Pryor, Chairman, Senate Committee on Aging; John Heinz, Ranking Member, Senate Committee on Aging; John Glenn, Chairman, Senate Committee on Government Affairs.

U.S. SENATE,
Washington, DC, April 3, 1989.

Hon. CHARLES A. BOWSHER,
Comptroller General of the United States, General Accounting Office, Washington, DC.

DEAR MR. BOWSHER: As Majority Leader, Chairman and Ranking Member of the Senate Special Committee on Aging, members of the Senate Committee on Finance, and Chairman of the Senate Committee on Governmental Affairs, we are writing to request that the General Accounting Office [GAO] conduct a study in a promising new area of health research that seeks to improve the quality and effectiveness of medical decision-making. We refer specifically to efforts to conduct research and develop clinical practice guidelines that can help direct practitioners toward the most effective and cost-efficient treatment options.

Growing public concern over the quality and rising costs of health care has driven the Congress, the Administration and the medical community to closely examine the true effectiveness of medical procedures used to diagnose or treat patients. Too often, we discover that certain tests and procedures used in the course of medical treatment have increased the costs of caring for patients while providing little to no benefit to the patient and exposing them unnecessarily to intrusive and possibly high risk interventions.

Knowing this, the Congress has supported research to improve our understanding of variations in physician practice patterns and the relative impact of alternative interventions on patient outcomes. The Department of Health and Human Services (the Department) has also launched an "Effectiveness Initiative" to expand the scope of this research to include studies that draw from existing administrative and newly developed clinical data in the Medicare database. At his confirmation hearing before the Senate Committee on Finance, Dr. Louis Sullivan reaffirmed the Department's commitment to this body of research and cited the need for better information on effective medical practices as one of his highest priorities as incoming Secretary.

This important area of research has the potential of both improving the quality of patient care and reducing unnecessary costs. If we are to be successful, we firmly believe that the methods and protocol for conducting outcomes research and developing practice guidelines must be scientifically valid and regarded as credible by the medical community, policy-makers, and the public.

Our concern is that the work being carried out in the public and private sectors is proceeding in the absence of any broad strategy or any clearly defined protocols for research and guideline development. We are also concerned by the limited discussion, at the outset, of how this research has been determined historically, what methods have been used, and their strengths and limitations. At the same time, we believe that the widespread support for this body of research presents a unique opportunity to draw on the resources and expertise available to the Congress and the Department in moving forward toward a common goal.

We are therefore requesting that the GAO undertake a study on what procedures and/or protocols should be followed in setting priorities for outcomes research, for determining the most appropriate and cost-effective research strategy within a given priority area, and for developing practice guidelines.

Our intention is that the GAO compile information and recommend approaches to decision-making that will support the Department's efforts to proceed with outcomes research and guideline development in the most effective and scientifically sound manner possible. In conducting this study, we ask that the GAO build on the work already underway and the expertise available across the Department agencies and that the scope of the study include the full range of resources and programs under the Department's purview. We also ask that the GAO's study address the following questions.

(1) How is effectiveness defined by the different parties interested in medical practices and technologies (i.e. patients, physicians, insurers, and others)?

(2) What methods have been used and/or are being developed to determine the effectiveness of new or existing medical practices and technologies?

(3) What are the strengths and weaknesses of existing and emerging methods for determining effectiveness, including time and cost considerations?

(4) How should this information be integrated in planning future outcomes research and guideline development?

(5) What are the most successful approaches to disseminating information on research findings and practice guidelines to the medical community?

(6) Other questions as determined to be appropriate by the GAO.

Based on initial discussions with staff from the GAO's Program Evaluation and Methodology Division, we believe that this work can be done effectively and relatively promptly. While we welcome your recommendations on how such a study might best proceed, we believe it would be most useful if your work focused on specific medical procedures. This approach would not only provide a model for other types of diagnostic or treatment interventions, but would also provide information immediately relevant to current research on the procedures selected for study.

We look forward to your positive response and appreciate your attention to this important matter. Should you have any questions regarding our request, please do not hesitate to have your staff contact Nancy Smith of the Aging Committee minority staff at 224-1467.

Sincerely,

George J. Mitchell, Majority Leader; David Pryor, Chairman, Senate Committee on Aging; John Heinz, Ranking

Member, Senate Committee on Aging; John Glenn, Chairman, Senate Committee on Government Affairs.●

INITIATIVE ON RURAL DEVELOPMENT

● Mr. LEAHY. Mr. President, this morning I chaired a hearing to begin a Senate-wide initiative on rural development. Last month our distinguished leaders, the senior Senator from Maine and the senior Senator from Kansas, announced the formation of a bipartisan Rural Development Task Force.

The purpose of the task force is to foster the passage of legislation in Agriculture, Small Business, Environment and Public Works, Finance, Banking Committees and others. This effort is directed toward meeting the needs of 60 million rural Americans who want to stay there but must have educational and employment opportunities to survive in rural communities.

Mr. President, there is broad-based community support for this effort. I wish to include in the RECORD a letter in support of omnibus rural development legislation this year. It is signed by 117 organizations located all over the country. I ask that the letter be printed in the RECORD.

This letter speaks eloquently of the need for new legislation that will address unemployment, inadequate health care, education, infrastructure needs, transportation, business development needs, and many other problems in rural America.

I commend those who support this effort and are working every day to make rural America a place where our people can live because they have the choice and the opportunity to do so.

The letter follows:

APRIL 3, 1989.

Hon. PATRICK J. LEAHY,
U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: We are writing to ask that you support passage of omnibus rural development legislation during 1989.

Passage of a comprehensive and multijurisdictional rural development bill should be placed at the top of the domestic priority agenda by the U.S. Congress because:

1. In most respects, the rural economy, with its 62 million people, has fallen behind the economic expansion and national prosperity of the 1980s. A quiet crisis of survival and viability now faces a growing number of rural communities, whose way of life and opportunity to contribute to the national economy are threatened.

Each year rural communities are losing more than 500,000 people as a result of net outmigration to the cities.

Rural unemployment rates, which were historically lower than urban rates, are now higher. The gap between rural and urban incomes has widened and rural poverty rates are now substantially above metropolitan area rates.

Rural counties are disproportionately dependent on specific industries, primarily agriculture, resource extraction and low skill manufacturing—all of which have suffered during the 1980s. These industries are and will remain important to a large number of rural communities. However, in order to promote growth, and to soften the impact of future economic downturns, the rural economy must be diversified, with particular emphasis on encouraging employment in those sectors that are now driving the growth of our nation.

An increasing number of rural Americans lack access to health care and mental health services. Availability of decent housing, clean drinking water, and waste disposal remains a serious problem. Deterioration continues in the condition of many rural roads, bridges and other important aspects of the infrastructure.

Rural education and school completion levels lag behind urban areas and there has been an outmigration of the more highly skilled and educated.

2. Without broad-based efforts on the part of federal, state and local government, regional organizations, the private sector, community groups, cooperatives, and others, a resolution of the crisis quietly unfolding in the American countryside is unlikely. This broad-based and comprehensive approach is required to address the diverse, profound and powerful economic and demographic forces which are directly and too often adversely affecting rural communities.

3. Rural areas are an immense national treasure. Most Americans live in urban areas, yet 85% of our land mass falls outside the boundaries of metropolitan areas. These areas are rich not only in resources, but in culture, values and character. However, economic opportunities and essential services have become increasingly and disproportionately concentrated in urban areas. This is not in the best interest of rural communities whose survival becomes threatened, or urban centers unable to cope with the crowding pressures of growth. National attention to foster rural growth is required to restore balance.

4. The diverse nature of rural problems dictates an omnibus and multijurisdictional approach to solving them. Diverse public policies may be needed to effect rural regeneration. This may involve: fostering rural business development; educational improvements; job training; rural credit; infrastructure repair and improvement; local leadership development; communications and data transfer technology; health care and mental health services; transportation innovation as well as a host of other policy areas.

We urge each Committee of the United States Congress to give rural concerns serious and substantial attention and to develop specific proposals to address these rural issues using the programs and policy tools under its jurisdiction.

Now is the time for action. We urge you, as a member of the United States Congress, to devote your personal attention to ensuring that a comprehensive, multijurisdictional rural development bill is passed as early in 1989 as possible. This effort is in the best interest of all of us—urban and rural.

Thank you for your consideration.

Sincerely,

(Signed by the 117 groups.)

Groups signing April 3 Letter supporting rural development legislation:

American Feed Industry Association, Virginia.

American Feed Trade Association, Washington, D.C.

American Nurses Association, Washington, D.C.

Association of American Railroads, Washington, D.C.

Bread for the World, Washington, D.C.

Brevard/Transylvania Economic Development Commission, North Carolina.

Burlington Northern Railroad, Texas.

Center for Community Change, Washington, D.C.

Center for Rural Health, North Dakota.

Center for Rural Health and Social Service Development, Southern Illinois Univ., Illinois.

Cleveland County Economic Development Commission, North Carolina.

CoBank—National Bank for Cooperatives, Colorado.

Comité Popular de Defense, Washington.

Communicating for Agriculture, Minnesota.

Communications Workers of America, Washington, D.C.

Community Resource Group, Inc., Arkansas.

Consumer Federation of America, Washington, D.C.

Council for Educational Development and Research, Washington, D.C.

Duluth Community Action Program, Minnesota.

Economic Policy Institute, Washington, D.C.

Evans Memorial Hospital, Georgia.

Far West Laboratory for Educational Research, California.

Federation of Southern Cooperatives/Land Assistance Fund, Alabama.

Fund for Rural Education and Development, Washington, D.C.

Georgia Hospital Association, Georgia.

Governor of North Dakota, North Dakota.

Great Lakes Rural Network, Inc., Ohio.

Halifax County Industrial Development Commission, North Carolina.

Housing Assistance Council, Washington, D.C.

Illinois Farmers Union, Illinois.

Inner Logics, Inc., Michigan.

International Brotherhood of Electrical Workers, Washington, D.C.

International Ladies Garment Workers Union, New York.

Iowa Area Development Group, Iowa.

Iowa Hospital Association, Iowa.

Jaenke and Associates, Washington, D.C.

Learning in the North Country, New Hampshire.

Lt. Governor of Iowa, Iowa.

Lumbee Regional Development Association, North Carolina.

Lutheran Health Systems, North Dakota.

Lutheran Resources Commission, Washington, D.C.

Marine Research Development Crescent, North Carolina.

Mercy Health Center, Iowa.

Mid-East Commission, North Carolina.

Mid-West Assistance Program, Inc., Minnesota.

Mid-West Electric Consumers Association, Colorado.

Mid-West Rural Health Association, Missouri.

Montana Farmers Union, Montana.

National Ag Underwriters, Minnesota.

National Association for Rural Mental Health, Maryland.

National Association of Community Health Centers, Washington, DC.

National Association of Counties, Washington, DC.

National Association of Crop Insurance Agents, Minnesota.

National Association of Development Organizations, Washington, DC.

National Association of Regional Councils, Washington, DC.

National Association of Towns and Townships, Washington, DC.
National Business Incubation Association, Ohio.
National Catholic Rural Life Conference, Iowa.
National Center for Appropriate Technology, Washington, DC.
National Consumers League, Washington, DC.
National Cooperative Bank, Washington, DC.
National Cooperative Business Association, Washington, DC.
National Council of La Raza, Washington, DC.
National Farmers Organization, Washington, DC.
National Farmers Union, Colorado.
National Grange, Washington, DC.
National Institute for Rural Health Policy, Iowa.
National Mental Health Association, Washington, DC.
National Milk Producers Federation, Washington, DC.
National Planning Association, Washington, DC.
National Rural Development and Finance Corporation, Washington, DC.
National Rural Education Association, Colorado.
National Rural Electric Cooperative Association, Washington, DC.
National Rural Health Association, Missouri.
National Rural Health Network, Washington, DC.
National Rural Housing Coalition, Washington, DC.
National Rural Letter Carriers Association, Virginia.
National Rural Telecom Association, Washington, DC.
National Rural Telecommunications Cooperative, Washington, DC.
National Rural Utilities Cooperative Finance Corporation, Washington, DC.
National Rural Water Association, Oklahoma.
National Telephone Cooperative Association, Washington, DC.
National Trust for Historic Preservation, Washington, DC.
National Unemployed Network, Pennsylvania.
Northeastern Education and Development Foundation, North Carolina.
Northeastern Community Investment Corporation, Vermont.
Organization for the Protection and Advancement of Small Telephone Companies, Washington, DC.
Palmetto Economic Development Corporation, South Carolina.
Public Voice for Food and Health Policy, Washington, DC.
Research for Better Schools, Pennsylvania.
Richland County Development Corporation, Illinois.
Rural America, Washington, DC.
Rural Community Assistance Corporation, California.
Rural Community Assistance Program, Inc., Virginia.
Rural Health Jobs, Maryland.
Rural Housing Improvement, Inc., Massachusetts.
Rural Leadership, Inc., Pennsylvania.
Rural Wisconsin Hospital Association, Wisconsin.
Southern Pacific Transportation Company, California.
Southwest Educational Development Laboratory, Texas.
Tele-Systems Associates, Inc., Minnesota.
Tennessee Hunger Coalition, Tennessee.
Tennessee Valley Public Power Association, Tennessee.
The American Agriculture Movement, Washington, DC.
The Regional Laboratory for Educational Improvement of the N.E. and Islands, Massachusetts.
The Rural Advancement Fund, North Carolina.
The Rural Economic Development Center, North Carolina.
United Food and Commerical Workers International Union, Washington, DC.
United Packing House Workers—Local 5183, California.
United States Beet Sugar Association, Washington, DC.
United States Catholic Conference, Washington, DC.
United States Telephone Association, Washington, DC.
University of Maryland, Department of Education Policy, Planning and Administration, Maryland.
Virginia Water Project, Inc. Virgina.
Western Rural Telephone Association, California.
Wheeler County Hospital, Georgia.
Wisconsin Federation of Cooperatives, Wisconsin.●

EDUCATIONAL EXCELLENCE ACT

● Mr. LUGAR. Mr. President, in the United States today, there is a consensus that the quality of America's public education can be improved. Educators, lawmakers, and private citizens are contribuitng critical elements to the discussion of how and where changes should be made. It is encouraging to see such widespread agreement on the need to reevaluate our approaches to quality education. It is crucial for the advancement of our Nation that all capable individuals are given the opportunity to maximize their potential through education and training.

I am pleased to join Senator KASSEBAUM in sponsoring the President's innovative plan to foster excellence in education. The Educational Excellence Act of 1989 will spur initiatives which are already being developed in many States, and will implement on a nationwide basis several new programs to recognize and reward achievement in the educational arena.

In order for our children to excel in the classroom, we must rid our schools of illegal drugs. Surveys show that students are being pressured by their peers to use drugs as early as the third and fourth grade. Learning will not take place in an environment plagued with drugs and violence. The President has recognized this urgent need by providing $25 million in emergency grants for those urban schools with the most severe drug problems.

When schools make dramatic progress, we need to take notice and reward their efforts. The Presidential Merit Schools Program will do just that by providing cash awards to elementary and secondary schools which make significant improvements in some area of importance, such as reducing their dropout rate. Similarly, teachers should be rewarded for going that extra mile for their students. Some States already recognize outstanding educators, but the President's plan will take this nationwide.

Magnet schools have proved highly effective over the years in the desegregation of our school systems. Now we plan to encourage magnet schools with strong academic and vocational programs in areas where desegregation is not an issue. With schools working to attract students, educational opportunities will be enhanced.

These are just a few of the proposals President Bush has transmitted to Congress as part of his education package, which emphasizes excellence, choice, and accountability. I am pleased to support the President in this effort because I believe that America's future rests largely on the fulfillment of our dreams for public education. Incalculable rewards await those States and nations which translate an appreciation for academic achievement into a sound plan of action.●

THE POLITICAL CHALLENGE OF HDTV

● Mr. HEINZ. Mr. President, the advent of advanced television systems [ADV] and high definition television [HDTV] in particular presents us with both a major technological and a political challenge. The former is to develop a quality system that can compete on a global basis. The latter is to understand what governmental actions will be necessary to facilitate this competitive position.

The debate over policy promises to be a controversial one, but there are several premises on which most informed observers will agree.

The first is that HDTV is important far beyond the implications for home entertainment. The latter market itself is billions of dollars per year, and our experience in the 1970's with the erosion of the domestic conventional TV industry has been dramatic evidence of how quickly the international terms of trade can be made to change for the worse. Beyond home receivers, however, HDTV technology and the semiconductors it requires are directly related to computer technology and a variety of sophisticated applications. A recent study by the Economic Policy Institute concludes that the impact of HDTV is so broad that if we fail to fully develop the industry in the United States, we will be looking at $225 billion trade deficit in electronics alone by 2010.

The second premise is that we are currently far behind both the Japanese and the Europeans in the development of HDTV. Whether that makes any difference is one of the key areas of debate.

Obviously, a critical part of that debate revolves around the technical standards that are ultimately adopted in the United States and elsewhere for HDTV transmission and reception. Some part of this debate is indeed technical. Proposed standards, for example, vary in the amount of the spectrum they require, an important consideration in developed countries where the spectrum is already crowded with current broadcast technologies.

At another level, however, the issue of standards is political, since they have a great influence over who chooses to go forward with product development. The European Community, for example, followed a distinctly national path in its development of a standard for conventional television and by doing so insured that an overwhelming share of its market to this day is supplied by European producers. A unique standard alone, of course, cannot insure that outcome, as competent producers anywhere can meet someone else's standard. It takes a variety of other protectionist actions as well, which some countries have not hesitated to impose.

A unique indigenous standard, however, can have a major impact on the development of an infant industry like this one. It also provides the only means for making sure special conditions or peculiarities of the market are taken into account. For example, the FCC has already concluded that the interests of consumers require that whatever standard is ultimately adopted should permit the reception of HDTV programs on conventional equipment. As study of a new standard proceeds, there will no doubt be other criteria specific to our market that emerge as well. That is something the FCC should study carefully.

Mr. President, recently the House Subcommittee on Telecommunications and Finance solicited comments on ATV issues from a wide variety of sources. One of the most penetrating analyses was offered by William F. Schreiber, director, Advanced Technology Research Program at MIT. Although it contains some recommendations, its chief contribution is to lay out in stark terms the differing consequences of alternative development paths for this critical technology. Anyone interested in HDTV should read this statement closely, and I ask that it, along with the Economic Policy Institute paper I referred to earlier, be printed in the RECORD.

The material follows:

[From the Economic Policy Institute Briefing Paper, Washington, DC]

THE CONSEQUENCES OF FAILING TO DEVELOP A STRONG HDTV INDUSTRY IN THE UNITED STATES

(By Robert Cohen)

The U.S. could face an annual trade deficit of more than $225 billion in electronics and lose more than two million jobs a year by 2010 if it fails to develop strong HDTV and flat-display screen industries. The trade deficit under a weak HDTV scenario, where the U.S. industry takes only ten percent of the world market, would be $227 billion in the year 2010 for just four electronics industries: HDTV receivers and VCRs, personal computers, semiconductors and automated manufacturing equipment. The main contributors to this enormous trade deficit would be the personal computer and semiconductor industries, which would suffer estimated deficits of $114 billion and $76 billion, respectively.

As a result of this trade deficit, the U.S. would lose 792,000 jobs in these four closely linked industries, since weakening the HDTV base weakens demand and technical innovation in the other electronics sectors. An additional 1.5 million jobs would be lost through the loss of spending in the economy by people who would have been employed in these electronics sectors. These multiplier effects are based on a rather conservative estimate of approximately two new jobs for every new one in electronics.

As these figures show, our nation stands at a critical juncture. If we do not create a strong industrial base centered on development of HDTV and flat-display screen technology, it will not only weaken our industrial base, but also reduce the numbers of skilled jobs that are needed to make us more competitive.

LINKAGES: ONE KEY TO CREATING COMPETITIVENESS

Why would our failure to develop a strong HDTV industry have such a dramatic impact on the trade balance and job creation? Because the HDTV and flat-display screen technologies are intimately linked, economically, to the improvement of our personal computer and automated manufacturing industries, which are likely to expand at a rapid pace during the next two decades. These linkages—through which improvements and expansion in one electronics sector stimulate improvements and expansion in others—are critical to the future development of our industrial base.

When a personal computer adopts the kind of flat display screen associated with HDTV technology, it will not only create additional demand for the products associated with this new industry, but it will also require a large number of semiconductors to support the new projector and display technology that will be incorporated in the screen itself. The use of these inputs will give a boost to demand for products from these related industries, contributing to increases in their output and improving the chances that they will be profitable and have the funds to support further innovation.

These linkages create a kind of feed-back mechanism that provides its greatest advantages to our industrial base when the entire "food chain" of the electronics industry is improved. This will occur when the demand for basic components, such as semiconductors and digital display screens, is expanded to a wide range of applications of the final products in our economy. HDTVs will be used in the home, as display screens for personal computers, and by the nation's businesses to improve controls over automated production in auto, steel and manufacturing plants, to integrate video and print media in newspapers, and for the collection and transmission of important medical results, such as x-rays and computer tomographs.

THREE SCENARIOS FOR U.S. ELECTRONICS INDUSTRIES, 1990–2010

So strong are the linkages in the electronics "food chain" that industry experts believe they can project U.S. production and market shares in both upstream and downstream industries, based on various scenarios for the introduction and success of an emerging technology such as HDTV. This study bases its estimates of trade and employment impacts in the year 2010 on production and U.S. market share scenarios developed in a study recently released by the American Electronics Association. The underlying data from that study are shown in the Appendix Table.

According to the AEA study, the Strong scenario represents a case where 50 percent of the U.S. market for HDTV is controlled by U.S. firms. In the Medium Scenario, 30 percent of this market is controlled by U.S. firms, and in the Weak Scenario only 10 percent of the U.S. market is controlled by U.S. firms. According to these unadjusted estimates, with a strong HDTV base, the U.S. PC industry would attain an estimated $221 billion in sales, in contrast to an expected $110 billion in sales with a weak HDTV sector, a difference of $111 billion in foregone sales if the U.S. has a weak HDTV base. The contrast is almost as striking for the semiconductor industry. In this sector, sales would reach an estimated $124 billion with a strong U.S. HDTV sector and only an estimated $62 billion with a weak HDTV industry, a difference in 2010 of $62 billion in semiconductor sales.

These figures are adjusted in Table 1 using estimates for how much of the total U.S. market share would be produced in the U.S. (as opposed to U.S. owned offshore facilities). This permits us to create projections for U.S. based production under each of the three scenarios for the year 2010. These estimates can be used with projections of total U.S. sales to compute the trade surplus or deficit that would be expected under each scenario in 2010. As can be seen in Table 1, the differences between the Strong and Weak HDTV scenarios are striking, particularly for the personal computer and semiconductor industries. In the case of the PC industry, U.S. production would reach an estimated $176 billion in 2010, while it would only be an estimated $44 billion under the weak HDTV Scenario. For semiconductors, U.S. production would grow to an estimated $99 billion under the Strong HDTV scenario but only $25 billion under the Weak HDTV scenario.

While these difference are quite large, they are not suprising. If the U.S. HDTV industry generates little local production and only a small amount of innovation in electronics products, it is very likely that even the largest U.S. companies will obtain many of the their components overseas, earning profits by the value added that they gain from assembling the components into a computer or automated manufacturing equipment.

Table 2 sums up the trade impacts of the different scenarios in 2010. It shows that the trade balance in these four industries

would range from an estimated surplus of $10 billion to an enormous estimated deficit of $227 billion in just one year. The main contributors to this deficit would be the personal computer and semiconductor industries, which would contribute deficits of $114 billion and $76 billion, respectively, to the overall trade deficit under the Weak HDTV scenario.

Employment impacts can be obtained by dividing the sales figures in Table 1 by the amount of sales that we would expect these industries to have per employee. There are currently about $150,000 in sales for each employee in the computer and telecommunications industry in 1987. However, we used an estimate of $300,000 in sales per employee, allowing for substantial productivity gains by the year 2010. If productivity does not rise rapidly the employment losses shown in Table 3 are understated.

According to these estimates, the personal computer industry will grow to 588,000 employees in 2010 under the strong HDTV industry scenario, compared to just 147,000 employees under the weak HDTV scenario, a difference of just under 450,000 jobs. A similar difference in estimated employment gains can be expected in the semiconductor industry, where 331,000 jobs will be created in 2010 under the strong HDTV industry scenario, while just 83,000 jobs will exist under the weak HDTV base option.

Table 3 also allows us to compare the total estimated employment levels in all four industries that will be reached under each scenario in 2010. The differences are quite substantial. Under the Strong HDTV scenario, there will be nearly 1.1 million estimated jobs in these four industries, but only 274,000 jobs under the Weak HDTV scenario.

This means that the U.S. will forego more than three quarters of a million jobs in 2010 if it develops a weak HDTV industry compared to a strong one.

Furthermore, these large job creation differences between the scenarios underestimate the totel effect of not having a strong HDTV industry because the figures in Table 3 do not include any mulitplier effects that would be likely to occur. Using a conservative multiplier, it would be reasonable to argue that at least another 1.5 million jobs will be foregone in 2010 by not developing a strong HDTV industry. Moreover, if flat-screen displays were used extensively in retailing, in education, or in automated automobile assembly, direct job creation would be greater than we have estimated for the four sectors, and multiplier effects would be proportionately larger. These estimates also fail to allow for new industries that might emerge as a result of the commerical development of digital television, digital communications and innovative flat-screen displays between now and the year 2010.

TABLE 1.—ADJUSTED ESTIMATES OF U.S. PRODUCTION OF HDTV RECEIVERS, HDTV VCR'S, AND OTHER ELECTRONICS SECTORS AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, 2010, in billions of dollars]

Sector	U.S. market	Strong HDTV	Medium HDTV	Weak HDTV
HDTV receivers and HDTV VCR's	11	4.3	2.0	0.4
Automated manufacturing equipment	39	40.0	24.4	13.0
Personal computers	158	176.4	105.8	44.1
Semiconductors	101	99.4	59.7	24.8

Source: These figures include adjustments that assume that for the Strong Scenario, 50 percent of the U.S. manufacturers share is produced in the United States and an additional 30 percent comes from foreign owned production in the United States. For the medium scenario, the figures are 40 percent and 20 percent, and for the weak scenario, the figures are 30 percent and 10 percent. These adjustments are used to alter the estimates for world share of production by U.S. firms in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

TABLE 2.—ESTIMATED TRADE DEFICITS IN 2010 FROM THE U.S. PRODUCTION OF HDTV RECEIVERS, HDTV VCR'S, AND ELECTRONICS PRODUCTS THAT ARE AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, in billions of dollars]

Sector	Strong HDTV	Medium HDTV	Weak HDTV
HDTV receivers and HDTV VCR's	−7	−9	−11
Automated manufacturing equipment	+1	−15	−26
Personal computers	+18	−52	−114
Semiconductors	−2	−41	−76
Total	+10	−117	−227

Source: These figures assume that for the strong scenario, 50 percent of the U.S. manufacturers share is produced in the United States and an additional 30 percent comes from foreign owned production in the United States. For the medium scenario, the figures are 40 percent and 20 percent, and for the weak scenario, the figures are 30 percent and 10 percent. These adjustments are used to alter the estimates for world share of production by U.S. firms in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

TABLE 3.—ESTIMATED EMPLOYMENT IN THE PRODUCTION OF HDTV RECEIVERS, HDTV VCR'S, AND ELECTRONICS PRODUCTS THAT ARE AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, 2010, in thousands of jobs]

Sector	Strong HDTV	Medium HDTV	Weak HDTV
HDTV receivers and HDTV VCR's	148	7	1
Automated manufacturing equipment	133	81	43
Personal computers	588	353	147
Semiconductors	331	199	83
Total employment	1,066	640	274

Note.—These estimates are based on an assumption of $300,000 sales per employee in contrast to $150,000 for the key parts of the electronics industry in 1987.

Source: These figures assume that for the strong scenario, 50 percent of the U.S. manufacturers share is produced in the United States and an additional 30 percent comes from foreign owned production in the United States. For the medium scenario, the figures are 40 percent and 20 percent, and for the weak scenario, the figures are 30 percent and 10 percent. These adjustments are used to alter the estimates for world share of production by U.S. firms in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

CONCLUSION

The United States stands at a critical juncture that will shape the growth of its electronics industry well into the next century. Since the new industries of high definition television and flat display screens are likely to have an enormous impact on our electronics industry, the fact that we have lost much of the consumer electronics base may lead some to minimize the impact of the new "digital revolution." But this revolution offers the potential for a dramatic revival of industries that could form the base for the creation of at least two million jobs and for a gain in our trade account of over $225 billion by the year 2010.

Given the strong government role played in promoting the development and commercial success of these industries in Europe and Japan, it is no longer logical for our policies to avoid supporting those industries that are critical to the future growth and development of our industrial base. If we continue to lose the skilled jobs and the innovative spirit of entrepreneurship that has supported the vitality of the U.S. electronics industry since its inception, our economy will be subject to pressures that will cause substantial dislocation of industries and workers as we settle for a position as a "branch plant" economy. But with a revitalized electronics sector, our companies will have the opportunity to regain a leadership position in what have been called the "crown jewel" industries of the future.

APPENDIX TABLE.—WORLD MARKET SALES IN 2010 OF U.S. FIRMS UNADJUSTED ESTIMATES OF HDTV RECEIVERS AND HDTV VCR'S TOGETHER WITH SALES OF OTHER ELECTRONICS SECTORS AFFECTED BY THE GROWTH OF HDTV

[Three Growth Scenarios, 2010, in billions of dollars]

Sector	U.S. market	Strong HDTV	Medium HDTV	Weak HDTV
HDTV receivers and HDTV VCR's	11	5.4	3.3	1.1
Automated manufacturing equipment	58	48.7	40.6	32.5
Personal computers	210	220.5	176.4	110.3
Semiconductors	151	124.3	99.4	62.1

Source: Derived from results presented in David Russell, "High Definition Television (HDTV): Economic Analysis of Impact," report of the American Electronics Association ATV Task Force Economic Impact Team, November 1988.

ADVANCED TELEVISION SYSTEMS: GETTING A SHARE OF THE MARKET FOR US-OWNED COMPANIES

(By William F. Schreiber, Director, Advanced Television Research Program)

[From the Media Laboratory, Massachusetts Institute of Technology, Cambridge, MA, Feb. 1, 1989]

EXECUTIVE SUMMARY

Advanced Television Systems (ATV) are coming, and US industry is ill-prepared to participate, which may result in further weakening of the domestic economy. Many believe that government should take an active role in aid of the industry, as has previously been done for semiconductors. This position is justified by a short review of the recent history of the industry. The special role of ATV in support of other industries, particularly semiconductors and computers, is cited and the participation of government in Japan and Europe recalled. The place of consumer demand in the development of ATV is explained, and the possibilities of substantial growth in related services presented. Proposals for encouraging the private sector to increase its investment in ATV by improving the economic climate within which they operate seem very promising. However, such proposals are left to others. Among the many possible government actions, these comments concentrate instead on what can be done in the areas of policy and regulation to help make ATV a commercial success and to give US companies a better chance to gain substantial market share. It is emphasized that no government action can guarantee the success of any product or industry, but that lack of government action in this case can effectively prevent American participation. The advantages of using a US-originated standard are discussed, and the importance of rejecting the proposed Japanese 1125-line system is emphasized. Arguments are given for specific action in the areas of transmission standards for the various media and of receiver compatibility standards. It is proposed, in addition, that government promulgate a framework for the orderly introduction of ATV services so as to reduce the risk to manufacturers, broadcasters, and viewers.

A set of specific recommendations is made, including abandoning support for international standardization of the 1125-line

system for production and program interchange, phasing out NTSC over a 10- to 15-year period, requiring ATV receivers to be adaptable to a range of ATV transmission standards, and encouraging the alternative media to adopt standards that would permit easy interchange between media and that could all be decoded in a common receiver.

INTRODUCTION

The current FCC Inquiry into ATV arose out of broadcasters' fear that HDTV delivered by alternative media would damage their business unless they had enough spectrum to compete. Land-mobile radio asserts that they need part of the UHF spectrum more than the broadcasters do. As Congressional hearings have been held and as the Inquiry has progressed, many persons, both within and without the government, have come to realize the economic potential of ATV, and the wide range of potential benefits to the country that might result should US industry be able to command a substantial share of the market for ATV equipment. In view of the present state of the domestic consumer-electronics industry, many doubt that any benefit at all is likely to be obtained. On the contrary, it is feared that wide-scale importation of ATV professional equipment and consumer products is likely to worsen the trade imbalance and budget deficit. Others fear that related industries, such as semiconductors and computers, are likely to be damaged if American companies do not participate in ATV. The question arises as to whether government has a role in this situation, and, if so, what that role ought to be.

It should be pointed out that there are those who regard ATV as strictly a market problem, and who believe that government has no role at all to play. Should that policy be adopted, it is fairly clear what will happen. Judging by recent past history, nearly the entire market share will go to foreign-owned companies. Even if some of the equipment were "manufactured" in US factories, the semiconductors, for the most part, would come from abroad. Nearly all the R&D (and related skills developed in the design process) would remain offshore.

Several years ago, DOD decided that the semiconductor industry was vital to national security, and set up Sematech in response. It has now apparently made a similar finding for ATV, and asked for bids for developing receivers and for display technology. The $30 million to be spent is a rather small sum compared to the potential market, which is expected to be as much as $140 billion in the first 12 years. Nevertheless, this action has had a remarkable effect in stimulating many electronics companies to make proposals.

I believe that the facts clearly support an active role for government, and that worthwhile results can be obtained with a modest amount of money and without engaging in unprecedented interference in the market. In this submission, I shall try to answer the most important questions related to possible federal action in this field. Finally, I shall list some steps that might be taken, concentrating on those items that are within my own expertise, and that are less likely to be stressed by others.

WHY CAN'T THE US CONSUMER-ELECTRONICS INDUSTRY MAKE IT ON ITS OWN?

The short answer to this question is that there is virtually no such industry left.[1] The most recent loss was the sale to Thomson, a French company, of the consumer divisions of GE and RCA as a result of the GE/RCA takeover. The former RCA research laboratory in Princeton, NJ, the David Sarnoff Research Laboratory, was given away to Stanford Research Institute and is now a contract laboratory. It is doing some TV development work, apparently funded largely out of money that GE is obligated to spend at Sarnoff as part of the transfer. SRI certainly has no funds of its own to spend this way. Zenith is the only large American company that still makes TV receivers. It has made a very important proposal about ATV, but its consumer-electronics division, barely profitable, is under attack from Wall Street.

It is worthwhile studying the demise of this industry as a way of seeing what might be done to bring it back. Of course, there was vigorous Japanese competition, partly due to their then-lower wages. There were management misjudgments, such as failure to modernize and to invest adequately in R&D. This industry, like many others, had also developed a very short time horizon. However, that is not the whole story by any means. There was also egregious dumping, coupled with failure to enforce the anti-dumping laws,[2] at the same time that foreign markets were completely closed to American manufacturers. Until recently, the government has been massively uninterested in the problem—indeed, most government officials didn't seem to think there was a problem.

There are also many objective conditions that would discourage domestic manufacturers. Included are the high cost of capital and labor,[3] the low profit margin in TV receivers as compared with military and medical electronics, and essentially no government encouragement in the form of favorable tax policies.

More recently, the wave of takeovers and LBO's has diverted management attention from the long-term health of their companies. Indeed, both the protective measures taken to prevent buyouts, as well as the consequences of buyouts using borrowed money, tend to decrease investment in the future. This problem, of course, is not confined to electronics.

It is clear that some changes are required in the economic climate within which US companies operate in order to make investment in ATV attractive. The longer the present malaise exists, the harder it will be to get back into the field, as the facilities disappear along with the required skills pool in the labor force.

Finally, it should be pointed out that in Japan and Europe, where most ATV development has been done, no one expects industry to do it by itself. In both places, government has taken an active role in planning, coordinating, and funding research and development activities in government and private laboratories.

WHY SHOULD THE GOVERNMENT DO ANYTHING ABOUT IT?

There is little question that the US is losing its manufacturing base. While there are some who believe this is perfectly all right since it results from market forces and is part of a worldwide trend toward the "information age" and a service economy, no one has yet explained how we are to maintain our standard of living if we depend more and more on industries that are inherently less productive than manufacturing. The decline in our living standard would be much more obvious were it not for the large inward cash flow from borrowing and from sales of assets. Even so, it is clear that many young people are now poorer than their parents were at the same age, a situation entirely unprecedented in American history.

Although this problem cuts across most industries, it comes with special poignance in TV. While Americans cannot rightly claim to have "invented" TV, (that goes back to the last century) we did first make it practical and available to almost everyone. We did invent color and video tape recording, although no VCR's are made in the US, except some assembled by foreign companies using offshore components. Television is uniquely our product, and it is unacceptable for America to have to go abroad for the next phase of this system in its entirety.

Aside from such emotional responses, it is clear that a thriving domestic consumer-electronics industry is a prerequisite for a viable semiconductor industry. In Japan, more than 40 percent of the output of their chip manufacturers go to their consumer-electronics industry, while in the US, the comparable figure is less than 10 percent. The skills of this industry, and the components and subsystems infrastructure it would support are essential to the computer industry and to military and industrial electronics. This comes about because the consumer industries are now at the leading edge of technology, a situation that partly results from their much shorter time-to-market than other industries.

No doubt, many of those involved in ATV, including myself, tend to overrate its importance. However, when we hear from organizations such as the EIA [4] that everything is just fine and that ATV is no big deal—just another evolutionary development—we are being seriously misled. ATV is the key to an entire range of new telecommunications and entertainment products. Organizations like the EIA fervently desire that the government should continue its short-sighted neglect of the health of American industry. EIA makes a big point of the fact that some ATV production will be carried out in the US (by foreign-owned EIA members) in the natural course of events. Of course, any part of the pie is better than none. It is clearly better to assemble foreign components into sets in the US than elsewhere. It would be better to use US components, and it would be best of all to do the R&D here so that the skills would be available to American industry generally.

IS THERE A CONSUMER DEMAND FOR ATV?

This is an important question, since, if viewers reject ATV, what the government does is irrelevant. The short answer to this question is "No," but additional comment is required. It would seem obvious that nearly all viewers would like a sharper picture with a wider screen and better audio, and, in fact, they probably do. However, the differences must be perceived to be desired, and with most subject matter and under most viewing conditions, the perceived difference is very much smaller than one would first think. To see and like the difference, the viewer must be close (or a large display must be used), the transmission condition must be good (low noise, ghosts, and interference), and the subject matter must contain enough fine detail so that the superior resolution makes a difference. These conditions are not usually met, so overall viewer preference is not very large. With some subjects under some conditions, a large proportion of the audience does like it, although the single objective factor most important to viewers is simply picture size.

Although the change to high resolution is a much smaller change than that to color, I believe that, as sets become available, as programming designed to take advantage of the superior imaging capabilities is made, and as we learn to deliver defect-free pictures to the home, it will be accepted. There is a good deal of price resistance, but HDTV sets, in current dollars, will cost no more than monochrome sets in 1947 or color sets in 1954. As we proceed down the learning curve, the price of sets will fall to a model increment over conventional receivers of the same picture size. The initial market penetration is likely to be slow, but the probability of eventual acceptance by the public is quite high, barring some unforeseen difficulty.[5]

A factor that strongly favors the eventual development of a very large market for ATV receivers is the likelihood that they will be used for many applications other than viewing regular programs. What attracts the telcos, computer companies, and others is the prospect of developing a host of new informational, transactional, educational, and entertainment services, as well as the use of the high-definition display with VCR's, computers, and electronic still photography.

THE ROLE OF STANDARDS

Other comments are likely to concentrate on the macroeconomic policies that will aid all industries, coupled with specific action, such as creation of consortia, partial funding, loan guarantees, etc., in aid of ATV in particular. Since I have been following developments in this field for so long, and have devoted so much time to devising both new ATV systems and scenarios for their introduction, I shall concentrate instead on the role of standards in the development of ATV and on the prospects of US companies to gain a reasonable share of the market through the promulgation of a suitable framework for the orderly introduction of ATV.

ATV development started in Japan in 1970, and a coordinated program under Project *Eureka* was started in Europe in 1986.[6] In both regions, HDTV will be delivered solely by direct broadcasting from satellites (DBS), while current system will remain in place for terrestrial broadcasting. In the US, ATV will be broadcast in the regular VHF and UHF bands, alongside the current system (NTSC), as well as in the alternative media, if they choose to do so. Ultimately, if the telcos move forward with their plan to run fiber into every home, ATV will certainly be one of the offerings, although the older media are likely to remain viable for many years.

The Japanese (NHK) system was first demonstrated in 1981. It was an analog system, primarily a scale-up of conventional systems, but with much better cameras, picture tubes, and recorders. Since it transmits five times the information as NTSC, it requires five times the channel capacity. This was uneconomical, even for DBS, so the MUSE bandwidth-compressed system was developed. This can be transmitted in a single normal satellite channel, but not in a single over-the-air channel, and has been ruled out by the FCC because of excessive required bandwidth.[7]

Although the wideband NHK system was originally developed as a straightforward analog DBS system, the Japanese and some Canadian and American adherents have been pushing in the CCIR and elsewhere to get the original adopted as an international standard for *program production and interchange.* This proposal is also supported by the U.S. State Department. Whatever reasons once advanced for the U.S. to take this position, it is now contrary to U.S. interests and should promptly be reversed. There is no single action the government could take at this time that would give more encouragement to American system proponents. Aside from its symbolic value, changing this policy would be of practical value in that it would substantially improve the prospects for American industry to participate in the ATV market.

While a U.S.-orginated standard would not guarantee U.S. participation, a Japanese standard would make it much harder for American companies to have any market share at all. Historically, standards have often been used to control markets. This is the reason the Europeans chose PAL instead of NTSC and why the French chose SECAM instead of PAL. Partly as a result of these actions, the Europeans have managed to save much more of their TV industry than we have. Most TV sets sold in Europe are made in Europe, a large proportion by European-owned firms, to this day.

The principal effect of the widespread use of the NHK system for production will be to pave the way for the use of a directly compatible transmission system such as MUSE. Although the FCC has rejected the 9-MHz MUSE for over-the-air use, it may be used for DBS (if that service develops in the U.S.), for VCR's, for cable (if quality loss due to microreflections can be overcome), and, as a result, for receivers. A de facto standard established in this way would be a formidable roadblock to the development of an American system. NHK is now hard at work developing 6-MHz transmission systems to meet FCC requirements, and we can rest assured that these also will be directly compatible with the "studio" system.

I am convinced that the principal motive behind pushing the NHK system is, and the main effect of adopting it would be, to advance Japanese economic interests to the detriment of our own. There is no reason whatsoever for the U.S. to be a party to inflicting this damage on itself.

Many false and/or misleading arguments have been advanced in support of the NHK system. In order to keep this document reasonably short, I shall not refute them in detail, although I intend to do so in a forthcoming submission to NTIA.[8] Instead, I shall make a series of statements for which there is a great deal of evidence. I shall be pleased to provide additional material if the Committee so desires.

The NHK system is not a production system at all—it is a no-storage DBS system that uses interlace, which makes transcoding difficult and expensive. Production systems cannot be chosen independently of transmission systems because of the transcoding problem. There is no hope whatsoever to achieve world-wide agreement on this system, as the Europeans have made it as plain as humanly possible that they will never accept it. The production format has no effect whatsoever on the salability of American programs abroad, particularly since the NHK system would be a detriment, if anything, in sales to Europe.

The most disingenuous reason of all being used to promote the NHK system is that it doesn't make any difference, so we ought to take the first one available for the sake of standardization. You can be quite sure that if it really didn't make any difference, we would not see this one pushed on us so hard.

There is, at present, no reason why those who want to use this system for any purpose cannot buy the equipment and use it. There is likewise no reason why the concerned manufacturers cannot agree among themselves on signal levels, connectors, etc., that can be quite troublesome in the field if not standardized. It is when governments and officially recognized standards-setting organizations take up the question, and when standardization is interpreted as endorsement,[9] that we must consider where our interests lie. They clearly do not lie with choosing a Japanese production standard.

MAKING ATV A SUCCESS

Obviously, there is no way to guarantee the success of any new product. However, many pitfalls can be avoided and a propitious climate created by low-cost government actions that could greatly improve its prospects while at the same time providing a good opportunity for participation by domestic manufacterers. Such actions are called for with respect to receivers, transmission standards, and the framework that might be used to promote the orderly introduction of the new services.

Transmission Standards and Receivers

The FCC intends to permit the alternative media—cable, DBS, fiber, and VCR's—to use whatever transmission standards they desire, relying on market forces to ensure exchangeability of programs. This is extremely risky, as numerous alternative-media spokesmen have proclaimed their unwillingness to be limited by the presumed lower quality of traditional broadcasters' over-the-air channel. If these various systems come to market, we will see the development of several kinds of mutually incompatible ATV receivers, and the resultant death of ATV. In fact, it was the threat of just such an invasion of MUSE VCR's and monitors that finally brought the coming upheaval in TV to broadcasters' attention.

It appears possible to devise a "friendly family" of transmission standards that would permit each medium to optimize its own picture quality while also permitting easy transcoding from one medium to the other.[10] It is certainly possible to require receivers to be able to be adapted to a range of transmission formats.[11] This would prevent both the premature establishment of a *de facto* standard (MUSE is the main possibility for this) and well as the marketing of several kinds of mutually incomptible ATV receivers. The latter development is likely to kill ATV entirely and to cause everyone involved, consumers included, to lose money.

There is an excellent precedent for such receiver regulation in the All-Channel Receiver Law, which requires receivers sold in the U.S. to have UHF capability. This law, which was responsible for the viability of UHF TV, put all manufacturers on an equal footing by preventing some from gaining a cost advantage by selling VHF-only sets.

With such adaptable sets in the hands of viewers, further regulation might not be required to get the alternative media to use systems that permit easy program interchange. If further study shows that additional regulation is required to prevent the disaster of mutually incompatible standards, the government should not hestitate to provide it. It will still be possible to leave amply room for market forces, as we shall see below.

ATV Introduction Frameworks

One of the successful techniques used in creating the Japanese postwar economic miracle has been to encourage private in-

vestment by taking government action to reduce risk. This can be done here by establishing a framework within which ATV can develop in an orderly manner. Such a framework, promulgated by government, can encourage the development of a final system much more satisfactory to everyone concerned than is likely to result otherwise.

For many reasons, the final system should be technically superior to today's TV. This means not only much better picture and sound quality in the home, but the accommodation of at least as many stations as today in significantly less overall spectrum. In this way, other needs, such as those of mobile radio and cellular telephone service, can be met. None of these goals can be met without replacing NTSC with a modern and more efficient system. To avoid seriouis dislocations due to such a large change phasing out NTSC over a suitably long period of time—perhaps 10 to 15 years. In that way, viewers would be able to use their present equipment for its natural life, while those who wished could buy ATV receivers with confidence that they would not be made obsolete by evolutionary changes in the ATV system itself. Broadcasters could start ATV transmissions using either a Zenith-type simulcasting system or a single-channel-compatible system such as ACTV. The key element is the receiver.[12] At some time, depending on viewers' purchasing behavior, the FCC would drop it requirement that all ATV programs be made available to NTSC receivers. This would accelerate the transition toward ATV by both public and broadcasters and would begin the process of freeing up spectrum for other uses, but would not be taken unless ATV takes hold.

A transition framework such as this, decided upon by appropriate government agencies with input from all interested parties (not just the TV broadcasting industry) would encourage manufacturers to make the investment required to get into the market. It would remove doubt as to what the market needed and even provide a date by which a large proportion of the public will have bought new receivers. Since most viewers would have purchased new receivers within that period anyway, and since the average picture quality in the home would be clearly superior on the ATV sets, the transition would have a good chance of being accepted.

RECOMMENDATIONS

In the expectation that other submissions will deal with improving the economic climate for potential TV manufacturers and remedying the erosion that has taken place in the consumer-electronics industry, these recommendations deal primarily with regulatory and policy issues that I believe are of importance without regard to whatever other action the government will take. A more general list of possible actions is presented in the Appendix.

1. *Withdraw support for the NHK production standard and do not require its use for testing proposed systems under the current Inquiry.* If it ever was in our interest to support this system, it certainly is not now, especially in the light of the Tentative Decision and FNOI. In similar regard, advice tendered by organizations in which foreign-owned companies have an important voice, such as ATSC and EIA, should be given particularly careful scrutiny to see whose interests such advice would advance.

2. *Decide on a definite plan for the development and introduction of ATV, including the eventual phasing out of NTSC, with full consideration of the economic factors.* The plan need not select one of the proposed systems, but might well incorporate desired features from a number of different proposals. Some timing flexibility might be incorporated. Such a decision would remove some of the uncertainly that stands in the way of private investment. The U.S. is the largest TV market in the world. A system guaranteed to be deployed in the U.S. will surely attract the needed investment from foreign as well as domestic manufacturers.

3. *Require ATV receivers and peripheral equipment to be used with them, such as VCR's, to be adaptable to some range of ATV systems.* (Regulation should be just enough to achieve the objectives. In particular, scanning standards of the display should be optional.) This range should include the kinds of systems contemplated in the development plan discussed in Item 2. If a number of mutually incompatible ATV receivers appear on the market, advanced television will be struck a serious, if not fatal, blow. All participants, including the public, will lose money, and the economy will be the worse for it. This eventually should be prevented, if at all possible.

4. *Encourage the alternative media to adopt transmission standards that are friendly to those the Commission is likely to adopt for terrestrial transmission.* The receiver-compatibility standards of Item 3 would be helpful in this regard. Additional steps might include spectrum assignments for DBS and for satellite transmission to cable head ends, interference requirements for cable, and the eventual promulgation of a family of digital ATV transmission standards for proposed digital media, when research in this field is sufficiently far advanced.

FOOTNOTES

[1] A report on the decline of the industry, entitled, "The Decline of Consumer Electronics Manufacturing: History, Hypotheses, and Remedies," is available from Prof. David H. Staelin, 26-341 MIT, Cambridge, Mass. 02139.

[2] Depending on how dumping is defined, this may still be going on. It is quite common to see Asian TV receivers at lower prices in the U.S. than in their country of manufacture.

[3] The effective devaluation of the dollar has partly remedied the latter problem.

[4] The government would be well advised to consider the economic interests of those giving advice. There is not a single U.S.-owned TV manufacturer in the consumer-electronics division of EIA, which largely represents foreign-owned companies that have taken the market away from our own companies.

[5] A major obstacle would be a depression, or the use of mutually incompatible standards and receivers by the various media. We have some moderately effective methods of dealing with the first problem, but the second can positively be avoided by appropriate government action.

[6] France abandoned its 819-line monochrome HDTV system in 1965 when it went to color.

[7] In addition, it has not been demonstrated that the MUSE system, with its subsampling structure, will perform well under typical degradations in analog transmission channels. It can be used in DBS and for tape or disk recording.

[8] The NTIA has issued a Notice of Inquiry on whether the US should change its position in this matter. Comments are due March 3.

[9] SMPTE standardization, widely proclaimed as an "endorsement" by NHK adherents, is most certainly so such thing. It is SMPTE's practice to standardize anything that is being used, without any recommendation as to its merits.

[10] The Zenith and MIT systems lend themselves to such a family structure.

[11] Naturally, one would not require receivers to cope with every possible format, but only with a range of formats that fall in the class to be authorized by the FCC.

[12] We have recommended the Open-Architecture Receiver (OAR) for this application, but less general configurations are possible.

APPENDIX—POSSIBLE FEDERAL ACTIONS TO SUPPORT ATV

VERY LOW OR NO COST

1. Withdraw U.S. government support for the NHK production standard. Such support, if ever in our interests, is certainly not in our interests now.

2. Regard with suspicion advice tendered by organizations in which foreign-owned companies have an important voice, such as ATSC and EIA.

3. Make takeovers and leveraged buy-outs more difficult, particularly in vital industries. (Example: GE/RCA) E.g.: interest on money borrowed for takeovers should not be a legitimate business expense; officers of companies should not be able to dismember corporations in order to line their pockets.

4. Enforce the antidumping laws. If Japanese companies are selling TV's at no profit in the US, but at high profit in Japan, that should be defined as dumping. Make foreign components used in foreign-owned US factories subject to these laws.

5. Set national priorities independent of special concerns of small industries, but only in view of the overall benefit to the economy.

LOW COST

1. Organize a high-level adequately staffed study with *all* interests represented, including industry, government, academia, labor, public.

2. Decide on a definite scenario for the development and introduction of ATV, including the phasing out of NTSC, with full consideration of economic factors. Establish ATV receiver compatibility standards to prevent both a premature defacto standard and a multiplicity of mutually incompatible receivers appearing in the market. This is unlikely to be done successfully within the FCC Advisory Committee, as the wrong people (or at least not enough of the right people) are involved, and because the FCC does not seem to think it ought to consider economic factors outside the broadcasting industry.

3. Fund a number of small R&D programs, particularly for systems development.

4. Provide funds for relevant federal agencies to inform themselves of what is going on. Increase the FCC staff so that it can conduct studies in support of the work of the Advisory Committee.

5. Coordinate federal TV activities in DOD, NASA, FAA, Commerce, FCC OTC, NITS, etc. Perhaps government agencies could themselves be a significant guaranteed market for the first US-produced ATV systems.

HIGHER COST

1. Improve the climate for long-range investment in product development, for example by favorable tax treatment. In special cases, guarantee development loans at favorable interest rates. Provide matching funds for important product and technology developments.*

2. Fund, partially or completely, the development of key technologies, including displays, signal-processing chips, and frame memories (FRAM's). Fund some system work. Fund the Open-Architecture Receiver.*

3. Save Zenith. (We saved Lockheed, Chrysler, and even Harley-Davidson!) Give Zenith a contract for a certain number of receivers, to be used by federal agencies and/or federal contractors. (E.g., the FAA is buying thousands of 2000-line displays for

air-traffic control, and the present plan is to get them from Sony.)

4. Save the Sarnoff Laboratories. The former research laboratory of RCA, in Princeton, is the largest and most important TV laboratory in the US. It was given away to SRI as a result of the GE/RCA merger. It is now a contract laboratory and, as such, will have a hard time doing the long-range fundamental research and product development required to support a vibrant consumer-electronics industry. Alternative support means might be found, such as a consortium of electronics companies, perhaps with some direct or indirect federal support.

5. Involve the federal and federal-funded laboratories, as appropriate.

*Some of this work will be funded by DARPA as a result of the recent Broad Area Announcement.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,482d day of captivity for Terry Anderson in Beirut.

I ask that a resolution passed by the Genesee County Legislature on March 8, 1989, be printed in the RECORD immediately following my remarks.

I should like to thank Stephen M. Hawley, a legislator from District Four in Genesee County and a high school classmate and friend of Terry Anderson, who was kind enough to share the text of that resolution with this Senator.

The resolution of the Genesee County Legislature follows:

PROCLAMATION—"TERRY ANDERSON WEEK IN GENESEE COUNTY," MARCH 12-18, 1989

Whereas, Terry Anderson, Chief Middle East News Correspondent for the Associated press, was kidnapped by the Islamic Jihad Terrorists on March 16th, 1985 and has been illegally detained since that time, and

Whereas, his ongoing commitment to the ideals which make America strong have surely helped him persevere during these past four years, and

Whereas, Terry Anderson's family unit has undergone a drastic metamorphosis since the kidnapping with the deaths of his father, Glenn Anderson, Sr. and brother Glenn "Rich" Anderson, Jr., and the birth of his beautiful daughter, Sulome. Now, therefore, be it

Resolved, That the people of Genesee County, State of New York, United States of America, and freedom loving countries of the world, do implore the captors to immediately release Terry Anderson and all hostages, and Be it further

Resolved, That the Genesee County does hereby proclaim the week of March 12 through 18, 1989 as "TERRY ANDERSON WEEK" in Genesee County, State of New York, and urges George Bush, President of the United States of America and the Congress of the United States of America to continue all reasonable and prudent avenues to obtain the release of Terry Anderson and all hostages, and Be it further

Resolved, that copies of this Proclamation be sent to the family of Terry Anderson, The President of the United States, George Bush, U.S. Congresswoman Louise Slaughter, and U.S. Senators Alfonse M. D'Amato and Daniel P. Moynihan.●

GREEK INDEPENDENCE DAY

● Mr. KERRY. Mr. President, March 25, 1989, marked the 168th anniversary of the beginning of the revolution which freed the Greek people from the rule of the Ottoman Empire. That day was recognized here as a national day of celebration of Greek and American democracy.

The United States and Greece have looked to one another for inspiration at various points in history. Ancient Greece served as the model for Western democracy and is the aesthetic basis of Western art and architecture.

The Greek people likewise drew inspiration from the American Revolution and the Declaration of Independence during their 8-year war to overthrow centuries of foreign domination.

During the Second World War, hundreds of thousands of Greeks gave their lives fighting against the Axis Powers, and after the war, many more Greeks valiantly fought to defeat the Communist rebels from seizing control of their country.

In addition to the cultural heritage that Greece and the United States share, Greek Americans have made significant direct contributions to American society. Dr. George Papanicolau invented the Pap test for cancer. Telly Savalas has entertained Americans both on the movie and TV screen. In the field of politics as well, this country abounds with dedicated Greek-American statesmen. My own State of Massachusetts takes pride in Gov. Michael Dukakis, former Senator Paul Tsongas, and Congressman NICK MAVROULES.

These and other great Americans remind us of the cultural legacy that ties us and other Western democracies to Greece. In celebrating Greek Independence Day we celebrate the ideals of democracy and the cultural richness shared by Greece and the United States.●

TRIBUTE TO GEORGE W. BATEZEL, SUPERINTENDENT, BURLINGTON COUNTY SCHOOLS

● Mr. LAUTENBERG. Mr. President, I rise to pay tribute to George W. Batezel, the superintendent of Burlington County schools, who will retire this year after two decades of service. Since he was appointed by the State board of education in 1970, Mr. Batezel has been dedicated to serving Burlington students, faculty, and parents.

Mr. Batezel attended Princeton University, Bowling Green State University and received his bachelor's degree from Harvard in 1947. In 1970, Mr. Batezel received his doctorate in education from Temple University.

Mr. Batezel has been dedicated to the cause of education since 1953 when he began his teaching career in Phoenixville, PA. He started as a social studies teacher and department chairman for the junior and senior high schools in Phoenixville. Later, before he was named superintendent of Burlington County schools, Mr. Batezel was the principal of Moorestown Middle School.

As superintendent, Mr. Batezel has been responsible for maintaining high education standards by assuring that Burlington schools are in compliance with State requirements. He also has been responsible for approving school district budgets and transportation programs and for appointing various school board members and officers.

Mr. Batezel has been actively involved in planning and improving education programs throughout the county. He has served on numerous civic and educational boards including the Burlington County Special Services School District, Burlington County vocational/technical schools, and Burlington County College.

I commend Mr. Batezel for the leadership and dedication he has brought to the Burlington County school system, and for his efforts to assure that Burlington County schools strive to achieve excellence. I extend my best wishes for success in his future endeavors.●

CELEBRATING NORTH DAKOTA'S FIRST 100 YEARS

● Mr. BURDICK. Mr. President, North Dakota is one of six States celebrating our State centennial during 1989, the 200th anniversary of the U.S. Congress. Between my father, Usher Burdick, and I, a Burdick has represented North Dakota in one capacity or another since 1906. I would like to share with my colleagues a bit of North Dakota history.

The State's history begin with the Indians. The Dakota or Sioux, Assiniboine, Cheyenne, Mandan, Hidatsa, Arikara and other tribes lived on the prairie before the Dakota Territory became part of the Louisiana Purchase. Earlier this week, Senator CONRAD and I shared with you a proclamation designating April 5 as "Native American Day in North Dakota." Let me repeat one line from Gov. George Sinner's proclamation: "As the original founders of our State, the Native American citizens of North Dakota should be properly honored for their undaunted courage, pioneering spirit and unique culture."

Fur traders brought dramatic change in the 18th century. In the 19th century, the railroad brought even greater changes to the prairie. Most of our towns were settled along rail lines and much of our farmland was purchased from the railroad. Bonanza farms with thousands of acres drew the Nation's attention to our agricultural potential.

North and South Dakota became the 39th and 40th States of the Union on November 2, 1889. My State, which now has Democratic control of our congressional delegation, Governor's office, State senate and most State offices, started out under Republican control. In fact, my father, Usher Burdick, was a Republican when he served in the U.S. House of Representatives from 1934 to 1944 and from 1948 to 1958. I was the first Democrat North Dakota ever sent to Congress, and I am proud of being part of the historic move to switch North Dakota's Nonpartisan League from the Republican to the Democratic column in 1956. I have served North Dakota in Congress since 1958 and in this body since 1960. The NPL tradition still lives in the Democratic-NPL and in our State-owned bank and mill and elevator.

North Dakota enjoys rich diversity. From the fertile plains of the Red River Valley to the Badlands on the other side of the Missouri River, the State offers wide open spaces, abundant wildlife, rich agricultural and energy resources, fresh air and some of the best people in the world.

Residents of my State mourn the 1988 loss of historian Larry Remele. I would like to share with my colleagues a fine article he wrote on the State's history for the North Dakota Centennial Blue Book. I ask that it appear in the RECORD following my remarks.

The article follows:

NORTH DAKOTA HISTORY: OVERVIEW AND SUMMARY

(By Larry Remele)

When North Dakota entered the Federal Union in 1889, its leaders prophesied a glorious future for the Northern Prairie State. Great cities and prosperous farms, said the promoters, would make Dakota the "jewel" in the crown of Democracy. The ensuing century has proven the "boomers" both right and wrong. North Dakota has enjoyed prosperity, but it has also seen devastatingly hard times. In 1989, the essential problem remains the same as a century earlier—finding the capital necessary to provide services and benefits of modern society to a far-flung population. As it was in 1889, North Dakota remains a social, cultural and economic colony, a producer of raw materials, a consumer of manufactures and capital, and an exporter of educated young people.

Before Euro-American settlement of the Northern Plains began in the 19th Century, the land had been occupied for many centuries. Archeological investigations document the presence of big game hunting cultures after the retreat of the continental glaciers about 10,000 years ago and later settlements of both hunting and gathering and farming peoples dating ca. 2000 B.C., to 1860. When the first white explorers arrived, distinct Indian groups existed in what is now North Dakota. These included the Dakota or Lakota nation (called "Sioux," or enemies by those who feared them), Assiniboine, Cheyenne, Mandan, Hidatsa and Arikara. Groups of Chippewa (or Ojibway) moved into the northern Red River Valley around 1800, and Cree, Blackfeet and Crow frequented the western buffalo ranges.

These peoples represented two different adaptations to the plains environment. Nomadic groups depended primarily upon vast herds of American bison for the necessities of life. When the horse was brought to the Northern Plains in the 18th Century, the lives of the Dakota, Assiniboine and Cheyenne changed dramatically. These bands quickly adapted to the horse, and the new mobility enabled them to hunt with ease and consequently to live better than ever before. The horse became a hallmark of Plains cultures, and the images of these mounted Indians bequeathed a romantic image of power and strength that has survived in story, films and songs. In contrast, the sedentary Mandan, Hidatsa and Arikara lived in relatively permanent earthlodges near the Missouri River and supplemented produce from extensive gardens with hunting; their fortified villages became commercial centers that evolved into trading hubs during the fur trade of the 18th and 19th centuries.

Indians and Euro-Americans came into contact during the 18th Century. The first recorded visitor was La Verendrye, a French explorer who reached the Missouri River from Canada in 1738 while searching for a water route to the Pacific Ocean. Others followed, including La Verendrye's sons in 1742. However, most contact resulted from the Canadian fur trade until Meriwether Lewis and William Clark led the American "voyage of discovery" up the Missouri from St. Louis in 1804.

The fur trade linked the Northern Plains to a worldwide economic and political system. European nations, competing for mercantile supremacy, claimed the plains, and Great Britain, France and Spain exchanged the territory several times through wars and treaties. In 1763, the Treaty of Paris gave all French lands drained by Hudson's Bay to Great Britain, including the country tributary to the Red River of the North. France had ceded lands drained by the Missouri and Mississippi rivers to Spain one year earlier; this this territory was returned to France in 1800. Three years later Emperor Napoleon Bonaparte sold French possessions to the fledgling United States. This sale, known as the Louisiana Purchase, inaugurated American ownership of lands now included in North Dakota.

Intense competition characterized the fur trade, and rival companies competed for prime locations. In 1801, Alexander Henry, Jr., established a post at Pembina that after 1812 became the center for an agricultural colony sponsored by the British crown. However, British influence diminished along the Missouri after 1800, and the Red River Valley likewise fell into American control in 1818 when the London Convention established the 49th Parallel as the northern boundary between the United States and British possessions in North America. Ironically, many of the colonists near Pembina moved north into Canada when an 1823 boundary survey found them to be residing in the United States.

With several notable exceptions, contact between the Native peoples and American traders, explorers and military personnel in the Northern Plains remained peaceful during the early 19th Century. Indians became instrumental in the fur trade; major trading posts at Fort Union and Fort Clark, and others of lesser significance, catered mainly to Native trappers and hunters. In exchange for their meat and furs, the Indians received guns, metal tools, cloth and beads and other trade goods. This exchange forever altered Indian cultures, and it often brought dangers; in 1837, for example, smallpox viritually wiped out the Mandan people at Fort Clark.

In the Red River Valley, the fur trade created a new nation, the *Metis.* Descended from Euro-American fur trade employees and Chippewa Indian women, the Metis melded the two cultures in language, lifestyle and economy. In 1843, regular caravans of high-wheeled, wooden Red River carts began hauling buffalo robes and pemmican, the proceeds from semi-annual hunts, to St. Paul along well-worn trails. The Metis center in the United States was St. Joseph (now Walhalla), and men such as Antoine Gingras headed a self-conscious new nation. The Metis nation, however, faded as the buffalo became ever less available east of the Missouri River.

For the most part, the incursion of Euro-Americans into the Northern Plains caused few confrontations with Indian peoples. In 1863, 1864 and 1865, however, the pattern changed. Major military expeditions searched the Northern Plains for Santee Dakota who had participated in a violent uprising in Minnesota in 1862. Battles at Whitestone Hill in 1863 and at Killdeer Mountain and in the Badlands in 1864 diminished Dakota resistance, forcing many onto reservations to avoid starvation. A chain of military outposts, beginning with Fort Abercrombie in 1857, continually increased federal power, and the great slaughter of the northern bison herds after 1870 eventually caused the nomadic tribes to submit. Some bands of Dakota resisted into the 1880s, but their old way of life on the plains was lost.

Several parts of the struggle between opposing cultures yet remain sources of legend and controversy. In 1876, units of the 7th Cavalry commanded by Lt. Col. George A. Custer left Fort Abraham Lincoln near Bismarck to search for Dakota who had refused confinement on reservations. The resulting annihilation of Custer's immediate command at the Little Big Horn River in Montana Territory made names such as Crazy Horse, Gall and Sitting Bull familiar throughout the nation. Many Dakota moved to Canada to escape relentless punitive expeditions sent by the army, and remnants finally surrendered at Fort Buford in 1881. Nine years later Sitting Bull, the leading opponent of reservation life, identified with the Ghost Dance religion, one that forecast the return of traditional Plains Indian ways. Standing Rock Reservation Indian police were sent to arrest the elderly leader at his home in 1890, and Sitting Bull was killed.

American settlement of the Northern Plains commenced in earnest after 1861, when Dakota Territory was organized by Congress. Significant immigration commenced when the westbound Northern Pacific Railway built to the Missouri River in 1872 and 1873. Along and near its line, new towns sprang up to serve the settlers, the tracklaying crews, and other, sometimes rowdy frontier citizens. Fargo and Bismarck, for example, both began as rough-and-tumble railroad communities. Spurred by the Federal Homestead Law of 1862, farming settlement developed gradually after the first claim west of the Red River was filed in 1868.

A great settlement "boom" in northern Dakota occurred between 1879 and 1886. During those years, over 100,000 people entered the territory. The majority were homesteaders, but some organized large,

highly mechanized, well capitalized "bonanza" farms. These operations, several of which lasted into the 20th Century, made names such as Dalrymple and Grandin well-known throughout the United States and helped publicize the northern frontier.

Ethnic variety characterized the new settlements. Following the first settlement "boom," a second "boom" after 1905 increased the population from 190,983 in 1890 to 646,872 by 1920. Many were immigrants of Scandinavian or Germanic origin. Norwegians were the largest single ethnic group, and after 1885 many Germans immigrated from enclaves in the Russian Ukraine. A small, but strong community of Scotch-Irish-English background played an especially influential role, contributing many of North Dakota's early business and political leaders. Many other groups, including Asians, Blacks and Arabs, settled throughout North Dakota. So significant was this foreign immigration that in 1915 over 79 percent of all North Dakotans were either immigrants or the children of immigrants.

The influence of the railroads and their business allies guided northern Dakota from its earliest territorial days. Led by political agent Alexander McKenzie of Bismarck and St. Paul, these groups worked to attract investment capital to the Northern Plains. The 1883 removal of the territorial capital from Yankton to Bismarck on the main line of the Northern Pacific Railway demonstrated the power of these outside corporate interests in Dakota Territory's affairs.

On November 2, 1889, President Benjamin Harrison approved the admission of North Dakota to the Union. The new state was a Republican Party stronghold. The first governor, John Miller, presided over a turbulent initial legislative session that, among other issues, fought about the question of legalizing lotteries and prohibition.

Political life revealed an insurgent tendency that has continued to the present day. In 1890, the cooperative Farmers Alliance formed an Independent Party to challenge the "McKenzie Gang" that dominated the Republican Party. The Independents fused with the minority Democratic Party in 1892 and captured state government with a platform promising significant reforms. Their efforts, however, were frustrated by political inexperience, and in 1894 the Republican Party regained power. Controlled by conservatives, North Dakota government encouraged investment by establishing liberal banking, regulatory and taxation policies; to support their policies, conservatives argued that capitalists would not invest in North Dakota unless state government did its part to diminish risk and enhance profits.

Though severely criticized by progressives, the strategy did result in some industrial development. Large lignite mines opened near Beulah and Wilton, and local brickworks and flour mills soon dotted the state. The railroad industry, bolstered by completion of both James J. Hill's Great Northern Railway in 1887 and the Soo Line in 1893, built branch lines and fostered new towns. Rail expansion peaked in 1905 when the GN and Soo squared off in a "railway war" in northern North Dakota.

Evidence of development, however, did not quiet the progressive opposition. In their opinion, the state provided too many incentives, and they pointed out that huge profits were being taken from North Dakota, that the distant leadership of rail and commodities companies were often arrogant and unresponsive to the needs of their customers, and that rural people were often taxed out of proportion to their means. Most galling, however, was the frequent evidence that out-of-state corporate interests dominated North Dakota government, using it to further private goals rather than the general welfare of the citizens.

By 1905, the swelling chorus of protest caused a political upheaval. Republican progressives united with Democrats to elect John Burke as governor, and his election commenced a reform era. In the next decade, a series of other movements surfaced. For example, in 1907, a new cooperative movement, the American Society of Equity, came to North Dakota and by 1913 had procreated well over 400 marketing and purchasing locals throughout the state. Among the many new settlers who immigrated during the second Dakota "boom" after 1905 were radicals, and they united into the North Dakota Socialist Party. Both the cooperative and radical movements questioned the preference given to out-of-state corporations, called for fair taxation, and demanded better services from state government. For these movements, the goal was returning control of North Dakota government and economy to the people, and they were not afraid to demand that state government organize and operate banking, insurances and processing businesses in order to bring the benefits of competition, lower costs and better services to the people.

These movements procreated the Nonpartisan League, North Dakota's greatest political insurgency. The NPL, born in 1915, united progressives, reformers and radicals behind a platform that called for many progressive reforms, ranging from improved state services and full suffrage for women to state ownership of banks, mills and elevators, and insurances. Led by Arthur C. Townley, the NPL used the primary election to take control of the Republican Party in 1916, dominated all state government by 1918, and enacted its program in 1919. Its administration, headed by Governor Lynn J. Frazier, instituted many reforms in state government; among them were reorganization of state services, expansion of educational services, development of health care agencies and improved regulation of public services and corporations. However, its core program generated fierce opposition fueled by funds from out-of-state corporations; those interests used every means to obstruct the NPL program, including lawsuits and extreme propaganda.

The anti-NPL movement gained strength during and after World War I. Charging that the NPL's leaders, many of whom were former Socialists, were opponents of American participation in World War I, the anti-NPL forces coalesced in late 1918 into the Independent Voter's Association. Vitriolic political infighting followed. The IVA attacked on many fronts, rapidly sowing disunity within the NPL and splitting the coalition of cooperative groups that had helped support the League. Economic distress caused by the precipitous decline in grain prices after World War I and a drought in western North Dakota helped diminish NPL support. In 1920, the IVA took control of one legislative house and in 1921 forced a recall election that deposed Governor Frazier and other members of the Industrial Commission that governed state-owned industries. The NPL era, one that significantly altered North Dakota government, had ended.

The NPL left an indelible mark on the state. The Bank of North Dakota at Bismarck, opened in 1919, has become a large and powerful economic force; the State Mill and Elevator at Grand Forks, completed in 1922, provided a market for grain and a source of feed and seed; the state hail insurance program benefited many farmers until its elimination in the 1960s. Perhaps most importantly, the NPL established an insurgent tradition in the state that blurred party lines for four decades, and both the League and the IVA elevated a generation of leaders to power. Each official recalled in 1921, for example, later regained public office.

For North Dakota the 1920s and 1930s proved to be watersheds. An economic depression, starting with the 1920 collapse of wartime prices for grain, punctured the economic expansion of previous decades. More North Dakota banks closed in 1921 than in any other year; the resulting contraction of credit caused many farm foreclosures. Simultaneously, farm sizes increased, and many farmers mechanized their operations. A dramatic shift to motorized transportation placed greater emphasis on better roads and bridges. As the times changed, new devices entered the state's homes; radio, especially became commonplace after the first stations went on the air in North Dakota in 1922. Likewise, motion pictures attracted thousands, and many theaters were built in towns across North Dakota. These economic and social factors had by 1930 made North Dakota a different place than a decade earlier. The fire that destroyed the old state capitol building on December 28, 1930, symbolized the end of an era.

The Great Depression of the 1930s both slowed progress and sped change. Heavy farm debt loads and low commodity prices caused a crisis of farm foreclosures and bank failures. Those farmers in a better financial position enlarged their holdings. Rural population diminished while cities grew. North Dakota reached its peak population in 1930, but the total thereafter dropped steadily until 1950.

As a rural state, North Dakota suffered greatly when the prices received for farm produce declined. The search for a solution to that problem brought about different movements in the 1920s and 1930s. For example, cooperatives enjoyed a renewed popularity in the 1920s. As farmers tried to band together to market their produce and reduce the costs of farming, the North Dakota Farmers Union spread across the prairies. Substantial organizing efforts in the mid-1920s resulted in formation of a state union in 1927; Farmers Union locals built elevators and organized oil cooperatives that served the needs of an increasingly mechanized rural economy. In 1932, the cooperative group helped form a militant defense organization, the Farmers Holiday Association, to take direct action against low commodity prices and farm foreclosures.

The renewed militancy in rural North Dakota quickly spread into state politics. A revitalized Non-partisan League emerged in 1932, electing the colorful populist William Langer as governor. Langer took bold actions when he assumed his office in 1933; he slashed state spending, imposed moratoriums on mortgage foreclosure sales, and embargoed shipment of grain from the state. However, his disregard of law brought federal investigations, and in 1934 he was convicted of campaign law violations and removed from office. Lt. Governor Ole Olson finished the term. That same year, a divided NPL lost the governor's office to Democrat

Thomas Moodie, he assumed office in 1935, but was quickly disqualified when an investigation discovered that he did not meet state residency requirements. Lt. Governor Walter Welford succeeded Moodie, becoming the fourth governor in seven months. Langer returned to the electoral wars in 1936 after successfully overturning his conviction and then being exonerated after four new trials in 1935. In 1936, he was reelected governor; though defeated in 1938 when he ran for the U.S. Senate, he unseated incumbent Lynn J. Frazier in 1940 and retained that office until his death in 1959.

Though the explosive politics of the 1930s mostly centered around Langer, several other North Dakota leaders received national prominence. Senators Gerald P. Nye and Lynn J. Frazier became known for reflecting the isolationist philosophy prevalent among North Dakota people. Nye's investigation of the role of the munitions industry in bringing the United States into World War I made him a national figure and at the end of the decade he helped lead the national America First Movement that sought to keep the nation out of World War II. Frazier established himself as a pacifist by annually proposing a Constitutional amendment to outlaw American participation in foreign wars. In 1936, Congressman William Lemke was nominated for president by the new Union Party; though he received fewer than one million votes, he carried the concerns of drought-stricken farmers throughout the nation.

Despite economic problems, crop failures, dust storms and weather extremes, North Dakota visibly modernized during the 1930s. The new skyscraper State Capitol, begun in 1932, was completed in 1935. Federal relief programs improved highways, state parks and city services throughout the state. State departments addressed public health and safety problems, and a movement for consolidated law enforcement was initiated with formation of a State Highway Patrol in 1935. Rural schools consolidated at an increasing rate. Public utilities extended their reach through development of rural electric cooperatives; the first, Baker Electric of Cando, energized its lines in 1938.

For many, however, the economic hardships of the Depression could not be overcome. Thousands of North Dakotans lost their farms and either moved into the cities and towns or from the state. One historian estimates that over 70 percent of the state's people required one form or another of public assistance. The toll in broken dreams, physical hunger and hardship, and displacement will never be completely measured. Still, most North Dakotans stubbornly held on, husbanding their resources and spending carefully. Even during the hard times, for example, drought-stricken counties and cities rarely missed bond payments, and indeed the public debt in the state was substantially reduced during the Depression years.

More favorable weather improved crop yields in the 1940s. With more commodities to sell, farmers benefited even more from the higher prices stimulated by American entry into World War II. Within a span of five years, the farm debt in the state dropped markedly; at war's end in 1945 North Dakota residents had accumulated the largest per capita bank deposits in the nation.

Wartime prosperity continued into the 1940s. Major federal projects kept the construction economy booming, for example. In 1946, the demand for Missouri River flood control and diversion of the river's waters for irrigation and industrial development were rewarded with initiation of construction of the Garrison Dam; project supporters also envisioned a grand scheme of canals to move the water into other parts of the state, and the project's start seemed the realization of dreams voiced since the early 1920s. Reservoirs on the Sheyenne, James and other rivers were also constructed for flood control and municipal water purposes.

Development of natural resources expanded in 1951 when oil was discovered near Tioga. The resulting "oil rush" coincided with expanding use of lignite coal to generate electricity; in 1952 and 1954, two coal-fired plants were built near Velva and Mandan, and oil refineries were established at Williston and Mandan, as well.

Communication and transportation systems improved dramatically during the 1950s. The first television station went on the air in 1952 at Minot. Construction of a federal controlled access highway system began in 1956. In addition, by 1960 two large Air Force bases had been built at Grand Forks and Minot, a modern continuation of a historic role in federal military strategy that began in the 1860s. Changes in communications and transportation were enhanced by better airline service and a rapid shift away from dependence on railways. Though airline routes had included North Dakota since 1927, regular service expanded in the 1940s and 1950s, at least in part as a result of a conscious effort by state government to develop local and regional airports. Likewise, the steadily more modern network of state and federal highways made truck transportation into a viable alternative to railroads. Those same highways made private auto transportation more reliable; more North Dakotans bought cars after World War II than ever, soon giving the state a ratio of over two vehicles for every person in the state. As a consequence, however, use of rail passenger service declined, and by the end of the 1950s railroads had become increasingly a means for hauling freight, not people.

Even as the state modernized, establish political patterns continued. A new insurgency, the Republican Organizing Committee, (ROC), quickly became powerful after 1943. It elected Fred Aandahl as governor in 1944 and controlled the office until the late 1950s. Its leaders included Milton R. Young, who was selected to fill the Senate seat vacated by the death of John Moses in 1945 and served until 1981. ROC success forced realignment in state politics, to unite liberals under one banner, the Nonpartisan League and the Democratic Party moved toward consolidation in the 1950s, finally agreeing to run a unified ticket in 1956 and eventually merging in 1960. The new Democratic-NPL obtained some immediate success. In 1958, well-known liberal leader Quentin N. Burdick became North Dakota's first Democratic congressman, and in 1960 the party gained the governor's office and held it continuously for the next twenty years, including four consecutive victories by William L. Guy (1961-1973) and two by Arthur A. Link (1973-1981).

In the 1980s, political control of the state has shifted between the two parties. Republican Allen I. Olson upset incumbent Governor Link in 1980; the election put many Republicans into state office and in part resulted from the overwhelming popularity of presidential hopeful Ronald Reagan. Within two years, however, Democratic-NPL efforts to regain the party's momentum resulted in steady gains, and in 1984 Olson's bid for reelection was stymied by Casselton farmer George A. Sinner. In 1986, Democrats for the first time won control of the State, as well. After a century of domination by the Republican party, North Dakota now has vibrant two-party politics.

The major issues of the 1970s and 1980s have been modern incarnations of longtime debates. One important issue has been economic development, and once again the discussions have centered on the creation of a climate favorable to capital investment in the state. A struggling farm economy has brought many changes to the state, and demands for improved state services for people with special needs have forced major reallocation of available tax dollars. The basic issue has been determining the proper uses for limited tax resources and the most productive ways to stimulate economic development.

Governmental efforts to encourage economic diversification have taken several forms. In the 1960s, the administration of Governor William Guy actively promoted massive use of the vast lignite coal reserves. As the demand for electricity expanded, coal-fired generating plants became economically feasible, leading to major development of power plants and open-pit mining. A national concern with energy self-sufficiency in the 1970s resulted in huge investments by generating corporations and cooperatives in western North Dakota. By 1981, a dozen generating facilities and huge strip mines were in operation; large power lines carried the electricity to consumers both inside and outside North Dakota. The most spectacular result was construction of the nation's first coal-to-synthetic natural gas conversion facility near Beulah, which entered production in 1983.

This kind of economic development deeply disturbed many North Dakotans. Fearing that the "One-time harvest" of coal might forever destroy the land's suitability for agriculture, agricultural and environmental interests united to demand strong reclamation laws. In 1973, 1975 and 1977, the legislature responded with a set of regulations that addressed concerns about returning mined land to its original contours, replacing topsoil and mitigating impacts on cultural resources. These laws have come under steady attack from energy interests, and some of the more stringent regulations have been modified during the 1980s.

Oil exploration and development also became part of the debate. High international prices for crude oil stimulated a "boom" in exploration and development in western North Dakota after 1978. An influx of workers and capital caused population explosions in western cities, such as Williston, Dickinson and Watford City, and some municipalities went deeply into debt to provide local services to the new residents. However, worldwide oil prices declined in 1981, many oil workers moved on, and some localities found themselves without the means to pay off large debts incurred for municipal improvements.

In like manner, Missouri River diversion has remained a potent political issue. The Garrison Diversion Plan, authorized by Congress in 1968, entered construction, but by 1976 was stalled by court challenges based on its environmental impacts; even though many leaders strongly backed the plan, landowners, environmental groups, and Canadian officials asserted that the negative effects far outweighed any benefits. A compromise between these interests

was hammered out in 1986; construction of a greatly-reduced project has continued, but even that remains under attack from agricultural and environmental groups. For many longtime backers of the project, the primary issue became North Dakota's ability to obtain some benefits in return for the destruction of Missouri River bottomland by the Garrison Reservior. Conceived as a project to combine municipal, industrial and agricultural uses for the water, the project has been substantially modified; presently, plans call for irrigation via canals in central North Dakota, enhanced flows through the James River system, and a massive system of pipelines to deliver water to cities and towns throughout southwestern North Dakota. For most state residents, the most obvious benefit from years of planning and effort are the recreational uses of Lake Sakakawea.

North Dakota's basic industry, agriculture, underwent major difficulties in the 1970s nd 1980s, again emphasizing that the state was a participant in a worldwide economy. Record prices for American grain in the early 1970s, the result of huge overseas sales to the Soviet Union, led many farmers to expand their operations and others to go deeply into debt to enter agriculture. As the price of land climbed, so too did prices for machinery, seed, and other "inputs" of agriculture. Commodity prices, however, never returned to the levels of the early 1970s, and by the end of the decade many farmers found themselves unable to generate enough income to maintain their debts. Rural discontent mounted, generating organization of a state branch of the American Agriculture Movement, a national rural protest movement, and leading to development of special credit counseling services by state government. The trend continued into the 1980s. Though land values dropped substantially, the numbers of farms has declined steadily.

The boom-and-bust cycle in North Dakota's agriculture and energy industries have rippled throughout the state's economy. Recent administration have redoubled efforts to encourage new industry and to stimulate other sources of revenue. Some successes, notably the development of agricultural equipment manufacturing and food processing, have occurred.

As North Dakota has sought to attract new sources of jobs and income, greater attention has been paid to tourism. Substantially larger amounts of pubic money have been devoted to promotion and development of historic and recreational attractions. To attract visitors, efforts to liberalize restrictive "blue laws" have expanded. The campaign began in 1979, when some forms of gambling were legalized; in the 1980s, the opportunities for legal gambling have been increased, and several attempts to relax historic "blue laws" that limit business operations on Sunday and the sale of liquor have become topics for public debate.

As North Dakota's economy and politics have changed, so has the composition of society. Demand for better public services for disadvantaged citizens resulted in lawsuits that forced improvement in state facilities and deinstitutionalizaiton of many handicapped people. Declining enrollments in elementary and secondary shools have brought about consolidations and school closures. In higher education, public debate has centered on the number of colleges and universities in North Dakota and called attention to the state's ability to support those institutions adequately.

Perhaps the most striking change, however, is reflected by a 1987 census figure. According to census estimates, more North Dakotans now live in cities and towns than in rural areas, an alteration with dramatic implications for the structure of the state's economy and the composition of its government.

The issues that face modern North Dakota remain tied to its history. Attracting the capital necessary to develop necessary services, providing jobs and income for the people, and diversifying a colonial economy are tasks that have faced the state's leaders since its earliest days. The old issues of self-determination and popular control are yet relevant as North Dakota enters its second century.●

EDUCATIONAL EXCELLENCE ACT OF 1989

● Mr. KASTEN. Mr. President, I rise today in support of S. 695, the Educational Excellence Act of 1989.

We are all familiar with the phrase "building a better tomorrow." I believe there is no better way to build a better tomorrow than through improving the quality of education. This bill is a good beginning.

This country's commitment to quality education is firm, but confidence in the ability of our schools to realize that ideal has been dampened by incredibly high dropout rates, student drug use, classroom disorder, and serious crimes in schools.

This bill provides grants to urban school systems whose problems are the most severe. This aspect of the bill will aid those millions of parents who are cyring out for help for their children mixed up in drugs—some as young as 9 years old.

One of the most important aspects of this bill is the magnet schools of excellence program. The bill provides for $100 million for these schools. Wisconsin has an excellent magnet school program that could well be a model for the rest of the Nation—and this additional funding will establish, expand, and enhance these schools to promote open enrollment through parental choice. Magnet schools, through increased competiton and choice, have improved the quality of schools and the education of students all across the country.

Mastering a solid curriculum isn't easy for any student, and for disadvantaged youngsters it may take even more learning time, and more creative teaching strategies. Several components of this bill will recognize and reward exemplary efforts by teachers and administrators in this regard.

At a time when many schools would not educate black Americans, historically black colleges and universities [HBCUS] offered them an opportunity for a higher education. HBCUS occupies a unique place in the American system of higher education. This bill will help to keep the HBCUS alive.

This bill doesn't provide a quick fix for the high dropout rate, or for the drug plague in our schools, or for the crimes committed on school grounds. However, the bill does provide a good beginning for a serious attempt to solve these devastating problems.

The bill will help us build a stable and creative environment in our schools, an environment in which all our children can receive the educational opportunities they deserve. The future of our country deserves no less—and I urge my colleagues to support this initiative.●

CORRECTION TO ENGROSSMENT OF S. 248, THE MAJOR FRAUD BILL

Mr. FOWLER. Mr. President, I ask unanimous consent that the engrossment of S. 248, the major fraud bill, be corrected to reflect the change I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATING APRIL 1989 AS "NATIONAL RECYCLING MONTH"

Mr. FOWLER. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 102, a joint resolution to designate April 1989 as "National Recycling Month," and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 102) to designate April 1989 as "National Recycling Month."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

Without objection, the joint resolution will be considered as having been read the second time by title and the Senate will proceed to its immediate consideration.

The joint resolution (H.J. Res. 102) was considered, ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. FOWLER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE PLACED ON CALENDAR

Mr. FOWLER. Mr. President, I ask unanimous consent that House Joint Resolution 173, a joint resolution to

designate April 16, 1989, and April 6, 1990, as "Education Day, U.S.A." be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR FRIDAY

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. FOWLER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. FOWLER. Mr. President, I further ask unanimous consent that following the time for the two leaders there be a period for morning business until 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. We have no further business.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate now stand in recess until 10:30 a.m. Friday, tomorrow, under the previous order.

There being no objection, the Senate, at 6:34 p.m., recessed until Friday, April 7, 1989 at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 6, 1989:

DEPARTMENT OF STATE

REGINALD BARTHOLOMEW, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE UNDER SECRETARY OF STATE FOR COORDINATING SECURITY ASSISTANCE PROGRAMS, VICE EDWARD J. DERWINSKI, RESIGNED.

UNITED NATIONS

MORRIS BERTHOLD ABRAM, OF NEW YORK, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN OFFICE OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR, VICE JOSPEH CARLTON PETRONE, RESIGNED.

DEPARTMENT OF THE TREASURY

JOHN E. ROBSON, OF GEORGIA TO BE DEPUTY SECRETARY OF THE TREASURY, VICE M. PETER MCPHERSON, RESIGNED.

ROGER BOLTON, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE EDITH E. HOLIDAY, RESIGNED.

DEPARTMENT OF AGRICULTURE

JACK CALLIHAN PARNELL, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF AGRICULTURE, VICE PETER C. MYERS, RESIGNED.

RICHARD THOMAS CROWDER, OF MINNESOTA, TO BE UNDER SECRETARY OF AGRICULTURE FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS, VICE DANIEL G. AMSTUTZ, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

KAY COLES JAMES, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE STEPHANIE LEE-MILLER, RESIGNED.

DEPARTMENT OF TRANSPORTATION

PHILLIP D. BRADY, OF VIRGINIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF TRANSPORTATION, VICE B. WAYNE VANCE, RESIGNED.

SMALL BUSINESS ADMINISTRATION

SUSAN S. ENGELEITER, OF WISCONSIN, TO BE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION, VICE JAMES ABDNOR, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES S. CASSITY, JR., [redacted] FR, U.S. AIR FORCE.

EXTENSIONS OF REMARKS

TRIBUTE TO HYMAN BOOKBINDER

HON. GARY L. ACKERMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. ACKERMAN. Mr. Speaker, on March 22, 1989, a living legend among American Jewry was bestowed a great honor. Our friend, Hyman Bookbinder, was awarded the honorary doctorate of humane letters by the Hebrew Union College of New York City.

Bookie, as he is affectionately known, has remained the moral conscience of American Jewry for the majority of his adult life. He has been at the forefront, and has been an unrelenting advocate in support of, the battles of social justice, civil rights, civil liberties, adequate housing and eradication of poverty. Bookie has also been a forceful proponent for the State of Israel. In recognition of his steadfast leadership in these important issues, the Hebrew Union College elected to honor him with the doctorate of humane letters.

Mr. Speaker, I ask all my colleagues to pay tribute to a true Washington institution, Hyman Bookbinder, for his many years of dedication to making our Nation a little bit better than the way he found it. Furthermore, I request that Hyman Bookbinder's remarks on the occasion of receiving the doctorate be included in the CONGRESSIONAL RECORD.

REMARKS [1] OF HYMAN BOOKBINDER AT FOUNDERS' DAY SERVICE, HEBREW UNION COLLEGE, JEWISH INSTITUTE OF RELIGION

I am, of course, personally most gratified at receiving this great honor today from this distinguished institution—and to be in the company of such distinguished cohonorees. If my work over these many years does indeed warrant this personal recognition, I do feel proud. But I see this primarily as a recognition of the kind of work I have been associated with—public advocate, public critic, public defender—or, if you please, yes, public interest lobbyist. If my particular responsibilities—in the labor movement, in the American Jewish Committee, from time to time in the government itself—have brought me more public exposure than others, I have the responsibility and the satisfaction in telling you that there are many effective and tireless workers in this field of public interest advocacy—in the Jewish community and in the general community—most of whom have been and will probably always be unidentified and unrecognized.

I have always been a public policy junkie. I really mean always. Born into a world that soon exposed me to depression, to war, and to the Holocaust, and born into a family headed by parents who had fled from lands that threatened pogroms, I early acquired a compulsive interest in public affairs. Why could society not do better to avoid the pain and injustice and hopelessness I saw in so many ways and so many places? It was my good fortune all my life to be able to combine career development with furtherance of what I thought was sound public policy. Today, to have that good fortune recognized is most heart-warming, but it is also sobering. Sobering because it compels me to ask how much this world—and this country in particular—has really moved during my lifetime to significantly reduce that pain and injustice and hopelessness I sensed more than 60 years ago.

Surely this audience today does not need my help in drawing up a balance sheet. Of course there have been victories, there have been improvements for people generally and for Jews in particular. But the list of problems still unsolved plus the many new ones is tragically long—terrorism, anti-Semitism, apartheid, crime, hunger, homelessness, drugs, AIDS, skinheads, teen-age pregnancies, family disarray—and so much more.

Public policy—i.e., governmental action—is not necessarily responsible for the persistence of these problems. Nor is it the certain reliever of these problems. But the role of government is critical—and what that role should be has always been the subject of sharp controversy. That's what politics is all about; that's what elections are all about. But in the United States—more than in any other country, including other great democracies—public policy and government actions have been importantly affected by the power of public opinion and public advocacy throughout the life of an administration and of a Congress, not only on election day.

Five words in the very first of our constitution's bill of rights—"right to petition the government"—provide the mandate for this powerful aspect of American democracy. In our pluralist society, each group is permitted to advocate and even press its own agenda, but, in the final analysis, it must be able to demonstrate that its interests are compatible with, and dependent upon, the general interest. No groups in America have understood this better than the Jewish community and the labor movement; it has been my privilege to serve both groups in the promotion of their particular interests as well as what they deemed to be in the general interest.

It has become a political cliche these days to refer to the "powerful Jewish lobby"—too often carelessly called the "Israel lobby." I have often said that the Jewish lobby is not as strong as some think, but not nearly as weak as some would like. Jews have interests. We intend to defend them. We do not apologize for whatever strength and influence we have. Tragically, there were times when our strength—our ability to affect government action—was not effective enough. We had not yet learned how to use the precious right of advocacy; our people suffered dire consequences as a result. We are determined not to let that happen again. Let me give you a poignant illustration.

Last month, the National Archives in Washington opened a major exhibit on this right to petition, called "American Voices: 200 Years of Speaking Out." The exhibit gives prominent display to the letter written on December 2, 1942 by Rabbi Stephen Wise to President Roosevelt informing him of new, conclusive proof of the "overwhelming disaster" that was befalling the Jews of Europe, of whom two million had already been killed. We now know that this and other appeals to the White House did not bring the actions that were required. Four million more Jewish lives were to be lost. The Jewish community in America suffered a major failure. Not a failure of not caring. Rabbi Wise and many other Jewish leaders cared deeply, and they did much to urge action on the immigration front, the diplomatic front, and the military front itself. Their actions, however, were basically in the "shtatlanes" mode—working quietly behind the scenes, trying to persuade top political leaders on the basis of reason and compassion. There is nothing wrong in shtatlanes tactics; we use them still. But what we had not yet learned in those years was the use of political and advocacy and coalitional tools to compel attention to our community's needs.

It is painful, it is mind-boggling, to ask this question: If in 1942, or '43, or '44, we had already developed the strength we have today—to round up 80 to 90 Senators, or 350 or 400 Congressmen—or to bring 250,000 American Jews to the Mall in Washington, as we did 15 months ago on behalf of Soviet Jews—if we had in the Forties had that strength, to demand of Roosevelt that he make available one single war plane to bomb the railroad tracks to Auschwitz, what might have happened? Remember, in Auschwitz alone, that death factory was consuming Jews at the rate of 10,000 a day. If those tracks had been knocked out for even a week, some 70,000 Jews might have been saved. A month of disarray might have saved 300,000.

Is it wrong for me to wonder whether some or all of the 80 members of my mother's and father's families in Poland—grandparents and uncles and aunts and cousins I never got to know—might thus have survived the Holocaust? I assume that many of you are in a position to ask the same question.

So American Jews have developed the skills for mobilizing our community and the general community on behalf of the security of our people—in Israel, in the Soviet Union, in our own country. But we have never forgotten that we are only six million Jews—less than 3 percent of all Americans. We must be able to persuade at least another 48 percent that our case is just, our concerns real, and that America's own ideals and interests are in harmony with ours. Getting this support, I am convinced, is not the job alone of the professional Washington-based Jewish lobby. In a very real sense we must think of the entire Jewish community as that lobby—the totality of Jewish influence in the country exercised by a wide range of secular and religious institutions, and by individuals publicly recognized as Jewish leaders and spokespersons. And in the larger sense we must think of the allies and the friends the Jewish community has acquired across the land—the churches,

[1] Delivered on the occasion of receiving Honorary Doctorate of Humane Letters.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

women, labor, civil rights, education, urban affairs and so many other groups in our society. We have won these allies, these friends, in two ways: by educating and appealing to them on the merits of our case, and by demonstrating our interest and commitment to the broader community's agenda.

By and large, we have grounds for satisfaction in having done our work effectively in the two major areas affecting the security of our people. The American people and the American government, under both Democratic and Republican administrations, have been overwhelmingly supportive of a secure Israel and of the right of Soviet Jews to emigrate or to live as proud Jews in the Soviet Union. But we cannot ever take that support for granted. And surely not today. Only last month, an ominous warning came to friends of Israel in an unprecedented opinion poll finding that 53 percent of Americans expressed disapproval of Israel's current policies.

How should American Jews react to such a warning? As an advocate, I ask myself two sets of questions: First, are we doing everything we should to help American officials and the American public understand the problems and the fears and the needs of Israel? Are we reminding them that Israel is a genuine democracy now involved in a historic debate about how best to achieve security for Israel and justice for the Palestinians? But, second, I feel compelled to ask myself also: has something of significance happened to challenge the merit of the pro-Israel case? What kind of advice, or guidance, can we offer Israel to prevent or minimize erosion of American support?

This is not the occasion for me to address this last question. But I do assert the right—nay, the obligation—of Jews to ask such questions, and to find appropriate ways to discuss them with our Israeli friends.

But we are Americans, and our efforts must be directed primarily at our own American government, to help shape American public policies on a wide range of issues, foreign and domestic. These efforts, for reasons that are unfortunately too obvious, have been largely dominated by the US-Israel relationship. As a result, the "Jewish lobby" is seen by too many Americans as being concerned solely with Israel. There is no need to apologize for giving the highest priority to that issue. But it is not our only priority. I can give personal testimony to how active and effective the Jewish community has been in the pursuit of social justice for all people. We have resisted attempts to breach the wall of separation between church and state, not for our sake alone but for a pluralism that serves the needs of all Americans. Despite some strains, Jews have remained faithful to the cause of civil rights. Jews have remained champions of generous but responsible immigration policy. Education, housing, health care, women's rights, environment—there is no monolithic view among Jews on how best to address these issues. But there is interest, and there is energy expended on them.

No part of the American Jewish community has been more actively and passionately involved in pursuit of social justice than its rabbinate. I've seen it at first-hand in the civil rights struggles, in the war on poverty, in the critical area of safeguarding the wall of separation between church and state. And I am particularly proud—with all due respect to the other denominations—of the Reform rabbinate. Reform rabbis have been in the front ranks of every battle for social justice.

There are some in our community who argue against involvement in these broader public issues, believing that our immediate Jewish problems require all of our attention and energies and resources. My response has always been that I am proud that over the years we have defined our Jewishness, our Judaism, as a commitment to justice for all people, to peace for all people, to freedom for all people. Such a commitment to universal justice does not short-change our Jewish interest; it is, in fact, the only way to protect such interests. There is no conflict between our great love and great hopes for this blessed land and our deep feelings for Israel and for our Jewishness; not only are such feelings compatible, they are mutually reinforcing.

But as a pragmatic lobbyist, if you please, I see this broader activity also as a necessary strategy to establish credibility, to make friends, to win trust. "How can Zionism equal racism," we want Congressmen and black leaders and journalists to ask themselves, "when Jewish representatives we work with or observe day after day are promoting fair housing and fair employment and fair immigration policies?"

The Jewish community cannot, of course, engage in every struggle for social justice. But some things cry out for our understanding, our compassion, and our enlightened self-interest. For example, twenty-five years ago, this nation declared war on poverty. But we gave up to soon. Several years of progress were followed by too many years of deterioration.

There are 13 million poor children in America today. Each day, thousands of babies are being born who, unless we take the necessary steps, both public and private, to help them, will be poor until the day they die. Can society be indifferent to today's babies becoming the parents of another generation of poor children? In Proverbs we read, "He that giveth to the poor shall not lack, but he that hideth his eyes shall have many a curse." Yes, a society that closes its eyes to poverty and its causes will surely be cursed with tensions and turmoil and disruptions. These children of poverty have no lobby of their own. We must be one of their voices.

I cannot conclude my remarks here today without noting a very special and relevant anniversary. There are many, many truly distinguished earlier honorees of this great institution who make me so proud to be added to their numbers—but no one more than the giant of Yiddish literature whom you honored 31 years ago. Later this week I will be returning to Washington with my dear Ida to celebrate the 100th anniversary of the birth of her father-in-law, H. Leivick, of blessed memory. Whenever I think of Leivick, I recall that magical moment several years ago during a Yom Hashoah ceremony held in the East Room of the White House. In the presence of the President, the Secretary of State, Congressional leaders and other high government officials—and with TV cameras recording the scene for all America to see—Elie Wiesel spoke, as only he can speak. He concluded his remarks by reciting a few short lines from one of Leivick's greatest poems—Eybik (forever)—lines that say all that has to be said about the agony of the Jewish people, but also of their determination, their confidence, their strength. The very idea of a Holocaust survivor speaking Yiddish lines in the house of the President of the world's greatest nation was enough to bring tears to most of us. But what lines!

Die velt nemt mich arum mit shtechkier hent,
Un trugt mir zum feier, un trugt mir zum sheiteh;
Ich bren un ich bren, un ich ver nit verbrent;
Ich haib zich oif vieder, un shpan avec veiter.

The world surrounds me with its thorny hands,
And carries me to the fire, to the flames;
I burn and I burn, but am not consumed;
I rise once again, and go on my way.

The flames of 45 years ago no longer consume our people. But the pain and the fears they caused are with us still. No shouting flames anywhere today—but the quiet smoldering embers of those flames come to life from time to time, in one place or another. Could those embers be stoked again into full flames? Today's skinheads perhaps can be ignored, but how can they fail to remind us of the Nazi crewcuts? So we need to be vigilant. But vigilance alone will not be enough. Only if we conscientiously and effectively heed both parts of Hillel's most familiar admonition . . . Only if we continue to be for ourselves, but not only for ourselves, will we not have to fear the question, "Who will be for us?"

What a privilege its been for me to participate these many years, along with so many of you, in the pursuit of Jewish security and Jewish fulfillment in harmony with the pursuit of social peace and social justice for all people.

ANOTHER CASUALTY IN THE WAR ON DRUGS: A TRIBUTE TO LEE ARTHUR LAWRENCE

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. FASCELL. Mr. Speaker, it is with sorrow that I rise today to honor Lee Arthur Lawrence. Mr. Lawrence was a resident of Perrine, FL, which I have the honor of representing. Last week, as he was closing the grocery store which he owned and operated, Mr. Lawrence was brutally murdered. We read all too frequently about drug related dealths, but what makes this case different is that this time an active and vocal leader of this community's antidrug efforts was the victim. While this incident has received national attention, it is my sincere hope that we remember Lee Arthur Lawrence for his message, and not just for his death.

Every day we read and watch the news as it focuses more and more on drugs and crime in American cities. It is my hope that we can begin to focus more on the brave men and women in their communities who take a stand against drugs. Men and women like Mr. Lawrence, who are brave enough to take a stand when others are not, are the real role models for our children. It is time to start recognizing these individuals and assist them in their efforts to rid our neighborhoods of drugs.

Last week, Mr. Lawrence was mourned and eulogized by hundreds of his neighbors friends at a service at the Mt. Sinai Baptist

Church in West Perrine. At this time, I would like to call to the attention of our colleagues two articles which appeared in the Miami Times on March 30, the day following this service.

[From the Miami Times, Mar. 30, 1989]

PERRINE GROCER HAILED AS HERO WHO DEFIED THE DRUG DEALERS

(By Geraldine P. Davis)

Saddened by the death of their crusader against drugs, crowds of mourners spilled over into the annex, the sidewalks and the streets as Mt. Sinai Baptist Church in West Perrine Saturday overflowed hours before the funeral began. The service was scheduled for 11 o'clock, but early arrivals at 9:30 and 10 found themselves standing in the aisles. They had come to pay their last respects to slain community activist Lee Arthur Lawrence. Metro Police officers served as honorary pallbearers. The charismatic gospel choir stirred emotions.

Overcome by grief, his daughter Nita had to be taken outside.

Those who were in the annex watched wide-screen television. Half of the people had to stand outside, but they didn't seem to mind. They admired Lawrence, so they fought the heat and stood for three hours. A border had to be set up around the area as cars lined the streets for blocks.

Jeb Bush and his daughter, Noelle, arrived in time to be seated. He was sent by his father, President Bush, who called Lawrence a hero. Paul Mason of ABC, Susan Greenwood of *The New York Times*, and the Associated Press were all there to feed the news to papers across the nation and all of the TV stations. Friends, neighbors, ministers, police officers, city and county officials alike had nothing but praise for Lawrence. Ike Withers, assistant county manager, presented the family a proclamation.

Lawrence was killed by some 30 bullets fired by what some people say were drug dealers out to shut him up.

Rev. Lee Washington: I knew him from childhood in Jefferson County, Fla. He was a good man and had a good family. He was a former member of the Young Men's Progressive Club. As members, we knew him as the godfather of right and justice.

Rev. Jimmie Brown: He was a man of strong convictions who wanted his community to be all it could be. He gave his all for what he believed in.

Ben Barrett, Metro police officer: He was one of the finest men I had ever known. He had the courage and fortitude to do what others should have done, or should be doing. I certainly hope he didn't die in vain.

Brannack Rudd: We were brothers in the Jaycees. He died trying to get crack from in front of his business and the community. He had to die in order for someone to listen.

Officer Angela Singleton: I was the officer who made the report to Metro on March 15, that someone had told another party that there were threats against his life. I went back to see how things were on March 20, at 1:30 p.m. He was killed that same night at 10:40 p.m. We had discussed ways to better the neighborhood and educate the children. He thought the churches should form some type of group to open up daycare programs and reach the chidren at an early age before they grew up and went astray. They think gold chains and Cadillacs are good living.

Rev. Albert J. Mays: He was a mover and a shaker in his community. He stood for honor and dignity, and he will be missed. His life is a memorial to the community.

Twila Cain, cousin: I hope his death angers people instead of making them afraid because he was working for them. People sit and watch crimes on TV, and they turn it off and forget about it. Until it affects someone they know, they're not going to do anything.

Sandra Brown, cousin: The cause he was fighting for was a very good cause. Someone needs to speak out against drugs. He was one of a kind and I hope that someone will take his place. I hope this will encourage them instead of discourage them, and I hope they will get invoved.

Johnny Evans: I live right up the street from his store. I knew him as a personal friend. He always supported what he believed in. He was a fine person, and he always tried to give good advice to children. He worked well with his personnel in the store and always treated them right.

Annie Johnson: He was a role model in the community. He was a successful businessman, a family man and a churchman. He was a homeowner in the community and had rental property in the community. He was well respected.

Jeb Bush: The problem in this community is the problem in my community. The problem in Perrine is the problem in Miami. The problem in this city is the problem in the nation. I hope that his life will be an inspiration for all of us to fight the evils in our society.

Johnnie McMillian, president, NAACP: We hope that his life that he has shared with us will encourage us to fight the evils he died for. We must be committed to say, 'Dade County, rise up and fight so we can all be free.' We cannot be afraid, for all of us are in danger.

Bradford Brown, Community Relations board member: Whoever committed this crime must know that they have not silenced us. We must work together to fight against crime.

Ethel Beckford: We asked 'What can we do?' They said 'Meet and discuss the problems.' We flooded the meetings, but nobody listened. Lawrence was born and raised here, and could have moved anywhere he wanted to. He chose to stay in Perrine because he loved the community. He was a man who lived for something and died for something.

Rev. Walter Richardson: I see his murder as an act of terrorism. It was a political assassination. We're not going to ask anyone to lead us. We're going to take the lead. We are going to take over where Lee Arthur Lawrence left off. We will stand together in Perrine and fight. You can't kill all the Christians, and you can't kill all the preachers.

Reanee Jones: If they had given him protection at opening and closing time, this may not have happened.

Lawrence had been threatened just days before he was killed at the closing time of his grocery store at 17500 SW 104th Ave. The two suspects were being sought in the slaying.

[From the Miami Times, Mar. 30, 1989]

WHERE IS THE OUTRAGE?

(By Robert B. Ingram)

Bullets shattered the dreams and killed a dreamer by the name of Lee Arthur Lawrence Sr.

Nothing in the annals of South Florida's savagery will be found to match the awful murder of this once industrious, hardworking man and the wounding of another.

Both men were riddled, with bullets from an unknown weapon or weapons by barbarous assailants; the 21-year-old man survived death, but Mr. Lawrence, an innocent, defenseless crusader who fought desperately to make this community safe, died in a hail of bullets.

One of the strangest features of this outrage was the fact that no riots followed. No protest marches occurred. No picket signs were seen declaring that the killer be brought to justice and, needless to say, no witnesses came forward. Moral ambiguities appear to have rendered the African American masses immobile on this matter. We cannot ignore crime without suffering the consequences of crime. How can we complain about police killing us and be silent when other African Americans kill us?

Is it that we have given over our African American communities to drug lords? I hope not.

Is it that there exists so much terror that we are impotent to respond to these acts of violence? I think not.

Is it that we have become so accustomed to the sickening shootings and harrowing homicides that our senses are numbed to the horror of these events? I pray not.

Even in my small city, where African Americans are in the majority, too many of our people are wronged and deeply hurt.

Not a day passes that I do not receive a report about some African American teenage girl being raped, or about some little African American boy being killed, or about some African American family suffering from cruel and unusual oppression at the hands of some self-serving, deceitful, and greedy snakes, outlaws and murderers who hide their gross injustice under a thin layer of African American skin, and a wide streak of yellow running down their African American backs.

Our heroes of past generations are looking down on us from behind the altar of Eternity, wondering, What's going on?

Gabriel Prosser, Denmark Vesey, and Nat Turner, mighty men of valor who died to remove the chains from around their ankles, are looking on in disbelief at descendants who are killing each other to wear gold chains around their necks.

Prince Hall, Benjamin Banneker and Richard Allen, fearless and faithful men, famous for their sense of sound moral and religious responsibility, are baffled by the lunacy, derangement and dementia that are deferring and delaying putting care before crime.

Sojourner Truth, whose ministry and mission was the resurrection of moral responsibility to fill an immoral vacuum, is perplexed by the world of violence heaped upon the African American community by African Americans.

Harriet Tubman, a conductress on a train that led hundreds to the sunlight of freedom, is confused by the dirtier and deadlier competitive cut-throat descendants who are creating a midnight of oppression.

Rev. Jesse Jackson was right when he said, "We are losing more of our people to dope than to the rope."

How can we rebuild our families when our social arthitects are ingesting and injecting or smoking dope? This curse of drugs and this epidemic of violent crime is probably our greatest contemporary challenge, and we will win, because the Promised Land is within our reach.

How far is the Promised Land? Not far.

It is as close at the ability of the African Americans in Dade County to rise up in

unanimous condemnation of the insidious conspiracy of drugs and crime that has joined forces to cripple our communities, permanently.

How far is the Promised Land? Not far.

It is as close as our willingness to protest, to stand for righteousness; that is why I am thankful for African American men like Rev. Martin Luther King, who imbued me with the understanding that our ultimate measure will not be where we stand in moments of comfort and convenience, but where we stand in this time of challenge and controversy.

(Dr. Robert B. Ingram is Mayor of Opalocka, a college administrator and expert in criminal behavior.)

As we view this tragedy, it is important to find the meaning beyond it. Mr. Lawrence had the guts to stand up and fight the drug pushers taking over his community. His message, while different in context, is similar in statement to the message of the civil rights movement. Like the civil rights workers, Mr. Lawrence was willing to be beaten or to die to have what is his. Let the message be heard long and far: It is time for Americans to stand up to those who pedal drugs. The streets and neighborhoods of America do not belong to the drug dealers; they belong to the people. What happens on main street affects your neighborhood, affects your community, your city, your State and our Nation. From the White House and the Congress to our community centers and schools, we must stand up and demand to retake what is ours or the drug lords will become more and more brazen in their efforts to further corrupt our communities. Lee Arthur Lawrence lived and died to make Perrine and the country a better place to live, and believe this is not only a message worth remembering, but a sign of hope for the future in our battle against drugs.

PBS' PORTRAYAL OF AN EPIDEMIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. WAXMAN. Mr. Speaker, Congress has always recognized the value of education in combating social crises. I rise today to commend the Corporation for Public Broadcasting [CPB] for its commitment and efforts to mount awareness and outreach campaigns through funding the Public Television Outreach Alliance [PTOA].

The Outreach Alliance is one of the most successful projects ever developed by public broadcasting. The objective of the alliance is to provide the research, the leadership, the compelling programming, and the support materials, so Amerian public television stations are able each year to systematically mount and successfully execute locally a minimum of two outreach campaigns directed against major social problems facing this country.

Typically, outreach projects deal with such pressing social issues—such as drug and alcohol addiction, child abuse, the need for affordable quality child care, illiteracy, and AIDS—with local task forces, discussion groups, hotlines, and printed materials. These national programs are customarily followed by local programming—such as a face-to-face town meeting—with experts from local, State, and national organizations that, as partners in the outreach project, are committed to resolving the problem.

This year, CPB, public television stations, and AIDS prevention organizations nationwide will join forces in an awareness and outreach campaign initiated to help communities further understand and cope with the AIDS epidemic. The project, "America in the Age of AIDS," is the largest of its kind ever mounted by the public television industry.

"America in the Age of AIDS" was highlighted by a broadcast of the documentary of the same name on PBS, April 5, 1989. The 1 hour program is hosted and narrated by award-winning journalist Linda Ellerbee.

"America in the Age of AIDS" fixes its sights on Fort Wayne, a city nestled in a patchwork of farmland in the northeast corner of Indiana. Though half of this country's AIDS cases are in California and New York, Fort Wayne, like every other community in America, has been touched by AIDS. This program is a portrait of the Fort Wayne community, its residents, and their response to this terrible disease. The people of Fort Wayne serve as a reflection of all America.

On March 3, 1989, a Boston Globe editorial "PBS's Portrayal of an Epidemic," called "America in the Age of AIDS" a "masterful job" of presenting the enormity of the AIDS epidemic. I ask that the text of that editorial be placed in the RECORD.

It is essential that we reach and educate our children. As a new and bold initiative to increase high school students' awareness of AIDS, CPB cofounded the High School AIDS Education Video Contest. This contest is open to high school students who have produced a videotaped piece on the subject of AIDS, geared to a teenage audience. Sixty-four public television markets, including several State networks, are participating in this project. The response nationwide has been tremendous.

In conjunction with this contest, CPB has created a new category in the public television local program awards to recognize the top three winners of the competition at the awards ceremony held during the PBS programming meeting in June on Marco Island in Florida. These 3 and the other 40 winning local videotapes will then be edited by KCTS/Seattle into a classroom-length production, promoted, and distributed for the school year beginning September, 1989.

Mr. Speaker, much needs to be done. CPB, along with public broadcasting, is indeed to be commended for taking a new and innovative step in educating our youth, as well as all Americans.

[From the Boston Globe, Mar. 9, 1989]

PBS' PORTRAYAL OF AN EPIDEMIC

Public television deserves rave reviews for the outstanding series it has begun on AIDS. The first of its AIDS quarterly reports provided what has so long been missing from the AIDS story, a deep sense of the social and scientific complexity, as well as the individual suffering manifested in this disease.

Most impressive was the honesty portrayed by retired Adm. James Watkins, who conceded how little he knew about AIDS when he accepted the job of leading President Reagan's commission on AIDS. The 'ignorance and confusion" that Watkins says he brought to the task is little different from the state of knowledge about AIDS that is still shared by many Americans.

But over months of hearings, what Watkins learned from the testimony of the country's AIDS experts and victims went far beyond the problem of AIDS alone. Watkins, again like most other Americans, had known little of the social factors that fueled the AIDS epidemic.

He discovered the growing tragedy of the nation's seemingly permanent underclass: a drug-addiction problem that threatens a whole generation of Americans: a health-care system that borders on chaos: and an appalling lack of leadership—even in Reagan, who named Watkins to the commission—in the face of "a national health emergency."

As the AIDS epidemic enters its ninth year, nearly 100,000 cases have been diagnosed in the United States—about one-third of them in the last year—and 50,000 lives have been lost. Cases show that the epidemic has moved out of the homosexual community where it began, and into metropolitan populations of drug addicts, their sex partners and their children.

Watkins was shaken by what he learned. His years with the Navy had left him unprepared for the dark side of life in the United States. His work as chief of naval operations, he says, was a "piece of cake" compard with his working in dealing with AIDS.

AIDS broadcasts by commercial networks have not conveyed the enormity of the epidemic. PBS, in presenting Watkins as a stand-in for Americans who still need to wake up to the AIDS crisis, did a masterful job.

THE HAP ARNOLD-AIR FORCE ROOM AT THE ARMY-NAVY CLUB

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. BENNETT. Mr. Speaker, Maj. Gen. Donald S. Dawson (USAF ret.), president of the Army-Navy Club in Washington is a man of many achievements: an able lawyer, civic leader, and a true American patriot. I have known him as a treasured personal friend for many years. He is doing a great job as president of the Army-Navy Club here in Washington at Farragut Square. I heard of the dedication there of a room honoring Gen. Hap Arnold and the Air Force and I include his remarks in the CONGRESSIONAL RECORD. So, Mr. Speaker, I am happy to include these remarks at this point in the RECORD.

THE ARMY AND NAVY CLUB

(By Donald S. Dawson)

(Presentation of "Outward Passage," David Poole, artist, by Martin-Marietta Corp., commemorating the sky blazing flight of B-10's Seattle, WA to Juneau, AK and return in 1934 led by Gen. "Hap" Arnold.)

Distinguished Guests, it is with the greatest pleasure that I welcome you to The Army and Navy Club.

There can be no meeting in this Club that will give me greater pride than a gathering of the EAGLES.

Many of the things I am going to say most of you know—they will not be anything new.

But I believe they are worth repeating because they are an important part of our lives.

And because as has been said—a nation that forgets its past will have no future.

This Club was founded over a century ago when there were no airplanes and no Air Force, or obviously it would be called the Air Force, Army and Navy Club!

In our old quarters to which we have added two floors below grade with athletic facilities for men and ladies—and four floors on top—and reopened in June 1987, we had no Air Force Room.

We have one now going into the Club's Second Century—The Hap Arnold Room!

It is not the largest but it is a beginning of things to come.

Just as an unimportant subdivision of the Signal Corps before the first World War grew into the Air Corps and the Air Corps became the Army Air Forces and the Army Air Forces became the Air Force in 1947.

But we in the Air Force are making progress in the Club—for the very popular Grill of the Club has been named the Eagle Grill—although it is an 1893 Eagle.

Who knows, perhaps this Ball Room may become the Hap Arnold Room.

President Reagan dedicated this new Club building in January, 1988.

I think you will swell with pride when I tell you that when he came into the Hap Arnold Room and stood before the almost life size portrait of General Arnold, he said, "I can hardly resist the urge to snap to attention. General Arnold was my first commanding officer when I came into the Army."

Reagan was assigned to the 1st Motion Picture Unit formed at Culver City in 1942.

That Unit was close to the heart of General Arnold for he had the vision to see the great value of the Motion Picture Industry in promoting the Air Corps and supporting the War effort. He was a man indeed at the forefront of his time in history.

President Ronald W. Reagan is a member of this Club—an Air Force member.

President George Bush is a member of this Club—not an Air Force member, but a Navy Flyer.

In our time both Presidents Truman and Eisenhower, although not Air Force, were active members sharing the fellowship of their buddies—Truman in World War I and Eisenhower in World War II. I have been here with both of them and saw their good times with my own eyes.

The Air Force movie—Court Martial of Billy Mitchell—with Gary Cooper was filmed in this Club in 1954.

Many of the cast, including Gary Cooper and Otto Preminger, the Director, stayed here.

Homer Saunders, who has been an employee of the Club for 62 years was a part of the cast. Homer is an Honorary Member of the Club and Knight of the Golden Circle denoting 50 years of membership.

One of our most distinguised members of long standing—a man whom all of us revered, was a member of the First Round the World Flyers who accomplished their epic flight in 1924, Lt. Gen. Leigh Wade—we salute you.

To show how times have changed or perhaps remain the same.

It was necessary to secure four new Douglas Flying Boats for that flight at a cost of $48,000 each.

There was opposition at both ends of Penn. Ave.

During the House Hearings one member of Congress objected to buying any planes. He said, "I thought they already had one."

An unverified story had President Calvin Coolidge asking Army Secretary Weeks, "What's all this talk about buying a lot of Planes? Why not buy one and let the Army pilots take turns flying it?"

Another Air Force leader whom most of us know as a member of the Club and as the former Secretary of the Air Force, Eugene Zuckert—would be with us except that he is sunning on a cruise in the Caribbean.

But we do have another distinguished Air Force Member who was pressed into service by President John F. Kennedy to give the Navy some much needed help, and he became Secretary of the Navy—The Honorable Fred Korth—Lt. Col, Air Corps.

The Club celebrated another first this past year when it was host for a luncheon given by Adm. William J. Crowe, Jr., Chairman of our Joint Chiefs of Staff in honor of the first visit to the United States of a Chief of the General Staff of the Soviet Armed Forces. His first official reception in the U.S. was in this room.

And last week most of our own astronauts were in meeting here in The Army and Navy Club.

The Club is fulfilling its destiny as the social headquarters in our Nation's Capitol for all the Services.

In January, 26 new active duty resident members were admitted to membership and this week an additional 20 active duty regular resident members came into the Club.

Yes, the Club is fulfilling its destiny and we want the Air Force to feel it is their home—to continue the glory of the past into the future.

When I was coming along, General Hap Arnold *was* the Air Force—he was the driving force, the organizing force who provided the leadership that ultimately brought us here today. We honor him this evening.

He was a member of the Club throughout his four decades of military service. In fact, he joined the Club in June 1911 after he graduated from West Point as an Army Second Lieutenant.

General Hap Arnold was trained to fly by the Wright Brothers in Dayton, Ohio in early 1911, just about the time Ronald Reagan was born and he was the 29th licensed pilot in the U.S.

He thrilled Washington on July 10 that year by flying over the city and circling the dome of the Capitol.

According to newspaper accounts, even Senators rushed from their chambers to join the thousands in the streets to gawk at the flimsy Wright Biplane piloted by Lt. Hap Arnold, and they continued to take notice of him throughout the rest of his life.

When the U.S. entered World War I he was in Panama.

In 1918 he was assigned overseas. He became Chief of the Army Air Corps in 1938 with 22,000 officers and men and 3,900 planes. Moving right along. He was appointed Deputy Chief of Staff of the Army in charge of the Army Air Corps in 1941 and at the end of the war had 2,500,000 officers and men with planes being produced at the rate of 145,000 per year.

In 1944 he was made General of the Army with 5 stars and it was under his direction that the Air Force assumed co-equal status with The Army and Navy in 1947.

His son Colonel "Bruce" Arnold, Colonel, USAF also is a long time member of the Club—the kind that has made the Club the success it is! It is with the greatest pride, admiration and friendship that I present the distinguished son of a distinguished father, Colonel Bruce Arnold.

POLISH ROUNDTABLE NEGOTIATIONS A STEP FORWARD FOR THE POLISH PEOPLE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. LIPINSKI. Mr. Speaker, I rise today to call attention to the monumental agreements reached by Solidarity and the Polish Government yesterday, as the Polish roundtable negotiations concluded after 8 weeks of careful deliberation.

The conclusions include a wide range of much-needed political, social, and economic reforms. The agreements appear to be the greatest step toward freedom and democracy ever witnessed within the Soviet bloc. For the first time since the Soviet Union began its domination of Eastern Europe after World War II, it appears that Poland will be home to free elections, legal trade unions, and hopefully a more prosperous open economy.

It is up to America to play a significant role in encouraging the Polish reforms and positive change for the Polish people. Now that reforms have been proposed, church leaders and Solidarity's Lech Walesa will turn to the U.S. President and Congress for moral, economic, and political support. Along with thousands of other Polish Americans, I hope the United States is prepared to play a positive role.

I was encouraged to see both the White House and the State Department greet the newly signed accords with enthusiasm and support. I would also like to thank my colleagues who have shown concern for the new opportunities for Poland, and those who signed my letter to President Bush and Secretary of State James Baker, encouraging them to give top priority to the potential for change in Poland.

It is clear that a unique chance for the promotion of freedom and democracy exists in Poland, and yesterday's warm reception of the news should just be a start for the Bush administration. Nowhere in Eastern Europe over the last 40 years has there been a clearer opportunity for the United States to turn the tides on communism in favor of democracy, pluralism, and personal freedom. It seems an obvious chance for President Bush to take his first firm foreign policy stand and ensure an American role in positively influencing Polish reform.

As always, the top priority for America in Poland is to help the Polish people. Yesterday's agreements can prove the first step toward freedom and prosperity for the long-struggling Polish people.

The U.S. role must be to insure that the political and economic changes are permanent

steps toward democracy and freedom and not temporary concessions by the troubled regime. We can do this by working within the framework of IMF, Worldbank, and other international organizations to be sure that foreign economic input is contingent on real positive change for the Polish people.

I will stress these conditions when I meet with the Polish Ambassador to the United States next week.

For instance, while yesterday's agreements limit the opposition to only 35 percent of seats in the Sejm, more democratic elections are promised next year. The American role is to work to see that future elections are truly democratic.

Perhaps the most important outcome of the Polish roundtable negotiations is the final legalization of Solidarity. After 7 years, Solidarity's struggle for legalization and representation is finally over. Solidarity and Lech Walesa's determination and ability have finally afforded Solidarity its deserved place in Poland's political process.

Yesterday's agreements are a great stride forward for Solidarity, Lech Walesa, democracy, and the Polish people. The President and Congress should recognize the unique opportunity for democracy, congratulate the roundtable participants, and continue to do all we can in the interests of the long-struggling Polish people.

RECOGNIZING THE ACCOMPLISHMENTS OF THE CARLYLE INDIANS

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. POSHARD. Mr. Speaker, I wish to call the attention of the Nation for a moment to a town in my district which deserves great praise for its accomplishments.

Carlyle, IL, is a town of 3,388 people in the heart of southern Illinois, a town that epitomizes everything that's good and right about small-town America.

And with their accomplishments this 1988-89 school year, Carlyle becomes the first High School in Illinois to win a State championship in football and basketball in the same year.

The football team won the Cahokia conference with a 6-0 record, then went on to capture the Illinois Class AA championship, winding up with a perfect 14-0 record.

Not to be outdone, the basketball team won the Benton Tournament, the Cahokia Conference Championship, then in convincing fashion made its way to the Illinois Class A basketball crown with a stellar 32-3 record.

This represents an accomplishment for the school and town alike, and reminds us of what's wonderful about watching our children accomplish great things, and all that's honorable about representing your school and community.

The example set by Carlyle is one towns and villages across this great Nation can draw from. I am extremely proud to say I represent the citizens of Carlyle in the U.S. Congress.

Please allow me to include the names of the people who made this possible in the RECORD so they may receive the recognition due them.

CARLYLE HIGH SCHOOL

Superintendent: Robert Evans; Principal: Patrick Sullivan; Athletic Director: Brad Weathers; School Colors: Purple & Gold; Nickname: Indians; Enrollment: 366.

Only high school in Illinois history to win State Championships in Football (Class 2A) and Basketball (Class A) in the same school year (1988-89).

Carlyle High School also won the State Championship in Baseball (Class A) in 1981.

CARLYLE INDIANS 1988 FOOTBALL

Head Coach: Gary Wheeler; Asst. Coach: Randy Dooley; Asst. Coach: Kevin Meyer; Asst. Coach: Jerry Farris; Strength Coach: George Morley.

Garry Schultz—Manager, Darin Johnson—Manager, Mike Meyer—Manager, Darin Smith—Stats, Troy Tyberendt—Stats.

Players

Scott Horner, Percy Knox, Jason Jones, Steve Hoffmann, Ernie Sousa, Brian Wheeler, Mark Ade, Bill Davis, Blaine Rakers, Danny Willmirth, Craig Robertson, Chris Mitchell, Scott Kleber, Chad Isaak, Derrick Wesley, Jamie Rahm, Jason Gammon, Bill Wason, Anthony Smith, Kevin Rolfingsmeyer, Pat Dall, Jamie Hauskins, Eddie Huels, Barclay Nothaus, John Willis, Joe Shackleford, Jim Rose, Bill Sullivan, and Scott Mahlandt.

CARLYLE INDIANS 1988-89 BASKETBALL

Head Coach: Brad Weathers; Asst. Coach: Jerry Farris; Asst. Coach: Randy Dooley; Strength Coach: George Morley.

Eric Nave, Manager; Troy Tyberendt, Manager; Kim Hohman, Stats; Melissa Hanke, Stats; Tammy Twenhafel, Stats; Bill Beckemeyer, Scorekeeper.

Players

Scott Horner, Steve Hoffmann, Eddie Huels, Tom Michael, Jason Peters, Jason Jones, Craig Robertson, Dean Litzenburg, Doug Lueking, Barclay Norhaus, Darin Smith, Mike Michael, Brian Rudolphi, and Erick VanDorn.

Cheerleaders

Meg Montague (Sponsor), Lana Lange (Basketball & Football), Susan Widman (Basketball & Football), Stacy Lurkins (Basketball & Football), Cathy Meskil (Basketball & Football), Michelle Mollet (Basketball & Football), Theresa Newkirk (Basketball & Football), Trisha Conrad (Basketball & Football), Beth Davis (Basketball), Deanna Kleiboeker (Basketball & Football), Michelle Mines (Basketball), Christy Haake (Football), Kim Hohman (Football), Stephanie Day (Football), and Angie Obermeier (Football).

PREPARING FOR AMERICA'S FUTURE

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. SPRATT. Mr. Speaker, each year the Veterans of Foreign Wars of the United States conduct the "Voice of Democracy" broadcast scriptwriting contest. High school students nationwide submit written entries, competing for scholarships. In early March, winning contestants from each State visited Washington for the final judging. I want to commend South Carolina's outstanding essayist, James Andrew D'Alessio, a senior at North Central High School, Kershaw, SC.

The essay he wrote is both compassionate and rational. It is not only good writing, but also moving rhetoric. Mr. D'Alessio addresses issues that trouble our Nation—poverty, homelessness, access to health care and education, foreign competition. He decries the decline in our values and our deviation from the founding principles of this country. I am proud that this intelligent young man hails from the Fifth District of South Carolina, and I wish to share his work with others by including his excellent essay in the RECORD.

PREPARING FOR AMERICA'S FUTURE

Ladies and gentlemen. We are gathered here to discuss America's future. However, in trying to determine where we are going we must first reflect and determine where we are.

There are serious issues facing this country today, and if we as Americans are to have a prosperous future, we must confront them both individually and as a group. Nationally we must reverse the current tide of apathy towards the less fortunate. As beneficiaries of the American dream, wealthy Americans should realize they have a responsibility to make that dream attainable for every single American citizen.

I recall an incident from the recent Summer Olympic Games. During a yachting event, one of the entries in the race turned over from the heavy winds. The Canadian sailors, who were doing quite well, stopped to insure the safety of the capsized crew, totally abandoning any hope of victory in the race. The Canadian crew ended up twenty-sixth in the standings of the race, but first in the hearts of millions. Americans should let this outcome be a symbol that on the long path to success we must never step over the downtrodden. We must take the time to stop and help them up, even if it means we ourselves will not make it as far as we had hoped.

Americans must regain the strong sense of brotherhood that seems to have been lost with the arrival of the Eighties and the "yuppie" era. People seem to have lost sight of the belief that if one American is homeless, then we are all without shelter. If one American cannot earn enough to feed his family, then we all go hungry. To prepare for America's future, we must reinstill this philosophy of the past in the hearts and minds of its people.

It is a disgrace that in America today people who are in desperate need of medical care are being turned away from hospitals because they do not have medical insurance, while in most European countries medical care is a service provided to all citizens free of charge. If the European nations can fund medical care for all of their citizens, then I have faith that the United States can find a way to provide it to at least those citizens unable to pay for it themselves.

Another major goal we must work towards in preparing for America's future is making a quality college education attainable for all of our young people. Foreign countries, such as Japan, are beginning to overtake us in the economic market, which is a direct result of their having far surpassed us in the field of education. America's people are it greatest resource. We must insure that these people have the education to accompany their ambition in order for America to

become once again the leader of the economic community.

What I find amazing is that when you talk about the American government providing its citizens with decent medical care and a good education, many people cry "Socialist!" We must keep in mind, however, as Abraham Lincoln said, America is a country "by the people" and "of the people", but most importantly, it is supposed to be "for the people." What is to be the purpose of the American government if under the guise of capitalism we refuse to let it help its own citizens?

What I find confusing is that these people have no complaints when our government sends funds to Europe, or fourteen million dollars a day to Israel, or one hundred million dollars to the Contra rebels of Nicaragua. I, on the other hand, say that if America is to be a government "for the people," let it be "for the American people" first.

I am not naive. I realize that aid to foreign allies is necessary. However, during a time of deep debt, I feel America should be cutting back on this foreign aid rather than the social security cost of living raises the elderly so desperately need. To prepare for our future, we must re-examine our priorities when allocation foreign aid. I, for one, feel that one hundred million dollars would be much better spent trying to abolish apartheid in South Africa than buying weapons for the hopeless revolutionary effort of the drug-running Contra rebels.

As you can see, there are many things the United States must do as a nation to prepare for a prosperous future. We must feed our hungry, house our homeless, and educate our children; but most importantly, Americans as individuals must regain the spirit of American brotherhood and in the spirit of John F. Kennedy, "Ask not what your country can do for you; ask what you can do for your country."

INTRODUCTION OF THE CHILD CARE LIABILITY REFORM ACT OF 1989

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mrs. ROUKEMA. Mr. Speaker, today I am introducing the Child Care Liability Reform Act of 1989. This bill is designed to increase the access to affordable liability insurance for child care providers.

We have found that one of the main barriers facing child care providers of all types is the possibility of expensive litigation for unintentional torts and the cost of insurance to cover this potential threat. These costs can be greatly reduced if jury awards against child care providers were allowed to include only the proportion of damages for which that provider is responsible for an unintentional injury.

This bill will also encourage businesses large and small to get more involved in providing child care facilities by allowing them to incorporate their child care services separately. This should make insurance more affordable and protect the core of the business from bankruptcy in the case of unintentional injury to a child cared for in their corporate sponsored program.

Finally, the Child Care Liability Reform Act of 1989 will set up a liability risk pool in the amount of $100 million. This money will be used to further help child care providers gain access to insurance coverage which has been so costly and difficult to obtain.

I believe this legislation is a prudent approach in an effort to improve and expand availability of child care for today's working families. Congress should continue to find ways of helping State and local governments, companies, child care providers and parents to improve child care services. These are the ones able to make the best decisions about proper child care.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—CHILD CARE LIABILITY REFORM

SECTION 101. DEFINITIONS.

For purposes of this Act—

(1) the term "family based child care" means child care located in or on the site of the principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986) of a person who is self-employed as a child care provider, and the children cared for in such facility shall include children who are not the children of such provider;

(2) the term "group child care center" means a child care provider which is a private profit or nonprofit corporation, not located in the principal residence of the provider, and includes on-site child care;

(3) the term "in-home child care" means child care which is provided in a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986) of a person and to which an outside individual child care provider comes, either for specified hours of the day or on a live-in basis, to provide care for the children of such residence;

(4) the term "on-site child care center" means a child care facility—

(A) operated by an employer for the care of children, a least 30 percent of whom are dependents of employees of such employer; and

(B) located on or near the business premises of such employer;

(5) the term "person" means an individual, corporation, company, association, firm, partnership, society, or any other entity;

(6) the term "Secretary" means the Secretary of Commerce; and

(7) the term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

SEC. 102. APPLICABILITY.

(a) IN GENERAL.—This title shall apply to any civil action in any State or Federal court against any child care provider who is in compliance with the licensing or accreditation requirements of the State in which he is located.

(b) EXCEPTION FOR INTENTIONAL TORTS.—This title shall not apply to any civil action for an intentional tort.

(c) PREEMPTION.—This title shall preempt and supersede Federal or State law only to the extent such law is inconsistent with this title. Any issue arising under this title that is not governed by this title shall be governed by applicable State or Federal law.

(d) DEFENSES NOT AFFECTED.—Nothing in this title shall be construed to—

(1) waive or affect any defense of sovereign immunity asserted by any State under any provision of law;

(2) waive or affect any defense of sovereign immunity asserted by the United States;

(3) affect the applicability of any provision of chapter 97 of title 28, United States Code, known as the Foreign Sovereign Immunities Act of 1976;

(4) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation; or

(5) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground of inconvenient forum.

SEC. 103. JOINT AND SEVERAL LIABILITY.

(a) IN GENERAL.—Except as provided in subsection (b), joint and several liability may not be applied to any action subject to this title. A person found liable for damages in any such action may be found liable, if at all, only for those damages directly attributable to the person's pro-rata share of fault of responsibility for the injury, and may not be found liable for damages attributable to the pro-rata share of fault or responsibility of any other person (without regard to whether such person is a party to the action) for the injury, including any person bringing the action.

(b) CONCERTED ACTION.—

(1) EXCEPTION FROM APPLICATION.—Subsection (a) shall not apply as between persons acting in concert where the concerted action proximately caused the injury for which one or more persons are found liable for damages.

(2) CONCERTED ACTION DEFINED.—As used in this section, "concerted action" or "acting in concert" means the conscious acting together in a common scheme or plan of two or more persons resulting in a tortious act.

SEC. 104. COLLATERAL SOURCE OF COMPENSATION.

(a) REDUCTION OF AWARD.—Any award of damages to a person in a civil action to which this title applies shall be reduced by the court by an amount of any past or future payment or benefit covered by this section which the person has received or for which the person is eligible on account of the same personal injury or death for which such damages are awarded.

(b) PAYMENT OR BENEFITS DEFINED.—As used in this section, "payment or benefit covered by this section" means—

(1) any payment or benefit by or paid for in whole or in part by any agency or instrumentality of the United States, a State, or a local government, or

(2) any payment or benefit by a health insurance program funded in whole or in part by an employer;

but does not include any such payment or benefit that is (or by law is required to be) the subject of a reasonably founded claim of subrogation, reimbursement, or lien.

SEC. 105. STANDARDS AND PROCEDURES FOR AWARD OF PUNITIVE DAMAGES.

(a) STANDARDS.—Punitive or exemplary damages may, if otherwise permitted by applicable law, be awarded in any civil action to which this title applies only if the claimant establishes by clear and convincing evidence that the harm suffered was the result of conduct manifesting intentional or conscious disregard for the health or safety of those persons who might be harmed.

(b) PROCEDURES.—In any civil action to which this title applies, at the request of

the defendant, the trier of fact shall consider in a separate proceeding whether punitive or exemplary damages are to be awarded and, if so, the amount of such award. If a separate proceeding is requested, no evidence which is relevant only to the claim of punitive or exemplary damages, as determined by applicable law, shall be admissible in any proceeding to determine whether compensatory damages are to be awarded.

SEC. 106. LIABILITY OF NONPROFIT ORGANIZATIONS AND PUBLIC SCHOOLS.

(a) LIABILITY OF SEPARATE CORPORATION.—Any eligible nonprofit organization or local educational agency which is the parent or majority owner of an entity incorporated or otherwise organized under applicable state law as a separate business organization providing child care shall not be liable for damages in any civil action to which this title applies brought against that separate corporation or organization.

(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) The term "eligible nonprofit organization" means an organization described in section 501(c) or 501(d) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of such Code.

(2) The term "local educational agency" has the meaning given to it under section 1001(f) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3381(f)).

(c) SENSE OF CONGRESS REGARDING EXPEDITED INCORPORATION.—The Congress recognizes that the entities described in subsection (a) are making a significant contribution to society and encourages the States to establish expedited and simplified procedures under which nonprofit organizations and local education agencies may inexpensively and quickly incorporate or otherwise organize such entities as a separate child care provider.

TITLE II—CHILD CARE LIABILITY RISK RETENTION GROUP

SEC. 201. PURPOSE.

It is the purpose of this title—

(1) to increase the availability of child care by alleviating the serious difficulty faced by child care providers in obtaining affordable liability insurance; and

(2) to provide states with a sufficient capital base for liability insurance purposes that may be increased or maintained through mechanisms developed by the State.

SEC. 202. FORMATION OF CHILD CARE LIABILITY RISK RETENTION GROUP.

(a) ASSISTANCE IN FORMATION AND OPERATION OF GROUP.—Any State may assist in the establishment and operation of a child care liability risk retention group in the manner provided under this title.

(b) CHILD CARE LIABILITY RISK RETENTION GROUP DEFINED.—For purposes of this title, the term "child care liability risk retention group" means any corporation (or other limited liability association)—

(1) whose members are child care providers licensed or accredited pursuant to State or local law or standards; and

(2) which otherwise satisfies the criteria for a risk retention group under section 2(4) of the Liability Risk Retention Act of 1986 (15 U.S.C. 3901(4)).

SEC. 203. STATE APPLICATIONS.

(a) APPLICATIONS.—To qualify for assistance under this title, a State shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require, including a State plan which meets the requirements of subsection (b) of this section.

(b) STATE PLANS.—

(1) LEAD AGENCY.—The plan shall identify the lead agency which has been designated and which is to be responsible for the administration of funds provided under this title.

(2) PARTICIPANTS IN RISK RETENTION GROUP.—The plan shall provide that all participants in the child care liability risk retention group are child care providers who are licensed or accredited pursuant to State or local law or standards. In addition, the plan shall provide for maximum membership of family-based child care providers in the group.

(3) USE OF FUNDS.—The plan shall provide that the State shall use at least the amount allotted to the State in any fiscal year to establish or operate a child care liability risk retention group.

(4) CONTINUATION OF RISK RETENTION GROUP.—The plan shall set forth provisions which specify how the child care liability risk retention group will continue to be financed after fiscal year 1991, including financing through contributions by the State or by members of such group.

SEC. 204. FEDERAL ENFORCEMENT.

(a) REVIEW OF PLANS.—The Secretary of Health and Human Services shall review and approve State plans submitted in accordance with this title and shall monitor State compliance with the provisions of this title.

(b) FINDING OF NONCOMPLIANCE.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds—

(1) that there has been a failure to comply substantially with any provision or any requirements set forth in the State plan of that State; or

(2) that there is a failure to comply substantially with any applicable provision of this title,

the Secretary shall notify such State of the findings and of the fact that no further payments may be made to such State under this title until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

SEC. 205. AUTHORIZATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—To carry out the provisions of this title, there is authorized to be appropriated $100,000,000 for fiscal year 1990.

(b) AMOUNTS TO REMAIN AVAILABLE.—The amounts appropriated pursuant to subsection (a) shall remain available for assistance to States for fiscal years 1990, 1991, and 1992 without limitation.

SEC. 206. RESERVATIONS FOR TERRITORIES AND ADMINISTRATIVE COSTS.

From the sums appropriated to carry out the provisions of this title for each fiscal year, the Secretary shall reserve—

(1) 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs; and

(2) 3 percent for the administrative costs of carrying out the provisions of this title.

SEC. 207. ALLOTMENTS TO STATES.

(a) IN GENERAL.—The Secretary shall make an allotment to each State not referred to in section 206 for each fiscal year from the sums appropriated to carry out the provisions of this title for such fiscal year.

(b) ALLOTMENT FORMULA.—

(1) IN GENERAL.—The amount of each State's allotment under subsection (a) shall be equal to the product of—

(A) an amount equal to the sums appropriated to carry out the provisions of this title for each fiscal year minus the amount reserved pursuant to section 206 for such fiscal year; and

(B) the percentage described in paragraph (2).

(2) PERCENTAGE.—The percentage referred to in paragraph (1)(B) is a percentage equal to the quotient of—

(A) an amount equal to the number of children under 12 years of age living in the State involved, as indicated by the most recent data collected by the Bureau of the Census; divided by

(B) an amount equal to the number of children under 12 years of age living in the United States, as indicated by the most recent data collected by the Bureau of the Census.

(c) STATE ADMINISTRATIVE COSTS.—Of the amount allotted to a State pursuant to subsection (a), an amount not to exceed 10 percent shall be used by such State to provide for the administrative costs of carrying out such program.

SEC. 208. PAYMENTS.

(a) ENTITLEMENT.—Each State having a plan approved by the Secretary under this title shall be entitled to payments under this section for each fiscal year in an amount not to exceed its allotment under section 207, to be expended by the State under the plan for the fiscal year for which the grant is to be made.

(b) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, subject to the requirement of section 205, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(c) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under section 207 for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

H.R. 1260

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. PEASE. Mr. Speaker, on March 2, 1989, I introduced H.R. 1260, the Federal Deposit Insurance Reform Act of 1989, which would limit Federal deposit insurance on a $100,000 per person or total deposit basis.

Recently, seven prominent members of seven different Washington-based public policy groups issued a joint statement which identifies flaws inherent in President Bush's savings and loan rescue plan. Many of the problems cited are directly addressed by H.R. 1260.

I commend to my colleagues excerpts from this joint statement followed by the individuals—with their respective organizations—to which this statement may be attributed. As emphasized in this joint statement, it is imperative that we enact reforms which will prevent the recurrence of a financial debacle similar to the one we have witnessed through this

decade. My bill, H.R. 1260 would be a key step in the direction of achieving this goal.

JOINT STATEMENT ON BUSH SAVINGS & LOAN PLAN: MORE REFORM AND DOLLARS NEEDED

In addressing the savings and loan crisis, President Bush pledged, "We will see to it that the system is reformed comprehensively so that the situation is not repeated again."

We agree that this is the appropriate goal. Although the Bush Administration's plan to resolve federal deposit insurance losses takes some steps in the right direction, it fails to adequately address the problems that caused this expensive bailout in the first place.

(1) The Administration's plan fails to reform the deposit insurance system to provide incentives for institution managers and federal regulators to act responsibly.

The attempt to raise as much money as possible through higher across-the-board insurance premiums on banks and thrifts increases the deplorable cross-subsidy from the nation's well-run financial institutions to its high-flyers. The Bush plan thus further institutionalizes the perverse risk-taking incentives that result from charging one uniform price for insurance.

A broad-based consensus has developed in recent years that the current crisis is largely the result of both weak capital standards and a financially unsound deposit insurance system that expanded well beyond the modest one originally designed to protect the small depositor. While we believe that President Bush recognizes that additional changes in the deposit insurance system are needed, we were greatly disappointed that consideration of further reforms has been relegated to an additional eighteen-month study by his proposed legislation.

Among the reforms that must be addressed more promptly are:

The problem of multiple insured accounts by the same depositor,

Limits on the growth of taxpayer guarantees for federally-insured deposits,

The lack of risk-sharing by uninsured depositors, who are frequently fully protected under current regulatory practices, and

Given the urgency of the current crisis, Congress should require that the Treasury Department complete its study of such issues by Christmas of this year and set a deadline of the close of the 101st Congress next year for legislative action.

We cannot afford further delay in closing the expanding black holes of the nation's insolvent thrifts, and in phasing in the reforms necessary to provide taxpayers with a credible promise of "never again." These reforms will pay for themselves in a more efficient financial services industry and in future savings for U.S. taxpayers. As it stands, the Bush plan does not adequately ensure that we will not face another financial crisis before the next presidential election.

The individuals signing the joint statement included:

James Davidson, Chairman of the National Taxpayers Union Foundation

Christopher DeMuth, President of the American Enterprise Institute

Robert E. Litan, Senior Fellow in Economic Studies at The Brookings Institution

William Niskanen, Chairman of the Cato Institute

Burton Yale Pines, Senior Vice President of The Heritage Foundation

Fred L. Smith, President of the Competitive Enterprise Institute

The authors of the statement were joined by industry analyst Bert Ely, of Ely and Company, Inc., who provided additional data on the numerical costs of the plan.

FASCELL INTRODUCES EVERGLADES EXPANSION BILL

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. FASCELL. Mr. Speaker, I am introducing today legislation to expand the boundaries of Everglades National Park in south Florida.

Everglades National Park—the only tropical national park in our country—is unique in its resources and it is in serious trouble. We now know that the entire ecosystem from Lake Okechobee to Florida Bay operates as a whole and the health of the ecosystem is essential to the survival of the park, as well as to the freshwater supply for all of south Florida. Over the years, man has tinkered with nature in a well-intentioned effort to provide flood control for agricultural interests and rapidly growing residential areas. As a result, the natural flow of water through the ecosystem was altered, causing dramatic declines and stress on the native flora and fauna.

Water flow modification experiments authorized by the Congress and conducted over the last 5 years have demonstrated that the natural flow of water must be restored if the Everglades is to survive.

Last year, Florida's Gov. Bob Martinez established a task force to determine what lands should be added to the park in order to permanently implement this new water delivery regime. The task force issued its report and recommendations last October and today's legislation would implement the Federal portion of those recommendations.

This is a strong Federal-State cooperative effort. Of the approximately 107,600 acres to be added to the park, some 43,000 are owned by the State of Florida and will be donated to the Federal Government. In addition, the purchase of privately owned lands will be on an 80-percent Federal—20 percent State cost-sharing basis.

The areas to be included in the expansion are: 70,740 acres—8,350 of which are already publicly owned—in the Northeast Shark River Slough; 34,560 acres in the East Everglades Wildlife and Environmental Conservation Area—all of which is State-owned and will be transferred to the Federal Government at no cost; and approximately 2,300 acres in the area between the East Everglades Wildlife and Conservation Area and the L-31 Canal.

The estimated cost of acquisiton of the privately owned lands is $40 million.

Since hunting is banned in all national parks, the expanded area will also become off limits for this activity. Individual airboat owners who were registered as of January 1, 1989, will be permitted to continue use of their airboats for their lifetime. These permits will be nontransferable and nonrenewable. Commercial airboat operators will be able to enter into concession contracts with the Park Service to continue their operations.

The legislation also authorizes the Department of the Interior to conduct a study of the potential expansion of Fort Jefferson National Monument in the Dry Tortugas. The fort is already of great national historic significance and its surrounding waters and islands provide valuable nesting sites for a variety of birds.

Our colleague in the other body, Senator BOB GRAHAM, is introducing identical legislation there.

Mr. Speaker, preparation of this legislation has been a united, bipartisan effort on the parts of the State and its agencies, Dade County and environmental and agricultural organizations. It is vital if we are to ensure the protection of this extremely valuable resource. I invite my colleagues in the Florida delegation and, indeed, any of our colleagues who have visited Everglades National Park and have experienced first hand its quiet beauty, to join me in sponsoring this measure.

IMPROVE THE SAFETY OF PESTICIDES IN OUR FOOD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. WAXMAN. Mr. Speaker, today I am pleased to introduce H.R. 1725, the Food Safety Amendments of 1989. This legislation is a comprehensive response to growing public fear about the safety of pesticides used on the food we feed our families.

Mr. Speaker, if you ask the American people to express any concerns they have about the safety of their food, time and time again they will tell you they genuinely fear the pesticides we use to produce food. Yes, they want a plentiful, varied, and economical food supply. But they do not believe they should have to sacrifice their health in return.

Their fears are not unjustified in light of the constant flow of studies and reports which have criticized the adequacy of pesticide and food safety regulation. During a period in our history when the incidence of cancer is increasing each year, it is easy to understand why the American public are so concerned and why the Congress should act.

The current leadership of the EPA's pesticide program is overwhelmed by a deep backlog of largely untested chemicals approved by earlier, irresponsible pesticide officials. They are encumbered by inadequate resources and staff. EPA has not received the legislative authority or resources they need from the Congress to do their job.

The legislation I am introducing today amends the EPA's current authority under the Federal Food, Drug and Cosmetic Act [FFDCA] to set tolerances, or limits, on the amount of pesticides that may remain on food when eaten. This authority is distinct from the basic pesticide registration system under the Federal Insecticide, Fungicide and Rodenticide Act, which covers all pesticides—including nonfood-use and household pesticides—as well as herbicides and many other chemicals. The bill makes many important changes that will clarify and strengthen EPA's authority regarding tolerances for food-use pesticides

and will streamline EPA's procedures. The bill has balanced changes that are fair to agricultural chemical manufacturers, farmers, and food companies while giving the public much-needed confidence that a new food safety system is in place to protect them.

The bill is written as a substitute for current section 408 of the FFDCA, but much of current law remains intact. The bill incorporates many of EPA's current practices and is based on the fundamental reforms that have been discussed and recommended by the National Academy of Sciences.

I am including in the RECORD an extensive section-by-section analysis to assist Members in understanding the bill and this complex area of our laws. There are several major features of the bill I want to highlight at this time.

The bill establishes a risk-based food safety standard that is consistent with the other food regulatory authorities of the FFCDA. The risk standard would be "negligible risk" and it would be determined for "identifiable population groups—such as infants and other children—with special food consumption patterns."

This risk-based standard would replace the EPA's current approach of assessing the risks and the benefits of a pesticide. No other food safety regulatory statute allows the benefits of a substance that is added to our food to be considered, and pesticides should not be treated differently.

With this new standard EPA would regulate all pesticide residues in food under section 408 of the FFDCA. This consolidation of authority removes the regulation of pesticide residues in processed food from coverage under the food additives section of the act (section 409) which includes the Delaney clause.

The application of this new negligible risk standard to each pesticide chemical will occur over a 4-year period. While it is essential that we remove from use those pesticides which present greater than a negligible risk, we must do so in a way that allows for the evaluation of the health and safety data now being collected on pesticides, that allows growers and food companies an opportunity to shift to other pesticides and that allows agricultural chemical companies an opportunity to modify the current pesticides so that they might meet the negligible risk standard.

The last step in the implementation of this new negligible risk standard would occur 6 years after enactment. At that time the EPA must assure that the use of several different pesticides on the same crop will present no more than a negligible risk. Prior to this stage, the negligible risk standard would be applied to each pesticide chemical.

The bill made one other important change in food safety law. Currently, EPA lacks authority to require the submission of new health and safety data after a tolerance is established even if the agency believes additional data are necessary to assure food safety. This is a glaring omission for any regulatory agency mandated to protect public health.

Under the bill, the Administrator of EPA could require the submission of new health and safety data in accordance with deadlines established by the Administrator. Strict enforcement is provided for, with exceptions to assure that food on which the pesticide was lawfully used prior to the new enforcement actions is not affected.

Mr. Speaker, I am pleased to note that Senator KENNEDY, chairman of the Senate Labor and Human Resources Committee, will introduce the identical companion bill and will assume leadership in the other body for moving this legislation forward.

Mr. Speaker, the changes in this bill are long overdue. It provides important public health protections while fairly balancing the economic interests of farmers and food and chemical companies.

The section-by-section analysis follows:

"FOOD SAFETY AMENDMENTS OF 1989" H.R. 1725

SECTION-BY-SECTION ANALYSIS

Section 1: Short Title: the "Food Safety Amendments of 1989."

Section 2: Definition.

Section 2(a)(1) amends section 201(q) of the Federal Food, Drug and Cosmetic Act (FFDCA) to define "pesticide chemical" and "pesticide chemical residue." It adds to the current definition of "pesticide chemical" by specifying that pesticide chemical residues in processed foods, inert ingredients of pesticide chemicals, and substances resulting from the metabolism or degradation of a pesticide chemical are included.

Section 2(a)(2) amends section 201(s) of the FFDCA, which is the definition of "food additive," to specify that pesticide chemical residues in processed food and pesticide chemicals used in the production, storage, or transportation of processed food are not food additives, and therefore will be regulated under section 408 of the FFDCA. Food additives are regulated under section 409 of the FFDCA.

Section 2(b) adds new definitions to section 201 of the FFDCA. In conjunction with the definition of "raw agricultural commodity" currently in section 201(r), the new definition of "processed food" clarifies that all food to which pesticide chemicals are applied are regulated by section 408.

Section 3: Adulterated food.

Section 402(a)(2) is amended to specify that pesticide chemical residues in processed food are regulated by section 408 and that, if the residues in such processed food are within the tolerances set under section 408, the food is not adulterated.

Section 4: Tolerances and Exemptions for Pesticide Chemical Residues and Pesticide Chemicals.

This section contains a substitute for current section 408.

Section 408(a)(1): General Rule for Tolerances or Exemptions.

This section establishes the general rule that any pesticide chemical residue in or on raw agricultural commodities and processed food, and any pesticide chemical added to such commodities and food (regardless of whether residues remain), must have either a tolerance or an exemption and any residue remaining on the commodity or food must be within the tolerance limit or consistent with the exemption. In addition, the section requires the inert ingredients of the pesticide chemical or pesticide chemical residue to be generally recognized as safe (unless the inert ingredients meet the exceptions provided in paragraph (2)).

Section 408(a)(2): Inert Ingredients.

This section specifies when an inert ingredient which is not generally recognized as safe may be used. If an inert ingredient is essential for the active ingredient to have its intended effect, or if the use of an inert ingredient which is generally recognized as safe is not scientifically feasible, then a tolerance must be established. When the inert ingredient is essential to the active ingredient, the tolerance for the active ingredient would include the inert ingredient. When an inert ingredient which is not generally recognized as safe must be used, a separate tolerance for the inert ingredient would be established. These tolerances would be required to meet the negligible risk standard.

Section 408(a)(3): Processed Food.

This section specifies that pesticide chemical residues in or on processed food which do not have a separate tolerance or exemption are lawful if those residues have been removed to the extent possible in good manufacturing practice and are within the tolerance for the raw agricultural commodity from which the processed food was made.

Section 408(a)(4): Pesticide Chemicals With No Detectable Residues.

This section specifies that any pesticide chemical that is added to a raw agricultural commodity or processed food and leaves no residue must have a tolerance established at that residue level which is the least amount of the pesticide chemical that can be detected by the method of detecting and measuring the pesticide chemical permitted by the Administrator of the EPA under section 408(b)(2)(E).

Section 408(a)(5): Effect of Tolerance or Exemption.

This section specifies that raw agricultural commodities and processed food that contain pesticide chemicals residues pursuant to a tolerance or an exemption under section 408 are not to be considered "adulterated" (and thus illegal) under section 402(a)(1) of the FFDCA.

Section 408(b): General Rule for Tolerances.

Section 408(b)(1): Authority.

This section authorizes the Administrator of the EPA (who is responsible for administering section 408) to promulgate regulations that establish, modify or revoke tolerances for a pesticide chemical which leaves no detectable residue or for a pesticide chemical residue either in response to a petition under section 408(d) or on the Administrator's initiative under section 408(e). The Administrator may establish expiration dates for such tolerances.

Section 408(b)(2): Standard.

Section 408(b)(2)(A): Negligible Risk Standard.

This section specifies that a tolerance may be established, or left in effect, only if the risk to human health, including the health of identifiable population groups (such as infants and other children) with special food consumption patterns, from dietary exposure to the pesticide chemical or pesticide chemical residue, is negligible.

Section 408(b)(2)(B); Criteria for Negligible Risk.

This section specifies how the term "negligible" is to be implemented. Clause (i) specifies that, for pesticide chemical residues which are believed to cause or contribute to adverse human health effects only above a certain level of exposure, negligible means the level of human exposure which will not cause or contribute to any known or anticipated adverse human health effects. In establishing the level, the Administrator will include an ample margin of safety.

Clause (ii) specifies that for pesticide chemical residues which are believed to cause adverse human health effects at all levels of exposure, negligible means the level of human exposure which is not likely

to cause or contribute to any additional adverse human health effects in the population exposed to the pesticide chemical residue and which will not cause or contribute in the population exposed to the pesticide chemical residue to a risk (using conservative risk assessment models) of adverse human health effects which exceeds a rate of one in a million.

Section 408(b)(2)(C): Exposure.

This section specifies how dietary exposure is to be calculated for purposes of subparagraph (A). The Administrator would take into account all dietary exposure to the pesticide chemical, including exposure under the proposed tolerance (or the tolerance in effect in the case of a petition to modify and revoke an existing tolerance) all other tolerances or exemptions in effect for the same pesticide chemical, and all other sources of dietary exposure (including drinking water) to the same pesticide chemical.

The Administrator would calculate dietary exposure to the pesticide chemical based on the amount of residue that is lawful. The Administrator would assume that residues are on all authorized raw agricultural commodities and processed food at the tolerance levels and exposure occurs for a lifetime. The Administrator could deviate from this calculation in two ways. First, the Administrator could use the percent of food actually treated with the pesticide chemical, rather than assuming that all authorized food is treated, if the Administrator has reliable data indicating that the pesticide chemical is only used on a certain percent of all authorized food and that the treated food is evenly distributed throughout the consuming public. Second, the Administrator could use the actual residue levels which occur, rather than assuming that residues are at the tolerance levels, if the Administrator has reliable data indicating that the pesticide chemical leaves residues at a certain lower level. If the Administrator used actual residue levels, he could not leave the higher tolerance in effect, but would modify it to the level of actual residues.

Section 408(b)(2)(D): Rules for Levels.

This section specifies, in clause (i), that the tolerance level for a pesticide chemical residue in or on raw agricultural commodities or processed food could be no higher than the Administrator determines is necessary for the pesticide chemical to have its intended effect. Clause (ii) involves the case of a pesticide chemical residue that unavoidably persists in the environment and contaminates raw agricultural commodities and processed food. The Administrator would establish a tolerance at the level that is unavoidable. The Administrator would review these tolerances annually.

Section 408(b)(2)(E): Practical Method of Analysis.

The section specifies that the Administrator may not establish, or leave in effect, a tolerance unless a practical method for detecting and measuring residues is specified by the Administrator after consultation with the Secretary of Health and Human Services. (Consultation would occur with the Food and Drug Administrator (FDA).) The method must be the best available practical method, and it would be practical only if it could be performed by the FDA on a routine basis as part of surveillance and compliance sampling with the personnel, equipment and other resources available to FDA. The only exception to this rule is that the Administrator may permit a method which is not practical, because it can only detect and measure a single residue, if it is not scientifically feasible to include the pesticide chemical in a method which will detect and measure several pesticides at one time.

Section 408(b)(3): Factors to be Considered.

This section specifies the other factors that the Administrator must consider in establishing, modifying or revoking a tolerance for pesticide chemical. These factors are (1) the probable consumption of treated food by the population group which consumes the greatest amounts of the food or which is most sensitive to the chemical; (2) the cumulative effect of the chemical, taking into account related chemicals and non-dietary routes of exposure; and (3) safety factors that are appropriate for animal experiments.

Section 408(c): General Rule for Exemptions.

Section 408(c)(1): Authority.

This section authorizes the Administrator to establish, modify or revoke an exemption from the requirement for a tolerance in response to a petition or on the Administration's own initiative. An exemption may have an expiration date.

Section 408(d)(2): Standard.

Section 408(c)(2)(A): Risk Standard.

This section specifies that an exemption may be established, or left in effect, only if the pesticide chemical residue presents no risk to human health, including the health of identifiable population groups with special food consumption patterns, from dietary exposure at any level of residue that could reasonably be expected to occur from use of the pesticide chemical on food.

Section 408(c)(2)(B): Exposure.

This section specifies how dietary exposure is to be calculated for purposes of subparagraph (A). The Administrator would take into account all dietary exposure to the pesticide chemical, including exposure under the proposed exemption, all other tolerances or exemptions in effect for the same pesticide chemical, and all other sources of dietary exposure (including drinking water) to the same pesticide chemical.

The Administrator would calculate dietary exposure to the pesticide chemical based on the maximum amount of residue that could reasonably be expected to occur if the instructions for use of the pesticide were not followed.

Section 408(c)(2)(C): Practical Method of Analysis.

This section specifies that the Administrator may not establish an exemption until a practical method for detecting and measuring residues is specified by the Administrator after consultation with the Secretary of Health and Human Services. (Consultation would occur with the Food and Drug Administration (FDA).) The method must be the best available practical method, and it would be practical only if it could be performed by the FDA on a routine basis as part of surveillance and compliance sampling with the personnel, equipment and other resources available to FDA. The only exception to this rule is that the Administrator may permit a method which is not practical, because it can only detect and measure a single residue, if it is not scientifically feasible to include the pesticide chemical in a method which will detect and measure several pesticidies at once or if there will be no residue on food when the food is sold to consumers.

Section 408(d): Petitions for a Tolerance or Exemption.

Section 408(d)(1): General Rule.

This section specifies that any person may file a petition for the issuance of a regulation that establishes, modifies or revokes a tolerance, or establishes or revokes an exemption.

Section 408(d)(2): Petition Requirements.

This section specifies the information and data that must be contained in a petition to establish a new tolerance or a new exemption. The required information includes a summary of the scientific reports respecting the safety of the pesticide chemical and the exposure to the pesticide chemical. The petitioner must authorize the publication of the summary of the Administrator. This section also authorizes the Administrator to establish requirements for the contents of petitions to modify or revoke tolerances or exemptions.

Section 408(d)(3): Notice.

This section specifies that the Administrator will publish a notice of the filing of a complete petition within 30 days of such filing. The notice will announce the availability of a complete description of the analytical method for the detection and measurement of the pesticide chemical in food, and will include the summary required in petitions to establish tolerances or exemptions.

Section 408(d)(4): Actions by the Administrator.

This section specifies the actions that the Administrator may take after considering the petition and other available information. Within 180 days, the Administrator shall either publish a final regulation approving or disapproving the petition, or publish a final regulation that is different from the regulation requested in the petition, or issue an order denying the petition.

Section 408(d)(5): Notice.

Before issuing a final regulation, the Administrator would provide notice and the opportunity to comment for a period of not less than 30 days.

Section 408(d)(6): Effective Date.

Section 408(d)(6)(A): General Rule.

This section specifies that a final regulation issued under paragraph (4) would be effective upon publication.

Section 408(d)(6)(B): Delay.

If a regulation issued under paragraph (4) revoked or lowered a tolerance or revoked an exemption, the Administrator would be required to delay the effective date of the regulation to allow food which (1) contains lawful amounts of the pesticide chemical (that was the subject of the regulation) prior to the publication of the regulation and (2) presents no more than a negligible risk, to be sold to consumers.

Section 408(d)(7): Further Proceedings.

This section specifies the manner in which objections to a final regulation published under paragraph (4) would be considered by the Administrator. Within 30 days after the Administrator's action, any person adversely affected (including a person without an economic interest) would file objections. The person who filed the petition (if different from the objector) would have 30 days to reply to the objections. The Administrator could hold an evidentiary hearing if needed. The Administrator would publish an order describing his actions on the objections. Any new regulation would take effect in 90 days or earlier if the Administrator determined that emergency conditions existed.

Section 408(d)(8): Judicial Review.

This section provides for judicial review for any person adversely affected (including a person without an economic interest) by

the Administrator's decision. Such review would not operate to stay the Administrator's decision unless specifically ordered by the court.

Section 408(e): Action on Administrator's Own Initiative.

Section 408(e)(1): General Rule.

This section authorizes the Administrator to establish, modify or revoke a tolerance or to establish or revoke an exemption on his own initiative.

Section 408(e)(2): Effective Date and Delay.

Any regulation pursuant to this authority would take effect upon its publication and be subject to sections 408(d) (7) and (8).

If a regulation issued under paragraph (1) revoked or lowered a tolerance or revoked an exemption, the Administrator would be reguired to delay the effective date of the regulation to allow food which (1) contains lawful amounts of the pesticide chemical (that was the subject of the regulation) prior to the publication of the regulation and (2) presents no more than a negligible risk, to be sold to consumers.

Section 408(e)(3): Notice.

This section requires the Administrator to issue a notice of any proposed rule under paragraph (1) and provide for at least a 30 day comment period. The comment period could be shorted if the Administrator determined that the public interest required such a period.

Section 408(e)(4): Imminent Hazard.

This section authorizes the Administrator to revoke an exemption, or to revoke or modify a tolerance, without following the required procedure if such action is necessary to prevent an imminent hazard. The Administrator would provide notice of the action and would be required to hold a public hearing within 5 days of receipt of a request (which request was made within 5 days of the Administrator's action) for a hearing. The effective date of the action would not be delayed for the hearing, and would not be stayed while the Administrator's action was being judicially reviewed, and would not be judicially reviewed until after the hearing. The Administrator could find an imminent hazard exists if a pesticide chemical presents a dietary risk that is signficantly greater than negligible.

Section 408(f): Special Date Requirements.

This section authorizes the Administrator to request additional data when the data supporting tolerances and exemptions are inadequate.

Section 408(f)(1): Determination of Inadequate Data.

This section requires the Administrator to act if the data contained in a petition (including a petition submitted before the date of enactment) to establish a tolerance or exemption are inadequate to support the continuation of the tolerance or exemption because (1) the Administrator has reason to believe the pesticide chemical presents greater than a negligible risk (based on data in the petition or otherwise available), or (2) the data in the petition do not meet the current requirements of sections 408(d)(2)(A) (iv) and (v).

Section 408(f)(2): Action by the Administrator.

This section specifies that the Administrator would require the submission of the necessary data, or would initiate an action under section 408(e) to modify or revoke the tolerance or exemption.

Section 408(f)(3): Submission of Required Data.

This section specifies that if the Administrator requires the submission of data, the Administrator would publish an order in the Federal Register that establishes deadlines for the identification of the persons who will submit the data and the submission of necessary data and reports.

Section 408(f)(4): Deadlines.

This section specifies that if the deadlines in the order issued under paragraph (3) are not met, the tolerance or exemption would be automatically revoked. The Administrator (1) would delay the effective date of the revocation to allow food treated (within the tolerance or exemption) before the deadline to be sold, and (2) could delay the effective date for such other period that is necessary to allow the submission of the date if extraordinary circumstances prevented the submission within the deadline.

Section 408(f)(5): Further Proceedings and Review.

This section specifies that an adversely affected person may seek administrative and judicial review in accordance with section 408(d) (7) and (8).

Section 408(f)(6): Evaluation of Data.

This section requires the Administrator, within 90 days of the receipt of the data, to evaluate the data and determine whether action is required under subsection (e) to assure that residues of the pesticide present no more than a negligible risk.

Section 408(g): Confidentiality of Data.

Section 408(g)(1): General Rule.

This section specifies that data contained in a petition is entitled to confidential treatment until publication of a regulation or order under section 408(d)(4), unless disclosure has been made previously, or is allowed by paragraph (2) or section 408(h), or is required by other law.

Section 408(g)(2): Disclosure.

This section specifies the persons to whom confidential data may be disclosed. Congress and employers and contractors of the Administrator are included.

Section 408(g)(3): Summaries.

This section specifies that the Administrator may publish the informative summary required in the petition (under section 408(d)(2)(A)(i)) and other summaries of the data relating to the proposed or final regulation or order under section 408(d)(4).

Section 408(h): Access to Data in Support of Petition.

This section specifies the procedures by which there can be public access to the health and safety data submitted or cited in support of a petition under section 408(d). A person requesting review of the data would notify the Administration and the petitioner within 30 days of notice of the filing of the petition, and would make certain affirmations to the Administrator in accordance with paragraph (2). A petitioner could object to the affirmations. The Administrator would determine whether access would be granted. Review of the data would be solely for the purpose of commenting on the petition. No other disclosure of the data would be permitted.

Section 408(i): Other Regulations.

This section specifies how the Administrator would treat certain section 406(a) and 409 regulations. Section 409 food additive regulations for processed food would be deemed to be regulations under section 408. If the pesticide chemical residue for which the food additive regulations are issued does not meet the negligible risk standard, the Administrator would act on the pesticide chemical residue under section 5 of the Food Safety Amendments of 1989.

Section 408(k): Fees.

This section specifies that the Administrator would establish fees by regulation that would in the aggregate cover the cost of the functions required of the Administrator under section 408.

Section 5: Evaluation of Existing Pesticide Chemical Residues.

Section 5(a): Initial Action.

This section requires the Administrator, within 90 days of the date of enactment, to evaluate all available data with respect to the safety and the residue levels of each pesticide chemical residue which is required to have a tolerance or an exemption. From the evaluation, the Administrator is to determine whether there is reason to believe that dietary exposure to a pesticide chemical residue may present a risk greater than negligible. If the Administrator determines that there is sufficient data to make this determination, and that a notice should be issued under subsection (b)(1)(B), and that additional data are needed to support the continuation of the tolerance or exemption for the pesticide chemical residues, then the Administrator would request the additional data within 30 days under the authority of section 408(f)(2). If the Administrator determines that there is insufficient data to make this determination, then the Administrator would request the additional data within 30 days under the authority of section 408(f)(2). In this latter event, the Administrator would have 90 days after sufficient data are received to make the determination of whether dietary exposure to the pesticide chemical may present a risk greater than negligible.

Section (5)(B): Determination of Risk Greater Than Negligible.

Section (5)(b)(1): Action by the Administrator.

This section requires the Administrator to take certain actions under this section, rather than under section 408(b)(2), respecting a pesticide chemical residue that may present a risk greater than negligible. The Administrator would either initiate action under Section 408(e) or issue a notice in the Federal Register which specifies that the requirements of paragraph (3) would apply (in lieu of section 408(b)(2)). The action under section 408(e) would be (1) to lower one or more tolerances or to revoke an exemption and establish one or more tolerances so that the pesticide chemical residue would present no more than a negligible risk, or, (2) to revoke all tolerances or an exemption if the risk during the four year period after the determination under subsection (a) is significantly greater than negligible.

Section (5)(b)(2): Notice Content.

This section specifies the content of the notice issued under paragraph (1).

Section (5)(b)(3): Requirements.

This section specifies the four requirements that apply to a pesticide chemical residue which is the subject of a paragraph (1) notice. First, within two years, data must be submitted which indicate the lowest residue level which is reasonably required for the pecticide chemical to have its intended effect. Second, within two years, there must be a method of detecting and measuring residue levels which meets the requirements of section 408(b)(2)(E). Third, within two years, each tolerance (in the case of a pesticide chemical with an exemption, each new tolerance which replaces the exemption) must meet the negligible risk standard (as if it were applied to a tolerance rather than to a pesticide chemical and all its tolerances). Fourth, within four years, the pesticide

chemical residue must meet the negligible risk standard.

Section (5)(b)(4): Consequences.

This section specifies what happens if the requirements of paragraph (3) are not met. First, if data required by paragraph (3)(A) are not submitted, each tolerance and exemption are considered revoked. The Administrator may delay the revocation and permit additional time if extraordinary circumstances prevented the submission of the data. Second, if the method required by paragraph (3)(B) is not submitted, each tolerance and exemption are considered revoked. Third, the Administrator would determine, within 30 days of the expiration of the two year period established under paragraph (3)(C), whether each tolerance meets the negligible risk standard described in paragraph (3)(C). If the standard is not met, the Administrator would take action under section 408(e) to establish tolerances that would meet the standard, or the tolerances (and any existing exemption) would be considered revoked. Fourth, the Administrator would determine, within 30 days of the expiration of the four year period established under paragraph (3)(D), whether the pesticide chemical residue meets the negligible risk standard prescribed in section 408(b). If the standard is not met, the Administrator would (within 180 days) take action under section 408(e) to modify one or more tolerance so that the negligible risk standard is met or the tolerances would be considered revoked.

Section 5(c): Pipeline.

This section specifies that the Administrator shall delay the effective date of any action or revocation to allow food which (1) contains lawful amounts of the pesticide chemical prior to such action or revocation, and (2) presents no more than a negligible risk, to be sold to consumers.

Section 5(d): Further Proceedings and Review.

This section specifies that administrative and judicial review are available.

Section 6: Revised Negligible Risk Standard.

This section specifies that six years after the date of enactment the negligible risk standard of section 408(b)(2) would be amended. The purpose of the amendment is to address the situation where two or more pesticides chemical residues which have a tolerance for the same raw agricultural commodity or processed food are used on the commodity or food. The effect would be to require all such pesticide chemical residue tolerances to have an aggregate risk of no more than negligible. The Administrator would have one year after the effective date of enactment to implement the raw requirement.

Section 7: Review of Existing Tolerances.

This section requires the Administrator, within 180 days of enactment, to determine whether there are any additional data that must be required under section 408(f)(2). This section applies to pesticide chemical residues with tolerances which are not the subject of action under section 5.

Section 8: Revision of Existing Exemptions.

This section requires the Administrator, within 180 days of enactment, to establish deadlines for the submission of necessary health and safety data that are missing for pesticide chemical residues with exemptions. Within 90 days of the receipt of such data, the Administrator must evaluate the data and determine whether action under section 408(e) is required. If the deadlines are not met, the exemptions would be automatically revoked, except that the Administator (1) would delay the effective date of the revocation to allow food treated in accordance with the exemption to be sold, and (2) could delay the effective date for such other period as is necessary to allow the submission of the data if extraordinary circumstances prevented the submission within the deadline.

The section specifies that an adversely affected person may seek administrative and judicial review under sections 408(d) (7) and (8).

Section 9: Inert Ingredients.

This section requires the Administrator, within 180 days of enactment, (1) to publish a list of all inert ingredients which are generally recognized as safe or which are required by section 408(a)(2) to have a tolerance or be included in a tolerance and (2) to establish deadlines for the submission of necessary health and safety data to establish required tolerances for inert ingredients. Within 90 days of the receipt of such data, the Administrator must evaluate the data and determine whether action under section 408(e) is required. If the deadlines are not met, the pesticide chemicals containing the inerts would be considered unsafe, except that the Administrator (1) would delay the effective date of the determination to allow food which contained the inerts on the date of the deadline to be sold, and (2) could delay the effective date for such period as is necessary to submit the data if the timely submission was prevented by extraordinary circumstances.

The section specifies that an adversely affected person may seek administrative and judicial review under sections 408(d) (7) and (8).

Section 10: Review of Generally Recognized as Safe Pesticides.

This section requires the Administrator, within one year of enactment, to establish deadlines for the submission of necessary health and safety data to establish tolerances or exemptions for any pesticide chemicals which, on the date of enactment, do not have tolerances or exemptions because they are generally recognized as safe under section 408 prior to this legislation. If the deadlines are not met, the Administrator would be authorized to issue an order declaring the pesticide chemicals to be unsafe for purposes of section 402(a)(2)(B). The section specifies that an adversely affected person may seek administrative and judicial review under sections 408(d) (7) and (8).

Pesticide chemicals subject to this section would not be considered unsafe under this legislation (which requires them to have tolerances or exemptions) solely because the chemicals do not have a tolerance or exemption.

Section 11: Review of Existing Methods of Analysis.

The section specifies the time within which the Administrator would review existing methods for detecting and measuring pesticide residues to determine whether the methods met the requirements of section 408(b)(2)(E). The methods for pesticide chemical residues that are subject to section 5(b)(3)(B) must be reviewed within 90 days, and any action taken against those methods would be taken under section 5. The methods for other pesticide chemical residues must be reviewed within 180 days, and those methods would have three years to meet the requirements of section 408(b)(2)(E). If the methods did not meet this deadline, any tolerance or exemption in effect for the pesticide chemical residue subject to such method would be considered revoked, except that the Administrator would delay the effective date of the revocation to allow food treated in accordance with the tolerance or exemption before the deadline to be sold. Any adversely affected person may seek administrative and judicial review in accordance with section 408(d) (7) and (8).

Section 12: Definitions.

Terms used in section 5 through section 11 of this Act which are the same as the terms used in section 408 shall have the same meaning as prescribed for those terms in the Federal Food, Drug and Cosmetic Act.

BUDGET-CUT BURDEN FALLS UNFAIRLY ON MILITARY RETIREES AND WIDOWS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. BENNETT. Mr. Speaker, I call attention to the thoughtful article by Brig. Gen. James D. Hittle, USMC (Ret.) published in the April 3 edition of the Navy Times.

The entire article is as follows:

[From the Navy Times, Apr. 3, 1989]

BUDGET-CUT BURDEN FALLING ON MILITARY RETIREES, WIDOWS

(By Brig. Gen. James D. Hittle, USMC (Ret.))

Military people have long been told that it is a distinction to serve their nation and bear the burden of its defense.

Now, those who have made the service a career and, with the passing of the years are retired, have again been selected to bear a burden.

They are going to make a sacrifice not to be suffered by many other of our citizens. The burden is spelled out in the proposed federal budget for fiscal 1990.

There it is, all clear, and like any good hatchet should be, very sharp. The 1.5 million military retirees would have the privilege of seeing their promised 1990 cost-of-living adjustment cut to zero, and after 1990, COLAs would be held one percentage point below inflation as measured by the Consumer Price Index. The distinction conferred on these retirees is that those who draw Social Security would not bear that burden, nor would those whose checks are mailed by the Veterans Administration.

What is all the more painfully selective about it is that the budget hatchet men are doing exactly what these retired servicemen were, as recently as 1986, promised would not be done. The House-Senate conference report 99-659 on H.R. 4420 "Military Retirement Reform Act of 1986," specifically emphasized the government's commitment to protect and continue the COLA. "The Conference emphasizes," the report said, "that changes would apply only to those who first become members of the uniformed service after Aug. 1, 1986. No member who joined a uniformed service before that date—much less any current retiree—would be affected."

That's what Congress said when it made the military retirement changes in 1986. If you entered the service on or before Aug. 1, 1986, you were promised continued COLA.

But if the budgeteers get their way you won't get what was promised you.

There's another interesting feature about who were selected to bear the burden of losing a year's COLA. About 130,000 of those retirees getting their 1990 COLA eliminated are disabled. They have served, and because of military service to their nation they have been disabled. How any of the financial wizards in the budget business could have rationalized depriving these service retirees of a year's COLA, but not doing the same for VA-paid disabled, defies the imagination.

But the inherent disregard of fairness and need goes even further. Also scheduled for the budgeteer's ax are the approximately 125,000 military widows who are drawing Survivor Benefit Plan payments. Their average SBP income is $465 per month. What is also apparently overlooked, or disregarded, by the budget planners is that the retiree was strongly encouraged to sign up and make his monthly payment to SBP in order to provide for his widow. One of the feature arguments for SBP was that its full COLA protection made it a preferable protective plan for the surviving widow. Well, so much for another promise.

This planned selective COLA cut for military retirees, including those disabled in combat—and the retirees' widows—is no one-time toss of small change into the collection plate. Example: The Air Force Entitlement Division, as cited in a current issue of *The Retired Officer*, has estimated that under the COLA proposal "an E-7 retiring after 20 years of service, would lose $33,700 in lifestream retirement pay. An O-5 (commander/lieutenant/colonel) would experience a loss of $69,000."

This is the kind of penalty being levied on those who served their nation at the risk of life and limb. The retirees, and the widows of retirees, must be shaking their heads in astonishment and anger that they have been targeted for such a penalty when at the same time those drawing Social Security and VA checks don't get touched for a red cent.

The big argument used in an attempt to justify this levy on the loyal retired service member and their widows is that because of the budget deficit, government spending must be cut, and the sacrifice must be made in the interest of national budgetary policy. Those who have served our nation don't cringe from necessary sacrifice. They know from years of service to our nation what the word sacrifice means. But, what they don't like is to be selectively targeted for a huge loss while others with Social Security and VA go untouched. If there is a financial burden let all carry it—retirees, Social Security, VA, and every other government retirement program. To pick out those who have served in uniform in World War II, Korea, and Vietnam is loaded with inconsistency and injustice.

All this time those who served their nation in the military services thought they were veterans. But not according to the U.S. Government's 1990 budget. It doesn't cut "veterans retirement. . . .," but, if you served the colors 20 or more years and earned your retirement, you get your promised retirement program cut. Those who receive veterans compensation and pensions from the VA don't get cut. It doesn't take a Ph.D. to figure out who under the government's budget are veterans and who are not.

Fortunately, some in Congress already are picking up the legislative cudgels to beat off this raid on the retirees and their widows.

Rep. Charles E. Bennett, D-Fla., the longest serving member of the House Armed Services Committee, is one who has taken a firm stand, saying "to selectively impose such a financial loss on the retired serviceman who have served his country long and loyally—and on the widows of the retires—is bureaucracy at its worst, and is plainly unjust.

"If there must be sacrifices for budget balancing, then let the burden fall equally across all comparable programs. Our nation must not selectively penalize those who have given the prime years of their lives to the nation's defense."

Another friend of the serviceman, about a century ago, also denounced peacetime attitudes toward those who defended their nation. This is what Rudyard Kipling said in his famous poem, "Tommy:" Then it's Tommy this an' Tommy that, an' chuck him out, the brute! But, it's 'Savoir of 'is country' when the guns begin to shoot.

DON'T PASS THE TAX BUCK FOR EXXON

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. LIPINSKI. Mr. Speaker, we have all watched with growing horror as the oil spilled off Valdez, AK, has enveloped salmon, otters, and sea lions. Now it is poisoning sea birds and deer near the formerly pristine Prince William Sound.

We have listened as Exxon officials have first claimed full responsibility, then blamed the Coast Guard and the weather. We have heard Exxon's promises to pay the full cost of the spill, the full cost of cleanup.

What is most insulting to the American taxpayer, lulled by repeated promises from Exxon that they would clean up and pay for the costs, is that these cleanup costs, and the cost of restitution paid to local inhabitants and others, are fully deductible business expenses under section 162 of the Internal Revenue Code. That's right, the single richest multinational corporation in the world will write off all expenses from cleaning up this disaster as "ordinary and necessary business expenses." Thus, under current law, the American taxpayer will end up footing the bill for the Exxon oil spill.

An oil spill is not "ordinary." An oil spill is not "necessary." The spill of oil in Prince William Sound has been a profound lesson in unneccessary and extraordinary negligence.

Our Nation needs oil, we need responsible organizations to bring that oil to us. But we need those organizations, those corporations, to own up to their faults, not pass the buck to the American taxpayer through us, the Congress.

Mr. Speaker, we need changes in the Tax Code to end absurd tax breaks for negligence and pollution. This Nation must support business. But America must support good business. Pollution is bad business. Deficits are bad business, and tax breaks for pollution that cause deficits are just plain dumb.

For Exxon to pass any portion the extraordinary costs of this cleanup to the hard-pressed American taxpayer is unacceptable.

The residents of the Chicago area, the citizens of my district, worked hard for their salaries, their pensions. Each year at this time they sit down to pay out part of that hard-won money as part of a civic duty, a contribution to the good of the Nation.

Are we to tell our constituents that they are not eligible for a tax break because they didn't: spill millions of gallons of crude oil all over their neighborhood, ruin the local businesses, put thousands out of work, and kill fish and birds for miles around?

America is saddled with monumental deficits and the American taxpayer is strained to the limit. We cannot allow one of the world's most profitable corporations to pass along yet more costs to the Government and the taxpayer.

We need a change in the law. The chairman of the Merchant Marine and Fisheries Committee, WALTER JONES, has introduced H.R. 1465, the Oil Pollution Liability and Compensation Act. This is a vital step along the path we must take to end the passing of the polluter's buck to the American taxpayer. I have cosponsored this legislation and call upon all of my colleagues to do the same. Further changes will be necessary in the Tax Code as well, to end tax writeoffs for big business negligence.

In the short term, Exxon must work harder and faster to cleanup the rapidly spreading slick of oil. I also call upon them to make a donation in lieu of taxes to the U.S. Government, earmarked for Coast Guard and EPA pollution cleanup for this spill. This donation should, at the very least, cover the amount saved on their taxes through their expense deduction.

The Congress of the United States is responsible to the American people to see that the deficit is eliminated and that all pay their fair share. Only when we work to protect our fiscal security and our environment will we fullfill our duties to the citizens of America.

MIDDLE EAST REALITIES

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. GREEN. Mr. Speaker, I should like to bring to my colleagues' attention the following piece which appeared in yesterday's Wall Street Journal. As the new administration looks for ways to assist Israel and her Arab neighbors in their search for peace in that region, I strongly urge President Bush and Secretary Baker to remain unwavering in their support for Israel's survival, security, and welfare. As the following editorial reminds us, the interests of the United States are best served by a strong and secure Israel.

[From the Wall Street Journal, Apr. 5, 1989]

MIDDLE EASTERN REALITIES

The Middle East, its problems normally far away, is on America's doorstep this week. Israel's Yitzhak Shamir and Egypt's Hosni Mubarak are both making separate visits to talk with President Bush. With Secretary of State Baker in the lead, Mr. Bush

is talking about an international peace conference and the need for "a new atmosphere." Over the years, Washington probably has spent more time sitting in rooms in Washington talking about the Middle East than any other foreign-policy problem. We suspect the quality of that talk would benefit greatly if both George Bush and Jim Baker personally toured those portions of the old Palestine Mandate that sit at the heart of this matter.

We did so recently, particularly the hills of Samaria. The United Nations had allotted these hills to the Jordanians in 1947. They would still have them but for the fact that in 1967 during the Six Day War, when it looked as if Israel would be destroyed by Syria and Egypt, Jordan belatedly joined the fray, only to lose Judea as well as Samaria. Arab attacks in 1973 failed to destroy Israel, and Jordan abandoned its claim to the lands last year.

We entered by car northeast of Tel Aviv, at a point where according to the old lines of 1949, Israel was but nine miles wide. The rocky hills rise sharply (some, but not all, have enough grass to graze goats, and in the valleys there is increasing agriculture by Arabs and Jews). In 1977 in Judea and Samaria there were 25 Jewish settlements and two more under construction; today there are 138. Our guide—Ariel Sharon, who was a minister involved in the development of this region when much of the expansion was planned—routed us near or through a dozen of these towns, neat concrete and stucco housing, some with factories, university or agricultural buildings.

To the Israelis, the most striking thing about this area is its military significance by three important measures: depth (from the Samarian hills one can scan with the naked eye the Israeli coast and its main population centers); the eastern front (a quick drive inland and one is looking at the Jordan River and the potential invasion routes of Jordan, Syria and Iraq); and Jerusalem (these hills feed to the approaches of Israel's capital). Jewish towns now overlook the most important military vantage points, intersections and roads.

It is sobering to stand in the Samarian hills with General Sharon, to listen to his explication of their military significance and to be reminded by him that Czechoslovakia's key defensive positions lay in the Sudetenland, which was lost through peace negotiations at Munich. One thing the visitor notices is how small the perspectives are in this region, which is why global strategists worry about a conflict today escalating out of control. Imagine, for instance, the implications of Iraqi chemical weapons being launched indiscriminately aboard inaccurate missiles. Israel would no doubt take what measures it thought necessary to end an assault by such weapons.

It is difficult to find in Israel a responsible official who doubts that the Arab riots and the current peace overtures are part of a broader military strategy. While the PLO's chairman, Yasser Arafat, is talking peace to the Americans and the Western press, his PLO colleagues are reminding the Arabs of the "phased plan" adopted in 1974 by the Palestine National Council in Cairo. The plan eyes the destruction of Israel in phases, starting with the declaration of a PLO state on any land that can be gained and operating from there.

As recently as November of last year, the PLO journal Al-Yom Al-Sabah quoted Abu Iyad, Mr. Arafat's key deputy as saying that the PNC decisions last year in Algiers, which set the state for the current peace overtures, "are a refinement of the Palestinian position as adopted in the Phased Plan in Cairo 14 years ago. * * * The PNC session in Algiers in 1988 was meant to revitalize this program and to create a mechanism to get it moving."

In January, the Agence France Press quoted Nayif Hawatmeh, chairman of the Democratic Front for the Liberation of Palestine, a PLO constituent, as saying. "The Palestine struggle should now be aimed at creating a state in the West Bank and Gaza. This will not prevent us from achieving our final aim of liberating all of Palestine." Mr. Bush's State Department Arabists undoubtedly can provide him with reams of this documentary material.

Even in the volatile politics of the Middle East it's important to note gradations of responsibility among the players. Egypt concluded and has honored a peace with its Israeli neighbor. In resolving the Taba dispute recently, Egypt showed an ability to negotiate responsibly toward a goal, rather than bluster for the world media, Jordan obviously wants out of this conflict. It is harder to gauge precisely the intentions of a Saudi Arabia that is embarking on a $30 billion arms-buying binge.

But can Israel assume that any of these could stand aside in a war provoked by Arab hotheads such as Iraq and Syria? Israel faces on its eastern front more combat division than the 21 active divisions that exist in the U.S. Army' Iraq's army alone has ballooned since 1979 to 47 divisions from seven. Israeli analysts have little doubt that were a Palestinian state to be set up on the West Bank the region's forces would gradually (or suddenly) be brought forward and, without a buffer, the Jewish state would be in mortal peril.

To put it plainly, what is at stake in any "new" political arrangement is Israel's survival. And in turn what is at stake for the United States is the credibility of this country's commitment to an embattled nation that has remained a democratic outpost for 40 years. Rather than see Israel destroyed in any war, the U.S. almost certainly would feel forced to intervene, politically and perhaps militarity. If, however, it remains the goal of U.S. policy to prevent war in this region, it is no doubt easier to do so by making its loyalties clear now, rather than when the armies are moving.

DISTINGUISHED PUBLIC SERVANT TO RETIRE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. FRANK. Mr. Speaker, this month, Hugh Donnelly—Bud to the very large number of his friends—voluntarily retires from the board of selectmen of North Attleboro, after completing 12 years as an elected member of North Attleboro's governing body. Bud's service to his fellow and sister citizens goes much further back than 12 years of course—he was a founder of the town's conservation commission 30 years ago, and he will continue to be an important member of that body. But it does seem appropriate to take the occasion of Bud's stepping down from town elected office to comment here on how valuable a citizen he has been.

New Englanders are fond of our tradition of local self-government, and people worry from time to time that the tradition is eroding. Bud Donnelly is an example of that tradition at its best and strongest: For 12 years he served as an elected official of his town, not from the standpoint of advancing his career or enhancing his own particular life, but out of a sense of love and duty and pride in democracy. I have had the privilege of working with Bud for the last 8 of these 12 years, on a wide range of issues effecting the full set of concerns that confront municipal officials today: Conservation of open space; redevelopment of the downtown; securing adequate State and Federal funds for improvements to infrastructure. Throughout it, Bud Donnelly has been a pleasure to work with. No one I know better makes the point that a thorough going civility and respect for the opinions of others is thoroughly consistent with a firm determination to get things accomplished. For myself and the people on the staff in my congressional office, Bud Donnelly was an unfailing source of good advice, wholly reliable information, and encouragement to work together on behalf of the people we serve.

The 30 years Bud Donnelly has volunteered to serve on the conservation commission, along with his four terms on the board of selectmen, exemplify the kind of citizen participation that makes democracy as successful as it has been in this country, and it makes our system of government and society the envy of so many people all over the world.

Many of us regret Bud Donnelly's decision to step down, but we cannot object to it because he has clearly earned the right to spend more time with his wife Dorothy—who is herself about to retire from the school system in Plainsville. And besides, we know that Bud's retirement from the board of selectmen by no means indicates that his wise counsel and good judgment will be absent from local affairs.

[From the North Attleboro Free Press, Feb. 23, 1989]

DONNELLY TO BE FETED AT TESTIMONIAL

Hugh L. Donnelly, who announced late last year he would not be a candidate for reelection to the Board of Selectmen, will be the guest of honor at a testimonial dinner being planned by a number of his friends and associates.

When Donnelly leaves the Board in April, he will have completed four terms (12 years) of service. Currently, he is the panel's chairman.

The event is scheduled for Friday, April 28. it will be held at Folan's Cornucopia Restaurant on Kelley Boulevard which is undergoing major renovations and will be able to seat nearly 275 in its new banquet facility.

A cocktail reception will begin at 6:30 p.m., with dinner being served at 7 p.m.

Colleague and Selectman John Drury said earlier this week that although Donnelly will no longer be a Selectman, he will continue in service to North Attleboro as a member of the Conservation Commission which he helped to start in 1959.

"Bud and his wife, Dorothy who has announced her retirement from the Plainville School System to become effective in June, want to be able to spend more time with one another and family," said Drury.

He added that tickets to the event will be going on sale March 1, "but the number is limited." Drury said a committee is working on the program, but that tickets may be ordered immediately by sending a check for $18.00 each to Hugh Donnelly Testimonial Committee, in care of Board of Selectmen, 43 South Washington St., North Attleboro, MA.

"Bud will certainly be missed on the Board," said Drury. "He has made service to this town nearly a full-time job since his retirement from John Hancock Insurance. Many of us think it's time we offered our appreciation to him. North Attleboro will never again have such a dedicated public official."

In addition to the Board of Selectmen's office, tickets will also be available at: Dick's Barber Shop, 44 Elm St.; The North Attleborough Free Press at 34 North Washington St.; and Fran's Seafood, 326 North Washington St.

A TRIBUTE TO THE 50TH ANNIVERSARY OF THE ANGLO-POLISH ALLIANCE AND A SALUTE TO POLISH ASSISTANCE, INC.

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. GUARINI. Mr. Speaker, on March 31, 1939, British Prime Minister Neville Chamberlain addressed the House of Commons saying:

I now have to inform the House that * * * in the event of any action which clearly threatens Polish independence, and in which the Polish Government accordingly considers it vital to resist with their national forces, His Majesty's Government will feel themselves bound at once to lend the Polish Government all support in their power. They have given the Polish Government an assurance to this effect. I may say that the French Government has authorised me to make it plain that they stand on the same ground in this matter as do His Majesty's Government.

Thus, the government of His Majesty King George VI, angered by continuing territorial demands by Germany in Eastern Europe, issued a unilateral British guarantee of the territorial integrity of the Republic of Poland. This act ushered in a new era of friendship and cooperation between Poland and England, and became the basis for the special relationship these two nations continue to enjoy.

Following Prime Minister Chamberlain's declaration, Polish Foreign Minister Jozef Beck arrived in London to commence bilateral negotiations toward a formal treaty. On April 6, after 3 days of talks, Chamberlain and Beck signed the first Anglo-Polish treaty of mutual assistance. On August 25, the two nations expanded this treaty into a full military alliance. On September 1, 1939, Nazi Germany invaded Poland. Two days later, on September 3, 1939, Great Britain was joined by France in declaring war on Germany in defense of Poland. World War II had begun.

On Saturday, April 8, 1989, the 33d annual Polonaise Ball will be held in the grand ballroom of the Plaza Hotel to honor the anniversary of the Anglo-Polish Alliance. Mrs. Nela Rubenstein, Dr. Zbigniew Brzezinski, Congressman DAN ROSTENKOWSKI and Ambassador and Mrs. John Birch will be the honorary chairpeople.

In solemn commemoration of the alliance, the Committee of the Polonaise Ball will use this occasion to present the heartfelt thanks of the grateful Polish people to her majesty Queen Elizabeth II, Her Majesty's Government and the people of Great Britain for standing by Poland in her hour of greatest need. The committee will present the White Eagle Award to Sir Cripin Tickell, GCMG, KCVO, Her Majesty's Ambassador to the United Nations and a distinguished senior member of the British Foreign Service.

The Polonaise Ball has a second but equally important purpose: To donate its proceeds to Polish Assistance, Inc. Formed in 1956, this organization provided food, clothing, and medical assistance to thousands of Polish people who fled to the United States. The community-minded people who worked for Polish Assistance, Inc., devoted their talent and time to helping others who badly needed assistance. Among the thousands of Polish immigrants they helped immediately after its formation were writers and intellectuals who embodied Poland's spirit of freedom. Many of these people, some of whom are now thriving in the United States, risked their lives in the struggle for freedom, independence, and human rights. Through the generosity of its loyal supporters, Polish Assistance continues to enrich the lives of needy individuals today.

The founder of Polish Assistance, Inc., Countess Maria Dembinski, serves as a shining example for all who provided love, friendship, and support to Polish immigrants in the United States.

I know my colleagues here in the House of Representatives join me in commemorating the Anglo-Polish Alliance and saluting Polish Assistance, Inc.

THE TIMBER INDUSTRY PRODUCTIVITY AND JOBS PROGRAM

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. WILLIAMS. Mr. Speaker, today I am introducing three pieces of legislation designed to keep our forest products industry healthy on a long-term basis and provide timber for our mills far into the future. Across the Pacific Northwest the debate continues about how best to provide timber from Federal lands for our national needs. This is a vital discussion, but we must also keep our eye on the future needs of our Nation and timber industry. We know all too well that jobs in timber cannot be maintained by a boom and bust economy. Our eye must be on sustained yield—that is a sustained yield of jobs—now and in the future.

There is serious reason for concern. Private and public forest lands are not being properly reforested, and our timber companies and Federal agencies seem very focused on current timber output, not the restoration of our timber inventories. I believe this is a form of national waste that threatens both the jobs for this and future generations and the profitable survival of our timber companies. Every effort should be asserted to assure productivity on future forest land.

I have introduced two bills aimed at assisting to provide a stable future for wood products in America. One bill restores the preferential capital gains rate for timber. The new tax law is injuring the vitality of an entire industry—something that was not intended when tax reform was enacted, a bill which I voted against. Conservationists and private timber producers agree that changes in the Tax Code has widened the gap between trees harvested and those planted. Some estimate that the tax changes have spurred as high as a 50-percent drop in private reforestation efforts, with some small operators not reforesting at all. Many Americans would prefer that timber companies reforest out of a sense of national pride and long run financial benefit, but the simple reality is that they are not doing so. Timber harvest is a long-term investment our tax codes should reflect the long-term risk of maintaining our private timber lands. My legislation would reestablish the tax rate to its prereform level.

The second bill calls for an indepth analysis of current public reforestation efforts. In 1983, I joined with my colleagues in passing a substantial increase in moneys for reforestation. There were many of us who believed that the reforestation effort may need a complete overhaul, but the administration prevailed on the Congress to simply increase the funds to current reforestation efforts.

Since that time the fund used for reforestation has been twice appropriated by the White House to fund firefighting efforts in the West. The past two fire seasons were the worst in recent memory and they required increased funds. The Secretary of Agriculture used emergency authority to transfer funds from reforestation, and it appears that the good intentions of Congress to increase reforestation efforts have been lost in the administration's desires to cut budgets.

We also have lost reforestation funds through enactment of the recent trade agreement. Funds from tariffs on wood products are earmarked for American reforestation efforts. With changes in the trade laws we have lowered the amount of revenues from this source and again have placed in jeopardy the jobs of our future timber workers. For these reasons I have introduced legislation to require the Forest Service to conduct a comprehensive year-long study to determine if, in fact, Congress has achieved any of the reforestation intended by past appropriation efforts. As part of the study, the Forest Service will examine where public timber may, in fact, need to be maintained and not harvested in order to compensate for poor forest practices on adjacent private lands. The Congress needs to know the impact private land uses is having on Forest Service decisions.

The third bill I have introduced is legislation with an eye on the future uses of wood products. Ultimately the marketplace is where the industry lives or dies, and not enough effort has been expended to develop new wood

products or ways to use wood more creatively. As long as the timber industry is tied to the 2 by 4 and the housing market we will continue to experience downturns in our timber communities. My legislation would establish a national center for improved wood utilization and new wood products. Currently the University of Montana conducts some of this research but a national prospective is important. Other basic industries have established these research efforts, and wood products cannot hope to compete in the future if attention is not paid to creation of new products and ways of production. The bill provides for research in two important areas, one is support for basic and applied research into wood utilization and second in the development of more efficient wood products. This center will act as a clearinghouse of wood product research. This center will also hopefully lead us to a future where more finished wood products are produced in communities that have in the past been captive to only the jobs associated with the harvest of the raw materials. This type of diversity is critical for providing stability for timber communities.

The Pacific Northwest is experiencing significant discussion and debate about timber harvest. As that discussion continues, we must not lose sight of the long range due to our focus on today's problems. My bills are an effort to secure a long-run market for timber.

GREEK INDEPENDENCE DAY

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. BENNETT. Mr. Speaker, although March 25, 1989, has now become history itself I want to say a few words about its marking the 168th anniversary of the attainment of Greek independence.

The concept of democracy was born in ancient Greece. The ancient Greek statesman Pericles said that the Greek "Constitution is called a democracy because power is in the hands not of a minority, but of the whole people." Our Founding Fathers drew inspiration from those words and from ancient Greek philosophers such as Plato and Aristotle. As Thomas Jefferson said, "to the ancient Greeks we are all indebted for the light which led us—the American colonists—out of Gothic darkness."

Unfortunately, at the time the United States was setting forth its democratic traditions, Greece was enduring almost 400 years of oppression by the Ottoman Empire. The Greeks were disallowed virtually all their rights. They were forced to pay a capitation tax entitling them simply to remain alive; their male children were kidnaped and forced to serve the Sultan; and their schools and churches were closed down.

Encouraged by the democratic revolutions in America and France, Greeks in the late 18th century began to develop a renewed sense of their own nationalism. Greek intellectuals translated the United States Declaration of Independence to use as a model for their own declaration. The Greek revolution began on March 25, 1821, and a decade later the Ottoman Empire recognized Greece as an independent and democratic state. The United States was an inspiration to the Greeks both during the revolution and in the ensuing years of Greek independence.

The ties established between the Greek and American Government and peoples have been reinforced often over the years. During the early 1900's, one out of four Greek males emigrated to the United States. Greek-Americans, of which there are more than 3 million today, have contributed immensely to our society in such field as literature, art, medicine, and politics. Americans and Greeks were steadfast allies in both World Wars. In World War II alone, Greece lost more than 600,000 men, representing 9 percent of its population. Today the two nations defend freedom through their mutual membership in NATO.

The words of English poet Percy Bysshe Shelley are particularly suitable on this occasion: "We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece."

CHAIRMAN GIANELLI'S RESIGNATION IS NO TRIVIAL MATTER

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. DYSON. Mr. Speaker, I have just received word that William Gianelli, Chairman of the Panama Canal Commission Board of Directors, will submit his resignation to the President today. That resignation will take effect this coming May, so in a little more than 3 weeks, the canal will be without its Board Chairman.

I serve as chairman of the House Merchant Marine Subcommittee on the Panama Canal, and I can assure you, Mr. Speaker, that Chairman Gianelli's resignation is no trivial matter.

The canal's Board of Directors has four Panamanian members and four American members. The Chairman is the ninth member. By joining with the other Americans, the Chairman has been able to ensure that the canal remained open and operating despite the opposition of the Board's Panamanian members.

With Mr. Gianelli's resignation, the Board of Directors will be deadlocked, and the canal's future becomes an open question.

I cannot say for certain what prompted Mr. Gianelli's decision. But I can tell you that last week Mr. Gianelli canceled a regular meeting of the canal's Board of Directors that had been scheduled to occur in Baltimore. The reason he gave for this concellation focused on a campaign of harassment and intimidation that General Noriega has launched in retaliation against U.S. sanctions.

The immediate victims of this campaign are the canal's employees, but ultimately, this campaign will force a gradual closing of the canal. Unfortunately, so long as the U.S. economic sanctions are in place, we can do nothing to stop Noriega.

Our sanctions prohibit the Canal Commission from paying to Panama taxes that the Commission withholds from the paychecks of its Panamainian employees. That means these employees have been legally delinquent in their taxes for the past year.

Noreiga is now taking legal action against these employees. He is impounding cars. He is freezing bank accounts. He is detaining anyone who cannot prove that they do not owe Panamanian taxes, and this has been extended to include U.S. citizens, who of course cannot owe Panama any taxes.

Mr. Speaker, the stated aim of the sanctions policy is to get rid of Noriega. It doesn't look like the policy is effective at toppling the General, but it is certainly effective at making it impossible for Mr. Gianelli to keep the canal open.

I have scheduled hearing on this matter for this month. I will be looking at ways to ensure that the sanction policy does not make it impossible to operate the Panama Canal. I will expect to hear from the administration on what it plans to do to ensure the continued operation of this vital waterway. I will expect to hear its plans for protecting both United States and Panamanian employees of the canal. And I will expect to hear its plans for continuing canal operations in the absense of Mr. Gianelli.

Mr. Speaker, Mr. Gianelli has led the effort to keep the canal out of Panama's domestic political trumoil. He has worked diligently to keep the canal operating smoothly despite the deteriorating relations between the United States and Panama. And he has done a terrific job. He will be hard to replace, and though I knew him only slightly, I had looked forward to working with him.

His resignation is indeed a significant statement, and his absence will be missed.

MARYLAND WOMEN HONORED AT GOLDA MEIR AWARD LUNCHEON

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. CARDIN. Mr. Speaker, I rise today to call to the attention of my colleagues two outstanding citizens of my district. Carole Sibel and her mother Carolyn Chaimson will be honored next Tuesday, April 11, by the Maryland Women's Division State of Israel bonds at their Golda Meir Award Luncheon.

Carolyn Chaimson came to Baltimore many years ago with her husband, and they quickly made themselves an integral part of the community. She has contributed generously to State of Israel bonds, both financially and with that most precious commodity, time.

Carolyn has never sought the spotlight—and has adopted the role of supporter for first her husband, and then her daughter Carole.

Carole Sibel has seen her mother's example and gone even farther.

Carole Sibel is someone who puts us all to shame. She currently serves as president of the women's division of the Associated Jewish Charities, a member of the VIP panel of the Cerebral Palsy Association, chairman of the Sinai Hospital Auxiliary, and as a member of

several other boards and commissions. In addition, Carole is a very talented performer, and remains active in cultural activities.

These are only her current positions. She is a past officer of many other organizations, and continues active involvement. Carole Sibel believes that when you believe a cause is important, you must take an active role to further that cause.

Carole has said that her accomplishments were possible thanks to her mother, who has given her such a strong feeling of confidence in herself, that she felt she could make a difference in the community.

We, therefore, have to thank Carolyn Chaimson, not only for her own actions on behalf of the State of Israel, but for the legacy she leaves us in Carole.

I hope that my colleagues will join me in honoring and commending these two outstanding civic activists. We should all follow the example they set, and I am proud to stand here and salute them.

THE SUGAR INDUSTRY PROVIDES EMPLOYMENT AND ECONOMIC SUPPORT TO AMERICA'S SUGAR-PRODUCING AREAS

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. LEWIS of Florida. Mr. Speaker, I am proud to take this opportunity to convey the support that the Chamber of Commerce of the Palm Beaches has for the Florida sugar industry.

The dimensions of the industry were recently detailed in the February Business Watch newsletter published by the chamber of commerce. I have taken excerpts from that article that outline the economic contributions the industry provides to the many members of the Palm Beach Chamber.

The Florida sugar industry is based in four south Florida counties—Glades, Hendry, Martin, and Palm Beach—and is harvested from 402,000 acres of rich Florida muck-soil. In the 1987–88 harvest, 13.7 million tons of cane were harvested. This produced a yield of 1,517,000 short tons of raw sugar and 90 million gallons of blackstrap molasses, a byproduct of sugarcane milling. The Florida cane production represents about 21 percent of the sugar produced and 19 percent of the sugar that is annually consumed in the United States.

During a typical harvest season, the industry directly employs nearly 17,600 individuals—4,100 full-time employees, 3,100 part-time employees, and 10,441 seasonal offshore canecutters. The annual payroll amounts to more than $226 million.

The sugar industry continues to play an active role in the community affairs of south Florida by providing community services such as day-care centers, playgrounds, libraries, civic and youth centers, swimming pools, a university chair, and a host of other community services.

Possibly of a greater interest to the chamber members is the economic well-being of the area as supported by a recent University of Florida study. They found that the sugar industry generates, on an annual basis, more than $1.5 billion of economic activity in the four-county area. In addition to the persons the industry directly employs, the study found that the industry annually generates an additional 26,000 full-time jobs, which is about 14 percent of the employment in the four-county region.

When the sugar is processed, it produces, besides sugar and molasses, bagasse and a host of other materials and products. Blackstrap molasses is used as cattle feed or mixed into liquid or dry feeds. It is also used in the production of alcohol to make both beverages and industrial ethyl alcohols. Bakers' and feed yeasts, as well as monosodium glutamate—widely used to bring out the flavor in foods—and citric acid are molasses byproducts.

Bagasse is burned in the mill boilers, saving an estimated 120 million gallons of commercial fuel oil and producing enough energy to supply a city the size of West Palm Beach for almost 2 years. Bagasse also is used for cattle feed pellets and can be converted to paper, fiberboard, wallpaper, and insulating board.

It is important to state that the sugar industry has been active in environmental quality studies through a committee that was formed in 1968. Tests are continually made on methods of reducing pollutants from stack emissions. Currently, the industry is monitoring air and water quality throughout the agricultural area.

The industry also supports public agencies conducting research in sugarcane culture, including the U.S. Department of Agriculture Sugarcane Field Station at Canal Point and the University of Florida Everglades Research and Education Center in Belle Glade.

Mr. Speaker, you can see that the Chamber of Commerce of the Palm Beaches appreciates the economic and social benefits that the sugar industry contributes to the south Florida communities. The industry is a part of their daily lives, whether it is because of the industrial and business effects that sugar production has on the local region or because of the hearty delights that are produced through the use of sugar.

VETERANS HEALTH CARE

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. WATKINS. Mr. Speaker, I had a call from Leslie Eaton of Seminole, OK, recently.

Leslie celebrated his 70th birthday on March 20. In 1940, at the age of 21, he quit college and enlisted in the Army. He said he could see that Hitler had to be stopped and that the United States would do the stopping. He was right.

Leslie Eaton spent 74 months overseas helping to stop Hitler and his allies. He said he was told that his service qualified him for health care and he had been counting on it. His wife is 63 and she is going to retire in 2 years on Social Security.

He came back, along with the 16.3 million others who served during World War II, and commenced to build the America they had defended. Now, when Leslie Eaton is 70 years old, when his health has failed, when he can no longer work in construction like he did for 21 years in California building lakes, roads, airports, and canals, and building America as well as he defended it, his country is deserting him.

Leslie on February 15 had an appointment at the Oklahoma City Veterans' Administration Hospital, where he received his health treatment for the past 10 years, since his health failed.

They explained to him the means test and he filled out the form with the assistance of an administrator. They found, because of his income and that of his 63-year-old wife, that he was category A.

Three weeks later this all changed. He went back to Oklahoma City VAMC March 8. He filled out a new form and a social worker told him that because of Gramm-Rudman-Hollings, if he and his wife made more than $805 a month, he would be denied certain VA medical benefits. When his wife retires, Leslie told me, they were certainly going to be earning more than $805 a month.

"Hell, WES; that's poverty we're talking about," Les said.

Leslie told me that he had it figured this way: He was an average American then and he is an average American today. He reasons that of the 11 million Americans who served overseas, at least 10 percent were already gone. He told me,

> Wes, I'm not going to need health care in 10 years because I don't expect to live to be 80 years old. I need health care now when my earning ability is reduced and my health is failing. By the year 2000, 75 percent of the World War II veterans will be dead and buried. We need help now, Wes, not 10 years from now.

Mr. Speaker, Les Eaton, of Seminole, OK, has stated the situation as it exists today. Previous generations of Americans entered into contracts with Leslie and his peers. It is now up to the Congress and the administration to fulfill our contracts with the veterans of this Nation.

I have introduced legislation to help correct this. I proposed that veterans be allowed to receive health care at their local hospitals and then be reimbursed for the reasonable value of that treatment or for the Department of Veterans' Affairs to pay the costs directly. It will help the veterans, it will help the rural hospitals, and it will help the taxpayers.

Mr. Speaker, this proposal will save millions of dollars over the long run because of the hospitals we won't have to build. It will take some of the pressure off the existing VA facilities where the dedicated understaffed personnel are overworked.

It will also save our veterans countless hours and expense of traveling from their homes to the VA facility where, usually, they have to sit around for at least a day even to be treated as an outpatient.

I urge my colleagues to take a serious look at this legislation. It could be a partial solution to the problems of the veterans and the Nation's obligation to care for those veterans.

THE 16TH ANNUAL ST. PATRICK'S DAY PARADE, BELMAR, NJ

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. PALLONE. Mr. Speaker, on Sunday afternoon, March 12, 1989, the borough of Belmar, NJ, staged its 16th annual St. Patrick's Day Parade. Along with some 2,000 other marchers, I had the distinct honor and privilege of participating in the annual parade.

The absence this year of the late Congressman James J. Howard, who was the grand marshal in 1974 for the first Belmar St. Patrick's Day Parade and was on hand for every subsequent year's parade, was sorely felt. The 1988 parade was the last time many of Congressman Howard's constituents saw him before his untimely death a few weeks later. But the memory of the Congressman Howard, who served New Jersey's Third District with honor and distinction for more than two decades and whose death nearly 1 year ago was a deep loss for the Members of this House, was honored with a moment of silent prayer.

Although there were some 11 St. Patrick's Day parades held around the State of New Jersey this year, the Belmar parade was the best attended. Mr. Thomas J. Powers, Monmouth County freeholder and a prominent Irish American, was grand marshal. Mrs. Noreen (Nestor) McCormack, who has been extremely active in community work on the Jersey shore for 10 years, served as deputy grand marshal.

As always, the many individuals and organizations responsible for planning and organizing the event deserve tremendous credit. In particular, praise and congratulations should go to Mr. Jerry Lynch, whose Social and Civic Club founded the parade 16 years ago; Mr. George McCormack, parade president; Mr. Dave Stanley, parade chairman; and Mr. Andrew J. Gallagher of the parade committee.

PERSONAL EXPLANATION

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, yesterday on Rollcall No. 18, the Uniform Poll Closing Time in Presidential Elections, I was unavoidably absent. Had I been here, I would have cast a "yea" vote.

A BAD DEAL FOR AMERICA

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. BRYANT. Mr. Speaker, today I join my colleagues in standing up for American jobs and American interests by opposing the administration's deal to codevelop the FSX airplane with Japan. I do not think we should share the secrets of our most productive export industry, aircraft manufacturing, with our most powerful competitor, Japan, and receive almost nothing in return.

The United States is losing its technological edge, and one of the reasons is that America is selling—and worse, giving away—its superiority in many important areas. Our economy and competitiveness have already suffered. Now our defense capability is in jeopardy as well.

I oppose the present deal to sell this technology to the Japanese for two reasons.

First, for no more than $500 million, Japan will have access to state-of-the-art technology which cost General Dynamics—America's biggest defense contractor—almost $7 billion of our tax dollars to develop and produce. This crucial technology would enable Japan to build its own aerospace industry and essentially wipe out America's lead in one of its few remaining export markets.

The country which pioneered television and invented the video tape recorder is currently barely competitive in TV and no longer manufactures even a single VCR. Americans purchase Japanese Toyotas. Why can't the Japanense buy our F-16's?

Second, the Japan Defense Agency has signed an $86 million contract with Mitsubishi Heavy Industries to codevelop the FSX with General Dynamics. Mitsubishi Heavy Industries is the very same company that deliberately sold out the interests of the West—the interests of civilization—by helping Qadhafi build a plant capable of producing and stockpiling chemical weapons.

And this was not the first time that a Japanese business has jeopardized America's security. Unfortunately, most of us recall with considerable disappointment that we only gave something short of a severe wrist-slapping to Toshiba for selling sophisticated equipment to the Soviet Union thereby allowing them to produce quieter, more difficult to detect submarines. Now, before we have had the opportunity to express our outrage at Mitsubishi for its intolerable assistance to Libya, our own Government is proposing that we reward that company with some of our most important knowledge. Our Nation must awaken to the fact that it is naive to expect Japanese businesses like Toshiba and Mitsubishi Heavy Industries to do anything other than what is in their own selfish economic interests, regardless of risks to civilization and the security of United States, Japanese, and European alliances.

We continue to subsidize Japan's defense and they continue to subsidize their exports. America cannot afford to finance a foreign aid program for the world's most developed nations, which happen to be not only our allies, but also our chief competitors.

With a trade deficit of more than $170 billion, the United States must begin to focus on the long-term, potentially disastrous effects of technology transfer. There is more at stake here than who builds an airplane. There is more at stake even than the fact that this deal would be costly to American jobs and industry. Our future is at stake.

I agree with my colleague Mr. GEPHARDT—this is a bad deal for America.

TRIBUTE TO BEAVER COUNTY STARS

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. KOLTER. Mr. Speaker, I rise today to pay tribute to an exceptional group of young athletes in my Fourth Congressional District of Pennsylvania. The Beaver County Stars of the Beaver County Amateur Hockey Association's Squirt Division have just completed an outstanding first season.

It is not easy for 10-, 11-, and 12-year-old boys to have the discipline to practice their skills on the ice in the wee hours of the morning and late at night, but the members of the Beaver County Stars did and it certainly paid off. During the 1988–89 season the team had many accomplishments including a second place division finish at the Silver Sticks Tournament held in Dayton, OH; a second place finish in the Beaver County season's end tournament; and two first place finishes at the Snowtown USA Invitational Tournament in Watertown, NY and the 13th Annual Pepsi Cola International Tournament of Champions in Buffalo, NY. This was the first time in 7 years an American team won the Pepsi Cola Tournament, the largest single youth amateur hockey event in North America.

Hockey had been a sport dominated mostly by Canadian athletes, but now the United States has developed very strong competitors. I am proud to let my colleagues in the U.S. House of Representatives know that the Beaver County Stars are leading the way in this effort.

I commend coach Bobby Hawthorne for his dedication and ability to put together a successful program made up of players from 12 different area school districts who had never played together before. I also salute the families of these players for their effort and support of this exceptional team. My sincerest congratulations are extended to: Bryan Vongray, Brad Rutkowski, Gabriel Cellini, Jonathan Dohanich, Joshua Probert, Marc Grivna, Alex Lipecky, Bryan Braund, Richard Antoline, Brooks Canavesi, Robby Hawthorne, Thomas Trzcinski, Richard Helbig, Bart Sattler, Stefan Sassic, Mathew Vogel, and Dan Pastore.

These boys have demonstrated the rewards of practice, devotion, and good sportmanship. It is a pleasure for me to recognize them as a part of the great sports tradition of Beaver County, PA.

THE PRESIDENTIAL DEBATES ACT OF 1989

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. MARKEY. Mr. Speaker, today Senator BOB GRAHAM of Florida and I are introducing the National Presidential Debates Act of 1989. This legislation requires candidates for the Presidency who qualify for public campaign fi-

nance funds during the general election period to debate in order to receive those funds.

While there are many suggestions currently under consideration for reforming elections and strengthening public campaign financing, the one that I believe we can all agree on is establishing a formal debate process. Democracy requires an informed electorate and debates have proven to be the most popular, useful, and unbiased method of communicating a candidate's views and character in the media age. On the average, nearly 50 percent of American households with televisions have been tuned into Presidential debates. They have been watched because viewers know that regardless of how well coached or prepped a candidate may be before going on stage, he or she is alone, unfiltered, and eye-to-eye with the voter once the debate begins. And that's the way voters like to judge candidates.

Such debates have deservedly become an integral part of electing our President. The anticipation of nationally televised face-to-face meetings between candidates is a galvanizing force in the electoral process. The debates focus public attention, heighten voter interest, and require the candidates to prepare for and stand up to close scrutiny. This is an important part of our democratic process. It ought to be promoted, not avoided.

At the very least, the public which pays for campaigns ought to be guaranteed that the candidates will meet and debate in an honest and open forum. Indeed, over a decade passed, from 1964 until 1976, with no debates between the major party candidates for President. There is no guarantee that the experience of 1964–76 will not be repeated by an incumbent unwilling or anxious to face a challenger.

Recent history reinforces concern that debateless elections are closer than we think. In 1980, debates were threatened by incumbent President Jimmy Carter's "rose garden" strategy and objections to the participation of an independent candidate. This past election, a senior aide to then Vice President Bush said, "We don't want to have Dukakis on the same stage, in effect on par, with the Vice President. That makes them equal in the public's eye. We believe that tough speeches and a good program of TV commercials can win us the Presidency, and debates just distract you from that task." Each election bring more pressure to eliminate debates or restrict them severely. While such a strategy may make sense to the candidates, it makes no sense to the public.

Our legislation requires Presidential candidates who qualify for public funds during the general election period to debate as a condition for receiving those funds. It does not impose upon any candidate a requirement to speak if he or she does not wish to. If a candidate decides not to debate, that's fine. But such a candidate doesn't deserve any money from the public. Under our bill, that candidate won't get it.

Four Presidential debates and one Vice Presidential debate are mandated by the legislation. Agreement on the date, time, format, and location of the debates must be reached by Labor Day. This will prevent the last minute disputes and attempts at delay that have characterized debate planning during past elections.

Four debates will serve the interests of both candidates and voters. Major foreign and domestic policies can be covered indepth and candidates will have ample opportunity to make their views known and rebut their opponents' charges. The result is certain to be better candidates and a more informed electorate. There is ample evidence from past participants that when candidates debate frequently, they are more relaxed and less programmed. This is particularly obvious during the primaries. It is only when we reach the general election that we narrow debate activity to the bare minimum, thereby placing pressure on the candidates. This is not helpful to anyone.

The debates will be spread out, with at least one in September and at least two in October. The last debate can occur no less than 1 week before the election. This will minimize the likelihood of a last minute gaffe upon which the outcome of an election should not hinge, and above all, give the voters time to digest what they have seen and heard as they make up their minds how to vote.

The debates will be sponsored by nonpartisan organizations. Unlike this past Presidential election, the parties will not be permitted to sponsor these debates. Instead, they will be run by people who have the interests of the voters in mind, not the candidates. While the sponsors will control the general format of the debates, our legislation requires that at least 30 minutes of each 90-minute debate to be devoted to direct question and answer or discussion between the candidates, as determined by the sponsor. These provisions of the legislation will foster truer and more informative debates.

I urge my colleagues to support the National Presidential Debates Act of 1989.

INAUGURATION OF DR. JOHN BROOKS SLAUGHTER AS THE 11TH PRESIDENT OF OCCIDENTAL COLLEGE

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. ROYBAL. Mr. Speaker, on April 7, Dr. John Brooks Slaughter will be inaugurated as the 11th president of Occidental College in the Eagle Rock section of Los Angeles. Founded in 1887, Occidental has established a reputation as a national liberal arts college with strong ties to its local community. It is thus fitting that it has attracted as its president a man who shares the college's enduring commitment to the study of the liberal arts, and who brings to Occidental a national reputation for excellence. Following a distinguished career in industry as an electrical engineer and computer specialist, John Slaughter worked for 15 years at the Naval Electronics Laboratory Center in San Diego, then served as faculty member and director of a major research laboratory at the University of Washington. He then served in our Nation's capital as Assistant Director of the National Science Foundation and moved back to the Pacific Northwest to serve as academic vice president and provost at Washington State University. In 1980, he was appointed Director of the National Science Foundation, and in 1982 became chancellor of the College Park Campus of the University of Maryland. With a quiet but confident administrative style, he outlined goals and established new directions for that institution, seeking to make it a multiracial, multicultural, and multigenerational community. He brings the same style and similiar goals to Occidental College, whose history and setting provide opportunity for a leader with such vision. Mr. Speaker, It is my distinct pleasure to announce to my colleagues in the U.S. House of Representatives the inauguration of Dr. John B. Slaughter as president of Occidental College. As the Representative of the 25th Congressional District of California, I am delighted to welcome him, his wife, Dr. Ida Bernice Slaughter, and their children to Occidental, to Los Angeles, and to the State. I am confident that this new association will be fruitful for all concerned.

ENSURING THE SAFETY OF THE FOOD SUPPLY FOR ALL AMERICANS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. WALGREN. Mr. Speaker, I am pleased to cosponsor today Congressman WAXMAN'S legislation to improve regulation of pesticide residues in food. Recent studies show that 75 percent of the population is concerned about pesticide residues—more than those concerned about sodium, fat, or any other nutritional concerns. Probably the only health issue of greater concern to parents than the safety of the food supply is the health of their children.

Under current law, pesticides may be applied to crops using a risk/benefit assessment that balances the presumed risk of consumption versus the benefits the agent confers in allowing the crop to be brought to market. The Administrator of EPA has discretionary authority to establish what the presumed risk will be for a given pesticide. Under current guidelines, EPA is not required to take into account the effect a given agent will have on a set of the general population, such as infants, the elderly, or pregnant women. Furthermore, no agents are currently tested for a possible synergistic effect resulting from the simultaneous presence of two or more agents in the same food.

The Natural Resources Defense Council has reported that up to 6,200 school-age children may now develop cancer because of the presence of pesticide residues in the food they consume during the first 6 years of life. These data were derived from extrapolations based on only 23 of the some 600 pesticidal agents currently in use. We also know that many of these agents are neurotoxic or cause birth defects in experimental animals, yet the risk to a pregnant woman, or her fetus, from ingesting food containing pesticide residues, is

not now a part of the assessment performed by EPA when establishing a tolerance.

At least two actions are needed to begin to solve this problem: EPA needs more resources to cope with the multifaceted problem of evaluating synergistic carcinogenic effects of pesticide residues, particularly in susceptible populations and; EPA must be more responsive to the risk of these agents in selected populations. This bill places emphasis on pesticide risks for special populations, especially children.

The general food supply must be safe for everyone in our society. I hope we can see prompt enactment of this bill along with vigorous enforcement by EPA of pesticide safety laws, to assure that the food supply is safe for all consumers.

SETON HALL A WINNER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. FLORIO. Mr. Speaker, I would like to take this opportunity to commend the fine young men of Seton Hall and coach P.J. Carlesimo for their magnificent showing in the 1989 NCAA Basketball Tournament. They epitomize the qualities of team spirit, good sportsmanship, and are a tribute to the great State of New Jersey.

A preseason pick to finish seventh in the Big East Conference, the Pirates rolled to a 31–7 record, narrowly losing to the Michigan Wolverines 80–79 (OT) in the NCAA title game. Seton Hall, appearing in just their second NCAA Tournament, scored impressive victories over Duke, Indiana, and UNLV, giving the latter two the worst defeats in their respective school's tournament history.

Congratulations are especially in order for Coach Carlesimo. Last year the student body was calling for his resignation; today he brings home a Final Four team. P.J. Carlesimo is well-deserving of the Kodak National Coach of the Year Award.

The Pirates were led by seniors John Morton, Ramon Ramos, Daryll Walker, Gerald Greene, and junior Andrew Gaze. These fine student-athletes will certainly be missed next year and I wish them the best of luck.

Thank you again Pirates for a tremendous season, we are already looking forward to next year.

TRIBUTE TO GRADY HAZLEWOOD

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. SARPALIUS. Mr. Speaker, last week, the State of Texas lost of one of its greatest leaders, State Senator Grady Hazlewood of Amarillo. He was one of those rare individuals who put statemanship above politics, the good of the people above personal goals. And for that selflessness and sense of sacrifice, he will be one of those rare individuals whose accomplishments live on for many lifetimes.

Senator Hazlewood represented the 31st District for 30 years from 1941 to 1971. His accomplishments are too numerous to list completely; we would have to stay in session for days. But, I know you share my admiration for those accomplishments, and I think it is appropriatre to take some time to discuss a few.

Grady Hazlewood was a staunch friend of education. He passed the first bill anywhere in the country providing a tuition-free college education for veterans of World War II. He cosponsored the Nation's first program offering low-interest loans to college students. In Texas, those loans live on today and are known as Hinson-Hazlewood student loans. He also passed the bill that turned West Texas State Teachers College in Canyon into West Texas State University, the first free-standing, State-supported university on the High Plains.

On a more personal note, I want to talk about something he did to improve my education. In Texas, education is financed by a two-tier method. The State pays a portion of every student's education, through formula appropriations to the individual independent school districts. The moneys for the State funding are raised from State taxes and Federal entitlements. Each school district's allotment is determined by that district's average daily attendance, the district's ability to generate funds locally and a number of other indicators.

But, local school districts must pick up the rest of the education bill. They do this primarily by levying local property taxes. I went to school at Cal Farley's Boys Ranch. The ranch was the school district. There was, for all practical purposes, no property tax base. Local funds came strictly from donations, and it was clear some 40 years ago that a public school at Boys Ranch would not fit neatly into Texas' system of public school finance.

Well, Senator Hazlewood went to work on the problem, and to no one's surprise the problem was solved. Senator Hazlewood passed special legislation to make Boys Ranch a unique case in Texas' public school system, and funding for the ranch has proceeded smoothly ever since.

Grady Hazlewood's commitment to making the 31st District a better place to live extended beyond education as well. He guaranteed Amarillo, Lubbock, and towns throughout the Texas Panhandle and South Plains a stable supply of water by creating the Canadian River Municipal Water Authority, which in turn created Lake Meredith, the main water source for much of our region. He was instrumental in passing the legislation that created Texas' farm-to-market road system, a system that vastly improved the economy of rural Texas. He also brought a property-tax supported hospital district to Amarillo, employing a model that has been copied by countless other hospital districts across the State.

Indeed, Senator Hazlewood's record is so impressive that it stands by itself. There's really not much we can say or do here to add to it. But, Mr. Speaker, if I may, I would like to relate a personal story that illustrates the kind of man Grady Hazlewood was.

In 1967, when I was fresh out of high school and serving as the State president of the Future Farmers of America, I was traveling around Texas on behalf of FFA. One of my trips took me to Austin, and my high school ag teacher suggested we pay a visit to Senator Hazlewood.

I don't mind telling you, his office was one of the most impressive things I have ever seen. It was on the third floor of Texas' magnificent State capitol, in the building's southeast corner. It had a beautiful long outer office that looked out over the capitol grounds. You passed through a high, vaulted doorway and into Senator Hazlewood's private office, which looked out on downtown Austin. This 19-year-old country boy was overwhelmed.

Senator Hazlewood couldn't have been more gracious. After visiting with us in his office, he took us around the capitol, paying particular attention of course to the senate side of the building. His love for the building, and for his job, may never have been more evident.

Life plays its funny tricks, and 13 years later I was elected to serve in Senator Hazlewood's old seat. Two years after that I found myself housed in the very office where I had visited him as State FFA president. I couldn't help but wonder how Senator Hazlewood felt about this. After all, the seat had been his for 30 years and could have been his for life. The office had been his for many of those years. What would he think about me occupying his seat and office?

I didn't have to wait to find out. Almost immediately after I was sworn in, Senator Hazlewood paid me a visit. He didn't want to tell me how to do my job, but he wanted to make sure I knew he was available if I had any questions. Believe me, I had plenty of questions.

Senator Hazlewood periodically dropped by like that during my first few years in office. Never forcing advice, but always willing to help. He felt no jealousy that the office was in someone else's hands. He was, in fact, glad to see that the institution he loved so much—the Texas Senate—was moving forward and tackling the problems of the 1980's.

That, as you know Mr. Speaker, was the essence of Grady Hazlewood. Public service, not personal glory, was the important thing to him.

Looking back today at his record it is clear that few public servants ever were, or will be, the equal of Grady Hazlewood.

SUPPORT ANIMALS THAT HELP THE DISABLED

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. GOODLING. Mr. Speaker, today I am introducing legislation to provide those disabled individuals who use animals to help them lead normal lives the same rights as those provided to owners of seeing-eye dogs.

At the present time, a blind person can enter a Federal building with a seeing-eye dog. A paraplegic who has a dog to help him

perform those tasks he can no longer perform for himself, cannot bring his dog along with him into a Federal building. This is not fair. All of our disabled citizens need to be treated equally in this regard.

There are actually four laws which are affected by my bill. If enacted, this legislation would ensure that hearing and companion dogs would be able to accompany their masters into Federal buildings. In addition, this bill would amend the Food Stamp Act to allow an individual to use the costs of securing and maintaining guide, hearing, or service dogs—and other animals trained for this purpose—as an allowable medical expense deduction when determining whether or not that individual is eligible to receive food stamps. It will also permit the Veterans' Administration to provide these animals to veterans who are entitled to disability compensation. Finally, my bill will permit common carriers to allow a person accompanied by such an animal to travel for the price of one individual.

Mr. Speaker, I first became aware of this inequity because of one of my constitutents. This young man, who is now a graduate student, was injured in a diving accident and is partially paralyzed. His dog, Apollo, helps him lead a relatively normal life. The fact that Apollo is not treated the same as a seeing-eye dog is intolerable. Both of these animals are providing a valuable service to their master.

I urge my colleagues to join with me in sponsoring this legislation. We need to provide all of our disabled constituents every possible opportunity to lead normal lives.

NAT SEMPLE

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. CLINGER. Mr. Speaker, as some of you may know, Nat Semple, a long-time and devoted friend to many of us in Congress, has undergone a liver transplant at the Presbyterian University Hospital in Pittsburgh. I hope all of you will join me in giving Nat our best wishes for a speedy recovery, and his wife Patsy, and his children, Nat Jr. and Carter, our support.

Nat currently is the vice president and secretary of the Research and Policy Committee of the Committee for Economic Development [CED], a nonprofit research and educational organization involving 225 of the Nation's top business and education leaders. During his 8 years with CED, Nat has been active in many leadership groups and has served as an advisor and contributor to numerous CED projects. Nat has shown his profound concern for the well-being of our Nation's youth through his involvement in education, the labor market, and vocational training policy.

Nat's contributions to the study and development of public policy issues go far beyond his work at CED. He has been a long-time and valued friend of the House Wednesday Group, where he has helped organize educational seminars for Members of Congress on key legislative issues. Before joining CED, Nat served as a senior legislative staff member of the House Committee on Education and Labor, where he participated in the enactment of more than 40 legislative initiatives concerning labor, employment, education, and vocational education policy. His insights into public policy reflect a unique understanding of the business world and Washington politics.

Nat's strength in enduring his illness has been inspirational; he has maintained his good humor, wit, and determination which, I am sure, has been a challenge. Though his road to recovery may be lengthy, I hope that he and his family know we miss him and that our thoughts are with them.

MARCH OF DIMES: PROMOTING HEALTHY BIRTHS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. DURBIN. Mr. Speaker, today I would like to draw the attention of my colleagues to the exemplary work of the March of Dimes Birth Defects Foundation. A national voluntary health association, the March of Dimes promotes healthy births through research, education, community services, and advocacy.

Prenatal care is a key to healthy births. Ensuring universal access to prenatal care is a goal that I share with the March of Dimes. I have had the pleasure of working with the March of Dimes in publicizing a toll-free hotline to help uninsured pregnant women in Illinois to get health care.

Mr. Speaker, the March of Dimes has invited all Members of Congress to demonstrate their support for healthy births for all children at Congressional WalkAmerica at noon on April 6. This event is the symbolic kickoff of WalkAmerica, the March of Dimes biggest fund-raising event. I hope all my colleagues will join me in supporting the March of Dimes.

TRIBUTE TO ANDREW MONTANO AND BRUCE MOBBERLY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. RICHARDSON. Mr. Speaker, I would like to draw to the attention of the Members of the House two gentlemen who have been instrumental in turning around the lives of hundreds of native Americans who served in Vietnam.

Andrew Montano, Director of the Albuquerque Veterans' Administration Medical Center, and Bruce Mobberly, Chief of Social Work Services at the Albuquerque Veterans' Administration Medical Center, have for the last 4 years been overachievers in administering to the health needs of Indians.

Mr. Montano and Mr. Mobberly developed a pilot outreach program for native American veterans. Both Mr. Montano and Mr. Mobberly took the initiative in educating themselves not only about the health needs of veterans on reservation lands in New Mexico but also learned about their traditions, cultures, and values. They followed that up by taking the time to correspond and visit these veterans at their homes. Further, they spent considerable time in traveling to the Navajo, Zuni, Hopi, Laguna, and Acoma Reservations to meet with veterans and tribal leaders. This allowed them to develop unique relationships that brought about some fruitful and positive results.

There were two subsidiary returns on this effort. One was that more Indians began to utilize the Veterans' Administration medical center system for benefits earned from serving their Nation's call to arms. Second, lines of communication were opened up between the VA and the leaders of the various tribes.

Because of the outreach program, Indian veterans have unlimited access to the Albuquerque Veterans' Administration Medical Center for health care, alcoholism treatment, post traumatic stress disorder treatment and other health-related needs.

Because of the talents and wherewithal of Mr. Montano and Mr. Mobberly, the Albuquerque Veterans' Administration Medical Center's outreach programs have been instrumental in providing health care needs to Indian veterans.

The work of Mr. Montano and Mr. Mobberly can serve as a prototype for those who wish to serve their felllow man and make their community a better place in which to live.

THE ELEMENTARY SCHOOL IMPROVEMENT PROJECT

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. RIDGE. Mr. Speaker, this year, we have been bombarded with headlines reading "Crisis in Our Schools!" and "Test Scores Go Down!" When a group of teachers were asked to select among 10 educational reforms, they ranked reducing class sizes as No. 1 on the list.

Today, I have introduced legislation which will help our local school districts give our children the attention they need. The elementary school improvement project will provide incentive grants to local school districts who wish to reduce class sizes in grades one through three. This reduction follows the recommendations of recent studies. Class sizes in these crucial primary grades would be reduced to an average of 15 students with no more than 18 students per classroom. However, simply reducing class size is not enough. Local agencies would also be encouraged to include in-service training sessions on teaching techniques to facilitate learning in the smaller classroom.

In the first year, the Federal Government will cover 90 percent of the cost of reducing class size. In the second year, 70 percent of costs will be covered. Finally, in the third year, 50 percent of the costs will be covered. Section will be based, in part, on the local school district's ability to continue this project once Federal funds are removed. At total of $50

million will be authorized through this legislation.

In the primary grades, when individual attention is crucial to developing basic reading skills, children are forced to compete with 25 or even 35 other children for the help they need. Something is seriously wrong when education becomes a competitive sport.

With the help of the Erie School District and the Erie Education Association, the support of the Pennsylvania State Education Association and the National Education Association, the elementary school improvement project will help our children gain a learning environment rather than a competitive arena. Please join me in supporting education and our children.

EXTEND OPIC ASSISTANCE TO POLAND

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. KLECZKA. Mr. Speaker, yesterday, the Polish Government agreed to legalize Solidarity and to allow for limited democratic elections and an independent press. The United States should now do all we can to help insure that these reforms are implemented. To achieve this goal, I am introducing with Congressman SANDER LEVIN legislation which will further pluralism and economic development in Poland.

This legislation would allow a United States Government agency, the Overseas Private Investment Corporation [OPIC], to assist American businesses wishing to invest in private enterprises in Poland. In this and other ways we can make it clear to the Polish Government that it has a real economic self-interest in continuing along the path of economic and political reform. This legislation will also help strengthen Polish private enterprises and hopefully the independent organizations which play such an important role in that country.

OPIC, which has approximately $1 billion of capital, provides risk insurance, loan guarantees, and project financing to U.S. companies wishing to invest in projects abroad. OPIC receives no U.S. funding, rather it relies on the premiums paid by the U.S. businesses who buy its insurance.

Currently OPIC is prohibited from operating in most Communist countries in order to insure that U.S. funds are neither used to support repressive governments nor to support violations of workers rights. However, because of the accord signed yesterday I believe that we should extend OPIC assistance to Poland under certain conditions.

Under our legislation OPIC assistance could only be used for projects sponsored by the private sector or for projects sponsored by organizations independent of the government. Second, OPIC projects would have to demonstrate respect for workers' rights. Third, OPIC projects could not adversely affect employment in the United States, and last, Poland would have to take specific steps to encourage private enterprises.

Poland is a particularly appropriate country to receive OPIC assistance because of the large role that private enterprises already play there. Three-quarters of all farmland is in private hands, and the private sector is responsible for 30 percent of total employment. Thus, Polish citizens and entrepreneurs are in a good position to take advantage of any expanded opportunities for creating small scale enterprises.

Over the long term I hope that this legislation can play a modest role in strengthening the private sector in Poland. And by expanding the areas of life that are free from state control, I believe that this legislation, in a modest way, can create greater personal freedom in Poland. Hopefully, fewer individuals will have to take orders from a manager in a large state run factory and instead will be making the decisions themselves in their own enterprises.

I also hope that this legislation will result in increased efficiency and production in the agricultural sector. Since Poland periodically suffers from food shortages, any increases in agricultural production would be very welcome.

I urge my colleagues to cosponsor the legislation Congressman LEVIN and I are introducing.

H.R. 1732, TO PROVIDE OPIC INSURANCE, REINSURANCE, AND FINANCING TO ELIGIBLE PROJECTS IN POLAND

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1989

Mr. LEVIN of Michigan. Mr. Speaker, today I am introducing, with my colleague Mr. KLECZKA, legislation that would reinforce the trend toward grassroots democratization and economic pluralism in Poland. Yesterday there was a major breakthrough in Poland, with the government agreeing to recognize the independent trade union Solidarity and to face opposition candidates in free, though not fully democratic, elections. The legislation I am offering would bolster this drive toward political and economic pluralism, by permitting the Overseas Private Investment Corporation [OPIC] to help U.S. businesses invest in grassroots private enterprises in Poland.

In August 1980, the last time Solidarity was recognized by the Polish Government, the United States and other Western countries were taken by surprise. The West was ill-prepared to support the Polish people's strides toward freedom. In those days, too, the government of the Soviet Union was implacably hostile to their striving.

Now, as Solidarity has again arisen to gain recognition, the West must equip itself to reinforce immediately the new momentum toward freedom and democracy. Fortunately, the climate in Eastern Europe is different from the dark days of December 1981, when Solidarity was crushed under martial law. The Soviets are pursuing their own program of restructuring and greater acceptance of diversity and dissent. They are no longer standing massively in the way of every progressive step in neighboring countries like Poland.

Although we cannot foresee how the Soviets ultimately will respond to reform in Poland, we can make our own response to the new democratic stirrings there clear and effective.

The legislation I am offering today, allowing OPIC assistance to private-sector projects under carefully defined conditions, provides one of the tools we can use to promote the reform efforts of the Polish people.

OPIC assistance under this legislation could not go to or through the Polish Government.

This direct approach to the Polish private sector is possible because the Poles have already struggled for and won a degree of social and economic freedom that is not widely understood in the West.

Alongside the established institutions of the Polish regime, which enjoy little popular support, the Catholic Church has maintained a tradition of independence that nurtures grassroots initiative. In the 1980s, the growth of Solidarity has been accompanied by the development of a network of independent publications that the authorities have been unable to suppress.

Poland also has a remarkably large private sector already, which has been long established in agriculture and is now augmented by a rapidly growing number of small-scale ventures run by individual entrepreneurs in fields such as manufacturing, transport, and services. Five million of Poland's 17 million workers are privately employed. While most of these private-sector employees are still in agriculture, more than a million now work in nonagricultural occupations, including dynamic industries like computer software.

The political meaning of this economic activity is clearly understood and articulated by the Polish people themselves. Through their independent publications and in their public pronouncements, Poland's reformers have argued insistently that the liberalization of Poland's economy is incompatible with continued control by an extremely centralized, illiberal political apparatus in which decisions on matters great and small must flow from the top down.

The Polish people are telling the Polish Government that economic freedom goes hand in hand with freedom from top-down political control. Significant forces within the Polish Government seem increasingly willing to accept this, however reluctantly, because they can see the persuasive economic results: a private-sector growth rate of 3.9 percent annually from 1980 through 1985, contrasted with "negative growth" of −1.7 percent in the state-controlled sector. They can see that Poland's hope of economic revival depends on independent economic initiatives.

The idea for the legislation I am introducing today grew out of a visit to Poland last summer by Senator CARL LEVIN of Michigan and his discussions with Solidarity leader Lech Walesa and other reformers. The original version of this bill was introduced by Senator LEVIN in the 100th Congress. Walesa has said again and again that reform in Poland must come "from the bottom up." Like Senator LEVIN, I am convinced that this bill is an appropriate and effective model for United States aid to Poland.

OPIC is an optimal channel for such assistance to grassroots private enterprise. OPIC has a statutory mandate "to foster private ini-

tiative" and "to give preferential consideration" to "investment projects sponsored by or involving U.S. small business." OPIC has substantial practical experience in providing assistance to small-scale enterprises abroad. OPIC's political risk insurance and project financing would make it significantly easier for United States businesses to invest in the Polish private sector.

Because OPIC cannot operate in Poland under current United States law, it will need specific authority to assist would-be United States investors in the Polish private sector. But a simple waiver does not provide sufficient guarantees that OPIC would not become involved with enterprises owned partly or wholly by the the Polish Government. Such a waiver also would ignore the intention of Congress, expressed in 1985, when OPIC involvement in a particular country was made conditional on that country's respect for internationally recognized worker rights.

Instead of allowing a blanket waiver, this bill would establish a separate track for authorizing OPIC involvement in Poland, with four conditions for extending OPIC aid to any projects in that country. First, OPIC could aid only private-sector projects, or projects sponsored by the Catholic Church or other independent social organizations. Second, worker rights would have to be respected in the enterprises that OPIC assists, even if the Polish Government has not yet recognized such rights in the economy as a whole. Third, OPIC could not aid a project with an adverse effect on U.S. employment or on import-sensitive U.S. industries. Fourth, OPIC could not involve itself in Poland until the Polish Government both enacted and implemented legal reforms significantly improving the operating conditions for private enterprises in Poland.

This bill was drafted in consultation with a number of interested groups and institutions, including the Polish-American Congress.

This OPIC-related bill would create just one of a number of incentives we should be prepared to use to reinforce the Polish reform movement. Modest though it is, however, it can play a positive part in Poland's economic and political revival. It can help Poland take one more step in the direction of democracy and pluralism.

At a time when the United States is moving toward improved relations with the Soviet Union and Eastern Europe, this carefully conditioned proposal can serve as a model for expanding economic ties with those nations. Where a nongovernmental sector exists, we ought to be looking for ways to encourage that sector's growth, free of state control.

Mr. Speaker, I include the text of the bill and a section-by-section analysis of its provisions in the RECORD immediately following these remarks:

SECTION-BY-SECTION ANALYSIS

SEC. 1—OPEC Activities Authorized for Poland.—This section grants specific authority, notwithstanding other provisions of law, for OPIC to insure and finance projects in Poland, but only if such projects are undertaken by the nongovernmental sector in Poland. Nongovernmental sector would be defined as private enterprises, joint ventures and cooperatives with no state involvement, and projects supported by the Catholic Church and other independent social organizations.

SEC. 2—Worker Rights Certification.—Each year OPIC would be required to certify to Congress that each Polish enterprise involved in its projects respects internationally recognized worker rights, as defined under U.S. trade law (including the right of association; the right to organize and bargain collectively; acceptable work conditions with respect to wages, hours, safety and health; no forced labor; and no child labor). In addition, OPIC would have to certify that each of these Polish enterprises respects the right of its workers to be represented by the union of their own choice, including Solidarity. Under this provision, OPIC would make a worker rights certification on the level of the individual private enterprise. (Under current law, OPIC is required to certify that any country it operates in is "taking steps to adopt and implement" internationally recognized worker rights.)

SEC. 3—Effects on United States Industry and Employment.—OPIC would have to ensure that the projects it insures or finances in Poland do not lead to unfair competition against import-sensitive U.S. industries or to a loss of employment in the United States. (OPIC already conducts economic impact studies of each of its projects; this provision would ensure that the U.S. economic impact of any OPIC projects in Poland would be carefully considered before undertaking these projects.)

SEC. 4—Certification of Polish Law Reform.—OPIC is prohibited from undertaking projects in Poland until the Secretary of State makes a certification regarding economic reform measures in Poland. The Polish government has promised to implement specific reforms concerning, among other things, joint ventures and the licensing of new businesses. The Secretary of State would have to certify that reforms significantly improving operating conditions for private enterprises in Poland have been enacted and implemented.

H.R. 1732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OPIC ACTIVITIES AUTHORIZED FOR POLAND.

(a) AUTHORIZATION.—Notwithstanding any other provision of law, the Overseas Private Investment Corporation (hereafter in this Act referred to as "OPIC") may issue insurance or reinsurance, guarantee loans, or extend financing for eligible investors, in accordance with section 234 of the Foreign Assistance Act of 1961, with respect to projects in Poland only if such projects are undertaken in conjunction with the nongovernmental sector in Poland.

(b) DEFINITION.—For purposes of this Act, the term "nongovernmental sector" includes private enterprises, cooperatives (insofar as they are not administered by the Government of Poland), joint ventures (insofar as none of the partners is the Government of Poland or an instrumentality thereof), "Polonia" firms (businesses in Poland wholly or partly owned by United States citizens of Polish descent), the Catholic Church, and other independent social organizations.

SEC. 2. WORKER RIGHTS CERTIFICATION.

Each fiscal year, OPIC shall certify to the Congress that businesses in Poland with respect to which OPIC has undertaken any of the activities described in section 1(a) do not violate any of the internationally recognized workers rights defined in section 502(a)(4) of the Trade Act of 1974, including the right of workers to be represented by the union of their own choice, including the independent trade union "Solidarity".

SEC. 3. EFFECTS ON UNITED STATES INDUSTRY AND EMPLOYMENT.

OPIC shall not issue any insurance or reinsurance, guarantee loans, or extend financing to an eligible investor with respect to any project in Poland which fosters unfair competition with import-sensitive United States industries or leads to significantly adverse impacts on United States employment.

SEC. 4. CERTIFICATION OF POLISH LAW REFORM.

OPIC shall not undertake any of the activities described in section 1(a) with respect to projects in Poland until the Secretary of State has certified that the Government of Poland has enacted and implemented laws which significantly improve the operating conditions for private enterprises (domestic and foreign) in Poland. Such improvements shall include reform of conditions for joint ventures and the licensing of new businesses.

SENATE—*Friday, April 7, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the Honorable WYCHE FOWLER, a Senator from the State of Georgia.

PRAYER

The Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

"Our fathers' God, to Thee,
Author of liberty,
To Thee we sing:
Long may our land be bright
With freedom's holy light;
Protect us by Thy might,
Great God, our King."

—"America".

God of our fathers, our hearts resonate as we reflect on the history of the U.S. Senate. We thank Thee for the giants of the past, for their faith which conceived unprecedented vision for a sovereign people—who set us on our national course and kept us true to their mandate.

Thank Thee, gracious God, for the giants of the present whose greatness waits to be revealed with the perspective of history. Guide these servant leaders—guide all of us—that what is past will be prologue to our posterity.

For the glory of God and in Thy matchless name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 7, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WYCHE FOWLER, Jr., a Senator from the State of Georgia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. FOWLER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF THE REPUBLICAN LEADER'S TIME

Mr. MITCHELL. Mr. President, I ask unanimous consent that the distinguished Republican leader's time be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator LIEBERMAN be permitted to speak up to 10 minutes in morning business following use of leader time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE FAILED CLEANUP OF THE PRINCE WILLIAM SOUND OILSPILL

Mr. MITCHELL. Mr. President, the Washington Post reports today a high administration official familiar with the Prince William Sound oilspill as saying, "[o]ur concern is that Exxon is not putting together the kind of contingency plan" required for a long-term cleanup.

It is distressing, indeed alarming, that the administration is only now coming to this conclusion.

Virtually everybody else in America reached that conclusion more than a week ago.

In fact, a Federal takeover of the cleanup effort was warranted after it became clear on the day of the accident that Alyeska and Exxon had not responded in the manner called for by the contingency plan, and did not have sufficient equipment available to contain the spill.

The case for Presidential action became even more compelling after 2 more days of relatively little progress by the responsible parties in containing or removing the oil.

Under the Clean Water Act, President Bush could have acted promptly to contain and clean up the oilspill, particularly in view of the substantial threat it posed to the public health and welfare, including fish, shellfish, and wildlife.

He should have done so.

The President chose instead not to use the power available to him to take over the effort to remove the oil in Prince William Sound.

To reach that decision, the President had to have concluded that Exxon's cleanup of the largest spill in the Nation's history would, in the words of the law, "be done properly." President Bush concluded that Exxon's cleanup was being done properly.

That conclusion clearly was in error.

It is apparent that even the administration now acknowledges that error.

Governor Cowper has asked that the Coast Guard be placed in charged of the cleanup.

In response, President Bush finally is planning an increased Federal role, including use of the military, in the long-term cleanup of the massive oilspill.

While I welcome the President's response to this ecological disaster, I fear that it is too little too late.

Valuable time—the most valuable time—has been lost. There should have been a swift and decisive response by the President in the hours and days immediately following the accident when what is now clear to everyone else has finally become clear to the administration.

Secretary Skinner admitted yesterday that the cleanup effort did not come together until 3 days after the accident.

Two weeks ago today, the oilspill in Prince William Sound covered several square miles.

As the sound's residents waited in vain for a major response to the accident by Alyeska and Exxon, fears mounted over possible damage to the abundant fish and wildlife that inhabit these pristine waters.

In the days that followed, these fears were realized as little progress was made in containing and cleaning up the rapidly spreading oil.

Today, the spill covers an area the size of the State of Delaware. Hundreds of miles of shoreline are covered with oil and its effects are becoming more fully known.

Thousands of birds and scores of sea otters are known to have died, and countless more fish and wildlife undoubtedly have perished and will continue to perish.

There will be no herring season this year and the salmon fishery remains gravely threatened.

Rather than abating with the passage of time, the destructive power of the oilspill appears to have intensified.

The effort by Exxon to remove the oil and protect sensitive areas has never been up to the task.

By last Wednesday, 12 days after the accident, Exxon succeeded in taking off the water just 4 percent of the more than 10 million gallons of spilled oil.

The Federal Government must ensure that there is a prompt and effective response to large oilspills that have the potential to cause serious environmental and economic harm.

The opportunity for such a response in Prince William Sound can never be regained.

The task left to us at this point is to make use of those opportunities that remain to prevent the oil from causing further environmental damage and to proceed carefully with the cleanup in the months ahead lest it does more damage than the oil, and then change the law to make certain that this does not happen again.

Mr. President, I yield the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each, except in the case of the Senator from Connecticut who, under the previous order, will be recognized for 10 minutes.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Connecticut [Mr. LIEBERMAN].

Mr. LIEBERMAN. I thank the Chair.

HEALTH EFFECTS OF AIR POLLUTION

Mr. LIEBERMAN. Mr. President, all this week we have seen on television and in newspapers and magazines horrible pictures of the massive oil slick in waters off the coast of our largest State, Alaska, covering an area now the size of our smallest, Rhode Island. We have also seen heart-rending pictures of dead birds, fish and mammals, all victims of this man-made disaster.

One of the lessons of the *Exxon Valdez* oilspill is that development has inevitable consequences for our environment. One of the ironies of the spill is that the oil was on its way to be burned for fuel and that, too, adversely affects our environment, albeit in a much less obvious way. Less obvious, but perhaps ultimately as deadly.

Today I want to talk about the invisible threat of air pollution, and how it affects our health, and particularly those most at risk in our society: our children, our elderly, people with respiratory and heart diseases, and pregnant women.

It is particularly important to talk about the threat now because there are some who claim that even existing clean air standards are too stringent. Just this week, a front-page article in the New York Times suggested that the cost of cleaning up the air may not be worth the effort.

Mr. President, I am convinced the American public does not agree with that conclusion.

The main reason environmental protection has taken center stage on the agenda of Americans is that the people understand that pollution of the environment can hurt them, and can hurt their families. One of the most important legislative initiatives before us this year—legislation that will help us reduce the threat of air pollution to our health—is the Clean Air Act.

We have a chance to demonstrate environmental leadership in the community of nations by reauthorizing, strengthening and strongly enforcing the Clean Air Act.

Today and in the weeks ahead, I want to discuss the health effects of the air pollutants ozone, acid rain and carbon monoxide on the American people.

Ozone is a highly reactive, oxidizing gas that is formed principally by the action of sunlight on mixtures of nitrogen oxides and volatile organic chemicals released into the air from a variety of sources, particularly cars and factories.

Acid rain is formed from two pollutants: sulfur dioxide and oxides of nitrogen. Sulfur dioxide is a colorless gas produced as a byproduct of the combustion of fossil fuels in powerplants. It also is produced when ore is smelted to yield nickel, copper, zinc, and other metals. In the atmosphere, the gas is converted to a sulfur acid mist and sulfate particles. These acids become part of the air we breathe and are inhaled directly into our lungs. Nitrogen oxides—known as NO_x—undergo a similar process in the atmosphere and become nitric acid and nitrates. NO_x is produced both from powerplants and factories, and in significant quantities from car exhaust.

Finally, carbon monoxide is a poisonous, colorless gas which results primarily as a byproduct of incomplete fuel combustion in cars, buses, and trucks.

While increasing numbers of people believe that the consequences of failure to act on global warming are potentially catastrophic, the ramifications of our failure to address the Nation's air pollution crisis are of the same degree of severity. A scientist at a recent Dutch-American environmental health symposium stated that the effects of ozone on animal lungs is most similar to the effects of mustard gas, the World War I poison gas. In 1987, Dr. Philip Landrigan, director of environmental and occupational medicine at Mount Sinai School of Medicine in New York City, testified before Congress that acid rain was the third leading cause of lung disease, behind only cigarette smoking and workplace toxic hazards.

Researchers at Harvard University have concluded that approximately 5 percent of the deaths in the United States—1 death out of every 20—are caused by sulfate and fine particle pollution.

The Congressional Office of Technology Assessment estimated in a 1984 report that approximately 50,000 premature deaths per year in the United States and Canada could be caused by sulfates and other particles. Moreover, these studies are not new discoveries; the scientific evidence about the health effects from air pollution has been mounting for decades.

The statistics on ozone levels from the summer of 1988, which EPA recently released, highlight the need for immediate action on the Clean Air Act. The sad fact is that the 1988 peak ozone levels were the highest of this decade. The health-based ozone standard, set by EPA, was violated 60 percent more often in 1988 than in 1983, when the previous record was set. Some 150 million Americans, 62 percent of all Americans, now live in areas that last year exceeded EPA's maximum safe level of ozone pollution. EPA has testified that the high levels of ozone during last summer likely resulted in acute respiratory disease for numerous individuals.

In my home State of Connecticut, the 1988 peak ozone level exceeded the smog alert trigger level in at least nine cities. The State's highest ozone recording in Middletown showed a level almost double that allowed by law.

Air pollution is not a problem that individual States can solve alone. The Connecticut Department of Environmental Protection tells me that if the State of Connecticut turned off all our cars and shut down all our factories, Connecticut's air would still be polluted by ozone from far away. As attorney general of Connecticut, I was forced to bring legal action against EPA aiming to compel the Federal Government to recognize that acid rain can only be dealt with on a national level.

One of the residents of my own State, Dr. Thomas Godar, president of the American Lung Association, recently testified before Congress that he was

"very disturbed by spontaneous histories that in the summer months people—with lung diseases—going on vacation seek cleaner air further north. * * * Their usual medication dose suddenly drops and they suddenly believe maybe they don't have emphysema after all and their asthma is suddenly remarkably well-controlled. On their way back to Connecticut they have sequential increases in symptoms. By the time they reach our border they are back where they started."

At stake in the environmental debate of this moment is not simply the protection of natural resources, as important as they are. At one time the debate on acid rain centered on the damage to our Nation's waters and forests, which now has been clearly demonstrated. But in 1987 four leading scientists—Dr. Richard Narkewicz, the president elect of the American Academy of Pediatrics, Dr. Thomas Godar, president of the American Lung Association, Dr. Anthony Robbins, the past president of the American Public Health Association, and Dr. Philip Landrigan, the director of environmental and occupational medicine at Mount Sinai School of Medicine in New York City—stood together to tell Congress that critical public health considerations required Federal action on acid rain. Dr. Narkewicz testified that "the ingredients of acid rain * * * contribute greatly to morbidity and quality of health for children." He pleaded, "Doesn't it make more sense to eliminate the cause of the problem, whenever possible, rather than have children suffer?"

The New York Times article I mentioned earlier talks about the cost of cleaning up the air. There is a cost, but there is also a high cost associated with dirty air. A recently published report by the Lung Association found estimates of enormous economic benefits to society resulting from control of air pollution. One study cited by the Lung Association showed a 60-percent reduction in sulfur dioxide and participate pollution alone would save up to $40 billion a year in health care and other costs of illness and death related to these pollutants. Another analysis demonstrated that a 20-percent reduction in these pollutants would save $16 billion a year. Moreover, economic analyses have estimated the effects of air pollution on environmental damage at between $60 and $100 billion per year.

What is at stake is not simply a desire that those of us who are fortunate enough to be healthy continue to be healthy. The Clean Air Act must protect society's most vulnerable and sensitive groups—small children, asthmatics, people with heart diseases, pregnant women, and the elderly.

The American Lung Association recently published a report showing that approximately 60 percent of these most vulnerable people live in areas where air pollution exceeds health standards. For ozone, this group includes children under the age of 13 with developing lungs, the elderly, asthmatics and people with chronic obstructive pulmonary or heart disease. For carbon monoxide, this group includes pregnant women and their unborn babies and those with coronary heart disease.

The Lung Association estimates that in Connecticut, a State of 3.2 million people, 577,000 preadolescent children, 414,000 elderly persons, 71,000 persons with coronary heart disease, 39,000 pregnant women, 111,000 persons with asthma and 154,000 persons with obstructive coronary disease live in areas where the ozone or carbon monoxide levels exceed the health standards.

That is why the testimony of the experts with respect to the impact of air pollution on these classes of vulnerable people is so devastating. Dr. Landrigan recently told Congress that:

Children who have been exposed to prolonged exceedances of the ozone standard have required as long as a full week to recover pulmonary function . . . That sort of prolonged irritation . . . is of great concern . . . because it may presage the development of fibrosis of the lung and lead to premature aging of the lung.

Another leading expert, Dr. Philip Bromberg, director of environmental medicine at the University of North Carolina Medical School, has testified that "modest levels of—carbon monoxide—may find the fetus extraordinarily susceptible to the development of irreversible neural changes."

Scientists express similar concerns about children's health with respect to acid rain. Harvard University scientists have followed the effects on the health of children in six United States cities for over a decade. Data from these studies released during the last 2 years show a direct relationship between acid particles in the air and the symptoms of bronchial disease in children ages 10 through 12. A recent study conducted by Dr. Paul Lioy of Rutgers University concluded that summertime haze episodes, which contain high levels of the acid rain precursors—sulfur dioxide and oxides of nitride—place large segments of the population at risk. This study was so alarming that Dr. Lundrigan, on behalf of the American Academy of Pediatrics, warned parents that they should consider limiting the amount of time their children play outside in the summer.

In short, the threat to society from air pollution is not simply that our lakes and forests will die—as devastating as those losses will be. The ultimate threat is to ourselves, and that is why we need a strong Clean Air Act for American.

Over the next few weeks, I hope to continue to discuss in more detail the mounting evidence about the devastating health effects of particular air pollutants.

I thank the Chair. I yield back the remainder of my time.

Mr. MITCHELL. Mr. President, I commend my colleague from Connecticut, Senator LIEBERMAN, for a very thoughtful, informative statement addressing what I believe to be one of the most serious health problems confronting our society. It is particularly significant coming from Senator LIEBERMAN, who has a distinguished record as attorney general of Connecticut in protecting the health and environment of the citizens of that State, and his contributions on the national level will now be welcome. I know he is going to play an important role in what I hope will be a broad reauthorization and improvement of the Clean Air Act in this Congress. I welcome his statement and his participation.

Mr. LIEBERMAN. I thank the majority leader.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

EASTERN AIRLINES

Mr. DOLE. Mr. President, I think some of my colleagues on the other side of the aisle are getting a double dose of reality today. The Eastern Airlines crisis is taking a big step forward to a final resolution, and the Nation's unemployment rate has dropped to 5 percent, the lowest rate in 16 years. As most of us know, the Texas Air Corp. reached an agreement yesterday to sell Eastern to a company controlled by Peter Ueberroth and Eastern employees. This is good news, good news for Eastern, good news for Eastern employees, good news for the families of the striking workers, and good news for travelers. Guess what? All this good news was accomplished without big Government. That is the concept that some of my colleagues do not seem to understand.

I must admit I am not privy to the specific terms of the agreement, and I admit it is too early to tell what the effect will be on the Eastern's labor problems. I know Mr. Ueberroth and Eastern unions have until midnight next Tuesday to agree on the details of a new contract.

But this latest development demonstrates that the President was right all along. It proves that the Federal Government had no business sticking its nose into Eastern's labor problems. It proves that there was no—and there still is no—need for a special Presidential emergency board despite the im-

passioned calls of my colleague from Massachusetts.

The agreement between Texas Air and Mr. Ueberroth also tells us something else. It tells us how important it is to let the free market do its work and how cautious the Federal Government must be before it decides to intervene in the private economy.

I just hope that we can remember this important lesson as we continue to debate on minimum wage and other ideas that some have dreamed up such as requiring employers to offer mandatory benefits of all types.

MINIMUM WAGE RESTORATION ACT

Mr. DOLE. Mr. President, with reference to minimum wage, I ask unanimous consent to include a letter from the President at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC, Apr. 7, 1989.

Hon. BOB DOLE,
Republican Leader, U.S. Senate, Washington, DC.

DEAR BOB: As the Senate begins consideration of legislation to increase the minimum wage (S. 4), I wanted to restate my position and the underlying rationale.

I will veto any bill which exceeds a $4.25 wage level and which does not contain a 6-month training wage for new hires, as previously outlined. After exhaustive review with my senior advisers, I decided this was the maximum increase our economy could sustain without adverse consequences.

In closing, I want to thank you for your March 15 letter, signed by 35 Senators, which ensures the votes to support my veto of an unacceptable bill, should that become necessary.

Sincerely,

GEORGE BUSH.

Mr. DOLE. Mr. President, the letter makes it very clear. There should not be any doubt about it. President Bush said in the campaign he was for an increase in the minimum wage. He kept his word. He called for a 90-cent increase from $3.35 to $4.25. The House-passed bill was $4.55. The bill reported by the Labor Committee on this side was $4.65.

So, President Bush decided that he would do what he promised, he would keep his word, he would agree to increase the minimum wage to $4.25 and a 6-month training wage period. That was not an opening bid. That was it. That is precisely where the President stands today. The letter reads:

As the Senate begins consideration of legislation to increase the minimum wage (S. 4), I wanted to restate my position and the underlying rationale.

I will veto any bill which exceeds a $4.25 wage level and which does not contain a 6-month training wage for new hires, as previously outlined. After exhaustive review with my senior advisers, I decided this was the maximum increase our economy could sustain without adverse consequences.

In closing, I want to thank you for your March 15 letter, signed by 35 Senators, which ensures the votes to support my veto—

V-e-t-o—

of an unacceptable bill, should that become necessary.

Sincerely,

GEORGE BUSH.

George Bush.

I would just indicate that I have heard a lot of whispers and some rumors, well, this is just a negotiating position. The President goes up 90 cents, the Democrats come down 10 cents. Is that supposed to be a compromise or the beginning of a compromise? It does not sound like a very good idea to me.

So the President has gone 90 cents. It seems to me that was a very good offer. It was not a starting position. That was his position. The previous President, President Reagan, was opposed to any increase in the minimum wage. There are good arguments for not increasing it at all, and some of my colleagues think $4.25 is too much.

I would hope when we get into the debate and start voting on the minimum wage that we keep in mind that George Bush kept his word. It is an increase of 90 cents over 3 years. There is a training wage to get some of these young people off the streets, and back into the workforce. That is at the $3.35 level. It cannot exceed 6 months.

So if there is any doubt about the President's stand—I do not believe there is—there is a report this morning in the Washington Post and other papers that $4.25, and a 6-month training wage is the bottom line. I am also advised repeatedly by the Secretary of Labor that that is the bottom line.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada [Mr. REID], is recognized.

Mr. REID. Mr. President, many of my colleagues have already risen to speak on the tragic oilspill in Prince William Sound, AL. We know too well from their eloquent statements, and from daily news reports, what this oilspill has done to the environment and local economy. But no one has yet discussed what the Alaskan oilspill means to the American taxpayer.

In the Monday edition of the Washington Post, there appeared a front-page story on how the spill will affect Exxon. Last year, this giant of American corporate life had a profit of $5.3 billion on revenues of $88.6 billion. And the oilspill may actually be good for Exxon's business; their earnings may actually increase. Gasoline prices have already increased and increased a lot in the entire West, including Nevada, due to the so-called temporary shortages caused by the oilspill.

The cost of the cleanup and related claims is projected to be between $100-$500 million. A large amount, but at the very most, only 10 cents on every dollar of profit earned by Exxon last year.

Yesterday in hearings, Coast Guard Comdr. Paul A. Yost, Jr. said he fears Exxon "would fold up its checkbook" if the Federal Government pays for and takes over the effort to clean up the Alaskan oilspill. Commander Yost estimates the costs of cleanup at $1 million a day.

Here is the rub. Exxon is already not paying for those cleanup expenses. The American taxpayer is. Exxon's checkbook was never really opened in the first place.

It is incredible. But it is true. Why? Because the costs of cleaning up the Alaska oilspill are considered an ordinary cost of doing business and are, therefore, tax deductible. In other words, business as usual, despite the fact that the Alaska oilspill is hardly usual and is, by far, one of the worst environmental disasters in the entire history of the world. I, for one, am outraged that every man, woman, and child in this country is forced to pay for the company's expenses in cleaning up an oilspill that resulted from gross negligence. After all, this was not an earthquake, hurricane, or some other act of God. This was negligence of the highest order. The responsible parties should not get a tax break; they should pay the price of their negligence. Otherwise, there will surely be new environmental disasters of similar magnitude and the taxpayers will continue to foot the bill.

This nationwide injustice is part and parcel of the same tragedy experienced by the Alaskans who have already lost jobs because of the spill and receive little public assistance.

No one—corporation, Government official or private citizen—should receive a public benefit when they have done great harm to the public good.

Therefore, I am announcing today my intention to introduce legislation that will eliminate the deduction to corporations for the cost of cleaning up environmental damage.

My legislation will have the following provisions:

First, any corporation cleaning up its own environmental damage, caused either intentionally or through negligence, must receive certification from the Environmental Protection Agency and other appropriate agencies that the environment is restored to the standard established by existing Federal legislation.

This includes legislation such as the Clean Water Act and Superfund.

Second. Any corporation not receiving certification of compliance by the EPA, and other applicable agencies will lose its Federal tax deduction it

would otherwise receive for the cost of the cleanup. The loss of the deduction shall have a net effect upon the corporation's tax liability.

Third. Any revenues accruing to the Federal Government resulting from the loss of the deduction will be dedicated to promoting environmental protection whether through land purchases, enhanced enforcement, research or other purposes.

The United States must be a leader in efforts to preserve and enhance the environment. And in order to be a world leader, we must have a credible environmental policy here at home. It is a bit hypocritical, therefore, for the Federal Government to expect to retain this leadership role when it walks away from the Exxon spill on the one hand, yet hands the polluter a tax deduction on the other.

I believe the American people will not tolerate, and should not tolerate huge tax breaks to corporations that make a quick buck off of America's long-term nightmare. I know that this taxpayer will not tolerate this abuse. My legislation will ensure that environmental cleanups are performed well. This legislation will also provide significant incentive to corporations to clean up environmental damage immediately and thoroughly. Failure to comply with this legislation will hurt environmental offenders where it counts the most: in profits. If management is not listening, the stockholders should be.

I yield the floor.

Mr. SANFORD addressed the Chair.

The PRESIDING OFFICER (Mr. REID). The Senator from North Carolina is recognized.

Mr. SANFORD. Mr. President, I ask unanimous consent to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

IT IS TIME TO HAVE AN HONEST BUDGET—THE GRAMM-RUDMAN-HOLLINGS PLAN IS FOOLING US

Mr. SANFORD. Mr. President, the Gramm-Rudman-Hollings plan has served its purpose. It seems to me that it is time for us to think about the next step of how we manage our national budget.

Mr. President, when Ronald Reagan assumed office in 1981, he inherited a gross Federal debt of just under a trillion dollars. During his 8 years in office, that debt almost tripled, as it was permitted to climb to more than $2.6 trillion. I consider this a bipartisan problem, and a responsibility for both the White House and Congress.

Mr. President, before the autumn leaves begin to turn, our excess spending will increase the Federal debt beyond the legal statutory limit of $2.8 trillion. The debate to increase the debt limit to more than $3 trillion will begin, and the American public should be outraged.

We should all be outraged, because we have been told that, under the President's new freeze proposal, we are on a path to eliminating our annual deficits. We are being told, as we were told through the years of the Regan administration, that our deficits are getting lower, not higher. Mr. President, that is absolutely untrue.

The Congressional Budget Office projects that our Federal debt, now bumping the $2.8 trillion ceiling, will climb to $4 trillion in 1993, the very year our President's program is scheduled to eliminate our annual deficits. Even the Office of Management and Budget, using economic assumptions that project only 7-percent interest rates in 1990, estimates a Federal debt in 1993 of $3.7 trillion.

How can this be? If our annual deficits are coming down, why then is the Federal debt going up? I will tell you how. The budget doesn't reveal the truth in an obviously or easily understandable way. We need an honest budget.

This chart clearly shows the problem. The top line shows the Congressional Budget Office projected increases in annual gross Federal debt, going from 1988 and 1993, where the annual deficit will climb from around $250 to $300 billion.

The bottom line shows the Gramm-Rudman deficit reduction targets.

Now, we have not kept on that target line, but that is the target line that we say we are keeping on.

Under Gramm-Rudman-Hollings, it is claimed that the annual deficit for fiscal year 1988 was $155 billion. Yet, during that fiscal year, we added $255 billion to the gross Federal debt. We actually had a deficit of $100 billion more than we admit. The Gramm-Rudman-Hollings procedures are being used to fool us. We need honest budget procedures.

These are actual figures of fiscal year 1988, not estimates. We know that we increased the gross Federal debt by $255 billion in that year. And we know that, under the ground rules of Gramm-Rudman-Hollings, we declared our annual deficit to be only $155 billion. It is trickery we should not allow. We need an honest budget.

Now, if we look at the last year we include on the chart, 1993, we see that Gramm-Rudman-Hollings claims to eliminate annual deficits. That is nonsense; it is worse, it is false. We can see that the gross Federal debt will increase that year by almost $300 billion. The Gramm-Rudman-Hollings procedure is not working. We are fooling people with a dishonest budget.

Where do we show these billions of dollars in the Federal budget documents? In 1988, where did we hide that additional $100 billion? Where are those additional billions of dollars that make up the space between the top line on this chart and the bottom line, the claimed deficit and the real deficit? They are cleverly covered up.

We do several things. A big part of this coverup involves the use of Social Security trust fund reserves. These trust funds are supposed to be off-budget, not counted as income for Government operations, but held in trust for future Social Security payments, trust funds, not spendable funds. For the purposes of Gramm-Rudman-Hollings, they are counted on-budget as spendable income. In fiscal year 1988 that amounted to about $39 billion. Gramm-Rudman is not reducing the deficit; the Social Security trust funds are increasing. We say that it is being reduced, when actually, we simply are covering it up.

They also have engaged in creative accounting during the Reagan years of deficits and debt buildup. This is not to suggest that we don't account for our total spending in the Federal budget documents. We do. However, some of that spending is difficult at best to find.

When Treasury pays interest into the Social Security trust fund, for example, that payment is not counted as interest. It is counted as a receipt and, therefore, is not included in the net interest total that is typically used in the budget. It must be included in gross interest totals, but you have to dig to find that figure.

In 1988 we reported in our budget that we paid $152 billion in interest. People go around deploring that 15 cents on every Federal dollar goes to pay interest on the Federal debt. That figure is net interest paid, not the total gross interest paid on the Federal debt, which in 1988 was $214 billion! And, that is about 20 cents on every Federal dollar, not 15 cents. We simply hid $62 billion in interest payments made in fiscal year 1988. If we set aside Social Security, and count only spendable general taxes, we are paying out 30 cents of every spendable tax dollar collected. We cannot continue this path which will lead to economic destruction.

It must be included in gross interest because we have paid it out. But if you find it in the budget, you have to dig to find it.

This is what I call creative accounting. Another name for it might be silent spending. They hide some of our spending, in the massive detail provided us in budget documents each year. It is all there; you just have to know where to look for the deceitful techniques.

This brings us squarely to the fundamental question of honesty that I believe is key to understanding our current fiscal dilemma. Very simply, should not our annual deficits reflect the amount we increase the gross Federal debt each year? If we increase the debt by $255 billion as we did in fiscal

year 1988, should we not then claim an annual deficit for that year of $255 billion? We must. Even OMB admits that the proper definition of budget deficit is the increase in the gross national debt for that year.

I believe we must have an honest budget, and have therefore proposed legislation to do just that. I will not again vote for a deceitful, coverup budget. For future budgets, S. 101 proposes to lay out our Federal budget in a more understandable way, and in a way that forces straightforward reporting.

We have a significant imbalance between our income and our outgo, yet under Gramm-Rudman-Hollings we do not reflect that. A debt is, after all, the accumulation of annual deficits. Therefore, our annual reported deficits must reflect the annual increases in the debt. That is the straightforward way of doing public business.

To paraphrase the trite illustration the White House is using to define taxes—if it looks like a debt increase, and it drains our economy like a debt increase, and it ends up on the bottom line as a debt increase, it must be a deficit!

During the coming weeks and months I plan to discuss in more detail our Federal debt which is the accumulation of annual deficits and explain how S. 101, the Balanced Budget and Debt Reduction Act of 1989 attempts to address honestly this extremely important issue that threatens our future, our children's future, and their children's future.

Senator HOLLINGS has come forward to say that the Gramm-Rudman-Hollings plan is not bringing down our real deficits. It is not working; it is deceiving the public. We have let ourselves be fooled long enough. It is time to scuttle the Gramm-Rudman-Hollings device. It is time for an honest budget and truthful accounting.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. HEFLIN. I thank the Chair.

(The remarks of Mr. HEFLIN pertaining to the introduction of legislation are located in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak for up to 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDIA PROPOSES TO TEST 1,500-MILE BALLISTIC MISSILE

Mr. BINGAMAN. Mr. President, an article on the front page of the April 3, 1989, the New York Times reports that the Indian Government will soon test a long-range ballistic missile, named the Agni, which has a range of 1,500 miles and can carry a warhead weighing 1 ton.

I ask unanimous consent to print in the RECORD the New York Times article, "India Is Reportedly Ready To Test Missile With Range of 1,500 Miles."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 3, 1989]

INDIA IS REPORTEDLY READY TO TEST MISSILE WITH RANGE OF 1,500 MILES

(By Sanjoy Hazarika)

NEW DELHI, March 28.—Indian scientists are preparing to test a long-range ballistic missile that would vastly enhance the country's military and political power, Indian and Western military experts say.

The officials said the test, to take place somewhere in Orissa or Andhra Pradesh states, was expected early this month. Western specialists said the Indian missile, called the Agni, would have a range of up to 1,500 miles and a payload of one ton.

EXPERIMENTAL, INDIA SAYS

The apparent success of the Indian program comes despite efforts by the United States and its allies to restrict the export of technology and goods to countries that might use the technology to buy or develop nuclear missiles.

Indian scientists involved in the project said it was experimental. "The current strategic situation between India and its neighbors hasn't pushed us into this technology," an Indian defense scientist said. "The decision was taken years ago to build up an infrastructure for missile technology."

Nonetheless, the move is seen as an effort to assert India's military dominance in the region and to show its determination to play a more prominent role in the world.

If India were successfully to develop a ballistic missile with a range of 1,500 miles, it would join a small group of countries. The nations with medium- and long-range ballistic missiles are the United States, the Soviet Union, Britain, France, China, Israel and Saudi Arabia.

ISRAELI WEAPON

Israel has tested the Jericho 2 missile, with an estimated range of 900 miles. Saudi Arabia bought the DF-3 missile, with a range of 1,200 miles, from China. Some third world countries have developed or bought shorter-range missiles. Those nations include Syria, Iran, Iraq and Egypt.

Last year, India successfully launched the Prithvi, a short-range surface-to-surface missile with a range of 150 miles. The missile is described as a tactical weapon that can be fired from behind battlefronts into enemy lines. India has a separate civilian space program that is being assisted by the United States and France.

India has said it will not use nuclear payloads on its new rockets.

Last January, Pakistan tested two short-range missiles built with Chinese assistance. Some Western experts say Pakistan may have developed the missile with technology from Western commercial workers.

Western nations have pushed for guidelines that would prevent the West from aiding the development of long-range ballistic missiles that can carry nuclear warheads. Some Western experts say India has used technology from its space rockets, technology that predates the Western controls, to develop the weapon.

Defense officials said the test-launching would be a demonstration of India's military capabilities. They said they were aware that it could draw sharp reactions from the United States and its allies as well as from India's neighbors, including Pakistan and China. China is far ahead of India in nuclear technology and missile production.

The Indian missile is to be fired into the Bay of Bengal from a military base and "final checks are on," said a top official at the Indian Defense Ministry.

"THIS IS AN EXPERIMENT"

"This is an experiment, and if the Government says that in the long-term defense interests this is needed, then we will go in for production," an official said. So far, about $300 million has reportedly been spent for the missile research program.

India says it has developed short- and long-range missile technology on its own, and without Soviet assistance, although India buys military hardware from the Soviets. Several smaller systems used for the Prithvi and for short-range missiles are imported from Western nations, including the United States.

India has declined to sign the Nuclear Non-Proliferation Treaty, saying the treaty discriminates against poorer nations. It has said that it is committed to a peaceful nuclear program, although officials say it has the capability to produce atomic weapons.

Western nuclear experts say New Delhi has a secret atomic weapons program, a charge that India has strongly denied.

Mr. BINGAMAN. Although both Congress and executive branch officials have asked India not to test the Agni missile, India seems determined to go ahead. I hope that the Government of India will reconsider. Testing this missile could greatly damage India's relations with its friends and diminish its stature as a peaceful world leader.

I am saddened by the prospect that India would exchange its hard-won image of a country strongly committed to democracy and international cooperation for one of an aggressive military power. Yet, if the missile is tested, it is certain that India will forfeit this image. Although India has promised not to arm its missiles with nuclear payloads, the possibility that it could arm Agni missiles with nuclear warheads is profoundly disturbing to all countries of the region and, indeed, to the world community. This is especially true because India has not signed the Treaty on the Nonproliferation of Nuclear Weapons.

I am surprised and dismayed that India would jeopardize its relations with its allies and neighbors. Testing the Agni will surely damage relations with China, as major Chinese cities will be within the Agni's range. India's new, and much applauded, opening with Pakistan may be sacrificed and replaced by a destructive arms race between these two old adversaries. Moreover, testing the Agni will undoubtedly sour India's relations with the Arab world, as it would demonstrate India's

commitment to military dominance over Muslim Pakistan.

India's decision to test the Agni calls into question our own policies on nonproliferation of missiles capable of carrying nuclear warheads. For example: Can we continue to provide assistance to India's civilian space program if space technology directly contributes to India's ability to develop ballistic missiles? Should we reconsider the provision of multilateral assistance to India if the construction of the Agni ignites a costly arms race? I do not have the answers to these questions this morning, but I intend to seek answers that will result in improved control of missiles and missile technology.

Mr. HEFLIN. Mr. President, I ask unanimous consent to speak up to 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO THADDEUS J. DAVIS, JR.

Mr. HEFLIN. Mr. President, a longtime friend of mine, Thaddeus J. Davis, Jr., passed away in Tuscaloosa, AL, recently. He was a native of Marion, AL. He lived there all of his life and practiced law.

Thad Davis was a unique individual. He was one of those rare individuals who I think has added much to the American scene, and that is that he was a truly outstanding country lawyer.

Thad practiced all types of law. He was a superb trial lawyer. He handled estates. He handled guardianships for minors. He had a tax practice. He represented small businesses and corporations and really took care of almost any type of business that came to his office; and he did all of this in a superb manner.

He represented units of local government but, as a true country lawyer, he did much pro bono work. He did not call it pro bono work, but he really did work which was helpful to people who did not have any means.

He did great work for churches. He probably had written more deeds and handled more real estate transactions for churches than almost any individual who practiced law in the State of Alabama.

He was a counselor to all sorts of people in different walks of life. He was a true civic leader, supporting everything in his community and his county that he thought was worth while. His home town of Marion, AL, is a small community, but it is a cultural center and has been designated in the past by newspapers and others as being the cultural center of the Black Belt section of Alabama.

He graduated from Marion Military Institute and served for many years as a trustee of that very fine institution. Marion also is the home of Judson College, which is a college that is primarily a women's college and he was a great supporter of that institution.

Thad Davis had many friends. He will be truly missed. I have lost a great friend. I extend my sympathy to the members of his family and to his delightful wife, Millie. I wish for them a long and happy life. I know memories will continue throughout their lives of their association and friendship with a truly great individual.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. If there is no further morning business, morning business is terminated.

MINIMUM WAGE RESTORATION ACT

The PRESIDING OFFICER. The Senate will now proceed to the consideration of the pending business, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Massachusetts is now recognized.

Mr. KENNEDY. Mr. President, during the debate yesterday a number of arguments were made both in support for the increase in the minimum wage and points were made in opposition to the minimum wage. We tried to address the questions of the impact of the increase on inflation, the impact on employment. We addressed the questions of a training wage contained in the administration proposal and a number of other items.

During the course of the debate we presented to the Senate a chart entitled: "Hourly workers in low-wage industries have lost ground to inflation since 1981," this particular chart, with this column designating the inflation rate at 39.2 percent, and it illustrated the decline in hourly wages of certain retail industries relative to the CPI, and how many people actually worked in those industries.

Here we see the figures for the variety stores, some 250,000 employees. Their increase, in terms of compensation, was 29 percent, still a 10-percent gap between purchasing power that they had in 1981 as compared to the purchasing power today.

Over a million in apparel and textile work. Their wages went up 29 percent, still well below the inflation level of 39.2 percent.

Retail trade in general, 19 million Americans working in this area—but their wages only went up 25 percent.

The service stations with 600,000 employees, only 24 percent; eating and drinking establishments, 6 million work in those. Sometimes both members of the family but remember they also support other family members. This chart just designates the numbers of workers in those industries—not the children who depend on those workers.

The food store employees wages only increased 5.6 percent—3 million low wage workers work in those areas.

This is a pretty substantial group of American citizens, and many are paid just above the minimum wage. This is what happens when the wage floor does not keep pace with inflation. There are some exceptions, but primarily, these are the areas of low wage employment. As we know, the minimum wage has not increased at all since 1981.

We heard yesterday from some of our colleagues: They said, well, we want to tell you, those of you who are interested in the minimum wage, we want to tell you if you provide that increase, that is going to reduce employment in all those areas. I will come back to that issue in just a few moments. But we heard those who are opposed to our proposal tell us about how these industries are right on the edge. If we see this increase in the minimum wage, these industries in many instances are going to close down. We hear that argument made by many of those who are opposed to S. 4.

So, over the evening last night, I thought I would take a look at what has happened to the compensation of the CEO's in these various industries. Because we hear the gloom and doom predictions: Raise the minimum wage a few cents, restore purchasing power, and it is really going to have an adverse impact on employment and inflation.

Well, evidently, Mr. President, that message did not get to the board rooms. It did not get to the CEO's. Because, in corporation after corporation—take American Stores. Compensation for the CEO for American Stores in 1981, $482,000. Compensation in 1986, $1 million; a 120-percent increase. But not for the employees. Not for the people who are out there working. Their wages did not go up.

Balley Manufacturing. The CEO's compensation was $751,000 in 1981, in 1986, $1,873,000, an increase of 149 percent. Not for their employees. And

the opponents of S. 4 are resisting now to try and even restore the purchasing power to low wage workers that they had in 1981. But for the CEO, a 149-percent increase.

The Brown group provides Cloth World, Etage Cosmetics, Peck's Men's Wear Center, Regal Shoe Stores; the CEO received $416,000 in 1981, and $718,000 in 1986. A 73-percent increase in compensation.

Brunswick Bowling Lane chain. These are the types of industries where you get the very low wages, the bowling lanes. Brunswick Bowling Lane chain. The CEO got $1,065,000 in 1981; in 1986, the CEO got $2,630,000—a 147-percent increase. But not for those low wage people who are working in those bowling lanes. No way we are going to restore your purchasing power because if we just give you a few more cents, you will put us out of business. Well, that word did not get up to the CEO in Brunswick, evidently.

Food Lion, $442,000 in 1981; $965,000 in 1986, a 118-percent increase.

Giant Food, $601,000 in 1981 and in 1986, $3,436,000; a 472-percent increase for the CEO's, but not for those people who are working out in those stores. No, we cannot afford the restoration of the purchasing power of the minimum wage. No way, because this will really have a devastating impact on employment. This is what our opponents say.

Evidently the increase of 472 percent salary for the CEO is not going to affect the bottom line of their balance sheet.

Great A&P Tea, $877,000 in 1981, $4,279,000 in 1986, a 388-percent increase. An $877,000 to $4,279,000 increase for the CEO but not for those who are working there, in the Family Mart, Kwik Save, Pantry—all the kinds of operations where the low wages and the minimum wage are paid.

Greyhound, $414,000 in 1981. They are a conglomerate. They have Cassano's Pizza, Cleaning and Maintenance Services, Contract Food Services. We look for minimum wage workers right in there. Well, the CEO got $414,000 in 1981 and he received $1,494,000 in 1986, that is only a 261-percent increase.

K Mart, $506,000 in 1981; $5,184,000 in 1986, a 513-percent increase, a 513-percent increase. Several hundred times the increase in purchasing power. But in dollars, 513 percent.

No, our opponents day, we cannot afford a restoration of the minimum wage now.

Kroger, that is Kroger's, Quick Stop, Price Saver, Time Saver, Tom Thumb Food Stores. What has happened to the food store employees, 3 million of them? For those 3 million, their wages have gone up 5.6 percent since 1981, for the industry as a whole. There are 3 million Americans working in those food stores.

Well, they must take some satisfaction from the fact that the Kroger's CEO went from $694,000 to $1,919,000, a 176-percent increase.

The Limited, that is another conglomerate that is in these retail areas, the CEOs' salaries went from $336,000 to $1,235,000, a 238-percent increase.

Mr. President, I could go on with this list. These particular CEO's whom I have mentioned are in these related areas, where the greatest diminution in terms of the purchasing power for our low wage American workers have been employed. And these are the same industries where we have seen this explosion in terms of compensation for the CEO's.

So, I do not really think we should give great weight to those arguments that are made here on the floor of the U.S. Senate about how devastating this is going to be in these particular industries—which are primarily the minimum wage industries—when we see the kind of belt tightening, or belt loosening, by the CEO's.

I thought that that would be of some interest, in terms of understanding what is happening in those various industries. Especially since we are going to have crocodile tears on the floor about how devastating this minimum wage increase is going to be. But the record is clear. On the one side, the dramatic diminution in terms of the purchasing power for those employees who have been working in those industries. On the other side, an explosion in the compensation increases for CEO's.

Mr. President, there were a good many comments yesterday about what the impact of the increase in the minimum wage was going to be on some of the States. I do not see my good friend from Utah here or from Oklahoma. So perhaps I will reserve this to have a chance to review with them what has happened in those particular States in the past when we increased the minimum wage, and then I am ready to pass the bill. I do not think we will try to do that at this time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 12:30.

There being no objection, the Senate, at 12:05 p.m., recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. LIEBERMAN].

Mr. GRAHAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

The assistant legislative clerk proceeded to call the role.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, Congress has been reviewing and debating various proposals to increase the minimum wage for over a year. We promised the public that there would be a thorough and fair review, and surveys of public opinion show that the American people are now ready for us to act.

Minimum wage has, for a half-century, been a safety mechanism to ensure that American workers earn a decent living and had in the past been set at a level that would ensure that a working American would not be in poverty. Unfortunately, that goal has now slipped far beyond the grasp of many working Americans who are earning at or near the minimum wage.

With the responsible bill that will be presented to us, we'll provide low-wage earners the chance to improve their economic condition. There are other objectives that we wish to seek. We want to encourage employers to hire newcomers to the work force.

Mr. President, I have been particularly interested in the issue of a training wage as a means of giving that encouragement to employers to take a chance on that first-time employee. A fair and rational training wage, in my opinion, is one of the keys to achieving the overall goal of our minimum wage legislation.

The training wage creates an incentive for employers to hire people with little or no job experience. This incentive will be a positive force for our overall society; for business and for new workers.

Today too many people turn to Government for assistance because they often cannot get that first opportunity, that first break to get into the job market. By allowing a training wage, businesses will be encouraged to offer that opportunity to those previously unemployed.

Second, the training wage allow a period for new workers to adjust to the technical and personal demands of the workplace.

After this brief training period, that new employee is eligible for full minimum wage.

Therefore, the training wage is also an incentive for new employees to perform well when they enter the work force, because they'll win a promotion in 60 days.

The training wage plan that Senator PRYOR and I propose would allow an employer to hire—at 85 percent of the

minimum wage—an applicant who had not been employed at one place for 30 days.

The training wage would last no longer than 60 days. No more than 25 percent of an employer's work force could be covered by a training wage at any one time. If an employee had worked in a previous job for at least 30 days—but less than 60 days—the employee could be hired at the training wage rate until completion of 60 cumulative days of employment.

In sum, you must hold one job for at least 30 days to be credited with work time toward graduation to full minimum wage.

This training period will allow new workers to become familiar with the workplace, with the need for punctuality, proper appearance and teamwork, as well as the specific skills required to be a productive member of that work community.

Mr. President, we endorse this component of the overall minimum-age bill, and the adjustment in the minimum wage.

Our proposal will benefit employers and it will benefit employees as we move to adjust the minimum wage. It will help us achieve our objective, which is a strong, independent work force comprised of persons who have the skill to make a contribution to a productive and a competitive America.

I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished senior Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, I rise in opposition to S. 4, the Minimum Wage Restoration Act of 1989, which would amend the Fair Labor Standards Act of 1938 to increase to unreasonable levels the minimum wage paid to persons working under hourly pay scales. The supporters of this measure assert that its purpose is to help the working poor of our country to support their families. However, the evidence simply does not support the allegation that a sizable increase in the minimum wage rate would significantly benefit the most disadvantaged workers in our Nation.

In practice, this legislation will not enable a large population of working poor to support their families, because there is not a large segment of our citizenry that is composed of minimum wage earners who are heads of households. According to the U.S. Department of Labor, just 1 percent of all American workers earning minimum wage are below the poverty threshold. Seventy percent of workers earning the minimum wage reside in a family in which the income is at least 150 percent above the poverty threshold. Furthermore, nearly half of the heads of impoverished households in the United States are not in the labor force. Only 490,000 of the 3.9 million of minimum wage workers are heads of households with dependent relatives, according to Department of Labor statistics.

Historically, studies have shown that increasing the minimum wage rate has had no impact on poverty and has only slightly increased or even decreased the equality of income distribution. In analyzing over 20 studies conducted by economists since 1983, the General Accounting Office has noted that these surveys reveal that employment is less than it would be if there were not a minimum wage in existence.

Who then really stands to benefit most from a higher minimum wage, Mr. President? Rhetoric cloaked in terms of fairness for disadvantaged workers does not obscure the view of the real beneficiaries of an increased minimum wage, "Big Labor." Minimum wage legislation has always been promoted by labor unions and other special interest groups for their purely self-serving political considerations. The labor unions in our country are looking to this measure as a means of securing their positions and turning around a decline in membership that they have experienced in recent years.

Mr. President, the South, an area that is already struggling with unemployment problems, would be heavily impacted by a significant increase in the minimum wage. A study, conducted by Clemson University, has estimated that raising the minimum wage rate to $4.65 per hour would result in the loss of 750,000 jobs nationally, and 10,383 positions in South Carolina by 1995. This study predicts that "by 1995, almost 34 percent of all lost jobs and over 41 percent of low-wage manufacturing jobs lost as a direct result of the mandated increase will be in the South." The Clemson study focused on textile workers in South Carolina as "the classic example of a low wage manufacturing worker." The average hourly wage of textile workers in South Carolina in 1985, was listed as $7.68. All workers receiving this wage or lower were defined as low-wage workers for purposes of the survey. Based on this criteria, Dr. Richard McKenzie, an economist at the University of Mississippi, who conducted the survey when he was at Clemson, has projected that the South would have a third of the entire projected total employment losses, if the minimum wage is raised to the level of $4.65.

In simplistic terms, when a higher minimum wage rate is imposed on the business community, it is faced with the dilemma of how to meet the new labor costs. If business cannot pass along increased costs, it must absorb them. In order to absorb these costs, employers must restructure their work force by implementing such measures as: eliminating those workers considered to be the least productive; limiting the amount of hours that employees are permitted to work; leaving vacant positions unfilled; consolidating jobs through automation; and reducing production.

Unfortunately, America's teenagers stand to suffer the most from the adaptations that business and industry must make in order to comply with an increase in the minimum wage. These young workers generally have limited experience and have not developed skills; therefore, they are considered to be the least productive employees. Thus, legislation creating a high minimum wage in effect excludes the least employable by pricing them out of the job market.

An increased minimum wage adversely impacts teenagers in two significant ways. First, these young people, who lose their jobs, experience an immediate loss of income. Second, because they are removed from the workplace, teenagers are prevented from acquiring valuable experience and skills that are necessary to allow them to progress into higher wage level positions in the future.

The Bureau of Labor Statistics has determined that the present unemployment rate for all teenagers actively seeking work is 16.5 percent. The unemployment rate for minority teenagers currently seeking employment is, at 36.9 percent, more than double the overall average for teenagers in the United States. So we can see how it will affect minority teenagers more than any others.

According to the "Report of the Minimum Wage Study Commission" in 1981, the last increase in the minimum wage floor, which was enacted in 1977, resulted in the loss of 644,000 jobs among teenagers alone between 1977 and 1981. Economists at Clemson University have estimated that 56 percent of the 750,000 jobs that are predicted to be lost nationally will be teenage jobs, if there is an increase in the minimum wage to $4.65 an hour.

It is clear that teenagers and persons seeking entry-level positions would be the primary victims, through loss of employment, of a significant increase in the minimum wage rate. Certainly, Congress should not deny the very persons who represent our Nation's future the opportuntity to participate in the labor force, by rendering them unemployable.

Mr. President, President Bush has presented an alternative to the measure which we are considering today. It would provide for a graduated increase in the minimum wage rate of 30 cents a year, over the next 3 years. This modest raise in the hourly rate would benefit the households in America, that are both in poverty and headed by a minimum wage earner. The increase proposed by President Bush would have less of a negative impact

than S. 4, on the availability of job opportunities in the broader population that is not stricken by poverty or dependent on a minimum wage earner. However, such an increase would only be effective if it is accompanied by a meaningful training wage for newly hired employees, as proposed by the Bush administration.

Mr. President, Secretary Dole stated, in testimony before the Senate Committee on Labor and Human Resources, that a job training wage for new hires would serve to offset the disemployment effects of the proposed increase, especially in regard to the young people of our country. This differential would provide an equitable means of redress for the disparity of skills of teenagers who are seeking entry level positions in our work force.

President Bush believes that a meaningful training wage should apply to all new hires, regardless of whether or not the employment is their first job. Also, that this pay differential should be effective for 6 months, at a rate of 80 percent of the current minimum wage level, and that it should have provisions for enforcement to protect against the displacement of persons by employers, in order to hire replacement employees after the 6-month training periods have ended. I agree with the President. Accordingly, I support the proposal of the Bush administration.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Connecticut.

Mr. DODD. Mr. President, I am an original cosponsor and strong supporter of S. 4, the Minimum Wage Restoration Act of 1989. I believe that hard-working Americans, earning the minimum wage—or slightly above—deserve a cost-of-living increase as much as any other citizen in this country. Over the last few years, we have managed to support increases for Social Security recipients, and I am proud to have been a part of that. We voted to raise our own salaries in 1987, and we have voted to give Federal employees cost-of-living increases.

Why then do we have such difficulty increasing the minimum wage for the first time in 8 years? Mr. President, why are minimum wage earners any different than any other sector of our society?

The American dream is to have job opportunities and to be self-sufficient. That is axiomatic. We are preventing, however, millions of Americans from reaching their dream when we keep them at a wage worth only $2.40 an hour in 1981 dollars, and that is what the situation is today. We want people to work, yet such a minimum wage does not even get a person with one or more dependents to the poverty level in this country. Moreover, most of them have no health insurance, and that is unacceptable regardless of whether there are only a few hundred thousand or a few million Americans faced with this condition. This fact that there were 5 million Americans who worked full time in 1987 but remained in poverty makes the situation in my view, disgraceful.

My colleague, Senator KENNEDY, and our colleagues on the Labor Committee have not randomly chosen to increase the wage to $4.65 an hour. If the minimum wage had been adjusted with inflation and cost of living, it would be over $4.65 today and close to $5.25 by 1992. Our intent is to restore the value to the wage and not to price workers out of the market. A study of the effects of the preceding wage increases shows no direct correlation between wage increases and job losses.

I strongly urge my colleagues to consider the ramifications of a less than fair increase in the minimum wage. While we have tried to determine an increase that would restore the minimum wage to a living wage, the administration, as we know, has threatened to veto any proposal that does not match its own. In addition to raising the wage to only $4.25 an hour for 3 years, the administration is advocating a training wage for all new hires. While I obviously disagree with the administration on the need for a 6-month training wage and an increase to $4.25 an hour, what disturbs me the most is the unwillingness of the administration to meet us half way.

The administration believes that the 6-month training wage is needed to offset the estimates on the loss of jobs. However, my colleague from Massachusetts has already challenged, and I think successfully, the administration's statistics. I would like to reiterate that the Department of Labor's estimates for the creation of new jobs over the next few years offsets any estimate that has been made about possible job losses due to an increase in the wage.

A 6-month training wage cannot be justified. The administration's own Department of Labor has determined that most jobs paying minimum wage only require 30 days or less of training.

Let me repeat that, Mr. President, because it goes to the heart of their argument. The Department of Labor, not the Labor Committee, not the AFL-CIO, but the Department of Labor has determined that most jobs paying the minimum wage only require 30 days or less of training. Even without the Labor Department's study, it should be easy for each of us to figure out that traditional minimum wage jobs do not require more than a few days or perhaps a few weeks of training.

The administration argues that a training wage will prevent a decrease in the number of jobs available to teenagers. However, many of the jobs traditionally held by teenagers are vacant today. The job market is already feeling the crunch of a shrinking pool of working teenagers in the 15-to-19 age bracket. According to the Census Bureau statistics, there were 1 million fewer teenagers in 1986 than there were in 1980 and those numbers are dropping everyday.

The minimum wage was last increased to $3.35 in 1981. While our Nation has experienced one of the longest periods of economic growth in our history, Americans working at the minimum wage have watched the earning power of their wages decrease. Because the cost of virtually every product and service in our economy has risen while the minimum wage has remained static for 8 long years, the $3.35 an hour minimum wage now amounts, as I said earlier, to $2.40 in 1981 dollars.

The low-minimum wage effectively serves as a government subsidy to employers. Federal health and food stamp programs are often needed to supplement subpoverty level wages. And how many times have we heard the debate on this floor about how we cannot afford to spend more on food stamps, AFDC, assistance programs for children and families in one category or another?

One of the reasons that we have these debates, and one of the reasons that we have increases in those programs, is because for 8 long years we have refused to increase the minimum wage of people living at the poverty level in this country.

Mr. President, by restoring the earning power of the wage, we are in effect helping more workers become self-sufficient, and that is the goal and the purpose behind this increase. In some areas the minimum wage is worth less than families can collect on welfare. Even the best welfare to work efforts are doomed if the recipients earn less working than they could collect from AFDC.

Last year we carefully crafted a welfare reform package. For the new program to work, there needs to be a livable wage for workers. A vote for S. 4, Mr. President, is a vote for the millions of forgotten Americans who help make this Nation competitive. These workers are often not heard in Washington, but they are equally deserving of our attention and support.

We have no right to keep them from earning a livable wage, and we will do exactly that if we settle for the $4.25 being proposed by the administration. An increase in the wage to $4.25 is just not enough and it is going to cost us a lot more than the difference between the administration proposal and S. 4. A training wage for 6 months, as I have pointed out, is just unnecessary.

Mr. President, I hope that in these days we would not spend an inordinate

amount of time arguing about a problem that ought not to be the subject of lengthy debate. Most of us are in agreement that an increase is necessary. Let us see if we cannot come to a figure that is rational and fair; that would make it possible for people to get to work and be self-sufficient.

Finally I urge my colleagues to think about the millions of working Americans who are living in poverty and to join me and others in supporting S. 4.

Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Connecticut has noted the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. THE majoritry leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 2:15 p.m., on Tuesday, April 11, when the Senate resumes consideration of S. 4, the minimum wage bill, there be 90 minutes of debate equally divided between Senators KENNEDY and HATCH, at the end of which a rollcall vote shall occur on the amendment to be offered by Senator GRAHAM on behalf of himself and Senators PRYOR, MITCHELL, and KENNEDY, with no intervening debate or action.

I further ask unanimous consent that upon the disposition of the Graham amendment Senator HATCH be recognized to offer the administration's alternative package amendment which shall be voted on without any intervening debate or motions, and that in the event the Hatch amendment be agreed to it be considered original text for the purpose of further amendments;

I further ask unanimous consent that no amendment may be offered prior to the disposition of the amendments described in this agreement.

The PRESIDING OFFICER. Is there objection? The Senator from Utah.

Mr. HATCH. Mr. President, reserving the right to object and I do not intend to object except I would like to have this modified. I have no objection to the approach toward the Graham-Pryor-Mitchell-Kennedy amendment, and I presume that that amendment will be voted up or down. Is that correct? That is the intention?

Mr. MITCHELL. That is my expectation, yes.

Mr. HATCH. I assume both amendments will be voted up or down without a motion for tabling, is that right?

Mr. KENNEDY. If the Senator would yield further, I would certainly hope so. That would certainly be my intention.

Mr. HATCH. I would want to incorporate that within the unanimous-consent agreement.

Second, I do think the President deserves an hour and a half to have his amendment debated, although we may not take that much time. And I do not really intend to take that much time but I think we ought to have a little bit of time to do that.

Mr. MITCHELL. This agreement has been the subject of discussion by both sides for several hours.

Mr. HATCH. Oh, we can talk on either one during the 90-minute period?

Mr. MITCHELL. That is what I intend.

Mr. HATCH. That will be all right.

Mr. KENNEDY. That was my understanding.

Mr. HATCH. That will be all right. I would ask the distinguished majority leader to amend the unanimous-consent agreement to provide that both amendments will have up-or-down votes without any intervening amendments.

Mr. MITCHELL. I believe that that is what the agreement now says, where it says the vote shall occur on the amendment.

But, if there is any question about it, I will make that representation to the Senator with the assurance of the chairman of the committee and the proponent of the principal amendment here, and yourself, that it is our intention that the votes be on both amendments, up or down.

Mr. HATCH. That is fine.

Mr. MITCHELL. And during the 90-minute debate prior to the two votes, that the Senator would be free to discuss any amendment that he wishes to.

Mr. HATCH. I think that is fine. I appreciate the efforts of the majority leader and the minority leader to put this together. I appreciate the work of my distinguished colleague from Massachusetts as well as others.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That on Tuesday, April 11, 1989, at 2:15 p.m., the Senate resume consideration of S. 4, the minimum wage bill, and that there then be 90 minutes debate, equally divided and controlled between the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Utah [Mr. HATCH], at the end of which a rollcall vote shall occur on amendment No. 20 by the Senator from Florida [Mr. GRAHAM], for himself and Senators PRYOR, MITCHELL, and KENNEDY, with no intervening debate or action.

Ordered further, That upon the disposition of the Graham amendment, the Senator from Utah [Mr. HATCH] be recognized to offer the administration's alternative package amendment, which shall be voted on without any intervening debate or motion.

Ordered further, That in the event the Hatch amendment is agreed to, it be considered original text for the purpose of further amendment.

Ordered further, That no amendment be in order prior to the disposition of the amendments described in this agreement.

Mr. HATCH. Now, as I understand it, Mr. Majority Leader, the remaining amendments we will just have to handle and hopefully we will put a time agreement together afterward on those but we will just have to handle them during the course of business, so we protect the rights of everybody with regard to remaining amendments?

Mr. MITCHELL. That is correct. It is my hope and expectation that immediately following the disposition of the matters covered in this agreement, that we will then proceed to further amendments and complete action on this bill by the close of business on Wednesday or at the latest on Thursday.

As I said, I described that as my hope and expectation.

Mr. HATCH. Might I just ask one other question? The amendment of the Senator from Florida will be a substitute amendment and it will be pending when we, I guess, begin debate again on Monday. Is that correct? My question is this: If this is pending, then we will have to have time to lay down the President's amendment after that is voted up or down?

Mr. MITCHELL. The agreement, by its express terms which I just presented, says that "Upon the disposition of the Graham amendment, Senator HATCH be recognized to offer the administration's alternative package amendment which shall be voted on without any intervening debate or motions."

Mr. HATCH. That will be fine.

Mr. MITCHELL. So, that is correct.

I yield to the distinguished Republican leader.

SENATE BUSINESS

Mr. DOLE. Mr. President, I wonder if the majority leader might indicate what the program will be for the balance of today and Monday. And also I would indicate to the majority leader that we have started on this side to see if we could get some unanimous-consent agreement on Contra aid.

I know the majority leader wants to finish the minimum wage bill first and I would hope that after we have had these two important votes we do not have 24 more amendments to dispose of or we will be on this all next week.

I think that some of the amendments may go away. But will there be any rollcall votes today?

Mr. MITCHELL. I will be pleased to respond to the distinguished Republican leader. There will be no rollcall votes today.

I will consult with the Republican leader and the chairman and ranking members to determine whether any useful purpose would be served by a session on Monday for purposes of further debate. There will be no rollcall votes on Monday.

It is my hope that we can complete action on the minimum wage bill by the close of business on Wednesday or Thursday.

As the distinguished Republican leader knows, we have discussed this on several occasions.

I expect to have the savings and loan industry bill, the FSLIC bill, ready for action on the Senate floor on Monday, April 17. That is a very high priority item. The President has repeatedly asked us to move promptly on that. It is my hope to do that.

Therefore, the timeframe, the window for the Contra bill, will be after completion of the minimum wage bill and before the FSLIC bill. I expect and hope again that will be next Thursday, but that depends upon completion of the minimum wage bill.

Members should know that we will continue on this legislation until it is disposed of and then, and only then, would we move to the Contra aid bill, but we are moving toward an agreement on time on that, and I would hope that we will be able to dispose of that next Thursday. That is an optimistic scenario, that we finish this on Wednesday night, do the Contra aid bill on Thursday, and then do the FSLIC bill on the following Monday, Tuesday, and Wednesday.

I want to thank the distinguished Republican leader for the cooperation that he has demonstrated in all of these areas in attempting to reach agreement to deal with these in a clear and orderly fashion.

Mr. DOLE. I think the other piece of legislation was the Martin Luther King authorization bill. I understand there will be a number of amendments offered by a Member on this side. I just indicate that for the RECORD. We have that information.

Mr. MITCHELL. It was originally my hope to take up the Martin Luther King reauthorization bill on this coming Monday, but I understand what the distinguished Republican leader has said, and he communicated that to me privately before. Therefore, that makes it not possible to do it in that timeframe, but we will do it as soon as possible.

In the event that time becomes available late next week, if the Contra package takes much less time than would otherwise be the case, then if this minimum wage bill is completed on time or possibly earlier, then we will try to move to that. I will discuss that with the distinguished Republican leader before making any decision in that regard.

Mr. DOLE. I just say again for the record, I urge my colleagues on this side—and I know there are some who are not totally in accord with the President's view on minimum wage, which may be the reason for a number of amendments. Some believe the President may have gone too far, but the President has kept, has fulfilled a promise he made during the campaign, and he has agreed to $4.25 with a 6-month training wage period. Nothing less. As was indicated in the letter I had printed in the RECORD this morning from the President, I urge my colleagues on this side that the President does favor an increase in minimum wage. It is not that he opposes any increase; he favors an increase. In fact, a 90-cent increase over a 3-year period.

So I hope my colleagues on this side would understand we should not delay this bill. We may not prevail. The bill would then be vetoed and hopefully a veto would be sustained. But it seems to me it would be in our interest to move this legislation as quickly as possible and cooperate with the majority leader, and we will make an effort to do that.

Mr. MITCHELL. I thank the distinguished Republican leader.

Mr. PRYOR. Mr. President, I hate to interject myself in the very constructive discussion between the two leaders, but I am wondering if it would be premature to suggest that at a time certain on Tuesday, after we dispose of the two major amendments, or assuming we do dispose of them at that time, that at that time period we may not see if there could not be a time certain set for a debate which may hurry the matters along. I think, if I am not mistaken, most of the amendments are coming from the Republican side and not from the Democratic side.

Mr. MITCHELL. Yes, we will discuss that with the Republican leader, and we are endeavoring to identify all of the amendments. The Republican leader has just made a constructive statement encouraging members on his side not to delay this, and we hope by Tuesday, after the two major amendments, to be able to reach an agreement on the remaining amendments with a time certain for voting on the bill. We are going to make that effort.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 20

(Purpose: to make a perfecting amendment)

Mr. GRAHAM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mr. PRYOR, Mr. MITCHELL, and Mr. KENNEDY proposes an amendment numbered 20.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 6, line 5, strike out all that follows "SECTION" through page 14, line 3, and insert in lieu thereof the following:

1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Minimum Wage Restoration Act of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

SEC. 2. RESTORATION OF MINIMUM WAGE.

Paragraph (1) of section 6(a) (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending September 30, 1989, not less than $3.85 an hour during the period beginning October 1, 1989, and ending September 30, 1990, not less than $4.25 an hour during the year beginning October 1, 1990, and not less than $4.55 an hour after September 30, 1991;".

SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) IN GENERAL.—Subsection (s) of section 3 (29 U.S.C. 203(s)) is amended to read as follows:

"(s)(1) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise that—

"(A)(i) has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person; and

"(ii) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated); or

"(B) is an activity of a public agency.

"(2) Any establishment that has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise. The sales of such an establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection.".

(b) PRESERVATION OF COVERAGE.—

(1) IN GENERAL.—Any enterprise that on December 31, 1989, was subject to section 6(a)(1) of the Fair Labor Standards Act of

1938 (29 U.S.C. 206(a)(1)) and that because of the amendment made by subsection (a) is not subject to such section shall—

(A) pay its employees not less than the minimum wage in effect under such section on December 31, 1989;

(B) pay its employees in accordance with section 7 of such Act (29 U.S.C. 207); and

(C) remain subject to section 12 of such Act (29 U.S.C. 212).

(2) VIOLATIONS.—A violation of paragraph (1) shall be considered a violation of section 6, 7, or 12 of the Fair Labor Standards Act of 1938, as the case may be.

(c) CONFORMING AMENDMENTS.—

(1) Section 13(a) (29 U.S.C. 213(a)) is amended by striking out paragraphs (2) and (4).

(2) Section 13(g) is amended—

(A) by striking out "paragraphs (2) and" and inserting in lieu thereof "paragraph"; and

(B) by striking out ", except that" and all that follows in such subsection and inserting in lieu thereof a period.

(d) TECHNICAL AMENDMENTS.—Section 3(r) (29 U.S.C. 203(r)) is amended—

(1) by inserting "(1)" after "(r)";

(2) by striking out ": *Provided*, That, within" and inserting in lieu thereof a period and "Within";

(3) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(4) by striking out "For purposes of this subsection" and inserting in lieu thereof the following:

"(2) For purposes of paragraph (1)";

(5) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(6) by striking out "public or private or" in subparagraph (A) (as so redesignated).

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1989.

SEC. 4. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.—Section 5 (29 U.S.C. 205) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)—

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.—Section 6 (29 U.S.C. 206) is amended—

(1) in subsection (a)(3)—

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to sections 5 and 8."; and

(B) by striking out the second sentence; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by—

"(A) the United States,

"(B) an establishment that is a hotel, motel or restaurant,

"(C) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs, or

"(D) any other industry in which the average hourly wage is greater than or equal to $4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than $4.00 but not more than $4.64, the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1993, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1993.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than $4.00, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1994.

"(4) In the case of any employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than $4.00 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1995.".

(c) WAGE ORDERS.—Section 8 (29 U.S.C. 208) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)—

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)—

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.—Section 14(b) (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

SEC. 5. TIP CREDIT.

Effective October 1, 1989, the third sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate," and inserting in lieu thereof "in excess of (1) 45 percent of the applicable minimum wage rate during the year beginning October 1, 1989, and (2) 50 percent of the applicable minimum wage rate after September 30, 1990,".

SEC. 6. TRAINING WAGE.

(a) IN GENERAL.—

(1) AUTHORITY.—Any employer may, in lieu of the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206), pay an eligible employee the wage prescribed by paragraph (2) while such employee is engaged in on-the-job training.

(2) WAGE RATE.—The wage referred to in paragraph (1) shall be a wage—

(A) of not less than $3.35 an hour during the year beginning October 1, 1989; and

(B) beginning October 1, 1990, of not less than $3.35 an hour or 85 percent of the wage prescribed by section 6 of such Act, whichever is greater.

(b) WAGE PERIOD.—An employer may pay an eligible employee the minimum wage authorized by subsection (a) for a period that—

(1) begins on or after October 1, 1989;

(2) does not exceed the time period referred to in subsection (g)(1)(B); and

(3) ends before September 30, 1992.

(c) WAGE CONDITIONS.—No eligible employee may be paid the wage authorized by subsection (a) by an employer if—

(1) any other individual has been laid off by such employer from the position to be filled by such eligible employee or from any substantially equivalent position; or

(2) such employer has terminated the employment of any regular employee or otherwise reduced the number of employees with the intention of filling the vacancy so created by hiring an employee to be paid such wage.

(d) LIMITATION.—During any month in which employees are to be employed in an establishment under this section, the proportion of employee hours of employment to the total hours of employment of all employees in such establishment may not exceed a proportion equal to one-fourth of the total hours of employment of all employees in such establishment.

(e) NOTICE.—Each employer shall provide to any eligible employee who is paid the wage authorized by subsection (a) a written notice stating the requirements of this section and the remedies provided by subsection (f) for violations of this section. The Secretary shall provide to employers the text of the notice to be provided under this subsection.

(f) ENFORCEMENT.—Any employer who employs an employee in violation of the requirements of this section shall be considered to have violated section 15 of the Fair Labor Standards Act of 1938 (29 U.S.C. 215). Sections 16 and 17 of such Act (29 U.S.C. 216 and 217) shall apply with respect to the violation.

(g) DEFINITIONS.—For purposes of this section:

(1) ELIGIBLE EMPLOYEE.—The term "eligible employee" means with respect to an employer an individual who—

(A) is not a migrant agricultural worker or a seasonal agricultural worker (as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10));

(B) has not previously worked for an employer or employers in employment for which payroll taxes have been withheld;

(C) has not worked at least 30 days with one such employer; and

(D) has not worked a cumulative total of 60 days or more with all such employers,

except that such individual is responsible for providing the requisite proof of previous period or periods of employment with other employers.

(2) ON-THE-JOB TRAINING.—The term "on-the-job training" means training offered to an individual while employed in productive work that provides knowledge, technical skills, and personal skills essential to the full and adequate performance of such employment.

(h) REPORT.—The Secretary of Labor shall report to Congress not later than January 1, 1993, on the effectiveness of the wage authorized by this section. The report shall include—

(1) an analysis of the impact of such wage on employment opportunities for inexperienced workers;

(2) any reduction in employment opportunities for experienced workers resulting from the employment of employees under such wage;

(3) the nature and duration of the training provided under such wage; and

(4) the degree to which employers used the authority to pay such wage.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I might proceed as in morning business for approximately 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADMINISTRATION RESPONSE TO "EXXON VALDEZ" DISASTER

Mr. MURKOWSKI. Mr. President, I would like to share with my colleagues the significant activity associated with the administration's response to the Alaska delegation and the Governor of Alaska's request for assistance with regard to the unfortunate disaster associated with the *Exxon Valdez* and the resulting oilspill which took place in Prince William Sound.

Mr. President, as a consequence of 2 full days of almost full attention by the White House, this morning the President announced a series of assistance programs for oil cleanup for the State of Alaska in conjunction with that particular accident. I think it is significant to note, Mr. President, that Secretary of Transportation Skinner; the Environmental Agency head, Reilly; the Coast Guard Commandant, Admiral Yost; and Secretary of Defense Cheney were at the press conference and the meeting this morning. I would like to outline for my colleagues very briefly the expanse of the particular assistance which Alaskans can expect.

The President indicated that the Secretary of Transportation will serve as the President's personal liaison to the cleanup effort. The Secretary of Transportation will be responsible for mobilizing and coordinating all Federal departments and agencies as necessary. Adm. Paul Yost, of the Coast Guard, and Vice Adm. Clyde Robbins will assume personal onsite direction of the cleanup effort, working with Exxon and, of course, our Governor in Alaska.

The Department of Defense has been directed by the President to make available all facilities, equipment, and personnel that can be effectively utilized in assisting the cleanup of spilled oil. Planning for this effort, which will be coordinated by Maj. Gen. J.D. Smith, the Director of Military Support, has already begun. Elements of all military services will be available as necessary to support oil cleanup operations. The operations that are anticipated will include utilization of armed forces ground personnel in the cleanup of affected beach areas, additional personnel and equipment to assist in skimming and booming activities related to oil in the sound and the construction of facilities for cleaning and military personnel participating in the cleanup efforts. As onsite coordinator of cleanup efforts, the Coast Guard has been assured of the availability of necessary Department of Defense assistance.

It has been charged by the President with the responsibility of utilizing the maximum predictable effort to begin restoration of affected land and water areas. Use of the military forces will not displace civilian employment by the company responsible, the Exxon Corp., or by Federal agencies.

By constructing facilities in remote areas, the military efforts will facilitate future work of civilian personnel in cleanup related work.

Third, Mr. President, the President of the United States calls on Exxon to increase the number of civilian employees and locally owned vessels employed in the oil cleanup operations.

The President believes that a simple and expeditious claims procedure should be established by Exxon for those damaged as a result of the spill. This assistance should include temporary funds pending resolution of permanent claims.

The President of the United States has directed that a program for volunteers willing to assist cleanup efforts be established during the coming summer months. Volunteers and other civilian assistants will supplement military personnel in the cleanup operations. In addition to these immediate cleanup efforts the President has named EPA Administrator William Reilly to coordinate efforts to promote the long-term revival of the ecology of Prince William Sound. EPA will draw on the expertise of leading scientists and oil spill experts in developing long-range recovery plans.

As we know, Mr. President, there have been many tragic oil spills throughout the world. The opportunity to learn from over a 10-20 year period of observation and reports of leading scientists will indeed be very valuable. It is hoped that these people can go up to Alaska, meet with our scientists, the members of NOAA, the National Oceanographic and Atmospheric Administration, meet with our mayors, and tell our people what they might expect from the standpoint of what is going to happen next week, next month, next year, 5 years, 10 years. NOAA, as an agent of the Department of Commerce, as well as the Department of Interior, and the Department of Agriculture have already commenced the scientific assessment of the ecological damage from the oil spill and the development of a plan for long-run restoration and rehabilitation and replacement of the damaged natural resources. As part of this effort, the Departments will assist in the development plans for restoring fish and wildlife stock habitat. The President will shortly submit comprehensive oil spill liability and compensation legislation, and he urges Congress to consider and act upon such legislation promptly.

In addition, the President believes that ratification of the pending international oil spill agreements should receive priority attention by the Senate.

The President has also directed the Small Business Administration to be prepared to respond to an appropriate request from Alaskan State authorities to make economic injury assistance loans available to those persons who may not be eligible for loan programs provided by Exxon or other sources. The tragic consequences of the *Exxon Valdez* situation have demonstrated the clear inadequacy of contingency planning for emergencies of this type. As a result, the President has directed a review of contingency plans of this type nationwide to determine their adequacy in light of the lessons of this situation and the critical importance of an adequate capacity for a timely response. The national response team established pursuant to the Clean Water Act has been directed to undertake this reevaluation of existing planning and to report findings and recommendations within 6 months.

Mr. President, the President of the United States in his statement this morning indicated that the oilspill in Prince William Sound, simply put, "Is one of the greatest environmental tragedies in American history with more than 10 million gallons of oil

going into the waters of the sound. The spill has been deadly to marine life, mammals, and birds at a very substantial scale. Adding to the threat of the situation was the possibility that more than 40 million additional gallons of oil still in the ship might have been discharged if further damage to the ship still on the reef in exposed waters had occurred."

Fortunately, that was not the case. The remaining oil from the *Exxon Valdez* has now been unloaded to the extent possible and the tanker refloated. Thus, the danger of this tragedy which could have been magnified by several times in size has now been removed. I am again referring to the statement by the President. "Now is the time to focus private and public resources on the job of cleaning up the oil, protecting the fragile areas from the spreading pollution, and restoring damaged areas."

The Exxon Corp., Mr. President, has acknowledged its responsibility and it will be held strictly accountable for all damages caused by this incident to the maximum extent of the law. Exxon is currently conducting extensive operations designed to recover spilled oil. In addition to Exxon's current efforts, a substantial Federal response has been mounted, coordinated by the U.S. Coast Guard, which at present has some 400 Coast Guard personnel involved as well as vessels, aircraft, helicopters, and large quantities of equipment. The President has determined, however, that this effort should be expanded, and he has today directed, as I have indicated, a series of additional measures.

Further, Mr. President, I think it is significant to note that there was a series of priorities involved in this unfortunate accident. Clearly the Alaska delegation, Senator STEVENS, Representative YOUNG, and myself, is very pleased to see the response by the administration and the manner in which we have now the involvement of virtually all Federal agencies including the Department of Defense as represented by Secretary of Defense Cheney who was at the meeting.

Further, since we have identified that the oil is now out of the tanker, the tanker is now off the reef and has been moved to an area where it is being patched up, the next priority is to clean up and that is going to be very difficult. With the availability of the military, the Air Force National Guard, joining with the Coast Guard and the Army, of course, we can direct our attention to putting in facilities, because there are no roads in this area, Mr. President—these are islands, beautiful areas, totally inaccessible.

You can only go in there by vessel and then you must have some facilities. The weather can be very tough this time of year with snow, squalls, storms, and so forth. What we need is berthing barges. Hopefully, they will be brought in by the Navy from Bremmerton, and other areas on the west coast, but that is going to take 10 days.

The suggestion was made that we bring in a military capability, perhaps the Army, the 6th Light Infantry Division that is in Fairbanks and Anchorage as well as the National Guard, bring those people down temporarily and have them put up tents.

The idea is to have temporary tents on the beach so that the people involved in the cleanup can go in, wash up, and take care of some of the birds and sea otters that, unfortunately, have been affected. We need those facilities, the availability of the military to transport back and forth, and, of course, the involvement of our Alaska private sector in tugs.

We hope to be able to attract from southeastern Alaska from the logging industry some of their facility, utilization of small tugs, and various types of barges that they have used in the logging camps to house personnel so we can get people out there. It is not good enough to put them on the boat. You must have available facilities. They are a long, long way, 60, 70, 80, 100 miles out from Valdez because of the extensiveness of the area of concern in Prince William Sound.

Further, the significance of the President directing SBA has been met with enthusiasm by Alaskans because a lot of Alaskans do not know what to expect.

For example, you might have a fisherman who has to buy a new engine this year. He does not know if he is going to be able to fish this year simply because he does not know what the impact of the spill is going to have on the salmon running later on this summer. We know the herring fishery has already been closed. So he has no income from that.

Let us take a case where his boat broke down and he needs a new engine. He would ordinarily go to the bank. The bank does not know whether to lend him the money because there might be a fishing season. With SBA now geared in to address this area, we intend to work with our constituents in Alaska who have the extraordinary cases where the damage is not ascertained now.

It is not like a hurricane or a fire where you know what the damage is. It is what nature will dictate the damage to be when we know the full extent of the spill. So with SBA in there, as well as Exxon, addressing the issue and concerns of Alaskans, I think we have passed a major hurdle. That is why I am so pleased that we can expect this kind of participation by the Federal Government.

Further, with the EPA Director really directing the revival of the ecology of the bay, we can get an ongoing commitment from the best scientists in the land as to how this area can come back and be productive. Of course, we are very concerned over the issue of contingency and containment plans, obviously. This was not adequate. The idea of moving the oil from Valdez to the markets along the west coast did not address a spill of this magnitude. That is why we have asked, and I personally asked the Secretary of the Interior, Manuel Lujan, to withhold any further action from any proposed lease sales in lease sale 92 until we have had an opportunity to review the containment and contingency plans.

I want to make sure that my colleagues understand we are still looking to Exxon for the liability associated with this and they have acknowledged that liability. We are requesting that under the long-term revival of the ecology that a pool of funds be made available by Exxon to address this.

The current funds in the pipeline liability fund are about $300 million. In addition Exxon has the availability of some $400 million of pool insurance. So fortunately, we have a situation here where those responsible do have the means to address the extent of the spill.

Finally, Mr. President, as far as trying to address the concerns of our constituents, Senator STEVENS, DON YOUNG, and I have met with Exxon. They have agreed to come in to Washington and bring their people here very shortly which was to be done right after the tanker got off the rocks, so we can bring to them the case histories of our Alaskans who are frightened. They are discouraged. They do not know which way to turn because their future is jeopardized—and say these are the kinds of things you are going to have to address as you meet the responsibilities associated with this spill.

There has been continued concern over the oil that is still at sea. There is a substantial amount out there, maybe as much as 2 or 3 or 4 million gallons, and it is floating out beyond Prince William Sound now. It is out in the Gulf of Alaska. It is moving north. It is off Point Gore. It is some 10, 12 miles off the mouth of Resurrection Bay, which is the Seward area. It is going toward Kodiak, toward Shelikof Straits. We do not have the capability to mop up oil on the high seas. We have never done it. But we have to address new technology.

I am very pleased the Coast Guard is curerntly moving booms into the area of Kodiak. They have already alerted the area associated with Seward. We hope the oil does not move up there. Of course, it is dispersing. But nevertheless, it remains a significant threat.

Mr. President, that is the current situation with regard to the spill. I am again very pleased that our President

saw fit to utilize the capabilities of his Cabinet in addressing with dispatch the next phase of this terrible disaster, and that is associated with the cleanup as well as the rehabilitation of the area, as well of course, the unfortunate human disaster associated with those that maintain their lifestyle and their livelihood from fishing, and those that are involved in tourism and other things that directly affect the area of Prince William Sound.

I think we can all learn a great deal from this, Mr. President. But we must keep in mind that nearly half of the oil that moves in the United States moves by a vessel of some type. Most of it is foreign tankers coming into the United States. The only U.S. flag vessel movement of any consequence is the movement of Alaskan oil from Alaska down the west coast of the United States, and some of that oil moves through the Panamanian pipeline on the Atlantic side and into the gulf.

So my point is that we are dependent on moving oil by tanker in the United States as we are in the world with over 50 percent of our oil moving by tanker throughout the world. So this risk does exist. This risk must be reexamined.

This risk must be reduced and lessons learned must be put forth in tightening up restrictions so that we never have aloofness associated with how this accident occurred.

Mr. President, at a later date I intend to share with my colleagues the specifics with regard to how this happened. I can tell you right now it was a consequence of Murphy's law. Everything that could go possibly wrong went wrong. The backup systems did not work. The contingencies were inadequate. The manner in which the tanker went on the rocks was one that the engineers had not predicted. There was just a simple series of these things that occurred. But the fact is they did occur. The damage is done. Now we are faced with a real situation, a tragedy, and a calamity. But we are doing something about it.

I am pleased to say on behalf of my colleagues on the delegation, Senator STEVENS and Representative DON YOUNG, and our Governor, that we have communicated the concers to the people of Alaska for action. The President has heard those concerns and met them in the action that has been initiated today from the White House.

In behalf of all Alaskans, Mr. President, we are most grateful. We will keep you and our other colleagues informed as this matter progresses.

I thank the Chair. I thank him for the allotted time as well in the extension.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-858. A communication from the Secretary of Defense, transmitting, pursuant to law, a report entitled "Allied Contributions to the Common Defense"; to the Committee on Armed Services.

EC-859. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law the annual report on the Panama Canal treaties for fiscal year 1988; to the Committee on Armed Services.

EC-860. A communication from the Deputy Assistant Secretary of Defense (Resource Management and Support), transmitting, pursuant to law, the Officer Flow annex to the Defense manpower report for fiscal year 1990; to the Committee on Armed Services.

EC-861. A communication from the Chairman of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the annual report of the Council for 1988; to the Committee on Banking, Housing, and Urban Affairs.

EC-862. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the annual report of the National Credit Union Administration for 1988; to the Committee on Banking, Housing, and Urban Affairs.

EC-863. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1988; to the Committee on Commerce, Science, and Transportation.

EC-864. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-865. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the fourth annual report on U.S. coal imports; to the Committee on Energy and Natural Resources.

EC-866. A communication from the Federated States of Micronesia Representative to the United States, transmitting, pursuant to law, the first annual report on the activities initiated and supported under the Compact of Free Association; to the Committee on Energy and Natural Resources.

EC-867. A communication from the Acting Administrator of General Services, transmitting, pursuant to law, informational copies of two proposed lease prospectuses; to the Committee on Environment and Public Works.

EC-868. A communication from the Assistant Legal Advisor For Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to March 30, 1989; to the Committee on Foreign Relations.

EC-869. A communication from the U.S. Commissioner of the Susquehanna River Basin Commission, transmitting, pursuant to law, the annual report on the internal controls and financial systems of the Commission for fiscal year 1988; to the Committee on Government Affairs.

EC-870. A communication from the Executive Director of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the annual report on internal control and financial systems of the Council for fiscal year 1988; to the Committee on Governmental Affairs.

EC-871. A communication from the Chairman of the Board of Governors of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report of the Authority under the Government in the Sunshine Act for calendar year 1988; to the Committee on Governmental Affairs.

EC-872. A communication from the Deputy Under Secretary of Education (Planning, Budget, and Evaluation), transmitting, pursuant to law, notice of a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-873. A communication from the Administrator of the Agency for International Development, transmitting, pursuant to law, the annual report of the Agency on competition advocacy for fiscal yeqr 1988; to the Committee on Governmental Affairs.

EC-874. A communicatcn from the Chairperson of the Advisory Panel on Alzheimer's Disease, transmitting, pursuant to law, the first report of the Panel; to the Committee on Labor and Human Resources.

EC-875. A communication from the Presiding Officer of the Advisory Council on Education Statistics, transmitting, pursuant to law, the fourteenth annual report of the Council covering fiscal year 1988; to the Committee on Labor and Human Resources.

EC-876. A communication from the Secretary of Education, transmitting a draft of proposed legislation to amend the Education of the Handicapped Act to reauthorize certain programs, to combine the authorities for projects serving deaf-blind children and other severely handicapped children, to reauthorize various discretionary programs, and for other purposes; to the Committee on Labor and Human Resources.

EC-877. A communication from the Director of Income Security Issues (Disability and Welfare), General Accounting Office, transmitting pursuant to law a report entitled "Immigration Reform Federal Programs Show Progress in Implementing Alien Verification Systems"; to the Committee on the Judiciary.

EC-878. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report of the Department of Housing and Urban Development under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-879. A communication from the Acting Chairman of the Farm Credit Administration, transmitting, pursuant to law, the annual report of the Farm Credit Administration under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-880. A communication from the Secretary of Veterans' Affairs, transmitting, pursuant to law, a report on cases granted equi-

table relief in calendar year 1988; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-48. A resolution adopted by the Senate of the State of Ohio; to the Committee on Finance:

"RESOLUTION

"Whereas, the members of the Senate of the 118th General Assembly of Ohio urge the 101st Congress and the President of the United States to support prompt and effective extension of the steel Voluntary Restraint Arrangements; and

"Whereas, in 1984, steel imports equaled approximately twenty-five percent of the United States steel market, and, in an attempt to aid domestic producers, President Ronald Reagan endorsed negotiations with major foreign steel suppliers concerning voluntary agreements which would limit shipments of steel to the United States. Since 1984, when the Voluntary Restraint Arrangements were first instituted, conditions abroad have changed very little, and the underlying economic condition of the domestic steel industry remains fragile; and

"Whereas, since their inception, the Voluntary Restraint Arrangements have enabled domestic steel producers to improve their international competitiveness, yet despite these gains, foreign producers continue to receive massive subsidies from their governments, foreign steel markets are still tightly restricted to imports, foreign producers continue to "dump" steel imports at artificially low prices, and there remains a structural imbalance between world steel supply and demand. Indeed, the domestic steel industry's continued profitability will be severely threatened if surges of unfairly traded imports are allowed to resume; and

"Whereas, a healthy domestic steel industry is critical to America's national security, industrial base, and infrastructure, unfortunately, however, the United States steel industry continues to lag behind other foreign steel industries in such vital areas as product yield, energy efficiency, and continuous casting rate. In order to assure ongoing worker retraining, reinvestment in new plants and equipment, and modernization of operations, it is imperative that Voluntary Restraint Arrangements be extended for five years; therefore be it

"*Resolved,* That we, the member of the Senate of the 118th General Assembly of Ohio, in adopting this Resolution, urge the 101st Congress and the President of the United States to extend the steel Voluntary Restraint Arrangements for five years; and be it further

"*Resolved,* That the Clerk of the Senate transmit a duly authenticated copy of this Resolution to the President of the United States, to the Speaker of the Ohio House of Representatives, to the President of the United States Senate, and to the Ohio Congressional Delegation."

POM-49. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Energy and Natural Resources:

"H. CON. RES. 12

"Whereas it has been proposed that more than five million acres of federal land in Utah be designated as Bureau of Land Management wilderness;

"Whereas the proposal would add to the almost six million acres of Utah land now being managed for single use;

"Whereas Utah already has an enormous amount of land in five national parks, designated wilderness areas, recreation areas under park service or forest service jurisdiction, bombing and gunnery ranges under Department of Defense jurisdiction, and Indian reservation, which wilderness;

"Whereas since the Bureau of Land Management has not yet made a recommendation it would be premature for Congress to interfere in the process and designate further Utah land as wilderness;

"Whereas the Bureau of Land Management may recommend further lands in Utah for wilderness designation;

"Whereas if after the study process is completed, it is determined that further protection is needed of certain federal lands, the multiple use potential of those lands should be preserved by managing them using administrative procedures allowed by current law, rather than through congressional designation as wilderness;

"Whereas land should only be protected if it has been scrutinized and determined to be a unique area, is not a duplication of values protected in other proposed or designated wilderness, and meets the legal standards established by Congress;

"Whereas many of the 3.2 million acres inventoried and proposed as wilderness do not have unique characterics, and do not meet the legal criteria for wilderness; and

"Whereas given the fact that designation as wilderness or as an "area of critical environmental concern" seriously impacts the economy of the area and of the state, it is essential that such designation be carefully considered.

"Whereas therefore, be it resolved that the Legislature of the state of Utah, the Governor concurring therein, declares its opposition to congressional consideration of designation of additional wilderness until the Bureau of Land Management completes its study and makes its final recommendations."

Be it Further Resolved that the Legislature and Governor prefer that no additional lands in Utah be designated as wilderness, and declare their opposition to the designation of any lands as wilderness that do not meet the legal criteria established by Congress for wilderness.

Be it Further Resolved that if certain lands in Utah are appropriate for protection because they are unique, or because they contain features unlike other wilderness lands, that those lands should be administratively protected by the Bureau of Land Management, rather than designated as wilderness.

Be it Further Resolved that in the designation of any Utah lands as wilderness or "areas of critical environmental concern," consideration be given to the impact of the designation on local and state economies.

Be it Further Resolved that the Legislature and Governor oppose any designation of land that would include or affect the revenues from state and institutional trust lands.

Be it Further Resolved that copies of this resolution be prepared and sent to the director of the Bureau of Land Management, the Secretary of the Interior, the President of the United States, the members of Utah's congressional delegation, the Vice-President of the United States, and the Speaker of the United States House of Representatives.

POM-50. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Energy and Natural Resources:

"H. CON. RES. 5

"Whereas a battle between a band of the Northwestern Shoshone Indians and members of the California Volunteers under the command of Colonel Patrick Edward Connors, U.S. Army, Military District of Utah took place on January 29, 1863, on the Bear River about four miles northwest of the present-day Preston, Idaho;

"Whereas between 250 and 300 Shoshone Indians, including men, women, and children were killed or wounded at Bear River, making it one of the first, and one of the largest, Indian battles west of the Mississippi;

"Whereas because the Battle of Bear River occurred during the Civil War it has been largely ignored by historians;

"Whereas the Bear River—Battle Creek Monument Committee has been formed for the purpose of obtaining national recognition for the battle in the form of a national monument commemorating this historic event and the site where it took place; and

"Whereas during November and December 1986, the board of county commissioners of Franklin, Caribou, Bear Lake, and Bannock Counties of Idaho and Cache, Box Elder, and Rich Counties of Utah passed a resolution endorsing and supporting the committee in its efforts to commemorate the Battle of Bear River and urging the state and federal governments to study the establishment of a national monument at Bear River.

"Now, therefore, be it resolved by the Legislature of the state of Utah, the Governor concurring therein, requests that the National Park and all other appropriate state and national agencies study and take under advisement the establishment of a national monument at the site of the Battle of Bear River.

"Be it further resolved that copies of this resolution be sent to the congressional delegations representing Utah and Idaho in the Congress of the United States and the Director of the National Park Service."

POM-51. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Finance:

"H. CON. RES. 33

"Whereas the State of Indiana, its local governments, and the other political subdivisions of Indiana historically have issued bonds to provide for public needs not otherwise provided for by available funds, including public conveniences and necessities such as roads, public buildings, sewers, water, gas and electric utilities and related facilities, and schools; and

"Whereas the interest on such bonds has been free of taxation under federal income tax laws; and

"Whereas the United States Supreme Court has recently determined that the issuance of tax exempt bonds by state and local governments, and their political subdivisions is not protected by the United States Constitution, but is left to the decision making process of the legislative branch of the United States Government; and

"Whereas the United States Congress over the past decades has time after time restricted the purposes for which tax exempt bonds can be issued and has made more difficult and costly the methodologies that

must be used in issuing tax exempt bonds; and

"Whereas it is in the best interest of the citizens of state and local governments and their political subdivisions that tax exempt financing remain available for state and local governments and their political subdivisions as an indispensable way in which they can continue to provide necessary public services and facilities; Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

"SECTION 1. That this body opposes any further restrictions in existing federal laws or regulations impeding or limiting the issuance of tax exempt bonds by state and local governments and their political subdivisions.

"SEC. 2. That this body supports federal legislation that will allow Indiana's citizens to benefit from the continued availability of tax exempt bonds for public purposes and supports amending the Internal Revenue Code to permit greater utilization of tax exempt financing by state and local governments and their political subdivisions.

"SEC. 3. That this body urges the Indiana delegation to the One Hundred First United States Congress, the House Ways and Means Committee, the Senate Finance Committee and the members of those committees to implement this Resolution.

"SEC. 4. That copies of the Resolution be sent to the presiding officers and to the majority and minority leaders of both houses of Congress, to each member of Congress representing the people of Indiana, to the House Ways and Means Committee and each member of that committee, and to the Senate Finance Committee and each member of that committee."

POM-52. A joint resolution adopted by the Legislature of the State of Iowa; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION 7

"Whereas the First Congress of the United States of America, at its first session, sitting in New York, New York, on September 25, 1789, in both houses, by a constitutional majority of two-thirds, has proposed an amendment to the Constitution of the United States of America in the following words:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled two-thirds of both Houses concurring, That the following (Article) be proposed to the legislatures of the several states, as (an Amendment) to the Constitution of the United States, . . . which (Article), when ratified by three-fourths of said legislatures, to be valid to all intents and purposes, as part of the said Constitution, viz;

" '(An Article) in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the Legislatures of the several States, pursuant to the fifth Article of the original Constitution.

" 'ARTICLE

" 'No law, varying the compensation for the services of the Senators and Representatives, shall take effect until an election of Representatives shall have intervened.'

"Whereas Article V of the Constitution of the United States allows the ratification of the proposed amendment to the United States Constitution by the General Assembly of the State of Iowa; and

"Whereas the proposed amendment to the Constitution of the United States has already been ratified by the Legislatures of the following States in the years indicated: Maryland in 1789; North Carolina in 1789; South Carolina in 1790; Delaware in 1790; Vermont in 1791; Virginia in 1791; Ohio in 1873; Wyoming in 1978; Maine in 1983; Colorado in 1984; South Dakota in 1985; New Hamsphire in 1985; Arizona in 1985; Tennessee in 1985; Oklahoma in 1985; New Mexico in 1986; Indiana in 1986; Utah in 1986; Montana in 1987; Connecticut in 1987; Arkansas in 1987; Wisconsin in 1987; Georgia in 1988; West Virginia in 1988; and Louisiana in 1988; and

"Whereas Article V of the Constitution of the United States does not state a time limit on ratification of an amendment submitted by Congress, and the First Congress specifically did not provide a time limit for ratification of the proposed amendment; and

"Whereas the United States Supreme Court has ruled in Coleman v. Miller, 307 U.S. 433 (1939), that an amendment to the United States Constitution may be ratified by States at any time, and Congress must then finally decide whether a reasonable time had elapsed since its submission when, in the presence of certified ratifications by three-fourths of the States, the time arrives for the promulgation of the adoption of the amendment; now therefore,

"Be it resolved by the General Assembly of the State of Iowa: That the foregoing proposed amendment to the Constitution of the United States is hereby ratified and consented to by the State of Iowa and the General Assembly thereof; and

"Be it further resolved, That the Governor of the State of Iowa forward certified copies of this resolution over the seal of the State of Iowa to the Archivist of the United States, and to the presiding officers of the Senate and House of Representatives of the United States.

"Be it further resolved, That the General Assembly of the State of Iowa urges the State Legislatures of those States which have not done so to follow Iowa in ratifying the proposed amendment and that, as an incentive for them to do so, copies of the foregoing preamble and resolution be transmitted to those State Legislatures."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Special Report entitled "Legislative and Oversight Activities During the 100th Congress By The Committee on Veterans' Affairs" (Rept. No. 101-16).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEFLIN:

S. 727. A bill to amend the Animal Welfare Act to provide protection to animal research facilities from illegal acts; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DANFORTH (for himself, Mr. BOND, and Mrs. KASSEBAUM):

S. 728. A bill to amend the Hazardous Materials Transportation Act regarding the transportation of certain materials, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. KASSEBAUM (for herself, Mr. DANFORTH, and Mr. BOND):

S. 729. A bill to assure additional protection in connection with the transportation of radioactive materials; to the Committee on Commerce, Science, and Transportation.

By Mr. COATS:

S. 730. A bill to request the President to award gold medals on behalf of Congress to Frank Capra, James M. Stewart, and Fred Zinnemann, and to provide for the production of bronze duplicates of such medals for sale to the public; to the Committee on Banking, Housing, and Urban Affairs.

S. 731. A bill to request the President to award a gold medal on behalf of Congress to Robert Wise and to provide for the production of bronze duplicates of such medal for sale to the public; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BREAUX (for himself, Mr. LOTT, Mr. SANFORD, and Mr. MCCAIN):

S. 732. A bill to implement the recommendations of the Interagency Committee and the Technical Study Group on Cigarette and Little Cigar Fire Safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN:

S. 733. A bill to prohibit the importation of assault weapons and certain accessories; to the Committee on Finance.

By Mr. BREAUX:

S.J. Res. 97. Joint resolution to propose an amendment to the Constitution of the United States to protect the cultural rights of all Americans; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 95. Resolution to direct the Senate Legal Counsel to represent the Senate, Senators SANFORD, HEFLIN, and WALLOP, former Senator Stennis, and a Senate employee in the case of Candis O. versus United States Senate et al.; considered and agreed to.

S. Res. 96. Resolution to authorize testimony by two Senate employees in the case of United States v. Gregory Sitzman, et al.; considered and agreed to.

By Mr. HELMS (for himself, Mr. GRAMM, Mr. DOLE, Mr. BOND, Mr. GRAHAM, Mr. GRASSLEY, Mr. MACK, Mr. METZENBAUM, Mr. WILSON, Mr. LAUTENBERG, Mr. BOSCHWITZ, Mr. NICKLES, Mr. PACKWOOD, Mr. HEINZ, Mr. DOMENICI, Mr. MCCAIN, Mr. SYMMS, Mr. D'AMATO, Mr. PRESSLER, Mr. HATCH, Mr. HUMPHREY, Mr. COATS, Mr. BURNS, and Mr. KASTEN):

S. Res. 97. Resolution expressing the sense of the Senate regarding Palestine Liberation Organization terrorism; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEFLIN:

S. 727. A bill to amend the Animal Welfare Act to provide protection to animal research facilities from illegal

acts; to the Committee on Agriculture, Nutrition, and Forestry.

ANIMAL RESEARCH FACILITIES PROTECTION ACT

Mr. HEFLIN. Mr. President, the Animal Research Facility Protection Act, legislation I introduced today, is designated to deter crimes committed against the great research institutions of this country. The fact that the United States is the preeminent leader in contributing lifesaving cures and life-improving treatment for the diseases which plague the world, should be a source of pride for our citizens. Most of us are grateful that animal research helped lead to the eradication of polio and other childhood diseases and provided relief from the suffering caused by heart disease, stroke, diabetes, and countless other illnesses. We are grateful, too, that scientists continue to seek solutions to the maladies which still beset us, like Alzheimer's disease, AIDS, cancer, mental illness, spinal cord, and head injuries.

Unfortunately, there are some people so opposed to the use of animals in this essential research that they are setting fire to research facilities or breaking into laboratories to steal animals and destroy equipment, records and research data. There are dozens of recent examples. The latest incident occurred this week.

Early Monday morning, April 2, two separate buildings at the University of Arizona were set ablaze and destroyed—ironically one arson target was a veterinary diagnostic laboratory devoted to animal health care and the other was the office of university veterinarians who take care of the laboratory animals. Two additional University of Arizona laboratories were broken into and vandalized. Hundreds of research animals were stolen. Some of the mice taken were infected with an organism—cryptosoridum—which causes dehydration and death in Third World peoples. In this country, malnourished children, AIDS patients and other people with compromised immune systems who may be exposed to the stolen animals are at risk for disease.

A group calling itself, "the Animal Liberation Front" claimed responsibility for the arson, theft, and intimidation. Their press release claimed the Arizona raid was conducted as "as act of mercy and compassion for the individual animal victims and also as part of a larger international campaign against the scientific and medical industry. * * *" Similar illegal acts in the name of animal rights have occurred across the country. Their frequency and severity are escalating in the United States.

In Great Britain, where the pattern of illegal animal protest predates our own, bombs have been planted in researchers' cars and in university buildings. In this country many death threats and other harassment of researchers are not reported by the press in order to protect scientists and their families. Scientists from the research facilities in my own State tell me that the situation has worsened.

The victims of the illegal acts of animals liberation supporters are not only research institutions and staff but all of us. The immediate cost of crimes against research facilities is severe, but the ultimate cost to society as a whole is inestimable. Lost research time and information means the delay or loss of the products of that research. The real price of the crime my legislation seeks to prevent is paid by all those who are waiting for cures and treatment for their afflictions. Human beings, or course, will pay the price, but so will all animal life, for animals as well as people benefit from research.

Extremists who perpetrate crimes in the name of animal rights ignore not only the rights of others, but also their own rights of free speech. Responsible dissent is protected by law—none of us would have it any other way.

But ideological terrorists and vigilantes who take the law into their own hands must be stopped. Everyone can agree that we owe an enormous debt to research animals. Laboratory animals should be utilized only when necessary and must be well cared for and respected for humane as well as scientific reasons. But no one can condone lawless and senselessly destructive acts for whatever reason they are motivated.

The Animal Research Facility Protection Act is needed to support law enforcement efforts around the country. Crimes against the Nation's research facilities should be Federal offenses. The Federal investigative capability and legal system must be brought to bear against research sabotage that threatens the future health of the Nation. No single State is able to provide the legal protection required to combat crime arising from interstate and possibly even international saboteurs.

The criminals responsible for Monday's arsons, thefts, and public health threat in Arizona say that concrete and steel doors will not stop them. They say they will keep coming back until all research with animals is stopped. Their attitude is an affront to common sense. I contend that it is the animal terrorists that must be stopped before they cause any more harm to the public and the animals they purport to protect.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Animal Research Facilities Protection Act of 1989".

SEC. 2. FINDINGS.

Congress finds that—

(1) there has been an increasing number of illegal acts committed against animal facilities;

(2) these actions not only abridge the property rights of the owner of the facility, they may also damage the public interest by jeopardizing crucial scientific, biomedical, or agricultural research;

(3) these actions can also threaten the public safety by exposing communities to contagious diseases;

(4) these actions may substantially damage federally funded research;

(5) disruption of scientific research supported by the Federal Government can result in the potential loss of physical and intellectual property;

(6) Federal protection of animal research facilities is necessary to prevent and eliminate burdens on commerce; and

(7) the welfare of animals as well as productive use of Federal research funds require regulation to prevent unauthorized possession, alteration, destruction, or transportation of research records, test data, research materials, equipment, research animals, or any combination thereof.

SEC. 3. PROHIBITED ACTS.

It shall be unlawful for any person—

(1) to release, steal, or otherwise intentionally cause the loss of any animal from a research facility;

(2) to damage, vandalize, or steal any property in or on a research facility;

(3) to obtain access to a research facility by false pretenses for the purpose of performing acts not authorized by that facility;

(4) to break and enter into any research facility with an intent to destroy, alter, duplicate, or obtain unauthorized possession of records, data, materials, equipment, or animals;

(5) by theft or deception knowingly to obtain control that is unauthorized or to exert control that is unauthorized over records, data, material, equipment, or animals of any research facility for the purpose of depriving the rightful owner or research facility of the records, material, data, equipment, or animals or for the purpose of using, concealing, abandoning, or destroying such records, material, data, equipment, or animals;

(6) to possess or use records, material, data, equipment, or animals or in any way to copy or reproduce records or data of a research facility knowing or reasonably believing such records, materials, data, equipment, or animals to have been obtained by theft or deception or without authorization of the research facility; or

(7) to enter or remain on a research facility with the intent to commit an act prohibited under this section.

SEC. 4. PENALTIES.

(a) IN GENERAL.—Any person who violates any provision of section 3 shall be subject to a fine of not more than $5,000 or imprisoned for not more than 1 year, or both, for each such violation.

(b) RESTITUTION.—

(1) COST.—The United States District Court or the United States Magistrate, as

the case may be, shall determine the reasonable cost of replacing materials, data, equipment or animals, and records that may have been damaged or cannot be returned, and the reasonable cost of repeating any experimentation that may have been interrupted or invalidated as a result of a violation of section 3.

(2) ORDER.—Any persons convicted of such violation shall be ordered jointly and severally to make restitution to the research facility in the full amount of the reasonable cost determined under paragraph (1).

SEC. 5. COURT JURISDICTION.

The United States District Courts, the District Court of Guam, the District Court of the Virgin Islands, the Highest Court of American Samoa, and the United States courts of the other territories, are vested with jurisdiction specifically to enforce, to prevent, and to restrain violations of this Act, and shall have jurisdiction in all other kinds of cases arising under this Act.

SEC. 6. PRIVATE RIGHT OF ACTION.

(a) IN GENERAL.—Any research facility injured in its business or property by reason of a violation of this Act may recover actual and consequential damages, and the cost of the suit (including a reasonable attorney's fee), from the person or persons who have violated any provisions of this Act.

(b) CONSTRUCTION.—Nothing in this Act shall be construed to affect any other rights of a person injured in its business or property by reason of a violation of this Act. Subsection (a) shall not be construed to limit the exercise of any such rights arising out of or relating to a violation of section 3.

SEC. 7. STATEMENT OF POLICY ON TRANSPORTATION, SALE, AND HANDLING OF CERTAIN ANIMALS.

The first sentence of section 1(b) of the Animal Welfare Act (7 U.S.C. 2131) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) to protect against the theft or destruction of animals, equipment, and data from research facilities.".

SEC. 8. STUDY OF EFFECT OF TERRORISM ON CERTAIN ANIMAL FACILITIES.

(a) STUDY.—The Secretary of Agriculture and the Attorney General of the United States shall jointly conduct a study on the extent and effects of domestic and international terrorism on animal research, production, and processing facilities and all other facilities in which animals are used for research, food production, exhibition, or pets.

(b) RESULTS.—Not later than 1 year after the date of enactment of this Act, the Secretary and Attorney General shall submit a report that describes the results of the study conducted under subsection (a), together with any appropriate recommendations and legislation, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 9. EFFECT ON STATE LAWS.

Nothing in this Act shall be construed to effect or preempt any State law or regulation.

SEC. 10. EFFECTIVE DATE.

This Act shall become effective on the date of enactment of this Act.

By Mr. DANFORTH (for himself, Mr. BOND, and Mrs. KASSEBAUM):

S. 728. A bill to amend the Hazardous Materials Transportation Act regarding to transportation of certain materials, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AMENDING THE HAZARDOUS MATERIALS TRANSPORTATION ACT

● Mr. DANFORTH. Mr. President, one of the critical issues that the 101st Congress must address is how to ensure the safety of hazardous materials transportation. Missourians have a keen interest in this subject—Missouri lies at the transportation crossroads of the Nation.

Kansas City is the second busiest railroad hub in the Nation, followed immediately by St. Louis. No fewer than five interstate highways cross our State. I-70, the major east-west artery, links St. Louis and Kansas City with Columbia along the way. I-44 connects St. Louis and Springfield. St. Louis alone is transversed by Interstates I-70, I-64, and I-44; Kansas City by Interstates I-29, I-35, and I-70.

Missourians cannot escape the fact that major transportation activity means major hazardous materials activity. Two-thirds of all hazardous materials shipped in the United States are transported by rail, primarily on the highest grade tracks between major cities, or by truck, mainly on the interstate highways. Barges, traveling on the Great Lakes and on rivers like the Mississippi and the Missouri, carry the third largest amount of hazardous goods.

Missourians have a right to expect that hazardous materials will be transported through their State as safely as possible. The bill Senator BOND and I are introducing today directly responds to concerns raised by our constituents. However, enactment of this legislation would make hazardous materials transportation safer, not only for Missouri, but for the Nation.

With regard to the shipment of spent nuclear fuel from the damaged Three Mile Island reactor in Pennsylvania to a research facility in Idaho, St. Louis area residents and the St. Louis Post Dispatch have expressed several concerns. We have worked extensively with the Department of Transportation [DOT] and the Department of Energy [DOE] to make sure the current shipping campaign is safe, but we need laws that guarantee the safety of future nuclear transportation activities.

Other provisions in the bill make sure DOT has the tools it needs to penalize individuals or companies whose carelessness, neglect, or disregard for hazardous materials transportation laws or regulations jeopardize public safety.

Specifically, the bill would require the following:

1. MANDATORY USE OF DEDICATED TRAINS

Currently, shippers can decide to transport railcars carrying high-level radioactive materials on mixed trains transporting everything from dangerous chemicals to grain. The choice to ship Three Mile Island nuclear wastes by dedicated train has been a matter of policy. It needs to be a matter of law. This bill directs the Secretary of Transportation to require that single-purpose trains be used for all rail shipments of high-level radioactive wastes or spent nuclear fuel.

2. ESTABLISHMENT OF DOT STANDARDS FOR SELECTING THE SAFEST MODES AND ROUTES FOR TRANSPORTING HIGH-LEVEL RADIOACTIVE MATERIALS AND SPENT NUCLEAR FUEL

Decisions on modes and routes for nuclear shipments now are made at the whim of the shipper, who often is more concerned about cost cutting than safety. This provision would require DOT to set—and shippers to use—clear and objective guidelines that take into consideration factors such as population densities, emergency response capabilities, and potential environmental impacts along alternative highway or railroad routes.

3. MANDATORY FULL-SCALE TESTING AND NUCLEAR REGULATORY COMMISSION [NRC] CERTIFICATION OF NUCLEAR SHIPPING PACKAGES

At this time, the NRC, the independent regulatory agency responsible for the overall safety of nuclear activities, sets strict standards for certification of new nuclear shipping packages. DOE, the agency responsible for transporting spent nuclear fuel from commercial facilities to DOE operated research or disposal sites, is allowed to self-certify nuclear packages for its own use, as long as its standards are equal to those used by the NRC.

Both NRC and DOE use a combination of one-fourth scale model testing and engineering analysis to judge whether new nuclear shipping packages meet safety standards. In fact one-fourth scale models have worked during field trials, only to have the full-scale versions fail under similar conditions. This provision makes full-scale testing mandatory.

Also, this provision would require that NRC, an independent regulatory agency, certify all nuclear packages used in commerce, rather than allowing DOE to self-certify its own packages. The fox shouldn't be guarding the hen house.

4. AUTHORIZATION OF 20 DOT INSPECTORS DEDICATED TO SAFE TRANSPORTATION OF RADIOACTIVE MATERIALS

DOT's only nuclear transportation safety inspector recently left the department. In the meantime, between 100 and 300 shipments of high-level radioactive waste and spent nuclear fuel are being transported annually. Thousands of low-level radioactive

shipments, many of them for medical or research purposes, also are being shipped each year.

We don't know how many of these shipments are inspected now. Transportation safety generalists at the Federal level inspect some of them; State and local inspectors inspect others. This provision, which is similar to legislation first introduced by Senator NANCY KASSEBAUM during the 100th Congress, would ensure that all high-level radioactive shipments would be inspected at point of origin, and that lower-level radioactive shipments would be checked regularly.

5. MANDATORY PERMITTING OF MOTOR CARRIERS TRANSPORTING CERTAIN VERY HAZARDOUS MATERIALS

Currently, the DOT does not have a complete list of motor carriers who transport various hazardous materials, nor can they tell which ones operate safely. This provision would require motor carriers to obtain a Federal permit to transport certain highly dangerous cargoes: Class A or B explosives, materials that are extremely toxic by inhalation, or certain radioactive materials. Carriers who fail to comply with the law would lose their permits. Shippers could use permitted carriers only.

6. RETENTION OF PLACARDING ON PACKAGES OR CONTAINERS UNTIL ALL HAZARDOUS MATERIALS HAVE BEEN REMOVED

On November 29, 1988, six Kansas City firemen were killed when the arson-caused fire they were fighting caused the violent explosion of an unmarked truck trailer parked at a highway construction site. Because the trailer's hazardous materials warning placards had been removed, the firemen were unaware that it contained over 25,000 pounds of explosives. This provision would require packages, containers or vehicles containing hazardous materials to remain placarded until their dangerous contents are gone.

7. DELETION OF "KNOWINGLY" FROM THE CIVIL PENALTIES SECTION OF THE HAZARDOUS MATERIALS TRANSPORTATION ACT

The Hazardous Materials Transportation Act makes any person who "knowingly commits" a violation of the act or its regulations liable for a civil penalty. DOT always has interpreted the term "knowingly" to mean that a person knew, or in the exercise of reasonable care should have known, of the facts constituting a violation.

However, a U.S. district court recently ruled that DOT could not levy penalties unless it could prove that the actions of a person or company involved "willful negligence," or a "reckless disregard for the probable consequences." If this standard prevails, DOT will be powerless to protect the public from careless transporters of hazardous goods, unless their violations are especially egregious.

It is obvious that the court's decision goes too far, seriously undermining DOT's existing enforcement efforts. However, given the increasing number of hazardous shipments that travel through our Nation each year, and the inherent risks involved, it is clear that the DOT's current "reasonable care" standard falls short as well. This provision simply requires that persons entrusted with the safe transportation of hazardous materials must obey the law. Period.

8. ADDITION OF CIVIL OR CRIMINAL PENALTIES FOR VIOLATIONS OF DOT "COMPLIANCE ORDERS"

Currently, DOT is authorized to issue compliance orders, but only the district courts of the United States, upon petition by the U.S. Attorney General, can enforce such orders. This provision would authorize DOT to enforce compliance orders.

9. PROHIBITION AGAINST TAMPERING WITH HAZARDOUS MATERIALS SHIPMENTS

During 1988, an improperly placarded car was hooked up to one of the Three Mile Island spent nuclear fuel trains as it was about to enter Missouri. During the investigation of this incident, we learned that no provision in the existing Hazardous Materials Transportation Act explicitly prohibits tampering with such shipments.

This provision provides for civil penalties for any person, without lawful authorization, who tampers with markings, placards or documents required on a hazardous materials shipment, or with any package, container, motor vehicle, railroad car, aircraft, or vessel used for transporting hazardous materials.

10. PROHIBITION AGAINST MOTOR CARRIERS WITH UNSATISFACTORY SAFETY RATINGS FROM CARRYING HAZARDOUS MATERIALS

Currently, DOT audits motor carriers and assigns them ratings of "satisfactory," "conditional," or "unsatisfactory." A motor carrier must have a number of serious safety violations before it is given an "unsatisfactory" rating, and even then the carrier is free to operate. As a result, some 1,100 hazardous materials carriers now operating have "unsatisfactory" safety ratings. This provision would ban any motor carrier with an "unsatisfactory" rating from transporting hazardous cargoes on our Nation's highways.

Mr. President, this simple and straightforward bill would improve the safety of hazardous materials transportation nationwide. We urge our colleagues to support its early enactment.●

● Mr. BOND. Mr. President, today Senator DANFORTH and I are introducing legislation which will make it safer to ship hazardous materials and spent nuclear fuel through Missouri and throughout the country.

While all regions of the country must deal with this issue, our State's location makes it an even higher priority for us. Because Missouri is in the center of the country, we are the transportation hub of the Nation. Highways, rivers, and rail lines cross our State in large numbers and make Missouri one of the most heavily traveled States in the Nation.

The transport of hazardous materials is a necessary and important function. It is so important, in fact, that it should only be carried out in the safest fashion possible. While our current regulatory system is good, I believe that it can stand some improvement. Our bill will do that by closing several crucial loopholes in the current law.

This legislation addresses the problems that have been raised by the shipment of TMI waste through our State. For starters, it would require that the waste be shipped on dedicated trains. DOE currently has the discretion to ship a cask carrying TMI waste on trains carrying all kinds of other commodities—for example, coal, grain or dangerous chemicals. This legislation would only allow shipment on single purpose trains—the only commodity allowed would be spent nuclear fuel or high level radioactive wastes. Second, DOT would have to establish clear standards for determining how and where the shipments will be transported to their destination. The factors it would have to take into consideration include: Population densities, emergency response capabilities and potential environmental effects along alternative highway or railroad routes. Third, we would require NRC and DOE to use full scale models of shipping casks for testing purposes instead of the current practice of using only one-fourth scale models. This is to correct the problem where the one-fourth scale models work fine during field tests but the full scale models fail under similar conditions. The bill would also change the agency responsible for safety certification of nuclear waste shipments from DOE to NRC. DOE is currently allowed to certify its own shipments—those going to DOE research or disposal sites. We believe that requiring a different agency's review would ensure a more stringent and objective analysis of the safety of these shipments. Finally, our legislation authorizes 20 new inspectors at DOT whose sole job would be to inspect shipments of high level radioactive waste and spent nuclear fuel. Although it seems unbelievable, DOT has only one nuclear transportation inspector—and he just left the department. The task is currently left to the regular DOT safety inspectors, who are generalists, not specialists. We believe that safe inspection of these shipments calls for special expertise.

Our legislation also makes several much needed changes in the law with regard to the shipment of hazardous materials. Last November, six fire-

fighters in Kansas City were tragically killed by explosions at a construction site where they were trying to fight a fire. As far as we can tell, they had no idea that there were dangerous explosives stored on site. This bill corrects that situation by requiring that the placard currently required on trucks or rail cars during the transport of extremely hazardous materials remain on the truck or rail car if that vehicle is left at its destination point. It could not be removed until the material is used up. Currently, that placard is removed once the material reaches the site—even if the truck or rail car is used for on site storage. If there had been placards on the trailers which exploded in Kansas City, those firemen might be alive today.

We would give the Department of Transportation some additional authority to go after motor carriers who take advantage of gaps in the current law and make our highways unsafe for the rest of us. Motor carriers who transport either radioactive waste or certain types of very hazardous materials—like explosives—would be required to get a permit in order to operate. If they failed to do so, they would lose their right to operate. In addition, carriers who have been given unsatisfactory safety ratings by DOT would be prohibited from carrying any hazardous shipments until they had taken corrective action and were certified as safe by DOT.

Our bill will also help States in their efforts to ensure the safety of their communities and transportation systems by clarifying who is responsible for what in the shipment of hazardous materials and nuclear waste. With so many of these safety procedures currently left to the discretion of Federal agencies, the States have been scrambling to fill in the gaps. We have an excellent State emergency management agency in Missouri but its resources have been stretched thin in trying to carry out its responsibilities. Making these procedures mandatory at the Federal level will be an immense help to them.

This is an excellent and much needed bill and I look forward to working with Senators DANFORTH and KASSEBAUM to ensure its passage.●

● Mrs. KASSEBAUM. Mr. President, I would like to thank my distinguished colleagues from Missouri for introducing this measure. I introduced a related piece of legislation in the Senate earlier today because I share my colleagues' concerns about improving safety in the transportation of hazardous materials.

While my legislation addresses the safety aspects of transporting radioactive materials, I believe the need for safe transport of all types of hazardous materials is clear. This measure appropriately addresses many of the dangers involved with transporting any type of potentially harmful substance.

Two recent incidents in Kansas City, one in the State of Kansas and the other in Missouri, have raised concerns about the handling and labeling of certain dangerous substances. In both cases, trailers loaded with highly flammable and explosive material caught fire. In the tragic case of the incident in Missouri, six firefighters were killed because they were unaware of the dangerous substances inside the burning trailers—there were no placards to warn them of the highly explosive contents.

Exactly 1 week after this terrible disaster, a truck loaded with 1,100 pounds of ammonium perchlorate caught fire in Kansas City, KS. Fortunately, the firemen were able to avoid another disaster by extinguishing this fire before the cargo, a highly explosive solid rocket fuel, was ignited. Since there were no placards on the truck, the firemen had no way of knowing that, given the explosive nature of the rocket fuel, the recommended response for dealing with this fire would have been to let the fire burn and evacuate the area.

Mr. President, Congress cannot afford to ignore the realities of the dangers involved with transporting hazardous materials. In 1988, there were more than 6,100 incidents where hazardous materials were unintentionally released during transport. The bulk of these accidents involved rail and highway carriers. This number will continue to grow unless we take steps now to ensure the safe and responsible transport of these dangerous substances.

For these reasons, I strongly support this measure and ask unanimous consent that my name be added as an original cosponsor.●

By Mrs. KASSEBAUM (for herself, Mr. DANFORTH, and Mr. BOND):

S. 729. A bill to assure additional protection in connection with the transportation of radioactive materials; to the Committee on Commerce, Science, and Transportation.

RADIOACTIVE MATERIALS TRANSPORTATION ACT OF 1989

● Mrs. KASSEBAUM. Mr. President, the disposal of nuclear waste materials is a difficult and emotional issue that defies easy answers. In the daily transportation of nuclear waste across our Nation's highways and railways is the potential for unspeakable disaster.

There is no doubt that shipments of both high-level and low-level nuclear waste will significantly increase in the next 10 years. I am deeply concerned that the Department of Transportation does not possess the resources it needs to ensure that nuclear wastes are transported as safely as possible. Therefore, I am introducing legislation which will mandate the hiring of additional safety inspectors in the DOT.

The legislation is simple. It authorizes such funds as may be necessary for the hiring of 20 additional inspectors who are specialists in nuclear matters. One would be allocated to the Research and Special Programs Administration which has the authority for implementing the Hazardous Materials Transportation Act of 1974, five to the Federal Railroad Administration, and five would be allocated to the Federal Highway Administration. The remaining inspectors would be allocated among the aforementioned administrations at the discretion of the Secretary.

There are nearly 3 million shipments of nuclear waste per year, including 300 shipments of high-level radioactive material. The level of shipments will increase now that sites have been chosen for both high- and low-level nuclear waste disposal. It is my belief that preventative actions need be taken which will preclude any disaster or accident. Last year alone, there were 15 incidents involving an unintentional release of a radioactive material during transport in the United States. While none of these incidents was catastrophic, the fact is that we cannot wait until a disaster occurs before we take steps to increase safety in this area. By bolstering the ranks of inspectors who license commercial drivers; determine routes; and inspect tracks, major signals, and the containment casks, we ensure that safety standards are enforced and maintained and that accidents are avoided.

My home State of Kansas is a corridor for shipment of both types of nuclear waste. The State entered the Central States Compact following the enactment of the Low-Level Radioactive Waste Policy Act in 1980. Given that our neighboring State of Nebraska has been chosen to house the low-level nuclear waste generated by other members of the compact, Kansas can expect to see an even greater number of shipments cross through the State in the future. Needless to say, Kansans are concerned about this eventuality. Better emergency response programs and improved inspection programs must be increased and made available to all States, and safety must be made the No. 1 priority.

Mr. President, I know many Senators have expressed a good deal of concern about this issue. The Commerce Committee has worked diligently in the past, and I know the committee plans to continue to work toward improving the safety of transportation of nuclear materials. I would hope that this legislation could be considered in the course of this ongoing dialog, and

I ask that a copy of the legislation be entered into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 729

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This act may be cited as the "Radioactive Materials Transportation Act of 1989."

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the Department of Transportation's radioactive materials transportation program affecting both low-level and high-level radioactive materials must be improved and strengthened;

(2) the Federal Highway Administration, Federal Railroad Administration, and the Research and Special Programs Administration within the Department of Transportation must be authorized an adequate number of inspectors to ensure and promote compliance with existing federal safety regulations affecting the transportation of radioactive materials; and

(3) for those persons violating existing federal safety regulations, the Secretary of Transportation should impose meaningful and substantive penalties.

ADDITIONAL SAFETY INSPECTORS

SEC. 3. (a) The Secretary of Transportation, in fiscal year 1990, shall employ and maintain thereafter an additional twenty safety inspectors above the number of safety inspectors authorized for fiscal year 1989, in the aggregate, for the Federal Railroad Administration, Federal Highway Administration, and the Research and Special Programs Administration. The Secretary shall take such action as may be necessary to assure that the additional inspectors authorized by this act shall, to the extent possible, focus their activities on the promotion of radioactive materials transportation safety, including, but not limited to—

(1) licensing of drivers and operating practices of engineers;

(2) ensuring that tracks and major signals along routes are inspected at least once each twelve-month period;

(3) inspecting every high-level nuclear truck and rail shipment at the point of origin; and

(4) inspecting, to the maximum extent possible, low-level nuclear shipments.

(b) In carrying out their duty under this act, inspectors authorized by this act shall, to the maximum extent possible, conduct such duty in cooperation with safety inspectors of the Nuclear Regulatory Commission and appropriate state and local government officials.

(c) Of the twenty inspectors authorized by subsection (a), not less than one shall be allocated to the Research and Special Programs Administration, not less than five shall be allocated to the Federal Railroad Administration, not less than five shall be allocated to the Federal Highway Administration, and the remaining inspectors shall be allocated, at the discretion of the Secretary, among the aforementioned administrations.

PENALTIES

SEC. 4. Subsection (a) of Section 110 of the Hazardous Materials Transportation Act is amended (1) by deleting "knowingly" each place it appears therein; and (2) by adding at the end thereof the following: "The amount of the civil penalty imposed under this subsection for the violation of a provision of this act or a regulation shall not be less than $500 for each such violation."

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out this act.●

By Mr. COATS:

S. 730. A bill to request the President to award gold medals on behalf of Congress to Frank Capra, James M. Stewart, and Fred Zinnemann, and to provide for the production of bronze duplicates of such medals for sale to the public; to the Committee on Banking, Housing, and Urban Affairs.

S. 731. A bill to request the President to award a gold medal on behalf of Congess to Robert Wise and to provide for the production of bronze duplicates of such medal for sale to the public, to the Committee on Banking, Housing, and Urban Affairs.

PRESENTATION OF CONGRESSIONAL MEDALS TO CERTAIN INDIVIDUALS

● Mr. COATS. Mr. President, I am pleased to introduce today two bills honoring four giants of the motion picture industry who have made an indelible mark on our national cultural life and whose works represent positive American family values.

I speak of James Stewart, Frank Capra and Fred Zinnemann, who would be recognized in my first bill, and Robert Wise, a native Hoosier, who would be honored in the second bill.

This legislation would award each of them a Congressional Gold Medal in recognition of the outstanding contributions that each has made to our Nation's cultural heritage.

The life work of these four men represents an immense contribution to a truly unique and native American art form—the motion picture. Millions of Americans have had their attitudes, their beliefs, and even their lives influenced and molded by the stories and characters created by these men.

Whose life has not been touched and made richer by Jimmy Stewart's portrayal of George Bailey in small town America during the depression in Frank Capra's classic film "It's a Wonderful Life?" Who was not moved and enlightened by the noble characterization of St. Thomas More in his martyrdom in "A Man for All Seasons?"

Mr. President, the outstanding artistry and creative genius of these men makes them all worthy of the highest honor that Congress can bestow. More importantly still, the character and integrity portrayed by the characters in so many of their films is best exemplified by the actual lives of these four men.

James Stewart is one of Hollywood's all-time most popular actors and one of the screen's nicest guys. His motion picture career spans over 50 years and includes principal roles in over 60 major films. He has starred in such movie classics as "You Can't Take It With You," "Mr. Smith Goes to Washington," "Philadelphia Story," "It's a Wonderful Life," "Destry Rides Again," "Winchester '73," "Broken Arrow," "Harvey," "The Glenn Miller Story," "Strategic Air Command," "The Spirit of St. Louis," "Vertigo," "Bell, Book and Candle," "Flight of the Phoenix," and "Shenandoah." Who will ever forget Harvey and Stewart's antics and camaraderie with that invisible rabbit on both stage and screen?

Born in Indiana, PA, Jimmy Stewart was active in theatrical productions at Princeton, joined a stock company after graduation, and played on the New York stage before going to Hollywood. His acting career was interrupted when, at the age of 34, Stewart volunteered for military service. In the Army Air Corps, he commanded several hundred planes, flew more than 30 bombing missions over Nazi Germany, and was awarded the Distinguished Flying Cross and the Air Medal with Oak Leaf Cluster and was given the Croix de Guerre by the French Government. He received his commission as Air Force colonel at age 36 in 1944. Typifying his modesty and sensitivity, Jimmy Stewart's studio contract following the war explicitly prohibited the use of his war record in promoting his films. It should also be noted that the long marriage of Jimmy and Gloria is itself an enduring Hollywood love story.

Italian-born Frank Capra directed such quintessentially American film classics as "It Happened One Night," "Mr. Deeds Goes to Town," "You Can't Take it With You," "Lost Horizon," "Mr. Smith Goes to Washington," "Meet John Doe," "Arsenic and Old Lace," "It's a Wonderful Life," "State of the Union," and "Pocketful of Miracles." At the outbreak of World War II Capra joined the Army Signal Corps, where he produced and directed the "Why We Fight" series of films. These seven films played a vital part in building morale and educating our soldiers and the public about America's war effort.

As a boy in his native Austria Fred Zinnemann studied violin. He later earned his law degree in Vienna and then studied photographic technique, lighting and mechanics in Paris. At 22, he came to the United States and sought his career in Hollywood, first as a movie extra, then as script clerk and finally as director. His short subject "That Mothers Might Live" won an Academy Award in 1938. As feature director Zinnemann was winner of the

first Screen Directors' Award in 1948 for "The Search." He has since been recognized around the world for his achievements: Four Academy Awards, four New York Film Critics Awards, the city of Vienna's Gold Medal, Donatello Award in Italy, the Order of Arts and Letters in France, and the Golden Thistle Award in Scotland, among others. A man of profound respect for the dignity of the human spirit, Zinnemann's life work is bound in the exploration of the individual conscience through such power films "The Men," "High Noon," "From Here to Eternity," "A Hatful of Rain," "The Nun's Story," "The Sundowners," "A Man for All Seasons," "Day of the Jackal," and "Julia." And who does not delight in the sheer joy generated by the music of Rodgers and Hammerstein in Zinneman's classic "Oklahoma"?

Finally, we must recognize the spirit of excitement, intrigue and adventure that permeates the films of Robert Wise. Mr. Wise, a native of Winchester, IN, started a film career that spans over 50 years in the cutting department at R.K.O. in 1931. He has been a director and producer for the giant studios and for smaller independent studios. He was president of the Academy of Motion Picture Arts and Sciences in 1985–87. Along the way he has made such outstanding adventure films as "Born to Kill," "Two Flags West," "The House on Telegraph Hill," "The Day the Earth Stood still," "The Desert Rats," "So Big," "Executive Suite," "Helen of Troy," "Run Silent, Run Deep," "I Want to Live," "Two for the Seesaw," "The Sand Pebbles," "The Andromeda Strain," "The Hindenberg," and "Star Trek: The Motion Picture." Above all, Robert Wise is a brilliant story teller.

Can anyone ever forget the poignant love story of Maria and Tony, the two teenagers caught between rival warfaring street gangs in New York, and Leonard Bernstein's great score in "West Side Story"? Or the true romance and heroic escape from Nazi-occupied Austria of Maria and the Von Trapp family and the resounding beauty of the songs of Rodgers and Hammerstein in "The Sound of Music"? These two musical tales with a message are among America's favorite motion pictures—and my own. Perhaps Robert Wise will be remembered best for these films—and he should be so honored for them alone.

Mr. President, these four creative geniuses—an actor, two directors and a producer—embody the greatness of Hollywood film making and the positive values that can be found in America's cultural tradition. I salute each of them today, and I ask that they be honored with Congressional Gold Medals.●

By Mr. MOYNIHAN:

S. 733. A bill to prohibit the importation of assault weapons and certain accessories; to the Committee on Finance.

ASSAULT WEAPON IMPORT CONTROL ACT OF 1989

● Mr. MOYNIHAN. Mr. President, I rise to introduce a bill to permanently ban the importation of assault rifles and large-capacity rifle magazines and ammunition belts. President Bush has already ordered a temporary ban on foreign-made assault rifles, pending an administration review of how such weapons should be treated. In addition, Senator METZENBAUM has introduced S. 386, the Assault Weapon Control Act of 1989, of which I am a cosponsor, to ban both the importation and future sale of these weapons. I believe my bill is an important first step towards an eventual ban on the sale of all assault rifles, and it is a step I trust we are ready to take. This bill has already been introduced in the House by Representative GIBBONS, the distinguished chairman of the Ways and Means Trade Subcommittee, and I know that he will seek quick action on the legislation.

The term "assault weapon" aptly characterizes the purpose for which these machines were built. The AK-47, one of the guns this bill would prohibit, was first built for the Soviet and Chinese armies and is a weapon of choice for infantrymen around the world. Indeed, the introduction of assault weapons to America's cities has introduced the violence of war into urban neighborhoods. A February 20 New York Times article entitled "Epidemic in Urban Hospitals: Wounds from Assault Rifles," began:

> In the roughest neighborhoods of cities besieged by the drug trade, where buildings are pocked with bullet holes and the streets ring with gunfire, hospitals have become urban MASH units, with paramedics and doctors treating wounds once seen only on the battlefield.

Semi-automatic weapons differ from ordinary pistols and rifles in an important way: they carry large capacity magazines and are designed to fire the greatest number of bullets in the shortest period of time. An Uzi can fire 30 rounds in 5 seconds. A street sweeper shotgun can fire 12 blasts in 3 seconds. Patrick Edward Purdy, the gunman who killed 5 children and wounded 29 others in Stockton, California fired over 100 rounds in 2 minutes. Such weapons are not designed for sport. They are only designed to kill people.

The National Association of Police Organizations, the U.S. Conference of Mayors, and the American Bar Association support a ban on semiautomatic assault weapons. I concur with their judgment. Police officers should not be expected to do battle with criminals who are armed as well as professional soldiers. I believe that the rapid passage of this bill to ban the import of these insidious weapons is a useful first step, and I hope that my colleagues will concur.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act shall be known as the "Assault Weapon Import Control Act of 1989".

SEC. 2. PROHIBITION ON IMPORTATION OF ASSAULT WEAPONS AND ACCESSORIES.

(a) IN GENERAL.—Except as provided in subsection (b), the importation into the United States of any assault weapon, large-capacity magazine, or large-capacity ammunition belt is prohibited.

(b) EXCEPTIONS.—The prohibition under subsection (a) does not apply to any importation under the authority of the United States, by any department or agency of the United States, or by any department or agency of any State or political subdivision thereof.

SEC. 3. ADMINISTRATION.

(a) DESIGNATION OF ASSAULT WEAPONS.—The Secretary shall designate any semiautomatic firearm (not listed as an assault weapon under subsection (b)) as an assault weapon if the Secretary determines, after notice and opportunity for hearing, that the firearm was specifically or primarily designed as a military or law enforcement armament, regardless of whether the firearm (with or without modifications) is commercially marketed for any other use.

(b) LIST.—The Secretary shall prepare and periodically update a list of assault weapons that are subject to the import prohibition in section 2(a). Listed assault weapons shall be identified by such means (including, but not limited to, brand name, common name, manufacturer's name, design type, or in such other manner considered appropriate by the Secretary) that will clearly indicate to the public the weapons that are subject to the prohibition in section 2(a). The Secretary may also include in the list the brand name or other appropriate identification of large capacity magazines and large-capacity ammunition belts that are subject to such import prohibition. The Secretary shall widely distribute copies of lists prepared under this subsection to the public.

(c) EMERGENCY ORDERS.—The Secretary may issue an emergency order, having an effective period for not longer than 90 days, barring importation of any semiautomatic firearm which the Secretary has reason to believe meets the criteria for designation as an assault weapon under subsection (a).

(d) EXCEPTIONS TO DESIGNATION.—Notwithstanding any provision of this Act, a semiautomatic firearm may not be designated as an assault weapon under subsection (a) if such firearm—

(1) does not employ fixed ammunition;

(2) was manufactured before 1899;

(3) operates manually by means of a bolt, lever, slide, or similar action;

(4) is a single shot weapon;

(5) is a multiple barrel weapon;

(6) is a weapon, other than a shotgun, having a revolving cylinder;

(7) employs a fixed magazine with a capacity of 10 rounds or less;

(8) cannot employ a detachable magazine or ammunition belt with a capacity greater than 10 rounds;

(9) is modified so as to render it permanently unserviceable or to make it permanently a device which may not appropriately be designated as an assault weapon.

(e) PERIODIC REVIEW.—The Secretary, in consultation with the Attorney General, shall undertake a review of the types and kinds of semiautomatic firearms that are being manufactured in the United States and abroad and on the basis of such review—

(1) recommend to the Congress such modifications to the specification of assault weapons under section 4(2) as the Secretary considers appropriate; and

(2) take such action under section 3(a) as the Secretary considers appropriate.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) The term "assault weapon" means—

(A) any weapon referred to in paragraph (2);

(B) any semiautomatic firearm designated as an assault weapon by the Secretary under section 3(a); or

(C) any version of any semiautomatic firearm referred to in paragraph (2) or designated under section 3(a), including any semiautomatic firearm that—

(i) has the same name as any firearm so referred to or designated, or

(ii) however named, is substantially the same kind of firearm as any firearm so referred to or designated.

(2) The following are assault weapons for purposes of paragraph (1)(A):

(A) Avtomat Kalashnikov semiautomatic firearms.

(B) Uzi semiautomatic firearms.

(C) M-10 or 11 semiautomatic firearms.

(D) TEC 9 and TEC 22 semiautomatic firearms.

(E) Ruger Mini 14 semiautomatic firearms.

(F) AR-15 semiautomatic firearms.

(G) Beretta AR 70 semiautomatic firearms.

(H) FN-FAL and FN-FNC semiautomatic firearms.

(I) Steyr Aug semiautomatic firearms.

(J) H and K 91/93/94 semiautomatic rifles.

(K) USAS-12 shotguns.

(L) Street Sweeper and Striker 12 revolving cylinder shotguns.

(M) Any other semiautomatic firearm with a fixed magazine capacity exceeding 10 rounds.

(N) Any other shotgun with a fixed magazine, cylinder or drum capacity exceeding 6 rounds.

(3) The term "large-capacity magazine" means—

(A) a box, drum, or other container which holds, or which may be readily converted to hold, more than 10 rounds of ammunition to be fed continuously into a semiautomatic firearm;

(B) any combination of parts from which any container referred to in subparagraph (A) can be assembled; or

(C) any part specifically designed for use in assembling any such container.

(4) The term "large-capacity ammunition belt" means—

(A) a belt or strip which holds, or which may be readily converted to hold, more than 10 rounds of ammunition to be fed continuously into a semiautomatic firearm;

(B) any combination of parts from which a belt or strip referred to in subparagraph (A) can be assembled; or

(C) any part specifically designed for use in assembling any such belt or strap.

(5) The term "Secretary" means the Secretary of the Treasury.

(6) The term "semiautomatic firearm" means a weapon that utilizes the force of a fired cartridge to extract the case of such cartridge and to chamber the next cartridge, but requires a separate pull of the trigger to fire such next cartridge.

SEC. 5. EFFECTIVE DATE.

This Act takes effect on the 30th day after the date of the enactment of this Act.●

By Mr. BREAUX:

S.J. Res. 97. Joint resolution to propose an amendment to the Constitution of the United States to protect the cultural rights of all Americans; to the Committee on the Judiciary.

CULTURAL RIGHTS AMENDMENT TO THE CONSTITUTION

● Mr. BREAUX. Mr. President, I rise today to introduce a proposed amendment to the Constitution. This amendment would recognize the right of all Americans to the preservation of individual cultural traditions.

This country is great because we recognize and accept our cultural diversity. I am proud of my heritage, as are many of my colleagues here in the Senate and in the House of Representatives. This diversity of cultural origins broadens the perspective of Congress and has been one factor in the success to the American system of government.

In my home State of Louisiana, we recognize the importance of our cultural heritage. The State Constitution prohibits discrimination on the basis of culture and recognizes "the right of people to preserve, foster and promote their respective historic, linguistic, and cultural origins." I strongly support this approach and present it here today for consideration at the Federal level.

If America is going to remain as a leader committed to the principle of freedom and cognizant of cultural pluralism, we must not eliminate opportunities for individual linguistic and cultural development. Moreover, we cannot lead if we suppress the expression of our languages and cultures. Americans of African culture, Chinese culture, French culture, German culture, Native American culture, and many others are vital to our continued understanding of the world and a critical link to our participation in international affairs.

Mr. President, I present this joint resolution to my colleagues for their consideration and, hopefully, their support. I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 97

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission:

"ARTICLE

"SECTION 1. The right of the people to preserve, foster, and promote their respective historic, linguistic, and cultural origins is recognized. No person shall be denied the equal protection of the laws because of culture or language.

"SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation.".●

ADDITIONAL COSPONSORS

S. 75

At the request of Mr. HELMS, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 75, a bill to amend the Federal Election Campaign Act of 1971 to prohibit the use of compulsory union dues for political purposes.

S. 135

At the request of Mr. GLENN, the names of the Senator from North Dakota [Mr. CONRAD], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 242

At the request of Mr. HELMS, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 242, a bill to amend the Federal Election Campaign Act of 1971 to prohibit the use of compulsory union dues for political purposes.

S. 253

At the request of Mr. BINGAMAN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 253, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the United States population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 255

At the request of Mr. HARKIN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 255, a bill to authorize appropriations for the Local Rail Service Assistance Program.

S. 258

At the request of Mr. RIEGLE, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 258, a bill to amend the National Flood Insurance Act of 1968 to extend the program of flood insurance for structures on land subject to imminent collapse or subsidence.

S. 355

At the request of Mr. RIEGLE, the names of the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 399

At the request of Mr. GLENN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 399, a bill to amend the Library Services and Construction Act to authorize the Secretary of Education to establish a program to make grants to local public libraries to establish demonstration projects using older adult volunteers to provide intergenerational library literacy programs to children during afterschool hours, and for other purposes.

S. 443

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 43, a bill to authorize the Secretary of the department in which the Coast Guard is operating to convey the Block Island Southeast Lighthouse to the Block Island Southeast Lighthouse Foundation.

S. 461

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 461, a bill to amend title XVIII of the Social Security Act to permit payment for services of physician assistants outside institutional settings.

S. 491

At the request of Mr. CHAFEE, the names of the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 491, a bill to reduce atmospheric pollution to protect the stratosphere from ozone depletion, and for other purposes.

S. 511

At the request of Mr. INOUYE, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 511, a bill to recognize the organization known as the National Academies of Practice.

S. 527

At the request of Mr. BAUCUS, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 527, a bill to amend title XVIII of the Social Security Act to reclassify certain hospitals as sole community hospitals, and for other purposes.

S. 596

At the request of Mr. D'AMATO, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 596, a bill to make available certain information involving threats to the safety of international commercial airline travel.

S. 618

At the request of Mr. SARBANES, the names of the Senator from Michigan [Mr. RIEGLE], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 618, a bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia.

S. 619

At the request of Mr. SARBANES, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 619, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 643

At the request of Mr. CONRAD, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 643, a bill to amend the Internal Revenue Code of 1986 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing radon levels in the principal residence of the individual, and for other purposes.

S. 656

At the request of Mr. GRASSLEY, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 656, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans.

SENATE JOINT RESOLUTION 47

At the request of Mr. PRESSLER, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from North Carolina [Mr. HELMS], the Senator from Missouri [Mr. DANFORTH], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of Senate Joint Resolution 47, a joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

SENATE JOINT RESOLUTION 53

At the request of Mr. D'AMATO, the names of the Senator from North Carolina [Mr. HELMS], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate May 25, 1989, as "National Tap Dance Day."

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Joint Resolution 72, a joint resolution to designate the period commencing May 7, 1989, and ending May 13, 1989, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 84

At the request of Mr. HATCH, the names of the Senator from Idaho [Mr. MCCLURE], and the Senator from Indiana [Mr. COATS] were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

SENATE CONCURRENT RESOLUTION 21

At the request of Mr. RIEGLE, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of Senate Concurrent Resolution 21, a concurrent resolution expressing the sense of the Congress that the current Federal income tax deduction for interest paid on debt secured by a first or second home should not be further restricted.

AMENDMENT NO. 12

At the request of Mr. BOSCHWITZ, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of amendment No. 12 intended to be proposed to S. 4, a bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

AMENDMENT NO. 13

At the request of Mr. BOSCHWITZ, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of amendment No. 13 intended to be proposed to S. 4, a bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

SENATE RESOLUTION 95—DIRECTING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 95

Whereas, in the case of *Candis O. Ray* v. *United States Senate, et al.*, Case No. ST-C-89-14, pending in the United States District Court for the Western District of North Carolina, the plaintiff has named the United States Senate, Senators Sanford, Heflin, and Wallop, former Senator Stennis, and a Senate employee, Paul Vick, as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the Senate, its present and former

members, and its employees in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the Senate, Senators Sanford, Heflin, and Wallop, former Senator Stennis, and Paul Vick in the case of *Candis O. Ray* v. *United States Senate, et al.*

SENATE RESOLUTION 96—AUTHORIZING TESTIMONY BY TWO SENATE EMPLOYEES

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 96

Whereas, in the case of *United States* v. *Gregory Sitzman, et al.,* No. 87-6098-Cr-ZLOCH, pending in the United States District Court for the Southern District of Florida, Melanie Bowen and Jan Bennett, two employees of Senator Hatch's Salt Lake City office, have been requested to testify by the United States;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony by Senate employees may be needed in any court for the promotion of justice, the Senate will act to promote the ends of justice in a manner consistent with the privileges and rights of the Senate: Now, therefore be it

Resolved, That Melanie Bowen and Jan Bennett are authorized to testify in the case of *United States* v. *Gregory Sitzman, et al.*

SENATE RESOLUTION 97—RELATING TO PALESTINE LIBERATION ORGANIZATION TERRORISM

Mr. HELMS (for himself, Mr. GRAMM, Mr. DOLE, Mr. BOND, Mr. GRAHAM, Mr. GRASSLEY, Mr. MACK, Mr. METZENBAUM, Mr. WILSON, Mr. LAUTENBERG, Mr. BOSHWITZ, Mr. NICKLES, Mr. PACKWOOD, Mr. HEINZ, Mr. DOMENICI, Mr. MCCAIN, Mr. SYMMS, Mr. D'AMATO, Mr. PRESSLER, Mr. HATCH, Mr. HUMPHREY, Mr. COATS, Mr. BURNS, and Mr. KASTEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 97

Whereas a 1975 agreement between Israel and the United States prohibits talks between United States officials and the Palestine Liberation Organization until the Palestine Liberation Organization recognizes Israel's right to exist and accepts United Nations Security Council Resolutions 242 and 338;

Whereas section 1302(b) of the International Security Development and Cooperation Act of 1975 added the renunciation of terrorism to these conditions;

Whereas these conditions have been reaffirmed by statute five times since 1984;

Whereas on December 14, 1988, Secretary of State George Shultz determined that, by virtue of a statement by Yasser Arafat, the Palestine Liberation Organization had fulfilled the conditions required by law for discussions with United States officials to commence;

Whereas Yasser Arafat had previously renounced terrorism in the Cairo Declaration of November 7, 1985;

Whereas the Palestine Liberation Organization failed to live up to its commitment to refrain from terrorism, as outlined in the Declaration of November 7, 1985, by carrying out no less than 92 terrorist attacks resulting in the deaths of 4 Americans; and

Whereas Palestine Liberation Organization terrorist attacks on Israel have in the past resulted in the deaths of innocent Americans and, as such, continuing Palestine Liberation Organization terrorist attacks in Israel present a threat against the lives of innocent Americans visiting the Holy Land; Now, therefore, be it

Resolved, That in the event further talks are held with the Palestine Liberation Organization—

(1) the top priority of the United States in any such talks should be the prevention of terrorist and other violent activity by the Palestine Liberation Organization or any of its factions; and

(2) during the next round of such talks the representative of the United States should obtain from the representative of the Palestine Liberation Organization a full accounting of the following reported terrorist or other violent activities which occurred after Yasser Arafat's commitment of December 14, 1988:

(A) On December 26, 1988, an attempted infiltration into Israel by boat by four terrorists of the PLO-affiliated Popular Struggle Front.

(B) On December 28, 1988, an attempted infiltration into Israel by three terrorists of the PLO-affiliated Palestine Liberation Front armed with Kalashnikov rifles, missiles, and anti-tank launchers.

(C) On January 24, 1989, an unprovoked attack on an Israeli patrol in Southern Lebanon by PLO-affiliated Palestine Liberation Front.

(D) On February 5, 1989, an attempted infiltration into Israel by nine terrorists of the PLO-affiliated Palestine Liberation Front and Popular Front for the Liberation of Palestine armed with automatic rifles, hand grenades, rocket-propelled grenades, and wire cutters.

(E) On February 23, 1989, an attempted attack on targets in Israel by terrorists of the PLO-affiliated Democratic Front for Liberation of Palestine armed with AK-47 rifles, anti-tank rockets and wire cutters.

(F) On February 27, 1989, a PLO-affiliated Popular Front for the Liberation of Palestine ambush of a pro-Israeli Southern Lebanese army vehicle.

(G) On March 2, 1989, an attempted infiltration into Israel by four terrorists of the PLO-affiliated Democratic Front for the Liberation of Palestine, armed with Kalashnikov rifles, light anti-tank missiles, grenades, and wire cutters, headed for the civilian town of Zarit.

(H) On March 13, 1989, an attempted infiltration into Israel by three terrorists of PLO-aligned Palestine Liberation Front armed with AK-47 automatic rifles, hand grenades, small missiles, and wire cutters.

(I) On March 15, 1989, an attempted attack on Israel through Gaza by two terrorists of the Islamic Jihad group under the orders of Yasser Arafat, armed with Kalashnikov rifles, ammunition, and grenades.

SEC. 2. In the event further talks are held with the Palestine Liberation Organization, the Secretary of State should, within 10 days after the next round of such talks, report to the Senate on the accounting provided by the representative of the Palestine Liberation Organization of the incidents described in the first section of this resolution.

Mr. HELMS. Today I offer a resolution which urges our State Department to obtain from the PLO an accounting of a series of violent acts which PLO-affiliated groups have reportedly undertaken since Yasser Arafat renounced terrorism last December.

The resolution aims to reinforce the Bush administration policy of pressuring the PLO to reduce its violent activity. At the same time, the resolution focuses attention on what appears to be continuing PLO terrorist activity.

The resolution is being introduced with 24 sponsors, including Senators from both parties and all parts of the political spectrum. Joining me on the resolution are Senators GRAMM of Texas, DOLE, WILSON, GRAHAM of Florida, BOND, METZENBAUM, BOSCHWITZ, PACKWOOD, NICKLES, LAUTENBERG, HEINZ, DOMENICI, KASTEN, MCCAIN, SYMMS, GRASSLEY, D'AMATO, PRESSLER, MACK, HATCH, HUMPHREY, COATS, and BURNS.

Mr. President, on December 14, 1988, the State Department determined that, by virtue of a statement by Yasser Arafat, the PLO had fulfilled the conditions required by law for discussions with U.S. officials to commence.

At that time, many observers felt that our Government made a tactical error in dealing with Yasser Arafat. I publicly questioned the wisdom of trying to combat terrorism by negotiating with terrorists. The State Department should have required that the conditions in the law—that the PLO renounce terrorism, recognize Israel, and accept UN Resolutions 242 and 338—be met not just in words, but in practice as well.

There was doubt then, and doubt now, whether the PLO would and will live by the commitments made on December 14 by Yasser Arafat. Yasser Arafat is a terrorist and the PLO is a terrorist group—and we cannot expect terrorists to keep their word.

Indeed, statements made since then by a number of key PLO leaders are entirely inconsistent with the commitments made by Arafat in December. Arafat himself flaunted his renunciation of terrorism by threatening—in a January radio broadcast—the life of any Palestinian leader who proposes an end to the violence in the territories.

What is even more troubling is that PLO terrorist and other violent activity may actually be continuing. Since the Arafat commitment of December 14, there have been no fewer than nine reported terrorist or attempted

terrorist acts involving PLO affiliated groups.

This resolution expresses the sense of the Senate that the top priority of the United States in any future talks with the PLO should be a prevention of terrorist and other violent activity by the PLO or its factions.

It also lists nine reported terrorist or attempted terrorist or violent acts involving PLO affiliated groups, urges the State Department to obtain from the PLO an accounting of these incidents, and asks the Secretary of State to report to the Senate on the accounting provided by the PLO.

Mr. President, the longer the PLO continues its violent activities, the longer it will take to bring about a real peace in the Middle East. The Bush administration policy of making a reduction of violence a priority in any talks with the PLO is a recognition of this fact. The Senate should do its part by making certain that continuing terrorist and other violent activity by the PLO does not go unnoticed nor unanswered.

● Mr. D'AMATO. Mr. President, I rise in support of this resolution expressing the sense of the Senate regarding Palestinian Liberation Organization terrorism.

The absolute precondition to any talks between our Government and representatives of the PLO must be the cessation of all acts of terrorism.

It is inconceivable to me that this Government could willingly and openly negotiate with any organization that equates violence with politics, that negotiates out of the barrel of a gun.

At the outset of this process, former Secretary Shultz determined that the PLO had fulfilled the conditions necessary for talks to begin. He also warned that this determination was conditional, and subject to revision in view of continuing evidence of good faith. I urge Secretary of State Baker to proceed with the utmost caution and deliberation in dealing with Yasser Arafat or any of his confederates.

This resolution seeks an accounting from Mr. Arafat regarding nine specific terrorist incidents all since his commitment in December 1988 to end the cycle of violence in the Middle East.

Should he fail to provide it, or prove less than forthcoming, such negotiations cannot continue.

The United States cannot permit itself to be seen as legitimizing or overlooking terrorism, no matter how worthy the policy goal. Only by divorcing himself completely from this inhuman lawlessness can Mr. Arafat hope to further the interests of the PLO.

I look forward to the swift passage of this timely resolution, and urge all of my colleagues to join in supporting it.●

Mr. LAUTENBERG. Mr. President, I join with Senator HELMS and my other colleagues in submitting this resolution calling for an accounting of the PLO's behavior since the United States began its dialog with that group.

This resolution states that in the event further talks are held with the PLO, the top priority of the United States should be a cessation of terrorist and other violent activity by the PLO or any of its factions. During the next round of such talks, if they are held, the United States should obtain from the PLO a full accounting of reported terrorist activities which have occurred since the dialog began, and which appear to implicate the PLO or its constituent groups. And it calls on the Secretary of State to report to the Senate within 10 days of the next round of talks on the accounting provided by the PLO on these incidents.●

Mr. President, this resolution is important because recent events have cast doubt on Arafat's desire and ability to live up to his bold words of last December—his renunciation of terrorism, his acceptance of key United Nations Security Council resolutions, and his recognition of Israel's right to exist.

For example, Arafat's threat to pump 10 bullets into anyone who thinks of stopping the intifada is clearly inconsistent with his December renunciation of terrorism. Former Secretary of State George Shultz acknowledged as much in a January 5, 1989, interview when he said that Arafat's threat squared very badly with the U.S. understanding of the PLO's renunciation of terrorism. The various incursions of PLO constituent groups into Lebanon, and Arafat's failure to date to denounce those terrorist actions, also are inconsistent with his pledge.

There is also the specter of PLO involvement in the bombing of Pan Am flight 103 over Lockerbie, Scotland on December 21. This bombing, which killed 270 people, took place only 1 week after the United States decided to open talks with the PLO based on its renunciation of terrorism.

Last October, West German police arrested members of the Popular Front for the Liberation of Palestine [PFLP] with radio cassette players containing explosive devices that could be detonated at high altitude. When Pan Am flight 103 crashed, the police established that the explosives that caused the crash were in a radio cassette player exactly like those found during the arrest of PFLP terrorists. This finding raises a strong suspicion of the involvement of this group in the planning of the crash.

Given the fact that a representative of the PFLP sits on the Executive Committee of the Palestine National Council, the governing body of the PLO, possible involvement of the PFLP in the Pan Am crash raises further questions about the PLO's ability to fulfill its commitment to renounce terrorism.

I believe that Arafat's December statements of moderation resulted from firm American insistence since 1975 on those conditions as a prerequisite for opening a dialog between the United States and the PLO. The success of that policy demonstrates that clearly announced U.S. foreign policy goals, when adhered to, achieve results.

Mr. President, when the United States began its dialog with the PLO, it was premised on the bedrock assumptions that Arafat would renounced terrorism and recognize Israel's right to exist. If the administration is pressing the PLO to make good on these commitments, that is not clear to me. I do not see evidence that Arafat is being held to his words or that those words are being matched with deeds.

If the administration decides to continue the dialog, strong pressure must be kept on the PLO to live up to Arafat's promises and surely the dialog should be discontinued if those promises are not or cannot be kept. Arafat must denounce all acts of terrorism, and the leadership of Palestinian factions that continue to perpetrate terrorism. Arafat should put his words into writing by changing or revising the PLO's covenant, which is still committed to armed struggle and the destruction of Israel.

The administration began this dialog with the specific understanding that it was contingent on the PLO's remaining true to its words. Congress seeks, through this resolution, to inform itself of whether the PLO is doing so. I urge my colleagues to swiftly adopt this resolution.

AMENDMENTS SUBMITTED

MINIMUM WAGE LEGISLATION

COATS AMENDMENT NO. 19

(Ordered to lie on the table.)

Mr. COATS submitted an amendment intended to be proposed by him to the bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; as follows:

At the end of the bill add the following new section:

SEC. . ENHANCED RESCISSION PROCEDURES.

(a) IN GENERAL.—Section 1011(3) of the Impoundment Control Act of 1974 is amended to read as follows:

"(3) 'rescission resolution' means a joint resolution of the Congress that—

"(A) disapproves, in whole or in part, the rescission of budget authority proposed in a special message transmitted by the President under section 1012; and

"(B) is adopted by the Congress and becomes law before the end of the first period of 45 calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress;".

(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Section 1012(b) of such Act is amended to read as follows:

"(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority or any part thereof proposed to be rescinded or that is to be reserved as set forth in such special message shall be made available for obligation if, within the prescribed 45-day period, a rescission resolution disapproving the rescission or reservation of such amount or part thereof is adopted by the Congress and becomes law.".

(c) CONFORMING AMENDMENTS.—

(1) RESCISSION RESOLUTION.—Section 1017 of such Act is amended—

(A) by striking out "rescission bill" each place it appears and inserting in lieu thereof "rescission resolution"; and

(B) by striking out "bill or" each place it appears.

(2) CONSIDERATION IN THE HOUSE.—Section 1017(c)(5) of such Act is amended by striking out "bills and".

(3) CONSIDERATION IN THE SENATE.—Section 1017(d)(2) of such Act is amended—

(A) by striking out "the bill" in the first sentence and inserting in lieu thereof "the resolution";

(B) by striking out "such a bill" the first place it appears in the second sentence and inserting in lieu thereof "such a resolution"; and

(C) by striking out "such a bill" the second place it appears in the second sentence and inserting in lieu thereof "a rescission resolution".

GRAHAM (AND OTHERS) AMENDMENT NO. 20

Mr. GRAHAM (for himself, Mr. PRYOR, Mr. MITCHELL, and Mr. KENNEDY) proposed an amendment to the bill S. 4, supra; as follows:

Beginning on page 6, line 5, strike out all that follows "SECTION" through page 14, line 3, and insert in lieu thereof the following:

1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Minimum Wage Restoration Act of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

SEC. 2. RESTORATION OF MINIMUM WAGE.

Paragraph (1) of section 6(a) (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending September 30, 1989, not less than $3.85 an hour during the period beginning October 1, 1989, and ending September 30, 1990, not less than $4.25 an hour during the year beginning October 1, 1990, and not less than $4.55 an hour after September 30, 1991;".

SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) IN GENERAL.—Subsection (s) of section 3 (29 U.S.C. 203(s)) is amended to read as follows:

"(s)(1) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise that—

"(A)(i) has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person; and

"(ii) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated); or

"(B) is an activity of a public agency.

"(2) Any establishment that has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise. The sales of such an establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection.".

(b) PRESERVATION OF COVERAGE.—

(1) IN GENERAL.—Any enterprise that on December 31, 1989, was subject to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) and that because of the amendment made by subsection (a) is not subject to such section shall—

(A) pay its employees not less than the minimum wage in effect under such section on December 31, 1989;

(B) pay its employees in accordance with section 7 of such Act (29 U.S.C. 207); and

(C) remain subject to section 12 of such Act (29 U.S.C. 212).

(2) VIOLATIONS.—A violation of paragraph (1) shall be considered a violation of section 6, 7, or 12 of the Fair Labor Standards Act of 1938, as the case may be.

(c) CONFORMING AMENDMENTS.—

(1) Section 13(a) (29 U.S.C. 213(a)) is amended by striking out paragraphs (2) and (4).

(2) Section 13(g) is amended—

(A) by striking out "paragraphs (2) and" and inserting in lieu thereof "paragraph"; and

(B) by striking out ", except that" and all that follows in such subsection and inserting in lieu thereof a period.

(d) TECHNICAL AMENDMENTS.—Section 3(r) (29 U.S.C. 203(r)) is amended—

(1) by inserting "(1)" after "(r)";

(2) by striking out "*: Provided,* That, within" and inserting in lieu thereof a period and "Within";

(3) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(4) by striking out "For purposes of this subsection" and inserting in lieu thereof the following:

"(2) For purposes of paragraph (1)";

(5) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(6) by striking out "public or private or" in subparagraph (A) (as so redesignated).

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1989.

SEC. 4. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.—Section 5 (29 U.S.C. 205) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)—

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.—Section 6 (29 U.S.C. 206) is amended—

(1) in subsection (a)(3)—

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to sections 5 and 8."; and

(B) by striking out the second sentence; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by—

"(A) the United States,

"(B) an establishment that is a hotel, motel or restaurant,

"(C) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs, or

"(D) any other industry in which the average hourly wage is greater than or equal to $4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than $4.00 but not more than $4.64, the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1993, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1993.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than $4.00, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1994.

"(4) In the case of any employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than $4.00 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1,

1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1995.".

(c) WAGE ORDERS.—Section 8 (29 U.S.C. 208) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)—

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)—

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.—Section 14(b) (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

SEC. 5. TIP CREDIT.

Effective October 1, 1989, the third sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate," and inserting in lieu thereof "in excess of (1) 45 percent of the applicable minimum wage rate during the year beginning October 1, 1989, and (2) 50 percent of the applicable minimum wage rate after September 30, 1990,".

SEC. 6. TRAINING WAGE.

(a) IN GENERAL.—

(1) AUTHORITY.—Any employer may, in lieu of the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206), pay an eligible employee the wage prescribed by paragraph (2) while such employee is engaged in on-the-job training.

(2) WAGE RATE.—The wage referred to in paragraph (1) shall be a wage—

(A) of not less than $3.35 an hour during the year beginning October 1, 1989; and

(B) beginning October 1, 1990, of not less than $3.35 an hour or 85 percent of the wage prescribed by section 6 of such Act, whichever is greater.

(b) WAGE PERIOD.—An employer may pay an eligible employee the minimum wage authorized by subsection (a) for a period that—

(1) begins on or after October 1, 1989;

(2) does not exceed the time period referred to in subsection (g)(1)(B); and

(3) ends before September 30, 1992.

(c) WAGE CONDITIONS.—No eligible employee may be paid the wage authorized by subsection (a) by an employer if—

(1) any other individual has been laid off by such employer from the position to be filled by such eligible employee or from any substantially equivalent position; or

(2) such employer has terminated the employment of any regular employee or otherwise reduced the number of employees with the intention of filling the vacancy so created by hiring an employee to be paid such wage.

(d) LIMITATION.—During any month in which employees are to be employed in an establishment under this section, the proportion of employee hours of employment to the total hours of employment of all employees in such establishment may not exceed a proportion equal to one-fourth of the total hours of employment of all employees in such establishment.

(e) NOTICE.—Each employer shall provide to any eligible employee who is paid the wage authorized by subsection (a) a written notice stating the requirements of this section and the remedies provided by subsection (f) for violations of this section. The Secretary shall provide to employers the text of the notice to be provided under this subsection.

(f) ENFORCEMENT.—Any employer who employs an employee in violation of the requirements of this section shall be considered to have violated section 15 of the Fair Labor Standards Act of 1938 (29 U.S.C. 215). Sections 16 and 17 of such Act (29 U.S.C. 216 and 217) shall apply with respect to the violation.

(g) DEFINITIONS.—For purposes of this section:

(1) ELIGIBLE EMPLOYEE.—The term "eligible employee" means with respect to an employer an individual who—

(A) is not a migrant agricultural worker or a seasonal agricultural worker (as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10));

(B) has not previously worked for an employer or employers in employment for which payroll taxes have been withheld;

(C) has not worked at least 30 days with one such employer; and

(D) has not worked a cumulative total of 60 days or more with all such employers,

except that such individual is responsible for providing the requisite proof of previous period or periods of employment with other employers.

(2) ON-THE-JOB TRAINING.—The term "on-the-job training" means training offered to an individual while employed in productive work that provides knowledge, technical skills, and personal skills essential to the full and adequate performance of such employment.

(h) REPORT.—The Secretary of Labor shall report to Congress not later than January 1, 1993, on the effectiveness of the wage authorized by this section. The report shall include—

(1) an analysis of the impact of such wage on employment opportunities for inexperienced workers;

(2) any reduction in employment opportunities for experienced workers resulting from the employment of employees under such wage;

(3) the nature and duration of the training provided under such wage; and

(4) the degree to which employers used the authority to pay such wage.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that the Committee on Energy and Natural Resources has scheduled an oversight hearing on the strategic petroleum reserve.

The hearing will take place on Thursday, May 4, 1989, at 9:30 a.m. in room SD-336 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on proposed legislation, S. 694, the Strategic Petroleum Reserve Amendments of 1989, which would: Extend the basic authority of the SPR for 5 years; expand the SPR to 1 billion barrels; and provide for predrawdown diversion authority of SPR oil.

In addition, the hearing will consider proposals for alternative financing of the SPR.

For further information, please contact Jim Bruce, senior counsel, at (202) 224-5052.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. METZENBAUM. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Energy Regulation and Conservation.

The hearing will take place on April 17 at 10 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony concerning significant price increases in petroleum products since the Valdez oil spill.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-364, Washington, DC. 20510.

For further information, please contact Joel Saltzman at (202) 224-7932.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INTERNATIONAL TRADE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on International Trade of the Committee of Finance be authorized to meet during the session of the Senate of April 7, 1989, at 9:30 a.m. to hold a hearing on ongoing trade disputes between the United States and Canada.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TERRORISM, NARCOTICS AND INTERNATIONAL OPERATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, April 7, at 1 p.m. to hold a hearing on the Pan Am 103 disaster: U.S. Government response.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 7, 1989, at 9:30 a.m. to hold a hearing on S. 629, legislation to strengthen the National Earthquake Hazards Reduction Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Friday, April 7, 1989, to receive the annual report from the Postmaster General, U.S. Postal Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TARAS SHEVCHENKO, HERO OF UKRAINE

● Mr. LIEBERMAN. Mr. President, I am proud to recognize the 175th anniversary of the birth of Taras Shevchenko, the national hero and bard of the Ukraine. This year, 1989, also marks the 25th anniversary of the unveiling of the Shevchenko monument in Washington, DC, which was dedicated by President Eisenhower before a crowd of over 100,000 Ukrainian-Americans.

Taras Shevchenko's impact and success is felt by millions everywhere. He is recognized throughout the world for his many literary contributions, which capture the universal desire for freedom, independence, human rights, and political, economic, and social justice.

Taras Shevchenko represents the eternal Ukrainian desire for national independence. Shevchenko's love for the Ukraine and her people are expressed in the emotions of this poetry. Through his romantic verses, written in the Ukrainian language, he longed for Ukrainian autonomy. His words decried the severe mistreatment and oppression—including the dreadful institution of serfdom—imposed by the Czarist Russian Empire. Clearly, this magnificent and charismatic man championed the cause of freedom for his fellow Ukrainians.

Born as a serf 175 years ago on March 9, 1814, in the village of Morintsy in the district of Kiev, Shevchenko experienced many early childhood difficulties, as his parents died when he was 11.

Soon after, Shevchenko developed an early interest and aptitude in the arts, and was able to convince his master to send him to Vilna, Warsaw, and St. Petersburg for formal art studies. As a student of the arts, Shevchenko produced several paintings revealing his artistic promise. His artistry would eventually reach such heights that he would be remembered as the Rembrandt of Eastern Europe. During this time, Shevchenko's talents as a poet began to be recognized when he produced the romantic ballad, "The Bewitched Woman."

A major turning point in Shevchenko's life came on April 22, 1839, when he became a free man by using the profits he had made from selling one of his paintings to buy his liberty. Following his emancipation, Shevchenko commenced formal studies at the St. Petersburg Academy of Art. With his new found freedom and education, Shevchenko began to read extensively, especially in the area of Western literature. He immersed himself in the works of such great writers as Shakespeare, Byron, Dickens, Hugo, Scott, Rousseau, and Washington Irving. Shevchenko completed his training at the Academy of the Arts in 1845.

After a 12 year absence, Shevchenko returned to his native Ukraine in 1843. Shevchenko soon found that his literary fame preceded him, as wherever he traveled he was hailed by his fellow countrymen. Undoubtedly, their shared experiences of slavery and political and economic deprivation, rich, ethnic cultures and Western literature were the bonds for their mutual admiration.

Throughout the following few years, Shevchenko continued to compose works which reflected his admiration of Western ideals and institutions, and his disdain for Russian czarism. Unfortunately, in 1847, his life took a turn for the worse when he was arrested in Kiev for his czarist-subversive writings and his association with the Society of Saints Cyril and Methodius, an organization which sought a free union for all Ukrainians. Shevchenko was found guilty and exiled to a remote area of Russia. While in detention, Shevchenko was prohibited from writing and drawing altogether.

Shevchenko was pardoned in 1857 by Czar Alexander II, but remained under police surveillance. Two years later, he was appointed an academician, rank equivalent to a full professorship, at the Academy of Art in 1859.

Ironically, this great man died on the eve of the emancipation of the serfs. Shevchenko's passing was mourned throughout the world by people like Charles Dickens, who recognized Shevchenko as a great humanitarian and Ukrainian leader. Shevchenko was buried in Kaniv, Ukraine, in May 1861. Over his burial mound an oak cross was placed and later replaced by a wrought iron one. In 1939 the Communist regime removed the cross and erected a tall statue of the poet positioned on a high, obelisk-like base.

Shevchenko's poetry while thoroughly Ukrainian, is also universal. Shevchenko believed in the Ukrainian common man and sought to share his plight with the world through writing. He uplifted a suppressed, victimized people by recalling the glorious and heroic age of the freedom-loving Ukrainian Cossacks. He stood as a freedom fighter—not only for the Ukrainian people—but for all people victimized by social and political injustice. I strongly urge my colleagues to join with me in recognizing the truly fantastic accomplishments of this great poet.●

3M—MASTERS OF INNOVATION

● Mr. DURENBERGER. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues the cover story in the latest issue of Business Week which focuses on one of the most dynamic and innovative companies in the world—the 3M Corp., headquartered in St. Paul, MN.

As the title of this article—"Masters of Innovation"—suggests, 3M has an unparalled ability to encourage creativity and imagination in the laboratory and to translate that creativity into the marketplace; 3M is not a company that plays it safe; it is not afraid to experiment with the novel nor to encourage the esoteric. As the spiritual father of the company, William McKnight once noted: "If management is intolerant and destructively critical when mistakes are made, I think it kills initiative." It is this guiding philosophy of risk-taking and experimentation that has brought 3M near the pinnacle of business success and has consistently placed it in the top five of the most admired businesses in America.

One of the things that makes 3M so well-respected is the corporate guideline which requires that fully 25 percent of a division's sales be derived from products introduced within the past 5 years. This commitment to new product innovation ensures that as technologies change, 3M will continue to be at the forefront of new markets and will remain at the frontiers of technological competitiveness well into the next century.

Mr. President, as a Minnesotan and as an American I take great pride in all of the people who work at 3M and who have made this corporation the standard to judge excellence in corporate innovation and competitiveness.

I ask that the cover story on 3M be included in the RECORD.

The article follows:

MASTERS OF INNOVATION: HOW 3M KEEPS ITS NEW PRODUCTS COMING

(By Russell Mitchell)

It was 1922. Minnesota Mining & Manufacturing inventor Francis G. Okie was dreaming up ways to boost sales of sandpaper, then the company's premiere product, when a novel thought struck him. Why not sell sandpaper to men as a replacement for razor blades? Why would they risk the nicks of a sharp instrument when they could rub their cheeks smooth instead?

The idea never caught on, of course. The surprise is that Okie, who continued to sand his own face, could champion such a patently wacky scheme and keep his job. But unlike most companies then—or now—3M Co. demonstrated a wide tolerance for new ideas, believing that unfettered creative thinking would pay off in the end. Indeed, Okie's hits made up for his misses: He developed a waterproof sandpaper that became a staple of the auto industry because it produced a better exterior finish and created less dust than conventional papers. It was 3M's first blockbuster.

Through the decades, 3M has managed to keep its creative spirit alive. The result is a company that spins out new products faster and better than just about anyone. It boasts an impressive catalog of more than 60,000 products, from Post-it notes to heart-lung machines. What's more, 32 percent of 3M's $10.6 billion in 1988 sales came from products introduced within the past five years. Antistatic videotape, translucent dental braces, synthetic ligaments for damaged knees, and heavy-duty reflective sheeting for construction-site signs are just a few of the highly profitable new products that contributed to record earnings of $1.15 billion in 1988.

At a time when many big U.S. corporations are trying to untangle themselves from bureaucracy, 3M stands apart as a smooth-running innovation machine. Along with a handful of other companies that might be called the Innovation Elite—Merck, Hewlett-Packard, and Rubbermaid among them (page 62)—3M is celebrated year after year in the rankings of most-respected companies. Business schools across the country make 3M a case study in new-product development, and management gurus trumpet 3M's methods. Peter Drucker's *Innovation and Entrepreneurship* is peppered with 3M tales. A star of the bestseller *In Search of Excellence*, 3M remains a favorite of coauthor Thomas J. Peters, "It is far more entrepreneurial than any $10 billion company I've come across," he says, "and probably more entrepreneurial than a majority of those one-tenth its size."

The publicity has attracted representatives of dozens of companies from around the world to tour 3M headquarters near St. Paul, Minn., in search of ideas and inspiration. While such companies as Monsanto Co. and United Technologies Corp. have adopted some of 3M's methods, it's hard to emulate a culture that has been percolating since the turn of the century.

LOSE SOME

So how does 3M do it? One way is to encourage inventive zealots like Francis Okie. The business of innovation can be a numbers game—the more tries, the more likely there will be hits. The scarcity of corporate rules at 3M leaves room for plenty of experimentation—and failure. Okie's failure is as legendary among 3Mers as his blockbuster. Salaries and promotions are tied to the successful shepherding of new products from inception to commercialization. One big carrot: The fanatical 3Mer who champions a new product out the door then gets the chance to manage it as if it were his or her own business.

Since the bias is toward creating new products, anything that gets in the way, whether it's turf fights, overplanning, or the "not-invented-here" syndrome, is quickly stamped out. Divisions are kept small, on average about $200 million in sales, and they are expected to share knowledge and manpower. In fact, informal information-sharing sessions spring up willy-nilly at 3M—in the scores of laboratories and small meeting rooms or in the hallways. And it's not unusual for customers to be involved in these brainstorming klatches.

PEER REVIEW

That's not to say that corporate restraint is nonexistent. 3Mers tend to be self-policing. Sure, there are financial measures that a new-product team must meet to proceed to different stages of development, but the real control lies in constant peer review and feedback.

The cultural rules work—and go a long way toward explaining why an old-line manufacturing company, whose base products are sandpaper and tape, has become a master at innovation. And a highly profitable one at that. Earnings spurted 25 percent in 1988 from a year earlier. It wasn't always so. The company hit a rocky stretch in the early 1980s. But stepped-up research spending and some skillful cost-cutting by Chairman and Chief Executive Allen F. Jacobson have revived all of 3M's critical financial ratios.

A 3M lifer and Scotch-tape veteran, Jake Jacobson took over the top job in 1985 and laid out his J-35 program. That's J as in Jake, and 35 as in 35 percent cuts in labor and manufacturing costs—to be accomplished by 1990. 3M is well on its way to reaching those goals, and the push has already improved the bottom line. Last year return on capital climbed almost three points, to 27.6 percent, and return on equity had a similar rise, to 21.6 percent. Jacobson has clamped down on costs without harming his company's ability to churn out new products one whit.

MOTLEY CREW

3M was founded not by scientists or inventors but by a doctor, a lawyer, two railroad executives, and a meat-market manager. At the turn of the century the five Minnesotans bought a plot of heavily forested land on the frigid shores of Lake Superior, northeast of Duluth. They planned to mine corundum, an abrasive used by sandpaper manufacturers to make the paper scratchy. The five entrepreneurs drummed up new investors, bought machinery, hired workers, and started mining. Only then did they discover that their corundum, alas, wasn't corundum at all but a worthless mineral that the sandpaper industry wanted no part of.

The company tried selling its own sandpaper, using corundum shipped in from the East, but got battered by the competition. How perfect: The company that tolerates failure was founded on a colossal one. 3M was forced to innovate or die. Most of the original investors got swept out of the picture, and the remaining 3Mers set about inventing. First, the company introduced a popular abrasive cloth for metal finishing. Then Okie stuck gold with his Wetordry sandpaper. They drew inspiration from William L. McKnight, who is revered to this day as the spiritual father of the company. He started out as an assistant bookkeeper and worked his way up through sales. His approach, unusual for its day, has stuck with the company. Rather than make his pitch to a company's purchasing agent, McKnight talked his way onto the factory floor to demonstrate his products to the workers who used them. After he became chairman and chief executive, he penned a manifesto that said, in part; "If management is intolerant and destructively critical when mistakes are made, I think it kills initiative."

LOYAL LIFERS

That kind of thinking breeds loyalty and management stability. The company rarely hires from the outside, and never at the senior level. Jacobson, 62, a chemical engineer, started out in the tape lab in 1947. And all his lieutenants are lifers, too. The turnover rate among managers and other professionals averages less than 4 percent. "It's just not possible to really understand this company until you've been around for a long while," says Jerry E. Robertson, head of the Life Sciences Sector.

Don't let 3M's dull exterior fool you. The St. Paul campus, home of company headquarters and most of the research labs, is an expanse of brick buildings with a high-rise glass tower that could have been designed by a kid with an Erector set. But inside is an army of engineers and technical experts and platoons of marketers just raring to innovate.

Here's how it typically works: A 3Mer comes up with an idea for a new product. He or she forms an action team by recruiting full-time members from technical areas, manufacturing, marketing, sales, and maybe finance. The team designs the product and figures out how to produce and market it. Then it develops new uses and line extensions. All members of the team are promoted and get raises as the project goes from hurdle to hurdle. When sales grow to $5 million, for instance, the product's originator becomes a project manager, at $20 million to $30 million, a department manager, and in the $75 million range, a division manager. There's a separate track for scientists who don't want to manage.

MANY PATHS

As a result, 3M is big but acts small. There are 42 divisions, so ladders to the top are all over the place. Jacobson reached the pinnacle by cleaning up old-line operations, while his predecessor, Lewis W. Lehr, invented a surgical tape and then rode the company's burgeoning health care business all the way to the chairman's post.

So what are the corporate guidelines? A prime one is the 25 percent rule, which requires that a quarter of a division's sales come from products introduced within the past five years. Meeting the 25 percent test is a crucial yardstick at bonus time, so managers take it seriously. When Robert J. Hershock took over the occupational health division in 1982, it was utterly dependent on an aging product category, disposable face masks. By 1985 his new-product percentage had deteriorated to a mere 12 percent.

That set off alarms. He and his crew had to come up with plenty of new products—and they had to do it in 18 to 24 months, half the normal time. Using technology similar to the division's face-mask filters, Hershock's action teams created a bevy of

products. One team came up with a sheet that drinks up the grease from microwaved bacon. Another devised a super-absorbent packing material that was widely welcomed by handlers of blood samples. The idea came from a team member who had read a newspaper article about postal workers who were panicked by the AIDS epidemic. The division's new-product sales are back above 25 percent.

Then there's the 15 percent rule. That one allows virtually anyone at the company to spend up to 15 percent of the workweek on anything he or she wants to, as long as it's product-related. The practice is called "bootlegging," and its most famous innovation is the ubiquitous yellow Post-it note. Arthur L. Fry's division was busy with other projects, so he invoked the 15 percent rule to create the adhesive for Post-its. The idea came out of Fry's desire to find a way to keep the bookmark from falling out of his hymn book. Post-its are now a major 3M consumer business, with revenues estimated at as much as $300 million.

CULTURAL HABITS

A new-product venture isn't necessarily limited by a particular market's size, either. Take Scotch tape. It was invented in 1929 for an industrial customer who used it to seal insulation in an airtight shipping package. Who could have known that it would grow into an estimated $750 million business someday?

Another recent example: The market for 3M chemist Tony F. Flannery's new product, a filter used to clean lubricants in metalworking shops, was a mere $1 million. But Flannery got the go-ahead to dabble with it anyway. He hooked up with a customer, PPG Industries Inc., which sells paint-primer systems to auto makers. The filters they were using to strain out impurities weren't doing the job. Flannery made prototypes of filter bags using a fibrous 3M material. They not only turned out to be bang-up primer filters, but the new bags are also being used to filter beer, water, edible oils, machine oil, and paint. Flannery figures that the filters could become a $20 million business in a few years.

Getting close to the customer is not just a goal at 3M—it's an ingrained cultural trait. Back in the 1920s, 3M inventor Richard G. Drew noticed that painters on automobile assembly lines had trouble keeping borders straight on the two-tone cars popular at the time. He went back to the lab and invented masking tape.

IN-HOUSE GRANTS

Even with 3M's emphasis on innovation, new ideas do fall through the cracks. In 1983 some employees complained that worthwhile projects were still going unnoticed despite the 15 percent rule. Guaranteed free time doesn't guarantee that there will be money to build a prototype. So the company created Genesis grants, which give researchers up to $50,000 to carry their projects past the idea stage. A panel of technical experts and scientists awards as many as 90 grants each year.

One recipient was Sanford Cobb, an optics specialist at 3M. In 1983 a bulb went on in his head at a scientific conference when he ran across something called light pipe technology. Plastic is inlaid with nearly microscopic prisms so it can reflect light for long distances with little loss of energy.

Cobb knew the heavy acrylic used in the original invention was impractical because it would be difficult to mold, but he figured he could use 3M technology to make a light pipe out of a flexible plastic film. Because 3M isn't in the lighting business, though, Cobb couldn't find a division manager willing to fork over prototype money. So he applied for a Genesis grant. He got it, and made his idea work.

CITY LIGHTS

3M licensed the basic technology from the inventor, and now its light pipes are used in products offered by several divisions. One use is in large highway signs. The new ones feature two 400-watt bulbs, replacing 60 to 70 fluorescent tubes. Manufacturers of explosives use light pipes to illuminate their most volatile areas. And the top of One Liberty Plaza, the new office tower dominating Philadelphia's skyline, is decorated with a light-piping design. Cobb's development is part of a major new technology program at 3M, with potential annual revenues amounting to hundreds of millions of dollars.

It's a surprise, given 3M's strong predilection toward divisional autonomy, that its technology gets spread around. But 3M is a company of backscratchers, eager to help fellow employees in the knowledge that they'll get help when they need it in return. For example, when the nonwoven-fiber experts got together with the lab folks at abrasives, the result was Scotch-Brite scrubbing sponges. A Technology Council made up of researchers from the various divisions regularly gets together to exchange information.

The result of all this interconnection is an organic system in which the whole really is greater than the sum of its parts. It's no coincidence that 3M is never mentioned as a possible breakup candidate. Bust it apart, sever the interconnections, and 3M's energy would likely die. Even if a raider decided to leave it intact, an unfamiliar hand at the helm might send the company off course. The possibility of a raid on 3M was taken a bit more seriously in the early 1980s, when financial performance slipped as the result of a strong dollar and skimping on R&D in the 1970s.

Jacobson's cost-cutting has done wonders for 3M. But his next challenge is formidable. The company's fortunes tend to track the domestic economy, so with a slowdown on the horizon, he must now find ways to spur growth. For one, he wants to expand internationally, boosting overseas sales from 42 percent of revenues to 50 percent by 1992. It may be slow going, however. Just as Jacobson was about to win a beachhead for a plethora of 3M products by buying the sponge unit of France's Chargeurs, the French government blocked the sale on anti-trust grounds.

Jacobson is also starting to insist that 3M's divisions develop bigger-ticket products. The company has been taking core technologies and coming up with hundreds of variations. But those market niches can be pretty skinny—often only a few million dollars or so. Now the company's strategists are focusing on 45 new product areas, each with $50 million in annual sales potential three to five years out. One example: A staple gun that replaces pins for broken bones. A 50 percent new-product success rate would contribute $1.2 billion in sales by 1994 from this program alone.

SINCERE FLATTERY

Jacobson's latest achievements have yet to be reflected in 3M's stock price, which has been hovering in the 60s since the 1987 crash. Analysts are concerned that despite the company's diversification into health care, it still makes about 40 percent of its sales to the industrial sector, so it; could get socked in a recession. And 3M is still considered vulnerable in floppy disks and videotape and related media, which account for about $800 million in sales. The unit has been locked in a bruising battle with the Japanese for years, and lost an estimated $50 million in 1987. While those products finally became profitable in last year's fourth quarter as a result of cost-cutting and wider distribution, the area could remain a trouble spot. "It's a fragile turn-around," says analyst B. Alex Henderson at Prudential Bache Securities Inc.

Other companies would love to have 3M's problems if its successes came with them. Indeed, 3M constantly finds itself playing host to companies trying to figure out how to be more creative. Monsanto has set up a technology council modeled on 3M's, and United Technologies has embarked on an effort to share resources among its not-so-united operations. Eight years ago, Rubbermaid Inc. began insisting that 30 percent of its sales come from products developed in the previous five years.

While other companies may pick up ideas piecemeal from 3M, it would be impossible for any big corporation to swallow the concept whole. "We were fortunate enough to get the philosophy in there before we started to grow, rather than trying to create it after we got big," says Lester C. Krogh, who heads research and development. 3M has a simple formula: Find the Francis Okies, and don't get in their way. But for managers of other companies, large and small, that's often easier said than done.

INSPIRATION FROM THE PLANT FLOOR

(By Russell Mitchell)

When I worked as a tape slitter at 3M, we called them The Ties. They were the buttoned-up members of the 3M Co. quality control team who would occasionally venture onto the grimy factory floor.

"They were the bad guys," says Leo Vernon, who runs a slitting machine that converts huge rolls of tape into the small ones you buy in the store. "They used to tell you rather than listen to you, assuming they even spoke to you in the first place." I worked alongside Vernon 15 years ago, running my own machine, slitting masking tape so I could come up with college tuition. 3M paid me well and, by the standards of the day, treated me well. But despite all the talk I heard about 3M and innovation, nobody ever asked me for ideas on how to do my job better—least of all the guys from quality control.

That was 1973. Today, 3M's tape business is under assault from Japanese and European manufacturers. Over the years, while researchers at headquarters in St. Paul spewed out new products, innovation in 3M's factories lagged. By the early 1980s costs were out of control, and quality wasn't up to snuff. Productivity became a top priority for Chairman and CEO Allen F. Jacobson, who worked his way up through the tape division. By 1990, he aims to cut labor and manufacturing costs by 35 percent each.

ON A ROLL

The edit forced major change at 3M's far-flung factories. At its tape plant in Bedford Park, a Chicago suburb, Vernon is in charge of his own quality now. "The difference," he says, "is night and day."

The manufacturing process has been completely overhauled. Tape is made by coating a backing with adhesive and creating a giant

roll about the size of an office desk. These "jumbos" are then taken to slitting machines. Until recently, all tape at the plant—masking tape, industrial tapes, closure tape for diapers—was coated in one area and transported for slitting to the other end of the factory. The coating and slitting functions had separate supervisors, and they didn't always communicate well. Production rates weren't coordinated, and hundreds of jumbos were stockpiled throughout the plant.

Now slitters are placed near the coaters, and management duties are determined by product line, not function—that is, a supervisor will be in charge of masking tape, not just coating or slitting. The new setup puts a lot more responsibility on the shoulders of individual workers. A slitting operator is expected to identify quality problems immediately so he or she can have the coater stopped after only two or three bad jumbos are produced, rather than the dozens botched in the past. As a result, inventory has been trimmed dramatically. And manufacturing time has improved by two-thirds.

The workers with whom I talked appreciate the new responsibilities. I had hated feeling like an automaton when I worked in the 3M plant, but it's an entirely different story these days for my former colleagues. They don't miss The Ties at all.

CORPORATE INNOVATORS: HOW THEY DO IT: 3M RELIES ON A FEW SIMPLE RULES—WHILE OTHER COMPANIES HAVE THEIR OWN APPROACHES

Keep divisions small.—Division managers must know each staffer's first name. When a division gets too big, perhaps reaching $250 to $300 million in sales, it is split up.

Tolerate failure.—By encouraging plenty of experimentation and risk-taking, there are more chances for a new-product hit. The goal: Divisions must derive 25 percent of sales from products introduced in the past five years. The target may be boosted to 30 percent.

Motivate the champions.—When a 3Mer comes up with a product idea, he or she recruits an action team to develop it. Salaries and promotions are tied to the product's progress. The champion has a chance to someday run his or her own product group or division.

Stay close to the customer.—Researchers, marketers, and managers visit with customers and routinely invite them to help brainstorm product ideas.

Share the wealth.—Technology, wherever it's developed, belongs to everyone.

Don't kill a project.—If an idea can't find a home in one of 3M's divisions, a staffer can devote 15 percent of his or her time to prove it is workable. For those who need seed money, as many as 90 Genesis grants of $50,000 are a awarded each year.

Rubbermaid.—30 percent of sales must come from products developed in the past five years. Looks for fresh design ideas anywhere; now trying to apply the Ford Taurus-style soft look to garbage cans. A recent success: stackable plastic outdoor chairs.

Hewlett-Packard.—Researchers urged to spend 10 percent of time on own pet projects; 24-hour access to labs and equipment; keeps divisions small to rally the kind of spirit that produces big winners such as its LaserJet laser printer.

Dow Corning.—Forms research partnerships with its customers to develop new products such as reformulations of Armor-All car polishes and Helene Curtis hair sprays.

Merck.—Gives researchers time and resources to pursue high-risk, high-payoff products. After a major scientific journal said work on anticholesterol agents like Mevacor would likely be fruitless, Merck kept at it. The drug is a potential blockbuster.

General Electric.—Jointly develops products with customers. Its plastics unit created with BMW the first body panels made with thermoplastics for the carmaker's Z1 two-seater.

Johnson & Johnson.—The freedom to fail is a built-in cultural prerogative. Lots of autonomous operating units spur innovations such as its Acuvue disposable contact lenses.

Black & Decker.—Turnaround built partly on new-product push. Advisory councils get ideas from customers. Some new hot sellers: the Cordless Screwdriver and Thunder Volt, a cordless powertool that packs enough punch for heavy-duty construction work.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,483d day of captivity for Terry Anderson in Beirut.

I ask that an editorial dated March 20, 1989, from the Rochester Democrat and Chronicle be printed in the RECORD.

The editorial follows:

[From the Rochester Democrat and Chronicle, Mar. 20, 1989]

SOMETHING CAN BE DONE—BARGAIN WITH TERRY ANDERSON'S CAPTORS? NO. COMPENSATE IRAN? YES

"Today, we know that of the nine American hostages being held, one has gone mad and another has twice attempted suicide. Two hostages tried to escape and were beaten senseless by their captors.

"Terry Anderson has pounded his head against the dirty, stone wall of his cell until the blood ran. Frustrated, angry, lonely and tired of being caged like an animal, he finally broke."

"How long will America stand silent in the face of this abomination?"

Peggy Say, formerly of Batavia, marked the fourth anniversary of her brother's captivity in Lebanon last week with these sad and terrible words.

Sad, because there is no end in sight for the suffering of these hostages. Iran, ostracized in the world community for ordering the murder of author Salman Rushdie, is more defiant than ever.

Terrible, because not a thing is being done now to try to free the hostages.

We do not mean that George Bush should bargain with terrorists or go on bended knee to Iran. That would risk adding new names to the list of American hostages, already too long.

But the president could make one humanitarian gesture that should have been made long ago:

He could compensate the families of the 290 people killed when a U.S. ship mistakenly shot down an Iranian commercial airliner last July.

Ronald Reagan, to his credit, agreed to do that shortly after the disaster. But the idea went nowhere.

Some members of Congress postured that not a penny should be paid until all the American hostages were released. And Iran has been less than cooperative in providing a list of families.

A State Department spokesman says the Bush administration is studying the issue and "moving in the direction" of compensation. So far, however, the movement seems glacial.

Why not speed up the idea? Not only is it the right thing to do, but it could be done without compromising the official, and sensible, U.S. policy on terrorism.

The Reagan administration foolishly undermined that policy by its secret arms sales to Iran. George Bush need not do that, or even link compensation with the release of the hostages.

If 100 or even 50 Americans were being treated like animals in some filthy room in Lebanon, says a bitter Peggy Say, people would demand that something be done. But nine hostages, however wretched, can be ignored.

She's probably right. But something can be done. It's not much; it might not work. But after four years of failure, surely it's worth a try.●

JOHN PHILIP SOUSA ELEMENTARY SCHOOL, MESA, AZ

● Mr. McCAIN. Mr. President, today I would like to bring special attention to the innovative and efficient design of the John Philip Sousa Elementary School in Mesa, AZ. The architect, Christopher Coover, has designed an energy efficient, contemporary adaptation of the little red school house. The efficiency of this school can be attributed to Mr. Coover's design, which is the first in Arizona to be used in a school, that incorporates a cold-water thermal-storage system to decrease refrigeration expenses. This system cuts expensive air-conditioning cost by refrigerating water during periods when electricity is cheaper and storing the water in an underground tank. This design should save the school about $37,000 annually.

The Mesa School District has recently received an Award of Merit from the Arizona Department of Commerce, citing Mesa Public Schools and the Sousa School for exceptional accomplishments in energy conservation. The American Association of School, Administrators also selected the John Philip Sousa School's plans for exhibition at its national conference. The exhibition jury said Sousa best represented a nationwide cross section of new school building design excellence.

This commitment to efficient design and other-cutting measures is essential if we are to ensure better education for our youth during these tough budgetary times. The savings derived from cutting the overhead costs will enable school districts to use funds to more directly benefit the students.

Mr. Coover and the Mesa School District are to be commended for their innovative efforts in energy efficiency and education.●

GREEK INDEPENDENCE DAY

● Mr. DIXON. Mr. President, March 25, 1989, marked the anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire.

As ancient Greece is the birthplace of democracy, and, indeed the very underpinnings of the American way of life, so too was the American Revolution the model for the modern Greek independence movement that began 168 years ago. In fact, Greeks used the United States Declaration of Independence as the archetype for their own declaration. Many American volunteers sailed to Greece to participate in Greece's war for independence.

During the early part of this century, 1 of every 4 Greek males emigrated to the United States. Greek-Americans, many of whom reside in my home State of Illinois, have become immensely successful in the United States, serving in business, law enforcement, media, the military, and many other areas. Greek-Americans have made monumental contributions to the overall artistic and educational vitality of our country and have risen to serve in the highest offices in the land. During World War II, more than 600,000 Greeks and Greek-Americans died fighting on the side of the Allies.

As Will Durant wrote:

> Greek civilization is alive * * * it moves in every breath of mind we breath * * * so much of it remains that none of us in one lifetime could absorb it all. Greece is the bright morning star of that Western civilization which is our nourishment and life.

Indeed, Percy Bysshe Shelly wrote:

> We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece.

Herro hera elefteria! Long live freedom!

GREEK INDEPENDENCE DAY

● Mr. WALLOP. Mr. President, while Congress was adjourned for Easter recess, Greek-Americans across the country celebrated Greek Independence Day and we were reminded of all the remarkable contributions made to America by a determined and freedom-loving people.

In my own State of Wyoming, Greek-Americans attended church services and dinners and talked of the freedoms that their ancestors fought so hard to secure. And they talked of their pioneer parents and grandparents who traveled to Wyoming in the early 1900's because of the special freedoms our State offered. Wyoming's wild and beautiful lands and its relaxed western ways offered opportunities for political, economic, religious and social contributions. Greek immigrants came to the State largely to work for the railroad and in the coal fields. These strong pioneers were fiercely independent and Wyoming was fertile ground—a place where they could invest their lives and get a return for their growing families.

In fulfilling their quest, our Greek-Americans have enriched Wyoming's heritage. They remain to dedicated to the preservation of our freedoms, our environment and our individuality. The legacy is a demonstrated lifestyle that respects hard work and integrity. Today, the immigrant's descendents are well-educated young men and women who are taking leadership roles in America's communities.

Next year, when Wyoming celebrates its 100th year of statehood, it will be important to let our Greek-Americans know that their contributions have added strength and distinction to the Equality State.

It is my honor, Mr. President, to pay special tribute to Wyoming's Greek-Americans and Greek-Americans nationwide and to say thank you for your unlimited offerings to our Nation.●

ARCHBISHOP IAKOVOS

● Mr. SARBANES. Mr. President, it is 30 years since His Eminence, Archbishop Iakovos, became primate of the Greek Orthodox Church of North and South America. Since 1959 he has brought steady leadership and spiritual guidance to his far-flung Archdiocese, which today has more than 2 million communicants in more than 500 parishes.

Archbishop Iakovos, who was born Demetrios A. Coucouzis in Turkey in 1911, has given virtually his entire life to his church. At the age of 16 he entered theological school, graduating with high honors in 1934. He came to the United States shortly thereafter to serve as archdeacon of the Archdiocese of North and South America and professor at the Archdiocese Theological School.

In the Greek Orthodox tradition, he took the name Iakovos at the time of his ordination in Boston in 1940. Subsequently he served communities in Hartford, CT; New York City; St. Louis, MO and Boston, MA. He received the S.T.M. degree from Harvard Divinity School and served as director and president of the Holy Cross Theological School in Brookline during his 12 years of service as Dean of the Cathedral of the Annunication in Boston.

In 1954 he became Bishop of Malta and in 1955 was appointed representative of his Church's Ecumenical Patriarchate to the World Council of Churches. Four years later he was elected Archbishop of North and South America by the Holy Synod of the Ecumenical Patriarchate, and in March 1959 he was enthroned at the Cathedral of the Holy Trinity in New York City.

We have seen momentous changes in this country and in the world over the past 30 years, and true to the tradition of his church, Archbishop Iakovos has spoken out forcefully on the issues of our times. Deeply committed to basic principles of human rights, he has been an eloquent spokesman in the continuing struggle against oppression and persecution.

In 1965, new to his responsibilities as Archbishop, he marched with Martin Luther King, Jr. in Selma, in the great movement to end the scourge of segregation and racism in American life. He has led efforts to end the persecution of the Ecumenical Patriarchate. He has been outspoken on the tragic injustice which the Turkish invasion wrought on Cyprus in 1974, and brought comfort to its victims. Archbishop Iakovos has also played a major role in the ecumenical movement and in the continuing search for harmony and understanding among all religious people.

Over the years the Archbishop has worked tirelessly to bring together men and women of goodwill in love and understanding, and the success of his efforts is reflected in the unity and vitality of the Greek Orthodox Church. He is respected by his followers for his great intelligence and eloquence, and revered for his vision, his spiritual leadership and his devotion to his calling. A true servant of the Lord and shepherd to his flock, he plays an important role in the religious life of our Nation and the world.●

KENWOOD ACADEMY, HUBBARD SCHOOL, AND CHICAGO VOCATIONAL HONORED

● Mr. DIXON. Mr. President, today I rise to honor three fine Chicago public schools, Kenwood Academy, Hubbard School, and Chicago Vocational, that have recently been nominated by the U.S. Department of Education for excellence at the secondary school level.

These three schools are being honored for their commitment to academic excellence based on test scores, site visits to the school, and a thorough review by a Department of Education panel.

All three of these schools serve achievement-conscious youths in the inner city. As I am sure my distinguished colleagues will agree, growing up in an urban center such as Chicago, students are faced with a unique set of problems and challenges to overcome in their quest for a quality education. With the determined guidance of their teachers and parents, the students of these schools have defied the odds and turned their schools into a beacon of hope and opportunity for themselves, and a source of inspiration for students and teachers everywhere.

It is gratifying to know that there are teachers, parents, and most importantly, students who are willing to make the sacrifices and go that extra mile to obtain a quality education. Mr. President, I salute the achievements of these great citizens of Illinois, and ask my colleagues to join me in congratulating them on a job well done.●

TRIBUTE TO VERMONT ARTIST RONALD SLAYTON

● Mr. LEAHY. Mr. President, President Roosevelt's Works Progress Administration projects helped many people get a start in life. And 50 years after taking advantage of the WPA's Easel Painter's project, Vermont Artist Ron Slayton will see his work on display in his home State.

Hunger, poverty, and other social issues spanning the last five decades predominate the work of this talented man, who left the University of Vermont for the $18 a week job with the WPA—a lot of money back then.

Born in Barre in 1910, Ron has taken on some varied projects during his life, although always keeping up with his first love of painting. Poet, political activist, and historian just begin to describe this multitalented man and good friend.

And although his work has been exhibited and documented elsewhere, this is the first full exhibit spanning Ron's career.

Mr. President, I ask that an article from the April 5, 1989, edition of the Burlington Free Press on this remarkable and talented Vermonter be printed in its entirety.

The article follows:

[From the Burlington (VT) Free Press, Apr. 5, 1989]

VERMONT WPA ARTIST RECALLS HUNGER WELL

(By Maggie Maurice)

"A Life in Art—A Retrospective of Work from the Thirties to the Eighties" is the title of a new exhibit by Ronald Slayton that opened last week at the T.W. Wood Art Gallery at Vermont College.

Slayton, born in Barre in 1910, was one of the few Vermont artists who participated in President Roosevelt's WPA (Works Progress Administration) Easel Painters' Project.

He remembers it well.

"It was a hard time. We were always on the verge of hunger," he said Tuesday in a telephone interview from his Barre antique shop, The Dog River Sale Barn. "When I was going to college (University of Vermont), my brother and I used to raid gardens for vegetables, come back and make a big stew."

He left the University of Vermont for the job with the WPA and a paycheck of $18 a week. Good money in those days. His paintings told the story of people living through the Depression. In one, he delineated all the aspects of unemployment—the men ringing doorbells, looking for work, worrying about the "black list" (a list kept by manufacturers of anyone active in the union).

"We had a discussion group in Burlington which took up social issues," he said. "We tried to eliminate the slums on the waterfront. Only after 50 years have they done anything."

Slayton created many works of art in the '30s, including three woodcut blocks titled "Fuel," "Clearing the Fields," and "Social Activities of the '30s."

"That's our discussion group," he said of "Social Activities." "My first wife, Dorothy Kennedy Slayton, was the typist. She's in the right-hand corner. That's the group, sitting around the table, and me with my easel, painting. In the left-hand corner is a symbol of the munitions maker in his capitalist hat; in the right is the soldier symbolizing the Japanese invasion of China, "one of the most terrible aspects of human behavior. They tied people in bundles and threw gasoline on them—burned them up."

In the 1940s, Slayton worked in newspaper advertising (Barre Times Argus, St. Albans Messenger) before moving to New York to earn a bachelors' degree from Columbia Teachers College. Afterward, he worked at such disparate places as Madison Avenue and the University of Tennessee.

He was a poet, dramatist, educator, politician, gallery director, peace activist, humorist, critic and historian.

When his first wife was killed by lightning in Tennessee, he returned to Vermont and taught in the public schools. He was curator of the Wood Art Gallery for 12 years.

"This exhibit is very exciting for me, a culmination of my work for 50 years," Slayton said. "Some very talented people worked on it. One of them is my son, Tom."

The exhibit in Vermont College Arts Center today is sponsored in part by Vermont Federal Bank. The curator is Olivia Bravakis, who had worked with Slayton at Wood. The catalog was compiled by his son, Tom Slayton, editor of Vermont Life, and Linda Paradee of Vermont Life.

"It's a great feeling to work on a show that will give dad some of the recognition that his long life in art deserves," Tom Slayton said. "Growing up under his tutelage, I have seen him paint and paint and paint. It's good at last to see him appreciated."

Credit also goes to singer Bobby Gosh of Brookfield. "He had faith in dad and helped coordinate the show," Slayton said.

Ronald Slayton's work has been documented by the Smithsonian Institution and is included in the permanent collections of the Wood Gallery and Fleming Museum at the University of Vermont.

His second wife, Mariette Payne Slayton, also is an artist. Slayton retired 10 years ago, but last summer he took his big paintings to the 3rd International Peace Conference for Teachers, in Bonn, Germany. He took banners to Moscow with the parents and teachers for social responsibility. Back home again, he still is at his shop every day, the Dog River Sale Barn.

On April 21 at 8 p.m., in conjunction with the retrospective, Slayton will give a live presentation of his prose poem, "The Rock and the Spark," with a musical score by James Miller and Peter Slayton.

Written in 1954, the poem is an attempt, Slayton said, to "express the creative force in art and invention in America." It was originally produced at the Barter Theater in Arlington, Va., and later at the Knoxville Art Center and the Virginia Conference on Educational Television.●

RECOGNIZING THE DISTINGUISHED SERVICE OF MAJ. WILLIAM K-F GRANT, JR.

● Mr. DIXON. Mr. President, I would like to take this opportunity to recognize the hard work and superb contribution of Maj. William K-F Grant, Jr., in our armed services. After 20 years of distinguished service Major Grant is retiring from the U.S. Air Force effective June 1, 1989. Major Grant served his country honorably and loyally in his capacity as Chief of the Projects Division in the Headquarters Air Weather Service at Scott Air Force Base in Belleville, IL. Major Grant has been responsible for Air Weather Service's technical management of weather support of the highest national interest. Major Grant has served his country with great distinction and should be proud of his fine accomplishments. I would like to join my voice with those of his family and many friends in thanking Major Grant for a job well done and wishing him the very best in the coming years.●

INCREASE THE MINIMUM WAGE

● Ms. MIKULSKI. Mr. President, we must increase the minimum wage. In this country, a full-time job should not mean full-time poverty. The current minimum wage of $3.35 an hour is not a living wage. The deteriorating minimum wage rate of the 1980's has contributed to the rise of a new underclass in American society—the working poor and the working homeless. While I would prefer to see the minimum wage rate raised to $4.65 an hour, if the House level of $4.55 an hour is all we can get this year, we'll take it.

Mr. President, as the Senate debates raising the minimum wage we have been inundated by statistics and graphs and numbers. During this display we may lose sight of the fact that these statistics represent people, real people who go to work every day so they can pay their bills, and have a decent place to live.

We might ask, who are the people earning the minimum wage? They are reliable, dedicated employees who just want a chance to move up in society, or just to get back on their feet. They believe, as we all do, in the satisfying ethic of work. They don't apologize for not making a lot of money and they are not looking for a lot of public handouts, but they certainly deserve a decent wage for honest work.

Two such people were profiled by Jean Marbella in the Baltimore Sun on March 31, 1989. Ms Marbella's story relays a candid portrayal of these two people's lives and aspirations much better than I could summarize here today. Because I feel that it's important for us to remain aware of how what we do here affects the folks in our cities and towns, Mr.

President, I ask that this article be printed in full in the RECORD.

The article follows:

[From the Baltimore Sun, Mar. 31, 1989]

MAKING ENDS MEET—FOR MINIMUM WAGE EARNERS, ESSENTIALS SEEM LIKE LUXURIES

(By Jean Marbella)

She rubs numb arms that for eight hours have pushed a vacuum cleaner, emptied trash cans and generally picked up after downtown workers who will return in the morning to a tidy office with scarce if any thought as to how it got that way.

Then she rubs sandy eyes that are still adjusting to working at night and sleeping during the day, and wonders who will get her first—the landlord who has threatened eviction, the utility companies that have threatened to turn off the lights, the bill collectors who have been scratching for their piece of her all-too-small paycheck.

"That's the huring part. You work 40 hours a week. You work hard. You do without everything," she says with a work-tired sight. "And you still get eviction notices. You get turn-off notices. I have creditors I can't pay."

He'd left the industrial Midwest, hearing there were good jobs out on the East Coast. And he found what seemed to be one of them—as a waiter/bartender at a new restaurant in the heart of Baltimore's neon-streaked, yuppie-populated downtown entertainment district.

But after three months on the job, missing just one day that entire time, he's still homeless. He hasn't saved enough for a security deposit on an apartment—or even a single room. And some nights he can't even get into a homeless shelter; many require that you show up at about 5 p.m., but that's when he has to start his shift.

He worries his employers will find out he's homeless, that after a couple more months on the street, he won't be able to scrub up enough to meet customers' expectations at such a restaurant.

"You have to keep your appearance up. In a couple of months, it's going to start to show," he says. "The fact that you're working, you're out there, and you still don't have a roof over your head—it really gets to you. I'm working, and I'm still out on the streets."

These two Baltimoreans are among the working poor—minimum wage (or just slightly better) workers lost in a sort of nether world. They earn too much to qualify for full public assistance, but they earn too little to make ends meet.

Their daily struggle seems a forgotten factor in the current, pennies-niggling debate in the federal government over raising the minimum wage—which, unlike housing, food and just about every other consumer cost, hasn't gone up a cent in eight years.

The House of Representatives last week approved raising the minimum from $3.35 to $4.55 an hour, the Senate will consider its own measure early next month to up it to $4.65, but President Bush has threatened to veto anything over $4.25 an hour.

But as the political machinations churn on—and the House's proposed increase wouldn't even take full effect until 1991—the nearly 4 million minimum wage workers have no choice but to continue eking out what passes for a living on a below-poverty line salary. And with purchasing power ever on the decline, the $3.35 of today buys even less than the $1.50 that was the minimum wage in 1970, according to Department of Labor statistics.

And so, in Baltimore as elsewhere, you'll find minimum wagers at soup kitchens and food pantries, at homeless shelters, at welfare offices, at the mercy of kind strangers—anywhere they can get something to tide them over from meager paycheck to paycheck.

Administration figures show that most minimum-wage earners work part time by choice and that just 336,000 of the total are actually impoverished. But, say some who work with the poor, setting the minimum wage so low actually can serve as a disincentive to working—you can do better by going on welfare, some say and getting additional public assistance for food and medical care.

The typical welfare family, for example, is a woman with two children—they would receive $377 a month in welfare and $219 a month in food stamps, said Steve Minnich, executive director of the Maryland welfare office. That gives them an annual income of $7,152.

If the woman were to take a full-time, minimum-wage job, she would make $6,968—before taxes. But she wouldn't be totally stripped of her public assistance, Mr. Minnich said. Under a typical scenario that involves certain housing and day-care costs, the welfare checks would start diminishing—first to $156 a month for the first four months, then $46 and $16 a month in subsequent months.

Food stamps would stay the same or actually go up depending on circumstances, Mr. Minnich said.

"They become the working poor," said Mr. Minnich. "They still stay at the poverty level at minimum wage."

Poverty level for a family of three is $8,735.

But whatever the rules of eligibility, not everyone wants to go on the public dole.

"I'm an independent person," says a woman we'll call Lila Washington, who at 48 years of age, after a lifetime of working good jobs and raising five kids, suddenly found herself cleaning offices for slightly above minimum wage. "Looking around, It's not much," she says of her apartment near Clifton Park. "But it's clean. It's mine."

The paint is peeling in her bedroom, there's a curtain instead of a door separating it from the rest of the house, but this is obviously a comforting womb—Tums, cold cream and a loudly ticking clock on the night stand, records stacked neatly in one corner, clothes folded equally neatly on a faded sofa and photographs taped to the wall.

She's rolling sleepily in her bed, slowly waking up to chilly, foggy morning. She got off work at 1:30 a.m., got to sleep at 3 and now, about five hours later, is up again.

"These were the good times," Ms. Washington says softly, so as not to wake up the daughter and two grandchildren who live with her, "me and my co-workers."

She's nodding at the largest photo on her wall—it's of two co-workers and her, all holding up certificates earned with a year's worth of perfect attendance and beaming ear-to-ear-to-ear-to-ear-to-ear-to-ear-to-ear.

It was taken during one of the 20 years she worked for a major electronics firm for what now seems the princely sum of $9.75 an hour. She got laid off from that company, hired on at another electronics job (at the lesser but still decent age of $7.95 an hour) and was laid off again three years later.

After five months on unemployment, she took her current job cleaning offices for $3.70 an hour.

"I had to take it. I have to live," she says. "Minimum wage is for kids. Minimum wage is not for a person who has responsibilities. I don't really think that a 48-year-old woman can deal with a minimum-wage job with the responsibility I have. I have to pay my rent. I have to pay for food. Gas and electric."

Cleaning offices is a difficult but honest living.

"I'm not domestically inclined," she says. "I'd rather use my brains than my body. But I have a lot of faith [in God]. I know this is not what he wants me to do. I'll get something better. I'll get back in my field."

Taking home $109 a week means that even the smallest of luxuries are beyond her pocketbook.

"Say I wanted to go out to breakfast now," She muses. "I don't have the money. I start out the month, I got to take $35 out for a bus pass. Out of $109, what do you have left? Like buying a record every once in a while—the cheapest you can buy is $2.99. You buy something like that, you're taking away from your necessities. You don't even have a chance to go downtown and just look around, because you might spend a little something."

Cleaning those offices downtown, she sees the skyscrapers, the frenetic commercialism of the harbor, all those monuments to the booming economy. The mocking irony of it all makes her reflect.

"If I was the state governor, if I was Governor Schaefer, I'd do something. You build those buildings downtown, and he said jobs would be coming in. Jobs came in, but they're $3.35 an hour," she says. "Poor people don't make no money."

Walt Robinson, also not his real name, is part of that seemingly prosperous downtown scene. But his world is the underside of the bright lights.

He's a Midwesterner—Minneapolis and Milwaukee, mainly, where he worked fast-food and restaurant jobs—who left his homeland last fall when he heard there were good jobs in Boston. But somehow—and the details get vague around here—he lost the $150 he had to his name somewhere en route and got stranded in Baltimore in October.

People Aiding Travelers and the Homeless (PATH), formerly called Travelers Aid Society of Baltimore, came to his rescue and got him into a shelter for the homeless. But, the city funds that help cover costs there place a 13-week limitation on length of stay; after that, you're on your own, said Ina Greenberg, a PATH caseworker who has been helping Mr. Robinson.

At 43, he retains a remarkably boyish face. Sitting in PATH's stark offices downtown, his only real address, he plants a plastic bag of belongings at his feet. He mops his sweating brow with a bandanna; he's raced down here from a shelter a couple of miles away, anxious not to miss an appointment and calling when it looked like he'd be about 10 minutes late.

With good references from former jobs, Mr. Robinson was able to find work in December at a new downtown restaurant—for minimum wage, he works the night shift, sometimes seating people, sometimes waiting tables, sometimes tending bar.

In the past, he would get off around 3 or 4 in the morning, and, in the dead and cold of the winter night, would have to stand on a corner waiting for a bus to take him to a

shelter for the homeless. That proved so problematic—some shelters don't take anyone in that late in the night—that he now gets off several hours earlier.

Which means he works fewer hours and makes less money. Which means he has less of a chance to save money for an apartment.

"What I have to look for now is just a room," he said.

A recent two-week paycheck, for example, after all the taxes were taken out, netted him $167.80. And that was a good check—he had worked some overtime. The occasions when he waits on tables also adds a few dollars to his income in tips.

After paying to eat, after bus fare, after giving an occasional couple of dollars to people who let him stay at their houses every once in a while, he says there's nothing left to give a potential landlord in the way of a security deposit.

There's the possibility of food stamps and subsidized housing. But, like other minimum wages, he says he doesn't have time to stand in the lines and wait in the waiting rooms of the social services bureaucracy. He can't afford to miss even an hour of work, which at the meager $3.35 is still $3.35 that he needs.

And, besides, he seems to harbor a deeply felt belief in the goodness of work. Any work. It angers him when others don't see things quite that way.●

SCRAPIE ERADICATION ACT

● Mr. HARKIN. Mr. President, scrapie is a fatal infectious degenerative disorder of the central nervous system of sheep and goats. Much remains unknown about the nature of the infectious agent, the ways in which the disease is transmitted, susceptibility of other species, and methods of eradication and control of the disease. The scientific information seems to indicate that scrapie is caused by an unconventional viral infectious agent. The disease has a prolonged incubation period of 10 to 48 months or more from the time of infection until symptoms appear. No test has yet been developed to detect the disease before the infected animals begin to exhibit symptoms.

The illness and death caused by scrapie are devastating to infected flocks of sheep and goats and to their owners, causing great financial losses that are magnified as owners destroy their breeding animals or send them to slaughter in order to prevent spread of the disease. Moreover, the available data indicate that the disease is on the increase. The number of scrapie outbreaks identified by the Animal and Plant Health Inspection Service [APHIS], a part of the Department of Agriculture, has increased from 11 flocks in 1980 to more than 50 flocks in 1988. The threat of scrapie has serious economic implications: the total value of the sheep industry to the U.S. economy is about $900 million annually. In my State of Iowa, the sheep industry contributes nearly $35 million to the economy each year.

The need is clear for a strong and purposeful national effort to control and eradicate this scourge of the sheep and goat industry. For these reasons, I have introduced the Scrapie Foundation Act in order clearly to commit our Department of Agriculture to programs to control and eradicate this disease. I would note that Congressman JIM LEACH of Iowa has introduced a very similar bill in the House of Representatives.

APHIS has for many years carried out its own program for scrapie eradication. However, on November 2, 1988, APHIS provided advance notice of proposed rulemaking that would discontinue that part of APHIS' current Scrapie Eradication Program that provides for destruction of infected animals and payment of indemnities to owners. The reason given for the proposed discontinuation of the program is that it has not succeeded in eliminating the incidence of scrapie. As I pointed out in letters to Secretary of Agriculture Clayton Yeutter and to APHIS, though, the mere fact that the program has not at this time succeeded in eliminating scrapie does not indicate that the program should be abandoned altogether. On the contrary, the circumstances militate in favor of an intensified effort to eradicate this disease.

Under the Scrapie Eradication Act the Secretary of Agriculture will establish and carry out a new national program to control and eradicate the disease of scrapie in sheep and goats. Though APHIS does have a scrapie program within its general animal disease control authority, the future of that program is highly uncertain, as I earlier noted. I believe this legislation is needed to make sure that we move forward with a strong and consistent Federal scrapie eradication effort.

The bill provides for indemnification of the owners of any sheep or goats destroyed under the scrapie eradication program to be established by USDA. The experience of other countries with substantial sheep industries demonstrates that the most effective program for dealing with scrapie involves depopulation of the infected flocks. The bill would increase the maximum indemnity payment for destroyed animals to 80 percent of the appraised value or $500 per head, whichever is less. These figures are more realistic for purebred animals destroyed under the program than the figures currently used by APHIS. An indemnity program that helps defray some of the cost to flock owners of eliminating infected animals will encourage the reporting of scrapie cases and promote cooperation in eradicating the disease through removing diseased animals.

Under the bill, the Secretary of Agriculture is also directed to establish and carry out a program of research regarding the disease of scrapie. This research will include developing diagnostic procedures for detecting animals infected with scrapie before the animals exhibit symptoms, methods for the treatment, prevention and cure of scrapie and methods for controlling the spread of the disease. More research, particularly on the development of a diagnostic test for scrapie, will be essential to eradicate the disease.

I believe that with an improved and strengthened Federal effort, in cooperation with State and local agencies, livestock associations and other individuals and organizations, we can and will succeed in eradicating scrapie from our sheep and goat industry.

I ask that the following letters be included in the RECORD.

The letters follow:

U.S. SENATE,
Washington, DC, March 10, 1989.

Hon. CLAYTON YEUTTER,
Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC.

DEAR CLAYTON: Enclosed for your consideration is a copy of my letter to the Animal and Plant Health Inspection Service opposing discontinuation of the Scrapie Eradication Program. The letter was sent in response to the advance notice of proposed rulemaking published by APHIS in the Federal Register of November 2, 1988 at page 44,200. In that notice, APHIS solicited public comment on a recommendation to remove regulations for destroying animals because of scrapie.

As further explained in the enclosed letter, I believe that continuing a depopulation program, including indemnity payments for destroyed animals, is the best program for scrapie control available at this time. The alternative policies that have been suggested remain undeveloped and have not been shown to be as effective as the type of depopulation program found in the current regulations.

The November 2 notice suggests that the rationale for discontinuing the present program is that it has not been effective in eliminating scrapie. The fact that scrapie has not been eliminated at this time does not, in my view, indicate that the current program should be abandoned. Instead, the current program should be strengthened and improved to deal more effectively with the increasing incidence of scrapie.

Some ideas for improving the program are included in my letter. One of the more important improvements that should be made is to increase the maximum indemnity level to $500, which would be a more realistic figure for purebred animals. In addition, I believe we need a rededication to vigorous implementation of the current program in the field. The reports I have received from producers indicate that APHIS personnel have been slow to act and generally have not carried out the program effectively.

I am well aware of the budgetary restraints on USDA programs. And I certainly do not suggest that the success and effectiveness of a program can be measured by the amount of money spent on it. I believe it is noteworthy, however, that APHIS figures for 1982 show 18 flows having been identified as infected with scrapie with total federal indemnities for depopulation of $1,323,000. For 1988, over 50 flocks were identified as infected, but only $224,883 was paid in federal indemnities. Hence, despite a

worsening scrapie problem, it appears that APHIS has markedly reduced its commitment to controlling the disease.

You are no doubt aware of the great threat that scrapie poses to the sheep and goat industry. I hope that we can work together to ensure that USDA has an effective and adequate program to address this serious problem.

Sincerely yours,

TOM HARKIN,
U.S. Senator.

U.S. SENATE,
Washington, DC, March 6, 1989.

Re Docket No. 88-131, Animals Destroyed Because of Scrapie

Animal and Plant Health Inspection Service,
U.S. Department of Agriculture, Washington, DC.

To Whom It May Concern: I wish to note my strong opposition to the proposed rulemaking by APHIS that would discontinue the Scrapie Eradication Program. The proposed rule concludes that the existing Scrapie Eradication Program has not been effective in eliminating the incidence of scrapie and should therefore be discontinued. The mere fact that the program has not at this time succeeded in eliminating scrapie does not indicate that the program should be abandoned altogether. On the contrary, the circumstances militate in favor of an intensified effort to eradicate scrapie.

Scrapie is indeed a serious problem that deserves a greater, not lesser, effort by APHIS. The available data indicate that the number of identified scrapie outbreaks has increased from 11 flocks in 1980 to more than 50 flocks in 1988. The threat of scrapie has serious economic implications: the total value of the sheep industry to the U.S. economy is about $900 million annually. In my state of Iowa, the sheep industry contributes nearly $35 million to the economy each year. The need for an adequate federal program is clear.

No doubt the present program could be improved. I think that APHIS is capable of working to make such improvements. It is apparent from the proposed rule, however, that no program has been devised to replace the current Scrapie Eradication Program if it is abolished. In the face of an increasing U.S. scrapie problem, I believe it is imperative to continue, and improve where necessary, the present program in the absence of any currently available effective alternative.

Continuing a depopulation program, including indemnities, for scrapie control appears to be the best available policy for the foreseeable future. Plainly, bringing scrapie under control will require cooperation of flock owners and accurate, honest reporting of cases of scrapie. An indemnity program that helps defray some of the cost to flock owners of eliminating infected animals will encourage the reporting of scrapie cases and promote cooperation in eradicating the disease through removing diseased animals. The experience of other countries with substantial sheep industries demonstrates that the most effective program for dealing with scrapie involves depopulation of the infected flocks.

To improve the current Scrapie Eradication Program I suggest the following changes. To be effective, I believe the maximum indemnity level should be raised to $500 from the current $300. Improved methods of permanently identifying animals must be devised and implemented. Research must be continued and intensified into developing a diagnostic test and finding ways to prevent transmission. Flock owners and regulatory personnel must be educated about the disease. APHIS should allocate as much of its available resources as possible to these efforts.

I note that the proposed rule suggested a possible scrapie certification program as an alternative to the present indemnity program. I certainly would not want to discourage the development of such a certification program. However, I seriously doubt that a certification program could by itself effectively take the place of a depopulation program with indemnity payments to bring scrapie under control. In any event, I do not see how a certification program could serve as an effective alternative to a depopulation and indemnity program prior to the development and widespread availability of a diagnostic test for scrapie.

Thank you for considering my comments on this important matter.

Sincerely yours,

TOM HARKIN,
U.S. Senator.●

MAJOR FRAUD ACT AMENDMENTS OF 1989

● Mr. SASSER. Mr. President, I regret that I was unable to be in this Chamber on Wednesday, April 5, when the Senate considered S. 248. I had the sad duty that afternoon of visiting Covington, TN, with the Secretary of Transportation, to view the site of the tragic bridge collapse which took eight lives on the night of April 1.

As the record for April 5 reflects, had I been present that evening I would have voted against the motion to table the Bumpers amendment to S. 248, but in favor of final passage of the bill. I take this opportunity to make some brief comments on my views regarding the legislation.

S. 248 amends the Major Fraud Act of 1988, by allowing the Attorney General to authorize cash awards, of up to $250,000, to individuals who provide information which relates to possible prosecutions for fraudulent contractor practices. During my career in the Senate, I have been an ardent supporter of initiatives to combat waste, fraud, and abuse in Government operations. I was strongly in favor of the Major Fraud Act of 1988, a position I know I share with my distinguished colleagues who spoke both in favor of, and against, the provisions of S. 248.

However, with due consideration to the skillful arguments on both sides of the cash awards issue, I felt I must support the amendment of my distinguished colleague from Arkansas [Mr. BUMPERS] to strike the cash awards provision from S. 248. There are certainly many circumstances under which cash incentives are appropriate for those who expose fraud and abuse, or make suggestions which improve the efficiency of Government agencies. But I agreed with Senator BUMPERS that when you're talking about criminal prosecutions under the Major Fraud Act, the prospect of cash awards, to potential Government trial witnesses, might compromise the efforts of Government prosecutors. It is just too easy to discredit a witness who stands to gain financially from a conviction.

I know that that is why my friend, Senator METZENBAUM, amended S. 248 so that cash awards would no longer be contingent upon a conviction. But even with this conviction requirement removed from the bill, the fact that a witness could ultimately profit from his accusations might cast doubt on his motives and reliability from the outset.

However, a majority of our colleagues reached a different conclusion and voted to table Senator BUMPERS' amendment. In that case, like most other supporters of the Bumpers amendment, I am willing to see S. 248 become law. I will be interested to follow its effects upon the progress of our Federal investigators and prosecutors. Justice Holmes once observed, "The life of the law is experience." I hope our experience under S. 248 will be positive. If we find otherwise, then at least this weapon against fraud will have been given a chance to succeed.●

PREPARE OUR YOUTH FOR THE CHALLENGES OF THE FUTURE

● Mr. BINGAMAN. Mr President, considerable concern has been expressed at many levels and by many of my colleagues over the need to prepare our youth for the challenges of the future.

Many of us have urged the development of new and innovative collaborative partnerships to assure that our Nation has the sufficient caliber and numbers of young minds to help our country maintain its technological leadership and competitiveness.

We have heard that the future pool of human resources must come from the historically under-represented populations as a source for our technical human resources, and further, these historically under-represented populations are minorities—Hispanic, Native Americans, Blacks and women.

I am pleased that a very successful statewide human resource prototype has been created in my own State of New Mexico under the aegis of an effort called Project Uplift. Furthermore, this prototype is used as a recruiting model by the U.S. Office of Personnel Management to attract young prepared people into the Federal work force. This prototype has involved the collaborative participation of the degree granting public and private universities and colleges, Kirtland Air Force Base, the two national laboratories, and multi-national corporations and a minority owned business in New Mexico.

It is reported that all the goals set by the planning committee of Project Uplift have been surpassed. The following highlights indicate the success of this year's Rio Grande Research Corridor High Technology Minority Job Fair:

More than 100 public and private employers participated from throughout the United States.

More than 600 invited university and college engineering, math, computer science, physical sciences, technical writers, and business majors participated.

Over 200 job offers were made along with 50 co-ops and internships.

Eight of the 10 Operations Offices of the U.S. Department of Energy participated along with four national laboratories.

Over these past 3 years—some 450 job offers have been made.

The Department of Energy and the U.S. Office of Personnel Management deserve credit for their cooperation as do the organizers of the Job Fair. I also want to congratulate the founder of Project Uplift, Dr. Henry Casso of Albuquerque, NM, for his significant efforts in making Project Uplift a success.●

MARIAN ANDERSON

● Mr. DODD. Mr. President, this coming Sunday, April 9, marks the 50th anniversary of a historic moment in race relations in our country. On that date in 1939, Marian Anderson, one of the greatest singers of this century, who had been denied the right to perform in Constitution Hall solely because she is black, attacked the ignorance and immorality of racism with her presence and her voice in an outdoor concert on the steps of the Lincoln Memorial.

Fifty years ago, when Washington was still a small Southern town with strict Jim Crow laws, Constitution Hall was the largest concert hall in the city. The owners of the building, the Daughters of the American Revolution, at the time maintained a strict segregationist policy, prohibiting any blacks, even one of the stature and the phenomenal talent of Marian Anderson, from performing there.

Miss Anderson had performed throughout Europe in many of the World's leading concert halls. The great contralto had been honored by the kings of Denmark and Sweden. Yet even a voice such as hers was not strong enough—not yet—to knock down the walls of bigotry in her own country.

Her rejection by the DAR was by no means the first time that Marian Anderson had been forced to battle prejudice in the pursuit of her career. At the age of 13 she was denied entrance to a Philadelphia music school, where she was told, "We don't take colored." Undaunted, Miss Anderson hired a private tutor and sang at black churches to raise money for the teacher's fees.

Despite rave reviews from music critics for her solo performance with the New York Philharmonic in 1926, when she was but 22 years old, Miss Anderson continued to find her path blocked in this country by color barriers. This great American singer was forced to go to Europe in search of opportunities.

Marian Anderson returned to America in 1935 and found discrimination still prevalent. When traveling to her performances she was sometimes refused rooms in hotels, and at other times hotels would allow her to use only the freight elevator. On trains she was often prohibited from eating in the dining car.

When Miss Anderson was denied the use of Constitution Hall, public attention—and a growing outrage—was focused on the injustice of discrimination. The outcry culminated when First Lady Eleanor Roosevelt resigned her membership in the DAR, stating, "To remain as a member implies approval of their action." The DAR refused to budge, and Secretary of the Interior Harold Ickes was contacted to obtain permission for a performance on public park lands.

Tens of thousands of concertgoers—blacks shoulder-to-shoulder with whites—crowded the grounds of the Lincoln Memorial that April day in 1939, and all were astounded by what they heard. Beginning with the Star Spangled Banner, through operatic pieces and Negro spirituals, Marian Anderson held the audience spellbound. At the end of the performance, the applause and cheering of the crowd continued seemingly forever.

Four years later, Miss Anderson did perform at Constitution Hall. She demanded, however, that the Daughters of the American Revolution lift its segregation policy, allowing blacks and whites to sit side-by-side for the performance. The great singer appeared several more times at Constitution Hall after the DAR rescinded its whites-only policy.

Several times in her singularly distinguished career Marian Anderson broke ground in the struggle for equal rights for all Americans. She was the first black artist to entertain in the White House, and the first to sing with New York's Metropolitan Opera. Miss Anderson was and is to millions of her countrymen the very model of a person overcoming prejudice.

The concert at the Lincoln Memorial 50 years ago was a historic moment in American music; it was also a watershed in the early civil rights movement. Americans realized the contradiction of discrimination based on skin color at a time when the nation was gearing up to fight the Nazis in Germany, and Americans demanded that human genius be acclaimed in its own right.

Miss Anderson, who has made her home in Danbury for more than 40 years, will be honored for her creative genius at a concert at Western Connecticut State University's Charles Ives Center for the Arts on August 12.

I am proud to pay tribute to one of Connecticut's most important citizens, one of opera's greatest divas and one of the civil rights movement's earliest heroes. Marian Anderson's stirring performance at the Lincoln Memorial, the symbol of freedom and equality, should remind us of the battles yet to be fought for equality for all Americans.●

DIET AND HEALTH

● Mr. HARKIN. Mr. President, just recently the National Research Council issued a very extensive report entitled "Diet and Health: Implications for Reducing Chronic Disease Risk". This report, along with the first Surgeon General's Report on Nutrition and Health, which was released last year, underscores the important contribution of a healthy diet toward the reduced risk of certain diseases and chronic conditions.

While we have recognized for some time that a healthy diet can improve our quality of life, a rather recent realization is that our Nation's diet can play a positive role in reducing the risks of certain diseases. The Surgeon General's report, for instance, found that our diet plays a "prominent role in 5 of the 10 leading causes of death for Americans."

The National Research Council report was based on a 3-year review of current scientific information. At the end of its very extensive report, the Council included a six-page list of additional research needed to complete gaps in our knowledge of nutrition. Research in these areas will allow us to improve our diets and the nutritional content of the food products we eat.

Mr. President, the National Research Council and the long list of distinguished scientists who were actively involved in this project have made a significant contribution to our Nation's health through this effort. Living healthier lives is a high priority to each of us. Containing our Nation's rapidly increasing health care costs through disease prevention is also of first priority for each of us. We must continue our research into the connection between our diets and the risk of specific chronic diseases and must educate the American public on the diets that will be most helpful in assuring healthy lives.

Mr. President, the NRC's report contains a section on research directions which are most illuminating. They provide a recipe for research activity

which, if followed today, can provide us the benefits of longer, healthier, happier, and more productive lives in the future. I commend the NRC for its efforts.●

COMMENDING YOUTH DEVELOPMENT INC.

● Mr. BINGAMAN. Mr. President, I rise today to proudly commend a New Mexico institution that has helped train thousands of young New Mexicans over the past 18 years.

Yesterday, Youth Development Inc. of Albuquerque was awarded a Job Training Partnership Act Presidential Award. Just 15 awards were presented nationwide for the 1987 program year and YDI's GEF Prep Program was one of those winners. YDI's executive director, Chris Baca, was in Washington to accept the award at the U.S. Department of Labor.

I am pleased that YDI's success in providing quality entry employment experience and a structured GED Prep Program has been recognized. This program offers hope to youths who face multiple risks in the workplace. Not only are all the participants high school dropouts, but all have been caught up in the court system. YDI and the students have faced those challenges capably. A 98-percent success rate testifies to both their methods and their dedication. Fully 98 percent of YDI participants receive a diploma, a job, or continue their education. Seventy-seven percent are placed in jobs immediately upon completion of the program. Clearly, Chris Baca and all the others at YDI have earned the recognition of the President. As Secretary of Labor Elizabeth Dole said in a letter to me, YDI "made exemplary contributions to the training and employment system."

Mr. Baca, who has spent much of his career helping these youth, was very pleased to receive the award. "I've been here 17 years," he told me, "and sometimes you wonder if anyone knows we're here. This is very nice."

YDI has served nearly 50,000 people since 1971; it now serves 9,000 people annually. The GED Prep Program serves 100 students a year. YDI also helps other youth programs, including group shelters, runaway facilities, juvenile detention centers, and institutional diversion programs. YDI helps participants obtain basic training and employment. All enrollees must participate in training and work experience and each is assessed to determine academic levels. Each participant works at his or her own pace and receives one-on-one counseling, career planning, and job development help to overcome employment difficulties. The program has had great success in identifying potential employers and landing jobs in the private sector. The 77-percent placement rate is ready evidence of YDI's reputation in the business community.

So, I offer my congratulations to YDI, to Mr. Baca, and to the thousands of YDI graduates. And I also offer my thanks to them, and to the business community in my State which has made their success possible.●

INTERNATIONAL HERITAGE HALL OF FAME AWARDS

● Mr. LEVIN. Mr. President, on April 14, four leaders in the ethnic community will be inducted into the International Institute's International Heritage Hall of Fame.

The International Institute represents those Americans who, by celebrating their ethnic heritage, have enriched everybody. The institute and its members show our country's ability to embrace diversity as its greatest strength.

The contributions of the following four individuals wonderfully exemplify that spirit:

Malvina Hauk Abonyi, PhD., of Hungarian origin, who is an archivist with Wayne State University's College of Urban, Labor, and Metropolitan Affairs.

Silas Cheuk, M.D., the former president of the Association of Chinese Americans. He currently practices medicine in Dearborn.

Marjorie Peebles-Meyers, M.D., who is prominent in the African-American community. She has practiced medicine in Detroit for almost 40 years.

Vainutis "Doctor V" Vaitkevicius, M.D., a native of Lithuania, who is chief of medicine at Harper Grace hospitals, physician in chief of Detroit Medical Center, and department chairman of Internal Medicine at Wayne State University.

Our community has been inspired by the drive, energy, and spirit of these individuals. I know three of them particularly well. They have been longstanding friends as well as pillars of the community.

So I want to thank them personally as well as on behalf of our community. For they have given us a piece of themselves as well as part of their culture. Those are great gifts indeed.●

The PRESIDING OFFICER. The Republican leader is recognized.

APPOINTMENT BY THE REPUBLICAN LEADER

Mr. DOLE. Mr. President, in accordance with Public Law 1690, the Anti-Drug Abuse Act of 1988, the following named Senators are hereby appointed as members of the National Commission on Drug-Free Schools: THAD COCHRAN from Mississippi and DAN COATS of Indiana.

REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. MITCHELL. Mr. President, on behalf of myself and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on representation by the Senate legal counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 95) to direct the Senate legal counsel to represent the Senate, Senators SANFORD, HEFLIN, and WALLOP, former Senator Stennis, and a Senate employee in the case of Candis O. Ray v. United States Senate, et al.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, in 1977, Candis Ray, who operated a tour business in Washington, brought an action against Senator Proxmire and Ellen Proxmire, the Senator's wife. The plaintiff claimed that Senator and Mrs. Proxmire had tortiously interfered with her business in order to favor Mrs. Proxmire's competing tour business. One of the plaintiff's claims was that Senator Proxmire helped to arrange for Senate rooms for his wife's tours. In affirming the district court's dismissal of the complaint, the court of appeals observed that, to the extent that an issue had been raised about compliance with the Senate's rules on the use of its facilities, "[t]he judicial function is not implicated at all, for only in the Senate forum can observance of the rule be compelled." *Ray* v. *Proxmire*, 581 F.2d 998, 1002 (D.C. Cir.), cert. denied, 439 U.S. 933 (1978).

Now, 12 years later, Ms. Ray has brought a new action to recover the damages that she had been unable to recover in her earlier action. Among the defendants in this new action, the plaintiff has named Senator SANFORD, with whom she has corresponded as one of her home-State Senators; Senator SANFORD's administrative assistant, Paul Vick; and former Senator John C. Stennis. Her claims against these defendants relate to the plaintiff's unsuccessful 1987 petition to the Committee on Appropriations for a payment of $505,000. She has also named as defendants Senators HEFLIN and WALLOP, who alternated in the roles of chairman and vice chairman of the Select Committee on Ethics between 1979 and 1982, during which time the committee did not act favorably on Ms. Ray's complaints to the committee. Additionally, the plaintiff has named the entire Senate as a defendant.

The resolution would authorize the Office of Senate Legal Counsel to rep-

resent the Senate defendants and to move to dismiss the complaint.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 95

Whereas, in the case of *Candis O. Ray* v. *United States Senate, et al.*, Case No. ST-C-89-14, pending in the United States District Court for the Western District of North Carolina, the plaintiff has named the United States Senate, Senator Sanford, Heflin, and Wallop, former Senator Stennis, and a Senate employee, Paul Vick, as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the Senate, its present and former members, and its employees in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the Senate, Senators Sanford, Heflin, and Wallop, former Senator Stennis, and Paul Vick in the case of *Candis O. Ray v. United States Senate, et al.*

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL ORGAN AND TISSUE DONOR AWARENESS WEEK

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Calendar No. 40, House Joint Resolution 112, a joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week."

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 112) designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 112) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EDUCATION DAY, U.S.A.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 41, House Joint Resolution 173, a joint resolution designating April 16, 1989, and April 6, 1990, as "Education Day, U.S.A."

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 173) a joint resolution designating April 16, 1989, and April 6, 1990, as "Education Day, U.S.A."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution.

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 173) was ordered to a third reading, was read the third time, and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY BY SENATE EMPLOYEES

Mr. MITCHELL. Mr. President, on behalf of myself and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution to authorize testimony of two Senate employees in Senator HATCH's Salt Lake City office and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 96) to authorize testimony by two Senate employees in the case of *United States v. Gregory Sitzman, et al.*

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, in the case of United States versus Gregory Sitzman, at al., pending in the U.S. District Court for the Southern District of Florida, the U.S. Attorney's Office has requested the testimony of Melanie Bowen and Jan Bennett, two Senate employees in Senator HATCH's Salt Lake City office.

The defendants in this case are charged with a conspiracy to import cocaine into the United States. The Government would like to be able to call these Senate employees as witnesses to establish that, in 1987, a key government witness had called Senator HATCH's office to report voluntarily on defendants' activities and to request assistance for his son who allegedly was being held against his will by drug dealers in Colombia. The Government's purpose in seeking this testimony is to support the credibility of the Government's key witness.

Mr. HATCH. Mr. President, I would like to thank the majority leader for his cooperation in this matter and for the assistance that he has provided my office. I think it is important that we do all we can to assist Federal officials in these prosecutions. At the same time the resolution will ensure that both the Senate and my employees are protected. I would like to note for the record that my State director, Ronald E. Madsen, who is an attorney, will accompany Mrs. Bowen and Mrs. Bennett to Miami to provide them with necessary assistance.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 96) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 96

Whereas, in the case of *United States v. Gregory Sitzman, et al.*, No. 87-6098-Cr-ZLOCH, pending in the United States District Court for the Southern District of Florida, Melanie Bowen and Jan Bennett, two employees of Senator Hatch's Salt Lake City office, have been requested to testify by the United States;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony by Senate employees may be needed in any court for the promotion of justice, the Senate will act to promote the ends of justice in a manner consistent with the privileges and rights of the Senate: Now, therefore be it

Resolved, That Melanie Bowen and Jan Bennett are authorized to testify in the case of *United States v. Gregory Sitzman, et al.*

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 4:30 P.M. TODAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the RECORD remain open today until 4:30 p.m. for statements and the introduction of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY

RECESS UNTIL 4 P.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 4 p.m. on Monday, April 10, 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. I further ask unanimous consent that following the time for the two leaders, there be a period for morning business not to extend beyond 4:30 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the benefit of my colleagues I repeat, as I stated earlier, that there will be no rollcall votes on Monday; there will be on Tuesday in accordance with the previous order, and in addition to the votes on the two major amendments on Tuesday, there may be additional votes on other amendments to the minimum wage legislation. So Senators should be aware that there will be at least two votes Tuesday afternoon and there may well be others in addition to those two so that they can arrange their schedules accordingly.

RECESS UNTIL 4 P.M. ON MONDAY

Mr. MITCHELL. Mr. President, if the distinguished Republican leader has no further business, and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 4 p.m. on Monday, April 10.

There being no objection, the Senate, at 2:41 p.m., recessed until Monday, April 10, 1989, at 4 p.m.

SENATE—*Monday, April 10, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 4 p.m., on the expiration of the recess, and was called to order by the Honorable WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

O Lord our Lord, how excellent is Thy name in all the Earth! who hast set Thy glory above the heavens.—Psalm 8:1.

Mighty God, perfect in holiness, truth, and justice, we take this moment to exalt Thee, to honor Thee, to adore Thee, to acknowledge Thy lordship and our servanthood. As Thou knowest all things, may we remember we have no secrets from Thee—our thoughts, our unspoken words, our motives are known to Thee.

Be honored in our lives today, sovereign Lord. If necessary, in spite of us, work Your will in each of us, in our families and homes, our work and in all our relationships. Be with those of our family who have special need for Thee today. Caress them with Thy love and grace, encourage them, strengthen them, heal them, provide all they need. And to Thee be glory forever and ever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 10, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. FORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders, there will be a period for morning business, not to extend beyond 4:30 p.m., with Senators permitted to speak therein for up to 5 minutes each.

As I indicated on Friday, there will be no rollcall votes today. However, there will be rollcall votes tomorrow, Tuesday, April 11, with two votes occurring back to back: First, on the Graham amendment, and the second, the Hatch amendment. Once these amendments are disposed of, other amendments are possible with rollcall votes occurring tomorrow afternoon and evening.

Mr. President, for the benefit of my colleagues, let me again indicate that it is my hope that we can complete action on the minimum wage bill by the close of business on Wednesday or early Thursday. It is then my intention to turn to the Contra aid package to complete action on that this week.

The Senate will be prepared to receive and begin acting on the thrift industry legislation on next Monday.

Mr. President, I reserve the remainder of my time, and I yield to the distinguished Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

RESERVATION OF REPUBLICAN LEADER'S TIME

Mr. DOLE. Mr. President, I reserve my time for the time being.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to exceed beyond the hour of 4:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

ORDER FOR STAR PRINT—S. 22

Mr. DOLE. Mr. President, on behalf of Senator PRESSLER, I ask unanimous consent that S. 22 be star printed to reflect the following changes, which I send to the desk.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

The majority leader.

NOMINATION OF SUSAN CAROL SCHWAB

Mr. MITCHELL. Mr. President, as in executive session, I ask unanimous consent that the nomination of Susan Carol Schwab, of Maryland, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, received April 4, 1989, be referred jointly to the Committee on Commerce, Science, and Transportation, and the Committee on Banking, Housing, and Urban Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Republican leader.

A NEW LOOK AT THE OIL POLLUTION LIABILITY AND COMPENSATION ACT

Mr. DOLE. Mr. President, the "Monday morning quarterbacks" are coming out of the woodwork in the aftermath of the Prince William Sound oil tanker disaster—and make no mistake, it is a disaster of unimagined proportions.

Mr. President, I would like to commend those who are on the front line, battling to contain the spill and reduce its tragic consequences. For its part, Exxon has the responsibility to proceed with an "open checkbook" commitment; it made the mess, and it's got to face the consequences.

I also want to thank President George Bush and Alaska Gov. Steve Cowper for coordinating what will most certainly be a multiyear battle against this pollution nightmare.

Senators TED STEVENS and FRANK MURKOWSKI have demonstrated great leadership on this "home State" crisis, and they have been tireless advocates for Alaska in its time of need—we salute our colleagues for their good work in tough times.

CRITICISM

Unfortunately, Mr. President, the cleanup is not being helped at all by those people who want to point fingers, criticize, and complain—all of that "Monday morning quarterbacking" will not clean up a drop of oil, and will not save one fish, one bird, or one sea otter.

We have a "manmade disaster" in Alaska, and man must do all it can to help nature heal itself. We'll have plenty of time to lay blame in the future. What we need to do for Alaska is get out of the way of those who are deploying the booms, the skimmers and the dispersants and let them get their job done.

NEED TO PREPARE FOR THE FUTURE

But there is something positive we can do in the meantime to reduce the effects of the next oilspill; and we can also help reduce the effects of some faulty Senate thinking.

In 1984, the United States became a signator of protocols which call for the United States to join other nations of the world in the establishment of an international fund and strike force to attack spills that might occur anywhere in the world.

For example, what would happen if an oil tanker registered in some small, poor and distant nation by an owner of different nationality, and questionable character were to run aground off Antarctica?

As crude oil continued day after day to leak from the ship, and spoil the pristine environment of our globe's southern pole, the United States would be forced to scramble for coordination and cooperation with other countries. We would be caught with our plans down. Why? Because the truth is, the Oil Pollution Liability and Compensation Act has been lanquishing in committee—in other words, it has suffered death by committee. For years, this committee inaction has helped block our efforts to endorse the protocols, so we can join the international community to stand ready in the face of an environmental emergency.

Mr. President, this legislation passed the House in the 99th Congress, only to meet opposition in the Senate. It is now time for the Senate to do something positive, to take a new, urgent look at the Comprehensive Oil Pollution Liability and Compensation Act. We will have plenty of time to point fingers on the Prince William Sound tragedy once we clean up our own house.

CAMPAIGN SPENDING—PAC'S AND THE INCUMBENCY PROTECTION PLAN

Mr. DOLE. Mr. President, I am pleased that the distinguished Senator from Kentucky is presiding, because on Wednesday the Senate Rules Committee, which the Senator chairs will begin a series of hearings on campaign finance reform. According to a new survey today by the Washington Post on campaign spending by political action committees, the timing for these hearings couldn't be any better.

The Post reports that nearly $7 of every $10 given by political action committees in 1988 went to incumbents. Common Cause supports that finding with a study of its own indicating that House incumbents enjoyed a 7-to-1 PAC funding advantage over challengers.

Mr. President, these numbers are important. They are part of the reason why Republicans, Democrats and the American people want campaign spending reform. Let me underscore that Republicans are determined to produce real campaign finance reform—fair to Democrats and Republicans, to incumbents and challengers alike.

Let us look at the numbers. According to the Post survey, PAC's gave $99 million to Democrats last year and $72 million to Republicans. Yet from that total $117 million went to incumbents and only $36 million to their challengers. In last year's Senate races, incumbents had a 314-percent PAC funding advantage over their challengers. But in the House of Representatives, the difference is even more staggering: PAC donations totaled $86 million for House incumbents, while House challengers received less than $11 million.

Mr. President, I ask unanimous consent that the full Washington Post report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PAC'S POURED $172.4 MILLION INTO RACES: NEARLY $7 OF EVERY $10 GIVEN IN 1988 WENT TO INCUMBENTS

(By Richard Morin)

Political action committees (PACs) spent $172.4 million to support candidates running for federal office last year, with nearly $7 out of every $10 going to benefit congressional incumbents, according to a computer analysis of federal contribution reports by the Washington Post.

PAC money continued to pour in even after Election Day, the analysis found, with PACs contributing more than $2.4 million between Nov. 9 and the end of the year.

And while PACs are limited to contributing $5,000 directly to individual campaigns during each election, the study showed that many PACs avoid the spending limits by making hundreds of thousands of dollars in "independent expenditures" to help individual candidates, or by sponsoring joint fundraisers with a favored politician and splitting the proceeds with the candidate's campaign.

For example, the Auto Dealers and Driver for Free Trade—a PAC associated with foreign auto manufacturers—spent a total of $525,539 on behalf of the Senate campaign of Nevada Republican Chic Hecht, much of it to buy time for television advertising. Even though PACs spent more than $1.7 million on his 1988 reelection effort, Hecht lost.

The foreign auto dealers did make some better investments, including $337,550 to support the campaign of Connie Mack III (R), who narrowly defeated his Democratic rival last year in Florida's Senate race.

The auto PAC also spent $325,126 on the successful Senate campaign of Trent Lott (R-Miss.), whose move up from the House also was supported by $340,998 from the Realtors Political Action Committee.

According to the analysis, nearly $1 out of every $10 PACs spent on the 1988 campaign was an independent expenditure on behalf of a candidate, with some outlays totaling more than $300,000 each.

The PAC contribution figures are based on Federal Election Commission data collected through the end of 1988 and provided to The Post on computer tape.

The reported totals are based on both direct and indirect contributions made through the end of last year to candidates who ran for federal office in 1988. The figures do not reflect additional contributions or refunds made this year, so the results may vary somewhat from running totals kept by individual candidate committees or PACs.

The contributions include direct-cash donations to candidate committees and "in-kind" expenditures made on behalf of candidates. The totals also reflect expenditures made on behalf of a candidate without the direct involvement of a candidate's campaign committee. An example of such a transaction might be a PAC's purchase of televison time for a partisan ad independent of a candidate's campaign committee.

The biggest PAC giver in the last campaign, the analysis showed, was the National Security Political Action Committee (NSPAC), a controversial PAC that claims to have spent $8.5 million on behalf of candidates in last year's election.

Of that total, more than $8 million allegedly went to support the election of George Bush. But that figure is misleading because only $116,774 represented actual cash outlays on behalf of any candidate. The remainder largely went to support NSPAC operations, including its expensive mail fundraising campaign.

Last year, senior Bush campaign officials denounced NSPAC and publicly disassociated the campaign from the PAC's controversial fund-raising efforts.

Jan W. Baran, general counsel to the Bush campaign, accused NSPAC in June of spending the majority of its money for fund-raising and operating costs and said groups such as NSPAC "prey on the elderly."

NSPAC political consultant Floyd Brown dismissed the charges at the time as the Bush campaign's way of "keeping an arm's-length distance" from the group's independent expenditures.

The Realtors Political Action Committee, which gave $4.1 million, was the second-largest PAC, the analysis showed. The American Medical Association gave $3.1 million, the Democratic Republican Independent Voter Education Committee of the Teamsters Union contributed $2.7 million, and the Auto Dealers and Driver for Free Trade gave $2.5 million.

PACs spent $50 million for Senate candidates: $31.1 million went to help the reelection campaigns of incumbent senators. PACs spent $24 million to help Senate Republicans and $25.4 million to aid Senate Democrats, according to The Post analysis.

In Senate races, Lloyd Bentsen (D-Tex.) easily led, with more than $2.3 million in PAC dollars going to his reelection effort through the end of 1988. Pete Wilson (R-Calif.) received $1.9 million in both direct and indirect support; Hecht $1.7 million; Lott (R.-Miss.) $1.7 million and David F. Durenberger (R-Minn.) nearly $1.7 million in assistance from PACs.

In House races, PACs spent $106.4 million through the end of 1988: $86.4 million went to incumbents. House Republicans received $36.4 million, while Democratic candidates in the House received $69.4 million in direct and indirect support.

PACs spent a total of $610,107 on the reelection campaign of Rep. Richard A. Gephardt (D-Mo.) through the end of 1988. PACs supported Rep. Bill Emerson (R-Mo.) with $579,478 and House Majority Leader Thomas S. Foley (D-Wash.) with direct contributions and independent expenditures totaling $575,086. House Minority Leader Robert H. Michel (R-Ill.) got $555,340, and Rep. John Hiler (R-Ind.) received a total of $542,000 in PAC assistance through the end of 1988.

As in previous campaigns, most PAC dollars were spent on behalf of incumbents. The analysis showed that PAC support to incumbent members of Congress totaled $117.5 million. Challengers to incumbents received directly or indirectly $35.6 million, while candidates competing for the relatively few open seats received $19.4 million, including $16 million to all 1988 presidential candidates.

Democrats received $99 million in direct or indirect contributions from PACs, while Republicans got $72.2 million.

PACS: THE GIVERS AND THE TAKERS

More than $172 million flowed from 3,683 political action committees (PACs) to support the election bids of 873 House candidates, 101 Senate candidates and 25 presidential candidates last year.

And if those numbers aren't enough, what follows is a more detailed look at who got what from whom.

The dollar totals are based on a computer analysis by The Washington Post of Federal Election Commission (FEC) contributions data collected through the end of 1988. The totals include direct PAC contributions to political campaigns and independent expenditures made on behalf of a candidate—a type of support that falls outside FEC contribution limits.

These totals differ, in some cases by millions of dollars, from those released by the FEC, which does not include some types of PAC support to candidates in its published totals.

Taken together, the numbers suggest the high price of politics in 1988—a price many were willing to pay.

Total PAC Support: $172,455,051

To:	
All candidates	$172,455,051
Republican candidates	72,198,597
Democratic candidates	99,015,058
Candidates after election day	2,447,689
Incumbents	117,496,852
Challengers	35,559,033
Candidates for open seats	19,399,166
Presidential candidates	16,062,059
Senatorial candidates	50,006,998
House candidates	106,385,994
Incumbent senators	31,107,577
Challengers for Senate seats	8,868,816
Candidates for open Senate seats	10,030,605
Incumbent House members	86,389,275
Challengers for House seats	10,628,158
Candidates for open House seats	9,368,561
Senate Republicans	24,005,638
Senate Democrats	25,417,555
House Republicans	36,356,509
House Democrats	69,418,298
Incumbent Republican senators	14,972,014
Incumbent Democratic senators	16,135,563
Republican challengers for Senate seats	3,617,186
Democratic challengers for Senate seats	4,667,825
Republican candidates for open Senate seats	5,416,438
Democratic candidates for open Senate seats	4,614,167
Incumbent Republicans in House	30,325,095
Incumbent Democrats in House	55,467,104
Republican challengers for House seats	2,426,095
Democratic challengers for House seats	8,191,755
Republican candidates for open House seats	3,605,319
Democratic candidates for open House seats	5,759,439
Bush	10,357,970
Dukakis	2,447,973
Republican Presidential candidates	11,836,450
Democratic Presidential candidates	4,179,205
Candidate support from:	
Corporate PACs	55,367,732
Corporate PACs to Republicans	29,604,527
Corporate PACs to Democrats	25,582,981
Labor PACs	34,945,013
Labor PACs to Republicans	2,440,310
Labor PACs to Democrats	32,059,982
Special interest groups	41,031,569
Special interest groups to Republicans	18,828,318
Special interest groups to Democrats	21,921,781
Other PACs	41,110,737
Other PACs to Republicans	21,325,442
Other PACs to Democrats	19,450,314
PAC support to House candidates:	
Richard A. Gephardt	610,107
Bill Emerson	579,478
Thomas S. Foley	575,086
Robert H. Michel	555,340
John Patrick Hiler	542,000
David E. Skaggs	525,605
Jim Moody	525,497
Nancy Pelosi	524,130
Vic Fazio	512,580
Robert T. Matsui	482,414
PAC support to Senate candidates:	
Lloyd Bentsen	2,361,795
Pete Wilson	1,932,412
Chic Hecht	1,748,551
Trent Lott	1,713,030
Dave Durenberger	1,679,007
Connie Mack	1,589,878
Frank Lautenberg	1,475,373
James Sasser	1,401,418
John Heinz	1,357,849
George Voinovich	1,356,958
Top PAC spenders: PAC name and total support given to '88 candidates:	
National Security PAC	8,524,679
Realtors PAC	4,143,821
American Medical Association PAC	3,068,486
Democratic Republican Independent Voter Education Committee (Teamsters)	2,731,249
Auto Dealers and Driver for Free Trade PAC	2,500,422
National Education Association PAC	2,054,254
National Association of Retired Federal Employees PAC	1,926,750
UAW-V-CAP (United Auto Workers Voluntary Community Action Program)	1,922,099
National Committee to Preserve Social Security PAC	1,859,896
Association of Trial Lawyers of America PAC	1,795,308

The National Security PAC spent a total of $8.5 million in support of candidates who ran for federal office in 1988; that total has been questioned, as it apparently includes some PAC operating expenses.

MOST SUPPORT FROM A SINGLE PAC

Candidate	PAC	Total support
Chic Hecht	Auto Dealers and Driver for Free Trade	$525,539
Trent Lott	Realtors PAC	340,998
Connie Mack	Auto Dealers and Driver for Free Trade	337,550
Trent Lott	Auto Dealers and Driver for Free Trade	325,126
John D. Melcher	Realtors PAC	224,038

Mr. DOLE. No doubt about it, PAC's have earned some bad publicity lately. Ironically, political action committees were created as part of the sweeping post-Watergate reform movement. And now the reform, as happens too often—when you put the word "reform" on something everybody is for it—but now we need to reform the reforms that were brought about by Watergate.

PAC's were originally designed to give individuals more opportunity to participate in the political process at the grassroots level. Unfortunately, many PAC directors have forgotten this noble history. Looking at how PAC money is distributed, it is easy to see their game.

PAC's give to incumbents, and that is me and other incumbents in this Chamber, because access to an officeholder is more important than a Member's party, ideology, or even voting record on the issues, and I never knew you had to buy access.

But PAC directors defend their incumbency protection plan as a response to a lopsided system that overwhelmingly favors incumbents; in other words, their theory is that incumbents are going to win, so you better give your money to incumbents and they point to a 98-percent reelection rate posted by House incumbents last year to support their claim. By giving to incumbents, PAC directors argue that they are making a better investment.

Well, the American people may or may not buy that argument.

If our democratic system is going to work, challengers must have an opportunity to truly compete for elected office.

As a member of the Rules Committees who is genuinely interested in this issue, I am grateful to the chairman,

Senator FORD, and the ranking members, Senator STEVENS, for scheduling these hearings on a bipartisan basis. And they will be on a bipartisan basis.

I understand the first panel will be led by the distinguished majority leader and the second panel will be led by this Senator.

I look forward to an extensive debate in the committee. I know that we have some differences, but again, they are not major.

I believe there is an opportunity for bipartisan agreement on campaign finance reform.

I will speak as one who has been a big PAC recipient. I have my own PAC. So I am not here suggesting that I am right and everybody else is wrong. I read periodically that I am one of the top recipients of PAC contributions. So I do not stand here saying, "Well, I've never taken any PAC contributions."

But it seems to me that we ought to give the process back to the people and take it away from the PAC directors. PAC directors are all fine people, but they are looking for incumbency. If you are elected, you are going to stay elected as far as they are concerned regardless of party, regardless of ideology, unless you are just totally off the wall on an issue that might affect them.

I have respect for those who give their money to PAC's but maybe they should be able to earmark those contributions, because many times those who give PAC contributions never know what happens to the money, never know how it is disbursed until the election is over and then you go to these meetings and the PAC director stands up and says, "Boy, we've had another good year; 99-percent of the people we gave to won."

Obviously, you say, "How many challengers did you give to?"

"Oh, we don't give to challengers. We gave to two or three where there is an open seat; only where there is an open seat."

So I would say having been involved in the business of raising money at different levels, it is distasteful and I think many of my colleagues on both sides do not enjoy it. We know it is necessary and we have to have money. Sixty percent of it goes to television.

So I do not see any real reason for partisanship. I think there are only a couple of major areas where we are in disagreement.

I missed the debate last year. It was extensive and it was explosive.

But hopefully this year we can hammer out some provision that will demonstrate to the American people that we know it is asking too much to spend $30 million on Senate races. It is a lot of money for a job that pays $89,000 a year.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Kentucky.

Mr. FORD. Mr. President, since the distinguished Republican leader used my name as chairman of the Rules Committee and that we are going to start hearings on a bipartisan effort, I was somewhat discouraged not too long ago when those who have a finance reform bill called upon the Rules Committee to hold hearings and at the tme they called upon us to hold hearings we had already scheduled them. So I hope that we can take this out of the political arena a little bit if we can and try to put it into a reasoned sort of way. It appears that we are getting into a PAC-bashing arena.

I understand that very well because I am a recipient of PAC contributions as is the distinguished Republican leader, and we admit that. That is the way we play the game.

But at some point we are going to have to put a cap on the amount of money we can spend. It is a little disheartening to some of those when there is an open seat when an individual can spend millions and millions of his own money to win a seat. That is as bad as accepting the PAC money.

So we have become a House of Lords almost when we are saying to those who have children, and they are trying to educate their children, we need their input in the discussion of the U.S. Senate and what the future might hold.

So I hope that in addition to considering the problems with PAC's that we also would give some sympathy to the limitation of the expenditure of funds as it relates to Senate campaigns.

Of course, they come right back and they say that gives the incumbent a lead that he has had an opportunity to get out and make speeches, he is a Senator, and that sort of thing.

But by spending millions and millions of dollars, it forces then even an incumbent to attempt to try to raise additional funds that would not necessarily be needed.

So I hope that we can find a way in the next few weeks to come to an agreement where we can get into reforming the finance of our political campaigns and also we can put some kind of a cap on the expenditure within these various and sundry races.

I look forward to working with the majority leader and the Republican leader to that end.

I thank the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, if there is one thing on which we all can agree, Members of the Senate, Republicans, Democrats, citizens, it is that American political campaigns are too long and too expensive.

I am encouraged by the emphasis given to this matter by the distinguished Republican leader, and I join him in commending the chairman of the Rules Committee for proceeding promptly to hearings on this matter.

I believe that both of the major political parties have failed to meet their responsibilities to the American people in this area, both have confused their political interests with the public interest, and it is my hope that in the spirit in which the Republican leader discussed the subject today, that of bipartisanship and good faith, willingness to compromise, we can this year achieve meaningful political campaign reform.

It is urgently necessary. The sums involved reach record levels with each election. The time demands upon Senators to engage in fundraising continue to increase, and the possibility for corrupting influences in the legislative process grows accordingly.

I hope very much that we, both the distinguished Republican leader and myself and our colleagues on each side, will be able to put aside the difficulties of the past, especially last year—I noticed the distinguished Republican leader said he missed the debate; believe me, he did not miss anything—and also can put aside attempting to calculate what is the immediate political interest of our party in a particular change. Because, as we have seen during the past decade, when we try to do that, almost invariably we get wrong the political effect and the substantive effect.

The overwhelming singluar feature of the current system is the advantage it gives to incumbents. What we have to do is to try to structure something that incumbents will vote for and yet that is fair to all concerned, especially to the American people.

So I just want to make clear that, on behalf of the Democrats in the Senate, we accord this matter a very high priority and we will be making a maximum effort to achieve meaningful campaign finance reform in this Congress.

Mr. BYRD. will the distinguished majority leader yield?

Mr. MITCHELL. I yield the floor.

Mr. BYRD. I just want to say that I am delighted there is interest being shown in campaign financing reform. Proponents spent many days over a period beginning in June of 1987 and spanning 9 months trying to invoke cloture on campaign finance reform. We endeavored eight times to invoke cloture—and failed. So I hope there is beginning to be some constructive movement on this important issue. It is an idea whose time has long past come. I still maintain that there can be no genuine campaign finance reform without a limitation on overall campaign expenditures.

I congratulate the chairman of the Senate Committee on Rules and Administration for the hearings which he has scheduled beginning on Wednes-

day. I will be appearing at those hearings, along with Senator MITCHELL and Senator BOREN and other Senators. I hope that the committee can address the matter and report out some meaningful legislation and that it can be taken up on the floor and that this year campaign finance reform will pass.

Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS UNTIL 4:45 P.M.

Mr. MITCHELL. Mr. President, I know we have at least two Senators wishing to speak, possibly three. Therefore, I ask unanimous consent that the time for morning business today be extended to 4:45 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGIONAL DISPARITIES IN MEDICARE PHYSICIAN REIMBURSEMENT

Mr. GRASSLEY. Mr. President, recently I received a most interesting position paper from the Iowa Medical Society.

This paper documents what physicians in my State and other States of the upper Midwest have realized for some time, namely, that there are large differences in Medicare physician reimbursement from one area of the country to another for the same services.

Of particular interest to Iowa physicians, and this Senator from Iowa, is that physicians in my own State, and in the west north central part of the country generally—that is Iowa, Minnesota, Missouri, North Dakota, South Dakota, Nebraska, and Kansas—clearly receive much lower compensation for their services to Medicare beneficiaries than do physicians in other parts of the country.

In fact, it is even the case that physicians in different regional areas within the State of Iowa receive significantly different levels of Medicare reimbursement for the same services.

These assertions, and the remainder of my remarks, are based on prevailing charge reports completed by the Minnesota Medical Association using Health Care Financing Administration part B Medicare annual data for 1986. They reflect the controlling prevailing charge levels actually used to determine reimbursement to participating physicians.

Let us take variations within Iowa first. The Iowa Medical Society analysis shows that in Clinton, IA, intermediate service provided in a hospital emergency department by a family physician would be reimbursed at $9. This amount includes copayments and deductibles. The same service provided by a family physician in Davenport would be reimbursed at a rate of $17, a 90-percent difference, and only 40 miles separating the two communities.

A general surgeon in Fort Dodge receives $50 for a comprehensive initial consultation. In Carroll, just 50 miles away, a general surgeon receives $75 for the same service, $25, or 50 percent, more.

The differences between Iowa and other parts of the country are even more striking. For initial comprehensive hospital care by a family physician, Medicare controlling prevailing charges in most Iowa localities are set at $44. But in the Pacific region of the country, the average Medicare controlling prevailing charge is $105, more than twice what it is in Iowa. The national average for this service if $76, some 73 percent higher than in most Iowa localities.

That may be an extreme example. But I think that one will find in virtually all procedures that physicians in Iowa are compensated less, and sometimes substantially less, than physicians in other areas by Medicare.

According to the Iowa Medical Society, in a ranking of overall average reimbursement levels for all services, the seven Iowa localities rank from 184th to 222d nationally, with 226 being the lowest reimbursement rank for the entire country.

So what, you may ask? Is it not generally cheaper to practice in Iowa? Well, it is not so clear that medical practice-related costs in Iowa are so much cheaper, or, at any rate, whether they are cheaper enough to warrant reimbursement differences of this magnitude.

Indeed, the Iowa Medical Society reminds us that current reimbursement levels are based on historical charge patterns prevalent in the 1970's. It is the position of the Iowa Medical Society that these prevailing charges bear little or not relationship to current practice costs in Iowa.

And I want to point out, just in case it is not obvious, that such reimbursement disparities affect not just physicians, but have more general consequences for the availability of health care in Iowa.

These disparities affect also Medicare beneficiaries, all other Iowans, and other health and allied health professionals in Iowa.

Medicare beneficiaries are affected because physicians will become more and more reluctant to accept Medicare assignment if the reimbursement they receive from Medicare is so low it hardly begins to cover the cost of offering the service. Low Medicare physician reimbursement, in other words, causes a shift in the payment load from Medicare to the individual beneficiary.

In fairness I should point out that higher physician reimbursement levels will mean higher copayments for Medicare beneficiaries, but that should be offset by a greater willingness of physicians to accept assignment.

These reimbursement disparities also involve a subsidization by Iowa taxpayers of Medicare beneficiaries and physicians in other parts of the country where reimbursement levels are higher.

Iowans who are not Medicare beneficiaries, and who require the services of a physician, are also affected.

Inadequate Medicare reimbursement means that a certain amount of cost-shifting to non-Medicare beneficiaries will occcur. If physicians do take assignment, or are not compensated by the Medicare patient for the amount the physician charges above what Medicare will reimburse, then cost-shifting can also result.

The people of my State are also affected because inadequate physician reimbursement can make it difficult to attract physicians to the State. Why should young physicians come to Iowa when they can locate and establish a practice elsewhere where Medicare reimbursement is so much more generous?

Or, if they are established in Iowa in a practice dependent on Medicare, why should they stay there, when they can leave to reestablish themselves elsewhere where Medicare reimbursement is higher?

Other health and allied health professionals, who staff the clinics and doctors' offices, and who are dependent on the presence of physicians, and to some extent on the level of Medicare reimbursement those physicians receive, may also be discouraged from coming to Iowa or encouraged to relocate elsewhere.

Mr. President, many of us who represent rural communities are losing patience with the gross inequities inherent in Medicare reimbursement for the citizens of our States. In that regard, we are looking forward to participating in the ongoing discussions on Medicare physician payment reform.

We hope that the Physician Payment Review Commission, as it reviews reimbursement reform proposals, will keep in mind the concerns we have about regional disparities of the sort I have been discussing here. We anticipate that our citizens will be more fairly treated by Medicare when a physician payment reform is in place.

I will sum up by saying that I hope the proper committees in both Houses of Congress will take a look at this and see if we cannot work out these disparities and really make it more equal, because if we do not enhance the reimbursement for physicians and enhance the position of physicians within my State and the other States of the

upper Midwest we are not going to get the physicians and medical care is going to decline further in the rural areas of America.

Mr. President, I ask unanimous consent that the Iowa Medical Society's position paper be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEDICARE REIMBURSEMENT TO IOWA PHYSICIANS

Federal "controlling prevailing charges" under Medicare bear little or no logical relationship to current practice costs in Iowa. The controlling prevailing charge is the amount the Health Care Financing Administration (HCFA) uses to determine the reimbursement for Medicare B (physicians' services) unless the physician's actual charge or customary charge is lower. The actual payment from Medicare is subject to co-payments and deductibles, which are the patient's responsibility. Beginning with 1987 reimbursements, the controlling prevailing charge for non-participating physicians (those who do not accept the Medicare allowed charge as full reimbursement 100% of the time) is less than that for participating physicians. For further details, see the section title "Calculation of the Prevailing Charge".

While the prevailing charge limits apply to physicians who participate in Medicare, non-participating physicians are also limited in how much they can charge Medicare patients through the Maximum Allowable Actual Charge (MAAC) limit imposed by Medicare. The MAAC constitutes an actual charge limit on each Medicare charge of a non-participating physician, thus prohibiting any physician who treats Medicare patients from charging his or her actual charge unless it is below the MAAC limit.

REGIONAL, NATIONAL VARIATIONS

A review of Medicare controlling prevailing charges shows considerable variation between regions in Iowa for the same service provided by physicians in similar practices. For example, using 1986 data, a general surgeon in Fort Dodge receives $50 (including co-payments and deductibles) for a comprehensive initial consultation—$25 less than a general surgeon in Carroll who receives $75 for the same service. On the other hand, a urologist in Fort Dodge receives more for an initial consultation than would a urologist located in Carroll—$105 in Fort Dodge compared with $88 in Carroll.

In Clinton, intermediate service provided in a hospital emergency department by a family physician would be reimbursed at $9. The same service by a family physician in Davenport would be reimbursed at a rate of $17.

Differences between the Midwest and other parts of the country are even more striking. In a countrywide ranking of overall average reimbursement levels for all services, Iowa localities 1 through 7 range in ranking from 184 to 222, with 226 being the lowest reimbursement rank for the entire country. Even among Midwestern States, Iowa's overall rank is low.

A comparison of specific services with other parts of the country shows major variations between regions. In an extreme case, for initial comprehensive hospital care by a family physician, Medicare controlling prevailing charges in Iowa range from a low of $33 in Iowa locality 1 (Southeast Iowa) with Medicare controlling prevailing charges in most Iowa localities set at $44. In contrast, the average Medicare controlling prevailing charge in the Pacific region of the country is $105, well over twice the Medicare controlling prevailing charge in most Iowa localities. Even the national average of $76, while much less than in the Pacific region, is nearly 73% higher than in most Iowa localities.

Efforts to prohibit Iowa physicians from charging their normal fees are particularly onerous when these inequities in the Medicare reimbursement system are considered. Regional variations in physicians' charges that existed in 1971 are locked in under the current system (see "Calculation of the Prevailing Charge") even though those reimbursement variations today may not be related in any way to today's practice costs.

Iowans pay taxes at the same rates as other U.S. citizens, yet the federal government chooses to reimburse Iowa physicians at rates that are significantly less overall than in most other parts of the country. This creates more pressure for physicians in rural states such as Iowa to balance bills than in regions where reimbursements are significantly higher, as in the New England states.

CALCULATION OF THE PREVAILING CHARGE

The controlling prevailing charge is the amount the Health Care Financing Administration (HCFA) used to determine the reimbursement for Medicare B (physician's services) unless the physician's actual charge or customary charge is lower. The actual payment from Medicare is subject to co-payment and deductibles, which are the patient's responsibility.

To calculate the prevailing charge, charges for a specific procedure by physicians in like specialties and like geographic localities are arranged in ascending order. The prevailing charge is calculated at the 75th percentile of the array (i.e. 75% of charges fall below the prevailing charge and 25% of charges exceed the prevailing charge).

Prevailing charges are further limited by the amount they may increase from one year to the next by the "Medical Economic Index" (MEI). Certain types of services (such as durable medical equipment, ambulance, and laboratory) are exempt from this economic index limitation. As the base period for calculation, HCFA used charges billed in calendar year 1971.

These prevailing charges became the basis for all future calculations of adjusted prevailing charge limitations. HCFA calculates the MEI used each year. The index is then multiplied times the base year prevailing charge, giving us the adjusted prevailing charge limitation for the year. When the adjusted prevailing charge is less than the prevailing charge calculated at the 75th percentile, the adjusted prevailing charge is used. This is almost always the case. The prevailing charge actually used for reimbursement is referred to as the controlling prevailing charge.

The prevailing charge for non-participating physicians is further limited as a result of the Omnibus Budget Reconciliation Act (OBRA) of 1986. The prevailing charge limit for non-participating physicians was calculated at 96 percent of the participating prevailing charge for services in 1987 and at 95.5% of the participating prevailing charge in 1988.

COMPARISON OF PREVAILING CHARGES FOR SELECTED PROCEDURE CODES IN SELECTED MEDICARE LOCALITIES

The following information is excerpted from prevailing charge reports completed by the Minnesota Medical Association using Health Care Financing Administration (HCFA) Part B Medicare Annual Data (B-MAD) tapes containing the 1986 controlling prevailing charge levels actually used to determine reimbursement to participating physicians.

Data for Michigan localities and 3 of 11 Wisconsin localities are not included. There are 226 medical localities nationally, 8 in Iowa. A map of Iowa localities is attached. Information regarding Iowa locality 8 is not included in the following charts because data collection methodology is not the same as for other Iowa localities.

Comparisons are made with other parts of the country using average dollar reimbursements within U.S. Census Bureau Regions. A list of states in those regions is attached.

PREVAILING MEDICARE CHARGES BY PROCEDURE CODE

[900–40—Office visit, established patient, brief service]

	Family practice	Internal medicine	Ophthalmology
New England	$20	$22	$21
Pacific	18	21	19
West North Central	15	17	16
Iowa 1 (SE)	13	17	15
Iowa 2 (NE)	13	13	15
Iowa 3 (NC)	13	16	15
Iowa 4 (SC)	11	15	13
Iowa 5 (DM)	15	16	15
Iowa 6 (NW)	12	17	15
Iowa 7 (SW)	13	18	17
National average	17	19	18

[90060—Office visit, established patient, intermediate service]

	Family practice	Internal medicine	General surgery
New England	$31	$31	$28
Pacific	29	33	32
West North Central	28	24	21
Iowa 1 (SE)	20	24	23
Iowa 2 (NE)	19	25	20
Iowa 3 (NC)	18	26	16
Iowa 4 (SC)	17	22	17
Iowa 5 (DM)	21	27	20
Iowa 6 (NW)	16	24	18
Iowa 7 (SW)	18	25	18
National average	24	26	26

[90220—Initial hospital care, comprehensive service]

	Family practice	Internal medicine	General surgery
New England	$77	$83	$74
Pacific	105	108	101
West North Central	61	77	89
Iowa 1 (SE)	33	66	55
Iowa 2 (NE)	44	88	55
Iowa 3 (NC)	44	66	44
Iowa 4 (SC)	42	55	44
Iowa 5 (DM)	55	77	55
Iowa 6 (NW)	44	77	44
Iowa 7 (SW)	44	77	55
National average	76	88	81

[90515—Emergency department visit, intermediate service]

	Family practice	Internal medicine	General surgery
New England	N/A	$34	$37
Pacific	70	75	76
West North Central	32	41	35

[90515—Emergency department visit, intermediate service]

	Family practice	Internal medicine	General surgery
Iowa 1 (SE)	17	22	33
Iowa 2 (NE)	9	33	33
Iowa 3 (NC)	17	33	33
Iowa 4 (SC)	17	33	33
Iowa 5 (DM)	17	33	33
Iowa 6 (NW)	17	33	33
Iowa 7 (SW)	17	33	33
National average	44	49	49

[90620—Initial consultation, comprehensive]

	Internal medicine	General surgery	Urology
New England	$90	$80	$85
Pacific	111	104	98
West North Central	89	77	88
Iowa 1 (SE)	88	80	80
Iowa 2 (NE)	100	52	55
Iowa 3 (NC)	88	88	88
Iowa 4 (SC)	66	75	99
Iowa 5 (DM)	110	110	105
Iowa 6 (NW)	95	50	105
Iowa 7 (SW)	88	75	88
National average	94	85	84

Prevailing Medicare Charges by Procedure Code

SURGERY

58150—Total hysterectomy:	
New England	$1,077
Pacific	1,192
West North Central	865
Iowa 1 (SE)	887
Iowa 2 (NE)	776
Iowa 3 (NC)	887
Iowa 4 (SC)	887
Iowa 5 (DM)	887
Iowa 6 (NW)	776
Iowa 7 (SW)	887
National average	1,011
27130—Total hip replacement:	
New England	$2,417
Pacific	3,121
West North Central	2,112
Iowa 1 (SE)	2,218
Iowa 2 (NE)	2,218
Iowa 3 (NC)	2,191
Iowa 4 (SC)	2,000
Iowa 5 (DM)	2,218
Iowa 6 (NW)	2,107
Iowa 7 (SW)	2,218
National average	2,692

MEDICARE PREVAILING CHARGES—IOWA LOCALITIES' RANKING COMPARED NATIONWIDE

Of the 226 Medicare localities nationwide, Iowa localities rank as follows with 1 being the highest overall reimbursement and 226 having the lowest overall reimbursement.

Locality	*Rank*
Iowa 1 (SE)	213
Iowa 2 (NE)	216
Iowa 3 (NC)	215
Iowa 4 (SC)	222
Iowa 5 (DM)	184
Iowa 6 (NW)	220
Iowa 7 (SW)	195

UNITED STATES CENSUS AREAS

New England

Maine	Massachusetts
New Hampshire	Rhode Island
Vermont	Connecticut

East North Central

Ohio	Michigan
Indiana	Wisconsin
Illinois	

South Atlantic

Delaware	North Carolina
Maryland	South Carolina
Washington, DC	Georgia
Virginia	Florida
West Virginia	

East South Central

Kentucky	Alabama
Tennessee	Mississippi

Mid-Atlantic

New York	Pennsylvania
New Jersey	

West North Central

Minnesota	South Dakota
Iowa	Nebraska
Missouri	Kansas
North Dakota	

Mountain Division

Montana	New Mexico
Idaho	Arizona
Wyoming	Utah
Colorado	Nevada

West South Central

Arkansas	Oklahoma
Louisiana	Texas

Pacific

Washington	Alaska
Oregon	Hawaii
California	

The PRESIDING OFFICER. The Senator from Nevada.

THE STILLWATER MARSHES

Mr. REID. Mr. President, the State of Nevada is known for many things. It is known for testing weapons; the Nevada test site is located in Nevada. It is known for Nellis Air Force Base and the Fallon Naval Air Station. And now they are talking about putting a nuclear repository in the State of Nevada.

But, Mr. President, Nevada is much more than a place for testing weapons and trying to place a nuclear repository. For about 10,000 years, the Stillwater Marshes have been part of the great migratory pattern for waterfowl in North America. I visited this beautiful area during our last break. This 10,000-year-old source of beauty and wildlife is drying up, literally disappearing before our eyes.

This great marsh area used to cover 100,000 acres. Now, it stretches for less than 3,000 acres. That shrinkage is causing great harm to North American waterfowl and our entire continent.

We were able, while I was there, to find one nesting area for Canadian geese. That's all that is left of hundreds of nesting areas. It used to be that on these islands in the Stillwater Marsh, there would be 200 nesting areas for Canadian geese. That abundance is now history.

Because of the Newlands project of the Bureau of Reclamation; because of the growth in the area; and because of endangered species, this area is drying up. There are many reasons for this environmental tragedy.

Every year, there are hundreds of thousands of ducks, thousands of geese, and thousands of swans that use this unique sanctuary.

In fact, located 60 miles away is an island called Anaho in Pyramid Lake. It is by far the primary home for white pelicans. This is a story of nature and of nature being in trouble, because these white pelicans in Pyramid Lake have nothing to eat.

These white pelicans fly 60 miles every day to eat and take food back to their young offspring. But, Mr. President, that is just part of the tragedy. There are no young pelicans being born. Why? Because there is nothing to eat in Stillwater. If something does not happen soon, these white pelicans will be gone forever. Nevada's loss, and this is the largest, will be the country's loss, too, for Stillwater is the largest nesting area for white pelicans in North America.

This disappearing natural habitat is not just important to Nevada. It affects the entire North American Continent because it is the only place in the Great Basin where they can come and feed for their winter trip to South America. The food they used to eat in the Stillwater Marshes—small crabs, shrimp, flies—will no longer be there. We have to do something. And we have to do it soon.

There is going to be legislation introduced in the next few weeks that will allow fresh water to be purchased for Stillwater. This legislation is important to the whole continent and, unless we do something soon, it will be a thing of the past. And that would be a tragedy for all America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

THE FSX SALE: NOT IN OUR NATIONAL INTEREST

Mr. DIXON. Mr. President, I would like to take a few moments to discuss the proposed FSX sale, a subject I have warned about on this floor several times before. The FSX Program involves the sale of F-16 fighter technology to Japan as proposed in the United States-Japanese fighter codevelopment program.

The General Accounting Office just last week gave a briefing on its preliminary findings on this codevelopment Japanese FSX aircraft program. To sum up the GAO conclusions in a few words: "We know what the Japanese are getting from the United States; we don't know what we are getting from the Japanese!"

According to the GAO, what we are giving the Japanese is something that they greatly lack the ability to learn,

aircraft systems integration. We, in turn, are to receive Japanese composite wing technology which they have not produced and which many of our leading aircraft companies already have. We will also receive new radar technology which the Japanese have not proven out. Here again we have companies in the United States which are way ahead of the Japanese. Why does the Defense Department want this deal? Are we giving away our technology for political expediency?

We are told that if we did not agree to this technology transfer, the Japanese were prepared to go it alone and develop their own fighter. I do not accept that premise, however, and I do not believe we ever really seriously tried to convince the Japanese to purchase the F-16 or another American aircraft instead.

Not very long ago, Israel decided not to proceed with development of a new home-built fighter aircraft, the Lavi. Israel exists in a very high-threat environment. Israel has a fighter air force considerably larger than Japan's—582 fighter aircraft for Israel versus 307 for Japan. There were substantial incentives for Israel to develop its own aircraft, yet its leaders chose to buy from the United States instead. Israel did so because the country could save substantial defense dollars by doing so, and because we devoted high-level attention to making our case for purchase from us rather than manufacture in Israel.

On the other hand, article 9 of the Japanese Constitution states:

> The Japanese people forever renounce war as a sovereign right of the Nation and the threat or use of force as a means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the State will not be recognized.

Japan, therefore, maintains only self-defense forces. It relies on the U.S. defense umbrella for a large portion of its protection. As a matter of Government policy, Japan does not export arms.

It therefore makes an awful lot of sense for Japan to do what Israel is doing: Buy its fighter aircraft from the United States.

Buying F-16's would be the most cost-effective alternative for Japan. Japan spends approximately 1.5 percent of its GNP on defense, as opposed to 6.7 percent for the United States. Buying American would save roughly $30 million per aircraft over the proposed codevelopment program, giving the Japanese a lot more defense bang for each buck.

Moreover, it is sound trade policy for the Japanese. Japan runs persistent trade surpluses with the United States that exceed $50 billion annually. Buying American defense weaponry can help reduce that deficit.

Finally, buying American fighter aircraft would provide convincing evidence that the Japanese are not using Government policy, as opposed to market forces, to build another export-driven industry. The policy of the Japanese Government is not to export defense items. The only real reason for Japan to insist on building its own fighter aircraft, therefore, has nothing to do with legitimate defense concerns. It could only be a Japanese desire to use the Japanese Government to build a civilian-oriented aerospace industry designed to challenge United States world leadership in this area.

The United States can make a compelling case for a Japanese purchase of United States-built F-16's instead of the FSX Program approach, Mr. President. Yet I have never heard any high-level American official attempt to make our case to Japan. In the case of the Lavi fighter program in Israel, there was a constant series of articles in the press on our efforts to convince Israel to abandon the idea of building its own fighter and buying American instead. We worked hard to convince Israel of the merits of our position, and we succeeded.

In this situation, however, American officials seemed to make no real effort to convince the Japanese to buy American, instead taking as a given the Japanese argument that fighter aircraft are somehow special.

The administration failed to consult with Congress when it negotiated the FSX sale. Now, feeling that it is committed, the administration is trying to reduce congressional opposition and opposition from many Cabinet Departments, including Commerce, and other executive branch officials by fine-tuning the transfer program.

Well, Mr. President, fine-tuning is not what is required; scrapping is what is needed. This agreement should be killed. We should go back to the negotiating table and begin to make our case for a Japanese purchase of F-16's or another American-built fighter aircraft.

Mr. President, Japan is one of our closest allies. It is one of our largest trading partners. We have a warm, friendly relationship with Japan, and it is in our national interest to maintain and build on that relationship.

The United States, however, is not the only party with an interest in a United States-Japan relationship. We sometimes seem to forget that our current, strong friendship with Japan is just as much in the interests of the Japanese as it is in ours. We are not the only ones who are forgetful—on some occasions, the Japanese also seem to forget that friendship between the United States and Japan entails obligations on their part and not just benefits for them.

The most recent example of Japanese forgetfulness of the obligations of their friendship involves the FSX Program, a subject I have warned about on this floor before. The FSX Program involves the sale of F-16 fighter technology to Japan as proposed in the United States-Japanese Fighter Codevelopment Program. I oppose the sale because I do not believe it is in the long-term national interest of the United States. I also oppose it because I do not believe it is in the long-term national interest of Japan if the Japanese take the time to view the sale in its total context, rather than simply focusing on its commercial potential for Japan, as they have done thus far.

Unfortunately, neither the United States nor Japan has been thinking long term. Instead, both parties have been thinking solely about short-term costs and benefits. That is a serious mistake, Mr. President. It is a mistake both for us and for them.

The argument for the technology transfer from the U.S. point of view is based on four points:

First, the sale is in our national and foreign policy interests;

Second, it will produce jobs for U.S. defense contractors;

Third, the United States will receive Japanese technology that will benefit our national security as a result of the transfer; and

Fourth, if we do not transfer the technology, the Japanese will simply build their own fighter.

Each of these arguments is flawed because each of them is based on a too narrow review of the FSX Program's actual merit.

I agree with the administration that it is important for the Japanese to modernize and expand their fighter aircraft force; that development is clearly in the national security and foreign policy interests of both the United States and Japan. However, I am afraid that the administration is using the undisputed merit of that general proposition as an argument for a much more dubious idea—that the transfer of F-16 technology to Japan is the best way to achieve the modernization of the Japanese fighter force in a mutually acceptable way.

The General Accounting Office just last week gave a briefing on its preliminary findings on the codevelopment Japanese FSX Aircraft Program. To sum up the GAO conclusions in a few words: "We know what the Japanese are getting from the United States; we don't know what we are getting from the Japanese!"

According to the GAO, what we are giving the Japanese is something they greatly lack the ability to learn, aircraft systems integration. We, in turn, are to receive Japanese composite wing technology which they have not

produced and which many of our leading aircraft companies already have. We will also receive new radar technology which the Japanese have not proven out. Here again we have companies in the United States which are way ahead of the Japanese. Why does the Defense Department want this deal? Are we giving away our technology for political expediency?

The simple truth is that the best way to modernize the Japanese fighter force—best for the United States and best for Japan—is for Japan to purchase United States built F-16's. Outright purchase is the cheapest way for the Japanese by far, and it will provide them with the fighters much more quickly than would the codevelopment program.

The administration, in negotiating this transfer, took a narrow, short-term view of our national security and foreign policy interests. Our negotiators failed to take our long-term economic interests into account. In fact, the process used to date seems designed to ignore the fundamental economic interests on which our basic national security ultimately depends.

The administration has failed to recognize that the primary short-term Japanese interest is not defense related, but rather the development of the kind of aerospace industry capable of competing across the full range of world markets. Japan does not have such an industry at the moment, but 30 years ago they did not have much of a semiconductor industry either, and we all know how things have changed in that industry. Yet, instead of thinking of the long-term health of our world heading aerospace industry, administration negotiators seem intent on aiding the establishment of another competitor in world markets, this time in the aircraft industry.

The risks of this shortsighted approach can be seen in what has happened to the United States semiconductor industry, which was also the undisputed world technology leader not very many years ago. As a result of the fierce Japanese competition, which was substantially aided by Japanese Government policy, our Defense Department has been forced to help finance Sematech, a consortium of United States semiconductor firms, to try to ensure that we remain competitive in the market we used to dominate.

I am not arguing, Mr. President, that we should be governed by protectionist concerns. I am not arguing that we should try to stop Japan from developing its aerospace industry. What I am arguing is that we need to at least consider the long-term implications of decisions the Government makes on the economic health and basic competitiveness of industries that are so important to our national security and our overall economy. What I am arguing is that we should not be making it easier for the Japanese Government to finance the expansion of its aerospace industry.

Instead of considering the long-term competitive implications of the program, however, we have been treated to a simplistic analysis of the jobs involved in the technology transfer program. I am as concerned about jobs as anyone, but I am interested in jobs that will be here 20 years from now, not just jobs that will last a few years. It is also worth remembering that selling F-16's to Japan will create far more jobs than the technology transfer will.

We are told by the Defense Department and those defending this technology transfer that we will receive Japanese advanced radar and composite manufacturing technology in return and that codevelopment will benefit us both. I am the first to admit that we make considerable use of Japanese technology in the United States for both civilian and military purposes. I am well aware, for example, that we make considerable use of Japanese chips in the F-16 and in other advanced weapons, and that we use foreign-made machine tools in some critical defense applications. The world is increasingly interdependent, and we cannot go it alone. However, the issue is not whether technology transfer between two strong allies is good in the abstract. Rather, the question is whether this specific technology transfer is in our interest—whether its benefits are greater than its costs.

Viewed that way, the answer is clear: It is not a good deal. The few benefits we will receive are overwhelmed by the huge adverse effects this sale will have on the United States and our aerospace industry.

The final argument used by the administration negotiators is the weakest of all. We are told that if we did not agree to this technology transfer, the Japanese were prepared to go it alone and develop their own fighter. I do not accept that premise, however, and I do not believe we ever really seriously tried to convince the Japanese to purchase the F-16 or another American aircraft instead.

Not very long ago, Israel decided not to proceed with development of a new home-built fighter aircraft, the Lavi. Israel exists in a very high-threat environment. Israel has a fighter air force that is considerably larger than Japan's—582 fighter aircraft for Israel versus 307 for Japan. There are substantial incentives for Israel to develop its own aircraft, yet Israel's leaders chose to buy from the United States instead. They did so because they could save substantial defense dollars by doing so, and because we devoted high-level attention to making our case.

On the other hand, article 9 of the Japanese Constitution states:

> The Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.

Japan, therefore, maintains only self-defense forces. It relies on the U.S. defense umbrella for a large portion of its protection. As a matter of government policy, it does not export arms.

Common sense tells us that this is a strong rationale for Japan to do what Israel is doing: Buy its fighter aircraft from the United States. This would demonstrate their trust in the United States as an ally.

Further, this approach would be the most cost-effective alternative for Japan. Japan spends only approximately 1.5 percent of its GNP on defense, as opposed to 6.7 percent for the United States. Buying American would save roughly $30 million per aircraft over the proposed codevelopment program, giving the Japanese a lot more defense bang for each buck.

There are other strong reasons for Japan to buy the F-16 off the shelf. Buying our aircraft would represent, in some small way, a recognition of the security benefits the Japanese receive and the substantial financial savings that result from being under the protection of the American defense umbrella.

Further, it is sound trade policy for the Japanese. They run persistent trade surpluses with the United States that exceed $50 billion annually. Buying American defense weaponry can help reduce that deficit.

Finally, buying American fighter aircraft would provide convincing evidence that the Japanese are not using government policy, as opposed to market forces, to build another export driven industry. Japan has a very limited market for fighter aircraft. The policy of the Japanese Government is not to export defense items. The only reason for Japan to insist on building its own fighter aircraft, therefore, has nothing to do with legitimate defense concerns. It could only be the desire to use the Japanese Government to build a civilian-oriented aerospace industry designed to challenge United States world leadership in this area.

The United States can make a compelling case for a Japanese purchase of United States-built F-16's instead of FSX Program approach, Mr. President. Yet I never have heard of any high level American official attempt to make the case to Japan. In the case of the Levi Fighter Program in Israel, there was a constant series of articles in the press on our efforts to convince

Israel to abandon the idea of building its own fighter and buying American instead. We worked hard to convince Israel of the merits of our position, and we succeeded.

In this situation, however, American officials seemed to make no real effort to convince the Japanese to buy American, instead taking as a given the Japanese argument that fighter aircraft are somehow special.

We have heard this argument from Japan before. Rice is special; beef is special; supercomputers are special. In fact, quite a few areas where the United States has a cost or technological advantage seem to be special. I think we cannot afford to sit idly by and accept that position. We must challenge it when required by our long-term national interests. The United States-Japan relationship is not so fragile that it cannot withstand discussions on issues where we disagree.

The administration failed to consult with Congress when it negotiated the FSX sale. Now, feeling that it is committed, the administration is trying to reduce congressional opposition and opposition from many Cabinet departments and other executive branch officials by fine tuning the transfer program.

Mr. President, fine tuning is not what is required; scrapping is what is needed. This agreement should be killed. We should go back to the negotiating table and begin to make our case for a Japanese purchase of F-16's or another American-built fighter aircraft.

Over the longer term, we need to change the way we make these decisions, to see that the full range of American interests is considered. That means giving the Department of Commerce a much greater role. The Defense Department has a major role in the export of civilian technology with military implications. The Commerce Department must have a role in the export of military technology with civilian implications.

However, that is for the future. What we must do now is stop the FSX program. It is a bad deal for the United States. It is a bad deal for Japan. It is a bad deal for the United States-Japanese relationship. The deal should never have been made; it should not be implemented. It is time to start over.

Mr. President, I ask unanimous consent that an editorial from the St. Louis Post Dispatch, a distinguished newspaper in my part of the world of southern Illinois, of April 10, 1989, entitled "40 Percent of a Loaf" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

40 PERCENT OF A LOAF

President Bush reportedly favors going ahead with the U.S.-Japanese FSX fighter plane deal if Japan agrees to "certain clarifications." After some debate, the Japanese appear willing to accept these changes. But no one yet knows whether Congress will accept them—or even whether the new deal itself is in this country's interest.

The United States is running a trade deficit with Japan of $50 billion a year, and few U.S. products that the Japanese could buy in quantity would bring down that figure. Military aircraft happen to be one of them.

Yet when Japan approached the Pentagon with a plan to obtain an updated version of the General Dynamics F-16 fighter-bomber, the Japanese refused to consider an "off-the-shelf" purchase of the aircraft. Rather, Japan offered a lopsided deal. Of the $1.2 billion in development costs, U.S. firms would get at most 40 percent, along with some vague Japanese promises that U.S. companies would get some production subcontracting as well. Putting politics ahead of the trade deficit, the Pentagon approved the plan—to the protests of Congress and the Commerce Department.

Mr. Bush's "clarifications" would seek to firm up the Japanese promises of production contracts. Not half a loaf but maybe 40 percent of a loaf, the White House seems to be saying.

But there is another issue, as Rep. Richard Gephardt of St. Louis points out: "While we can't prevent Japan from building its own aerospace industry, there is no reason we have to subsidize it." Whether the new Bush proposals will prevent that is unclear. That is why Congress must carefully review these changes. If the safeguards promised on technology transfers and new contracts are not tight enough, the deal should fail.

Mr. DIXON. Mr. President, I ask unanimous consent to make a few remarks on another subject in view of the fact no one at this time desires taking the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, the major order of business before us is the minimum wage bill. My understanding of the order of business set by the distinguished leader and others on the leadership team is that tomorrow we will vote on a couple of amendments; essentially, the committee amendment which expresses the point of view of the majority side, calling for a $4.55 minimum wage and a 60-day training period. I understand that thereafter it will be followed by a vote on an amendment reflecting the administration's point of view which an oversimplification, if I may say, is for a $4.25 minimum wage with a 6-month training period.

I would just like to say, Mr. President, that I certainly expect to support the position of my side. As majority chief deputy whip, it is my privilege to say that I have supported the effort on this side over the past several years to exact from the Congress and past administrations the necessary support to enact a new minimum wage. I believe it is called for. The time has passed us when we should have done something, Mr. President.

I said last year in remarks here that I was out in Aurora and Elgin, IL, in Kane County, when we were considering the minimum wage bill. I made a speech in Aurora and traveled over to Elgin. In doing so, I passed a McDonald's hamburger stand, and on the marque outside the hamburger stand was a help wanted sign offering $4.35 an hour, a dollar over the minimum wage in not the most urban area of my State, but certainly a distinguished and important urban area of Illinois.

The point that was made clear to me at that time, Mr. President, was that the marketplace has advanced beyond the Congress in dealing with this social need.

I have talked to my distinguished friend, the minority leader, for whom I have the greatest personal admiration and highest personal regard, as well as, for his fine wife, who is the distinguished Secretary of Labor about this issue. I have suggested to the minority leader and to his distinguished wife, who is doing such a fine job as Secretary of Labor, that I wish the two sides could find some accommodation on this. We wasted a year last year. I do not think we do any service for the ordinary folks out there who are on the poverty line and need this additional money by arguing over the small differences remaining between the two sides on this issue.

I began my career as a police magistrate back in Belleville, which is equivalent in these days to the justice of the peace system. We had a method of doing this. We split the difference sometimes. I only want to say to the President and others that maybe others should support this concept. I have met with my colleagues, the leadership on the majority side and the distinguished chairman of the committee, TED KENNEDY, and others, I hasten to add, Mr. President. Seeing the Senator from Massachusetts on the floor, I would like him to know that I was taking an opportunity when the floor was available and my dear friend and colleague, for whom I have the greatest admiration, was present to say I think it is a great disservice to the oridnary folks in this country who are dependent upon this minimum wage to make a hand-to-month living, to have a political fight here. Let us face it, I think the evidence is clear that the majority would fall short on a veto override. We do a disservice to the working men and women in the country to throw up our hands and say, "Well, we couldn't resolve our differences and we fought it out and everybody was in good faith, and we will see you again next year."

I think maybe at some point in time, cooler heads could prevail and seek a resolution to this problem that is not

immediately apparent. I am not necessarily suggesting that you split the difference, but that the difference between 60 days and 6 months and $4.25 and $4.55 is not an insurmountable difference that cannot be resolved by people of good will. We have come to more agonizing accommodations on more complicated matters a number of times, and I just hate to see us waste a lot of time again this year, Mr. President, as we did last year. I do not remember how many legislative days we spent, but we spent a lot of time.

It is an issue the country understands. Everybody has their mind made up on it. I have seen the polls. I think the polls overwhelmingly support our point of view, although I would have to first confess I do not know if the people understand those nice distinctions between the two sides. But I think the people want us to raise the minimum wage; and that is people of all types of economic persuasions and different points of views, Republicans and Democrats, and I think that it is time to do it, Mr. President.

So I would urge at some point in time, after we have all run upon the spears and those on this side have voted for the committee bill and those loyal people on the other side have voted to support the administration, that sometime in the coolness and the quiet of some fine afternoon that wise men, and women like the minority leader who I see on this floor, and the majority leader who I greatly esteem, and others might in some quiet, compassionate moment, finding that kinder and gentler nation, solve this very, very difficult problem.

I thank the President. I thank the minority leader, and I thank anybody else who was not bored by it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF KIRBY SMITH III, LITTLE ROCK, AR

Mr. PRYOR. Mr. President, last week one of the most dedicated individuals to labor in the Democratic Party passed away. Kirby Smith III of Little Rock, AR, was a tireless and devoted supporter of Democratic Party causes and candidates in Arkansas and across the country.

Kirby Smith was appointed by Arkansas Gov. Bill Clinton to serve as legal counsel to the Arkansas Democratic Party. In addition, he served as chairman of the Pulaski County Democratic Party—the largest county in our State—and was chairman of the Pulaski County Election Commission.

A former president of the Arkansas Young Democrats, Kirby was a prime mover in the National Young Democrats organization and was instrumental in helping two Arkansans attain the presidency of that organization in recent years.

Smith was executive secretary of the Engineers and Land Surveyors' Licensing Board, deputy prosecuting attorney in the Sixth Judicial District, assistant attorney general, and was a former director of tourism for the Arkansas Department of Parks and Tourism.

All of us who knew Kirby would agree that there is no one more deserving of the title "yellow dog Arkansas Democrat." Kirby will be missed for much more than his loyalty to the Democratic Party. He will be missed for being Kirby.

HONORING CARLO GAMBA

Mr. PELL. Mr. President, there has been much focus in Washington on "a thousand points of light." But in Rhode Island, we have one that shines. Today, Carlo Gamba, teacher, principal, and Federal program coordinator, is being honored by the National Association of Federal Program Administrators for his tireless service to education.

I would like to add my voice to the many who have sung his praises over the years and to those who publicly acknowledge his work today. Since 1957, Carlo Gamba has contributed his talents and efforts to the elementary and secondary school students of Rhode Island. He served as a teacher in Coventry for 10 years, an elementary school principal in Foster for 24 years, and an elementary school principal in Cranston for 3 years. During that time he also served as the Federal programs coordinator. In this capacity, he implemented critical Federal programs that secured educational opportunity for disadvantaged students, including programs such as the chapter 1 program of compensatory education for the educationally and economically disadvantaged, the Education for the Handicapped Act, and the Bilingual Education Act.

Mr. Gamba is the product of Rhode Island schools, having graduated from Cranston High School, and Providence College, as well as earning his EDM at Rhode Island College. We are all most fortunate that as the beneficiary of the Rhode Island school system, he has given back to Rhode Island schools. In fact, he has had the considerable distinction of serving as the principal of the elementary school he attended, the Mae Wescott Elementary School.

Carlo Gamba's work goes beyond the routine requirements of the jobs he has held. There was never a time when he said "no" to the needs of schools, teachers, or students. He has remained a stalwart proponent of public schools, and a welcome champion of disadvantaged students. He has lent his talent and energy to the work of schooling, and has done so generously and with great humor—a humor for which he is famous throughout the State.

Although Mr. Gamba retired in 1987, that was an act in name only. For, he continues to be just as involved in the schools today. He currently serves as the Federal program consultant for Central Falls, and is the Congressional District 2 coordinator for the National Bicentennial Competition.

Mr. President, when we speak of school excellence then we speak of Carlo Gamba. And when we seek to improve our schools, what we look for is 16,000 Carlo Gambas nationwide. He is the reason I can be optimistic about the future. For, as long as he and the many others who have devoted their time and talent to the schooling of our children continue their service to education, then our country has the machinery to make our schools ones of excellence and opportunity. I would like to congratulate Mr. Gamba on his award today, and thank him for the considerable influence he has had on the many young lives he has touched.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on April 7, 1989, during the recess of the Senate, received a message from the President of the United States transmitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on April 7, 1989, are printed in today's RECORD at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. REID:

S. 734. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Banks and their branches; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DASCHLE (for himself and Mr. ROCKEFELLER):

S. 735. A bill to amend title XVIII of the Social Security Act to extend the classification of sole community hospital to certain other hospitals, to make improvements in

payments to such hospitals, and for other purposes; to the Committee on Finance.

By Mr. REID (for himself and Mr. BRYAN):

S. 736. A bill to convey fee title to Pershing County Conservation District certain Federal lands known as the Battle Mountain Community Pastures, in recognition of the fact that the land was initially acquired by the District and subsequently transferred to the United States for the Humboldt River Project; to the Committee on Energy and Natural Resources.

By Mr. WIRTH (for himself and Mr. ARMSTRONG):

S. 737. A bill to authorize the Secretary of the Interior to acquire certain lands adjacent to the boundary of Rocky Mountain National Park in the State of Colorado; to the Committee on Energy and Natural Resources.

By Mr. DECONCINI:

S. 738. A bill to expand the priority and payment rights of consumers in bankruptcy proceedings involving transportation entities; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DECONCINI:

S. Res. 98. Resolution to express the sense of the Senate regarding amendments to title 11, United States Code, the Bankruptcy Code; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE (for himself and Mr. ROCKEFELLER):

S. 735. A bill to amend title XVIII of the Social Security Act to extend the classification of sole community hospital to certain other hospitals, to make improvements in payments to such hospitals, and for other purposes; to the Committee on Finance.

SOLE COMMUNITY HOSPITAL PROTECTION ACT

Mr. DASCHLE. Mr. President, I rise today to introduce the Sole Community Hospital Protection Act of 1989, a bill to strengthen the financial protections offered to our country's most isolated, but vitally important, rural hospitals. The ultimate goal of this measure is to ensure that rural Americans receive the same access to hospital care that their urban counterparts enjoy.

In the midst of the promise and plenty of the U.S. health care system, a system that many claim offers the highest quality care in the world, there are clear trends in rural health care that signal danger. Most notably, our rural hospitals, the core of our rural health care system, are being challenged like never before. In the last 8 years alone, over 160 rural community hospitals across the country have been forced to close their doors, and many more than that—an estimated 600—are currently on the brink of closure.

When hospital care is no longer available in a community, some of our most vulnerable sectors suffer—the elderly, the unemployed, and the chronically ill. And because rural hospitals are often major employers in a town, a hospital closure can have a devastating effect on the local economy.

During a recent rural health care tour that I conducted in South Dakota, I witnessed firsthand the challenges our rural providers face. As I visited rural hospitals all over the State and met with rural hospital administrators and others involved in health care delivery, the same message was affirmed over and over: inadequate Medicare payments have contributed to a serious decline in hospital revenues and the reduction in access to care for rural residents. And because hospitals are the second leading employer in the State, this financial crisis also affects thousands of health care workers.

While many factors have combined to cause the demise of rural hospitals, Medicare's payment system is one of the most obvious and the most amenable to Federal intervention. The fact that Medicare pays rural hospitals from 12 to 40 percent less per procedure than it pays hospitals in urban areas is largely responsible for the fact that more than one-half of small rural hospitals are losing money on patient care. Clearly, the financial health of these already fragile hospitals is in extreme jeopardy.

While many argue it is not necessary to have a hospital at every crossroads in America, most would agree it is essential that everyone have access to at least basic medical services. Sole community hospitals [SCH's] provide this kind of access to basic health care in some of our country's most remote areas.

Recognizing their vital importance to the communities they serve and the fact that the prospective payment system may not be appropriate for these small, low-volume facilities, Congress provided special financial assistance to this group of hospitals. But despite its good intentions, the SCH program is largely viewed as a failure. Over one-half of SCH's had negative profit margins by the third year of PPS, and over 10 percent experience losses on Medicare greater than 37 percent, a record worse than rural hospitals without SCH status. Over 100 hospitals eligible for SCH status simply chose not to accept this designation.

The proposal I am introducing today seeks to reverse this situation by broadening the number of hospitals eligible for SCH status and strengthening the protections offered to these important rural providers. First, my bill would lower the number of miles required between hospitals to qualify for SCH status. Decreasing the mileage criterion increases access to medical care for the elderly and poor who are less mobile and tend to suffer higher incidence of chronic illnesses requiring hospital-based care.

Second, my bill would reimburse hospitals for a percentage of their Medicare losses on a sliding scale based on their patient volume. Hospitals with the lowest volume would receive more financial assistance than higher volume hospitals. This measure recognizes that SCH's have high fixed costs because they provide a diverse range of services and are thus more sensitive to low volume and the resulting higher costs per case. However, by requiring SCH's to share in the cost of their losses, this proposal retains incentives for SCH's to operate efficiently.

Finally, my bill would extend current law protection from capital payment reductions to all hospitals eligible for SCH status, regardless of whether they accept the SCH designation. Currently, only hospitals that accept the SCH designation are eligible for this protection. This measure will eliminate the arbitrary penalization of hospitals that qualify for SCH status but do not choose to accept this designation for payment purposes.

Americans expect and deserve the best health care system in the world. But without a firm national commitment to adequate assistance for all health care facilities, rural health care will never match the quality and access found in urban areas.

It is time that the Federal Government offer its citizens in rural America a helping hand. I urge my colleagues in the Senate to support this measure to ensure the financial health of our Nation's most vulnerable rural hospitals.

By Mr. REID (for himself and Mr. BRYAN):

S. 736. A bill to convey fee title to Pershing County Water Conservation District, certain Federal lands known as the Battle Mountain Community Pastures, in recognition of the fact that the land was initially acquired by the district and subsequently transferred to the United States for the Humboldt River project; to the Committee on Energy and Natural Resources.

BATTLE MOUNTAIN PASTURE RESTORATION ACT OF 1989

● Mr. REID. Mr. President, in 1934 the U.S. Bureau of Reclamation started work on what we now know as the Rye Patch Dam project on the Humboldt River.

In the process of developing this important water resource project, several ranches were purchased from private lands to obtain the land and water rights needed for the construction of irrigation works and acquisition of

water. In addition to the purchase and acquisition of water rights, the acreage of two ranches were purchased (about 30,000 acres).

The Pershing County Water Conservation District of Nevada was consequently formed prior to the approval and authorization of the project, to manage the project and be responsible for the repayment obligation according to reclamation law.

Therefore, the title for the above mentioned lands, water rights and Rye Patch Dam are now held in the name of the United States. It has always been understood by all interested parties that title would continue in the name of the United States until repayment for the project was completed.

In the past there has been little particular concern by the Water Conservation District about acquiring title to the lands in question because they were always told by the Bureau of Reclamation that they could obtain ownership (title), to the lands once the obligations for repayment were made.

Mr. President, the Pershing County Water Conservation District completed the water transfers required by the State of Nevada, with the Nevada State Engineers Office in 1956. They completed the repayment to the U.S. Government in 1978. The title to the lands and water rights both still remain in the name of the United States.

Because the conveying of title to the Pershing County Water Conservation District for the lands referred to in this proposed legislation requires special consideration, I am proposing today to introduce legislation that will convey title of the lands referred to as the Battle Mountain Pastures, paid for by the citizens of the Water Conservation District, to the district to be used as community pasture lands. This will ensure a vital economic stability for the ranchers and livestock operations in the Lovelock Valley, who are depending on this land for summer grazing and allow them to have a livestock operation which would otherwise be impossible.

Thank you, Mr. President, and I ask unanimous consent that the complete text of the bill be printed in the RECORD as though read.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be known as the "Battle Mountain Pasture Restoration Act of 1989".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS. The Congress finds that—

(1) the Humboldt Project is a land reclamation and irrigation project created pursuant to the Act of Congress of June 16, 1934, (48 Sta 195), and June 17, 1902 (32 Stat 388), and is an irrigation dam project known as Rye Patch Dam located in Persing County, Nevada;

(2) the Pershing County Water Conservation District, a quasi-political subdivision of the State of Nevada, entered into contracts in 1934 to purchase all of the lands comprising the Battle Mountain Community Pasture, consisting of approximately twenty-nine thousands eight hundred and eighty-four acres of land, and water rights appurtenant thereto in Lander County, Nevada, consisting of a consolidation of two ranches known as the Filipini Ranch and the Aldous Ranch;

(3) the Pershing County Water Conservation District transferred all of the water rights appurtenant to the Filipini and Aldous Ranches to the Humboldt Project to provide water to make the construction of Rye Patch Dam feasible;

(4) the legislation authorizing the construction of the Humboldt Project provided that title to the Filipini Ranch and Aldous Ranch was to lie with the United States until further Act of Congress;

(5) the Pershing County Water Conservation District assigned its purchase contracts of the Filipini Ranch and the Aldous Ranch comprising the community pasture to the United States in 1934, and in 1936 conveyed the water rights to the United States as required under the terms of the Humboldt Project to make the construction of Rye Patch Dam feasible;

(6) a repayment contract was entered into with the United States Department of the Interior, Bureau of Reclamation, on October 1, 1934, to provide the funds necessary for the construction Rye Patch Dam and Reservoir, and to ensure the repayment to the United States of all costs of construction and operation of the Humboldt Project;

(7) the Pershing County Water Conservation District water users have completely repaid the United States all of the cost of the Humboldt Project, including the cost of the purchase of the Aldous and Filipini Ranches, known as the Battle Mountain Community Pasture;

(8) the Pershing County Water Conservation District has paid real estate taxes on the Battle Mountain Community Pasture for many years;

(9) the Battle Mountain Community Pasture continues to be required by the Pershing County Water Conservation District to ensure that the waters of the Humboldt River pass through the pasture, and are not diverted or diminished, in accordance with the terms of the transfer of the water rights as provided by the State of Nevada;

(10) the Pershing County Water Conservation District has an immediate and continuing need for the Battle Mountain Community Pasture; and

(11) the purpose of this Act is to convey to the Pershing County Water Conservation District free title to the Battle Mountain Community Pasture in recognition of the fact that it was initially acquired by the Pershing County Water Conservation District, and subsequently transferred to the United States for the Humboldt Project, until further Act of Congress and the full repayment of the construction and acquisition costs of the Humboldt Project to the United States.

SEC. 3. CONVEYANCE.

The Secretary of the Interior shall convey, subject to all existing right and interests of third parties upon, in, and over the property, and upon payment of administrative costs incurred in making the transfer, not to exceed $20,000, to the Pershing County Water Conservation District, all right, title, and interest of the United States in and to the land described in section 4 of this Act.

SEC. 4. DESCRIPTION.

The land referred to in section 3 of this Act is described as follows: Portions of those parcels of land described in the warranty deed between Charles S. Aldoux, et ux., and the United States dated January 17, 1935, and in the warranty deed between Filipini Ranching Company and the United States dated January 26, 1935, said lands being in the County of Lander, State of Nevada, and described as follows:

MOUNT DIABLO MERIDIAN

Township 32 North, Range 44 East

Section 1.

Township 32 North, Range 45 East

Sections 3 to 6, inclusive, sections 10 to 14, inclusive, and sections 22 to 24, inclusive; all of section 7, excepting therefrom portions of lots 3 and 4, and southwest quarter more fully described by metes and bounds as follows:

Beginning at the intersection of the centerline of the westbound lane of Interstate Route 80, Project I-080-3(12)229, and the west boundary of section 7, at highway engineer's station "Bw" 241 plus 36.69 P.O.C., said point of beginning further described as bearing south 0 degrees 02 minutes 18 seconds west, a distance of 1,571.26 feet from the west quarter corner of section 7; thence north 0 degrees 02 minutes 18 seconds east, along west boundary of section 7, a distance of 379.00 feet to a point; thence south 34 degrees 02 minutes 55 seconds east, a distance of 754.84 feet to a point; thence from a tangent which bears the last described course, curving to the left with a radius of 1,500 feet, through an angle of 34 degrees 06 minutes 42 seconds, an arc distance of 893.04 feet to a point; thence south 68 degrees 09 minutes 37 seconds east, a distance of 731.06 feet to an intersection with the south boundary of section 7; thence south 89 degrees 58 minutes 33 seconds west, along said south boundary, a distance of 1,787.00 feet to the southwest corner of section 7; thence north 0 degrees 02 minutes 18 seconds east, along the west boundary of section 7, a distance of 1,071.65 feet to the point of beginning, said parcel contains an area of 20.91 acres, more or less.

Also excepting therefrom the southeast quarter of section 7. Also excepting therefrom, a strip of land having a uniform width of 30 feet, where measurable at right angles lying within 15 feet on each side of the following described centerline:

Beginning at a point in the south boundary of the northeast quarter of section 7, west, 660.0 feet distant from the east quarter corner of section 7; thence north, 513.0 feet to a point on the south bank of the Reese River, that is south 17 degrees 16 minutes west, 2,223.2 feet distant from the northeast corner of section 7, the sideline boundaries of said strip of land are to be lengthened or shortened as the case may be, so as to begin in the south boundary of the northest quarter of section 7, and terminate on the south bank of the Reese River, said parcel contains an area of 0.35 acre, more or less.

Section 8, west half;

Section 9, northeast quarter;

Section 15, all that portion lying south of the old channel of the Humboldt River, and containing 340 acres, more or less;

Section 17, southeast quarter, except that portion thereof conveyed to C.W. Burge (deed recorded in Book 52 of Deeds, page 476, records of said Lander County) described as follows:

Beginning at a corner point numbered 1, on the east boundary of section 17, north, 1,015 feet distant from the southeast corner of section 17. Thence north (on section line), 1,625 feet to east quarter corner, section 17. Thence, same course, 1,525 feet to northeast corner numbered 2. Thence south 43 degrees 56 minutes west, 2,019 feet to west angle corner (along wagon road). Thence south 39 degrees 33 minutes east, 2,200 feet to corner numbered 1, place of beginning, containing 50.65 acres.

Section 18, northeast quarter northeast quarter, excepting therefrom, a strip of land having a uniform width of 30 feet, where measurable at right angles lying within 15 feet on each side of the following described centerline:

Beginning at a point in the east boundary of section 18, south, 1,127.9 feet distant from the northeast corner of section 18; thence entering section 18, north 30 degrees 20 minutes west, 1,306.8 feet to a point in the north boundary of section 18, west, 660.0 feet distant from northeast corner of section 18, the sideline boundaries of said strip of land are to be lengthened or shortened, as the case may be, so as to begin in the east boundary, and terminate in the north boundary of section 18, said parcel contains an area of 0.90 acre, more or less.

Section 26, north half north half, and south half northeast quarter.

Township 32 North, Range 46 East

Sections 7 to 11, inclusive, sections 15 to 18, inclusive, and section 20;

Section 1, south half;

Section 2, south half;

Section 3, south 21/40 of south half, containing 168 acres;

Section 4, south 21/40 of south half, containing 168 acres; also in section 4 all that portion of that tract of land containing 39.5 acres deeded on December 13, 1989, by J.H. Crum, and others to James Faris (deed recorded at page 151, in Book 49 of Deeds, records of said Lander County), which is not included in that certain parcel or tract of land deeded May 22, 1903, by James Faris and Annie Faris, to Southern Pacific Company (deed recorded at page 770, in Book 49 of Deeds, records of said Lander County); section 5, south 33/40 of south half, containing 265 acres; section 6, south half south half, north half southeast quarter, and north half southwest quarter (undivided one-half interest);

Section 12, north half;

Section 14, northwest quarter;

Section 19, north half;

Section 21, north half;

Section 22, north half northwest quarter, northwest quarter southwest quarter, and southwest quarter northwest quarter.

Township 32 North, Range 47 East

Section 6, north half south half.

Township 33 North, Range 44 East

Section 12, southeast quarter northeast quarter.

Township 33 North, Range 45 East

Sections 5 to 8, inclusive, sections 17 to 21, inclusive, and sections 28 to 33, inclusive;

Section 9, southwest quarter;

Section 27, southwest quarter;

Section 34, north half northeast quarter, and south half;

Section 35, southwest quarter.

Township 34 North, Range 44 East

Section 36, southwest quarter southeast quarter, and southwest quarter southwest quarter.

By Mr. DECONCINI:

S. 738. A bill to expand the priority and payment rights of consumers in bankruptcy proceedings involving transportation entities; to the Committee on the Judiciary.

CONSUMER TICKET PURCHASER PROTECTION ACT OF 1989

● Mr. DECONCINI. Mr. President, I rise today to introduce legislation to amend title 11, section 507(a) of the Bankruptcy Code, to give priority to consumer ticket purchasers when a transportation carrier files for bankruptcy.

This bill is needed to protect the average consumer ticket purchaser who becomes an unwitting and involuntary creditor of an airline or other transportation carrier who files for bankruptcy protection. All too often, as we have seen again recently, the Bankruptcy Code has been used by airline companies to avoid obligations to thousands of consumers who hold millions of dollars in prepaid tickets.

When an airline uses the Bankruptcy Code in this way, hard earned vacation dollars are lost, dreams are destroyed and business and other travel plans are disrupted. The estimated value of outstanding tickets already sold at the time of the recent Eastern bankruptcy filing is $200 million. Eastern provided transportation to approximately 100,000 people per day prior to the strike and bankruptcy proceedings. On 1 day in Miami alone, 2,200 cruise ship passengers were stranded in their attempt to return home because Eastern was operating only 15 aircraft that day.

This legislation would amend the Bankruptcy Code to provide consumer ticket purchasers with relief when transportation carriers seek to use the shield of title 11 bankruptcy protection. It will prevent these companies from using title 11 to destroy the right of purchasers to compensation for the lost value of their tickets. The bill will accomplish this purpose by placing consumer ticket purchasers third in the Bankruptcy Code's system of ranking priorities. Title 11, section 507, provides first priority for administrative expenses, and second priority for unsecured claims allowed under section 502(f); the so-called involuntary gap creditors, who were unaware of the involuntary filing and who are treated as though they were creditors prior to the 30 day filing period. Under this legislation, consumer ticket purchasers will be placed third in priority. Purchasers will be entitled to up to $900 in compensation per individual for tickets purchased for their personal or family use.

A maximum of $900 compensation is reasonable in light of the wide price range of airline tickets available these days. Tickets can cost as little as $19 or as much as $2,000. While a $900 ceiling may not compensate consumers for every dollar they have lost, this bill does provide them with the priority in the bankruptcy ranking that they deserve, and it will give them some assurance that at least this amount of their investment will be returned to them.

Without the passage of this bill, consumer ticket purchasers have not been, and may never be, repaid for their purchases. They are families and business people who, due to the abuse of the bankruptcy laws by commercial air carriers, have become unwilling creditors in the airline companies' game of takeover and restructure. This legislation will send a clear message to these citizens that the Senate will not sit idly by while these companies hide behind bankruptcy laws and consumers are left holding the bag. I urge speedy passage of this bill, and I ask unanimous consent that the text of the Consumer Ticket Purchaser Protection Act of 1989 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 738

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Ticket Purchaser Protection Act of 1989".

SEC. 2. Section 507(a) of title 11, United States Code, is amended by—

(1) striking out "(7) Seventh" and inserting in lieu thereof "(8) Eighth";

(2) striking out "(6) Sixth" and inserting in lieu thereof "(7) Seventh, other than claims provided for in paragraph (3),";

(3) striking out "(5) Fifth" and inserting in lieu thereof "(6) Sixth";

(4) striking out "(4) Fourth" and inserting in lieu thereof "(5) Fifth";

(5) striking out "(3) Third" and inserting in lieu thereof "(4) Fourth"; and

(6) inserting between paragraph (2) and paragraph (4), as redesignated herein, the following:

"(3) Third, allowed unsecured claims of individuals, to the extent of $900.00 for each such individual, and arising from the deposit or payment, before the commencement of the case, of money in connection with the purchase of travel or transportation from a transportation carrier for the personal or family use of such individuals, where such transportation was to be provided following the filing of the petition under this title.".

SEC. 3. (a) Subchapter III of chapter 11 of title 11, United States Code, is amended by adding at the end thereof the following:

§ 1147. Repayment.

"Upon the motion of the United States trustee or any party in interest, the court may, after notice and hearing, provide for the immediate repayment to any creditor with an allowable claim entitled to priority under section 507(a)(3) of this title. The court shall establish a bar date and shall establish the terms and conditions for immediate payment by which the trustee shall

have effected payment to those creditors entitled to such priority.".

(b) The table of sections for chapter 11 of title 11, United States Code, is amended in subchapter III by adding at the end thereof the following new item:

"1147. Repayment.".

SEC. 4. Section 101 of title 11, United States Code, is amended by—

(1) redesignating paragraphs (32) and (33) and any reference to such paragraphs as paragraphs (33) and (34), respectively;

(2) redesignating paragraph (52) and any reference to such paragraph as paragraph (32) and inserting such paragraph between paragraph (31) and paragraph (33), as redesignated herein;

(3) striking out the semicolon at the end of paragraph (51) and inserting in lieu thereof a period;

(4) redesignating paragraph (51) and any reference to such paragraph, as paragraph (54);

(5) redesignating paragraphs (34) through (50) and any reference to such paragraphs as paragraphs (36) through (52), respectively;

(6) striking out the period at the end of paragraph (53) and inserting in lieu thereof a semicolon;

(7) redesignating paragraph (53) and any reference to such paragraph as paragraph (35) and inserting such paragraph between paragraph (34) and paragraph (36), as redesignated herein; and

(8) inserting between paragraph (52) and paragraph (54), as redesignated herein, the following:

"(53) 'transportation carrier' means any airline, railway, steamship entity or motor carrier engaged in the transportation of individuals in commerce where tickets, vouchers, 'electronic transfers' or other documents are used to evidence the purchase of such transportation; and".●

ADDITIONAL COSPONSORS

S. 89

At the request of Mr. SYMMS, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 100

At the request of Mr. ROCKEFELLER, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 272

At the request of Mr. LEAHY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 272, a bill to eliminate the exemption for Congress from the application of certain provisions of Federal law relating to employment, and for other purposes.

S. 302

At the request of Mr. PRYOR, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 302, a bill to amend title 39, United States Code, with respect to the budgetary treatment of the Postal Service, and for other purposes.

S. 401

At the request of Mr. HOLLINGS, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 401, a bill to exclude the Social Security trust funds from the deficit calculation and to extend the target date for Gramm-Rudman-Hollings until fiscal year 1995.

S. 565

At the request of Mr. CRANSTON, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Arkansas [Mr. PRYOR], the Senator from Hawaii [Mr. INOUYE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 565, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase home ownership; and for other purposes.

S. 566

At the request of Mr. CRANSTON, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Arkansas [Mr. PRYOR], the Senator from Hawaii [Mr. INOUYE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase home ownership, and for other purposes.

S. 625

At the request of Mr. NICKLES, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 625, a bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry and for other purposes.

SENATE JOINT RESOLUTION 91

At the request of Mr. ROCKEFELLER, the names of the Senator from Alabama [Mr. SHELBY], the Senator from California [Mr. WILSON], the Senator from Arkansas [Mr. PRYOR], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Nebraska [Mr. EXON], and the Senator from Arizona [Mr. MCCAIN], were added as cosponsors of Senate Joint Resolution 91, a joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day."

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. SIMON, the name of the Senator from Wisconsin [Mr. KOHL] was withdrawn as a cosponsor of Senate Concurrent Resolution 10, a concurrent resolution to express the sense of the Congress with respect to continuing reductions in the Medicare Program.

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. ROTH, the names of the Senator from Oklahoma [Mr. BOREN] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Concurrent Resolution 18, a concurrent resolution expressing the sense of Congress that Federal laws regarding the taxation of State and local government bonds should not be changed in order to increase Federal revenues.

SENATE RESOLUTION 92

At the request of Mr. SYMMS, the names of the Senator from Montana [Mr. BURNS] and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Resolution 92, a resolution expressing the sense of the Senate regarding section 89 of the Internal Revenue Code of 1986.

SENATE RESOLUTION 98—REGARDING AMENDMENTS TO THE BANKRUPTCY CODE

Mr. DECONCINI submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 98

Whereas the purpose of title 11 of the United States Code, known as the Bankruptcy Code, is to provide a structured judicial setting within which the legal rights of creditors and debtors can be resolved that will (1) permit debtors to resolve their financial difficulties in an equitable fashion, and (2) protect the interests of creditors;

Whereas chapter 11 of the Bankruptcy Code, which encourages the reorganization and not the liquidation of financially troubled companies, was designed to allow companies to recognize their debts and to repay their creditors in a way that enables the company to regain the financial stability necessary to once again become an ongoing concern;

Whereas legitimate concerns have been raised regarding abuses of the Code in recent bankruptcy filings in which financial insolvency was not the principal factor;

Whereas a number of companies, including Eastern Airlines, which have resources to maintain operation have recently filed bankruptcy petitions, the primary effect of which is to abrogate obligations to consumers and to avoid other obligations; and

Whereas recent bankruptcy filings have been conducted in ways which have greatly inconvenienced the public and which have left consumers and others with millions of dollars in unsatisfied claims: Now, therefore, be it

Resolved, That it is the sense of the Senate that title 11 of the United States Code, the United States Bankruptcy Code, has been and continues to be used for purposes for which it was not intended and that the Congress should act immediately to enact legislation to remedy defects in the Bankruptcy Code that have encouraged such abuses of the law.

● Mr. DECONCINI. Mr. President, I rise today to introduce a resolution to express the sense of the Senate that the United States Bankruptcy Code has been used and continues to be used for purposes for which it was not intended. This resolution calls upon Congress to remedy defects in chapter

11 of the code that have encouraged abuses of the law.

The purpose of the Bankruptcy Code is to encourage the reorganization, and not the liquidation, of financially troubled organizations. Chapter 11 of the code was designed to allow companies to reorganize their debts and to repay their customers in a way that enables the company to regain its financial stability. It was not intended to permit companies to abrogate obligations to consumers or avoid other obligations.

The recent filing for bankruptcy by Eastern Air Lines, Inc., underscores the need for action on the part of Congress. I am concerned that in this and similar bankruptcy cases, financial insolvency was not the principal factor in the filing. Instead, companies have used the bankruptcy laws to renege on legally negotiated collective bargaining agreements and disregard obligations to thousands of consumers who hold millions of dollars in prepaid tickets.

These consumers have not been, and may never be, repaid for their purchases. They are families and business people who unwillingly and unknowingly have become the creditors of Eastern Air Lines. This resolution gives notice that the Senate will not sit idly by while debtors hide behind bankruptcy laws and consumers are left holding the bag.

Although Eastern's filing has brought to light the need to tighten the Bankruptcy Code, this is the 78th, not the first, airline bankruptcy since 1979. I hope you will join me in supporting this resolution which is necessary to protect the consumers, creditors, and workers affected by such bankruptcies.●

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that hearings have been scheduled before the Committee on Energy and Natural Resources.

The hearings will take place on June 1 and 2, 1989, in room SD-106 of the Senate Dirksen Office Building in Washington, DC. There will be a 9:30 a.m. session and a 2 p.m. session on each day.

The purpose of the hearing is to receive testimony concerning S. 710, S. 711, and S. 712, legislation to provide for a referendum on the political status of Puerto Rico.

For further information, please contact Pat Temple at (202) 224-4756. For press inquiries, contact Claire Miller at (202) 224-0091.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Wednesday, April 19, 1989, at 10 a.m., in SR-332 to receive testimony from the administration in preparation for the 1990 farm bill.

For further information, please contact Bob Young of the committee staff at 224-2035.

ADDITIONAL STATEMENTS

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,486th day of captivity for Terry Anderson in Beirut.

I ask that an editorial dated March 19, 1989, from the New York Daily News be printed in the RECORD.

The editorial follows:

FIVE YEARS AND COUNTING

Terry Anderson, the Associated Press Beirut correspondent kidnaped by Iranian-backed, religious fanatics, has just entered his fifth year as a hostage. That's longer than any of the other 15 foreign hostages now in Lebanon.

U.S. policy is not to negotiate with terrorists—at least not publicly. Anything the government can do to help almost certainly must be stealthy. Bright minds in the State Department must go on working on an answer.

At the beginning of this year, Peggy Say—Anderson's sister and his most vocal advocate—believed her brother was close to being released. The dust had just settled from the Iraq-Iran war and the Ayatollah appeared be making overtures to the West. Those hopes were dashed when the Moslem world went off the deep end over "The Satanic Verses."

Rev. Lawrence M. Jenco, who shared a cell with Anderson said at a Buffalo church service the other day, "Terry's only refuge was prayer and the hope that his countrymen will not forget him." Pray for him. And don't forget.●

FUTURE OF CATHOLICISM IN HONG KONG AND CHINA

● Mr. BOSCHWITZ. Mr. President, the distinguished businessman Eric Hotung has some serious concerns about the future of Catholicism in Hong Kong and China. Mr. Hotung is the founder and chairman of the Hotung Institute for International Studies, an international nonprofit organization dedicated to strengthening relations between the United States and China. He is also actively involved in the Center for Strategic and International Studies and the Woodrow Wilson Center. As one committed to religious freedom, I would like to insert into the RECORD Mr. Hotung's editorial entitled "Religion and Business in China," which outlines some of important issues facing the Catholics in Hong Kong and China.

The editorial follows:

[From the Journal of Commerce, Mar. 29, 1989]

RELIGION AND BUSINESS IN CHINA

(By Eric Hotung)

As 1997 approaches and the future of Hong Kong becomes a matter of anxious uncertainty, Beijing has an unusual opportunity to make an imaginative move in its relations with the Roman Catholic Church.

At no cost to itself, China would reap a rich international harvest, both diplomatically and economically.

At the core of the problem is the existing anomaly: Catholicism is a freely practiced religion in Hong Kong but hindered in China. The 270,000 Catholics in Hong Kong—an economically significant minority—are free to practice their religion, but their 3 million brethren in China must be members of the government sanctioned Chinese Patriotic Association, or else go "underground."

This situation arose in 1957 when the Roman Catholic Church was superseded by the Patriotic Association through gradual integration and lost its powers to appoint its own bishops. This split the church.

The Chinese authorities deserve some credit for turning a blind eye to many of the activities of the "underground" Catholics, but the authorities cannot be fully trusted. Catholics can be found in Chinese "re-education" camps, which actually are labor camps.

Bishop Ignatius Kung, in the United States for medical reasons, has not been cleared of charges against him for opposing land reform and the Korean War. To fellow Catholics in Hong Kong contemplating their own future, this is disturbing.

The confusion over the proposed meeting between Louis Jun, the Patriotic Bishop of Shanghai and His Holiness the Pope, which did not materialize, is regarded as a snub by the Patriotic Association.

If the churchmen of Rome are still smarting over the expropriation of Chinese lands that originally belonged to the Roman Catholic missionary orders (and that eroneously were perceived by the Patriotic Association as belonging to the Vatican), then their vision is clouded. The Roman Catholic Church suffered a far greater loss in 16th century England when the Christian world first split into two camps.

The Protestants' seizure of Catholic real estate in England is one of the great thefts of history, but subsequent events show that church and state can co-exist to their mutual benefits. Despite years of persecution, the two religions in England now live in harmony. Is it inconceivable that this could happen between China and the Vatican's 800,000,000 Catholics?

It is archaic for the Vatican to assume that Mother Church can wait forever to renew ties with China. For instance, formal relations between the United States and the Vatican only commenced in January of 1984. The clock cannot be turned back and foot-dragging can only frustrate the church's aims and lead to untold hardships for individual Catholics inside China.

A simple solution is possible: the appointment of special envoys or charges d'affaires approved by both sides to meet in Rome and Beijing and finally resolve their differences. This would underscore the oft-repeated promise of China that there is but one China. This would be a logical premise if a charges d'affaires is permitted to remain in Taiwan.

Other charges d'affaires can be established in key districts of China, with an ambassador in Beijing. China would take the momentous step of permitting freedom of worship for its Roman Catholics, with the Pope as their spiritual head.

While China understandably resents interference and meddling in its internal affairs, such a move would be clear proof to the rest of the world of China's sensitivity to its human problems. China would earn the instant goodwill of Catholic countries.

Such goodwill could be expected from the United States, China's most important trading partner, where religious freedom is constitutionally guaranteed. The United States is not a Catholic country, but it has an increasingly dominant Catholic population.

In the context of Hong Kong and 1997, China would harvest rich gains by allowing open worship. We are given to understand that after July 1997, the Catholics in Hong Kong will continue to enjoy freedom of worship. But after considering the plight of Catholics in China, and remembering that the Roman Catholic Church is not free there, it raises questions whether Catholicism in Hong Kong in time also would be absorbed into the Patriotic Association.

Faced with the prospect of a less-than-euphoric future, the Hong Kong Catholic is not without alternatives. One of the easiest choices is to join the growing exodus from the territory.

Certain countries, notably Australia and Canada, have relaxed their immigration laws for Hong Kong residents. Some Catholic countries may take similar measures and set special quotas for the 270,000 Catholics.

This is not to China's—or Hong Kong's—advantage. No economic body thrives when it suffers such a brain drain and Hong Kong, at this crucial time, must count its people as its most precious resource.●

TAIWAN TRADE RELATIONS

● Mr. DASCHLE. Mr. President, the Republic of China on Taiwan has been an important trading partner for the United States for some time. In 1988, Taiwan was our fifth largest trading partner, and we consistently have been her most important market.

This growing trade relationship has been a major factor in Taiwan's successful economic development. Acknowledging this, Mr. Vincent C. Siew, the vice chairman of Taiwan's Council for Economic Planning and Development, has emphasized the great importance Taiwan places on trade and economic ties with the United States, stating that the Republic of China is "determined to do everything we can to ensure that those ties continue to develop in a harmonious and mutually beneficial manner."

Using figures compiled by the Department of Commerce, our unfavorable balance of trade with Taiwan decreased by 25.6 percent from 1987 to 1988. This decline was primarily attributable to a 63.7-percent increase in United States exports to Taiwan and a 0.6-percent reduction in imports from Taiwan.

Nevertheless, the magnitude of Taiwan's trade surplus with the United States is still unsatisfactory. It is my sincere hope that the trade deficit between our two countries be reduced, and ultimately eliminated, soon. Taiwanese officials are aware of how critical the trade deficit is to their country's relationship with the United States, and I believe they are sincere in seeking a solution to this problem. Taiwan's persistent trade surpluses with the United States have had repercussions that threaten its long-term economic health and stability.

For Taiwan, the trade surpluses have meant a net outflow of domestic resources that are badly needed as development resources. The surpluses have also created a large accumulation of foreign currency reserves and rapid growth in the country's money supply. Substantial excess liquidity has placed strong upward pressures on prices that, in turn, have favored speculative rather than productive investment. Finally, the surpluses have prompted significant appreciation of Taiwan's currency, that has affected the competitiveness of its exports, especially those involving labor intensive industries.

Since 1984, Taiwan has forged ahead with economic liberalization and internationalization in the hope of providing a solution to the trade imbalance. Now, sweeping reforms are being implemented in such areas as finance, government fiscal operations, industry, and trade.

Although these efforts were beginning to produce results as suggested by the 1988 decrease in the trade imbalance, last November Taiwan announced its "Action Plan for Strengthening Economic and Trade Ties with the United States." The plan is aimed at achieving further reduction in the trade imbalance by stimulating Taiwan's domestic demand and increasing imports from the United States. Among the features of the plan are: increased public investment spending; tariff reductions on a broad range of imported consumer goods; and improved credit availability for consumer durables. I ask that the "Detailed Action Plan for Strengthening Economic and Trade Ties With the United States" be printed in the RECORD at the end of my remarks.

Mr. President, I urge my colleagues to read and study the action plan that Taiwan has laid out if they have not had an opportunity to do so already. In my view, it is a bold step to address the imbalance of trade between our countries that, in the long run, adversely affects us both. The action plan demonstrates the importance the ROC places on helping to maintain international economic prosperity by coordinating its economic and trade policies and those of the United States and other trading partners.

The success of the Taiwan initiative will be affected by the degree of support and cooperation the United States lends to the plans for strengthening trade ties. Of particular importance is that the U.S. business community take full advantage of new trade opportunities expected from the ROC's economic liberalization.

The plan follows:

DETAILED ACTION PLAN FOR STRENGTHENING ECONOMIC AND TRADE TIES WITH THE UNITED STATES

(Council for Economic Planning and Development, Executive Yuan, Republic of China, March 1989)

1. Background for this Plan

In view of the new directions and emphasis in the formulation of United States trade policy as articulated in the Omnibus Trade and Competitiveness Act of the United States, the Executive Yuan of the Republic of China has promulgated a plan entitled "The Action Plan for Strengthening the Economic and Trade Ties with the United States" (the "Plan"). This document is prepared to set forth in greater detail various initiatives which the Republic of China will put into force for the implementation of the Plan.

2. Objectives of the Plan

To endeavour to balance our trade with the United States, this Government will pursue the following actions:

A. To take effective measures to expand domestic demand and increase imports in order to reduce our trade surplus with the United States. We aim to increase domestic demand's share of the GNP level to 93.7 percent by 1992. (In 1988, this level of GNP was 86.3 percent). It is also our aim to reduce our total trade surplus to 4 percent of our GNP by 1992. (In 1988, this surplus represented 10 percent of our GNP). As to our trade with the United States, our goal is to reduce our trade surplus by 10 percent annually.

B. To expedite market diversification and reduce our dependency on exports to the United States. We will endeavour to reduce by 1992 the volume of our exports to the United States to about one-third of the total volume of all of our exports.

C. To implement the policy to liberalize and internationalize our economy and trade, and to set up an implementation schedule to be followed by government ministries and agencies concerned, thereby ensuring that the public and the private sectors will pursue such policy and make necessary adjustments in an orderly manner, thus reducing trade-related conflicts between the United States and the Republic of China.

D. To seek comprehensive solutions to bilateral trade problems with the United States rather than piecemeal resolution of individual difficulties, based on the overall close economic and trade relations between the United States and the Republic of China.

ESSENTIAL POINTS FOR THE PLAN

I. Increase of Imports From the United States to Reduce ROC Trade Surplus With the United States

A. Schedule for Expedited Economic Liberalization

The Republic of China will reduce import tariffs on certain items which United States producers enjoy competitive edge or which are of concern to the United States. By 1992, the average effective duty rate will be reduced to 3.50 percent from the rate of 5.66 percent which prevailed in 1988. The aver-

age nominal duty rate will be reduced to 7.00 percent from 12.60 percent. Tariffs on agricultural products will fall to 19.82 percent and tariffs on industrial products brought down to 5.02 percent. (See Appendix)

In implementing these reductions, this Government will take into account specific concerns of the United States Government.

B. Relaxation or Removal of Rules Regulating or Restricting Imports

The Republic of China will, on an annual basis, review and endeavour to liberalize restrictions on certain industrial imports which were previously subject to import restrictions. We will continue to review the proposal that we liberalize importation to our country of agricultural products.

In addition to these measures, alleged unfair trading measures and nontariff obstacles reported by the United States will be investigated and, where appropriate, remedied.

Importation procedures will be simplified and categories of license-exempt imports increased. This Government will soon introduce a simplified import procedure by establishing a "Negative List" under which only those items specified in the Negative List promulgated by our Government are required to obtain import licenses for importation to the Republic of China.

C. Gradual Opening of ROC Domestic Market for the Service Industry

1. Transportation

a. Aviation

The Ministry of Communications has agreed in principle that air cargo terminals may be established outside of the airports. New rules giving effect to the above will be promulgated in August 1989 and thereafter applications for the establishment of such terminals will be entertained.

b. Inland Transportation

The Ministry of Communications has agreed in principle to introduce amendments to existing regulations so that United States shipping companies may apply for licenses to use truck trailers. Such amendments are expected to be completed before the end of April, 1989.

We understand that United States shipping companies are interested in operating the business of trucking. Currently, Article 35 of the Highway Act prohibits foreigners from investing in the vehicle transportation business. The Ministry of Communications will introduce amendments to this statute to permit foreigners to engage in the business of trucking, which amendments will be submitted to the Legislative Yuan for consideration and enactment.

2. Banking

Amendments to the Bank Act, permitting Republic of China branches of foreign banks to take savings deposits, have been submitted to the Legislative Yuan. When these amendments become the law, the Ministry of Finance will revise the "Regulations Governing the Examination of Foreign Banks Establishing Branches or Representative Offices" to give effect to such amendments.

Foreign banks' desire to establish branches in places other than those presently permitted will be considered by this Government when Republic of China nationals are allowed under our law to incorporate new banks.

3. Insurance

Presently, two property insurance companies and two life insurance companies from the United States are permitted to establish branch offices in Taiwan each year. This Government will consider permitting United States insurance companies to establish subsidiaries and joint venture companies when Republic of China nationals are allowed under our law to establish new insurance companies.

4. Securities

The Republic of China will gradually open her securities industry. We also envision an increase in the channels for ROC investments in overseas securities.

II. Increased Purchases From the United States

As in the past, the Republic of China will continue to encourage increased purchases of United States products. "Buy-American" missions dispatched to the United States will continue. Companies in our private and public sectors will be encouraged to make more purchases from the United States.

China External Trade Development Council, the ROC Federation of Industries and Commerce and the Board of Foreign Trade will be responsible for inviting potential buyers from our private and public sectors to join trade missions to the United States, to attend international exhibitions held in the United States in order to keep abreast with United States products, and to visit United States companies, plants and other facilities as recommended to them.

The Republic of China will assist United States businesses in conducting more extensive promotional activities in Taiwan. We will continue to sponsor the holding in Taipei of United States Products Shows and encourage United States manufacturers to participate in specialized trade shows held at the Taipei World Trade Center. Trade offices established in Taipei by state governments of the United States will be assisted in obtaining business opportunities and in the expansion of their business activities.

We shall compile information relating to major procurements from overseas intended by companies in our private and public sectors and will encourage United States manufacturers to make tenders in accordance with applicable requirements.

III. Review of the Feasibility of Concluding a Bilateral Agreement With the United States Governing Investment and Technology Transfer

This Government considers that a bilateral agreement with the United States on investments and technology transfer merits serious study. We will collect relevant materials from Europe, the United States, Japan and other developed nations as well as from certain developing countries with regard to domestic laws, treaties and conventions on investments and technology transfers. With these sources as a guide, this Government will produce a working draft for discussions with the United States.

IV. Acceleration of Market Diversification

The Republic of China will most seriously enforce the plan entitled the "Five-Year Plan to Diversify Markets and to Balance Trade" formulated by the Ministry of Economic Affairs. We intend to expand our trade with other parts of the world in order to reduce our dependency on the United States market.

We have recently established the "Overseas Economic Cooperation and Development Fund" with a budget of NT$30 billion. This Fund is intended to provide financial assistance to developing countries in the development of their economy.

Drawing on the Fund, direct investments will be made in major projects of developing countries and, in coordination with the United States, participations will be had in their development projects sponsored by international organizations.

V. Enhancement of the Image of ROC Products Overseas

The Republic of China will take various measures to enhance the quality of Republic of China products in accordance with international standards. In addition, this Government will investigate all allegations of infringement in intellectual property rights asserted by United States businesses. We will also maintain close contacts with private anti-counterfeiting organizations in the United States in this regard.

VI. Adjustment of Our Economic Policies and Measures

A. The Republic of China will take various measures to increase our domestic demand in order to stimulate the growth of our domestic market for imported goods. This goal will be pursued through a number of measures including the increase of public expenditure.

With respect to government expenditure, we plan to increase and up-grade facilities and equipment used in governmental institutions and schools.

We will require state-owned companies to increase investments by accelerating the replacement of their capital equipment, implementing antipollution measures, and continuing the expansion of facilities for the energy industry. It is our estimate that fixed investments by state-owned companies will be gradually increased to 4.9% of our GNP in 1992 as compared to 4.4% in 1989.

Investments will also be made to improve our agricultural infrastructure, to introduce necessary adjustments to the production structure of our agricultural industry, and to improve the function of the market for our agricultural products.

Government investments will from now on be extended to cover socially oriented public projects rather than focusing on economic returns alone, and will be increased for the enhancement of medicine, sanitation, recreation, pollution controls and environmental protection. As from 1989, we expect that the aggregate of such government investments will be maintained at a rate of 5% of our GNP.

Social insurance programs will grow gradually over time such that government expenditure will rise to 15.2% of our GNP by 1992, compared to 14.8% of our GNP in 1989. A comprehensive national health insurance program will also be introduced.

To increase the private sector's expenditures, we will continue the policy to liberalize our trade to stimulate demand for imports. The private sector will be encouraged to build new schools, to increase investments in pollution control, research and development and high technology industry.

Investments by our Government and state-owned companies will help the development of industries in the private sector such as construction, manufacturing and service industries. Such investments will not only bring about the modernization of our service industry, but will also cause trade-related industries to direct part of their resources to be invested in nontrade related sector, thus leading to the harmonization of the overall economic development of the Republic of China.

Finally, our trade policy will be reviewed and necessary adjustments made to ensure

that balance will be maintained in our policy for imports and exports so as to reduce trade surplus.

B. The Republic of China will increase investments in her infrastructure. We will increase our annual budget so that within four years, the average annual growth rate of our budget for such investments will exceed 10%.

To accelerate investments in our infrastructure, we shall increase the importation of construction and other equipment and materials, and facilitate engineering consulting companies of international standing to provide the necessary technical and management services. In appropriate cases, foreign construction companies will be permitted to participate in public construction projects.

We recognize that public construction and environmental protection must be balanced. Investments in environmental protection will also be emphasized.

Measures will be taken for the stocks of state-owned companies to be publicly traded to accelerate privatisation of state-owned companies and to obtain funds from the private sector to meet the demand for public investments capital.

C. The Republic of China will take measures to increase our citizens' interest in the enhancement of a better quality of life. We will encourage investments in the construction of recreation and sports facilities. Import tariffs on consumer products will be reduced and long term consumer loans will be made more readily available. Fair trade law (including consumer protection laws) will be introduced.

VII. Strengthening People-To-People Contacts and Enhancing Mutual Understanding

Channels of communication will be maintained and broadened so that the United States and the Republic of China will cooperate with each other through regular consultations.

We will provide timely advice to the United States on the progress of our plans which have bearings on our relationship with the United States and will maintain close contacts with American Institute in Taiwan on matters related to the overall bilateral trade relations between our two countries and on important economic and trade issues and their possible future developments.

We shall disseminate information and hold seminars to enhance ROC business community's understanding of the Omnibus Trade and Competitiveness Act and to familiarize our industry and business with its provisions. We will also maintain contacts with the American Institute in Taiwan to increase our understanding of problems related to that Act.

VIII. Other Measures

A. This Government will strengthen the coordinating role of the Ad Hoc Sino-U.S. Trade Committee in our trade talks with the United States and invite the United States to begin talks as soon as possible with the Republic of China on an agreement on the free trade area.

B. We will propose to the United States the establishment of a mechanism for the settlement of trade disputes and differences in the interpretation of any provision in an agreement concluded between our two countries.

C. We will solicit United States support for our participation in international economic and trade activities. In this connection, we will apprise the United States of our establishment of the Overseas Economic Cooperation and Development Fund.

D. This Government will adopt effective measures to strengthen protection of intellectual property rights.

1. Copyrights

We will soon conclude the talks with the United States on the protection of Copyrights.

We anticipate that the draft bill amending the ROC Copyright Act will be completed by the Ministry of Interior prior to June 30, 1990. This bill, when approved by the Executive Yuan, will be submitted to the Legislative Yuan for examination and enactment.

We will also revise the Ministry of Interior Organization Act to establish the Department of Copyright, which will be responsible for copyright protection.

Within three months after the amendments to ROC Copyright Act become the law, this Government will amend the copyright enforcement rules.

We appreciate that laws alone are insufficient to assure complete copyright protection. Copyright law courses will be given at universities and colleges and to all police officers in order to enhance their understanding of copyright enforcement and protection.

In addition, we also plan to establish a court to specialize in the protection and enforcement of intellectual property rights.

2. Movies and Videos

This Government will take effective measures to prohibit the performance of counterfeit movies, video tapes, and television and radio programs. We will improve our procedures for examining whether movies and films are shown in a manner authorized by their producers. Movie distributors will be required to produce certificates of authorization from the original producers when applying for licenses. Funding will be provided to assist the Anti-Counterfeit Committee established by the Taipei Motion Pictures Dealers Association to prevent counterfeiting of movies and video tapes.

Radio and television stations will produce anti-counterfeiting programs. Periodic inspections by the police will be initiated against illegal video tapes.

Various anti-counterfeiting posters will be posted and anti-counterfeiting programs, conducted by way of seminars, publications, movies, and radio and television programs. We will also sponsor anti-counterfeiting concerts to raise greater awareness of this issue among our citizens.

3. Trademarks and Patents

Necessary amendments to the ROC Patent Act and Trademark Act are being contemplated to enhance trademark and patent protection. Article 62-3 of the ROC Trademark Act will be amended so that counterfeit products, whether they are the property of the infringer or not, will be subject to confiscation. We will also adopt computer systems to improve the examination of trademark and patent applications.

We will strengthen communication and cooperation with international anticounterfeiting organizations.

Under Regulations to be formulated, companies which are found to have exported products bearing trademarks registered outside the Republic of China without proper authorization may be subjected to forfeiture of their export rights.

We will strengthen the organization and function of the National Bureau of Standards and Anti-Counterfeiting Committee of the Ministry of Economic Affairs and the National Anti-Counterfeiting Committee of ROC National Federation of Industries. We will also ensure that the relevant bodies of our government will vigorously prosecute infringements of trademarks and patents.

APPENDIX: ROC TARIFF REDUCTION SCHEDULES

[Unit: Percent]

	Anticipated Schedule				
	1988	1989	1990	1991	1992
Average nominal duty rate:					
All products	12.57	10.25	9.17	8.08	7.00
Agricultural products	25.99	24.21	23.25	21.32	19.82
Industrial products	10.20	8.03	7.03	6.02	5.02
Average effective duty rate...	5.66	4.70	4.30	3.90	3.50

Note: The Average Effective Duty Rate for 1988 equals tariff revenues collected divided by total imports (excluding gold imported by Central Bank of China).●

ENHANCED RESCISSION AUTHORITY

● Mr. HUMPHREY. Mr. President, an interview with former OMB Director James C. Miller III, on the Federal budget appears in the spring 1989 issue of Policy Review.

I was particularly interested in OMB Director Miller's comments on budget reform. When asked "which budget process reforms would be most important to make?" Miller responded with two proposals—a balanced budget amendment to the Constitution and former Senator QUAYLE's enhanced rescission proposal.

I have long been a supporter of a constitutional amendment to balance the budget. As in past years, I have joined with Senator THURMOND and other colleagues in offering a balanced budget amendment at the outset of this Congress. It is significant to note that no less than 42 Senators cosponsored one or another of the eight balanced budget amendments introduced in the 100th Congress. Polls show that some 75 percent of the American people support a balanced budget amendment, so there is broad agreement with Mr. Miller's stress on the need for a balanced budget amendment.

I have introduced Senate Concurrent Resolution 9 which is the enhanced rescission proposal first proposed by Vice President QUAYLE. With respect to this proposal, former OMB Director Miller comments:

The more I look at the State data, the more I believe that the enhanced rescission authority proposed by then-Senator Quayle would be more effective than an ordinary line-item veto. On the face of it, the President has more authority with a line-item veto that can be overturned only with a two-thirds vote of both Houses than he does with enhanced rescission where Congress can restore full funding with the majority of just one House. In practice, however, enhanced rescission gives more opportunity to fine-tune priorities and keep spending under control.

Mr. President, I ask that a copy of this article be printed in the RECORD following my remarks. I encourage all Senators to examine closely the enhanced rescission legislation which I have introduced.

The article follows:

THE MAN WHO BROUGHT THE DEFICIT DOWN

(An Interview by Adam Meyerson)

In mid-February, James C. Miller III spoke about the federal budget with Adam Meyerson, editor of Policy Review. Miller served as director of the Office of Management and Budget from October 1985 to October 1988. He is now chairman of the board of Citizens for a Sound Economy and John M. Olin Distinguished Fellow at George Mason University's Center for the Study of Public Choice.

POLICY REVIEW. You took over as director of OMB at the beginning of fiscal year 1986, when the federal government recorded its largest budget deficit in history. By the time you stepped down at the end of fiscal year 1988, the deficit had fallen from $221 billion to $156 billion. What explains this sharp decline without a tax increase?

MILLER. The real drop took place between fiscal year 1986 and fiscal year 1987, when the deficit fell to $150 billion—a $71 billion decline, the largest deficit reduction in our history. About $20 billion of this decline came from tax reform, which boosted revenues in the first year even though it was neutral over a period of four years. The major reason for the deficit reduction, however, was that the president hung tough on spending. He threatened to veto any excessive appropriations, and to veto new programs unless they were offset by spending cuts elsewhere.

Then, in October 1987, the market collapsed and the president was goaded into accepting a budget summit with "everything on the table." The result of those negotiations was a substantial increase in assorted taxes—mostly changes in business accounting rules (vacation pay reserves, completed contract methods, etc.)—and only very modest reductions in spending from the "current services" levels that assumed spending would be left on automatic pilot. For all the ballyhoo about the agreement between the president and the Congress, the deficit actually went up—to $156 billion in fiscal year 1988, and an OMB estimate (in the Bush budget) of $163 billion for fiscal year 1989.

One might conclude from this episode that a policy of holding firm against tax increases and against excessive spending results in a substantial reduction of the deficit, whereas agreeing with Congress to a tax increase results in no deficit reduction progress at all—in fact, it produces the reverse:

P.R. How important is it that the deficit be brought down?

MILLER. It's very important to bring the deficit down—for two reasons. One, as an efficiency matter, there's no question that large deficits, and the increased spending that goes with them, restrain our economic growth and our progress as a society. Taking resources from the private sector and putting them in the public sector is bad economics because at the margin the public sector spends resources much less efficiently than does the private sector.

Two, we are off-loading the burden of these deficits onto future generations, many of whom are not even born yet. The moral problem with deficits is perhaps as serious as the loss of efficiency resulting from higher government spending.

P.R. Most of the spending cuts in the last few years have been in defense. Have these cuts taken muscle or fat out of our fighting forces?

MILLER. The defense budget has declined in real terms over the last four years, but is still about 50 percent higher in real terms than it was in 1980. On the whole, the increases in defense were justified, given the sad state to which our readiness had fallen by the late 1970s. The cutbacks Congress had made from the president's budgets in recent years and the earmarking of funds for pork-barrel and other projects of lower priority have weakened our defenses. On the other hand, the Defense Department hurt itself with its "Chicken Little" strategy for dealing with Congress; after a while, bloated claims of calamitous results fell on deaf ears.

We can maintain a strong defense with less money, but only if Congress cooperates. To begin with, it might be possible to save as much as $10 billion per year by giving the Defense Department the predictability of a two- or four-year budget, rather than the yo-yo budgets they've had in the recent past.

Second, the Congress needs to carry out the remainder of the Packard Commission recommendations for procurement reform. We waste a lot of money in our procurement programs, and this could be reversed if these reforms were put in place.

Third, it's high time we declared the defense budget off-limits for pork-barrel spending. I remember several years ago how Senator Alfonse D'Amato held up the omnibus continuing resolution appropriations bill in order to put into the defense budget the purchase of some airplanes manufactured on Long Island, planes that the Defense Department didn't want and doesn't use. The defense budget is too important for this sort of chicanery, and it's time that Congress quit it.

P.R. Do you think that the financial problems of Social Security and Medicare were solved by the 1983 legislation?

MILLER. Medicare is technically bankrupt. It needs major reform in its financing or in its benefit structure in the not-too-distant future. My concern is that the shortfall is going to be made up with ordinary tax revenue, thus contributing further to the notion that this is merely an insurance program. It's not; it's redistribution on a broad scale.

Of even greater concern to me is Social Security, which is basically a Ponzi scheme. I don't mean this pejoratively, but as a technical description. A Ponzi scheme can work as long as you have a burgeoning base of workers making payments into the system. But when the base narrows relative to the top, and the top, in effect, lengthens because people are living longer, then you are in real trouble.

In a sense, the 1983 reforms made the Social Security system actuarially sound. That is to say, the system is building a surplus sufficient to pay expected beneficiaries when the baby-boomers reach retirement. The problem is that Social Security trustees, by law, must invest in government securities, which are nothing but IOUs to be paid off by future taxpayers. By the year 2030, when the system begins to pay out of its surplus, the generations then working are going to have to pay back those securities. So the system is little different than if it weren't building a surplus at all. Generations of working people in the year 2030 and beyond are going to have to pay much higher taxes to support Social Security beneficiaries.

This, in my judgment, is going to cause extreme intergenerational conflict. When people of working age discover, in the year 2030 or so, that their taxes are going to be increased by enormous amounts to pay annuities for the elderly, they are going to be upset. I worry that we might see social unrest of the type we haven't seen since the civil-rights or anti-war movements of the '60s and '70s.

By investing the Social Security Trust Fund in government securities, we also artificially lower the recorded overall deficit of the government. The Social Security surplus is around $60 billion this year. So, in a sense, the operating deficit of the U.S. government is really some $60 billion or so greater than that recorded under Gramm-Rudman-Hollings rules. The illusion of lower deficits takes some of the pressure off our political leaders to keep spending under control.

P.R. What Social Security and Medicare reforms would you advise for politicians who want a sound economy and also want to be reelected?

MILLER. First, we ought to redefine our Gramm-Rudman Hollings targets to exclude the Social Security surplus. Assuming this surplus will be in the neighborhood of $100 billion annually by 1993, I think it perfectly reasonable to extend the Gramm-Rudman-Hollings targets, say, for three years. We should be balancing the budget without the benefit of the Social Security surplus.

Second, to make sure that by 2030 the surplus is simply more than IOUs that have to be redeemed by taxpayers, the trustees should be directed to invest in instruments other than federal government securities. These could include real estate, state and local bond issues, and ordinary commercial debt (although I would not want the Social Security Trust Fund to own much of the debt of any company—and certainly no equity, which would be a back-door means of state ownership.)

P.R. During your years at OMB, which Cabinet secretaries and agency heads were most effective in working for spending restraint? Which ones caused OMB the biggest problems?

MILLER. I was struck by the number of Cabinet meetings where the president would extol the importance of keeping the size of government under control, and remind members of his Cabinet why we "came to Washington," and then members of the Cabinet would go around the table exclaiming that they were in 100 percent agreement with the president and that he could depend on them to carry out his wishes. And I would squirm in my seat, realizing that the same Cabinet officer promising his full support had just submitted a budget that was way over the guidance that OMB had given the agency.

I can't tell you how many times agency heads told me something like this: "Jim, you know there's no one who stands behind the president's program more strongly. I was with Ronald Reagan in 19—, and I've been a supporter of all of his programs. I agree that we must get total spending down, but you must understand that my program is special, it's different." Or: "As you probably know, this is one of the president's strongest priorities." Probably three-quarters of the Cabinet officers lobbied strongly for increases in their budgets.

Don Hodel at Interior, Bill Bennett at Education, and John Herrington at Energy were probably the most cooperative in trying to restrain the growth of their own programs while meeting national needs. As for those who were least cooperative, I'm not going to mention any names, but you can just look at whose budgets rose year after year. The defense and a few other budgets, of course, the president wanted to increase himself, but other budgets continued to grow despite the president's admonitions. Most Cabinet members appealed the OMB "passback" (that is, the budget OMB passed back to the agencies in response to their requests), and frequently they appealed over my head. In some cases the president went along with their request for greater funding, but in most cases he turned them down.

P.R. What were your biggest disappointments in terms of programs that are still in the budget but should have been eliminated or sharply reduced?

MILLER. I guess my biggest disappointment was the failure to get much change in the entitlement area.

About half of the budget is for entitlements—Social Security, Medicare, Medicaid, unemployment insurance, veterans benefits, and so forth. Year after year, we proposed changes in these programs that would not have affected legitimate beneficiaries adversely, but would have streamlined programs and reduced their costs. Yet Congress repeatedly refused to make the changes. Unfortunately, the president has very little leverage here. A president can veto an appropriations bill or a continuing resolution. But there's no way he can veto entitlement spending, because entitlement spending is already on the books.

I suppose that, as a long-time advocate of transportation deregulation, I am especially disappointed that we still have an Interstate Commerce Commission. Successive chairmen of the ICC have all recognized that even the agency's residual role is counterproductive: it restrains entrepreneurship and raises costs to consumers. In December 1985, as we were preparing the fiscal year 1987 budget, I reminded the president that the first federal regulatory agency—the ICC—was established in 1887 and in 1987 would be 100 years old. I said, "Mr. President, I think you will agree with me, 100 years is long enough!" He laughed, and he said, "You are absolutely right," and so we proposed eliminating the ICC in the fiscal year 1987 budget. Of course, Congress did not take that action.

We did succeed in eliminating some programs that were terribly wasteful, like UDAG and HODAG (Urban and Housing Development Action Grants). I think that the hammer of Gramm-Rudman-Hollings forced Congress to set some priorities, and to do away with egregiously ineffective programs.

P.R. Are there any government programs you find particularly cost-effective?

MILLER. In the drug area, some of the education programs on the demand side seem to be far more effective at the margin than the supply-side approaches. Ed Meese did a marvelous job in trying to interdict the supply of drugs, and in many celebrated instances was able to take huge caches of drugs off the market. But we all recognize, sooner or later, that it's virtually impossible to eliminate the flow of drugs; all you can do is raise the price. Far more effective in trying to eliminate this scourge are education and treatment. Also, our law enforcement resources are probably better directed locally than at our borders: this is where we must be more effective at prosecuting drug sellers, and even taking to court consumers of illicit drugs. Frankly, it's despicable the way some state and particularly local politicians decry the lack of federal effort against drugs, when the data shows clearly that the federal government spends a much greater portion of its law enforcement resources on the suppression of drugs than do state and local governments.

P.R. As a student of incentives in the budgetary process, you've been a strong supporter of the Gramm-Rudman-Holllings approach to the deficit. Would you advise President Bush to threaten a sequester if Congress doesn't reach its own Gramm-Rudman-Hollings targets this October?

MILLER. Yes, I would. We ought to bear in mind that a sequester threat by President Bush will be more credible than the ones by President Reagan. Everyone recognized that President Reagan was loath to see a sequester of defense resources, but people do not perceive in George Bush the same commitment to defense spending. If President Bush threatens a sequester, Congress is more likely to act to avoid one.

P.R. How do you explain how Phil Gramm got Congress to impose these deficit limits on itself?

MILLER. That's an interesting question for public choice theory. Number one, members of Congress recognized that there was a great deal of public disgruntlement about the deficit. The polls continued to show that the American people believed Congress was more to blame than the president for the deficit. This riled many members of Congress who truly believed it was the president's fault and wanted the public to believe it was the president's fault. So Congress was under the gun to do something.

Number two, Gramm's law of politics is "congressmen will never make a decision unless they have to"; a corollary to Gramm's law is that "they tend to make the right decision if forced to make one." Members of Congress did not want to be responsible for having to cut particular programs. Gramm-Rudman-Hollings targets gave them something to hide behind, as they were able to rationalize to their constituents some restrictions on spending.

Many members of Congress probably thought the deficit targets would force President Reagan to raise taxes. The president, it must be remembered, was not happy about Gramm-Rudman-Hollings in its final form, with defense accounting for half the funds to be sequestered if deficit targets weren't met. The version he endorsed envisioned defense taking less than a third of the hit, the same as its proportion of the overall budget minus Social Security. By placing many politically sensitive programs (in addition to Social Security) off-limits and by increasing the hit on defense, many members of Congress thought that Gramm-Rudman-Hollings in its final form would not be so devastating if it came to a sequester (that is, across-the-board cuts) and would force the president to raise taxes rather than contemplate large cuts in defense.

Finally, I think you need to attribute something to the skills of Senators Gramm, Rudman, and Hollings in bringing colleagues around to their point of view.

P.R. You strongly supported President Reagan's call for a line-item veto and a balanced budget amendment. Why didn't the administration send budget process legislation up to Capitol Hill?

MILLER. The president repeatedly asked for budget process reform, and he advocated a balanced budget amendment and a line-item veto in practically every State of the Union address. He proposed additional budget process reforms in his 1988 budget message. At that time, draft legislation to reform the budget process was being circulated, but some of the people working on it got caught up in the Iran/Contra controversy, and their attention was directed elsewhere.

There were also other legislative vehicles for budget process reform, and so we didn't think it was vital for the administration to push its own bill. For example, the president supported a Senate amendment sponsored by Dan Quayle that would have given the president "enhanced rescission authority." We supported with some changes a balanced budget amendment cosponsored by Larry Craig and Charlie Stenholm in the House. In addition, legislation vehicles existed for biannual budgeting, a line-item veto, and other reforms.

P.R. Which budget process reforms would be most important to make?

MILLER. If I had one, it would be a balanced budget amendment to the Constitution, with a restraint on total spending as a proportion of gross national product—together with a way of relieving those restraints in an emergency by a super-majority, say, a two-thirds vote of both houses and concurrence by the president; however such an emergency variance would automatically terminate after a year. Such a measure would be close to ideal, but frankly I don't think we're likely to get it.

There's a possibility that, given enough pressure, Congress will proffer a weaker balanced budget amendment without much in the way of automatic enforcement. This wouldn't be ideal, but it would be on the books, it would be part of the Constitution, and it would carry considerable weight.

Next in order of importance would be a version of enhanced rescission authority of the sort that eight governors have, including the governors of California and Massachusetts. It works like a line-item veto, except that the governor is not limited to choosing between keeping spending at the amount appropriated or eliminating the proposal altogether; he also may reduce the amount. Mark Crain of George Mason University and I have done some research showing that in states where governors have this authority, budget growth has been restrained significantly.

The more I look at the state data, the more I believe that the enhanced rescission authority proposed by then-Senator Quayle would be more effective than an ordinary line-item veto. On the face of it, the president has more authority with a line-item veto that can be overturned only with a two-thirds vote of both houses than he does with enhanced rescission authority where Congress can restore full funding with the majority vote of just one house. In practice, however, enhanced rescission given more opportunity to fine-tune priorities and keep spending under control.

I'll give a hypothetical example. Suppose Congress appropriates $3 billion for AIDS research, while reasonable analysis suggests that only $2 billion could be spent effectively. With the ordinary line-item veto, the president can choose between eliminating AIDS research completely, or keeping it at $3 billion. Well, he's not going to propose eliminating it completely. But under enhanced rescission authority, he can also pro-

pose a reduction from $3 billion to $2 billion, and this has a much greater chance of being sustained than eliminating it altogether.

P.R. You played an important role in promoting airline deregulation during the Ford administration, and you were also executive director of Vice President Bush's task force on regulatory relief in 1981 and Federal Trade Commission chairman from 1981 to 1985. Are libertarian critics fair when they say the Reagan administration did less to promote deregulation than either the Ford or the Carter administration?

MILLER. I don't think that's fair. Let's separate the two kinds of regulation. The first is economic regulation—the entry and exit, service, and price regulation of specific industries. Over time, a great deal of research appeared about the effects of this type of regulation, and many elected and appointed representatives became convinced that consumers would benefit from much freer competition in industries such as airlines, trucking, and telecommunications. President Ford made significant proposals in these areas, and President Carter obtained legislative changes that were truly important. President Reagan protected these deregulatory gains and in some cases, such as banking reform and the decontrol of oil, made further progress.

The second category is social regulation, or health, safety, and environmental regulation. This has much greater impact on the economy than does economic regulation, but it has proven extraordinarily difficult to come to grips with. President Ford made an effort through his review process at the Council on Wage and Price Stability. President Carter set up the Regulatory Council. But neither of these institutional arrangements had much teeth, and under both of them the regulatory agencies did pretty much whatever they wanted.

President Reagan, on his second day in office, established under the vice president's leadership a task force on regulatory relief that served as an appeals board for new authority granted OMB under executive order to review all proposed rules issued by executive branch agencies. For each proposed new rule, unless otherwise constrained by law, the agency had to prove to OMB's satisfaction that it had sufficient information on which to base its proposal, that the benefits of the proposal exceeded the costs, and that it had chosen the least costly method of regulation. This review process has had a dramatic impact in making regulations in the social area more effective, and in forestalling meddlesome and counterproductive regulations that would otherwise have been issued.

I think that President Reagan and then-Vice President Bush deserve a great deal of credit for progress in this area.

P.R. What are the most important recommendations you would make for President Bush in regulatory reform?

MILLER. Number one, he needs to support strongly the new appeals board headed by Vice President Quayle. This board must be vigilant as well as effective. It must insist that regulators follow the rules and that they not promulgate regulations until the process has run its course.

Second, President Bush should propose legislation to codify this review process and the requirement that agencies publish their regulatory plans for the coming year. Companies and individuals used to have to pay Washington lawyers a lot of money just to find out what was going on in the regulatory agencies. Now this information is available to everybody. Another advantage is that the agencies can be judged for their performance in meeting their own timetables.

I hope, also that President Bush will move quickly to deregulate natural gas. Deregulation is desperately needed for more efficient utilization of our own energy resources. Competition in the delivery of postal services is long overdue, and holds the possibility of great gains to American consumers and a reduction in costs for American taxpayers; I hope the President will move to circumscribe if not eliminate the private express statutes currently prohibiting competition.

Then, of course, there's unfinished business in telecommunications, and transportation, to mention just a couple. And finally, I hope President Bush will be successful in holding on to the gains of deregulation. There is a lot of frustration about the airlines right now, and an erroneous tendency to blame airline deregulation for the problems perceived. In the case of savings and loans, I am very concerned that members of Congress will argue that the present mess was the fault of financial deregulation. The S&L mess is really a failure of government, not the fault of the competitive marketplace.

P.R. How did government cause the S&L mess?

MILLER. The S&L mess has several causes, but one in particular was the failure of the government monopoly insurance company to charge premiums based on risk. This failure, of course, was influenced by Congress, so ultimately Congress is culpable. Any insurance company that doesn't rate according to risk ends up with a run by insurers to the lowest common denominator. This is exactly what happened when the S&L regulators, with prompting by Congress, allowed thrifts to diversify their portfolio into much riskier loans without any increase in premiums. A lot of S&Ls rolled the dice and lost. And others will end up paying for it.

P.R. Are you disappointed that you were able to make little headway on privatization?

MILLER. Of course. Our privatization initiatives made eminent good sense. Study after study reports that when both government and the private sector are capable of producing and distributing a product or service, the private sector invariably does it more efficiently.

We also thought that Congress, in its desperation to meet the Gramm-Rudman-Hollings deficit targets, would be so anxious to take the deficit reduction associated with privatization (decrease in subsidy as well as increase in revenue from the sale of assets) that it would end up privatizing much more than we might have hoped for in the absence of this deficit crunch.

In the end we failed, except for the sale of Conrail and some loan portfolios. We underestimated the strength of the special interests (riders of Amtrak, users of the Bonneville Power system) and their effectiveness in holding onto their subsidies. The initiatives also became labeled as "phoney deficit reduction" by those who wanted to use the deficit shortfall to force the President to go along with higher taxes.

That's a shame. I hope President Bush will give the program an additional push, and that more thoughtful members of Congress will evaluate the pros and cons on a more rational basis.

P.R. You have often spoken highly of the career bureaucrats at both OMB and the FTC, saying they followed clear instructions from political appointees, and even seemed influenced by some of your free-market ideas. What advice would you give conservative political appointees about making better use of career bureaucrats in advancing their agendas?

MILLER. First, it's important to remember that most bureaucrats are ordinary people. They have families, they pay taxes, and they care about their communities and their country. It should also be borne in mind that most bureaucrats are in government because they think public service is important and they want to serve the American people. I would encourage political appointees to laud the goals of public service and to recognize the sacrifice many of these people are making. Many civil servants could earn more money on the outside. To them the notion of public service is extremely important, it's almost a hallowed calling.

Because most bureaucrats genuinely do want to serve the public, they can be persuaded by a political appointee with better ideas. You have to plead with the career people, argue with them, roll up your sleeves and have it out with them in a friendly way. You have to convince them that your policy approach indeed serves the public more efficiently than the policies they may have adopted previously. If you do this, the bureaucrats will listen, and they will concede you the benefit of the doubt. This convincing takes more time at some agencies than others, but at many agencies a large number of bureaucrats are now convinced that public service is best carried out by letting markets work. Obviously if this means dismantling an agency or reducing the number of employees, you have to help people find rewarding employment elsewhere in government or in the private sector.

P.R. How well does the press cover budget issues?

MILLER. I think on the whole press coverage of budget issues is very good. But what bothered me most at OMB was the presumption of most reporters that OMB numbers were produced for political purposes, and therefore not to be believed. This was a reflection on some earlier history at OMB, but as a former academic who thinks it's important for numbers to be reliable, I found this presumption extremely disconcerting. For three years running, both members of Congress and the press beat me over the head with the "rosy scenario" charge; they said our projections of economic growth, and hence of revenues, were too optimistic. Well, the fact is, for two of those three years and also for the entire three-year period, OMB underestimated revenues.

Of course, we also underestimated outlays. But this was because of Congress, in failing to make changes in entitlement programs, and in its overall appropriations, spent more than the president asked for. The reason the deficit exceeded OMB projections each of the three years was that Congress spent more, not that OMB was too rosy in its economic forecasts.

P.R. Is there a disproportionate emphasis in the press on the trade deficit?

MILLER. I think there is. One of the biggest errors is the allegation that we are a debtor nation. The data that are used to make that point are based on historical prices, but the proper way to look at this is to compare market values of American-owned assets overseas with foreign-owned assets here. When you do that, it's obvious

we still own more of them than they own of us.

P.R. Is there a bias toward tax increases instead of spending cuts in press coverage of the deficit?

MILLER. There is a preoccupation with the tax side. We've just had an election where a major difference, if not the major difference, between the two candidates was that one said he would not raise taxes under any circumstances, and the other said that he would do it only as a last resort. In my judgment, when a politican says he'll do something as a last resort, he's already committed to doing it. Yet, after this election, the media has concentrated almost wholly on what kind of taxes will be increased, not whether there would be a tax increase. Citizens for a Sound Economy has just released a Roper Poll showing that by a 3-to-1 ratio, people tend to blame the deficit on Congress, not on the president; by 6-to-1, they think the reason for the deficit is too much spending, not insufficient tax revenue; and by an astounding 15-to-1, they want to reduce the deficit by controlling spending, not raising taxes. Yet the preoccupation in the media is with how to raise taxes rather than how to control spending.

Certainly there is a bias in Congress toward increased taxes and spending. One of my most vivid recollections of those budget summit sessions was that after all the staff were dismissed and the doors were closed, with only a few exceptions the congressmen talked broadly and with great exuberance about the need to raise taxes, and how that basically would solve all their problems. Of course, it would. All they needed was somebody to blame for the tax increase. The key to success for members of Congress is to take credit for spending increases that aid constituents but to blame tax increases on somebody else.

P.R. During your years at OMB, which congressional budgetary actions did you find most hypocritical, and which ones most responsible?

MILLER. I would call the passage of Gramm-Rudman-Hollings a responsible act. The passage of separate appropriations bills for fiscal year 1989, even at the absolute 11th hour and 59th minute, was a responsible act.

The most hypocritical event surrounding the budget probably came when President Reagan, during his State of the Union message in January 1988, held up the enormous continuing resolution and the enormous reconciliation act for that fiscal year, and said, "If you send me another one of these, I will not sign it." Then he got a standing ovation from the very people who had sent it to him!

The second most hypocritical act was the passage of these enormous bills by members of Congress, while representing to the entire world that they knew what they were doing. In fact, I suggested to the president that he add to his speech the following line: "Will any of you members of Congress who actually read either of these bills, please stand."

If there were any honesty in the hall that evening, no more than one or two would have stood. The fact of the matter is that the congressmen who passed these bills had not more than the slightest idea what was in them. I know I did not read even one of the bills thoroughly, because we got one at 2:00 a.m. and one at 5:00 a.m., and the president had to decide whether to sign them by 2:00 p.m. the next day. At noon I met with some of the 300 people from OMB who had pored through these bills all night and the next morning. They didn't have time to study the documents thoroughly, just to look for killer provisions, budget items that were terribly out of whack. And then at 1:00 p.m. I met with the president to explain to him what was in them.

P.R. Have your views of what government should and shouldn't do changed much as a result of your eight years with the Reagan administration?

MILLER. No, my views haven't changed much, perhaps because I've been an observer for some time, and perhaps because I came through the public choice tradition, which tries to explain government behavior and how changes in the institutions affect that behavior. I still think that government does some things well and a lot of things very poorly, that government is too large, and that there are biases toward deficit finance and larger government that need to be remedied with institutional restraints. I do come out with greater affection and respect for the people who work in the federal government. And, because I've learned to appreciate even more the effects of incentives on the behavior of people in government, I suppose I'm more optimistic about the prospects for improving their performance in the public interest.

P.R. How did your budgetary strategy and analysis differ from David Stockman's?

MILLER. Stockman and I were at OMB at different times. He had some problems and opportunities that I didn't, and I had some problems and opportunities that he didn't. But the basic difference is that Stockman at the beginning of the administration was very optimistic about reducing the size and scope of government and by the time he left he was very pessimistic. He became disillusioned with the budget process and very discouraged about the possibility of our making much progress on the deficit on the spending side, because, despite their rhetoric, members of Congress will vote to satisfy the special interests. He left absolutely convinced it would take a substantial tax increase to reduce the deficit.

I come from the public choice school, which says that if the outcomes of the collective choice processes are not optimal, you don't blame the people, but look at the institutional arrangements and the incentives that affect their behavior. Over and over in his book, Stockman expresses his disappointment in congressmen who made speeches about the need to cut the deficit but then, when the chips were down, made sure they brought the pork back home for their districts. I argued by contrast that the problem is the institutional arrangement. For that reason, I was active early in helping to formulate and then to achieve passage of the Gramm-Rudman-Hollings act. I believe the key is not to plead with members of Congress to restrain spending and reduce the deficit, but to put restraints on spending and deficits into the Constitution—and also, desirably, to give the president, who represents all the people, enhanced rescission authority or the line-item veto to help shape priorities.

P.R. What advice would you give Richard Darman, based on your accomplishments and mistakes?

MILLER. I would urge him to hang very tough on the no-tax-increase promise. If he believes that a tax increase will lead to deficit reduction, he's wrong.

I would also urge him to do everything he can to improve the credibility of OMB's figures. I did what I could, and it was a major disappointment for me that many people still thought our figures were advanced for political purposes. It's going to take a long time for the institution to recover the credibility it has lost.●

U.S. JAYCEES 10 OUTSTANDING YOUNG AMERICANS

● Mr. FORD. Mr. President, today in Washington, at the White House and here in the Capitol, the U.S. Jaycees is honoring their 1989 10 outstanding young Americans.

As a former national president of the U.S. Jaycees, and a Senator with one of this year's honorees from my home State, it is a privilege for me to recognize these 10 distinguished young leaders:

Dr. Stephen Henry, Louisville, KY;
Louis Agnese, Jr., San Antonio, TX;
Keith Butler, Detroit, MI;
Gene Eidelman, Atlanta, GA;
Herren Hickingbotham, Little Rock, AR;
Sheila Holzworth, Des Moines, IA;
Michael Lamb, Sr., K.I. Sawyer Air Force Base, MI;
Judge Layn Phillips, Oklahoma City, OK;
Dr. Ronald Solar, San Diego, CA; and
Jeana Yeager, Nipomo, CA.

These 10 young leaders have gone through a demanding selection process. The criteria used to establish these people as 10 of our Nation's finest include: how their achievements have benefited the community, State, or Nation; whether those achievements have served as an inspiration to others; and how well their performance reflects the meaning of the jaycee creed.

These honorees are a living example of the jaycee belief that "Earth's great treasure lies in human personality and that service to humanity is the best work of life."

I ask that brief descriptions of their activities be printed in the RECORD.

The material follows:

LOUIS AGNESE, JR.

Before beginning his own college career, Louis Agnese Jr. overcame a serious speech impediment. Today, the president of Incarnate Word College, San Antonio, Texas, isn't interested so much in students' "income" as he is in their outcome.

The college experienced enrollment declines six consecutive years, but that changed starting in 1985 when Agnese assumed the presidency.

He initiated a bilingual marketing campaign which in two years produced a 60 percent enrollment increase, including an 85 percent increase in Hispanic enrollment.

The theme of the campaign's first year was "Break the Barriers at The College." Agnese was committed to attacking illiteracy and school-dropout problems. This year's theme is "Brainpower," which stresses individual growth. Byproducts of the campaign include increased financial assistance, an academic scholarship issued to a General Equivalency Diploma (GED) stu-

dent and the development of partnerships with media to offer scholarships.

Agnese evaluated the college's strengths and areas for improvement. He designed a program for the future, "Target 90 Goals for 90 More Years," a $30 million project to raise funds for physical expansion, student scholarships and grants, and faculty chairs to assure the stability of the college.

Agnese introduced innovative student assistance plans which he intends to strengthen through the college endowment. He received a Gold Medal Award from the Council for the Advancement of Education for his leadership in promoting higher education nationwide.

Agnese, 37, and his wife, Michaeline, reside in San Antonio with their children, Louis III and Nancy.

KEITH BUTLER

The troubles of a great city are opportunities for the future well-being and prosperity of its people.

With that philosophy, and a vision for revitalization and restoration, Keith Butler sheds a positive light on the city of Detroit's problems.

For the past eight years, he has served as founder, pastor and president of the Word of Faith Christian Center in the heart of Detroit. The center began with Butler and his wife, and now its active congregation has more than 3,500 people with 68 employees.

Butler started Operation Helping Hand, a program to link poor and low-income individuals with government and private agencies.

His community interests also include the elderly. He garnered more than 70 volunteers who daily visit and administer to the needs of the elderly in 21 city nursing homes.

Concerned about education in Detroit public schools, he founded and organized the Faith Christian Academy, a private elementary school. He also founded and became president of the Detroit Coalition for Academic Excellence, whose purpose is to improve the quality of education in Detroit.

While becoming a prominent community activist, he initiated self-help programs for Detroit residents, including tenant/resident management and urban homesteading for public-housing residents.

He represents community concerns by editing and writing newspaper articles and speaking on radio and television.

Butler, 33, and his wife, Deborah, have three children; Andre, Michelle and Kristina.

GENE EIDELMAN

Two kitchens and two bathrooms were shared by eight families in a communal apartment in Kiev, Soviet Union. The teenage Gene Eidelman was unable to speak English.

In 1976, the Eidelman family left the Soviet Union with a few belongings and $100 per person. The family remained in Rome five months while United States immigration paperwork was finalized. Eidelman and his older brother Uri supported the family by moving furniture.

The family eventually settled in Los Angeles. At 18, Eidelman worked nights using the Italian he learned in Rome to make himself understood to liquor store customers.

When he became more proficient in English, Eidelman began taking bookkeeping and tax preparation courses. By August 1977, he received his real estate license. By 1979, Eidelman and his brother started their own development company.

In 1981, Eidelman set up home and office in Atlanta. From 1981 to 1983, he spent two weeks monthly in Atlanta and two weeks in Los Angeles. He created the "Club Concept," building luxury apartments in Atlanta, Nashville and Memphis.

Early in 1984, he, two partners and a secretary put together the first two projects known as "The Club." Later, the first shopping center was erected. Club Properties now owns $115 million in properties.

Eidelman also helped 400 Russian families by founding an organization that helps immigrants adjust to their new lifestyle.

Eidelman, 30, and his wife, Dawn, live in Atlanta with their son, Aron.

STEPHEN HENRY

Mr. Stephen Henry distinguished himself as one of the most prolific writers and researchers trained in the University of Louisville, Kentucky, Orthopedic Residency Program.

He was appointed instructor in the Department of Orthopedic Surgery at the university's School of Medicine.

One of his main concerns is nutritional rickets and fractures in premature infants. He recommended changes in the vitamin and mineral content of intravenous solution that helps prevent fractures.

Another research area is the treatment of hip fractures in the elderly with a device called the Y-nail. The device allows the patient to leave bed the day after surgery. This prevents significant complications of prolonged bed rest, such as pneumonia and blood clots, and leads to a lower patient death rate.

Henry has also researched the treatment of chronic bone infections with antibiotic beads. Limbs that otherwise may have been amputated have been salvaged through the treatment.

Henry also is a co-developer of a nail used in the treatment of severe fractures above the knee.

But his concerns go beyond medicine. He has served on the executive board of Louisville's Tyler Park Neighborhood Association the past five years and is the founder of the park endowment fund to ensure beautification and preservation of historical structures.

He has served as a representative to the Louisville Inter-Neighborhood Coalition and has participated actively in a citywide cleanup and beautification project known as Operation Brightside.

Henry, 33, lives in Louisville.

HERREN HICKINGBOTHAM

Because we care, we share.

With that philosophy, Herren Hickingbotham has led the TCBY frozen-yogurt store franchise in meeting one of its purposes, "to return a portion of the blessings received from our local community back to that community."

Since April 1982, Hickingbotham has been the executive vice president and a board member of TCBY Enterprises, the publicly owned holding company of TCBY Systems Inc. He is the operator of the largest soft-serve yogurt franchise in the United States.

Hickingbotham coordinated various systemwide promotional efforts which allowed TCBY to raise $250,000 in 1986 and $350,000 in 1987 for United Cerebral Palsy.

TCBY also has been associated with the Heart Association, Easter Seals and Arkansas Children's Hospital.

Hickingbotham was selected for membership in the Young President's Organization, a noted international group of distinguished presidents.

TCBY grew in a relatively short time. Since franchising in 1982, the company has opened more than 800 stores in 49 states and internationally, TCBY's performance was noted in many publications including Venture, Restaurants & Institutions, Business Week and Entrepreneur.

Hickingbotham, 30, lives in Little Rock, Arkansas, with his wife, Virginia.

SHEILA HOLZWORTH

Sheila Holzworth was already active in athletics at 7. Although she was blinded at 10, she since has opened the eyes of millions to the capabilities of the handicapped. In fact, she began a career that would make her world-famous.

She lettered in sports in high school and college. She learned to read Braille, an accomplishment culminating in an interdisciplinary degree from Central College, Pella, Iowa.

In 1979, she was named "Most Courageous Athlete" in the North Bank 10-kilometer running race in Phoenix, Arizona. In 1981, the International Year of the Disabled, she was one of 11 disabled people selected to attempt a climb of Mount Rainier, Washington. She was one of nine to make it, and the only blind woman. For this came national acclaim, a commendation by the U.S. House and Senate, and a White House reception.

She began competitive skiing in 1982. In 2 years she won five gold medals in World Cup and Olympic competition for the disabled in Leysin, Switzerland, and Innsbruck, Austria. Now she is a senior claims operations coordinator for the Principal Mutual Life Insurance Co. in Des Moines, Iowa.

"I like to show that being blind doesn't mean you're useless," Holzworth said. "I just hope that what I'm doing will help other blind people realize their potential."

Her dedication also is noted by the elderly. She has helped raise money, do housework and serve meals for them. She even adopted two elderly sisters.

Holzworth, 27, lives in Des Moines.

MICHAEL LAMB, SR.

Michael Lamb, Sr.'s accomplishments early in his career foreshadowed the many contributions he would make to the Air Force and others in his life.

Early in his military career, he enlisted in the Air Force in computer repair and ground radar. He graduated from his technical school with honors and became a certified technician in minimum time at Charleston Air Force Station (AFS) in Maine, where he was known as a division expert.

Later, he was accepted at the University of Arizona, Detachment 20. There he was diagnosed with Hodgkin's Disease, and he faced immediate retirement from the Air Force. But he argued to remain on active duty and won the decision.

He was sent to Vandenberg Air Force Base (AFB) in California and worked for the 6595th Missile Test Group, At F.E. Warren AFB, Wyoming, he helped maintain 200 missile systems. Today he is a program engineer in research and test development with B-52 bombers at K.I. Sawyer AFB, Michigan.

While at the University of Arizona, he designed and successfully tested an electronic anesthesia monitor using his Apple computer as the baseline equipment. This design was incorporated on a larger computer to provide data about a patient undergoing surgery. His work was cited in Time and Apple magazines.

Lamb earned many Scouting awards. He received the 1988 National Courage Award

from President Ronald Reagan at the White House. Reagan cited Lamb's example to the community and nation while successfully fighting cancer.

Lamb, 35, and his wife Sharon live at K.I. Sawyer AFB with their seven children; Mike Jr., Robert L. II, Donald, Kristofer, Sara, Tara, and Kara.

LAYN PHILLIPS

Layn Phillips, a U.S. judge for the Western District of Oklahoma, has worked as a public servant for more than one-third of his life.

As a U.S. attorney in Tulsa, and the youngest U.S. attorney in the country, he handled more drug-related continuing criminal enterprise cases than Los Angeles. His record paralleled those of Miami, Florida, and New York.

He has used the forfeiture feature of U.S. Code Title 21, relating to property purchased with drug-related funds. Consequently, he has brought millions of dollars in property and cash into the U.S. Government's coffer.

Phillips has been a leader in motivating grass-roots units to combat drugs at any level. He was in constant demand to speak about drugs to groups and graduation classes and at law-enforcement gatherings.

As a U.S. attorney, he succeeded in a famous white-collar crime case involving the prosecution and conviction of two people on 17 counts of mail fraud, tax evasion, and concealment of foreign bank accounts. Because the two were well-known, many believed they would never be brought to trial, let alone convicted.

Phillips has taken unusually tough and courageous stands against litigation abuse. He has spoken to lawyer groups concerning the filing of frivolous lawsuits, the increasing costs of litigation, and delay-oriented tactics often used by unethical lawyers.

Phillips, 37, and his wife, Kathryn, live in Oklahoma City with their children, Amanda and Parker.

RONALD SOLAR

After receiving his doctorate, Ronald Solar began work in the cardiac pacemaker industry, designing smaller and longer-lasting pacemakers. In 1980, he switched to the cardiovascular-device industry which led to his development of less-invasive ways to treat heart disease.

One method helps fight atherosclerosis which blocks blood flow to the heart muscle and leads to chest pain, heart attack, and death. The method involves a "balloon catheter" to open the blocked arteries. The process, done under local anesthesis, requires only a tiny puncture in the groin to induce the catheter.

A heart attack is certain with atherosclerosis, but the treatment can push the clot aside. If blood flow can be restored quickly enough, heart attack can be reversed.

Also in 1980, Solar began teaching Sunday School at his temple, and he became an active Jaycee. Today, he is the California Jaycees chaplain.

In 1985, he formed his own company to develop a new type of catheter. Two and one-half years later, the company sold for $95 million, and today Solar leads the Research and Development division of the merged company.

Solar's research on implant devices led to changes in materials used, processing techniques and device designs. He helped research with a team that discovered bone growth can be stimulated and controlled by electricity.

Solar, 37, and his wife Vickie live in San Diego with their children, Mara and Max.

JEANA YEAGER

Jeana Yeager established 18 aviation records in her decade of flying. She is an accomplished commercial and engineering draftsman with background in energy, aerospace and other businesses.

For several years she was involved in engineering and administration for Robert Truax's Project Private Enterprise, almed at developing a reusable spacecraft for the private sector.

But since March 1981, she has devoted herself exclusively to help build, test, and fly the Voyager aircraft. Consequently, she was the first woman to make the first nonstop, non-refueled flight around the world.

Yeager also managed the critical organization of the ground support and office staff for Voyager, including the grass-roots funding effort for Voyager Impressive People or VIP Club.

President Reagan gave her the Presidential Citizen's Medal for her achievements with Voyager.

From the Paris Aero Club, she received the Grande Medallion and the Medalle de Vile Paris. These awards were presented to Charles Lindbergh.

Before she became interested in flying Yeager pursued skydiving and sailing. She also is an expert horse rider and trainer.

Yeager, 35, lives in Nipomo, California.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by $0.9 billion in budget authority, and over the budget resolution by $0.4 billion in outlays. Current level is under the revenue floor by $0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $135.7 billion, $0.3 billion below the maximum deficit amount for 1988 of $136 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 10, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1989 and is current through April 7, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution, House Congressional Resolution 268. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of section 5 of Senate Congressional Resolution 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, Congress has taken no action that affects the current level of spending or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS., AS OF APR. 7, 1989

[In billions of dollars]

	Current level [1]	Budget resolution H. Con. Res. 268 [2]	Current level +/− resolution
Fiscal year 1989			
Budget authority	1,233.0	1,232.1	.9
Outlays	1,100.1	1,099.8	.4
Revenues	964.4	964.7	−.3
Debt subject to limit	2,764.3	[3] 2,824.7	−60.4
Direct loan obligations	24.4	28.3	−3.9
Guaranteed loan commitments	111.0	111.0	
Deficit	135.7	[4] 136.0	[5] −.3

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 268. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] In accordance with sec. 5(a)(b) the levels of budget authority, outlays, and revenues have been revised for Catastrophic Health Care (Public Law 100–360).

[3] The permanent statutory debt limit is $2,800.0 billion.

[4] Maximum deficit amount [MDA] in accordance with section 3(7)(d) of the Congressional Budget Act, as amended.

[5] Current level plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT 101ST CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 7, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			964,434
Permanent appropriations and trust funds	874,205	724,990	
Other appropriations	594,475	609,327	
Offsetting receipts	−218,335	−218,335	
Total enacted in previous sessions	1,250,345	1,115,982	964,434
II. Enacted this session: Adjust the purchase price for nonfat dry dairy products (Public Law 101–7)		−10	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy indemnity program	([2])	([2])	
Special milk	4		
Food Stamp program	253		
Federal crop insurance corporation fund	144		
Compact of free association	1	1	
Federal unemployment benefits and allowances	31	31	
Worker training	32	32	
Special benefits	37	37	
Payments to the Farm Credit System	35	35	
Payment to the civil service retirement and disability trust fund [1]	(85)	(85)	
Payment to Hazardous Substance Superfund [1]	(99)	(99)	
Supplemental security income	201	201	
Special benefits for disabled coal miners	3		
Medicaid:			
Public Law 100–360	45	45	
Public Law 100–485	10	10	
Family support payments to States:			
Previous law	355	355	

PARLIAMENTARIAN STATUS REPORT 101ST CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 7, 1989—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Public Law 100-485	63	63	
Veteran's compensation COLA, Public Law 100-678	345	311	
Total entitlement authority	1,559	1,121	
VI. Adjustment for economic and technical assumptions	−18,925	−16,990	
Total current level as of April 7, 1989	1,232,979	1,100,103	964,434
1989 budget resolution H. Con. Res. 268	1,232,050	1,099,750	964,700
Amount remaining:			
Over budget resolution	929	353	
Under budget resolution			266

[1] Interfund transactions do not add to budget totals.
[2] Less than $500 thousand.
Note.—Numbers may not add due to rounding.●

THE CALIFORNIA COURIER

● Mr. WILSON. Mr. President, I rise today to salute the California Courier, a weekly newspaper published in the city of Glendale, which celebrated its 30th anniversary last month.

The Courier holds the distinction of being the oldest independent English-language newspaper serving the Armenian community in the United States. For three decades, the pages of this publication have traced the remarkable story of the Armenian-Americans—a community that has made both the culture and the economy of southern California vibrate with prosperity and imagination.

At the same time, the Courier firmly stands as a witness to repression, constantly reminding its fortunate readers that their Soviet kin need a strong voice of advocacy in the United States. As a result, Mr. President, the Courier blends together two important themes of our Nation's ethnic tapestry: an appreciation of the liberties offered by an adopted America, and a sense of obligation to the men and women who remain in their land of birth, keeping their heritage alive despite the hostility of government.

I have no doubt, Mr. President, that under the leadership of its current editor and publisher, Harut Sassounian, the Courier will continue for another 30 years the vital task of educating its audience on the issues which will shape both the identity and the future of Armenian-Americans. I am therefore honored to inform the Senate of the Courier's anniversary, and to congratulate the newspaper's staff for its devotion and civic activism.●

WATER PROJECTS IN ARKANSAS

● Mr. PRYOR. Mr. President, on April 4, I testified before the Senate Appropriations Subcommittee on Energy and Water Development about a number of important water projects in my State. I ask that my statement before the subcommittee be printed in the RECORD at this point.

The statement follows:

STATEMENT OF SENATOR DAVID PRYOR, SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT, COMMITTEE ON APPROPRIATIONS, U.S. SENATE, APRIL 4, 1989

Mr. Chairman, it is my great honor and privilege to appear before this committee for the eleventh consecutive year as the representatives of the Red River Valley Association, the Ouachita River Valley Association, and the Lower Mississippi River Valley Flood Control Association present their public testimony in support of various programs of public works improvements of the federal government. I understand that our friends from the Arkansas River Basin Interstate Committee will appear before you on Thursday.

The Fiscal Year 1990 budget for the Army Corps of Engineers' civil works program is going to be affected, as it has so often in the recent past, by that old bug-a-boo, the federal deficit. Our friends and supporters from Arkansas, Louisiana, Mississippi, and Oklahoma, who are here today, understand this fact of life very well. It continues to affect their way of life as a result. This is one reason why they choose to come to Washington every year to tell us their story, and ask the Congress to be sympathetic to their needs as we wrestle with the nation's financial crisis.

RED RIVER VALLEY

Mr. Chairman, you, more than anyone else associated with this Committee, know the needs that exist in the Red River Valley. Mr. John Stroud, representing the Arkansas interests in the Red River Valley, will present to you a detailed list of projects for which we are requesting the Committee's attention.

The number one priority for Arkansans in the southwest corner of our state continues to be the Red River Emergency Bank Protection project, for which the group asks $4,000,000 in FY 90. I probably receive more constituent interest in the serious erosion that afflicts the Red River in Arkansas than any other river related problem from that area. I hope the Committee can continue its support of this valuable program, which greatly influences agriculture.

There are a number of studies, all important to Red River, that need the Committee's attention. The Red River Basin Comprehensive Study is most important. Mr. Stroud will testify to the need for funding for continuation of preconstruction planning on the Red River Waterway, Shreveport to Index, Arkansas and the Red River Bank Stabilization project, Index, Arkansas to Denison Dam, Texas.

HELENA HARBOR

This year will witness the ground-breaking for the Helena Harbor project. This project is one of the most important projects to Arkansas and its economic development in many years. This committee saw fit last year to provide the necessary funding for design of this project, and directed the Army Corps of Engineers to be prepared to commence construction in Fiscal Year 1989. The reports I have indicate that the Corps is on schedule for that, and now is the time for the Committee to provide the next step in the funding process.

No project in my State enjoys a higher priority. The creation of the Mississippi Delta Commission will ensure that forward looking projects such as this one will be the cornerstone of economic recovery in this region.

WEST MEMPHIS FLOOD CONTROL

Mr. Chairman, last year I testified to the tremendous need that exists in the City of West Memphis for a measure of flood protection. It was never more apparent than during the flooding that followed the devastating tornado that hit the town and killed six persons in December of 1987. I saw the damage firsthand.

As I discussed last year the Water Resources Development Act of 1986 authorized the construction of channel improvements on the Ten and Fifteen Mile Bayous that traverse Crittenden County and affect flood conditions in West Memphis. The Act also provided a way for the Federal government to participate in this project without completely devastating the West Memphis city budget.

I am attaching a copy of the Army Corps of Engineers latest fact sheet on this project for the Committee's use. As you can tell from this there have been numerous meetings and the public liaison has been positive. However, if you read between the lines, you can also tell that there has been no construction outside of that the city has initiated on its own. In short, we are not close on getting a local cost-share arrangement for this $23 million project, which has a high 1.7 benefit-cost ratio.

Mr. Chairman, I hope that this Committee will take stock of this situation in West Memphis, and seek some kind of accommodation with the Corps. What you are witnessing here will happen to a small town in your State someday. The ability to pay will become the overriding factor in that town's quest for stability and growth, and once again, we will separate rich from poor. The people of West Memphis are prepared to cost-share up to the limit of their ability.

OUACHITA RIVER NAVIGATION

I continue to support the completion of the Ouachita-Black River Navigation system. We will not have a working system until the final phase of the project is complete in northern Louisiana and southern Arkansas. I know, Mr. Chairman, that you support the project also, and I can only urge that both States follow through with the last of the local responsibilities, i.e. the rights-of-ways necessary for the construction.

ARMY CORPS OF ENGINEERS RECREATION SITES

The Army has created quite a stir in Arkansas with the announcement of certain budget cuts that will affect recreation at our many lakes. Tourism is the number two industry in Arkansas, and outdoor water related sports are vital to a healthy economy in so many areas. I cannot overemphasize the importance of maintaining these recreation sites. It is hard to imagine that our nation would fund the construction of so many of these public access areas, and watch while they are either closed or allowed to deteriorate. It makes no sense to the taxpayer.

The Corps officials in Arkansas tell me they plan to close no recreation sites, but maintenance will be reduced, severly in

some cases. Nevertheless, the public is rightfully concerned. I understand and appreciate the need to reduce government spending, but I want to make sure it is done in a way that truly reflects our national priorities. Even though recreation may sound like it would not ordinarily be a top priority, I can assure you that jobs and economic vitality are priority number one.

I urge this Committee to stay close to the funding for recreation sites issue. It is certainly a closely watched issue in Arkansas.

ARKANSAS RIVER BASIN

On Thursday, Mr. Wally Gieringer, Executive Director of the Pine Bluff-Jefferson County Port Authority, will present testimony relevant to the needs that exist in the Arkansas River Basin. As you undoubtedly know, Mr. Chairman, we have had a problem in recent years with low water during the summer months at the lower end of the Arkansas River navigation system. The Army Corps of Engineers has been studying solutions, and it is important that these studies continue. I support the concepts expressed in Mr. Gieringer's statement, and I hope the Committee will carefully consider his recommendations.

Thank you Mr. Chairman for this opportunity to appear before this Committee with my fellow Arkansans.

FACT SHEET

1. Project: West Memphis, Arkansas and Vicinity.

Program Manager; Durley McLarty, Ex. 3346.

Project Manager; Bethany Patterson, Ex. 3460.

2. Authorization/Purpose:

a. WRDA of 1986.

b. The purpose of this study is urban flood control.

3. Location:

East Central Arkansas.

Crittenden and St. Francis Counties, Arkansas.

From stream mile 10.3 on Fifteen Mile Bayou to the confluence of Ten Mile Bayou to West Memphis, Arkansas.

4. Description:

Urban areas—West Memphis—1980 population 28,138; 2245 structured affected by 100-year flood.

Rural basin—45 miles long—20 miles wide (324 square mile drainage area).

Primary problem is biennial flooding in the urban area and yearly damage to agricultural production.

Authorized plan of improvement consists of: 23.86 miles of channel improvement on Ten and Fifteen Mile Bayous; Restrictive easements and limited revegetation program; Provide 10-year degree of protection in urban and rural areas.

Estimated construction cost is $23,400,000 (Oct. 88 prices).

B/C ratio is 1.7.

5. Status:

Project authorized by WRDA of 1986.

ASA(CW) to OMB—22 April 1988.

Funds provided and PED initiated 27 July 1988.

Existing needs and problems are being assessed.

Monthly coordination meetings are being held with local interests.

Project: West Memphis, Arkansas and Vicinity.

6. Costs:

	Oct. 88 prices
Estimated Study Cost	$1,100,000
Costs thru FY 88	462,000
Allocation FY 89	500,000
Balance to Complete	138,000

7. Special Considerations: Congressman Bill Alexander of Arkansas and local officials, including Mayor Keith Ingram, were briefed on the project on 27 February 1987, and on 8 January 1988. Meetings to discuss project implementation were held with local officials on 12 January, 3 February and 2 August 1988. Monthly meetings are scheduled with engineers for the City of West Memphis and drainage district.

The City of West Memphis has developed a pumping station plan to compliment the Corps plan which will provide protection for some of the most severely flooded areas in the city. Phase I of the plan includes three pumping stations and has an estimated cost of $5.7 million excluding LERRD costs. Phase II of the plan includes two additional pumping stations which are currently estimated at $2.6 million. A comprehensive plan combining work proposed by both the Corps and West Memphis is needed to provide long term relief to the area.

A meeting with the West Memphis City Engineer was held on 13 February 1989 to discuss credit under Section 215 of the Flood Control Act of 1968 for the pumping stations and the possibility of adding the pumping stations to the Corps plan.

8. Local Sponsor:

City of West Memphis, AR.

Drainage District No. 2 of Crittenden County.

Drainage District No. 6 of Crittenden County.

Crittenden County.●

URANIUM REVITALIZATION AMENDMENTS

● Mr. WALLOP. Mr. President, I am pleased to join with my colleague from New Mexico, Senator DOMENICI, in submitting the Uranium Revitalization Amendments of 1989 as amendment No. 10 to the bill S. 83. These amendments are the latest incarnation of legislation we have developed over several Congresses. We have developed and refined our proposal. It is an excellent package, and I am hopeful that it will finally become public law.

What are we trying to achieve? We are simply seeking to preserve an industry vital to both our national defense and national energy needs. The uranium mining industry provides the basic material for building nuclear fuel rods and nuclear devices. Nuclear fueled powerplants account for 20 percent of our electric energy production. Nuclear weapons remain the backbone of our deterrence and defense forces. The Federal Government is intimately involved in both activities. The fact is that the Federal Government has, and does, own many of the processing and production facilities, such as the uranium enrichment plants. Without a viable uranium mining and milling industry, which is totally private, our ability to meet national energy and defense needs over the long term could be impaired.

Over the past 5 years, the Secretary of Energy has been required to do an annual assessment of the viability of the uranimum industry. And, to no one's surprise, the Secretary has declared that the industry is nonviable. The industry's problems stem from two sources. First, contrary to optimistic projections just 10 years ago, the demand for powerplants using nuclear fuels has stagnated. This is a result of the slowdown in demand for electricity, and the long, costly procedure a utility must go through to build a nuclear plant. The second problem is the competition U.S. producers face subsidized foreign production.

We do need a viable uranium mining industry. Recently, much concern has been expressed over global warming. It appears to be one of the hot topics in the 101st Congress. One sensible response to this phenomenon is to increase the use of nuclear power which does not produce carbon dioxide as a waste gas. We also need a viable industry because foreign producers will not sell uranium to the United States for defense purposes.

It is erroneously assumed that we can let the industry shutdown, and then revive it when demand escalates. This is the old boom and bust philosophy that has saddled the Western mineral producing States with such rocky economies. But, we cannot simply close down a mine, and reopen it several years later. Reopening a mine is an expensive and time consuming project that is not always successful. A more sensible policy would be to take action now to maintain a productive uranium industry. That is the intent of the legislation we are introducing today.

My State of Wyoming is a major producer of uranium ore. We have gone from an industry employing thousands to an industry that currently employs a handful of workers. But, it is an industry that is hanging on. New supply contracts have recently been signed, and my State's producers are confident they can compete in a tough world market—which is all we are proposing today.

As I previously explained, this amendment is the result of years of work and refinement. The original version had three parts. The first title was an excise fee on foreign produced uranium brought into the United States for enrichment for use in domestic powerplants. The intent was to ensure that U.S. ore could compete with subsidized foreign production. The second title dealt with the funding and procedure for cleaning up existing uranium mill tailings sites. The third title established a new public corporation to run U.S. uranium enrichment facilities.

In the last Congress, we sought to enact this legislation with administration support as part of the process for adopting the United States-Canadian

Free Trade Agreement. The FTA was flawed in that no action was taken to remove Canadian Government subsidies to its uranium mining industry. The Canadians would have unlimited access to our market at the same time that our domestic uranium industry was declared nonviable and the Federal courts were requiring the Energy Department to impose the 161(v) sanctions against foreign imports.

The sponsors of the Uranium Revitalization Act undertook extensive discussions with Treasury, OMB, and Energy Department officials over the content of our legislation. As a result, we significantly revised title I. Rather than an import fee, we switched to a required purchase policy whereby domestic users would purchase a set amount of domestic ore over the next few years. This procedure would allow more efficient loading for enrichment and reduce energy costs for that process. The net affect of the new title would be to allow the uranium mining industry to get back on its feet while producing a more cost efficient U-235 fuel product for our nuclear powerplants.

The amendment we are introducing today incorporates the revised title I and the old title II of the Uranium Revitalization Act. Since the Goverment-owned enrichment corporation is the subject of S. 83, the bill we are amending, this title was dropped from our amendment.

The Senate did pass our proposal in the last Congress. We believe we can move this bill through the House and have it signed by the President. Our amendment is important to our national security, and I urge my colleagues to support our efforts.●

GREEK INDEPENDENCE DAY

● Mr. METZENBAUM. Mr. President, March 25, 1989, marked the 168th anniversary of the Greek struggle for independence from the Ottoman Empire. The importance of this great day is unmistakable: Greece gave the world its first example of democratic government and it is only fitting that Greeks themselves live in freedom. Over its several-thousand-year existence, Greece has fallen under the influence of a number of foreign conquerors. Greek cultural identity has never been compromised, however.

The true meaning of cultural sovereignty can only be realized through national sovereignty. Greeks have fought and died more than once to gain and preserve their independence, and they are rightfully proud of their heritage. The Greek war of independence against the Sultan lasted 8 long years. Greeks fought courageously against Nazi occupiers in World War II. In the immediate postwar period, many more Greeks gave their lives to defeat the Communist insurgency. Greeks around the world truly have good reasons to celebrate independence.

Greek-Americans are in a particularly good position to appreciate the painful price of democracy and independence. Both their homeland and their adopted home fought costly wars of independence and subsequent wars to maintain their freedom. The special relationship between Greece and the United States runs deeper than this, however. The Founding Fathers of this country looked to ancient Greece for a model as they established a democracy in the new world, and Greek art and architecture provided the aesthetic basis for Western culture. Greek patriots likewise drew upon the American Revolution and the Declaration of Independence during their struggle to overthrow hundreds of years of foreign domination.

Mr. President, we should all be thankful for the contributions that Americans of Greek descent have made to our country. One American of Greek lineage recently made an outstanding contribution to the continuing great democratic tradition of our two countries, as the Democratic Party's nominee for the Presidency. I am particularly proud of the Greek-American community in Ohio, which is actively involved in preserving its own culture while playing an important role in the community at large.

Mr. President, I congratulate Greek-Americans, and Greeks around the world for the ongoing example of freedom and independence they set.●

MICHIGAN UNIVERSITY MEN'S BASKETBALL NCAA VICTORY

● Mr. LEVIN. Mr. President, on Wednesday, the University of Michigan's basketball team which won the NCAA Men's Basketball Championship will be visiting Washington. The people of Michigan are proud of their team's success. Their representatives in Washington look forward with great pride to welcoming the Wolverines on Wednesday.

I ask that the following articles which appeared after the great victory be printed in the CONGRESSIONAL RECORD.

The articles follows:

[From Detroit Free Press, Apr. 4, 1989]

A-MAIZING BLUE, 80-79—ROBINSON'S FREE THROWS IN OT GIVE U-M ITS FIRST NCAA TITLE

(By Steve Kornacki)

SEATTLE.—Rumeal Robinson had it all before him. Win, lose or draw—it depended on his free throws with three seconds left.

The first tied the game at 79-79. He thrust a fist high, smiling. The second also hit nothing but net, and made Michigan the national college basketball champion Monday night at the Kingdome, 80-79.

The Wolverines (30-7) beat Seton Hall (31-7) in the first overtime title game since 1963. They won their first NCAA Tournament title under interim coach Steve Fisher.

Robinson's routine of shooting 100 free throws after practice paid off in a big way. He had become angry with himself after missing the free throws that cost Michigan a 71-68 loss at Wisconsin Jan. 21.

And so Robinson bit his lip after that game, using no alibis. He knew what had to be done. He had to work harder on the simplest part of the game.

But the Pirates had a chance to steal his glory. A chance was all, though.

Daryll Walker's 20-foot shot off the glass followed a three-quarter-court pass from Ramon Ramos. The shot never hit the rim and Walker walked off the court, eyes welling in tears. Teammate Andrew Gaze patted him on the head.

Meanwhile, Sean Higgins was pounding the hardwood for joy in a prone position. Everyone was hugging everyone.

Robinson finished with 21 points. Glen Rice scored 31, giving him 2,442 points and making him the Big Ten's career scoring leader.

Rice had a chance to fulfill his lifelong dream of hitting a winning shot at the buzzer in college. But his jumper from the top of the key swirled off the rim, and Daryll Walker rebounded for Seton Hall as the buzzer sounded the end of regulation.

Rice gave Michigan a 69-68 lead with 58 seconds left. It was a stunning shot from the left of the key, and silenced a Seton Hall run.

Rice set an NCAA Tournament record with 184 points, breaking the record set by the legendary Bill Bradley, who scored 177 points for Princeton in 1965.

Higgins put the Wolverines up, 71-68, with two free throws with 34 seconds to go.

John Morton (35 points) answered with a no-hesitation three-pointer 10 seconds later to tie the score at 71.

It wasn't nip-and-tuck earlier in the half.

Seton Hall had the Wolverines right where they wanted them midway through the second half. U-M had a 51-39 lead, but quickly began playing not to lose. The Pirates have a way of doing that to teams.

The Hall limited its first five NCAA Tournament opponents to 51-for-153 shooting (.333) in second halves, and let the wind out of a lot of big sails down the stretch.

Morton scored six straight in the Pirates' run of eight unanswered points. Two of the buckets came off fast breaks. Seton Hall cut it to two points twice.

Michigan pulled away again, 66-61, but Morton yanked them right back. He hit two fast-break baskets off turnovers to cut it to one, and penetrated for the short shot that gave the Pirates a 67-66 lead with 2:31 remaining.

The Wolverines opened the second half with a 14-6 run. Robinson's reverse, two-hand slam off a baseline buzz through the big trees electrified the Kingdome crowd of 39,187.

But the Wolverines did as much with highlight-film footage as with teamwork.

Early in the second half, Rice saved a ball going out of bounds along the Pirates' baseline with a backward flip. Robinson caught it and shouted, "Here we go, Lo!" He dribbled up court and fired to Loy Vaught near the lane. Vaught dropped it off to Terry Mills for an easy slam.

Michigan didn't have anyone with more than one foul in the first half. That limited Seton Hall to only four free throws; the Pirates never got in the bonus situation. And more importantly, U-M kept totally out of

foul trouble against a physical, defensive team.

The Wolverines had a 37-32 lead at the half, as Robinson (14 points) and Rice (13) established themselves as the offensive thrusts. They took 19 of U-M's 30 shots before intermission.

Rice also limited Gaze, who averages 13.8, to two points and sparked several fast breaks with defensive rebounds.

Robinson scored most of his points on acrobatic moves to the hoop.

Seton Hall was able to stay with Michigan in the early going by penetrating and powering the ball inside to Ramos and Walker.

Guards Gerald Greene and Morton hit back-to-back three-pointers as exclamation points to a 12-point run that made it 26-20 for the Pirates. They combined for 18 first-half points.

The Wolverines also had a six-point lead, 20-14, as every starter contributed points early.

HAVE WE MET?

Each team looked at the other and was reminded of its conference nemesis.

Seton Hall players thought Michigan resembled Big East champion Georgetown and Syracuse. The Orangemen beat the Pirates three times this season.

The Wolverines saw similarities between Seton Hall and Indiana or illinois, Big Ten teams against whom U-M was 1-4 this season.

"Their athletes are similar to those at Syracuse," Pirates guard Gerald Greene said. "Sherman Douglas and Rumeal Robinson are very much alike. But Michigan has a much better perimeter shooting game."

Center Ramon Ramos said: "They're like a combination of Georgetown and Syracuse. They are big and good like Georgetown. But they also are great athletes who play above the rim like Syracuse."

Robinson didn't take the comparison with Syracuse as a compliment,

"We have better players than Syracuse", Robinson said. "Syracuse just has athletes. We have 6-11 guys who can dribble, 6-7 guys who can shoot the lights out. We can give them problems."

Michigan guard Mike Griffin said: "Seton Hall is aggressive on defense like Indiana. They have great team defense and make it hard to punch the ball inside."

Higgins said: "They have the great half-court defense like Illinois'."

MILLS ON FISHER

"I've never heard of an undefeated coach getting fired," forward Terry Mills said, referring to Fisher's 5-0 tournament record. He could become the first interim coach to win the NCAA championship.

[From Detroit Free Press, Apr. 4, 1989]

U-M'S INCREDIBLE TURNAROUND—PLAYERS AMAZED BY CHANGES

(By Johnette Howard)

SEATTLE.—Plenty of drama already had been played out by the time the University of Michigan and Seton Hall University met in Monday night's NCAA championship basketball game.

But even if, a few days from now, the Wolverines' names have disappeared from the sports pages, the discoveries they made in the last few weeks about themselves, let alone about playing basketball, were evident before the title game was over.

And most of the revelations were things you never shake. The change that came over the U-M players after the departure of former coach Bill Frieder was "incredible even to us," said forward Loy Vaught.

To U-M interim coach Steve Fisher, the striking thing has been the intensity his players brought to the six tournament games, the way they suddenly listened, pulled together and admitted maybe they hadn't done as much as they could have before. Then they went out in the tournament and, Fisher said, get a "lesson that we could play harder than we probably knew we could."

Guard Rumeal Robinson has been struck by the super-heated atmosphere of U-M's tournament run, the ever-present threat of being eliminated at every juncture and U-M's ability to shrug off the pressure every step of the way—acknowledging only the excitement and thrill of going further than they ever had before.

"I feel that every game we've played in the NCAA has been a championship game," Robinson said before Monday's game. "But the feeling I have is still up in the air. Playing for the national championship, it's more than just a boyhood dream. It's more like looking forward to riding your first bike, but you can't ride it until morning comes."

For center Terry Mills, a phoenix in U-M's tournament story, the metamorphosis from a potential champion to a championship team has been a lesson about what's really important. At times, Mills said, the question a player must ask himself is whether he wants to win games or assure himself that he stars in them.

Somewhere along the line in these last three weeks, winning began to obscure everything else. Then, suddenly, it didn't matter anymore if U-M players were asked to get 10 rebounds or 10 points or set 10 screens for star forward Glen Rice. When you win, everything feels good just the same.

"I feel it's been a mistake to judge me and Loy by how many points we're getting now because we're doing other things that we need to win," Mills said. "When you've got a man shooting the ball like Glen Rice or Sean Higgins or Rumeal Robinson, you'll just about give up your body for them—do anything to set a screen, whatever, to get them open."

Before each tournament game, Fisher and assistants Mike Boyd and Brian Dutcher talked to each U-M player individually to outline what his role would be. For Higgins, the sixth man who won the semifinal game over Illinois with a last-second follow shot, the orders for that game were to play a hard, all-around game whether his shot was falling or not. It paid off with the basket Higgins called "a dream come true".

"Coach Fisher had told me all year that shots like that come off the weak side, so I just put myself in position to get the rebound," Higgins said. "I finally listened."

For Vaught, who owned the second-best field-goal percentage in the country, the job has been putting scoring aside in some games—like that Illinois showdown Saturday—and hording enough rebounds for U-M to win.

And Vaught responded with a career-high 16—12 in the first half.

"We knew rebounding would be the key to that game, and I just made a commitment to myself to get every rebound there was," Vaught said Sunday.

Along the way, there was something fortifying to the Wolverines about setting their minds to a goal and pulling it off. Soon—quickly—this U-M team began to feel as if it could do anything. It began to feel powerful.

"Against Illinois, me, Terry and Glen knew we all had to play great games," said Mark Hughes, a 6-foot-8 senior reserve. "And we just said we were going to do it—we're not going to let them have alley-oop baskets; we're not going to let them have second shots; we're not going to let them beat us on dribbles and drives to the hoop. We just got together and said, 'We're going to do it.'"

For Rice, who always visualizes that his shots will fall in without fail anyway, that also meant feeling so invincible that even a twanging hamstring wouldn't slow him down. Not now.

"I just feel I can't be physically hurt right now," Rice said after the victory over Illinois. "I just feel so much strength."

And if, heading into Monday's game, Rice was justly proud of what Michigan had done to come this far, he said: "No, I'm not impressed yet. As soon as we win the national championship, I'd be impressed then."

[From USA Today, Apr. 4, 1989]

OUTSTANDING PLAYER RICE SETS RECORD, CREDITS TEAM

(By Debbie Becker)

SEATTLE.—With a team-high 31 points and 11 rebounds in the championship game, Michigan's Glen Rice was named Most Outstanding Player of the 51st NCAA Final Four.

Rice also broke the NCAA tournament record of 177 points set by Princeton's Bill Bradley in 1965. Bradley's record came in five games. Rice's 184 points came in six games.

The 6-7 senior from Flint, Mich., broke the record with 5:59 left in the game when he sank a three-pointer, giving Michigan a 64-59 lead.

"It's a great individual achievement," Rice said. "But if you know the type of person I am, I have to give credit to my teammates and the coaches because without them this wouldn't be possible."

Rice was 5-of-12 from three-point range. But with the game tied 71-71, he missed from 18 feet as time ran out, sending the game into overtime.

"I was surprised I missed it because I was very much open," Rice said. "When I released the ball, I really felt like it was going in."

Still, Michigan interim coach Steve Fisher had nothing but compliments for Rice. Asked to describe his star, Fisher said, "It's almost indescribable. He's done more for Michigan—and not just these six games but for a career—than any other player. There is no finer shooter in college basketball than Glen Rice.

"He's a tremendous player. The way he plays—that effort in practice as well as games—carries over to everyone on this team."

But perhaps the happiest person in the Kingdome Monday night wasn't on the court but in the stands—Rice's mother, Ernestine.

"It feels so good," she said. "I can't describe it. If only I could bottle it up and keep it. All our prayers have been answered."

[From the New York Times, Apr. 5, 1989]

RUMEAL COULD HANDLE IT

(By George Vecsey)

SEATTLE.—Pressure? This was a young man who had sat crying in his grandmother's

house on the island of Jamaica, "wishing I had a mother."

Pressure? This was a young man who had come to the Boston area at the age of 6, and briefly lived on the street until he was adopted at the age of 10.

Pressure? This was a young man who had competed outdoors in the rugged Port district of Cambridge, Mass., playing a game called New York. When you lined up to shoot a foul shot, almost any distraction was fair game.

Pressure? This was a young man who had carried the stigma of being a Proposition 48 failure and not allowed to play as a college freshman.

On Monday night, Michigan gave the ball to Rumeal Robinson, who, after all, has been carrying the ball for most of his 21 years.

He was the best part of the Final Four long before he sank those two foul shots with 3 seconds remaining to allow Michigan to hold off courageous Seton Hall, 80-79, in overtime.

Glen Rice was the outstanding player because of that soft jump shot that gave him the nickname of Rain. But Robinson and Ramon Ramos of Seton Hall, the Big East basketball scholar-athlete of the year, were added reminders that not a few of these players are students, too.

As a freshman, Robinson was forced to stay away from the varsity gym and the training tables and the long trips. He became a civilian, a college student, and he talks like one.

But he is also one whiz of a player, a reluctant point guard who would rather be a shooter, a 6-foot-2-inch leaper who performed a baseline, two-handed over-the-head reverse stuff early on Monday, then sank two foul shots with the whole nation watching.

Rumeal Robinson does not know the origin of his first name because his parents did not stay around to explain it. He remembers the freedom of the beach in Jamaica, the sense of other children looking after him, but he wanted a mother, and so when he was 6, his grandmother put him on an airplane to let him try living with his mother.

By the age of 10, he was on the street, for reasons he does not volunteer. In the current crack generation, he could have been recruited as a courier or a warrior, but he was rescued from the street by Louis and Helen Ford, who fed him, loved him, and adopted him.

Robinson became a star in high school, but an unspecified learning disability helped make him ineligible under the new Proposition 48.

"I thought Prop 48 worked great for me," Robinson told the waves of reporters. "It gave us a chance to wind down and concentrate on our studies. Most freshmen players don't have the chance to socialize.

"There is nothing wrong with Prop 48 itself," he added, "but there is a cultural bias in the testing. You'd get a question like, 'What is a regatta?' How many black kids are going to know that?

"Some of the standards are based on kids sitting around at suppertime talking with their families. We were not prepared from first grade for that kind of test, and not all schools are the same. We were like guinea pigs."

He passed his freshman year easily, and will be graduated one semester early, next December, but will stick around for his senior season. He does not flinch when he discusses playing in the same league with Isiah Thomas and Magic Johnson, nor does he flinch about talking about writing poetry or owning an art gallery some day.

Some thought Robinson might be hurt when Bill Frieder was dismissed as head coach because he had accepted another job at Arizona State, but Robinson knows the difference between abandonment and business.

"My high school coach left after my junior year," he said, "but I could understand it. You've got to better yourself in this world."

He knows a bit about that. Robinson missed two foul shots with 4 seconds left in a loss at Wisconsin this season. For the next month, he reported to practice an hour early, and shot 100 foul shots.

Last Saturday, his adoptive mother and baby brother were in attendance, while Louis Ford was plucked off his mail route and placed on a jet, courtesy of one Mr. Goldstein he has never met. The father arrived shortly after Michigan had defeated Illinois, but there was more to come.

On Monday night, Michigan was trailing by 1 point with 9 seconds left. Robinson drove downcourt and stuck out his elbows and his hips, trying to make contact with Gerald Greene, his old adversary from New York.

The call could have gone either way, but it went to Robinson. Seton Hall called an extra timeout to rattle him, and Robinson understood that game.

"This was my childhood dream," he said later. "Standing on the line with two foul shots. You never miss in your dreams."

[From the Wall Street Journal, Apr 5, 1989]

WOLVERINES SPOIL THE CINDERELLA STORY

(By Frederick C. Klein)

SEATTLE.—It is commonly held that the weather never changes in the Emerald City, but four days here have shown me otherwise. Sometimes it rained hard, sometimes lightly. Sometimes it was windy and rainy and sometimes it was calm and rainy. Sometimes it rained while the sun shined.

Recent NCAA basketball tournament finals have varied similarly. Sometimes they are close and high-scoring. Sometimes they are close and low-scoring. Sometimes they are close and in between.

We got one of the last class in the Kingdome here Monday night, with Michigan an 80-79 overtime winner over Seton Hall on Rumeal Robinson's two free throws with three ticks left. The statistical-minded might note that the one-point victory margin was a trifle slim even for these affairs, the eight-year average being 2.9 points.

What we have here is U.S. sports' most competitive annual event, an equal-parts outgrowth of the game's geographic and temporal ubiquity in this land (30 days hath September, all the rest have basketball, someone wrote) and the heedless bravery of youth. "When I took the ball down court at the end, I wanted the shot. I didn't want to just pass it and hide," said hero Robinson of the late dash that put him, and the game, on the line in the dying seconds.

And there, waiting for him, was his buddy, skinny forward Sean Higgins, with some foxhole humor. "I told him that I'd made my free throws [giving Michigan its last two points in regulation play] and now it was his turn," Higgins smiled later. "I thought he'd enjoy hearing that."

The man who probably enjoyed the outcome the most was Steve Fisher, whose Michigan coaching status might have been unique in NCAA (for Nobody Comes out Ahead Alot) hoops annals. He was an assistant to Bill Frieder, who'd signed on to coach at Arizona State when the regular season ended. Frieder had hoped to lead his team into the tourney anyway, but instead was given a very brief period to clean out his desk. Thus, the three-week, six-game championship grind served as an elaborate job audition for Fisher.

The soft-spoken 44-year-old's fate is in the hands of Bo Schembechler, Michigan's football field marshal and athletics director. Bo has been cagey on the subject, but it now seems his options will be limited when he finally removes his spiked helmet to scratch his head over the matter. "I never heard of an unbeaten coach getting fired," noted Terry Mills, the Wolverine center.

Fisher maintained throughout, no doubt correctly, that coaching is overrated in this playground-spawned game, but he deserves at least some credit for the trophy his team took home to Ann Arbor. For the past several years, talent-heavy Michigan had been a pre-season title choice of many, but a playing-floor disappointment. Even this season it managed to lose seven of 31 regular-campaign games and finish third in the Big Ten, at times looking like its collective mind was elsewhere.

"We didn't always play as well as we should," allowed Glen Rice, the quick-triggered shooter who led Michigan scorers with 31 points on Monday and a record 184 for the tourney. "Coach Fisher didn't make a log of changes, but he got on the starters for making mistakes just like he did with the other guys. He treated everyone alike. Coach Frieder didn't always do that."

But if coaching even-handedness contributed to Michigan success, so did its size. Indeed, both members of Monday night's Terminal Two matchup were represented by considerable lads, boasting NBA height numbers like 6-8, 6-9 and 6-10 across their front lines. They had some NFL numbers, too, like 230, 240 and 250, as in pounds. "Size is important," said Lou Henson, whose smaller Illinois team fell to Michigan, 83-81, in a semifinal that presaged the main event. Ol' Lou has never been loath to state the obvious.

Illinois had beaten Michigan twice during the regular season by outscrapping and outleaping the Wolves, but on Saturday Michigan did what it was supposed to have done all along, which was go inside effectively. Seven of its last eight baskets were from within spitting distance of the hoop and the clincher, with two seconds left, came when the 6-foot-8 Higgins vaulted over Illinois's 6-6 Nick Anderson to put back a rebound.

Seton Hall, a Catholic school in South Orange, N.J., had similarly mistreated its five pre-final tournament foes, hammering such name brands as Indiana, Nevada-Las Vegas and Duke by an average of 15 points a game. If these guys were the go-around's Cinderella team, they were Cinderellas in size 14 sneakers. "They were stronger than we were. They wore us out," said Duke coach Mike Krzyzewski after his gang was outscored, 62-40, in the second half and beaten, 95-78, in Saturday's other semi.

Against Duke, the Hall rallied from a 26-8 first-half deficit. Against Michigan, it fell behind by less—12 points—but later. Only 14 minutes remained when Robinson, at 6-foot-2 Michigan's only true guard, awed the multitude with an over-the-head stuff that gave his mates a 51-39 lead.

Seton Hall had spent most of the first half popping ineffectually from beyond the three-point line, but in half two it got back to basics. Guards John Morton and Gerald Greene snaked through the tall guys to the hoop, getting bruises and free throws for their trouble or passing off to their big-brother forwards. The Pirates went ahead, 67-66, on a Morton drive with two minutes left but were passed again and needed his three-pointer to tie at 71 when regulation play ended.

The Pirates took a 76-76 edge in the overtime period, and twice had the ball with chances to increase that margin. They couldn't, and a 10-footer by the 6-10 Mills and the free throws by Robinson put Michigan up.

Three nervous seconds remained as Seton Hall put the ball in play for a last heave, but two kids on the floor—Michigan's Mike Griffin and the Pirates' Andrew Gaze—had time for a joke. "I asked him if he was going to take the last shot," Griffin reported. "He said he doubted it. We both laughed." Darryl Walker fired from 22 feet, missed, and that was all for the Hall.●

ORDERS FOR TUESDAY, APRIL 11, 1989

(The following orders were entered earlier and appear at this point in the RECORD by unanimous consent.)

RECESS UNTIL 11:30 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11:30 a.m. tomorrow, Tuesday, April 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I further ask unanimous consent that, following the time for the two leaders tomorrow, there be a period for morning business not to extend beyond 12:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FROM 12:30 P.M. TO 2:15 P.M.

Mr. MITCHELL. Mr. President, I further ask unanimous consent that on tomorrow the Senate stand in recess from 12:30 p.m. to 2:15 p.m. to accommodate the respective party luncheon caucuses.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. DIXON. Mr. President, if the distinguished Republican leader has no further business, and I am advised by staff on his side that he does not, and if no Senator is seeking recognition, and my view of the floor. Mr. President, indicates that none is seeking further recognition, I ask unanimous consent on behalf of the distinguished majority leader that the Senate stand in recess, under the previous order, until 11:30 a.m. on tomorrow, Tuesday, April 11.

There being no objection, the Senate, at 4:48 p.m., recessed until tomorrow, Tuesday, April 11, 1989, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate April 7, 1989, under authority of the older of the Senate of January 3, 1989:

INTERNATIONAL BANKS

RICHARD THOMAS MCCORMACK, OF PENNSYLVANIA, TO BE UNITED STATES ALTERNATE GOVERNOR OF THE INTERNATIONAL BANK OF RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF 5 YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF 5 YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF 5 YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT FUND; AND UNITED STATES ALTERNATE GOVERNOR OF THE ASIAN DEVELOPMENT BANK; VICE W. ALLEN WALLIS, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

JAMES O. MASON, OF GEORGIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE ROBERT E. WINDOM, RESIGNED.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

FREED M. ZEDER II, OF NEW YORK, TO BE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION, VICE CRAIG A. NALEN, RESIGNED.

HOUSE OF REPRESENTATIVES—*Monday, April 10, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, that we can speak to one another words of goodness and kindness, of understanding and peace. And yet, gracious God, teach us not only to say these good words with our lips, but encourage us to believe them in our hearts and to practice them in our daily lives. This is our prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. FROST] lead us in the Pledge of Allegiance

Mr. FROST led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 102. Joint resolution to designate April 1989 as "National Recycling Month";

H.J. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week"; and

H.J. Res. 173. Joint resolution to designate April 16, 1989, and April 6, 1990, as "Education Day, U.S.A."

The message also announced that pursuant to Public Law 100-690, the Republican leader appoints Mr. COCHRAN and Mr. COATS, as members of the National Commission on Drug-Free Schools.

APPOINTMENT AS MINORITY MEMBERS OF SELECT COMMITTEE ON AGING

The SPEAKER. Pursuant to the provisions of clauses 6 (f) and (i) of rule X, the Chair appoints as minority members of the Select Committee on Aging the following Members of the House:

Mr. RINALDO of New Jersey;
Mr. HAMMERSCHMIDT of Arkansas;
Mr. REGULA of Ohio;
Mr. SHUMWAY of California;
Ms. SNOWE of Maine;
Mr. TAUKE of Iowa;
Mr. COURTER of New Jersey;
Ms. SCHNEIDER of Rhode Island;
Mr. RIDGE of Pennsylvania;
Mr. SMITH of New Jersey;
Mr. BOEHLERT of New York;
Mr. SAXTON of New Jersey;
Mrs. BENTLEY of Maryland;
Mr. LIGHTFOOT of Iowa;
Mr. FAWELL of Illinois;
Mrs. MEYERS of Kansas;
Mr. BLAZ of Guam;
Mr. HENRY of Michigan;
Mr. SCHUETTE of Michigan;
Mr. SPENCE of South Carolina;
Mr. CLINGER of Pennsylvania;
Mrs. MORELLA of Maryland;
Mrs. SAIKI of Hawaii;
Mr. PORTER of Illinois;
Mr. DUNCAN of Tennessee; and
Mr. STEARNS of Florida.

APPOINTMENT AS MINORITY MEMBERS OF SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to the provisions of section 303, House Resolution 84, 101st Congress, the Chair appoints as minority members of the Select Committee on Narcotics Abuse and Control the following Members of the House:

Mr. COUGHLIN of Pennsylvania;
Mr. GILMAN of New York;
Mr. OXLEY of Ohio;
Mr. PARRIS of Virginia;
Mr. SENSENBRENNER of Wisconsin;
Mr. DORNAN of California;
Mr. LEWIS of Florida;
Mr. INHOFE of Oklahoma;
Mr. HERGER of California;
Mr. SHAYS of Connecticut; and
Mr. PAXON of New York.

APPOINTMENT AS MEMBER OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. Pursuant to the provisions of clause 1 of rule 48, and clause 6(f) of rule 10, the Chair appoints to the Permanent Select Committee on Intelligence the gentleman from California [Mr. DORNAN] to fill the existing vacancy thereon.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN PREAMBLE IN ENGROSSMENT OF HOUSE RESOLUTION 119, CONGRATULATING LOS ANGELES DODGERS ON THEIR 1988 WORLD SERIES VICTORY

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that in the engrossment of the resolution (H. Res. 119) congratulating the Los Angeles Dodgers on their 1988 World Series victory, the preamble be corrected by substituting "Oakland Athletics" for "New York Mets" and "New York Mets" for "Oakland Athletics."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ESTABLISHING ORDER OF MEMBERSHIP ON HOUSE ADMINISTRATION COMMITTEE

Mr. MICHEL. Mr. Speaker, by direction of the Republican conference, I offer a privileged resolution (H. Res. 123) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 123

Resolved, That the order of membership on the House Administration Committee shall be as follows: Mr. Thomas of California; Mr. Dickinson of Alabama; Mr. Gingrich of Georgia; Mrs. Vucanovich of Nevada; Mr. Roberts of Kansas; Mr. Gillmor of Ohio; Mr. Hiler of Indiana; and Mr. Walsh of New York.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REGARDING CONSULATE IN LENINGRAD: HAVE THE RUSSIANS REALLY CHANGED THEIR WAYS?

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, recent news reports about the bugging of our consulate in Leningrad lead me to one conclusion, the Russians really have not changed their ways. If Mr. Gorbachev changes anything in that closed society, he must end the offensive Soviet practice of trying to put listening devices in everything in the Soviet Union. If the winds of change are truly blowing in Russia, those winds should sweep away the thou-

sands of electronic listening systems that the KGB has installed over the years in foreign embassies, homes, apartments, and everywhere else in that country.

I was shocked to learn over the weekend that Soviet agents had succeeded in bugging yet another United States facility in the U.S.S.R. The U.S. consulate in Leningrad reportedly has been penetrated by a listening system. The KGB has been monitoring the conversations of our diplomats there since 1973.

While I commend the professionalism of the State Department technicians who located that microphone system, now is the time to end that agency's practice of allowing foreign construction firms to build our embassies.

If glasnost and perestroika mean anything in the Soviet Union, they should mean putting an end to the total bugging of that society. I believe that the Soviet people are tired of fearing that their every word will be overheard by some KGB technician.

Now is the time, Mr. Gorbachev, to drive out the bugs once and for all.

WETLANDS NO NET LOSS ACT OF 1989

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, today I am introducing comprehensive national wetlands legislation, the Wetlands No Net Loss Act of 1989, which addresses the growing problem of wetlands loss.

In a letter to Louisiana State Senator Ben Bagert, Jr., dated October 20, 1988, President George Bush, then Vice President and Presidential candidate, emphatically stated his views on the issue of wetlands loss:

I share your concern about wetland erosion and congratulate you on your hard work to increase both public and governmental awareness of this issue. [***] My own view is that wetlands are a tremendously valuable resource—as a habitat for fish and waterfowl, as a flood control device, and as a natural filter which helps create clean water. I have pledged a new national goal: no net loss of wetlands. We have been losing wetlands at a rate of half million acres a year, and we must protect what remains.

My bill, which is based upon the widely acclaimed final report of the National Wetlands Policy Forum entitled "Protecting America's Wetlands: An Action Agenda," fulfills the intent of President Bush's stated goal and brings it into legislative reality.

The purposes of the Wetlands No Net Loss Act of 1989 are threefold. They are to:

First, achieve President Bush's stated goal of no overall net loss of the remaining wetlands resource base of the United States, as defined by acreage and function;

Second, restore and create wetlands, and, where feasible, to increase the quality and quantity of the wetlands resource base; and

Third, promote, in concert with other Federal and State programs, conservation of wetlands to maintain the aesthetic, economic, and environmental benefits they provide.

In order to attain these goals, five major provisions have been incorporated into this bill. These provisions include provisions to:

First, authorize the creation of nonprofit Wetlands Preservation Trusts that would acquire wetlands and former wetlands areas for the purpose of restoring, creating, or preserving these areas;

Second, encourage States to take an active role in the acquisition and preservation of wetlands areas;

Third, establish the Office of Wetlands Identification and Preservation within the U.S. Fish and Wildlife Service;

Fourth, require that all Federal agencies conduct an inventory of the wetlands areas owned or managed by each agency and the preparation of a management plan for the preservation and enhancement of these areas; and, importantly, to

Fifth, provide funding through existing revenue sources, therefore it would not require the appropriation of additional moneys.

Comprehensive wetlands legislation is desperately needed if we are to preserve these areas for future generations. I hope my colleagues will join as cosponors of this bill to implement the President's stated goal. Furthermore, I hope the various committees with jurisdiction will hold early hearings on this. Noble words are nice; action is better.

I submit for the RECORD a copy of the bill and a section-by-section analysis of the bill.

SECTION-BY-SECTION ANALYSIS OF THE WETLANDS NO NET LOSS ACT OF 1989

SECTION 1

Short Title: Wetlands No Net Loss Act of 1989.

SECTION 2

States the importance of wetlands areas and the reasons why comprehensive wetlands legislation is needed.

States the purposes of the Act:

(1) to achieve President Bush's stated goal of no overall net loss of the remaining wetlands resource base of the United States, as defined by acreage and function;

(2) to restore and create wetlands, and, where feasible, to increase the quality and quantity of the wetlands resource base; and

(3) to promote, in concert with other Federal and State programs, conservation of wetlands in order to maintain the aesthetic, economic, and environmental benefits they provide.

SECTION 3

Authorizes Wetlands Preservation Trusts. These trusts would acquire ownership of wetlands and former wetlands areas (either by donation or land exchange) for the purpose of restoring, creating, or preserving these areas.

SECTION 4

Amends the tax laws to make donation of wetlands areas (to Wetlands Preservation Trusts) more economically and financially beneficial. Requires that wetlands donations to Wetlands Preservation Trusts be considered as charitable contributions.

SECTION 5

Encourages States to prepare State Wetlands Conservation Plans in which they should:

(1) determine the location and extent of the wetlands areas within their boundaries; and

(2) establish a State Wetlands Conservation Policy consisting of general policies and principles of acquisition and management of these wetlands areas. States must show that they have adequate authority to implement the State Wetlands Conservation Plan before that Plan can be approved by the Secretary of the Interior.

Establishes a Wetlands Preservation Account in the U.S. Treasury, which would be funded through revenues obtained from:

(1) fines for violations of Section 309(c) of the Federal Water Pollution Control Act concerning dumping of dredge spoil on wetlands, and

(2) a transfer not less than ⅓ of the amounts in the Land and Water Conservation Fund.

Authorizes the Secretary of the Interior to provide grants from this account to States for implementation of the State Wetlands Conservation Plans that meet the prescribed requirements and for State acquisition of critical wetlands areas.

SECTION 6

Directs the Office of Technology Assessment to conduct a study of the incentives for wetlands preservation under current Federal and State laws, modifications of these laws to make the incentives more effective, and ways to encourage State and local government involvement in creating additional incentives.

SECTION 7

Establishes the Office of Wetlands Identification and Preservation within the U.S. Fish and Wildlife Service to be funded by the Wetlands Preservation Account established by this Act. Its primary responsibilities will include:

(1) identifying wetlands areas suitable for preservation and acquisition by States, by the Federal Government, or by Wetlands Preservation Trusts; and

(2) carrying out title III of the Emergency Wetland Resources Act of 1986 (Federal acquisition of critical wetlands areas).

SECTION 8

Requires that all executive agencies conduct an inventory of the wetlands areas owned or managed by each agency and prepare a management plan for the preservation and enhancement of these areas (in accordance with the national policy set forth in this bill).

SECTION 9

Transfers authority to issue permits for the discharge of dredge and fill material from the Secretary of the Army through

the Corps of Engineers to the Secretary of the Interior through the Office of Wetlands Identification and Preservation.

SECTION 10

Definition of terms. The key definition is of wetlands, which are defined as

"* * * land that has a predominance of hydric soils and that is inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances does support, a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions."

This will ensure that all Federal agencies are in agreement on what constitutes a wetland.

H.R. 1746

A bill to promote the conservation and enhancement of wetlands and to offset or prevent the loss of wetlands.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Wetlands No Net Loss Act of 1989".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Wetlands play an integral role in maintaining the quality of life through material contributions to our national economy, food supply, water supply and quality, flood control, and fish, wildlife, and plant resources, and thus to the health, safety, recreation, and economic well-being of all our citizens of the Nation.

(2) Wetlands provide habitat essential for the breeding, spawning, nesting, migration, wintering, and ultimate survival of a major portion of the migratory and resident fish and wildlife of the Nation (including migratory birds, endangered species, commercially and recreationally important finfish and shellfish, and other aquatic organisms) and contain many unique species and communities of wild plants.

(3) Wetlands enhance the water quality and water supply of the Nation by serving as groundwater recharge areas, nutrient traps, and chemical sinks.

(4) Wetlands provide a natural means of flood and erosion control by retaining water during periods of high runoff, thereby protecting against loss of life and property.

(5) Wetlands, which constitute only 5 percent of the land area of the United States, are estimated to have been reduced by more than 50 percent in the contiguous States since the founding of the United States and continue to disappear at a rate of between 300,000 and 450,000 acres each year.

(6) Certain activities of the Federal Government and State governments have inappropriately altered or assisted in the alteration of wetlands, thereby unnecessarily stimulating and accelerating the loss of these valuable resources and the environmental and economic benefits that they provide.

(7) The existing Federal, State, and private cooperation in wetlands conservation should be strengthened in order to minimize further losses of these valuable areas and to assure their management in the public interest for this and future generations.

(b) PURPOSE.—The purpose of this Act is to establish a national wetlands protection policy—

(1) to achieve no overall net loss of the remaining wetlands resource base of the United States, as defined by acreage and functions;

(2) to restore and create wetlands, where feasible, to increase the quality and quantity of the wetlands resource base; and

(3) to promote, in concert with other Federal and State programs, conservation of wetlands in order to maintain the aesthetic, economic, and environmental benefits they provide.

SEC. 3. DESIGNATION OF WETLANDS PRESERVATION TRUSTS.

The Secretary shall designate a nonprofit organization to be a Wetlands Preservation Trust for purposes of this Act if the organization—

(1) is established for the purpose of—

(A) acquiring ownership interests in wetlands, former wetlands, and associated real property; and

(B) restoring, creating, or preserving wetlands;

(2) meets such requirements as may be established by the Secretary; and

(3) submits an application for such designation in accordance with such procedures as may be established by the Secretary.

SEC. 4. TAX TREATMENT OF DONATIONS OF LAND TO WETLANDS PRESERVATION TRUSTS.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULES FOR CONTRIBUTIONS OF LAND TO WETLANDS PRESERVATION TRUST.—

"(A) IN GENERAL.—In the case of a charitable contribution by an individual of wetlands to a Wetlands Preservation Trust—

"(i) 50 PERCENT LIMITATION TO APPLY.—Such contribution shall be treated for purposes of this section as described in subsection (b)(1)(A).

"(ii) 10-YEAR CARRYFORWARD.—Subsection (d)(1)(A) shall be applied by substituting '10 years' for '5 years' and with appropriate adjustments in the application of clause (ii) thereof.

"(iii) EXTENSION OF PERIOD FOR EXCHANGES.—If such contribution is made as part of an exchange to which section 1031 applies, paragraph (3) of section 1031(a) shall be treated as met if the property to be received in the exchange is received by the taxpayer not later than the date which is 3 years after the date on which the taxpayer transfers the property relinquished in the exchange.

"(B) UNUSED DEDUCTION CARRYOVER ALLOWED ON TAXPAYER'S LAST RETURN.—If—

"(i) the taxpayer dies before the close of the last taxable year for which a deduction for a contribution to which subparagraph (A) applies could under subsection (d)(1) have been allowed, and

"(ii) any portion of the deduction for such contribution has not been allowed for any taxable year before the taxable year in which such death occurs,

then such portion shall be allowed as a deduction under subsection (a) for the taxable year in which such death occurs without regard to subsection (b).

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) IN GENERAL.—The terms 'wetlands' and 'Wetlands Preservation Trust' shall have the respective meanings given such terms by the Wetlands No Net Loss Act of 1989.

"(ii) LAND CONTRIBUTED TO CREATE WETLANDS, ETC., TREATED AS WETLANDS.—The term 'wetlands' includes land contributed for the purpose of maintaining, enhancing, restoring, or creating wetlands.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions or gifts made after the date of the enactment of this Act in taxable years ending after such date.

SEC. 5. STATE WETLANDS PRESERVATION.

(a) PROVISION OF ASSISTANCE.—

(1) IN GENERAL.—The Secretary, acting through the Office of Wetlands Identification and Preservation established pursuant to section 3(e) of the Fish and Wildlife Act of 1956 (as added by this Act), may make grants from amounts in the Wetlands Preservation Account to each State which adopts a State Wetlands Conservation Plan that is approved by the Secretary under this section.

(2) USE BY STATES.—Amounts provided to a State in the form of a grant under this section shall be used to implement the State Wetlands Conservation Plan of the State approved by the Secretary pursuant to this section.

(3) PREFERENCE FOR CERTAIN STATES.—In making grants under this subsection the Secretary shall give preference to any State having a State Wetlands Conservation Plan which provides for any preservation or enhancement of wetlands which the Secretary considers to be important for carrying out the purposes of this Act.

(b) APPROVAL OF PLAN.—

(1) IN GENERAL.—The Secretary may approve a State plan as a State Wetlands Conservation Plan for purposes of this Act if the plan—

(A) establishes a State Wetlands Conservation Policy, consisting of general policies and principles for acquisition and management of wetlands located in the State;

(B) identifies and describes all areas of wetlands, former wetlands, and associated uplands located in the State;

(C) describes degradation incurred by each such area;

(D) establishes management strategies for—

(i) reducing the causes of such degradation; and

(ii) preserving and enhancing the quality and quantity of those areas, including restoration of former wetlands;

(E) establishes a timetable for implementing the State Wetlands Conservation Policy, including a specific timetable for implementing a management strategy for each of those areas; and

(F) provides adequate authority to each State agency responsible for implementing the plan to ensure such implementation.

(2) TREATMENT OF SMALL AREAS OF WETLANDS.—(A) The Secretary shall not approve a plan as a State Wetlands Conservation Plan under this section if the plan—

(i) excludes any area of wetlands in the State from administration under the plan solely on the basis of that area being less than a specified minimum size; or

(ii) does not include for administration under the plan all areas of wetlands in the State the preservation of which is of any significance for achieving the purpose of this Act.

(B) A State may consolidate small areas of wetlands in the State with other areas of nonadjacent wetlands in the State having similar characteristics for purposes of a State Wetlands Conservation Plan under this section.

(3) REGULATIONS.—Not later than 1 year after the date of the enactment of this Act,

the Secretary shall issue regulations which establish requirements and procedures for submission of plans for approval as State wetlands Conservation Plans under this section.

SEC. 6. OFFICE OF WETLANDS IDENTIFICATION AND PRESERVATION.

(a) ESTABLISHMENT AND FUNCTIONS.—Section 3 of the Fish and Wildlife Act of 1956 (16 U.S.C. 742b) is amended by adding at the end of the following:

"(e)(1) The Director shall establish the Office of Wetlands Identification and Preservation within the United States Fish and Wildlife Service.

"(2) The Director, acting through the Office of Wetlands Identification and Preservation, and in consultation with the Army Corps of Engineers, the Bureau of Reclamation, the Soil Conservation Service, the Federal Highway Administration, the Tennessee Valley Authority, the Minerals Management Service, the National Park Service, the National Forest Service, and the National Marine Fisheries Service, shall—

"(A) identify all wetlands and associated uplands in the United States which are suitable for preservation, by acquisition or other means, by States, by the Federal Government, or by Wetlands Preservation Trusts designated by the Secretary of the Interior under section 3 of the Wetlands No Net Loss Act of 1989;

"(B) produce maps depicting lands identified under subparagraph (A) and make such maps available to the public; and

"(C) carry out title III of the Emergency Wetland Resources Act of 1986 (16 U.S.C. 3921-3923).

"(3) The Director, acting through the Office of Wetlands Identification and Preservation, may enter into agreements with private persons under which the Director and such persons shall cooperate to identify opportunities for preserving wetlands and to carry out such preservation. Such agreements may include providing for—

"(A) transfer of wetlands, through sales, exchanges, and donations, to Wetlands Preservation Trusts designated under section 3 of the Wetlands No Net Loss Act of 1989; and

"(B) provision of technical assistance to owners of wetlands who enter agreements with the Director to manage those lands for the purpose of preservation and enhancement.

"(4) In this subsection, the term 'wetlands' has the meaning that term has in section 11(6) of the Wetlands No Net Loss Act of 1989."

(b) CONFORMING AMENDMENT.—Title III of the Emergency Wetland Resources Act of 1986 (16 U.S.C. 3921-3923) is amended by adding at the end the following:

"SEC. 306. SECRETARY DEFINED.

"In this title the term 'Secretary' means the Secretary of the Interior acting through the Office of Wetlands Identification and Preservation established in the United States Fish and Wildlife Service pursuant to section 3(e) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742(e)).".

SEC. 7. WETLANDS PRESERVATION ACCOUNT.

(a) ESTABLISHMENT.—There is established in the Treasury an account to be known as the "Wetlands Preservation Account".

(b) CONTENTS.—The Account consists of—

(1) amounts deposited into the Account by the Secretary of the Treasury under subsection (d); and

(2) amounts transferred to the Account by the Secretary of the Treasury under subsection (e).

(c) USE.—Subject to appropriations, of amounts in the Account—

(1) not less than 60 percent of such amount shall be available for use by the Secretary for providing grants to States under section 5; and

(2) the remainder shall be available for use by the Secretary of the Interior for purchasing wetlands and interests in wetlands under section 304 of the Emergency Wetlands Resources Act of 1986 (16 U.S.C. 3922).

(d) DEPOSITS OF PENALTIES UNDER FEDERAL WATER POLLUTION CONTROL ACT.—The Secretary of the Treasury shall deposit into the Account amounts received after the date of the enactment of this Act—

(1) in the form of criminal penalties under section 309(c) of the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) for violations of conditions or limitation in a permit issued under section 404 of that Act;

(2) in the form of a civil penalties under section 309(d) of that Act (33 U.S.C. 1319(d)); and

(3) in the form of a administrative penalties under section 309(g) of that Act (33 U.S.C. 1319(g)).

(e) TRANSFERS FROM LAND AND WATER CONSERVATION FUND.—Not later than October 1 of each year the Secretary of the Treasury shall transfer $300,000,000 to the Account from amounts in the Land and Water Conservation Fund established by section 2 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-5).

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary from amounts in the Account—

(1) not more than 60 percent of such amounts for each of the fiscal years 1990, 1991, 1992, 1993, and 1994, for providing grants to States under section 5; and

(2) not more than the remainder of such amounts for purchasing wetlands and interests in wetlands under section 304 of the Emergency Wetlands Resources Act of 1986 (16 U.S.C. 3922) for each of the fiscal years 1990, 1991, 1992, 1993, and 1994.

SEC. 8. INVENTORY AND MANAGEMENT OF GOVERNMENT-OWNED WETLANDS.

(a) INVENTORY OF WETLANDS.—Not later than 1 year after the date of the enactment of this Act, the head of each executive agency shall complete inventorying all wetlands and associated uplands owned or managed by the agency.

(b) MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act the head of each executive agency shall adopt and begin implementation of a plan for the protection, enhancement, and management of all wetlands and associated uplands included in the inventory conducted by the head under subsection (a).

(2) CONTENT.—A plan adopted under paragraph (1) shall include—

(A) identification and description of all areas of wetlands and associated uplands included in an inventory conducted under subsection (a);

(B) description of the degradation incurred by each of those areas;

(C) establishment of management strategies for—

(i) reducing the causes of such degradation; and

(ii) preserving and enhancing the quality and quantity of such areas; and

(D) establishment of a timetable for implementing such management strategies.

(3) COOPERATIVE AGREEMENTS.—In developing a management plan under this subsection, the head of each executive agency shall consider including in such plan methods for managing wetlands under agreements with private entities.

(4) SUBMISSION OF PLAN.—Not later than 1 year after the date of the enactment of this Act, the head of each executive agency shall submit a plan adopted under this subsection to the head of the Office and to the Secretary.

SEC. 9. TRANSFER OF AUTHORITY TO ISSUE PERMITS FOR DISCHARGE OF DREDGE AND FILL MATERIAL; AUTHORIZATION OF DREDGING SUBJECT TO APPROVAL OF SECRETARY.

(a) TRANSFER OF AUTHORITY.—

(1) IN GENERAL.—Section 404(d) of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended to read as follows:

"(d) SECRETARY DEFINED.—In this section the term 'Secretary' means the Secretary of the Interior acting through the Office of Wetlands Identification and Preservation established in the United States Fish and Wildlife Service pursuant to section 3(e) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742b(e)).".

(2) CONFORMING AMENDMENTS.—(A) Section 404(g) of the Federal Water Pollution Control Act (33 U.S.C. 1344(g)) is amended—

(i) in paragraph (2) by striking "the Secretary and" and all that follows through "acting through"; and

(ii) in paragraph (3) by striking "the Secretary and" and all that follows through "Service," and inserting "the Director of the United States Fish and Wildlife Service".

(B) Section 404(h)(1) of the Federal Water Pollution Control Act (33 U.S.C. 1344(h)(1)) is amended in the first sentence by striking "by the Secretary" and all that follows through "Service," and inserting "by the Director of the United States Fish and Wildlife Service".

(C) Section 404(j) of the Federal Water Pollution Control Act (33 U.S.C. 1344(j)) is amended—

(i) in the second sentence by striking "and the Secretary" and all that follows through the end of the sentence and inserting a period; and

(ii) in the third sentence by striking "and the Secretary" and all that follows through "Service," and inserting a comma.

(D) Section 404(m) of the Federal Water Pollution Control Act (33 U.S.C. 1344(m)) is repealed.

(E) Section 404(q) of the Federal Water Pollution Control Act (33 U.S.C. 1344(q)) is amended by striking "Interior,".

(b) AUTHORIZING DREDGING SUBJECT TO APPROVAL OF SECRETARY.—The Secretary of the Army shall not authorize any dredging of wetlands under section 10 of the Rivers and Harbors Appropriation Act of 1899 (33 U.S.C. 403) or any other law before that authorization is approved by the Secretary of the Interior.

SEC. 10. OFFICE OF TECHNOLOGY ASSESSMENT STUDY.

(a) STUDY.—The Director of the Office of Technology Assessment shall conduct a study of—

(1) all incentives under Federal and State law for the protection and management of wetlands;

(2) modifications which may be made to existing Federal laws to improve their effectiveness and coherence in creating such incentives and to increase the permanence of such protection; and

(3) ways in which the Federal Government may encourage State and local governments to create additional incentives for the

protection and management of wetlands by private individuals.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Director of the Office of Technology Assessment shall report to the Congress and to the head of the Office of Wetlands Identification and Preservation the findings of the study conducted under subsection (a) and recommendations based on those findings for increasing incentives for wetlands preservation.

SEC. 11. DEFINITIONS.

In this Act.

(1) ACCOUNT.—The term "Account" means the Wetlands Preservation Account established by section 7(a).

(2) HYDRIC SOIL.—The term "hydric soil" means soil that, in its undrained condition, is saturated, flooded, or ponded long enough during a growing season to develop an anaerobic condition that supports the growth and regeneration of hydrophytic vegetation.

(3) HYRDOPHYTIC VEGETATION.—The term "hydrophytic vegetation" means a plant growing—

(A) in water; or

(B) in a substrate that is at least periodically deficient in oxygen during a growing season as a result of excessive water content.

(4) OFFICE.—The term "Office" means the Office of Wetlands Identification and Preservation established pursuant to section 3(e) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742(e)), as added by this Act.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(6) WETLANDS.—The term "wetlands" means land that has a predominance of hydric soils and that is inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances does support, a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.

(7) WETLANDS PRESERVATION TRUST.—The term "Wetlands Preservation Trust" means such a trust designated by the Secretary under section 3.

UNITED STATES MUST MOVE SWIFTLY TO SUPPORT AVRIL GOVERNMENT IN HAITI

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, it would appear that during the last week the forces similar to those which ended Haiti's quest for democracy through violent action in November 1987 have been trying to overthrow the government of Gen. Prosper Avril. It is probably no accident that the effort to overthrow Avril came soon after he restored Haiti's Constitution and just as he was moving to install a new, independent electoral commission to oversee elections. It was just such a commission, with the strong support of the Haitian people, which turned back the first effort in June 1987 to subvert honest elections.

Following last weekend's coup attempt General Avril appears to have made repeated efforts to negotiate a peaceful end to the split in the army. He was not successful. But despite the difficulties he faced he pressed forward with a swearing in of electoral commission members. Obviously he concluded late yesterday that military action was necessary. It is my hope that when these military operations have ended we will be able to conclude that a decisive and final blow has been struck against those who oppose a transition to genuine democracy.

Certainly there will be those who are more skeptical than I am, and I remain skeptical, about whether or not the military actions of the last hours are truly a step forward. But now is not the time for the United States to be timid about support for President Avril who has repeatedly not only proclaimed his support for a genuine democracy but who has taken a series of concrete steps to achieve it.

Up until now the Haitian Army has been much more of an obstacle than a help to the Haitian people's aspirations for a better future. If that has now changed Haiti has a new opportunity to move forward and the United States may have a unique chance to help Haiti achieve the goals we have in common: democracy, respect for the dignity of each person, and full economic and social justice.

In my opinion the United States must move swiftly to signal strong and effective support for the Avril government. This remains a moment of grave danger. The Haitian Army is now extremely small and the enemies of democracy remain many and well organized. The Avril government will need to move quickly to assure the stability and security needed for the resumption of full political dialog a transition to a free and fairly elected civilian government just as rapidly as possible.

Should the Avril government seek security assistance at this point and President Bush agrees to provide it I would support it.

I believe the United States should move on an urgent basis to provide medical help for those injured in the fighting.

I believe more extensive economic assistance is also urgently called for. In recent weeks the administration has urged Congress to consider support for restoration of limited economic aid to the Avril government. I approve of such assistance and believe that President Avril has taken sufficient steps with the current provisions of law to justify an immediate resumption of aid. I would hope that at least $5 to $10 million in ESF could be made immediately available and that be followed as rapidly as possible with Public Law 480 agricultural commodities on a grant basis. Haiti's economic situation was rapidly growing more precarious before the events of the last few weeks and Haiti clearly will need substantial aid in the weeks and months ahead.

I know that neither the administration nor the Congress intends to provide any government in Haiti, or elsewhere, with a blank check. To the extent we firmly back General Avril now it is only with the conviction that Haiti's Government will continue to move swiftly in support of a democratic transition. Our aid must remain on a short leash. Any backsliding by the Haitian Government or military on the road to reform must be dealt with swiftly by the United States. We were double crossed once by General Namphy and we do not intend to permit that to happen again.

TENTH ANNIVERSARY OF TORNADO IN WICHITA FALLS, TX

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. Mr. Speaker, 10 years ago today Wichita Falls was struck by an atomic bomb. Although it was not a real atomic bomb, it might as well have been. Ten years ago today the most devastating tornado in American history laid waste to 11 square miles of Wichita Falls and changed this northwest Texas city forever.

□ 1210

Winds in the tornado reached 250 miles per hour, and the twister expended more energy than the bomb that was dropped on Hiroshima. It killed 45 residents and injured more than 1,700 others. Six thousand homes were destroyed along with 360 businesses. In all, 20,000 were left homeless.

Mr. Speaker, the final bill for the tornado was $360 million, by far the costliest single tornado in American history. Other cities would have been crippled forever in such a storm, but not the people of Wichita Falls. They joined hands together to rebuild their city and make it even better than ever it was before.

What concerns me now is that on the 10th anniversary of the storm, the national weather station and the Commerce Department actually are talking about eliminating the weather service station that is located there in Wichita Falls. That advanced warning system works so effectively in saving many lives, so I urge all of the Members here today to join me in remembering those lives which were lost on that day, 10 years ago today, and support our efforts in trying to keep that weather station open.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
April 6, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 4:40 p.m. on Thursday, April 6, 1989 and said to contain two messages from the President in reference to the Panamanian National Emergency.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

REPORT CONCERNING NATIONAL EMERGENCY WITH RESPECT TO PANAMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-43)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

1. I hereby report to the Congress on developments since the last Presidential report of October 14, 1988, concerning the national emergency with respect to Panama that was declared in Executive Order No. 12635 of April 8, 1988. This report is submitted pursuant to section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), and section 204(c) of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)).

2. Since the last report of October 14, 1988, there has been one amendment to the Panamanian Transactions Regulations, 31 C.F.R. Part 565 (the "Regulations"), administered by the Office of Foreign Assets Control ("FAC") of the Department of the Treasury. Effective January 3, 1989, persons owing funds to the Government of Panama may apply for a specific license authorizing the crediting of the amounts owed, plus applicable interest, to a blocked reserve account on their books or with a commercial bank. These procedures are designed to serve as alternatives to payment of the amounts owed into a blocked account at the Federal Reserve Bank of New York (the "FRBNY"). At the same time, they will enable FAC to maintain a record of payments withheld from the Noriega/Solis regime. Any persons who have already made payments into the FRBNY and who wish to credit the funds instead to a blocked reserve or bank account may also apply for a license authorizing such a transfer.

With this report, I am enclosing a copy of the amendment to the Regulations. 54 *Fed Reg.* 21 (Jan. 3, 1989).

3. FAC continues to monitor compliance with the Regulations and advise affected parties of their provisions. FAC is currently in the process of notifying by letter over 170 companies with subsidiaries in Panama of the latest amendment to the Regulations permitting the establishment of blocked reserve or bank accounts and advising them that they must either establish such an account on their books or with a commercial bank by license from FAC or transfer monies owed to the Government of Panama to the FRBNY. Information received from Panama indicates that certain U.S. firms with operations in Panama may have failed to withhold Panamanian taxes from employee paychecks in possible violation of the Regulations. FAC has notified the responsible corporate officers that a written explanation of company practices would be required. Responses are due in the near future.

4. The objective of Administration policy remains support for a return to civilian constitutional rule and the development of an apolitical military establishment in Panama. In furtherance of our policy, the Administration has imposed economic sanctions against the Noriega/Solis regime. Our judgment remains that the root cause of the current crisis is the fact that the Panamanian people have lost confidence in a political system widely perceived as corrupt, repressive, and inept. A genuine Panamanian resolution of the political crisis is necessary to restore confidence in the Panamanian economy, a precondition to the return of economic stability and growth in Panama. Accordingly, our efforts have been directed at supporting Panamanian efforts to resolve the underlying political crisis as rapidly as possible.

5. The expenses incurred by the Federal Government in the 6-month period from October 14, 1988, through April 1, 1989, which are directly attributable to the exercise of powers and authorities conferred by the declaration of the Panamanian national emergency are estimated at $411,960, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Federal Reserve Board, the National Security Council, and the Department of Defense.

6. The policies and actions of the Noriega/Solis regime in Panama continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Panama as long as these measures are appropriate and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

GEORGE BUSH.
THE WHITE HOUSE, *April 6, 1989.*

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO PANAMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-44)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate on Thursday, April 6, 1989, at page S3445.)

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1078

Mr. BONIOR. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1078.

The SPEAKER pro tempore (Mr. FROST). Is there objection to the request of the gentleman from Michigan?

There was no objection.

TRIBUTE TO HON. BILL CHAPPELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BENNETT] is recognized for 60 minutes.

Mr. BENNETT. Mr. Speaker, our beloved former Congressman, Bill Chappell, lost his battle with cancer March 30 and was buried April 4 in Kendrick near Ocala, FL. Many Members of Congress were in attendance at that funeral which occurred there and at Daytona Beach previously.

Mr. Speaker, all of us will miss him greatly. In reporting his death, the Florida Times-Union had almost a page of material about him and quoted the Speaker of the House and other prominent people whom he had served with in the Congress and in the State legislature praising the quality of his service.

The former speaker of the State house in Florida spoke, and he said that Bill was one of the greatest speakers Florida ever had. That is what our secretary of agriculture, Mr. Connor, said about him.

I think everybody who served with Congressman Chappell were impressed

by his dedication to national defense and his dedication to the environment. He was proud of both of those attainments and positions with regard to his life.

The Florida Times-Union editorial spoke of him and said:

The most eloquent testimony to the quality of Mr. Chappell's long career of public service is the fact that his constituents supported him often overwhelmingly so many times, 20 times in all.

Bill Chappell was a close personal friend of mine, and I admired him greatly. He served his country in the Navy, as we know, in World War II, and a reservist after it. He was a dedicated American patriot.

He served Florida as the speaker of the house, as I have already referred to, and as State prosecutor in Marion County. His most outstanding public service in the U.S. Congress was when he served 20 years in dedication to national defense and environmental matters.

Mr. Speaker, he was a powerful chairman of the Defense Subcommittee of the Committee on Appropriations of the House of Representatives. As such, he did much to strengthen the national defense of our country and provide for its security. Bill had a great career as an environmentalist, and I suppose last year his greatest attainment was the Timucuan ecological and historic preserve in northeast Florida, and before that the 70,000-acre Cape Canaveral National Seashore.

Time does not permit to outline all of his achievements, but one thing is clear, that we in Congress will miss him greatly and we express to his widow and children deepest sympathy.

All of us will miss him greatly. In reporting his death, the Florida Times-Union reported in part the following:

Former U.S. Rep. Bill Chappell, whose 36-year political career took him from the Marion County Courthouse to one of the most powerful positions on Capitol Hill, died early yesterday in Maryland following complications from bone cancer. He was 67.

Mr. Chappell had been undergoing treatment at the National Institutes of Health in Bethesda, Md.

His body will be flown to Florida on an Air Force jet for funeral services Tuesday in Daytona Beach and Ocala. He will be buried in his native Kendrick with full military honors.

Mr. Chappell, a Democrat, rose through the ranks in the House to become one of its most influential members on military affairs. He was chairman of a subcommittee of the House Appropriations Committee that controlled the $300 billion Pentagon budget.

Only close friends knew he had cancer, but even they were unaware that it was life-threatening.

"If he knew he had bone cancer he knew he had a problem but he never let on to people like myself, who were his friends, that it wasn't something he wouldn't overcome, said Florida Agriculture Commissioner Doyle Conner.

U.S. Rep. Charles E. Bennett, D-Fla., who represented Jacksonville alongside Mr. Chappell and became one of his closest friends, called him "a magnificent American statesman and patriot."

"He fought for our country in war and was a leading legislator in Congress. He was a close personal friend of mine, and I believe I speak for all his many admirers in expressing deepest sympathy to his fine family," Bennett said.

House Speaker Jim Wright, who knew Mr. Chappell throughout his tenure in Congress, praised him as "an honorable man and a great legislator."

"He was a champion of a strong Navy, going all the way back to his days as naval aviator during World War II," Wright said.

Although Mr. Chappell led an active life as a career politician, he enjoyed living quietly in a lakefront cabin near Ocala, where he was born on Feb. 3, 1922.

He had diverse interests, including athletics. At the age of 64 he won a black belt in tae kwon do. He also loved jazz and served as honorary chariman of the Florida National Jazz Festival in Jacksonville.

Mr. Chappell was educated in Marion County public schools and at the University of Florida, where he earned a bachelor's degree in 1947, and a bachelor of laws degree in 1949. Later, he won honorary degrees from Embry-Riddle Aeronautical University, Flagler College and Bethune Cookman College.

After his World War II duty, he joined the Naval Reserve, from which he retired holding the rank of captain in 1983.

In 1944, Mr. Chappell married Marguerite Gutshall in Richmond, Va. They had four children before divorcing in 1984. In 1986, Mr. Chappell married Jeane McBurney, a former secretary in his congressional office.

Mr. Chappell was named a prosecutor in Marion County in 1950. Four years later, he was elected to the Florida House.

He quickly rose to prominence in the Legislature when it was dominated by North Florida conservatives known as the "Pork Chop Gang." From 1961 to 1963, he served as House Speaker.

"He certainly was one of the greatest speakers Florida ever had," said Conner, a former House speaker himself who served with Chappell.

In 1968, he won election to the U.S. House in the 4th District, covering parts of central and northeast Florida. By the 1980s, the district included Duval, St. Johns, Clay, Putnam, Flagler and Volusia counties.

In Congress, Mr. Chappell became known as a conservative, particularly on defense issues. He led House action to retain a manned-bomber option in the U.S. defense strategy and was a leader in the effort that added the long planned for fifth nuclear aircraft carrier to the Navy's fleet.

"When Congress had to make tough choices, Bill Chappell was the kind of man we wanted at the helm to make them," Wright said.

Mr. Chappell was proud of his support for environmental programs, especially the creation of the 70,000 acre Cape Canaveral National Seashore and the transfer of 10,000 acres into the Ocala National Forest.

Other local projects that Mr. Chappell helped spur include: the construction of the Cooper-Holt Manor and Pablo Towers elderly housing projects in Jacksonville Beach; the establishment of a Grumman Corp. facility in St. Augustine; and the inclusion of F-16s in the Florida Air National Guard inventory in Jacksonville.

The editorial page of the paper expressed the following eulogy:

BILL CHAPPELL'S VICTORIES ARE PROOF HE SERVED PUBLIC WELL

William V. Chappell ran 20 times for public office between 1950 and 1988. He won 19 of those elections. For almost all of his adult life, he served in public office.

Mr. Chappell, a Democrat, died Thursday of bone cancer at the National Institutes of Health in Bethesda, Md.

After his first election in 1950 as Marion County prosecuting attorney until he lost his U.S. House seat last November, Mr. Chappell was out of public office only two years, and that was the result of his voluntary and temporary retirement from the Florida House of Representatives, in which he was speaker from 1961 to 1963.

During his 14 years in the Florida House, he was instrumental in creating the Florida community college system and improving the state highway system.

In 1968, he ran for the U.S. House from the 4th Congressional District, and served 10 terms. He was chairman of the powerful Defense subcommittee of the House Appropriations Committee when he was defeated last year.

Mr. Chappell was doggedly independent on controversial issues. He persisted for years in his support of the Cross-Florida Barge Canal, even after environmentalists scored a nationally acclaimed victory in stopping its construction. But he fought for creation of the 70,000-acre Cape Canaveral National Seashore and a 10,000-acre addition to the Ocala National Forest, hardly the hallmarks of an enemy of the environment.

With President Ronald Reagan, he persistently supported a balanced-budget amendment to the U.S. Constitution; unlike Reagan, he opposed line-item veto power for the president, fearing it would upset the federal system of checks and balances.

The most eloquent testimony to the quality of Mr. Chappell's long career of public service is the fact that his constituents supported him, often overwhelmingly, so many times.

Mr. Speaker, I yield to the chairman, the gentleman from Florida [Mr. FASCELL], who represents the southern part of Florida and who has done such a fine job.

Mr. FASCELL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, it is with sadness that I rise today to pay tribute to our former colleague, the Honorable Bill Chappell. Bill spent over 30 years in elected office, including 12 in the Florida House of Representatives where he was the speaker from 1961 to 1963. Bill was first elected to the Florida House in 1954, the same year I left the Florida Legislature and became a Member of this body. While I missed his years in the Florida Legislature, I am proud to have had the honor of serving with my friend for his entire 20-year career in the House of Representatives.

In 1969, Bill left the Florida Legislature and was sworn in as a Member of the 91st Congress. The House of Representatives lost a key maker of defense policy last November. Last week, America also lost a dedicated public

servant. First, as a member of the Defense Appropriations Subcommittee, and later as its chairman, Bill showed his independence, his knowledge on defense issues, and his leadership skills.

While Bill's views on defense issues are well known, he was also an ardent opponent to offshore oil drilling along the Florida coast. He joined the Florida delegation and provided necessary and helpful assistance to protect Florida's precious offshore waters from potential ruin. We, his colleagues in the Congress, gained an admiration for Bill that many in public service would envy. He worked tirelessly and effectively for the people of his district, for the State of Florida, and for the country.

While he may not have left office the way he had envisioned, those of us who have had the privilege and honor of serving with Bill Chappell knew what kind of man he was. Sometimes we admire our colleagues for their intellect, sometimes we admire them for their persuasiveness, sometimes we admire them for their views, but I admired Bill for his independence and objectivity. He also had a great sense of humor and was warm and genuine in his love for family, friends, and constituents. He will be missed very much by his family, friends, and the Congress. Jeanne-Marie and I extend our sympathy to Bill's wife Jeane and his family. We join with them in sharing the pain of their loss of a loved one.

□ 1220

Mr. BENNETT. Mr. Speaker, before I yield to the majority leader, I would like to follow up on one observation the gentleman from Florida [Mr. FASCELL] made about Bill's great sense of humor. Working as hard as we do here in the Congress, it is often a hard thing to come off with a great sense of humor a lot of the time.

But his funeral, which I attended, was the most unusual and uplifting funeral I ever went to. The preacher who was in charge of it said this is a celebration, this is not a grieving period. The grieving period will occur after this. At Bill Chappell's request, the beginning note was struck by a jazz band, and the last note was another stirring piece by that band and that was the end of the funeral. In between we had glorious singing of "The Battle Hymn of the Republic," just a wonderful thing all the way through. I never really experienced a funeral just like that. But Bill had planned it himself.

The preacher said that in the last campaign Bill said, "I need you to introduce me in a certain spot." The preacher asked why did he want to have him introduce him, and he said because you are reckless with the truth in my favor, and that is why I want you to come and introduce me. So it was a moving experience, and I guess it was a most touching time. It was full of joy, it was full of achievement for Bill, but it also had very much pathos in it. I remember his son when he said, "Goodbye, Dad," and tapped his daddy on the coffin there.

So it was a real family experience for those who were there. Many Members of Congress were there, and it was an inspiring event.

Bill Chappell had an inspiring life. He inspired me a lot because he was one of my personal friends, closest personal friends, and he had a lot to do with whatever good there is in my life.

I yield to the gentleman from Washington [Mr. FOLEY], the majority leader.

Mr. FOLEY. Mr. Speaker, I thank the distinguished gentleman from Florida [Mr. BENNETT] for taking this special order and for yielding to me. I of course concur entirely in the sentiments of appreciation and respect for our departed colleague, Bill Chappell.

I want to say, as others have said, that he always impressed his colleagues with his ability to keep his sense of balance and his sense of good humor in the midst of some very difficult problems for which he had special responsibility. He was a Member of unusual importance and rank in this body. He had critical areas of responsibility including political questions involving national security as well as, of course, the responsibility each of us has with respect to his own district.

He leaves a legacy of respect and regard in this body that goes across party lines and to every region of the country, because those of us who have had the pleasure, and I might say the honor of working with him over the years, know what a superb legislator he was, how his principal commitments to those values and standards which he held high were always seen in a context that we had to reach decisions in this body, that no Member can be perfectly happy with every decision that is made, or at least often made here, and we have to have the capacity to see the broader interests and concerns of the country as well. He handled that responsibility with balance and judgment superbly, and this country is stronger, its citizens are more benefited and stronger in their future as well as those constitutents that he represented so well. The Nation as a whole has benefited from the service of Bill Chappell, and for that, and for his personal qualities, and all of the friendship and association we have enjoyed with him over the years, we are truly grateful. His memory will be respected here for many, many years to come.

I join in sending my respects and condolences to his wife, Jeane, and to the family.

Mr. BENNETT. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I also thank one of our most senior Members, the ranking member on the House Armed Services Committee, the gentleman from Florida [Mr. BENNETT] for taking this time to remember Bill Chappell.

Mr. Speaker, it really came as a shock to me when Bill Chappell died. He was a wonderful person, and quite frankly, I say to the gentleman in the well, I did not know that Bill Chappell was that ill, and his death came as a great surprise to me. He had been taking treatments out at NIH.

As has been mentioned before, his wit really came forth. He enjoyed his job as being chairman of an important subcommittee of the Appropriations Committee which pertained to military affairs. He performed his job with a lot of wit, and we always enjoyed working with him, both the gentleman in the well and I on the Armed Services Committee. It was a pleasure to be able to work with Bill Chappell.

Mr. Speaker, I would just like to mention that Bill Chappell in World War II was a naval aviator. He carried over after that into the Naval Reserve where he was a flier. His experience in that capacity made him more knowledgeable of the military. Because of his service in those branches of the military it really made it easier to deal with him when talking about combat conditions or equipment or so far as military matters were concerned, and he was very knowledgeable.

Mr. Speaker, we will remember Bill Chappell as a person about whom we would say a job well done, Bill.

Mr. BENNETT. Mr. Speaker, I yield to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Speaker, I want to thank the distinguished dean of the Florida delegation for yielding, and also thank him for taking his time to bring us together for a few moments to pause and reflect about our great friend, Bill Chappell.

Mr. Speaker, we in this House of Representatives see each other every day coming back and forth to vote, and we talk to each other in committee meetings, and often we find ourselves, 435 of us, in some type of adversarial roles with one another. But it seems we never get to know each other as we should until we get the chance to know that person and his family, and what his part of the country is all about. Mr. Speaker, last year I was honored when Bill Chappell asked me to go with him down to Florida to a fundraiser that he was going to give in preparation for his next election. He asked me to come down with him and say a few words on his behalf, and get to know his family and some of the

people who meant so much to him down in his district.

□ 1230

And being a relatively junior Member of Congress, I was honored that the chairman of the Subcommittee on Military Appropriations would ask someone with so little seniority to come down and look at him in a little different light. I went down to Florida, we flew down to St. Augustine and then went to a fundraising occasion. I got to know those people who had been with Bill Chappell his entire congressional career. I got to know the people who knew Bill Chappell long before he anticipated coming to the Congress, got to know supporters from the business community, rich folks, poor folks, black folks, white folks, people from all over that particular part of Florida, all who respected Bill Chappell and knew what he was about.

I came away that night having gotten to know his wife Jeane, their sons, the whole family a whole lot better. I felt like I had seen and finally gotten to know what Bill Chappell was all about.

When somebody comes here and presides over a budget like Bill Chappell had, a budget of $300 billion, which is so important to our Nation's security and our Nation's defense, we have a tendency to look at that person solely in professional terms, and what that person can do for us sometimes, what that person will mean to our district and perhaps our own political future. We do not have a chance to look at that individual as a real person.

But I feel like I had an opportunity, a unique opportunity to find out more about Bill Chappell in that way. And the majority leader referred a moment ago to the two hats that you wear as a Member of Congress. You wear a hat, of course, as a national representative, and Bill certainly had national prominence; also as someone who represents the individuals in that particular congressional district.

I might say that Bill Chappell wore one more hat up until recently, and that was the hat that he wore as a coach of the Democratic baseball team.

Bill was very proud of his role there; there was Bill out there in his mid 60's in the last game in which he played, catching with those of us who were 20 and 30 years younger. He was able to keep up with us.

I thought that was a remarkable physical feat for a man in his midsixties out there playing baseball.

The only time I ever got mad at Bill is during that game, when he did not play me enough, as I thought he should as a coach and manager of our team. I will always remember Bill in those personal terms as a warm caring, real competitor, whether in Congress or running for Congress or on the baseball field.

Mr. Speaker, although Bill Chappell was among the most senior Member of this House, I was struck, from the beginning of my service here, by his willingness—even his eagerness—to work closely with more junior Members such as myself. Chairman Chappell knew that the success of the legislative process requires participation by every Member—from every State and every level of seniority.

Bill Chappell and I shared an understanding that America must remain strong if she is to remain free, and he was committed to building and maintaining a strong national defense. He never hestitated to use his immense stature and influence to assure that our Armed Forces received the best weapons and other equipment for their vital duties, and that they received the funds they needed to maintain a high level of readiness against any potential adversary.

Last year, of course, we saw some serious allegations made against Bill Chappell's integrity. Let me just say this—over the years in which he and I worked together on a variety of matters in the House of Representatives, I never knew Bill Chappell to be anything other than a man of the highest personal integrity. And I always knew that when Bill Chappell gave me his word, I could count on him to follow through.

Mr. Speaker, I join with my colleagues in extending our heartfelt sympathy to Bill Chappell's family, and to all others who mourn the loss of our former colleagues.

Mr. Speaker, I want to again thank the gentleman from Florida [Mr. BENNETT] for giving us the opportunity today to participate in the special order and giving us a chance to reflect about a great American.

Mr. BENNETT. Mr. Speaker, I yield to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. I thank the gentleman for yielding.

I appreciate very much the dean of the Florida delegation [Mr. BENNETT] for taking this special order so that all of us could remember a good friend, a leading colleague of ours, Bill Chappell.

Bill was always a fighter, whether it was as a Navy fighter in World War II, or as the most valuable member of the Florida State House or in the capacity I knew him best, as a member and most recently chairman of the Subcommittee on Defense Appropriations.

I think it was clear to every Member of this House on both sides of the aisle that Bill Chappell was a national expert on defense and national security and a real leader in that field.

Two weeks ago Bill Chappel went out as a fighter against that most relentless foe, cancer. Many of us were surprised over the severity of Bill's disease. His struggle against this deadly disease was a study in courage and good humor in the face of adversity. It is for these traits along with his frank honesty and loyalty that all of us in the House will miss Bill Chappell.

Bill was best known for his work on national defense issues where he was a most forceful advocate and virtually singlehandedly saved the U.S. Naval Reserve. But he always took an active role on environmental issues also. His leadership led to the creation of numerous wilderness areas in Florida, and he introduced legislation creating the 60,000-acre Canaveral shoreline as a national seashore.

As chairman, Bill was straightforward and, most importantly, fair. If he could support you, he would, and if he could not, he let you know the reasons why. As a result, he earned the respect of Members from both sides of the aisle and from all points on the political spectrum.

We all extend our deepest sympathy to Bill's wife Jeane and his children and grandchildren.

While they feel Bill's loss more than we do, anyone who knew and worked with Bill knows how they must feel.

Last week a number of us had an opportunity to be at the funeral and were impressed by the friends, by the colleagues and by the constituents of Bill Chappell.

As Congressman DARDEN just had a chance to say, it gave us an opportunity to meet those people who had been Bill's closest friends for many years.

Bill's optimistic love of life was perhaps best reflected in the participation of the River City Dixie Band in his funeral last week. It was his way of telling us that he left us in peace, with his head held high, justifiably proud of his service to his family, to his constituents and to the Nation.

Bill Chappell was a good friend of mine. I am going to miss him. But I will always be proud of the work that he did for this House and for our great country.

Mr. Speaker, I thank the gentleman again for yielding to me.

Mr. BENNETT. I thank the gentleman from Washington for his contribution.

Mr. Speaker, I yield to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. I thank the gentleman for yielding and thank him for taking out these few moments to praise a man who is a great personal friend of mine, a person for whom I have the highest regard.

Mr. Speaker, I had the pleasure and honor of serving with Bill Chappell for the last 5 years as the junior representative on his Subcommittee on Appropriations, the Defense Subcommittee, but I also had the pleasure of working out with him down in the

gym for about the last 8 to 9 years, off and on, in the sport of karate.

He was an inveterate champion in all things he did. He was a great man, a lover of life and a man with whom I just acquired a great friendship despite the differences in our ages, over these last many years.

Bill Chappell was a former prosecutor in years past. I am a former prosecutor. I think we had an affinity by virtue of our backgrounds. He served 10 years in the Florida House and ultimately rose to serve several years as speaker of the house of representatives before he came here.

Of course, he had a very distinguished and outstanding career for 20 years in the Chamber representing the good people of the Fourth District of Florida. I have heard it said at the funeral last week, and the gentleman from Florida [Mr. BENNETT] was there, when the minister pointed out that Bill had just done an enormous amount of good for the good people there in terms of job creation and economic development and they truly loved him.

The fact is that Bill did an enormous amount of good across the board. He had significant achievements on behalf of the defense of this Nation. He was a tireless supporter of adequate funding for the defense of the country even when sometimes that was unpopular among many of his colleagues.

He was a key figure in saving aircraft carriers, for example, a builder of the 15-carrier battle group; and together with his colleague, SONNY MONTGOMERY, who spoke just a while ago, he could be deemed as being a semigodfather and supporter of the Naval Reserve, in fact, all of the Armed Forces reserve groups and the National Guard. Some have even referred to him as being "Mr. Naval Reserve." Perhaps that stemmed from his service on active duty in the Naval Reserve in World War II and continuing until his retirement from the Navy in 1983, when he left at the rank of captain of the Navy.

But anyway Bill Chappell was an irrepressible guy, he just had incredible energy. I never ceased to be amazed at how he could just go on and on.

We traveled a good bit together in the last few years and he would be out there working very early in the morning, working hard all day long, then he would want to have a chance to relax and maybe do a little bit of partying that night. He would have a drink, take a good cigar and we might be out late that night, but doggone it, he would be at work early the next morning and have more energy while I was dragging, though 20 years younger than he.

□ 1240

He just never seemed to flag at all. Even when it appeared he must have had bone cancer, he could not stay out of the ring, old boxer such as he was. He would get in there and we would spar and karate under the supervision of the master, Jhoon Ree, who was also a friend of his, and I would have a technique that I used to love to try on Bill. I am a little bit taller than he is, considerably so, with a long reach, and tried to use my reach and reach out there and pound on his schnozzle until it got bright red. That was a mistake. Invariably, the redder the nose got, I should have been warned, because three or four times when I tried that little technique, I did not learn very fast, if I just looked away from him for a second, he was fast as lightning and boom, he would hit me on the jaw. He had gloves on, luckily, and he turned my head around three or four times, and I felt like I was kicked by a mule.

Bill Chappell was a great guy and great fighter, a great lover of life in everything that he did. He could tell jokes incessantly for hours on end. He loved all the people around him and he added to the quality of life of everybody that knew him. So I want to join those who have gone before, thank the gentleman for taking out this time and say that I, too, will miss him. My wife and I join in extending our very best wishes to his wife, Jeane, and their kids and stepchildren, and would wish them our deepest sympathies, yes, but our thanks for allowing Members to know Bill Chappell.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for taking this special order.

I too want to extend my deepest sympathy to his family and his friends. I think I will not repeat all the things that have been said here today, but I think perhaps there is one thing that ought to be said that I do not believe has been said yet.

We have been in a buildup for defense and Bill, of course, has been chairman of the subcommittee that originates the funding for the defense during this period of time, the biggest buildup in history. People have sort of concentrated on that fact. However, the fact is that one of the greatest things that has happened, I think, and one of the most significant things that has happened is that for the first time we have really been able to substitute Reserves, National Guard and active ready to go Reserves for regular forces.

Until now in the Army, for example, we depend on Reserves or the National Guard for over half of the defense. We can do this and save a lot of money without cutting into defense needs. Bill has been one who thoroughly understood the Reserves, especially Navy, but also the other services. Having been a flier, he understood the Air Force, of course, and those parts, and I think that it should be said that one of the significant contributions that he made during those last several years as chairman of the Subcommittee on Defense Appropriations was the tremendous strides that he made in making it acceptable to use defense Reserves and National Guard that are ready to go, getting in there ready to go. Not just having them on paper, but having them ready to go. This is a great contribution that he will go down in history as being the leader of.

Mr. CONTE. Mr. Speaker, the swing of the bat; the karate chop; the voice and the glass raised high at the piano; the tap of the toe to the syncopation of New Orleans jazz; the wry, mischievous gleam in the eye; the good-natured combat; the snap-to posture of a dedicated military patriot; the wafts of cigar smoke; we cannot and will not forget.

Bill Chappell left us, but those images will forever remain. He was a friend and fellow combatant for 20 years in this institution. He played and coached baseball for the Democrats with all the skills of the crafty legislator that he was. He legislated in these halls with all of the gusto and love of life of the sportsman and outdoorsman that he was. He would fight you tooth and nail, but always with a warm grin that told you that the fight was worth it. He nearly always won and he was gracious in winning. In those rare instances when he lost, he was even more the gracious gentleman—always the winning decorum.

There are none among us more concerned about or dedicated to the preservation of our Nation than was Bill Chappell. His life's story is a primer for all ages on just what public service is all about. He was deeply proud of his duties in World War II. He remained in the Naval Reserve as an aviator until his retirement at the rank of captain in 1983.

During the ensuing years before he came to Congress in 1968 his career was a veritable "who's who" in Florida politics, culminating in the speakership of the Florida House. His whole background pointed to the day when he would become one of the major influences in our country on national security matters.

He believed that we must be ready and strong. He worked tirelessly in Congress and in his many responsible positions on the Appropriations Committee to ensure that we would always remain so.

Bill was organized in such a way that no one could keep up with or keep track of him. He could stay up all night and then be as bright-eyed and bushy-tailed as if he had slept all night. Whether it was a hunt or a visit to the troops on the East German border, he was ready. Yet he could stop for 30 minutes to talk to a friend or a constituent from the district and hold up the President if need be. He had time for everybody. He saw everybody. And he cared for everybody.

Bill became a national treasure as chairman of the Subcommittee on Defense of the Committee on Appropriations. He knew how the Pentagon worked; he understood the programs; he knew what the political climate would support; he knew what the soldiers,

sailors, marines, airmen, and their dependents needed; and he had a correct vision of how to make all of this knowledge come together. He kept the faith with the Nation and its military forces during his tenure.

The measure of a man can be taken in many ways. What others think of him is one of those ways. Bill Chappell was one of the most respected and loved men to serve in this institution. His convictions were strongly held and strongly fought for. But, he knew that the purpose of the Congress is to get things done and that a willingness to work with others brings the fruit. He was ready to listen and to work things out. His ability to effect a compromise was his trademark. His attitudes toward getting the job done will be missed when the contentious battles in the future block our progress.

The loss of Bill Chappell is a national loss. It is also deep, hurting loss to those in his family. His wife, his four children, two stepchildren, and seven grandchildren loved him dearly and he loved them back passionately.

So to his lovely wife Jeane and the Chappell family, I want to express my heartfelt sympathy. Bill Chappell was the dear friend to me and to this institution. He will live in our memories and we will miss making those memories with him.

Mr. MURTHA. Mr. Speaker, Bill Chappell was one of my best friends in Congress and a man for whom I had great admiration. I was honored to speak recently at his funeral.

On the Defense Appropriations Subcommittee, I sat next to Bill Chappell for a decade. He was a Congressman who understood how the system worked, who was able to get things done to benefit America's military strength and America's national commitment.

I remember the great personal integrity he brought to a delicate situation when Chairman Joseph Addabbo was ill. Despite some differences with Chairman Addabbo on key provisions in the bill, Congressman Chappell took over management of the chairman's version of the bill and helped pass it in the House and into law.

Bill Chappell was a leader, a man who could get things done. It's an honor for me to say a few words of remembrance about a friend and colleague, Bill Chappell.

Mr. SPENCE. Mr. Speaker, I want to thank my dear friend and chairman of the Seapower and Strategic and Critical Materials Subcommittee, on which I have the honor of serving as ranking minority member, for taking the special order to eulogize the late Bill Chappell.

I considered Bill Chappell a dear friend. He loved the institution of Congress, and no one in this body ever worked harder or devoted more time to congressional duties than Bill. In fact, his legislative career spanned a period of some 35 years both as a member of the Florida House and the U.S. House of Representatives, and it was a point of justifiable pride to him that he was elected speaker of the Florida House of Representatives in the early 1960's.

Bill Chappell believed in doing his homework, and on the subject of national defense and military preparedness he was one of the most knowledgeable people to be found, not only in Congress, but throughout the Nation. As we all know, when a Defense Appropriations bill came to the floor for debate, he knew the provisions of the bill inside and out. He was a student of national defense, and he was a reliable and honest source of information about our Nation's military requirements.

I was especially proud to be a fellow Naval reservist with Bill. Both of us served as captains in the Naval Reserve, and we often discussed the ever-changing role of the Navy Reserve in providing a front line of defense in time of conflict. He understood the vital importance of a strong Reserve and National Guard component, and it was a source of great pride to both of us that the States of Florida and South Carolina maintain outstanding Reserve and Guard forces.

Mr. Speaker, I am going to miss Bill Chappell. Not only was he a friend and gentleman of the first order, but he was a courageous and thoughtful person. He was genuinely interested in the welfare of people, and this was reflected in the wonderful ombudsman approach that he took in solving constituent problems. To his dear wife, Jeane, and their four children I want to extend my deepest sympathy on their great loss. I might add that his passing was also a great loss to America and the ability of our country to defend against aggression.

Mr. HUTTO. Mr. Speaker, In the early and mid-1960s I frequently heard the name of Bill Chappell as the speaker and member of the Florida House of Representatives. This was long before I had ever thought of entering the political arena, but I kept up with the happenings of government quite a bit and in fact reported much of it on the television station for which I worked. It was very obvious to me at that time that Bill Chappell was an outstanding and very effective leader for our Sunshine State of Florida.

It was not until January 1979 when I started my service in Congress that I had the opportunity to meet this great man. Bill Chappell, as one of the senior members of our Florida delegation, was very helpful to me in my early days in this body and continued to be a source upon which I have relied through the end of the 100th Congress.

Bill Chappell was a captivating person. He was full of life, jovial, and always pleasant. It was good to be in his presence. I treasured his friendship

It was a great shock to me to hear about his illness inasmuch as the last time I saw him a couple of months ago he seemed to be at his maximum strength. Indeed, if Bill had been willing to forego a campaign last fall he might have been with us today. Had he entered a new treatment program last September there is every reason to believe that his condition would have been much improved today. But that was his nature. Bill Chappell was a fighter and chose to go through another gruelling campaign, although I am told that he may not have the physical stamina for which he was known.

It was amazing to many of us to see just how active and vibrant Bill Chappell was. As Members of this body know, Bill managed the Democrats in the annual Congressional baseball game for many years, even into his mid sixties. It was only in the last couple of years that he had given up his role as manager, but even then I understand that he remained as a member of the team. I remember that back in 1979 and 1980 Bill had prevailed on me to be a part of the team. It wasn't easy to turn Bill Chappell down and I enjoyed playing even though I sustained a broken jaw in 1980. Bill and I often joked that I won the election that year because my jaws were wired shut and I could not speak clearly for most of the campaign.

There is no question Congressman Bill Chappell was one of Florida's greatest leaders. He was born and raised in central Florida near Ocala and he was always able to remember his humble beginnings and he continued to relate to his people back home. He served well and honorably for about 10 years in the Florida House of Representatives and was quite effective as its speaker in the early sixties.

As a Member of Congress he continued to receive accolades for his fine work and on numerous occasions he was in the forefront of providing for the needs, not just of his district, but for the State as a whole. I will not take time here to enumerate his many accomplishments, but his good work as a devoted public servant will be remembered for a long time. He worked hard on behalf of his district, the State of Florida, and for our Nation.

The man we honor today stood tall as an American patriot. He loved America. He was a naval aviator in World War II and continued in the Navy Reserve until his recent retirement as a captain. In Congress he was a strong supporter of our Nation's defense and for the men and women of the military, but he also was firm in his desire that we run a tight ship and receive the best for the taxpayers dollar. As chairman of the Defense Subcommittee of the Appropriations Committee, Bill Chappell was a strong leader who was respected by the members of his subcommittee as well as this House.

In closing I would like to say that Bill Chappell was a true friend of mine and many others. He will be greatly missed. Bill was a very active and vibrant person right to the end. It is my hope and belief that he had made peace with his Maker and has gone on to greater reward. My deepest sympathy is extended to Bill's family. It has been a wonderful experience sharing in his life here in the Congress. My God richly bless each of you.

Mr. YATES. Mr. Speaker, while I knew that Bill Chappell had been ill, the news of his death was a shock and it saddened me. Bill and I served together on the Appropriations Committee for 15 years and he was my very good friend. While our political views and budget priorities were far from identical this did not affect our friendship. I had great respect for his detailed knowledge of military matters. Bill always had very complete answers to my questions about the technical aspects of Defense Department programs and systems. He worked very hard as chairman of the Defense Subcommittee and he was a most effective advocate for his district and the people of Florida.

I am sorry that he has left us and I extend my most sincere sympathy to his wife and family.

Mr. CRANE. Mr. Speaker, Mr. BENNETT of Florida has asked for a special order so that

we may pay our respects to a former colleague of ours, Bill Chappell, who recently passed away. I want to thank Mr. BENNETT for this thoughtful gesture on behalf of a man who served this body so well for so many years.

Mr. Speaker, it was my privilege to have served with Bill Chappell for nearly his entire career in the House of Representatives. Although I certainly did not know Bill Chappell as well as my colleague from Florida, I did know that Bill was an excellent legislator. Bill was committed to doing a good job on behalf of his constituents and on behalf of his country, and he served both well for 20 years in the House of Representatives.

Bill Chappell was a man who fought hard for the principles in which he believed. He was a patriotic American who knew that the most important role of the Federal Government was to provide for the defense of this country and protect the freedoms and liberties that we all so deeply cherish. As chairman of the Appropriations Subcommittee on Defense, Bill worked to ensure that this Nation's security interests were protected. He was particularly concerned with our Nation's naval forces. Bill can be credited with having fought hard and successfully in the effort to strengthen our naval forces, and we all owe him a debt of gratitude for these efforts.

Mr. Speaker, this Nation has lost a great American. Bill Chappell will be greatly missed. However, we can take solace in the fact that Bill Chappell was able to serve this Nation so well for so long.

Mr. SMITH of Florida. Mr. Speaker, it is with deep sympathy I take this opportunity to pay final tribute to Bill Chappell. It is always difficult to say goodbye to someone, made all the more difficult when that person was a colleague, a friend.

Bill dedicated much of his adult life to serving the needs of the country he loved so deeply. After serving a 5-year stint in the Navy Active Reserve, he went on to the University of Florida, gaining his BA in 1947 and his LLB in 1949. In 1955, Bill entered another area of public service when he won a seat in the Florida State House, the body in which he served as speaker from 1961 to 1963. After returning to the University of Florida to get his JD, Bill won another term to the State house in 1967.

After serving in the Florida House for 10 years, Bill believed he could represent the people he cared so much about at the national level and won a seat in the U.S. Congress in 1968, a seat he held until this past fall. While in the Congress, Bill chose to be a behind the scenes consensus builder, leaving the headlines for others while tirelessly working in the subcommittee rooms to make sure that the work got done. As chairman of the Defense Appropriations Subcommittee, Bill fought with all his might to ensure that the security of this country was never compromised. Throughout his legislative career, Bill constantly fought for the programs he believed would be in the Nation's best interests.

Grant, Lauren, Sheila, and I would like to extend our most heartfelt sympathy to Bill's family. They can take comfort in knowing that Bill was a man who was respected by his peers in a city where respect is often hard to come by. Bill will be very sorely missed.

Mr. COUGHLIN. Mr. Speaker, I thank my colleague from Florida, CHARLES BENNETT, for calling this special order to honor a former Member with whom I had the honor of entering the House with in 1969 and the pleasure of serving with on the Appropriations Committee.

Bill Chappell and I were neighbors for many years on Rayburn's fourth floor. As difficult as the last months of his life were, he maintained his commitment to his constituents and the House, never letting his tribulations affect his work or relations with his colleagues. Few knew just how serious his battles were.

But, during his 20 years of service in the House, Bill established himself as an expert in military matters; he was acknowledged as one of the most informed and astute Members when it came to our Nation's Armed Forces and defense needs. He worked tirelessly to stay current with the swiftly moving tide of technology; he listened intently to witnesses called before his Military Appropriations Subcommittee; he valued the opinions and evaluations of career military men and women.

Bill, himself, was a long-time member of the Naval Reserve. Following his service in the Navy during World War II, Bill maintained his ties to the men and women in uniform and continued to serve his country as a reservist. As an aviator, he rose to the rank of captain. It was service that gave Bill a background in the real life, day-to-day needs of our Armed Forces.

Bill was a specialist, devoting a great deal of his time here in Washington on military matters. He was smart and he was tough.

Bill Chappell spent the good part of his adult life in public service. He spent 4 years in the early 1950's as prosecuting attorney in Marion County, FL. Bill was then elected to the Florida State Legislature in 1954, rising to speaker of the Florida house 7 years later.

Back home in Florida, Bill saw the Fourth District change year by year. Population growth and booming development made for new constituencies. Bill continued to serve them well through his last term in the House.

Though his passing was, in a respect sudden, Bill's legacy, established by a dedication to our Nation's defense and to our uniformed men and women, will persevere in this Chamber.

I send my deepest condolences to Bill's wife, Jeane, his family and many friends.

Mr. JAMES. Mr. Speaker, Bill Chappell's passing marked an end of an era in Florida politics. For more than 35 years, Congressman Chappell served our Nation and our State with dignity and great pride. He was a man who rose from the humblest of beginnings to become one of the most powerful Members of this august body. His knowledge and expertise in the area of military affairs was, perhaps, unparelleled in the U.S. House of Representatives. His support and care for our Nation's security was unmatched. And Bill Chappell's support did not end at the Pentagon. It filtered down to every soldier, sailor, airman, and marine defending our Nation. He spent much of his adult life working for the people and he will be remembered for his great accomplishments, great sacrifices, and great commitment. He had earned a lengthy and comfortable term as public servant emeritus. But, the good Lord deemed that his time had come. He departed with the same feistiness and grit that had served him so well as he served his constituents. His legacy is intact. Battlin' Bill Chappell. Always fighting for what he believed in.

Mr. AuCOIN. Mr. Speaker, I want to express my sympathies to Jeane Chappell and the children over their loss. This country has lost a tremendous statesman and this body has lost a great friend. I have also lost a great friend.

In serving with Bill on the Defense Subcommittee on Appropriations, I came to know a man of integrity, intelligence, and love for his country. Bill Chappell was a fighter for a strong defense and a fighter for the soldier who risks his life for our country's freedom.

Bill spent a lot of his energies on the part of the defense budget that is near and dear to my heart—the National Guard and Reserve. He knew the Guard and Reserve were critical elements in maintaining readiness and providing a cost-effective use of our defense dollars. He sponsored the bill that created the position of Assistant Secretary of Defense for Reserve Affairs to insure that they were given the attention by Congress and the administration that our military security demanded.

It was an honor to serve on the Defense Subcommittee with Bill. He was truly a "Member's chairman." Even though we were on opposite sides of the fence a few times on some issues, he was always fair, willing to look for the middle ground and work toward achieving the best answer for this Nation's defense.

I will miss Bill Chappell, a friend and a colleague.

Mr. IRELAND. Mr. Speaker, I had the great privilege of serving with Bill Chappell in the Congress for 12 years of his 20 years in this body. Through those years we shared a number of common goals even as we had our differences. But, no matter what the issue, Bill always approached his responsibilities with a sense of fairness and a sense of humor.

Every year our offices came together for a joint Christmas party, at which Bill never failed to demonstrate his lofty communications skills and regale us with stories from his long and distinguished career, both in the U.S. Congress and the Florida Legislature. These annual events gave us personal insight into the dedication of Bill Chappell to his home State and to the Nation.

As chairman of the House Appropriations Committee's Defense Appropriations Subcommittee, Bill became quite knowledgeable about the costs and complexities of defending our Nation. His love of country and desire to protect the national security were evident in all of his subcommittee's proceedings. There is no doubt that this expertise and devotion will be sorely missed in our debates on national defense policy.

Bill was always most supportive of the efforts of members of the Florida delegation, particularly on those activities that affected Florida. He was an outspoken advocate of fair treatment by the Federal Government for the Florida citrus industry following back-to-back freezes in the Citrus Belt. Later, he helped champion the cause when the outbreak of a virulent plant disease known as citrus canker

plagued the State's citrus growers. He was also an ardent booster of Florida citrus products, fully supporting the opening of citrus trade with the Japanese and joining us to fight for open markets abroad.

Mr. Speaker, there is no doubt that Florida's optimistic future is due in part to the dedication and distinguished career of Bill Chappell. He loved Florida and worked hard for it. He will be sorely missed both in Washington and back home.

Mr. HORTON. Mr. Speaker, I rise today to join my colleagues in this tribute to our departed friend, former Congressman Bill Chappell of Florida. I knew the gentleman from Ocala since he came to Washington in 1968 and always considered him to be a true friend.

Bill Chappell was a patriot in every sense of the word. Be it through his service during the Second World War, his subsequent 35 years in the Naval Reserves, or his 20 years in the House of Representatives, Bill Chappell always answered the call to serve. His work over the years on the Defense Subcommittee of the Appropriations Committee is a prime example of his commitment to the defense of this Nation.

Bill's years in the Naval Reserves no doubt played a important role in forming his views on defense matters. For years, Bill's was the voice of support for the Naval Reserves on the Hill and in Washington. Bill saw to it that reserve sailors had front line fighting ships on which to train in spite of intense opposition from the Pentagon. No matter what the issue, Bill Chappell stuck to his guns and voted his convictions.

As public officials, we all grow accustomed to hearing the criticism of the pundits. We all grow accustomed to the labels by which members of the media and others try to identify us. The one label which is above criticism is that of voting one's convictions. No one can ever be faulted for that. Over the course of his career, Bill Chappell faced challenges from the left and from the right, but he never abandoned his views for political expediency. I know of no higher praise for a Member.

And so it is with a heavy heart and a sense of loss that I reflect upon the life of our departed colleague. But, Mr. Speaker, my sadness is tempered by a sense of pride—yes, I can honestly say that I am proud to have known and served with Bill Chappell over the past 20 years.

I want to thank my good friend and neighbor, the gentleman from Florida, CHARLIE BENNETT for taking out this time in honor of one of our Nation's true patriots and wish to extend my wife Nancy and my condolences to Bill's family.

Mr. LENT. Mr. Speaker, I'd like to join in paying tribute today to a fine American statesman, Representative Bill Chappell, Jr., who passed away recently after a long and difficult bout with bone cancer.

My association with Bill Chappell went back over 20 years to when we first came to Congress, although Bill had been elected 2 years earlier in 1968. Prior to his election to the House representing Florida's Fourth District, Bill served as a member of the Florida State House of Representatives for many years—1954–64, 1967–68—and as Speaker from 1961 to 63.

Throughout his career in Congress, Bill sat on the Defense Appropriations Subcommittee, the small subcommittee which actually marks up the Pentagon's budget for everything from ammunition to sophisticated defense systems. In 1985, he was thrust into the chairmanship with the death of Congressman Joe Addabbo, my former colleague from New York. Bill Chappell's experience and shrewd political sense served him well in this important—and powerful—position.

As subcommittee chairman, Bill earned a reputation as a man who knew his area of expertise inside out, spending many hours attending hearings, and keeping up with changing defense technology. He chose his battles well, and he seldom waged a fight in the subcommittee if he could not sustain the victory in full committee or on the House floor.

An aviator in the Navy during World War II and a member of the Naval Reserve for years afterward, Bill Chappell believed a strong defense was critical to our national security, and he may best be remembered for his dedicated commitment to ensuring that policy objective.

He was a distiguished statesman, and an able legislator. Always the Southern gentleman, Bill Chappell never forgot his roots or the people who elected him. He worked hard for his constituents' interests and secured funding for Jacksonville's Mayport Naval Base, among other things. He also considered himself an environmentalist. In 1974, he succeeded in having the shoreline of Cape Canaveral, now Cape Kennedy, designated a national seashore.

Bill Chappell served his Nation and his countrymen to the best of his ability. He will be missed, and I offer my most sincere condolences to Bill's wife, Jeane, and their family in this time of sadness.

Mr. MILLER of Ohio. Mr. Speaker, I want to join with my House colleagues to pay fitting tribute to our friend, Bill Chappell. As one who served with Bill on the House Defense Appropriations Subcommittee, I had the unique opportunity to work with him almost daily during the periods when the House was in session over the past several years.

That opportunity allowed me to appreciate Bill to a far greater degree than, perhaps, others might have. He was a diligent worker in committee, accepting his responsibilities for oversight on the defense community and appropriations for our weapons systems with the degree of fairness and determination that the task demands. He was thorough in assessing the needs of our Nation's Armed Forces, but he was demanding, too, with regard to the urgency of balancing the Nation's budget and making certain that the taxpayers money was being invested wisely.

Bill was an able Navy aviator in World War II and remained in the Naval Reserve until 1983. He served the people of Florida both at the State and Federal level. He was a member of the Florida House for more than 10 years and was its speaker from 1961 until 1963. He served 10 terms in the U.S. House of Representatives.

Those who served with him in this Chamber know that his priorities were consistently in order: his Nation first, never compromise the Nation's security at the risk of crippling democracy or those called upon to depend it abroad or at home.

Bill Chappell will be missed. I want to extend my sincerest sympathy to his wife, Jeane, and their family.

Mr. JENKINS. Mr. Speaker, it is with great sorrow that I join my colleagues in this tribute today to former Congressman Bill Chappell, Jr., who slipped away from us recently.

Bill's death came as a great shock to most of us, for few people knew he was suffering from such a debilitating disease and had been probably during his last hard fought campaign.

In his 20 years in Congress, he made quite a mark, rising to the chairmanship of the Defense Subcommittee of the Appropriations Committee. From that position, he takes much of the credit for building the sophisticated defense system we have and will have with the groundwork he laid.

Congressman Chappell's service in the U.S. Navy and Naval Reserves heightened his interest in seeing that today's Navy had the best fighting machines, whether they were aircraft carriers or the most technologically advanced fighter planes.

Bill Chappell's love for his country never waivered. And he always encouraged others to aspire to being "Great Americans." He understood what that meant, for he had spent most of his adult life in public office, starting out as a prosecuting attorney and moving through the ranks of the Florida House of Representatives before running for Congress in 1968. With the passing of Bill Chappell, we have lost one of those "Great Americans."

Mr. DELUGO. Mr. Speaker, I rise today to pay tribute to a former colleague and friend, Bill Chappell of Florida, who died recently, after a long bout with cancer. I will remember Bill as a great fighter who earned my admiration and respect. He was a fighter to the end.

Bill Chappell was a very talented member and an outstanding chairman of the Defense Subcommittee of the Appropriations Committee. From his days as a naval aviator in World War II, he made himself an authority on military matters.

Bill was elected to the 91st Congress in 1968 the same year I was elected at-large as the Virgin Islands' first Washington Representative. In the early days, Bill was always very helpful to me. Later, as a key member of the Appropriations Committee, Bill was very instrumental in assisting the U.S. Virgin Islands on many occasions. I had the good fortune to share the podium with him at a high school graduation on St. Croix just last year.

I also want to extend my condolences to his entire family; especially to his lovely daughter, Judy Chappell Gadd, who operates the Manor School on St. Croix, one of the finest private schools in the Virgin Islands.

Like her father, she is contributing to the well-being of her community and Nation, and she is training students who will carry on that work for future generations in a manner that would make Bill Chappell proud.

Mr. STOKES. Mr. Speaker, I want to thank my colleague the distinguished gentleman from Florida, Mr. BENNETT, for reserving this time to pay tribute to our good friend and former colleague, Bill Chappell. With this

passing, our Nation lost a committed and dedicated leader.

I had the honor and privilege of coming to Congress the same year as Bill Chappell. I was a freshman Congressman from the State of Ohio; it was my first and only political office. Bill, on the other hand, was a seasoned politician by the time he came to Congress to represent the Fourth Congressional District of Florida. He began his political career 18 years prior to coming to Washington, serving as the prosecutor of Marion County and then as a State legislator, where he rapidly rose to the rank of House Speaker in 1961.

Although we represented different spectrums of the Democratic Party, we developed a congenial working relationship as longtime members of the House Committee on Appropriations. Bill's calling was in the vast and controversial realm of defense. As a member of the Defense, Energy and Water Development, and Military Construction Subcommittees, Bill had tremendous presence in this role on the Appropriations Committee.

This was a logical place for a man who had devoted his career to serving his country first as a naval aviator in World War II and then in the Naval Reserve. It was this experience that made Bill Chappell a staunch advocate of the Pentagon and a crusader for the Department of Navy.

Bill believed in a strong defense. As the powerful Chairman of the Defense Subcommittee of the House Appropriations Committee, Bill was consistently in favor of increased funding of defense for our country, its territories, and our allies. In this capacity, Bill was highly respected by his colleagues for his expertise and technical knowledge of defense systems. Bill used his specialized background to lobby tirelessly for increased funding for the Pentagon.

Although his career was primarily oriented in the defense arena, Bill was also proud of his accomplishment as an environmentalist. He worked diligently to win the creation of the 70,000-acre Cape Canaveral National Seashore and a 10,000-acre addition to the Ocala National Forest. In addition, Bill was most helpful to the Congressional Black Caucus by lending his support to minority businesses and historically black colleges and universities in terms of funding for minority set-aside programs. He believed in these programs, and he worked closely with the Caucus to see that minority businesses and HCBU's prospered.

I had the occasion to work closely with Bill in my capacity as former Chairman of the Permanent Select Committee on Intelligence on matters that interacted with defense matters. I always found Bill to be extremely cooperative. What most impressed me about him was that his word was his bond. One could always depend on Bill's word as a gentleman. He was always prepared whenever he spoke on any issue, particularly on defense issues.

Mr. Speaker, while Bill Chappell was a Member of the House, he consistently promoted a spirit of comradery among his fellow colleagues. He sponsored a lovely annual outing for Members and their families. Bill took great pride in this event.

Mr. Speaker, I am proud to have had the privilege of knowing and working closely with Bill Chappell. Those who considered him a friend will miss him greatly. I hope that it is some comfort to his wife, Jeane, that so many others in this Chamber share in the loss of a great American.

Mr. BEVILL. Mr. Speaker, I rise today to pay tribute to my good friend and former colleague Bill Chappell, who passed away recently after a long illness.

Bill Chappell was very dedicated. He was one of the hardest working Members of Congress I have ever known. And, he was one of the most knowledgeable Members I have ever known, especially on defense matters.

Bill had a very fine understanding of our Nation's complex military establishment and defense systems. As chairman of the House Appropriations defense panel, he produced the largest appropriations bill in the world. And, he managed it with the utmost expertise.

Bill Chappell came to Congress 2 years after I did and we served together for 20 years. We had a very good working relationship during the entire time he was here.

I was always impressed with his abilities. He always did such a good job of expressing himself.

We helped each other. If he had a bill he wanted me to support, I always did. And, he helped me with my energy and water development appropriations bill.

Bill was an outstanding leader during the time he served in Congress. He was very dedicated to serving his constituents and he served our Nation with a deep sense of commitment.

Bill Chappell was my friend and I will miss him. My heart goes out to his lovely wife Jean and to his family. Our Nation has lost a fine public servant.

Mr. HOYER. Mr. Speaker, I rise today to join with Congressman CHARLIE BENNETT and my colleagues to pay tribute to a man whose courage and strength added to the greatness of this institution. I rise to pay tribute and join the family and my colleagues in their sorrow over the loss of our friend, Bill Chappell.

Congressman Bill Chappell, Jr. had a long and distinguished career of service to his Government. Whether you review his military record as a naval aviator and his service with the Navy Reserve, or his service in the Florida Legislature where he was elected speaker of the house, or his long and distinguished career in this Chamber, you will find a dedication to service second to none.

Bill Chappell was a man who believed in democracy and knew that to continue in this dangerous world, democratic governments must maintain a strong defense. Every defense vote that he cast was done so with the belief that America's defense should be second to none.

I found in Bill Chappell a man willing to listen. A man who was ready to concede that truth may hide behind many labels, be it liberal or conservative, Democratic or Republican.

I found in Bill Chappell a professional with an attention to detail. No chairman ever mastered so much in so little time. Chairman Chappell could speak with great understanding about any issue under his jurisdiction, and I know, because I was the beneficiary of his probing questions about more than one defense issue that I sought to discuss with him.

I doubt if anyone in this institution knew about his serious bout with bone cancer. For his courage, perseverance in the face of pain and adversity, and stoicism could not lead him to govern by sympathy.

Mr. Speaker, Congressman Bill Chappell brought a spirit of conciliation to every issue of discord brought before him as chairman of the Subcommittee on Defense Appropriations. It is my belief that history will bring the same spirit of conciliation to his record when it completes its review of his life of service.

I thank Congressman BENNETT for taking out this special order today and I express my sincere and deep regrets over the loss of this warm and gracious man to his family and his friends in this House. I pray that God will give them a strong heart to persevere as he did.

Mr. BROOKS. Mr. Speaker, I want to take this opportunity to join my colleagues in expressing our sense of deep sadness at the passing of our beloved friend and former colleague, William V. Chappell, Jr. Congressman Chappell served this body with both distinction and dedication. He was a hard worker and an outstanding leader who brought reason and understanding to the debates in this Chamber.

He was a capable and experienced member of an outstanding Florida delegation and he demonstrated time and again an intense energy in pursuing goals important to his constituency. He was an effective member of the Committee on Appropriations and his work in this area will be missed by those he leaves behind.

I wish to express my deepest sympathy to his family. We will miss this outstanding leader and dear friend.

Mr. REGULA. Mr. Speaker, it is with sorrow and appreciation that I join my colleagues in saluting a cherished Member and friend, Bill Chappell—sorrow that we will miss the joy of his friendship but with appreciation for his leadership in the Congress.

I served with Bill on Appropriations for many years. This experience provided a close-up view of his very effective role as a legislator and a patriot. Bill loved his country. His goals were to serve our Nation and his constituents with both heart and head.

Bill's caring service for his constituents was always given strong support by his wife, Jean. Her role was a vital part of Bill's commitment to quality government.

Mr. HUGHES. Mr. Speaker, it is with a sense of profound sadness that we gather to pay tribute to our late friend and colleague, Bill Chappell.

For two decades, Bill Chappell devoted his energies and his expertise to serving the people of Florida and the Nation. Everyone who had the opportunity to serve with him recognized an able legislator who faithfully attended to the needs of his constituents while playing a key role in U.S. defense policies.

There can be little doubt that anyone in this body understood national security issues and the workings of the Defense Establishment better than Bill Chappell. His chairmanship of the Subcommittee on Defense Appropriations was marked by a healthy skepticism of Pentagon budget requests, but also by an unwavering commitment to keep America strong and free in a dangerous world.

Even in the throes of his 3-year battle with bone cancer, Bill's ready smile and sense of humor were undaunted. That he chose to wage that fight in private is testimony to his rare courage.

Mr. Speaker, I join with my colleagues in extending our sincere condolences to the family and the many friends of Bill Chappell.

Mr. McDADE. Mr. Speaker, I want to join our colleagues in expressing my deep sadness at the sudden passing of my friend, and our former colleague, Congressman Bill Chappell.

I had the great pleasure of serving with Bill on the Committee on Appropriations for 15 years, and since 1987, had the privilege of sitting at his side as the ranking minority member when Bill assumed the chairmanship of the Defense Appropriations Subcommittee.

Bill Chappell was a national leader on defense long before his becoming chairman. I remember well that in the late 1970's, when it became apparent that our defense effort wasn't keeping pace with the demands of a dangerous world, Bill Chappell was one of the first Members in this House who not only called this to our attention, but was at the forefront in pushing for action. It was through Bill's tireless efforts that the Congress began to reverse the declines in defense spending that occurred in the mid-1970's.

And it was Bill Chappell, through his position on the Defense Appropriations Subcommittee, who helped manage and shape congressional action on the Reagan defense buildup. In particular, Bill stood steadfast on the issue of building and sustaining a quality force, and one that was adequately trained. In the tradition of the Appropriations Committee, Bill didn't seek a lot of publicity for this. But Bill Chappell deserves a lot of credit for what has justifiably been called the biggest success story in defense—that today, we have the best trained and highest quality peacetime military in our Nation's history.

But where Bill Chappell really shone was in his leadership in assuming the chairmanship of the Defense Subcommittee. He did so under very trying circumstances—at a time when the levels of defense spending became increasingly contentious here in this Chamber. There were difficult personal circumstances, as well, as Bill was called forward to first serve as acting chairman and then assuming the chair with the illness of our dear friend Joe Addabbo.

Bill handled these dual challenges with skill and grace. He did so by reaching out. He understood that our Nation's security depended on building a consensus—between Democrat and Republican, among liberals, moderates, and conservatives.

It was no secret that Bill's own views on defense were much more conservative than were the norm in this Chamber, but as chairman he did not seek to impose his views on others. Instead, he spent countless hours, days and weeks trying to seek out middle ground on all issues—be it the overall level of defense appropriations, or policy toward SDI or the MX, you name it. Bill knew that politics in the end was the art of compromise and consensus, and as much as any member I have seen in my 27 years in Congress, he viewed his leadership role as one of building consensus.

Bill approached each and every issue on a bipartisan basis, and it was my pleasure to work with him shoulder-to-shoulder, as part of a team. I know I speak for all the members on our side of the aisle when I say we were always informed; we were always consulted; and we were never locked out of the process. Bill wouldn't have it any other way.

This bipartisan approach paid off. On those occasions when we brought defense appropriations measures to the floor, we handled them in the space of a few hours, then passed them overwhelmingly. We were able to do this because under Bill's leadership we were able to craft and bring to the House defense bills that deserved and commanded wide support.

We faced many challenges in the subcommittee, and time and time again I saw Bill Chappell rise to the occasion, with hard work, with patience, and expertise, and yes, with that sly sense of humor he had. He took his responsibilities seriously, and he worked hard. He worked our subcommittee hard too, but each of us was willing to put in the time because we knew with Bill Chappell in the chair we would be treated fairly.

I always marveled at Bill's grace under pressure. He always seemed to be able to put things in perspective, to take things in stride despite the pressures that we had to deal with in the subcommittee. And we know today that throughout this time Bill was suffering with the illness that brought his sudden passing. He kept this to himself, and it is a measure of the man that he never missed a step, never failed to discharge his duties.

To his lovely wife Jeane, to his children, and to his constituents in Florida, I would like to extend my deepest sympathies. Bill Chappell has left his mark on the Congress and this country and we all are the better for it.

Mr. WHITTEN. Mr. Speaker, I was deeply saddened by the recent death of former Congressman Bill Chappell. Throughout his distinguished life, Bill Chappell was a man of commitment—commitment to his country, commitment to duty and commitment to the Congress he loved so much.

Bill Chappell was a naval aviator in World War II. He served for years in the Naval Reserves and eventually retired as a captain. He fought long and hard for a strong national defense while serving in Congress. When Bill began his service on the Defense Appropriations Subcommittee in the late 1970's, the condition of our Armed Forces was mediocre—planes couldn't fly because of the lack of spare parts, a high percentage of recruits were not high school graduates, morale of the troops was at rock bottom, and the Soviets were expanding their empire into Afghanistan and other areas of the world.

When Bill Chappell ended his service in Congress as chairman of the Defense Appropriations Subcommittee, America was standing tall in the world. Morale of the troops was excellent, 96 percent of recruits were high school graduates, spare parts for aircraft were ample, the Soviets had withdrawn from Afghanistan, and the global balance of power had shifted in the favor of the free countries of the world.

These great historical achievements were in no small part due to the commitment, energy and influence of Congressman William Chappell, Jr., who fought so diligently for a strong national security.

Every aspect of Bill Chappell's life was a commitment to duty—his duty in World War II, his duty in the Naval Reserves, his duty in the Florida State Legislature where he became Speaker of the House, and his duty in the Congress where he so ably represented his constituents and his country.

But it was not something that Bill Chappell consciously thought about. Duty was in the fiber of his soul. Duty was the most natural thing in the world to him. To Bill Chappell, duty was not something you considered doing, or you contemplated doing, duty was simply a way of life.

I extend my condolences to his wife and family. We all miss Bill Chappell and I commend him for his life of commitment to his country, to duty and to his constituents.

Mr. BENNETT. Mr. Speaker, I thank all Members who have participated. I think we see in what has been said here that we all felt like Bill was one of the family and he had that same feeling about all of Congress and about his constituents as well.

I think a person is sort of measured by the way in which he responds to his own family and to the enlarged family of friends and associates. So I conclude my remarks by reading an untitled poem that Bill wrote about his family in 1978. This was found among his papers, and had never been published before as far as I know, but I do have a copy of it here, and I think it tells about the family love and the inspiration he had from his mother and dad.

AN UNTITLED POEM

Beneath spreading oaks and mosses grey,
I stood beside my parents' graves today
And stooped to pull away the weeds growing there.
'Twas then I thought I heard my mother say,
"My son, your heart is heavy now
And we, resting here, want to help somehow."
Ten thousand times their advice I'd sought
Ten thousand answers had their wisdom brought;
But, thought I, "by what right dare I disturb their rest
To wrestle problems I brought to test."
Yet I asked, "how can I, like you,
To my loved ones bring light and happiness true?
And like you, replace their words of despair
With seeds of hope, and devoted love, and care?"
From the quiet grave my father's spirit speaks,
"My son," he said, "every mortal seeks
A long, happy, and painless life,
Free of heartache and the aches of strife
But such is not a mortal's way.
Life blends its sorrow with delight," I heard him say:
Then from God's special place spoke my dear mother,
"My son," she said, "live always to serve another;
Divine guidance daily seek;
Good words of thy neighbor speak;
Kind deeds upon all bestow;

Permitting never your hate to grow;
Helping hands to youngsters give,
Charting the good course for them to live."

"These things with your loved ones never spare
And at your twilight their happiness with you they'll share."

"Come often, my son, stoop here and pull away your weeds of despair
For we, at rest as in mortal life, will always care."

WILLIAM V. CHAPPELL, Jr., 1978.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. FROST). Is there objection to the request of the gentleman from Florida?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SHAYS) to revise and extend their remarks and include extraneous material:)

Mr. DREIER of California, for 60 minutes, today and on April 11, 12, and 13.

Mr. DORNAN of California, for 60 minutes, on April 12 and 13.

(The following Members (at the request of Mr. MONTGOMERY) to revise and extend their remarks and include extraneous material:)

Mr. LELAND, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LAFALCE, for 20 minutes, today.

Mr. LELAND, for 60 minutes, on April 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SHAYS) and to include extraneous matter:)

Mr. CRANE in four instances.

Mr. MICHEL.

Mr. LOWERY of California.

Mr. BEREUTER.

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. TRAFICANT.

Mr. ANDERSON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. FEIGHAN.

Mr. BATES.

Mr. ROE.

Mr. FRANK.

Mr. GONZALEZ in 10 instances.

Mr. TRAXLER in three instances.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 666. An act to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, FL, before the expiration of the otherwise applicable 60-day congressional review period.

ADJOURNMENT

Mr. BENNETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 46 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 11, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

936. A letter from the Assistant Secretary of Defense, transmitting a report on the extent to which contracts negotiated during fiscal year 1988 have prevented excessive contractor profits, pursuant to Public Law 100-456, section 801(a) (102 Stat. 2007); to the Committee on Armed Services.

937. A letter from the Director (Administration and Management), Department of Defense, transmitting a report on the condition and operation of working capital funds for the fiscal year ending September 30, 1988, pursuant to 10 U.S.C. 2208(i); to the Committee on Armed Services.

938. A letter from the Secretary of the Navy, transmitting notification of the proposed transfer of the obsolete destroyer *Edson* (DD 946) to the Intrepid Sea-Air-Space Museum, New York, N.Y., for use as a naval museum, pursuant to 10 U.S.C. 7308(c); to the Committee on Armed Services.

939. A letter from the Deputy Assistant Secretary (Resource Management and Support), Department of Defense, transmitting a copy of the "Officer Flow Annex" to the "Defense Manpower Requirements Report for FY 1990" which was previously transmitted (Ex. Com. No. 593, Feb. 21, 1989), pursuant to 10 U.S.C. 115(b)(3); to the Committee on Armed Services.

940. A letter from the Secretary of Housing and Urban Development, transmitting the 1989 consolidated annual report on the community development programs administered by the Department, pursuant to 42 U.S.C. 5313(a); to the Committee on Banking, Finance and Urban Affairs.

941. A letter from the Acting President and Chairman, Export-Import Bank of the United States, transmitting a draft of proposed legislation to amend the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

942. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-13, "Retired Police Officer Redeployment Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

943. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-12, "Law Enforcement Officers Memorial Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

944. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-14, "Toll Telecommunication Service Tax Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

945. A letter from the Secretary of Education, transmitting a copy of notification of final funding priorities for research in education of the handicapped, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

946. A letter from the Acting Chairman, National Endowment for the Arts, National Foundation on the Arts and the Humanities, transmitting the Federal Council on the Arts and the Humanities' 13th annual report on the Arts and Artifacts Indemnity Program for fiscal year 1988, pursuant to 20 U.S.C. 977; to the Committee on Education and Labor.

947. A letter from the Chairman, Securities and Exchange Commission, transmitting a draft of proposed legislation to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1990 through 1992, pursuant to 31 U.S.C. 1107; to the Committee on Energy and Commerce.

948. A letter from the Comptroller of Defense, transmitting notice of foreign aid program changes for fiscal year 1989, pursuant to 22 U.S.C. 2394-1(a), FAA, section 634 (92 Stat. 959; 95 Stat. 1544); to the Committee on Foreign Affairs.

949. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Richard Reeves Burt, of Arizona, for the rank of Ambassador-designate during his tenure of service as head of Delegation on Nuclear and Space Talks and chief negotiator on Strategic Nuclear Arms [START], and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

950. A letter from the General Counsel, Legal Services Corporation, transmitting the annual report on activities under the Freedom of Information Act for calendar year 1988, pursuant to 5 U.S.C. 522(d); to the Committee on Government Operations.

951. A letter from the Chief Administrative Officer, Postal Rate Commission, transmitting the annual report on activities under the Freedom of Information Act for calendar year 1988, pursuant to 5 U.S.C. 522(d); to the Committee on Government Operations.

952. A letter from the Chairman, Tennessee Valley Authority, transmitting the annual report on activities under the Freedom of Information Act, covering calendar year 1988, pursuant to 5 U.S.C. 522(d); to the Committee on Government Operations.

953. A letter from the Commissioner, Immigration and Naturalization Service, transmitting copies of orders entered to for certain persons, pursuant to 8 U.S.C. 1255b(c); to the Committee on the Judiciary.

954. A letter from the Chairman, Judicial Conference of the United States, transmitting a report on the impact of drug related

criminal activity on the Federal Judiciary, pursuant to Public Law 100-690, section 6159(b) (102 Stat. 4346); to the Committee on the Judiciary.

955. A letter from the Director, Office of Personnel Management, transmitting notification of a proposal for a personnel management demonstration project submitted by the Defense Logistics Agency which will cover about 1,600 employees at the Defense Depot, Ogden, UT, pursuant to 5 U.S.C. 4703(b)(4)(B), (6); to the Committee on Post Office and Civil Service.

956. A letter from the Chairman, Federal Election Commission, transmitting the Commission's protest to the reduction in the appropriations for domestic discretionary residual programs for fiscal year 1989, pursuant to 2 U.S.C. 437d(d)(1); jointly, to the Committees on House Administration and Appropriations.

957. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Deep Seabed Hard Mineral Resources Act, as amended, to authorize appropriations to carry out the provisions of the act for fiscal years 1990, 1991, and 1992; jointly, to the Committees on Merchant Marine and Fisheries, Interior and Insular Affairs, and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 310. A bill to remove a restriction from a parcel of land in Roanoke, VA, in order for that land to be conveyed to the State of Virginia for use as a veterans nursing home (Rept. 101-18). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 419. A bill to provide for the addition of certain parcels to the Harry S Truman National Historic Site in the State of Missouri (Rept. 101-19). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 964. A bill to correct an error in Private Law 100-29 (relating to certain lands in Lamar County, AL; with amendments (Rept. 101-20). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 999. A bill to amend the Act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic property throughout the Nation, and for other purposes; with an amendment (Rept. 101-21). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 1746. A bill to promote the conservation and enhancement of wetlands and to offset or prevent the loss of wetlands; jointly, to the Committee on Merchant Marine and Fisheries, Public Works and Transportation, Interior and Insular Affairs, and Ways and Means.

By Mr. BROWN of Colorado:

H.R. 1747. A bill to amend title II of the Social Security Act to require that the annual trustees' report reflect the future income to, and disbursements from, the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund in the form of alternative "closed-end" and "open-end" analyses; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 1748. A bill to authorize the establishment of a United States-Taiwan Free Trade Area; to the Committee on Ways and Means.

H.R. 1749. A bill to suspend temporarily the duty on certain glass bulbs until January 1, 1993; to the Committee on Ways and Means.

By Mr. FOLEY (for himself, Mr. MICHEL, Mr. COELHO, Mr. GINGRICH, Mr. BONIOR, Mr. LEWIS of California, Mr. FASCELL, Mr. BROOMFIELD, Mr. OBEY, Mr. EDWARDS of Oklahoma, and Mr. LAGOMARSINO):

H.R. 1750. A bill to implement the Bipartisan Accord on Central America of March 24, 1989; jointly, to the Committees on Appropriations and Foreign Affairs.

By Mr. CRANE:

H.R. 1751. A bill to authorize the establishment of a United States-Korea Free Trade Area; to the Committee on Ways and Means.

H.R. 1752. A bill to authorize the establishment of a United States-ASEAN Free Trade Area; to the Committee on Ways and Means.

By Mr. DORNAN of California (for himself, Mr. MCEWEN, Mr. HILER, Mr. HYDE, Mr. DONALD E. LUKENS, Mr. CRAIG, Mr. SOLOMON, Mr. SMITH of Mississippi, Mr. SMITH of New Hampshire, Mr. INHOFE, Mr. DANNEMEYER, and Mr. BURTON of Indiana):

H.R. 1753. A bill to provide nonlethal assistance to the Nicaraguan democratic resistance; jointly, to the Committees on Appropriations and Foreign Affairs.

By Mr. FISH (for himself, Mr. SCHUMER, and Mr. SYNAR):

H.R. 1754. A bill to amend title 11, United States Code, with respect to forward contracts; to the Committee on the Judiciary.

By Mr. JONES of North Carolina (for himself, Mr. TAUZIN, Mr. DAVIS, Mr. ANDERSON, Mr. NOWAK, Mr. HAMMERSCHMIDT, and Mr. STANGELAND):

H.R. 1755. A bill to transfer administration of bridges and causeways over navigable waters from the Secretary of Transportation to the Secretary of the Army, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. PALLONE:

H.R. 1756. A bill to reduce the maximum speed limit on certain rural roads to 55 miles per hour, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PETRI (for himself, Mrs. BENTLEY, Mr. BUNNING, Mr. BURTON of Indiana, Mr. CLINGER, Mr. COBLE, Mr. CRAIG, Mr. DORNAN of California, Mr. EMERSON, Mr. HASTERT, Mr. HERGER, Mr. HOLLOWAY, Mr. KYL, Mr. LAGOMARSINO, Mr. DONALD E. LUKENS, Mr. MCMILLAN of North Carolina, Mrs. MEYERS of Kansas, Mr. PACKARD, Mr. SENSENBRENNER, Mr. SHAW, Mrs. VUCANOVICH, Mr. WELDON, and Mr. WILSON):

H.R. 1757. A bill to amend the Impoundment Control Act of 1974 to provide that a rescission of budget authority proposed by the President takes effect unless Congress specifically adopts a joint resolution disapproving the proposed rescission; jointly, to the Committees on Government Operations and Rules.

By Mr. RITTER:

H.R. 1758. A bill to direct the Secretary of Transportation to carry out a highway demonstration project to extend Pennsylvania State Route 33 to provide a limited access highway to connect Interstate Routes I-78 and I-80; to the Committee on Public Works and Transportation.

By Mr. ROE (by request):

H.R. 1759. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. SCHUETTE (for himself and Mr. VANDER JAGT):

H.R. 1760. A bill to correct the tariff classification of certain chipper knife steel products; to the Committee on Ways and Means.

By Mr. BOSCO (for himself, Mrs. BOXER, and Ms. PELOSI):

H.J. Res. 233. Joint resolution to approve the designation of the Cordell Bank National Marine Sanctuary, to disapprove a term of that designation, and to direct the Secretary of Commerce to revise regulations implementing that designation to prohibit certain activities in the sanctuary; to the Committee on Merchant Marine and Fisheries.

By Mr. SOLOMON (for himself, Mr. HYDE):

H.J. Res. 234. Joint resolution to reform the War Powers Resolution by facilitating the effective discharge by the executive and legislative branches of their respective functions and responsibilities during time of armed conflict; jointly, to the Committees on Foreign Affairs and Rules.

By Mr. VENTO:

H.J. Res. 235. Joint resolution to designate April 28, 1989, as "Workers Memorial Day"; to the Committee on Post Office and Civil Service.

By Mr. MICHEL:

H. Res. 123. Resolution establishing the order of membership on the Committee on House Administration; considered and agreed to.

By Mr. DANNEMEYER (for himself, Mr. DORNAN of California, Mr. PACKARD, Mr. COX, and Mr. ROHRABACHER):

H. Res. 124. Resolution expressing the sense of the House of Representatives concerning the unified efforts of the Protestant, Catholic, and Jewish communities in southern California to combat the violence and intolerance of antisemitism; to the Committee on the Judiciary.

By Mr. PALLONE (for himself, Mr. HUGHES, and Mr. SAXTON):

H. Res. 125. Resolution opposing the imposition of a Federal licensing fee for recreational and commercial marine fishing and a levy on the sale of commercial fish; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

54. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to the repeal of that section of law which requires prescreening for nursing home patients; to the Committee on Energy and Commerce.

55. Also, memorial of the Legislature of the State of Idaho, relative to the repeal of certain EPA regulations which impact on the small independent service station owner; to the Committee on Energy and Commerce.

56. Also, memorial of the Legislature of the State of Idaho, relative to proposing a constitutional amendment to clarify the 16th amendment to the Constitution; to the Committee on the Judiciary.

57. Also, memorial of the Legislature of the State of Arizona, relative to making permanent the highway trust fund and the user fees accruing to the fund; to the Committee on Public Works and Transportation.

58. Also, memorial of the Legislative Assembly of the State of North Dakota, relative to a port of entry at Fortuna, ND; to the Committee on Ways and Means.

59. Also, memorial of the Legislature of the State of Arizona, relative to opposition to increasing the Federal fuel taxes to reduce the Federal budget deficit; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mrs. PATTERSON, Mr. CARPER, Mr. COYNE, and Mr. LEHMAN of Florida.

H.R. 48: Mr. LIPINSKI, Mr. LANTOS, Mr. OWENS of Utah, Mr. MORRISON of Connecticut, and Mr. ROYBAL.

H.R. 82: Mrs. BOXER, Mr. PACKARD, Mr. SARPALIUS, Mr. MCCURDY, Mr. TALLON, Mr. DEFAZIO, Mr. STALLINGS, Mr. BURTON of Indiana, Mr. GREEN, Mr. INHOFE, and Mr. GILMAN.

H.R. 140: Mr. MINETA, Mr. CONYERS, Mr. ESPY, Ms. PELOSI, and Mr. DIXON.

H.R. 315: Mr. LELAND, Mr. SLATTERY, Mr. MCCLOSKEY, Mr. BATES, Mr. WALGREN, Mr. MANTON, Mr. OBERSTAR, Mrs. BOGGS, Mr. UDALL, Mr. KILDEE, Mr. FUSTER, Mr. DEFAZIO, Mr. SABO, Mr. PEPPER, Mr. SANGMEISTER, Mr. BROWN of California, Mr. FASCELL, Mr. OLIN, Mr. DE LUGO, Mr. HEFNER, Mr. FAUNTROY, Mr. CARR, Mr. TRAFICANT, Mr. FRANK, Mr. ATKINS, Mr. MARTINEZ, Mr. TORRES, Mr. PALLONE, Mr. EVANS, Mr. DORGAN of North Dakota, Mr. SWIFT, Mr. LANCASTER, Mrs. BOXER, Mr. TALLON, Mr. SHAYS, Mr. HOCHBRUECKNER, Mr. HAWKINS, Mr. WOLPE, Mr. GONZALEZ, Mr. FORD of Michigan, Mr. WAXMAN, Mr. LEVIN of Michigan, Mr. DYMALLY, Mr. VENTO, Mr. EDWARDS of California, Mr. MINETA, Mr. CLAY, Mr. LIPINSKI, Mrs. ROUKEMA, and Mr. FLAKE.

H.R. 563: Mr. OLIN, Mr. COLEMAN of Texas, and Mr. MCMILLEN of Maryland.

H.R. 574: Mr. STUMP, Mr. HYDE, Mr. DANNEMEYER, Mr. SHUMWAY, Mrs. BENTLEY, Mr. SMITH of Mississippi, and Mr. INHOFE.

H.R. 651: Mr. TOWNS and Mr. HAYES of Illinois.

H.R. 743: Mr. SABO.

H.R. 744: Mr. UPTON, Mr. ROTH, and Mr. HANCOCK.

H.R. 780: Mr. JONES of Georgia, Mr. LIPINSKI, and Mr. PANETTA.

H.R. 786: Mrs. BENTLEY, Mr. LAFALCE, Mr. MCEWEN, Mr. MONTGOMERY, Mr. STENHOLM, Mr. PARKER, Mr. ROWLAND of Georgia, Mr. HAYES of Louisiana, and Mr. BEREUTER.

H.R. 855: Mr. HAMILTON.

H.R. 872: Mr. BROWN of California, Mr. CONYERS, and Mr. FAZIO.

H.R. 939: Mr. BATES, Mr. TORRICELLI, Mr. AKAKA, Mr. MILLER of California, and Mr. ATKINS.

H.R. 995: Mr. BATES, Mr. BROWN of California, Mr. BARTON of Texas, Mr. FLORIO, Mr. JOHNSON of South Dakota, and Mr. FROST.

H.R. 1000: Mr. MFUME.

H.R. 1048: Mr. LAGOMARSINO, Mr. COYNE, Mr. BRYANT, Mr. SOLARZ, Mr. LELAND, Mr. ECKART, and Mr. LEACH of Iowa.

H.R. 1060: Mr. OWENS of New York, Mr. SAXTON, Mrs. VUCANOVICH, Mr. JOHNSON of South Dakota, Mr. DWYER of New Jersey, Mr. JONTZ, and Mr. HERTEL.

H.R. 1085: Mr. LEWIS of Florida, Mr. ENGEL, and Mr. SOLOMON.

H.R. 1101: Mrs. VUCANOVICH, Mr. MONTGOMERY, Mr. SMITH of Florida, Mr. HUGHES, Mr. UDALL, and Mr. DWYER of New Jersey.

H.R. 1102: Mrs. BOXER, Mrs. ROUKEMA, Mr. SYNAR, Mr. DYMALLY, Mr. KILDEE, Mr. BILBRAY, Mr. PAYNE of New Jersey, Mr. AUCOIN, Mr. BATES, Mr. SMITH of Florida, Mr. SHAYS, Mr. VENTO, Mr. ECKART, Mr. LEVINE of California, Mr. TOWNS, Mrs. SCHROEDER, and Mr. MRAZEK.

H.R. 1136: Mr. BUNNING, Mr. HANCOCK, Mr. HATCHER, Mr. JONTZ, Mr. OXLEY, Mr. CALLAHAN, Mr. NAGLE, Mr. CONTE, Mr. VOLKMER, Mr. LIGHTFOOT, Mr. GRANDY, Mr. FLIPPO, Mr. ERDREICH, Mr. WHITTAKER, Mr. FEIGHAN, Mr. ALEXANDER, and Mr. SMITH of Iowa.

H.R. 1149: Mr. RANGEL.

H.R. 1185: Mr. HOCHBRUECKNER, Mr. WOLPE, Mr. JONES of North Carolina, Mr. MILLER of California, Mr. MATSUI, and Mr. CAMPBELL of Colorado.

H.R. 1190: Mr. JOHNSTON of Florida.

H.R. 1216: Mr. SHAYS.

H.R. 1248: Mr. WALGREN, Mr. TORRICELLI, and Mr. LEVIN of Michigan.

H.R. 1249: Mr. WEISS.

H.R. 1262: Mr. BEREUTER.

H.R. 1267: Mr. ATKINS, Mr. CHAPMAN, Mr. RICHARDSON, Mr. BUECHNER, Mr. WOLF, and Mr. GARCIA.

H.R. 1351: Mr. MCGRATH, Mr. EMERSON, Mr. DEWINE, Mrs. BENTLEY, Mr. DAVIS, and Mr. WALSH.

H.R. 1452: Mr. LEHMAN of Florida.

H.R. 1457: Mr. CONTE, Mrs. MARTIN of Illinois, Mr. COUGHLIN, Mr. PAYNE of New Jersey, Mr. DORGAN of North Dakota, Mr. STARK, and Mr. NEAL of North Carolina.

H.R. 1466: Mr. PURSELL and Mr. COURTER.

H.R. 1467: Mr. PURSELL and Mr. COURTER.

H.R. 1540: Mr. NEAL of North Carolina, Mr. OWENS of Utah, and Ms. KAPTUR.

H.R. 1544: Mr. LIPINSKI, Mr. BEREUTER, Mr. DE LUGO, Mr. FOGLIETTA, Mr. EVANS, Mr. DWYER of New Jersey, Mr. ATKINS, and Mr. MARKEY.

H.R. 1563: Mr. CLEMENT and Mr. HERTEL.

H.R. 1624: Mr. LAGOMARSINO.

H.R. 1648: Mr. SCHUMER and Mr. NEAL of North Carolina.

H.R. 1656: Mr. SCHULZE.

H.R. 1670: Mr. LEWIS of California and Mr. WALSH.

H.J. Res. 31: Mr. OWENS of Utah and Mr. SWIFT.

H.J. Res. 74: Ms. PELOSI, Mr. WALGREN, Mr. KOLTER, Mr. GARCIA, Mr. MRAZEK, Mr. HAYES of Illinois, Mr. COSTELLO, Mr. MOAKLEY, Mr. GUNDERSON, Mr. GORDON, Mr. TAUKE, Mr. SAWYER, Mr. STARK, Mr. SKAGGS, and Mr. WOLPE.

H.J. Res. 81: Mr. MOORHEAD, Mr. WHITTAKER, Mr. STENHOLM, and Mr. DANNEMEYER.

H.J. Res. 131: Mr. MORRISON of Washington, Mr. MOORHEAD, and Mr. MORRISON of Connecticut.

H.J. Res. 150: Mr. KOLTER, Mr. KASICH, Mr. DEWINE, Mr. BATEMAN, Mr. STARK, Mr. SMITH of Texas, Mr. DONALD E. LUKENS, Mr. PARRIS, Mr. BLAZ, Mr. JOHNSTON of Florida, Mr. JENKINS, Mr. SCHULZE, and Mr. NIELSON of Utah.

H.J. Res. 168: Mr. TOWNS, Mr. SKELTON, Mr. HUGHES, Mr. DONALD E. LUKENS, and Mr. LAGOMARSINO.

H.J. Res. 204: Mr. GUNDERSON, Mr. WOLF, Mr. ERDREICH, Mr. HORTON, Mr. FAWELL, Mr. MATSUI, Mr. SHAYS, and Ms. KAPTUR.

H.J. Res. 208: Mr. LENT, Mrs. MORELLA, Mr. FLORIO, Mr. PARRIS, Mr. JENKINS, Mr. IRELAND, Mr. PARKER, Mr. COBLE, Mr. HATCHER, Ms. SLAUGHTER of New York, Mr. SANGMEISTER, Mr. LOWERY of California, Mr. WISE, Mr. ROWLAND of Georgia, Mr. RAY, Mr. MOLLOHAN, Mr. MORRISON of Connecticut, Mr. ENGEL, Mr. DARDEN, Mr. RINALDO, Mr. BURTON of Indiana, Mr. BUECHNER, Mr. CHANDLER, Mr. JONTZ, Mr. HOCHBRUECKNER, Mr. MCMILLEN of Maryland, Mr. GILMAN, Mr. HOYER, and Mr. FRENZEL.

H. Con. Res. 23: Mr. PALLONE and Mr. YOUNG of Florida.

H. Con. Res. 73: Mr. FRENZEL, Mr. ATKINS, Mr. BUSTAMANTE, Mr. PANETTA, Mr. GLICKMAN, and Mr. FLORIO.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1078: Mr. BONIOR.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1487

By Mr. DYMALLY:

—Page 10, after line 20, insert the following new section (and amend the table of contents accordingly):

SEC. 106. AVAILABILITY OF FUNDS.

Section 24 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 269b) is amended by adding after subsection (d) the following new subsection:

"(e) Amounts authorized to be appropriated for a fiscal year for the Department of State or to the Secretary of State are authorized to be obligated in such fiscal year for contracts for periods not exceeding 12 months which are to be performed in 2 fiscal years.".

—Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. FEES AND REIMBURSEMENTS.

The State Department Basic Authorities Act of 1956 is amended—

(1) by redesignating section 44 as section 45; and

(2) by inserting after section 43 the following new section:

"SEC. 44. (a) Notwithstanding any other provision of law, for fiscal years 1990 and 1991 funds received by the Department in

connection with the use of Blair House (including fees for use of Blair House facilities and reimbursements and surcharges for services and goods provided) may be credited to the appropriate appropriation account of the Department and shall be available only for maintenance and other expenses of Blair House.

"(b) The authority of this section may be exercised only to such extent and in such amounts as are provided in advance in appropriation Acts.".

—Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. INTERNATIONAL CENTER.

Section 4 of the International Center Act is amended by inserting after subsection (b) the following new subsection (c):

"(c) The Department of State is authorized to require the payment of a fee by other executive agencies of the United States for the lease or use of facilities located at the International Center and used for the purposes of security and maintenance. Any payments received for lease or use of such facilities shall be credited to the account entitled 'International Center, Washington, District of Columbia' and shall be available, to such extent and in such amounts as are provided in advance in appropriations Acts, without fiscal year limitation, for operation and maintenance expenses of such facilities including administration, maintenance, utilities, repairs and alterations.".

—Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. PILOT PROGRAM FOR CHILD CARE FACILITIES AT CERTAIN POSTS ABROAD.

Section 31 of the State Department Basic Authorities Act of 1956 is amended by adding after subsection (d) the following new subsection:

"(e) For fiscal years 1990 and 1991, the Secretary of State is authorized to assist in the establishment, operation, and maintenance of non-Government operated child care facilities at posts abroad where the Secretary determines that due to extraordinary circumstances such facilities are necessary to the efficient operation of the post. Such assistance may include grants and subsidies to such a facility to offset in part the cost of such care. In making a determination that assistance under this subsection is necessary, the Secretary shall consider—

"(1) whether Foreign Service spouses are encouraged to work at the mission because—

"(A) the number of members of the mission is subject to a ceiling imposed by the receiving country; or

"(B) foreign nationals are not employed at the mission; and

"(2) whether local child care is available.".

—Page 22, after line 3, add the following new section (and amend the table of contents accordingly):

SEC. 144. MODIFICATION OF PREFERENCE FOR UNITED STATES CONTRACTORS IN DIPLOMATIC CONSTRUCTION PROGRAM.

(a) MODIFICATION OF PREFERENCE.—Section 402(a) of the Diplomatic Security Act (22 U.S.C. 4852) is amended in paragraph (2) to read as follows:

"(2) bid on a diplomatic construction or design project which involves physical or technical security, unless the project—

"(A) involves nonsophisticated, low-level technology, as determined by the Assistant Secretary for Diplomatic Security;

"(B) is for the design or construction of a facility that does not process or store classified material; and

"(C) does not exceed a total value of $500,000.".

(b) REPORT TO CONGRESS.—The Secretary of State shall prepare and submit to the Congress an annual report concerning the implementation of the amendment made by subsection (a) of this section.

—Page 35, strike line 21 and all that follows through line 15 on page 36 and insert the following new section:

SEC. 154. DANGER PAY ALLOWANCE.

The Secretary of State may not deny a request by the Drug Enforcement Administration to authorize a danger pay allowance for any employee of such agency, in accordance with the authorities granted in section 5928 of title 5, United States Code.

—Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. AUTHORITY TO TRANSFER RETIREMENT CONTRIBUTIONS FOR FOREIGN SERVICE NATIONALS TO LOCAL PLANS.

(a) LIMITED OPTION TO TRANSFER TO LOCAL PLAN.—Section 408 of the Foreign Service Act of 1980 (22 U.S.C. 3968) is amended by inserting at the end of subsection (a) the following new paragraph:

"(3)(A) Where a foreign national employee so elects during a one-year period established by the Secretary of State with respect to each post abroad, the Secretary of the Treasury (at the direction of the Secretary of State) shall transfer such employee's interest in the Civil Service Retirement and Disability Fund to a trust or other local retirement plan certified by the United States Government, under a local compensation plan established for foreign national employees pursuant to this section (excluding local social security plans).

"(B) For purposes of this paragraph, an employee's 'interest in the Civil Service Retirement and Disability Fund' means the sum of employee and all employing agency contributions with respect to such employee (pursuant to sections 8331(8) and 8334(a)(1) of title 5, United States Code) and interest at the rate provided by section 8334(e)(3) of title 5, United States Code. Any such transfer shall void any annuity rights or entitlement to lump sum credit under subchapter III of chapter 83 of title 5, United States Code.".

(b) EFFECT OF TRANSFER.—Section 8345 of title 5, United States Code, is amended by adding at the end thereof a new subsection (1), as follows:

"(1) Transfers of contributions and deposits authorized by section 408(a)(3) of the Foreign Service Act of 1980 shall be considered a complete and final payment of benefits under this chapter.".

—Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. JUDICIAL REVIEW—SEPARATION FOR CAUSE.

Section 610 of the Foreign Service Act of 1980 (22 U.S.C. 4010) is amended by adding at the end of subsection (a)(2) the following new sentence: "Section 1110 shall apply to proceedings under this paragraph.".

—Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. TRAVEL, LEAVE, AND OTHER BENEFITS.

Section 901 of Chapter 9 of the Foreign Service Act of 1980 (22 U.S.C. 4081) is amended in paragraph (9) to read as follows:

"(9) roundtrip travel to or from an employee's post of assignment for purposes of family visitation in emergency situations involving personal hardship, except that payment for travel by family members to an employee's post of assignment may be authorized under this paragraph only where the family of the member is prevented by official order from residing at such post;".

—Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. CREDIT FOR SERVICE AT UNHEALTHFUL POSTS.

(a) APPLICATION TO DETERMINATIONS OF ELIGIBILITY FOR FORMER SPOUSES.—Section 816(i)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4056) is amended to read as follows:

"(2) A former spouse shall not be considered as married to a participant for periods assumed to be creditable service under section 808(a) or section 809(e).".

(b) TERMINATION OF EXTRA CREDIT FOR RETIREMENT PURPOSES.—Section 817 of the Foreign Service Act of 1980 (22 U.S.C. 4057) is amended by adding at the end the following: "Such extra credit may not be used to determine the eligibility of a person to qualify as a former spouse under section 804(10). No extra credit for service at unhealthful posts may be given under this section for any service as part of a tour of duty, or extension thereof, commencing on or after the effective date of the Foreign Relations Authorization Act, Fiscal years 1990 and 1991.".

—Page 51, after line 10, add the following new section (and amend the table of contents accordingly):

SEC. 212. AUTHORITIES REGARDING EMPLOYMENT OF ALIENS.

Section 804 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474) is amended in paragraph (1) by inserting "when job vacancies occur," after "available".

—Page 51, strike line 11 and all that follows through line 16 on page 60, and insert the following new part (and amend the table of contents accordingly):

PART B—TELEVISION BROADCASTING TO CUBA

SEC. 221. SHORT TITLE.

This part may be cited as the "Television Broadcasting to Cuba Act".

SEC. 222. FINDINGS AND PURPOSES.

The Congress finds and declares that—

(1) it is the policy of the United States to support the right of the people of Cuba to seek, receive, and impart information and ideas through any media and regardless of frontiers, in accordance with article 19 of the Universal Declaration of Human Rights;

(2) consonant with this policy, television broadcasting to Cuba may be effective in furthering the open communication of accurate information and ideas to the people of Cuba and, in particular, information about Cuba;

(3) television broadcasting to Cuba, operated in a manner not inconsistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest;

(4) facilities broadcasting television programming to Cuba must be operated in a manner consistent with applicable regulations of the Federal Communications Commission, and must not affect the quality of domestic broadcast transmission or reception; and

(5) the Voice of America's Radio Marti program already broadcasts to Cuba information that represents America, not any single segment of American society, and includes the balanced and comprehensive projection of significant American thought and institutions, but there is a need for television broadcasts to Cuba which provide news, commentary, and other information about events in Cuba and elsewhere to promote the cause of freedom in Cuba.

SEC. 223. TELEVISION BROADCASTING TO CUBA.

(a) TELEVISION BROADCASTING TO CUBA.—In order to carry out the purposes set forth in section 222 and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent, the United States Information Agency (hereafter in this part referred to as the "Agency") shall provide for the open communication of information and ideas through the use of television broadcasting to Cuba. Television broadcasting to Cuba shall serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.

(b) VOICE OF AMERICA STANDARDS.—Television broadcasting to Cuba under this part shall be in accordance with all Voice of America standards to ensure the broadcast of programs which are objective, accurate, balanced, and which present a variety of views.

(c) USIA TELEVISION MARTI.—Any program of United States Government television broadcasts to Cuba authorized by this section shall be designated "USIA Television Marti Program".

(d) FREQUENCY ASSIGNMENT.—

(1) Subject to the Communications Act of 1934, the Federal Communications Commission shall have the authority to assign by order a suitable frequency to further the national interests expressed by this Act, except that no such assignment shall result in objectionable interference with the broadcasts of any domestic licensee.

(2) In furtherance of the purposes of paragraph (1), the Federal Communications Commission may modify the license or permit of a television broadcast licensee or permittee. Notwithstanding any provision of the Communications Act of 1934, no such order to modify the license shall become final until the licensee shall have been notified in writing of the proposed action and the grounds and reasons therefore, and shall have been given reasonable opportunity, in no event less than 30 days, to show cause by public hearing, if requested, why such modification should not issue.

(3) For purposes of section 305 of the Communications Act of 1934, a television broadcast station established for purposes of this part shall be treated as a government station, but the Federal Communications Commission shall exercise the authority of the President under such section to assign a frequency to such station.

(e) INTERFERENCE WITH DOMESTIC BROADCASTING.—(1) Broadcasting by the Service shall be conducted in accordance with such parameters as shall be prescribed by the Federal Communications Commission to preclude objectionable interference with the broadcasts of any domestic licensee. The Federal Commission shall monitor the operations of television broadcasting to Cuba pursuant to section 227(e) of this Act. If, on the basis of a complaint from any person, the Federal Communications Commission determines, in its discretion, that broadcasting by the Service is causing any objectionable interference with the transmission or reception of the broadcasts of a domestic licensee, the Federal Communications Commission shall direct the Service to cease broadcasting and to eliminate the objectionable interference. Broadcasts by the Service shall not be resumed until the Federal Communications Commission finds that the objectionable interference has been eliminated and will not recur.

(2) The Federal Communications Commission shall take such actions as are necessary and appropriate to assist domestic licensees in overcoming the adverse effects of objectionable interference caused by broadcasting by the Service. Such assistance may include the authorization of nondirectional increases in the effective radiated power of domestic television stations so that its coverage is equivalent to the maximum allowable for such facilities, to avoid any adverse effect on such stations of the broadcasts of the Television Marti Service.

(f) USIA AUTHORITY.—The Agency may carry out the purposes of this part by means of grants, leases, or contracts (subject to the availability of appropriations), or such other means as the Agency determines will be most effective.

SEC. 224. TELEVISION MARTI SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE.—The Director of the United States Information Agency shall establish within the Agency a Television Marti Service. The Service shall be responsible for all television broadcasts to Cuba authorized by section 223. The Director of the United States Information Agency shall appoint a head of the Service who shall report directly to the Director. The head of the Service shall employ such staff as the head of the Service may need to carry out the duties of the Service. The Service shall be administered separately from other television functions of the United States Information Agency.

(b) USE OF EXISTING FACILITIES OF THE USIA.—To assure consistency of presentation and efficiency of operations in conducting the activities authorized under this part, the Service shall make maximum feasible utilization of Agency facilities and management support, including Voice of America: Radio Marti program, Voice of America, and the United States Information Agency Television Service.

SEC. 225. AMENDMENTS TO THE RADIO BROADCASTING TO CUBA ACT.

(a) ADVISORY BOARD FOR CUBA BROADCASTING.—Section 5 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465c) is amended—

(1) by amending the heading to read as follows: "ADVISORY BOARD FOR CUBA BROADCASTING";

(2) by amending subsections (a) and (b) to read as follows:

"(a) There is established within the Office of the President the Advisory Board for Cuba Broadcasting (hereafter in this Act referred to as the 'Board'). The Board shall consist of nine members, appointed by the President by and with the advice and consent of the Senate, of whom not more than five shall be members of the same political party. The President shall designate one member of the Board to serve as chairperson.

"(b) The Board shall review the effectiveness of the activities carried out under this Act and the Television Broadcasting to Cuba Act and shall make recommendations to the President and the Director and Associate Director for Broadcasting of the United States Information Agency as it may consider necessary.";

(3) by amending subsection (d) to read as follows:

"(d) The head of the Cuba Service and the head of the Television Marti Service shall serve, ex officio, as members of the Board."; and

(4) in the last sentence of subsection (e) by striking "The ex officio member" and inserting "The ex officio members".

(b) REFERENCES.—A reference in any provision of law to the "Advisory Board for Radio Broadcasting to Cuba" shall be considered to be a reference to the "Advisory Board for Cuba Broadcasting".

(c) CONTINUED SERVICE OF MEMBERS OF BOARD.—Members of the Advisory Board for Radio Broadcasting to Cuba as in existence on the day before the effective date of the amendment made by subsection (a) shall continue to serve for the remainder of the term to which each such member was appointed as members of the Advisory Board for Cuba Broadcasting.

(d) WAIVER.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended in the first sentence by inserting before the comma "and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent".

(e) EFFECTIVE DATE.—The amendments made by subsections (a) and (d) shall take effect on the date of the enactment of this Act.

SEC. 226. ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.

In order to assist the United States Information Agency in carrying out the provisions of this part, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of the Agency.

SEC. 227. FACILITY COMPENSATION.

(a) CLAIMS AGAINST CUBA.—It is the intent of the Congress that the Secretary of State should seek prompt and full settlement of United States claims against the Government of Cuba arising from Cuban interference with television and radio broadcasting in the United States. Pending the settlement of these claims, it is appropriate to provide some interim assistance to the United States broadcasters who are adversely affected by Cuban television and radio interference and who seek to assert their right to measures to counteract the effects of such interference.

(b) PAYMENTS TO UNITED STATES TELEVISION BROADCAST LICENSEES.—The Agency may make payments to the United States television and radio broadcast licensees upon their application for expenses which they have incurred before, on, or after the date of this Act in mitigating (1) the effects of activities by the Government of Cuba which directly interfere with the transmission or reception of broadcasts by such licensees, and (2) the direct interference caused by the transmission of television broadcasting to Cuba with the transmission or reception of broadcasts by such licensees. Such expenses shall be limited to the costs

of equipment replaced (less depreciation) and associated technical, engineering, and other reasonable and prudent expenses.

(c) REGULATIONS.—The Federal Communications Commission shall issue such regulations and establish such procedures for carrying out this section as the Federal Communications Commission finds appropriate. The Federal Communications Commission shall ensure that such regulations do not impose an undue burden on domestic licensees. Such regulations shall be issued no later than 180 days after the date of the enactment of this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated to the United States Information Agency $5,000,000 for use in compensating United States television and radio broadcasting licensees pursuant to this section.

(2) When sums appropriated pursuant to paragraph (1) have been expended, $5,000,000 of such other funds as are appropriated (after the date of enactment of this Act) to the United States Information Agency shall be available for use in compensating United States television and radio broadcasting licensees pursuant to this section.

(3) Amounts appropriated or otherwise made available under this section are authorized to be available until expended.

(e) MONITORING OF INTERFERENCE.—The Federal Communications Commission shall continually monitor and periodically report to the appropriate committees of the Congress interference to domestic broadcast licensees—

(1) from the operation of Cuban television and radio stations; and

(2) from the operations of the television broadcasting to Cuba.

(f) TASK FORCE.—It is the sense of the Congress that the President should establish a task force to analyze the level of interference from the operation of Cuban television and radio stations experienced by broadcasters in the United States and to seek a practical political and technical solution to this problem.

(g) EFFECTIVE DATE.—This section shall take effect on October 1, 1989.

SEC. 228. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts under section 201, there are authorized to be appropriated to the United States Information Agency, $16,000,000 for fiscal year 1990 and $16,000,000 for fiscal year 1991 for television broadcasting to Cuba in accordance with the provisions of this part.

(b) LIMITATION.—

(1) Subject to paragraph (2), no funds authorized to be appropriated under subsection (a) may be obligated or expended unless the President determines and notifies the Congress that the test of television broadcasting to Cuba (as authorized by title V of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989 (Public Law 100-459)) has demonstrated television broadcasting to Cuba is feasible and will not interfere with the broadcasts of licensees. The Federal Communications Commission shall furnish to the appropriate committees of Congress all interim and final reports and other appropriate documentation concerning objectionable interference from television broadcasting to Cuba to domestic television licensees.

(2) Not less than 30 days before the President makes the determination under paragraph (1), the President shall submit a report to the Congress which includes the findings of the test of television broadcasting to Cuba.

(c) AVAILABILITY.—Amounts appropriated under this section are authorized to be made available until expended.

SEC. 229. DEFINITIONS.

As used in this part—

(1) the term "licensee" has the meaning provided in section 3(c) of the Communications Act of 1934;

(2) the term "appropriate committees of Congress" includes the House Foreign Affairs Committee, the House Energy and Commerce Committee, the Senate Committee on Foreign Relations, and the Senate Committee on Commerce, Science, and Transportation; and

(3) the term "Service" means the Television Marti Service established pursuant to section 224(a) of this Act.

—Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SECTION 133. VOLUNTARY PILOT PROGRAM FOR INCREASED PARTICIPATION BY ECONOMICALLY AND SOCIALLY DISADVANTAGED ENTERPRISES IN FOREIGN RELATIONS ACTIVITIES.

(a) ESTABLISHMENT OF PILOT PROGRAM FOR VOLUNTARY SET-ASIDES.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State (in consultation with the Director of the United States Information Agency) shall prepare and transmit a detailed plan for the establishment of a pilot program of voluntary set-asides for increased participation by economically and socially disadvantaged enterprises in programs and activities of the Department of State and the United States Information Agency to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(b) REPORT TO CONGRESS.—Such plan shall include—

(1) a description of where such pilot program will be located in each such agency's organizational structure and what relevant lines of authority will be established;

(2) a listing of the specific responsibilities that will be assigned to the pilot program to enable it to increase, in a rational and effective manner, participation of economically and socially disadvantaged enterprises in activities funded by such agencies;

(3) a detailed design for a time-phase system for bringing about expanded participation by economically and socially disadvantaged enterprises, including—

(A) specific recommendations for percentage allocations of contracts, subcontracts, procurement, grants, and research and development activities by such agencies to such enterprises; and

(B) particular consideration of the participation of economically and socially disadvantaged enterprises in activiites in the areas of communications, telecommunications, and information systems;

(4) a proposed reporting system that will permit objective measuring of the degree of participation of economically and socially disadvantaged enterprises in comparison to the total activities funded by such agencies;

(5) a detailed projection of the administrative budgetary impact of the establishment of the pilot program; and

(6) a detailed set of objective criteria upon which determinations will be made as to the qualifications of economically and socially disadvantaged enterprises to receive contracts funded by such agencies.

(c) OBJECTIVES.—The objective of the pilot program shall be to increase the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agencies.

(d) RESPONSIBILITIES.—The pilot program shall—

(1) establish, maintain, and disseminate information to, and otherwise serve as an information clearinghouse for, economically and socially disadvantaged business enterprises regarding business opportunities funded by the agencies;

(2) design and conduct projects to encourage, promote, and assist economically and socially disadvantaged business enterprises to secure direct contracts, host country contracts, subcontracts, grants, and research and development contracts in order for such enterprises to participate in programs funded by the Department of State and the United States Information Agency;

(3) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities funded by such agencies;

(4) develop support mechanisms which will enable socially and economically disadvantaged enterprises to take advantage of business opportunities in programs funded by such agencies; and

(5) enter into such contracts (to such extent or in such amounts as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its functions under this section.

(e) RESPONSIBILITIES OF THE SECRETARY.—The Secretary of State (after consultation with the Director of the United States Information Agency) shall provide the pilot program with such relevant information, including procurement schedules, bids, and specifications with respect to programs funded by the Department of State and the United States Information Agency, as may be requested by the pilot program in connection with the performance of its functions under this section.

(f) DEFINITIONS.—

(1) For the purpose of this section the term "economically and socially disadvantaged enterprise" means a business—

(A) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

(B) whose management and daily business operations are controlled by one or more such individuals.

(2) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

(g) REPORTS TO CONGRESS.—For each of the fiscal years 1990 and 1991, the Secretary of State shall prepare and submit a report concerning the implementation of the pilot program under this section to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

—Page 71, after line 4, add the following new section (and amend the table of contents accordingly):

SEC. 606. REPORT ON UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION.

Not later than 30 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit a report on the activities after December 31, 1984, of the United Nations Educational, Scientific, and Cultural Organization.

—Page 6, after line 23, insert the following:

(3) Notwithstanding section 727 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204), of the amounts authorized to be appropriated by paragraph (1), $100,000 shall be available only for the United States Commission on Improving the Effectiveness of the United Nations.

—Page 71, after line 4, insert the following new section (and amend the table of contents accordingly):

SEC. 606. UNITED STATES COMMISSION ON IMPROVING THE EFFECTIVENESS OF THE UNITED NATIONS.

Section 727 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended in subsection (b) by inserting before the period at the end of such subsection "; whichever is greater".

—Page 22, after line 3, add the follwing new section (and amend the table of contents accordingly):

SEC. 144. REPORT CONCERNING COMPENSATION AND DIPLOMATIC IMMUNITY.

(a) REPORT TO CONGRESS.—The Secretary of State shall prepare and submit a report to the Congress which considers the need and feasibility of establishing a program which makes compensation awards to citizens and permanent residents of the United States for physical injury or financial loss which is the result of criminal activity reasonably believed to have been committed by individuals with immunity from criminal jurisdiction as a result of international obligations of the United States arising from multilateral agreements, bilateral agreements, or international law.

(b) CONTENTS OF REPORT.—Together with such other information as the Secretary considers appropriate, the report shall include—

(1) a plan and feasibility analysis for the establishment of such a program, including—

(A) specific recommendations for funding, administration, and procedures and standards for compensation and payment of awards; and

(B) particular consideration of the feasibility of an appeals mechanism;

(2) an assessment of the feasibility of establishing a fund, the availability of existing accounts, or other sources of funding for the program; and

(3) consideration of other possible mechanisms for compensation or reimbursement, including direct compensation by the individual with immunity from criminal jurisdiction or by the sending country of that individual.

(c) SUBMISSION OF REPORT.—Not more than 180 days after the date of the enactment of this Act, the Secretary of State shall submit the report to the appropriate committees of the Congress.

—Page 22, after line 3, add the following new section (and amend the table of contents accordingly):

SEC. 144. INCREASED PARTICIPATION OF UNITED STATES CONTRACTORS IN LOCAL GUARD CONTRACTS ABROAD UNDER THE DIPLOMATIC SECURITY PROGRAM.

(a) FINDINGS.—The Congress makes the following findings:

(1) State Department policy concerning the advertising of security contracts at foreign service buildings has been inconsistent over the years. In many cases, diplomatic and consular posts abroad have been given the responsibility to determine the manner in which the private sector was notified concerning an invitation for bids or request for proposals with respect to a local guard contract. Some United States foreign missions have only chosen to advertise locally the availability of a local security guard contract abroad.

(2) As a result, many United States security firms that provide local guard services abroad have been unaware that local guard contracts were available for bidding abroad and such firms have been disadvantaged as a result.

(3) Undoubtedly, United States security firms would be interested in bidding on more local guard contracts abroad if such firms knew of the opportunity to bid on such contracts.

(b) OBJECTIVE.—It is the objective of this section to improve the efficiency of the local guard programs abroad administered by the Bureau of Diplomatic Security and to ensure maximum competition for local guard contracts abroad concerning foreign service buildings.

(c) PARTICIPATION OF UNITED STATES CONTRACTORS IN LOCAL GUARD CONTRACTS ABROAD.—With respect to local guard contracts for a foreign service building which exceed $250,000 and are entered into after September 30, 1989, the Secretary of State shall—

(1) establish procedures to ensure that all solicitation for such contracts are adequately advertised in the Commerce and Business Daily;

(2) establish procedures to ensure that appropriate measures are taken by diplomatic and consular post management to assure that United States persons and qualified United States joint venture persons are not disadvantaged during the solicitation and bid evaluation process due to their distance from the post; and

(3) give preference to United States persons and qualified United States joint venture persons where such persons are price competitive to the non-United States persons bidding on the contract, are properly licensed by the host government, and are otherwise qualified to carry out all the terms of the contract.

(d) DEFINITIONS.—For the purposes of this section—

(1) the term "United States person" means a person which—

(A) is incorporated or legally organized under the laws of the United States, including the laws of any State, locality, or then District of Columbia;

(B) has its principal place of business in the United States;

(C) has been incorporated or legally organized in the United States for more than 2 years before the issuance date of the invitation for bids or request for proposals with respect to the contract under subsection (c);

(D) has performed within the United States and overseas security services similar in complexity to the contract being bid;

(E) with respect to the contract under subsection (c), has achieved a total business volume equal to or greater than the value of the project being bid in 3 years of the 5 year period before the date specified in subparagraph (C);

(F)(i) employs United States citizens in at least 80 percent of its principal management positions in the United States; and

(ii) employs United States citizens in more than half of its permanent, full time positions in the United States; and

(G) has the existing technical and financial resources in the United States to perform the contract;

(2) the term "qualified United States joint venture person" means a joint venture in which a United States person or persons owns at least 51 percent of the assets of the joint venture; and

(3) the term "foreign service building" means any building or grounds of the United States which is in a foreign country and is under the jurisdiction and control of the Secretary of State including residences of United States personnel assigned overseas under the authority of the Ambassador.

(e) AMERICAN MINORITY CONTRACTORS.—Not less than 10 percent of the amount of funds obligated for local guard contracts for foreign service buildings subject to subsection (c) shall be allocated to the extent practicable for contracts with American minority small business contractors.

(f) AMERICAN SMALL BUSINESS CONTRACTORS.—Not less than 10 percent of the amount of funds obligated for local guard contracts for foreign service buildings subject to subsection (c) shall be allocated to the extent practicable for contracts with American small business contractors.

(g) LIMITATION OF SUBCONTRACTING.—With respect to local guard contract subject to subsection (c), a prime contractor may not subcontract more than 50 percent of the total value of its contract for that project.

—Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. MIDDLE EAST REPORTS.

(a) REPORTS CONCERNING COMMITMENTS OF THE PALESTINE LIBERATION ORGANIZATION.—

(1) Not more than 30 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall prepare and submit to the Congress a report concerning the actions and statements of the Palestine Liberation Organization as they relate to the carrying out of the commitments of such organization made in Geneva on December 14, 1988, regarding the renunciation of terrorism and recognition of Israel's right to exist.

(2) In addition to any reports under paragraph (1), the Secretary of State shall report to the Congress when there are changes in the procedural or substantive status of the dialogue with the Palestine Liberation Organization.

(3) For the purpose of providing information required by paragraph (1), the term "actions and statements by the Palestine Liberation Organization" shall include actions and statements of the chairman, members of the Executive Committee, the constituent groups comprising the Palestine Liberation Organization, and the Palestine National Council.

(b) REPORT CONCERNING THE ARAB STATES AND THE PEACE PROCESS.—Not more than 30 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report concerning the policies of Arab states toward

the Middle East peace process, including progress toward—

(1) public recognition of Israel's right to exist in peace and security;

(2) ending the Arab economic boycott of Israel; and

(3) ending efforts to expel Israel from international organizations or denying participation in the activities of such organizations.

—Page 71, line 21, insert "in advance" after "provided".

—Page 71, after line 4, insert the following new section (and amend the table of contents accordingly):

SEC. 606. SENSE OF CONGRESS CONCERNING AN ENHANCED ROLE FOR THE INTERNATIONAL COURT OF JUSTICE IN RESOLUTION OF INTERNATIONAL DISPUTES.

(a) FINDINGS.—The Congress makes the following findings:

(1) In 1945 the United States supported the establishment of the International Court of Justice (ICJ) to provide for the orderly resolution of disputes among nations under the rule of law.

(2) The United States, pursuant to Article 93 of the Charter of the United Nations, is also a party to the Statute of the International Court of Justice which provides in Article 36(1) that the International Court of Justice will have jurisdiction over "all cases which the parties refer to it and all matters specifically provided for in the Charter of the United Nations or in treaties and conventions in force".

(3) In August 1946 the United States, pursuant to Senate advice and consent (61 Stat. 1218), voluntarily accepted the compulsory jurisdiction of the International Court of Justice in other international disputes under Article 36(2) of the Statute of the International Court of Justice, on certain conditions, and maintained such recognition for four decades from 1946 to 1986 when United States acceptance was terminated.

(4) The United States has utilized the International Court of Justice on numerous occasions to resolve disputes with other nations.

(5) In April 1984, the United States notified the Secretary General of the United Nations that the United States was suspending for two years its acceptance of the compulsory jurisdiction of the International Court of Justice in cases relating to Central America.

(6) In 1985, the United States announced it was terminating, in whole, United States acceptance (effective April 1, 1986) of the compulsory jurisdiction of the International Court of Justice.

(7) The Soviet Union, as a member of the United Nations, is also a party to the Statute of the International Court of Justice and is thus bound by Article 36(1).

(8) The Soviet Union, unlike the United States, has not since the inception of the International Court of Justice voluntarily accepted the compulsory jurisdiction of the ICJ under Article 36(2) or taken any other case voluntarily to the court.

(9) Soviet leader Mikhail Gorbachev, in his address to the United Nations in December of 1988 said: "We believe that the jurisdiction of the International Court of Justice at the Hague as regards the interpretation and implementation of agreements on human rights should be binding on all states.".

(10) The Legal Advisor of the State Department is holding discussions with Soviet officials and representatives of other permanent members of the United Nations Security Council and other states to determine whether and how the International Court of Justice might be used for the peaceful settlement of international disputes through procedures that assure fairness and the protection of legitimate national interests.

(b) SENSE OF CONGRESS.—The Congress commends and strongly supports efforts by the United States to broaden the compulsory jurisdiction and enhance the effectiveness of the International Court of Justice.

EXTENSIONS OF REMARKS

TRIBUTE TO GEN. DRAGOLJUB DRAZA MIHAILOVICH

HON. PHILIP M. CRANE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. CRANE. Mr. Speaker, it is important to remember, on the 96th anniversary of his birth, the sacrifice Yugoslavian Gen. Dragoljub Draza Mihailovich made for the United States and our Western Allies during World War II. General Mihailovich was one of the foremost resistance leaders in Nazi-occupied Europe, yet his story is often forgotten or ignored.

Despite the fact that he rescued over 500 downed Allied airmen over the course of the war, the general and his army, called the Chetniks, was abandoned by the Western Allies, at least in part as a result of the misleading and often fabricated reports being fed to the British Government through Communists within the British intelligence network. Subsequently, the British Government began to support Tito, as did the United States, even though it was evident that he and his followers were ardent Communists.

In order to give General Mihailovich the proper place in history he so richly deserves, I have introduced House Joint Resolution 156, to authorize the construction of a public monument in his memory. The National Commission of American Airmen Rescued by General Mihailovich has agreed to finance all construction and maintenance costs.

I urge my colleagues and fellow Americans to read the following account of the career of General Mihailovich, written by Mr. Milos Acin-Kosta, an author of many books on General Mihailovich. Even if we cannot immediately fulfill his dream for a free, democratic Yugoslavia, we can at least honor General Mihailovich for his efforts to see that dream become a reality.

REMEMBER GENERAL MIHAILOVICH, MARCH 27, 1893—JULY 17, 1946

During World War II, Yugoslavia became the battlefield of bloody guerrilla warfare between the Yugoslav Army in the Homeland (YAH), under the command of General Dragoljub Draža Mihailović—to whom the people had given the singularly affectionate title *chicha* (Uncle)—and the German occupation forces, their Allies, and the indigenous traitors who had collaborated with them.

Immediately after the German attack on the Soviet Union at the end of June 1941, Yugoslavia became the scene of a cruel civil war between the legally designated YAH and Stalinist-armed local units.

General Staff Colonel Mihailović was successively promoted during the course of the war to Brigadier General, Major General, and finally to General. As a general, he was the Chief-of-Staff of the High Command and the Minister of the Army, Navy, and Air Force in the legal Yugoslav Government. Mihailović was the only Allied Minister of War and the Chief-of-Staff of the High Command which was active and fought on the territory of occupied Yugoslavia.

In Yugoslavia, the war began on April 6, 1941 with a brutal Nazi air attack on the open city of Belgrade. The April campaign was short. The overwhelming superiority of the German army forced the Yugoslav High Command to sign the Article of Capitulation. The capitulation horrified the traditionally independent Serbes and stunned the Slovenes. The Croats, however, were exhilerated, and welcomed the Germans into Zagreb with flowers. At the same time the capitulation inspired the Communists, because at that time the Hitler-Stalin Nonagression Pact was in force.

Colonel Mihailović, a Serbian from Ivanjica, was at a Bosnian town called Doboj when he received the capitulation order. He refused to carry out the order of the High Command saying, "I do not recognize the capitulation."

By rejecting the capitulation, although the whole Europe capitulated, Chicha entered into the history of Serbia, of Yugoslavia, of Europe, and of the World in the singlular struggle for freedom which reached the epic level of the historical Serbian Battle of Kosovo of 1389.

Mihailović had been twice-wounded on the Salonica Front and was experienced in battle against the Germans and the Bulgarians. As an officer of the Serbian epoch of Liberation and Reunification of 1912-1913, nurtured in the traditional spirit of the expression, "Liberty or Death," the capitulation order was worse than death itself. Even before World War II, as a young officer Mihailović had advanced the idea of a guerrilla (Chetnik in Serbian) war as a lecturer on Tactics among his fellow officers at the Military Academy and the Advanced Military School. The decision to continue the struggle against the invaders as a guerrilla leader rather than to capitulate was quite natural to this specialist in guerrilla (Chetnik) warfare. On the eve of World War II, Mihailović had made a full report on the subject of guerrilla warfare to the then Minister of War, General Milan Nedić. The Minister reprimanded him for his report and sought to relieve him of his duties as a general staff officer.

Ironically, one year later, Mihailović rejected the capitulation, General Nedić became a collaborator, and the first guerrilla units were formed by the colonel. As the first guerrilla (Chetnik) leader of World War II, he declared on May 8, 1941, the formation of the GHQ of YAH on Ravna Gora Mountain. However, the very first guerrilla action in subjugated Europe Mihailović carried out on April 22, 1941, with an attack on the German outpost along the Zavidović-Han Pijesak rail line in Bosnia. After this successful raid, Mihailović's first guerrilla detachment moved from Bosnia into Serbia proper via Tara Mountain and Suvobor to Ravna Gora. Henceforth his soldiers were known as the Ravnogotsi. The eight of May later people celebrated as the Ravna Gora Day.

From Ravna Gora, Chicha sent his military cadre to all parts of occupied and dismembered Yugoslavia as Ravna Gora organizers. The first mission of the organizers was to bring together "Chetnik detachments of our unsurrendered army"—as the people called the guerrillas, following Serbian tradition—who were scattered in the mountains and forests. The second mission was to continue or extend organized resistance to the occupation and to raise the fighting spirit of the people. The third mission was to form new units of the Yugoslav Army in the Homeland.

Thus did Chicha, a senior officer of the army of the Kingdom of Yugoslavia, begin and extend the organization of the YAH as an armed force of the legal government of Yugoslavia.

Under the protection of the YAH, and along with the Command, Mountain Staff No. 1, the Central Committee of the Ravna Gora Movement was organized. The ideologic substance of the movement—For Democracy, Against All Dictatorships—was, in essence, the aim of the war. The Central National Committee was composed of political representatives of prewar opposition parties. The foremost leaders of the Republican Party headed the Ravna Gora Movement.

In 1943, the Germans secured their rear echelon and obtained a secure battleground for their Operation Schwarz ("Operation Black") to destroy Mihailović's High Command.

Operation Schwarz had as its principal mission the capture or the liquidation of Chicha, the elimination of the Command of the YAH and then the defeat of all the Ravna Gora units. This mission against Chicha was decided by Hitler himself. The operation could not have been carried out in May 1943, had there been no agreement between the Nazis and Stalinists at Zagreb. Though Operation Schwarz failed to achieve its goal because Chicha, his staff and the British Military Mission vanished into the mountains as the strategic encirclement by German, Italian, Ustaša, Bulgarian and Partisan Forces closed in, the YAH nevertheless sustained heavy losses, primarily because of the lack of ammunition due to the radical change of the British policy toward Yugoslavia.

Afterwards, the Germans and the Italians offered a reward for the death or capture of Chica Mihailović. This was the second time the Germans had offered a reward for the head of Mihailović. It amounted to 100,000 gold Marks.

During 1944, the YAH was charged with the rescue of Allied airmen who were downed over Yugoslavia. Altogether, over 500 airmen were rescued, most of them Americans. All were evacuated successfully from makeshift airfields in Serbia and were taken to airbases located in the liberated parts of Italy. After the war, the American airmen formed their own veteran association named the National Commission of American Airmen Rescued by General Mihailovich. The principal goal of this veterans organization was to raise a monument of gratitude to General Mihailović in Washington, D.C. The commission has agreed to finance the entire construction and maintenance of the monument.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

In February 1944, a report of a Ravna Gora Congress at a village named Ba in Serbia was given to authorities in Washington. Because this Congress was held on St. Sava Day (January 27) it became known as the St. Sava Congress. At the Congress, Chicha gave his classical speech. He publicly proposed that only a freely elected national assembly, in a constitutional procedure, can accomplish the reorganization of the government. To dispell rumors spread by the enemy, both fascists and communists, that the Ravna Gora forces were preparing a reprisal campaign, he also confirmed that it was illegal and inethical for anyone to take revenue on anyone else.

After the resolution of the Congress was made, Chicha issued orders for the formation of armed forces for Serbia, Croatia and Slovenia federal units of Yugoslavia. According to the Congress Resolution, these were distinct federal units, each of which had its own national flag, under a unified High Command, that is, the Minister of National Defense.

The orders to reform the YAH neutralized all the Stalinist and the Ustaša stories of intentions of Chicha and his Ravna Gora men to create a Greater Serbia. The actual situation in the countryside, even before the Resolution of the Congress, made it possible to organize the larger part of the territory of the country both in a political and military sense.

If one were to take into account the brutality of the occupation, the atrocities of the Ustaša as well as the Stalinist Partisans, and the insufficiency in arms and ammunition and medical supplies, then one can appreciate the success achieved by the Ravna Gora Movement in organizing the resistance of the entire territory. At that time, the Germans executed 100 Serbians for each German soldier killed and executed 50 hostages for each German wounded. In addition to the killings and the burning to the ground of whole villages, the occupation forces sent Serbians to death camps throughout Germany and even Poland and Norway. Genocide is the name of such acts. Throughout the war the Germans did not recognize the war convention status of the members of the YAH as soldiers. They were regarded not as soldiers of a warring country; in the eyes of the Nazis, the Ustaša, and the Stalinists alike they were simply "bandits."

The Stalinist Communist Party of Yugoslavia was brought to power with the arrival of the Red Army in Belgrade (October 1944) because it was the servant of the all-powerful Stalin. The main body of the YAH was disbanded in the Spring of 1945 in Bosnia because it was completely out of ammunition. Among the many lost was one Vojislav D. Mihailović the only son of Chicha.

The "Mountain King of Serbia" as Chicha was sometimes called, even then "vanished" from Stalinist encirclement. In the Spring of 1946, however, he was betrayed by Major Nikola Kalabić, brought before a public legal lynching trial, which mirrored Stalin's "legal" trials of the nineteen thirties, found "guilty as charged by the CPY", and was shot on July 17, 1946.

Although the physical location of his grave is not known, his memory has not faded. In 1988, in the heart of Belgrade, Serbian youths sang songs in praise of Chicha and Ravna Gora.

The Americans, both the people and the Government, remained convinced that Chicha was a hero of World War II, the first guerrilla of Europe, the savior of American airmen, and a convinced democrat who died fighting against dictatorships of both the Hitlerian and Stalinist type. For this reason, President Truman awarded him a posthumous Legion of Merit medal in 1948, the highest award which can be given to a non-citizen of the United States.

RSVP MEMBERS REACH OUT TO COLORADO COMMUNITIES

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. BROWN of Colorado. Mr. Speaker, without volunteer workers who give selflessly of themselves, the structure of the community could not be as strong as it is today. I take this opportunity to recognize, in particular, the contribution of the Retired Senior Volunteer Program [RSVP] members to Larimer County.

These volunteers, age 60 and above, are shining examples of people dedicated to the principle of hard work. They direct their energies into schools, libraries, and nursing homes, among other community centers, and receive nothing in return, but personal gratification.

Mr. Speaker, in order to draw due attention to RSVP, I would like to include in the RECORD an article which describes the services it provides.

RSVP MEMBERS CONTRIBUTE MUCH

The Retired Senior Volunteer Program of Larimer County (RSVP) recruits and places volunteers, age 60 and above, in non-profit service agencies. During 1988, over 1,000 RSVP volunteers contributed 182,498 hours in Larimer County.

Their invaluable contributions save Larimer County service agencies hundreds of thousands of dollars, while completing essential tasks that might otherwise go undone.

In Ft. Collins, a handful of RSVP members serve as couriers for the fire department. In Loveland, dedicated RSVP members aide the Chamber of Commerce in a massive valentine re-mailing campaign. In Estes Park, a cadre of RSVP volunteers work in the hospital thrift shop that turns over a substantial profit each year to purchase needed equipment. RSVP members help also in schools, libraries, cultural centers, nursing homes, and food distribution centers. They help those living in shelters for the homeless and abused.

RSVP of Larimer County is allowed to coordinate several direct services. Our volunteers enjoy working on these projects and they provide needed, unduplicated services to other seniors in our community. Our direct services include providing over 700 individual Medicare counseling sessions each year. RSVP—VITA volunteers prepared over 1,000 income tax returns, free of charge, for low-income seniors. They receive no money from the Federal government to help offset expenses generated by this program. A grocery shopping service keeps homebound seniors healthy by delivering prescriptions and food, even during the coldest day of the year. Telephone Friends and Carrier Alert help seniors living alone to know they are not isolated and forgotten.

A "Hats Off to RSVP Volunteers!" celebration will be held for the members of the Ft. Collins RSVP on April 6. Outstanding contributions will be recognized and honored.

A celebration for Loveland RSVP members is planned for late June, and a celebration for Estes Park RSVP members is planned for late summer.

REA LOAN PROGRAM REFORM

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. BATES. Mr. Speaker, I would like to direct my colleagues' attention to the Grace Commission recommendations. One of the Commission's recommendations focused on the need to reduce Government loan guarantees for electric borrowers and to require the electric distribution cooperatives to seek financing from the private sector. In essence, this is precisely what the Bates-Hunter legislative initiative proposes to do.

H.R. 1232, the Rural Electrification Administration Lending Assistance Improvements Act continues to gain bipartisan coalition support. I am pleased to note that the Council for Citizens Against Government Waste has joined in the Bates-Hunter effort along with such groups as the National Taxpayers Union, the National Propane Gas Association, and the Bankers Committee. In addition, this legislation enjoys support from my colleagues on both sides of the aisle, including BARNEY FRANK, ROBERT LAGOMARSINO, ROBERT GARCIA, and HELEN BENTLEY. I am additionally pleased to note that Clayton Yeutter, the newly appointed Secretary of Agriculture recently made note of the financial solvency of REA borrowers and stated that the magnitude of the existing REA subsidy was hard to justify.

The Grace Commission recommends three policy changes with regard to the Rural Electrification Administration. They are: Reduce generation and transmission loans, reduce Government financing of cooperatives, and reduce regulation. The Grace Commission's report gives increasing visibility to additional methods of reducing the deficit, rather than concentrating solely on conventional deficit-reducing strategies.

In the debate about the mammoth budget deficit that haunts our economy, arguments have focused mainly on the outlays for defense and on the imposition of new taxes or fees on working Americans. Left out of the debates, or at least given little regard, is the burgeoning subsidies in the agricultural sector, which have risen by olympian bounds in recent years. As an example, the Grace Commission notes that "since 1973, the amount of annual [REA] loan guarantees extended increased rapidly, doubling the cumulative amount outstanding from $13.5 billion in fiscal year 1978 to $31.6 billion in fiscal year 1980." This exponential increase has contributed to Government borrowing, exposed interest rates and affected debt management policy. A recent Congressional Budget Office report, entitled, "Reducing the Deficit: Spending and Revenue Options" emphasized that because of the interest rate subsidy provided to REA

borrowers over the years, the Federal Government incurs large budgetary costs from REA lending activities each year.

It is for precisely this reason that legislation that addresses both agricultural policy and the budget deficit is absolutely essential. H.R. 1232, would reduce our budget deficit by $5 billion over the next 5 years by replacing high subsidy REA direct loans with REA guarantees of private loans at the market rate when assisting legitimate rural borrowers.

Today, without question, REA begs for reform. Under current law, areas that were rural in former times but are no longer rural continue to receive high subsidy assistance. About 5 percent of REA borrowers serve largely metropolitan areas, not rural areas. During the period of 1980 to 1985, these urban and suburban borrowers received nearly 20 percent of all electric loans aimed at rural communities.

The telephone program is no different. A number of REA borrowers are subsidiaries of major, multimillion and multibillion dollar telecommunications holding companies. A recent in-house study compiled by REA shows that these holding companies, representing 7.5 percent of all telephone borrowers, took 25.5 percent of the money between 1980 and 1985. Major league operators have no place taking high-subsidy assistance from hard working taxpayers. American taxpayers are growing tired of subsidizing the 1,400 private cooperatives who borrow from the Government for as low as 5 percent. I was pleased to note a recent Newsweek article which listed the REA loan program as one of the Government's boondoggle pork programs that is ripe for reform.

The Rural Electrification Administration was established to help rural Depression-era communities obtain electricity and phone service by offering them direct, subsidized, below market-rate loans. In 1936, when President Roosevelt enacted the REA loan program, only 12 percent of U.S. farms had electricity and only 36 percent of farms had telephones. In 1988, 99 percent of farms have electricity and 97 percent have telephone service.

The Bates-Hunter REA loan reform measure would save $5 billion over the next 5 years. This legislation produces dramatic savings and does so without abolishing the REA or causing a drastic increase in farmer's utility bills. It is the type of reform called for in these times because it measures assistance to those who need it while eliminating assistance to those who don't .

In the few cases where a borrower is experiencing financial hardship, my legislation provides a wholly reliable safety-net. This is as it should be. We should not threaten quality, reliable, and affordable service to rural Americans.

We all know that the Federal budget deficit must ultimately be reduced. The Bates-Hunter bill reforms the REA loan program and reduces our costs without harming rural America or abolishing the program. It allows us, in a substantial way, to find the resources to reduce the deficit and to meet other urgent needs of today's America.

DICK BURRESS ON THE BICENTENNIAL CONGRESS: 200 YEARS AND GOING STRONG

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. MICHEL. Mr. Speaker, last week Richard T. Burress, senior fellow at the Hoover Institution spoke at the April breakfast of the House Republican Senior Committee Staff Alumni Association on the activities and actions of the very first Congress, whose bicentennial birthday we are celebrating this year.

I believe all Members will find his remarks to be both interesting and informative.

Mr. Burress served as deputy counsel to President Nixon and assistant to President Ford. He also served as counsel to the House Republican leadership, as minority Sergeant at Arms of the House, and staff director of the House Republican Policy Committee and as minority counsel of the House Committee on Education and Labor. He has written and spoken extensively on our constitutional history and is emerging as a recognized expert on the life and times of James Madison.

TWO HUNDRED AND GOING STRONG?

(By Richard T. Burress)

Remarks delivered in Washington DC on April 5, 1989 at the House Republican Senior Committee Staff Alumni Association.

Although March 4, 1789 was the day the First Congress had been scheduled to open, it was not until April 1 that a quorum was present in the House of Representatives. Five days later there was a quorum in the Senate. With this less than auspicious beginning, the First Sessions of the First Congress staggered into action. No one predicted that it would be one of the most productive legislative bodies of this or any other time.

The Members were planters, merchants, a few clergymen and lawyers, many lawyers, thirty-eight percent to be exact. All were white and male. In the House there was a clerk, two assistant clerks, chaplain, sergeant-at-arms, doorkeeper and one assistant. The Senate had a secretary, chaplain, two clerks, a doorkeeper and a messenger. The budget was $374,000. There were no committees or committee staffs.

Before it adjourned on September 29, the First Congress: counted the electoral ballots; inaugurated Washington and Adams; created the State, Treasury, and War Departments; established the Office of Attorney General; enacted the Judiciary Act of 1789; passed bills relating to copyrights, patents, lighthouses, maritime regulations, naturalization, postal regulations, duties on distilled spirits and funding of the debt; incorporated the Bank of the United States; established a permanent seat of government along the Potomac; and adopted twelve amendments to the Constitution, ten of which became the Bill of Rights. Not bad for a group that lived in boarding houses, wrote the legislation themselves and had no offices or staff.

The First Congress did have experience. Eleven in the Senate and nine in the House attended the Constitutional Convention, over half had served in the Continental Congress and many of the others in State legislatures.

Above all, there was George Washington. More than the Constitution, certainly more than Congress, he was the unifying force. Despite apparent nervousness, "This great man was agitated and embarrassed more than ever he was by the leveled cannon or pointed Musket, he trembled and several times could scarce make out to read." The sincerity of his inaugural address inspired confidence. His call for guidance, "It would be peculiarly improper to omit, in this first official act, my fervent supplications to that Almighty Being who rules over the universe" was a reminder that this was a government instituted under divine benediction. His renunciation of all compensation continued a practice he established as Commander-in-Chief of the Continental Army. And his call for amendments to the Constitution, "Besides the ordinary objects submitted to your care, it will remain with your judgement to decide how far an exercise of the occasional power delegated by the fifth article of the Constitution, is rendered expedient at the present time," brightened James Madison's day even though it came as no surprise. Madison had helped to draft the speech during an earlier visit to Mount Vernon.

James Madison, the star of the First Congress, had been elected to the House of Representatives in February after a bitter campaign. His opponent in the ratification battle, Patrick Henry, did everything in his power to cause his defeat including having James Monroe run against him. To win, Madison had to make a solemn pledge that he would do his best to have a Bill of Rights adopted in the First Session of Congress. Washington's remarks were the first step in this process. With an unseemly amount of cajoling, and with insistence bordering on the obnoxious, Madison fulfilled his promise. On September 25, Congress adopted and sent to the States not ten but twelve articles of amendment. Exercising better judgement than Congress, the States refused to ratify the first two dealing with House districting and Congressional pay. This accident of history made freedom of religion, speech and press the First Amendment of the Bill of Rights.

The First Congress and the first President had a lot to learn. At the outset the Senate demanded that the President be present in person to discuss proposed treaties. They even had him take the Vice President's chair. This caused John Adams to complain, "I am possessed of two separate powers, the one in esse; and the other posse. I am Vice President, in this I am nothing, but I may be everything. But I am President also of the Senate. When the President comes into the Senate, what shall I be." He did not need to worry, Washington became so disgusted with Senate procrastination that he never came back and neither have any other Presidents.

The Senate toyed with the idea that as they had the right to confirm Presidential appointments, they should have the right to unconfirm as well. Even though there was nothing in the Constitution that speaks either way, Washington had no trouble turning this proposal down. Alexander Hamilton requested permission to appear before the House. The Members fearing the eloquent Hamilton, declined. Thus was born the tradition that Cabinet Officers do not appear to answer questions as they do in the English parliamentary system.

There was plenty of time for foolishness. The Senate spent much of its first month in debate over what to call the President.

Their final preference, "His Highness the President of the United States and Protector of the Rights of the Same". The House did not agree. A simple, "Mr. President" has served ever since. In the meantime, John Adams became known as "His Rotundity" and "His Superfluous Excellency." Vice Presidents then and now get very little respect.

Nonsensical and even outrageous statements were in vogue. Member Burke in the Constitutional amendment debate stated he considered them "little better than whipsyllabub, frothy and full of wind formed only to please the palate." Member Livermore was against prohibiting "cruel and unusual punishments" for he believed the clause could prevent "hanging, whipping or cutting off of ears if such was considered necessary to correct vice."

One might wonder what the First Congress would think of the One Hundred and First. They probably would be surprised that Congress has lasted as long as it has. They undoubtedly would be amazed by its growth. Today there are 435 House Members, five territorial delegates and 100 Senators. The Congressional budget is in excess of $3 billion dollars. There are more than 18,000 employees and a total of 55 standing House and Senate Committees. Some might say the business of Congress is business, big business.

Unfortunately, the fight between Congress and the President has become ingrained and bitter. The rise of political parties and divided government has led to stalemate, vicious partisanship and a loss of public confidence.

Are the Members of the present Congress less honest, lazier, less knowledgeable and less efficient than their predecessors? Like the First Congress, some are and some are not. Then, as now, they are ordinary citizens who happened to be elected to serve for a time as our representatives. Whether we like it or not, Congress with all its virtues and shortcomings is us.

RELATIONSHIP OF MUNICIPAL WASTE TO RESTORATION ECOLOGY

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. QUILLEN. Mr. Speaker, I would like to share with you and my colleagues a letter from Mr. Philip B. Wisman, an economist and ecologist, surely a symbiotic combination of disciplines. He was an ecologist way back when most of us had to look up the word "ecology" in the dictionary and long before there was an EPA or RCRA or Superfund. One of the early advocates of municipal waste recycling, he coined the slogan, "Every pollutant is a wasted asset;" but being perceptive and practical, he also predicted that "only when cities run out of landfill space will the public pay much attention to recycling." When he lectured in November 1970, on the need for mining landfills, it seemed rather farfetched at the time; but today such "mining" has already begun in several locations. He is now a trustee of the Foundation Incorporated for the Exploitation of Energy Sources, and because Mr. Wisman has usually been at least 20 years ahead of most of us concerning our ecosystems—because of his track record—we ought to take his words seriously. I submit Mr. Wisman's letter for the RECORD.

DEAR CONGRESSMAN QUILLEN. Urban dwellers are finally forced to focus on disposal of their waste. (sewage sludge, garbage, paper, diapers, plastics, and toxic materials) Throughout the nation, incineration, landfill, source reduction, and recycling are being debated in terms of human health and economic welfare. This is gratifying, but there are some neglected aspects of municipal waste recycling that deserve the nation's urgent attention. Many methods fail to complete the cycle of returning biodegradable material to the source from whence it came, and that results in depletion of cropland soil. If we are to continue the phenomenal productivity of our farms and forests, substances taken from the earth in the natural processes of plant growth must be recycled to the nation's soil that is being progressively depleted. Such depletion is cause for great concern. Serious research is underway so that we may correct this loss and become once again a frugal, rather than a profligate society.

Pulp from the 75,000 trees that are harvested to make one Sunday edition of the New York Times comes from the soil, but doesn't ever get back to it: the millions of tons of topsoil "used up" in the growth of vegetables, grain, fruit, stalks, stems, and table waste, as well as the solids from sewage, rarely go back to croplands, but instead are being landfilled, dumped into rivers, lakes, and oceans, or incinerated. Incineration destroys valuable organic matter that belongs back in the soil. Composting is certainly a step in the right direction, but—as presently practiced—leaves much to be desired, for it lacks reliable methods of mass processing and it lacks quality control.

One hears about erosion from wind and rain, but seldom about the enormous amounts of topsoil extracted through plant growth, or about the consequences of not recycling these biodegradable materials back to the soil. Continued failure to restore the topsoil of our farms will, in time, severely reduce our ability to produce food crops.

In productive farm areas where depth of topsoil was once measured in feet, it must now be measured in inches. As long as there is a little topsoil left, however, plants can grow, but they won't grow on "hardpan" no matter how much chemical fertilizer is applied. The insidious feature of all this is that gradual, creeping depletion of topsoil is taking place throughout our farmlands while at the same time crops are being grown successfully.

The sad fact is that when topsoil is dissipated beyond a certain critical point, desertification sets in. Once this point is reached, the sudden, cumulative effect of long-time neglect can be devastating.

So-called "farmed out" areas of the country are already plagued with cyst nematodes and other pests that thrive in depleted soil. These parasites are now decimating soy beans, tomatoes, potatoes, corn, and other important portions of our food supply. To control these pests, farmers are using more and more chemical poisons.

Some historians link the decline of great civilizations to loss of topsoil. Herodatus alludes to lush, verdant lands that are deserts today; and in the time of the Roman Empire, veterans returning from the wars were given plots of land to till; but having little knowledge or experience in this pursuit, they did not restore their topsoil and, failing as farmers, drifted to the cities, and became public charges. So the theory goes. Soil depletion was, very likely, one of many factors that contributed to the decline of the empire.

Western civilization as we know it, need not go the way of Nineveh and Tyre, although it is easy to understand how universities, museums, art galleries, symphony orchestras, and other trappings of the good life would soon fade when the citizenry discovers there isn't—and won't be—enough to eat.

Our situation is not hopeless, at least not yet—if the public can be led to understand that the corrective methodology is already available and can restore vitality to the soil, if only our institutions will gear up to meet the challenge. We know how to follow the steps used in nature to convert waste to topsoil. The good news is that many "specialized bacteria" have been identified and tested—organisms that completely digest and convert into topsoil almost all forms of biodegradable material found in garbage, trash, and sewage—such as lignins, oleic acid, cellulose, and even some plastics—and that fine grinding and intense oxidation have been shown to be practical ways of neutralizing many substances, including heavy metals. Until recently no one had developed practical, mass-production methods of manufacturing standard, quality controlled topsoil from the garbage, trash, and sewage sludge of cities.

But now the technology is here. By using sophisticated industrial equipment that already exists, it is now feasible to perform rapidly the processes by which topsoil has heretofore been produced in nature over a long period of time. Further, the wholesale clean separation of such non-biodegradables as glass, ferrous and non-ferrous metals—in large enough quantities, and in steady enough supplies to interest industrial buyers—is also practical.

More than forty years of experimentation, trials, errors, false starts, and new beginnings have led The Foundation and its predecessors to investigate and test the various segments of a system for mass production of a standard, quality-controlled topsoil concentrate from big-city solid waste and sewage, and for the extracting of cullet, ferrous and non-ferrous metals in forms and in quantities acceptable to glass manufacturers and smelters.

I believe it is appropriate and timely for government and the private sector to utilize this knowledge by showing urban dwellers and farmers how they can cooperate in a way that will benefit both: by solving a substantial part of our municipal waste problem, and at the same time restoring soil fertility and enhancing future food supplies. Such an undertaking, if sensibly managed, will be self financing—can literally pay for itself—without any extra drain on taxpayers. But the practicality of processing big city waste into quality-controlled topsoil and marketable glass and metals must first be demonstrated on a sufficiently large scale. Would this not be an ideal joint project for the Department of Housing and Urban Development, the Department of Agriculture, and the Environmental Protection Agency? Our Foundation could be an enthusiastic participant in any such effort.

JUSTICE O'CONNOR'S SECOND INDISCRETION

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. FRANK. Mr. Speaker, while we continue to have controversy over the opinions of the Supreme Court, as is entirely proper under our scheme of government, one thing we have not had much of in the last years is allegations that Supreme Court Justices are overstepping the bounds of propriety. There have been earlier in this century examples of Supreme Court Justices being political in ways that were inappropriate, but that practice appears greatly to have diminished—with one regrettable exception. Justice Sandra Day O'Connor has twice in recent years engaged in activities on behalf of the Republican Party which simply are not appropriate for a Supreme Court Justice.

Two years ago, she inexplicably agreed to conduct a briefing on the Supreme Court as part of a Republican Party fundraiser. This is hardly a subtle point, and I was extremely disappointed that she had agreed to do that. My impression is that only the unfavorable publicity which grew up about the event led her to cancel something she should never have agreed to in the first place. But at least she did cancel it, and this gave reason to hope that she then understood what limitations she should be observing now that she has left elective politics in Arizona for the Federal judiciary.

Unfortunately, after that incident last year showed that she had not fully assimilated that lesson. When she was asked by a woman active in the Republican Party to write a letter which was intended to be used in an intra-Republican party dispute in Arizona, Justice O'Connor responded with a letter which was in fact used to achieve passage of a resolution by the Arizona Republican Party that this is "a Christian nation." No one suggests that Justice O'Connor was supporting that specific outcome, but the evidence is clear that she knew that she was writing a letter which would be used for that purpose. This was a second grave error.

Mr. Speaker, Prof. Alan Dershowitz of Harvard recently wrote a persuasive essay in the New York Times about Justice O'Connor's behavior. I ask that it be reprinted here in the hopes that we will not again have to deal with an instance of Justice O'Connor's engaging improperly in political activity.

JUSTICE O'CONNOR'S SECOND INDISCRETION

(By Alan M. Dershowitz)

Justice Sandra Day O'Connor has again deplorably allowed her name and judicial office to be used for partisan political purposes.

In 1987, she agreed to conduct a "private briefing" in the Supreme Court for Republicans who contributed at least $10,000 to a political-action group. She canceled it after leading ethics experts publicly criticized her actions as violating the Code of Judicial Conduct—but not until after her name had been used in the fund-raising solicitation.

Justice O'Connor recently complied with a request from an arch-conservative Arizona Republican friend who had asked her to write a letter in support of a proposed party resolution declaring the United States to be "a Christian Nation . . . based on the absolute law of the Bible."

Her reply—written on Court stationery and later circulated as part of a successful campaign to have the Arizona Republican Party adopt the Christian Nation Resolution—included the following:

"You wrote me recently to inquire about any holdings of this Court to the effect that this is a Christian Nation. There are statements to such effect in the following opinions: Church of the Holy Trinity v. United States. Zorach v. Clauson. McGowan v. Maryland."

In addition to the impropriety of a Justice lending the Court's judicial imprimatur to a controversial political proposal, Justice O'Connor's case citations are just plain wrong. The last two cases do not contain any statements of support for the claim that "this is a Christian Nation." Indeed, their entire thrust is to the contrary.

The first case, decided in 1892, does contain such a statement in passing, though certainly not a "holding" since the case involved an interpretation of an immigration statute, not a construction of the First Amendment's prohibition against the establishment of religion.

No Court decision over the last 97 years lends any support to the claim that we are a "Christian Nation." There are statements that we are a "religious people," but they are invariably followed by assurance of "no partiality to any one group."

When her letter was publicly disclosed, Justice O'Connor issued a statement regretting that the "letter she had written to an acquaintance . . . was used in a political debate." The Court press office assured us that she "had no idea" the letter would be used politically.

But the original request made it unmistakably clear that she was being asked to write her letter specifically for use in the campaign for the Christian Nation Resolution being pressed by elements in the Republican Party.

This is the relevant language in the request: "Republicans are making some interesting advances in this heavily controlled Democratic area. Some of us are proposing a resolution which acknowledges that the Supreme Court ruled in 1892 that this is a Christian Nation. It would be beneficial and interesting to have a letter from you . . ."

Not only was Justice O'Connor's letter used in that campaign, its miscitation of cases was relied on in the resolution enacted by the Arizona Republican Party. That resolution begins, "Whereas the Supreme Court of the United States has three holdings to the effect that this is a Christian nation. . . ." It then cites the decisions provided by Justice O'Connor and declares that we are "a Christian Nation," and that the Constitution created "a republic based upon the absolute laws of the Bible, not a democracy.

Justice O'Connor has twice given aid and comfort to partisan Republican causes. Both times her regrets came too late and only after public criticism. She has twice allowed her name and judicial office to be used improperly. She has twice violated the Code of Judicial Conduct, which unambiguously directs sitting judges to refrain from political activity, including "making speeches for a political organization" and participating in political fund raising.

A seat on the Supreme Court does not exempt a Justice from complying with the rules of the profession. Justice O'Connor must remember that her allegiances are no longer to be a particular wing of the Arizona Republican Party but to all Americans, regardless of party affiliation, region or religion.

ON TRACK WITH THE DEFICIT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. CRANE. Mr. Speaker, in this day and age of excessive congressional spending and budget deficits, a fresh perspective on our financial woes may bring to light new answers to old budget problems. Recently, I was fortunate to read the remarks made by Mr. Walter B. Wriston in a speech he delivered to a group of U.S. executives. Following is the text of that article which I believe Members will find informative and worthwhile:

[From the Wall Street Journal, Jan. 6, 1989]

ON TRACK WITH THE DEFICIT

(By Walter B. Wriston)

It is always useful to have a simple answer to complex problems, and the budget deficit has served that purpose admirably. It is blamed for everything from America's supposed lack of competitiveness, to a low saving rate, to contribuing to—or even causing—the trade deficit.

While there is disagreement over the effects of the budget deficit, and even its causes, most people would agree we have a problem and that the first step in solving it is to get the facts—in this case, not as easy as it seems. The government is incapable even of telling us what the last quarter's GNP growth was with any precision; final figures are not issued until three years after the quarter's close and vary widely from initial reports—yet all projections of future deficits are based on someone's estimate of the GNP.

To understand the dimensions of the problem we should look at the deficit in three ways: By what rules were the numbers assembled and do these rules produce meaningful data on which to base policy decisions? How does the U.S. compare with other members of the Organization for Economic Cooperation and Development? And, what is the economic impact of deficits of the size we have seen?

OFF-BUDGET ENTITIES

If the accounting principles used to determine the size of the deficit were adopted by your business, the SEC would doubtless bring criminal charges of misrepresentation of fact. There are off-budget entities such as the Social Security Trust Funds and some other federal operations whose transactions are excluded from the budget totals by law. This law produces an on-budget surplus or deficit number. The Gramm-Rudman-Hollings Act, however, at present includes two out of three Social Security Trust Funds and other off-budget items for the purpose of computing that deficit or surplus. Differences between the two numbers are estimated in the $40 billion range for 1988.

The new element in the economic equation is the Social Security system—currently in surplus, and building at the rate of $76,000 a minute. Gramm-Rudman recognizes that in the real world it is a fact that a

separate tax stream funds the Social Security Trust Fund, and that the cash thus accumulated is lent to the U.S. Treasury. This is a new situation, since for 50 years there were no trust funds—benefits were paid out to retirees about as fast as taxes were collected from workers.

Whatever the future holds, it is a fact that part of our outstanding national debt is now funded by direct taxes on workers and much more of it will be in the future. The Social Security tax is now the biggest tax bite felt by most Americans, and it is scheduled to go up again in January 1990. If projections hold, no government bonds will be sold to the public in the mid-1990s—the Trust Funds will take them all.

The second anomaly in the deficit numbers is that everything the federal government buys is "expensed"—from the space shuttle to a 10-cent pencil. By contrast, a family buys a home with the help of a mortgage, since it is a capital asset, and balances its budget not against a one-time capital cost, but on a cash-flow debt-service basis. The familiar refrain that every family must balance its budget, so why can't the federal government, has a nice ring to it, but no family I know of expenses its home.

All businesses are run on the same principles. In 1987 business capital expenditures exceeded the before-tax business profits of all U.S. corporations by more than $100 billion. At the state level, this vital distinction between capital assets and operating costs is recognized, and some 37 states have a distinct capital budget with current operations reported separately.

Office of Management and Budget data show that the fiscal 1986, federal outlays for physical investments ranged from $84 billion for acquiring federally owned assets to $107 billion if one includes grants to states and local entities for their capital projects. In addition, federal direct loans, loan guarantees and government-sponsored loans amounted to about $42 billion. All in all, capital expenditures totaled 13.2% of total outlays, a not inconsiderable amount to expense, and if funded in the capital budget would produce near balance in the operating budget.

The reason the federal government has not brought its accounting into the 20th century is political, not economic. Everyone remembers that New York City got in deep trouble partly by classifying operating expenses as capital and thus "balancing its budget." The principal reason against instituting a capital budget is that many do not trust the national political process to maintain the discipline needed to distinguish between capital expenditures and operating costs.

Another anomaly in the way we keep our books is that we are perhaps the only country in the world that does not include the deficits or surpluses of the nation's political subdivisions, in our case the 50 states, in computing the national deficit. This is akin to a business failing to include the result of some of its divisions when reporting its earnings. Recent experience with the Financial Accounting Standards Board has taught us to pay attention to how accounting rules affect reported results; we should do the same with the federal accounting system.

The second way to look at the budget deficit is on a comparative basis with our neighbors. Exact comparisons are difficult, because foreign countries keep their books differently than we do. Even so, the U.S. budget deficit as percentage of GNP is smaller than that of France, for example, and falls in the middle of the range for all OECD countries. Today our ratio of net government debt (federal, state and local) as computed by the OECD is about 30% of GNP, about the same general range as Japan, Canada and West Germany, and much lower than Italy or Britain. Levels of saving appear lower in the U.S., and this is thought to make public deficits less tolerable here, but in an age of global capital markets, capital goes where it's wanted and stays where it's well-treated.

That brings us to the third perspective on the budget deficit—its effect on the economy. While the deficit, as currently computed, has been blamed for all of society's ills, there is little hard evidence on which to form such a judgment. Not long ago, we were warned by experts that government borrowing would crowd out private financing and thus cripple our economic expansion. The crowding-out theory was all the rage, but it did not happen. As a historical note, most people have forgotten that when we emerged from World War II, the gross federal debt was in excess of 100% of GNP.

Much of the rhetoric regarding the presumed effects on our economy is based on the concept of closed national economies. While this view once had some validity and, indeed, is the framework surrounding much economic theory from Adam Smith to modern times, the world can no longer be understood as a collection of national economies managed in isolation from the rest of the world.

Borders that were once the cause of wars are now becoming porous. Money moves over, around and through them with the speed of light. The flows of capital are now in the range of 30 to 50 times greater than world trade. The world's capital that moves along this electronic highway goes where it is wanted and it stays where it is well-treated. This is why there was no crowding out, this is why foreign capital comes and stays in the U.S. As long as our free-market system permits and delivers an acceptable rate of return on investment in an environment of political stability that is competitive with other areas of investment, the capital will keep coming.

Large budget deficits are often said to cause high interest rates, but nominal rates on long-term Treasurys have fallen from more than 17% to about 9%. Real interest rates remain in the high end of the historical range. There are good economists who say the real interest rates are higher today than they would have been had we not had these deficits, but there are other scholars with equal credentials who believe that is really an assertion and not a documented fact. Both points of view are supported by reams of statistics.

Today the world looks at America and sees our GNP moving toward $5 trillion; it sees a huge creation of jobs; it sees manufacturing productivity rising at an annual rate of 4.3% since 1982, with unit cost falling, making the U.S. the lowest-cost producer in the G-7 according to recent IMF data. It sees our deficit, as measured, falling both in absolute terms and as a percentage of GNP.

SOME REAL PROGRESS

While we are on the right track, we will always have problems to deal with. The real worry in the economy has been a trend that has been going on for decades: the growth of government spending on the federal, state and local level. In 1951, federal expenditures were 14.4% of GNP; by 1987 they had grown to 22.8% of GNP. State and local expenditures rose from 6.1% to 9.3% during the same period.

The good news is that the growth rate of federal spending reached a peak of 19% in fiscal 1980 and fell to 2% in fiscal 1987, a dramatic improvement largely ignored by commentators. Measured as a ratio of GNP, spending has fallen from a peak of 25% in 1983 to about 23% now. All in all, this adds up to real progress.

In the great American tradition, Gramm-Rudman is proving to be an effective compromise. As Lawrence Kudlow of Bear Sterns put it: "Budget experts don't like it because it puts the budget on automatic pilot. Conservatives don't like it because it prohibits heavy spending in the military defense area. And liberals don't like it because it cuts into spending on domestic social services and entitlements." But it is clearly working.

A DOWN PAYMENT ON THE 21ST CENTURY

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. BROWN of Colorado. Mr. Speaker, today I am introducing H.R. 1747, a bill to modify the annual report of the Social Security Board of Trustees. Specifically, the bill requires the trustees of the Old-Age, and Survivor Insurance Trust Fund and the Federal Disability Trust Fund to report the long-term obligations of the funds.

In the past, the trustees have reported that the system is—or is not, as the case may be—in close actuarial balance. That phrase means that, over the course of 75 years, disbursements are projected to balance within 5 percent the receipts from taxable payroll. It is a useful projection.

However, as sizable trust fund reserves accrue, I believe it would be even more useful to remind ourselves of the actual dollars committed to the system. The analogy I would make would be to a defined benefit plan under ERISA. By statute, the pension fund managers must account for long-term expenditures.

My bill would, therefore, require the trustees to include two new projections: First, a closed-end analysis in which those under age 15 are excluded; and second, an open-ended analysis which would take into account the contributions by future workers. I've chosen these measurements because SSA already provides such data to Treasury for publication in a quarterly bulletin, so my bill won't require any added work years to compute.

I believe those computations, which last year totaled $377 billion for the open analysis, and over $5 trillion for the closed analysis, will put the mounting reserves into the necessary perspective.

Mr. Speaker, those reserves are a small down payment on the Social Security obligations of the 21st century. They are not ours to spend.

HONORING QUEENS COMMUNITY LEADER THOMAS WHITE

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. ACKERMAN. Mr. Speaker, I would like to submit an article commending an outstanding individual and community leader, Mr. Thomas White. I have known Tom for many years, and am well aware of the many fine contributions that he has provided to Queens County. Recently, New York Newsday honored Thomas White by featuring him in the Queens Profile section of the March 20, 1989 issue of the newspaper. I ask my colleagues to take special note of Mr. White's achievements in the field of drug and alcohol rehabilitation and counseling.

[From New York Newsday, Mar. 20, 1989]

QUEENS PROFILE OF THOMAS WHITE

Job: Executive director of the Queens Village Committee for Mental Health for the Jamaica Community Adolescent Program Inc., known as J-CAP, since 1971; program offers drug-free substance abuse treatment, family counseling, vocational and educational services, alcohol prevention and education and community services at five locations in Queens; member of Community Board 12; last month, received Distinguished Service Award from the state Black and Puerto Rican Legislative Caucus.

Biography: 49, born and reared in South Jamaica, master's in social work from State University at Stony Brook; cofounder of J-CAP; served on Gov. Mario Guomo's advisory committee on drug and alcohol abuse; married, one son.

Residence: Co-op in Rochdale Village.

Major accomplishment: 'J-CAP has been a forerunner in southeast Queens in addressing the area of substance abuse since the early '70s . . . We started in a storefront, worked with the Board of Ed. and the narcotics speakers bureau, went into schools and invited teens to come in and talk. We grew from being an educational provider to a direct treatment center.'

Good and bad about Queens: 'Queens maintains the high potential of an affluent borough. In spite of the pockets of crime in specific areas, our economic base is very sound. But if we do not address the problems of the school system and crime, that potential is lost. . .'

TRIBUTE TO SETON HALL'S BASKETBALL TEAM

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. PAYNE of New Jersey. Mr. Speaker, it is with great pride and satisfaction that I rise before the House of Representatives to commend the outstanding performance of my alma mater's basketball team, the Pirates of Seton Hall University.

Throughout the basketball season, the Pirates displayed enormous perseverance in the face of adversity. Refusing to accept the predictions of those who labeled them underdogs, they surprised their doubters by forging ahead to rack up one victory after another.

New Jersey fans watched with elation as our home team confounded the experts with a stunning string of successes—in Tucson, defeating Southwest Missouri State, 60–51 and Evansville, 87–73; at the Western Regionals in Denver, prevailing over Indiana, 78–65, and the University of Nevada at Las Vegas; 84–61, and at the Final Four at the Kingdome in Seattle, with their unforgettable triumph over Duke, 95–78.

The team's fortitude never left them as they battled valiantly in overtime to come within one point of winning the championship against Michigan in an electrifying 80–79 finish.

The Pirates have set a splendid example through their determination to stand tall and to push themselves to the limit even when the outlook appeared bleak. Certainly, there is a lesson in that for all of us.

Their spirit mirrors that of the university they so proudly represent, Seton Hall.

Seton Hall, in South Orange, is the largest Catholic university in New Jersey. It was founded by Father James Bailey, the first bishop of Newark, who named the school after his aunt—Saint Elizabeth Seton, a Sister of Charity. Seton Hall began with an original student body of six in 1856. Today, the university has an enrollment of 9,800 undergraduates, graduate students, and law students. Young people of all faiths and backgrounds, from every region of the United States and the world, make up the student body of Seton Hall. Yet, the values and traditions of its founders, and the individual attention to each student, are as important now as when Seton Hall school was founded.

Mr. Speaker, please join me in congratulating the Pirates of Seton Hall for a job well done.

CONGRATULATIONS TO JOBS WEST PROGRAM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. STARK. Mr. Speaker, I am very proud of the Jobs West Program, which was one of the national winners of a Job Training Partnership Act [JTPA] Presidential Award. JTPA is a program that I have long supported. So, I was very pleased that people from my congressional district were honored for their excellent work in helping to alleviate the employment problems of young people.

The news release issued by the Alameda County Private Industry Council summarizes the achievements of Jobs West. I would like to include it here.

The Alameda County Private Industry Council's Jobs West Program has been selected as the national winner in the Special Award category of the U.S. Department of Labor's Second Annual Job Training Partnership Act (JTPA) Presidential Award. The ceremony will take place on April 6 in Washington, D.C. with Secretary of Labor Elizabeth Dole presenting the award on behalf of the U.S. Department of Labor.

These awards are given annually in recognition of outstanding JTPA programs. Ms. Shirley Sisk, Chairperson of the agency's Governing Board, the Alameda County Training and Employment Board, will accept the award on behalf of the PIC.

The PIC's Jobs West Program was chosen by Governor Deukmejian in August, 1988 as California's nominee for the Special Award category; in March, the Secretary of Labor selected Jobs West as one of the outstanding JTPA programs in the country from nominations submitted by the Governors of each state.

Two community-based agencies, Vallecitos, CET Inc. in Hayward and United Pilipinos of Alameda run the Jobs West program for the PIC. They have no entrance criteria for the Jobs West program, and accept any JTPA-eligible youth who is interested, willing to try, and wants to go to work.

The Jobs West program works with hard-to-serve youth in a very unique way. By offering the whole array of activities available under JTPA to young people who have a multitude of barriers, the program places a high percentage of the youth.

Participants can choose from a wide variety of activities which include vocational training, basic skills training, internships, personal counseling, career development, on-the-job training (which isn't usually available to youth), job search workshops, and job placement. Under Jobs West, individual referral training can be purchased for the youth in any occupation appropriate to their career goals.

Young people come to the program with many barriers: in Program Year 1987-88, 64% of them were dropouts, 71% were minorities, 44% were on public assistance, 16% were limited English speaking, 20% were single head of households, and 19% were offenders. In spite of this, of the 277 youth who participated in the program, the outcome was positive for 263 of them (197 entered employment) and only 14 dropped out.

For many of the youth who participate in Jobs West, it is their first positive experience in dealing with adults or those in authority. It is their first positive experience in looking at themselves and their work goals. Treated, perhaps for the first time, as valuable, contributing members of their community, program participants can plan their future and look forward to productive work.

The Private Industry Council is no newcomer at winning national awards; last year the PIC was given an award for excellence from the National Association of Counties (NACo) for their Peterbilt Worker Readjustment Program, in which 377 laid-off workers were placed in new jobs after that plant closed. It's programs like the Peterbilt project and Jobs West that serve as models to the rest of the country.

TRIBUTE TO THE MOST REVEREND JAMES W. MALONE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. TRAFICANT. Mr. Speaker, I stand today to pay tribute to an outstanding member of my 17th Congressional District of Ohio, the Most Reverend Bishop James W. Malone.

Bishop Malone was ordained to the priesthood in 1944, and ordained a bishop 15 years

later. Bishop Malone has served in the National Conference of Catholic Bishops' U.S. Catholic Conference for many years. He served the group as vice president from 1980–83, and as president from 1983–86. Presently, he is cochairman of the USCC's Roman Catholic/United Methodist International Dialogue; representative of the USCC's International Commission for English in the Liturgy; and member of the USCC Committee on Social Development and World Peace.

Bishop Malone is also a member of the board of Directors of the Catholic Conference of Ohio, general board member and past president of the Ohio Council of Churches, chairman of the National Catholic Educational Association, member of the board of directors for the Center for Applied Research of the Apostolate, and member of the board of trustees of the Catholic University of America.

On Wednesday evening, April 22 1989, the City of Hope will present Bishop Malone with the prestigous "Spirit of Life Award" at a banquet given in his honor. The banquet will benefit the City of Hope National Pilot Medical Center and the Beckman Research Institute, with the proceeds establishing the Bishop James W. Malone Research Fellowship. The scientist working in the name of the fellowship will have the responsibility of referring to it at all regional, national, and international conferences at which he presents his findings.

Mr. Speaker, it is a true honor to represent this fine man, whose achievements are a tribute to his church, his city, and his country. Please join me today in extending to the Most Reverend James W. Malone our congratulations for receiving the "Spirit of Life Award," and our deepest appreciation for the lifetime he has dedicated to serving the people of our country.

AVIATION TRUST FUND—USE IT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. CRANE. Mr. Speaker, there has been considerable discussion of late concerning the budget status of the Social Security system when it comes to Gramm-Rudman calculations. The current—fiscal year 1989—$56 billion Social Security trust fund surplus masks the actual size of our budget deficit and this fact has obviously made it politically attractive for some to keep the Social Security trust funds in the Gramm-Rudman equation.

Albeit to a lesser degree, we apparently have the same situation with respect to the aviation trust fund which presently contains over $6 billion. As with Social Security, the fact that there is an onbudget surplus in the aviation trust fund has meant that the trust fund is being used for political purposes. Unfortunately for the air travelers of this country, the fact that there is a surplus in the aviation trust fund has meant that the fund's money is not being spent for its intended purpose of improving our air transportation system. Rather, the trust fund money has been left to sit, apparently in order to make the deficit appear smaller.

Mr. Speaker, the American traveling public has paid the 8 percent Federal excise tax on airline tickets with the understanding that this money was to be used to improve air travel. There has been public concern over the safety and quality of air travel in this country, a concern which has been echoed by many Members of this body. Flight delays, outdated air traffic control equipment, insufficient numbers of trained air traffic controllers, clogged runways and taxiways, near midair collisions and other passenger complaints are just some of the problems that many feel need to be addressed.

With a congressional district near Chicago's O'Hare Airport, I can tell you that we could certainly use some of this money to improve and expand our airport facilities. Improved capacity, improved safety, modernized air traffic control, communications, weather and navigation systems, and better training for more air traffic controllers are just some of the items for which the money could be well spent.

Mr. Speaker, it is time to wisely use this money to improve air travel. If the only way to prod the administration and Congress into spending this money means taking it off budget so it can't be used as a political tool, then we should take the aviation trust fund off budget. Mr. Speaker, I would hope that increased public awareness of this situation will lead to increased public pressure. It is my understanding that an alliance of airlines, airports, private aircraft owners, unions, businesses, local government officials, and individual travelers has already been formed to raise public awareness on this subject. I certainly can understand their concerns and hope that Congress and the administration will work to ensure that this money is spent for its intended purposes.

IMPROVING THE HEALTH OF THE POOR AS A CORNERSTONE OF DEVELOPMENT

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. BEREUTER. Mr. Speaker, Friday, April 7, was World Health Day—a day which commemorates the founding of the World Health Organization 41 years ago. This is also a special moment because of an event that happened 11 years at Alma-Ata in the Soviet Union. At the conclusion of a major international conference on primary health care in September 1978, jointly sponsored by the World Health Organization and UNICEF, representatives of 134 nations agreed to the terms of a solemn declaration pledging urgent action by all governments, all health and development workers, and the world community to attain for all the people of the world by the year 2000 "a level of health that will permit them to lead a socially and economically productive life." The United States was one of the supporters of that Declaration of Alma-Ata. We are exactly halfway in time between 1978 and the year 2000 at this moment.

We have a new U.S. administration in office headed by a President who has pledged himself to seek a kinder and gentler nation and one where the many lights of our outstanding tradition of private voluntary action are invited to shine. Even the international arena has given us some unexpected and hopeful surprises in recent months, including a Soviet leadership that is exhibiting new signs of openness and political and military restraint.

This Member last fall began to sense that we are being presented with a truly momentous historical opportunity in this upcoming decade of the 1990's, analogous in many ways to the kind of opportunity that offered itself when the decision was made to put a man on the Moon. We now, for the first time in world history, have the technical means to insure that no one in the world dies of an easily preventable cause. We have vaccines. We can produce enough food to feed everyone in the world. We have radio and TV and other means of educating even poor, or remote, or homebound people. We have low-cost technology for sanitation, water, and diarrheal diseases. We have the communications, transportation, and managerial technologies to get the needed supplies and people to where they need to be. We have the amazing proliferation of grassroots associations that have always existed in the United States now beginning to happen in Asia, Africa, Latin America, and the Caribbean.

There is no technical reason that the world community cannot now make a decision to actually do something that has been a dream of mankind for thousands of years—to decide that it will organize itself so that no one, and especially no child is condemned to a life in which they cannot be productive for want of the critical minimum of food, basic health care and sanitation, and education.

This Member believes this can be accomplished, and believes that it can be accomplished by the year 2000 if we set our minds to it as a collective enterprise of the whole world community. Last October my staff and the members, especially Dr. Nelle Temple of the House Banking Committee staff, began a process of consulting with other people to see if they shared a sense that we can and should work toward the goal of eliminating easily preventable deaths and permanent disabilities throughout the world by the year 2000. More importantly, these people were asked to share their ideas about how it could be done and what more is needed that is not being done today.

We have been in touch with senior people from every organization represented at this hearing today—with the World Health Organization, UNICEF, AID, Rotary, and the Task Force on Child Survival plus perhaps 50 to 100 more. We talked to CARE, to Roman Catholic and Protestant and Jewish religious leaders, to leaders of the environmental movement, and to leadership of influential and active universities. We have been in touch with the senior leadership of most of the international financial organizations and a number of U.N. agencies. We sought input from business leaders and major foundations and grassroot groups.

It is clear that there is a very high degree of consensus that political leadership, especially leadership by the U.S. President and the Sec-

retary General of the United Nations, could launch the world, with great enthusiasm, on the concrete objective of attaining this goal by the year 2000. Contrary to what many people think, the main missing ingredient now is not money or technology but coordination, inspiration, and leadership which harnesses the energies of international, national, and local organizations around the world—public and private, profit and nonprofit—in a cooperative effort with a clear goal and targets.

In January 1989 this Member laid out the results of this quiet investigation for Secretary of State James Baker, who wrote to this Member by letter saying that he believes that "this initiative is one in which the United States should take a leadership role" as I proposed.

Therefore, yesterday, with bipartisan cosponsorship from all my colleagues in leadership positions on the Select Committee on Hunger, the Human Rights and International Organizations Subcommittee of the Committee on Foreign Affairs, and the Foreign Operations Subcommittee of the Committee on Appropriations, this Member introduced a resolution, House Resolution 120, to put the House of Representatives very specifically on record in support of actions to eliminate preventable deaths and disabling illness, especially among the world's children. We will be soliciting and welcoming additional cosponsors, especially from the members of the Select Committee on Hunger who are in general, so obviously committed to these ideas.

The resolution calls for specific actions to promote the attainment of the universal childhood immunization target by 1990 and health for all by the year 2000. The President is encouraged to take a leadership role in proposing that a special commission be set up under the auspices of the Secretary General of the United Nations to assist in strategic planning for attaining the goals through voluntary and coordinated actions by all of those who want to help—national governments, international organizations, and the critically important nongovernmental organizations. The resolution endorses the call being made by Mr. James Grant of UNICEF for a world summit on children, which I would see as an opportunity for governments to pledge themselves to concrete programs of action, domestically and internationally, to eliminate these unnecessary deaths. Most importantly this agenda of action is an agenda for productivity—the future productivity of the people who will be benefited.

A TRIBUTE TO ROBERT B. NORMAN

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. TRAXLER. Mr. Speaker, today marks an occasion when I want to pay tribute to a person who has been a good friend to me and to Michigan's dry bean industry. Mr. Robert B. Norman is the director of purchasing for H.J. Heinz Co., Ltd., in Hayes Park, Hayes, Middlesex, England. He is retiring on April 30 after having been the director of purchasing for H.J. Heinz for the past 18 years.

I want to pay tribute to Mr. Norman because of what his business career has meant for other businessmen and farmers in my congressional district. H.J. Heinz is the largest international buyer of Michigan-grown dry beans in the world. Mr. Norman has overseen the purchasing of large quantities of beans from Michigan. He has visited my State nearly 50 times during his career.

H.J. Heinz purchases and cans nearly 40,000 metric tons of beans each year. Michigan must export every other row of beans produced in order to sell its production, and a very large portion of these beans have been secured by Mr. Norman. His company's purchases have been extremely important to the agribusinessmen of my area who sell beans, and vital to my farmers who produce the beans.

His skills extend from purchasing to shipping matters. Robert Norman was instrumental in developing the research programs that eventually led to the containerized shipment of beans from Michigan to the United Kingdom, a development that was essential to the continued ability of my producers to sell to Mr. Norman and H.J. Heinz.

He had also been involved in a number of ongoing research programs dealing with improving yields and quality of navy beans.

Mr. Speaker, it is unfortunately too rare that we have the opportunity to meet and work with a fine gentleman. Robert Norman is such a man, and he leaves a challenging void for his successor to fill. I ask that all of my colleagues join in wishing him an enjoyable and equally productive retirement.

TRIBUTE TO THE VOLUNTEERS OF BERKS HEIM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. YATRON. Mr. Speaker, as you know, the week of April 10, 1989, has been designated as National Volunteer Week. As such, I rise today to pay tribute to a special group of people in my hometown of Reading, PA.

The people I am speaking of are the volunteers who freely give of themselves to care for the elderly residents of Berks County Home—Berks Heim, a skilled nursing and intermediate care facility. These volunteers play a vital role in providing the services and attention that are needed by the 799 residents of Berks Heim. By focusing their time, energy, and ability to fulfilling the needs of others, the volunteers of Berks Heim have enriched the lives of many of their fellow citizens.

Mr. Speaker, one of America's greatest national resources is its volunteers and it is only fitting that we give them the recognition they so deserve. I commend the volunteers of Berks Heim as well as volunteers throughout the country, and I thank them for making the lives of others better and brighter.

WAIVERS OF RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. ROYBAL. Mr. Speaker, on April 18, 1989, the Select Committee on Aging and the Subcommittee on Employment Opportunities of the House Education and Labor Committee, chaired by Representative MATTHEW MARTINEZ, will hold a joint hearing entitled "Waivers Under the Age Discrimination in Employment Act." The purpose of the hearing is to review the issue of when an employer may obtain a valid waiver of an older employee's rights under the Federal Age Discrimination in Employment Act [ADEA]. In addition, the hearing will address a serious problem confronting this Nation's older work force: The growing number of older workers who are being forced to waive their equal employment rights in exchange for early retirement benefits.

I would like to provide some background on the need for this hearing. In the 1980's, many U.S. companies facing stiff competition from abroad, shifts in the economy from heavy industry to light industry, or corporate takeovers, began trimming or downsizing their work force. Unfortunately, the first victims of this downsizing have often been older workers. As a means of prompting their older workers to leave the work force, some companies began offering early retirement incentive packages. Early retirement incentive packages are essentially enhanced retirement and severance benefits offered to an employee as an inducement to leave the company. These packages are often contingent on the older employee's agreement to waive any right to file a claim or lawsuit against his or her employer under the ADEA. Preliminary results from a study being conducted by the General Accounting Office indicates that the percentage of Fortune 100 companies using waivers in conjunction with early retirement incentives almost tripled over the past decade.

It is my concern that older workers are in fact being forced into signing waivers under the fear that if they do not do so they will be terminated without adequate retirement benefits. An older employee confronted with possible termination, and knowing the difficulties of finding adequate employment at an older age, is in a desperate situation and is susceptible to even subtle forms of coercion. A hint dropped by the employer that the employee may soon be terminated, may be enough to get him to give up his legal rights in return for an early retirement package. Clearly, such a decision by an employee cannot be considered to be truly voluntary. In addition, many of these older workers when signing these waivers may have little, if any understanding of their rights under the ADEA, or knowledge that they may have a legitimate claim of age discrimination. This is of particular importance as the employer's actions, and the early retirement program itself, may violate the ADEA.

Congress has long looked with suspicion at waivers of rights to sue under the ADEA.

Since the ADEA was enacted in 1967, it has been interpreted as incorporating the enforcement procedures of the Fair Labor Standards Act (see *Lorillard* v. *Pons,* 434 U.S. 575 (1978)), which includes the requirement that waivers of rights have to be supervised by a Federal agency or a court to be valid. The congressional view of waivers was demonstrated by its reaction to regulatory activity in this area by the Equal Employment Opportunity Commission [EEOC]. On August 27, 1987, the EEOC, the Federal agency responsible for enforcing the ADEA, promulgated regulations permitting unsupervised waivers and releases of claims in a number of potentially coercive situations. The opposition to these regulations by senior citizen groups and many Members of Congress, resulted in the passage of amendments to the EEOC's appropriations for fiscal years 1988 and 1989, prohibiting the enforcement of the regulations.

On March 15, 1989, I joined Representatives HAWKINS, MARTINEZ, PEPPER, and a bipartisan group of other colleagues, in introducing H.R. 1432, the Age Discrimination in Employment Waiver Protection Act. It is my hope that his legislation will clarify the law in this area, and reinforce Congress' concern about waivers of rights.

The legislation would simply make any waiver obtained by an employer from an employee invalid unless it is supervised by a court, or it is obtained in settlement of an actual existing claim of age discrimination and certain protections are afforded the employee. Specifically, if not supervised by a court, a waiver is invalid unless it is obtained in settlement of a bona fide claim alleging age discrimination, that is, a charge filed with the EEOC, a complaint filed in court, or a specific written allegation submitted to the employer. In addition, the waiver is invalid unless a number of protections are afforded the employee in conjunction with the settlement. Among the protections are the following: First, the agreement cannot waive rights or claims that may arise after the date the agreement is entered into; second, the employee must be given a reasonable period of not less than 14 days to consider the agreement; third, the employee must be advised orally and in writing to consult with an attorney prior to entering into the agreement; fourth, the employee must be informed orally and in writing that he or she may be accompanied by another individual of his or her choosing to witness or assist him or her at all stages of the settlement.

Of additional significance is the fact that under this legislation of unsupervised waiver obtained in exchange for an early retirement incentive package, or other employment termination program, which provides enhanced benefits to a group of class or employees, is not valid.

By essentially restricting valid waivers to only those situations where an older employee has a bona fide claim alleging age discrimination, the legislation insures that waivers will only be used in truly adversarial circumstances. It is when this adversarial situation exists, when the older worker believes that he has been discriminated against by his employer and has taken formal steps to address the problem, that the older worker will be more likely to be aware of what his rights are under the ADEA before waiving them. It is in the nonadversarial situation, such as the use of waivers in conjunction with early retirement incentives, that the possibility of employer abuse of waivers increases. I believe that this limitation on the use of waivers is critical to any legislation that we ultimately pass into law.

It should be noted that it is not the intent of this legislation to address the more general issue of whether certain types of early retirement programs violate the ADEA. While that is an issue of concern to me, and the subject of possible further investigation by the Select Committee on Aging, this legislation is only designed to address the specific issue of the legality of waivers of rights.

At the joint hearing on April 18, the committees will obtain general views on the issue of waivers, as well as on legislation that has been introduced. We will also seek out ideas for improvng this legislation.

It is my hope that in this session of Congress we will be able to finally resolve this issue, in a manner that insures that older workers are accorded their full rights and protection under Federal law.

A TRIBUTE TO BREA-OLINDA HIGH SCHOOL GIRLS BASKETBALL TEAM

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. DANNEMEYER. Mr. Speaker, on Saturday, March 18, the young women of Brea-Olinda High School's Girls Basketball Team won their first State championship by a score of 70 to 46. Brea entered the championship game against an unbeaten opponent and, in smashing the foe, came close to matching their typical 34 point margin of victory.

Young women's basketball has every bit as much energy and emotion as that of its male counterpart. These fine young women of the Ladycats are to be commended for their excellent play and their meritorious example both on and off the court. Mr. Speaker, I ask that the following be inserted into the RECORD:

[From the Los Angeles Times, Mar. 19, 1989]

BREA-OLINDA IS UNSTOPPABLE

(By Elliott Teaford)

OAKLAND.—The Brea-Olinda High School girls' basketball team won its first state championship Saturday. And, boy, was it ever anticlimatic.

The Division III championship game against San Francisco Mercy at the Oakland Coliseum Arena was a little closer than recent 30-point blowouts, but there was little doubt Brea would win.

Certainly, the Brea fans knew what was to come—a 70-46 runaway. As has become their custom in the playoffs, they started singing "Na, na, na, na, hey, hey, goodby" as soon as Brea-Olinda took the lead early in the first quarter.

The Ladycats went on to open a 16-point lead at halftime, watched as Mercy got to within nine in the third quarter, then pulled away.

Brea (31-2) finished its season unbeaten against California schools. Its only two losses came in the Christ the King tournament in New York City in December. Brea is the first Orange County girls' team to win a state title. Mission Viejo, in 1982, is the only other county girls' team to play in a state title game.

Mercy, which came into the game as the tournament's only unbeaten team, finished 31-1.

When Mark Trakh, Brea's coach, removed the last of his starters with 38 seconds left, they donned T-shirts that read: Brea-Olinda Ladycats 1989 State Champions.

Then when the buzzer sounded, the Ladycat players ran onto the court and embraced each other. But other than that, Brea's victory seemed almost routine.

None of Brea's playoff games, except for a seven-point victory over Lakewood St. Joseph in the Southern Section 3-A semifinals, had the intensity of a game against Orange League rival Valencia.

Brea came into the state title game with a 34-point average margin of victory in its past four games. And that included the Southern Section and Southern Regional championship games.

Only in the third quarter Saturday, when Mercy cut into Brea's 28-12 halftime lead, did the game feature any drama.

Mercy got to within 37-28 with 1:42 left in the quarter, but then Brea's Aimee McDaniel got hot.

McDaniel, a junior guard, made two consecutive pull-up jumpers. Then, after a basket by Mercy's Jovonne Smith, McDaniel added a driving layup to push Brea's lead back to 43-30.

"I don't know if our kids thought it was over or what," Trakh said. "I told our kids at halftime to watch out, that they would come back."

McDaniel had 22 points, most on outside jumpers. Jinelle Williams, a 5-foot-8 center, had 23 points to lead Brea. She had little trouble contending with Angel Mahan, Mercy's 6-2 center. driving easily around Mahan repeatedly.

"I looked up at her a couple of times—she was [looked] intimidating," Williams said. "But she didn't do anything."

Brea's Jody Anton (eight points, 10 rebounds) and Cindy Gunn (four points and seven rebounds) also had an easy time of it inside. Even McDaniel, just 5-6, was able to get nine rebounds.

The Skippers made just five of 24 shots from the field (20.8%) in scoring a season-low 12 points. Mercy seemed a step slow and couldn't stay with Brea.

FOR LADYCATS, HARDEST PART WAS GETTING THERE

(By Tom Hamilton)

OAKLAND.—Winning the State Division III girls basketball championship was relatively easy for Brea-Olinda High School. The hard part was getting to the Oakland Coliseum Arena.

Mark Trakh, Brea's coach, decided it would be best to depart for Oakland Saturday morning to avoid what he feared would be "a giant slumber-party situation" for his girls if they traveled on Friday.

When they finally arrived, the Ladycats cruised to a 70-46 victory over San Francisco Mercy to win their first state title. But it was a strange trip to Oakland.

Brea departed from Ontario Airport at 8:30 a.m. Saturday and encountered a heavy storm in the Bay area upon its descent into

Oakland. The flight turned into a roller-coaster ride before landing safely.

"The hard part is over, now we can play the game," Trakh told his players when they arrived. "It got kind of hairy for a while there."

John Hattrup, Brea's assistant coach, said the plane shook as if it were in an earthquake and then bounced up and down during the descent.

"We started going back up and Mark turned to me and said, 'We're going back up.' I told him, 'That's better than going down.' "

Aimee McDaniel, Brea's gifted point guard, had to calm Trakh during the flight.

"She told me, 'Relax coach, it's just a little turbulence,' " Trakh said. "I guess that's why she's our point guard. She doesn't worry about anything."

McDaniel apparently didn't worry when she missed seven of her first eight shots and had only three points after one quarter. She just kept shooting.

When Mercy trimmed Brea's lead to 18-12 midway through the second quarter, it got McDaniel thinking.

"I said, 'Wait a minute, this has got to stop,' " McDaniel recalled saying. " 'I've got to do something.' The point guard should be taking control, and I wasn't."

McDaniel responded by making three consecutive baskets to move the Brea comfortably ahead, 24-12.

McDaniel's outside shot was off, so she decided to drive the lane during the scoring streak, and each time she dribbled past two opponents for layups.

McDaniel finished with 22 points, making nine of 22 from the field. She also had nine assists before leaving the game with 1:22 remaining and the state title clinched.

"When I made those three shots, it boosted my confidence," said McDaniel. "This game was kind of opposite to the way I've been playing in the playoffs.

"I've been having great first halves and poor second halves. It was nice to have a good second quarter. I took awhile to get comfortable in the arena. I walked in, looked around and said, 'Holy cow, this is huge, dude.' "

A TRIBUTE TO PAT SINGER

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. SOLARZ. Mr. Speaker, the district I represent encompasses some of this Nation's most diverse and colorful ethnic neighborhoods. One such community, which has become world famous for its especially rich cultural flavor, is Brighton Beach.

Contrary to popular belief, great neighborhoods don't just happen. They are most often the product of hard work and dedication on the part of community organizations and their leadership. In Brighton Beach such leadership and vision has been amply provided by the Brighton Neighborhood Association under the vigorous and creative direction of their executive director, Pat Singer.

The child of immigrant parents herself, Pat Singer has always shown exceptional patience and sensitivity to the unique problems of Brighton's large newly arrived ethnic population. In her 11 outstanding years of service with the BNA, Pat has presided over many of the organization's most effective community development programs.

Pat's persistence and administrative creativity has helped make the BNA one of the most innovative and responsive community organizations anywhere. At a time when few had ever thought to actively advocate the rights of tenants and provide them with a sounding-board for their complaints, the BNA led the way, sponsoring tenant counseling programs and providing people with access to the information necessary to make prudent housing decisions.

More recently, Pat has helped lead the fight against drug abuse and crime in Brighton Beach. Through such far-ranging endeavors as the BNA's truancy and juvenile counseling program, and a groundbreaking senior citizen anticrime program, Pat has helped Brighton Beach address the origins of violent urban crime while helping people to combat its devastating impact.

In the light of such an exceptional record of achievement, I would be terribly remiss in not taking this opportunity to pay tribute to Pat Singer. On behalf of myself, my staff, and the thousands of people whose lives have been bettered by the remarkable efforts of the Brighton Neighborhood Association, I extend my deepest thanks to Pat Singer.

PUTTING FAMILY FIRST

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. SMITH of Texas. Mr. Speaker, this Nation should not be judged on the strength of its defense or the strength of its economy alone, but on the strength of its families. The family unit builds the moral foundation of our society, and without it military and economic strength will prove meaningless.

This week I begin my first term as a member of the Select Committee on Children, Youth and Families. My work on this committee will afford me the opportunity to find ways to encourage strong families. As Congress debates issues like parental leave and child care, we need to remember the place of the family in the laws we make.

Today I submit for the RECORD a letter sent to me by a friend and constituent who believes, as I do, that families come first not only in debate, but in practice as well. That letter encouraged a column, which is also submitted.

Let us look to our prosperity for the source of our national strength, but rather to the family unit. A nation built on wealth without basic principles cannot remain strong, but a nation built on the strength of its basis principles will easily retain is wealth.

SAN ANTONIO, TX.

DEAR LAMAR, This letter is an effort to recap a recent conversation you and I had on the subject of parental leave. Let me reiterate my strong feelings about young children and "the family", namely that these are of utmost importance to our future as a Nation as they are the foundation of our whole society. My master's degree in Child Development and 16 years work experience with young children and their parents point to my slant in my point of view. However, generally I am strongly against the Federal Government stepping in to be "the solution" for problems involving the family. I feel Government regulation and bureaucracy is too often the problem and not the solution.

However, I do make an exception on "Government regulation" when the topic turns to parental leave. The first few months of a child's life are crucial to the future well-being of that child. This is such a critical time for parent-infant bonding, which to a great degree will determine the parent-child relationship for years to come. That in itself is a strong argument in favor of parental leave, but there's much more involved.

Some people fear that by allowing mothers to have time off when their babies are born and then guaranteeing the mothers their jobs after a leave, that this would encourage mothers to go back to work instead of staying home with their babies. It is possible that this might happen in some instances. But when mothers are permitted to stay home with their babies for up to 10 weeks in a non-stressful atmosphere where they are not fretting about their jobs, normal mother-infant bonding will occur, and many mothers will realize they want to stay home and care for their babies.

Another important point to be considered is that returning to work is not an option for many mothers. (Let me remind you that I feel strongly that children are best nurtured, and have the best chance of developing healthily, when the mother is the full-time caregiver, or is working only part-time.) But for economic reasons, many women are required to work full-time. Obviously, the less stress involved in going back to work, the better off the baby will be. Also, with parental leave of ten weeks, the mothers will not rush back to work after only a few weeks off.

The most difficult job in the world must be that of a single parent raising her child alone. My heart goes out to the many women who find themselves pregnant with a husband who has walked out on them and their unborn children. These woman have absolutely no option but to continue working after their children are born. Their lives are incredibley stressful and unhappy and embittered and lonely. To add to this the burden of possibly losing their jobs when their babies come, is simply too much to bear. We as a society owe them the chance to have their babies with their jobs guaranteed when they return in ten weeks.

As a small business employer of young women, I can say it is not too difficult to plan for a temporary replacement since you have plenty of advance warning that the mother will be gone. It is easy to verify that maternity leave is indeed the cause of her absence.

In the case of leave for a sick child or parent, there is obviously no way to plan for this, and the business would be inconvenienced. But when I think how I would feel if my child or parent became ill, I realize how others must feel also. That person should be with their ill loved-one, no questions asked. The employer simply would have to make emergency alternative arrangements. There would have to be a system in place to check the necessity for leave, such as a doctor's verification, but I doubt that many people would try to cheat on this provision since their pay would be suspended.

I hope this letter covers all the points we discussed. Thanks so much for your willingness to let me "bend your ear" on this subject.

Fondly,

KITTY.

(Mrs. Richard Lange).

THE PARENTAL LEAVE DEBATE: WHERE IS THE CHILD?

(By Congressman Lamar Smith)

Most Americans are working to see that their children get through school, to help buy that house they've always wanted, or to save up for the future.

As the face of our workforce changes to include more young parents, the priorities of that workforce are fast becoming family health and job security.

Congress may soon be voting on one of the major issues facing families and businesses this year.

The Family and Medical Leave Act of 1989 seeks to respond to shifting priorities by calling for businesses to provide job security to employees who need to take time off for child-bearing or family illness.

The bill calls for businesses with over 50 employees to guarantee 10 weeks of unpaid family leave over two years and 15 weeks of unpaid medical leave a year, if a need is demonstrated by an employee. Employees would then be able to return to their jobs without loss of benefits.

The issue has been of particular interest to me because of the impact any decision will have on young children.

Supporters of the bill present their case in terms of benefits to working women. Opponents of the bill base their case on the costs to small business.

One player is often sidelined. That player is the child. As debate continues on parental and medical leave we cannot forget the impact our decision will have on families. In fact, the family should be in the forefront of debate.

The first two months of a child's life are among the most critical for both parent and child. We need to look at ways to provide families the opportunity to be together during that time. Most businesses are uncomfortable with the philosophy behind "mandated benefits." This criticism has concerned me because I firmly believe in the free enterprise system. I don't like government intervention in private life or business lightly.

Some reasonable objections to the parental leave proposal have been raised, along with some reasonable answers.

One problem is the legislation's potential to disrupt a business operation when an employee must take leave. Businessmen feel they are not guaranteed enough flexibility to handle such disruptions.

The bill does offer business an option. The five highest paid employees or the highest paid 10% (whichever is greater) are not eligible for this benefit. Disruptions may also be limited by requiring employees to give advance notice of foreseeable leave.

Many employers are worried that this type of leave is open to abuses. However, medical certification is required to prove that the employee's leave is necessary.

Some employers also fear that they would be unable to plan for employee leave time. In the case of parental leave, this would not be a problem, as any family expecting a child has ample advance warning.

We cannot legislate healthy families, but we can encourage an environment that lends itself to good habits. If just one parent-child relationship is ultimately strengthened by parental leave, then the bill should be considered on those merits.

Healthy families build healthy neighborhoods and healthy societies. They are the basis on which all else rests.

CONGRESSIONAL SALUTE TO JOSEPH VUKSTA OF PASSAIC, NJ, IMMEDIATE PAST COMMANDER, ROSOL-DUL MEMORIAL POST NO. 359 AMERICAN LEGION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. ROE. Mr. Speaker, on Saturday, April 15, residents of the city of Passaic, my congressional district and the State of New Jersey will gather together at the annual past commanders dinner of Rosol-Dul Memorial Post No. 359 of the American Legion, a gala anniversary celebration of the veterans of our community in testimony to the outstanding endeavors of their leadership in veterans affairs—always giving willingly and unselfishly of their time in seeking justice and equity for all of our people.

This year's featured honored guest is the immediate Past Commander Joseph Vuksta of Passaic, NJ, whose standards of excellence as the chief executive officer of Rosol-Dul Memorial Post No. 359 during 1987-88 have served to carry on the sterling traditions and purpose of this highly esteemed veterans association which has truly enriched our community, State, and Nation.

Mr. Speaker, the Rosol-Dul Memorial Post No. 359, which was organized in the fall of 1945, is one of our Nation's most prestigious affiliates of the American Legion. We are all familiar with the noble goals and objectives of the 2.6-million member organization of the American Legion. These military service veterans, working through 16,000 community level posts, dedicate themselves to God and country and traditional American values; a strong national security; adequate and compassionate care for veterans, their widows and orphans; community service, and the wholesome development of our Nation's youth. Comdr. Joseph Vuksta has, by his example and lifetime of dedication to these some true American ideals, personified exemplary leadership in his responsible service to our people.

Mr. Speaker, Comdr. Joseph Vuksta was raised in Passaic, NJ, attending local schools. He served our people and our Nation with distinction during World War II as a radioman third class with the United States Navy from 1943 to 1946. Mr. Vuksta, who worked for Uniroyal for 31 years before assuming his current duties at Montclair State College, has been a member of the Rosol-Dul Memorial Post No. 359 for 35 years, attaining the status of life member of the post. He served in numerous important capacities with the post before attaining the high office of public trust as commander of this esteemed veterans organization, assuming the positions of vice commander membership chairman of the post along with his active participation on numerous committees.

Mr. Speaker, throughout his lifetime, Comdr. Joseph Vuksta has forged ahead with dedication, devotion, and sincerity of purpose in all of his endeavors and pursuits, and most certainly in his leadership and guidance of this outstanding American Legion post.

It is indeed appropriate, then, that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America, and I am pleased to call your attention to Comdr. Joseph Vuksta's lifetime of outstanding service. We do indeed salute a most distinguished leader, a good friend and a great American—the immediate past commander of Rosol-Dul Memorial Post No. 359 of the American Legion, Comdr. Joseph Vuksta of Passaic, NJ.

BERNARD POLLACK, PAST GRAND CHANCELLOR OF THE PENNSYLVANIA KNIGHTS OF PYTHIAS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. BORSKI. Mr. Speaker, I rise today to honor Bernard Pollack, the past grand chancellor of the Pennsylvania Knights of Pythias.

Mr. Speaker, Bernie Pollack was born in Philadelphia in 1923. He graduated from Northeast High School in my district, and served in the Army in World War II. Bernie attended Temple University.

In 1951, Bernie Pollack joined the Ben Ort Lodge, No. 515, of the Order Knights of Pythias. As you may know, the Knights are dedicated to the cause of universal peace and are pledged to promoting the concept of good will among men as the surest means of attaining that peace.

Bernie served on numerous committees, and in 1954 he became chancellor commander of Ben Ort. From 1955 to 1965, he was also the lodge's financial secretary. Bernie was Ben Ort's "Man of the Year" in 1971 and was awarded the Legion of Honor from the Chapel of the Four Chaplains in 1979.

Bernie Pollack joined the grand lodge in 1964, became Ben Ort's delegate in 1972 and was elected grand trustee in 1974. In 1986, Bernie was honored by the past grand chancellors when they named him Pythian of the Year.

Bernie Pollack has truly lived up to the philosophical triad that is the foundation of the Knights of Pythias: Friendship, charity, and benevolence.

ROCKSIDE SANITARY LANDFILL, GARFIELD HEIGHTS, OH

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. FEIGHAN. Mr. Speaker, this statement is an account of the conditions and unfair financial burden and liability placed upon 17 Greater Cleveland communities associated

with the problems at the Rockside Sanitary Landfill, Inc., in Garfield Heights, OH.

From about 1966 to 1971, a solid waste landfill—the Matousek landfill—was operated on property located at 11400 Valley Lane Drive in Garfield Heights, OH. This property is now referred to as Permanent Parcel No. [PPN] 543-07-001. The property was operated by Rockside Hideaway Landfill, Inc. In 1967, the Matousek landfill ceased accepting waste, although the U.S. Environmental Protection Agency [U.S. EPA] contends that the facility ceased accepting waste in 1971.

In April 1988, the city of Garfield Heights Fire Prevention Bureau detected high levels of combustible methane gas at the landfill site and nearby residences. The gas levels were serious enough to require evacuation of some of the residents to ensure their safety. The State of Ohio and the city of Garfield Heights took action to deal with the emergency situation, but it became necessary for the U.S. EPA to take additional action.[1] Under an administrative order pursuant to section 7003 of the Solid Waste Disposal Act, as amended (42 U.S.C. 6973), the U.S. EPA required the respondent(s) to U.S. EPA's orders—Note: By the time U.S. EPA invited participation by the city of Cleveland, and later by some of the suburban communities, U.S. EPA had already expended some $400,000 to vent the methane gas:

To take actions to abate an imminent and substantial danger to the public health and environment arising from the actual and continuing threat of the release of methane gas from the landfill.

Seventeen Greater Cleveland communities were and still are affected by this order even though the subject landfill is only located in one of the suburbs—the city of Garfield Heights.

Mr. Speaker, in an August 4, 1988, letter to the Hon. Beryl Rothschild, mayor of University Heights, OH, the U.S. EPA took the position:

That those parties who sent waste to the facility have a legal responsibility, pursuant to section 7003 of the Resource Conservation and Recovery Act (42 U.S.C. 6973) to undertake corrective measures at the site and to reimburse the U.S. EPA for its past and ongoing costs.

This same order was sent to a total of 17 other communities U.S. EPA identified as having sent waste to this facility.

In the same August 4 letter, the U.S. EPA agreed to entertain an offer from the affected municipalities to take over the ongoing remediation activities at the site, to have those same entities operate and maintain the gas extraction system, and to then reimburse the U.S. Government for its costs. The U.S. EPA made this offer as a gesture it would take prior to commencing formal action against the municipality or municipalities, should that action become necessary. In a May 16, 1988, Ohio EPA letter from Mr. Richard L. Shank, Ph.D., director, to Mr. Valdas V. Adamkus, U.S. EPA Regional Administrator [Chicago], the Ohio EPA requested emergency removal action at the landfill site because of the methane gas threat to residents. In the same letter, the Ohio EPA states:

That it [Ohio EPA] will be responsible for operation and maintenance of any gas collection equipment installed as a part of this removal action. Responsibility will be transferred to the Ohio EPA through contract executed by both agencies.

To clarify inconsistencies and vague statements in U.S. EPA and Ohio EPA correspondence directed to the 17 affected communities, we sent letters of inquiry and letters seeking additional information from these agencies. We requested an opinion from the U.S. House of Representatives Office of the Clerk Litigation Counsel asking for legal clarification of U.S. EPA's position on the issue. To dramatize the seriousness of the safety problem at this landfill, to illustrate the financial repercussions that could occur against the 17 communities, and to let responsible parties know of our interest, we informed the Greater Cleveland Growth Association and the County of Cuyahoga District Board of Health about this issue. Both organizations responded with the same concern about the adverse effect this situation could have on the municipalities.

Mr. Speaker, there is confusion among the local municipalities regarding the extent, purpose, and mandate of two Federal programs: The Resource Conservation and Recovery Act [RCRA] and the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA]. As interpreted, RCRA allows the U.S. EPA to regulate hazardous waste while CERCLA provides U.S. EPA authority to respond to releases or threats of releases of hazardous substances. According to representatives of those municipalities, there is uncertainty as to which law or laws the U.S. EPA is invoking to take action against them. The U.S. EPA considers this problem so serious that it has established a municipal settlement task force to try and determine how it will treat local governments accused of creating these toxic waste sites. The task force, which is composed of representatives from national organizations such as the National League of Cities [NLC], the Chemical Manufacturing Association, and the Petroleum Institute, as well as individual companies and local governments, is having a difficult time arriving at agreement on the wide variety of issues on its agenda.

In 1980, Congress created Superfund and authorized $1.6 billion as a short-term effort to rid the Nation of hazardous waste dumps. In 1986, Congress reauthorized Superfund to the tune of $8.5 billion through 1991 to clean up hazardous waste sites across the country. The Superfund Program has two components: (1) a Federal fund that is authorized to pay for the cleanup of the worst hazardous waste sites across the country; and (2) a stringent liability scheme to enable the U.S. EPA or the States to recover the cleanup costs from the parties which are responsible—Note: What makes a party responsible is critical to the argument and there is uncertainty as to why the municipalities are responsible for dumping waste at the sites. There are over 226,000 solid waste facilities in the United States with more than 1 billion tons of solid waste produced annually. There are about 6,000 operating municipal landfills with an estimated 50 percent expected to close in the next 5 to 7 years.

Under Superfund, U.S. EPA holds local governments liable in the same manner as private and commercial parties. However, municipalities should be treated differently than the private sector in the settlement process because they both have different interests. Municipalities provide a public service—perform a fiduciary duty—whereas private companies are operating as a business to make a profit. Imposing liability on local governments for substances that might be found in municipal solid waste may work unfairly to shift costs from commercial entities to the taxpayer. U.S. EPA should look at the State's role in paying a municipality's share as well as paying for cleanup, ongoing, and future costs. Knowledgeable observers believe that U.S. EPA's policies toward local governments with respect to this most mammoth of environmental programs have the potential to make or break not only municipal treasuries—already severely drained—but also to break the delicate Federal, State, and local partnership, built up over the years to resolve pressing environmental issues.

Mr. Speaker, there is no compelling evidence to indicate that when Congress created Superfund municipalities would and should be held specifically liable for resolving the problems and assuming the maintenance, operation, and ongoing future costs associated with hazardous landfill waste sites. U.S. EPA has assumed this position in its deliberations with municipalities and has totally ignored the devastating financial burden this places on the community. Municipalities do not have the financial resources nor the technical capabilities to resolve serious hazardous waste problems at landfill sites. That responsibility belongs to the State and the U.S. EPA. In its deliberations—in order to protect the financial stability and integrity of municipal tax bases—Congress should consider establishing a statute of limitations to control U.S. EPA attempts to recover indiscriminate costs against municipalities as a result of hazardous waste problems at landfill sites. Neither section 7003 nor section 6973 were intended by Congress to be applied retroactively to municipalities or citizens as potential responsible parties. At a minimum, recoupment should be limited to only those cases in which the pollution was clearly caused by specific, identifiable carelessness on the part of the municipality. To quote a February 6, 1989, U.S. News and World Report article on the performance of the U.S. EPA and Superfund: Superfund, superflop.

Mr. Speaker, if Congress had any intent whatsoever of including municipalities in the same category as private commercial and industrial enterprises when it created Superfund and gave it its mandate, Congress would have crafted the legislation differently. So far, we have been unable to locate any conclusive evidence or testimony confirming the idea that municipal corporations were to be subject to recoupment or penalties under the circumstances mentioned here. Congress should seriously examine this issue and do what is necessary to resolve the disparity between con-

[1] U.S. EPA has never fully explained why the State of Ohio lacked the financial capacity and technical capabilities to resolve this problem.

gressional intent and the effect this process is having on municipalities.

U.S. MARINE CORPS MUSEUM

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. LOWERY of California. Mr. Speaker, tradition is the passing down of elements of a culture from generation to generation. Tradition fosters a sense of pride, camaraderie and commitment to one's heritage. It is a pleasure to take this opportunity to elaborate on a museum that reflects the tradition of the U.S. Marine Corp.

The U.S. Marine Corp, a service rich in tradition, has dedicated a museum solely to the purpose of restoring and enriching its history to new recruits as well as the enjoyment of all. The museum is located at the Marine Corps Recruit Depot in San Diego, CA; the museum officially opened on November 10, 1987.

The project was first conceived during the early 1970's by Maj. Gen. Marc Moore, Col. Mick Mickelson, Lt. Col. Bob Calland, Maj. Jack Bruck, Maj. Arthur Weiss, and Sgt. Maj. Bill Paxton. After years of planning the commanding general appointed Mr. George Kordela to be the Director and Curator of the museum.

The museum began to take shape in a 70-year old building. The museum has more than 11,000 feet of exhibit area, a theater, a reception room and a courtyard. The renovation cost $850,000 for the building and surrounding area. The result provides an excellent teaching vehicle for the estimated 70,000 recruits who tour the site each year.

In the main gallery, an exhibit highlights 11 periods of Marine history in the San Diego area. The history begins with the Mexican American War 1846–48, in which the first American flag was raised by the Marines in Old Town. Other time periods include the Marine Barracks 1911–21, Expeditionary Base 1915–26, Marine Mail Guard 1924–40, World War II and Korea 1939–54, the Vietnam Era and the intervening years 1954–87. Other areas are devoted to recruit training, the development of the drill instructor, sea school and the marine of the future.

On April 14, 1989, the museum will open its newest exhibit "75 Years of Marine Corps Aviation—A Tribute." This special exhibit consists of paintings which portray scenes from World War I to the present. The exhibit commemorates the Marine Corp Aviator, honoring marines in action all over the continent. Paintings include such titles as "Dogfight," "Aerial Resupply," "Managua Trimoters," "At the Edge of Henderson Field," and "Landing Zone."

The museum also hosts special exhibits such as the work of combat photographer David Douglas Duncan. The museum theater is used primarily for educational films. Such films as "The Sands of Iwo Jima," starring Mr. John Wayne, expand on the corps history.

THE DEATH OF OLYMPIO SALTARELLI

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. CONTE. Mr. Speaker, I rise today to honor the memory of Olympio "Shebe" Saltarelli, a fine man and very close friend, who passed away last month. On March 11, I gave a eulogy at the funeral for Shebe at All Soul's Parish in Pittsfield. I would like the following remarks from the eulogy entered into the CONGRESSIONAL RECORD.

REMARKS OF THE HON. SILVIO O. CONTE EULOGIZING OLYMPIO SALTARELLI

Just like so many of you here this morning, Shebe and I spent a lifetime together. A lifetime of joys, of pain, of friendship, of dreams. Shebe played a big part in my life. He was a man who invested a lifetime of love and dedication in his relationships with his family, his community and his God.

When I reflect upon the life of Shebe Saltarelli I can't help but feel that he was a person whose life we have all idolized. In our early days, as ten years my senior, Shebe was the handsome, debonair young man in the neighborhood whom you could only dream of being like. When I was growing up, I used to play with the Carletti brothers, who lived just above the Saltarellis on Newell Street. I always remember how generous and good natured he was to all those who knew him.

Shebe was a youngster filled with vitality. That vitality was present in a hearty laugh or a whirlwind evening on the dance floor. His quick wit and soft shoe led to the inevitable—the marriage of one of the sharpest couples around. Any reflections about Shebe have to center around Leah, because in every sense she meant everything to him. Just as she was by his side during the difficult days of his illness, they stood together through the events of a lifetime, sharing the joys and sorrows of their life.

Central in their life was the rearing of their children and their children's children. The greatest joy in Shebe's life came in the opportunities he had to share in the life of his children. Whether it was time with the grandchildren, great grandchildren, or fixing up things around the childrens homes, Shebe received his greatest pleasure when he was a part of his children's lives.

It was this generous personality that made Shebe so special to me. When I was a State Senator, Corinne and I would often enjoy the pleasure of Leah and Shebe's visits to us in Boston. They would always stay at the Kenmore Hotel, and the four of us would enjoy the unique dynamics that would take place between a Red Sox fan like Leah and a Yankee fan like Shebe. It always led to great fun—and that was what Shebe was all about.

Corinne and I had the good fortune to spend many hours in the company of Leah and Shebe. When our family was young Corinne and I decided to take our four children on a trip to Canada. Leah and Shebe agreed to come along and it turned out to be the trip of a lifetime. It was wonderful! We had a cabin on a lake and we camped and fished for an entire week. Leah loved to fish and there was a tiny row boat in which we spent hours on the lake. The four of us had a passion for playing cards and we would stay up until all hours of the night playing pinochle.

On another occasion, we all got away for a weekend in Canada without the kids. I was a young lawyer at the time and I was making the trip so I could deliver a settlement check on one of my cases. There had been a car accident in Pittsfield involving a boy from Canada who only spoke French. Dr. Desautels, who treated him for his injuries, asked if I could help the boy with an injury claim. As the story goes I won a sizable settlement and it was Good Friday when we arrived in Montreal to deliver the check. All of the businesses were closed on good Friday so when we arrived we couldn't even get a drink. Because of the holiday, the French boy, who was also suffering from tuberculosis, thought he was experiencing a miracle when I handed him the check. He was so overjoyed that he called all of his friends and relatives and collected enough libation to carry us for a week. We made it to Quebec and spent the entire weekend playing cards. It was a tradition for us to play cards at the Conte cottage, or we would take up at the Saltarelli house on those times when I was traveling in from Washington. Whenever I grumbled about a bad card that Shebe had played he would always say, "what do you want me to do—call the cops?" It got so that we would all chime in with his predictable response to this question, "They wouldn't come anyway."

This phrase I think characterizes the gentle simplicity of Shebe Saltarelli. He was a man who just enjoyed life, pure and simple! For years I hosted a Spring Fishing Derby on Onota Lake. Shebe would spend hours slowly smoking the turkey and some of the fish for our game dinner. We would be sure that there was plenty of coffee royal and he would be sure that the game was smoked to perfection. He enjoyed sharing a tall tale with his fellow outdoorsmen the way only Shebe could, and we would all enjoy the pleasure of his personality.

Shebe was an outdoorsman and his favorite affiliation was with the Lakewood Sportsmen's Club. There was nothing he liked more than a successful rabbit hunt. When he was not engaged in hunting he would enjoy an afternoon of bocci and a chance to talk about the exploits of his beagle. A visit to the Saltarelli home always meant a moment in his garden, a word with his dog and a sip of his wine.

True to his roots, Shebe took great pride in the practice of wine making. He aged his wine from California grapes, and the Saltarelli vintage became the toast of the town, far surpassing the varieties of other local winemakers.

One of his greatest joys came from his success in the garden. Whenever I visited the house in the summer Shebe would take me straight to the garden and we would inspect the fruits of his labors. His hands would massage those plump tomatoes like a pitcher looking for the seams of a baseball. He was at home in his garden and he was always anxious to share the joy he received from this contact with nature. In many respects, I think that Shebe cultivated friendships and family in the same way he triumphed as a gardener—nurturing, ever vigilant, strong, and proud of his success.

As much as Corinne and I enjoyed our time together with Shebe and Leah, what I think I will remember most about Shebe is the love he had for his Lakewood community. This love was a shining example for me on how an individual can contribute to their local community.

In Matthew, Chapter 25, verse 34-40 we hear:

"For I was hungry and you gave me food; I was thirsty and you gave me drink; I was a stranger and you made me welcome; naked and you clothed me, sick and you visited me, in prison and you came to see me . . . in so far as you did this to one of the least of these brothers of mine, you did it to me."

Shebe always responded to the needs of others through his life in Lakewood. He was always quick to make a stranger feel welcome and he never hesitated to provide whatever sustenance a person needed to make their life easier. Throughout his life, he was a shining example of the kind of "public citizen"—dedicating himself to his family and his community—that makes me so proud to represent this neighborhood and this district in the U.S. Congress.

Very often it was through the example of Shebe's life that I found strength to do my work in Washington. His kind and reassuring presence inspired me to move forward and his loss creates a real void in my life. When I reflect upon his inspiration I can see his face developing that slow smile which was never far from his lips, and I can feel the warmth from the sparkle that was always in his eyes.

For every day that I knew I could not be close to the heart of my district—attending a gathering of G.E. pensioners or going to a sportsmen's dinner—I took great comfort in knowing Shebe would be there. I'm not sure he ever knew how much his example became a part of what I did in Washington.

You know, I never had a brother, and I really don't know how my life would have been different if I had. One thing I *do* know is that Shebe came about as close to a brother to me as anyone ever could. I feel a part of his fine family, and if that means that their pain in his loss is close to what I'm feeling, then I offer to all of them my most profound wishes of sorrow.

Leahy, Marty and Lois, Lenora and Zeke, grandchildren and great grandchildren, you should feel great strength in knowing that your husband, your father, your grandfather and your great grandfather left so much of himself in the people around him, and in you. Shebe Saltarelli was a man who was helpful, big-hearted, idealistic, daring, decent and fair. And the family and friends of Shebe's should reflect on the memories we have of him—reflections of unity, affection, and love.

The value of reflection is to inspire us to the future. It is my hope and prayer that our memories of Shebe Saltarelli will strengthen our lives and lead us to move forward with the same joy and spirit that Shebe brought to his own life.

One of the greatest things that can be said about a man is that he is a good man—in my book Shebe Saltarelli was a good man!

"Well done my good and faithful servant . . . enter thou into the joy of thy Lord."—Matthew 25:21

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 11, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 12

9:00 a.m.

Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Social Security Administration and the Health Care Financing Administration.
S-126, Capitol

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on education competitiveness in children's television.
SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the racketeering suit against the Teamsters Union and the government's use of the Racketeer Influenced and Corrupt Organizations (RICO) Act (P.L. 91-542) to impose trusteeships on labor unions and other business entities.
SD-342

9:30 a.m.

Armed Services
Readiness, Sustainability, and Support Subcommittee
To continue hearings to review recommendations of the Defense Secretary's Commission on Base Realignment and Closure for closure of certain military bases.
SR-222

Armed Services
Manpower and Personnel Subcommittee
To hold hearings on S. 653, to revise and improve the aviator career incentive pay program, to extend for 3 years the aviator bonus program.
SR-232A

Energy and Natural Resources
Business meeting, to consider the nominations of W. Henson Moore, of Louisiana, to be Deputy Secretary of Energy, John Chatfield Tuck, of Virginia, to be Under Secretary of Energy, and Donna R. Fitzpatrick, of the District of Columbia, to be Assistant Secretary of Energy for Management and Administration.
SD-366

Judiciary
Antitrust, Monopolies, and Business Rights Subcommittee
To hold hearings on competitive problems in cable television.
SD-226

Rules and Administration
To hold hearings on S. 7, S. 56, S. 137, S. 242, S. 326, S. 330, S. 332, S. 359, and S. 597, bills to provide for spending limits and public financing for Federal elections.
SR-301

10:00 a.m.

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for energy and water development programs.
SD-192

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the U.S. Coast Guard.
SD-124

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Treasury, and the Federal Election Commission.
SD-116

Foreign Relations
To resume hearings on the future of U.S.-Soviet relations.
SD-419

Joint Economic
To hold hearings to discuss worldwide economics.
2203 Rayburn Building

10:15 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 413, to reform, recapitalize, and consolidate the Federal deposit insurance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.
SD-538

2:00 p.m.

Agriculture, Nutrition, and Forestry
Domestic and Foreign Marketing and Product Promotion Subcommittee
To hold hearings to review the General Agreement on Tariffs and Trade proceedings as they relate to agriculture.
SR-332

Commerce, Science, and Transportation
To hold hearings on the nominations of Elaine L. Chao, of California, to be Deputy Secretary of Transportation.
SR-253

Foreign Relations
To hold hearings on the nominations of Henry E. Catto, of Texas, to be Ambassador to the United Kingdom of Great Britain and Northern Ireland, and Vernon A. Walters, of Florida, to be Ambassador to the Federal Republic of Germany.
SD-419

APRIL 13

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on aviation security.
SR-253

Energy and Natural Resources
To hold oversight hearings on the U.S. electricity supply and demand in the northeast.
SD-366

Small Business
To hold hearings on the impact of Section 89 of the Internal Revenue Code on small business.
SR-428A

10:00 a.m.
Appropriations
Defense Subcommittee
To hold open and closed hearings on proposed budget estimates for fiscal year 1990 for defense programs, focusing on CINCSOUTH/CINCSOF.
SD-106

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Senate, Senate Sergeant at Arms, and Congressional Budget Office.
S-146, Capitol

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of State.
Room to be announced

Foreign Relations
Business meeting, to consider S.J. Res. 82, disapproving the certification by the President with respect to Mexico under section 481(h) of the Foreign Assistance Act of 1961 and pending nominations.
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Family Support Administration and Human Development Services.
SD-138

Foreign Relations
To hold hearings on the nominations of Michael Hayden Armacost, of Maryland, to be Ambassador to Japan and James Roderick Lilley, of Maryland, to be Ambassador to the People's Republic of China.
SD-419

APRIL 14

9:00 a.m.
Armed Services
To hold open and closed hearings on developments in the international security environment and their implications for U.S. security requirements.
SR-222

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

Environment and Public Works
To hold hearings on the nomination of William G. Rosenberg, of Michigan, to be Assistant Administrator for Air and Radiation, Environmental Protection Agency.
SD-406

Judiciary
Constitution Subcommittee
To hold hearings on S. 675, to eliminate discriminatory barriers to voter registration.
SD-226

Select on Indian Affairs
To hold oversight hearings on the implementation of the Indian Financing Act Amendments (P.L. 98-449).
SR-485

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy), Commission on Government Ethics, and the National Archives and Records Administration.
SD-116

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation budget and policy.
SR-253

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on the crime and drug crisis in the District of Columbia.
SD-192

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

Judiciary
Technology and the Law Subcommittee
To hold hearings on computer viruses.
SD-226

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans' Affairs.
SD-138

2:00 p.m.
Energy and Natural Resources
To hold hearings on S. 388, to provide for five-year, staggered terms for members of the Federal Energy Regulatory Commission, and S. 389, to establish the position of Assistant Secretary for Natural Gas.
SD-366

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on motor carrier safety.
SR-253

Judiciary
To hold hearings on modification of the McCarran Ferguson Act.
SD-226

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, and Soil Conservation Service.
SD-138

Appropriations
VA, HUD, and Indepnendent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans' Affairs.
SD-192

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

Finance
To hold hearings to review and evaluate certain child care proposals.
SD-215

Foreign Relations
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs and the Department of State.
SD-419

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the World Bank, International Development Association, International Finance Corporation, International Monetary Fund, and the Multilateral Investment Guaranty Agency.
SD-138

Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To hold hearings on treaties relating to mutual legal assistance in criminal matters.
SD-419

APRIL 19

9:00 a.m.
Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the recent oil spill in Prince William Sound, and to review the adequacy of efforts to prevent air and water pollution at the Trans-Alaska Pipeline's Valdez terminal.
SH-216

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of AMVETS, Vietnam Veterans of America, Veterans of World War I, and the Non-Commissioned Officers Association.
334 Cannon Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116

Finance
To continue hearings to review and evaluate certain child care proposals.
SD-215

Foreign Relations
To hold hearings on UNESCO.
SD-419

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 198, the Copyright Act to protect certain computer programs.
SD-226

APRIL 20

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on global climate change and efforts to predict greenhouse warming.
SR-253

Rules and Administration
To resume hearings on S. 7, S. 56, S. 137, S. 242, S. 326, S. 330, S. 332, S 359, and S. 597, bills to provide for spending limits and public financing for Federal elections.
SR-301

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Finance
Medicare and Long-Term Care Subcommittee
To resume hearings on physician payment reforms under the Medicare Program.
SD-215

APRIL 21

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings on independent agency status for the Social Security Administration.
SD-215

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on global warming and Corporate Average Fuel Economy (CAFE) standards.
SR-253

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

Finance
To hold hearings on the European Community's (EC) program to complete its internal market by 1992.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan, and Afghanistan.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 9

10:00 a.m.
Finance
To hold hearings on the impact of Section 89 nondiscrimination rules applicable to employer-provided fringe benefits.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics.
SD-192

MAY 10

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-192

MAY 11

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-116

MAY 18

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
S-126, Capitol
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

JUNE 1

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on refugees and migration.
SD-138

JUNE 6

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 7

9:30 a.m.
Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

JUNE 13

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

CANCELLATIONS

APRIL 11

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to markup S. 413, to reform, recapitalize, and consolidate

the Federal deposit insurance system, and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies.
SD-538

APRIL 13

9:30 a.m.
Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

APRIL 19

9:30 a.m.
Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

HOUSE OF REPRESENTATIVES *Tuesday, April 11, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we are thankful that Your love to us is not dependent on our perfect thoughts or deeds, but rather flows to us in unmerited favor in new and marvelous ways each day. Though we may respond to Your love with deeds of justice and compassion and ever seek to be faithful to Your gifts to us, we are, above all else, grateful that Your love is upon us filling us with forgiveness, with mercy, with strength and purpose. Though we may depart from You, O God, may Your love never depart from us. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. SMITH] kindly lead us in the Pledge of Allegiance to the flag.

Mr. SMITH of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

IN COMMENDATION OF M. SGT. ED GARCIA

(Mr. ENGLISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH. Mr. Speaker, I rise today to pay tribute to a special man, a man whose selflessness and generosity reflect what is best about the American spirit.

The man I speak of is Air Force Senior M. Sgt. Apolonio (Ed) Garcia, a resident of Enid, OK, and today a proud recipient of the President's 1989 Volunteer Action Award. Earlier today, Sergeant Garcia and 17 other dedicated Americans were personally presented with this prestigious award by President Bush at a White House ceremony.

The Sixth District of Oklahoma is very well served by Sergeant Garcia's example. He was chosen for this honor on the basis of his outstanding work in the Hispanic community in Enid, assisting immigrants in adapting to what can be a difficult environment. In addition to tutoring new arrivals as to how to obtain residency permits, Sergeant Garcia has spent countless hours cooking for soup kitchens, pitching in on food drives, and teaching both English and English as a second language to area residents.

The sum of Ed Garcia's work exemplifies the power of voluntarism. In giving of himself, Sergeant Garcia has spread good far beyond the limits of his own life. I commend him to my colleagues in the House, and congratulate him on the recognition bestowed by President Bush today.

INTRODUCTION OF COAST GUARD LICENSE VERIFICATION ACT

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, just think about this: Captain Hazelwood was allowed to drive the *Exxon Valdez* through Prince William Sound, while, at the very same time, he was forbidden to drive his car down the road.

New York State had suspended his driver's license three times for driving under the influence. But the Coast Guard didn't know that.

I am introducing a bill to help the Coast Guard determine whether masters, mates, engineers, and pilots serving on commercial vessels have any history of driving under the influence. My bill, the Coast Guard License Verification Act, will authorize the Coast Guard to access the National Driver Register, and run a simple check of the driving records of those officers whenever they apply for or renew their Coast Guard licenses.

The Coast Guard currently has no easy way to check an applicant's assertion that he has had no D.U.I.'s.

My bill makes verification simple, and does not rely solely on the word of the applicant. The concept, to borrow a phrase from Ronald Reagan, is "trust, but verify." That just might be enough to prevent another *Valdez.*

INSURANCE INDUSTRY DECISION A POSITIVE ONE

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, last week the insurance industry announced an important decision: The Insurance Services Office, or ISO, which is the industry's data-gathering and ratemaking body, will no longer provide advisory rates to its 1,400 participating insurance companies.

The advisory rate is a suggested final price which includes expenses, overhead, litigation costs, and profit. This means that for the first time in many years insurance companies will have to set their final rates on the basis of their own figures, rather than relying, in whole or in part, on a final rate set by an industrywide rating organization. While the industry will still receive historical loss information and trending data from the ISO, this step will hopefully help to increase competition for rates in all lines of insurance around this country, particularly automobile and homeowner policies.

In the coming months Congress should scrutinize the effects of ISO decisions on individual insurance companies, State regulatory agencies and the consumer, in advance of considering modification to the McCarran-Ferguson Act antitrust statute which exempts insurance companies from many of its provisions.

I am concerned about legislating rapid and dramatic change in an industry that insures the financial stability of the individual consumer and the entire economy. The industry step I have talked about by the ISO is a positive one and Congress should continue to maintain its vigorous oversight over this issue as the ISO decision is implemented.

HCFA REGULATIONS ARE HARMING HOME CARE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, as a county commissioner, I worked with the Catawba County Health Department to initiate our community's home care program. Since that time, I have followed the development of this service with considerable interest.

Home health care is the most affordable, practical alternative to institutional care that not only gives patients and their families greater control over their lives, but it also helps to strengthen the family's sense of personal responsibility for their loved ones. It is a service that I support and should be available for everyone.

Home health care agencies now must comply with reams of Federal regula-

tions from the Health Care Financing Administration which is making the cost of medical care go up faster and higher every day.

Can you imagine spending every day filling out paperwork like this to meet Federal mandates? This is paperwork for one patient for 1 month.

HCFA get off our backs and let home health care grow.

NOTICE OF FILING OF COMPLAINT WITH COMMITTEE ON OFFICIAL STANDARDS OF CONDUCT AGAINST THE HONORABLE NEWT GINGRICH

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, before the Easter recess several Members were troubled about reports of misconduct by one of our Members and colleagues of this body to whom interrogatories were submitted to explore the allegations of misconduct reported in the press.

No response to date has been filed, and I announce to the Members that today I have filed a complaint with the Committee on Official Standards of Conduct in the House of Representatives against the gentleman from Georgia [Mr. GINGRICH].

MAKING IN ORDER ON APRIL 12, 1989, NOT MORE THAN 8 HOURS OF DEBATE ON HOUSE JOINT RESOLUTION 165, DISAPPROVING RECOMMENDATIONS OF COMMISSION ON BASE REALIGNMENT AND CLOSURE, AND MAKING IN ORDER ON APRIL 18, 1989, OR ANY DAY THEREAFTER, 2 ADDITIONAL HOURS OF DEBATE

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that, notwithstanding the provisions of the order of the House of March 21, 1989, and of Public Law 100-526 to the contrary, the consideration of the joint resolution (H.J. Res. 165) disapproving the recommendations of the Commission of Base Realignment and Closure shall be governed by the following order:

First, it shall be in order on Wednesday, April 12, 1989, to move pursuant to section 208(d) of Public Law 100-526 to proceed to the consideration of the resolution.

Second, on Wednesday, April 12, 1989, not more than 8 hours of debate on the resolution, equally divided and controlled by those favoring and those opposed, shall be in order. After completion of such debate the Committee of the Whole House on the State of the Union shall rise and no further consideration of the resolution shall be in order before April 18, 1989.

Third, on Tuesday, April 18, 1989, or any day thereafter, the Speaker may declare the House resolved into the Committee of the Whole House on the State of the Union for the further consideration of the resolution in accordance with the provisions of Public Law 100-526, except that during such further consideration not more than 2 hours of debate, equally divided and controlled by those favoring the resolution and those opposed, shall be in order.

□ 1210

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. DICKINSON. Mr. Speaker, reserving the right to object, it is not my intention to object, because I think it is probably the most reasonable approach to the use of the 10 hours.

Let me just, for clarification though, ask my chairman, the gentleman from Wisconsin [Mr. ASPIN]: As to the allocation of time, there will be half and half, opponents and proponents, and the gentleman from Wisconsin, the chairman, intends to control the time for those who are opposed to the resolution for disapproval. There are those of us on this side who would like to be heard, and I would wonder if our chairman, the gentleman from Wisconsin, would share with us his intentions as to the allocation of his time, and then who does the chairman anticipate would represent those speaking for the resolution and how that might be handled?

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I am happy to yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, the reason for this request is to alter the arrangement made in a previous unanimous-consent agreement.

It now appears, because of several scheduling difficulties, that we would be unable to finish consideration of the base closure resolution of disapproval next week as planned if we start on Tuesday. The delay in consideration of the resolution would not permit enough time for both the Senate and the President to act in order to meet the May 1 deadline if the decision is to approve the resolution.

Mr. Speaker, for this reason, after consideration on both sides, I would like to have the House do a substantial part of the general debate tomorrow and leave 2 hours of general debate and the vote for next Tuesday.

Mr. Speaker, it is the intention of the chairman on this side that we would divide the time, and one-half would go to the proponents of the amendment. The ranking member on the Republican side, I would anticipate, would then be the gentleman from New Jersey [Mr. COURTER]. On our side it would be my intention to divide the time with the gentleman from Alabama for the opponents of the resolution.

Mr. DICKINSON. Mr. Speaker, reclaiming my time, let me say that since the gentleman from New York [Mr. MARTIN] is the ranking member on the Military Construction Subcommittee, I would suggest that he would be the one to share the time instead of this gentleman from Alabama, if that would be agreeable with the gentleman from New York.

Mr. MARTIN of New York. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I am happy to yield to the gentleman from New York.

Mr. MARTIN of New York. Mr. Speaker, that would certainly be agreeable. I do not believe that the gentleman from New Jersey [Mr. COURTER] is in the Chamber at the present time.

I would like to take the opportunity to say that this extraordinary piece of legislation, and even the rule for which was written in the public law last year, that everyone who is a proponent of the resolution, that we have bent over backwards, and I think we have accommodated them at every turn and will continue to do so. It is my understanding that I will be having the control of the time for that share of the time on this side of the aisle in opposition to the resolution, and I think we can work that out.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I am happy to yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, that suits us over here fine. It would be our intention then to yield, out of our 4 hours on Wednesday, we would yield 2 of those hours to the gentleman from New York [Mr. MARTIN], and then on the following Tuesday, when we consider the resolution for 2 hours before voting on it, again, we would divide the time between the proponents and the opponents, and the hour that would be given for the opponents of the resolution I would then propose yielding another half hour of that to the gentleman from New York.

Mr. DICKINSON. Reclaiming my time, I understand it, and it is certainly acceptable to us if it is acceptable to the gentleman from New York.

Mr. MARTIN of New York. Mr. Speaker, if the gentleman will yield further, it is acceptable.

Mr. DICKINSON. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. SAXTON], who had some questions that he wanted to propound to either me or the chairman.

Mr. SAXTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise this morning to discuss with the chairman, the gentleman from Wisconsin, a matter that I think is of urgent concern with regard to the upcoming debate and the vote. Some time ago I introduced a bill which is known as H.R. 1108 which would postpone, if it were enacted, the date of a vote until the GAO had time to complete its study, and I have indicated my flexibility as to a date certain somewhere down the road that would give the GAO an opportunity to complete its study for the most part and get back to us.

The reason I rise this morning is because new information has come to my attention in the last 24 hours that supports the contention of many of us who think this committee report is wrong, that it is flawed. We have several things that have been disclosed to us. One is an Army audit report which we all know about that indicates that certain things ought to be done, and the Commission did pretty much the opposite. We know that the Commission said that it was going to cost *X* number of dollars to do something. We know the Army said it is going to cost millions of dollars more to do what the Commission suggested, but last night about 4:30 or 5 o'clock Senator LAUTENBERG from the other House disclosed that the GAO had sent testimony to the other House to the effect that the ranking of tradeoff facilities had been in error and that Fort Dix had originally been ranked, pursuant to certain ranking points, as No. 7 out of 8, giving it a very low military usefulness ranking. The GAO further said yesterday in its testimony which will be given tomorrow morning at 9:30 that Fort Dix has the highest ranking when the mistakes that were made by the Commission or by the Army or by whoever it was are completed and straightened out.

Mr. Speaker, we now have a military facility which ranks No. 1 out of all of those studies in terms of its military usefulness which is on this list which I suggest to the chairman gives us good reason to try to find a way to wait until the GAO concludes their study, because this is very, I believe, vital information, and I am sure that the gentleman agrees with me that if a mistake was made by the Commission we ought to have ample evidence to view those mistakes and those errors before we vote on this bill.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I am happy to yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, I think the gentleman should know that we have done everything that we could to try and make as much information available to everybody under this provision as we could have possibly done. The gentleman knows that the bill that was passed by an overwhelming majority in both Houses of Congress established the timetable that we are operating under. The GAO knew the timetable from the beginning. The opponents and proponents of the measure knew the timetable from the beginning, and we are now operating under that timetable.

We are delaying the vote on the issue as long as we can consistent with giving both Houses ample time to consider the resolution of disapproval and the President time to sign it. The date at which the 45 days expires under the resolution by which Congress has to act ends on May 1. We need to have a vote in the House enough before May 1 so that the bill can go to the Senate, also be voted on in the Senate, and then go to the President and be signed by the President.

It is not that we do not understand the problem that the gentleman from New Jersey is raising here, but the gentleman should know that we are doing everything we can to accommodate him and the gentleman's arguments about the rankings of Fort Dix. We have, as the gentleman knows, 10 hours of debate, 8 of them this week, 2 hours next week, and he will have an ample time to make his points, to make his case, but I do think that the legislation ought to be continued as the timetable set out. It was known by everybody when we voted on it. We voted on it overwhelmingly in favor of it.

The information that we are providing by the GAO, I would point out to the gentleman from New Jersey, is gratuitous. The requirement of the law says nothing about providing all of this information to the people. We are doing it because we want to help the people who are being affected by the base closure. We are trying to make sure all the information is available, that the debate can be taken in a free and open manner, but I think, to respond directly to the gentleman's question, the idea of delaying the vote would be a very, very bad idea at this time.

Mr. DICKINSON. Mr. Speaker, further reserving the right to object, I would say that I am certainly in sympathy with the gentleman's problem. As the chairman, the gentleman from Wisconsin, has said, if under the gentleman's resolution that he has introduced, if it should pass, it would come late. We do not have to vote in the House. We are bringing it to a vote to give everybody an opportunity. If we do not act, it goes into effect automatically, so the gentleman would be late with that.

Mr. Speaker, let me say that if the gentleman is correct in saying that due to error and misunderstanding that Fort Dix was erroneously included, this Member, at least, and I am sure I speak for the entire committee, would do whatever we could to accommodate the gentleman and the New Jersey delegation to see that whatever legislative remedies are available would be put into effect to make sure that the error is corrected.

□ 1220

I do not know how to do it. We cannot disrail the entire vehicle to accommodate one instance, and as the cliche goes, we do not want to throw out the baby with the bath water.

But if in fact the gentleman from New Jersey and others from New Jersey can convince us and be persuasive that this was a gross error, we will work in any way possible to correct it with whatever legislation it takes.

I am glad to yield further to the gentleman from New Jersey.

Mr. SAXTON. Mr. Speaker, I appreciate the attitude of the chairman and the ranking Member on this. I would just say again that there is an opportunity I believe to amend this law by passing another bill. We could pass the bill this week. The Senate could pass it the following week, and the President could have it to sign, which would delay the vote.

Mr. DICKINSON. That would be a little speedy.

Mr. SAXTON. It might be a little speedy for the Congress to get around to do things that quickly, I agree. But it still does not mean that it is possible to do, particularly given the fact that the GAO apparently yesterday about 4 o'clock or 4:30 made information available to us that said that we, the GAO, are saying the commission made a very dramatic mistake in their ranking of TRADOC bases. I think that at least we ought to have an opportunity to know all of those details.

I might point out one further thing, and that is this is not the only mistake that I am sure the commission has made. This is just one of 145 bases that was studied and happens to be the only one I have studied, and I have found a lot of things wrong with the study. I tried to do it objectively. So in any event, I am just here to appeal for perhaps some consideration to whatever mechanism may be necessary to delay this vote to give us an opportunity to get full benefit of the GAO report.

Mr. DICKINSON. I thank the gentleman. I can only reiterate what I said. If it is made patent that there has been a gross error in the information given to the commission, and if they have acted based on information which is not correct, and I am sure I speak for the chairman, and I know I speak for our side of the aisle, we will do whatever we can, as expeditiously as possible to minimize the damage and cut the losses, and try to rectify whatever wrong was done.

But that is not to say I would support killing the entire bill when there are 140-odd bases involved, and we are talking about one here.

Mr. Speaker, if no one else wants to speak, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, APRIL 12, 1989

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. on Wednesday, April 12, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS AND COMMITTEE ON FOREIGN AFFAIRS TO FILE REPORTS ON H.R. 1750, IMPLEMENTING THE BIPARTISAN ACCORD ON CENTRAL AMERICA

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations and the Committee on Foreign Affairs have until midnight tonight, Tuesday, April 11, 1989, to file reports on the bill H.R. 1750, to implement the bipartisan accord on Central America.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, April 12, 1989.

CONVEYING LAND IN VIRGINIA FOR USE AS A VETERANS NURSING HOME

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 310) to remove a restriction from a parcel of land in Roanoke, VA, in order for that land to be conveyed to the State of Virginia for use as a veterans nursing home.

The Clerk read as follows:

H.R. 310

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REMOVAL RESTRICTION.

(1) IN GENERAL.—Subject to section 2, the Secretary of the Interior shall execute such instruments as may be necessary to remove the restriction that the parcel of land described in subsection (b) be used exclusively for public park or public recreation purposes in perpetuity on the condition that the city of Roanoke, Virginia, transfer such land to the State of Virginia for use as a veterans nursing home.

(b) LAND DESCRIPTION.—The parcel of land referred to in subsection (a) is that parcel known as Veterans Park which is comprised of approximately 16.8 acres and was conveyed to the city of Roanoke, Virginia, by the United States on June 25, 1980 (recorded in the city of Roanoke Deed Book 1455, page 1154).

SEC. 2. LIMITATION ON REMOVAL.

The Secretary of the Interior may not remove the restriction described in section 1(a) if, within 4 years after the date of enactment of this Act, the State of Virginia has not committed funds with respect to the parcel described in section 1(b) in an amount sufficient—

(1) to comply with the State's obligation under section 5035 of title 38, United States Code (relating to applications with respect to projects; payments), or

(2) to construct, without a Federal grant, a veterans nursing home.

SEC. 3. REVERSION.

If, after the removal of the restriction described in section 1(a), the parcel referred to in section 1(b) ceases to be used for the purposes of a veterans nursing home, the parcel shall revert to the United States.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from Iowa [Mr. LIGHTFOOT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 310 is a bill introduced by Representatives OLIN and PAYNE of Virginia.

It deals with a tract of about 16.8 acres of land located next to an existing hospital facility near Salem, VA. Originally, this land was under the control of the Veterans' Administration, which still retains the hospital site.

In 1980 the surface estate in this tract next to the hospital was transferred by the United States to the city of Roanoke, VA, for park and recreational purposes, subject to reversion to Federal ownership if used for any other purpose.

Since then, the city has not developed any park or recreational facilities on the land. The city evidently has ample parks and open space areas, and does not believe this tract is needed for that purpose. Instead, the city would like to be able to transfer the land to the Commonwealth of Virginia for use as the site of a veterans' nursing home. The land has been identified as the desirable site for the nursing home because of its location next to the existing hospital.

At our hearing, we were told that the Virginia Veterans' Department is actively pursuing establishment of a veterans' nursing home, which probably would be named for our late coleague from Virginia, Dan Daniel. This bill is intended to facilitate that by making this land available for that purpose.

Under the bill, the Secretary of the Interior could allow the transfer from city to State ownership to occur, if the State acts within 4 years to commit the funds necessary to establish the nursing home. After such a transfer the State's ownership would be limited—first, because the minerals would remain in Federal ownership; second, because existing easements and rights-of-way would remain in effect; and third, because the land would be subject to reversion to the United States if used for any purpose other than a veterans' nursing home.

Mr. Speaker, this is a noncontroversial bill. The proposed new use of the land would not impair recreational and open-space opportunities. The administration testified that they have no objection to the bill's enactment. I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. LIGHTFOOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 310 introduced by the gentleman from Virginia [Mr. OLIN], is a bill we can all support. I think it has the support of the entire Virginia delegation including Mr. PARRIS, a member of the Interior Committee.

As the subcommittee chairman has mentioned, the bill allows the State of Virginia to build a veterans hospital on the site that was originally transferred to the city of Roanoke, VA, for recreation purposes. In short, this legislation allows the city of Roanoke to transfer the site to the State for a veterans hospital.

The Federal Government is still fully protected because if the State does not use the land for a veterans hospital it would revert back to the Federal Government.

This is a good bill and I recommend its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. OLIN].

Mr. OLIN. Mr. Speaker, I rise in support of H.R. 310. This bill would allow the city of Roanoke to transfer ownership of a tract of land to the State of Virginia so that Virginia could build a veterans nursing home.

Virginia, like other States, has an aging veteran population. Many veter-

ans need nursing care, but don't need to be in a hospital. A nursing home for these people would provide a place for them to get the care they need. In the past few years, Virginians have become more and more aware of the need for such a facility. So the State of Virginia has decided to take advantage of the State veterans home project, a project that combines State and Federal money to provide nursing care to veterans. When Virginia set out to find a place to put the home they found that there was only one site which met the requirements set forth by the Veterans' Administration. A veterans home has to be near a veterans hospital. The Salem VA Medical Center is the only veterans hospital in Virginia that has enough land near it to build a home. This land was originally given to the city of Roanoke for use as a park, but the city never built a park, so now they want to give it to the State for the veterans home.

This project has virtually universal support. The city of Roanoke has passed a resolution asking the State and Federal Governments to do everything possible to get the home built. The State has budgeted $6.8 million, which is 100 percent of the needed State contribution. H.R. 310 is cosponsored by the whole Virginia delegation and both of Virginia's Senators are sponsoring identical legislation in the Senate.

It is my understanding that, at the request of veterans groups, the State plans to name the home for our late colleague, Dan Daniel.

Because Virginia has already budgeted all the money needed from the State, and because Virginia does not already have a veterans home, Virginia will be very high on the list to get Federal money. The Virginia Department of Veterans' Affairs is working out the details of the construction so that as soon as we have the land, they will be able to get the money and start construction.

□ 1230

Mr. VENTO, Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, I rise in support of H.R. 310 which I am pleased to have cosponsored.

The purpose of this bill is simple—to provide for the redesignation of a tract of land which the city of Roanoke, VA was to use as a park. To now make it available as the site of the proposed Virginia Veterans Center.

Virginia is one of the few States which does not have a State veterans home. Recently, the Virginia General Assembly, prompted by the action being taken in Congress, provided for its part of the shared financing which will be necessary and application for the Federal share has been filed with the Department of Veterans' Affairs.

Virginia's commitment is strong, the need for such a facility in Virginia is great, and the public support has been amply demonstrated.

It is my privilege to have succeeded last June the late Congressman Dan Daniel who served in this body for 19 years. Congressman Daniel was a former National Commander of the American Legion. His support of veterans was well known in this body and around the country. This facility which H.R. 310 makes possible will be named in honor of Dan and will, therefore, be a monument to the things he stood for and the memory of veterans which he espoused.

For these reasons, I hope the bill will be passed now so that we can get moving on a project which is long overdue.

Mr. LIGHTFOOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do so because I would like to add that I think it is very appropriate that Dan Daniel's name is going to be put on this facility. He is someone who was near and dear to a lot of us. I think it is a fitting memorial to him.

Mr. MONTGOMERY. Mr. Speaker, I rise in support of this legislation and to commend all of the members of the subcommittee and full committee who were involved in moving this bill so quickly—Mr. VENTO, Mr. MARLENEE, Mr. UDALL, and Mr. YOUNG.

This bill will permit the State of Virginia to join with 36 other States as a participant in the State Veterans Home Program.

Mr. Speaker, this is a very successful program. It provides grants to States to assist them in constructing extended-care facilities for our older veterans. The Department of Veterans' Affairs will also provide a per diem payment for each veteran who is cared for in these homes. In 1988, over 24,000 veterans were treated in 55 homes. In contrast to the general decline in availability of health care for older veterans, we've seen a much-needed increase in the number of veterans being cared for in State veterans homes. There is a consensus that this is a worthwhile and cost-effective program.

Mr. Speaker, there is a long list of persons who have worked to make construction of a State veterans home in the Commonwealth of Virginia possible. Gov. Gerald Baliles and the State Department of Veterans Services, the Virginia General Assembly, and our colleagues, JIM OLIN and L.F. PAYNE, all are working to make this home a reality.

The plans call for the nursing home to be built adjacent to the Salem Department of Veterans' Affairs Medical Center. It will have 148 nursing care beds and 76 domiciliary beds. Thousands of Virginians will benefit from its construction, and I urge my colleagues to support this legislation.

I have one other observation concerning this legislation. Many years ago, the Veterans' Administration was forced to declare this land excess to the needs of veterans. The land was then conveyed to the city of Roanoke with the restriction that it be used only for park and recreation purposes. Now, the Department of Veterans' Affairs and the State need the land for a facility to provide care to our aging veterans. This is another example of the shortsightedness of the Federal Government policy which forces agencies to declare as excess property which may be needed in the future. I cannot think of a better example of why we must stop giving away our land. We need it to meet future needs.

I am very pleased to learn that this nursing home when completed will bear the name of Dan Daniel of Virginia, a great veteran, and I certainly support this move.

Mr. LIGHTFOOT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 310.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 310, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PROVIDING FOR THE ADDITION OF CERTAIN PARCELS TO THE HARRY S TRUMAN NATIONAL HISTORIC SITE IN MISSOURI

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 419) to provide for the addition of certain parcels to the Harry S Truman National Historic Site in the State of Missouri.

The Clerk read as follows:

H.R. 419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROPERTY ACQUISITION.

(a) NOLAND-HAUKENBERRY HOUSE AND WALLACE HOMES.—The first section of the Act entitled "An Act to establish the Harry S Truman National Historic Site in the State of Missouri, and for other purpose", approved May 23, 1983 (97 Stat. 193), is amended—

(1) by striking "That," and inserting "That (a)"; and

(2) by adding at the end the following:

"(b)(1) The Secretary is further authorized to acquire by any means set forth in subsection (a) the real properties commonly referred to as—

"(A) the Noland/Haukenberry house and associated lands on Delaware Street in the city of Independence, Missouri, and

"(B) the Frank G. Wallace house and the George P. Wallace house, and associated lands, both on Truman Road in the city of Independence, Missouri.

"(2) The owners of property referred to in paragraph (1) on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain the right of use and occupancy of the improved property for a term of up to and including 25 years or, in lieu thereof, for a term ending at the death of the owner or the spouse of the owner, whichever is later. The owner shall elect the term to be reserved.

"(3) Unless a property acquired pursuant to this subsection is wholly or partially donated to the United States, the Secretary shall pay the owner the fair market value of the property on the date of acquisition less the fair market value, on that date, of the right retained by the owner under paragraph (2).".

(b) TECHNICAL AMENDMENT.—The first sentence of section 2 of such Act is amended by striking "subsection (a)" and inserting "the first section of this Act".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 3 of such Act is amended—

(1) by inserting before the period at the end thereof ", except for subsection (b) of the first section of this Act"; and

(2) by adding at the end the following:

"There is authorized to be appropriated $250,000 to carry out subsection (b) of the first section of this Act.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from Iowa [Mr. LIGHTFOOT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 419, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 419 was introduced by our colleague, Representative ALAN WHEAT, with the cosponsorship of the entire Missouri delegation. The legislation would authorize the addition of three parcels to the Harry S Truman National Historic Site in Independence, MO.

The Harry S Truman National Historic Site was formally established in 1983 by Public Law 98-32. The 0.77 acre site, which is administered by the National Park Service, preserves the home of the former President for over 50 years and is located in a residential neighborhood of Independence, MO. The home and grounds were willed to the U.S. Government upon the death in 1982 of Bess Wallace Truman, the late President's wife.

The Truman National Historic Site is part of the larger Harry S Truman national historic landmark district, designated by the Secretary of the Interior in 1972. Immediately adjacent to the Truman home are the three homes proposed by H.R. 419 for addition to the Harry S Truman National Historic Site. The Noland/Haukenberry and the George and Frank Wallace homes are part of the Truman-Wallace family compound. The two Wallace homes, which lie directly east of the existing national historic site, were the residences of President Truman's brothers-in-law and their wives and are still in the family. The Noland/Haukenberry house, located across the street from the national historic site, was the home of Harry Truman's aunt. The future President made occasional visits to the home while he courted his soon-to-be wife, Bess Wallace.

Much of the life of our esteemed 33d President centered around Independence, MO, and his home of over 50 years in that community. That neighborhood in Independence was of great importance to him, both as a private citizen and as a political figure. His life in the community helped form and still symbolizes the late President's values of family, home, and community. The testimony we received on H.R. 419 attested to the historical significance of the three homes to the Truman National Historic Site. Beyond that, it is evident that the close physical proximity of these properties to the national historic site is integral to the interpretation and maintenance of the historic setting of the national historic site within the residential neighborhood in which it is located.

The provisions of H.R. 419 are consistent with the approved general management plan for the national historic site and are supported by the Truman-Wallace family, as well as the city of Independence. The relatively modest cost for acquisition of the homes as well as the possibility of a partial donation further makes the acquisition of the three homes in fee a more appropriate management policy for maintaining the historic setting of the site in perpetuity, in addition to increasing the opportunities for interpretation and public enjoyment.

I support H.R. 419, as introduced, and urge its adoption by the House.

Mr. Speaker, I reserve the balance of my time.

Mr. LIGHTFOOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the subcommittee chairman has explained, H.R. 419 would provide for the acquisition and addition of three adjacent houses to the Harry S Truman National Historic Site in Independence, MO. The homes are part of the Truman-Wallace family compound and were occupied by relatives of the former President and his wife, Bess Wallace Truman. Appropriations of $250,000 are authorized for the acquisition; however, it appears that at least one of the homes will be donated.

The National Park Service general management plan for the historic site identified the homes as nationally significant and recommended their addition to the site. The Park Service intends to use the homes for visitor support and park operations. Acquisition of the houses is also supported by the local community and local government officials.

Mr. Speaker, this bill enjoys strong bipartisan and administration support. Therefore, I urge my colleagues to approve H.R. 419.

Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the principal author of this legislation, the gentleman from Missouri [Mr. WHEAT].

The gentleman from Missouri has done a masterful job in terms of bringing this proposal forward and gaining bipartisan support and administration support of the measure.

Mr. WHEAT. Mr. Speaker, I thank the chairman of the Subcommittee on National Parks and Public Lands for his guidance and support in bringing this legislation through committee and to the floor. I would also like to thank the distinguished chairman of the full Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL] for his support and early scheduling of this matter. Also, special thanks go to my colleague, friend, and cosponsor of this legislation, the gentleman from Missouri [Mr. SKELTON].

Mr. Speaker, H.R. 419 provides for the inclusion of three historically significant homes directly adjacent to the Truman home in the Harry S Truman National Historic Site in Independence, MO. This legislation is important to both the Truman neighborhood and the entire Nation to preserve the historic integrity of this area for future generations.

I would like to thank Mr. VENTO, the chairman of the Subcommittee on National Parks and Public Lands for his support of this legislation, and the distinguished chairman of the Committee on Interior and Insular Affairs, Mr. UDALL, for scheduling early action on this measure.

The Truman home site and the Truman Library are two of the most popular attractions in Independence—indeed, in the entire Kansas City metropolitan area. Last year the Truman home was one of the top 25 attractions in the Kansas City area.

There are 39 cosponsors of this legislation, including bipartisan support from the Missouri delegation. I am also pleased to note that H.R. 419 was also endorsed by Mrs. Margaret Truman Daniel, Harry Truman's daughter, and is generally supported by civic leaders in the Independence area.

It is much easier to preserve a historic landmark before its historical integrity has been compromised and restoration efforts are complicated by land development, new construction, or extensive remodeling of historic structures. It is fortunate that the three homes affected by H.R. 419 have maintained much of their historical integrity and that the area has retained its comparatively low property values. Presently, it appears that one of the homes will be donated to the Government by its owner. H.R. 419 includes a $250,000 limit on funding to acquire these properties. This presents a rare opportunity for preservation at a low cost to the Federal Government.

Congress created the Truman Historic Site in 1983 after the Truman home was given to the U.S. Government pursuant to the will of Bess Truman, who died in October 1982. The 1983 act creating the Harry S Truman National Historic Site—Public Law 98-32—included only the actual Truman home where Bess Truman grew up and where she and Harry lived from the time they were married in 1919. This act passed the Senate on May 6, 1983, and the House on May 10, 1983, by voice votes and was signed by President Reagan on May 23, 1983.

Since 1983 the National Park Service has maintained the home as a historical landmark. Because of the limited space available on the premises, however, the Park Service developed plans to add support space for the visiting public and for Park Service operations.

The Truman home is one of the most important historic resources in the Kansas City area and is one of Missouri's most treasured historic sites. Unfortunately, since 1984 the site has been identified by the National Park Service as one of several historic landmarks nationwide threatened by serious damage if further steps are not taken to preserve its surroundings.

In 1987 the National Park Service released a general management plan which recommended actions to preserve the integrity of the neighborhood that had such a strong influence on President Truman throughout his life. H.R. 419 implements an important part of the management plan by authorizing the National Park Service to buy or accept as donations three historically significant homes directly adjacent to the Truman home as additions to the Harry S Truman National Historic Site.

Two of these homes belonged to Frank and George Wallace, the brothers of Harry's wife, Bess. Harry Truman's aunt, Margaret Noland, and her family lived in the third home. These three homes would contribute greatly to preserving the atmosphere around the Truman home and increasing understanding about the environment that shaped Harry Truman's life.

Our 33d President was known for his honesty, courage, and good common sense. President Truman's hometown paper called him a man of independence, remarking that it was his way of life as well as his hometown. His straightforward traits and speech were the products of both family and community influences. The Truman home, the Wallace homes, the Noland/Haukenberry home, and the other structures dating from the Truman period continue to tell the story of the President who never forgot his roots.

Harry Truman's favorite aunt, Margaret Truman Noland, and her husband Joseph and two daughters lived at 216 North Delaware, and as a boy Harry Truman was a frequent visitor in their home while his family lived at their Grandview farm. Good luck was on Harry's side, for his high school friend Bess Wallace lived directly across the street from the Nolands in the house that ultimately became the Trumans' home. Harry graduated from high school in 1901 but he reestablished the relationship with Bess in 1910. From then until 1914 Harry worked on his parents' farm during the week and lived with his aunt, uncle, and cousins on weekends, making it easier to see Bess.

After Harry and Bess were married upon his return from World War I in 1919, Harry moved into the Gates/Wallace house at 219 North Delaware where he and Bess lived for 50 years before Harry Truman died on December 16, 1972. Throughout the years of Truman's public life he always managed to spend some time at the Nolands'.

Harry Truman's family consisted not only of his immediate and extended family but his wife Bess' relatives as well. Her Grandfather Gates had built the house at 219 North Delaware which sheltered several generations of Wallaces, often more than one at a time.

In 1915 and 1916 two of Bess' brothers, Frank and George, were given 50 feet each of the garden area to the east of the main house to build their own residences for their new wives, Natalie and May. May Wallace still resides in one of these houses. Although the two new Wallace houses were separate physical structures, they were essential components of the Gates/Wallace/Truman compound. The Trumans and the Wallaces remained close in the ensuing years and the three houses are an integral part of what Harry Truman called home.

Throughout the senatorial and Presidential years Harry S Truman relied on his relatives by marriage for rest, relaxation, and help when needed. Family members in the Wallace houses provided an environment where Harry could relax and regain strength for upcoming political battles. The Wallace families provided meals and a place to sleep for the Trumans when the big house was not opened during quick visits to Independence. They also looked after the big house during the Trumans' long absences.

The entire complex at 219 North Delaware and 601 and 605 Truman Road can be considered a physical manifestation of a very close extended family. Harry Truman stayed in touch over the years with Wallace family members who were so important to him. The Wallace houses and their relationship to the big house at 219 North Delaware represent one of the crucial elements in Harry Truman's character: They symbolize his value system based on home, family and community.

Considerable growth in the city of Independence over the last 35 years has profoundly affected the Truman neighborhood. Urban development has significantly altered the northern part of the national historic landmark district. What was in 1950 a small city of 37,000 distinctly apart from Kansas City has expanded to a city of more than 120,000 with more than 8 times the land area.

Local streets in the district are now main traffic connectors linking major highways with the western edge of Independence. Truman Road intersects Interstate 70 in Kansas City and carries significant commuter traffic between the two cities. Even though the Truman home is situated within a residential neighborhood, there is heavy through traffic, particularly on Truman Road, which runs along the north side of the home.

The movement of population to eastern Jackson County and the change in lifestyle away from closely knit neighborhoods to suburban housing has permanently altered the smalltown fabric. The impact of these changes has not always been sympathetic to the previous neighborhood character. The enactment of H.R. 419 will help to ensure the protection of these three homes and preserve the dignified atmosphere of the neighborhood Harry Truman knew and loved.

These structures will provide an onsite reception area and interpretive fa-

cilities for visitors to the Truman home. The bill allows present owners, including Bess Truman's elderly sister-in-law May Wallace, to retain lifetime usage of their property. No other buildings or properties in the surrounding neighborhood would be affected. The bill includes a $250,000 cap on expenditures to assure control over costs.

Mr. Speaker, I urge my colleagues to help to preserve this important part of our Nation's historical heritage. This modest addition to the Harry S Truman National Historic Site will help to preserve the memory of President Truman's contributions to our country as a lasting tribute to a great American President.

Mr. SKELTON. Mr. Speaker, fellow colleagues, I rise today in support of H.R. 419, legislation to add three homes to the Harry S Truman Historic Site in Independence, MO. I have a deep interest in this legislation, the Harry S Truman Historic Site was at one time in my district.

I had the honor to meet and talk to Harry Truman. His beliefs and resolve are at the root of my career in public service. I am proud that Missouri's No. 1 citizen was born in a small town in my district, Lamar, MO. His legacy is not only that of Missouri, but the entire Nation.

Harry S Truman served his country during some of its toughest hours. As a soldier in World War I, and as a Senator and President during World War II, he faced the challenges and made the hard decisions that stand as some of the most important of this century. President Truman was a statesman, politician and true man of the people. I believe he remains a major historic figure for our Nation and the entire world.

The legislation that we are here to discuss today concerns the preservation of that rich Truman legacy. In 1983, the Harry S Truman Historic Site was established. In 1987 the site was identified by the National Park Service as one of several historic landmarks nationwide threatened by serious damage if further steps are not taken to preserve its surroundings.

Not only will this bill add property to the Truman home site, but it will protect the investment that our Federal Government already has in this project. The additional three homes stipulated in this bill also have historical ties to Harry Truman. Two of the homes were built by brothers of Harry's wife, Bess. President Truman's aunt and her family lived in the third home.

One other aspect of this legislation is tourism. As chairman of the Subcommittee on Procurement, Tourism and Rural Development of the Small Business Committee, I understand the importance of the tourism dollar to many communities. Along with the Truman home, Independence is the location of the Harry S Truman Library and Museum, and the historic Independence Square. The addition of these three homes will enhance the integrity and preserve the dignity of this area.

This legislation will help preserve a part of our national heritage. Historical sites such as this help teach our youth that history is real, not just words on pages in books. Once artifacts of history and historic sites are gone, they can never be returned. This bill will carry on the memory of a great American and I urge its full support.

Once again, I want to thank my colleague ALAN WHEAT and his staff for their hard work on this issue. I also want to thank Chairman UDALL and Chairman VENTO for the prompt action they took on this matter.

Mr. GEPHARDT. Mr. Speaker, I am pleased to join my distinguished colleague from Kansas City, ALAN WHEAT, in cosponsoring and supporting H.R. 419, which provides for the inclusion of three historically significant homes directly adjacent to the Truman Home at the Harry S Truman National Historic site in Independence, MO.

The Harry Truman Home, established as a historic site by Congress in 1983, remains one of the most important historic resources in Missouri and serves to honor our 33d President. Unfortunately, the National Park Service has warned that this is one of several historic landmarks nationwide threatened with serious damage if not protected through further acquisition. Substantial development in the area has permanently altered the fabric of what used to be a small town.

This legislation is designed to address the threats identified by the Park Service and to maintain the integrity of the neighborhood that had such a strong influence upon President Truman.

President Truman was known for his honesty, courage, and plain-speaking common sense. He stood up for working people everywhere. The enhancement of the historic site, and the preservation of the atmosphere around the Truman home, will enable visitors to gain an unblemished appreciation of the life of a great American President.

This legislation allows the present owners to retain lifetime usage of their property and caps acquisition expenditures at $250,000. It's a small price to pay to preserve the memory of President Truman's lasting contributions to our country.

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Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LIGHTFOOT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 419.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CORRECTING AN ERROR RELATING TO CERTAIN LANDS IN LAMAR COUNTY, AL

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 964) to correct an error in Private Law 100-29 (relating to certain lands in Lamar County, AL), as amended.

The Clerk read as follows:

H.R. 964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LANDS IN LAMAR COUNTY, ALABAMA.

Section 1(b) of Private Law 100-29 is hereby amended by striking out "the northwest quarter southeast quarter of section 14" and by inserting in lieu thereof "the northwest quarter southwest quarter of section 14".

SEC. 2. TECHNICAL CORRECTIONS; WILD AND SCENIC RIVERS ACT.

(a) NUMBERING AND DESIGNATED RIVERS.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271-1287) is amended as follows:

(1) Number the unnumbered paragraph relating to the Merced River in California as "(62)".

(2) Redesignate paragraph (62) relating to the Kings River in California as paragraph "(63)".

(3) Number the unnumbered paragraph relating to the Kern River in California as "(64)".

(4) Number the unnumbered paragraph relating to the Bluestone River in West Virginia as "(65)".

(5) Number the unnumbered paragraph relating to the Sipsey River in Alabama as "(66)".

(6) Redesignate paragraph (65) relating to the Wildcat Brook in New Hampshire as paragraph "(67)".

(7) Number the unnumbered paragraphs relating to rivers in Oregon added to national wild and scenic rivers system by the Omnibus Oregon Wild and Scenic Rivers Act of 1988 (Public Law 100-557) as follows: Big Marsh Creek, "(68)", the Chetco, "(69)", the Clackamas, "(70)", Crescent Creek, "(71)", the Crooked, "(72)", the Deschutes, "(73)", the Donner und Blitzen, "(74)", Eagle Creek, "(75)", the Elk, "(76)", the Grande Ronde, "(77)", the Imnaha, "(78)", the John Day, "(79)", Joseph Creek, "(80)", the Little Deschutes, "(81)", the Lostine, "(82)", the Malheur, "(83)", McKenzie, "(84)", Metolius, "(85)", Minam, "(86)", North Fork Crooked, "(87)", North Fork, John Day, "(88)", North Fork Malheur, "(89)", North Fork of the Middle Fork of the Willamette, "(90)", North Fork Owyhee, "(91)", North Fork Smith, "(92)", North Fork, Sprague, "(93)", North Powder, "(94)", North Umpqua, "(95)", Powder, "(96)", Quartzville Creek, "(97)", Roaring, "(98)", Salmon, "(99)", Sandy, "(100)", South Fork John Day, "(101)", Squaw Creek, "(102)", Sycan, "(103)", Upper Rogue, "(104)", Wenaha, "(105)", West Little Owyhee, "(106)", and White "(107)".

(8) Number the unnumbered paragraph relating to the Rio Chama in New Mexico as "(108)".

(b) NUMBERING OF STUDY RIVERS.—Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271-1287) is amended as follows:

(1) Redesignate paragraph (96) relating to the Merced River in California as paragraph "(99)".

(2) Number the unnumbered paragraphs relating to rivers in Oregon designated by the Omnibus Oregon Wild and Scenic Rivers Act of 1988 (Public Law 100-557) for study for potential inclusion in the national wild and scenic rivers system as follows:

Blue, "(100)", Chewaucan, "(101)", North Fork Malheur, "(102)", South Fork McKenzie "(103)", Steamboat Creek, "(104)", and Wallowa, "(105)".

SEC. 3. MILITARY LANDS WITHDRAWAL ACT OF 1986.

Section 2(c) of the Military Lands Withdrawal Act of 1986 (Public Law 99-606) is amended by striking "the office of the commander, Barry M. Goldwater Air Force Base" and inserting "the office of the commander, Luke Air Force Base".

SEC. 4. TECHNICAL CORRECTIONS REGARDING THE MISSISSIPPI NATIONAL RIVER AND RECREATION AREA.

Title VII of Public Law 100-696 is amended as follows:

(1) In the third sentence of section 705(a), strike "Our" and insert "Other".

(2) In section 703(d), strike "to serve" and insert "and shall serve".

The SPEAKER pro tempore. Is a second demanded?

Mr. LIGHTFOOT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Iowa [Mr. LIGHTFOOT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 964, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the staff of both the House and the Senate is to be commended for the professional workmanlike manner in which they accomplish their tasks, because we really have very few errors and these errors that we do have were not really attributed to the members of my staff or the Senate.

In the first instance it was just a drafting error in the way the bill came to us.

Mr. Speaker, H.R. 964 is a bill introduced by the gentleman from Alabama [Mr. BEVILL]. It would amend Private Law 100-29, relating to certain lands in Lamar County, AL, and make technical corrections in three other laws. Private Law 100-29 was enacted to enable the Bureau of Land Management to reinstate an erroneously canceled entry on certain specified lands in Mr. BEVILL's district, so BLM could remove a cloud from the title of the property, which has been in private hands for more than a century. Unfortunately, the bill as introduced evidently contained an error in the legal description of the lands, which went undetected until after its enactment. H.R. 964 would correct that error, so that the purpose of the private law can be fulfilled.

The Interior Committee has also added three additional sections. Like the original bill, these new sections would merely make technical corrections to existing law.

Section 2 would amend the Wild and Scenic Rivers Act so as to provide new paragraph numbers for some of the paragraphs dealing with various rivers that are part of the Wild and Scenic Rivers System or that have been designated for study. This is a housekeeping matter that arises almost every time rivers or study rivers are designated, as occurred in the last Congress.

Section 3 would correct an error in the Omnibus Military Lands Withdrawal Act of 1986. In section 2(c) of that act, dealing with the places where various maps and records are to be kept, there is a reference to the "Barry M. Goldwater Air Force Base". That is erroneous, because while that military withdrawal law did rename the Luke Air Force range after former Senator Goldwater, the bill did not rename Luke Air Force Base, near Phoenix. This same change was passed by the House in the last Congress as part of the California military withdrawal bill, but the Senate did not complete action on that bill. The Interior Committee believes this is an appropriate vehicle for making this purely technical change.

Finally, section 4 would make two amendments to title VII of Public Law 100-696, which provided for the establishment of the Mississippi National River and Recreation Area. The first change would correct a printing error, by substituting "other" for the word "our" in the third sentence of section 705(a) of that act. The second change would make a grammatical correction, by replacing the phrase "to serve" in section 703(d) with the phrase "and shall serve". Both of these changes are purely technical in nature, and would have no substantive effect.

Mr. Speaker, the reported bill was worked out with the minority, and I believe that there is absolutely nothing of controversy in it. I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. LIGHTFOOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 964 that would make technical corrections to a number of pieces of legislation already passed into law.

As the subcommittee chairman has mentioned, this bill has four operative sections, each making technical corrections to a different law. The first section of the bill would correct mistaken land descriptions; the second, the numbering of sections in a bill; the third, correcting the name of an area; and last, a minor wording change to clarify who has the responsibility for action. As one can see, these are all minor changes, but necessary to make the law's implementation and purpose be as intended.

I know of no opposition to this bill and recommend its passage.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LIGHTFOOT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 964, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to correct an error in Private Law 100-29 (relating to certain lands in Lamar County, Alabama) and to make technical corrections in certain other provisions of law.".

A motion to reconsider was laid on the table.

ESTABLISHING A PROGRAM FOR THE PRESERVATION OF ADDITIONAL HISTORIC PROPERTY

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 999) to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic property throughout the Nation, and for other purposes, as amended.

The Clerk read as follows:

H.R. 999

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 15, 1966 (80 Stat. 915), as amended (16 U.S.C. section 470 et seq.), is further amended as follows: Section 212(a) is amended by deleting the last sentence and inserting in lieu thereof the sentence "There are authorized to be appropriated not to exceed $2,500,000 in fiscal years 1990 through 1994.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Iowa [Mr. LIGHTFOOT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 999, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 999 introduced by our colleague Representative LINDY BOGGS and cosponsored by our former colleague Dick Cheney, reauthorizes the Advisory Council on Historic Preservation. At the Subcommittee on National Parks and Public Lands hearing on H.R. 999, witnesses praised the Advisory Council for its work, and made several suggestions for the improvement of the Federal Historic Preservation Program. The criticisms we heard were oriented toward those other Federal agencies that did not involve the Advisory Council early enough in the cycle or did not give the Advisory Council's recommendations adequate consideration, thus short circuiting the process. In accordance with the National Historic Preservation Act of 1966, the Congress has long been quite clear that the agencies must both "take into account" the effects of their undertakings on historic properties and also give the Council a "reasonable opportunity to comment." That understanding needs to be reiterated.

Other issues raised include having diverse and balanced membership on the Council and having the Advisory Council work with the Department of Justice to clarify intergovernmental responsibilities under section 106. Finally, I want to be clear that we continue to believe that the Advisory Council plays a crucial role in preservation and that its independence is essential.

The Committee on Interior and Insular Affairs adopted an amendment to change the title of H.R. 999 to better reflect its purpose. The new title will be "A Bill To Reauthorize the Advisory Council on Historic Preservation and for Other Purposes."

Mr. Speaker, I endorse this bill, and want to commend the Advisory Council on Historic Preservation for their efforts in promoting historic preservation in this Nation.

Mr. Speaker, I want to point out to the Members of Congress that this legislation has been championed by our distinguished colleague, the gentlewoman from Louisiana [Mrs. BOGGS]. She has developed an impressive list of cosponsors, including the former Congressman, Dick Cheney, who now is over in the Department of Defense, where we hope he will continue his interest in historic preservation.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, H.R. 999 is important because it will assure the continued availability of an independent Federal capacity for coordination of Federal efforts to encourage and support historic preservation.

As you have heard, joining in the cosponsorship of this bill to provide for the reauthorization of the Advisory Council on Historic Preservation was our former colleague, the gentleman from Wyoming, Mr. Cheney, who of course is now our Secretary of Defense. We are very grateful to the Committee on Interior and Insular Affairs and to the Subcommittee on National Parks and Public Lands and to the chairman, the gentleman from Minnesota [Mr. VENTO] and, of course, to the gentleman from Iowa [Mr. LIGHTFOOT], and to the other members of the subcommittee and their staff members for the expeditious and favorable consideration of the bill.

H.R. 999 is necessary legislation because the Council's current authorization expires at the end of fiscal year 1989, and because its continued operation is key to the Federal Government's efforts to facilitate the preservation of places important to our national heritage. The Advisory Council on Historic Preservation plays a critical role in assuring consideration of historic preservation concerns in the development and implementation of Federal programs and policies.

The Advisory Council on Historic Preservation [ACHP] was established by the National Historic Preservation Act of 1966 (16 U.S.C. 470) to advise the President and Congress on preservation matters and to comment on Federal, federally assisted and federally licensed undertakings having an effect upon historic properties. H.R. 999 would amend section 212 of the National Historic Preservation Act of 1966 to continue the appropriations authorization from fiscal year 1990 through fiscal year 1994 at a level of $2.5 million.

Mr. Speaker, the primary role of the ACHP is to assist Federal agencies in exercising national leadership in historic preservation and to ensure that Federal actions are consistent with historic preservation values to the maximum extent possible. Since preservation policies must be balanced against other national policies and goals, Federal agencies require advice and assistance both in the development of general programs and policies and in the design and review of particular projects. The ACHP provides such advice and assistance to the President, the Congress and the Federal agencies and assists and encourages State and local governments and private parties in preservation activities.

The accommodation of preservation values within public policies necessitates the acknowledgment of many competing forces, Mr. Speaker, and it is fortunate that, with all of these divergent views, there exists an independent body at the Federal level to assist in balancing historic preservation against other interests. The ACHP helps Federal agencies in meeting their statutory historic preservation obligations by institutionalizing preservation expertise and planning systems, eliminating duplicative efforts, improving the consistency of preservation policies and avoiding unnecessary expenditures of public funds.

Appropriated funds for the ACHP in fiscal year 1989 were $1,778,000 and the budget request for fiscal year 1990 is $1,795,000. According to the ACHP, the amount requested will support the continued provision of current services in fiscal year 1990.

There is no question that this is money well spent. Our historic resources are our national treasures. They assist us in our efforts to weave into our present future the cultural, historic and architectural richness of our past. Once lost, these national treasures can never be regained.

The exemplary manner in which the City of New Orleans has been able to bring its historic heritage into the present and future by preserving while growing and developing is a source of great pride, and I am well aware of how difficult this can be to accomplish. So, therefore, I can particularly appreciate the important job the Advisory Council on Historic Preservation performs for all of us and for those who come after us.

I feel certain that our former colleague, Mr. Cheney, would want to join me in urging the favorable votes of all of our colleagues on this reauthorization.

Mr. VENTO. Mr. Speaker, I thank the gentlewoman from Louisiana [Mrs. BOGGS] very much for her leadership on this issue. We appreciate her interest and her continued support in this matter on the subject of historic preservation.

Mr. Speaker, I reserve the balance of my time.

Mr. LIGHTFOOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 999 was introduced in February by Representatives BOGGS and CHENEY. As the subcommittee chairman has explained, it would amend the National Historic Preservation Act of 1966 to reauthorize the Advisory Council on Historic Preservation for 5 years at the currently authorized appropriations level of up to $2.5 million annually.

The Council was established as an independent agency of the Federal Government to advise the President, the Congress, and Federal agencies on historic preservation matters. It also provides comments and advice concerning Federal, federally assisted and federally licensed activities which affect historic properties. In addition, the Council assists State and local governments and private parties with preservation activities. According to testimony presented at the subcommittee hearing, the Council has been responsive, diligent, and effective in meeting its obligations under the National Historic Preservation Act while maintaining its independence and autonomy.

Mr. Speaker, H.R. 999 is a good, bipartisan measure which is supported by the administration. Therefore, I urge my colleagues to approve the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 999, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to reauthorize the Advisory Council on Historic Preservation."

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1487, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1990 AND 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-22) on the resolution (H. Res. 126) providing for the consideration of the bill (H.R. 1487) to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NOW I KNOW HOW TO SOLVE THE DRUG CRISIS: MOVE THE CAPITAL EVERY MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, now I know how to solve the national drug crisis: We can move the Capital and the Federal Government every month to a different city. Then when the President and the Congress see how awful the drug problem is in that city, they will announce emergency actions and provide the resources to stop that city's drug epidemic.

Just like was announced yesterday in the District of Columbia.

I propose we first move the Capital to Oakland, CA. The people of Oakland's lives are at least as important as the people of Washington, DC's, yet they face the same daily gun battles, the same murders, the same lack of street police, the same court backlogs, the same grossly overcrowded jails, the same lack of treatment facilities, the same rundown public housing, the same overburdened school system, and the same joblessness.

If the Federal Government can use national tax dollars to help the District with these problems in order to fight drugs, then it should also provide the same help to Oakland, Chicago, Newark, New York—you name it.

Mr. Speaker, I resent the flow of more Federal dollars to this city, the richest metropolitan area in the Nation, when my community of Oakland—and so many other American cities—are fighting—and losing to—the same cancer.

Let's help all our cities—not just Washington, DC.

THE "VALDEZ" OILSPILL IN ALASKA'S PRINCE WILLIAM SOUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. ECKART] is recognized for 60 minutes.

Mr. ECKART. Mr Speaker, on March 24 the Exxon tanker *Valdez* struck a reef in Alaska's Prince William Sound. An ultra large crude carrier, 987 feet long and 166 feet wide, in striking the reef, ruptured its forward tanks and spilled more than 10 million gallons of crude oil into the bay.

Prudhoe Bay crude oil is especially rich in longlasting toxic hydocarbons because it is pumped directly from the ground into the pipeline.

I would point out to my colleagues that the cleanup has been a botched operation from the start. The contingency plans assumed that the worst set of circumstances would be 4 million gallons spilled. This is now two and one-half times that. Exxon said that the containment booms could survive any set of weather contingencies, but they were not deployed until 35 hours after the spill because the boom deployment barge was broken. Only 4,000 gallons of dispersant was available instead of the estimated one-half million gallons that would have been needed. That is like trying to put out a fire by spitting on it.

Of the seven available oil skimmers that were in the immediate area, none reached the area until the second day. That is like trying to clean a sandy beach with a pair of tweezers. And now, Mr. Speaker, we read that Exxon intends to add insult to environmental injury by deducting the cost of the cleanup from its taxes that it would have to pay to the U.S. Government.

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Mr. Speaker, there is a lot of blame to go around; oh, yes, to us in the Federal Government, I suppose, for not properly overseeing the exigencies of the contingency plan as they have been developed.

One thing is clear, and that is the ship ran aground because the captain had put the ship on autopilot. It suggests to me, my colleagues, that our regulatory regimen and the oil industry have been on autopilot when it comes to protecting the fragile environment of our Alaskan brothers. It is time to take the regulatory ship off of autopilot, and that does not mean we have to stop or dismantle the ships, but someone has to be at the helm. Someone has to be responsible.

We do not need deregulation. What we have in effect is unregulation. We have in this regulatory regimen, if my colleagues will pardon the use of that expression, an oil industry that is exempt from RCRA, and studies on oil waste have often been long delayed. The regulations were there we have discovered. They just were not enforced. The plan was inadequate, and no one did what they were supposed to do under an inadequate plan. The cleanup was inadequate, and Exxon was left in charge.

Mr. Speaker, the damage to the environment, the damage to the economy of Alaska, the damage to a merchant marine system of Exxon, heretofore regarded as one of the best of the merchant marine companies in the natural resource transportation area, had generally been perceived well, has also been severely damaged. Thousands of birds, marine mammals, fish, are dead or dying. Deer are dying along the shoreline from eating plants soaked in oil, loss of an entire year of fishing with accelerating future losses in the breadth and depth that are heretofore unimaginable. A herring fishery closed because of oil in the spawning beds, and plankton that fish need for survival are dying off in the thousands of pounds. Hundreds of miles of shoreline, oiled and lifeless. Gasoline prices are rising.

Mr. Speaker, I do not think there is much in the American people's mind to dispute the need to respond appropriately, efficiently, and effectively, but to hear that the prices are going to rise at the same time the company contemplates charging the U.S. taxpayers by deducting the costs of their negligence from the taxes they pay is just incongruous and a crime in and of itself.

Mr. Speaker, this disaster of the last several weeks underscores horribly our energy dependence. It should underscore for all of us the volatility of exploring for oil in a fragile ecosystem, an ecosystem that is very, very dependent upon the good graces of nature and the good influence of man.

Many suggestions will come forward in the next several weeks about how to preclude these kinds of circumstances

from happening again. It is very clear to this Member that the Federal Government's role is going to have to significantly expand.

Mr. Speaker, before I speak to other possible solutions that might be available to us, let me ask the gentleman from Washington [Mr. MCDERMOTT] if he would like to join, and respond and participate in this special order. Mr. Speaker, I yield to my colleague.

Mr. MCDERMOTT. Mr. Speaker, 2½ weeks ago, on Good Friday, the inevitable happened in Prince William Sound, AK. A 2-year-old 987-foot-long tanker, owned and operated by one of America's largest corporations, struck a well-marked reef and spilled over 11 million gallons of oil into some of the richest waters in the world.

There will be plenty of time for faultfinding, and the financial resources of the Exxon Corp. will follow the oil it brought out of the Earth and spilled on the sea, into every harbor and coastal village in south central Alaska. The company will give help—too little and too late—for the cleanup. It will provide monetary compensation—no substitute for prevention—for the loss of the fishing, tourism, and recreation industries. Much of my district depends on those industries, and the compensation will be needed, will be demanded, and it must be adequate.

But there will be no compensation for the birds, the seals, the sea lions, the sea otters, the shrimp, the millions of salmon, herring, and cod, who will lose their lives so that we may have oil. There will be no reckoning for the loss of vital links in the food chain that support so many hundreds of species, including our own.

Amid all the voices that will be raised—to blame and to explain—I would like to mention just one, once a powerful voice in this city, the voice of my most distinguished constituent and a friend of many of you, former Senator Warren Magnuson. Maggie, who gave us the Marine Mammal Protection Act and the Magnuson Fisheries Conservation and Management Act, had this to say:

> We've got to have more stringent regulations to protect safety with all those tankers running around. We have to stiffen the Coast Guard's back.

A lot of us have been saying things like that over the past 2 weeks. But Senator Magnuson said those words in December 1976, when he was trying to keep the giant supertankers out of Puget Sound. Some of us in the State legislature tried to do that too, but the Federal courts said the State couldn't protect its waters that way, coastal navigation was a Federal responsibility. So Maggie got the Federal law changed, with help from my friends Congressman NORM DICKS, and former Transportation Secretary Brock Adams.

Senator Magnuson also tried to convince the Congress to require that tankers be equipped with double hulls. Some people felt that would be too expensive. Now we learn that a double hull would have added 10 percent—$11 million—to the cost of the *Exxon Valdez.*

It is a tiny fraction of the cost Exxon will ultimately pay for this catastrophe, and Exxon's cost is only a part of what we will all pay.

Eleven million dollars is also a conservative estimate of the loss of northwest fishermen from the cancellation of this year's herring season in Prince William Sound. We've also lost the seasons for shrimp and black cod. Pink salmon bring in $77 million a year. That means the loss of jobs and mortgage payments for the working people of Prince William Sound. The spill also threatens major salmon hatcheries, including the one on Esther Island, the largest in the world.

I don't know whether a double hull would have prevented last week's spill in Prince William Sound. But it might have limited the damage.

The cost of protecting our environment is high—it means more expensive tanker ship construction, more money for the Coast Guard and the National Marine Fisheries Service, more manpower and equipment for speedier responses to disasters.

But the cost of complacency, the cost of satisfying our appetite for nonrenewable energy at whatever the risks, the cost of the recklessness that brought the *Exxon Valdez* onto Bligh Reef—is much greater.

Last week we heard that the *Exxon Valdez* might have been on autopilot when it crashed into the reef. That would make sense—our country's energy policy has been on autopilot for the last 8 years. We import more oil today than we did in the early 1970's. We built a pipeline across Alaska's wilderness so we could transport oil across Alaska's fishing grounds. We lowered motor vehicle fuel efficiency standards when we should have been raising them, and we're driving bigger cars now than we did before. We canceled conservation programs and neglected renewable resource development.

Last year President Bush stood beside Puget Sound and proclaimed himself an environmentalist. Now the Interior Department wants to open up our State's coastline. Where last winter's barge spill occurred, to offshore oil exploration and drilling. This area is also under study as a national marine sanctuary, with hearings this week in Seattle on the boundaries.

I want the administration to know that those boundaries must protect the marine life off our shores, the fisheries resources, and the Olympic peninsula's coastline.

□ 1310

The people of my State will be waiting to see how the environmentalist in the White House decides to treat our coast—whether the National Oceanic and Atmospheric Administration will designate a marine sanctuary that protects our resources, or whether the Interior Department will proceed with an offshore oil lease sale that may squander them.

I am sure we will all learn lessons from the tragedy of Prince William Sound. I hope we will work together to pass some tough laws about oilspill liability, alcohol and drug abuse on the job, tanker safety, and State authority to protect State waters and shores. I hope we will restore the funding the Coast Guard needs to do its job right.

But one thing is absolutely certain: We will pay a price because of this environmental disaster. The captain of the tanker will be hung out to dry out. Exxon will be in court for years, facing hundreds of millions of dollars in liability claims. The State of Alaska will have to decide whether or not it can afford to base its entire economy on the oil industry. And we are already paying at the gas pump. Gas prices have gone up 10 cents a gallon already.

We must never forget that our water, our shores, this environment is not just property. The fish and crab are not just resources. They are our environmental heritage and we are morally obligated to preserve them. When will we become responsible caretakers of this Earth?

Mr. Speaker, I would just like to read one quotation from children's literature. A wise man told a group of children:

> It is not our part to master all the tides of the world. But to do what is in us for the succour of those years wherein we are set, uprooting the evil in the fields that we know, so that those who live after may have clear earth to till.
>
> What weather they shall have is not ours to rule.

Mr. ECKART. Mr. Speaker, I thank my colleague, the gentleman from Washington.

Mr. Speaker, I yield to my colleague, the gentleman from California [Mr. LEVINE], a young man who has been pitching for the environment in his entire term here in the Congress and is now in addition to that speaking on behalf of the sale and transfer of technology in the FSX matter between this country and Japan.

Mr. LEVINE of California. Mr. Speaker, I thank my friend for yielding to me.

I would like to commend the gentleman for calling this special order. It is an important special order. It is important under any set of circumstances and at any time and it is especially timely now in the context of the trage-

dy of what has occurred off the Alaska coast.

Mr. Speaker, I am very pleased that my colleague has called this special order so that those of us on this floor will have the opportunity to take time today to examine the *Valdez* disaster and to examine its implications for our Nation as a whole.

Let me start off by assuring my colleagues and those who may be focused on this tragedy that this spill is not just the tale of a drunken sailor. Instead, it is a story of industrial neglect and it is also a story of Federal dereliction of duty.

For years environmental experts warned about the risks, while the industry and a significant part of the Federal Government just looked the other way. Now we find that that same industry neglected to make even a good faith effort to plan for a worst case spill.

I read from the 1973 hearing record on the proposed trans-Alaska pipeline the then president of Alyeska testified:

> In safety superior American tankers, the light traffic between Valdez, Alaska, and the west coast, involves hazards of less magnitude than any other tanker run of which I have knowledge. The most modern loading equipment and proposed Coast Guard vessel design requirements will reduce even these modest risks before pipeline operation begins.

Thus testified the president of Alyeska 16 years ago, in 1973.

Two years ago Alyeska looked at a make-believe spill of 8.4 million gallons. They determined that 50 percent of the spill would be recovered while in the water and another 15 percent would be removed from shore. That clearly was a pipe dream at best.

Meanwhile, the Federal Government stood back and watched the fiasco unfold. After the last two decades the Government itself has refused to address a worst case spill scenario, and as a result today the Nation grieves for the loss of an extraordinarily spectacular natural environmental resource.

It is now shocking to learn, as we have over the course of the last several weeks, that the previous administration under the auspices of Interior Secretary Donald Hodel tried to deliberately cover up, deliberately to whitewash, the probability of a spill off the California coastline in the event that offshore oil drilling proceeded as Donald Hodel and James Watt proposed. Also, this same administration, under the administration of Donald Hodel in the Reagan years covered up and whitewashed the ineffectiveness of our current cleanup of our current technology.

At a press conference last week a number of us from our delegation on a bipartisan basis detailed a series of internal agency memoranda which document that the Reagan administration sought to whitewash concerns about both the likelihood and the impact of a major spill off the California coastline. As a result, 28 colleagues from California and from both sides of the aisle joined me in calling on the President to:

First, cancel the lease sale proposed off northern California because of the overwhelming evidence that that sale would be an ecological disaster; and second, either cancel or indefinitely postpone the other three lease sales that are planned for California's coastline because of these startling disclosures that we learned about last week, pending a complete reevaluation of the entire California OCS Program.

Let me briefly explain for the rest of my colleagues and for other interested people what these memoranda reveal.

I am delighted, incidentally, to see my colleague, the gentlewoman from California [Mrs. BOXER] join us on the floor. She will be speaking later in this special order. She was part of this press conference and has been intimately involved in these activities.

Last year our distinguished colleague, the gentleman from California, Mr. LEON PANETTA, obtained and released a Fish and Wildlife Service report on the sale in northern California. That report last year offered devastating information about the risks that sale would present to the California coastline, and specifically about the likelihood and impact of a major spill off the California coastline.

At the same time, another sanitized version of the report appeared with many of the most damaging comments removed. Among the deletions were, and my colleagues should be clear on these, the material removed from the Fish and Wildlife Service report were:

> The impact statement of the Department of the Interior downplays the potential impact of oil spills.
>
> * * * current technology cannot effectively clean up a spill.

That was deleted from the Fish and Wildlife Service document.

At that time I was concerned about the content of this report, but I was also disturbed that Fish and Wildlife went back and laundered a document, sanitized a document, that was already a part of the public record. This prompted me to launch an inquiry into the matter, and what I found was the smoking gun of an agency whitewash.

I received a memo from the then Secretary for offshore development, Steven Griles, to his counterpart for Fish and Wildlife, letting Fish and Wildlife know in no uncertain terms that Mr. Griles was most disturbed by their action.

Mr. Griles addressed Fish and Wildlife's substantive concerns with a barrage of allegations, and Fish and Wildlife responded by rethinking their comments and rewriting their report to meet the ideological litmus test of Secretary Hodel and his assistant, Mr. Griles.

There was also a memo from the Director of the Fish and Wildlife Service in which he sought to alter another study of the northern California sale.

There was also a memo from an MMS official suggesting that future Fish and Wildlife reports should now be approved by MMS [Minerals Management Service], the entity that wants to see drilling at all costs, or at least did in the Reagan administration, these now should be approved by this entity, MMS, before being formally received.

Let us make sure there are not any glitches. Let us make sure the ideology is not contradicted by the professionals.

□ 1320

There was even a memo from the former regional director of MMS requesting that the sale be delayed, among other reasons, to reduce conflicts with a California primary that was to be held in June 1988. Do not allow any political opposition. Make sure that they do not have political conflicts when they know that the cross-section of the people of California are going to raise objections to this sale, and so we see a pattern of deliberate manipulation that was becoming increasingly clear under the stewardship of Donald Hodel.

I went on to look at the EPA report on the northern California sale, to find out if they had any concerns that might have been laundered, and I found that, indeed, there was laundering here as well.

Missing from EPA's final report were revealing statements such as:

> Our overriding concern is that the (EIS), in its analysis and interpretation of the environmental consequences, tends to downplay the risks and environmental effects associated with a possible oil spill.

And finally, I asked NOAA if they had submitted comments to MMS on the northern California sale, and what I received I would hope would be the nail in the coffin for this ill-conceived proposal.

Let me just exerpt a few of their concerns quickly, and in the interest of time, I'll paraphrase:

> It appears, said NOAA, the oil spill model may underestimate the occurrence of spill that would contact land.
>
> The damage a spill could cause to coastal ecosystems appears to be underestimated; the EIS's assertion that a spill would only cause negligible to low impacts seems very conservative.
>
> We remained concerned that the EIS may underestimate the expected effects of a major spill on fish and shellfish.
>
> The EIS minimizes the potential economic hardship a spill would inflict on fishermen. It downplays the risk and impact a spill could have on commercial fishing.

All of this is extremely disturbing * * * with sweeping implications for

the OCS Program on the California coastline.

Not only did we learn through our freedom of information request that Fish and Wildlife and the EPA deleted revealing analyses about the risks of a spill, but also that these two agencies, along with NOAA, asserted over and over again, that MMS itself, was deliberately downplaying the likelihood and impacts of a spill. And they used that word, downplaying, not underestimating, not second guessing, but downplaying. It was intentional. It was intentional according to professionals in the same administration whose judgment should have been allowed to be public.

What is so striking about all their comments is that they anticipated, if not the scope, at least the precise nature, of what was to come: the worst oilspill in this Nation's history.

Those professionals were right. They know about spills, they know about cleanup, and they know about probabilities.

I am here today to tell the Members that it happened in Valdez, and, though perhaps not in its astronomical size, certainly in its catastrophic impact, it could happen off California, if we were to allow the Reagan-Watt-Hodel plan to proceed.

Mr. Speaker, those of us who represent that great State and that irreplaceable resource, that irreplaceable treasure, will not stand by and let this happen. We will not ignore the risks of drilling off our coast as the Reagan administration and others in this Government did for Alaska, and we will not allow any agency to whitewash the potential for another environmental disaster.

Mr. Speaker, we are eager, therefore, to hear back from the President on the bipartisan proposal that my colleagues and I sent to him urging him to cancel the California sales while the State's OCS Program is revamped.

It is our sincere hope that he will not blunder as previous administrations have, that he will, instead, rise to the task at hand, that he will cancel the sales off the California coast, and that he will support the safeguards to ensure Alaska and the rest of America that this never again happens and that we never again endure a Valdez catastrophe.

My colleagues, this is a unique opportunity for a new administration. They have seen whitewashes. They have seen coverups by the last administration. They have seen ideology run rampant and professionalism submerged and suppressed. President Bush now has the opportunity to be the environmental President he promised in his campaign he would be.

As tragic as Valdez has been, let him take this opportunity to change course, to demonstrate a new sensitivity and respect for the environment, to instruct his Interior Department and the EPA to rely on the professional and scientific conclusions, not allow them to be suppressed in this administration, to go back to the drawing boards, cancel the proposed sales off California, and provide for this Nation the environmentalism that was promised in the campaign, the respect for the natural resources and the natural treasures that the Nation should be able to bestow upon future generations.

Mr. Speaker, I again want to thank and compliment my colleague, the gentleman from Ohio, for calling this special order and for his leadership on this issue.

Mr. ECKART. Mr. Speaker, the gentleman's allusion to the political campaign ads of this past season could only lead one to the conclusion that if Prince William Sound could have been made into a campaign commercial, it would have made today's Boston Harbor's commercial look like a romper room in the middle of the afternoon.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Speaker, we have all watched with growing horror as the oil spilled off Valdez, AK, has enveloped salmon, otters, and sea lions. Now it is poisoning sea birds and deer near the formerly pristine Prince William Sound.

We have listened as Exxon officials have first claimed full responsibility, then blamed the Coast Guard and the weather. We have heard Exxon's promises to pay the full cost of the spill, the full cost of cleanup.

What is most insulting to the American taxpayer, lulled by repeated promises from Exxon that they would clean up and pay for the costs, is that these cleanup costs, and the cost of restitution paid to local inhabitants and others, are fully deductible business expenses under section 162 of the Internal Revenue Code. That's right, the single richest multinational corporation in the world will write off all expenses from cleaning up this disaster as ordinary and necessary business expenses. Thus, under current law, the American taxpayer will end up footing the bill for the Exxon oilspill.

An oilspill is not ordinary. An oilspill is not necessary. The spill of oil in Prince William Sound has been a profound lesson in unnecessary and extraordinary negligence.

Our Nation needs oil, we need responsible organizations to bring that oil to us. But we need those organizations, those corporations, to own up to their faults, not pass the buck to the American taxpayer through us, the Congress.

Mr. Speaker, we need changes in the Tax Code to end tax breaks for negligence and pollution. This Nation must support business. But America must support good business. Pollution is bad business. Deficits are bad business, and tax breaks for pollution that cause deficits are just plain dumb.

For Exxon to pass any portion of the extraordinary costs of this cleanup to the hard-pressed American taxpayer is unacceptable. Last year Exxon turned a profit of over $5 billion on revenues of $88 billion. The oilspill may even increase those revenues as gasoline prices rise around the country.

The residents of the Chicago area, the citizens of my district, worked hard for their salaries, their pensions. Each year at this time they sit down to pay out part of that hard-earned money as part of a civic duty, a contribution to the good of the Nation.

Are we to tell our constituents that they are not eligible for a tax break because they did not spill millions of gallons of crude oil all over their neighborhood, ruin the local businesses, put thousands out of work, and kill fish and birds for miles around?

America is saddled with monumental deficits and the American taxpayer is strained to the limit. We cannot allow one of the world's most profitable corporations to pass along yet more costs to the Government and the taxpayer.

We need a change in the law. The chairman of the Merchant Marine and Fisheries Committee, WALTER JONES, has introduced H.R. 1465, the Oil Pollution Liability and Compensation Act. This is a vital step along the path we must take to end the passing of the polluter's buck to the American taxpayer. I have cosponsored this legislation and call upon all of my colleagues to do the same. Further changes will be necessary in the Tax Code as well, to end tax-writeoffs for big business negligence.

In the short term, Exxon must work harder and faster to clean up the rapidly spreading slick of oil. I also call upon them to make a donation in lieu of taxes to the U.S. Government, earmarked for Coast Guard and now military cleanup costs for this spill. This donation should, at the very least, cover the amount saved on their taxes through their expense deduction.

The Congress of the United States is responsible to the American people to see that the deficit is eliminated and that all pay their fair share. Only when we work to protect our fiscal security and our environment will we fulfill our duties to the citizens of America.

□ 1330

Mr. ECKART. I thank my colleague from Illinois for his participation, and I would associate myself with his remarks most directly.

For a company such as Exxon to profit at the expense of the American taxpayers for in some circumstances irreplaceable and irreparable damage they have done to our environment is

not just bad tax policy, it is an abhorrent moral repudiation of what we should stand for as a people. I look forward to assisting my friend from Illinois in whatever way he thinks would be appropriate to effect that change in the Tax Code, because as my son would say, "Dad, it just doesn't make sense."

Mr. LIPINSKI. I certainly agree with your son, it does not make any sense at all.

Mr. ECKART. I thank my colleague from Illinois.

My friend from the State of Washington [Mr. SWIFT] whose district bordering Puget Sound is most peculiarly sensitive to the transshipment of hazardous and perhaps even toxic substances in an area of the Nation that is most sensitive to environmental concerns has joined us, and I will recognize him in a moment. I would like to point out to my friend that if the area that is now currently covered by the Exxon spill were translated to what perhaps folks on the east coast could relate to, it would cover a distance longer than Long Island, Cape Cod, Martha's Vineyard, and Kennebunkport's seacoast taken together. I think if that oilspill were perhaps in the President's backyard we would have seen more appropriate action.

I yield to my colleague, the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Speaker, I thank the gentleman from Ohio very much and appreciate his leadership in calling this special order. He referred to my district which contains the northern part of Puget Sound, and the Pacific coast, about the top half of the Pacific coast in Washington State.

I have unfortunately suffered through four oilspills in my congressional district in the last 3 years. So I am not someone to talk to about the fact that they are impossible or unlikely. Rather it is demonstrable that they are inevitable.

I remember in my former life when I was a television news reporter doing a number of reports and programs on the fact that we did not have any coherent plan in Puget Sound to deal with oilspills, and we had no real equipment established in the area to deal with oilspills.

Perhaps it was because that was such a controversy, perhaps it was because there was a political controversy of whether or not to allow supertankers into the sound at that time, I am not exactly sure what triggered it, but we do have a response capability in Pudget Sound now. I am not going to suggest for a moment it could not be improved, but compared with what they had going for them in Alaska, ours is superb. It is somewhat reassuring if we are going to have to have oilspills to be able to walk into the headquarters of the cleanup effort on your second oilspill and see virtually the same people who were there working on the first one, people from State government, from the Coast Guard and other Federal agencies, and from the private sector, all knowing each other, knowing what their individual roles are, understanding the coordination of authority in the situation, and being able not to figure out what to do, but already doing what should be done and spending their time and their effort out cleaning up the spill, having the equipment and the facilities available.

And in one instance, I must say that sometimes I think the good things, the good stories there are to tell about some of the private sector do not get told, there was a specific instance in Port Angeles where the oilspill was flowing with the tides down the Straits of Juan de Fuca. It was less than an hour when the tides would change, and given the wind conditions it would have pulled this oil slick not back out to the ocean, but back into a small bay from which it would have been virtually trapped. The Coast Guard suggested to the company, which in this instance happened to be Arco, that if a cetain piece of equipment and certain actions could be taken right now, that would be prevented.

I was informed that the company had every legal right to have stopped and paused, talked about liability and a variety of other things. It did not. It moved. It took care of that problem on the spot and saved that bay, the Dungeness Bay, from pollution.

But none of that could occur if we did not have a plan to begin with, if people did not understand what the relationships were between the various agencies, if people did not know how to coordinate the various responsibilities, and if they did not have the equipment in place to be able to do it.

I made a mistake. I think a lot of my colleagues here in Congress made a mistake in assuming that because I had seen these plans and this equipment in place, and seen it working in my backyard, that we had that kind of cleanup capability and plan everywhere else, and it is obvious we do not. It is responsibility I think to see that those in administrative capacities at the State and Federal levels and in the private sector see that everywhere we as Americans have authority for what has been done in Pudget Sound, and perhaps do it even better. To do less is at best stupid, and at worst criminal.

I thank the gentleman for yielding.

Mr. ECKART. I thank my colleague from Washington. As usual, he has stated matters in a most direct and forthright way.

If folks would realize that many years ago, 16, to be exact, we had a chance to prevent this from happening, I guess we could refer to this, most folks will call it the Exxon oilspill, but I might like to call it the Spiro Agnew memorial oilspill. It was 16 years ago, after all, that the U.S. Senate on a tie vote, 49-to-49, allowed the then-sitting Vice President to cast the tie-breaking vote in favor of Valdez and against the environmentalists' proposal to provide for transshipment of this oil, not necessarily all together as good an idea as some might like. But somewhere, somehow, the consequences of actions even of Spiro Agnew come home to roost, and we pay the price for that 49 to 49 tie today with an impact upon our environment, the consequences of which will be ill-defined for decades.

My colleague, the gentlewoman from California [Mrs. BOXER], has spent a great deal of time working on environmental matters, not only that may affect her home State, but have national significance as well. I yield to my colleague, the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, I thank the gentleman so much for holding this special order. I think it is exceedingly important that we focus on the tragedy that we are seeing every night when we put on our TV's, the anguished faces of the fishermen as they look at what has happened to the fisheries in Alaska. We already know three of the fisheries are gone for now.

□ 1340

They are struggling to save the salmon industry. We do not know if they will.

The anguished faces of the citizens of Alaska, as they see the fish and wildlife that they have come to love, and they live among the wildlife there, they see these fish and wildlife dead, soaked with oil. Thousands of sea otters, the ones that have not totally sunk to the bottom because they are so soaked with oil, are shivering as their natural fur cannot get them dry and warm. They are doomed. I hear reports where the bald eagles are now coming and feeding on the fish that are soaked with oil and now the bald eagles are dying because of this spill.

We see the anguished face of the Governor of Alaska as he sees the string of broken promises made by Exxon and the administrations of the recent past, promises that were supposed to result in double-bottomed vessels, in a 5-hour emergency response that in no way even came near 5 hours. It was more like 5 days.

They were supposed to promise exceptionally well-qualified pilots. This disastrous oilspill can happen again. It can happen off the coast of California, which I represent; it can happen in Alaska; it could happen in Washington State, anywhere along the coast. It is clear that as long as there are tankers carrying oil and there are human beings in charge, there is going to be

human error. It could happen at any time.

The issue is not the issue that President Bush would say it is. He said, "Well, what are these critics wanting us to do, stop oil production?" Of course not. We are not saying stop oil production. What we are saying is back up those promises, Mr. President, with laws, with enforcement, back up those promises with penalties.

Oil companies had better learn that it is not enough to take a full-page ad in the Wall Street Journal apologizing for the kind of disaster that happened and then think that the American people are going to forgive and forget.

Too many broken promises.

As Mr. ECKART pointed out to us, and I am so glad he did, a 49-to-49 vote, a tie broken by the Republican Vice President at the time, because frankly sometimes around here there is too much kowtowing to the special private interests and not enough realization that we are here as stewards of the environment and protectors of people and the environment.

There is another thing that we want from this President and from this administration, and it is called truth. My colleague, the gentleman from California [MEL LEVINE], has spoken of coverups that have existed in the Department of the Interior under the Reagan and Bush administration. We have the proof, we have the documents. We see that reports that were made by Fish and Wildlife that were critical of drilling, that predicted what would happen in a spill, we know what happened to those reports. They were covered up.

I also had the privilege of being privy to some documents that had to do with drilling in Alaska. You know what happened there? I say this to my friend the gentleman from Ohio [Mr. ECKART] in Alaska there was the same pattern of coverup.

In one case, a memo that was critical of oil development was ordered destroyed. I saw the words come from the Department of the Interior, Fish and Wildlife "collect and destroy copies" of the memo. It could inhibit development of oil in Alaska.

So, in light of this incredible history we have to learn, we have to learn that the risks of oilspill are far greater than we thought, because much of the documentation has been covered up.

No, we are not going to stop tankers but we had better understand the risks that we face.

The gentleman from Washington [Mr. SWIFT] said we had better spend the money it takes to get plans in place and make sure that there can no longer be broken promises by the oil companies.

In California this administration wants to drill off of our coast. This would increase the threat of oilspills. They want to drill, even, and this is incredible, in a proposed marine sanctuary. Imagine, allowing offshore oil drilling in a marine sanctuary.

It would be the first time it was ever done. But this administration says they do not see any inconsistency of allowing offshore oil drilling in a marine sanctuary.

Well, we see the inconsistency in the California delegation, the Democratic delegation, and there are members of the Republican delegation that also see those inconsistencies, and we are going to fight this.

We have an answer for California, and it is called the Ocean Sanctuary Fisheries Enhancement Act. It would cut down on the risk of a disastrous spill in California so that we do not have to see our fishermen with looks of anguish on their faces as we have seen night after night in Alaska.

There are only 39 days' worth of oil off the California, northern and central coasts, hardly enough to make a dent toward energy independence.

If we just added one more mile of automobile economy to our fleet, we would have in very short order more energy saving than lies off the coast of California.

Mr. Speaker, here is the situation in sum: First, we have a disastrous oilspill in Alaska. We now know what could happen and what could happen again.

Second, we have a disastrous prediction of the greenhouse effect, which comes to us very clearly from many scientists who tell us we are burning too much fossil fuel, and we are not going to retain our health as a community and as a society because of these problems.

Third, we have great hopes in alternative energies such as solar energy, and now fusion, which could present us with endless energy that is clean.

So, put all these things together, and what does it say? It says that we need an energy policy in this country. Let us not just drill offshore at any cost, because I say to the President the cost is too great.

Unfortunately, I say to my colleagues we do not see yet an energy policy coming from this administration. It is more of the same, some nice lip service to the environment.

The President says, "I want to be an environmentalist," but yet we do not even see the beginnings of an energy policy.

If we learn anything from Alaska, it is that we have to have an energy policy in this country and we have to have protections built in where we do allow drilling.

The cost is too great, I say to the gentleman from Ohio, to continue the ways we are going. I want to thank the gentleman from Ohio from the bottom of my heart for holding this special order. I think the members of the California delegation and the members from the coastal States are very grateful to the gentleman from Ohio.

We must learn from this experience, and we must keep on talking about it so that people do not forget, because what happens when they forget, the special interests come in and suddenly we are back where we started.

We say never again.

Once again I say to the gentleman from Ohio, "Thank you for taking this special order."

Mr. ECKART. I thank my colleague from California.

Mr. Speaker, our last speaker is our colleague from the State of Washington who, like one of the previous speakers, who also was from Washington, understands firsthand the importance of preserving and protecting our environment.

I yield to the gentlewoman from the State of Washington [Mrs. UNSOELD].

Mrs. UNSOELD. I thank the gentleman for yielding.

Mr. Speaker, shortly after midnight on March 29, the 978-foot tanker *Exxon Valdez*, carrying approximately 60 million gallons of North Slope crude oil, ran aground on Bligh Reef in Prince William Sound, AK. This incident is an environmental disaster, spilling 11 million gallons of oil into one of the most biologically productive and pristine ecosystems of this country.

In the wake of this tragedy, fingers are being pointed at the skipper of the vessel who was allegedly intoxicated and criticism is continuing to focus on why it took so long to respond and specifically why were not the federally approved contingency plans implemented quickly and effectively.

Let us consider the lasting effects the oilspills will have on the Alaskan environment and its valued fisheries resources and for those individuals who depend on those resources for their livelihoods. The herring fishery has already been closed. It is only a matter of time before we see a devastating impact on the estimated 650 million salmon fry scheduled within the next few weeks to be released from hatcheries and on the hundreds of millions more that will escape from streams. After the past several years where northwest fishermen have lost tens of millions of salmon to illegal high seas interception by the driftnet fleets of foreign countries, they now have to face massive mortalities of their bounty in their own backyard fishing grounds.

Mr. Speaker, during the Merchant Marine and Fisheries Committee hearing last week, the Exxon Corp. went on record as being committed to paying all reasonable claims relating to the *Valdez* spill. We must hold them to that claim. The victims of this accident should be promptly and ade-

quately compensated for losses due to the gross negligence of Exxon.

Mr. Speaker, while compensating the victims of the *Valdez* spill is of top priority, I am also deeply concerned that damaging oilspills continue to occur along our coastlines, resulting in property and environmental damage. With the recent oilspills off the coasts of Washington and Hawaii, the United States has now experienced three major oilspills in the last 4 months. This raises serious questions about the oil industry's claim of having the sufficient advanced technology to produce and transport oil without damage to the environment. Perhaps most distressing is the statement released by the president of the American Petroleum Institute that the 11 million gallons of oil spilled in Valdez amounts to only a very small portion of the total oil shipped from Alaska. Hearing this type of logic coming from the oil industry, and having seen firsthand the 231,000 gallons of oil spilled off Grays Harbor in my congressional district, I am convinced that comprehensive Federal oilspill legislation is sorely needed.

As you know, Mr. Speaker, legislation to address oilspills has already been introduced in this Congress. I would like to point out that the Merchant Marine and Fisheries Committee, under the leadership of our distinguished chairman, WALTER JONES, introduced oilspill legislation on March 16 of this year. H.R. 1465, which I have cosponsored, establishes a single Federal system to define who is liable for the damages of oil pollution, what they are liable for, and the amount of liability. In addition, this bill establishes a sizable cleanup fund, up to $500 million, to cover the cost of cleaning up the oil and compensating those who suffer damage from it.

Finally, Mr. Speaker, I feel there is an important lesson that we can learn from the recent oilspill. We are a nation dependent on oil, yet oil production is not as safe as the industry would like us to believe—even for a company as well equipped as Exxon. There will always be a risk, and there will always be the possibility for human error. In the coming months we will consider several important energy issues, including whether to allow oil and gas development off our coasts and within the Arctic National Wildlife Refuge. I believe decisions of such far-reaching significance should be considered only in the context of a comprehensive national energy policy which sets forth clearly and rationally the full range of alternatives before the Nation. Until we have such a policy, the decision to expose our most sensitive ecosystems to oil development should wait.

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Mr. ECKART. Mr. Speaker, I thank my colleague from Washington for her important remarks and contributions.

Our last speaker will be the gentlewoman from the State of New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Last Thursday the Coast Guard Subcommittee of the Merchant Marine Committee conducted a hearing to get to the bottom of what happened when the oil tanker *Exxon Valdez* ran aground on March 24 in Prince William Sound. We didn't answer all of the questions during that hearing, but it was a good start. As I'm sure many of my colleagues would agree, our focus should be on exploring ways to ensure that this type of accident does not happen again. One way we can do that is to tighten up the Coast Guard licensing requirements for seamen.

I have an especially difficult time understanding how Capt. Joseph Hazelwood could have been in charge of piloting a 1,000-foot oil tanker when his New York drivers license had been revoked not once, but three times. In fact, he has not been allowed to drive a car in New York State since last November. Even with that record he was fully certified to pilot an oil tanker carrying 60 million gallons of crude oil. Does that make sense?

Bringing Captain Hazelwood to justice will not erase the damage that has been done to the pristine environment of Prince William Sound, but it can and should deter other ship pilots from committing the same infractions.

The case of the grounded *Exxon Valdez* opens a Pandora's box of questions about how prepared we are to deal with a major oilspill. This accident also raises serious questions about the Coast Guard's certification process for pilots of commercial vessels. The House must act with speed to enact legislation to guard against this kind of tragedy happening again.

Mr. ECKART. Mr. Speaker, I thank my colleague from New York for her contributions.

I would, in conclusion, remind my colleagues, as Harry Truman once said, "Those who do not learn the lessons of history are condemned to repeat it."

To our President, Mr. Bush, who has said he wanted to be the education President, he has said he wanted to be the environment's President, he said he wanted to be the ethics President, we accept you at your word. But in this Chamber, Mr. President, actions speak louder than words.

Mr. TORRES. Mr. Speaker, The *Exxon Valdez*, the *Exxon Valdez*.

This is a phrase that we will remember for the rest of our lives.

The *Exxon Valdez* is a story of lost faith and destroyed dreams.

Lost faith in American industry, because Exxon failed to live up to its promises and to keep our environment safe.

Lost dreams that America could preserve its most pristine environment, beautiful Alaska, for future generations.

I heard on the "Today" program this morning that Exxon was very much aware of the activities of the captain of the *Exxon Valdez*. The "Today Show" reported, that in the past, a second mate had the exact same problem with the captain. That the captain was drinking on duty and requiring staff to perform work they were not qualified to perform. This certainly must have come to Exxon's attention since the second mate reported it to Exxon and they have been involved in a lawsuit with the mate over this very issue for the past 3 years.

Exxon is raising its gasoline prices all over the country. Let me tell you—this is not fair. We are not going to pay for Exxon's mismanagement.

Remember, this is not simply a case of human error. I believe this is a clear example of corporate callousness. Someone at Exxon probably thought that it would cost too much to replace the captain.

That someone was very wrong.

Read my lips Exxon, your corporate profits are going to pay for this mess, not the American people.

We have another problem. What do we do about future energy supplies?

We can no longer just sit back and figure God will provide. It isn't going to happen.

Now is the time, in light of Three Mile Island, Global Warming, acid rain, and the *Exxon Valdez* to get serious about energy conservation. Now is the time for Americans to realize that Barry Commoner was right, "There is no such thing as a free lunch." The choices that we make all have costs.

For the last 8 years we had no energy policy in this country—and we need one. We need to look to the development of extensive energy conservation measures, wind energy, biomass, solar energy, fuel efficiency, and anything else brilliant minds can think up.

We need some leadership out of the White House in the development of a long-term energy strategy. We need to know that we have a future and that it is secure.

Mr. CLEMENT. Mr. Speaker, First, let me thank my colleagues, Mr. FRANK and Mr. ECKART, for arranging this special order on the *Exxon Valdez* oilspill. As a member of the Subcommittee on Coast Guard and Navigation of the Merchant Marine and Fisheries Committee I have been actively involved with this matter for several weeks. Last Thursday, April 6, the subcommittee held a day-long hearing on the spill and much was learned.

There is no doubt that this is a terrible accident that must be viewed with the utmost seriousness. The spill will cause losses in our fisheries, wildlife habitat, and environment. I was pleased however, that Exxon chairman L.G. Rawl in his appearance before the subcommittee last week insisted that his company accepted full responsibility for the spill and would waive legal technicalities in shouldering the costs of both the cleanup and compensation of fishermen and others in the Valdez

area. I am also encouraged that the board of directors of the American Petroleum Institute this past Friday, April 7, set up a top-level task force to review the oil industry's operations as a result of the oilspill. The chief executives or presidents of all major oil companies have agreed to serve on the task force and shall report their recommended program within 3 months.

We will almost surely need to provide Federal oversight in the long-term recovery of Prince William Sound, in addition to assisting with the immediate cleanup. Oilspill liability legislation, specifically H.R. 1465, introduced by Merchant Marine and Fisheries Committee chairman WALTER B. JONES, should be quickly considered by both Houses. We also need to study and possibly strengthen oilspill contingency plans, crew training standards, and pilotage requirements.

I should like to caution my colleagues from drawing the wrong conclusions from this tragic oilspill. If we do so, we may learn the far greater costs of energy dependence. An additional consequence of the oilspill has been to focus attention on where our energy supply originates. The fact is that more than one-fourth of the oil produced by our domestic wells is coming from the North Slope of Alaska. William Reilly, Administrator of the Environmental Protection Agency, recently pointed out that if this oil did not come by tanker from Alaska, it would have to come by tanker from outher parts of the world, tankers that dock at ports all along our Pacific, Atlantic, and gulf coasts. To use Reilly's own words:

There's always a cost to any of our energy choices. We have to remember that if we don't get the oil out of Alaska we'll be getting it from other countries.

More than likely much of this oil would come from Middle East OPEC nations on foreign tankers that historically have caused larger oil spills than U.S. tankers.

I also believe that it is extremely important to separate the tragic *Valdez* oilspill from current and future exploration and production whether it be on land or offshore. The *Exxon Valdez* oilspill is a transportation problem and has nothing to do with exploration and production. The United States is currently dependent on foreign oil sources for over 45 percent of our oil supplies and that amount will only increase, particularly if we allow this tragic incident to block efforts to expand domestic production.

Energy conservation is important and should be encouraged. Development of alternate fuels is also important. I also believe that we need to once again make nuclear energy an economically viable option to meet our future energy needs. In fact, I plan to introduce legislation that would reform the way we license nuclear powerplants in the near future and ask for my colleagues' support in this effort. My legislation would not only improve the safety of nuclear powerplants, but would also severely cut their construction time and cost. But none of these options alone can provide a viable solution to our current and future energy needs. We must push forward on all fronts, including finding and developing more oil reserves, such as the ANWR coastal plain.

As I have stated, the ANWR coastal plain is one of our last areas that offers great potential for a large petroleum discovery. And as EPA Administrator Reilly, who came from the environmental community, stated recently:

The petroleum industry has shown that it can find and produce that oil while protecting the arctic environment. The experience gained from 20 years on the North Slope next door to ANWR would be applied in exploring the ANWR coastal plain and, if oil is found, in developing the small area that would be affected by oil operations. And these operations would continue to be governed by the most stringent environmental laws in the world.

I hope that my colleagues take the advice of EPA Administrator Reilly and do not irrationally cut our domestic oil supplies. The *Exxon Valdez* oilspill is certainly a tragic event and we must do everthing possible to prevent future spills. But prohibiting oil and gas exploration and development in ANWR will not prevent future oilspills. All it would do is deprive us of a potentially large source of oil that is vital to our economy and energy security. We simply cannot afford, to quote the New York Times: "To treat the accident as a reason for fencing off what may be the last great oilfield in the Nation."

GENERAL LEAVE

Mr. ECKART. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on my special order.

The SPEAKER pro tempore (Mr. DYMALLY). Is there objection to the request of the gentleman from Ohio.

There was no objection.

INTRODUCTION OF A BILL TO SIMPLIFY THE CORPORATE ALTERNATIVE MINIMUM TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 15 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, today I am introducing legislation to simplify the corporate alternative minimum tax [AMT]. This was one of the most complicated provisions and difficult compromises of the Tax Reform Act of 1986.

Under present law, the structure of the corporate AMT will change for taxable years beginning on or after January 1, 1990. During 1987, 1988, and 1989, one-half of the difference between a corporation's book income and alternative minimum taxable income is added to the base of the AMT. After the end of this year, that preference item will be replaced with an inclusion of 75 percent of the difference between alternative minimum taxable income and what is called adjusted current earnings [ACE].

This change in the corporate AMT was agreed to during the conference on the 1986 act because of the view strongly held by many, including me, that the tax base should be determined by the Internal Revenue Code and not by the conventions under which accountants measure book income. When used for tax purposes, the book income concept not only invites manipulation, but can lead to inequitable results because of timing differences between tax and accounting rules.

It is appropriate for the base of the AMT to be specified in the Internal Revenue Code. The scheduled switch to adjusted current earnings under present law moves in that direction but retains some references to the book treatment of items, particularly depreciation.

The bill I am introducing today would no longer treat adjusted current earnings as a separate preference item. Instead, individual items of adjusted current earnings would be incorporated into the regular minimum tax calculations. References to book treatment would be eliminated. The result would be to simplify substantially the computations required for the corporate AMT and to make more rational the basis for measuring minimum taxable income.

For items, such as depreciation, which presently are treated differently under adjusted current earnings from their minimum tax treatment, a single treatment would be provided. For example, depreciation would be measured generally by using the straight-line method over ADR midpoint lives without any reference to book lives.

I am introducing this bill in an effort to begin an informed discussion about possible modifications that would simplify the corporate AMT. In speeches last year before the tax section of the American Bar Association and the Tax Executives Institute, I announced that I had directed the staffs of the Committee on Ways and Means and the Joint Committee on Taxation to initiate simplification projects on discrete provisions of the Internal Revenue Code. This bill is one of the results of that simplication effort.

I am fully committed to tax simplication and I am open to constructive suggestions about the specific changes to the corporate AMT provided in this bill. I do wish, however, to emphasize that I will oppose any attempt to extend the arbitrary book income preference beyond its scheduled expiration at the end of this year.

Providing revenue estimates for changes in the corporate AMT is one of the most difficult assignments given to the staff of the Joint Committee on Taxation. It will be some time before a revenue estimate can be provided for the introduced bill. It may, of course, be necessary to consider modifications to the bill in the event of unanticipated revenue consequences. On the other hand, I wish to emphasize that in introducing this bill, it is not my intention to either raise or decrease revenues. My purpose in introducing the bill is to simplify the corporate AMT based on policy principles, not revenue generation.

I believe that since the switch to ACE will occur at the end of this year, we must begin this discussion early in the year. I am profoundly disappointed that the Treasury Department has not submitted to Congress the report on the coporate minimum tax, due on January 1, 1989, mandated by section 702 of the Tax Reform Act of 1986. After taxpayers and practitioners have had a chance to analyze the bill, I hope that the Select Revenue

Measures Subcommittee, to whom I have referred this issue, will conduct hearings on my proposed simplification of the corporate AMT.

Mr. Speaker, I am placing in the RECORD the bill and a detailed explanation of this legislation.

Mr. MINETA. Mr. Speaker, I rise to join with my colleagues in expressing grave concern for our environment in the aftermath of the tragic oil spill in Alaska.

Despite promises to the countrary, the oil industry has failed to properly respond to the disaster. Adding insult to injury was the failure of the Bush administration to mount a timely and concerted Federal response which would have significantly mitigated the devastation.

Mr. Speaker, given the inaction of the executive branch following this national tragedy, we must examine carefully any immediate proposals for offshore or coastal oil drilling in environmentally sensitive areas. In particular, we need to postpone exploration along the California coast until we have impartial scientific information which proves conclusively that we need no longer fear a disaster on the magnitude of the tragedy in Alaska.

Mr. Speaker, we must never again risk playing Russian roulette with either our environment or our common sense.

EXPLANATION OF H.R. 1761

The 1986 Tax Reform Act required corporations to compute their alternative minimum taxable incomes by reference to a measure of income which ensures that profitable companies pay at least a minimum amount of taxes. For tax years beginning 1987-1989, this alternative measure of income is based on the accounting concept of book income. The preference is one-half the difference between book income and what otherwise would be alternative minimum taxable income. For tax years beginning after 1989, this so-called "book income preference" is scheduled to be replaced by an adjustment for "adjusted current earnings" (ACE), which measures economic income by reference to the tax concept of earnings and profits, rather than by reference to book income. The ACE preference is 75 percent of the amount by which ACE exceeds what otherwise would be alternative minimum taxable income.

H.R. 1761 would simplify the corporate minimum tax for taxable years beginning after 1989 by repealing the ACE preference and integrating its component items into the regular minimum tax system as separate preferences. Consequently, each preference item would have a single prescribed treatment for purposes of computing alternative minimum tax. Those ACE preference items integrated into the regular minimum tax would become full preferences instead of 75 percent preferences, as under current law. The computation of certain preference items would be modified.

Under the bill, generally, depreciation would be computed using the present-law minimum tax treatment (sec. 56(a)(1)) for tangible property placed in service in taxable years beginning before 1990 and the alternative depreciation system for property placed in service thereafter. Thus, depreciation on tangible property placed in service before 1981 or to which the original ACRS system applies would not be treated as a preference; depreciation on tangible property placed in service in taxable years beginning before 1990 to which the new ACRS system applies would continue to be treated as under present law (i.e., using the alternative depreciation system, but with 150 percent declining balance method for property other than real property); and depreciation on property placed in service in taxable years beginning after 1989 to which the new ACRS system applies would use the alternative depreciation system. Depreciation shown on the taxpayer's books would not be taken into account in determining alternative minimum taxable income. (This method of depreciation would apply to individuals as well as corporations.)

In the case of intangible drilling costs for corporations, the earnings and profits method (i.e., 60-month amortization for productive wells) would apply, without regard to the book method used by the taxpayer. This preference would replace the present-law regular corporate minimum tax preference (generally computed as exccess IDC's over 65 percent of oil and gas income). Similarly, the allowance for depletion for corporations should be determined under the earnings and profit method (i.e., cost depletion) without regard to the method used for book purposes. This preference would replace the present-law regular corporate minimum tax preference (generally computed as percentage depletion limited to basis).

The remaining items of the adjusted current earnings preference would be treated as separate minimum tax preferences for corporations, Thus, for example, exempt interest income for corporations and the dividends-received deduction (with certain exemptions as currently provided under ACE) would become full preferences under the regular minimum tax.

Finally, the bill would make several minor changes. The corporate preference for circulation expenses would be conformed to the individual preference (i.e., 3-year amortization). Gain on installment sales with respect to which interest is paid at the tax underpayment rate would be allowed installment sale treatment for minimum tax purposes, since appropriate interest is being paid for the right to defer payment of the tax. Annuity income would no longer be treated as a preference item for minimum tax purposes. In addition, several nonsubstantive drafting simplifications are included in the bill.

H.R. 1761

A bill to amend the Internal Revenue Code of 1986 to simplify the application of the minimum tax in the case of corporations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIMINATION OF ADJUSTED CURRENT EARNINGS PREFERENCE; MODIFICATION OF OTHER PREFERENCES.

(a) GENERAL RULE.—Subsection (g) of section 56 of the Internal Revenue Code of 1986 (relating to adjustments based on adjusted current earnings) is hereby repealed.

(b) MODIFICATIONS OF OTHER PREFERENCES.—

(1) DEPRECIATION.—Paragraph (1) of section 56(a) of such Code (relating to depreciation) is amended to read as follows:

"(1) DEPRECIATION.—

"(A) IN GENERAL.—The deduction allowable under section 167 with respect to any tangible property shall be determined under the alternative system of section 168(g).

"(B) EXCEPTION FOR CERTAIN PROPERTY.—This paragraph shall not apply to property described in paragraph (1), (2), (3), or (4) of section 168(f).

"(C) NORMALIZATION RULES.—With respect to public utility property described in section 167(1)(3)(A), the Secretary shall prescribe the requirements of a normalization method of accounting for purposes of this section."

(2) ADJUSTMENTS APPLICABLE TO CORPORATIONS.—Subsection (c) of section 56 of such Code (relating to adjustments applicable to corporations) is amended to read as follows:

"(c) ADJUSTMENTS APPLICABLE TO CORPORATIONS.—In determining the amount of the alternative minimum taxable income of a corporation, the following treatment shall apply (in lieu of the treatment applicable for purposes of computing the regular tax):

"(1) INCLUSION OF ITEMS INCLUDED FOR PURPOSES OF COMPUTING EARNINGS AND PROFITS.—

"(A) IN GENERAL.—There shall be included in gross income any amount which (but for this subparagraph) would be excluded from gross income but which is taken into account in determining the amount of earnings and profits. The preceding sentence shall apply in determining whether any other amount is allowable as a deduction.

"(B) INCLUSION OF BUILDUP IN LIFE INSURANCE CONTRACTS.—In the case of any life insurance contract—

"(i) the income on such contract (as determined under section 7702(g)) for any taxable year shall be included in gross income for such year, and

"(ii) there shall be allowed as a deduction that portion of any premium which is attributable to insurance coverage.

"(2) DISALLOWANCE OF ITEMS NOT DEDUCTIBLE IN COMPUTING EARNINGS AND PROFITS.—

"(A) IN GENERAL.—A deduction shall not be allowed for any item if such item would not be deductible for any taxable year for purposes of computing earnings and profits.

"(B) SPECIAL RULE FOR 100-PERCENT DIVIDENDS.—Subparagraph (A) shall not apply to any deduction allowable under section 243 or 245 for a 100-percent dividend—

"(i) if the corporation receiving such dividend and the corporation paying such dividend could not be members of the same affiliated group under section 1504 by reason of section 1504(b),

"(ii) but only to the extent such dividend is attributable to income of the paying corporation which is subject to tax under this chapter (determined after the application of sections 936 and 921).

For purposes of the preceding sentence, the term '100 percent dividend' means any dividend if the percentage used for purposes of determining the amount allowable as a deduction under section 243 or 245 with respect to such dividend is 100 percent.

"(C) TREATMENT OF TAXES ON DIVIDENDS FROM 936 CORPORATIONS.—

"(i) IN GENERAL.—For purposes of determining the alternative minimum tax foreign tax credit, any withholding or income tax paid to a possession of the United States with respect to dividends received from a corporation eligible for the credit provided by section 936 shall be treated as a tax paid to a foreign country by the corporation receiving the dividend.

"(ii) TREATMENT OF TAXES IMPOSED ON 936 CORPORATION.—For purposes of this subparagraph, taxes paid by any corporation eligible for the credit provided by section 936 to a possession of the United States shall be treated as a withholding tax paid with respect to any dividend paid by such corporation to the extent such taxes would be treated as paid by the corporation receiving the dividend under rules similar to the rules of

section 902 (and the amount of any such dividend shall be increased by the amount so treated).

"(3) CERTAIN OTHER EARNINGS AND PROFITS ADJUSTMENTS.—

"(a) CONSTRUCTION PERIOD CARRYING CHARGES.—The adjustments provided in section 312(n)(1) shall apply in the case of amounts paid or incurred in taxable years beginning after December 31, 1989.

"(B) INTANGIBLE DRILLING COSTS.—The adjustments provided in section 312(n)(2)(A) shall apply in the case of amounts paid or incurred in taxable years beginning after December 31, 1989.

"(C) ORGANIZATIONAL EXPENDITURES.—Section 248 shall not apply to expenditures paid or incurred in taxable years beginning after December 31, 1989.

"(D) LIFO INVENTORY ADJUSTMENTS.—The adjustments provided in section 312(n)(4) shall apply.

"(E) INSTALLMENT SALES.—In the case of any installment sale in taxable years beginning after December 31, 1989, alternative minimum taxable income shall be computed as if the corporation did not use the installment method. The preceding sentence shall not apply to the applicable percentage (as determined under section 453A(c)(4) of the gain from any installment sale with respect to which section 453A(a)(1) applies.

"(4) DISALLOWANCE OF LOSS OF EXCHANGE OF DEBT POOLS.—No loss shall be recognized on the exchange of any pool of debt obligations for another pool of debt obligations having substantially the same effective interest rates and maturities.

"(5) ACQUISITION EXPENSES OF LIFE INSURANCE COMPANIES.—Acquisition expenses of life insurance companies shall be capitalized and amortized in accordance with the treatment generally required under generally accepted accounting principles as if this paragraph applied to all taxable years.

"(6) DEPLETION.—The allowance for depletion with respect to any property placed in service in a taxable year beginning after 1989 shall be cost depletion determined under section 611.

"(7) TREATMENT OF CERTAIN OWNERSHIP CHANGES.—If—

(A) there is an ownership change (within the meaning of section 382) after October 22, 1986, with respect to any corporation, and

"(B)(i) the aggregate adjusted bases of the assets of such corporation (immediately after the change) exceed

"(ii) the value of the stock of such corporation (as determined for purposes of section 382), properly adjusted for liabilities and other relevant items,

then the adjusted basis of each asset of such corporation as of such time shall be its proportionate share (determined on the basis of respective fair market values) of the amount referred to in subparagraph (B)(ii).

"(8) MERCHANT MARINE CAPITAL CONSTRUCTION FUNDS.—In the case of a capital construction fund established under section 607 of the Merchant Marine Act, 1936, (46 U.S.C. 1177)—

"(A) subparagraphs (A), (B), and (C) of section 7518(c)(1) (and the corresponding provisions of such section 607) shall not apply to—

"(i) any amount deposited in such fund after December 31, 1986, or

"(ii) any earnings (including gains and losses) after December 31, 1986, on amounts in such fund, and

"(B) no reduction in basis shall be made under section 7518(f) (or the corresponding provisions of such section 607) with respect to the withdrawal from the fund of any amount to which subparagraph (A) applies.

For purposes of this paragraph, any withdrawal of deposits or earnings from the fund shall be treated as allocable first to deposits made before (and earnings received or accrued before) January 1, 1987.

"(9) SPECIAL DEDUCTION FOR CERTAIN ORGANIZATIONS NOT ALLOWED.—The deduction determined under section 833(b) shall not be allowed.

"(10) EXCEPTION FOR CERTAIN CORPORATIONS.—This subsection shall not apply to any S corporation, regulated investment company, real estate investment trust, or REMIC."

(3) TREATMENT OF CIRCULATION EXPENDITURES.—

(A) Subsection (a) of section 56 of such Code is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following:

"(7) CIRCULATION EXPENDITURES.—The amount allowable as a deduction under section 173 in computing the regular tax for amounts paid or incurred after December 31, 1986 (or, in the case of a corporation, in a taxable year beginning after December 31, 1989) shall be capitalized and amortized ratably over the 3-year period beginning with the taxable year in which the expenditures were made. For purposes of the preceding sentence, a personal holding company (as defined in section 542) shall not be treated as a corporation."

(B) Paragraph (2) of section 56(b) of such Code is amended to read as follows:

"(2) RESEARCH AND EXPERIMENTAL EXPENDITURES.—The amount allowable as a deduction under section 174(a) in computing the regular tax for amounts paid or incurred after December 31, 1986, shall be capitalized and amortized ratably over the 10-year period beginning with the taxable year in which the expenditures were made."

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (6) of section 56(a) of such Code is amended by adding at the end thereof the following new sentence: "In the case of a corporation to which subsection (c) applies, this paragraph shall not apply to installment sales in taxable years beginning after December 31, 1989.".

(2) Paragraph (8) of section 56(a) of such Code (as redesignated by subsection (b)(3)(A)) is amended to read as follows:

"(8) ADJUSTED BASIS.—The adjusted basis of any property with respect to which an adjustment under this section applies shall be determined by applying the treatment prescribed in this section."

(3) Paragraph (2) of section 56(a) of such Code is amended to read as follows:

"(2) MINING EXPLORATION AND DEVELOPMENT EXPENSES.—With respect to each mine or other natural deposit (other than an oil, gas, or geothermal well) of the taxpayer, the amount allowable as a deduction under section 616(a) or 617(a) (determined without regard to section 291(b)) in computing the regular tax for costs paid or incurred after December 31, 1986, shall be capitalized and amortized ratably over the 10-year period beginning with the taxable year in which the expenditures were made."

(4) Paragraph (1) of section 57(a) of such Code is amended by adding at the end thereof the following new sentence: "In the case of a corporation to which section 56(c) applies, the preceding sentence shall not apply to any property placed in service in a taxable year beginning after December 31, 1989.".

(5) Paragraph (2) of section 57(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE FOR CORPORATIONS.—In the case of a corporation to which section 56(c) applies, this paragraph shall not apply to costs paid or incurred in a taxable year beginning after December 31, 1989.".

(6) Paragraph (5) of section 57(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) SPECIAL RULE FOR CORPORATIONS.—In the case of a corporation to which section 56(c) applies, this paragraph shall not apply to taxable years beginning after December 31, 1989.".

(7) Section 56 of such Code is amended by striking subsection (f).

(8) Paragraph (1) of section 59(a) of such Code is amended by inserting "and" at the end of subparagraph (B), by striking subparagraph (C), and by redesignating subparagraph (D) as subparagraph (C).

(9) Clause (ii) of section 53(d)(1)(B) of such Code is amended—

(A) by striking "subsections (b)(1) and (c)(3) of section 56" and inserting "(b)(1), (c)(1), (c)(2), (c)(7), and (c)(9) of section 56", and

(B) by striking the last sentence thereof.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1989.

(2) DEPRECIATION.—The amendment made by subsection (b)(1) shall apply to property placed in service in taxable years beginning after December 31, 1989; except that such amendment shall not apply to any property if the amendments made by section 201 of the Tax Reform Act of 1986 do not apply to such property by reason of section 203, 204, or 251(d) of such Act.

IN SUPPORT OF THE UNIFORM POLL CLOSING BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. LELAND] is recognized for 60 minutes.

Mr. LELAND. Mr. Speaker, during the recent Easter break I, as chairman of the Select Committee on Hunger, led a congressional delegation to east Africa between March 24 to April 8, to examine delivery of humanitarian assistance to famine victims in war-torn Sudan. The delegation met with leaders of the government of Sudan and the Sudanese People's Liberation Army, who are engaged in a civil war which has already resulted in the death of 250,000 civilians, mostly children.

I was absent from the House floor during consideration of House Resolution 117 on April 5, and subsequently not present to vote on H.R. 18, the uniform poll closing bill. This important legislation is needed to solve a serious problem with our Presidential elections. Since this country spans several time zones and encompasses States with widely varying poll closing times, voters, who know vote totals from places where the polls have closed, are discouraged from voting.

I stand in support of H.R. 18 and, therefore, would have voted for its passage had I been present. H.R. 18 would establish a nationwide uniform poll closing time in order to enhance voter turnout. This bill can be viewed as a

success even if only a dozen more of our Nation's voters cast their ballot and express their conscience.

POLITICS IN EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. NET MOLLOHAN] is recognized for 14 minutes.

Mr. MOLLOHAN. Mr. Speaker the recent Presidential election in El Salvador poses somewhat of a dilemma to interested observers in the United States. Alfredo Cristiani, candidate of the ARENA Party, enjoyed a surprisingly easy victory over the candidate of the ruling Christian Democratic Party.

As a member of the Presidential observer team sent to El Salvador to monitor the fairness of the election, my initial and most powerful impression is that the election was a testimonial to the courage of the Salvadoran people. Roughly one-half of eligible voters turned out to cast their ballots, despite the threats of guerrillas set on disrupting the democratic process. This is, by the way, an even more remarkable figure when one remembers that the last election in the United States was decided by barely one-half of all eligible voters—and we were not faced with the threat of terrorist attack.

El Salvador does not, of course, have a democratic tradition, and it was—for me at any rate—inspiring to witness the people's enthusiastic embrace of that most basic of political rights, the free ballot.

Mr. Speaker, virtually everyone in the United States agrees that this is the good news: Salvadorans have tasted democracy and they like it. To many Americans in and out of Congress, the bad news is the result of this new-found taste for democracy: the ARENA Party, despite their demonstrated skill at winning a democratic election, has never been closely associated with democratic precepts.

The newspapers have "linked"—this is an internationally imprecise verb; the exact relationship has never been identified—the party's founder, Roberto d'Aubuisson, to the rightwing death squads. The death squads, of course, are notorious for borrowing one of the guerrillas' favorite tactics of inflicting rather indiscriminate violence on the population. To this day, it is so common to read about the far-right ARENA Party that one could be excused for thinking that was the party's official name.

This apparent contradiction explains the ambivalence with which the election was received by many Central American-watchers in the State Department, in this Congress, and across the United States. They believe that the democratic process worked tremendously well in El Salvador only to bring to power a party unworthy of that very process. The critics argue, in short, that an undemocratic party won a democratic election.

This is, philosophically, a difficult position for anyone who believes in democracy as a form of government. If you really believe that an undemocratic party can win a democratic election, you have to question at least one of the two basic tenets of democracy—

That the people truly want control over their government, and

That the people are in the best position to make judgments about their society and their government.

How can a true Democrat, in the United States, argue that ARENA should not have won the election? Why should they not have won it? It was a fair election. Over half of the population voted. Who are we in the United States to say that these voters made the wrong decision? Why, in short, is our judgment better than the Salvadoran people's judgment? The answer, of course, is that it is not.

I do not mean to be an apologist for the ARENA Party. I have tremendous respect for Jose Napoleon Duarte, the current President and leader of the moderate Christian Democrats. I do not take lightly the questions raised about Mr. d'Aubuisson's relationship with the death squads. I am concerned about putting the ARENA Party in power, and, frankly, I can understand those in the United States who wish to the Christian Democrats had won another term. But, they did not win another term, and, while I will not defend the ARENA Party's victory, I will defend the Salvadoran people's right to give them that victory.

Indeed, I think the Salvadoran people share with concerned democrats in the United States many of the same concerns about the ARENA Party. The Salvadorans, however, have a somewhat different perspective. They are in the middle of a civil war, a very bloody affair that has been going on for a decade now. For all of President Duarte's efforts, the war drags on, and the Salvadoran people saw the ARENA Party as an alternative. Perhaps they saw a vote for ARENA, given the party's history, as somewhat of a risk but a risk worth taking.

The people's decision to put ARENA in power is not an abdication of democratic responsibility; it is, instead, a reflection of their confidence in exercising that responsibility. The ARENA Party knows that. It will not forget that it owes its ascension to power to the votes of the people.

The Salvadorans—to a much greater extent even than those of us watching with interest from the United States—will be closely examining ARENA's actions in the coming months. Will Cristiani be independent of d'Aubuisson? Has the new President chosen wisely the head of the armed forces? Who will the legislature, also controlled by ARENA, select as the country's judges? What will happen to the death squads? Will the killing be stepped up or reduced? The answers to these questions will tell those of us in the United States concerned about the election a great deal about ARENA's commitment to democracy. More important, it will tell the Salvadorans, who, I am convinced, intend to remain masters of their fate.

I think already we are getting a reassuringly clearer picture of the type of government Mr. Cristiani intends to head. Recently, for instance, he worked with the President of the Salvadoran Supreme Court to reinstate kidnaping charges against eight military officers and civilians closely associated with d'Aubuisson and the death squads. This was a decisive move that clearly signaled his independence from the radical elements of his party. While it is very premature to pass a final favorable judgment on the ARENA government, a sense of fairness, buttressed by the evidence of Mr. Cristiani's integrity we have seen thus far, demands that we take the new President at his word and offer him all appropriate support.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1989

(Mr. PANETTA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PANETTA. Mr. Speaker, on behalf of the Committee on the Budget and as chairman of the Committee on the Budget, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting for printing in the CONGRESSIONAL RECORD the official letter to the Speaker advising him of the current level of spending, credit, and revenues for fiscal year 1989. This is the second report of the 101st Congress.

The term "current level" refers to the estimated amount of budget authority, outlays, credit authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

Current level reports are intended to provide Members information to compare enacted spending and revenues with the aggregate ceilings on budget authority, outlays, and revenues established in a budget resolution, and also to compare enacted legislation with the allocations of new discretionary budget authority, entitlement authority, and credit authority made to a committee pursuant to subsection 302(a) of the Budget Act. This report compares the spending, credit, and revenue levels in current level with those assumed in

the budget resolution for fiscal year 1989 (House Concurrent Resolution 268), adopted on June 6, 1988.

Current level reports provide information that is necessary for enforcing section 311 of the Budget Act. Section 311(a) prohibits the consideration of a spending or revenue measure if the adoption of that measure would cause the ceiling on total new budget authority or total outlays set in the budget resolution for a fiscal year to be exceeded or would cause revenues to be less than the appropriate level of revenues set forth in the budget resolution.

Section 311(b) provides an exception to the 311(a) point of order for measures that would breach the ceilings on total spending set forth in the budget resolution but would not cause a committee to exceed its "appropriate allocation" of discretionary spending authority made pursuant to section 302(a) of the Budget Act. Such an exception was first provided by the budget resolution for fiscal year 1985 (House Concurrent Resolution 280, 98th Congress). The exception was made permanent by the amendments to the Budget Act included in the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177, Gramm-Rudman-Hollings). This exception is intended to protect a committee that has stayed within its allocation of discretionary budget authority and new entitlement authority from points of order if the total spending ceilings have been breached for reasons outside of its control. For fiscal year 1989, the 302(a) allocations to House committees made pursuant to the conference report on House Concurrent Resolution 268 were printed in House Report 100–662, June 1, 1988.

Section 311(c) of the Budget Act provides that, for purposes of enforcing section 311, the levels of new budget authority, entitlement authority, outlays, and revenues shall be determined on the basis of estimates made by the Committee on the Budget. Current level reports represent partial fulfillment of this enforcement responsibility of the Budget Committee by providing both estimates of enacted aggregate spending and revenues, and, for purposes of determining the applicability of the section 311(b) exception, estimates of the relationship between the budgetary effect of enacted legislation within a committee's jurisdiction and the allocation of spending authority made to that committee.

The estimates in this report are based on economic and technical assumptions in place at the time of the adoption of the budget resolution, House Concurrent Resolution 268, on June 6, 1988. This is intended to protect committees which acted on the basis of the assumptions of the budget resolution from changes in economic and technical factors over which they have no control. Unless the Congress adopts a subsequent budget resolution for a fiscal year that alters the assumptions concerning legislative actions, committees should be able to expect that measures that conform with the budget resolution will not be subject to points of order for violation of the Budget Act. To do otherwise and base enforcement on constantly changing economic and technical estimates would seriously disrupt the legislative process, penalize committees that are unable to complete work on legislation within a short period after adoption of a budget resolution, and undermine respect for budget enforcement procedures.

In addition to section 311, the Budget Act contains another point of order that requires Budget Committee estimates for enforcement. Section 302(f)(1) of the Budget Act prohibits the consideration of a measure providing new budget authority, new entitlement authority, or new credit authority if the adoption of that measure would cause a committee to exceed its allocation of new spending or credit authority made pursuant to subsection 302(b) of the Budget Act. The 302(b) allocation is a subdivision of the new spending, new entitlement, and new credit authority allocated to a committee pursuant to section 302(a), among either the subcommittee of that committee or among programs over which the committee has jurisdiction. This point of order was added to the Budget Act by the amendments included in the Balanced Budget and Emergency Deficit Control Act of 1985.

Section 302(g) provides that the enforcement of section 302 shall be based on estimates of spending and credit authority made by the Committee on the Budget. The Budget Committee fulfills this responsibility by providing, as necessary, a separate section 302 status report to the Speaker.

For information purposes only, current level reports will continue to include a comparison of the budget and credit authority divided among the Appropriations subcommittees by that committee's 302(b) division with the actual enacted spending and credit legislation within each subcommittee's jurisdiction.

As chairman of the Budget Committee, I intend to keep the House informed regularly on the status of the current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, April 5, 1989.

Hon. JAMES C. WRIGHT, Jr.,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under section 311 of the Congressional Budget Act of 1974, as amended, to provide estimates of the current level of revenues and spending.

I am herewith transmitting the status report under House Concurrent Resolution 268, the concurrent resolution on the budget for fiscal year 1989.

In the House of Representatives, the procedural situation with regard to the spending ceilings (total budget authority and total outlays) is affected by section 311(b) of the Congressional Budget Act of 1974, as amended by Public Law 99-177. Enforcement against possible breaches of the spending ceilings under 311(a) of the Budget Act would not apply when a measure would not cause a committee to exceed its "appropriate allocation" of "new discretionary budget authority" or "new entitlement authority" made pursuant to Section 302(a) of the Budget Act. It should be noted that under this procedure the committee's outlay allocation is not considered.

The intent of section 311(b) of the Budget Act is to protect a committee that has stayed within its spending authority allocations—discretionary budget authority or new entitlement authority—from points of order if the total spending ceilings have been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on House Concurrent Resolution 268 were printed in H. Rept. 100-662 (June 1, 1988).

The enclosed tables compare enacted legislation to each committee's 302(a) allocation of discretionary budget authority, new entitlement authority, new direct loan obligations and new primary loan guarantee commitments. The estimates of spending and revenues for purposes of the application of points of order under the Budget Act are based upon the economic and technical assumptions underlying the fiscal year 1989 budget resolution, House Concurrent Resolution 268.

The Energy and Commerce Committee and the Ways and Means Committee have exceeded their targets for new entitlement authority because of the enactment of Public Law 100-360, the Medicare Catastrophic Coverage Act and Public Law 100-485, the Family Welfare Reform Act. The concurrent resolution on the budget for fiscal year 1989 assumed enactment of both pieces of legislation but made no allocations for them. The House report on the Budget Resolution explained that such legislation, if deficit-neutral, would be appropriate even though it exceeded the resolution's section 302 allocations or spending aggregates.

Revenues exceed the revenue floor established by the concurrent resolution on the budget for fiscal year 1989 because of enactment of Public Law 100-360, the Medicare Catastrophic Coverage Act and Public Law 100-485, the Family Welfare Reform Act. Passage of this legislation was assumed in the budget resolution but not reflected in the revenue floor. The budget resolution assumed deficit-neutral catastrophic health and welfare reform legislation, but not a specific dollar amount. As explained in the House report on the budget resolution, the revenue increases in Public Law 100-360 and Public Law 100-485 were intended to offset and make deficit neutral the multiyear spending in those bills. Therefore, it would not be consistent with the assumptions in the budget resolution to enact any additional revenue-losing legislation beyond Public Law 100-418, the Omnibus Trade Act and Public Law 100-449, the Canada-U.S. Free Trade Agreement.

Sincerely

LEON E. PANETTA,
Chairman.

Enclosures.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1989 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 268—REFLECTING COMPLETED ACTION AS OF APR. 4, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	1,231,700	1,099,700	964,400
Current level	1,232,634	1,100,091	964,780
Amount under ceilings			
Amount over ceilings	934	391	
Amount under floor			
Amount over floor			34

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate of budget authority

for fiscal year 1989, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 268 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate of outlays for fiscal 1989, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 268 to be exceeded.

REVENUES

Any measure that would result in a revenue loss which is not included in the current level estimate and that exceeds $34 million in revenues for fiscal year 1989, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 268.

Fiscal Year 1989 Discretionary Action Budget Authority—Comparison of Current Level and Budget Resolution Allocation by Committee Pursuant to Sec. 302

[In millions of dollars]

House Committee	Current level budget authority
Agriculture	(+412)
Appropriations[1]	(+293)
Armed Services	.....
Banking, Finance, and Urban Affairs	.....
District of Columbia	.....
Education and Labor	.....
Energy and Commerce	.....
Foreign Affairs	.....
Government Operations	.....
House Administration	.....
Interior and Insular Affairs	.....
Judiciary	.....
Merchant Marine and Fisheries	.....
Post Office and Civil Service	.....
Public Works and Transportation	.....
Science and Technology	.....
Small Business	.....
Veterans' Affairs	(−4)
Ways and Means	(−79)

Committees are over (+) or under (−) their 302(a) allocation for "discretionary action".

[1] See next table for detail.

FISCAL YEAR 1989 HOUSE APPROPRIATIONS COMMITTEE DISCRETIONARY ACTION—COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION SUBDIVISIONS OF THE HOUSE APPROPRIATIONS COMMITTEE PURSUANT TO SECTION 302

[In millions of dollars]

House Appropriations Subcommittee Subdivisions	Current level budget authority	Direct loans	Primary loan guarantees
Commerce, State, Justice	(+309)	(−3)	.....
Defense	(−224)	.....	.....
District of Columbia	(−6)	.....	.....
Energy and Water	(−47)	(+3)	.....
Foreign Operations	.....	(−3,632)	.....
Interior	.....	.....	.....
Labor, HHS, Education	(+164)	(−33)	.....
Legislative Branch	(−41)	.....	.....
Military Construction	.....	.....	.....
Rural Development and Agriculture	(+14)	(−243)	(+6)
Transportation	(+98)	.....	.....
Treasury, Postal Service	(+26)	.....	.....
VA/HUD/Independent Agencies	.....	.....	.....
Total	+293	−3,908	+6

Subcommittees are over (+) or under (−) their 302(b) subdivisions of discretionary action.

FISCAL YEAR 1989—ALLOCATION OF NEW ENTITLEMENT AUTHORITY (NEA) PURSUANT TO SECTION 302

[In millions of dollars]

Committee	Allocation	Reported [1]	Enacted [2]	Enacted over (+)/ under (−) allocation
Agriculture	.....	+611	+542	+542
Armed Services	.....	+2,234	+2,234	+2,234
Energy and Commerce	.....	+75	+55	+55
Interior and Insular Affairs	.....	+35	+16	+16
Judiciary	.....	+39	+14	+14
Veterans' Affairs	+408	+395	+389	−19
Ways and Means	.....	+1,624	+1,461	+1,461
Undistributed to Committees	+125	.....	.....	.....

[1] These figures are used for 401(b)(2) of the Budget Act.
[2] These figures are used for 302(f) points of order.

Note.—The Energy and Commerce and the Ways and Means Committees have exceeded their targets because of the enactment of Public Law 100–360, the Medicare Catastrophic Act, and the completion of H.R. 1720, the Family Welfare Reform Act. The Fiscal Year 1989 Budget Resolution assumed enactment of such legislation but made no allocations for it. The House report on the Budget Resolution explained that such legislation, if deficit-neutral, would be appropriate even though it exceeded the Resolution's Section 302 allocations or spending aggregates.

Further, Public Law 100–418, the Omnibus Trade and Competitiveness Act, provided $111 million of NEA that is scored in the "enacted" column against the Ways and Means Committee Allocation. This amount can be counted against the undistributed $125 million in NEA that was assumed by the Budget Conferees to be available for programs in functions 500, 550 and 600.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 5, 1989.

Hon. LEON E. PANETTA,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays, estimated revenues, and direct and guaranteed loan levels in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1989 budget (H. Con. Res. 268). This report for fiscal year 1989 is tabulated as of close of business April 4, 1989. A summary of this tabulation is as follows:

[In millions of dollars]

	Current level	Budget Resoluton H. Con. Res. 268	Current level +/− resolution
Budget authority	1,232,634	1,231,700	934
Outlays	1,100,091	1,099,700	391
Revenues	964,434	964,400	34
Direct loan obligations	24,370	28,300	−3,930
Guaranteed loan commitments	110,956	110,950	6

Since my last report, Congress completed action on Public Law 101-7, to adjust the purchase price for nonfat dry dairy products, changing outlay estimates for 1989.

Sincerely,

ROBERT D. REISCHAUER,
Director.

PARLIAMENTARIAN STATUS REPORT 101ST CONG., 1ST SESS., HOUSE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 4, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues	.....	.....	964,434
Permanent appropriations and trust funds	855,280	708,311	.....
Other appropriations	594,475	609,315	.....
Offsetting receipts	−218,335	−218,335	.....
Total enacted in previous sessions	1,231,420	1,099,291	964,434
II. Enacted this session: Adjust the purchase price for nonfat dry dairy products (Public Law 101–7)	.....	−10	.....
III. Continuing resolution authority	.....	.....	.....
IV. Conference agreements ratified by both Houses	.....	.....	.....
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy indemnity program	(1)	(1)	.....
Special milk	4	.....	.....
Food Stamp Program	253	.....	.....
Federal crop insurance corporation fund	144	.....	.....
Compact of free association	1	1	.....
Federal unemployment benefits and allowances	31	31	.....
Worker training	32	32	.....
Special benefits	37	37	.....
Payments to the Farm Credit System	35	35	.....
Payment to the civil service retirement and disability trust fund	(85)	(85)	.....
Supplemental security income	201	201	.....
Special benefits for disabled coal miners	3	.....	.....
Medicaid:			
Public Law 100–360	45	45	.....
Public Law 100–485	10	10	.....
Family Support Payments to States:			
Previous law	355	355	.....
Public Law 100–485	63	63	.....
Total entitlement authority	1,214	810	.....
Total current level as of Apr. 4, 1989	1,232,634	1,100,091	964,434
1989 budget resolution H. Con. Res. 268	1,231,700	1,099,700	964,400
Amount remaining:			
Over budget resolution	934	391	34
Under budget resolution	.....	.....	.....

[1] Less than $500 thousand.

Notes.—Numbers may not add due to rounding.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Ms. KAPTUR, for 15 minutes, today.

Mr. MOLLOHAN, for 15 minutes, today.

(The following Member (at the request of Mr. ECKART) to revise and extend her remarks and include extraneous material:)

Ms. KAPTUR, for 15 minutes, on April 12.

(The following Members (at the request of Mr. MOLLOHAN) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, on April 12.

Mr. LELAND, for 60 minutes, on April 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOUGLAS) and to include extraneous matter:)

Mr. GEKAS in two instances.
Mr. TAUKE.
Mr. LOWERY of California.
Ms. SCHNEIDER.
Mr. RINALDO.
Mr. COUGHLIN.
Mr. CONTE.
Mr. MARLENEE.
Mr. LIGHTFOOT.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. LEHMAN of Florida.
Mr. LANTOS.
Mrs. KENNELLY.
Mr. FAZIO.
Mr. SOLARZ.
Mr. CARDIN.
Mr. SKELTON.
Mr. AUCOIN in two instances.
Mr. TALLON.
Mr. STARK in five instances.
Mr. BORSKI.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.J. Res. 102. Joint resolution to designate April 1989 as "National Recycling Month;"

H.J. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week;" and

H.J. Res. 173. Joint resolution to designate April 16, 1989, and April 6, 1990, as "Education Day, U.S.A."

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval a bill of the House of the following title:

H.R. 666. An act to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, FL, before the expiration of the otherwise applicable 60-day congressional review period.

ADJOURNMENT

Mr. MOLLOHAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 7 minutes p.m.) under its previous order, the House adjourned until tomorrow, Wednesday, April 12, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

958. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Morris Berthold Abram, of New York, Representative of the United States of America-designate to the European Office of the United Nations, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

959. A letter from the Executive Director, Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973 to authorize appropriations for fiscal years 1990 and 1991 for carrying out that act; to the Committee on Foreign Affairs.

960. A letter from the Chairman, Interstate Commerce Commission, transmitting a copy of the Commission's report on its activities under the Government in the Sunshine Act during calendar year 1988, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

961. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting copy of report to the President and the Congress 1988, pursuant to 16 U.S.C. 470(b); to the Committee on Interior and Insular Affairs.

962. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, and for other purposes; to the Committee on Interior and Insular Affairs.

963. A letter from the Secretary of Transportation, transmitting the annual report of the Maritime Administration for fiscal year 1988, pursuant to 46 U.S.C. app. 1118; to the Committee on Merchant Marine and Fisheries.

964. A letter from the FSM Representative to the United States, Government of the Federated States of Micronesia, transmitting the first annual report of the Federated States of Micronesia on the use and expenditure of funds made available under the Compact of Free Association, pursuant to 48 U.S.C. 1681 nt.; jointly, to the Committees on Foreign Affairs and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: House Resolution 126. Resolution providing for the consideration of H.R. 1487, a bill to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes. (Rept. 101-22). Referred to the House Calendar.

Mr. FASCELL: Committee on Foreign Affair. H.R. 1750. A bill to implement the Bipartisan Accord on Central America of March 24, 1989. (Rept. 101-23, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSTENKOWSKI:

H.R. 1761. A bill to amend the Internal Revenue Code of 1986 to simplify the application of the minimum tax in the case of corporations; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. ECKART, Mr. BARTON of Texas, Mr. SCHEUER, Mr. WAXMAN, Mr. SLATTERY, Mrs. COLLINS, Mr. RICHARDSON, Mr. MARKEY, Mr. WALGREN, Mr. SYNAR, Mr. WYDEN, and Mr. SIKORSKI):

H.R. 1762. A bill to amend the Consumer Product Safety Act and related laws to improve the performance of the Consumer Product Safety Commission, to authorize appropriations for that act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DYSON (for himself, Mr. FIELDS, Mr. LIPINSKI, Mr. LAUGHLIN, and Mrs. BENTLEY):

H.R. 1763. A bill to authorize expenditures for fiscal year 1990 for the operation and maintenance of the Panama Canal, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LAFALCE (for himself and Mr. MCDADE):

H.R. 1764. A bill to make technical corrections to the Business Opportunity Development Reform Act of 1988; to the Committee on Small Business.

H.R. 1765. A bill to make technical corrections to the Business Opportunity Development Reform Act of 1988; to the Committee on Small Business.

By Mr. MILLER of Washington (for himself and Mr. CHANDLER):

H.R. 1766. A bill to suspend temporarily the duty on certain luggage frames of aluminum; to the Committee on Ways and Means.

By Mr. BERMAN (for himself, Mr. MILLER of Washington, Mr. FRANK, and Mr. KASTENMEIER):

H.R. 1767. A bill to ensure the right of international travel, to authorize the President to regulate transactions incident to travel to or from countries to which travel is restricted under the Passport Act, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BLAZ:

H.R. 1768. A bill to extend the existing suspension of duty on certain knitwear fabricated in Guam; to the Committee on Ways and Means.

By Mr. MFUME (for himself, Mr. BILBRAY, Mrs. BOXER, Mr. CARDIN, Mrs. COLLINS, Mr. DIXON, Mr. DYMALLY, Mr. DEFAZIO, Mr. DE LUGO, Mr. FAUNTROY, Mr. FAZIO, Mr. FOGLIETTA, Mr. FRANK, Mr. HAWKINS, Mr. HAYES of Illinois, Mrs. KENNELLY, Mr. KILDEE, Mr. LEWIS of Georgia, Mr. MAVROULES, Mr. MCMILLEN of Maryland, Mr. PALLONE, Mr. PAYNE of

New Jersey, Ms. PELOSI, Mr. RANGEL, Mr. RICHARDSON, Mr. SKELTON, Mr. SOLARZ, Mr. STOKES, Mr. TORRES, and Mr. TOWNS):

H.R. 1769. A bill to establish a Minority Business Development Administration in the Department of Commerce, to clarify the relationship between such Administration and the Small Business Administration, and for other purposes; jointly, to the Committees on Small Business and Banking, Finance and Urban Affairs.

By Mr. BROWN of Colorado:

H.R. 1770. A bill to suspend temporarily the duty on carfentanil citrate; to the Committee on Ways and Means.

By Mr. BUECHNER (for himself, Mr. FAWELL, Mr. HATCHER, Mr. PENNY, Mr. EMERSON, Mr. LEWIS of Georgia, Mr. BARNARD, Mr. SMITH of New Hampshire, Mr. EVANS, Mr. WHITTAKER, Mr. PETRI, Mr. LIPINSKI, Mr. BAKER, Mr. DURBIN, Mr. SKELTON, Mrs. VUCANOVICH, Mr. CLAY, and Mr. HANCOCK):

H.R. 1771. A bill to deny discretionary project funds to States that voluntarily reduce the period of availability of interstate highway construction funds for any fiscal year; to the Committee on Public Works and Transportation.

By Mr. BURTON of Indiana:

H.R. 1772. A bill to prohibit the importation of motor vehicles from Yugoslavia until the government of that country affords its workers internationally recognized worker rights; to the Committee on Ways and Means.

By Mr. BURTON of Indiana:

H.R. 1773. A bill to establish domestic content requirements for motor vehicles sold or distributed in interstate commerce in the United States; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. BUSTAMANTE (for himself, Mr. DE LA GARZA, and Mr. ORTIZ):

H.R. 1774. A bill to amend the Public Health Service Act to establish a program for the prevention and control of diabetes and related complications; to the Committee on Energy and Commerce.

By Mr. CONTE:

H.R. 1775. A bill to assist the Coast Guard in verifying information on applications and renewals for certain commercial vessel licenses and certificates; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. FASCELL (for himself and Mr. LEWIS of Florida):

H.R. 1776. A bill to provide for a nationally coordinated program of research, promotion, and consumer information regarding limes that is designed to expand domestic and foreign markets for limes; to the Committee on Agriculture.

By Mr. FRENZEL:

H.R. 1777. A bill to suspend temporarily the duty on in-line roller skate boots; to the Committee on Ways and Means.

By Mr. HUNTER:

H.R. 1778. A bill to amend the Internal Revenue Code of 1986 to provide a 10-percent tax credit for investments in certain Central American democracies; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 1779. A bill to extend the existing suspension of duty on crude feathers and down; to the Committee on Ways and Means.

By Mr. JONTZ:

H.R. 1780. A bill to amend title 38, United States Code, to revise the eligibility for outpatient medical services furnished by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. LAGOMARSINO (for himself and Mr. GALLEGLY):

H.R. 1781. A bill to prohibit vessels transporting Alaskan oil from using routes through the territorial and international waters northward of the Santa Barbara Channel Islands; to the Committee on Merchant Marine and Fisheries.

By Mr. LIGHTFOOT:

H.R. 1782. A bill to amend the Internal Revenue Code of 1986 to permit taxpayers to elect to pay tax shown on return in installments; to the Committee on Ways and Means.

By Mr. McGRATH:

H.R. 1783. A bill to amend the Harmonized Tariff Schedule of the United States with respect to low fuming brazing rods; to the Committee on Ways and Means.

By Mrs. MORELLA:

H.R. 1784. A bill relating to certain contributions required to be made under the retirement provisions of title 5, United States Code; to the Committee on Post Office and Civil Service.

By Mr. PERKINS:

H.R. 1785. A bill to amend the Foreign Trades Zones Act to renew the existing customs exemption applicable to bicycle parts not reexported in foreign trade zones; to the Committee on Ways and Means.

By Mr. RINALDO (for himself) (by request) Mr. LENT, Mr. DINGELL, and Mr. MARKEY:

H.R. 1786. A bill to amend the Trust Indenture Act of 1939; to the Committee on Energy and Commerce.

By Mr. SAWYER (for himself, Mr. PAYNE of New Jersey, and Mr. POSHARD):

H.R. 1787. A bill to amend the Carl D. Perkins Vocational Education Act to establish priorities for State distribution of vocational education funds, and for other purposes; to the Committee on Education and Labor.

By Ms. SCHNEIDER:

H.R. 1788. A bill to amend the Carol D. Perkins Vocational Education Act to clarify the administration of and use of funds under the program for single parents and homemakers and the sex equity program, and for other purposes; to the Committee on Education and Labor.

H.R. 1789. A bill to suspend temporarily the duty on D Salt; to the Committee on Ways and Means.

H.R. 1790. A bill to suspend temporarily the duty on anis base; to the Committee on Ways and Means.

H.R. 1791. A bill to suspend temporarily the duty on naphthol AS types; to the Committee on Ways and Means.

H.R. 1792. A bill to temporarily suspend the duty on theobromine; to the Committee on Ways and Means.

H.R. 1793. A bill to temporarily suspend the duty on chlorhexanone; to the Committee on Ways and Means.

H.R. 1794. A bill to suspend temporarily the duty on Broenner's acid; to the Committee on Ways and Means.

H.R. 1795. A bill to suspend temporarily the duty on Neville and Winter's acid; to the Committee on Ways and Means.

By Ms. SNOWE:

H.R. 1796. A bill to provide for a General Accounting Office study of the National Endowment for Democracy; to the Committee on Foreign Affairs.

H.R. 1797. A bill to provide for a study and report concerning sexual harassment of women at the Department of State and the U.S. Information Agency; to the Committee on Foreign Affairs.

H.R. 1798. A bill to limit the obligation and expenditure of funds appropriated for the Board for International Broadcasting unless such funds are appropriated pursuant to an authorization of appropriations; to the Committee on Foreign Affairs.

H.R. 1799. A bill concerning reform in budget decisionmaking procedures of the United Nations and its specialized agencies; to the Committee on Foreign Affairs.

H.R. 1800. A bill to establish a program for the training at the University of Maine and in Washington, District of Columbia, of media personnel from certain developing countries; to the Committee on Foreign Affairs.

By Mr. STARK:

H.R. 1801. A bill to amend the Internal Revenue Code of 1986 to reduce the private activity bond volume cap for States which do not make medical assistance available for Medicare cost-sharing for qualified Medicare beneficiaries; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 1802. A bill to provide compensation for loss of use of, and improvements to, certain lands in Alaska; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON:

H.J. Res. 236. Joint resolution to designate the month of April, 1989, as "National Cancer Awareness Month;" to the Committee on Post Office and Civil Service.

By Mrs. UNSOELD (for herself, Mr. STUDDS, Mr. YOUNG of Alaska, Mr. MILLER of Washington, Mr. FOLEY, Mr. SWIFT, Mr. MCDERMOTT, Mr. DICKS, Mr. CHANDLER, Mr. MORRISON of Washington, Mr. AUCOIN, Mr. WYDEN, Mr. DEFAZIO, Mrs. SAIKI, Mr. BOSCO, and Mr. MANTON):

H. Con. Res. 89. Concurrent resolution to express the sense of the Congress that the President should use full authority to direct the Secretary of the Treasury to prohibit Importation of fishery products from countries which fail to enter into and implement adequate driftnet monitoring and enforcement agreements; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

60. The SPEAKER presented a memorial of the General Assembly of the State of Indiana, relative to the Civilian Conservation Corps and Work Projects Administration programs; which was referred to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FASCELL introduced a bill (H.R. 1803) to permit issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel the *African Queen;* which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 17: Mr. MURPHY.

H.R. 21: Mr. MURPHY, Mr. CAMPBELL of Colorado, Mr. RAHALL, Mr. HERTEL, Mr. PEPPER, and Mr. OBERSTAR.

H.R. 22: Mr. MORRISON of Washington.

H.R. 29: Mr. JAMES.

H.R. 46: Mr. NEAL of North Carolina.

H.R. 53: Mr. DWYER of New Jersey and Mr. MCDERMOTT.

H.R. 91: Mr. BLAZ and Mr. STARK.

H.R. 109: Mr. JACOBS.

H.R. 112: Mr. LAUGHLIN.

H.R. 117: Ms. SCHNEIDER.

H.R. 128: Mr. CROCKETT, Mr. DWYER of New Jersey, Mr. LEWIS of Georgia, and Mr. PAYNE of New Jersey.

H.R. 126: Mr. OWENS of New York, Mr. FAUNTROY, Mr. DEFAZIO, Mr. EVANS, Mr. LAGOMARSINO, Mr. NEAL of North Carolina, and Mr. DE LUGO.

H.R. 128: Mr. DYMALLY, Mr. RANGEL, Mr. DWYER of New Jersey, and Mr. SAVAGE.

H.R. 129: Mr. FAUNTROY, Mr. OWENS of New York, Mr. BATES, Mr. DE LUGO, Mr. PAYNE of New Jersey, Mr. FOGLIETTA, and Mr. WEISS.

H.R. 133: Mr. CROCKETT, Mr. DWYER of New Jersey, Mr. LEWIS of Georgia, and Mr. PAYNE of New Jersey.

H.R. 134: Mr. WHEAT, Mr. FAUNTROY, Mr. CLAY, Mr. DYMALLY, Mrs. BOXER, Mr. BUSTAMANTE, Mr. RANGEL, Mr. GRAY, Mr. CAMPBELL of Colorado, Mr. MORRISON of Connecticut, Mr. PAYNE of New Jersey, Mr. DE LUGO, Mr. GARCIA, Mr. FROST, and Mr. NEAL of North Carolina.

H.R. 135: Mr. FAUNTROY, Mr. OWENS of New York, Mr. BATES, Mr. BERMAN, Mr. DE LUGO, Mr. PAYNE of New Jersey, Mr. FOGLIETTA, and Mr. WEISS.

H.R. 136: Mr. DWYER of New Jersey and Mr. MCDERMOTT.

H.R. 141: Mr. DIXON, Mrs. SAIKI, Mr. DYMALLY, Mr. CAMPBELL of Colorado, Mr. WALSH, Mr. KOLTER, Mr. RANGEL, Mr. LIPINSKI, Mr. CHAPMAN, Mr. ATKINS, Mr. RIDGE, Mrs. BOXER, Mr. MOLLOHAN, Mr. MRAZEK, Mr. MILLER of Ohio, Mr. GLICKMAN, Mr. MORRISON of Connecticut, Mrs. SCHROEDER, and Mr. MCDERMOTT.

H.R. 156: Mr. RICHARDSON, Mr. CONTE, Mr. LELAND, Mr. SMITH of Florida, and Mr. MARTINEZ.

H.R. 211: Ms. SCHNEIDER and Mr. BOUCHER.

H.R. 214: Mr. BATEMAN.

H.R. 215: Mrs. SAIKI and Mr. BENNETT.

H.R. 237: Mr. SCHEUER, Mr. WAXMAN, Mr. HAYES of Illinois, Mr. GARCIA, Mr. WEISS, and Mr. MARKEY.

H.R. 243: Mr. BALLENGER.

H.R. 245: Mr. EDWARDS of California, Mr. TORRES, Mr. HUNTER, and Mr. MARTINEZ.

H.R. 286: Mr. SUNDQUIST.

H.R. 423: Mr. DEFAZIO and Mr. BUECHNER.

H.R. 537: Mr. KANJORSKI.

H.R. 635: Mr. PAYNE of New Jersey.

H.R. 673: Mr. LANCASTER, Mr. HUBBARD, Mr. ROWLAND of Georgia, Mr. BALLENGER, Mr. SUNDQUIST, Mr. GORDON, Mr. GALLO, Mr. HENRY, Mr. TOWNS, Mr. PAYNE of Virginia, Mr. BOEHLERT, Mr. DYSON, Mr. SOLOMON, and Mr. STANGELAND.

H.R. 679: Mr. WEISS.

H.R. 720: Mrs. LOWEY of New York, Mr. LEVIN of Michigan, Mr. FLORIO, Mr. CONYERS, Mrs. UNSOELD, and Mr. BOUCHER.

H.R. 746: Mr. MCCOLLUM.

H.R. 766: Mr. WHEAT and Mr. ROYBAL.

H.R. 772: Mr. SARPALIUS and Mr. JOHNSON of South Dakota.

H.R. 833: Mr. BERMAN.

H.R. 874: Mr. KAPTUR, Mrs. BENTLEY, Mr. BUSTAMANTE, and Mr. FROST.

H.R. 901: Mr. SMITH of Florida.

H.R. 917: Mrs. COLLINS, Mr. HAYES of Illinois, Mr. NATCHER, Mr. COLEMAN of Texas, Mr. SMITH of Iowa, and Mr. HUBBARD.

H.R. 930: Mr. DELLUMS, Mr. HUGHES, Mr. TRAFICANT, Mr. FASCELL, Mrs. SAIKI, Mr. CARPER, Mr. LEHMAN of California, Mr. BOEHLERT, Mr. MRAZEK, Mr. MARTINEZ, Mr. PAYNE of New Jersey, Mr. SKAGGS, Mr. PURSELL, Mr. DOWNEY, Mr. STARK, Mr. TOWNS, Ms. SLAUGHTER of New York, Mr. SYNAR, Mr. SCHEUER, Mr. OWENS of Utah, Mr. UDALL, Mr. ENGEL, Mr. FROST, Mr. MCDERMOTT, Mr. SWIFT, Ms. KAPTUR, Mr. NEAL of North Carolina, Mr. WILLIAMS, Mr. BOUCHER, Mr. PEASE, Mr. FRENZEL, and Mr. CARDIN.

H.R. 995: Mr. TRAFICANT.

H.R. 1055: Mr. ATKINS, Mr. FAWELL, Mrs. ROUKEMA, Mr. LIPINSKI, Mr. COOPER, Mr. ARMEY, Mr. COURTER, Mr. MACHTLEY, Mr. FISH, Mr. MRAZEK, Mr. FAUNTROY, Mr. GREEN, Mr. KANJORSKI, Mr. GOODLING, Mr. KENNEDY, Mr. YATRON, Mr. GEKAS, and Mr. BARNARD.

H.R. 1074: Mr. MCMILLEN of Maryland, Mr. TORRICELLI, Mr. APPLEGATE, Mr. BLILEY, Mr. RHODES, Mr. BUNNING, and Mr. OLIN.

H.R. 1086: Mr. DERRICK, Mr. DEFAZIO, Mr. VALENTINE, Mr. ROBINSON, Mr. SWIFT, Mr. CHAPMAN, Mr. HAMMERSCHMIDT, and Mr. DAVIS.

H.R. 1091: Mr. MCDADE.

H.R. 1095: Mr. DERRICK, Mr. DORGAN of North Dakota, Mr. FAZIO, Mr. HANCOCK, Mrs. MEYERS of Kansas, Mr. RAHALL, Mr. RAVENEL, and Mr. ROBERT F. SMITH.

H.R. 1134: Mr. WISE, Mr. WOLPE, Mr. PORTER, Mr. ACKERMAN, Mr. TOWNS, Mr. DYMALLY, Mr. ATKINS, and Mr. RUSSO.

H.R. 1170: Mr. CARPER, Mrs. BOXER, Mr. PAYNE of New Jersey, and Mr. GUNDERSON.

H.R. 1176: Mr. SKELTON, Mr. OBERSTAR, Mr. HATCHER, Mr. SARPALIUS, Mr. RANGEL, Mr. CAMPBELL of Colorado, Mr. CHAPMAN, and Mr. ATKINS.

H.R. 1179: Mr. KOLTER, Mr. HUGHES, Mr. LEWIS of Georgia, and Mr. FROST.

H.R. 1180: Mr. MARKEY, Mr. LELAND, and Mrs. UNSOELD.

H.R. 1190: Mr. MCDERMOTT.

H.R. 1200: Mr. PENNY, Mr. WOLF, Mr. MCDADE, Mr. POSHARD, Mr. EMERSON, Mr. DAVIS, Mr. OLIN, Mr. COMBEST, Mr. RITTER, Mr. ECKART, Mrs. BYRON, Mr. ROSE, Mr. KOSTMAYER, Mr. CALLAHAN, Mr. QUILLEN, Mr. FLORIO, Mr. KOLTER, Mrs. SCHROEDER, Mrs. VUCANOVICH, Mr. WEISS, Mr. SANGMEISTER, and Mr. TOWNS.

H.R. 1358: Mr. SANGMEISTER.

H.R. 1401: Mr. MCEWEN, Mr. PURSELL, Mr. ANDREWS, and Mr. PENNY.

H.R. 1416: Mr. MARKEY.

H.R. 1423: Mr. HAYES of Illinois.

H.R. 1425: Mr. WEISS, Mr. FROST, and Mr. MCDERMOTT.

H.R. 1453: Ms. KAPTUR and Mr. BATES.

H.R. 1465: Mr. LAGOMARSINO, Mr. OBERSTAR, Mr. LAFALCE, Mr. BATEMAN, Mr. DELLUMS, and Mr. DINGELL.

H.R. 1515: Mr. BILIRAKIS, Mr. PANETTA, and Mr. SARPALIUS.

H.R. 1525: Mr. HORTON, Mr. DANNEMEYER, Mr. NEAL of Massachusetts, Mr. SMITH of New Jersey, and Mr. MILLER of California.

H.R. 1574: Mr. DORNAN of California, Ms. SCHNEIDER, Mr. ATKINS, and Mrs. MORELLA.

H.R. 1605: Mr. MINETA, Mr. SCHEUER, Mr. PORTER, Mr. KENNEDY, Mr. MARKEY, Mr. SIKORSKI, Mrs. BOXER, and Mr. SOLARZ.

H.R. 1609: Mr. COOPER.

H.R. 1618: Mr. SAVAGE.

H.R. 1644: Mr. BUECHNER.

H.R. 1677: Mr. MANTON.

H.R. 1704: Mr. BEILENSON, Ms. PELOSI, Mrs. UNSOELD, Mr. ATKINS, Mr. DIXON, Mr. HERTEL, Mr. SABO, and Mr. FORD of Tennessee.

H.J. Res. 34: Mr. LIVINGSTON.

H.J. Res. 54: Mr. DELLUMS, Mr. WAXMAN, and Ms. KAPTUR.

H.J. Res. 68: Mr. ANDERSON, Mr. CLARKE, Mr. CONTE, Mr. FUSTER, Mr. GUNDERSON, Mr. HAYES of Louisiana, Mr. HILER, Mr. HYDE, Mr. JONES of Georgia, Mr. LEWIS of California, Mr. MCCLOSKEY, Mr. MARTIN of New York, Mr. MATSUI, Mr. MAVROULES, Mr. MILLER of California, Mr. MOLLOHAN, Mr. MURPHY, Mr. PAYNE of New Jersey, Mr. SHUMWAY, Mr. SKAGGS, and Mr. WILSON.

H.J. Res. 74: Mr. FORD of Tennessee, Mr. ROYBAL, Mr. WEISS, Mr. BROWN of California, Mr. TORRES, Mr. WILSON, Mr. BARTLETT, and Mr. COUGHLIN.

H.J. Res. 136: Mr. INHOFE, Mr. HASTERT, Mr. PARKER, and Mrs. MEYERS of Kansas.

H.J. Res. 164: Mr. FROST, Mr. LANCASTER, Mr. SKAGGS, Ms. KAPTUR, Mr. WEISS, and Mr. MCEWEN.

H.J. Res. 178: Mr. ATKINS and Mr. HYDE.

H.J. Res. 185: Mr. COSTELLO, Mr. BLILEY, Mr. FOGLIETTA, Mr. BROWN of Colorado, Mr. HORTON, Mr. DENNY SMITH, Mr. ACKERMAN, Mr. RANGEL, Mr. HEFNER, Mr. ROBINSON, Mr. KOSTMAYER, Mr. WOLF, Mr. QUILLEN, Mr. DYMALLY, Mr. BATES, Mr. LIPINSKI, Mr. LEHMAN of Florida, Mr. MAZZOLI, Mrs. COLLINS, Mr. LEWIS of Florida, Mr. HILER, Mr. DREIER of California, Mr. FAWELL, Mr. BEVILL, Mr. BILBRAY, Mr. BERMAN, Mr. PAYNE of New Jersey, Mr. HUGHES, Mr. FROST, Mr. PAYNE of Virginia, Mr. MCGRATH, Mr. SMITH of New Jersey, Mr. MRAZEK, Mr. HOPKINS, Mr. WALSH, Mr. KOLTER, Mr. SCHUETTE, Mrs. BENTLEY, Ms. SLAUGHTER of New York, Mr. RAHALL, Mr. GARCIA, Mr. ROYBAL, Mr. LAGOMARSINO, Mr. ROWLAND of Connecticut, and Mr. FAZIO.

H.J. Res. 194: Mr. BEVILL, Mr. DINGELL, Mr. KOSTMAYER, Mr. MURPHY, Mr. STARK, Mr. BERMAN, Mr. FAZIO, Mr. BLILEY, Mr. MARTIN of New York, Mr. WOLF, Mr. HUGHES, Mr. HORTON, Mr. ROE, Mr. FAUNTROY, Mr. HENRY, Mr. DYMALLY, Mr. MORRISON of Washington, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. MATSUI, Mrs. JOHNSON of Connecticut, Mrs. COLLINS, Mrs. BOXER, Mr. LEHMAN of Florida, Mr. VOLKMER, Mr. MCGRATH, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. KANJORSKI, Mr. LANCASTER, Mr. FROST, Mr. MARTINEZ, Mr. LAGOMARSINO, Mr. WALSH, Mr. BROWN of Colorado, Mr. DYSON, Mr. NELSON of Florida, Mr. ACKERMAN, Mrs. BENTLEY, Mr. NEAL of North Carolina, Mr. ROBINSON, Mr. SCHUETTE, Mr. GUNDERSON, Mrs. MARTIN of Illinois, Mr. COSTELLO, Mr. MOAKLEY, Mr. TAUKE, Mr. LEVIN of Michigan, Mr. GILMAN, Mr. HAMILTON, Mr. VANDER JAGT, Mr. IRELAND, Mr. LEWIS of Florida, Mr. MINETA, Mr. GORDON, Mr. DAVIS, Mr. DE LUGO, Mr. NATCHER, and Mr. ENGEL.

H.J. Res. 214: Mr. LAGOMARSINO, Mr. LEWIS of Georgia, Mr. CONYERS, Mr. ATKINS, Mr. LEVIN of Michigan, Mr. FROST, and Mr. MCEWEN.

H.J. Res. 228: Mr. AKAKA, Mr. APPLEGATE, Mr. BAKER, Mr. BATES, Mrs. BENTLEY, Mr. BEVILL, Mr. BLILEY, Mr. BORSKI, Mr. BOSCO, Mrs. BOXER, Mr. CARPER, Mrs. COLLINS, Mr. CONTE, Mr. CRAIG, Mr. COSTELLO, Mr. CAMPBELL of California, Mr. DEFAZIO, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EMERSON, Mr. ERDREICH, Mr.

EVANS, Mr. FAUNTROY, Mr. FAWELL, Mr. FAZIO, Mr. FIELDS, Mr. FLAKE, Mr. FLIPPO, Mr. FLORIO, Mr. FOGLIETTA, Mr. FUSTER, Mr. GARCIA, Mr. GUARINI, Mr. HATCHER, Mr. HAYES of Illinois, Mr. HEFNER, Mr. HENRY, Mr. HILER, Mr. HUGHES, Mr. HYDE, Mr. IRELAND, Mr. KLECZKA, Mr. LAGOMARSINO, Mr. LANCASTER, Mr. LEWIS of Florida, Mr. DONALD E. LUKENS, Mr. MCCLOSKEY, Mr. MANTON, Mr. MARLENEE, Mr. MARTIN of New York, Mr. MATSUI, Mr. MILLER of Ohio, Mr. MURPHY, Mr. MCDERMOTT, Mr. ORTIZ, Mr. OWENS of New York, Mr. OXLEY, Mr. PASHAYAN, Mrs. PATTERSON, Mr. PORTER, Mr. QUILLEN, Mr. RAVENEL, Mr. RINALDO, Mr. ROBINSON, Mr. PARKER, Mr. SAVAGE, Mr. SCHEUER, Mr. SCHUETTE, Mr. SHAW, Mr. SKELTON, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. SOLARZ, Mr. SOLOMON, Mr. SPENCE, Mr. SPRATT, Mr. STALLINGS, and Mr. SWIFT.

H. Con. Res. 40: Mr. SIKORSKI.

H. Res. 18: Mr. BILIRAKIS, Mr. MCEWEN, Mr. PACKARD, Mr. CAMPBELL of California, Mr. INHOFE, Mr. BURTON of Indiana, and Mr. BLILEY.

H. Res. 122: Mr. SAXTON, Mr. AUCOIN, Mr. BUSTAMANTE, and Mr. FRENZEL.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1487

By Mr. SOLOMON:

—Page 20, after line 5, insert the following new section (and amend the table of contents accordingly):

SEC. 133. REPORTS ON REFORMS IN NICARAGUA.

(a) REQUIREMENT FOR REPORTS.—The Secretary of State shall report to the Congress each month on the extent to which the Government of Nicaragua is undertaking the reforms which are necessary in order for that Government to comply with the pledge which it made in the Guatemala Peace Accord of August 7, 1987, "to promote an authentic democratic, pluralist and participatory process that includes the promotion of social justice [and] respect for human rights".

(b) SPECIFIC REFORMS TO BE DISCUSSED.—Each report pursuant to this section shall discuss the extent to which the Government of Nicaragua has undertaken each of the following reforms in order to bring about lasting peace, pluralism, and democracy in Nicaragua:

(1) IN GENERAL.—

(A) Ensure freedoms of expression, association, assembly and movement, religion, and education.

(B) Restore rights to security of person and home and freedom from unjustified arrest.

(C) Stop coercive pressure to join Sandinista party groups.

(D) Stop discriminatory and punitive application of military conscription.

(E) Allow all citizens, including refugees and exiles, to return to Nicaragua.

(F) Reinstate due process and fair trials and release those imprisoned without charge, trial, or due process, including campesinos, Creoles, and Indians.

(G) Abolish extraordinary tribunals and the powers of police forces to conduct trials, decide appeals, and sentence individuals to prison terms.

(H) Permit independent human rights observers, including the International Committee of the Red Cross, to meet and travel freely and to visit prisoners, prisons, and tribunals.

(I) End all forms of torture and conditions of confinement which constitute torture and end the practice of holding prisoners incommunicado.

(2) POLITICAL PROCESS REFORMS.—

(A) Allow political parties and the democratic opposition to meet and march publicly, publicize meetings, and meet with and utilize the media.

(B) End jailing of opposition party activists and the drafting of opposition party activities and their children in reprisal for non-violent political activity.

(C) Abolish the role of the Committees for the Defense of Sandinismo's (CDS) and other party organizations in dispensing rationing cards and government services.

(D) Conduct free and open presidential, legislative, and municipal elections by December 31, 1990, as specified by current Nicaraguan law.

(E) Repeal the suspension provisions of the Nicaraguan constitution.

(F) Separate the armed forces from any political party.

(3) PRESS AND MEDIA RIGHTS.—

(A) Allow an uncensored, free press.

(B) End newsprint restrictions and allow private newsprint sales.

(C) Allow the full spectrum of private television and radio broadcasting.

(4) LABOR RIGHTS.—

(A) Ensure the right to strike and to publish by independent unions.

(B) Release those imprisoned because of non-violent union activities.

(5) RELIGIOUS FREEDOMS.—

(A) Allow the Catholic church to reopen its social welfare, human rights, and publication offices.

(B) Allow Cardinal Obando Y Bravo to resume his televised Sunday mass.

(C) Allow the return of all expelled Catholic priests.

(D) Allow religion courses to be taught in private schools.

(E) Allow Protestant evangelicals to preach and conduct meetings.

(6) CAMPESINO RIGHTS.—

(A) End preventive detention and forcible resettlement of campesinos and allow those who have been displaced to return.

(B) Cease aerial bombing attacks against civilians and their properties.

(C) Cease the destruction of peasant farmlands.

(D) End pressure to join Sandinista farming cooperatives.

(7) INDIAN AND CREOLE RIGHTS.—

(A) Permit Indian and Creole residents to freely travel, assemble, speak, publish, broadcast, and maintain cultural beliefs and practices.

(B) End forcible detention and relocation of Indian and Creole residents and allow them to return to their home communities.

(C) Cease aerial bombings and attacks on Atlantic Coast civilians and their properties.

(D) Allow Indians and Creoles to engage in traditional farming, fishing, hunting, and necessary subsistence activity.

SENATE—*Tuesday, April 11, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the Honorable ALAN CRANSTON, a Senator from the State of California.

Mr. CRANSTON. Today's prayer will be offered by guest chaplain, Rabbi Norman Geller, Congregation Beth Abraham, Auburn, ME.

PRAYER

We gather here under the professed concept of a nation indivisible. Differing opinions, but indivisible in our zeal for truth, justice, mercy, peace, and our system of government.

Different backgrounds, but indivisible in our choice of a homeland, a safe and caring harbor where each human being has a place and an identity.

Different religious expressions, but indivisible in our acknowledgment of a Supreme Being whose teachings are not only the foundation, but also the framework and superstructure of the American way.

May G-d continually look with favor on this great country. May G-d's wisdom abound in the Senate and all our legislative, administrative, and judicial bodies. May we continually recognize and acknowledge that we are each other's keeper and that we should indeed love our neighbor as we love ourselves.

G-d blessed, G-d blesses, and collectively may our actions continually assure that G-d will always bless America. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senator from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 11, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ALAN CRANSTON, a Senator from the State of California, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CRANSTON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. KOHL). Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RABBI'S PRAYER

Mr. MITCHELL. Mr. President, I want to thank my friend and fellow resident of Maine, Rabbi Geller, for his very thoughtful opening prayer. And, I would like, if I might—if the Republican leader will not object—to yield briefly to my colleague from Maine, Senator COHEN, at this time.

Mr. COHEN. I thank the majority leader.

APPRECIATION OF RABBI NORMAN GELLER

Mr. COHEN. Mr. President, to me, one of the Senate's most enjoyable rituals is to begin each session with a few words of prayer to help us in times of adversity and to further encourage us in times of prosperity.

On most occasions, we are fortunate to hear words of spiritual awareness from our Senate Chaplain, the very able Dr. Richard Halverson. From time to time, however, we also have religious leaders from around the country serve as chaplain of the day.

Today, I am very pleased to sponsor Rabbi Norman Geller of Congregation Beth Abraham in Auburn, ME. As Senator MITCHELL indicated he is a good friend of both of us. We are delighted to welcome the rabbi and his wife, Ros, to the Senate today. I would also like to mention that Norman and Ros have three lovely children: Rachel, Anne, and David.

Mr. President, you have just heard Rabbi Geller's eloquent words to start our session, and I will just add a few words of my own.

Few people embody the religious tradition of commitment and service more than Norman Geller. He defies easy classification, but can truly be called a man for all seasons.

He runs a large temple, recently started a school for troubled children, and is a speech pathology expert at a Lewiston, ME, hospital.

He is a spiritual leader, a scholar, a teacher, a counselor, an author, and a poet.

He combines thought with action in the highest traditions of commitment to his fellow citizens.

Mr. President, I know I speak for Senator MITCHELL, myself, and the people of Maine. We are grateful to Rabbi Geller for sharing his words with us today, words from which I know all Senators will benefit.

SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders this morning there will be a period for morning business not to extend beyond 12:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The Senate will stand in recess from 12:30 p.m. until 2:15 p.m. in order to accommodate the party conference luncheons. At 2:15 p.m., the Senate will resume debate on S. 4, the minimum wage bill under a unanimous-consent agreement which provides for 90 minutes of debate equally divided between Senators HATCH and KENNEDY; first, on a Graham-Pryor amendment with a rollcall vote to occur on that amendment with no intervening debate or action.

Once the Graham-Pryor amendment has been disposed, of, Senator HATCH will be recognized to offer his amendment which will then be voted on immediately. Therefore, Mr. President, the Senate will be conducting two rollcall votes back to back this afternoon, the first occurring about 3:45 p.m.

Once these two amendments have been disposed of, I hope we will be able to reach an agreement on the remaining amendments.

Senators should be on notice that other votes are likely today on amendments following the disposition of the two of which I have previously referred.

Mr. President, I yield to the distinguished Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDING OFFICER. Under the standing order, the Republican leader is recognized.

RESERVATION OF THE REPUBLICAN LEADER'S TIME

Mr. DOLE. Mr. President, I reserve my time.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12:30 p.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

TRADEOFF BETWEEN GROWTH AND THE ENVIRONMENT

Mr. REID. Mr. President, a steady, seemingly unrelenting change is taking place in my home State of Nevada.

It is happening all over America.

There was once a time when we held grand notions of striking a delicate balance between growth and the environment.

We believed that an even tradeoff could be executed between short-term economic gains and the long-term, even permanent, environmental consequences of growth.

The tradeoff was anything but equal. Some say the scales are now tipped precariously toward unbridled development and tenuous profits.

The lack of clean air, a global warming trend, and the diminishing supply and quality of our Nation's water comprise the most grave consequences with which we must cope.

Let us look for a minute at clean air—or what is left of it; 2.4 billion tons of hazardous pollutants were emitted in the United States during 1987.

Nevada, long-considered a haven of natural beauty—including America's newest national park—is not immune to the havoc of pollution. In the last few months, the State's major newspapers have contained the following headlines: "Las Vegas Residents Gasping for Air;" "Officials, Residents Tangled Over Solutions to Growth and Pollution;" and "Reno-Sparks Doesn't Meet Smog Standards."

The desire for economic gains and the lure of "all modern conveniences" has led to an inevitable destruction of the environment.

Thirty years ago, Nevada State legislators recognized the need to maintain a delicate balance between the State's natural resources and programs for economic growth and diversification.

This task was presented as a mandate for the Desert Research Institute, created as a division of the University of Nevada system. DRI, as we refer to it, is celebrating 30 years of research and discoveries that have helped Nevada, the entire country, and various parts of the world.

DRI has addressed problems relating to clean air, water supply and quality, worldwide climate changes, and hazardous waste. In recognition of DRI's work, I'd like to list some of their accomplishments:

DRI developed air quality technology that is used nationwide, including a process for determining compliance that has been adopted by the Environmental Protection Agency;

DRI discovered technology to monitor the effect of hazardous waste on ground water;

DRI is conducting major research on the way in which air pollution drifts from urban centers to natural treasures such as the Grand Canyon.

DRI performs vital research on the quantity and quality of water required for growing cities.

DRI helps pioneer new methodologies for drought relief such as cloud seeding. DRI's scientists also work to ensure that the greatly needed moisture we get from the atmosphere does not come in the form of acid rain.

DRI is a link to our past and our future. While their archeologists may be uncovering keys to human and animal evolution of yesteryears, their scientists are studying the feasibility of building a base for tomorrow's age on the lunar surface of the Moon.

DRI's achievements will help tilt the scales of environment versus growth back to an upright position.

Conservation pioneer Aldo Leopold described this balance as a tradeoff between economics on one hand, and—on the other hand—ethics and esthetics. I only wish that this were true today.

We do trade off ethics and esthetics for economic development and diversification. But now we're trading off more than that. We're jeopardizing the very health and lives of ourselves, our children, and future generations.

The Desert Research Institute conducts research throughout the country, and on every continent.

I hope their 30 years of success is only the beginning of a lasting legacy.

Research and development efforts such as those at DRI help us retain or restore the quality and beauty of our environment. Such efforts help us reverse Aldo Leopold's prediction that our environment would be irreparably damaged by industrialization.

He observed:

> It is the part of wisdom never to revisit a wilderness, for the more golden the lily, the more certain that someone has gilded it. To return not only spoils a trip, but tarnishes a memory. It is only in the mind that shining adventure remains forever bright.

I applaud Nevada's Desert Research Institute for their efforts to ensure that the quality and beauty of our environment is more than just a memory.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIRECTION OF BUDGET NEGOTIATIONS

Mr. KOHL. Mr. President, I would like to express my concern over the direction of the budget negotiations between the administration and Congress.

I understand that those negotiations are drawing to a close. If the reports I've read are accurate, we do not need to draw to a close, we need to go back to the drawing board.

The very first account I heard about the budget negotiations was that they adopted the rosy economic assumptions of the Office of Management and Budget, the OMB. These assumptions on interest rates, inflation, unemployment and growth in the overall economy are extremely optimistic. Basing our budget on this kind of foundation masks the true magnitude of the deficit and will create great hardship in the years to come.

Unfortunately, that early signal seems to be representative of the rest of the negotiations. The New York Times yesterday quoted one of the other body's leading members as saying that this package is a 'get-me-through-the-night budget.' If that is true, we are in deep trouble. When do we plan to tackle this problem? We should not postpone until next year the tough decisions we need to make.

Mr. President, postponement has been the hallmark of deficit reduction efforts to date.

Congress and the President have consistently failed to meet the Gramm-Rudman targets. In 1986, we limited the sequester so that the targets were not met. In 1987 and 1988, we moved the targets back, used asset sales and shady accounting to meet the targets.

For fiscal year 1989, we were supposed to have a deficit no larger than $136 billion. It turns out that the deficit will be at least $160 billion. And that does not include much money for the massive FSLIC bailout or the cleanup of our nuclear weapons production facilities.

Given our history of missing the targets, it's hard for me to swallow promises that we will get serious about deficit reduction next year—if only we allow one more shady budget to get through. If we fudge the figures for the 1990 budget, the situation in 1991 will be hopeless. We will find ourselves with a deficit easily in excess of $120 billion and a 1991 deficit target of $64 billion. There is no way we will be able to achieve that amount of deficit re-

duction. We should bite the bullet now.

I have the utmost confidence and respect for the negotiators. They should be on notice, however, that there is at least one Senator with strong reservations about a minimalist budget that honestly generates less deficit reduction than mandated under the Gramm-Rudman-Hollings law. As much as one Senator can, I will resist any attempt to pass a budget based on unrealistic economic assumptions, trick accounting or one shot savings. These tactics only postpone and ultimately worsen the pain we must go through.

As a businessman, I have participated in many negotiations. It is always difficult to analyze them from the outside. However, the package that is emerging seems to show that the congressional negotiators feel they bargained from a position of weakness. Our negotiators probably felt that we in Congress wouldn't back them up if they took a hard line.

Mr. President, those negotiators should try taking a hard line before they give up on their colleagues. We should stick to our guns and convince the administration to join us in a serious deficit reduction effort.

I think the negotiators will be surprised by the support they will have if the deficit reduction is significant. It is only with these "muddling through" budgets that divisiveness reigns. Serious progress will be tough, but the greater good of deep deficit reduction will unite many who might oppose each other over a lesser package.

Should we fail to convince the administration that this Nation needs a serious deficit reduction package, we must be ready to walk away from the table. Mr. President, there is an alternative to any package we consider and we should be prepared to use it. We can achieve the necessary savings through a sequester.

A sequester would cut spending across the board to meet the Gramm-Rudman-Hollings target. Half of the cuts would fall on defense, half on nondefense. A sequester would be a disaster, Mr. President. But if it takes a disaster to get the attention of this Nation, this Congress and this administration, then that is the path we should take.

The situation is a tough one. Everyone feels bound—for at least 1 year—by their campaign pledges. I share that feeling myself. But Mr. President, no campaign pledge should stand in the way of real progress against the deficit. Interest rates are already creeping up. And it is only a matter of time before our exchange rate starts to get out of line again. This Nation simply cannot afford to delay another year before we pass a serious deficit reduction package. The time has long since passed for smoke and mirrors.

Mr. President, many Americans feel intimidated by the gargantuan size of our deficit problem. How can we possibly understand or analyze a trillion dollar budget for a $160 billion deficit? But I would urge all Americans to take a look at this package and ask one simple question: Is it honest?

That question does not require any sophisticated knowledge of the budget or the budget process. Nonetheless, it goes to the heart of any budget proposal. If the answer is no—and I believe the answer would be no for the package just negotiated—then we should not accept it.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, it is my understanding we have 5 minutes.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Kentucky is recognized.

Mr. FORD. I thank the Chair.

(The remarks of Mr. FORD pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from Wisconsin is recognized.

Mr. KOHL. I thank the Chair.

(The remarks of Mr. KOHL pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 83-420, as amended by Public Law 99-371, reappoints the Senator from Hawaii [Mr. INOUYE] to the Board of Trustees of Gallaudet University.

ORDER OF PROCEDURE

Mr. HEINZ. Mr. President, would the Chair permit me to ask unanimous consent that I may speak for 10 minutes? I see no other Senator seeking recognition.

The PRESIDING OFFICER. Is their objection to the request of the Senator from Pennsylvania? Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I thank the Chair.

THE MINIMUM WAGE

Mr. HEINZ. Mr. President, later today, we will be taking up the minimum wage bill and amendments to it. I intend to support the compromise amendment, the so-called committee substitute, that will be offered and I intend to support the final passage of that measure which I think will prevail.

I want to take a few moments to discuss my reasons but I do so, frankly, with the intention of focusing less attention on specific amendments and their details and much more focus on what I think that debate is really all about.

I believe, Mr. President, that one important reason for our Nation's growth and success over so many years is the intuitive sense of balance and fairness that have characterized the development of our laws and institutions.

The American people have historically rejected both ends of the political spectrum, and historians have generally found that if the balance of rights and obligations we have reached in a particular area have shifted, our basic sense of fairness and justice that resides within the American people then takes hold and the pendulum of public opinion usually begins to swing back the other way.

These events do not occur without debate and discussion. Much of that debate is occasionally heated. The fact that particular points of view do not prevail does not mean they do not exist and are not vigorously advocated. But in the end Americans' inherent sense of justice, balance, and fair play generally triumph.

The sense of balance that I refer to encompasses the institutions and fundamental principles that govern our lives, but which, like the Earth's tectonic plates, grind against each other, creating new ones.

Some of those plates include such important institutions as church and State, labor and management, consumer and producer, Government and people, the media and the individual's right to privacy. Every society must contend with the frictions caused by the interaction of these major elements.

Mr. President, some societies react very differently than ours. Some societies react with repression. The church, labor, the press, all of those have been targets of repression in other countries. In the United States, we have chosen to let these elements contend and forge their own unique balance through this special process we call democracy. In the many compromises that result, what happens is that we satisfy most of us and contain the rest.

Mr. President, what I have just described, I believe, is the special contribution of people called Americans to the world. We show it can be done and by doing so I think we give hope to millions throughout the world who endure without the freedom we enjoy. Whether it can be done someplace else

is another matter and a subject I will leave for another day.

Today I want to relate these comments to only one area of historical conflict—that between labor and management—and to only one issue—the minimum wage bill—that we will be taking up later.

Reaching the present state of labor-management relations has meant traveling a rocky road that has not been without bitter conflict over the years. Workers have had to organize and occasionally fight for their rights against often hostile forces. Labor legislation during the Roosevelt administration enshrined basic rights and created a new balance. The Taft-Hartley Act after the war, passed over President Truman's veto, moved the pendulum a bit in the other direction. Since that time, both sides in this awkward relationship have made efforts to create a new balance but, like two large sumo wrestlers in the ring, the tremendous energy expended has produced at best marginal change. And today, both parties remain in the ring still trying to figure out how to budge the other.

Throughout this period, minimum wage legislation has been something of a special case, since it pertains not only to the relationship between labor and management but also to the fundamental economic health of a group of individuals. Considering an increase in the minimum wage is not just a debate over the reallocation of limited resources. It is also a discussion of what constitutes an adequate wage of economic survival in this country—what is fair, just, and, equally important, what is necessary for the recipients. For 50 years it has been the law of this land that while wages should be set in the marketplace, the Government has the right and responsibility to determine a minimal acceptable living wage and to decree that as a floor beneath which wages cannot fall. The current debate is not—and it should not be—over that right and that responsibility, but rather over what level should be set.

As is often the case in debates over economic issues, there is constant concern that legislatures will lose their way in a sea of numbers: The number of workers actually receiving the minimum wage; the number of those that are supporting families; the number that are single or teenagers; the number working only part time; the number of jobs that will not be created if the wage is increased; the amount by which the minimum wage exceeds or does not exceed welfare payments.

Now if there is one thing I have learned in looking at all these numbers is that they seem, all of them, to be elastic, although some are apparently more so than others. Of particular interest in that regard has been the issue of the effect of a minimum wage on overall job creation. It seems that every point of view has been able to produce a study confirming its side, ranging from nearly 1 million to 70,000 or less jobs lost, depending on who you want to believe.

Although this must be and always has been a subject of intense debate, it should not, in my judgment, be a primary issue for two reasons:

First, job loss or creation is one of the fuzziest concepts we have. In the abstract, admittedly, it is hard to dispute—maybe it is impossible to dispute—the contention that higher wages may cause the jobs of marginal workers or those of marginal businesses to shrink. But that is from the abstract. In every day reality, with few exceptions, the argument seems not to be about existing jobs that will disappear but rather about future jobs that may or may not be created. And yet that future reality is going to depend on so many other variables—general macroeconomic conditions, the size of the labor market, growth and productivity rates, interest rates, to name only a few—that it is really hard to take seriously an argument that a phased, reasonable increase in the minimum wage by itself will be decisive.

The history of past increases in 1949, 1955, 1961, 1966, 1974, and 1977 suggests that the dire economic predictions that are always made at the time of their enactment have generally not come true.

Second and more to the point, this is fundamentally a fairness issue and not a numbers issue. It is a question of insuring that all Americans share in our economic growth and recovery. There are, however, two numbers that are relevant and generally agreed upon. One is that the purchasing power of the minimum wage has fallen almost 30 percent since the last increase went into effect. The other is that the wage today represents about 35.5 percent of average hourly earnings compared to 46.2 percent in 1981, the year of the last increase, and 55.4 percent in 1968, not 11 years ago. These numbers explain why, in more than half the States, welfare benefits alone provide greater cash income than full time work at the minimum wage. In fact, some States, like my own, Pennsylvania, have higher minimum wages than the Federal one.

This suggests that there has been a clear shift in the balance. Those at the bottom of the wage scale are falling farther and farther behind. Whether these workers are mostly teenagers or spouses earning a second family income is beside the point. People are not working at this level because they want to but because they have to—their individual or family responsibilities require it and/or they lack the skills or education to earn more. There are other government programs to assist people at the bottom of the wage scale, but they all cost money and, while helpful and important, they do not obviate the central need—more income.

And that is why, Mr. President, I will support the minimum wage bill—out of a sense of justice, fairness and necessity, and, most of all, out of a sense of balance. We cannot write off those members of our society who are trying to make the system work for them. They are not on welfare, they are not seeking additional Federal assistance. Rather they are working—literally starting at the bottom. That bottom, unfortunately, has gotten farther and farther down the ladder. By raising it back up to the appropriate rung we restore in our institutions, provide economic hope to the poorest part of our population and give renewed hope to millions of Americans.

That is why we should pass this bill.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

HELPING THE WORKING POOR

Mr. CHAFEE. Mr. President, few economic debates are as politically charged as the subject of the minimum wage. In the words of economist Robert Samuelson, referring to the minimum wage debate:

> This debate will not be over helping the working poor, but over political symbolism. Raising the minimum wage involves the worst kind of backdoor spending and feel-good politics: people can say they're helping the poor when they're really not. Democrats are trying to paint the Republicans as cold, cruel, and heartless, while the Republicans are desperately scrambling to avoid this unpopular stigma. Whoever wins, the poor lose.

None of us in this Chamber wants the poor to lose. Therefore, we must not lose sight of whom we are trying to help in this debate: Those citizens who are locked in a cycle of poverty, caught between inadequate health care and a lack of job skills on the one hand and on the other the drugs, crime, and despair.

As we engage in this debate, let us keep two questions in mind: What is it that we are trying to do for the poor? And how can we best achieve it?

I support President Bush's proposal to raise the minimum wage by 27 percent, from $3.35 an hour to $4.25 an hour, phased in 30 cents per year over 3 years. I will vote for the Hatch substitute amendment to achieve this end. The Secretary of Labor has made it plain that any more expansive approach would be unacceptable to the President at this time because he firmly believes it would decrease job opportunities.

In addition, the President has made it clear that a meaningful training wage will be necessary for his approval of a minimum wage increase. This debate has largely become a battle of economic theories and statistics. Those of us supporting the President's proposal argue that it is a fundamental economic concept that as the price of any good or service increases, less of it will be purchased, and consequently, jobs will be lost. Those supporting an additional 30-cent increase dispute our theories and proffer their own.

Those of us supporting a 90-cent increase like to point out, and with good reason, that the economy—and this is a terribly important point to bear in mind—has generated more than 19 million jobs since 1982, and that jobs paying no more than the minimum wage have declined by 2.6 million, or 40 percent.

In other words, the number of people who are earning the minimum wage is getting smaller and smaller as this tremendous job creation that has taken place over the past 8 years has created more jobs, more demand, and paid higher wages.

The number of minimum wage earners has been cut in half from 7.8 million to 3.9 million in the last 8 years; that a record high 62.6 percent of Americans were at work in December 1988, and total employment climbed to over 116 million, and that the net employment change, by wage, over the past 6 years reveals that 18.4 million workers—an increase of almost 80 percent—entered the ranks of those wage and salary workers earning $10 or more per hour, while the number of those earning less than $5 per hour actually declined by over 8 million, or 30 percent. That is what has happened in this country over the past 8 years under the administration of Ronald Reagan and George Bush.

Today's minimum wage debate boils down not to economic theories or statistic-citing, but the 30-cents-an-hour difference between the administration's proposal and the Democratic compromise bill. I am not denigrating the difference between $4.25 an hour and $4.55 an hour. Thirty cents an hour, over the course of a 40-hour work week, adds up to $12. If you are poor, $12 is a substantial amount of money. However, $12, we have to recognize, does not buy much.

It is not enough to buy a worker job security. It is not enough to buy a person the reading and writing skills necessary to fill out a job application. It is not enough to buy job training skills. It is not enough to buy health care benefits. Twelve dollars is not enough to buy child care. It is not enough to buy a working parent time off to care for a sick child.

We must keep our eyes on our goals. Raising the minimum wage alone will not lift people out of poverty. If we are truly interested in helping the poor, there are more effective methods than boosting the minimum wage.

Raising the minimum wage by an extra 30 cents an hour is a simple, politically expedient approach to poverty. It requires the least thought and work. We can say we have done something; beat our chests and say "is that not wonderful?" But the hardest thing is to actually make a tangible difference in the quality of life of those who are poor—to debate the broader subject of poverty and its effects and implement policies and programs which attack its sources.

It is through considering and addressing such issues as child care, health care, education, and nutrition that we can truly have a positive impact on the lives of those who are poor or disabled. It is through examining and devoting more of our resources to programs like Head Start, WIC, Maternal and Child Health, Medicaid, AFDC, the School Lunch Program, the Vocational Education Act, the Job Training Partnership Act, and hundreds of Federal, State, local, and private sector efforts, that we can truly make positive gains in helping the poor.

Mr. President, integrated cooperative efforts from individuals, as well as the private and public sector, are essential if we are going to really do something about the poor in our country. My concern is that because of frustration and our inability to discover quick fixes to these problems, Members of Congress are frequently resorting to placing the entire burden of the solution on the private sector of our economy. I believe business has much to gain in addressing these problems of poverty. I think it has a responsibility, and I think business should be reminded of that. Indeed, I am active in doing that myself, as others are. But Congress cannot avoid our responsibilities. We cannot put the entire burden in the hands of American business.

If one adds up the cumulative impact of proposals that we are levying on business, such as mandating parental leave, mandating health care insurance, increasing the minimum wage, and many others, it is clear to me that, in some instances, Congress is abrogating its own responsibilities.

There is a labor shortage in our country, and what that does, it reveals in clarity the mismatch between the increased level of sophistication required in our workplace and the declining skill level of so many in our work force.

Now we get down to the crux of one of our major problems. Elizabeth Dole, Secretary of Labor, during the Labor Committee hearings during January, noted that 900,000 high school students drop out annually, and the rate of high school dropouts in some of our major cities is nearly 50 percent. Even those who remain in school are not necessarily prepared for better jobs, future jobs because 25 percent of recent high school graduates read below the 8th grade level, according to Secretary Dole.

Is a 30-cent increase in the minimum wage going to provide security assistance or long-term jobs for this group? Clearly not. This is an area that we should be devoting our attention to far more than we have been.

Mr. President, what we ought to be discussing is how to restructure Federal programs in order to keep children healthy, in order to keep families intact, to teach people how to read, to train those who lack skills.

Mr. President, it is my hope that in the days ahead, after we finish this debate on the minimum wage, we can turn our attention to these areas that I consider of such importance.

I would like to conclude by quoting from an editorial from the New York Times: "The issue," said the Times, "is not the minimum wage but minimizing poverty."

Some increase in the minimum wage is desirable, and that is why I support the President's proposal. But raising the minimum wage is certainly not a panacea. It may not help the poor as much as other policies we could implement, other programs we could fund.

Raising the minimum wage by an extra 30 cents an hour may help us feel better, but it does not help the poor move forward. In short, raising the minimum wage by an extra 30 cents an hour may be better than nothing, but better than nothing is not good enough.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the introduction of legislation are located in today's RECORD under "Statement on Introduced Bills and Joint Resolutions.")

EXTENSION OF MORNING BUSINESS

Mr. SPECTER. Mr. President, I ask unanimous consent, in accordance with the prior arrangement made, that the time for morning business be extended until 12:40.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I very much appreciate the willingness of the presiding Senator to be willing to sit there. We had made these arrangements. I thank the majority leader for extending the time as well.

SENATOR HELMS BOASTS ABOUT NORTH CAROLINA POULTRY INDUSTRIES

Mr. HELMS. Mr. President, every schoolboy can identify the sports figure who once observed that "braggin ain't braggin if you can prove it." I think it is entirely appropriate that I spend a few minutes bragging about the North Carolina poultry industry.

For openers, my State of North Carolina has formally proclaimed the month of April as North Carolina Poultry Month. Gov. Jim Martin is on sound ground in doing so. The poultry industry provides for the livelihoods of countless small family farmers. It injects millions of dollars into the economy of our State. And it is North Carolina's largest food industry.

The poultry industry's future promises to be even brighter. It is the most diversified in the Nation, ranking first in turkey production, second in duckling production, fourth in commercial broiler production, and eighth in egg production. New technology, improvements in breeding, disease control, and advances in diet and nutrition have helped pave the way for this booming industry.

Mr. President, the poultry industry has always been quick to respond to the changing demands of consumers and that has led to dynamic growth and development. Per capita consumption of poultry has been steadily increasing because of competitively priced products and expanded production. This year analysts expect that poultry will account for nearly 38 percent of all meats consumed. The North Carolina poultry industry continues to benefit from this rising consumption by providing an increasing supply of nutritious, safe, and wholesome poultry products to the Nation's consumers.

Mr. President, again I am enormously proud of all who are involved in the North Carolina poultry industry, and I ask unanimous consent that the text of Governor Martin's proclamation of "North Carolina Poultry Month" be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

NORTH CAROLINA POULTRY MONTH,
PROCLAMATION

North Carolina's poultry food industry represents the largest agricultural commodity of farm income, exceeding one billion dollars in cash receipts for farm families.

North Carolina is also the most diversified poultry producing state in the nation, ranking first in turkey production, second in duckling production, fourth in commercial broiler production, and eighth in egg production.

The poultry food industry employs thousands of our citizens and contributes significantly to the earned income of our farm workers. In this way, it not only bolsters our state economy but provides a nutritious, wholesome food to North Carolina families, and supplies markets worldwide.

Now, therefore, I, James G. Martin, Governor of the State of North Carolina, do hereby proclaim April 1989, as "North Carolina Poultry Month," and urge our citizens to recognize the importance of our poultry food industry in our state and to enjoy the taste and variety of poultry products.

NEVER BEFORE HAD THE GREEN BERETS LOST SO MANY IN ONE DAY

Mr. HELMS. Mr. President, on Easter Monday morning, March 27, the Raleigh, NC, News and Observer published a column by Dennis Rogers which was a touching tribute to the Green Berets.

Normally, in a case like this, I would offer some introductory remarks to emphasize my admiration for, and gratitude to, the Green Berets. In this case, however, Dennis Rogers has said it all. I merely suggest that all Senators may want to read the column written by Mr. Rogers.

Therefore, Mr. President, I ask unanimous consent that the column be printed in the RECORD at the conclusion of my remarks. I would add that I would have missed seeing the column had it not been for the thoughtfulness of my friend, Bob Pace of Chapel Hill, who sent it to me.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

NEVER BEFORE HAD THE GREEN BERETS LOST SO MANY IN ONE DAY
(By Dennis Rogers)

FORT BRAGG.—Two friends meet on the sidewalk. They look at each other without words, for what good are words on a sad, gray day like this?

Their eyes meet, and then one of them grasps the other's broad shoulders in a strong, but distant, embrace. The other man nods, a deep bond made stronger by the silent sharing of emotion.

These are brave men, fighting men, elite soldiers called Green Berets, trained to endure the many hardships of their chosen profession. But this, this senseless death that has touched them and brought them together, is hard, and it is beyond hollow words of sympathy.

On the night of March 12, a 30-year-old helicopter slammed into the hard desert floor of Arizona and exploded, killing 11 members of the 5th Special Forces Group stationed at Fort Bragg. And then, 32 minutes after spring officially began for 1989, the Green Berets had gathered to pay tribute to their fallen.

"This is the greatest loss of life ever suffered by Special Forces in one day in our 37-year history," Green Beret Maj. Don Gersh said. "Even in Vietnam, we never lost this many men at one time."

The Green Berets are more than merely soldiers who wear distinctive berets. Theirs is, and always has been, a small fraternity of highly trained, dedicated men who number no more than 7,500 troopers stationed around the world. They work in small, 12-man teams and more than any other military band of brothers, theirs approaches a priesthood. Green Berets believe in their Latin motto: "De Oppresso Liber"—"To Free the Oppressed." Green Berets proved that dedication in Vietnam, becoming the most decorated unit in that war. Among the decorations awarded to the 5th Special Forces Group are 17 Congressional Medals of Honor, the highest award for bravery this country gives.

Lt. Col. Thomas Davis, commanding officer of the 3rd Battalion, 5th Special Forces Group, stood before the assembled mourners gathered in the John F. Kennedy Memorial Chapel. Every inch the decorated professional soldier, he said, with great difficulty: "This is the hardest thing I have ever had to do. For two years, it has been my privilege to serve as commander of the finest troops in the United States Army. Today, some of those soldiers are not with us. We in Special Forces have always had a unique kinship with one another. Allow us to share your grief because we loved them, too."

But the men who died that night, including the four Air Force crew members flying the helicoper nicknamed the Jolly Green Giant, were more than just soliders on a training mission. They were husbands, fathers, sons, lovers and friends. More than 140 family members joined the Green Berets for the memorial service last Monday.

The lines of the "Ballad of the Green Berets" float through the morning still: "Put silver wings on my sons chest/make him one of America's best/he'll be a man they'll test one day/have him win his Green Beret."

These men won their Green beret: Capt. Alvin Lyn Broussard, 30; Capt. Alan Clyde Brown, 32; Master Sgt. Roger Dale Berryhill, 34; Sgt. 1st Class Larry Kent Evans, 30; Sgt. 1st Class George Anthony Wayne, 31; Staff Sgt. Kenneth Wayne Campbell, 26; Staff Sgt. Kevin Ronald Livengood, 29; Staff Sgt. Robert Lee Griswold, 27; Staff Sgt. John Warren Bigler II, 24; Sgt. Terry Mitchell Hollway, 28; and Sgt. Larry Dean Endress, 30.

The memorial ceremony held last week was in the richly decorated chapel where thousands of Green Berets have worshiped, prayed, been married and baptized their children between missions around the world. And it was in and around this chapel that other Green Berets came to pay their respects. Four hundred people took every seat inside and more than 1,000 stood silently on the sidewalk and in the street out front.

It was a brief ceremony, done with the quiet, heartfelt dignity that is the hallmark of military memorials. Gentle words were spoken, prayers were offered and medals were awarded to the fallen men who were represented on the altar by 11 pair of boots topped by 11 green berets adorned with the trademark black flash of the 5th Group. A squad of riflemen from the 5th fired a 21-gun salute and two buglers played the sad strains of "Taps" as those inside and outside stood silently at attention and saluted.

In back of the crowd, sitting and saluting in a wheelchair by the curb, was Davis Erwin: "I didn't know these guys, and I never served in Special Forces. But I was in 'Nam, and my recon patrol got hit. We were pinned down, and nobody would come get us out. All five of us were wounded, and just about the time I was ready to hang it up, a bunch of Special Forces came out of nowhere and got us out. I lost my legs, but they saved my life, and I never had a chance

to thank them. I came here today to say thank you to all of them."

The chapel and the street outside emptied when the service was over. The boots and berets sat at the front of the chapel, bathed in the light coming through a nearby stained glass window. On the window were the words spoken by President John F. Kennedy, the patron saint of the Special Forces: "We shall pay any price, bear any burden, to assure the success of liberty."

On the first day of spring 1989, the latest bill had come due and had been paid in full.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:39 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

MINIMUM WAGE RESTORATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the pending business, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

Pending:

Graham Amendment No. 20, to change the rate and effective implementation dates.

The Senate resumed consideration of the bill.

AMENDMENT NO. 20

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I understand we are under a time agreement; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. The time is being divided evenly. How much time does the Senator from Massachusetts have?

The PRESIDING OFFICER. Forty-five minutes to each side.

Mr. KENNEDY. Has a firm time been established for a vote?

The PRESIDING OFFICER. Only at the expiration of the 1½ hours.

Mr. KENNEDY. Mr. President, I yield myself such time as I might use.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, in just less than 2 hours, the Senate of the United States will have an opportunity to go on record whether we believe that the men and women in this country who are working 40 hours a week, 52 weeks of the year ought to be able to earn a living wage to provide for themselves, to provide for their families.

This country, Mr. President, over a period of some 50 years, has responded to that question six other times. The Congress and the Senate of the United States and Presidents of the United States have answered that question in the affirmative. This has not been a partisan issue. In the past, we remember that President Eisenhower voted and urged an increase in the minimum wage three different times during his Presidency. So over the period of the last 50 years, Democratic Presidents, Republican Presidents, Democratic Congressmen, and Senators have gone on record and said to those fellow Americans who are really on the bottom rung of the economic ladder who, in so many instances even today in a great majority of States, if they decided to go on welfare and receive AFDC and other transfer payments, would be able to have an hourly rate in excess of what the minimum wage is.

Still, there are hundreds of thousands, millions of Americans who have a sense of dignity in the value of work and want to go out and be a part of our whole economy and have a sense of pride in their employment. We are deciding that simple issue, Mr. President, whether those workers who are on the bottom rung will be able to not live in poverty in the United States of America. That is the issue. It is simple; it is clear; it is one that the Congress of the United States has addressed at other times.

The principal points that thave been made in opposition to this kind of increase is before us in the form of the Graham-Pryor substitute today. It will not restore the purchasing power for those individuals completely. It does not really give them a cost-of-living index going back for some 20 years. It does not say that even though we in the Congress of the United States say we will give a cost-of-living increase to the 32 million seniors of this country, and I have supported that, the elderly people of our Nation who have built this country and made it the great Nation that it is; we are not saying we are going to continue the cost-of-living increase that we have given to 2½ million members of the Armed Forces, which I have supported and actually initiated in the Armed Services Committee just over a year ago; it does not say that we are going to restore all the cost of living like we have done even for Federal employees, and I have supported that, as we find many of those who work in the public service of our country are falling behind in terms of the private sector.

About 40 million Americans have been able to get that cost-of-living increase, and all we are asking out here is are we going to first provide the cost-of-living return for those individuals since 1981 who have lost some 40 percent of their purchasing power? What are we going to do about that?

Mr. President, it seems to me that we have some debate about the total numbers that will be affected. It seems to me if you had 1,000, 10,000, 100,000 Americans who are prepared, it would still justify their increase. I fail to understand the logic of why you say you provide it for all those other individuals but not to fellow Americans who are working on the bottom rung of the ladder.

Mr. President, we have faced over the period of the previous 8 years an administration that basically stonewalled any efforts in the Congress of the United States to try and deal with this issue. Some 4 or 5 years ago, an increase of $5.05 was included to try and deal with some of the lost purchasing power previously. We have printed in the RECORD what the reaction of the American people all over the Nation is. Greater than 76 percent of the American people said yes to $5.05 with an indexation. We are not there, Mr. President; we are not there.

We have heard those voices that have said that is too much. So we fashioned the figure of $4.65 to try to provide for the restoration for that particular window. We are very hopeful that we would now, with the new administration, be able to work out an accommodation on this issue. We are eager to do it because of what it is going to mean to those working people and to their families eager to do that.

So in the course of our hearing, when Secretary Dole came to the Senate, we pointed out that this was more hopeful. We went for the restoration of the purchasing power. The administration went 70 percent of that way. They said they were concerned about other items and raising the ceilings in terms of the small business, ensuring this was not going to be an undue burden for those mom and pop stores across this country.

There are certain exclusions, in any event, but they wanted to make sure it would be more clearly defined. So we did that. Their recommendation is increase it to 500,000. We did that. They made a recommendation that we increase the tip credit from 40 to 50 percent. I had my own reservations about it because it will mean a diminution for those who work in restaurants. We are not as concerned about those who work in the fancy restaurants here in Washington, DC, but a great percentage of those who work in restaurants

work in the smaller restaurants across this country.

This said they want 50 percent. We said we will take it. We will take it. So it really left two final items, Mr. President. It meant the overall figure of the $4.65 versus $4.15 and the administration's commitment to what they consider to be what they call a training wage.

Secretary Dole came before our committee and talked about the elements of training, and made a very strong case in terms of training. I was sincerely impressed both by her knowledge and commitment in areas of training, and ensuring we are going to provide training opportunities to many of those in our society.

We have important pieces of legislation before our committee in the law at the present time, some of which we will review in this session, the vocational education, tax credits for various programs, and Job Corps. It is the 25th anniversary of the Job Corps. Even today they have important opportunities to moving people out of dependency and under the market.

So when the administration talked about the training provisions, we are certainly in support of training for young people, and strongly in support of our committee which has demonstrated that. Our concern was the replacement of heads of households, of workers with temporary workers in a spiral in which we just substitute the temporary workers for full-time workers that are trying to provide for their families. The administration came up with 6 months as a part of that training program. There is no requirement for training. We pointed that out during the course of the hearing.

Quite frankly, as the Urban Insurance Institute has pointed out, with a 6-month training period, you undermine in a very significant way the effectiveness of the increase in the minimum wage. But nonetheless, there was a division. I know division here in this body about whether we should not try for the first time in the history of the minimum wage to provide for some kind of a training experience. Even though I have serious reservations about that particular proposal, a proposal was crafted by the Senator from Florida and the Senator from Arkansas and others to ensure that kind of opportunity, a training opportunity, where real kinds of training should be available, and that this body ought to go on record at least to give that a try for a first job and for a limited period of time.

So quite frankly, Mr. President, we compromised again with the administration on the concept of being willing to add that kind of a feature of a training proposal into the measure which is now before the Senate. I commend both the Senators from Florida and Arkansas for the attention that they have given to that proposal as I have expressed. I have my reservations about it, but this is a legislative body. We have waited so long to try to provide some benefits for other individuals. We are here now. This is a proposal which I would certainly urge the Senate to support, and again comment to our colleagues.

So those are the areas, Mr. President, that we have tried to go along in terms of the administration, compromised on the job training program, we have compromised on the tip credit, and we have compromised on increasing the floor for small businesses. Three out of the four we have compromised.

We did not bring the figure of $4.65 out of whole cloth. I indicated in my earlier remarks where those figures came from. We are not prepared—I certainly am not prepared—to see something labeled as an increase in the minimum wage which is a sham. We will not do it. We reject it. But we are interested in still seeing if we cannot ensure that some benefits are going to be available to the workers who are making a minimum wage.

Mr. President, over the period of this debate and the debate that we had last fall, we addressed so much the principal arguments that have been raised against the minimum wage. We reviewed in detail what the economic impact has been, not based on studies prior to the enactment of the increase in the minimum wage, but what has been the real economic impact of increasing the minimum wage in the last 6 periods of time where we have increased it. Those reviews are well explained in our report and for any of those who are undecided, I do not believe they are, they can review that and do that very briefly. But you would have to see in those different reports the compelling case that this has not had the kind of adverse impact that has allegedly been suggested by those who have expressed opposition to this proposal.

You address those historically. We address those currently. We addressed it with regard to the youth unemployment. We have addressed it with regard to minority unemployment. I think any fair reading would find that the loss would be de minimis and measured against the projected increase of job oportunities by the administration's own Department of Labor which show it virtually has no impact, particularly when the Department of Labor studies indicate we are going to have a significant spread between available jobs and trained individuals as we come into the 1990's. I think that issue has been responded to.

We responded to the questions of adding to the points of inflation, and we reviewed again historically what the impact has been. Then we reviewed in very careful detail what the impact has been over the past 30 years. We also addressed, or we were prepared to address, what the impact has been in actual different States. For some of those who talked about the potential loss of jobs in their particular States, we are prepared to review in quite considerable detail what really happened in those particular States at the time that we had an increase in the past.

So, Mr. President, I think we have addressed those issues in terms of the impact on jobs, and the impact on inflation.

Next, Mr. President, we compared and contrasted what the wages were for these individuals in the different sectors of our economy which are primarily minimum wage sectors of our economy, the half-dozen that compose about 80 to 85 percent of the minimum wage. We compared that, we reviewed that in the variety stores, apparel, textile, serving stations, eating, drinking, and food stores. That comprises approximately 30 million of our fellow citizens. Those are the primary areas of minimum wage.

We contrasted that to what the increased concentration has been of the CEO's in those areas. It is absolutely shocking, Mr. President. Perhaps every one of those are worth their increases but we were talking about figures not of $20,000, $50,000, $100,000, $300,000 in compensation. We were talking about in some of these very areas, individuals who had increased their salaries from $877,000 to $4.279 million a year. Other individuals who went—bowling alley chains—a minimum wage from $1,065,000 to $2,630,000. We cannot afford the increase down here, but if you look at the various percentages and not only the hundreds of thousands, but the millions of dollars, Mr. President, we have to ask ourselves in good conscience why it is that we are not able to see the adjustment of the change and the justice for those individuals who are employed in those particular areas.

Mr. President, I believe that this case has been made. No, we have not been able to persuade all of our membership in support of the particular proposal that is now before the Senate, and which will be the first matter that will be voted on, and that is the Graham-Pryor amendment. But I feel that on issue after issue which had been of concern to the administration we addressed them.

Finally, Mr. President, I had hoped as one of those who had been a member of a task force chaired by Senator Dodd on the whole questions of Contra aid assistance, we were able to see progress made, in terms of working out an accommodation with the administration and the Congress on an

issue of very significant division in this country. We are really not divided as a country on this issue. The American people have made their minds up. We have seen the attempts which are being made—and we have heard about them during this luncheon caucus—to try and work out some accommodation in the savings and loan industry challenge which is affecting such an important part of our financial institutions, the effort to try and work together in this particular area. I am very hopeful that we will be able to do so.

We want to work with the administration, and most important, the people that will be affected, obviously, are not the people in this Chamber, not the people in the administration, not the people in the legislative branch, certainly by in large, but are going to be the people whose names we might have heard in the various committee presentations, the families that will be affected, the lives that will be touched, and they certainly deserve the best that this institution can offer.

Today we have that opportunity, and in a few minutes we will have the chance to send a very clear and important message, that their work as Americans has the respect of this institution, and that is really the issue that is before the Senate. I hope that the Senate will vote aye on the Graham-Pryor substitute.

Mr. President, I am agreeable to my friend, the Senator from Florida; since it is the Graham-Pryor amendment, I think it is probably appropriate that he have the opportunity to speak and spell out the amendments which will be the issue. How much time remains?

The PRESIDING OFFICER. Twenty-six minutes.

Mr. KENNEDY. I yield 10 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, we have arrived at a point in time when there is broad agreement that we need to increase the minimum wage. There is agreement that within that increase needs to be inserted a provision for a training wage for those persons who have not yet demonstrated the skills or the culture of the workplace, which is requisite to securing a full-time job, even at minimum wage.

This common agreement, this consensus, runs among the administration, the House, the Senate, Democrats and Republicans. We have a broad agreement on the basics of an increase in minimum wage and the need for a training wage.

On that second issue, training wage, the Secretary of Labor, Mrs. Dole, has said that a simple, meaningful training wage is an essential element of minimum wage increase. She also points out that the basic skills of employment, punctuality, cooperative spirit, and responsibility, are skills which are learned in the beginning job. We all agree there are special categories needed to encourage employers to hire the young, the inexperienced, the newcomers to the job market. We must now decide on such basic questions as the length of the training wage, and who shall be eligible for the training wage.

Mr. President, we have submitted a compromise that benefits employers and employees. Our training wage proposal is a proper balance between the need to train new workers and the need to set a fair minimum wage.

We want an incentive for employers to take a risk on the newcomer to the job place, and to bring that newcomer to a level of profitable productivity. We support, therefore, a reasonable training wage period, which we submit is 60 days. An employee could reach the 60-day threshold in various jobs but would have to be in the one job for at least 30 consecutive days.

We believe that this basic approach has extensive benefits in terms of encouraging the employer to take a chance on that newcomer, Mr. President. We also believe that it has proper safeguards to prevent it from being abused.

This legislation would create the circumstances that would encourage an employer, with the opportunity of paying $3.35 an hour or 85 percent of the then minimum wage, whichever were higher, to take a chance on that newcomer, to give that newcomer the opportunity to learn the skills to be productive, to learn basic culture of the workplace items such as timeliness, the importance of appearance, how to work in a team setting.

The objections to any of the various training wage proposals, and specifically to the one that is going to be presented by the Senator from Utah, is that they offer the potential of abuse, that an employer, rather than using them for the legitimate purpose of giving the newcomer a chance and giving the newcomer an opportunity to learn the skills that will allow them to become a full, profitable and progessing-in-the-job employee, that they would rather be used just to drive down wage rates.

We suggest that 60 percent is a reasonable period for an individual to be able to acquire the generally minimal skills associated with minimum wage jobs, and to demonstrate that they have learned what it takes to work effectively at an employment place.

We think, conversely, that 6 months is too long, and that the 6-month provision of the administration's bill, which would be one that would be restarted every time a person is employed, would be subject to churning, subject to abusive repetitive use.

We also propose that there be a limit of 25 percent on the number of employees that an employer could have on the training wage at any one time. That not only is a guard against abuse, it also represents the fact that there is a maximum number, a critical mass of low-skilled newcomers to the workplace that you can reasonably expect an employer to hire, if one of the objectives of that employment is to bring them up to a higher level of skills.

We also provide, Mr. President, that an employer could not fire a regular employee for the purpose of filling that slot with a training employee. I believe that those are all reasonable barriers, safety guards against abusive behavior, while still allowing the basic principles of a training wage to be in place.

Mr. President, as I indicated, there is a broad consensus that this is a reasonable addition to an increased minimum wage. I believe that we should follow the principle of training to readjust the minimum wage so that it has essentially the same purchasing power as it did when we last adjusted the minimum wage approximately a decade ago.

It is hard to believe that it was only 25 years ago when a person earning the minimum wage could afford to buy the minimum house that was being sold in most communities around America. Not only were we talking about a minimum wage that allowed an individual and their family to live above poverty, they could live with the dignity that is associated with home ownership.

Today we have no dignity; we have no prospect of a person on the current level of minimum wage being able to live above a level of poverty. I do not believe that Americans want to consign fellow Americans who are willing to work, who are anxious to support their families, but for whatever reason are restricted to the type of jobs that they can hold, to say that that American must be consigned to a lifetime in poverty.

Increasing the minimum wage would help us restablish the American principle that a working American is a dignified American. The training wage would give more Americans the opportunity to assume that position.

Mr. KENNEDY. We reserve the remainder of the time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have listened carefully to the same arguments that I have heard over and over again on some of these issues. The fact of the matter is I think the President has been reaching out to the Congress of the United States. I sat through some of the negotiations in the White House and elsewhere with the administration. I can say that there were a number of people in the administra-

tion who did not want to make any offer from the administration because they knew what would happen is precisely what is happening here. No matter what the offer the administration makes, nor how reasonable it is, no matter that the President went more than 50 percent of the way, it is not going to be acceptable to our colleagues on the other side of the floor because really what it points out is that the minimum wage from the beginning has been a fiction that has been used by the other side to basically say they are for paying people a livable wage and the Republicans are not.

The fact of the matter is the very people to whom they claim they are paying a livable wage are the people who are going to lose their job under their proposal. The very people who are going to be hurt are going to be women, minorities, the poor, those who are disadvantaged, those who have no education, or no training or are underskilled. They are going to be the first to go when they are priced out of the marketplace.

Let me tell you something: This President said during the campaign, when he was Vice President and running for President, "I am for a modest increase in the minimum wage so long as there is a reasonable training wage."

Not only do they have a higher minimum wage than he thinks is essential because of the loss of jobs that will occur—and virtually every economist in the world agrees there will be a loss of jobs and a significant loss of jobs—but the training wage that he has suggested, which will save almost 170,000 jobs, is doctored by this proposal of my colleagues on the other side so that it will never work. It will never be efficacious. It will never be tested. It will never have an opportunity to show that we can in fact save jobs and help people at the same time.

The President went more than half way. I remember the arguments down there: "You should not offer anything," some said; others said, "Well, offer $4 an hour," knowing that would be inadequate, because we knew that would be rejected. Others said, "$4.10 an hour," and that would also have been inadequate.

Finally, the President said, "Look, let's go to a reasonable wage of $4.25," which certainly over 3 years will get people up somewhat, if there is any efficaciousness to that at all, and I do not believe there is much, especially when you consider the job loss, and that will save jobs between the $4.65 that the distinguished Senator from Massachusetts offered, and the $4.25 that the President offered, but let us have a reasonable training wage that works and let us have that extend for 6 months because we will save, according to the Department of Labor, 170,000 jobs. And we will offset the 650,000 job loss of Senator KENNEDY's proposal with the 170,000 job gain.

The fact is they took into consideration the needs of this body, the needs of the people, the fact that many, many jobs will be lost, the fact that those who are minorities and women will be hurt, and they balanced it and tried to come up with a reasonable approach that would bring consensus and bring people to the bargaining table so that they could take it.

Now, he said, "I will go up to $4.25." He did not want to go that high. Nobody who understands what really happens with the minimum wage really wants to increase it, except for those who have the fond hope that maybe it will do some good. The fact is it does a lot of harm. Let me give you an illustration.

This shows the percentage of 16- to 24-year-olds with jobs, between the years 1980 and 1988. The last time we passed a minimum wage increase was in 1978, as I recall, and the last increase was in fact 1981. So this shows 1979, 1980, 1981, right on up to 1988.

When the minimum wage increase was passed, between that and 1982 when the last implementation came into effect, look at the percentage of 16- to 24-year-olds with jobs. It almost drops straight down.

And, frankly, when does it start up? During the Reagan years with Reagan economics, called Reaganomics, a term of derision in those days. You do not hear that today after better than 7 years of economic advancement and opportunity in this country based upon the free enterprise systems, part of which was let us not increase the minimum wage because it costs jobs to the very people these people claim they are trying to help. And look at how teenage jobs shot up. The graph makes a pretty good case during that period of time.

If we take the majority's approach toward the minimum wage or even the Graham-Pryor-Mitchell-Kennedy approach, the fact of the matter is that by either of those approaches this chart still maintains the same. You might save 50,000 jobs by going down 10 cents from $4.65 to $4.55 an hour, at the most, and that is really giving them the benefit of the doubt. You might save 50,000 jobs. The fact of the matter is if we go with the majority's approach, we are going to lose basically 650,000 job opportunities at $4.65 an hour, so that will come down to about 600,000 at the best. Of those opportunities, about 200,000 would be offset, if we take the President's $4.25 an hour ultimate approach. If we take the President's training wage, we would save 170,000 more. On the tip credit that the President has offered, we will save 36,000 more, and everybody is pretty well agreed on that, and then the small business exemption would save a little bit more.

The fact of the matter is that the President's approach is a far superior approach. He acknowledges that there is a sentiment in this country through the polls and through those in the majority, he acknowledges the majority that there has to be an increase in the minimum wage, but he is saying, "Let's not go out of line here," because what you are going to do is cost so many jobs and hurt the very people you claim you are supporting.

Really, if you stop and think about it, I think it is important to just show the geographic distribution of minimum wage earners by census region. The South has 43 percent of all minimum wage recipients. How could any Southern Senator vote for a massive increase in the minimum wage to $4.55 an hour? The Midwest has 29 percent, the West 14 percent, and it is easy to see why Senator KENNEDY loves this bill, because they only have 14 percent of minimum wage recipients.

But now look at this: The fact of the matter is there are 3.9 million minimum wage earners in this country. There is a working age poverty population of 20,698,000. The minimum wage population is 3,927,000, 72 percent of whom are single people; 60 percent are between the ages of 16 and 24; 66 percent of them are part time. Of those who are heads of household or those who are employed heads of household living in poverty and earning the minimum wage there are 336,000. The overlap is this little green percentage right here of the two circles.

So this is not an issue of trying to get people up to a livable wage because the vast majority of those on the minimum wage, the vast majority are literally are those who are 150 percent above the poverty level. They are teenagers. They are young people. They are people who do not need to work or they are people who have a part-time job.

The fact of the matter is there are 336,000 who really suffer. We ought to directly attack that, and raising them to $4.55 an hour over 3 years is not going to alleviate their suffering because if you do that, if you raise that, every time the minimum wage goes up you have a ratcheting effect; everybody else's wages go up. If a person is making $4 an hour when the first minimum wage increase goes up and let us say the minimum wage goes up to $3.65 in 1989, they have to go up to $4.41 at least. If it goes up to $4.25, they have to go up to $4.76; if it goes up to $4.65, they have to go up to $5.15 an hour, and everybody else goes up except those who are making a lot of money in our society.

So by the time you get through with the ratcheting effects, inflation, the

dent to every consumer in this country and back to the Carter years, the very increase that they have gotten which is supposed to do so much compassionate good, is taken away from them.

It would be a lot better to face this thing economically, and if we have working poor, and we have 336,000 of them, let us have an earned income tax credit refundable and get them up to the level where they can support their families; $4.55 within the next 3 years is not going to get them there. It is just that simple.

If you go a little bit farther here and look at what happened under the Reagan administration, while the minimum wage stayed level at $3.35 an hour from 1981 on, between 1982 and 1988, minimum wage recipients, those who receive the minimum wage, dropped 8.1 million people. Those who were on the minimum wage went down to where there is only 3.9 million today.

Now, why did they go down? The fact of the matter is those who make between $5 and $10 an hour went up by 5 million people under the Reagan years, and those who made more than $10 an hour went up 18.4 million people. My goodness gracious, that ought to tell us something. I am sure you can jockey the numbers any way you want to, but those are the facts.

The economics seem to suggest that the minimum wage is a dog and that it helps nobody except those who are on the top level, those 10-buck an hour or more people, who then make higher wage demands.

If Senator KENNEDY insists on increasing the minimum wage 39 percent to $4.65 an hour, or slightly less than that, to $4.55 an hour, by voting for the Graham substitute, then you can absolutely count on a lot of jobs being cut out and a lot of people not given the opportunity, those who are unskilled, undereducated, and incapable just being drummed right out of the work force.

And if you use the training wage that Senator GRAHAM has described, basically it is a negligible thing that will not make a difference at all. The President's training wage does. If you add that all up, it is a pretty serious set of facts here.

I think that what happens is those who make over $10 an hour or more, they then can make their demands at the top. And it has been used for that for years and people are catching on.

Now President Bush said:

> Look, I am willing to go—even though I think it is a lousy idea—because there is public sentiment to do that, I have to say I will go along with it, even though I think a minimum wage is an archaic, ancient custom that really deserves to be knocked out.

He said:

> If you will give me my training wage, which will save 170,000 jobs, and you go to $4.25 an hour, I will do it. I will go better than halfway with you. I will do it. We will see what happens.

And maybe the training wage will prove, once and for all, if it is a true training wage, that literally the free enterprise system works, as I think Reaganomics proved it works. And, of course, we would not have to put up with the archaic, outmoded, historical fiction of the past called the minimum wage, which has done so much to keep minorities and women in poverty.

Well, I do not think any one argument against the minimum wage is the total argument. There are overwhelming arguments against this fiction which has gone on for years. It is loved by those who are in organized labor in our country. Why? It is a wonderful tool for them. I cannot blame them. I think they are smart to advocate it, because if you push it up 39 percent on the bottom, they certainly can make any kind of a demand at the top. They can say, "Everything else is going up; we have to go up, too," even though it basically does not affect them. The way it affects them is it stultifies the economy, it leads to inflation, and, of course, puts us right back in the Carter years where we were.

Why do we want to return to that? There seems to be such a desire to go to the Europeanization of America, the Wall Street Journal said. Why do we want to return to the Carter years when we have had, yes, difficulties and pockets of resistance and difficulties, but, by and large, a recovery that has been going on now for 7 years.

Well, there is a lot I would like to say on this. But, basically, let me just say that I would like to point out some of the major flaws in the Democratic substitute but I will reserve those remarks until after my Democratic friends have had a chance to speak on this.

I reserve the remainder of my time.

(Ms. MIKULSKI assumed the chair.)

Mr. KENNEDY. Madam President, I yield myself 4 minutes. I know the majority leader wants to speak on this issue.

Madam President, just to respond to what was suggested by the Senator from Utah about New England not having as many people working on the minimum wage. As the Senator from Utah knows, all of the New England States have a higher minimum wage than the Federal minimum wage. So the reason we do not have the numbers is because the States have a higher minimum wage. I thought that we ought to correct that for the record.

Madam President, on the old questions about the estimate of the number of people that will lose their jobs, the figures which have been quoted by the Senator from Utah are the inflated figures provided by the Chamber of Commerce. All of us understand that.

Business Week, not known as a flaming liberal magazine, has estimated it would be less than 100,000. The CBO figures estimate it to be anywhere from 125,000. Anytime you are going to get some increases in wages it will have some corresponding reaction. You are talking about the Department of Labor increasing employment growth by 5.2 million by 1992. So we are seeing a very expanding growth and, therefore, the job loss will effectively be negligible.

Madam President, the Senator talks about ratcheting up. What is wrong with ratcheting people up to the restoration of the purchasing power of the minimum wage? We are ratcheting up all these various individuals—variety stores, apparel and textile, retail, service stations, eating and drinking, food stores. They all make up about 40 million Americans and these are the minimum wage jobs.

I am for ratcheting up—if that is the question, you bet I am—to make sure that those individuals are at least going to be able to have a livable wage.

There are questions about who would be affected, Madam President. The Bureau of Labor Statistics says 4.6 million individuals who are living in poverty, families living in poverty, will be affected—4.6 million people will be affected. Those are either heads of household, or the children working part-time. Those are the figures of this administration or the previous administration's figures, Madam President.

I will not debate the question of the earned income tax credit, because the administration has not even suggested it or supported it. And I do not know where they are going to get the tax revenues to support that, Madam President.

Finally, for this part of the debate, Madam President, we passed, with a good deal of our colleagues' support—I believe the Senator from Utah supported the Welfare Reform Act—he did not support it. We did have bipartisan support on that issue, and I will put the names of the members of the Republicans and Democrats alike in the RECORD. But we had an overwhelming majority of both parties.

We will expand $3.5 billion to get 50,000 Americans out of poverty, according to CBO. According to the Urban Institute, with this increase, we are going to get 200,000 families out of poverty. For every 50,000—say it is just 50,000—that has a savings of $500 million on the budget and saves the States $500 million. If you get 100,000 of those 200,000 who are receiving support, welfare support or other dependency, you save the Federal Govern-

ment $1 billion and the States $1 billion.

I ask, as we come to conclude this debate, why are our friends on the other side prepared to pay taxpayers' money to get some people out of poverty and yet turn the other way when it comes to nontaxpayers to get people out of poverty, that can actually save taxpayers money?

Madam President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, how much time do I have?

The PRESIDING OFFICER. The Senator from Utah has about 29 minutes.

Mr. HATCH. I thank the Chair.

Madam President, I think it is pretty important to point out that only two States have average family AFDC benefits greater than working full-time at the current minimum wage; only two States. I think there has been some misrepresentation on that in the past debate. Those two States are Alaska and California. So welfare is hardly an economic alternative to working at a minimum wage job.

I think it should also be noted that a study by the Ohio State Center for Human Resources Management found that those employed at the minimum wage in 1981, regardless of educational status, actually experience substantial wage growth subsequent to holding that job. The vast majority of those people.

Senator GRAHAM'S proposal, to which Senator KENNEDY has subscribed, eliminates 600,000 of those.

That proposal of Senator GRAHAM reduces it from $4.65 down to $4.55. That reduction will save at the most 50,000 jobs, which certainly does indicate the 650,000 jobs will be lost under the Kennedy program. The changes in the Fair Labor Standards Act are supposed to offset projected job losses, but those are flawed.

With regard to the training wage, the training wage that President Bush has offered is a permanent training wage. Their's sunsets at the end of 3 years and if we make it permanent, we would save 14,000 more jobs just because of the permanency of the training wage. Like I say, their proposal sunsets at the end of 3 years.

There will be no training wage after the minimum wage reaches its highest level, therefore there is no job saving offset. And I personally have to point out that with the way it is written on the Democratic side in the Graham proposal, there will be no training wage because there is no way it can work. In fact, it lays the whole process open to more regulation by the Department of Labor and makes it almost impossible to have a training wage work. The President's will work.

Under the Graham proposal, for first hires only, it creates additional burdens and liability for business. Employers will not use the wage to preserve entry level jobs because it is not worth the paying, the way they have written it. And it has been cleverly written that way because organized labor hates the training wage. They are afraid it will work. And if it does, it flies in the face of decades of organized labor arguments.

They are deathly afraid of a real training wage.

I might add that the Graham training wage implies a formal training component, and I can guarantee you that employers are not going to use it if it costs more to hire at the training wage than it does at the new minimum wage. Why would they use it? Of course, that is the genius behind what the distinguished Senator from Florida and his cosponsors, actually, are doing here. It is genius that basically ensures that their training wage will not work. The age is only 85 percent, and may extend only for 60 days. This is even less incentive to employers.

Under the President's program it is $3.35 the first year; 80 percent thereafter, and extends for 6 months. And it will save 170,000 jobs. That is something worthwhile.

I might add, their approach has no incentive for employers, or at least less incentive for employers, especially when you add to it the increased risk of liability for any violations they might make. And, in new laws, there are generally some violations or at least some misunderstandings as they are implemented.

Employers may use the training wage for only one-fourth, under the Graham proposal, of total hours of employment. That means a store owner with 40 employees could not hire 11 full-time workers at the training wage.

So it is even more limited there. I question whether it would ever work under any circumstances the way it is written. And if it does not work, why do it? And, of course, that is what many would like anyway. Let us not do it at all because organized labor does not want it.

But that is nothing new. Organized labor has been against new ideas for the past 8 or 10 years; from the standpoint of job training and employment and minimum wage. They are at the forefront of some new ideas, I had better make that clear, because I cosponsored the polygraph protection bill last year that passed both Houses of Congress, and Senator KENNEDY and I worked very hard on that to get it passed, as well as others in this body.

Under the Graham approach, it requires a minimum wage of $3.85, an increase of 15 percent over the current minimum, for newly exempted small businesses. This provision offsets job savings which might be realized by raising the enterprise test.

So, I really do not think it is a program that anybody would really want to support. Of course, that is the very idea. They will support it but mainly to get the minimum wage to $4.55, knowing that it will never work at a true training wage. And that is what President Bush is upset about.

Senator Kennedy says that we can absorb the increase due to job growth. He said we are going to increase jobs in our society. But this growth, predicted by the Department of Labor, is in higher paying jobs. Certainly not entry level jobs. And there is a massive growth in that and it is primarily coming because of the last 7 or 8 years of economic advancement in this country. Four million-plus people, the distinguished Senator from Massachusetts says, are affected by this increase because it means jobs for anyone now earning any wage under $4.55 an hour are in jeopardy. Not just jobs at the current minimum.

I also think there is serious error in the CBO job loss estimates, upon which Senator KENNEDY is relying. Let me make that point. The low estimates from the Congressional Budget Office I think are a little suspect. The method CBO employed to reach this particular number are incorrect. Let me explain with the help of a letter I received from Dr. Michael Boskin, the former distinguished professor of economics at Stanford and now chairman of the President's Council on Economic Advisers. To estimate correctly the effect of a minimum wage increase the proposed minimum wage must be compared to the status quo situation. To do this, $3.35 an hour must be converted to a percentage of the average projected wage in 1992 and compared with the $4.65 as a percentage of the average hourly wage in 1991.

Unfortunately, the distinguished Senator from Massachusetts is relying on a job loss estimate based on a faulty comparison between the ratio of the minimum wage to the current average wage, and the ratio of the proposed minimum to the projected average wage. In other words, this mistake means that the Congressional Budget Office estimate does not account for jobs which would have been created if the current minimum's relative value were allowed to continue to decline.

He is relying upon faulty statistics and faulty analysis by the Congressional Budget Office so his arguments in that regard should not be given much attention.

Madam President, when George Bush was campaigning for President last fall, he said he would support a modest increase in the minimum wage, provided that the legislation included an effective wage differential—which

we have been calling a training wage or new hire wage—which would encourage employers not to eliminate entry-level jobs. He did not say that he thought increasing the minimum wage was a great idea. He did not say it would be a tremendous benefit for low-income families in America. On the contrary, the President fully understands the adverse impact of a minimum wage increase—particularly a 39-percent increase such as Senator KENNEDY has advocated.

But, as President, George Bush will be true to his word. Since he cannot support S. 4, or its House cousin, H.R. 2, he has stated specifically what he can support. His compromise is a serious, good faith effort toward achieving the minimum wage increase many in this body have been seeking.

He could have submitted a proposal for a token raise. He could have offered $3.85 or $4 as his top rate, and then we could have engaged in nickel and dime negotiations for 3 months. President Bush decided to play it straight with Congress and with the American people. He gave us his sincere, best offer, and he has pledged to stick by it.

He has proposed an increase in the minimum wage to $4.25 in three increments of 30 cents each. That is an increase of 27 percent. That is meeting the Senator from Massachusetts more than halfway. Frankly, as my colleagues all know, I would be happy if we did not increase the minimum wage at all.

But, I have to admire the administration for the way they have handled this issue. They have proposed a compromise that addresses the concerns both of those who believe a minimum wage increase is necessary and those who are troubled by its effects.

Madam President, I am one who falls in the latter category. I think we need to recognize those effects. They cannot be minimized. They cannot be swept under the rug.

Senator KENNEDY challenged some of the estimates of job loss that I cited in my opening remarks on the minimum wage. Since this is such a key point in this debate, I think it is worth a little of the Senate's time to go through this again. Frankly, if we enact a minimum wage increase of any amount, we must be prepared to sacrifice jobs. There simply is no way around this fact.

First, Senator KENNEDY criticized the finding by Robert R. Nathan Associates that 882,000 jobs would be lost given a minimum wage hike to $4.65. The Senator suggested that because the study was conducted for the retail industry it is somehow tainted. Frankly, I do not believe that a firm headed by Robert Nathan would deliberately cook the numbers so they would come out with the highest of all the job loss estimates I have heard in this discussion. That is ridiculous.

And, let me also clarify that I do not necessarily agree with all of the job loss estimates I cited in my opening statement; but, I think it says something very important when we have unanimity on the fact that hundreds of thousands of jobs will go down the drain if we pass this bill.

Frankly, the low estimate from the Congressional Budget Office is a little suspect. The methods CBO employed to reach this particular number are incorrect. Let me explain with the help of a letter I received from Dr. Michael Boskin, formerly a distinguished professor of economics at Stanford and now Chairman of the President's Council of Economic Advisers.

To estimate correctly the effect of a minimum wage increase, the proposed minimum wage must be compared to the status quo situation. To do this, $3.35 must be converted to a percentage of the average projected wage in 1992 and compared with the $4.65 as a percentage of the average hourly wage in 1992. Unfortunately, the Senator from Massachusetts is relying on a job loss estimate based on a faulty comparison between the ratio of the minimum wage to the current average wage and the ratio of the proposed minimum to the projected average wage.

In other words, this mistake means that the CBO estimate does not account for jobs which would have been created if the current minimum's relative value were allowed to continue to decline.

Senator KENNEDY also invited us to take a look at the record and at what happened after previous minimum wage increases. Well, I am happy to do that. But, I think we need to keep things in perspective.

First, we need to remember that the coverage of the Fair Labor Standards Act has been extended gradually over the last 50 years. In the past, job losses have been alleviated somewhat because workers were often able to find jobs in the uncovered sector. Today, there is very little of the labor market that is not covered by the minimum wage law.

Second, we have the findings from a survey conducted by the institute for Social Research at the University of Michigan which was commissioned by the Minimum Wage Study Commission. The Institute was asked to find out what the actual response was to the minimum wage increases in 1979 and 1980 of 9.4 percent and 6.9 percent, respectively. Keep in mind that the first year's increase alone under S. 4 is nearly 15 percent. Let me quote just one paragraph of this report:

Approximately one-tenth of all employees and more than one-fifth of all minimum wage employees worked in establishments that reported a disemployment effect. From an exposure point of view, these results are significant. [Page 269]

These disemployment effects included cancellation of plans to hire additional workers—11 percent, of the establishments reduction of employee work hours—9 percent, discharge of current employees—7 percent, and jobs left vacant after workers voluntarily left their employment. Forty percent of the establishments with employees earning less than the new minimum reported raising the wages of other employees to maintain the wage differentials. One-third raised prices.

These effects were not imagined. They were real. It is possible to have these adverse reactions to a minimum wage increase and still have increase in overall employment and drops in unemployment rates.

The reason why is really quite uncomplicated when we stop to think about it. University of Michigan economist Dr. Charles Brown explains that during the time the economy was growing, the real minimum wage has been falling.

The Council of Economic Advisers makes the same observation when commenting on the unpublished research of Allison Wellington, which the majority relied upon in its committee views. Dr. Boskin also points out the error of suggesting that employment is not sensitive to wages even though other economic factors play a role. I ask unanimous consent that the letter to me from Dr. Michael Boskin be included in the RECORD at this point. I would also ask unanimous consent to include in the RECORD a second letter from Dr. Boskin, dated April 10, along with an analysis of Allison Wellington's paper done by the Council of Economic Advisers. If anything, the Wellington paper seems to support the administration's findings on job loss.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATCH. Very honestly, given this analysis, I could not stand here today supporting an increase of any amount unless there were provisions designed to help those individuals who are bound to be left out in the cold if the minimum wage is raised.

The President's proposal contains such provisions. He has proposed a wage differential that would allow employers to pay—and workers to accept a wage of 80 percent of the minimum, or $3.35 an hour, for a period of 6 months provided that other workers are not displaced. This proposal provides the incentive for businesses not to eliminate entry-level jobs—an incentive that is absolutely essential if we elect to increase the minimum wage by 36 percent, 27 percent, or 10 percent.

Teenagers and other inexperienced workers are the ones who are hurt by

arbitrary increases in the base wage. Labor Department data, shown on this chart, indicate declining employment percentages for teenagers and young adults when the minimum wage was raised in 1979, 1980, and 1981. Employment for this group does not start back up again until 1982.

The labor force participation rates for young black men, particularly for those in the 16 to 17 age group, show that young minorities are seriously affected by minimum wage increases.

These findings were corroborated by Prof. Finis Welch of UCLA who testified that the adverse impact of a minimum wage increase would fall disproportionately on black teenagers. He pointed out that today a black teenager was only half as likely as a white to be employed despite overall gains in minority employment during the last 6 years.

And, Madam President, we will be sadly mistaken if we think that these teenagers will automatically get jobs when they turn older. I am reminded of the testimony presented to the Labor and Human Resources Committee back in 1985 when we were considering another proposal for a youth opportunity wage. The National Conference of Black Mayors, which had endorsed President Reagan's proposal for a youth wage in 1986, presented disturbing testimony about the joblessness of many young people and where it leads. Mayor Marion Barry, who was then president of the National Conference of Black Mayors, testified on behalf of the association. He said:

> If we are not careful here, we are producing a generation of young people who have never held a job. And I think that is a dangerous situation for us to be in, where you have people at 23, 24, and 25 years of age who have never held a job.

During the same hearing, Mr. Angel Lopez, then national chairman of SER-Vobs for Progress, a national organization dedicated to expanding opportunities for Hispanics, commented on his own experience:

> Given the option of no job versus a job that paid less than the minimum wage, there is no question in my mind as to what I would have done. I am equally certain that if my first employer had been required to pay the prevailing minimum wage, I would not have been employed.

The National Conference of Black Mayors, SER, and other national organizations which endorsed the 1986 youth wage proposal were not against the minimum wage. Many of these same groups may be supporting S. 4 today. But they also recognized the impact the statutory wage floor has on the unskilled and the inexperienced. Obviously, a higher minimum wage means a higher hurdle for these individuals to jump over.

We simply cannot pass a minimum wage increase without taking the tremendous loss of entry-level jobs into account. I will reiterate a point I made earlier: How do we expect a teenager to walk into a business and get a $10-an-hour job? How do we expect a person who cannot read or do basic math to get a job paying $10 an hour and which requires commensurate education and skills? We have to have entry-level jobs in this country.

The bill being offered by Senators on the other side of the aisle is well intentioned, but it won't do the job. Lowering the top rate to $4.55 saves—at the most—50,000 jobs. Even the change in the enterprise test will not help significantly since it requires the first increment of the wage increase to be implemented.

A 2-month training wage with all the terms and conditions included in this amendment would save only about 14,000 if the training wage were a permanent feature of the FLSA. Unfortunately, the amendment being proposed by the majority leadership calls for a sunset of that authority after 3 years. That sunset occurs at the same time the third installment of the increase takes effect and reaches its new top rate. So, when the minimum wage is the highest, there will be no training wage. Does this make sense to anyone here?

The President's proposal for a training wage is simple, easier to enforce properly, and provides a far more effective incentive for employers to use this special wage to preserve entry-level jobs.

This chart shows the job savings that come from the substitute proposed by President Bush. The new hire wage will offset 169,000 jobs. This wage differential, together with a reduction in the top rate to $4.25, and the tip credit and small business provisions, will offset 423,000, or nearly two-thirds of the job loss projected under S. 4.

And, for those who believe an increase in the minimum wage is important, the President's alternative provides a 27-percent increase. The administration's compromise strikes a good balance. It recognizes both the importance many attach to the minimum wage and its periodic increase and the dangers such increases pose to the unskilled and inexperienced workers in our society. I urge all Senators to consider it carefully and join us in supporting it.

EXHIBIT 1

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS,
Washington, April 6, 1989.

Hon. ORRIN G. HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: As you know, the Committee Report for Senate Bill S-4 criticized Administration estimates of job losses as being "severely overinflated."

The Report argues (wrongly) that Administration estimates "ignored the relationship between the minimum wage and the average wage," thereby overstating the impact of S-4 on future levels of the minimum wage when compared with future levels of market wages.

The Report also claims that the Administration numbers are based on "outdated" estimates of disemployment effects, because they derive from studies that include data only through 1979 (or earlier). While the latest work by Allison Wellington (which includes data through 1986) does show smaller gains from reductions in the real minimum wage than earlier studies, there are a variety of reasons to question whether the more recent evidence can be used to project the effects of a large rise in the minimum.

On the first point, the committee report noted (correctly) that: "In virtually all job loss studies, the accepted methodology is to estimate the impact on the change in the minimum relative to the average wage, * * *"

The correct approach to measuring the impact of the increased minimum in 1992 is to compare the $4.65 minimum against a scenario in which no rise in the minimum occurs. Following the standard methodology (as we always have), it is necessary to estimate the current $3.35 minimum as a percentage of the average wage in 1992. Based on the Committee's own projections, this ratio will be 31.4 percent in 1992, as compared with a ratio of 43.6 percent if the minimum is increased to $4.65.

Thus, the appropriate comparison is one between a minimum wage equal to 31.4 percent of the average wage and a minimum wage equal to 43.6 percent of the average wage. However, this is not the comparison made by the Committee. Instead, the Committee has compared the projected ratio of 43.6 percent with the current ratio of 36.1 percent.

The Committee's use of the current ratio is equivalent to assuming a minimum wage equal to $3.85 in 1992, and then using this $3.85 figure as the basis for comparisons with the proposed $4.65 minimum. The Committee's calculations thus ignore the extra employment that would be generated by letting the relative minimum decline below its current level.

Regarding the second point, past "econometric" evidence (based on data prior to 1980) suggests that when the ratio of the minimum wage to the average wage rises by 10 percent, employment among teens (age 16–19) fall by roughly 1 percent to 3 percent, while employment among young adults (age 20–24) falls by roughly ¼ to ¾ of 1 percent. Given that about 6.8 million teens and 13.2 million young adults were employed in 1988, these percentage losses translate into roughly 160,000 jobs for each 10 percent increase in the ratio of the minimum wage to the average wage. Given that S-4 implies a 39 percent increase in the minimum wage relative to the average wage (43.6 is equal to 139 percent of 31.4), these numbers imply a loss of roughly 650,000 jobs.

Clearly, an important component of these calculations is the estimated percentage disemployment effect that would accompany any given change in the relative minimum wage. As described in the Committee Report and in the CONGRESSIONAL RECORD, recent work by Allison Wellington suggests that, when data from the 1980–86 period are included in the analysis, disemployment effects appear much smaller. This finding should come as no surprise. Between 1979 and 1986, the minimum wage fell from 47.1 percent of the average wage to a level of 38.2 percent, and yet the percentage of

teens employed actually fell over this period, from 48.5 percent to 44.6 percent, while the percentage of young adults employed remained roughly constant, rising only from 70.4 percent to 70.5 percent.

Obviously, if data from 1980–86 are included in the analysis, the disemployment effects of the minimum wage will appear smaller. The real question, therefore, is whether the anomalous pattern of change from the 1980's should be interpreted as evidence that employment is not sensitive to wages.

As an alternative explanation, it is possible that these patterns reflect changes on the (labor) supply side of the market. We know that school enrollment rates among teens and young adults have increased substantially over this period. It is possible that the lower employment percentages among teens reflect these changes. Moreover, and importantly, these patterns may reflect the unique experience of the 1980–83 period, when high inflation rates caused the relative minimum to decline by roughly 12 percent (despite a 15 percent increase in the statutory minimum), while the 1980–82 recession left unemployment at record postwar levels (19.9 percent for teens in January 1983).

We make these points not to "explain away" Wellington's findings. Rather, we simply point out that inferences drawn from these data are likely to be sensitive to the way one deals with cyclical and other phenomena, as well as how one tries to distinguish true disemployment effects from the effects of changes on the supply side of the market. Unfortunately, the data from which these estimates derive are not all that informative, and new results based on a period such as 1979–86, in which there was a major recession (the worst in the postwar period) should not be considered definitive.

Sincerely,

MICHAEL J. BOSKIN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS,
Washington, April 10, 1989.

Hon. ORRIN G. HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: After I sent you my letter last week regarding the Committee Report for Senate Bill S–4, my staff was able to obtain a copy of the study by Allison Wellington (which updates earlier studies by including data for the 1979–86 period) referred to in the Committee Report. In contrast to the Committee's conclusion that the study suggests a smaller effect from an increase in the minimum wage than that estimated by the Administration using "outdated estimates," it is our conclusion after reviewing the study that the author's work actually supports the Administration's job loss estimates. As the attached document shows, the author reports several different estimates, but those which are best supported by the data indicate disemployment effects very similar to the Administration's estimates.

We continue to question the reliability of results based on the 1979–86 experience. If such results are to be quoted, however, we think it is important to note that Wellington's results do not unambiguously show smaller minimum wage effects than those estimated in earlier studies.

I hope this further information is helpful to you.

Sincerely,

MICHAEL J. BOSKIN.

FURTHER COMMENTS ON ALLISON WELLINGTON'S STUDY

After looking further at Allison Wellington's recent paper, "Effects of the Minimum Wage on the Employment Status of Youths: An Update," it appears that, if anything, her work actually supports Administration job loss estimates. Wellington reports several different estimates in her work, but those which are best supported by the data indicate disemployment effects very similar to Administration estimates.

The relatively small effects that supporters of the higher minimum cite most frequently in Wellington's work are based on the assumption that an increase in the minimum wage with coverage held constant will have the same disemployment effect as an increase in coverage with the minimum wage held constant. As Wellington reports, however, this assumption is generally not supported by the data.

Indeed, when Wellington's own "basic equation" is estimated in a fashion that allows these two effects to differ (see her specifications 9 and 10 in attached Table 1), she finds much larger effects for changes in the minimum wage than for changes in coverage:

"Lines 9 and 10 indicate that a 10% increase in the level of the minimum wage reduces teenage employment by approximately 1.8 percent, however the estimated coverage effect ranges from an increase [in the percentage of teens employed] of 0.38 percent to a decrease of 0.07 percent. From these findings, one would conclude that the important factor is the level of the minimum wage and that there are little or no coverage effects." [Wellington, page 11]:

These findings are worth noting, for they suggest that S–4, which combines a large increase in the level of the minimum wage with a small reduction in coverage, is likely to have disemployment effects very similar to those estimated by the Administration. Of course, these estimates are subject to all the caveats listed in our letter of April 6. Nevertheless, it should at least be clear from these numbers that Wellington's work *does not* unambiguously show smaller effects of S–4 than previously estimated.

Wellington chose not to emphasize these findings, apparently because she could not explain the differing effects of coverage and wage levels. However, this is no justification for ignoring what amounts to a clear and strong finding in the data, one which may be explained by cyclical phenomena or differences between those firms affected by an increased minimum and those firms affected by increased coverage. The fact that Wellington could not explain the results in lines 9 and 10 of her Table 1 does not mean that we should ignore these results in making policy.

Of Wellington's estimates, the least questionable for predicting the potential effects of S–4 are those which do not depend on arbitrary assumptions that are clearly inconsistent with the data. These are Wellington's estimates in lines 9 and 10 of Table 1, estimates which support previous Administration numbers.

TABLE 1.—ESTIMATED EFFECT OF A 10-PERCENT INCREASE IN THE MINIMUM WAGE ON THE EMPLOYMENT OF TEENS

[In percent]

Specification	Effect of	OLS linear	GLS linear	OLS logarithmic	GLS logarithmic
1. Basic	YK	[1] −0.89	−0.60	[1] −0.90	−0.65
		(2.36)	(1.36)	(2.41)	(1.41)
2. Basic − T2	YK	[1] −.99	−.78	[1] −.92	−.75
		(2.50)	(1.68)	(2.41)	(1.64)
3. Basic − SY	YK	−.59	−.58	−.61	−.58
		(1.48)	(1.23)	(1.60)	(1.24)
4. Basic − AF/P	YK	−.60	−.52	[2] −.67	−.53
		(1.66)	(1.12)	(1.95)	(1.17)
5. Basic − POP	YK	[1] −.86	−.69	[1] −.87	−.67
		(2.29)	(1.47)	(2.38)	(1.46)
6. Basic − TR/P	YK	−.37	−.53	−.34	−.59
		(0.83)	(1.19)	(0.72)	(1.31)
7. Basic + POPA	YK	[3] −1.60	[2] −.81	[3] −1.58	[1] −.89
		(4.85)	(1.75)	(4.72)	(1.98)
8. Basic + EN/P	YK	[2] −.54	−.70	[1] −.65	[2] −.76
		(1.71)	(1.62)	(2.14)	(1.84)
9. Basic + YC:					
Level				[3] −3.06	[1] 1.96
				(4.66)	(2.47)
Coverage				−.06	−.38
				(0.14)	(0.56)
10. Basic + YC + EN/P:					
Level				[3] −1.91	[1] −1.69
				(3.33)	(2.39)
Coverage				−.12	−.07
				(0.33)	(0.12)

Note.—Statistics in absolute value are in the parentheses below the coefficients.
[1] Significant at the 5-percent level.
[2] Significant at the 10-percent level.
[3] Significant at the 1-percent level.

Mr. HATCH. Madam President, I reserve the remainder of my time.

Mr. KENNEDY. I yield just 1 minute to myself.

Madam President, I will include in the RECORD the Congressional Research Service material, which is the maximum monthly AFDC and Food Stamp Benefit Program for a one-parent family of three persons. If you add that with the average payment of Medicaid, there is not a welfare benefit which will not be higher than even with the Graham $4.55 amendment. Not one State that will be higher.

What we are trying to do is get people off dependency, trying to work rather than being on the dependency.

I would yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Madam President, I rise to voice my support for the substitute version of S. 4, a significant improvement in my view of that previously before us. This proposition is a reasonable compromise. I have been listening to the debate and thus far the opponents have maintained only that there should be no increase at all in the minimum wage. All know that is not the position of the President and the vast majority of the House and Senate.

In my view, the time is right for an increase in our Nation's minimum wage. As many of you may recall, I did not support the increase in the minimum wage that was proposed just this past year. My view then, and one that I still believe, was that a minimum wage increase would have been quickly vetoed by President Reagan and that

there was insufficient support to override that veto.

A minimum wage increase then was a battle that could not be won, and I saw no reason in fighting the battle for symbolic purposes, especially in the middle of an important election period.

I am aware of the threat of our new President to veto any increase in the minimum wage that is not in line with his proposal.

I would submit, however, that this is an issue upon which reasonable people can differ. In such situations, negotiations and compromise are essential. Concern for our Nation's workers is not solely possessed by my Democratic colleagues, nor can it be solely claimed by those on the other side of the aisle. President Bush has signaled his concern by supporting a minimum wage increase, and I remain hopeful that he will see fit to negotiate and compromise a proposal that can overwhelmingly be approved by both the Senate and the House.

And, unlike last year, I am convinced that our differences on this issue can be resolved. Last year it was clear that any increase in the minimum wage would be vetoed by President Reagan. President Bush has taken a signficantly different view. We are now generally agreed that there will be an increase, and the debate is on how much and under what conditions.

I am not convinced the difference between the President's $4.25 and S. 4's $4.55, or only 30 cents, is of such significance that the former is wise and the latter is foolhardy. That reasonably small difference is not significant.

I am well aware of the claims that jobs will be lost and that inflation will result from an increase in the minimum wage. Nevertheless, both the President and the Congress have signaled clearly they want to accept that risk which is not a certainty. I submit that there are few bills signed into law that do not have some potential negative effects.

The question that is always asked and that must always be answered by each of us is whether the likely good that will come of a particular bill will outweigh the bad.

In my view, the opponents of a minimum wage increase have unduly focused on the bad and fail to properly weigh the good. It is undisputed, for example, that millions of Americans will have their incomes boosted by an increase in the minimum wage.

Those Americans have not seen an increase in the minimum wage since 1981. During the intervening years, inflation has seriously eroded the buying power of the current minimum wage.

President Bush, in making his proposal, simply made his own best calculations to what point the good clearly outweighed the bad. His proposal is an admission that the minimum wage can be raised in the view of the administration without causing severe unemployment or unnecessarily fueling inflation. My differences with the President are but a matter of degree. I am willing to raise the minimum wage slightly higher than the President. In making that decision, I am influenced by the fact that even a raise to $4.55 an hour will not bring the minimum wage to the buying power that it held in 1981.

Nebraska's economy is not the same as what exists on our coasts and in our large urban cities. There exists a significant difference between the cost of living in one of Nebraska's small rural communities and the cost of living in Washington, DC, for example. But, a person working a full-time job at our current minimum wage would earn but $6,968 per year. Even in Nebraska, it would be extremely difficult to support a family on $580 a month.

Many have and will argue that most minimum wage workers are not supporting a family. Perhaps that is true. To me, however, that argument misses the point. There are hundreds of thousands of honest, hard-working Americans who are trying to make ends meet and who are relying upon minimum wage jobs. Those citizens are the least educated and skilled in our Nation.

The PRESIDING OFFICER. The Chair advises the Senator from Nebraska that the 5 minutes yielded to him by the Senator from Massachusetts, who is controlling the time, has expired.

Mr. KENNEDY. Madam President, does the Senator from Nebraska want 2 more minutes?

Mr. EXON. Three additional minutes.

The PRESIDING OFFICER. The Senator may resume.

Mr. EXON. Many of those citizens I was just referring to are prevented through causes over which they have no control from bettering their educational or training level. A raise in the minimum wage will help those individuals lead a better life and the time is long since passed to give those workers some semblance of an even break.

I am not fond of efforts to create a subminimum wage. I have been intrigued by the labeling of such efforts. Initially, the wage was called a "training" wage by its supporters. Now, I hear that it is referred to as a "new hire" wage. That change is an outright admission by supporters that the 6-month subminimum wage in the President's proposal has little if anything to do with training.

In most States, we have now and will continue to employ a special lower-than-minimum wage for students that equates to a "training" wage for many young people.

I used to own a small business, and I know that in running a business the minimum wage is what you pay your new employees who cannot command a higher salary. In my view, the minimum wage is the training wage.

The stairs to a better salary should not include steps down into a basement. The President's proposal for a 6-month subminimum is but a recognition that many employers give their minimum wage employees a raise after a short time. There is no need for Congress to mandate when employers must increase an employee's salary.

There are clearly those who are in favor of the concept of a training, new hire, or subminimum wage and, at their urging, I am willing to give the concept a try. The proposal that has been submitted in the substitute for the minimum wage bill is an honest effort to compromise with those who support the concept and I can support the proposal when it is held in that light.

Madam President, the time is right for a minimum wage increase. Let us pass this bill and send it to the President. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Madam President, I will be happy to yield 3 minutes to the distinguished Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I thank the distinguished Senator from Utah for yielding time to me.

Those of us on the Labor Committee who had an opportunity to review this issue during the 100th Congress, and also during the first few months of this Congress, had to feel a sense of frustration because none of us wanted to vote against increasing anyone's pay.

We would all like to be a part of an effort to improve the standard of living and the opportunity for higher wages for every American. Let us understand that today we are not voting on whether there ought to be opportunity for higher wages for every working American. We all agree on that. The issue is simply whether this bill is designed to achieve the best for all American workers in terms of opportunities to earn in the workplace, to realize returns on investment for those who are involved in business, and to create a general economic environment conducive to continued growth and opportunity in America for everyone.

We are headed in the right direction in terms of economic growth. We are creating more jobs in America than ever before. According to the latest unemployment rate statistics, our unemployment rate is at a 14-year low. We are the envy of the world in eco-

nomic strength and diversity and natural resources and an abundance of everything for our citizens.

It is a little perplexing to be confronted with what I think amounts to a political dialog here today, and we ought to put it in that perspective. Our President has indicated that he is willing to support an increase in the minimum wage, but he has indicated there are certain provisions he is going to insist be included in that legislation.

The majority side is obviously not including those provisions. It is not including the 6-month training wage. What is going to happen if this body approves this bill? We are going to say to certain regions of the country, especially the South, that they are going to lose more jobs and more job opportunities than other regions. The South is not a high-technology, high-paid area, but more people will lose the opportunity for a good paying job in that region of the country than in any other. The studies agree on that.

So I hope we will look at the bill and try to reach a consensus. Let us follow the President's lead. Let us have a piece of legislation that provides a $4.25 an hour minimum wage, but let us reject the provisions being proposed today by the committee and by the substitute.

Madam President, according to the Department of Labor, an increase in the minimum wage rate as proposed in S. 4 would result in the loss of up to 800,000 jobs. Although their estimates of potential job losses may vary, over 60 studies on file at the Department and prepared by economists from all across the political spectrum support the basic argument that an increased minimum wage would result in lost job opportunities.

Even more troubling than these serious economic consequences is their uneven distribution among geographical regions. Since 43 percent of the minimum wage earners live in the South and another 29 percent in the Midwest, it does not require a graduate degree in economics to conclude that the impact of a minimum wage increase, both on those who earn it and those who pay it, will be felt more heavily in those regions. Included in the minority views that several of my colleagues and I filed with the committee report on S. 4 is a reference to a Clemson University study which concludes that the South would sustain one-third and the Midwest would sustain about 23 percent of the total job loss under this bill.

The negative impact of S. 4 may be of little concern to the high-technology, booming job markets in regions of the country where unemployment is low and where minimum wage jobs go begging. Young people in those areas can easily find entry level jobs, and in many instances those jobs pay more than the minimum wage, in some cases even more than is proposed in S. 4. Instead, the negative impact will be greatest in communities in the South and Midwest which continue to experience unemployment, especially among young people most in need of the entry level jobs that provide basic work experience and on the job training.

Madam President, there are very strong emotional forces that periodically tempt us to increase the minimum wage. I have no doubt that there are enough votes in the Senate to pass this one, and with the recent action in the other body, President Bush may soon have a bill on his desk. I share some of the sentiments that seem to justify an increase, but those considerations pale in importance when compared with the potential danger that such an increase would make economic conditions worse rather than better in many parts of the Nation. There is little comfort in the guarantee of a higher minimum wage, when there are not enough jobs to go around now at the current wage.

In my view, without a training wage, S. 4 would not improve opportunities for the unskilled, the illiterate, and the inexperienced to enter the work force. On the other hand, a 6-month training wage will provide the incentive that some employers may need to provide more job opportunities.

Madam President, a training wage is an opportunity wage, and it must be a part of any proposal to increase the minimum. Without it, S. 4 may very well have an unintended effect on poverty, as young people, the unskilled, and the illiterate in regions of high unemployment become even less employable than they are now.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, throughout the debate there has been some indication that the purchasing power of the people has declined 30 percent, and therefore the people on minimum wage are those who suffer the most. But let us get the facts straight. There are only 336,000 people in this country who are what we call the working poor who earn the minimum wage. In fact, actually, the purchasing power of most minimum wage earners has gone up since 1981.

First, the actual number of minimum wage earners decreased from 7.8 million in 1981 to 3.9 million showing that most people are not "stuck" on minimum wage jobs. Second, the 1977 study by Ohio State University Center for Human Resource Research found consistently that individuals employed at the minimum wage in 1981 regardless of their educational status experienced substantial wage growth subsequent to employment in a minimum wage job. The key is getting them into the job and giving them the opportunity to get trained, to learn, and to progress.

Third, the study showed that only 6 percent of the total 12.7 million young people who were between the ages of 16 and 23 in 1981 when the 5-year study began were still at the minimum wage after 5 years. The vast majority of them had progressed because they got a job, learned how to work, got the self-esteem that would come from learning how to work, were not foreclosed because the jobs dried up because of the continuing increases in minimum wage, and then went on to earn more once they learned a little bit. But there is a group of Americans who will be most likely hurt by this legislation. These are the jobs that are most likely going to disappear.

I might add as Senator PHIL GRAMM, the distinguished Senator from Texas, once said, "The purchasing power of zero wages is zero," because if people do not have jobs they do not have any purchasing power at all.

At this point, I reserve the remainder of my time.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 4 minutes to the Senator from Arkansas.

Mr. PRYOR. Madam President, I appreciate the distinguished Senator from Massachusetts yielding this time. I hope I will not take the entire 4 minutes.

Madam President, last week the Members of the U.S. Senate were in the Old Senate Chamber, that Chamber right down the hall that was used until the year 1859. Former Senator Eagleton, I think, gave one of the finest orations I have heard about what the essence of the U.S. Senate is. The essence of the U.S. Senate is a group of individuals elected from their respective States to come here and to deliberate but ultimately to compromise, to compromise between various positions, to compromise between various factions.

Madam President, what we have today in the Graham-Pryor-Mitchell-Kennedy substitute is exactly that compromise position. It is not what President Bush wants. It is not what the Committee on Labor wanted in the original concept of a minimum wage. It is truly, right down the middle, a spirit of compromise that we feel was presented in a good-faith effort to bring this issue not only to the U.S. Senate but ultimately to have a package that was acceptable to the President of the United States and to the people at large.

Their amendment very simply treats the 60-day training period I think much better than the other body did 2 weeks ago. This amendment keeps the $500,000 exemption for small business.

This amendment moves the tip tax credit from 40 percent to 50 percent.

We have embodied once again in a good-faith effort—a genuine hope that this compromise amendment will meet the test in the true spirit of compromise—a piece of legislation we can send to the President's desk, and that he can sign.

Madam President, I thank the distinguished Senator from Massachusetts.

I yield back the remainder of my time.

Mr. KENNEDY. How much time remains, Madam President?

The PRESIDING OFFICER. The Senator from Massachusetts has about 2½ minutes, and the Senator from Utah has about 14 minutes plus a few seconds.

Mr. HATCH. Madam President, I yield such time as the distinguished Republican leader needs.

The PRESIDING OFFICER. The distinguished Republican leader.

Mr. DOLE. I thank the Chair.

Madam President, I am not at all surprised that some of my Democratic colleagues have been so eager to take up minimum wage legislation. Raising the minimum wage has great political appeal—particularly to us politicians in Congress.

But I fear that the proposal before us today—as well as the minimum wage bill recently passed by the House—is the wrong approach to take. It was the wrong approach last year. It is the wrong approach now.

The facts are simple: If passed, this bill will not reduce poverty. It will not reduce unemployment. It will not be a panacea for the ills of the working poor—as the bill's proponents would like us to believe.

No—this bill has the potential for great harm. It will fuel inflation. It will spur on already rising interest rates. But most importantly—and sadly—it will mean fewer jobs for our young people.

THE PRESIDENT'S PROPOSAL

To his credit, the President has come up with his own minimum wage proposal. This proposal is no paper tiger: It calls for a 27-percent increase in the minimum wage to $4.25 an hour. It also protects jobs with a 6-month training wage for new hires.

I commend the President for his efforts. He has acted wisely. He has acted responsibly. And his proposal deserves our serious consideration.

THE MINIMUM WAGE WORKER

Last week, we heard a lot of talk about the need for a minimum wage increase to help the working poor. I am sure we will hear a lot more talk on this subject later today and tomorrow.

To be sure, I am all for helping the working poor. I have spent most of my public life supporting causes on behalf of the working poor. And no one would deny that the working poor are the ones who most deserve a wage increase.

But an across-the-board increase in the minimum wage to $4.65 an hour or even $4.55 an hour—without a real training wage—is like using a sledgehammer to pound in a tack. It is too blunt an instrument for solving the deeper problems of the working poor—problems that are rooted in a skills gap, not a wage gap. This minimum wage proposal will not solve these problems. In fact, it will create more problems. It will cause more harm than good.

So I hope the Senate will get beyond the rhetoric—beyond the myths that have built up around this issue—and look at the facts.

We need to look at the profile of the typical minimum wage worker—the very person we are trying to help. Here are some statistics compiled by a reputable source—the Department of Labor:

The typical minimum wage worker is young. Fifty-eight percent of all minimum wage workers are less than 25 years of age.

The typical minimum wage worker is single; 72 percent of all minimum wage earners are unmarried.

The typical minimum wage worker is a part-time employee. Sixty-seven percent of those paid the minimum wage work less than 35 hours per week. The vast majority do so by choice.

And while the typical minimum wage worker lives with other family members, he or she is not the head of a household.

So—as you can see—the typical minimum wage worker is not a member of the working poor—not someone struggling to raise a family while living below the poverty line.

JOB LOSS

The editorial board of the New York Times is right: The notion that a minimum wage increase will somehow solve all the problems of the working poor is an illusion. It is a myth.

We have all heard the statistics before. The Department of Labor estimates that each 10-percent increase in the minimum wage means that 100,000 to 200,000 jobs will be eliminated nationwide. Last year, the President's Council of Economic Advisers calculated that increasing the minimum wage to $4.65 an hour would result in the loss of more than 600,000 jobs. And over 60 studies performed by a wide range of professional economists—including some so-called liberal economists—predict that as many as 800,000 workers will face the prospect of standing in the unemployment line.

You can see that these numbers vary, but they all tell the same story: Raising the minimum wage is not cost-free. It costs jobs. And someone will have to foot the bill.

I also know what this legislation will do to employment in my home State of Kansas. The picture is not a pretty one. The Chamber of Commerce has estimated that Kansas will lose more than 8,000 jobs by 1990 and more than 20,000 jobs by 1995.

I also know who is going to lose these jobs: Teenagers and other young people. I have talked to many Kansas employers—mostly small businessmen and businesswomen—who have told me that a large minimum wage increase without a real training wage will force their hand—will force them to lay off workers to offset the increase in labor costs.

Now, Kansas has one of the better teenage unemployment rates in this country. According to the most recent statistics, teenage unemployment stood at 10.7 percent. That is below the national average. But a teenage unemployment rate of 10.7 percent is not good enough. And it's going to get worse—not better—if this bill is passed. That is bad news for the people of Kansas. And I believe it is bad news for the people of this country.

TRAINING WAGE/MINIMIZING JOB LOSS

The President's own minimum wage proposal was specifically crafted to preserve employment opportunities for the young and the least-skilled. That is the point of the President's 6-month training wage. A training wage gives employers some flexibility. It also gives young people an opportunity to develop some basic work skills and work habits.

But the proposal we will consider today—as well as the minimum wage bill passed by the House—ignore these facts. They ignore the fact that the President's training wage will save almost 200,000 jobs—valuable jobs for young people. And they ignore the fact that the President's training wage not only preserves jobs but also preserves opportunities for advancement.

TRAINING WAGE—NO FORMAL TRAINING REQUIREMENT

I have heard some Senators criticize the President's training wage proposal because it does not require a formal training program. I have also heard some Senators argue that the President's training wage is too long—that it should be shorter than 6 months.

Madam President, both of these arguments miss the point.

Now, I understand that the substantive skills needed to perform many entry-level jobs are not great. I also understand that sometimes the skills for these jobs can be acquired through on-the-job training in a short period of time—perhaps less than 6 months.

But the purpose of a training wage is not only to provide job skills. A training wage—that is, a training wage of sufficient length—is also very impor-

tant as a tool for helping young people acquire good work habits.

We can all learn to flip a hamburger pretty quickly, but it takes time—often many months—for a young person to learn the responsibilities that come with being a working citizen.

Punctuality, reliability, honesty, cooperativeness with fellow employees, acceptance of direction from supervisors—these are qualities that no formal training program can teach. But they are qualities that young people can learn—in fact, need to learn—by participating in the work force.

In other words, my point here is this: New workers in entry-level jobs continue to gain valuable experience—continue to develop important work habits—even after they have learned the basic skills.

Imposing formal training requirements on employers would also be expensive. It would work against one of the primary goals of a training wage: to serve as an offset to the disemployment effect of an increase in labor costs caused by an increase in the minimum wage. According to the Department of Labor a 6-month training wage—not a 4-month or a 2-month, but a 6-month training wage—will save almost 200,000 jobs that otherwise would be eliminated. On the other hand, the Department of Labor estimates that a training wage of less than 6 months will have little, if any, offset effect.

Let me just briefly mention here the training wage provisions contained in the Graham amendment and in the House bill. As most of us know, the Graham amendment provides for a 60-day training wage. It would also require employers to provide formal, technical training to those workers earning the training wage.

The House bill, on the other hand, also calls for a 60-day training period, but for first-time employees only. And it requires employers to certify that training wage earners are, in fact, entering the work force for the first time.

Simply put, both training wage provisions would save few, if any, jobs. They would save few, if any, job opportunities. Businesses would have no incentive to employ young people who may have had some previous employment history. And the costs of either technical training—as required by the Graham amendment—or certification—as required by the House bill—would be prohibitively expensive, particularly for small employers.

The President has called the House training wage a phony. I agree with him. The training wage contained in the Graham amendment also falls short—far short—of what is needed to protect jobs and preserve job opportunities. I just hope that my colleagues on the Democratic side of the aisle are not trying to pass this training wage off as a fair and workable compromise.

FINANCIAL COST OF THE BILL

I think I have covered two of the most important consequences of this bill—the loss of jobs and the loss of job opportunities. But there are other consequences that could be equally disastrous.

Without question, this bill—as well as the House bill—will fuel inflation. Financial projections suggest that inflation will rise almost one-third of a percentage point as a result of an increase in the minimum wage to $4.65 or $4.55 an hour. This increase will have a "ripple effect" throughout the economy on other wage rates. Needless to say, higher inflation is the last thing we need at a time when consumer and producer prices are creeping upward.

Rising inflation will hurt the nonworking poor, the elderly, and others on fixed incomes. Rising inflation will also be quickly translated into higher interest rates. Higher interest rates, in turn, will increase the cost of financing home mortgages, increase the cost of any savings and loan recovery plan, and increase the size of the Federal budget deficit.

Madam President, this is too high a price to pay.

DON'T MESS WITH SUCCESS

Over the past 6 years, we have witnessed an unprecedented growth in employment—and in employment opportunities. During this period, our economy has created more than 19 million—yes, 19 million—new jobs. The unemployment rate has also dipped to 5 percent—the lowest level in more than 16 years.

If we are to judge success by results, it seeems to me that we are doing a pretty good job. So let's not mess with success. Let us not help destroy our economic recovery with an ill-timed and ill-advised minimum wage bill. Let us take a clear-headed look at the facts. And let us give the President's proposal a fair hearing.

Let me indicate I have listened to the debate. I know that this is an issue that is very sensitive. I would say as a Republican, I am not going to stand here and say you can live on $4 an hour or $4.35 an hour or $5 an hour. I do not really believe that this is the final test.

I think the test, as the Senator from Utah has been underscoring, is the number of jobs that will be lost. If you do not have a job, that is zero dollars per hour. The minimum wage now is $3.35 an hour. Under the compromise it would be $4.55 an hour. President Bush on his own decided to go to $4.25 an hour, which is about 75 percent of the way.

The President made a statement in his campaign that he was for an increase in the minimum wage. I know for a fact he had a couple of options. One of the options recommended was to come in very low at $4 an hour over 3 years, phased in, in other words increased 65 cents over 3 years and then compromise with the Democrats at say $4.25. But the President said no. He had a lot of advice. Hopefully most of it was good. He decided to make his first offer the final offer. Keep in mind that under the original Democratic proposal, there would be an increase over 3 years of $1.30 an hour. The President said right up front he is willing to go 90 cents an hour over 3 years, gone 60 percent of the way.

So the amended Democratic proposal is not any compromise. There is no compromise on the floor. It calls for a useless, meaningless training wage for 60 days that does not mean anything. The amended Democratic proposal calls for a 10-cent an hour decrease, but it implements the program 3 months earlier too, so there is not any compromise. There are not any savings.

I think we should understand the President, in my view, is firm. He said so in a letter to me which I placed in the RECORD last week.

He has already compromised. He has already said that he would go along with an increase in the minimum wage. Ronald Reagan said no for 8 years and made it stick—$3.35 for 8 years. George Bush said, well, it is time—as the Senator from Massachusetts and others said, the Senator from Utah—that we take a look at the minimum wage and make adjustments. So we did. Over a 3-year period, it is going to be 90 cents per hour higher.

Now, we can make all the arguments. I happen to think that the effort to compromise is not a compromise. It can be named a compromise. But it is the wrong approach to take. It is not going to mean any real benefit for those who need it. It is going to mean more and more people are going to lose their jobs. We are not going to reduce poverty. We are not going to reduce unemployment. It is not going to be a panacea for the ills of the working poor, as the bill's proponents would like us to believe.

It will fuel inflation, it will spur on already high interest rates. But again I say, most important, it is going to be fewer jobs for young people. As I said, to the President's credit, he has come up with a proposal that calls for a 27-percent increase in the minimum wage to $4.25 an hour, as opposed to a more than 30 percent increase which comes from my colleagues on the other side. I commend the President for his efforts, and I commend the Secretary of Labor for her efforts.

How do we help the working poor? The New York Times says you do it with an earned income tax credit. That is not a bad idea. But the President did not mention earned income

tax credit during the campaign; he mentioned minimum wage, so we are here fulfilling that promise. I think everybody wants to help the working poor. I believe my record would reflect that I spent most of my public life supporting causes of behalf of the working poor. They are the ones who deserve the wage increase.

An across-the-board increase in the minimum wage to $4.55 an hour, without a real training wage, is sort of like using a sledgehammer to pound in a tack. It is too blunt and does not solve the problem, the problem of the working poor.

To understand my point, I think we have to look at the profile of the typical minimum wage worker.

I have statistics compiled by a reputable source, the Department of Labor. The typical minimum wage worker is young. Fifty-eight percent of all minimum wage workers are less than 25 years of age. Some would say, "Let us get them off the streets and find a job," whether it is $3.35 an hour, $4.35 an hour, or whatever. Get them off the streets. Get them away from drugs.

The typical minimum wage worker is single, and 72 percent of all minimum wage earners are unmarried.

The typical minimum wage worker is a part-time employee. Sixty-seven percent of those paid minimum wage work less than 35 hours per week, and the vast majority do so by choice. While the typical minimum wage worker lives with other family members, he or she is not the head of a household.

So, as you can see, the typical minimum wage worker is not a member of the working poor. He is not someone struggling to raise a family while living below the poverty line. We ought to look at an increase in the earned income tax credit in the future, to address the needs of the truly working poor.

The editorial board of the New York Times is right. The notion that a minimum wage increase will solve all the problems of the working poor is an illusion, a myth. So I would suggest that we have had a lot of studies. In fact, I asked the Secretary of Labor—all these are just statistics, we are not going to argue statistics—"How do you know how many people are going to lose their jobs?" I think that is very important. No one knows for certain down to the last job or 10 jobs. But last year the President's Council of Economic Advisers calculated that increasing the minimum wage to $4.65 an hour would result in the loss of more than 600,000 jobs, and over 60 studies performed by a wide range of professional economists, including so-called liberal economists, predict that as many as 800,000 workers will face the prospect of standing in the unemployment lines.

So, yes, we want to increase the minimum wage. I am proud, as a Republican, to stand here and support the President in that effort. But at the same time we want to preserve jobs. Again, the Senator from Utah said a few moments ago, "If you do not have a job, it is zero dollars per hour."

In my State of Kansas, it is estimated we would lose between 8,000 jobs by 1990 and up to 20,000 jobs by 1995. Again, statistics, but based on past experience. So they have some credibility.

In my State—maybe we are different—when you are covered by this act and you are a small employer, man or woman, with no one to pass on the additional costs to, you lay someone off. People have lost their jobs. I do not think anybody wants to force anybody to lay off someone because of this.

I have listened to some of the press inquiring, "Is there going to be a compromise?" There has already been the compromise. There is not going to be a compromise. It is going to be $4.25 an hour and a 6-month training wage, period. If we cannot sell that on a bipartisan basis, the President will veto anything else. He said so. Then we will start over again. We will come back try it again.

Maybe the next time the President will start at $4 over 3 years. Then we can compromise up to $4.25. The President has made it clear as recently as this week, he feels strongly about the training wage, and I know some do not. Not everybody on this side feels strongly, whether it ought to be 2, 4, or 6 months. In addition to getting people off the streets, there is another reason it ought to be 2, 4, or 6 months. I know it does not take 6 months to learn how to flip a hamburger. It may take 6 months for some young person, who has not been in the work force and has been out on the streets, to learn punctuality, reliability, honesty, how to cooperate with fellow employees, acceptance of direction from supervisors. Now, these are qualities that no formal training program can teach. You might learn that in 6 months. You have to report to work every day on time, or you lose your job. You have to do certain things.

You learn by participating in the work force, as some of us know. So for all the reasons that I have stated—and I want to congratulate Members on both sides for their efforts, but there is no compromise pending. The Democratic proposal is pretty much the same as the House bill. Both permit a 60-day training wage and both, to varying degrees, impose burdensome requirements on employers. This means that few jobs will be saved.

Simply put, both training wage provisions would save few, if any, jobs. Business would have no incentive to employ young people who have previous employment history and the cost of either technical training or certification—required by the House bill—would be prohibitively expensive, particularly, again, for small employers.

I have talked to a lot of medium-sized employers. They do not care about the minimum wage. That is a thing of the past. They are all paying $5 or more per hour.

It would seem to me the question should be, how many jobs are going to be lost, not how many jobs will have an increase in take-home pay. I find myself agreeing with the Secretary of Labor and the President of the United States.

Mr. HATCH. Madam President, I reserve the remainder of my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts has 2 minutes 47 seconds.

Mr. KENNEDY. I yield myself 1 minute 20 seconds and to the Senator from Florida the remaining time.

Madam President, the Senator from Kansas was right about his helping the low-income people, because he supported in 1977 an increase in the minimum wage here on the floor of the U.S. Senate. That went up to 45 percent in terms of purchasing power. So he is on record in terms of the support of the past.

Finally, Madam President, this Congress made a commitment to the American people in 1938. It said, "If you are going to work in America, you are not going to live in poverty." That promise was kept in the forties, the fifties, the sixties, and the seventies. But it was basically a promise that was violated in the 1980's.

We are trying to restore that commitment—that is what this issue is all about, Madam President—restore that commitment in terms of purchasing power.

This President has asked for a reduction in the capital gains rate. The effect of the reduction in the capital gains rate is $30,000 for the top 1 percent of the American taxpayers.

Is he going to say, should we pass, which we will pass, an effective minimum wage, we are going to provide $30,000 for the richest and not the 30 cents for men and women, our fellow citizens, the 4½ million families who are living in poverty who will be affected by this measure?

I hope we will support the Graham amendment.

The PRESIDING OFFICER. The Senator from Florida has 1 minute and 15 seconds.

Mr. GRAHAM. Madam President, I would like to respond to some of the remarks which have been made by the minority leader who characterized this amendment that Senator PRYOR and I have offered as not being a reasonable effort in compromise.

I believe that a compromise works which has several characteristics. One characteristic is that it appeals to some commonly held values.

We have had a principle in this country that there was to be a relationship between the minimum wage and the average wage of American workers and that average over most of a half century has been that it represented 50 percent of the income of the average American worker.

We have also attempted to keep it adjusted for the cost of living so that a working American was not an American in poverty.

I think those are valuable principles.

I do not know where the President got his $4.25 number but the $4.55 which is proposed in this amendment is consistent with that history of what is part of compromise.

Another part of compromise is balance. You can argue whether 30 days, 60 days, 90 days, or 6 months is an appropriate training wage period. We have never had a training wage before, so we are somewhat on unchartered waters. But, Madam President, when I look at the President's proposal, it is not 6 months; it is potentially forever because a person could stay on that training wage time after time after time.

We are saying give us a solid 60 days to learn the relatively minimum skills and culture of a minimum-wage worker and let us give that worker a chance to get the first job and the first step toward the American dream.

I think that is an honest compromise.

Mr. DURENBERGER. Madam President, I rise today to offer my reluctant support for the substitute amendment offered by my distinguished colleagues, Mr. GRAHAM, Mr. PRYOR, Mr. MITCHELL, and Mr. KENNEDY, to S. 4, the Minimum Wage Restoration Act of 1989. This amendment contains wage and training wage provisions similar to the bill passed by the House 2 weeks ago.

During last year's debate over minimum wage legislation, I stated my belief that an increase in the minimum wage is long overdue. The substitute amendment we are considering today raises the Federal minimum wage from $3.35 per hour to $4.55 per hour by October 1, 1991, through a series of three yearly increases of 40 cents per hour. Although I did vote to report S. 4 out of the Labor Committee with a $4.65 increase, I am willing to accept the $4.55 level in this amendment, because I believe it still represents a substantial increase over the current minimum wage.

Madam President, I also support the increase in the small business exemption that is contained in this amendment. Currently, small businesses with annual gross sales of less than $362,500 per year are exempt from the minimum wage requirements of the Fair Labor Standards Act. However, just as the minimum wage has eroded over the last 8 years, so has the value of the small business exemption. I am pleased that the substitute amendment contains the exemption agreed to by the Labor Committee during the markup of S. 4. This measure raises the small business enterprise test to exempt firms with annual gross sales of less than $500,000 per year. In addition, the amendment includes a much-needed simplification of the small business exemption by eliminating several separate tests. I am hopeful that this small enterprise exemption will provide relief to those firms, particularly in rural areas, that may be most affected by the increase in the Federal minimum wage.

There is one final component to the measure we are considering today: the training wage. And it is this that causes me great concern. The training wage provision allows employers to pay a wage of 85 percent of the minimum for up to 2 months to those employees working in their first job. These 2 months of employment are deemed to be a training period, during which time the employee receives only on-the-job training.

Madam President, during my 10 years in the U.S. Senate I have consistently opposed a training wage or submininum wage for youth. Therefore, I disagree with those who believe in the necessity of the so-called training wage. The measure before us does not require employers to provide specific training. However, unlike other self-styled training-wage proposals, this one only applies to new entrants into the work force. It seems clear to me that there is an inherent training element and learning process that the new entrant acquires in his or her first job. In that sense I believe an employer should be allowed to pay a modest wage differential to a new entrant who must learn certain basic rules and disciplines about operating in the professional workplace.

For these reasons, I will support this 2-month first-hire training wage. However, I can do so only with the knowledge that it is temporary and that the Secretary of Labor will report to Congress on the effectiveness of the training wage after the wage has expired.

In my view, this Graham-Pryor-Mitchell-Kennedy substitute amendment is not the perfect minimum wage bill. But given the political realities that exist in Congress at this time, I will support the amendment as the best option available to this Senator today.

Mr. GLENN. Madam President, I rise today in support of S. 4, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the minimum wage. I join my colleagues, Senator KENNEDY and others, in supporting this measure because I, too, share their concern for the plight of the lowest paid workers in our society. The minimum wage was first established under the FLSA to ensure that workers who are forced to work—if at all—for the lowest wages our economy can offer, would at least be assured a living wage. Three dollars and thirty-five cents an hour in 1989 does not represent a living wage.

I am disturbed by statistics which indicate that welfare provides a better wage than full-time employment at the minimum-wage rate. The American work ethic is built on the belief that working for a living is morally right, and that strength of character derives from an honest day's work. It is characterized in the adage, "An honest day's work for an honest day's pay." Unless we increase the minimum wage to a true living wage, America can no longer boast that an "honest day's pay" necessarily follows "an honest day's work." Let's not turn our working class into a class not working.

The minimum wage has not increased since 1981 when the increase to $3.35 an hour authorized by Congress in 1977 took effect. Since then, consumer prices have increased 40 percent. In 8 years we have allowed 2.4 million people to work for the minimum wage and yet live in poverty. Not every person who is supported by the minimum wage is impoverished. However, 4.6 million Americans are. This number includes 2.2 million children who may not get enough to eat because the minimum wage does not represent a living wage. America is too rich a society, morally and economically, to allow children to be so victimized.

Opponents of this bill claim that the majority of low-wage workers are teenagers and others who are not supporting households. However, statistics show that 72 percent of workers earning less than $4.65 an hour are adults. Over 6.5 million of these low-wage workers are full-time employees. And over 1.2 million of these were heads of households as well, supporting 2.1 million family members.

Moreover, a disproportionate number of low-wage workers are from groups which are historically discriminated against. Over 63 percent of workers earning less than $4.65 an hour are women, while women comprise only 45 percent of the entire labor force. Blacks and Hispanics are represented among low-wage earners in far greater proportions than their numbers in the general work force.

Thirty-eight percent of the hourly workers 65 years or older, many of whom are forced out of their jobs to make way for a younger population of workers who can be hired for less money, are making less than $4.65 an hour. A failure to increase the mini-

mum wage will send a negative message to these workers as to this country's commitment to them and to their equality in the labor force. I have not questioned that commitment and I am now standing by it.

Opponents of S. 4 claim that increasing the minimum wage would hurt those whom the bill purports to help by driving up the costs of labor, thereby forcing employers to lay off workers. However, history does not support this claim. Congress has increased the minimum wage six times. Six times economists have predicted that job losses would result. Each time the economists have been wrong. In fact, statistics show that there has been an increase in employment in each year following an upward adjustment of the minimum wage, except 1975, which was a recession year.

Between 1977 and 1981, the period of the last increase of the minimum wage, total U.S. employment increased by 8,296,000. The only decline in employment during that period occurred in 1982, a year in which there was no increase in the minimum wage. In 1977, a year in which there was no increase in the minimum wage, employment increased by 3,313,000. In 1978 when there was a 15-percent increase in the minimum wage, employment increased by 3,927,000. It does not then follow that increasing the minimum wage will result in a loss of jobs.

Moreover, the administration has forecast a surplus of jobs in 1992. According to the Department of Labor's projections, 5,260,000 job opportunities will be created between 1989 and 1992. DOL also forecasts that only 4.4 million workers will be added to the labor force. According to the Department of Labor's own statistics, there will be 868,000 more jobs than workers.

Opponents claim that increasing the minimum wage will force many businesses to close. However, before the wage was increased in 1977, the Labor Committee heard testimony projecting the closing of 5,800 of the 29,000 convenience stores in America. There was no decrease. Rather, the number of convenience stores increased by 4,100 between 1977 and 1978, as compared to an increase of 2,000 between 1976 and 1977 when there was no increase in the minimum wage.

Opponents also claim that raising the minimum wage would adversely impact the rate of inflation. However, statistics from the last three decades indicate that inflation increased in the 1960's when the minimum wage was increased, in the 1970's when the wage was increased, and in the eighties, when there was no increase. The effect is that workers have seen their wages increase at a much slower pace than the rate of inflation. We cannot blame inflation on increases in the minimum wage. However, we can ensure that low-wage workers who have lost purchasing power as a result of inflation need not be victimized for their efforts to be self-supporting.

While the majority of Americans wage the battle of choosing what to eat, let us consider those for whom the choice may be eating or not eating at all. Let us consider those whose children are hungry or undernourished, even though they work full time for too little money to meet their small needs. A $1.30 raise would mean nothing to the majority of Americans. But to 4.6 million Americans forced to live in poverty at a federally mandated "living wage," it could mean all the difference in the world.

Mr. CONRAD. Madam President, the last time Congress acted to raise the minimum wage was 1977—12 years ago. Since the minimum wage became its current $3.35 an hour in 1981, consumer prices have risen 40 percent. The value of the minimum wage when adjusted for inflation is now the lowest it has been since 1949. And we have now taken longer than ever before to revisit the minimum wage issue and act to raise it.

Since the current minimum wage debate first began, there has been much discussion about what exactly will be the effect of a minimum wage increase on employment and inflation. However, there is one thing that nearly everybody has come to agree on—the minimum wage must be increased.

Today, the minimum wage supports a full-time worker at a level of $6,968 per year—nearly $3,000 below the poverty line for a family of three. President Bush's proposal of $4.25 would leave that worker's family more than $1,200 below the poverty line. Even the $4.55 Pryor-Graham compromise misses the poverty line by about $600—and these figures are all for 1989. By the time the minimum wage reaches $4.55 more than 3 years from now, it will equal only 83.6 percent of poverty for a family of three.

Last year we enacted welfare reform legislation in an attempt to help people work their way out of poverty. That bill provided transitional child care and medical benefits to those who leave the welfare rolls and take a job with minimum wages and no benefits. We all hoped that those provisions would help prevent people from slipping back into the welfare quagmire after successfully becoming employed. But how can we expect those people we have been trying to get off the welfare rolls to seek a job that pays them less than they can get on the Government dole?

Obviously, the minimum wage is not a cure-all for poverty. And there are other ways to help poor Americans. But who can possibly say that it makes sense to provide people with an incentive to become dependent on the Federal government only because they can make more on welfare than by taking a minimum wage job?

Madam President, exactly who earns the minimum wage? Well, according to the U.S. Chamber of Commerce, two-thirds of minimum-wage workers are employed part-time, 60 percent are under 25 years old, and most are teenagers living at home. However, using only those figures in the context of the current debate is somewhat misleading because they leave out one very important group—those who earn between the $3.35 and $4.55. Of this group, nearly half work full time and are over 25, and fewer than half live with their families.

In addition, according to the Bureau of Labor Statistics, over 5 million people were paid the minimum wage or less in 1986. Only 36.5 percent—about 1.8 million—were teenagers between 16 and 19. In fact, 23 percent were adults between the ages of 20 and 24.

There are some who seem to think that college kids and teenagers are somehow less deserving or in need of a decent wage than others. I think they had better take a second look. College tuition costs are going through the roof. Public tuition has increased 61 percent since 1981. Private tuition is up 73 percent. Those kids do not need an increase in their wages any less than anybody else.

Women also need a higher wage. While women comprise about 45 percent of today's work force, they make up more than 65 percent of those working at the minimum wage. How will the disparity between men's and women's wages ever appreciably improve in the presence of such a dramatic difference?

The philosophy behind the minimum wage has always been to have a floor beneath which wages will not fall. It is a recognition that a job well done deserves fair and equitable compensation and that someone who works full time should be able to earn a livable wage. But during the past decade, the minimum wage has been allowed to steadily erode. According to the Consumer Price Index, had the minimum wage kept pace with inflation after becoming $3.35 in 1981, it would be $4.59 today. By January 1, 1992, the Congressional Budget Office estimates that the wage would have to be $5.28 to maintain its 1981 value. The Pryor-Graham compromise only proposes raising it to $4.55.

The minimum wage has historically hovered around 50 percent of the average nonsupervisory wage. However, estimates by the Center on Budget and Policy Priorities show that in 1989 the wage will hit an all-time low of 34.4 percent of the average nonsupervisory wage. During the past 8 years, the richest 1 percent of our society have

enjoyed a 50-percent increase in their incomes. At the same time, the less fortunate in our society have been losing ground. From 1973 to 1987 the poorest one-fifth of our society saw their incomes drop 11 percent at the same time that the top one-fifth experienced a 24-percent increase.

Madam President, whatever the merits of raising the minimum wage may be—and I believe they are compelling—I have been very concerned about the potential effects of increasing the minimum wage on small business. Small business creates most of our new jobs and is the cornerstone of the business community in States like North Dakota. Whatever legislation Congress passes must minimize its potentially adverse effects on small businesses. If it fails to do so, businesses will go under along with scores of important jobs—people will not be able to find a job at any wage.

Because of my concerns, I am extremely pleased that the current proposal expands and raises the enterprise test under the Fair Labor Standards Act. Not only has the small business exemption been increased from $362,000 to $500,000 for retail and service businesses, but it has also been expanded to exempt enterprises such as gas stations, laundry and cleaning establishments, hospitals, and a variety of other institutions with annual gross sales of less than $500,000. The expanded enterprise test will do much to blunt the effect of increasing the minimum wage on small businesses. It is something the administration rightly sought, and I am glad it has been included in both the committee-reported bill and the compromise. I am also pleased to see that the vast majority of agriculture remains exempt from the Fair Labor Standards Act. Under current law more than two-thirds of U.S. agriculture is exempt from the minimum wage, and the bill does absolutely nothing to change that.

Then there is the tip credit. The tip credit provision in the Fair Labor Standards Act allows an employer to apply a portion of an employee's tip income against the obligation to pay him or her the minimum wage. When Congress acted in 1977 to increase the minimum wage, the tip credit was reduced from 50 to 40 percent.

Both the restaurant industry and President Bush have sought to again increase the tip credit to 50 percent—an increase that has been included in the bill.

Finally, we have the training wage. Many people have gone to great lengths to compromise on even the concept of a training wage. It is now time for President Bush to compromise as well. President Bush proposes a 6-month training wage for all new hires. His proposal requires no real training, but simply allows businesses to hire anybody—whether they are 16 or 60—at a subminimum wage of $3.35.

According to the Labor Department, most minimum-wage jobs require 30 days of training at the most. It seems somewhat farfetched to me for anyone to argue that training someone to wash dishes or work a cash register takes 6 months. And the Bush training wage would quickly become a revolving door through which some unscrupulous employers could push out their higher-paid workers in favor of lower-paid new hires.

The compromise bill contains a 60-day cumulative training wage that applies only to those without previous experience. This is the first time in the history of the minimum wage that a training wage has been tried, and I'm all for it. It's about time that we learned how a training wage will work in practice. And I'm for trying anything that could soften the blow of a minimum-wage increase. But I see no reason at this juncture to create a training wage that would as broadly affect low-paid Americans as the Bush administration's proposal.

Madam President, I have received letters from the Chamber of Commerce, the AFL-CIO, the NFIB, the Farm Bureau, the U.S. Catholic Conference, and scores of others telling me their opinions on either the need for raising the minimum wage or the disaster that would ensue. So I decided to find out for myself how my own constituents felt.

Last year I conducted a poll in North Dakota which revealed that the vast majority of my constituents want to see the minimum wage increased. According to that poll, 55 percent strongly favored, and 23 percent mildly favored, increasing the minimum wage. Twenty percent either mildly or strongly opposed an increase. These were citizens in North Dakota, not national organizations with little concept of the economic and social realities in my home State.

Late last year, the chamber of commerce in Grand Forks, ND, also supplied me with the results of their own survey of chamber members. Fifty-one percent favored increasing the minimum wage and 49 percent opposed it.

However, while I intend to vote for the increase proposed by Senators GRAHAM and PRYOR, I wish to express one reservation. When considering future minimum wage increases, Congress must be equipped to weigh the varying effects in urban and rural areas. Because I believe there are important differences, I have been sorely tempted to propose some sort of regional differential. However, I readily acknowledge that we do not yet know about the benefits and drawbacks of such a proposal. Since we need to learn more, I am pleased to be cosponsoring an amendment by my colleague from North Dakota's neighbor to the East, Senator DURENBERGER, that will require the Labor Department to thoroughly study the issue.

Madam President, increasing the minimum wage is not something I take lightly. However, I firmly believe that the implications are not nearly as awesome as some would have us believe.

The U.S. bishops, in their 1986 pastoral letter on the economy, said, "Work with adequate pay for all who seek it is the primary means for achieving basic justice in our society." By increasing the minimum wage, we in Congress can take a small but important step toward achieving the kind of economic justice the bishops were promoting.

Madam President, I ask unanimous consent that an editorial that appeared in the Devils Lake Journal on March 3, 1989, entitled "Minimum Wage Must Be Increased," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MINIMUM WAGE MUST BE INCREASED

A bill that would increase the minimum wage to $4.65 should come before the U.S. Senate's Labor Committee sometime next week and could be voted on as soon as the week after. This would be the first increase in the minimum wage, which is currently at $3.35 per hour, in seven years.

In our opinion, it is clearly time for this increase. Workers earning minimum wage and working 40 hours a week gross less than $7,000 per year. With rent averaging $3,600 annually on the low side and with additional expenses of heat, lights, phone and car (which in our society is not a luxury, but a necessity), it is easy to see the minimum wage earner is not making an adequate living.

We think it is a national disgrace that a person can put in an honest 40 or 50 hours of work a week and not earn enough to support themselves and have some security.

Now the Senate has an opportunity to right this wrong. The bill being considered would phase the wage increase in at a rate of a $.50 raise the first year and $.40 raises the following two years. While this may seem unsatisfactory to some wage earners, we think it is the only fair way to get the increase without placing an undue burden on small businesses, some of which are having a difficult time sustaining a profit as it is.

The part of the bill we think deserves another look is the exemption given to small businesses grossing $500,000 annually or less. These business owners would not be bound to give their workers a raise and while pure competition for workers would force many to do so in states with several large businesses, there is nothing to compel small businesses in states like North Dakota to give their workers the increase.

According to Small Business Administration classification, 92 percent of the businesses in North Dakota can be classified as small business. That holds true in the Lake Region, as well. In other words, 92 percent of the businesses in North Dakota would be exempt from the minimum wage increase.

While we understand that Congress is trying to protect the interests, in some cases, the viability of small businesses, we strongly believe that the minimum wage

earner deserves equal protection. We understand the stability of some businesses could be on the line should they be forced to pay $4.65 per hour, but still believe the exemption hurts more people than it protects.

Sen. Kent Conrad suggested that regional differences be taken into account with this bill, allowing those areas that would be more impacted by its passage to have a four-year phase in period instead of the three-year period already planned. Conrad says that areas such as North Dakota that have already been hard hit by the drought could then take the wage increase at a slower pace, making it more palatable to small businesses.

We like Conrad's idea, but would like to see it combined with the deletion of the small business exemption. No one has the right to keep their profit margin by paying substandard wages.

On the whole, minimum wage earners are probably the least politically powerful group in the country—no unions lobby for them, no contributions to campaign funds are made in their name. They have no clout.

But they do have families and debts. And they do deserve a fair shake. This region's wages are depressed and need the increase the minimum wage bill would give them.

We urge our congressional delegation to fight for the people in North Dakota with the smallest voices. We all have the right, if we are willing to work, to support ourselves and our families in dignity.

Mr. PELL. Madam President, I support a significant increase in the current Federal minimum wage.

As a member of the Senate Labor and Human Resources Committee, I have supported several proposed increases in the Federal minimum wage. In the past, the Labor and Human Resources Committee has not had the backing of the White House in its attempts to raise the minimum wage. I am pleased that we now have a President who is in favor of an increase in the minimum wage.

I hope that Congress can now convince the President that a significant increase in the minimum wage should be granted to the working people of this country, instead of a mere token increase in wages.

I support a significant increase in the Federal minimum wage because I believe that the time for such an increase is long overdue. I am not an economist, but I know that the minimum wage is not worth as much today as it was in 1981, the last time the Federal minimum was increased.

I am proud to say that my own State of Rhode Island has recognized the declining purchasing power of the Federal minimum wage and was one of six States to increase the minimum wage during the last year. Rhode Island was joined in this action by Hawaii, Minnesota, Connecticut, Massachusetts, and Vermont.

Granted, these States currently benefit from relatively robust economies, but I believe that much of the country has experienced greater prosperity since 1981. This overall prosperity warrants a significant increase in the Federal standard.

It is unfortunate, but the national economic prosperity that has taken place since the last minimum wage increase seems to have worked in reverse for those who must depend on the minimum wage for survival.

This reversal has been so complete that it now makes more sense from a financial point of view to live on welfare than to work at a job for $3.35 an hour.

Madam President, I only wish that more of my colleagues could have had the opportunity to listen to the mothers who recently came before the Labor and Human Resources Committee to tell us that they were forced to go on welfare because a minimum wage job does not provide an adequate living wage.

Madam President, despite the past economic growth, I am concerned that we are moving toward a society of have and have-nots. A society with a permanent underclass of citizens milling around on street corners, sleeping in homeless shelters, with only the barest sign of help from the Federal Government.

I cannot accept this notion and that is why I support sending a clear and hopeful signal to the working people of this country.

That is why I urge my colleagues to support a significant increase in the minimum wage.

Mr. DOLE. Madam President, I would like to bring to the attention of my colleagues and the floor managers of S. 4 the ramifications that a minimum wage increase will have on the Medicaid Program. Almost one-half of Medicaid dollars are spent on long-term care, mostly for the elderly, and an increase in the minimum wage will affect all health care providers.

Nursing homes, in particular, employ a large number of minimum wage workers, most of whom are nurse aides who provide direct, hands-on care to nursing home patients. These salaries are the largest component of Medicaid reimbursement—in fact, all labor costs account for about 72 percent of all nursing home costs. Should the Congress agree to any mandated increase in the minimum wage, a corresponding modification in Medicaid rates should be considered by the States to account for those increased labor costs.

Mr. MITCHELL. As a member and former chairman of the Senate Finance Committee on Health, I share the Senator's concern about the impact on the nursing home industry. Rates for reimbursement for nursing home care are set by the States and the Federal Government. Each individual State determines its own Medicaid payment policies, with limited supervision from the Department of Health and Human Services and its Health Care Financing Administration [HCFA]. Any increase in the Federal minimum wage may affect the nursing home industry in different ways, depending on the State involved. Therefore, it is important that the added costs of the minimum wage increase be taken into account by States when determining an appropriate Medicaid reimbursement rate for nursing homes.

Mr. HATCH. I believe that increasing the minimum wage will impact many Federal health programs, including Medicare and Medicaid. In fact, the Senate Labor and Human Resources Committee recognized in its committee report on S. 4 that a minimum wage increase will have an impact on Medicaid costs and rates paid to long-term care providers. The committee report clarifies that under title XIX, States are required to provide assurances to the Secretary of Health and Human Services that their rates are reasonable and adequate. Section 1902(a)(13) of the Social Security Act requires that States take into account the costs that nursing homes must incur to provide care and services in conformity with all applicable State and Federal laws. Although the Fair Labor Standards Act is not referred to specifically in that provision, the committee wishes to emphasize that the wage levels required by the Fair Labor Standards Act are among the provisions of Federal law which must be taken into account by the States in setting their Medicaid rates.

Mr. DOLE. The nursing home industry is on record as supporting an increase in the minimum wage, but they have requested that we recognize the special cost burden imposed by any such increase in this industry, where reimbursable costs are extensively regulated. Major nursing home reform was passed by Congress in 1987 as a part of the Omnibus Budget Reconciliation Act [OBRA], Public Law 100-203. This act required significant changes in staffing and training requirements, quality of care, patient services, and enforcement of new nursing home standards, at an estimated cost of $1.73 billion over 5 years. Because Congress was concerned about the ability of the nursing home industry to absorb costs of this magnitude, special language was included to ensure that the Medicaid reimbursement system adequately accommodated the OBRA 1987 cost increases.

Mr. MITCHELL. The special language adopted in OBRA served to emphasize continuing congressional concern with adequate nursing home reimbursement. As my colleague from Utah notes, the payment standard that States must provide for an appropriate adjustment in Medicaid nursing home rates to take into account the new costs that will result from this legislation is already contained in section 1902(a)(13). These cost increases are costs which will be incurred by fa-

cilities in the provision of care and services to Medicaid beneficiaries. Therefore, it is important that any increase in the minimum wage be taken into account by States when determining an appropriate Medicaid reimbursement rate.

The PRESIDING OFFICER. The Senator's time has expired. All time has expired.

The proponents have utilized all of their time. All of their time has expired.

The Chair wishes to advise the Senator from Utah that he has 2 minutes and 7 seconds remaining.

Mr. HATCH. Madam President, as I understand, I have 2 minutes and 7 seconds remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. HATCH. I would reserve the remainder of my time or yield it to the majority leader, or be happy to go first.

The PRESIDING OFFICER. The majority leader has reserved 6 minutes and 32 seconds of his leadership time which may be used at this time.

Mr. MITCHELL. Madam President, the last time the Senate debated increasing the Federal minimum wage was 6 months ago, just before the 1988 Presidential election. Legislation at that time was withdrawn in the face of a filibuster.

The debate today can be framed as a question of whether the administration's proposed increase is too little. And also, whether we already are risking acting too late.

If there is any one thing that the 101st Congress must do, it is to increase the minimum wage. Human decency demands that we act. This legislation will be a test of whether we indeed are seeking a kinder, gentler nation.

The administration has threatened to veto any bill which proposes to increase the minimum wage beyond $4.25 an hour; or which establishes a training wage narrower than 6 months for any new employee.

Before the debate even began, 35 Republican Senators wrote the President pledging their support for a veto. But the working poor of America—who have put their hopes in the promise of a kinder, gentler America—should not be held hostage to such tactics.

Instead, the Senate should debate the issue—and let the facts speak for themselves. There will be compromise and cooperation, and there also must be simple economic justice.

In the spirit of compromise, I have joined as a cosponsor of this amendment to S. 4 proposed by Senators GRAHAM, PRYOR, KENNEDY, and myself.

The amendment proposes a rate of $4.55 an hour, 10 cents lower than the rate reported by the Senate Labor Committee and identical to the rate already adopted by the House of Representatives.

The Graham-Pryor-Mitchell-Kennedy substitute also includes a 60-day training wage provision. But it goes farther than the comparable House provision.

The substitute provides for a cumulative 60-day period—so that workers do not shift to a higher rate if they switch jobs before a training wage period has expired. It also requires workers to be employed with an employer for at least 30 days before that employment is counted for the cumulative training wage period.

The last increase in the Federal minimum wage occurred in 1981—according to a schedule of increases enacted by Congress and signed into law in 1977. There have been many changes in the American economy since that time. There also have been disagreements over what actions have needed to be taken, as a matter of budget and tax policy.

Right now at this very moment the President proposes a capital gains tax cut which would give the top 1 percent of all American taxpayers, those Americans with annual incomes of over $200,000 a year, a tax cut of nearly $31,000 a year. The President is proposing to cut the taxes on the very wealthiest of Americans by an amount that is four times the annual income of minimum wage workers. Let me repeat that so my colleagues understand what we are talking about. The President's tax proposal would give the very wealthiest Americans a $30,000 tax cut and that cut in their taxes is four times larger than the total annual income of Americans who work at the minimum wage.

And yet we are told we cannot afford 30 cents more an hour for the poorest of Americans but we can afford $30,000 for the wealthiest Americans.

How can anyone justify wanting to give a $30,000 a year tax cut to the richest Americans—and at the same time opposing 30 cents an hour more for the poorest Americans?

That is not right. It is wrong. It is unfair.

Whatever economic recovery has been achieved since 1981, the American people have expected that sacrifices made in the national interest must be fairly shared—starting from the top down, so as not to rest on the shoulders of those who are most vulnerable on the bottom of the economic ladder.

After sacrifice, when economic gains are achieved, they too must be fairly shared.

That is what the debate over the Federal minimum wage is about. Increasing the minimum wage is a logical extension for the recovery that has been achieved since 1981, and is a precondition for any economic strategy aimed at taking the Nation into a kinder, gentler future.

Since 1981, the Nation's average hourly wage has risen by 36 percent—and the cost of living has increased by 40 percent.

In contrast, the current minimum wage of $3.35 an hour represents the lowest percentage of average hourly earnings since 1949—equal to only 34 percent of the national average. The purchasing power of the Federal minimum wage is at its lowest level since 1955.

In the State of Maine, the State minimum wage already is higher than the Federal minimum wage. Yet Maine minimum wage earners still have experienced a 17-percent decline in purchasing power since 1981.

Since 1986, Maine has debated not whether to increase the minimum wage, but whether the State could do so unilaterally—and thereby risk being put at a competitive disadvantage to other States in attracting new business and investment.

In June 1987, the Maine State Legislature passed a joint resolution calling on Congress to increase the Federal minimum wage.

In February 1988, Gov. John McKernan of Maine wrote the Maine congressional delegation, and also asked for an increase in the Federal minimum wage. "The current national rate of $3.35, which was established in 1981, has clearly not kept pace with inflation and general cost of living increases," the Governor wrote. "Thus, it is extremely difficult for an individual to take care of his or her family while earning minimum wage."

I ask unanimous consent that the full texts of the Maine Legislature's joint resolution and the Governor's letter be printed in the RECORD, immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MITCHELL. In Maine as well as the rest of the Nation, sentiment is strong that the Federal minimum wage needs to be increased. In 1988, a Gallup poll revealed that 76 percent of the American people favored increasing the Federal minimum wage to $5.05—well beyond the level that either the administration or Congress has proposed.

Six months ago, when the Senate tried to act on earlier minimum wage legislation, opponents said "There is no urgency on this bill."

But that is not the case. The need is urgent. Indeed, the debate can be described as whether we already are talking about too little, too late.

The administration is threatening a veto unless it gets the terms it wants. But there already has been significant compromise—as reflected in the House bill, and in the Graham-Pryor amendment.

For some, these compromises do not go far enough. But from the point of view of others, such compromises already have gone too far.

There is nothing to be gained by anyone in adopting an attitude of intransigence in this debate. That goes for the administration; that goes for the 35 Republican Senators who already are calling for a veto; and it goes equally for Democratic Senators.

Opponents of this amendment have raised arguments of potential job loss and inflation. These are concerns which I have discussed with many Maine business men and women, and which I myself have carefully weighed. Such risks do not outweigh the benefits of an increase to $4.55 an hour—and indeed such concerns in some cases may be based on flawed premises.

The same arguments have been raised in opposition to every increase in the Federal minimum wage that has been proposed since 1949. But the historical record shows a different pattern of results.

With the exception of 1975—a recession year—every year that has followed an increase in the minimum wage in the past has shown an increase in overall employment—and with few exceptions, the unemployment rate has actually decreased.

The economy is not static while the minimum wage is increasing. Without an increase, the national economy is expected to expand by 5.3 million jobs over the next 3 years. According to the Center on Budget and Policy Priorities in 1988, increasing the minimum wage to $4.55 might result in 70,000 fewer new jobs being produced. This contrasts to extreme claims of a "loss" of as many as 1.9 million jobs by 1995. The reality is that there will be no net loss of jobs, but rather a net gain—with perhaps a slight reduction in the rate of job creation.

Following the House vote on H.R. 2, I received a letter from Mr. John Hanson, Director of the Bureau of Labor Education, a division of the Office of Research and Public Services at the University of Maine. "The House debate appeared to focus on the number of jobs that allegedly would be lost if the minimum wage were increased," Mr. Hanson wrote. "Our research suggests that these numbers are grossly exaggerated and the economic benefits far outweigh any short term negative impact."

Mr. Hanson enclosed a copy of a report entitled "What Every Worker Should Know About the Minimum Wage," prepared by the bureau. I ask unanimous consent that a copy of the report be printed into the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MITCHELL. A Congressional Budget Office survey of studies on the potential inflationary impact of the legislation similarly indicates that the proposed increase will only add between 0.2 and 0.3 percent per year to the inflation rate. Because the gap between the minimum wage and the average wage is so wide—that is, only 36 percent of the average, there also will be less of a ripple effect for wage differentials than for any previous increase.

Fears of inflation not only are exaggerated, but also, using inflation as an argument against an increase seems somehow callous—when one considers, again, that inflation already has eroded the purchasing power of minimum wage workers by as much as 40 percent.

The Senate should be wary of any tactics that risk making the legislation too little, too late. There already has been significant compromise on this issue.

Let us remember that this legislation is about fairness. It is also about need.

The prosperity our Nation has achieved since 1981 must be fairly shared. And fairness is required for any economic strategy intended to take the United States into a kinder, gentler future.

That means increasing the minimum wage for those who are starting out—or who otherwise are working at the bottom of the national ladder of economic opportunity.

It also means that those who already share in prosperity; who have seen reductions in tax rates; and who have enjoyed cost-of-living adjustments or other wage increases, must not pull up the ladder behind them.

Let us let all Americans share in the prosperity, including those at the bottom of the economic scale.

EXHIBIT 1

RESOLUTION

Whereas, the most basic of all human rights is the right to survival in a dignified manner; and

Whereas, the federal minimum wage was last increased to its present level of $3.35 an hour in 1981; and

Whereas, there are millions of individuals currently working for minimum wage in this country, with the great majority of these individuals being women, many of whom are heads of households working to provide a dignified living for their children; and

Whereas, studies have shown that these individuals and their families are being forced to live a life of poverty despite the initiative and determination to seek and hold employment; and

Whereas, it should be the policy of this nation, which extolls and encourages the virtues exhibited by these individuals, to reward their efforts in an appropriate manner and not to force them to request public assistance from the government; and

Whereas, the value of the contributions made by these individuals cannot be measured by mere application of the economic law of supply and demand and requires more suitable compensation than a rate of pay which has been severely eroded by inflation; and

Whereas, increasing the minimum wage would provide the accompanying benefits of stimulating the nation's economy by putting more money in the hands of the people who need it the most and would also reduce the dependence upon the country's public assistance programs; and

Whereas, experience in the State of Maine has shown that increasing the minimum wage does not carry with it any adverse economic effects, but to the contrary, since enacting its own increase in its minimum wage, the State of Maine has experienced the greatest economic activity in its history; now therefore, be it

Resolved: That We, your Memorialists, respectfully, urge and petition the 100th Congress of the United States to enact the legislation now pending in that body, namely the Kennedy-Hawkins bill, S-837, HR-1834, to increase the federal minimum wage; and be it further

Resolved: That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the President of the Senate and the Speaker of the House of Representatives in the Congress of the United States and to each member of the Maine Congressional Delegation.

STATE OF MAINE,
Augusta, ME, February 11, 1988.

Hon. GEORGE J. MITCHELL,
U.S. Senator, Washington, DC.

DEAR GEORGE: I am writing to urge you to support legislation to raise the Federal minimum wage level above its current rate of $3.35 an hour.

The current national rate of $3.35, which was established in 1981, has clearly not kept pace with inflation and general cost of living increases. Thus, it is extremely difficult for an individual to take care of his or her family while earning minimum wage.

As you are aware, Maine's current minimum wage of $3.65 is the second highest rate in the Continental United States. During the First Session of the 113th Legislature, a bill was introduced to raise Maine's minimum wage to $3.95 by January 1, 1990. I vetoed that bill. Currently, there is another bill before the Legislature that would raise the minimum wage to $4.05 per hour starting January 1, 1990, which I also oppose. My opposition to these bills is based on my belief that by raising Maine's minimum wage, independent of a national adjustment, we would hurt Maine's business climate and hinder our ability to attract new jobs to the state.

I know you share my concern for Maine people who are at the lower end of the wage scale. I want to make you aware that during this session, I am introducing legislation for increased child care, greater funding of education, and new training programs for welfare recipients and the long-term unemployed. One of my primary goals is investing in Maine people, so that they can earn a higher salary that will better enable them to raise and support their families. Inherent in this approach, however, is the need for businesses who are looking to expand or locate in Maine to believe that Maine has a supportive and positive business climate. An increase at the Federal level would help those individuals earning lower wages, while also ensuring that Maine is not put at a competitive disadvantage.

With these concerns in mind, I strongly encourage you to support a raise in the Fed-

eral minimum wage. I would be willing to help in your efforts, either personally or by offering the assistance of my staff.

Yours sincerely,

JOHN R. MCKERNEAN, Jr.,
Governor.

EXHIBIT 2

WHAT EVERY WORKER SHOULD KNOW ABOUT THE MINIMUM WAGE

Over the years, there has been continuous debate about the economic impact of the minimum wage on employment opportunities, the Gross National Product, prices, inflation, and global competitiveness.

HOW DID THE MINIMUM WAGE EVOLVE?

The Fair Labor Standards Act, enacted by Congress in 1938, served to establish minimum Federal wage and hour guidelines for the employment of American workers. Supporters of this legislation hoped to eliminate exploitive labor practices and unfair competition by establishing a minimum wage, requiring the payment of time and one-half for all hours worked in excess of 40 hours per week, and prohibiting the employment of children under 16 in industries whose production entered interstate commerce.[1] The origins of the Fair Labor Standards Act, and efforts to expand and revise its coverage during the past 50 years, have been argued on the basis of attaining economic justice and equity for working women and men.

DOES INCREASING THE MINIMUM WAGE ELIMINATE JOBS?

Opponents of an increase in the minimum wage maintain that it would price many workers out of the market; and it would become too expensive for employers to maintain existing jobs or create new ones. Some economists have predicted job losses ranging from a low of 87,000 to a high of 1.9 million, if the minimum wage is increased.[2] However, economic realities do not support these projections. In a Business Week commentary on labor, Aaron Bernstein points out that the econometric models used to make these projects are faulty because they overcount and overestimate job losses. According to Bernstein, they assume "a constant proportion of minimum-wage workers vs. all hourly workers in the economy—even though the actual share fell from 15% in 1981 to 8.8% in 1986." [3] In 1987, this proportion fell even further to 7.9%.[4]

The decline in the number of minimum wage earners has reduced significantly both the economic impact and cost of raising the minimum wage. For example, according to F. Gerard Adams, Professor of Economics and Finance at the University of Pennsylvania: "Over a three year period, raising the minimum wage would increase the unemployment rate by less than 0.1 percent. Indexing of the minimum wage thereafter is not likely to have a significant impact on unemployment." [5]

Bernstein documents additional inconsistencies concerning the erroneous projections cited earlier:

* * * the opponents' own logic indicates that raising the minimum shouldn't be devastating. If business hires fewer minimum wage workers when they become more expensive, then it should hire more workers when they become cheaper. They've become an absolute bargain since 1981, as the real value of the minimum wage has fallen. * * * Yet, there are 2.7 million fewer minimum wage workers now, while overall employment has risen by some 9 million.[6]

DOES A HIGHER MINIMUM WAGE HURT THE ECONOMY AND CAUSE INFLATION?

No. The recent historical experience of the minimum wage substantiates the opposite. From 1970 through 1980, "there is no evidence that the change in the minimum wage caused the reductions in growth of (the) GNP and employment." [7]

Furthermore, if the Federal minimum wage was increased from $3.35 to $4.65 per hour over a three year period, it would have a minimal impact on this nation's inflation rate. In projecting the overall impact of this increase, the Economic Policy Institute concluded:

The proposed increase would raise the inflation rate by no more than 0.2 percent annually over this period. In subsequent years, (if) minimum wages (were to) be indexed to average hourly earnings, the effect of the minimum wage adjustment (would) depend on the rate of wage increase in the rest of the economy; assuming wage increases of 5 to 6 percent in the 1990's, indexing of the minimum wage would contribute only 0.1 to 0.2 percent to the national inflation rate.[8]

Inflation, however, has a severe impact on minimum wage earners. The Federal minimum, which has remained at $3.35 since 1981, has eroded in purchasing power by 35% because of inflation.[9] Through the eighties, a worker fully employed at this wage level could not earn enough to keep a family of three above the poverty level.[10] The vast majority of U.S. citizens employed at this subsistence level are working adults, not teenagers. Two-thirds of this group are women, and approximately one-third are heads of households.[11]

Maine workers have fared slightly better since the state's minimum wage was increased by 10 cents per year starting in 1985 to a total of $3.65 per hour as of January, 1987. On January 1, 1989, Maine's minimum wage was increased to $3.75 per hour. However, even with these increases, Maine minimum wage earners have experienced a 17% decline in purchasing power since 1981.[12] In addition, on a proportional basis, the federal minimum wage has fallen far behind hourly wages paid in other sectors of the U.S. economy. The following table shows how much the minimum wage has eroded in relation to hourly wages paid in manufacturing and retail trade:

EROSION OF THE FEDERAL MINIMUM WAGE IN RELATION TO OTHER U.S. HOURLY WAGES [13]

[Minimum wage as a percentage of wages paid in]

Decade	Manufacture	Retail
1950's	52	77
1960's	51	73
1970's	44	64
1980's	38	59

[13] Adams, p. 4. Percentages were averaged for each decade.

Also, this erosion of the minimum wage has become deeper because there has been much higher inflation in the 70's and 80's than existed in the 50's and 60's.

WHAT BENEFITS ARE GAINED FROM INCREASING THE MINIMUM WAGE?

The benefits of increasing the minimum wage are significant. Workers are consumers as well as producers. Therefore, when the minimum wage is increased, workers employed at this level have more disposable income to spend in the marketplace. As markets expand from this spending, manufacturers and other employers operate at a fuller capacity and increase their output, thereby increasing their productivity.[14] All of this results in an improved standard of living for those earning the minimum wage, as well as increased productivity and efficiency for employers, which in turn enables them to compete more effectively. The outcome is a stronger economy which creates spin-off income and benefits for individuals, communities, states, and the nation. For example, if the minimum wage was adjusted upwards to the level of real buying power which it had in 1968, the stimulus to the economy would amount to more than $20 billion.[15] During 1986, the United States' $4 trillion economy generated about 100 million jobs.[16] Adding $20 billion more to the economy, in terms of increased buying power for minimum wage earners, could easily stimulate the emergence of another half-million jobs.[17]

Jay Mazur, President of the International Ladies' Garment Workers Union, best described the economic impact of not increasing the minimum wage:

To leave the minimum at the present inadequate and deteriorating level is to increase poverty, to weaken incentives to step up productivity, to deny the neediest a living wage and protection from exploitation, and—most important—to deprive our economy of a necessary stimulant to lift us from our present perilously stagnant state.[18]

Mr. MITCHELL. I yield to the distinguished Republican manager.

(Mr. LEAHY assumed the chair.)

Mr. HATCH. Mr. President, I have heard the litany of these arguments

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[1] Balliet, Lee "Survey of Labor Relations," Second ed. Washington D.C.: Bureau of National Affairs, Inc., 1987 p. 62.

[2] Roger Brinner, Chief Economist, Data Resources, Inc. and Graciela Testa—Ortiz, Chamber of Commerce: Cited in Aaron Bernstein's Labor Commentary entitled: "Dispelling The Myths About A Higher Minimum Wage," Business Week, Oct. 19, 1987 ed., p. 146.

[3] Bernstein.

[4] Obtained through a telephone interview with the U.S. Bureau of Labor Statistics, Washington, D.C., on Dec. 9, 1988. (Supplied by Mike Addams, Maine Dept. of Labor, Division of Economic Analysis and Research).

[5] F. Gerard Adams, "Increasing the Minimum Wage: the Macroeconomic Impacts," Washington, D.C.: Economic Policy Institute, July 1987. p. 2.

[6] Bernstein.

[7] Adams, p. 5.

[8] Ibid., p. 2.

[9] Telephone interview on 12/12/88 with John Zalusky, Head of the Office of Wages and Industrial Relations, AFL-CIO Department of Economic Research, Washington, D.C.

[10] Jay Mazur, "It's Time To Raise The Minimum Wage," The AFL-CIO American Federationist, March 21, 1987 ed., vol. 94. p. 6-7.

[11] Carlos Davidson, "Campaigning For A Livable Wage, *Dollars and Sense,* June, 1988 ed., p. 16.

[12] Computed by John Hanson and Bill Myrphy, Bureau of labor Education, using U.S. CPI data reported from 1981-1988.

[14] Gus Tyler, "Minimum Wage—Still Fighting the War on Poverty," *AFL-CIO American Federationist,* May 1977 ed. p. 1.

[15] Mazur, p. 8.

[16] *Ibid.*

[17] *Ibid.*

[18] *Ibid.*

for a long time. They talk in terms of purchasing power going down when the actual facts are that the purchasing power of most minimum wage earners has gone up since 1981 because the number of minimum wage earners has decreased from 7.8 million down to 3.9 million showing that most people are not stuck in the minimum wage jobs. Only 6 percent of the 12.7 million young people who are between the ages of 16 and 23 in 1981 when this 5-year study began are still under minimum wage.

The key and the real issue here is whether young people, especially minorities and women, are ever going to get an opportunity to work and to learn these skills that the distinguished majority leader described so well.

To come in here at the last minute and say, as the distinguished Senator from Massachusetts did, as, of course, the distinguished majority leader did, that is it not terrible that a President who would give a capital gains reduction is now unwilling to give 30 cents an hour. Come on, they are two different issues.

The fact is that it ignores the fact, even if we consider the capital gains reduction, that it is going to create more savings, more investment, more jobs, more opportunities, and more privileges for the people who have not had them through the years in getting jobs. It is a whole different debate and has nothing to do with this debate.

Here we are being asked to make a choice, a real choice, a choice between a 36-percent increase, which is what the Graham-Pryor-Kennedy amendment is, and a minimum wage cost of 600,000 jobs over the next number of years and a 27-percent increase which the President would have—27 percent versus 36 percent, and they are saying that he is unwilling to compromise.

This is not some modest, inconsequential increase. And he questions whether he should make that at all because of the loss of jobs. A 27-percent increase, which will soften the blow to the unskilled workers in our society. We have to choose between a proposal that could cost 600,000 to 650,000 jobs and one that will offset two-thirds of that job loss.

Will the distinguished minority leader yield me a couple minutes more?

Mr. DOLE. I yield 2 minutes of my leader time, which I did not use this morning.

The PRESIDING OFFICER. The Senator has that right. The Senator from Utah is recognized for 2 additional minutes.

Mr. HATCH. We are asking to choose between a training wage that is unworkable, the one that the distinguished Senator from Florida I am sure sincerely offers but is unworkable, and anybody who fairly looks at it knows that it is unworkable, and that is the reason it has probably been formulated, and one that will save nearly 170,000 jobs, that of the President.

Let us give this training wage a chance. It really means something. We have to choose between a training wage proposal that limits the options of individual workers and one that permits them the flexibility to choose. This is not some inconsequential debate. This is not the same thing that has happened before.

Thousands of editorials across this country and newspapers and television stations have said it is time to get rid of this archaic relic and start worrying about jobs and opportunities for young people, especially minorities and women.

We have to choose between a proposal that forces employers to jump through hoops in order to hire new workers and one that fairly enables employers to use the wages to protect and create job opportunities. It seems to me supporting President Bush's compromise on the minimum wage is a way that we can choose to have our cake and eat it to. It is a way that those Senators who believe that a raise in the minimum wage is desirable and necessary can vote for such an increase without jeopardizing the jobs of so many hundreds of thousands of unskilled and inexperienced workers.

It is a clear choice. I urge my colleagues on both sides of the aisle to reject this weak compromise proposed by the majority and instead support the President's well-balanced alternative.

Last, but not least, the President said:

I am taking a principled approach. I am not going to budge on it. If you don't take it, I am going to veto it.

I think we have the votes to sustain his veto. Those who want an increase in the minimum wage I think should reject this proposal and vote for the President's proposal because that is the way to get their increase. And if they do, they are going to get a true training wage that will help these young people in our society like never before.

Mr. DOLE. Mr. President, I will just take a couple of minutes here.

Let us keep in mind the profile—58 percent of all minimum wage earners are 25 years of age or less; 72 percent of all minimum wage earners are unmarried; 67 percent who are paid the minimum wage work less than 35 hours a week, and a great majority are not heads of households.

So we are talking about whether we want to keep these young people back on the streets, out with the crack, out with the drugs—we all talk about drugs—or whether we want them to go to work.

I would also add I have heard this argument twice about $30,000 and 30 cents. It is ridiculous to even make the statement on the Senate floor. Who pays the 30 cents and the 30 cents and the 30 cents, the 90 cents under the President's bill? The employer pays it, not the Government. It is not a tax. The employer pays it. And somebody is going to lose their job because sometimes small employers cannot pass it on. So what do they do? They lay off somebody. And that is how you lose 600,000 jobs out of the so-called compromise plan. So I hope we would stick to the cases.

The Senator from Utah pointed out about reducing the capital gains rate. It is a proposal. It is not on the floor. It might even create more jobs. There will be a lot of Democrats vote for it if it ever gets out here, believe me.

But the argument today is whether or not we are going to lose jobs, whether we are going to address the truly working poor. I say the compromise does not do it. I say President Bush has gone as far as he is going to go, and that is it.

If my colleagues on the other side do not want that, we will have the veto. We will have the veto sustained, and we will be back here in a couple of months debating the minimum wage again.

IT'S TIME TO RAISE THE MINIMUM WAGE

Mr. RIEGLE. Mr. President, I rise in support of an increase in the minimum wage and congratulate Senator KENNEDY for his leadership on this important and difficult issue. An increase in the minimum wage is overdue. Its purchasing power has declined by 38.5 percent since 1981, the last time it was raised.

Six times since World War II the minimum wage has been adjusted to compensate for inflation. The time to make this adjustment again is now.

To his credit, President Bush has recognized the need for an adjustment in the minimum wage. Unfortunately, his proposal falls short of the action necessary to enable full-time workers to maintain a minimum living standard without reliance upon public assistance.

During the 1960's and 1970's, full-time work at the minimum wage sustained a family of three above the poverty line. Under the President's proposal, full-time minimum wage earnings in 1992 would equal only 78.1 percent of, or $2,200 below, the projected poverty line for a family of three.

The argument against a substantial increase in the minimum wage rests on the belief that such an increase will result in significant job loss—more precisely, fewer new jobs created—and higher rates of inflation. Concerned as I am about the impact of any legislation on jobs and small businesses, I naturally take these arguments seriously.

Upon closer inspection, many of the empirical studies bolstering this position overstate the case. As a recent analysis in Business Week notes, the percentage of workers earning wages at or near the minimum wage has declined steadily in recent years from 36 percent to 19.5 percent of the work force. Moreover, 16 States have already enacted a minimum wage above $3.35. Finally, today's minimum wage is far less in relation to the average wage than it was in earlier decades. Together, these facts suggest that a minimum wage increase will have a far smaller impact on job creation and inflation than the administration asserts.

Furthermore, history does not support the job-loss position. Only one of the six minimum wage hikes since World War II has been followed by an increase in unemployment, and that was during the 1975 recession.

Admittedly, the difference between the President's proposal and the committee amendment does not represent the difference between overall success and failure in the fight against poverty in our society. However, it does represent an important difference in the fight against poverty for a significant part of our society. Of workers earning between $4.25 and $4.65 an hour, more than 60 percent are full-time workers, nearly 60 percent are over 25 years of age, and only 30 percent are dependent children.

Mr. President, we owe it to these people to restore the fairness and integrity of the minimum wage. For this reason, I support the amendment for a full increase in the minimum wage.

Mr. GRASSLEY. Mr. President, I would like to address the minimum wage proposals before us. Frankly, I am not sure the current economic climate warrants an increase in the minimum wage; it seems like the marketplace is addressing the issue better then we can. After all we are in the midst of record economic expansion, and fewer people are working at the minimum wage. The number of minimum wage workers has declined by 40 percent since 1982, according to the Department of Labor. And last year alone, the number of minimum wage earners declined by 770,000. It seems to me, Mr. President, that this is another example of Congress ratifying decisions already made in the marketplace.

I do understand that the minimum wage has not gone up since 1981. And for that reason, I have said I would support a moderate increase in the minimum wage. It is well established that we will lose jobs as a result of any increase in the minimum wage. Economists agree on this fact. The Department of Labor's studies show that for every 10-percent increase in the minimum wage, we lose at least 100,000 jobs and may lose up to 200,000 jobs. So, the issue before us is, How big of an increase should we enact and how many jobs can we stand to lose?

Based on these facts, I believe President Bush's proposal strikes the proper balance. Over the next 3 years, the minimum wage would go up by 90 cents, or 27 percent. This will save about 400,000 of the jobs which would be lost by a boost in the minimum wage to $4.65.

The administration's proposal also has some other important features that merit support. First is the tip credit increase to 50 percent. This will allow employers to treat tips the same for the purposes of both the tax laws and the minimum wage.

Second is the training wage. This would be a new addition to our minimum wage law, but one which I think is important. Many employers already use a wage differential for new hires, and many collective bargaining agreements contain ladders for wage rates, recognizing that training and experience lead to higher wages.

I do, however, have some concerns about a training wage. First, we must ensure that it is a true training wage, and not one that can be used as a subterfuge by employers to keep their work force at below minimum wage forever. Second, the training wage provision should recognize that training learned on one job may be transferable to another similar job. Third, a training wage is not mandatory, and if the new employee can command a higher wage because of experience, the employer is not required to hire at the training wage, or keep the employee at the training wage for a specified time.

While the administration's proposal may not address all of my concerns, I do think that it is a good beginning. The creation of a training wage will save jobs. And that should be the overriding consideration with the enactment of any increase in the minimum wage.

For these reasons, I will support the President's version of the minimum wage bill.

Mr. BOREN. Mr. President, the issue before us regarding the proposed increase in minimum wage is a very difficult one for me. I have deep compassion for those who are trying to live and meet family responsibilities on the amount provided by the minimum wage. The cost of living in most parts of the country has increased dramatically since the minimum wage was last adjusted.

In most parts of the country, the minimum wage can be adjusted without causing economic dislocation and hardship. If I were a Senator from a different State where the prevailing economic conditions were different than those of my home State, I would vote in support of a larger increase in minimum wage. As a Senator from Oklahoma, however, I feel I must reflect the unique and different economic circumstances which are affecting the people of Oklahoma who sent me to the U.S. Senate.

We are passing through economic difficulties which are tragically parallel to the trauma of the depression era, including record numbers of farm foreclosures, small business bankruptcies, and the failure and liquidation of financial institutions. The fact is that in Oklahoma, many employers who would like to give raises to their employees simply cannot afford to do so.

If the minimum wage is increased in the next 3 years as rapidly as has been proposed by some, it is my great fear that it will simply force many employers in my home State to reduce the number of employees, terminate jobs, and increase unemployment roles. This would hurt countless Oklahomans. Unfortunately, there appears to be no feasible way of setting a minimum wage which would vary with the differing economic conditions from State to State.

I had hoped that a bipartisan compromise might be reached, allowing an increase somewhere between the $4.25 proposed by the administration and the $4.55 by the Graham substitute with a training wage in between the two proposals. It is clear that the parliamentary situation does not make such a compromise proposal possible at this time. Therefore, regrettably, I feel that I have no choice as I try to honestly reflect the troubled economic conditions in my home State but to vote against larger increases.

The PRESIDING OFFICER. All time has expired.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the Senator from Florida. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 61, nays 39, as follows:

[Rollcall Vote No. 29 Leg.]

YEAS—61

Adams	DeConcini	Kennedy
Baucus	Dixon	Kerrey
Bentsen	Dodd	Kerry
Biden	Durenberger	Kohl
Bingaman	Exon	Lautenberg
Boren	Ford	Leahy
Bradley	Fowler	Levin
Breaux	Glenn	Lieberman
Bryan	Gore	Matsunaga
Bumpers	Graham	Metzenbaum
Burdick	Harkin	Mikulski
Byrd	Hatfield	Mitchell
Cohen	Heflin	Moynihan
Conrad	Heinz	Nunn
Cranston	Inouye	Packwood
Daschle	Jeffords	Pell

Pressler	Rockefeller	Simon
Pryor	Sanford	Specter
Reid	Sarbanes	Wirth
Riegle	Sasser	
Robb	Shelby	

NAYS—39

Armstrong	Gramm	McClure
Bond	Grassley	McConnell
Boschwitz	Hatch	Murkowski
Burns	Helms	Nickles
Chafee	Hollings	Roth
Coats	Humphrey	Rudman
Cochran	Johnston	Simpson
D'Amato	Kassebaum	Stevens
Danforth	Kasten	Symms
Dole	Lott	Thurmond
Domenici	Lugar	Wallop
Garn	Mack	Warner
Gorton	McCain	Wilson

So the amendment (No. 20) was agreed to.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from Utah.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. I will be happy to yield.

Mr. MITCHELL. I was going to ask whether under the previous order the Senator from Utah was to be recognized for purposes of offering an amendment.

The PRESIDING OFFICER. The majority leader is correct.

AMENDMENT NO. 21

(Purpose: To provide a substitute amendment)

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH] for himself, Mr. DOLE, and Mr. COATS, proposes an amendment numbered 21.

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minimum Wage Restortation Act of 1989".

SEC. 2. RESTORATION OF MINIMUM WAGE.

Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending December 31, 1989, not less than $3.65 an hour during the year beginning January 1, 1990, not less than $3.95 an hour during the year beginning January 1, 1991, and not less than $4.25 an hour after December 31, 1991;".

SEC. 3. NEW HIRE WAGE.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection:

"(g)(1)(A) Any employer may, in lieu of the minimum wage prescribed by subsection (a)(1), pay any employee the wage prescribed by subparagraph (B) if such employee has not been previously employed by such employer.

"(B) The wage referred to in subparagraph (A) shall be at least a wage equal to 80 percent of the wage prescribed by subsection (a)(1), but at least $3.35 per hour.

"(2) An employer may pay an employee the minimum wage authorized by paragraph (1) for a period not to exceed 180 days beginning with the day the employee began employment with the employer.

"(3) No employee may be displaced by any employer (including partial displacement such as reduction in hours, wages, or employment benefits) as a result of an employer paying the rate described in this subsection.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to employees first employed by an employer on or after January 1, 1990.

SEC. 4. CHANGE IN ENTERPRISE TEST.

(a) IN GENERAL.—Effective January 1, 1990, the first sentence of section 3(s) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)) is amended—

(1) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following new paragraph:

"(1) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated);"; and

(2) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively.

(b) PRESERVATION OF COVERAGE.—The next to last sentence of section 3(s) of such Act is amended—

(1) by striking out "Notwithstanding paragraph (2), an enterprise which is comprised of one or more retail or service establishments, which on June 30, 1978" and inserting in lieu thereof "Notwithstanding paragraph (1), an enterprise that on December 31, 1989";

(2) by striking out "Fair Labor Standards Amendments of 1977" and inserting in lieu thereof "Minimum Wage Restoration Act of 1989"; and

(3) by striking out "$250,000" and inserting in lieu thereof "(A) in the case of an enterprise described in paragraph (1) (as it existed before the amendment made by section 4(a)(1) of such Act), $250,000, or (B) in the case of an enterprise described in paragraph (2) (as it existed before such amendment), $362,500".

(c) CONFORMING AMENDMENT.—Section 13(a)(2) of such Act (29 U.S.C. 213(a)(2)) is amended by striking out "section 3(s)(5)" and inserting in lieu thereof "section 3(s)(4)".

SEC. 5 TIP CREDIT.

The third sentence of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate, except that" and inserting in lieu thereof the following: "in excess of (1) 45 percent of the applicable minimum wage rate during the period ending December 31, 1990, or (2) 50 percent of the applicable minimum wage rate after December 31, 1990, except that".

The PRESIDING OFFICER. Under the previous order, the pending amendment is to be disposed of without debate.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Do I have the leader's time remaining?

The PRESIDING OFFICER. The Republican leader has 6 minutes 11 seconds remaining.

Mr. DOLE. I can use that time?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I yield 2 minutes to the Senator from Utah.

Mr. HATCH. Mr. President, I do not intend to take the 2 minutes, but let me just say this.

The PRESIDING OFFICER. The Senate is not in order. All Senators in the well will please withdraw from the well.

The Senator from Utah.

Mr. HATCH. Mr. President, I thank the distinguished minority leader for granting me this time. But all I intend to say is this: The President has said that if the prior amendment which was agreed to becomes the bill sent to the conference, or any version of it becomes the bill sent to the White House from the Congress, he will veto it.

I believe that veto will be sustained. Frankly, if it is sustained, those who want an increase in the minimum wage it seems to me ought to evidence that by voting for the President's package at this time because I believe it is the only way any increase in the minimum wage will occur this year.

So I would urge all our colleagues to consider voting for the President's proposal which we propound. Rather than take any more time, I ask for the yeas and nays on that particular amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER] is necessarily absent.

The PRESIDING OFFICER (Mr. GRAHAM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 41, nays 58, as follows:

[Rollcall Vote No. 30 Leg.]

YEAS—41

Armstrong	Gramm	McConnell
Bond	Grassley	Murkowski
Boren	Hatch	Nickles
Boschwitz	Hollings	Pressler
Burns	Humphrey	Roth
Chafee	Jeffords	Rudman
Coats	Johnston	Simpson
Cochran	Kassebaum	Stevens
D'Amato	Kasten	Symms
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Garn	McCain	Wilson
Gorton	McClure	

NAYS—58

Adams	Biden	Breaux
Baucus	Bingaman	Bryan
Bentsen	Bradley	Bumpers

Burdick	Heflin	Nunn
Byrd	Heinz	Packwood
Cohen	Helms	Pell
Conrad	Inouye	Pryor
Cranston	Kennedy	Reid
Daschle	Kerrey	Riegle
DeConcini	Kerry	Robb
Dixon	Kohl	Rockefeller
Dodd	Lautenberg	Sanford
Exon	Leahy	Sarbanes
Ford	Levin	Sasser
Fowler	Lieberman	Shelby
Glenn	Matsunaga	Simon
Gore	Metzenbaum	Specter
Graham	Mikulski	Wirth
Harkin	Mitchell	
Hatfield	Moynihan	

NOT VOTING—1

Durenberger

So the amendment (No. 21) was rejected.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG. Mr. President, I seek recognition.

The PRESIDING OFFICER. Does the majority leader yield the floor?

Mr. MITCHELL. Yes, Mr. President, I do.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

AMENDMENT NO. 22

(Purpose: To amend title II of the Social Security Act to increase the monthly earnings test limit, to express the sense of the Congress regarding the phase-out and elimination of such test by the year 2000 for individuals who have attained retirement age, and for other purposes)

PHASE OUT THE RETIREMENT EARNINGS TEST

Mr. ARMSTRONG. Mr. President, today I am launching a two-part assault to relieve the Nation's working elderly from one of the most egregious, inequitable and anachronistic burdens of the modern workplace: the Social Security retirement earnings test.

The first part will begin today as I introduce an amendment to give the Social Security retirement earnings limit a 1-year boost and to call for it eventually to be phased out completely. The second part will be a broader legislative effort aimed at doing just that—phasing the earnings test out completely by the year 2000. It seems very fitting that, as this century comes to an end, so too will one of its most outdated and counterproductive labor policies.

So, I intend to advance against the Social Security earnings test on all fronts, and I look at today's effort as another step on what will perhaps prove to be a long road toward the goal of equity for America's working elderly.

Many of us have been working on this problem for some time already. In fact, in 1983 Senator DOLE and I advanced a similar proposal during consideration of the Social Security solvency amendments. That proposal was approved by the Senate Finance Committee and was included in the Senate-passed version of those amendments. I recall with gratitude the senior Senator from New York, Senator MOYNIHAN, saying at the time that, of all the proposals we had made, the one he thought would have "the most impact upon the lives of present and future retirees is the abolition of the earnings test." In fact he characterized the earnings limit as "a tax on benefits." Unfortunately, however, it was dropped in conference committee at the insistence of the other body.

Despite the disappointments of the past there remains strong public and congressional interest in eliminating the retirement earnings test. It is the feature of the Social Security Program that is one of the most unpopular with the public. Twenty-six bills—with 151 cosponsors—to modify substantially or eliminate the test were introduced in the 100th Congress and at least 12 bills—with cosponsors—have already been introduced in this 101st Congress. Clearly, the will of the people and the intent of the Congress is that some action is called for to right this injustice.

Here is how the earnings test works now. Social Security beneficiaries under age 70 face sharp reductions in their monthly benefit if their wage earnings exceed a specified amount. These seniors will lose fully $1 of benefits for every $2 of income they receive above the earnings limit, which is currently set at $8,880. In other words, people earning just $9,000 are subject to what is in effect a marginal tax rate that is practically unheard of in the Western democracies. I have thought long and hard, Mr. President, but I can't think of a single reason why we should tax our working elderly as if they are Swedish millionaires.

Mr. President I would like to say at the outset that I would much prefer to accomplish a phaseout of the earnings test in a simple, straightforward manner. Unfortunately, with the deficit problem we have in this country today, we are and should be constrained by strict budgetary rules and Gramm-Rudman-Hollings targets. As the Congressional Budget Office has determined this proposal constitutes an expansion of entitlement authority, my amendment is drafted to fully satisfy those needs.

My amendment will result in a boost in the yearly earnings limit of at least $1,000 next year. Technically, it raises the monthly earnings test by $80 in August of this year. Because the annual earnings test is based on the monthly rate, this single, small boost will guarantee seniors the full increase of $1,000 when next year's annual earnings test is calculated.

The number 1,000 is a nice round amount, but it was not arrived at arbitrarily. Nor was the legislative vehicle for this amendment, the minimum wage bill. Mr. President, the studies I have seen show that increases in the minimum wage cause a kind of ripple effect, raising wages at higher levels throughout the economy. Many of our senior citizens are filling jobs paying the minimum wage. So, a hike in the minimum wage, by ratcheting up other wage brackets and, possibly, living expenses, is clearly going to push more and more of our working elderly higher and higher above the confiscation level of the earnings test.

Now, economists are going to have a field day trying to quantify how many people are affected and to what degree, but I think it is impossible to argue that a minimum wage hike will not affect the working elderly. A greater share of their earnings will be above the earnings test if the minimum wage hike becomes law. At a time when all of this country's seniors are struggling to make ends meet and are just starting to come to terms with new and heavy burdens like the Medicare premiums for catastrophic health care, I think it is high time they had at least a small measure of relief.

In short, we need to cushion the impact of the minimum wage increase we are currently contemplating, and a one-time increase of $1,000 in the earnings test will come close to offsetting the effect of the minimum wage hike the Senate is considering. Under the Senate's bill, the minimum wage is scheduled to increase by 14.9 percent in 1990, 10.4 percent in 1991, and 9.4 percent in 1992. Since 1984, the Social Security earnings limit has averaged annual increases of only 4.6 percent—just a third of next year's minimum wage hike. Again, it is clear something must be done.

My amendment has a cost of $1 million in fiscal year 1989 and about $150 million next year, but it is paid for by another provision of my amendment, which repeals the retroactive month of retirement. We more than offset the fiscal year 1989 cost and completely offset the fiscal year 1990 cost. This offset involves a relatively minor change in the retirement program. Congress repealed most reduced retroactive benefits in 1977, largely because they were not in the long-term best interests of retirees, but this one remains today.

It essentially provides an option for workers to retire retroactively in exchange for lower payments over the balance of their lifetime. Such an option is complex to administer and can result in beneficiaries being charged with overpayments, thus forcing them to write checks back to the Social Security Administration for money they have already received and spent or have this money deducted from their future benefits. Repeal of

this provision in the manner we prescribe should result in no such overpayments. Perhaps this is why eliminating the conditional month of retirement has been suggested by the Social Security Administration itself. It is important to understand that repeal of this provision would not affect people's entitlement to receive full benefits beginning with the month they retire.

The Social Security Administration estimates 1 million people suffer some reduction in benefits because of the earnings limit: 700,000 workers, 115,000 dependents, 40,000 survivors, and an estimated 140,000 people who do not even bother to file. Importantly, an estimated 85,000 will be saved completely from any reduction in benefits due to the earnings limit simply by voting in the modest relief that I am proposing in this amendment.

This has apparently not stopped some people from using scare tactics about our offset. Repeal of the option for retroactive retirement will take no benefits away from anyone who has them today. It is true that in the future, if this amendment becomes law, retirees will not have the option of retroactive retirement. An estimated 100,000 people out of the 1,612,000 who retired last year retired retroactively—that comes to 6.25 percent. Now, the argument can be made that we are disadvantaging the people in the future who would have used this option, specifically an estimated 30,000 dependents—only about 5,000 of which would be minors—but this case must be viewed in proper perspective.

By a vast majority, these are people who are over 65 who do not qualify for benefits themselves because they have not paid into Social Security. They are "disadvantaged" because they can only receive benefits when the worker begins getting benefits and we are removing the option to retire retroactively. By some strange quirk in law, the worker who has paid into Social Security receives a reduced benefit if he retires retroactively, while the dependent still receives a full benefit. In this way, in a worst case scenario, we "disadvantage" some for no more than 6 months in the first year they begin to get benefits. A poor comparison to the 1 million people, 115,000 of which are dependents, that we will help every single year the earnings limit is in existence. Perhaps that is why the American Association of Retired Persons, representing some 30 million older Americans, enthusiastically supports this amendment. They specifically state that, in light of the current budgetary constraints under which we are forced to operate, "AARP believes that the offset in [our] amendment is a reasonable one." The National Committee to Preserve Social Security and Medicare, an aggressive protector of Social Security beneficiaries, spells out in more detail why they support our amendment. They state—

> We believe the proposed elimination of retroactive retirement benefits to over-age-65 and their dependents will not cause undue hardship, particularly if public education efforts alert older workers to this change. At the same time, the proposed increase in the earnings limitation has the long range potential for vastly improving the economic status of low-income older workers. Our support for your amendment is based on our evaluation of this cost-benefit equation.* * *

In addition to offering some real relief to our senior citizens next year with changes in law that pay their own way, my amendment includes sense of the Senate language calling for a gradual elimination of the earnings test by the year 2000. We also have sense of the Senate language calling for an acceleration of the delayed retirement credit of 8 percent from the year 2009 to the year 2000. The delayed retirement credit, currently 3 percent, was designed to compensate a worker who decides not to retire at age 65 and receive Social Security benefits. Unfortunately, the current level does not come close to actually compensating an elderly worker for the benefits he foregoes. My amendment will put us on record favoring a long-term plan to ease the burden on our working elderly: end the earnings limit by the year 2000 and, the same year, begin the 8-percent delayed retirement credit instead of waiting to the year 2009.

Our current situation is dire. Senior citizens who want to continue working are severely penalized. It is rather ironic that we want our senior citizens to remain active, but present them with incentives to do exactly the opposite. America's elderly have already borne the burden of decades of hard work. They have paid Social Security taxes throughout their working lives. How can it be fair that they lose some of those benefits simply because they choose to continue offering the benefit of their abilities and experience to America?

If we compare the tax consequences of working, there is a starkly unequal treatment before the law. The marginal tax rates imposed on the elderly by the earnings limit are confiscatory, plain and simple. Because of the earnings limit, a senior worker who should be in the lowest tax bracket may end up paying marginal tax rates as high as 83 percent. A young worker doing exactly the same work and making exactly the same income, would face a marginal income tax rate of 15 percent and a Social Security tax rate of 7.51 percent in 1989. Nobody would tolerate such abusive age discrimination if they could see it; but because it is a hidden effect of an outdated Social Security policy, this kind of discrimination has become an appalling fact of working life for this country's wage-earning elderly.

And here is how this complex and anachronistic policy affects individual seniors: after contributing to the Social Security Program for decades and reaching age 65, the elderly are presented with a painful choice—eliminate virtually all significant earnings or face stiff cuts in the benefits to which they are otherwise entitled. A choice like that can only drive productive individuals to a full retirement or force them to forego benefits they've worked for over a lifetime.

Many elderly citizens, while ready to reduce their work activity at age 65, do not want to withdraw completely from the work force. Many desire to remain productive and contributing members of society. Some need additional earnings to meet living and health care expenses at a time when their principal sources of income are fixed. And the $8,880 in income that is under the earnings ceiling won't buy a senior citizen much medical care these days. Yet, because of the low earnings limit, there is seldom a viable choice but to stop working.

Beyond the fairness question, there are also practical problems with the earnings test. The limit is an administrative monster to the Social Security Administration. SSA spends more than $200 million a year and uses 8 percent of its employees to police the income levels of beneficiaries. For beneficiaries, the earnings limit can mean confusion and frustration at requirements to monitor, estimate, and report income levels to the Government. The result is often a sense of disillusionment in a program many believed would pay full benefits when they turned 65.

When Social Security was started in the wake of the Depression, it was deemed appropriate to establish incentives for the elderly to leave the work force to open jobs for others. The earnings test was born of this view. Today, such a notion is a complete anachronism. When potential labor shortages loom in the future—shortages that are already a reality in parts of Western Europe—it is utter folly to retain such a strong disincentive for America's elderly to continue working.

Let me acknowledge that this proposal is not without some critics. Some may say that retirement benefits should not be paid to people who still work. Again, that view would either discourage senior citizens from pursuing productive lives, or deny them the benefits of a program they were forced to contribute to during their decades of full-time work. This is the view of people who look on the Social Security Program as some kind of welfare for seniors, instead of what it really is—a program to supplement the well-being of America's senior citizens and guar-

antee them a certain quality of life. Social Security benefits are properly regarded as a floor, not a ceiling.

Some may say this proposal benefits the rich among Social Security beneficiaries, those able to continue working and earn extra income. In fact, this proposal would actually mitigate one of the unfair aspects of the current law. Today, Social Security beneficiaries with unlimited "unearned" income from pensions, investments, or stock dividends, face no reductions in benefits through the earnings test; but those who work to earn anything more than $8,880 a year lose 50 cents in benefits for every dollar they earn. In fact, the median income for the working elderly including Social Security benefits is $18,000 a year. Rather than favoring the well-to-do, this proposal should restore some sense of equity in the tax treatment of retired citizens.

The situation is critical and a lot of our elderly citizens are caught in the earnings test trap; faced with 50 percent benefit cuts if they continue working, they have been driven out of the workplace altogether. Since the passage of the Social Security Act of 1935, there has been a virtually continuous decline in the percent of elderly male workers who remain in the labor market. Currently, 83 percent of all men and 92 percent of all women age 65 and over are completely retired. Between 1970 and 1985, the retirement rate among those 65 years old has increased by 40 percent.

In his inaugural address, President Bush made a statement with which I believe we can all agree. He stated, "We must bring in the generations, harnessing the unused talent of the elderly * * *." Mr. President, the first step toward realizing this goal is phasing out the retirement earnings test. I ask that my colleagues join me in attempting to make the retirement years of our elderly as productive and prosperous as possible.

Mr. President, with that word of explanation, I do send to the desk, on behalf of Senator DOLE and myself and on behalf of Senators EXON, DECONCINI, COATS, SYMMS, DURENBERGER, D'AMATO, HELMS, HATCH, CHAFEE, KASTEN, GRAMM, GORTON, COHEN, GRASSLEY, and NICKLES, the amendment which I have described and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. ARMSTRONG], for himself, Mr. DOLE, Mr. EXON, Mr. DECONCINI, Mr. COATS, Mr. SYMMS, Mr. DURENBERGER, Mr. D'AMATO, Mr. HELMS, Mr. HATCH, Mr. CHAFEE, Mr. KASTEN, Mr. GRAMM, Mr. GORTON, Mr. COHEN, Mr. GRASSLEY, and Mr. NICKLES, proposes an amendment numbered 22.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. BRYAN). Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following new title:

TITLE II—EARNINGS TEST

SEC. 201. RETIREMENT EARNINGS TEST.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42 U.S.C. 402(f)(8)) is amended by inserting "(i)" after "(D)" and by adding at the end thereof the following new clause:

"(ii) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(1) before 1990 shall be $820 for August 1989 through December 1989 for purposes of—

"(I) applying subparagraph (E) and (F) of paragraph (1); and

"(II) applying subparagraph (B) with respect to a determination made by the Secretary pursuant to subpargraph (A) as a result of a benefit increase effective with December 1989.".

(b) CONFORMING AMENDMENT.—

(1) Section 203(f)(8)(C) of such Act is amended by inserting "(other than 1989)" after "such determination is made".

(2) The second sentence of section 223(b)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking out "which is applicable to individuals described in subparagraph (D) thereof" and inserting in lieu thereof "which would be applicable to individuals who have attained retirement age (as defined in section 216(1)) without regard to any increase in such amount resulting from a law enacted in 1989".

SEC. 202. SENSE OF CONGRESS REGARDING PHASE-OUT AND REPEAL OF EARNINGS TEST BY 2000 FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

It is the sense of the Congress that—

(1) the earnings test limitation described in section 203(f) of the Social Security Act (42 U.S.C. 403(f)) be increased incrementally above the increases specified in current law in each taxable year beginning after 1990 and before 2000,

(2) such earnings test limitation be repealed for taxable years beginning after 1999 with respect to individuals who have attained retirement age (as defined in section 216(l) of such Act (42 U.S.C. 416(l)), and

(3) the 8 percent delayed retirement credit (determined under section 202(w) of such Act (42 U.S.C. 402(w)) be fully implemented by the year 2000.

SEC. 203. RETROACTIVE ENTITLEMENTS PROHIBITED.

(a) IN GENERAL.—Section 202(j)(4) of the Social Security Act (42 U.S.C. 402(j)(4)) is amended—

(1) in subparagraph (A), by striking "if the effect" and all that follows and inserting in lieu thereof "if the amount of the monthly benefit to which such individual would otherwise be entitled for any such month would be subject to reduction pursuant to subsection (q)."; and

(2) in subparagraph (B), by striking clauses (i) and (iv) and redesignating clauses (ii), (iii), and (v) as clauses (i), (ii), and (iii), respectively.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective for monthly benefits payable on the basis of applications filed after July 1989.

Mr. KASTEN. Mr. President, I rise today in support of Senator ARMSTRONG's amendment to raise the retirement earnings test amendment. This amendment is imperative to our most treasured citizens of the United States—our senior citizens. This amendment reassures our senior citizens that an increase in the minimum wage would not cause them the unnecessary and unintended hardship of the earnings test.

The amendment would adjust the Social Security earnings limit to reflect the higher minimum wage—and thus ensure that elderly workers earning near the minimum wage would not lose any benefits as a result of their increased earnings.

Mr. President, since its inception in 1965, the Social Security System has imposed some form of earnings test on those citizens who were otherwise eligible to receive Social Security benefits. Originally, the earnings test was openly supported as a way of pushing the elderly out of the work force in order to make room for younger workers.

This was a valid argument during the Depression when job opportunities were scarce, but is not valid today. Many arguments have been put forth recently to raise—and eventually eliminate—the earnings cap.

Today's elderly are healthier and live longer lives. They have the talents, skills, and experience that would greatly benefit our society.

However, the earnings limit—which is currently $8,880 for individuals age 65 to 69—is a major work disincentive for older workers because of the substantial penalty they pay for working. In addition to losing Social Security benefits, they incur work-related expenses and additional taxes on their earned income.

Elderly workers are compelled to choose between collecting benefits and the dignity of employment. The tax rate is so high that most elderly workers choose to reduce their work effort—or just drop out of the workforce altogether.

This amendment does not propose to repeal the Social Security earnings test—this amendment simply provides some temporary relief for senior citizens for 1 year. In short this amendment raises the monthly earnings limit by $100, effective August 1, 1989. Because the annual earnings limit is based on the monthly limit, this change would result in an increase of more than $1,000 in the earnings limit, beginning January 1990.

If we are going to increase the minimum wage—then it would be patently unfair to take away from elderly workers with one hand what we are giving them with the other.

Those elderly workers who are fortunate to have a job after the minimum wage increase should be spared the burden of a tax increase on any portion of their earnings.

America's senior citizens are one of our country's most important moral and economic resources. It would be wrong for us to discourage work efforts. A vote in favor of this amendment will send a direct message to America's senior labor force: "We care about you, and we value the contribution you are making and have made to society."

Mr. SYMMS. Mr. President, I wish to compliment my colleague from Colorado for his very excellent amendment. And I wish, Mr. President, to thank him for assuming the leadership on this issue.

This has been an issue that in my visits to my constituents in Idaho I hear more about from senior citizens than any other issue. In many parts of the State, people believe that some of our skilled workers in agriculture and in other fields really just hone their skills by the age of 65. Their abilities to accomplish their jobs are at their best by the time they reach age 65, and then they are put in a position where if they want to continue working, they have to make a great sacrifice to do so. They are not able to receive benefits that they otherwise would. They are put in a terrible position with respect to this taxation.

I can think of many, many people whom I have talked to in my State. One lady in Coeur D'Alene, ID, recently discussed her problem with me. She is on a widow's pension from Social Security. She also has another small pension. She also works in the home care field for the Idaho State Health and Welfare Department. At every juncture as she tries to work and carry out those excellent services to people who are impaired and cannot get out of their homes because of age and other problems, she reaches up against that $8,880 limit. It costs her an excessive amount of money to be able to continue working. And she is needed in that community to do the job that she does.

I think, Mr. President, it is simply a tax on a person's Social Security pension. Senator ARMSTRONG is correct, it should be repealed. I am very happy to be able to cosponsor this amendment.

Most people, Mr. President, cannot live on their Social Security pension alone. A person who starts receiving a Social Security pension at age 65 but who may not have had enough earnings in early years to save up for their retirement, or who may not have been lucky enough to work for a single employer who provides a generous pension plan, a serious problem. They simply do not have enough money to live on.

The current law punishes those people who have, for whatever reason, had to change jobs, or been unable to save, and need to continue to work. If they have income from rents, from leases, from royalties, from dividends, or from savings, it does not discriminate against them in their Social Security benefits. These people who are working and need it the most find this a very, very discriminatory tax, and it hits them very hard. They are taxed very unfairly, Mr. President. For every $2 they earn over $8,880, for every $2 above this amount, they must pay $1 in taxes. That is a marginal tax rate of 50 percent.

This is an outrageous tax. Those citizens are literally forced into idleness at age 65. Many of them are just at their most productive ability to produce and do good skilled work.

Mr. President, in view of current employment rates and the marked improvement of the economy, we need these people in the work force, and I am sure that most of them would rather remain employed. These experienced workers do not need to be trained for their jobs, because they are already well trained. These highly motivated workers—those who would really prefer to keep on working rather than to retire—are saddled with a powerful disincentive.

Just a very few years ago, this Congress enacted legislation to forbid employers from forcing people to retire at age 65, and yet at the same time the Social Security system is forcing people to retire at 65 by means of this discriminatory tax.

I say again, this is a discriminatory tax. If this amendment is adopted, which I hope it will be adopted and become law, it will raise the monthly earnings limit by $80 a month, resulting in an increase of about $1,000 in annual income a retired person can earn.

That is a lot of money to some of the people that I mentioned here, like the lady that I spoke of in Coeur D'Alene, Idaho. $1,000 is a lot of money to her and it is important.

The measure is budget neutral. As the good Senator from Colorado points out, Mr. President, it will not cost taxpayers; it will be funded by an offset provision repealing the "retroactive month of retirement" option, which provides for a bonus to a small minority of retirees.

Mr. President, this is an appropriate offset because we need to improve Social Security benefits in such a way to encourage people to stay in the work force, rather than giving bonuses to a small miniority who retire.

Mr. President, I will not go into detail. My colleagues are aware of how that works. But I think it is an important factor that would make the system more fair and more equitable and reward work. It would encourage people to work and produce and keep some of those most productive workers who are trained, motivated, skilled, in many occupations, in the work force.

The "retroactive month of retirement" formula is a provision of the Social Security law that permits a new retiree to get a small lump sum equal to 6 months' of pension money up front, in exchange for a reduced pension every month therafter.

By contrast, more than three times as many Americans are hurt by the earnings test—and they are hurt year after year after year. I strongly support Senator ARMSTRONG's careful choice of this offset. It is not in any way a "reduction in Social Security benefits." It is an enlargement and enhancement of benefits for all future retirees who understand the importance of continuing to work and contribute to America's economic growth.

Mr. President, this is a fairness question. These citizens are being treated unfairly. With the present earnings limit, seniors who have worked for years and should be in a low tax bracket are paying tax rates of 50 percent on their wages from a reduction in their social security; plus, they are paying up to 33 percent in Federal income tax, and 7.5 percent in new payroll taxes; plus they are having to pay some surcharge on their income tax for the catastrophic health coverage, and then on top of all those other income taxes they have State and local income taxes in some areas.

Mr. President, I do not think there is anyone in this Chamber who can afford to keep on working if they have to keep on paying 90 percent, or more than 100 percent of their earnings, in taxes, and it is a gross example of discrimination when the rest of the lower income work force are paying rates of 15 percent or less. So it seems to me this amendment passes the fairness test. It is equitable. It will increase productivity in the country. I can just go on and on and on about the good things that I have seen personally of people working and contributing for our society.

Mr. President, my good colleague from Colorado mentioned the senior citizen who was working in the fast food restaurant. What a marvelous opportunity it is for the young, high school age students who work in the fast food restaurants, to have personal interplay and work with people who have lived out most of their lives, who have raised their families, who have had responsible jobs, who have had many responsibilities over their lifetimes and are back in the work force helping with the operation of a fast food restaurant or any other business. It gives them a contact with an older generation that is irreplaceable. They do not have it in school, in classes, other than the contact with their

teacher. But if they have it in their workplace, it gives them a relationship with an older generation that I think is very, very important to help the young people of today have a better appreciation for those who have worked most of their lives.

So it seems to me just another burden on the working people who have to carry the load. The retirement earnings test intensifies this situation. Those seniors who receive income from savings or from private pensions are not affected by the earnings test. But those who have to work hard and earn a living are being penalized.

It seems to me, Mr. President, that we have a contradictory situation to what we all believe and what America stands for. We want to reward the work ethic, to reward people who work hard. We teach the young in this country: Work hard, save your money, and you will be a success. In this case people work hard and what do they get for it? They get excessive taxation.

If any seniors are currently working at part-time jobs, which might be paying a minimum wage rate, an increase in the minimum wage will have a devastating effect on the earnings of these workers. They will not get an increase like the younger workers because the Social Security System will take it away through the retirement earnings test. These people will just be earning more for the Government to take away from them.

Mr. President, our senior citizens deserve better than this. They deserve this amendment. After all their working lives to earn a Social Security pension, are we going to say to them we are going to continue to discriminate in the Social Security System against workers? Are we going to reward their hard work by taking away their livelihood? This should be their time, Mr. President, to be able to enjoy what they can of life.

They worked hard. In many cases, they have gone through two world wars. They have seen the Vietnam conflict, the Korean war. They have seen the Great Depression of the thirties; they have gone through thick and thin in this country, and they have earned it, in my opinion. We ought to let them keep it.

Make no mistake about it, Mr. President. This vote is going to be watched from coast to coast by the senior citizens in this country. I think that people need to recognize that a vote against this amendment is a vote against almost a million people who fall in this category who now have their benefits reduced by this discriminatory tax. And these are the working people of age 65 to 70.

Mr. President, I think it is also worth notice that this proposal is supported by the American Association of Retired Persons, by the National Committee To Preserve Social Security and Medicare. Frankly, I would hope all Senators would vote for it. I would hope we would have a unanimous vote for it because it would be an example of a situation where the United States Senate could go on record, Mr. President, for fairness with respect to the Social Security System.

I thank the good Senator from Colorado for the amendment, and I thank him for giving me the privilege to sponsor it and work with him to see what I hope will be the passage of this amendment.

Mr. President, I want to discuss the main course of the bill while I have the floor.

As the debate over the minimum wage increase drags on, I continue to hear the proponents of this legislation making false claims about what this legislation will really do for America. The senior Senator from Massachusetts continues to implore the Senate to pass this bill based simply on the fact that it has been 8 years since the minimum wage has increased. Moreover, he further claims that the lowest paid workers in America have not received economic justice during the past 8 years. Quite frankly, claims such as this only point to a strong misunderstanding of a fundamental cornerstone of our American economy—the free market system.

Our forefathers set forth the basic principles for a nation to be guided and governed, economically speaking, by the choices and wisdom of each individual through his or her participation in an open economy where prices were to be set by supply and demand. I have come to this floor and quoted statistics, studies, and trends, as have many other colleagues, and I continue to maintain that a minimum wage and all the arguments that accompany such a proposal are blatantly flawed at a fundamental level. Even from across the aisle we have heard testimony that an increase in the minimum wage will bring about a decrease in jobs, no improvement in the position of those who are poorest, and increased costs for certain products and services. What all this means is quite simple: Minimum wages, like other governmental intervention into the marketplace, disrupt America's economic well-being and end up harming those that are most in need of assistance.

Mr. President, much of the debate until now has centered around our Nation's lowest paid workers. As I previously stated, there is no question that a minimum wage will directly affect these individuals, negatively that is, but I would also suggest that many other facets of our economy will be weakened and economically tortured by this anticapitalist move. Consider the impact such legislation would have upon America's small businesses. Most individuals, at some time in their lives, work for small businesses for minimum wages where they obtain their first job experience, advancing to higher paying jobs as their skills improve. If minimum wages were to be increased, the hiring capabilities of small businesses would either be curtailed or the costs shoved off on the consumer. Yes, Mr. President, there is no question that the proposal coming from the Labor Committee would burden the economic backbone of America; quite simply put by Jack Clark, a small business owner in Pullman, WA, "The Government should quit trying to kill the small business goose that is laying the golden egg by regulating it into an endangered species."

The budget deficit is yet another area that would be marred by any increase in the minimum wage. While one can cite various figures, Beryl Sprinkel, former chairman of the President's Council of Economic Advisors, says, "The direct impact on the budget deficit would be about $2 billion." It seems to me that the American people have sent their message to Capitol Hill, and that message unequivocally calls on Congress to reduce the Federal deficit and not increase taxes. In February, Congress voted against congressional pay increases and in so doing spared further deficit increase. I say this is yet a similar situation.

Democrats have passionately tried to mislead America into believing that a minimum wage would have a minimum effect on unemployment and the economy. If a $2 billion increase in the Federal deficit, a loss of between 80,000 to 2.7 million jobs, and an increase of $13 billion more in higher costs for products that minimum wage workers help to produce falls below the criteria set for minimum effect, I suppose they are right. However, I think we all know better. This legislation is another job-thwarting, unproductive, inhumane Band-Aid on a cut that really requires stitches. America is not in need of proposals such as this; rather, we need maximum work and production which will only come about through a healthy economy that is not overshadowed by a fierce gale of hot air and regulations out of Washington.

Mr. President, the entire debate surrounding minimum wage sidesteps the fundamental American free market system. As we once again embark on an undoubtedly lengthy discussion of this topic, I can't help but comment that the Father of History was absolutely correct in his observation, "The more things change, the more they stay the same." The majority on the Labor and Human Resources Committee continues to send this legislative nightmare that would once again overextend the arm of the Federal Government into areas that it does not belong

to the Senate floor for debate. It's downright pathetic that some are unable to accept the fact that economic success of the past 8 years is reason itself there has been no increase in the minimum wage. Mr. President, I would just say in closing that I hope my colleagues will once again vote in favor of an economically strong America and vote no for S. 4.

I have listened to the debate. It has been gone over many times in this Chamber. The rhetorical question that is always asked: If raising the minimum wage to $4.55 an hour—or to whatever—is such a good deal, why not raise it to $8 an hour, why not raise it to $10 an hour? That is a question that I never have fully had answered to my satisfaction.

Mr. President, I would like to have printed in the RECORD an editorial from the March 21 Idaho Press Tribune. It looks, from the reading of it, like it was written by the editor of the newspaper, Rick Kaufman, and the title of it is "Minimum Wage."

It starts out:

It seems about as sure as death and taxes the minimum wage is going to climb from $3.35 per hour to something higher. Congress wants to raise it.

He goes on and explains what is at stake here, but I think the important part is the last point that Editor Kaufman makes.

Raising the minimum wage will hurt the person it is supposed to help—the laborer with minimal or marginal skills. He might be affordable at $3.35 an hour but he is out of the market at $4.65 an hour.

Mr. President, that is the problem here. Study after study shows that those people who are underskilled, who are undereducated, and in some cases undermotivated are the ones who get hurt the most by the good intentions of those in the Congress. And I do believe that some of our colleagues have good intentions in trying to pass this. But the problem is, it makes false claims about what it will really do for America.

Because we have not had a minimum wage bill pass this Congress in the past 8 years, passing one now is not going to do anything to benefit those people that the authors of this legislation say on the floor they want to help.

There is no question about it in my mind. In my opinion, there is a strong misunderstanding of the fundamental cornerstone of the American economy—that is, the market system. I think we should think about what we are doing here. In my view this minimum wage legislation should not have even been brought to the floor. But because of the amendment offered by my colleague from Colorado, at least some good comes here today because we are addressing a point with his amendment that needs to be discussed. It needs to be passed here on this floor and passed again and again and again until this discrimination against those working senior citizens is rectified.

Mr. President, I ask unanimous consent that the editorial from the Idaho Press-Tribune be printed in the RECORD, and I yield the floor.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Idaho Press-Tribune, Mar. 21, 1989]

MINIMUM WAGE

It seems about as sure as death and taxes: The minimum wage is going to climb from $3.35 per hour to something higher. Congress wants to raise it to $4.65 by 1992; the Bush administration favors $4.25 an hour by 1992 coupled with a two-tier arrangement whereby some workers could be paid at a lower wage during probationary and training periods.

So, apparently, it isn't a question of if but how much and by when. It's an issue like mom, baseball and apply pie: Hard to oppose. The minimum wage has been at $3.35 per hour since 1981 and during that period purchasing power has dropped 30 percent.

But it isn't that simple. The negative ramifications of increasing the minimum cannot be ignored.

About the most conservative job loss figure comes from the Congressional Budget Office. It estimates that 500,000 jobs will be lost if the minimum wage goes to $4.65.

More than 123 million are employed in the United States. Of these 2.6 million receive the minimum wage; 1.4 million are ages 16–19 and nearly 900,000 are 20–24. Most are employed part time, few are supporting a family, most don't even have a high school education.

The image, in other words, of some poor guy out there grinding it out at $3.35 to support a family is simply not accurate though, of course, there are obviously a few who fit into that category.

In Idaho it is estimated that a $4.65 per hour minimum wage will result in the loss of more than 3,000 jobs. That may not seem like a lot—but it surely is to one of those losing a job.

Most labor contracts contain differentials. That is, there is a percentage space maintained between what the bottom worker is making and those falling into the higher wage categories. So if the minimum wage goes up from $3.35 per hour to either $4.25 or $4.65 most other salaries will increase correspondingly with the inevitable result—higher prices for goods and services.

It might sound crass but about the worst thing that could happen to employees on the lower end of the scale is a hike in the minimum wage. Many will find themselves out a job, the cost of everything will go up and, count on this, if these suddenly higher-paid employees don't become much more productive at the same time their wage is increased (a very unlikely possibility) you can bet some of them will either be out of work and/or replaced by something automated.

Raising the minimum wage will hurt the person it is supposed to help—the laborer with minimal or marginal skills. He might be affordable at $3.35 per hour; he is out of the market at $4.65 per hour.

The PRESIDING OFFICER. Does any Senator desire recognition?

The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I would withhold if someone on the other side wanted to speak. If not, I will go ahead and speak briefly.

Mr. BENTSEN. If the Senator would yield.

Mr. GRAMM. I yield to the Senior Senator from Texas.

The PRESIDING OFFICER. The Senior Senator from Texas is recognized.

Mr. BENTSEN. I well understand the concerns of the distinguished Senator from Colorado when it comes to the earnings test. I have long supported measures to try to cut back on the earnings limitation to encourage people to continue working because there are a lot of people who want to be productively employed. We have done that, and we have seen legislation along that line pass out of the Finance Committee before.

But I think that is a very salient point. It passed out of the Finance Committee; we took the time to study it and we supported it. What you have coupled it with here—this is what is of concern to me—is a cut in Social Security benefits to others.

I have been advised that the estimate is that the cut will affect some 100,000 people each year: people who are eligible for Social Security benefits but for one reason or another are not sufficiently informed as to the appropriate time to make that application. Then, after the appropriate time has passed, they file for benefits, and are still able to get those benefits under present law but they would lose them under this amendment.

I think it is particularly important that those kinds of effects on Social Security beneficiaries be studied by the committee.

Once again, I share the Senator's objective; I voted for his objective time and time again, but I also have to look at the question of whether or not this amendment is budget neutral. He makes the point that he pays for it early on, but as you look through the life of the amendment, my numbers show that you would add some $400 million to the deficit over the next 5 years. Knowing the Senator's strong feelings about budget responsibility, I am sure that must give him some concern.

Benefit changes and cuts ought not to be made without very careful study when we are talking about one of the most important elements of economic security for America's elderly. I am concerned that if we accept an amendment here like this, what will be the next one that avoids the jurisdiction of the committee?

The benefits that are taken away are not windfalls. These are benefits to which those individuals were fully entitled except for the fact they might have come into the office a few

months late and have not chosen the most advantageous filing date. That retroactivity is a small protection built into the Social Security system against the losses that people can incur because they do not fully understand the program. Many of these people are now going to take a permanent loss in benefits.

There is not a vast discrepancy between the numbers that are going to be benefited and the numbers that are going to be hurt. Those that are going to be hurt are about 100,000 a year each year. The amendment helps about 640,000 on a continuing basis. Even allowing for some turnover in that 640,000 from year to year, the numbers hurt and helped over the next 5 years are going to be relatively close.

This amendment does not address the so-called marginal rate issue. Some recent studies have argued that the Social Security retirement test contributes to an undesirably high marginal reduction rate on earnings for the elderly, and that information deserves very careful attention. Under the present law, as the Senator from Colorado well knows, very substantial changes in the retirement test will occur next year when the reduction rate under the Social Security retirement test will be lowered from 50 percent to 33 percent. That is a major change which will very significantly address the marginal rate issue.

In addition, present law is gradually increasing the bonus in the permanent benefit rate which is paid to those who lose benefits under the retirement test.

This amendment has no relationship, of course, to the minimum wage because as the minimum wage goes up, the retirement test also goes up, and so any spillover impact of the minimum wage on higher earnings levels will automatically be reflected in an increased exempt amount.

So these are the concerns that I have, although I share your objective. I want to see us move in the direction of a less stringent earnings test, but my concern is the cut in benefits to some retirees.

So it is the jurisdiction of the Finance Committee that concerns me and the realization, I am sure, that if we decide to go ahead and accept this amendment, it is going to be dropped in conference. I am convinced of that. I am convinced that you will see the Ways and Means Committee ask to be included in the conference and that you will not have accomplished what you are seeking, as much as I share your concern and would like to try to achieve your objective.

So I ask the Senator, if he would, to respond to the concerns I have raised.

Mr. ARMSTRONG. Mr. President, I will be happy to respond. Perhaps if the senior Senator from Texas would like, I can respond after others who have indicated they want to speak.

If I could just take a moment, the Senator has outlined five issues that represent a cut in benefits to some; that it is not budget neutral; that it has not had sufficient study; that it is not closely related to the underlying legislation on the minimum wage and that, in some sense, it might be a futile gesture.

After others have had an opportunity to speak, I will be happy to address each of these points, and I believe I will be able to satisfy his concerns.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. COATS. Mr. President, I want to also compliment the Senator from Colorado for raising this important issue before us. It is something we have been talking about for a long time, and I think this is an opportunity for us to demonstrate our commitment.

So often, not only in this body but across the country, we use rhetoric to describe our senior citizens that is far different from the reality that our seniors find themselves in. We often talk of their wisdom and how important that wisdom is to pass on to other generations, but we lock them out of our busy lifestyles sometimes as obtrusive burdens. We express concerns for their provision and then condemn many to lonely isolation and often inadequate institutional care. We praise their experience, and then we hasten their exit from the workplace with impatient finality. I think this amendment that the Senator from Colorado has offered can help us bridge that gap in a small way.

The current law which mandates that every senior citizen under 70 loses $1 of their Social Security benefits for every $2 they earn elsewhere above the limit of $8,880 set by Congress is a very stiff built-in penalty for senior citizens who are able and want to work. It places a tax of sorts on those who can least afford it and sends a very simple message: Your time is over; your contribution is ended; you have a limited amount that you can contribute to this society.

I remember 20 years ago when my father retired. He was a pharmacist, but had worked for 35 years as a salesman for a drug company. When he retired, he wanted to go back to the pharmacy, and he wanted to take up, once again, that practice that he had been trained for. And so he did that. There was a shortage of registered pharmacists at that time in our town, so he was a welcome addition to the very limited pharmacy staff in the city that I grew up in and received several job offers.

I remember coming to visit in May of that year. He started in January working on a part-time basis. He said, "Well, this is my last week at the pharmacy." I said "What do you mean your last week at the pharmacy? I thought you enjoyed the work." He was working out so well with the 25 hours or so a week he was putting in on a semiretired basis.

He said, "I am now at the point where I hit the earnings limitation, and so for every $2 I earn at the pharmacy, I have to give $1 back of my Social Security benefits, and I didn't work all these years to save my Social Security benefits to hand them back. I feel good. I am productive. I want to work, but the law is such that I am not going to work, and I informed the owner of the pharmacy that I will see him next January."

In a time when we send signals to our younger generation and say, "Look, don't count on Social Security for all of your retirement earnings; that is a supplement, that is what it was intended for, you can't get yourself in a situation that when you retire at the age of 65 you can just count on the Government sending a Social Security check and that is going to cover all your expenses." I tell my youngsters that. We tell people in town meetings that: Social Security is intended as a supplement. The Government is not going to be able to meet all of the needs that you might have. We are going to do the best we can.

We send them that message, and then when they retire, we automatically put them in a category and send another message: Do not supplement your income over a certain level or we will take away your Social Security benefits.

It just makes no sense. Those two provisions are directly contradictory to each other.

The amendment that the Senator from Colorado raises I think is important. It is a small step. It is just $100 a month adding up to $1,200 by January of 1990, which is a step in the right direction.

I think one of the more important features of the amendment is the fact that it calls for an end to the retirement earnings test altogether by the year 2000, finally eliminating this penalty once and for all. I think that is the goal we ought to be working toward.

Let me state three basic contradictions in the current law. First, it unfairly discriminates against the elderly. We have pressed down on the shoulders of senior citizens a marginal tax that I think in most instances is confiscatory. The Senator from Colorado explained that.

Let me give one other example. A 65-year-old woman who needs to supplement her Social Security by working as a secretary or say a bank teller, if she goes over the earnings limit, the

Federal Government hits her with tax after tax—the 50-percent earnings tax, a 15-percent income tax, 7.5-percent FICA tax, a 7½-percent tax on Social Security benefits, and a 3.37-percent catastrophic insurance tax. That adds up to a 83-percent marginal tax rate on this particular individual.

A younger worker with the same income would only be taxed at 2 percent. That is a 15-percent income tax plus the 7.5-percent FICA. That is a 61-percent gap. The margin is maybe an indifference between the working and seniors.

Second the current earnings limit is very bad labor policy. A 50-percent Social Security cut for senior citizens who work drives most of them out of the labor force, and who can blame them? But we are enforcing this disincentive at the very time that experts are coming before us and saying we are going to have a labor shortage in this country. We are not going to have enough experience to qualify workers.

Businessmen across Indiana are saying that we literally are at full employment. Those who want to work can find a job, and many that are looking for jobs have little or no experience. This situation is simply going to get worse as we move into the decade of the nineties. As a result we are going to want to turn to our seniors for the experience that they bring, and allow them to be part of the labor force.

So this works against what I think the demographers are telling us, and the labor experts are telling us about where we are going in the nineties. Finally, the present law discriminates against those elderly with earned income in favor of those elderly with unearned income. The earnings limit does not consider money from pensions, stock dividends, or bond interest. So it is really only those who need to work, those without the stocks and bonds who end up losing their Social Security benefits. It is a burden we place not only on the elderly but on the elderly that can least afford it.

I cannot help but note that we are conducting this debate just as many senior citizens are about to be hit with a massive new tax for catastrophic insurance. I am convinced that this legislation is one small way that we can help offset that new tax burden that is going to be placed on their shoulders. It is only a start, a small start, but I think an important start.

With the amendment of the senior Senator from Colorado, we are sending a clear message to seniors. We are saying this: we do not under estimate your financial troubles. We value your work and your contribution. You are not just wanted, you are needed. You should not just be tolerated. You are welcomed. You are not just welcomed, but rewarded, and we thank you seniors for what you have to bring to us. And we want to not provide a disincentive for that.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. Mr. President, I rise in knowing opposition as you might say to the measure, the amendment offered by my distinguished friend, the Senator from Colorado, with whom I have been associated in many important Social Security measures on this floor. If I appear somewhat muted in my opposition, it is as much from disappointment as it is from any concern as to what the likely short-term outcome of this exercise is.

My disappointment, Mr. President, is plain in its origin. In 1982, when the Social Security trust funds were in a situation of clear difficulty, and the Social Security System was in doubt across the Nation, a clear majority of nonretired adults did not think they would get any or all of their Social Security benefits. Indeed, owing to a set of events in the 1970's which had no precedents in our half century, almost half a century of experience of the funds, when inflation ran ahead of wages, the funds were declining and indeed faced the prospect of retirement and disability benefits going into deficit in mid-1983.

After a protracted debate on this floor with the extraordinary leadership of the then majority leader, Howard Baker from Tennessee, a Commission was established with Members from the Senate, the House, a number appointed by the executive, and chaired by Alan Greenspan, now the distinguished Chairman of the Federal Reserve Board.

In a long debate, discussion, analysis, it took a year's time. We nonetheless ended up deadlocked. It was the initiative of the now Republican leader, Senator DOLE of Kansas, in conversation he and I had on the floor just right over there, an odd, 10-minute talk, if that, on January 3, 1983 that led to a set of intense negotiations. And in the course of 12 days, an agreement was reached with the House, the Senate and the White House that produced the Social Security amendments of 1983, and transformed the financing of the system.

We put in place the largest revenue stream in the history of public finance. We took a benefit system that was adequate but inadequately funded, and we moved very quickly to a surplus. The surplus now is very considerable. The Social Security trust funds for retirement and disability are rising $1 billion a week. We have now in place a 30-year flow of funds which if saved will ensure that persons now working, when the demography of our country changes around the year 2020 when there is one retired person for every two workers, that we have an economy that can nonetheless throw off the income to maintain that ratio and the benefits we now have in mind.

We did good, Mr. President. We built better than we knew perhaps. Now the question is with that quite extraordinary agreement reached in 1983, will we begin to jeopardize it? Will we fall victim of the easiest of temptations which is to spend income now which needs to be saved for income later? I regret to say that this is the first occasion on which we appear to be bent on raiding the trust funds for current use, and using money today which was meant to be put aside for a generation from now.

That is what we do today. And we do it in circumstances that trouble me. Not a few moments ago we heard a distinguished Senator for the most understandable of reasons say that we have before us an amendment that would raise the cutoff point for earnings that are not subject to any subsequent reduction by $100 a month. Well, close. It is not $100. It is $80. But how is anybody to know for certain? This is not a bill that has ever been before the Finance Committee or the Subcommittee on Social Security and Family Policy. We have no hearings. We have only the sketchiest information, Mr. President. We do not know what the administration's position is on this matter.

We should know. We have trustees of the Social Security trust funds. We have an administrator of the Social Security Administration. They have never formally been asked, and they have no position for us, because they do not know what was involved, nor could they.

If I may speak, Mr. President, as the chairman of the subcommittee, these are not impenetrable questions, but they are matters of great detail, of exacting calculation and projection and estimate, and it takes time. That is what the hearing process is about. That is what preceded the year-long epic of the National Commission on Social Security Reform, which if it could not reach consensus, nonetheless laid out the data base on which agreement was reached in those dramatic days of January 1983.

May I say, Mr. President, we should remember, we are attaching this cut in benefits and rise in benefits to a fully nongermane measure. We have before us a measure that comes from the Committee on Labor and Human Resources, and it concerns the minimum wage.

The Fair Labor Standards Act of 1938, if I recall, had nothing whatever to do with the Social Security Act of 1935. Mr. President, I have a chart, if I may, which will show the point I wish to make here.

Under the proposals that we have before us, which we will pass out in this body before too long, the minimum wage rises until 1992 to $4.55 an hour. At no point in this sequence, 1989, 1990, 1991, 1992, does the retirement test exempt amount in any way fall below the proposed minimum wage or even close to the proposed minimum wage. It is estimated to always stay ahead of the proposed minimum wage, $8,880 this year; $9,360 next year; $9,840; and, finally, $10,320.

The minimum wage is set by law. The retirement test is changed annually to reflect the change in average wages. These tend to be going up at about 5 percent a year. This is our projection. We only know what would happen next year, but this is about right. It is always ahead of the minimum wage, and indeed it is worth nothing that in 1992 the first $10,000 of earnings are exempt from any loss whatever.

There are other provisions in our 1983 law, which affect this, as well. I will get to one of them. What is the logic of asking persons to give up some of their benefits in consequence of earned income over the exempt amounts? The logic is nothing more than the assertion in the original Social Security legislation, which continues unbroken to this day, the principle that Social Security replaces lost income. It says, when you reach the retirement age and you cease to have earnings, we will replace a fixed proportion of those earnings so that you can continue a standard of living that you have been used to.

May I say that Social Security predates most retirement benefits from private retirement or public retirement plans. They were very rare in 1935, very common today, but even so, for the individual we try to replace 42 percent of average earnings of the lifetime, for a couple in their sixties, and it varies somewhat, but it is not inconsiderable, if you consider that work always involves some expenses. It is a very solid pension system.

Now, Mr. President, it is perhaps not always wise to make this point, but it is necessary on this occasion. The Social Security retirement benefit is in very large measure a grant, a transfer. It is of course earnings-related. But it is not, strictly speaking, a benefit that has been acquired by previous savings. The actuaries dispute this matter in perfectly legitimate discussions of how do you calculate the value of disability insurance during a lifetime in which a person has never, fortunately, been disabled, but he has been covered. I think the generality of actuaries would say that about three-quarters of the average retirement benefit of the average retiree is a grant from one generation to the other.

Money is paid into the fund by people now working and received by persons who, if they only got the income on their pension contributions, would be getting about one-quarter of what they now receive. But they get 4 times that, because we deemed that to be an appropriate retirement benefit.

The day will have to come in a half-century or so when the benefits reflect actual contributions. It cannot go on indefinitely, but at the moment, retirement benefits are very much higher than they would be, if they simply reflected previous contributions of employer and employee. So, simultaneously, we say that if that pension does not simply replace income because there is another income stream from earnings, well, the benefit will not be as high as otherwise would be the case, because it is not required.

Now, we do want to encourage persons to work, more now, as our demography shifts and the number of workers coming along is not what we would have expected. There is a falling off, as we know.

Also, there has been something, Mr. President a little surprising, that most persons retire before age 65. We set the normal retirement age at 65, but workers can get a reduced benefit at age 62. The majority of persons now entering the Social Security Retirement System enter before age 65. I do not vouch for it, but I have seen a respectable estimate that the average retirement age is now at 61½ years. Whether there is a male-female distinction or not, I do not know, but we are not staying longer in the work force; we are getting out earlier, possibly because the combination of Social Security and private or other forms of pension makes it possible to do and so more is the reason we might look to persons who want to continue working and not discourage them.

That is why in 1983 on this floor we did in fact vote to eliminate the retirement test, a test which simply says that after a certain amount of earned income, you begin to lose some of your Social Security benefits.

Mr. President, that went to conference. I was a conferee, as well as our distinguished chairman.

The House did not feel that was appropriate because of the considerations I have just touched upon. And we compromised as the whole exercise in 1983 was a compromise, and we said, all right, starting in 1990—this goes back some time, Mr. President, this was 1983 we were trying to move this system slowly into stable condition—we said that beginning in 1990 we will change the present test of $2 of earnings resulting after a certain point in $1 of benefits lost. We would say $3 in earnings above a certain level produce a benefit loss of $1.

So, Mr. President, next year on the very same date, January 1, that the major part of this amendment would take effect the law already in place will also take effect, and if you look at the person who continues to earn the average wage, that average worker will get an increase in benefits retained of $2,037. That is already in place, Mr. President. That will happen January 1—$2,037 extra retained benefits by your average earner working between 65 and 70. I repeat: After 70, there is no limitation of any kind.

The proposal we have before us would add $320 to the $2,037. I do not want to dismiss $320. But it is not in any sense the larger of the two sums.

The $2,037 is in place and will happen regardless. This would add $320 and, Mr. President, create a hugely unfortunate precedent in my view at least.

The precedent is as follows, Mr. President: First, we are eliminating retroactive benefits, as the distinguished chairman of our committee said, for 100,000 families and individuals. For a large number of these people, this would be a permanent benefit cut.

Who are these individuals? What is the circumstance of their families? Is there anybody on this floor who can tell me?

I say to you as chairman of the subcommittee, I do not know. I know their categories. But who are they actually? What is their average age? What is their average benefit from Social Security? What other benefits, if any, do they have?

I do not like to think that the Senate has reached the point where we will stand here and cut benefits for a group of individuals and families without knowing who those individuals and families are and what this cut will cost them.

Mr. President, just as gravely, we enter on a hugely dangerous practice which we thought we had recovered from, and that is the practice of offering benefit increases in Social Security on the floor without hearings, without examination, bidding one another up and ending, if you do not look out, with a crisis in the system, a hidden crisis because we will be using up money today, consuming today moneys we had intended to save for tomorrow.

I would say, sir, that this will be popular today, but sometimes the Senate has to be the institution we heard described on this floor Friday morning on the 200th anniversary of our achieving a quorum at Federal Hall in New York City, and we heard the extraordinary orations of former majority leader Howard Baker, of Tennessee, Thomas Eagleton, of Missouri, in the old Senate Chamber, then our own Senator DOLE, Senator MITCHELL, Senator STEVENS, and others speaking here in this Chamber.

I remember that wonderful line of Senator Baker when he said, meaning no denigration, when he referred to the intent of the framers, that if popular opinion and popularity is to prevail in the other body, as it was intended to do, when propositions, measures that are merely popular may pass in that body—I do not say that is the case, but that was the formula—he said in the Senate such measures are subject to proof—subject to proof.

It would be an interesting reversal, as the distinguished chairman, the senior Senator from Texas, has said, that if the Senate should be the institution responding to mail and the House said we will insist upon principle and prudence with respect to retirement, pension benefits, trusts.—And these are trusts.—We do not spend this money simply because it seems like a good idea. You think about it, and you establish the consensus. What does the President of the United States think about this measure? What do the Social Security Trustees think—the Secretary of Treasury, the Secretary of Labor, the Secretary of Health and Human Services, and we have two public trustees—what do they think? We do not know.

We can go ahead.

I think Senator BENTSEN was entirely correct when he said this measure will not prevail. The House is not going to let us do this, and I do not know why we should behave in a way with the greatest respect we have in this body for the other body, that we should depend on them to see that we abide by the standards of prudence and if I may say even propriety with respect to the use of trust funds and the decision to deprive persons who do not know at this moment we are doing it, persons now entitled under law to benefits under the social insurance system of our country. We are taking away retroactive benefits from 100,000 individuals and families. We are stripping them without their knowledge or I dare to say without their knowledge—we do not even know who they are. We just know they are a number and that taking away their benefits will enable us to get through the next 3 years of increasing benefits for another group.

Over 5 years in this measure costs $404 million; over 75 years, sir, which is how we estimate costs in Social Security—we make 75-year projections—I have no idea how many billions. I do not know. Nobody knows, sir, certainly not the sponsors.

And I ask the Senate, do we really want to proceed at this moment in this way, because this subject will be brought up in our committee, our subcommittee. We can hold hearings. We can get our facts, get our figures, and make our judgment, in a way that seems to me to be appropriate to the Senate and proper to the social insurance system of our country, the Social Security System.

Mr. President, I see other distinguished colleagues who wish to speak, and if I may, I would like to return to this subject, but for the moment I am particularly conscious of the junior Senator from Texas who has very cordially allowed me to get into line before him, although he was on his feet first.

(Mr. LIEBERMAN assumed the chair.)

Mr. GRAMM. Mr. President, we have worked these issues over. I would like to outline a few points. I am always a little bit leery about saying I will be brief, because every time somebody else gets up and says they will be brief, I sit back knowing I am going to hear a long speech.

Let me try to tick off my points. First of all, I do not disagree with the distinguished Senator from Texas. I think it is clear that if this provision is adopted, as I expect it to be, it will be stripped of the minimum wage bill in the House and will not be part of that bill.

Second, we all know that this bill, as currently constituted with the minimum wage above the level the President said he would sign, with the training wage in effect for a smaller period of time, that this bill is going to be vetoed and is not going to become law. So I am not voting for this amendment believing that this amendment is going to become law in this form on this bill.

Now, there are many reasons that people can be for or against the amendment. I think those who said that we are simply making a point here are right. Let me tell you what my point is and why I am for it.

First of all, for a quarter of a century my party has said that we ought to repeal the earning limit under Social Security. We have had it in the platform for a quarter of a century. We ought to either do it, bring it up to be voted on over and over and over again until finally a decision is made, or we ought to take it out of the platform.

Now, let me tell you why I am against this earnings test. First of all, the earnings test treats Social Security like welfare. It says if you go out and work and earn income, you lose Social Security. My view is either you have earned Social Security or you have not earned it, but you ought not to lose it because of a willingness to go out and work.

No. 2, I do not like to use the term unearned income, but I oppose the earnings limit because it treats unearned income differently than earned income.

Now I do not like the term "unearned income" because only the Government has unearned income. Anybody that saves money or invests money or builds something or rents something, they earned that income and I do not like the term. But I do not see any logic in letting a person who earns a half million dollars a year in interest and dividends to be exempt from the earnings test and then apply the earnings test to a school teacher who wants to work a couple of extra years to earn extra money at $22,000 or $25,000 a year. That makes absolutely no sense. We can debate about committee jurisdiction and how we are going to structure it, but that is wrong and it ought to be changed.

Also, I oppose the earnings test because it is the last vestige of mandatory retirement in America. What a great paradox it is, at the time that we have gone through and systematically stricken all of the provisions in private contracts that mandate retirement, that we preserve in the laws of the Nation provisions that in reality force people to retire.

Mr. President, finally, before I yield the floor, let me raise a point that has been touched on here because I think it is important, and I think it is something in the system that is broken and I think it has got to be fixed.

Mr. President, I do not think anybody set out with the idea of collectivizing American society for senior citizens. I do not think they did it because I do not think anybody was clever enough to come up with a program to institute it. But while I do not think it happened intentionally, the plain truth is that it has happened in America.

We have in effect today confiscatory tax rates for senior citizens. We have in effect today a system where senior citizens have marginal tax rates three times the marginal tax rates borne by people that would earn comparable levels of income.

Now, that does not make any sense. Let me explain why it does not make any sense.

As we have imposed higher and higher marginal tax rates, as we have imposed heavier and heavier costs on the people who work hard for and provide for their retirement, often at great sacrifice during their working years, as we impose higher and higher costs on them, what we are doing is discouraging people from accumulating and for being in a position of having what we used to call secure retirement income.

In the short run, Mr. President, with marginal tax rates of 82 percent and in some cases over 100 percent—in fact in a recent study by the National Center for Policy Analysis, they found in the highest tax areas of the Nation—and of course that is the Federal City, the District of Columbia—that a senior citizen with a moderate income could fall in the 118.4 percent tax bracket. Needless to say, nobody is going to voluntarily earn income when they lose

more in taxes than they earn in income.

Mr. President, in the short run, what we are doing here is we are redistributing massive amounts of wealth. We are taking people who worked hard to prepare for their retirement, who build up a retirement income, and we are coming in and we are taxing them very heavily and we are providing great benefits to people who do not provide for their retirement.

For the people who are already retired or on the verge of retirement, we, in essence, have trapped them and no matter what the unfairness is, there is nothing they can do about it. But what we are doing is we are planting the seeds where Americans who are smart—and you do not have a secure retirement by being dumb; you have one by working hard and being smart. It is only a matter of time, unless we change these laws, until Americans are going to wise up to the fact that in retirement in America, that you are living under a system of socialism where you are going to be at exactly the same level of wealth, that you are going to be well off, to a certain degree, no matter what you do. If you are responsible, we are going to take it away from you. If you are irresponsible, we are going to give it to you.

What is going to happen, Mr. President, is that people are going to stop providing for their own retirement. And when that happens, who is going to pay for all these programs? When people wise up to the fact that they are paying 80 percent to 120 percent tax rates and they stop generating the income—they go ahead and spend it on themselves and their children and they let the Federal Government worry about their retirement—we are going to generate great problems in these programs.

This is a small and modest amendment. This amendment simply is a first step toward doing something about this earnings test.

I do not expect it to become law on this bill. I expect—exactly as my dear colleague from Texas said—the House to strip it off. But I want to vote for it because I want to go on record that this has to be changed, that this is wrong and it ought to be changed, and we ought to begin here by at least saying we want it to be changed.

However people are going to vote on final passage, whatever is going to happen in the House—that is separate from this issue—we ought to make a record here. When it does not become law on this bill, we need to bring it up over and over and over again until the committee, with all of its wisdom, with all of its expertise, decides that something ought to be done on this issue.

And it needs to be done quickly, Mr. President, because if we do not do something quickly, we are going to see a wholesale change in the patterns of living of the American public as they recognize that there is no benefit to be had for preparing for their retirement or for working as they get older. People are going to begin to call on the Federal Government for more and more and more and there is going to be less and less in the way of resources to pay for it and we will have nobody to blame but ourselves.

That is why I am going to vote for this amendment, even though I know it is not going to become law in this bill, and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah, Senator HATCH.

Mr. HATCH. I did not realize the distinguished Senator from Nebraska wanted to speak. If I could just take a minute or two?

Mr. EXON. Go ahead. I will be happy to yield.

Mr. HATCH. Mr. President, I rise to urge my colleagues to carefully consider the looming disincentive many of our working senior citizens are facing in the form of the Social Security retirement earnings limitation. This limitation, which reduces the Social Security benefits of retirees under age 70, in effect sends a negative message to working recipients of Social Security. The message that it sends is that the Federal Government does not value their continued contribution to the work force. Many in our senior work force not only want to keep working at age 65, but because of their economic situations, these people may need to keep working. Do we want to discourage them?

In 1989, a retired worker under age 70 can earn only $8,800 before the earnings limitation kicks in. For the next dollar earned over this amount, the worker's marginal Federal tax rate may be as high as 83 percent. This is for a low-income retired worker, supposedly in the lowest tax bracket. This means that, should this worker exceed the earnings limitation, he or she keeps only 17 cents of each dollar earned. Subtract from this 17 cents the State tax on those earnings, and you can see the tremendous disincentive these retired workers face. After a lifetime of believing that hard work pays off, it is extremely frustrating to face an economic situation where more work leads to little additional pay.

Many of our workers turning 65 are faced with a difficult dilemma. Either they must continue working full time and give up all or part of their well-earned Social Security benefits, or they must retire and accept a lower standard of living. Either choice can lead to the feeling that one is being cheated.

It is ironic and unfair that those retirees with large amounts of unearned income from interest, dividends, and pensions do not face a reduction of Social Security benefits, no matter how much of this income they enjoy. Those retirees who struggle to get by on their Social Security, and would like to supplement their income by continuing to work, however, are discouraged from doing so. This is poor public policy and goes against American ideals.

Mr. President, our Nation is beginning to face shortages of skilled workers. While the shortage is presently more visible in some regions of the Nation than others, the lack of experienced labor will prove to be one of our biggest challenges as we enter the new century. One solution to this problem lies with our senior citizens. In many ways, this group represents the best America has to offer. They have the skills, they have the experience, they have to work ethic. We cannot afford to discourage members of this group who wish to continue working.

The amendment now before us represents a turn in the right direction, a signal that we believe our work force between the ages of 62 and 70 are a much-needed and integral part of our economy. Many of these individuals have much to contribute. We need their experience, and we need their wisdom. Let us not discourage them from making this contribution by taxing away most of their earnings.

I urge my colleagues to support this amendment.

Mr. D'AMATO. Mr. President, I rise today in support of Senator ARMSTRONG'S amendment to raise the Social Security retirement earnings limit by $1,000. The current limit unfairly penalizes nearly 1 million older Americans who have chosen to continue working past the age of 65. I am pleased that my colleague has recognized this inequity, and has taken action not only to reduce its harmful effect immediately, but to phase it out entirely by the year 2000.

The current earnings limit affects beneficiaries between the ages of 65 and 70—robbing them of $1 in benefits for every $2 earned above a specified limit. In 1989, the limit is $8,880.

The earnings limit discriminates against working senior citizens in two ways. First, it subjects them to marginal tax rates that are grossly higher than those paid by younger workers with similar incomes. These rates can be as high as 83 percent for certain senior citizens, while younger workers with identical incomes face marginal rates of only 22.5 percent.

Second, the earnings limit places working seniors at an unfair disadvantage when compared to other seniors with income from pensions, investments, and stock dividends—all of which is exempt from the current earnings limit. A recent article in the Rochester Democrat and Chronicle succinctly described this inequity: "Those who have huge incomes from

pensions or investments don't lose a dime in Social Security benefits. Those who earn more than [$8,880] a year bagging groceries do." Clearly, fairness dictates that we should act soon to remove this unnecessary burden from the backs of our working seniors.

I am confident that working seniors will not be the only beneficiaries of this amendment. Our society as a whole will surely benefit as greater numbers of seniors are encouraged to reenter the work force. At a time when our Nation faces a shortage of qualified labor, we shouldn't deprive ourselves of the invaluable skills and experience senior citizens have to offer.

I again applaud my colleague from Colorado for taking the lead in this effort to phase out the earnings limit. The elimination of this outdated policy will help restore fairness to the Social Security System while expanding horizons for thousands of senior citizens. I encourage my colleagues to join me in cosponsoring this needed amendment, and I urge its immediate passage.

Thank you, Mr. President.

Mr. CHAFEE. Mr. President, I am joining Senator ARMSTRONG in sponsoring his amendment to raise the Social Security earnings test limit for Social Security recipients who work. I believe it is time for Congress to change the Social Security earnings test once and for all and our amendment is an important step in that direction.

Of the many letters I have received from Rhode Islanders about the earnings test, one stands out in my mind. This gentleman asked a simple question: "Why should recipients of Social Security be penalized by a limitation in earnings?" I ask of my colleagues the same question and add to that—Why should we retain a Federal policy which discourages Social Security beneficiaries from working when we are facing a very real labor shortage?

Under current Social Security law, beneficiaries can receive unlimited unearned income with no impact on their benefits. However, if they have earned income, their benefits are reduced. It seems to me this sends a message to senior citizens that their contributions in the work force are not welcome. This is most unfortunate. We need the time and talents of all who are able to work. Regardless of where a senior citizen works, his or her contribution is important and should be recognized, not discouraged. We have worked hard in the Congress to protect older workers from age discrimination yet the earnings test still penalizes them. We must change our policies to ensure that seniors who work either out of necessity or choice are encouraged to do so.

The Social Security earning limitation was incorporated in the original Social Security Act of 1936 to encourage older workers to retire. The intention was to provide younger unemployed Americans an opportunity to work during the depression. In 1936, the Social Security earnings limitation may have been appropriate—in 1989, it is not.

I support changing the earnings test not only because it makes sense economically, but also because I believe we must ensure that our senior citizens, particularly those who are disadvantaged, are not prohibited from supplementing their income. Many of those penalized by the earnings test work in order to maintain a decent quality of life.

Reforming the earnings test limitation is especially critical during consideration of the minimum wage legislation for lower income elderly. Should the minimum wage be raised, senior citizens who work in low-paying jobs will experience a raise in wages that may put them over the current Social Security limitations threshold. Our amendment will increase the threshold to nearly $10,000 annually, thus taking into account an increase in wages that may be experienced as a result of the minimum wage legislation. Our amendment will help 85,000 senior workers who make between $9,000 and $10,000.

During the coming months, we will be discussing a total repeal of the Social Security earning test. I support providing all Social Security recipients with the encouragement to remain it the work force. Yet, I do want to make it clear that I will not support changes in Social Security law that would jeopardize the solvency of the Social Security trust funds. It is my belief that we will be able to repeal the earnings test without adversely affecting the solvency of the trust funds.

Mr. President, I urge my colleagues to support this amendment, particularly in light of the affect the minimum wage legislation would have on our older workers.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I rise today to join my colleague, the senior Senator from Colorado, in sponsoring this amendment that will increase the monthly earning cap for Social Security beneficiaries.

I have worked with the Senator from Colorado on this measure and one very much like it over the years. I am pleased to stand here today in support of the amendment once again.

I ask at this time, Mr. President, that the name of Senator HARKIN of Iowa be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Last year I cosponsored similar legislation, also introduced by Mr. ARMSTRONG. That legislation, S. 1777, would have phased out, over 5 years, the earnings limit now imposed on individuals between the ages of 65 and 70 who choose to supplement their retirement benefits by earning outside income.

I am pleased to emphasize once again the reason I am here on the floor today is this is something that should have been done a long, long time ago. There is no need for delay. There is no need for the excessive pessimism stated on the floor that even if we pass this here, it is going to fail in the House of Representatives.

I know all too well from my numerous dealings in conferences with the House of Representatives, sometimes they exercise some strong-arm tactics. I think if and when a bill to raise the minimum wage finally passes, and if it is sent to the President, it may well have this amendment on it, if we act favorably here in the U.S. Senate today.

The House of Representatives has a strange way of responding when something properly is sent over to them that they had not acted on previously.

So I do not think all is lost. In fact I think there is a better than 50-50 chance that if we act favorably on this amendment, we can get it approved by the House of Representatives.

Although that is what we originally set out to do this year, we found, due to the ill-fated Gramm-Rudman targets and strict budgetary rules, we could only proceed one step, 1 year, at a time.

This amendment will increase the monthly earnings test by $80 a month, thereby, increasing the yearly earnings cap by approximately $1,000.

That would place the cap at close to $10,000. As you may know, Social Security benefits are reduced $1 for every $2 of earnings above the cap. However, in 1990, current law provides for a decrease in that reduction to $1 for every $3 above the cap. That change will also be helpful to those beneficiaries who would still like to keep working.

During the depression and the early days of Social Security the mood of the country was to move older workers out of the work force to make way for the younger workers moving up through the ranks. Incentives were built into the Social Security system to entice older workers to retire and stay retired. The earnings limitation was one such incentive.

By reducing Social Security benefits in proportion to the amount of outside income earned, the beneficiary was usually better off by retiring completely.

We have all experienced the incredible increases in the cost of living over the last couple of decades. These costs increase at a higher rate for our elderly citizens, especially in the area of health care.

Quite frankly, few senior citizens today can live on the amount of their Social Security benefits alone. If individuals are able and willing to work, why should we tell them they cannot?

This body recently passed a major welfare reform bill. We are trying to get individuals out into the work force where they become self-supporting and productive members of society. Should we have a double standard for elderly workers? I know that many of my colleagues, myself included, are over the magical age of 65.

In our recent debates here in the Senate during consideration of the trade bill, I tried to get into this very matter, to make addresses with regard to it, but thought it wise that we not proceed with it at that time. Yet here we are today. We have not acted in the past and we must act now.

Obviously there are still people in our respective States who feel we are capable, productive, and energetic enough to represent their best interests here in Washington. Why should that benefit be denied any other 65- to 70-year-old?

In our recent debates here in the Senate during consideration of the trade bill—about the future of the United States—we repeatedly stated our need to make the United States competitive in the international market. I suggest that older individuals have a wealth of experience to share that can only increase our collective knowledge and competitiveness.

Mr. President, this earnings cap is unfair. We have no cap on earnings once an individual hits age 70. We have no cap on the amount of unearned income an individual can earn at any age. This cap unfairly hits the middle-class elderly. The middle class has taken too many hits over the past 8 years. Why can we not give them a boost here? Why should individuals be denied benefits they themselves helped pay for? This just does not seem right.

Mr. President, I never attend a public meeting these days but what a "notch baby" does not appeal for relief. I hope we can do that, but I am not sure we will. It would help a little bit for some of the current notch babies if we granted them this fair option. It would also help in the future if we don't address the notch problem, to the new batch of notch babies we will soon be hearing from; those born in the year 1922 and afterward. This positive step would at least indicate that we care.

Mr. President, I congratulate my friend and colleague, Mr. ARMSTRONG, for his hard work and diligence in working out this technical but important piece of legislation, and I urge all my colleagues to support the amendment. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. President, I think we have had a good discussion and debate of the merits of this issue. As has been pointed out, this is a matter that really belongs in the Finance Committee, and the issues which have been debated and discussed, relating to the Social Security Act, have been debated by the chairman of the Finance Committee and the Senator from New York.

I am wondering if, given the statements that have been made by both the minority leader and others, do we have any assurance, if this amendment is accepted, whether that is going to alter the President's position on this bill or whether it is going to alter the position of the minority leader or the Senator from Colorado? It is one thing to discuss the merits of raising the earnings cap, and it is another thing to perpetrate a hoax on senior citizens by demonstrating support for this particular measure knowing, given the number of the Members who have indicated that they would not override a veto, the possibilities of this not becoming law. I think that particular fact ought to be out here on the table so that if those Members who believe, as I do, that there should be adjustment in the earnings cap for Social Security recipients who care about the issue of continued employment for our seniors, also know who is going to be hurt and who is going to pay a price.

Having listened to the arguments that have been made by the Senator from New York and the Senator from Texas, it seems that it may very well be the poorer Social Security recipients who are actually going to be paying the price. We do not really know who will be and who will not be hurt by this amendment. I am just trying to find out exactly what we are doing here on the floor of the U.S. Senate, and I think our Members are entitled to know.

Should this be accepted—I expect the votes are there to accept it—is there any indication that the minority leader or the Senator from Colorado, given their strong commitment to this issue, will support this bill later on? I am wondering whether we can receive any assurances, should the Senate accept this amendment, that we will be able to move ahead and hopefully achieve some kind of agreement with the administration. I think that a response to this question would certainly carry weight with some of the Members.

I would be interested in hearing from the Senator from Colorado, if this is accepted whether he has any intention of supporting this bill as amended?

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado, Senator ARMSTRONG.

Mr. ARMSTRONG. Mr. President, if the Senator from Massachusetts desires to comment, I will be happy to yield.

Mr. KENNEDY. I will be glad to withhold.

Mr. ARMSTRONG. The Senator from Massachusetts, as usual, comes right to the nub of the matter. I guess it is no secret to most of my colleagues that I am skeptical of increasing the minimum wage for reasons that have nothing to do with the amendment. My own conviction is while some people will be helped by increasing the minimum wage, there will be a lot of people thrown out of work. The higher we raise the minimum wage, the more of a burden that will be for people at the margin.

However, it appears to me sort of the golden mane, the balancing point, is at $4.25. That is not a magic number; it is just a number the President said he would sign. I suppose on at least a half-dozen occasions where I have been present, Mr. Bush has made the point that he and his administration have adopted a sort of unnusual bargaining strategy. Usually you throw out a number with the idea that you are going to get bargained up. I have heard Mr. Bush say over and over again that this is not a ploy, this is not a Trojan horse, this is not a negotiating strategy. We put our best shot up front. If it is over $4.25, we are going to veto it.

So my answer to the Senator from Massachusetts is this: Maybe this whole thing is a futile exercise. I do not think so. I expect, whether or not my amendment is added to the bill, that the bill is going to pass the Senate and it is going to go to conference and maybe it is going to go downtown and get vetoed and will have to go through the process again.

I believe what is going to happen and, in fact, what I think should happen is that we will pass and the President will sign a minimum wage at $4.25. That seems to me to be a reasonable compromise of all the interests.

The Senator asks how does the addition of any amendment affect the prospects of the underlying bill. I think in a way that he may not have considered, adding the amendment, which my colleagues and I have presented, actually enhance the prospects for passage.

Mr. KENNEDY. I had considered that.

Mr. ARMSTRONG. You say you had considered it? Well, let me just state my reasons, but perhaps you are already a jump or two ahead of me. It appears to me that even though many of us are pledged, and I am one of

those who has pledged to vote against a minimum wage bill that goes above $4.25 and, in fact, made that pledge in writing. I think there are about three dozen Members of the Senate who have done so, but the very likely prospect is, if we add this amendment, that it will enhance the general attractiveness of the minimum wage bill and, therefore, it would encourage Senators who might otherwise want to make a political statement to strive for a compromise. I would judge that that compromise will be at $4.25.

Nobody can say precisely the course of future legislation, but let me say to the Senator from Massachusetts that my hope and belief is that this amendment will, in fact, have that effect.

One other point, and after the Senator from Massachusetts has completed his remarks, I would like to come back and respond to the issues raised earlier by the Senator from Texas and the Senator from New York, one related point that I probably ought to touch on and that is the notion that somehow the House is not going to take that amendment.

It seems to me that just about every important issue that I have ever really cared about—now this is an exaggerated statement because I am sure somebody can point to an exception—but it seems to me that in recollection, just about every big issue that I have ever seen around here that got enacted into law as a result of anything I had anything to do with arose as a floor amendment added to a bill that somebody got up and said, "Well, the House will never take an amendment like that," That is what happened on tax indexing; that is what happened on Gramm-Rudman; that is what happened on the sodbuster bill; that is what happened on the GI bill. Over and over again we hear, "Well, the House just won't take this amendment."

Let me just say to my friends, I think there is a very good prospect that the House will take this bill and with this amendment on it. One way or another, the conferees will find a way to craft a bill which will be acceptable to the President, and it will be my hope and determination to help that happen.

Mr. KENNEDY. I gather that the answer to my question is "No," that the Senator from Colorado would not support this bill at final passage. I see the minority leader. I wonder if he would address this issue?

Mr. DOLE. If the Senator will yield, it seems to me it is important that we raise this issue. One of the first bills I introduced was to repeal the earnings limit altogether on Social Security recipients, and so it is an issue that I think needs to be pursued.

I do not think it is going to change any votes on a veto. But we are serving notice, not on anybody in the Chamber because I think most people, if they could figure out a way to do it, would like somehow to modify the present earnings limitation, this is the first shot in a sense. It is an indication that there is a lot of interest. It is not just on this side. It is on the other side of the aisle. It is an issue that some of us have been wanting to address for some time. It is an issue that goes back for several years. So I am pleased to be a cosponsor.

Now, will that affect my vote? Someone said—I think it was in our policy luncheon—"I am not a rocket scientist but I don't understand the utility of offering this amendment on the minimum wage bill."

Well, I am not a rocket scientist either but it would seem to me it is worth the effort to raise the issue. It has now been assessed by the distinguished Senator from New York, who is certainly an expert in this area, by our chairman of the Finance Committee, Senator BENTSEN, and by many others off and on that committee. I think before the year is over we are going to have some relief.

So my answer is I assume the bill that will pass the Senate on minimum wage will be the so-called Democratic compromise, $4.55, and a meaningless 60-day training wage. That will go to conference with almost an identical bill, and I assume that these amendments may be stripped off, but in any event, with or without the amendment, the President would veto it. It would come back and I would vote, as I hope at least 36 or 37 others would, to sustain the veto and then we are back with another minimum wage bill, and by that time we may have everybody on board on this amendment.

Mr. KENNEDY. I thank the Senator. The record then ought to be clear to the seniors across the country that at least it is the view of the principal sponsor of this amendment as well as the minority leader that even though they see this injustice involving the earnings cap given the demographic makeup of our society, even having listened with interest about the injustices which exist, that evidently they are not prepared to support this bill with the amendment. I am absolutely convinced, now that the Senate has voted on the minimum wage that we should be paying and that there has been a determination by this body on that issue after pretty good debate and discussion of several days, evidently the disparity between 25 and 55 cents for the working poor and the difference between 6 months and 2 months is of such concern to those particular Senators that even with the additional injustice of the earnings cap it is not sufficient for them to overcome their resistance to the differentiation between the President and the Senate. But I think it is important that the seniors across the country, should that amendment be accepted—and I expect that it would—have a realistic sense of what is happening on the floor of the Senate and they do not get their hopes up. The message is that although we are concerned about that, evidently we just cannot come to the point of agreeing that we want to provide an increase for the working poor.

I think that is really what is going on here, and I think people ought to understand it and particularly the elderly people so that they are not going to have some kind of misinterpretation or misunderstanding or false hopes of what is being discussed here in the Senate. That is at least how this Senator views it, and I would be glad to suggest the absence of a quorum or yield.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

Mr. DOLE. I take the opposite tack. I think the seniors ought to be heartened that this issue has been raised. I am not the principal sponsor; I am only a cosponsor. We might be willing to pass it by itself right now by unanimous consent. It has that much merit. Why not just take it up on its own and send it over to the House? Then we would not have the argument, "You are putting it on some bill that might be vetoed."

But I assure senior citizens that the amendment is offered in total good faith, supported in good faith by Members on both sides, and is not going to be forgotten. I thank the Senator from Colorado, who is not doing it for any political motive; he has decided not to run again. So his credibility is pretty good. He has offered the amendment—he has worked on it for a number of years—and he will be back this week or the next week with this version or another version if he can improve upon it.

So it seems to me the senior citizens not only in Colorado but in all of our States should be grateful to the distinguished Senator from Colorado for bringing this to our attention. In fact, he was prepared to do it earlier this year. He did not do it. I prevailed on him not to do it on a particular bill because I think both sides did not want any amendments to that bill.

I say to my friend from Massachusetts, it seems to me we have a fundamental difference on policy. I would say on behalf of this President, George Bush, had he adopted the line of President Reagan of no increase in the minimum wage, I bet there would have been a happy compromise at $4.25 and everybody would have been on board. But the President in a very honest effort said, "I don't want to play that game. I am not going to start at $4." Some suggested $4, some sug-

gested $4.10. He said, "I am going to do what it ought to be, what I have been advised it should be, $4.25 and I am going to stick with it." Because by going to $4.25 from $3.75 he went about 70 percent of the way as requested by my colleagues, many of my colleagues on the other side.

So there are going to be lots of amendments offered to this legislation, in my view, after we dispose of this amendment and maybe a couple others. There is section 89 on which we would like to have at least some expression whether it ought to be modified or repealed; it is causing businessmen and businesswomen all across the country a great deal of grief and extra work. I am not certain it is ever going to benefit the people intended.

But after we adopt a few of these amendments, it is my hope we can go ahead and do whatever we need to do in final disposition and get this bill down to the President, and if it is not changed to $4.25 and the 6-month training wage, then he can veto it, get it back to us, and hopefully we will put this amendment back on the next one.

I would alert the Secretary of Labor—I will do it from here rather than at home—and the White House this amendment may be back even at $4.25.

So I want the RECORD to show that the amendment was offered in total good faith by a Senator whose credibility is unassailable at this point because he is removing himself voluntarily from this body at the end of this term. I am grateful to the Senator from Colorado for his effort. He does not give up easily. He will be back next week, next month, next year, and I will bet before the year is out there will be some change in the earnings limitation which will be good for about 800,000 senior citizens.

And I listened with interest to my good friend, the Senator from Texas, chairman of the committee. He gave five good reasons. I used to stand here and give the same five good reasons when I was chairman of the Finance Committee, and then proceed to be defeated because when people have a good amendment those reasons do not make much difference. So you can say "Well, the House won't take it, it will bust the budget, and we haven't looked at it, and we haven't had any hearings." I remember making that speech a number of times and then losing.

I commend the Senator from Texas for making this speech. He is a responsible chairman, certainly an outstanding Senator. But it seems to me this amendment will pass, and maybe it just ought to be accepted. I think he would like to have a rollcall. We can go on to some other amendments. There are some 23 still pending. I say to the Senator from Massachusetts we are trying to reduce that number sharply.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I will just take one moment. I would anticipate that this is going to be accepted here this evening or on tomorrow. And it may very well be for the reasons pointed out by the Senator from Colorado and the Senator from Kansas. Maybe this position will be sustained in conference.

Our point is: Why put the seniors through this process again and again? All we would probably need is the votes of the Senator from Colorado and the Senator from Kansas should we be successful in coming back to this particular proposal on the increased minimum wage and this amendment. That was the point that we were trying to address.

Hopefully, Mr. President, if the result is that this is accepted here, either by rollcall or by a voice vote, that perhaps there will be others of that 30-odd group who are opposed to this bill that will say this really is enough. They may say that while they are concerned about the minimum wage, they recognize the injustice of the earnings cap. Perhaps this will be enough to help, to override a veto. We are still hopeful that we will not be faced with that, but perhaps some of those 30-odd Members might be willing to take a second look, and perhaps some of these many injustices may be addressed.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, we have had a good debate on this, and I am grateful to those who have spoken in support of the amendment. I appreciate particularly the observations of the Senator from Kansas [Mr. DOLE]. I am grateful to my friend from Nebraska who has spoken on this very eloquently. Senator EXON touched I think the nub of the issue when he talked about the lives of the people who are affected because this really is at the bottom of a matter of justice first and foremost.

It has some practical economic consequences. Certainly bringing people back into the labor force or permitting them to remain in the labor force is an important contribution to the economic life of our country and to become more important in the years ahead if the demographic trends that we are expecting actually materialize. So there is an economic aspect to it.

But the Senator from Nebraska is correct. This is first and foremost a matter of justice. So I am grateful to him for what he said, and I am grateful to the others who have spoken up, Senators SYMMS, COATS, GRAMM, HATCH, and our colleague from Rhode Island, Senator CHAFEE.

Mr. President, I am troubled by the fact that the debate on this amendment casts me in the role of being on the other side of my friend from Texas, the chairman of the Finance Committee, and my friend from New York, Senator MOYNIHAN, chairman of the Subcommittee on Social Security Finance. First, Senators BENTSEN and MOYNIHAN are among the brightest, and known to be the most insightful in this body.

What is more, I say this in a personal sense. They are my brothers, and colleagues on the Finance Committee. Some Senators may not be aware of this, but the truth of the matter is the Senate Finance Committee is the best committee of the Congress, better than any other. I have not served on all of them, but in terms of the scholarship, the staff, the spirit, the output, and the bipartisanship that prevails, I have never been on a committee or seen a committee in action in the Congress that is as good as the Senate Finance Committee. I take very seriously that relationship, and would not do anything willingly that would interfere with that.

By the same token I also want to acknowledge, while I guess they are going to vote against this amendment, I know their heart is in the right place. They have said so. They have made it clear they favor doing something about the Social Security earnings limit. They have voted to do so on other occasions, in fact more than once. So what we really have here at most is a disagreement among friends about the best way to approach this issue.

So in that spirit, Mr. President, I want to take a moment to respond to the six objections which have now been raised to this bill. I can do so quite quickly. I do not think there is any need for me to elaborate on the attraction of this. It is economic justice. It is social justice. It is good labor policy. I have said that.

I will submit for the RECORD an analysis of the bill which makes in detail the arguments in support of the amendment.

Let me talk about the six objections. First, the argument that this is a cut in benefit to some people. Does anybody remember the name of the statue of blind justice? Remember the blindfolded lady who is portrayed holding the scale of justice? A former chairman of the Senate Finance Committee, one of the greatest Members ever to serve in this body, our friend Russell Long, made a very interesting point one day in the Finance Committee. He said, "You know, we are not blind like the lady justice." As Senators, we are here to know who we are helping and who we are hurting. Hurt-

ing. We are not just basing our decision on abstract principles. It is our duty, our obligation, Senator Long used to say, to know who gets helped and who gets hurt.

I want to respond very directly to the point that there are going to be some people who might be hurt by part of the amendment which we use to pay for the benefit increase; that is, for the lifting of the Social Security earnings limit.

First of all, let us talk about how many there are. There are at most an estimated 100,000 such persons. This compares with those who we are helping with the other part of the amendment which are 700,000 workers, 115,000 dependents, 40,000 survivors, and an estimated 140,000 people who do not even bother to file for Social Security at the present time.

Moreover, it is important to understand that the amount of help or hurt is grossly disproportionate. We are talking about a permanent change that effects every working Social Security recipient in this age bracket into the future. We are talking about for a limited group of people and a one-time change that might—I say "might" because it is not a certainty—work to their disadvantage. The extent of that one-time disadvantage is in most cases a few hundred dollars.

Mr. President, I also want to make this point so there is no confusion. Not one person who is now receiving a benefit will be disadvantaged by even $1 by this amendment. We are talking about a group of people who in the future when they retire might chose to opt for the retroactive retirement benefit, a benefit of which most are not presently aware, a benefit which ordinarily comes to their attention when they go to the Social Security office, and say, "I am thinking of retiring" and it is at that point it first becomes available to them.

Second, Mr. President, I want to say a word about the question of budget neutrality. Are we paying for this amendment? I want to again make the point that the offset which we have proposed more than pays the cost of this amendment in fiscal 1989 and fiscal 1990. This is what we are required to do under the rules.

We are not doing more than is required but I would like to point out that on many occasions the Senate votes to adopt legislation which does not purport to pay for itself for 5 minutes. When the defense bill comes to the floor, we do not ask, "How are you going to pay for the battleship?" When the drug bill comes to the floor, and we authorize the drug program, we do not say, "Where is the offsetting revenue for that?" In this particular case, I have undertaken that responsibility, not only to pay for it, but to pay for it with an offsetting amendment, which comes from the same committee and the same appropriations subcommittee. That is not something that is necessarily required to be done. It is just something, as a token of good faith, I think we should do.

For the years beyond fiscal 1990, what about that? The answer is that in the outyears, the years for which we do not have a budget resolution, this program competes with all the rest of the budget for spending priority position.

No. 3, Mr. President, is a question of whether or not we have had enough careful study and enough hearings. Now, it is not actually correct to say that this has not been the subject of hearings. This matter was the subject of hearings. As a matter of fact, during the years when I was the chairman of the Social Security Subcommittee, this was a matter that we considered.

Now recently, the Select Committee on Aging, the Subcommittee on Retirement and Employment held field hearings on this matter during 1987 in Georgia and New Jersey. The House Ways and Means Committee held a hearing on this issue on September 29 of last year. This has been a matter which has been studied at some length by scholars and also by those who write editorials for newspapers.

I mention that simply because it underscores the fact that this is not a novel issue. I send to the desk and ask unanimous consent that there be printed in the RECORD just the highlights of some of the editorial comments from about three dozen newspapers that have chosen to address the question of the earnings limit. This is not a new issue.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

EDITORIAL COMMENTS IN FAVOR OF REPEALING THE EARNINGS TEST

What's wrong with a limit? For starters, it's an earnings limit, not an income limit. Those who have huge incomes from pensions or investments don't lose a dime in Social Security benefits. Those who earn more than $8,160 a year bagging groceries do.—Rochester Democrat & Chronicle, Dec. 4, 1987.

For the working stiffs who need both benefits and wages to get by, or who simply enjoy working and have something to contribute to society, the penalty kicks in at a ridiculously low earnings level $8,160, after which $1 of benefits is lost for every additional $2 earned.—San Jose Mercury News, Dec. 2, 1987.

The limit is a work tax, pure and simple.—Rochester Democrat & Chronicle, Dec. 4, 1987.

Those who have paid into the Social Security trust fund for so long should not have to sharply curtail their income to receive the benefits they are due.—St. Louis Post-Dispatch, Dec. 3, 1987.

The message sent to older people is that they have nothing to contribute to the nation's economy after retirement.—The Washington Times, July 7, 1987.

The Social Security landscape is littered with a great irony: While the program is built on the strength of the work ethic, its earnings test actually provides a disincentive to work.—The Baltimore Sun, Oct. 9, 1987.

The earnings cap is an outmoded concept that harks back to Depression-era thinking.—St. Petersburg Times, Dec. 3, 1987.

Unfair? Of course it is. It is also illogical, which perhaps explains why it has had such acceptance in Washington.—South Bend Tribune, Dec. 2, 1987.

Both individual citizens and society as a whole would benefit from a repeal of the law that limits what Social Security recipients may earn before their benefits are reduced.—Dallas Morning News, December 1, 1987.

The benefit-reaction law made some economic sense when Social Security was established in the 1930s and the government wanted to encourage the elderly to leave the labor force and open up jobs for younger workers. But with declining birth rates and the nation's need for more, not fewer, experienced workers, the measure is bad for the nation as well as its older workers.—The San Diego Tribune, December 2, 1987.

Now that the leading edge of the big baby boom generation is past age 40, the smaller size of the baby bust generations that are entering the work force will ensure that the shortage of skilled workers will grow . . . Under such conditions, it is economic lunacy to push millions of veteran, willing workers into retirement by effectively taxing them at a higher rate than billionaires pay.—Dallas Morning News, December 1, 1987.

Work is important to many of the elderly, who are living longer. They shouldn't be faced with a confiscatory tax for remaining productive.—Detroit News, July 29, 1987.

As the senior population expands and the younger population shrinks in the decades ahead, there will be an increasing need to encourage older workers to stay on the job to maintain the nation's productivity.—Los Angeles Times, January 3, 1988.

Who can justify a 50 percent tax on some of the neediest Americans, while the Tax Reform Act of 1986 guarantees a top rate of 28 percent for the wealthy?—Rochester Democrat & Chronicle, December 4, 1987.

Moreover, people are living longer; the economy is hurt when artificial barriers block the full use of our most productive asset, people.—Forbes, December 28, 1987.

No American should be discouraged from working, as long as he wants to and is physically able to do so. And as the label "entitlement" implies, he is entitled to the benefits he invested in over so many work years.—The Cincinnati Enquirer, December 9, 1987.

One consequence of this skewed policy is the emergence of gray, underground economy—a cadre of senior citizens forced to work for extremely low wages or with no benefits in exchange for being paid under the table.—The Baltimore Sun, October 9, 1987.

Equity and common sense demand that this disincentive to work be scrapped.—Houston Post, December 7, 1987.

On the face of it, the game appears rigged in favor of those who stop working at 65 and against those who keep working, in favor of well-to-do retirees and against middle- and low-income retirees who need a part-time job to help with expenses.—The Indianapolis Star, December 6, 1987.

Furthermore, there is no need to change the rules abruptly. The limit on earnings

can be removed gradually, say over five years. A phase-in would work well especially since for those 70 years old and older, there is no earnings limit anyway.—The News Journal, December 5, 1987.

Individual seniors lose because they can't be as active and productive as they would like, and society loses by being deprived of experienced, often highly skilled labor.—Register Guard, December 4, 1987.

For medical and nutritional reasons, Americans 65 through 69 do not feel as tired as their counterparts did a generation or two ago. Consequently, many want to keep on working. But disillusioned by that infernal Social Security retirement test, they are tempted to circumvent the restriction by not reporting some income.—Cedar Rapids Gazette, December 3, 1987.

It is not wrong to encourage willing older adults to remain in the work force.—The New York Times, December 6, 1987.

Discriminating so blatantly in favor of investment income and against wage or salary income would be justified only if the goal of the program were to keep people out of the work force.—Register Guard, December 4, 1987.

Indeed, repealing the tax might actually increase revenues. More people would be working, paying more taxes of all kinds, including the Social Security tax. If our government bureaucrats want us to keep paying their salaries, the least they can do is make it possible to work in the first place.—The Orange County Register, December 1, 1987.

The message is clear. When otherwise law-abiding people are tempted to underreport income, it is time to examine the cause. If a law is to blame, then Congress had better consider changing the law.—Cedar Rapids Gazette, December 3, 1987.

At a time when the nation is facing a rising labor and skills shortage, when the demand for mental, as opposed to physical, skills is accelerating, the nation's rising cohort of men and women over 60 is too valuable a resource to kick away.—The Washington Times, March 27, 1989.

On balance, it seems to us that the overall economy would be healthier if the elderly—poor, rich and in between—could work if they want to without forgoing Social Security benefits.—Evansville Courier, December 7, 1987.

No private retirement system would ever discourage its recipients from working at other jobs.—The Orange County Register, December 1, 1987.

Mr. ARMSTRONG. Now, Mr. President, is the offset provision, the retroactive issue, a novel question? Although a couple of my colleagues mentioned they do not think we ought to rush into an amendment of this character, it has been dealt with before in this Chamber in 1980. A similar amendment was adopted, both in the Finance Committee and on the floor.

Subsequently, the amendment was changed and adopted in a conference committee. At that time, there were no special hearings. Nobody raised the objection that it was novel or unheard of. In fact, it is an amendment which is comparable to changes which have been made in other retirement programs, and only this one, so far as I am advised, remains available in retroactive form.

Mr. President, it has been asserted that there is no relationship between this amendment and the minimum wage bill, that in a sense, it is nongermane. I simply do not agree with that. It is germane. We are giving one group of people, the minimum wage earners, an increase in what they can earn. Now, I say it is only fair that when you have a group of citizens—we are not talking about high-paid citizens or wealthy people, we are talking about low- and middle-income wage earners—that they ought to have a chance to get a little increase, too, and the increase that I have proposed is proportionate, roughly, to the increase in the minimum wage.

Mr. President, it has been asserted that this amendment is going to be dropped in conference, I do not think that is true. I cannot predict what might happen, but I am led to believe that there are a lot of Members of the House that are very much interested in this. There are a lot of members of various interest groups around the country who think this is a good idea and who, in fact, I believe, will be in touch with Members of the House to let that be known. Among those interest groups are two organizations which have long been interested in Social Security, the American Association of Retired Persons, which I personally regard as a very statesmanlike organization, as well as, I believe, the largest organization of senior citizens in the country, which under the date of April 6 wrote a letter endorsing the underlying amendment and the offset provision. The other is the National Committee to Preserve Social Security and Medicare. I ask unanimous consent that both of these letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

April 6, 1989.

Hon. WILLIAM ARMSTRONG,
U.S. Senate, Washington, DC.

DEAR SENATOR ARMSTRONG: The American Association of Retired Persons (AARP) has long supported revising the Social Security retirement test. We believe congressional action to liberalize the earnings limit encourages older persons to continue working and represents prudent public policy now and especially in the future.

Under current law beneficiaries age 65 to 70 lose $1 in Social Security benefits for every $2 of earnings over the earnings limit of $8,880 in 1989. Beginning in 1990 this penalty will be reduced to $1 for every $3 in excess earnings. Last year 700,000 retired workers, 115,000 dependents and 40,000 survivors lost some of their Social Security benefit because of the earnings limit. For moderate and middle income workers who want or need to continue working beyond age 65, this penalty is burdensome.

Your amendment would increase the monthly limit by a modest $80. Any liberalization, even a modest one, brings needed financial relief to those who work out of necessity. If enacted, 85,000 lower paid workers who earned between $9,000 and $10,000 would no longer be affected by the retirement test. In addition, the amendment would provide some relief for the more than three-quarters of a million persons now affected by the earnings limit.

For example, a beneficiary with $6,108 annually in Social Security benefits (the average benefit for 1989) and $12,000 in wages would lose $1560 in benefits under current law. The Armstrong amendment would reduce this person's loss by $480, cutting their loss of benefits by about 30 percent.

Given the current budgetary situation and the constraints imposed by Gramm-Rudman-Hollings, the cost of any liberalization must be deficit neutral. In light of these requirements, AARP believes that the offset in your amendment is a reasonable one.

The Association commends you for offering this amendment. We hope your colleagues will support it.

Sincerely,

JOHN ROTHER,
Director, Legislation, Research and Public Policy.

APRIL 7, 1989.

Hon. WILLIAM M. ARMSTRONG,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR ARMSTRONG: The National Committee's Legislative Agenda for the 101st Congress calls for elimination of—or, at a minimum, reduction of—benefit penalties for senior citizens and disabled individuals who choose to work. Our agenda also calls for actuarially equitable delayed retirement credits.

Because your amendment moves toward our long range goal, we support your recommendation for a $1,000 increase in the annual earnings limitation for workers who are full retirement age. We also endorse acceleration of the scheduled increase in the delayed retirement credit which would make your proposed elimination of retroactive benefits actuarily fair for affected beneficiaries. At a minimum, your Sense of the Senate resolution will put the Senate on record in favor of this change.

The National Committee is convinced that Social Security payroll taxes and accumulating trust fund reserves are more than adequate to support benefit changes to achieve equity, such as elimination of the retirement test, without offsetting benefit reductions. Only continued use of Social Security reserves to hide general revenue deficits argues in support of offsetting reductions.

Nevertheless, we believe the proposed eliminated of retroactive retirement benefits to over-age-65 retirees and their dependents will not cause undue hardship, particularly if public education efforts alert older workers to this change. At the same time, the proposed increase in the earnings limitation has the long range potential for vastly improving the economic status of low-income older workers. Our support for your amendment is based on our evaluation of this cost-benefit equation and our understanding that the offsetting reductions would not be used to further hide the deficit.

Finally, we don't believe that passage of this amendment should in any way hinder final passage of the important minimum wage legislation being considered by the Congress.

We would appreciate it if you included our letter in the record of the debate on the amendment. We look forward to further dis-

cussing our long-range goal of benefit equity for retirees and their families, including complete elimination of the retirement test and actuarially equitable increases in delayed retirement credits for workers, spouses, dependent children, and surviving spouses and children.

We appreciate this opportunity to express our views on this important issue.

Cordially,

MARTHA MCSTEEN,
President.

Mr. ARMSTRONG. The Senator from Kansas has made the point that if for some reason this amendment is part of a bill which is ultimately vetoed by the President, that we will just come back and try again. That is not a novel procedure. In fact, the way a lot of the most important legislation around here gets adopted is that it first goes down to the White House, the President vetoes it, and he sets forth in writing his reasons for vetoing it, and then it comes back and is readjusted a little to his specifications.

I am not daunted by the prospect that we might have to go through that process. I have been through it before, as has every Member of the Senate.

Mr. President, that is about where we are. It seems pretty plain to me that we have an amendment which adds a lot of economic justice, which is budgetarily sound, which has a reasonable chance of adoption, not only in this Chamber, but in the other body, as well.

Mr. President, in closing, let me say that I am particularly grateful to those who have joined me in cosponsoring this measure.

I ask unanimous consent that Senator LUGAR and Senator WARNER be added to that list.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

Mr. MITCHELL. Mr. President, as has been demonstrated during the debate, this amendment raises an important issue. It has been an instructive debate for all Members of the Senate. I had earlier indicated that there would be no votes after 7 p.m., and we are just about at that hour. So it is my intention and my hope, that the Senators will agree that we will take this up first thing in the morning and, hopefully, we will be able to resolve it at that time, and then move on to other amendments on this legislation. So there will be no more votes this evening.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business, not to exceed beyond 7:15 p.m.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, we will now have a period of morning business until 7:15 p.m.

BIPARTISAN ACCORD ON CENTRAL AMERICA

Mr. COCHRAN. Mr. President, I rise today to join my colleagues in introducing legislation to implement a bipartisan accord on Central America.

This legislation is historic, not only because it provides nearly $50 million for humanitarian assistance to the Nicaraguan resistance, but also because it represents the will of the American people. The President and the Congress have reached agreement on a means to continue support for the Contra movement and at the same time to give the Nicaraguan Government another chance to honor its promises for peace and democracy.

The agreement itself is simple. The act authorizes the Agency for International Development to spend $49.75 million for humanitarian assistance through February 28, 1990, together with necessary transportation costs and $5 million for administrative expenses.

The meaning of the agreement, however, is profound. For the first time in years, the Contra aid issue has been resolved, not in the media or in late sessions in the House or Senate, but through discussions between the White House and the Congress. It is a plan for all Americans to accept, with the knowledge that we are carrying out our responsibilities to democracy in Central America.

With the implementation of this agreement, we are telling the Marxist government of Nicaragua that we have abandoned neither our friends nor our democratic principles, and that we expect free elections to be held in Nicaragua, as promised, by the end of next February.

This act has another meaning as well. President Bush has shown by this accord that he can and will work with the leadership of the Congress on major challenges facing the Nation. The principles of negotiation and compromise demonstrated here hold great promise for the future as we confront such issues as the deficit, the need for improved education and medical care, and the quest for a better lifestyle for all Americans.

Mr. President, I am proud to cosponsor this act, and I believe that it represents a strengthened relationship between the President and the Congress.

TRIBUTE TO DR. ALFRED R. D'ANGELO, D.O., PRESIDENT OF THE PENNSYLVANIA OSTEOPATHIC MEDICAL ASSOCIATION

Mr. SPECTER. Mr. President, on May 6, 1989, Dr. Alfred R. D'Angelo, D.O., will be installed as president of the Pennsylvania Osteopathic Medical Association. As president, Dr. D'Angelo will be the chief executive officer of the State group.

Dr. D'Angelo's rise to the presidency of the association represents an American success story. Born of Italian parents of modest means, he worked hard to get through college and into medical school. With the assistance of his parents, he graduated from Cheyney University and the Philadelphia College of Osteopathic Medicine and went into practice in York County, PA.

Over the years, Dr. D'Angelo has been very active in the State association, serving as a delegate to the national group, chairman of the group's department of association affairs, chairman of its committee on property, as a member of its legislative committee and of its committee on finance. He has worked diligently and successfully in furtherance of the association's goals.

Dr. D'Angelo has also served as chairman of the board of directors of the Physician's Diagnostic Center and as medical director of the Central Pennsylvania Chapter of the American Diabetes Association's Camp Setebaid.

He is a member of the medical staff of Memorial Hospital in York and is a partner in the Dairyland Medical Center in Red Lion, PA, and the Valley Green Medical Center in Etters, PA.

Dr. D'Angelo's climb to the top of the Pennsylvania Osteopathic Medical Association was not achieved overnight. He won the esteem and affection of his fellow physicians by dint of enterprise and effort on behalf of the State group over many years. He did it the old-fashioned way. He earned it.

Therefore, on the occasion of Dr. Alfred R. D'Angelo's installation as president of the Pennsylvania Osteopathic Medical Association, it is altogether fitting that the U.S. Senate take note of this event and congratulate him and commend the association for its medical efforts to keep Pennsylvanians in good health.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTIONS SIGNED

At 2:16 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

H.J. Res. 102. Joint resolution to designate April 1989 as "National Recycling Month";

H.J. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990 through April 29, 1990, as "National Organ and Tissue Donor Awareness Week"; and

H.J. Res. 173. Joint resolution to designate April 16, 1989, and April 6, 1990, as "Education Day, U.S.A.".

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-881. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on a violation of regulations regarding the overobligation of an approved appropriation; to the Committee on Appropriations.

EC-882. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on a violation of regulations regarding the overobligation of an approved appropriation; to the Committee on Appropriations.

EC-883. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the status of budget authority that was proposed for rescission by the President in his third special impoundment message; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC-884. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on United States expenditures in support of NATO; to the Committee on Armed Services.

EC-885. A communication from the Secretary of the Navy, transmitting, pursuant to law, notice of the proposed transfer of the obsolete destroyer, EDSON to the Intrepid Sea-Air-Space Museum, New York, New York, for use as a naval museum; to the Committee on Armed Services.

EC-886. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on the conversion of certain functions to performance by contract; to the Committee on Armed Services.

EC-887. A communication from the Deputy General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize the transfer by grant of two naval vessels to the Republic of the Philippines; to the Committee on Armed Services.

EC-888. A communication from the Director, Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, a report on the financial condition and operating results of the Working Capital Funds of the Department of Defense for fiscal year 1988; to the Committee on Armed Services.

EC-889. A communication from the Deputy General Counsel of the Department of Defense, transmitting a draft of proposed legislation to make permanent the authority of the Secretary of Defense to pay expenses relating to certain international meetings; to the Committee on Armed Services.

EC-890. A communication from the Deputy General Counsel of the Department of Defense, transmitting a draft of proposed legislation to increase flexibility in funding for combined military exercises with developing countries; to the Committee on Armed Services.

EC-891. A communication from the Deputy General Counsel of the Department of Defense, transmitting a draft of proposed legislation to enhance flexibility in the allocation of appropriations of the Department of Defense for humanitarian and civic assistance activities; to the Committee on Armed Services.

EC-892. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report on community development programs for fiscal year 1988; to the Committee on Banking, Housing, and Urban Affairs.

EC-893. A communication from the Acting President and Chairman of the Export-Import Bank of the United States, transmitting a draft of proposed legislation to amend the Export-Import Bank Act of 1945 as amended; to the Committee on Banking, Housing, and Urban Affairs.

EC-894. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-895. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report of the Maritime Administration for fiscal year 1988; to the Committee on Commerce, Science, and Transportation.

EC-896. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the Coast Guard for fiscal years 1990 and 1991, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-897. A communication from the Assistant Secretary of Army (Civil Works), transmitting a draft of proposed legislation to authorize the imposition of certain recreation user fees at water resources development areas administered by the Department of the Army; to the Committee on Environment and Public Works.

EC-898. A communication from the President of the United States, transmitting, pursuant to law, notice of the designation of Anne E. Brunsdale as Chairman and Ronald A. Cass as Vice Chairman of the United States International Trade Commission; to the Committee on Finance.

EC-899. A communication from the United States Trade Representative transmitting, pursuant to law, a report on the enforcement of United States rights under trade agreements and our response to unfair trade practices of foreign governments that burden or restrict U.S. trade; to the Committee on Finance.

EC-900. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of the Office of Business and Economic Development Loan Program"; to the Committee on Governmental Affairs.

EC-901. A communication from the Acting Federal Inspector, Alaska Natural Gas Transportation System, transmitting, pursuant to law, a report on the system of internal controls and financial systems in place during calendar year 1988; to the Committee on Governmental Affairs.

EC-902. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office in February 1989; to the Committee on Governmental Affairs.

EC-903. A communication from the Executive Director of the State Justice Institute, transmitting, pursuant to law, a report on the system of internal controls and financial systems in place during calendar year 1988; to the Committee on Governmental Affairs.

EC-904. A communication from the Staff Assistant to the Delaware River Basin Commission, transmitting, pursuant to law, a report on the system of internal controls and financial systems in place during calendar year 1988; to the Committee on Governmental Affairs.

EC-905. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-14 adopted by the Council on March 14, 1989; to the Committee on Governmental Affairs.

EC-906. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-12 adopted by the Council on March 14, 1989; to the Committee on Governmental Affairs.

EC-907. A communication from the Director of the Office of Information, Office of Governmental and Public Affairs, Department of Agriculture, transmitting, pursuant to law, the annual report of the Department of Agriculture under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-908. A communication from the Assistant Secretary of State and the Assistant Attorney General (Legislative Affairs), transmitting jointly a draft of proposed legislation to provide for the issuance of special immigrant visas to certain aliens designated by the President, and for other purposes; to the Committee on the Judiciary.

EC-909. A communication from the Executive Secretary of the National Security Council, transmitting, pursuant to law, the annual report of the Council under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-910. A communication from the General Counsel of the Legal Services Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-911. A communication from the Chief Administrative Office of the Postal Rate Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-912. A communication from the Chairman of the Committee on Criminal Law and Probation Administration, Judicial Conference of the United States, transmitting, pursuant to law, a report on the impact of drug related criminal activity on the Federal judiciary; to the Committee on the Judiciary.

EC-913. A communication from the Chairman of the Board of Directors of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report of the Au-

thority under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-914. A communication from the Acting President of the Inter-American Foundation, transmitting, pursuant to law, the annual report of the Foundation under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-915. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the adjustment of the status of certain aliens under section 13(b) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-916. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Strengthening Historically Black Colleges and Universities Program; to the Committee on Labor and Human Resources.

EC-917. A communication from the Secretary of Education, transmitting a draft of proposed legislation to amend the Emergency Immigration Education Act of 1984 to simplify and improve the allocation of funds, to ensure that program funds are more specifically targeted to meet the special educational needs of eligible immigrant children without supplanting State and local funds, to clarify ambiguous provisions, and for other purposes; to the Committee on Labor and Human Resources.

EC-918. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priorities for Research in Education of the Handicapped; to the Committee on Labor and Human Resources.

EC-919. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to require the Secretary of Health and Human Services to impose fees under the Federal Food, Drug, and Cosmetic Act for the review of applications for marketing approval for new human and animal drugs, antibiotics, medical devices, and biological products, and for other purposes; to the Committee on Labor and Human Resources.

EC-920. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title XX of the Public Health Service Act to authorize appropriations for the adolescent family life program; to the Committee on Labor and Human Resources.

EC-921. A communication from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to establish and conduct, for 5 years, a leave sharing program for medical emergencies of employees of the Department of Veterans Affairs who are subject to section 4108 of title 38, United States Code; to the Committee on Veterans Affairs.

EC-922. A communication from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, and other provisions of law, to extend the authority of the Department of Veterans Affairs [VA] to grant and respite care programs and to revise VA authority to furnish outpatient dental care; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-53. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Appropriations.

"HOUSE CONCURRENT RESOLUTION NO. 3079

"Whereas, 94 North Dakota cities have applied to the State Water Commission and the Garrison Diversion Conservancy District for financial assistance for water supply and distribution projects in their communities; and

"Whereas, the Southwest Pipeline Project will require $30 million in construction funds in order to provide water to Dickinson, and additional funds will be necessary in order to enable the project to distribute water to smaller communities and rural areas in southwestern North Dakota; and

"Whereas, the Northwest Area Water Supply Study indicated a significant need for improved water supply, water quality, and water distribution exists in the northwest portion of the state; and

"Whereas, several companies have considered relocating or locating their businesses in Fargo but have not done so because of the lack of a guaranteed water supply which has resulted in a limitation of new industrial economic development in Fargo; and

"Whereas, in 1988 North Dakota experienced one of the most severe short-term droughts in the state's recorded history which had a substantial impact on the agricultural and livestock sector of the economy of North Dakota; and

"Whereas, if the Garrison Diversion Unit Project had been complete in 1988 it would have provided 130,000 acres of irrigation and provided for the production of sufficient forage to adequately feed three-fourths of North Dakota's brood cow population for a period of 240 days; and

"Whereas, there is a critical need for distribution of Missouri River water into the Sheyenne and Red River systems; and

"Whereas, the tremendous recreation industry dependent on a stable water supply for Devils Lake is in continuous jeopardy both in terms of water quantity and water quality; and

"Whereas, water development projects provide opportunities for reducing flood damage by controlling floods, provide economic development opportunities by creating new wealth, and create new programs focusing on basic sector industries as well as other opportunities which enhance the quality of life in North Dakota; and

Whereas, $48 million is required to continue construction of project features; address municipal, rural, and industrial water supply needs; satisfy recreation and wildlife requirements; and provide Indian water requirements; now, therefore, be it

Resolved by the House of Representatives of North Dakota, the Senate concurring therein:

That the Fifty-first Legislative Assembly urges the Congress of the United States to appropriate $48 million for the Garrison Diversion Unit Project for fiscal year 1990; and be it further

"Resolved, that copies of this resolution be forwarded by the Secretary of State to the presiding officers of the United States House of Representatives and the United States Senate, to the Secretary of the Interior, and to each member of the North Dakota Congressional Delegation."

POM-54. A resolution adopted by the House of Representatives of the State of Arizona; to the Committee on Armed Services.

"HOUSE MEMORIAL 2001

"Whereas, the recently announced closing or reduction in the operations of various military installations will result in a serious negative economic impact to many areas of our state. Wherefore your memorialist, the House of Representatives of the State of Arizona, pray:

"1. That the Members of the Arizona Congressional Delegation closely monitor these transitions so as to assure that they are done in an equitable and fair manner with the least possible amount of economic disruption and actively seek and promote the location of other federal programs in these areas.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the Members of the Arizona Congressional Delegation.

POM-55. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION 1001

"Whereas, large-scale rehabilitation, repair and capacity improvements are ongoing necessities of the national highway transportation system; and

"Whereas, the highway transportation system is the most critical component of the physical infrastructure of the United States of America; and

"Whereas, there is a growing and concentrated national consensus for a program to serve the country's highway transportation needs through the year 2020; and

"Whereas, high quality highways are critical to the ability of manufacturers to build and deliver products and to the ability of states and communities to attract new industry and to sustain economic growth; and

"Whereas, the competitive position of states and of this nation in international trade is directly related to the quality of access to the interstate highway system and the physical condition of interstate and primary highways; and

"Whereas, current national policy makes no provision for continuing the federal aid highway program into the future; and

"Whereas, in all recent federal aid highway acts, Congress has had to include provisions for extending the highway trust fund and the taxes which accrue to the fund; therefore, be it

"*Resolved by the Senate of the State of Arizona, the House of Representatives concurring:*

"1. That the Congress of the United States make permanent the highway trust fund and the user fees accruing to the fund so that a reliable funding source is available for construction, rehabilitating and otherwise improving the highways and bridges which are so essential to the vigor of this state's and the national economies.

2. That the highway trust fund be protected from predatory proposals to divert highway user revenues to programs entirely unrelated to the transportation purposes for which the fund was established.

3. That the Secretary of State of the State of Arizona transmit a certified copy of this Concurrent Resolution to the President of the Senate of the United States, the Speak-

er of the House of Representatives of the United States and each Member of the Arizona Congressional Delegation."

POM-56. A resolution adopted by the City Council of the city of Lauderhill opposing and calling for an amendment to the catastrophic medicare health bill; to the Committee on Finance.

POM-57. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Finance.

"SENATE CONCURRENT RESOLUTION 1002

"Whereas, the United States Congress is seeking some effective means of reducing the federal budget deficit in the immediate future; and

"Whereas, several proposals being considered for budget reduction purposes would increase the existing federal fuel taxes by various sizable increments; and

"Whereas, the United States Department of Energy has stated that "a motor fuel tax will create an economic loss which is of far greater magnitude than the possible benefits . . ."; and

"Whereas, an increase in the federal fuel tax for deficit reduction purposes would be a regressive tax affecting the poor to a greater extent than other income levels; and

"Whereas, states would receive no direct revenue benefits while incurring substantial increases in their public assistance costs if federal fuel taxes were increased; and

"Whereas, residents of the West pay more fuel taxes because they must travel greater distances by personal vehicles than residents of other regions and therefore would bear a disproportionate burden of deficit reduction; and

"Whereas, since there continues to exist a great need to rehabilitate and reconstruct the nation's transportation infrastructure, motor fuel taxes should continue to be dedicated to transportation purposes; and

"Whereas, the tourism industry, one of the top three employers in eighty per cent of the states, would be adversely affected if federal fuel taxes were increased; and

"Whereas, the gross national product, the consumer price index and employment all would be severely and negatively affected if federal fuel taxes were increased; and

"Whereas, increasing federal fuel taxes for deficit reduction purposes would not only undermine the highway trust fund but would also fail to get to the root of the budget deficit problem; therefore be it

"Resolved by the Senate of the State of Arizona, the House of Representatives concurring:

"1. That the Congress of the United States oppose increasing federal fuel taxes in order to reduce the federal budget deficit.

"2. That the Secretary of State of the State of Arizona transmit a certified copy of this Concurrent Resolution to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and each Member of the Arizona Congressional Delegation."

POM-58. A Concurrent resolution adopted by the Legislature of the State of Arkansas; to the Committee on Finance.

SENATE CONCURRENT RESOLUTION No. 11

"Whereas, Arkansas, as well as other states, has difficulty collecting taxes on mail order sales to Arkansas residents by out-of-state mail order companies; and

"Whereas, as a result, the states are losing a substantial amount of revenues which are desperately needed to provide necessary services to the people; and

"Whereas, the enactment of the Federal Mail Order Sales Tax Bill would provide much relief to the states; now therefore, be it

"Resolved by the Senate of the Seventy-Seventh General Assembly of the State of Arkansas, the House of Representatives Concurring therein: That the General Assembly hereby urges the U.S. Congress to enact the Federal Mail Order Sales Tax Bill, and be it further

"Resolved that the General Assembly hereby urges the Arkansas Congressional Delegation to support and promote enactment of the Federal Mail Order Sales Tax Bill; and

"Resolved that upon adoption of this Resolution, a copy hereof shall be transmitted to the presiding officer of the U.S. Senate and of the U.S. House of Representatives, and to each member of the Arkansas Congressional Delegation."

POM-59. A resolution adopted by the Legislature of the Commonwealth of Massachusetts; to the Committee on the Judiciary.

"RESOLUTION

"Whereas, America stands for freedom and welcomes those who flee their homeland because of political oppression; and

"Whereas, Joseph Patrick Thomas Doherty, a native of Ireland, never charged with or convicted of a crime in the United States has been imprisoned without bail since June eighteenth, nineteen hundred and eighty-three by actions of the executive arm of the United States Government upon a British request for extradition; and

"Whereas, in December, nineteen hundred and eighty-four, in the first of many judicial decisions favorable to Mr. Doherty, a judge of the United States District Court denied the request for extradition on the grounds that the offenses alleged to have been committed by Mr. Doherty were political offenses; yet Joseph Patrick Thomas Doherty remained imprisoned without bail; and

"Whereas, from nineteen hundred and eithty-four to the present, the executive department of the United States, after losing its case for extradition before another federal district court, the U.S. court of appeals, an immigration judge and the board of immigration appeals continues to deny freedom to Joseph Patrick Thomas Doherty; and

"Whereas, Joseph Patrick Thomas Doherty, despite acknowledged good conduct, has spent over five years and nine months imprisoned under the most austere conditions, including; solitary confinement for "administrative" reasons; transfers from one prison to another without notice to his attorneys; deprivation of fresh air; eyeglasses, legal materials, books and visitors; and

"Whereas, notwithstanding six successive decisions in favor of Mr. Doherty's freedom, on June fourteenth, nineteen hundred and eighty-eight Attorney General Edward Meese, acting under color of law, ordered that Mr. Doherty be extradited to the United Kingdom, but the Board of Immigration Appeals ruled that Mr. Doherty should be permitted to apply for political asylum in the United States; and

"Whereas, although Mr. Doherty, under a seventh decision in his favor, is entitled to go forward on a claim for political asylum or a ban on deportation, he may still be subject to an extradition order from the present Attorney General, Richard Thornburgh; and

"Whereas, to continue to deny freedom to Joseph Patrick Thomas Doherty would be an offense to the Constitution of the United States, an insult to liberty and an affront to our judicial system; now therefore be it

"Resolved, That the Massachusetts Senate demands the release of Joseph Patrick Thomas Doherty from political imprisonment and calls upon the Attorney General of the United States to demonstrate to the British that we remain dedicated to freedom by denying their request for extradition; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, Attorney General Richard Thornburgh, the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth and to Joseph Patrick Thomas Doherty."

POM-60. A concurrent resolution adopted by the Legislature of the State of Delaware; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION No. 45

"Whereas, the Tenth Amendment, part of the original Bill of Rights, reads as follows, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people"; and

"Whereas, the limits on Congress' authority to regulate State activities prescribed by the Tenth Amendment have recently been the subject of debate by the Supreme Court in the cases of *Garcia v. San Antonio Metropolitan Transit Authority,* 469 U.S. 528 (1965), and *South Carolina v. Baker,* 56 U.S.L.W. 4311 (U.S. April 20, 1988) (No. 94, Original); and

"Whereas, these cases hold that the limits of the Tenth Amendment are structural, and not substantive, leaving States to find protection from Congressional regulation through the national political process, rather than through judicially defined spheres of residual State authority; and

"Whereas, these U.S. Supreme Court decisions invite further Federal preemption of State authority; now, therefore be it

"Resolved by the House of Representatives of the 135th General Assembly of the State of Delaware, the Senate concurring therein, That it is the consensus of this body that the Tenth Amendment to the Constitution of the United States is and always has been of operational force governing and balancing the respective powers of operational force governing and balancing the respective powers of the States and the Federal Government. It is the further sense of this body to affirm that the Tenth Amendment is a substantive limit on national power and should so be applied as a test by the Courts of the United States and of the several states in the cases coming before them where a question of the exercise of the federal authority is raised; and be it further

"Resolved, That upon passage of this Resolution suitably prepared copies be forwarded to the President of the United States, The Honorable George Herbert Walker Bush, the United States Senate, the United States House of Representatives, Senator William V. Roth, Senator Joseph R. Biden, and Representative Thomas R. Carper, The Council of State Governments, Lexington, Kentucky, The National Conference of State Legislatures, Denver, Colorado."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 739. A bill to amend the Federal Crop Insurance Act to revitalize the Federal crop insurance program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KOHL:

S. 740. A bill to amend the Federal Salary Act of 1967 to provide that the recommendations for increases in the rates of pay for active Federal judges and justices shall take effect, unless separately disapproved by the enactment of a joint resolution; to the Committee on Governmental Affairs.

By Mr. LAUTENBERG (for himself, Mr. LEVIN, and Mr. PELL):

S. 741. A bill to require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. LAUTENBERG:

S. 742. A bill to establish an Employment Education Institute; to the Committee on Labor and Human Resources.

Mr. MCCONNELL:

S. 743. A bill to reduce campaign expenditures in Federal elections by providing a stable, adequate discount to Federal candidates for broadcast advertising time prior to an election; to the Committee on Commerce, Science, and Transportation.

S. 744. A bill to amend section 315 of the Communications Act of 1934 with respect to the purchase of broadcasting time by candidates for public office; to the Committee on Commerce, Science, and Transportation.

By Mr. SASSER (for himself, Mr. MOYNIHAN, and Mr. GORE):

S. 745. A bill to improve the highway bridge replacement and rehabilitation program; to the Committee on Environment and Public Works.

By Mr. SPECTER:

S. 746. A bill to implement a Federal crime control and law enforcement program and to assist States in crime control and law enforcement efforts, and for other purposes; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 747. A bill to amend chapter 44 of title 18, United States Code, regarding assault weapons; to the Committee on the Judiciary.

By Mr. CRANSTON (by request):

S. 748. A bill to amend title 38, United States Code, and other provisions of law, to extend the authority of the Department of Veterans' Affairs [VA] to continue the State home grant and respite care programs and to revise VA authority to furnish outpatient dental care; to the Committee on Veterans' Affairs.

By Mr. PELL:

S. 749. A bill to require the National Railroad Passenger Corporation to repair a fire-damaged train station located in Kingston, RI; to the Committee on Commerce, Science, and Transportation.

By Mr. BUMPERS:

S. 750. A bill extending time limitations on certain projects; to the Committee on Energy and Natural Resources.

By Mr. PELL:

S. 751. A bill to amend the Federal Election Campaign Act of 1971, to better inform the electorate in elections for the office of Senator or Representative in the United States Congress: to the Committee on Commerce, Science, and Transportation.

By Mr. HARKIN (for himself, Mr. HATFIELD, Mr. BURDICK, Mr. CRANSTON, Mr. DASCHLE, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mr. MATSUNAGA, Mr. RIEGLE, Mr. SANFORD, Mr. SIMON, and Mr. PELL):

S. 752. A bill to preserve the cooperative, peaceful uses of outer space for the benefit of all mankind by prohibiting the basing or testing of weapons in outer space and the testing of antisatellite weapons, and for other purposes; to the Committee on Armed Services.

By Mr. GORE (for himself, Mr. PRYOR, and Mr. HARKIN):

S. 753. A bill to provide a special statute of limitations for certain refund claims; to the Committee on Finance.

By Mr. PACKWOOD (for himself, Mr. CRANSTON, Mr. BAUCUS, Mr. BURNS, Mr. MCCLURE, and Mr. STEVENS):

S. 754. A bill to restrict the export of unprocessed timber from certain Federal lands, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 755. A bill to authorize the States to prohibit or restrict the export of unprocessed logs harvested from lands owned or administered by States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THURMOND (for himself and Mr. BRADLEY):

S. 756. A bill to make the temporary suspension of duty on menthol feedstocks permanent; to the Committee on Finance.

By Mr. BENTSEN:

S. 757. A bill to redesignate the Federal hydropower generating facilities located at Dam B on the Neches River at Town Bluff, Texas, as the "Robert Douglas Willis Hydropower Project"; to the Committee on Energy and Natural Resources.

By Mr. LAUTENBERG:

S. 758. A bill to require the Secretary of the Treasury to monitor the adherence by certain United States corporations to principles of nondiscrimination and freedom of opportunity in employment practices in Northern Ireland; to the Committee on Governmental Affairs.

By Mr. BAUCUS (for himself, Mr. CONRAD, Mr. PRESSLER, Mr. DURENBERGER, and Mr. HARKIN):

S. 759. A bill to amend the Rural Electrification Act of 1936 to establish that it is a major mission of the Rural Electrification Administration to ensure that all rural residents, businesses, industries, and public facilities obtain affordable access, on an equal basis with urban areas, to telecommunications services and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. DODD, Mr. BENTSEN, Mr. BREAUX, Mr. DASCHLE, Mr. GRAHAM, Mr. KERRY, Mr. KERREY, Mr. PELL, Mr. ROBB, Mr. SANFORD, Mr. SASSER, Mr. BOSCHWITZ, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DOMENICI, Mr. GARN, Mr. HATCH, Mr. HEINZ, Mrs. KASSEBAUM, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. RUDMAN, Mr. SIMPSON, Mr. THURMOND, Mr. PRYOR, Mr. INOUYE, and Mr. LEVIN):

S. 760. A bill to implement the bipartisan accord of Central America of March 24, 1989; to the Committee on Appropriations and the Committee on Foreign Relations, jointly, by unanimous consent and that Foreign Relations Committee be discharged from further consideration of the bill at the close of business on Wednesday, April 12, and that the committee be limited to a hearing only.

By Mr. DOMENICI (for himself, Mr. WALLOP, Mr. DURENBERGER, Mr. HATCH, Mr. COATS, and Mr. GRASSLEY):

S. 761. A bill to provide Federal assistance in developing adequate child care for the Nation's children, and for other purposes; to the Committee on Finance.

By Mr. EXON (for himself and Mr. KERREY):

S. 762. A bill to amend chapter 32 of title 39, United States Code, to limit the number of congressional mass mailings, require public disclosure of the costs of such mass mailings, and for other purposes; to the Committee on Rules and Administration.

By Mr. MACK (for himself, Mr. LIEBERMAN, Mr. GRASSLEY, Mr. DECONCINI, Mr. DOLE, Mr. LAUTENBERG, Mr. BOSCHWITZ, Mr. GRAHAM, Mr. GRAMM, Mr. LEVIN, Mr. COATS, Mr. BOREN, Mr. MCCAIN, Mr. HELMS, and Mr. DURENBERGER):

S. 763. A bill to require a report on the extent of compliance by the Palestine Liberation Organization [PLO] with its commitments regarding a cessation of terrorism and the recognition of Israel's right to exist, and for other purposes; to the Committee on Foreign Relations.

By Mr. FORD:

S.J. Res. 98. Joint resolution to establish separate appropriation accounts for the Senate and the House of Representatives for the payment of official mail costs; to the Committee on Rules and Administration.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BOSCHWITZ (for himself, Mr. CHAFEE, Mr. GORE, Mr. DURENBERGER, Mr. BREAUX, Mr. BOND, Mr. REID, and Mr. LUGAR):

S. Res. 99. Resolution requiring the Architect of the Capitol to establish and implement a voluntary program for recycling paper disposed of in the operations of the Senate; to the Committee on Rules and Administration.

By Mr. MITCHELL:

S. Res. 100. Resolution to amend Paragraph 3(c) of Rule XXV; considered and agreed to.

By Mr. LAUTENBERG:

S. Res. 101. Resolution to express the sense of the Senate opposing the imposition of a Federal licensing fee for recreational and commercial marine fishing and a levy of the sale of fish; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 739. A bill to amend the Federal Crop Insurance Act to revitalize the Federal crop insurance program, and

for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL CROP INSURANCE REVITALIZATION ACT

● Ms. MIKULSKI. Mr. President, I rise today to introduce legislation concerning the Federal Crop Insurance Program. The Crop Insurance Program is designed to provide farmers with the kind of sound protection they need against the loss of their crops due to natural disaster.

Everywhere I go I hear from farmers about problems they have getting crop insurance information and about concerns that protection levels are inadequate. This issue first came to my attention early last year when I met with farmers on Maryland's Eastern Shore. I then asked the Maryland Department of Agriculture for their recommendations for improving the program. In response to my request the Secretary of Agriculture put together a task force of farmers, agents, and USDA and State officials that produced a comprehensive report on the problem. I commend the Maryland Department of Agriculture for their excellent work. Many of their recommendations are included in this legislation.

Last year's drought made us all painfully aware of the fact that despite having the most advanced, efficient agricultural system in the world, farmers need to have adequate and affordable protection available to them in case of natural disasters.

The current Crop Insurance Program does not provide farmers with the protection they need. The lack of participation in the program shows us that. Nationally the participation rate is under 25 percent, and in the State of Maryland it is only 3 percent. Participation will no doubt be higher this year, but only because the drought relief bill passed by Congress last year requires some farmers to participate.

The Mikulski bill does two things: it strengthens the level of protection offered to farmers by providing for adjustments in the methods by which price elections and yields are calculated, and it improves the flow of information to farmers by requiring FCIC to train and certify insurance sales agents and by providing access to information about the program through ASC offices.

I strongly believe we can increase participation in the Crop Insurance Program by improving farmer access to the program and offering farmers a product strong enough to see them through the hard times of natural disaster. I look forward to working with the members of the Senate Agriculture Committee in the coming months as they examine this issue and as they examine the findings of the Federal Crop Insurance Task Force due out later this year.

Mr. President, the 1988 drought was of uncommon national proportions, prompting Congress to respond to that specific event. But farmers will tell you that natural disasters often occur on a regional basis and do not prompt emergency legislation by Congress. Maryland farmers have suffered through 3 years of serious drought. Adequate crop insurance will provide farmers with the security they need to guard against any unforeseen acts of nature.

Mr. President, I ask unanimous consent that the full text of the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 739

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Crop Insurance Revitalization Act of 1989".

SEC. 2 YIELD DETERMINATIONS; PRICE ELECTIONS.

Subsection (a) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended to read as follows:

"(a)(1) If sufficient actuarial data are available, as determined by the Board, to insure producers of agricultural commodities grown in the United States under any plan or plans of insurance determined by the Board to be adapted to the agricultural commodity involved.

"(2) Such insurance shall be against loss of the insured commodity due to unavoidable causes, including drought, flood, hail, wind, frost, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes as may be determined by the Board.

"(3) Except in the case of tobacco, insurance shall not extend beyond the period the insured commodity is in the field. For purpose of the foregoing sentence, in the case of aquacultural species, the term 'field' means the environment in which the commodity is produced.

"(4)(A) Any insurance offered against loss in yield shall make available to producers protection against loss in yield that covers 75 percent of the recorded or appraised average yield of the commodity on the insured farm for a representative period (subject to such adjustments as the Board may prescribe to the end that the average yields fixed for farms in the same area, that are subject to the same conditions, may be fair and just).

"(B) In addition, the Corporation shall make available to producers lesser levels of yield coverage, including a level of coverage at 50 percent of the recorded or appraised average yield, as adjusted.

"(C) For the purpose of determining the recorded or appraised average yield of a community on an insured farm for a representative period under this paragraph, a producer may elect to require the Corporation to—

"(i) exclude a crop year from such period, if a disaster occurred during such crop year and the farm is located in a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of such disaster;

"(ii) base a yield for a crop year on—

"(I) the farm program payment yield established for the farm under section 506 of the Agricultural Act of 1949 (7 U.S.C. 1466) or a successor provision of law; or

"(II) the yield as determined in accordance with the actual production history method used under this Act;

"(iii) base yield loss determinations on units of a farm, such as fields or tracts; and

"(iv) in the case of soybeans, base yield loss determinations separately for full-season and double-crop soybeans.

"(D) For the purpose of determining the recorded or appraised average yield of a commodity on an insured farm for a representative period under this paragraph, the Corporation shall rely on crop yield data collected for the farm by the Secretary of Agriculture under section 506 of the Agricultural Act of 1949 (7 U.S.C. 1466) or a successor provision of law, if such data is available for the farm.

"(5)(A) One of the price elections offered shall approximate (but be not less than 90 percent of) the projected market price for the commodity involved, as determined by the Board.

"(B) When determining the highest price election, the Corporation shall use the average State market price, as determined by the appropriate State agency.

"(6)(A) Insurance provided under this subsection shall not cover losses due to—

"(i) the neglect or malfeasance of the producer;

"(ii) the failure of the producer to reseed to the same crop in areas and under circumstances where it is customary to so reseed; or

"(iii) the failure of the producer to follow established good farming practices.

"(B) The Board may limit or refuse insurance in any county or area, or on any farm, on the basis of the insurance risk involved.

"(C) Insurance shall not be provided on any agricultural commodity in any country in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county, except that insurance may be provided for producers on farms situated in a local producing area bordering on a county with a crop-insurance program.

"(7) The Corporation shall report annually to the Congress the results of its operations as to each commodity insured.".

SEC. 3. AVAILABILITY OF CROP INSURANCE.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended by adding at the end thereof the following new subsection:

"(j)(1) To provide the Secretary of Agriculture with current and complete information on all aspects of Federal crop insurance for distribution to producers through local offices of the Agricultural Stabilization and Conservation Service.

"(2) To provide training to agents selling Federal crop insurance and to certify that agents have completed such training.

"(3) To provide the Secretary of Agriculture with a listing of all certified agents for agent referral to producers through local offices of the Agricultural Stabilization and Conservation Service.

"(4) To conduct periodic evaluations of private insurers who sell Federal crop insurance for financial stability, information accuracy, and integrity.".●

By Mr. KOHL:

S. 740. A bill to amend the Federal Salary Act of 1967 to provide that the recommendations for increases in the rates of pay for active Federal judges and Justices shall take effect, unless separately disapproved by the enactment of a joint resolution; to the Committee on Governmental Affairs.

SALARY INCREASES FOR FEDERAL JUDGES AND JUSTICES

Mr. KOHL. Mr. President, I rise today to introduce legislation to decouple the pay raises of Federal judges from those of Congress and senior level executive branch officials. My bill will allow our Federal judges and Justices to receive pay raises in the future, based on the recommendations of the Quadrennial Pay Commission, regardless of whether or not we in Congress vote to rescind our own salary increases. Specifically, my bill requires a separate vote by Congress to prevent judges' pay raises from taking effect.

For too many years, Congress has refused to take the political heat from accepting a pay raise, holding judicial salaries hostage in the process. Since passage of the Federal Salary Act of 1967, which created the Quadrennial Pay Commission, judicial salaries have been cleverly linked to congressional salaries, as well as those of Cabinet secretaries and agency heads. The message from Congress to Federal jurists was clear: "If we don't get a pay raise, you don't get one either." That message continues to echo throughout the halls of Congress, as we witnessed in the recent debate over the Commission's recommendations for salary increases.

This congressional scheme of hiding behind judicial robes has created a tremendous financial gulf between Federal judges and the lawyers who come before them. The likelihood that this salary gap will only get worse is driving some of our best jurists from the Federal bench and making it increasingly difficult to attract top—quality replacements. Such a talent drain threatens the quality of American justice at a time when our already overburdened courts need our best and most experienced legal minds.

The differential between private and public salaries in the judicial arena is dramatic. While a Federal district judge earns only $89,500 a year, senior partners in top law firms can earn well over $1 million a year—more than 10 times the salary of the judges who hear their cases. In fact, many of these same law firms pay their starting associates more than Federal judges with decades of experience.

The sad truth is that the real income of Federal judges actually has fallen by more than 30 percent over the last 20 years. As a result, many hard—working judges are leaving the Federal bench for greener pastures in the private sector.

Last month, Chief Justice William Rehnquist said this widening salary gap and eroding purchasing power "poses the most serious threat to the future of the judiciary and its continued operations that I have observed during my lifetime." I agree.

The numbers offer their own warning. Between 1960 and 1970, only three Federal judges resigned. But in the past 10 years, at least 40 judges have left the bench, many citing inadequate compensation as the reason. And a recent American Bar Association study estimates that more than one-fourth of the Nation's Federal judges may quit their jobs early.

While this exodus grows, it is becoming increasingly difficult to attract the best and the brightest to Federal judicial service. Judicial candidates can clearly see the ink fading on their checkbooks. Many say they want to serve the public, but they can't afford it.

The solution to this problem is simple. For the short term, Congress must quickly pass an immediate salary increase for Federal judges. But for the long term, we have to change the system by which salary increases are considered. Specifically, Congress must decouple the salaries of Federal judges and those of Congress to ensure that this hostage situation will not be repeated.

We in Congress now have the opportunity to show our commitment to fairness. We must recognize the mistake Congress made 20 years ago when it tied its own salary increases to those of Federal judges. This backdoor way of securing congressional pay raises hasn't worked: Nobody received a salary increase following the latest Quadrennial Commission recommendations. Therefore, it is imperative that we free the hostages, the Nation's Federal judges, to insure the continued high quality of America's judicial system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 225(i) of the Federal Salary Act of 1967 (2 U.S.C. 359) is amended to read as follows:

"(i) EFFECTIVE DATE OF PRESIDENTIAL RECOMMENDATIONS.—(1)(A) Except for the recommendations relating to active judges and justices appointed pursuant to Article III of the Constitution of the United States (which shall be subject to the provisions of paragraph (2)), the recommendations of the President which are transmitted to the Congress pursuant to subsection (h) of this section shall be effective as provided in subparagraph (B) of this paragraph, unless any such recommendation is disapproved by a joint resolution agreed to by the Congress not later than the last day of the 30-day period which begins on the date on which such recommendations are transmitted to the Congress.

"(B) The effective date of the rate or rates of pay which take effect for an office or position under subparagraph (A) of this paragraph shall be the first day of the first pay period which begins for such office or position after the end of the 30-day period described in subparagraph (A).

"(2)(A) The recommendations of the President relating to the rates of pay of active judges and justices appointed pursuant to Article III of the Constitution of the United States to whom the provisions of section 371(b) of title 28, United States Code, do not apply, which are transmitted to the Congress under subsection (h) of this section shall become effective as provided in subparagraph (B) of this paragraph, unless any such recommendation is disapproved by a joint resolution (separate from any joint resolution of disapproval introduced pursuant to paragraph (1)) agreed to by the Congress not later than the last day of the 30-day period which begins on the date of which such recommendations are transmitted to the Congress.

"(B) The effective date of the rate or rates of pay which take effect for an office or position under subparagraph (A) of this paragraph shall be the first day of the first pay period which begins for such office or position after the end of the 30-day period described in subparagraph (A).".

By Mr. LAUTENBERG (for himself, Mr. LEVIN, and Mr. PELL):

S. 741. A bill to require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages, and for other purposes; to the Committee on Labor and Human Resources.

LABOR SHORTAGE REDUCTION ACT

● Mr. LAUTENBERG. Mr. President, today I am introducing a bill that would require the Department of Labor to identify labor shortages and plan for their reduction.

Mr. President, a recent survey of employers in New Jersey indicated that labor shortages are becoming a very serious problem. While businesses are unable to find trained nurses, restaurant workers, and x-ray technicians, our urban areas have a surplus of untrained workers. According to a survey conducted by the American Society for Personnel Administration, this problem is not limited to New Jersey. Almost two-thirds of respondents to that survey are having problems finding technical employees.

Since industrialization of the U.S. economy, as the business cycle peaks, numerous labor shortages are typically reported. These shortages limit economic growth, increase inflation, and hurt the U.S. competitive position in the world economy. Today, this situation is made even more serious by demographic trends which promise the slowest labor force growth since the 1930s. A further complication is the fact that our work force is becoming

older, more disadvantaged, and more female. Many of the new jobs demand much higher skill levels. This combination of events increases the chances that those workers who are available may not have the skills required by open jobs. Our new Secretary of Labor has highlighted the Hudson Institute estimate that three-fourths of the new workers will have only limited verbal and writing skills, suited only to about 40 percent of the new jobs.

If labor shortages and skills gaps are clearly identified, business and government can take steps to correct the problem. For example, employers and job placement agencies may intensify recruitment; career counseling and testing may guide potential jobseekers into shortage occupations; education and training for available jobs may be accelerated; curriculums may be enhanced; scholarships may be offered; jobs may be restructured; and immigration may be channeled into shortage occupations. Although significant resources are expended each year to generate statistics and descriptive information about the U.S. labor market, there is no Government program to identify labor shortages. Consequently, we have been slow to respond to the impending labor shortage, which can disrupt our economic growth and reduce our competitiveness.

Mr. President, this bill would begin to fill this serious information gap so that the Nation can more effectively deal with its skills gap. Let me summarize the bill. First, it would require the Department of Labor to use available data bases to identify national labor shortages. Research funded by the Department of Labor in 1982 appears to demonstrate that existing date can be used to better define national labor shortages. Thus it would not be necessary to impose new reporting requirements on the business community to develop useful labor shortage reports. For example, research at the University of Michigan identified the nursing and lab technician shortage of today back in 1982. Perhaps if we had heeded that information then, the disruptive labor shortages now plaguing many of our hospitals could have been minimized, or possibly avoided altogether.

The bill would require the Department of Labor to annually publish a list of national labor shortages. To the extent feasible, that list would include information on the intensity of each shortage, and information on industrial and geographic concentration, wages, entry requirements, and job content. Such information could guide career decisions by students and job applicants, and promote better planning by private and public employers and agencies.

Under the bill, the Department of Labor would prepare and submit to Congress an annual plan to address the labor shortages identified. The plan would include steps to be taken by the Department as well as recommendations for the Congress, States, and other agencies and interested parties. That plan could encompass enhanced recruitment, counseling and testing, education and training, curriculum development, scholarships, equal employment opportunity, job restructuring, and automation.

Lastly, the bill would direct the Department of Labor to conduct research and develop better tools for identifying shortages, and to do so by region, State, and local area. Progress of such research and development work would be reported to the Congress concurrently with issuance of the annual list of national labor shortages. The bill authorizes $2,500,000 for that work in 1990, and $500,000 thereafter to maintain this initiative.

Mr. President, according to the Department of Labor funded study Workforce 2000:

> The workers who will join the labor force between now and the year 2000 are not well matched to the jobs that the economy is creating. A gap is emerging between the relatively low education and skills of new workers (many of whom are disadvantaged) and the advancing skill requirements of the new economy.

But the resulting labor shortages are not waiting until the year 2000. According to employers in Princeton, Boston, Washington, DC, Los Angeles, Atlanta, and Greensboro, they are upon us. If we ignore this fact, we are inviting an end to the current economic expansion, increased inflation, and further deterioration of our competitive position in the world economy. If we recognize and define shortages, we can take steps to avoid their negative impact. In fact, we can use them as economic justification to accelerate the education, training, and employment of our urban unemployed.

This bill provides a reasonable approach to a serious problem. I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill and certain related material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1 SHORT TITLE.

This Act may be cited as the "Labor Shortage Reduction Act of 1989".

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) LABOR SHORTAGE.—The term "labor shortage" means a situation in which, in a particular occupation, the amount of labor supplied is less than the amount of labor demanded by employers.

(2) SECRETARY.—The term "Secretary" means the Secretary of Labor.

SEC. 3. IDENTIFICATION, PUBLICATION, AND REDUCTION OF LABOR SHORTAGES.

(a) IDENTIFICATION OF LABOR SHORTAGES.—

(1) METHODOLOGY.—The Secretary shall develop a methodology to utilize available data bases to annually identify national labor shortages.

(2) LABOR SHORTAGE DESCRIPTION.—As part of the identification of national labor shortages under paragraph (1), the Secretary shall, to the extent feasible, develop information on—

(A) the intensity of each labor shortage;

(B) the supply and demand of workers in occupations affected by the shortage;

(C) industrial and geographic concentration of the shortage;

(D) wages for occupations affected by the shortage;

(E) entry requirements for occupations affected by the shortage; and

(F) job content for occupations affected by the shortage.

(b) PUBLICATION OF NATIONAL LABOR SHORTAGES.—

(1) IN GENERAL.—Not later than the date that is 18 months after the date of enactment of this Act, and each year thereafter, the Secretary shall publish a list of national labor shortages as determined under subsection (a).

(2) DISTRIBUTION OF PUBLICATION.—The Secretary shall provide the list referred to in paragraph (1) and related information to—

(A) students and job applicants;

(B) vocational educators;

(C) employers;

(D) labor unions;

(E) guidance counselors;

(F) administrators of progarms established under the Job Training and Partnership Act (29 U.S.C. 1501 et seq.)

(G) job placement agencies;

(H) appropriate Federal and State agencies; and

(I) other interested parties and agencies.

(3) MEANS OF DISTRIBUTION.—In making the distribution referred to in paragraph (2), the Secretary shall use various means of distribution methods, including appropriate electronic means such as the Interstate Job Bank.

(c) DEVELOPMENT OF DATABASES.—

(1) RESEARCH.—The Secretary shall conduct research and develop databases to—

(A) improve the accuracy of the methodology referred to in subsection (a); and

(B) make recommendations to identify labor shortages by region, state, and local areas.

(2) REPORT TO CONGRESS.—

(A) IN GENERAL.—The Secretary shall report the progress of the research and development conducted under paragraph (1) to Congress at the same time the Secretary issues the annual publication under subsection (b).

(B) CONTENT OF REPORT.—The report referred to in subparagraph (A) shall specify steps taken under the Job Training and Partnership Act (29 U.S.C. 1501 et. seq.) and by government employment services to reduce national labor shortages that have been identified under subsection (a).

(d) ANNUAL PLAN.—

(1) IN GENERAL.—After the Secretary identifies labor shortages under subsection (a), the Secretary shall prepare and submit to Congress an annual plan that specifies actions to be taken by the Secretary to reduce labor shortages and recommends action for—

(A) Congress;

(B) Federal agencies;
(C) States;
(D) employers;
(E) labor unions;
(F) job applicants;
(G) students;
(H) career counselors; and
(I) other appropriate parties.

(2) ACTIONS SPECIFIED IN REPORT.—The actions referred to in paragraph (1) may include—

(A) assisting recruitment efforts of job placement agencies for occupations experiencing a labor shortage;

(B) providing career counseling and testing to guide potential employees into occupations experiencing a labor shortage;

(C) accelerating education and training in occupations experiencing a labor shortage;

(D) offering incentives to increase Federally-funded training in occupations experiencing a labor shortage;

(E) enhancing education and training curriculums for occupations experiencing a labor shortage;

(F) offering monetary incentives, such as tuition scholarships, to attract employees to occupations experiencing a labor shortage;

(G) intensifying equal opportunity employment activities;

(H) providing housing and transportation to attract employees to occupations experiencing a labor shortage;

(I) restructuring jobs to reduce labor requirements or to attract employees to occupations experiencing a labor shortage, or both;

(J) increasing automation to provide needed services to employers; and

(K) targeting immigration to provide more employees for occupations suffering from a labor shortage.

SEC. 4. AUTHORIZATION OF APPROPRIATION.

There are authorized to be appropriated to carry out this Act $2,500,000 for the first fiscal year beginning after the date of enactment of this Act and $500,000 for each fiscal year thereafter.

[From the National Journal, Mar. 25, 1989]

HELP WANTED, BADLY

(By Kirk Victor)

When Robert T. Giaimo opened the American Cafe restaurant in the upscale Georgetown section of Washington 13 years ago, his approach to attracting a staff was straightforward: He took out a newspaper advertisement and was swamped with eager applicants. The business flourished, and several years ago, he sold it for what he called "a very tidy profit."

Not content to stay out of restaurant work, Giaimo recently launched a new venture—the Silver Diner, in a Washington suburb. It has received favorable press notices, and the ever-optimistic entrepreneur is predicting that the diner will become one of the highest-grossing restaurants in town.

There is, however, a startling difference between this latest and his earlier experience: Qualified workers are now scarcer than customers.

"It used to be that the resources limiting a business's growth were either financial or marketing [and attracting] customers," Giaimo said. "Today, the limiting resource is employees."

Instead of sitting and waiting for workers, Giaimo has had to aggressively recruit them. He has targeted local college campuses, placed ads on radio and even offered "bounties" of several hundred dollars to employees who enlist new workers. Despite his having already spent $50,000-$100,000 on recruitment, Giaimo said, the diner has attracted only three-fourths of a staff that is projected to top 150, despite what he believes to be good wages, with some kitchen workers earning more than $7 an hour.

"The service industry is in a crisis," he said. "No one has enough people. What I'm describing is typical across the country."

Indeed, an increasing clamor for labor is being heard from businesses in many communities, particularly in the Northeast. A recent Labor Department report, while noting that data on the magnitude of the labor shortages are slippery, asserted that "economic and demographic data strongly suggest that this is an issue that is not going away."

In light of plentiful anecdotal evidence about labor shortages, government officials, academics and lobbyists are scrambling to get a fix on the issue.

Their concern is heightened by dramatic demographic changes in the work force. Between now and the turn of the century, the population and the labor force will grow more slowly than at any time since the 1930s, according to a study by the Indianapolis-based Hudson Institute conducted with a grant from the Labor Department. The average age of the work force will jump from 35 to 39 in the next decade.

Moreover, groups that have not traditionally been in the economic mainstream—nonwhites, women and immigrants—will make up more than 80 per cent of entrants to the work force from now until the year 2000, with employment projected to increase by 19 per cent, according to the Labor Department.

The combination of fewer workers and more jobs is already having an impact on some sectors of the economy. Help-wanted signs dot suburban malls, and there are tales of recruitment efforts that extend as far away as China in pursuit of workers technically trained in such fields as nursing and engineering. Jobs demanding proficiency in computers—from word processing to data input—have also gone wanting.

* * * Not only will that traditional labor supply be dwindling, there will also be more competition to sign up the existing workers. In addition, they may be hit with a higher minimum wage if Congress enacts a proposal now actively being considered. For enterprises of fewer than 100 employees—the group responsible for a disproportionate share of the country's job creation in the 1980s—labor shortages may be particularly threatening.

Policy makers disagree about the magnitude of the problem, or, indeed, whether there is a problem at all. On the one hand, tales of shortages are "warning signs," Sen. Edward M. Kennedy, D-Mass., chairman of the Labor and Human Resources Committee, said in January as he opened two days of hearings on the issue. "Unless we act now, America will soon be without enough hands on deck to get the work of America done."

David Lewin, a business professor at Columbia University, said in a recent interview: "We're entering a period of deep and sustained labor shortages. A measure of that is the rapidly rising entry-level pay rates in retail, trade and fast-food [industries]."

On the other hand, other observers believe that the idea of a labor shortage is misleading, that what the country is experiencing is nothing more than a blip on the radar screen—in economic terms, a "disequilibrium," which the marketplace will correct.

* * * * *

Echoing that cautious approach, Lauri J. Bassi, deputy director of the Labor Department's Commission on Workforce Quality and Labor Market Efficiency, called labor shortages a "temporary phenomenon" in which employers "can't find workers with the skills they need at wages they are accustomed to paying."

Indeed, labor shortages are often exacerbated by a mismatch between the increasing level of sophistication required in the workplace and the declining skill level of the work force.

This aspect of the problem was highlighed by Labor Secretary Elizabeth H. Dole during the Senate Labor Committee's January hearings. She noted that 900,000 high school students drop out annually, and the rate is close to 50 percent in some inner cities. Even those who remain in school are not necessarily being prepared for future jobs, because nearly 25 percent of recent high school graduates read below the eighth grade level, she said.

"We must act now if we are to avoid the haunting possibility of a permanent underclass of 'unemployables,' concentrated in poor, inner-city neighborhoods afflicted by drugs and crime and isolated from the nation's economic and social mainstream," Dole said.

Michael A. Fritz, vice president of Rugg Manufacturing Lumber Co. in Northampton, Mass., which has experienced labor shortages in its two lumberyards, sees that problem as particularlly acute. "You can see it on job applications alone—people are barely able to spell and fill the form out," he said. "There's always been some of that, but I've detected an increase over the last three years."

Ronald A. Sarasin, director of government relations for the National Restaurant Association, also bemoaned the trend. * * *

Roger D. Semerad, senior vice president of the American Express Co. and an assistant Labor secretary during the Reagan Administration, said that businesses increasingly are recognizing deficiencies in the work force as "their biggest problem. There's the budget deficit and the trade deficit, but the greatest deficit of all is the human capital deficit. We have an arrogance that everything will work out—that markets will take care ot it." Semerad continued. "If there is a diminished supply of people, technology can only do so much."

A WORKERS' MARKET

The unhappy picture of a shrinking labor supply is thrown into sharpest relief by the fact that between now and the turn of the century, there will be a decline of about 737,000 workers in the 16-24-year-old category, a drop of about 3.2 percent, according to the Labor Department's Bureau of Labor Statistics. The labor supply will also be reduced by the effects of the 1986 Immigration Reform and Control Act, which imposed sanctions on employers for hiring undocumented workers and reserved a generous number of visas for family-member immigrants as opposed to those entering the country with needed professional skills.

"To the extent there are labor shortages, they will be driven in large part by changing demographics," the Labor Department's Bassi observed. "There will be fewer young people, and young people are the ones that small business has relied upon as entry-level workers."

For most small businesses, these changes will force some new working assumptions. Not only will there be fewer young workers, but fewer native white males, who will constitute only 15 percent of the entrants to the labor force at the turn of the century, down from 47 percent in 1987. Indeed, almost two-thirds of the new workers will be women, a fact that may result in increasing demands for maternity leave, day care services and more-flexible work schedules.

Congress is currently considering proposals to require that such benefits be provided by employers, and lobbyists for small businesses are leading the charge against those proposals on the ground that they are too costly for many companies.

The most immediate result of the demographic changes will be a fierce battle between all businesses for workers, who will find themselves in a position to command higher wages and benefits. "Years ago, you didn't have a dishwasher ask about his benefits," and Deborah L. Siday, the Silver Diner's human resources director. "Now, it's one of the first things they ask."

To respond to the shortages of qualified applicants, businesses are spending an estimated $30 billion on training and, in some cases, even remedial education. "The ante is up at the entry level—businesses can't just put [employees] on a job and expect them to learn," said Anthony P. Carnevale, vice president and chief economist of the Alexandria (Va).-Based American Society for Training and Development. "By our measures, when we survey American employers, about 40 percent say that they are teaching things that ought to have been taught in school."

Old methods of recruiting and retaining a capable work force will have to be jettisoned, as Giarimo recently discovered in his search for restaurant workers. "The demographic one-two punch created by the baby boom followed by the baby bust can be accommodated but not prevented or altered." Martin Geller and David Nee wrote in a recent book, *From Baby Boom to Baby Bust* (Addison-Wesley Publishing Co. Inc.). "American corporations and American assumptions about doing business need to be adjusted now. Businesses that don't adjust will be washed away, along with the way of life they have helped to provide."

What may be an uncomfortable period of adjustment for employers, however, may be a boon to the unemployed. For example, all businesses, but particularly the smaller ones that lack the capital of their corporate competitors, will have to seek ways to increase worker productivity and look to nontraditional sources of employees. That such shifts are already occurring is made clear in a current McDonald's television commercial featuring a new "crew kid" who turns out to be a graying retiree returning to work.

New work opportunities for retirees are not the only dividend that labor shortages will produce. Businesses will no longer be able to ignore the underclass in their search for labor.

"Tighter labor markets are good for U.S. working men and women because issues once defined as social problems will have to be dealt with out of economic necessity," Dole said in her January testimony. In this environment, employers will have a "greater incentive to reach out" to disadvantaged groups as well as to provide a safer workplace and "address workers' obligations to their families." Those employers who fail to make such changes "will simply lose out to employers who do," she added.

SMALLNESS MAY HURT

Although all employers will have to make adjustments, there is evidence that small businesses, because they generally offer lower wages and fewer opportunities for promotions than their larger competitors do, may be at a disadvantage as the work force shrinks and the battle for workers intensifies.

"There will be more-intense bidding for experienced, skilled workers and highly technically competent workers," said Frank S. Swain, chief counsel for advocacy of the Small Business Administration (SBA). "Larger firms, with deeper pockets, will be in a position to outbid smaller firms."

"It gets to be a very competitive game—it's like an auction, and the guy with the big bucks can take it," agreed Audrey Freedman of the New York City-based Conference Board Inc., a business-sponsored research organization. "The smaller guy gets no choice at all. It's already happening."

Not everyone shares that pessimism for small business, however. William B. Johnston, co-author of the Hudson Institute study, noted that "small business is quicker on its feet—it's filled with innovations." He predicts that small companies will rely more heavily on automation and other labor-saving devices.

"It's not clear at all that small businesses will be significantly undermined by operating in a labor-shortage environment," he asserted. "It has always had less money and less resources to draw on."

Even so, there is new concern among some who represent the small-business community in Washington about the fallout likely to result from changes in the work force. The National Federation of Independent Business (NFIB), for example, the country's largest advocacy group for small-business interests, recently devoted a daylong conference in Washington to exploring the implications of the "coming labor shortage."

Although NFIB president John F. Sloan Jr. offered several alternatives for small-business owners—from providing more training to pursuing hitherto untapped sources of labor such as the elderly—he readily acknowledged that not all small enterprises will survive the shakeout. "Some smaller employers can expect to be frozen out—they simply won't be able to obtain employees at wages they can pay," he said. "The start-up rate [for small businesses] will fall, with unknown consequences for innovation and new technology."

In light of these increasing difficulties, Sloan and other business advocates are particularly adamant in their opposition to congressional proposals to require employers to provide their employees with such benefits as health care coverage and parental and disability leave. Such initiatives are seen as imposing costs that will further limit the ability of small companies to remain competitive and will constrict their flexibility to tailor a benefits package to their own circumstances.

"The market economics of labor are turning very quickly," the SBA's Swain said. "Employers are seeing labor costs go up because of market forces, and they don't want to see the government accelerating the increasing costs."

Authors Geller and Nee speculate that large, established organizations, which already provide many such benefits, may actually seek enactment of mandated benefits legislation as a way to reduce the flexibility and competitiveness of smaller enterprises.

Business lobbyists are quick to deny that such a strategy exists. "Ninety-nine percent of companies—large and small—would be opposed to the government dictating the specifics of what a business should offer," said Pete Lunnie, director of employee relations at the National Association of Manufacturers.

Nevertheless, some analysts believe that it is the small-business community that is sending the wrong signal on the mandated benefits issue. Their "knee-jerk" reaction against the legislation fails to take into acount certain changes that have occurred recently in the attitude of big business toward recruitment, according to Lawrence C. Brown Jr., president of the Washington-based 70001 Training and Employment Institute, a nonprofit organization seeking to improve employment prospects for disadvantaged youth.

"There had been a certain arrogance on the part of large employers about their ability to attract labor," he said. "Over the last 18 months, that arrogance has been rapidly disappearing, and there has been a willingness to employ creative methods of attracting, training and retaining entry-level employment."

Brown's message is that the nationwide small-business community and its Washington lobbyists would be well advised to pay greater attention to the sorts of tactics being used by larger companies to stay competitive in attracting workers.

COPING

Regardless of the tactics being used inside the Capital Beltway, around the country it is increasingly apparent that small businesses have already recognized the need to provide greater flexibility to their workers, even when it means departing from some long-standing practices.

For example, Rugg Manufacturing Lumber, the family-run operation of about 100 employees that opened its doors in central Massachusetts in 1842, is so desperate for qualified workers that for the first time, it has begun hiring part-timers. "We are also trying to schedule to different sets of hours to accommodate people with younger children who couldn't be in so early," company vice president Fritz explained.

Fritz acknowledged that the changes are "difficult to cope with" because "the hours [part-timers] work don't always coincide with our peak demand," but he is also resigned to the fact that "experienced and knowledgeable people are hard to come by for a small business like ours."

Fritz said Rugg "will even try to steal somebody from another company," although he said that such efforts were "not done on a regular basis. . . . We try to keep our ears close to the ground, and if somebody is dissatisfied, we ask [whether he would like to join us]," he explained. "We don't try to actively sabotage our competition."

Earl H. Hess, a chemist who started Lancaster Laboratories Inc. in 1961, has also been a victim of a tight labor market, this one in Pennsylvania. He tried to add about 75 employees a year to his $12.5 million business. "We go after people in a positive sense," he said as he ticked off the various benefits, including day care services and a profit-sharing plan, that his company offers. His work force, which is 62 percent female, has an average age of 32, and half the employees have college degrees.

But in the past year, he never had fewer than 30 vacancies—as of early March, 40

slots were open. To attract new workers, Hess said, "I hold out our company as a unique place to work and allow [employees] to develop their careers . . . rather than being locked into the rigidity of a big-company business.

"In the normal case, a small business can't compete with all the bells and whistles of a large company's benefits program, but we are in a position to be innovative," he continued. For example, Hess recognized that many female employees were struggling to choose between staying home with families or pursuing careers. To ease the dilemma, Hess said, "we decided to build a child care center—before it became a political issue. He became the first employer in Lancaster County to offer on-site child care.

Unlike Hess's work force, with its highly educated chemists, the employees in Durabla Manufacturing Co., just outside Philadelphia, include tool and die workers, "who are like dinosaurs," according to the company's director of personnel, John R. Payne. "We've had a rather acute [labor shortage] problem here for the last year and a half or two years."

Durabla, which has fewer than 100 workers and does less than $10 million in business annually, makes valves for industrial application. As older workers began to retire, company officials had to explore their options. There was not a readily available source of new workers.

Payne's predecessor in personnel tried to persuade Durabla's president to move the company. Instead, Durabla officials decided to work with nearby Delaware Community College to develop a program, backed by state money, that identifies students with an interest in the manufacturing business, notifies them of any entry-level openings at the company and offers them year-and-a-half-long training courses.

At the same time, Durabla's current employees are given an expanded lunch break to upgrade their skills, and company supervisors are being "cross-trained," so that if a job opened, they would be able to step in. Though this approach has meant a loss of productivity while people are being trained, it has enabled Durabla to weather the shortages.

The range of options available to labor-hungry small businesses is perhaps best captured by Gary W. Smith, executive director of the Chester County (Pa.) Development Council. "We have a crisis here because of the severe shortage," he said. He noted that the majority of the positions in the county, which has a population of about 360,000, are in the service industry—ranging from clerical to computer work—as well as in the "hospitality industry," particularly at hotels. "Our manufacturing base is eroding because of high-priced labor," he said. "Some companies are leaving or not expanding, or threatening to go."

Despite such shortages, Smith predicted that Chester County would continue to grow rapidly and add about 37,000 new jobs by the year 2000. He also enumerated several options he believes would alleviate the shortages, including a change in immigration policy, state assistance to promote day care, more-aggressive recruitment in high schools and improving transportation to facilitate commuting for people who live in Philadelphia but work in the suburbs.

Progress has already been made on the commuter issue, as the county has embarked on a program of privatized transportation. "If we had waited for the traditional transit authority to respond, nothing would have been done for 10 years," said Mark J. Welsh, president of Accessible Services Inc., a private transport provider.

Instead of allowing that to happen, Welsh saw a business opportunity and seized it. He worked with inner-city groups to identify potential workers and located employees who needed help. Welsh then proceeded to match one to the other. He agreed to locate available workers after prospective employers said they would subsidize part of the cost of transportation.

Today, the Chester County "reverse commute" business grosses more than $250,000 annually, and Welsh is operating similar operations in a half-dozen other cities.

CALL IN THE IMMIGRANTS

While such local efforts may work on a limited scale, there is another, more straightforward answer to the labor shortage problem, according to Julian L. Simon, professor of business administration at the University of Maryland (College Park): liberalize immigration policy. "Immigrants can help the United States advance every one of its national goals in one fell swoop," he said in an interview.

"The main reason that immigrants make net contributions to the public coffers is that they tend to come when they are young, strong and vibrant, at the start of their work lives—not poor, huddled masses," Simon told the NFIB conference on labor shortages last month. "The benefits to individual small-business owners and hence to consumers are obvious—a larger supply of labor at satisfactory wages."

He lambasted the opponents of a more open-door policy on immigration, and said that such opposition was based on ignorance of the facts, nativism or the lack of strong business support. He said immigrants have a good knowledge of the labor market before they come and are more mobile than natives. Indeed, legislation has been introduced in this Congress to permit more skill-based immigration.

Sharply disagreeing with Simon's approach, Vernon M. Briggs Jr., a professor of labor economics at Cornell University's New York State School of Industrial and Labor Relations, said that policies that rely on new immigrants are looking "for an immediate quick fix by dramatically bringing in more people without looking at where they go . . . . Immigration does have a role, but it must be labor-market-oriented and should not be the first recourse."

He suggested that such short-term solutions fail to recognize an opportunity that all businesses have to help redress certain national social problems even as they battle to satisfy their labor needs. Some see it as the silver lining in the labor shortage issue.

There are many public policy planners, antipoverty activists and politicians who would prefer to see society kill two birds with one stone by meeting the needs of small businesses while rescuing poor, illiterate and desolate Americans having living tragic and dependent lives.

"My greatest fear is that we'll turn to immigration as an answer without tapping into the underutilized population," Briggs said. "An era of labor shortages is a rare chance to get rid of the underclass in our country."

[From the Wall Street Journal, Feb. 7, 1989]

LABOR LETTER: A SPECIAL NEWS REPORT ON PEOPLE AND THEIR JOBS IN OFFICES, FIELDS AND FACTORIES

Labor Shortages are getting tighter and tighter, companies say.

Among personnel managers, 43 percent had moderate to "very great" problems finding qualified executives, and 66 percent had such problems finding technical help, according to a survey of 707 respondents by the American Society for Personnel Administration. A worsening pinch is seen in the next five years, with big shortages rising from 20 to 40 percent for office help in the West, 62 to 70 percent for Northeast skilled craftsmen, and 21 to 27 percent for unskilled Midwest workers.

A lack of "hamburger wrappers in their teens will soon be followed by a shortage of skilled technicians, professionals and managers," a Midwest health-care facility official says. Higher wages are used by 58 percent of the respondents to lure workers, tuition aid by 52 percent and better health benefits by 31 percent.

(A major manufacturer's personnel chief complains that the firm ignores his warnings about future labor shortages.)

NEW JERSEY STATE AFL-CIO,
Trenton, NJ, March 8, 1989.

Hon. FRANK LAUTENBERG,
U.S. Senator: NJ; Senate Hart Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: We just wanted to write and let you know that the N.J. State AFL-CIO supports your proposal to require the U.S. Department of Labor to issue an annual listing of national labor shortages and to develop an annual plan for labor shortage reduction.

Persistent and growing labor shortages have emerged as a serious problem in New Jersey and threaten to stifle our state's unprecedented economic prosperity. It's also possible that these shortages could ultimately increase inflation and damage our nation's competitive position in the world economy.

Unless something is done to recruit and train a larger, skilled workforce in New Jersey and throughout the nation, the shortage and its consequences will continue to escalate. We see your initiative as an important step in resolving the problem, and we will lend it our full support.

Sincerely,

CHARLIE MARCIANTE.

NEW JERSEY STATE
CHAMBER OF COMMERCE,
Trenton, NJ, March 7, 1989.

Senator FRANK LAUTENBERG,
Senate Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: We have reviewed, with interest, your proposal to require the U.S. Department of Labor to identify occupations for which there will likely be labor supply shortages, issue an annual listing of geographic areas and nature of the shortages, and offer measures to be taken to alleviate shortages.

The New Jersey State Chamber of Commerce wishes to indicate its support for the proposal and encourage the introduction and passage of legislation to achieve this worthy goal.

We might offer an additional thought about the project. It would be helpful in guiding employment opportunities if the Department of Labor would also publish indicators of the kinds of jobs and geographic areas experiencing an over supply of labor.

Employers and job seekers as well as government planners could find both sets of data to be valuable.

If the State Chamber can be of assistance in furthering these goals please do not hesitate to call on us.

Sincerely,

JAMES C. MORFORD,
Vice President, Governmental Relations.

NEW JERSEY BUSINESS & INDUSTRY ASSOCIATION,
Trenton, NJ, February 23, 1989.

Hon. FRANK LAUTENBERG,
Senate Hart Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: The purpose of this letter is to express the New Jersey Business and Industry Association's support for your proposal to require the U.S. Department of Labor to issue an annual listing of labor shortages and to develop an annual plan for shortage reduction.

New Jersey is currently experiencing a critical labor shortage. In our 1989 Economic Outlook Survey, 82 percent of the respondents indicated they had experienced shortages of skilled labor over the past year. Almost 60 percent had experienced difficulty hiring clerical help and an amazing 47 percent could not find enough unskilled labor. Never in the history of our survey—now in its 30th year—has New Jersey suffered such a severe shortage of labor.

These shortages threaten to halt the State's economic expansion. In addition, labor shortages increase inflation and damage the U.S. competitive position in the world economy. Furthermore, demographic trends to the year 2000 indicate that unless action is taken now, the nation's labor shortage is likely to become much more acute.

Sincerely,

DONALD M. SCARRY,
Asst. Vice President.●

By Mr. LAUTENBERG:

S. 742. A bill to establish an Employment Education Institute; to the Committee on Labor and Human Resources.

EMPLOYMENT EDUCATION INSTITUTE ACT

● Mr. LAUTENBERG. Mr. President, today I am introducing a bill that would require the Department of Labor to establish an institute to promote public awareness of the labor market and enhance professionalism of employment, training, and vocational education staff.

Mr. President, today more than ever before Americans depend on a job. The Nation's labor force participation rate stands at a post World War II high of 66.8 percent and is predicted to increase even further to 67.8 percent by the year 2000. At that time close to 75 percent of men and 62 percent of women will be employed or looking for work. Although a job is a necessity for most men and women, Americans know little of the labor market and how it functions. In fact, recent budget cuts have decreased the availability of information on jobs and have drastically reduced the number of employment counselors to advise the jobseeking public.

The result is uninformed career decisionmaking and unwise job search strategies that lead to increases in unemployment, underemployment, and labor shortages.

Closely related to this problem of inadequate knowledge of the labor market is the difficulty that employment, training, and vocational education staffs experience attempting to obtain quality, relevant to training. These professionals need training themselves so they can analyze labor market developments and inform current and future workers. Previously established institutes, such as a national labor market information training institute have long been disbanded. While various agencies and associations have from time to time offered selected training, there is no national organization with the primary responsibility of offering a broad range of high quality training and technical assistance to employment, training, and vocational education staffs. Also, to take advantage of innovative or improved programs, such staffs require access to a central clearinghouse that publishes regular bulletins concerning the latest advances in program design and operation.

Mr. President, to address these labor market and training issues, this bill would create a U.S. Employment Education Institute. Let me summarize the bill. The Secretary of Labor, in consultation with the Secretary of Education, would select five universities to form the institute. One of the universities would coordinate institute operations, while the other four schools would be assigned specific functions. The coordinator university would serve a 5-year term and would report to an institute director, appointed by the Secretary of Labor. The other four institutions would serve 3-year terms.

The U.S. Employment Education Institute would have three basic functions. First, the institute would develop and distribute innovative materials to improve the public's knowledge of current and prospective labor market developments. Such information would be targeted at improving individual decisionmaking to reduce unemployment and underemployment and to cut labor shortages. For example, a national campaign to promote education or skills training in certain shortage occupations could be the focus of one such effort. Second, the institute would prepare and deliver training curriculums for employment, training, and vocational education practitioners. Such training would be aimed at enhancing staff competencies and professionalism and would certify course graduates.

And third, the institute would operate a national clearinghouse for innovative employment, training, and vocational education programs, and track relevant programs in other countries.

An annual base of funding for the institute—$3 million—would be provided by the Department of Labor, with these funds supplemented by tuition charges. Institute priorities would be set through a steering committee composed of selected employment, training, and vocational education agencies and associations, and organizations representing employers, students, and the unemployed.

The strength of the institute would be the store of knowledge accumulated by institute trainers and staff as they assess labor market trends and public need, develop and deliver training curriculums, and operate the employment, training, vocational education clearinghouse. While the institute would emphasize the meeting of local needs, it need not replace individual agency training initiatives. It would take advantage of the economies of scale offered by a national scope and an interdisciplinary approach.

Mr. President, with high unemployment still prevalent in our inner cities and the specter of labor shortages threatening continued economic expansion, we've got to get smarter when it comes to the U.S. labor market.

This bill establishes a vital resource to guide labor force participation in a way that would minimize unemployment, underemployment, and labor shortages. I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employment Education Institute Act of 1989".

SEC. 2. PURPOSE.

It is the purpose of this Act to establish an institute to promote public awareness of the labor market, and to promote professionalism among employment, training, and vocational education staff.

SEC. 3. FINDINGS.

The Congress finds that—

(1) general inability to comprehend current and prospective labor market trends has been a major contributor to uninformed career decisions and unwise job search strategies, resulting in increased unemployment, underemployment, and labor shortages;

(2) employment, training, and vocational education practitioners have experienced difficulty obtaining quality, relevant training that would allow such professionals to effectively analyze labor market developments and communicate findings and other relevant information to current and future labor force participants;

(3) there exists no national organization with the responsibility for offering a broad range of high quality training and technical assistance to employment, training, and vocational education staffs; and

(4) the clearinghouse activities established in section 455 of the Job Training Partner-

ship Act to publicize innovative and successful employment and training programs have been too limited to significantly impact the employment and training community, and do not encompass vocational education programs.

SEC. 4. ESTABLISHMENT OF THE EMPLOYMENT EDUCATION INSTITUTE.

Section 455(b) of the Job Training Partnership Act is amended to read as follows:

"(b)(1) The Secretary of Labor (hereinafter referred to as the "Secretary"), in consultation with the Secretary of Education, shall within 12 months of the date of enactment of this Act, establish an Employment Education Institute (hereinafter referred to as the "Institute") which shall—

"(A) develop and disseminate innovative materials, especially for inner city school age populations, to enhance the public's knowledge of current and prospective labor market developments, and which focus on improving individual career decisionmaking and job search strategies, thereby reducing unemployment and under-employment, and cutting labor shortages;

"(B) prepare and disseminate training curriculums for employment, training, and vocational education practitioners which focus on enhancing staff competencies and professionalism;

"(C) announce, schedule, and provide training to employment, training, and vocational education staff; and

"(D) establish and operate a national clearinghouse for innovative and successful employment, training, and vocational education programs, including—

"(i) formal outreach to identify, analyze, and evaluate various State and local employment, training, and vocational educational programs;

"(ii) publication and dissemination of a quarterly clearinghouse bulletin which summarizes the information collected by the clearinghouse; and

"(iii) tracking and reporting on relevant employment, training, and vocational education programs of other countries.

"(2) The Secretary shall, through a competitive selection process, enter into 5 grant agreements with 5 universities located in the United States to carry out the provisions of this section. Such agreements shall contain satisfactory assurances that the grant recipient will meet the requirements of this section and shall be entered into at such time and in such form as the Secretary shall prescribe.

"(3) Each university desiring a grant pursuant to this section shall submit to the Secretary a grant application at such time, in such form, and containing such information as the Secretary may prescribe. Each such application shall—

"(A) describe the activities for which assistance is sought;

"(B) include a demonstration of expertise in appropriate curriculum and labor market development, training delivery, and clearinghouse operations; and

"(C) contain such other assurances as the Secretary may reasonably require.

"(4) In carrying out the provisions of this section, the Secretary shall—

"(A) designate a Director of the Institute, who shall be a Senior Executive Service employee of the Department of Labor;

"(B) identify 1 of the 5 universities selected pursuant to paragraph 3 to serve as the coordinator of Institute operations;

"(C) assign specific functions to each of the universities selected pursuant to paragraph 3;

"(D) appoint a steering committee to represent—

"(i) employers;

"(ii) students;

"(iii) unemployed individuals; and

"(iv) employment, training, and vocational education agencies and associations;

to recommend annual Institute priorities, evaluate Institute performance, and provide suggestions for improvement.

"(5) The steering committee established pursuant to paragraph (4) shall be chaired by the Director of the Institute and shall meet at least twice annually.

"(6) Of the 5 universities selected pursuant to paragraph (3), the university selected as coordinator shall serve a 5-year term. The remaining 4 universities shall each serve 3-year terms, except, of the universities, initially selected—

"(A) 1 university shall serve for 4 years;

"(B) 2 universities shall serve for 3 years; and

"(C) 1 university shall serve for 2 years.".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out the provisions of this Act $3,000,000 for fiscal year 1990, and $3,000,000 for each succeeding fiscal year.●

By Mr. McCONNELL:

S. 743. A bill to reduce campaign expenditures in Federal elections by providing a stable, adequate discount to Federal candidates for broadcast advertising time prior to an election; to the Committee on Commerce, Science, and Transportation.

CAMPAIGN COST REDUCTION ACT

● Mr. McCONNELL. Mr. President, yesterday's exchange on the floor regarding campaign finance was encouraging to those of us striving for effective reform of our system of financing political campaigns. It is further proof of the virtually universal belief that our present system is in need of substantial repair. It was an appropriate bipartisan prolog to my reintroduction of the Campaign Cost Reduction Act.

On the eve of hearings in the Senate Rules and Administration Committee, which will focus on the campaign finance system and the legislative remedies which have been proposed, I believe it is an appropriate time to reintroduce legislation which addresses the single largest cost component of political campaigns: broadcast advertising.

Mr. President, most of the increase we have seen in campaign spending is due to the skyrocketing cost of broadcast advertising. From 1978 to 1988, the total cost of House and Senate campaigns more than doubled, from $194 million to $450 million. In these same four election cycles, the expense for television advertising more than tripled, as the cost of television advertising eats up at least half and as much as three-quarters of all money spent in a campaign.

The legislation I am introducing today, the Campaign Cost Reduction Act of 1989, would alleviate the severe financial burden which broadcast advertising places on political campaigns. This bill would give Federal candidates nonpreemptible broadcast time for campaign advertising, at the lowest rate charged for any time in the same period, during the final weeks before an election. Thus, whatever a broadcaster charges for the least expensive type of preemptible time on a particular program will be the rate stipulated for political candidates—but the candidates will get non-preemptible time for their money.

This legislation would significantly benefit candidates and voters for whom television is their window on the electoral process. While the effect of this legislation on campaign spending would be tremendous, its effect on broadcasters would be minimal. Political advertising accounts for only three-quarters of 1 percent of broadcasters' total revenues. The lucrative Federal grant of a broadcast license certainly is worth that much. To lessen the Campaign Cost Reduction Act's effect on local broadcasters even further, I have narrowed its scope to Federal campaigns only.

The broader version of this bill, which I introduced last year, was the subject of a very favorable hearing before the Senate communications subcommittee. It set the stage for this renewed effort to address a crucial aspect of political campaigns.

Broadcast advertising is not an option for candidates, it is a political necessity. It is the only means of effectively communicating with the majority of voters. And voters have come to rely on this medium to learn about the candidates and their position on issues.

The importance of political broadcast advertising has been legally recognized for nearly 2 decades. In 1971, Congress required broadcasters to give political candidates a discount on advertising time. Since then, however, broadcasters' marketing practices and candidates' need for non-preemptible time have rendered this discount meaningless. In the meantime, broadcast advertising has become even more critical to our electoral process. Therefore it is imperative that we reexamine the issue and insure that the intent of Congress in 1971 is in fact carried out in 1989 and beyond.

The broadcast industry is unique, in that it produces no tangible goods, yet it is immensely profitable and extremely powerful. It is the single greatest source of information for Americans. It is our eye on the world, and on the political process. It is so intrinsic to our society that we brought television cameras into Congress so that Americans could view democracy in action.

Mr. President, broadcasters derive this power and profit from access to a scarce public resource, the airwaves. They are granted this access by the

Federal Government. This legislation does not deny broadcasters the opportunity to profit handsomely from this federally guaranteed resource. Instead, it merely prevents them from making windfall profits at the expense of the democratic electoral process.

The Campaign Cost Reduction Act recognizes the realities of today's political campaigns. Increasingly, Congress is acknowledging the problems in our campaign finance system. It is time we did something about it. This bill is an important step toward real campaign finance reform, and I urge its swift passage by the Congress.●

By Mr. SASSER (for himself, Mr. MOYNIHAN, and Mr. GORE):

S. 745. A bill to improve the Highway Bridge Replacement and Rehabilitation Program; to the Committee on Environment and Public Works.

NATIONAL BRIDGE IMPROVEMENT ACT

● Mr. SASSER. Mr. President, I am today introducing legislation to improve the Highway Bridge Replacement and Rehabilitation Program. It will be similar to bills I have introduced in previous Congresses.

I am particularly pleased that the distinguished senior Senator from New York, Senator MOYNIHAN, is joining as a cosponsor of this legislation. As chairman of the Subcommittee on Water Resources, Transportation and Infrastructure, his thoughts will be most valuable as this measure is debated.

On April 1, the bridge over the Hatchie River near Covington, TN, collapsed, killing eight people. It was but one more vivid example of the decay in our Nation's bridge system.

The evidence clearly indicates that the bridges in the United States are in a sorry state indeed. The Federal Bridge Program, which should be part of the solution, is part of the problem.

A report by the General Accounting Office, prepared at my request, details serious problems in the Highway Bridge Replacement and Rehabilitation Program. It points out a lack of coordination and consistency in the collection of data and in the standards that are used in assessing the condition of bridges. This makes it impossible to allocate Federal funds where they are most needed.

The end result, according to the report, is that FHWA's cost estimates are based on questionable data and each State's share of Federal funds is affected by inaccurate and incomplete reporting.

The previous administration made some cosmetic changes in the bridge program. But they didn't really get to the heart of the problem.

For that reason I was encouraged by the remarks of Transportation Secretary Skinner when he visited the site of the collapsed bridge last week. Secretary Skinner agreed that the bridge system in the United States is in a serious state of decay. I trust that this indicates a willingness on the part of the current administration to deal with this problem.

We cannot afford to ignore this situation any longer. The bridges in this country are in serious need of repair. Only a few years ago the estimate of the total cost to rebuild and rehabilitate deficient bridges was $42 billion. Today that figure is over $51 billion.

In its 1987 report to Congress, the Federal Highway Administration estimated that over 240,000 of the country's 575,000 bridges are deficient. Of those 240,000, about 220,000 are eligible for the Highway Bridge Replacement and Rehabilitation Program.

Here in Tennessee, there are 7,789 bridges which are rated as deficient. That is 39.8 percent of Tennessee's total number of 18,546 bridges in the Federal bridge inventory. Many of them are considered functionally obsolete.

Now, I realize we cannot wave a magic wand and spend all the money we would wish on the Federal Bridge Program. However, we must ensure that the money we do spend is being spent as effectively as possible. Because of the inefficiencies in the Highway Bridge Replacement and Rehabilitation Program we are not getting the most out of every dollar we spend. That is simply unacceptable when the solutions are readily available.

In these days of budget deficits, we cannot afford to spend taxpayers money inefficiently. We cannot afford to have the scarce resources of the bridge program misallocated because of incorrect or incomplete data collection.

My legislation will correct many of the problems that the GAO report identifies.

It requires the Department of Transportation to review and encourage the compliance of all Federal and State agencies with current national bridge inspection standards.

It reviews the criteria for assigning priorities for bridge repair and rehabilitation so as to better concentrate limited funding on bridges most in need of repair.

The bill also establishes procedures for the rapid completion of the national bridge inventory and provides for a public information program regarding the safety of our bridges.

Mr. President, I urge my colleagues to join with me and the distinguished Senator from New York, Mr. MOYNIHAN, in supporting this legislation. It is a practical and concrete step we can take now to reverse the increasingly critical condition of our Nation's bridges.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Bridge Improvement Act of 1989".

SEC. 2. REFERENCES AND DEFINITIONS.

(a) REFERENCES.—Except as otherwise specifically provided, whenever in this Act a reference is expressed in terms of a section or other provision, the reference shall be considered to be made to a section or other provision, respectively, of title 23, United States Code.

(b) DEFINITIONS.—For purposes of this Act—

(1) The term "Secretary" means the Secretary of Transportation.

(2) The term "bridge" means a structure on which a highway crosses over waterways, other topographical barriers, other highways, and railroads.

(3) The term "highway" shall have the meaning provided in section 101(a).

(4) The term "Federal-aid system" shall have the meaning provided in section 101(a).

(5) The term "improvement" includes replacement and rehabilitation.

(6) The term "deficient" means structurally deficient or functionally obsolete.

(7) The term "highway bridge replacement and rehabilitation program" means the highway bridge replacement and rehabilitation program established under section 144.

(8) The term "national bridge inspection standards" means the national bridge inspection standards established under section 151.

SEC. 3. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) of the more than 575,000 bridges in the United States, almost 4 out of every 10 are deficient;

(2) deficient bridges increase the potential for traffic deaths, injuries, and property damage, and add to fuel consumption, air pollution, and the cost of goods and services; and

(3) the total cost to replace and rehabilitate deficient bridges nationwide is rapidly approaching $68,000,000,000.

(b) PURPOSE.—The purpose of this Act is to make effective revisions of the highway bridge replacement and rehabilitation program in order to ensure the replacement and rehabilitation of the deficient bridges in the United States in a timely and efficient manner, the fair distribution of Federal funds within the various States for replacement and rehabilitation of bridges, and the compliance of the States with the national bridges inspection standards.

SEC. 4. BRIDGE IMPROVEMENT PROGRAM.

The Secretary shall—

(1) revise, consistent with the provisions of subsections (b) and (c) of section 144, the criteria for assignment of priorities for bridge replacement and rehabilitation under such section to concentrate Federal funding on bridges most in need of replacement and rehabilitation;

(2) establish a formal procedure for the exercise of the Secretary's discretion in selecting highway bridge replacement and rehabilitation projects for the obligation of funds under section 144(g) to ensure consid-

eration of the costs and benefits of each such project and the classification of the bridge under subsections (b) and (c) of section 144 in each such project;

(3) establish administration guidelines for the distribution of highway bridge replacement and rehabilitation apportioned funds throughout each State under section 144(j) with provisions for flexibility with respect to State administration of the apportioned funds; and

(4) monitor the distribution of highway bridge replacement and rehabilitation program apportioned funds throughout each State under section 144(j).

SEC. 5. NATIONAL BRIDGE INSPECTION STANDARDS.

(a) IN GENERAL.—The Secretary shall—

(1) review each State's compliance with the national bridge inspection standards;

(2) revise such standards—

(A) to improve inspection requirements, including decreasing the maximum time lapse between inspections;

(B) to define precisely the factors to be considered and the methods used in rating the condition of bridges; and

(C) to establish a standard for timely processing data resulting from inspections under such standards;

(3) assess the need for greater State and local government authority for inspection of bridges;

(4) encourage the States to take the actions necessary fully to comply with the national bridge inspection standards relating to posting limits on bridges and closing bridges; and

(5) ensure that all Federal agencies maintaining bridges comply with the national bridge inspection standards.

(b) PLAN OF COMPLIANCE.—(1) By no later than July 1, 1990, the Secretary shall prepare and, to the extent permitted by law, implement a plan of action designed to result in full compliance by the States and local governments with the national bridge inspection standards.

(2) In preparing the plan required by paragraph (1) of this subsection, the Secretary shall consider the imposition of penalties and other sanctions against the States and local governments not fully complying with such standards.

SEC. 6. NATIONAL BRIDGE INVENTORY.

By not later than July 1, 1990, the Secretary shall—

(1) establish procedures to ensure the rapid completion and maintenance of accurate inventories of bridges under subsections (b) and (c) of section 144; and

(2) inventory all bridges maintained by Federal agencies.

SEC. 7. PUBLIC INFORMATION.

The Secretary shall prepare a plan for a public information program with respect to the weight limits, closings, and hazards, if any, of each bridge. The Secretary shall include in such plan provisions for administration of such program by the States.

SEC. 8. REPORT TO CONGRESS.

The Secretary shall prepare and transmit to the Congress, not later than January 1, 1991, a report on the administrative actions taken under the provisions of this Act and the results of such actions. Such report shall include—

(1) recommendations for legislative action as the Secretary considers necessary to ensure that—

(A) the bridges most in need of replacement and rehabilitation are always selected for funding under the highway bridge replacement and rehabilitation program;

(B) there is a fair and equitable distribution of such funding throughout each State; and

(C) the States fully comply with the national bridge inspection standards; and

(2) the Secretary's recommendations with respect to whether the Congress should increase the maximum per centum of apportioned funds which may be expended under section 144(g) for projects to replace or rehabilitate highway bridges located on public roads, other than on a Federal-aid system.●

By Mr. SPECTER:

S. 746. A bill to implement a Federal crime control and law enforcement program and to assist States in crime control and law enforcement efforts; to the Committee on the Judiciary.

CRIME CONTROL ACT

Mr. SPECTER. Mr. President, I congratulate Attorney General Thornburgh; the new drug czar, William Bennett; and the Secretary of Housing and Urban Development, Jack Kemp, for their initiatives yesterday in undertaking a significant attack on the problems of drugs and crime in the District of Columbia, and I think it is a good start; however, only a start.

At the same time, Mr. President, I strongly urge that there must be attention directed to the rest of the United States on the problems of drugs and crime. We must not let the impression arise that more is being done for Capitol Hill in Washington, DC, because of the 535 congressional citizens, than is being done or will be done for the citizens of this country who live in the ghettos of Watts in Los Angeles, or the Bowery in New York, or the slums of north Philadelphia.

There has been a great deal of attention focused on Washington, DC, for many reasons. When a gun battle erupted recently in the presence of a distinguished U.S. Senator, it received national attention. When the homicide rate has risen in Washington, DC, and our international visitors and our national tourists have been threatened, there is a great deal of attention. There is little doubt that when this problem affects Capitol Hill's 435 Members of the House and the 100 Senators, and when Washington, DC, is under attack by the drug dealers and the drug murderers, and Cabinet officers are in danger, there is a lot of attention focused on this problem. But there is a great deal more to America than Capitol Hill.

While I applaud the initiatives for Washington, DC, and spoke out very strongly when I was chairman of the District of Columbia Subcommittee on Appropriations in 1983, 1984, 1985, and 1986 that the lead should be taken in this city, we still should not forget the rest of America and we must craft a program against drugs and against crime for the rest of the country as well.

Mr. President, the homicide rate is appalling in Washington, DC, but it is appalling in many other major cities in this country. The March 28, 1989, New York Times reports the increase in homicides this year in Washington, DC, at 55 percent. But Chicago, IL, is not far behind at 37.5 percent. Philadelphia is not far behind at 35 percent, and there are major homicide increases in Atlanta, Detroit, Dallas, Los Angeles, New Orleans, and many other cities in this country. Since that article appeared in the New York Times, the homicide rate has gone up in the city of Philadelphia.

Mr. President, I ask unanimous consent, because of the limited time, that an article from yesterday's Philadelphia Inquirer be printed in the RECORD recounting the slaying of a man in a drug-turf battle, a battle which has become very commonplace in this country.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. Mr. President, I suggest that we really have to get serious about the problem of crime in America and the problem of drugs in America and really devote significant resources for domestic defense. This has been a subject which the Presiding Officer and I have addressed many times in our tenure in the Senate, and may the Record show, since the television cameras are probably on me and not on the distinguished Presiding Officer, Senator DECONCINI, that he nodded in the affirmative. As we used to say in court, let the record show that the distinguished Senator from Arizona was the district attorney of Tucson while I was the district attorney of Philadelphia, and we have carried our commitment and attack on the causes of crime and the crime pattern in our work in the Senate and on the Judiciary Committee.

Since the 97th Congress, Mr. President, I have introduced comprehensive legislation calling on an allocation of 1 percent of the Federal budget to attack the problems of crime. I did this first in 1981 and have repeated it in each successive Congress, sometimes at the risk of having people say, "Well, you are repeating the same old bill," but I have done so with deliberation because I believe that if we emphasize these problems enough that we can have an effect and that it is going to take repeated efforts.

That is why, Mr. President, when I was chairman of the D.C. Subcommittee that I urged the funding for a major jail for Washington, DC. I am appalled that that jail has not been constructed, even though funds were appropriated for it some 3 years ago. That is one of the items which was talked about by Dr. Bennett yesterday.

Mr. President, today I am introducing a refinement of my prior legisla-

tion designated the Crime Control Act of 1989.

Mr. President, the essence of this legislation focuses on subjects which I have addressed on the floor in the past, focuses on the need for police, for courts, for prisons and an addendum on the problem of gangs which we have to address in this country, and my reasons and my specific proposals on gangs are set forth in the text of the floor statement. Because of the limitation of time I will rely on that statement to carry the argument in favor of that issue.

Mr. President, with respect to the issue of law enforcement and police, this legislation has important provisions to increase the funds for the Bureau of Alcohol, Tobacco and Firearms, which is doing an outstanding job, and has been credited widely for enforcement of the Armed Career Criminal Act which makes it a Federal offense punishable by 15 years to life in jail for a career criminal to be caught with a firearm. In the Washington Post today a story appears describing the targeting of some of these career criminals eligible for the act who can be put in jail effectively for life. This will enormously reduce the number of crimes because studies indicate that these career criminals commit between 300 and 700 crimes a year.

Mr. President, in the limited time available I would like to focus on the subject of prisons because that truly is the present bottleneck in the criminal justice system. Although more will have to be done for law enforcement officials on the street. And more will have to be done to improve the court system by adding courtrooms and judges and prosecutors, a subject omitted in yesterdays announcement by Dr. Bennett and the others. But the most critical aspect, the most critical shortage in the criminal justice systems, constitutes the prisons. This also was noted yesterday by Dr. Bennett. It has been noted by many. It has been acted on by few, if any.

Mr. President, in this country today there are 99,764 more people in State prisons than there is space. I should not say "there," Mr. President. That is a figure from January 1, 1988. An updated statistic would place that figure I think well over 100,000.

Mr. President, today there are 10 States with their entire prison system under court orders. Mr. President, today there are 30 States which have major institutions in their State prisons under a court order. Mr. President, there are eight other States where litigation is pending to have those States placed under court order.

Beyond the States where the jails containing sentenced prisoners are placed under court order, there are major cities in this country which have institutions under court order: the District of Columbia, Philadelphia, Pittsburgh, New York City, and many, many other cities in this country have correctional institutions under court order.

This has created a problem where many convicts, dangerous convicts, are being released to the streets because there is insufficient space to hold them. For example, the "Report to the Nation on Crime and Justice," published by the Bureau of Justice Statistics of the U.S. Department of Justice points out at page 109, a March 1988 publication, that during 1985, 19 States reported nearly 19,000 early releases under one or more early release programs. Nineteen thousand convicts have been released early who should not have been released because there is insufficient jail space.

Mr. President, there are countless thousands of individuals who should be in detention today who have been released because the detention facilities are overcrowded and understaffed.

Beyond that there are many convicts who have been processed through the judicial system and the laborious process where so many are not reached for trial, where so many are not apprehended. And at the end of that long trial they are not sentenced because there is insufficient prison space for them to be incarcerated. This issue was a subject of extended hearings by the District of Columbia Subcommittee when I chaired that subcommittee and because of the brevity of time I ask unanimous consent that a brief extract of the hearings from June 11, 1986 be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SPECTER. Chief Judge Fred Ugast of the District of Columbia testifies that it is a fact that some are not sentenced that ought to be sentenced because of the shortage of prison space, and the chief judge of the court of appeals, Judge Pryor, confirmed Judge Ugast's testimony.

Mr. President, the scandal of insufficient jail space in the United States results in truly astounding cases like the one reported recently, February 27, out of Little Rock, AR, where a convicted murderer who was found guilty of murder in the first degree, a firearm murder in a parking lot, sentenced to 25 years in jail and released immediately because of insufficient jail space.

Mr. President, the Congress has spoken with emphatic rhetoric about the problem of drugs in America, and has appropriated substantial funds, $1.8 billion in 1986. Last year we authorized $2.7 billion and legislation which the presiding Senator and this Senator were instrumental in, and we now have to appropriate those funds. But I would suggest that unless emergency action is taken for jail space in this country that our efforts will be to little avail. This is reinforced by the sharp attack, rhetorically, by Federal officials yesterday featured prominently on the front pages of the Washington Post, the New York Times, and most or many of the other newspapers across this country, that much more needs to be done than merely to talk about drugs and crime. There are many facets of the problem which have to be addressed but none is as important as the jail problem.

Mr. President, the facts which I have put forth today which are included in my floor statement are only a beginning. This is a subject which I will return to when we have the budget resolution on the floor. This is a subject which I know President Bush is deeply concerned about as are his other leaders in the White House, a matter which I have taken up there, looking forward to some legislation which will address this issue in a very forceful way.

But I close by again complimenting the Federal officials who have taken the stand announced yesterday against drugs and crime in the District of Columbia yet to emphasize that it is a good start but only a start, the rest of America cannot be left out, it is not sufficient to address a problem because of its high visibility on Capitol Hill with the 100 of us in the Senate and the 435 in the House. Equal attention must be given to other cities throughout the country where this problem is virtually as serious.

Mr. President, to repeat, today I am introducing the Crime Control Act of 1989 to address the following issues: the proliferation of drug gangs in America, and the need for additional prison space to incarcerate career criminals, and for new programs to provide realistic rehabilitation to first and some second offenders.

This bill builds upon over 30 years' experience in related work. I have served as district attorney of Philadelphia, as a member of the National Commission on Criminal Justice Standards and Goals, and I am presently a member of the Senate Judiciary Committee and cochairman of the Congressional Crime Caucus. This bill supplements the crime package I introduced on January 25, 1989, which included S. 36, to establish constitutional procedures for imposing the death penalty for certain Federal offenses; S. 178, to allocate 1 percent of the Federal budget for a national violent crime program for fiscal year 1990; S. 180, to authorize incarceration in Federal prisons of convicts sentenced to life imprisonment under State habitual offender statutes; and S. 181, to encourage States to provide job training and basic literacy skills to certain prisoners before they are paroled. The legislation I introduce

today specifically targets the newest group of career criminals: violent, armed gang members involved in drug trafficking.

Los Angeles, CA, has an acute drug gang problem, and I directed my staff to collect data from primary sources in that particularly afflicted city. They met with officials on Federal, State, and local levels involved in law enforcement, education, and community action. Accompanying members of the Los Angeles County Sheriff's Department on routine patrols of neighborhoods where drug gangs flourish, they witnessed for themselves a very desperate situation. Their insights are incorporated into the substance of this legislation.

GANGS

Not since the 1920's has such widespread violence plagued our city streets. This lawlessness revolves around the illegal drug trade, and increasingly involves our Nation's young people. Children as young as 10 and 11 use and deal drugs. Unless we take immediate and vigorous action, we run the risk of fostering a permanent urban underclass living outside the common values of our society.

Mr. President, the escalating market for crack, a potent smokeable cocaine derivative, has transformed portions of our cities into battlegrounds where territory is violently secured and protected by both youth and adult gangs. Frequently, these gangs are organized along racial and ethnic lines, although preserving a cultural identification is less central to gang formation than it once was. Traffic in narcotics, the use of automatic and semiautomatic weapons, and indiscriminate violence, together represent a dire change in the motives behind gang organization. Names that have become all too familiar to residents of our urban areas, in particular, are Jamaican Posses, which operate mainly on the east coast; and Bloods and Crips, which are among the most violent of west coast gangs, made up mostly of black youth identified by rituals and talismans. Hispanic gangs, Pacific Asian gangs, and older gangs such as Hell's Angels, are among others that vie for pieces of the very lucrative illegal drug trade.

Nationwide, 30 to 40 Jamaican gangs with a membership totaling about 5,000 have been linked to approximately 800 murders, including more than 350 in 1987. The Los Angeles Police Department [LAPD] reports that 75 to 100 gangs, supplied by Colombian drug smugglers, are involved in cocaine distribution at the present time. And on January 1, 1989, the LAPD reported that in the Los Angeles County area there were 207 gang-related killings in the first 10 months of 1988, representing a 24.7-percent increase over the same period in 1987. In September 1988, the U.S. Justice Department's Office of Juvenile Justice and Delinquency Prevention reported that in 1987, gang violence rose 88 percent in Los Angeles. Sheriff Sherman Block, whose department patrols unincorporated areas of the county, as well as smaller cities, reported that 1,400 gang-related murders were committed in the county during the last 5 years. Innocent bystanders have paid the highest price for being merely in the vicinity of so-called drive-by shootings.

Groups calling themselves Bloods, Crips, and Jamaican Posses have recently been identified in cities throughout the Nation. Other groups—the Miami Boys, Chicago's El Rukns—also appear to be branching out to new regions. Whether this represents the rise of a nationally intertwined drug distribution network or some more informal association remains to be seen. Regardless, the trademarks of illegality—the regalia of membership, including characteristic kinds of violence—is being stamped on our Nation's youth. The problem is spreading and action is required.

In Pennsylvania, the city of Philadelphia recently has become the home of a Jamaican Posse whose members have entrenched themselves in some southwest Philadelphia neighborhoods. There is little that law-abiding residents can do to protect themselves and their children from the associated violence and other crime. The crime which inevitably accompanies illegal drug trafficking has also spread to small rural communities. On February 21, 1989, NBC News reported that in Lancaster County, noted for its Amish community, crack cocaine is bought and sold on street corners and parking lots. Traveling from Miami, or in some cases flying directly from Colombia to land at night at small, rural airports, Dominican, Cuban, and Colombian drug gangs have found in the non-Amish population a lucrative market. NBC News also reported that the nearby community of York has been infiltrated by the Los Angeles-based Crips.

During my tenure as district attorney of Philadelphia, I witnessed a precipitous rise in the number of gang-related homicides. In 1962, according to the district attorney's office, one reported death was attributable to gang warfare. By 1966, there were 14 deaths, and in 1968, there were 30. I began personally to investigate the dynamics of gang conflict. In the summer of 1968, members of my staff and I intervened in a street-corner confrontation between rival gangs in a North Philadelphia neighborhood. Working with the leaders of the Diamond Streeters and the Zulu Nation, we secured a pledge that one gang would not initiate confrontations with the other.

Building on this, my office sought funding to establish a program to continue efforts at mediation and juvenile rehabilitation. With a small grant from the Dolfinger-McMahon Foundation, we hired a representative from each rival gang to work during the summer in the family court division. Their presence gave staff members a rare opportunity to learn about the dynamics of gang membership and interaction. We used this information to launch an innovative gang control program called Safe Streets, Inc., which has received national recognition. I served as chairman of the board of this new corporation.

In 1969, I traveled to Washington, DC, to meet with newly appointed Attorney General John Mitchell to discuss obtaining Federal funding to establish one-stop comprehensive juvenile centers. We envisioned a facility that would offer educational, recreational, job referral, and attitudinal training programs and that would include professional counselors and gang members as staff. In July 1969, the Department of Justice awarded funds sufficient to operate two such centers. To maximize the use of available manpower, I decided to form a separate, nonprofit corporation to run the gang-control project. Thus, the project could function without relying upon already overburdened personnel in the district attorney's office, except when absolutely necessary.

These gang-control centers offered a variety of resources to redirect the attention of juveniles away from violence toward more constructive activities. For instance, in cooperation with the State Bureau of Employment Security and private industry, staff placed youths in appropriate jobs. Perhaps the most unique aspect of these neighborhood centers was the attitudinal training program. Experienced group counselors and gang members discussed antisocial behavior and the responsibility due to family, community, and self. Staff and board members accompanied small numbers of gang members on weekend retreats at camps and parks outside Philadelphia.

After the first year, the Safe Streets Program was awarded an amount almost double its previous grant. In February 1970, the Wall Street Journal praised the Safe Streets Program's imaginative work. A Philadelphia Bulletin editorial praised "a good balance between an attractive offer to the kids and a reorientation of them for the benefit of the city." After peaking in 1969, the number of gang-related homicides fell by one-third in 1970.

As a U.S. Senator, I have continued to work in the area of gangs and drug-related crime. During the 97th Congress, as chairman of the Judiciary Subcommittee on Juvenile Justice, I chaired a hearing on July 9, 1981, to study violent juvenile crime. And during the 99th Congress, as cochairman of the Congressional Crime

Caucus, I joined Congressman HUGHES in cochairing a hearing on violent street crime.

Mr. President, since 1970 the profile of the typical gang member has changed. Involvement in narcotics trafficking and possession and use of automatic and semiautomatic firearms are new traits. At this point, I call to the attention of my colleagues new initiatives to address gang violence.

ANTIGANG UNIT—DEPARTMENT OF JUSTICE

Mr. President, we need more Federal agents and prosecutors to arrest and convict the growing number of drug traffickers in this country. My bill would authorize an additional $20 million to the Department of Justice to establish an antigang unit within its criminal division. The Assistant Attorney General for the Criminal Division would appoint a director to work with Federal, State, and local law enforcement agencies to coordinate resources. The bill provides for 180 agents, 40 prosecutors, and appropriate support staff within the antigang unit.

GUN POSSESSION

This bill would amend 18 U.S.C. 924(c) to make possession of a firearm by drug traffickers or perpetrators of other violent crimes subject to more severe penalties.

The United States Code [18 U.S.C. 924(c)(1)] prohibits carrying or using a firearm during and in relation to a drug trafficking crime. Problems have arisen regarding this section because the terms "uses or carries" have been construed literally, resulting in the dismissal of 924(c) offenses even though defendants possessed firearms during drug related offenses. My bill would substitute the word "possesses" for the phrase "uses or carries," thereby eliminating confusion over application of existing law. This change will make justice swift and sure, a major source of deterrence.

GUN DEALERS

The legislation also would amend 18 U.S.C. 922(j) to make theft from a federally licensed gun dealer a Federal offense. This will enable Federal officials to charge suspects with the theft directly, rather than the current strained efforts to convict on the indirect charge of possessing stolen firearms or ammunition. This provision is directed in particular at Jamaican Posses, who are known to have robbed federally licensed gun dealers.

USE OF MINORS

Employed as lookouts who keep track of the movements of police, as runners who transfer crack to the street from makeshift factories, and as dealers, minors are valuable tools in the drug trade, insulating adults from arrest. They are being armed to protect territorial boundaries and the drug supplies for which they are responsible. This bill would amend title 21 of the United States Code to provide an enhanced sentence for drug dealers who employ juveniles to traffic in drugs and when such young persons posses firearms while doing so.

Increasingly, minors are used to traffic in drugs across State lines. This bill would amend title 21 of the United States Code to provide an enhanced penalty for drug dealers who employ minors in this way.

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

Because we must place more emphasis on the enforcement of our firearms laws, this bill gives significant new powers to the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms, the Federal agency responsible for such enforcement. There is a number of Federal firearms offenses that have been proven effective in removing the violent criminal from the street. My Armed Career Criminal Act, for example, provides a 15-year mandatory minimum term of imprisonment for repeat violent felons and repeat drug offenders caught in possession of a firearm. Los Angeles alone has brought seven cases under this act. I am informed that many more cases could be brought if the local U.S. attorney's office had more resources.

The proposed legislation also codifies the current practice in establishing direct liaison with State and local law enforcement agencies responsible for gang investigations, to provide training, information, coordination, and other enforcement efforts to combat gang-related firearms violations. To facilitate this effort, the Bureau will be given asset forfeiture authority—meaning that it can seize assets related to drug gang activity. The legislation also will provide additional funds for the Bureau's Repeat Offender Program, which targets the armed career criminal for prosecution.

ANTIDRUG ABUSE GRANTS

In fiscal year 1989, the Justice Department's Office of Juvenile Justice and Delinquency Prevention, in conjunction with the Department of Health and Human Services, is allocating $30 million in grants to organizations and agencies involved in the prevention of youth gang activity. In light of the importance of this Federal support for local initiatives, my bill authorizes an additional $5 million to the Justice Department's Office of Justice Programs for antidrug abuse grants for State and local task forces which have developed programs coordinating the efforts of law enforcement agencies, schools, and community organizations to combat youth gang crime and drug activity.

I want to note the success of one such effort, and to propose that it serve as a model for other antidrug abuse programs. In 1980, the Los Angeles County Board of Supervisors implemented the Inter-Agency Gang Task Force, to provide a forum where public agencies fighting street gangs can exchange information. The L.A. Police Department, the county sheriff's department, the probation department, the California Youth Department, the district attorney's office, the L.A. Unified School District and community-based organizations have worked together to develop, for example, the gang reporting, evaluation, and tracking system, a computer system to assist law enforcement agencies track gang members. The task force also provides a directory of agencies and services available to counsel communities.

While some members of youth gangs become hardened criminals by early adulthood, I believe that many still have personalities impressionable and vital enough to respond to legitimate social and educational opportunities. Police and prosecutors must, of course, play a major role in the reduction of gang-related crime. But we also must allocate resources and develop programs that offer alternatives to gang life.

NATIONAL COMMISSION ON GANG INTERVENTION

The legislation I introduce today includes a provision expressing the sense of Congress calling for the President to establish a National Commission on Gang Intervention. The clear expansion of these gangs requires a national focus, one that will utilize national resources and national experts. The sharing of information from throughout the country on successful enforcement, rehabilitation, and prevention programs is essential.

ASSET FORFEITURE/NARCOTICS INVESTIGATIONS

My bill provides the Attorney General with the discretion to direct proceeds under the Department of Justice Assets Forfeiture Fund to U.S. attorneys offices for general narcotics prosecutions or specialized task forces. Under current practice, the Attorney General only may allocate assets forfeiture funds to law enforcement agencies for specified purposes such as the purchase of drugs, equipping vehicles, and the payment of awards. Presently, authority also exists for the equitable sharing of proceeds of forfeitures with State and local agencies which participate directly in the seizure of such property.

The bill I introduce today would extend the authority of the Attorney General to authorize the allocation of such funds for specific narcotics investigations and prosecution projects. This provision is necessary to enable Federal law enforcement entities involved in narcotics investigations and task forces to purchase necessary equipment and materials not currently authorized under 28 U.S.C. 524. I believe that this change is particularly warranted at a time when Federal law enforcement entities have stepped up their efforts to address burgeoning

drug trafficking and criminal drug activity.

PRISONS

PRISON CONSTRUCTION

Mr. President, the rising number of arrests of these violent gang members highlights the urgent need for the construction of additional prison space to address the already seriously overcrowded conditions on the Federal, State, and local levels.

The bill I am introducing today would authorize $250 million in additional funds to the Federal Bureau of Prisons for fiscal year 1990 to construct new Federal correctional institutions and to expand, modernize, and repair existing facilities. This provision will help alleviate a very serious problem of overcrowding in prisons, in large part exacerbated by an increase in the number of convictions for drug-related offenses.

During the 1988 election, Vice President Bush recommended a number of proposals regarding criminal justice, prison rehabilitation, and prison reform. Included within these recommendations was a proposal to increase the Federal budget for crime control, which included additional funding for prison construction. I was pleased to note that the Bush-Quayle crime fact sheet of October 6, 1988, included a proposal to double the current Federal prison budget during the next 4 years, with a provision for an additional $250 million each year to incarcerate the hardened felons and rising number of drug offenders.

Along with establishing budget priorities for anticrime and antidrug initiatives, Congress must develop a long-range strategy for allocating funds to construct prison facilities. At present there are 49,158 inmates in 51 Federal facilities; by 1995 that number could skyrocket to 84,000. The Anti-Drug Abuse Act of 1988 and other criminal justice legislation created new and enhanced penalties for drug related offenses. In 1987, the Sentencing Commission reported that by 2002, implementation of these new and repeat offender penalties, combined with new, stricter sentencing guidelines, would lead to the incarceration of 40,000 more inmates than would be expected under existing law. It is simply elementary to sound public policy to plan for prison expansion in light of the rising prison population.

As a member of the Senate Judiciary Committee, I have toured State prisons and local jails in Pennsylvania; in Philadelphia, Cambria Country, Allegheny County, Camp Hill, Lehigh County, Adams County, Franklin County and most recently, Luzerne County; and I have met with State and local officials, county commissioners and wardens throughout the State. I can personalty attest, not just as a researcher but as an eyewitness investigator, that Pennsylvania facilities—representative of State and local facilities nationwide—are seriously understaffed, underequipped, and overcrowded.

In March 1987, for example, I toured the Allegheny County Jail in Pennsylvania, an institution so egregiously overcrowed that U.S. district court Judge Maurice B. Cohill, Jr., placed a cap on its prison population. Subsequently, in November 1988, he ordered that the jail be closed by June 1990, to be replaced by a larger facility. On February 21, 1989, the Philadelphia Inquirer reported that "nearly a third of the inmates freed [in Pittsburgh] last year in compliance with [the] cap * * * skipped court or were charged with new crimes." Athough population caps are necessary to ensure that humane prison conditions are maintained, they are no long-term solution to overcrowding. They may, in fact, undermine our law enforcement efforts.

I am deeply concerned about the associated problems of prison overcrowding and prisoner rehabilitation. Convicted criminals are not being jailed, hardened criminals are released prematurely from jail, and parole violators are not returned to jail—all for lack of sufficient space. For want of staff and facilities, prisoners willing to better themselves are not given the chance. Overcrowding can foster conditions that sometimes border on the savage, which are truly antithetical to reform.

The good news is that in 5 years the Senate has moved from overwhelming rejection to overwhelming support of prison construction as a budget priority. On May 4, 1983, I offered an amendment to the First Concurrent Budget Resolution for Fiscal Year 1983 (S. Con. Res. 27) to provide $700 million over 3 years for construction of Federal prisons to house offenders sentenced under State habitual offender statutes. Most States with habitual offender statutes cannot impose the longer sentences mandated by these statutes because prisons are overcrowded. Since States do not have sufficient resources to construct the necessary facilities, Federal financial assistance is essential. But in 1983 my amendment failed by a vote of 17 to 81.

On May 17, 1984, the Senate again considered the issue. I offered an amendment to legislation pending at that time that would earmark $200 million of the nondefense discretionary spending account in fiscal year 1985 to alleviate overcrowding in Federal, State and local prison facilities. It, too, failed by a vote of 36 to 60.

But by 1988 prison overcrowding was perceived as such a clear threat to society that Congress turned around to support major construction initiatives. On April 13, 1988, I offered Amendment No. 1938 to the fiscal year 1989 Budget Resolution to transfer $125 million from Government travel allowances: $100 million would have been allocated for prison construction and $25 million for enforcement of the Armed Career Criminal Act by the Bureau of Alcohol, Tobacco and Firearms. I intended this measure to represent the first step in a comprehensive plan to provide $100 million each year for 5 years to house 16,000 career criminals—specifically, those convicted under State habitual offender statutes—in Federal prisons. The Senate passed it enthusiastically, by a vote of 76 to 18. And although it was dropped in the Senate-House budget conference, the fiscal year 1989 Commerce, Justice, State appropriations bill and the Omnibus Anti-Drug Abuse Act of 1988 did include additional funding for prison construction.

President Bush has said that prison construction is of utmost importance:

> We know that overcrowding prisons spur violence and harden convicts still further. . . . [T]he answer is not to release criminals back into the communities but to increase our efforts at rehabilitation and prison construction.

Accordingly, I urge my colleagues to support this legislation to authorize $250 million in additional funds for prison construction.

FOREIGN ASSISTANCE TRANSFERS FOR PRISON CONSTRUCTION

Mindful of constraints placed upon Government spending, I have explored novel ways of financing prison construction; for example, by transferring foreign assistance and forefeiture moneys.

Mr. President, the existing need for additional prison space in this country is clear. A provision of the bill I am introducing today is the successor of S. 1022, which I introduced in the 100th Congress. This provision would authorize the transfer of foreign assistance funds allocated to major illegal drug producing and/or trafficking countries, as determined by the State Department, which have not been certified to receive such aid, to be utilized for constructing additional prison space for serious drug offenders.

The Foreign Assistance Act of 1961, as amended, prescribes the procedures by which a country may receive foreign aid. The State Department determines whether a country is an illicit drug-producing country based on the amount of illicit drugs it produces or transports or whether it is involved in laundering drug money. When a country is designated as a major illicit drug producing or drug transit country, the President is required to withhold 50 percent of its foreign aid at the beginning of the fiscal year, and 100 percent of aid in subsequent years.

Most recently, the Anti-Drug Abuse Act of 1988 has authorized the President to use these unspent funds to

assist countries that have met their illicit drug eradication targets or that have taken other significant steps to stem illicit drug production or trafficking. While I agree that the existing law provides important incentives to cooperative nations, I think that use of these withheld funds to construct additional prison space here at home should be added as an option for the Attorney General.

CUSTOMS FORFEITURE FUNDS FOR PRISON CONSTRUCTION

Mr. President, this section of my bill includes another innovative strategy for obtaining existing funds for prison construction. The fiscal year 1988 continuing resolution (H.J. Res. 396) permits the Attorney General to transfer deposits from the Department of Justice Assets Forfeiture Fund to the Building and Facilities account of the Federal Bureau of Prisons to construct correctional institutions. This approach is consistent with a more comprehensive bill I introduced in the 99th and 100th Congresses (S. 2828 and S. 1023, respectively), to authorize the transfer of funds from both the Department of Justice Assets Forfeiture Fund and the Customs Forfeiture Fund. In accordance with the 1988 transfer provision, on October 26, 1988, Attorney General Thornburgh announced a transfer of $95.4 million for the construction of new Federal prison space. The Justice Assets Forfeiture Fund currently has approximately $500 million.

More recently, the Omnibus Anti-Drug Abuse Act of 1988 revised this language to transfer excess Justice Assets Forfeiture funds to a new Special Forfeiture Fund for use by the Director of the National Drug Control Policy (the Drug Czar) beginning in fiscal year 1990. In light of the obvious success of this approach, the bill I am introducing today would authorize the transfer of funds also from the Customs Forfeiture Fund for construction of new prison space in the Federal Prison System.

The Tariff Act of 1930 (19 U.S.C. 1607) provides that property and moneys seized or forfeited in drug-related arrests by the U.S. Customs Service are deposited in the Customs Forfeiture Fund. Money that is not currently needed for purposes specified in the applicable statutes is kept on deposit in the U.S. Treasury. Under 19 U.S.C. 1613, forfeited moneys can be used for, but not limited to, the following purposes: all proper expenses of the seizure or the prosecution of the forfeiture and sale; purchases by the U.S. Customs Service of evidence of smuggling of controlled substances or violations of the currency and foreign transaction reporting requirements; and equipment for any vessel, vehicle or aircraft available for official use by the U.S. Customs service.

Recently, the increasing number of convicted drug offenders and the consequent increase in the amount of property confiscated and monies forfeited have swelled the deposits in the Customs Forfeiture Fund, which currently has approximately $46 million. In fact, in September 1988, the Customs Service transferred approximately $27.7 million from the Customs Forfeiture Fund to the Treasury. I believe these funds would be well spent to address the dire need for new prison space. The diversion of these resources from the Customs Forfeiture Fund to the Federal Prison System would greatly assist in addressing the growing prison overcrowding crisis.

MILITARY BASES

On December 30, 1988, the Commission on Military Base Closings identified 145 military installations to be closed or realigned beginning in 1990. Under the "Defense Authorization Amendments and Base Closure and Realignment Act" (P.L. 100-526), the Secretary of Defense, in consultation with the General Services Administration and State and local officials, may dispose of these properties.

I believe that each installation should be evaluated for use as a Federal prison or homeless shelter before it is considered for any other use, and I have written to the Department of Defense in this regard. Besides creating new prison space, base conversions would provide employment for area residents.

The bill I introduce today directs the Director of the Bureau of Prisons, upon consultation with the Secretary of the Department of Defense, to determine whether facilities located on military bases recommended for closure by the Commission on Alternative Utilization of Military Facilities may be used as Federal confinement facilities. If the Director of the Bureau of Prisons determines that any facility is suitable for use as a confinement facility, the bill authorizes that the Government may utilize that facility for such purposes if the facility is accepted for closure by Congress.

REALISTIC REHABILITATION

Mr. President, besides building new jail cells, we must implement realistic rehabilitation programs for first and for some repeat offenders. It can come as no surprise when an inmate with no trade or literacy skills returns to a life of crime after release from jail. Because rehabilitation is essential to reducing the rate of recidivism, I introduced legislation in the 97th, 98th, 99th, 100th and 101st Congresses (S. 1690, S. 59, S. 1190, S. 413, and S. 181, respectively) to encourage States to provide certain prisoners with a marketable job skill and with basic literacy skills. So doing, we can help to break a vicious cycle of crime and punishment that traps many individuals.

As former chairman of the Appropriations Subcommittee on the District of Columbia, I worked to help establish a model rehabilitation program for District inmates which received over $40 million between fiscal year 1984 and fiscal year 1986. Still in its initial phase, it is proving successful. A January 1989 study conducted by the National Institute of Corrections reports a significant improvement in the quality of education and vocational programs, and improvement in their administrative structure as well.

The number of vocational programs has been expanded since 1984, with an increase in total enrollment in vocational programs from 349 in 1984 to 759 in 1988. Enrollment in apprenticeship programs has increased from 27 in 1984 to 74 in 1988. The appropriation for the D.C. program also has had a significant impact on the program's administrative structure through the creation of a computer information management system which allows the Educational Services Division to collect student information data on a systemwide basis. The National Institute of Corrections' findings also demonstrate an increase in staffing levels, as well as an enhancement in staff qualifications. The report also reflects that the number of teaching positions increased from 28 in 1982 to 68 in 1988, while funded vocational positions increased from 16 in 1982 to 40 in 1988. The report concludes that the system has the potential to offer innovative and effective educational programming.

On June 28, 1988, in testimony before the Senate Subcommittee on the District of Columbia, Hallem H. Williams, Director of the D.C. Department of Corrections, reported that since their expansion in 1984 these programs have proved increasingly successful. By December 1987, 6,000 individuals had completed the academic programs, which include courses in Adult Basic Education, General Educational Development, Special Education, Life Skills and Job Readiness, and Employment Techniques, Awareness and Preparation. In the vocational area, 3,000 inmates had completed programs in accounting, automotive body repair, plumbing, landscape/gardening and computer repair.

Such programs have enormous potential to provide former inmates with job opportunities. A related benefit is that inmates who participate in these programs are more likely to avoid reincarceration than those who do not. On September 22, 1988, Director Williams reported that as of August 31, 1988, 73 percent of participating former inmates remained in the community, as compared with 52 percent of those who did not participate. We must take advantage of what has been learned in

the District's programs and work to replicate them nationally.

STATE FUNDING FOR PRISON EDUCATION

Mr. President, I believe that meaningful rehabilitation for first offenders and for some repeat offenders is critical to address the burgeoning prison population in our State prisons by easing the tendency for repeat offenses and reincarceration. Accordingly, the bill I introduce today provides an additional $5 million to the Bureau of Prison's National Institute of Corrections for grants to States to expand and develop education and vocational training programs in State correctional institutions. In addition, the bill provides an additional $2.5 million to the Federal Bureau of Prisons to expand existing programs for education, vocational, literacy, and employment training for inmates in federal correctional institutions.

These specific dollar amounts are based on proven programs in correctional education and training. Based on past successes of Federal funding for State correctional institutions for education, literacy, and training, I believe that this $5 million appropriation will have meaningful results. On March 10, 1989, the Institute for Economic and Policy Studies [IEPS] issued preliminary results based on a fiscal year 1984 appropriation of $2.5 million to the National Institute of Corrections [NIC] to support educational programs for adult offenders in state prisons.

IEPS had received a grant from NIC to document and evaluate the overall effectiveness of this program. This preliminary survey indicated that 87 percent of the NIC grantees who completed and returned the final survey have continued their projects; and that 62 percent of those grantees have developed programs and/or products that have become an integral part of the educational programs in their institution or system.

This initial report concluded that these programs have potential for long-term effectiveness. It further indicated that programs initiated by NIC grants have had a significant long-term impact on the institutions or systems involved in the project.

The composition of our State prison population reflects a disproportionate number of individuals who do not possess basic education and job skills, a situation which ultimately contributes to prisoners being released and commiting more crimes because they do not have the necessary skills to compete in our society. In 1986, approximately 75 percent of the more than 500,000 adult inmates was severely educationally deficient. Studies indicate that in the same year, only 40 percent of the inmate population, as compared with 85 percent of the United States population as a whole, had completed high school. The percentage of true illiterates in correctional facilities—persons who cannot read at all—has been estimated at 10 to 15 percent.

The National Institute of Corrections reported in 1987 that it is probably a conservative estimate that at least 75 percent of the prison population is in need of academic, vocational and life skills education. Yet, only 25 to 30 percent of the inmate population is reported to be enrolled in education, full or part time. I believe that the States can make great progress in dealing with their prison populations and ease the significant rate of recidivism by providing these inmates with effective programs that offer an opportunity for basic skills and education.

Mr. President, sound legislative precedent supports the use of federal resources to assist states in providing correctional education. In 1984, as a member of the Appropriations Subcommittee on Commerce, Justice, State, I proposed and Congress provided $2.5 million to the National Institute of Corrections for grants to support education programs for adult offenders in State prisons. Their impact was significant. Fourteen new programs are currently self-sustaining, and 13 programs were improved or updated through computer related assistance, curriculums development and teacher training. Students and staff have consistently indicated increased motivation and improved morale as a result of these new and enhanced academic and vocational programs.

I believe that the District of Columbia vocational and education program, combined with the special grant initiative for State correctional institutions, are sound investments to provide marketable skills to prison inmates and should be replicated throughout our Nation's prison system.

DRUG REHABILITATION IN THE FEDERAL PRISON SYSTEM

Since the fight against crime goes on after the criminal is incarcerated, crime fighting legislation must include postsentencing remedies. Findings of a Bureau of Prisons Conference on Developing Drug Treatment Strategies for Federal Offenders on September 22, 1988, showed that increases in the Federal inmate population over the past several years are related to the explosion in the use of alcohol and drugs by prison inmates. And Federal Bureau of Prisons Director Quinlan has reported that while approximately 40 percent of inmates in Federal prisons have a serious problem, only 4 percent participate in treatment programs. Information gleaned from my own meetings with clinicians, doctors and counselors familiar with the situation in Pennsylvania prisons confirms that adequate drug treatment and rehabilitation services are not available. Consequently, this bill would authorize $5 million for the Bureau of Prisons to design, develop and implement a comprehensive drug rehabilitation, counseling and treatment program systemwide. This provision both would reduce drug related crime and ease the problem of prison overcrowding.

CAREER CRIMINALS

REPEAT OFFENDER PROGRAM

A disproportionately large number of violent crimes are committed by repeat offenders, or career criminals. In 1973, the National Commission on Criminal Justice Standards and Goals, on which I served, conclude that career criminals are responsible for more than 70 percent of the violent crime in this country. The commission concluded that violent crime could be reduced by one-half by targeting career criminals, who should be incarcerated for lengthy periods of time.

The Armed Career Criminal Act, which I first introduced in 1981, involved the Federal Government for the first time in the fight against street crime. The new law enacted in 1984 made it a Federal offense with a mandatory 15-year-to-life sentence for a person with three prior convictions for robbery or burglary to be found in possession of a firearm. On April 16, 1986, I introduced S. 2312, to expand the predicate offenses of the act to include all violent felonies and serious drug offenses. The provisions of S. 2312 were incorporated into the Anti-Drug Abuse Act of 1986 and signed into law.

The Treasury Department's Bureau of Alcohol, Tobacco and Firearms [BATF], which has primary jurisdiction over enforcement of the Armed Career Criminal Act, has implemented a Repeat Offender Program—Project Achilles—nationwide. It is designed to identify, investigate, arrest and refer for prosecution armed career criminals and members of drug gangs such as the Jamaican Posses.

The initial success of the program is very promising. GATF reports that in 1986, 50.78 percent of its defendants had prior felony convictions and 62 percent had previous narcotics involvement. In fiscal year 1987 and the first quarter of 1988, 2,486 repeat offender suspects were charged with Federal firearms law violations; the overall conviction rate for cases adjudicated in fiscal year 1987 was as astonishing 96.3 percent. On February 26, 1988, BATF Director Higgins reported that through the Repeat Offender Program, 301 defendants were convicted under the Armed Career Criminal Act in fiscal year 1987 and 78 in the first quarter of fiscal year 1988. On October 16, 1987, Director Higgins reported that:

Since April 1, 1986, the task force and Project Achilles efforts have resulted in convictions with enhanced sentencing for 72 armed career criminals. These criminals

have been removed from our society for periods of 15 to 30 years. One defendant was given a life term. The total number of prison years, excluding the life sentence, is 1,206 years. The average sentence thus far has been 16 years.

As a member of the Appropriations Committee, I have worked to bolster the Government's ability to fight drug trafficking and violent crime. In 1987, we recognized the significant impact that the apprehension of repeat offenders might have on the number of crimes committed. Our fiscal year 1988 Treasury, Postal Service appropriations report noted that "100 offenders may have committed: 490 armed robberies, 720 burglaries, and 4,000 other serious crimes." It also indicated that "200 career criminals would commit: 179,000 criminal offenses in a 5-year period. The average narcotics addict commits one crime on 248 days out of 365 days." During the fiscal year 1988 appropriations process, the committee approved an additional $10 million to provide 200 new personnel for BATF's Repeat Offender Program. The Bureau estimated that this measure would help prevent 3,450 armed robberies, 3,600 burglaries, and 47,500 serious crimes during a 5-year period nationwide, with special emphasis on major metropolitan areas with high drug crime rates.

I questioned Treasury Secretary Baker during hearings before the full Appropriations Committee and before the Foreign Operations Subcommittee in 1988 in reference to attempts by the Reagan administration to cut funding for this vital anticrime, antidrug initiative. My particular point was the desirability not merely of maintaining but of increasing funding for the Repeat Offender Program. And on May 24, 1988, I wrote to Senator DECONCINI, chairman of the Appropriations Subcommittee on Treasury, Postal Service, and General Government, urging the subcommittee to include $25 million for BATF's Repeat Offender Program for fiscal year 1989; and to consider including language regarding this program in the report accompanying the appropriations bill.

I was pleased that the Senate Appropriations Committee recommended that $22 million should fund BATF's Repeat Offender Program and that the report included a directive that no fewer than 543 full-time Bureau positions be allocated for the Armed Career Criminal Program. The Senate-House conference accepted this recommendation for 543 full time staff.

I reiterated my strong support for BATF's Repeat Offender Program in a July 6, 1988, letter to Senator DOLE for consideration by the Senate Drug Task Force. Included in the Omnibus Anti-Drug Abuse Act of 1988 were a new $10.66 million authorization and $7 million appropriation for BATF. In addition, I applaud those provisions of the Anti-Drug Abuse Act which increase the mandatory penalty for using a handgun under 18 U.S.C. 924(c) from 5 to 10 years for the first drug-related offense and from 10 to 20 years for a subsequent drug-related offense.

BATF's Armed Career Criminal Program has removed from the streets a significant number of offenders responsible for repeated violent crimes. I believe that targeting such criminals is a most effective way to combat crime. Accordingly, the bill I introduce today would provide an additional $7 million to the Bureau of Alcohol, Tobacco and Firearms to hire 100 additional special agents and support personnel for its Repeat Offender Program and anti-gang activities. These additional agents will significantly enhance BATF's ability to pursue and apprehend repeat offenders.

STUDIES

The National Commission on Criminal Justice Standards and Goals first developed the career criminal approach to fighting crime. In 1973, as a member of the Commission, I was persuaded that profiles identifying the characteristics of career criminals would help law enforcement agencies operate more effectively.

Surprisingly, few such studies exists, and those that do are dated. Accordingly, this bill would direct the National Institute of Justice to develop profiles of career criminals. In addition, it would direct the Bureau of Justice Statistics of the Department of Justice to compile and maintain statistics on the number of arrests, prosecutions and convictions of career criminals nationwide under 18 U.S.C. section 924 (c) and (e); and to publish annual reports.

CONCLUSION

Mr. President, the bill I am introducing today, in conjunction with the crime package I introduced on January 25, 1989, comprises a multifaceted approach to the most serious crime problems facing our Nation, including violent gang activity, prison overcrowding, and rehabilitating our inmate populations, where that is realistic. The nature of street crime has changed with the onset of the escalating drug crisis in our Nation, and we must immediately move to adapt existing crime fighting efforts to meet new challenges. We must continue, as well, our efforts to provide the necessary resources for dealing with a growing criminal population: rehabilitation where practical and extended incarceration when necessary. With these factors in mind, I urge my colleagues to join in support of this vital anticrime legislation.

I thank the Chair. I yield back the remainder of my time which I suspect is only a few seconds.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 746

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Crime Control Act of 1989".

TITLE I—GANG VIOLENCE

SEC. 101. FINDINGS AND CONGRESSIONAL DECLARATION.

(a) The Congress finds—

(1) the explosion of drug trafficking in the cocaine derivative known as "crack" is transforming some of the country's toughest street gangs into highly organized drug-trafficking organizations;

(2) there is a consensus that these extremely violent gangs are establishing ties to major international drug suppliers and are expanding their operations across State lines; and

(3) an example of highly organized gang violence and drug trafficking is the Jamaican Posse which have transformed Jamaican enclaves throughout the country into bases of operations for their violent and lucrative crack distribution activities.

(b) DECLARATION.—Congress hereby declares that drug trafficking and the related violence by "Drug Gangs" requires coordinated and immediate Federal action.

SEC. 102. ANTI-GANG UNIT IN THE DEPARTMENT OF JUSTICE.

(a) AUTHORIZATION.—There is hereby authorized to be appropriated $20,000,000 for fiscal year 1990 to the Department of Justice for the creation of a new Anti-Gang Unit within the Criminal Division. Funds appropriated pursuant to this section shall be used to provide 180 agents, 40 prosecutors, and necessary support staff.

(b) COORDINATION OF RESOURCES.—The head of the Anti-Gang Unit shall work with Federal, State, and local law enforcement agencies to coordinate the resources necessary to fight gangs.

SEC. 103. ANTI-DRUG ABUSE GRANTS.

There is hereby authorized to be appropriated $5,000,000 for fiscal year 1990 to the Office of Justice Programs of the Department of Justice for anti-drug abuse grants to be allocated to State and local task forces which include law enforcement, educational systems, and community-based organizations and which have developed coordinated programs necessary to alleviate gang activity and drug trafficking.

SEC. 104. BUREAU OF ALCOHOL, TOBACCO AND FIREARMS AND STATE AND LOCAL COORDINATION.

The Director of the Bureau of Alcohol, Tobacco and Firearms shall establish direct liaison with State and local law enforcement agencies having responsibility for gang investigations for the purpose of providing training, technical expertise, information, coordination, and other enforcement efforts to combat gang related firearms violations.

SEC. 105. ASSET FORFEITURE FOR THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS.

(a) PROPERTY SUBJECT TO CRIMINAL FORFEITURE.—Any person convicted of a violation of sections 924 (c) or (e) of title 18, United States Code, and section 5861(d) of the Internal Revenue Code of 1986, in rela-

tion to a narcotics offense, irrespective of any provision of State law, shall forfeit to the Secretary of the Treasury or his designee the following items:

(1) any property constituting, or derived from, any proceeds the person obtained, directly or indirectly, as the result of such violation;

(2) any of the person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of such violation; and

(3) in the case of a person convicted of engaging in a continuing criminal enterprise in violation of this section the person shall forfeit, in addition to any property described in paragraph (1) or (2), any of his interests in, claims against, and property or contractual rights affording a source of control over, the continuing criminal enterprise.

The court, in imposing sentence on such person, shall order, in addition to any other sentence imposed pursuant to this subchapter, that the person shall forfeit to the United States all property described in this subsection. In lieu of a fine otherwise authorized by this part, a defendant who derives profits or other proceeds from an offense may be fined no more than twice the gross profits or other proceeds.

(b) MEANING OF TERM "PROPERTY".—Property subject to criminal forfeiture under this section includes—

(1) real property, including things growing on, affixed to, and found in land; and

(2) tangible and intangible personal property, including rights, privileges, interests, claims, and securities.

(c) THIRD PARTY TRANSFERS.—All right, title, and interest in property described in subsection (a) of this section vests in the United States upon the commission of the act of giving rise to forfeiture under this section. Any such property that is subsequently transferred to a person other than the defendant may be the subject of a special verdict of forfeiture and thereafter shall be ordered forfeited to the United States, unless the transferee establishes in a hearing pursuant to subsection (n) of this section that he is a bona fide purchaser for value of property who at the time of purchase was reasonably without cause to believe that the property was subject to forfeiture under this section.

(d) REBUTTABLE PRESUMPTION.—There is rebuttable presumption at trial that any property of a person convicted of a felony is subject to forfeiture under this section if the United States establishes by a preponderance of the evidence that—

(1) such property was acquired by such person during the period of the violation or within a reasonable time after such period; and

(2) there was no likely source of such property other than the violation.

(e) PROTECTIVE ORDERS.—(1) Upon application of the United States, the court may enter a restraining order or injunction, require the execution of a satisfactory performance bond, or take any other action to preserve the availability of property described in subsection (a) of this section for forfeiture under this section—

(A) upon filing of an indictment or information charging a violation herein described for which criminal forfeiture may be ordered under this section and alleging that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section; or

(B) prior to the filing of such an indictment or information, if, after notice to persons appearing to have an interest in the property and opportunity for a hearing, the court determines that—

(i) there is a substantial probability that the United States will prevail on the issue of forfeiture and that failure to enter the order will result in the property being destroyed, removed from the jurisdiction of the court, or otherwise made unavailable for forfeiture; and

(ii) the need to preserve the availability of the property through the entry of the requested order outweighs the hardship on any party against whom the order is to be entered.

The order entered pursuant to subparagraph (B) shall be effective for not more than 90 days; unless extended by the court for good cause shown or unless an indictment or information described in subparagraph (A) has been filed.

(2) A temporary restraining order under this subsection may be entered upon application of the United States without notice or opportunity for a hearing when an information or indictment has not yet been filed with respect to the property, if the United States demonstrates that there is probable cause to believe that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section and that provision of notice will jeopardize the availability of the property for forfeiture. Such a temporary order shall expire not more than 10 days after the date on which it is entered, unless extended for good cause shown or unless the party against who it is entered consents to any extension for a longer period. A hearing requested concerning an order entered under this paragraph shall be held at the earliest possible time and prior to the expiration of the temporary order.

(3) The court may receive and consider, at the hearing held pursuant to this subsection, evidence and information that would be inadmissible under the Federal Rules of Evidence.

(f) WARRANT OF SEIZURE.—The Government may request that issuance of a warrant authorizing the seizure of property subject to forfeiture under this section in the same manner as provided for a search warrant. If the court determines that there is probable cause to believe that the property to be seized would, in the event of conviction, be subject to forfeiture and that an order under subsection (e) of this section may not be sufficient to assure the availability of the property for forfeiture, the court shall issue a warrant authorizing the seizure of such property.

(g) EXECUTION.—Upon entry of an order of forfeiture under this section, the court shall authorize the Attorney General to seize all property ordered forfeited upon such terms and conditions as the court shall deem proper. Following entry of an order declaring the property forfeited, the court may, upon application of the United States, enter such appropriate restraining orders or injunctions, require the execution of satisfactory performance bonds, appoint receivers, conservators, appraisers, accountants, or trustees, or take any other action to protect the interest of the United States in the property ordered forfeited. Any income accruing to or derived from property ordered forfeited under this section may be used to offset ordinary and necessary expenses to the property which are required by law, or which are necessary to protect the interest of the United States or third parties.

(h) DISPOSITON OF PROPERTY.—Following the seizure of property ordered forfeited under this section, the Secretary of the Treasury shall direct the disposition of the property by sale or any other commercially feasible means, making due provision for the rights of any innocent persons. Any property right or interest not exercisable by, or transferable for value to, the United States shall expire and shall not revert to the defendant, nor shall the defendant or any person acting in concert with him or on his behalf be eligible to purchase forfeited property at any sale held by the United States. Upon application of a person, other than the defendant or a person acting in concert with him or on his behalf, the court may restrain or stay the sale or disposition of the property pending the conclusion of any appeal of the criminal case giving rise to the forfeiture, if the applicant demonstrates that the proceeding with the sale or disposition of the property will result in irreparable injury, harm, or loss to him.

(i) AUTHORITY OF THE SECRETARY OF THE TREASURY.—With respect to property ordered forfeited under this section, the Secretary of the Treasury or his designee is authorized to—

(1) grant petitions for mitigation or remission of forfeited property to victims of violation of this subchapter, or take any other action to protect the rights of innocent persons which is in the interest of justice and which is not inconsistent with the provisions of this section;

(2) compromise claims arising under this section;

(3) award compensation to the persons providing information resulting in a forfeiture under this section;

(4) direct the disposition by the United States, in accordance with provisions of this title, of all property ordered forfeited under this section by public sale or any commercially feasible means, making due provision for the rights of innocent persons; and

(5) take appropriate measures necessary to safeguard and maintain property ordered forfeited under this section pending its disposition.

(j) APPLICABILITY OF CIVIL FORFEITURE PROVISIONS.—Except to the extent that they are inconsistent with the provisions of this title shall apply to a criminal forfeiture under this section.

(k) BAR ON INTERVENTION.—Except as provided in subsection (n) of this section, no party claiming an interest in property subject to forfeiture under this section may—

(1) intervene in a trial or appeal of a criminal case involving the forfeiture of such property under this subchapter; or

(2) commence an action of law or equity against the United States concerning the validity of his alleged interest in the property subsequent to the filing of an indictment or information alleging that the property is subject to forfeiture under this section.

(l) JURISDICTION TO ENTER ORDERS.—The district courts of the United States shall have jurisdiction to enter orders as provided in this section without regard to the location of any property which may be subject to forfeiture under this section or which has been ordered forfeited under this section.

(m) DEPOSITIONS.—In order to facilitate the identification and location of property declared forfeited and to facilitate the disposition of petitions for remission or mitigation of forfeiture, after the entry of an order declaring property forfeited to the United States, the court may, upon application of the United States, order that the tes-

timony of any designated book, paper, document, record, recording, or other material not privileged be produced at the same time and place, in the same manner as provided for the taking of depositions under Rule 15 of the Federal Rules of Criminal Procedure.

(n) THIRD PARTY INTERESTS.—

(1) Following the entry of any order of forfeiture under this section, the United States shall publish notice of the order and of its intent to dispose of the property in such manner as the Attorney General may direct. The Government may also, to the extent practicable, provide direct written notice to any person known to have alleged an interest in the property that is the subject of the order of forfeiture as a substitute for published notice as to those persons so notified.

(2) Any person, other than the defendant, asserting a legal interest in property which has been ordered forfeited to the United States pursuant to this section may, within 30 days of final publication of notice or his receipt of notice under paragraph (1), whichever is earlier, petition the court for a hearing to adjudicate the validity of his alleged interest in the property. The hearing shall be held before the court alone, without a jury.

(3) The petition shall be signed by the petitioner under penalty of perjury and shall set forth the nature and extent of the petitioner's right, title, or interest in the property, the time and circumstances of the petitioner's acquisition of the right, title, or interest in the property, any additional facts supporting the petitioner's claim, and the relief sought.

(4) The hearing on the petition shall, to the extent practicable and consistent with the interests of justice, be held within 30 days of the filing of the petition. The court may consolidate the hearing on the petition with a hearing on any other petition filed by a person other than the defendant under this subsection.

(5) At the hearing, the petitioner may testify and present evidence and witnesses on his own behalf, and cross-examine witnesses who appear at the hearing. The United States may present evidence and witnesses in rebuttal and in defense of its claim to the property and cross-examine witnesses who appear at the hearing. In addition to testimony and evidence presented at the hearing, the court shall consider the relevant portions of the record of the criminal case which resulted in the order of forfeiture.

(6) If, after hearing, the court determines that the petitioner has established by a preponderance of the evidence that—

(A) the petitioner has a legal right, title, or interest in the property, and such right, title, or interest renders the order of forfeiture invalid in whole or in part because the right, title, or interest was vested in the petitioner rather than the defendant or was superior to any right, title, or interest of the defendant at the time of the commission of the acts which gave rise to the forfeiture of the property under this section; or

(B) the petitioner is a bona fide purchaser for value of the right, title, or interest in the property and was at the time of purchase reasonably without cause to believe that the property was subject to forfeiture of the property under this section; the court shall amend the order of forfeiture in accordance with its determination.

(7) Following the court's disposition of all petitions filed under this subsection, or if no such petitions are filed following the expiration of the period provided in paragraph (2) for the filing of such petitions, the United States shall have clear title to property that is the subject of the order of forfeiture and may warrant good title to any subsequent purchaser or transferee.

SEC. 106. NATIONAL COMMISSION ON GANG INTERVENTION.

(a) ESTABLISHMENT.—It is the sense of the Congress that due to the escalation in violence, crime, and drug trafficking by "organized gangs" the President should direct the Attorney General of the Department of Justice to establish a National Commission on Gang Intervention.

(b) DUTIES.—The Commission should—

(1) monitor and review gang activity nationwide to determine the extent, if any, of organized national gang activity;

(2) report on effective models for intervention, rehabilitation, and law enforcement; and

(3) recommend and report not later than 18 months after the date of enactment of this Act policies for effective approaches to gang activity for national dissemination.

SEC. 107. UNIFORM CRIME REPORTS.

(a) IN GENERAL.—Under the authority of section 534 of title 28, United States Code, the Attorney General shall acquire, for calendar year 1990 through calendar year 1995, data on the incidence of criminal acts that involve gang violence. The crimes with respect to which such data shall be acquired are as follows: homicide, assault, robbery, burglary, theft, arson, vandalism, trespass, threat, and such other crimes as the Attorney General considers appropriate.

(b) ANNUAL SUMMARY.—The Attorney General shall publish an annual summary of the data acquired under this section.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal year 1990 through fiscal year 1995.

SEC. 108. CRIMINAL PENALTIES FOR GANG VIOLENCE.

(a) FINDINGS.—The Congress finds that—

(1) an integral component of "drug gang" is the use of sophisticated firearms; evidence indicates that these gangs have robbed federally licensed gun dealers for their sophisticated firearms and utilized these arms in "drive-by" and other indiscriminate shootings; and

(2) the offenses provided in this section address the issues of use of sophisticated firearms.

(b) TRANSPORTATION OF MINORS FOR DRUG RELATED ACTIVITY.—Section 405b(a) of the Controlled Substances Act (21 U.S.C. 845b(a)) is amended in paragraphs (1) and (2) by inserting "transport," after "use,".

(c) GUN POSSESSION.—The first sentence of section 924(c)(1) of title 18, United States Code, is amended by striking "uses or carries" and inserting "possesses".

(d) DISTRIBUTION OF FIREARMS TO A MINOR.—Section 405b(d) of the Controlled Substances Act (21 U.S.C. 845b(d)) is amended by—

(1) striking "or" after the semicolon in paragraph (1);

(2) striking the comma at the end of paragraph (2) and inserting "; or"; and

(3) adding after paragraph (2) the following:

"(3) and, in addition, knowingly provides or distributes a firearm to the person employed, hired, or used,".

SEC. 109. GANG VIOLENCE IN PRISONS.

(a) POLICY.—The Congress hereby encourages the States to separate in State institutions and juvenile correctional institutions inmates who are identified as members of "gang organizations" to ease the current violence in prisons between rival gang factions.

(b) FUNDING.—There is hereby authorized to be appropriated such sums as are necessary not to exceed $1,000,000, to the National Institute of Corrections of the Federal Bureau of Prisons to provide technical assistance to States to facilitate the separation of gang members in State prisons.

TITLE II—PRISON CONSTRUCTION AND REFORM

SEC. 201. PRISON CONSTRUCTION.

There is hereby authorized to be appropriated $250,000,000 for fiscal year 1990 to the Federal Bureau of Prisons, Federal Prison System, Buildings and Facilities in additional funds for construction of additional Federal correctional institutions, expansion projects of existing facilities, and modernization and repair projects at existing facilities.

SEC. 202. STATE PRISON LITERACY, EDUCATION AND VOCATIONAL TRAINING.

There are hereby authorized to be appropriated $5,000,000 to the National Institute of Corrections of the Federal Bureau of Prisons to make grants to States for educational programs for criminal offenders in State correctional institutions, including—

(1) academic programs for—

(A) basic education with special emphasis on reading, writing, vocabulary, and arithmetic; and

(B) secondary school credit programs;

(2) vocational training programs;

(3) training for teacher personnel specializing in corrections education; and

(4) guidance and counseling programs.

The Institute shall set aside a portion of this appropriation for a grant to track, document, and evaluate the overall correctional education initiative.

SEC. 203. PRISON EDUCATION, LITERACY, INDUSTRIAL, AND VOCATIONAL PROGRAMS IN THE FEDERAL PRISON SYSTEM.

There is hereby authorized to be appropriated $2,500,000 for fiscal year 1990 to the Federal Prison Industries (UNICOR), Federal Bureau of Prisons, to expand existing programs for education and vocational training, literacy and employment and industrial training for inmates in Federal correctional institutions.

SEC. 204. DRUG REHABILITATION IN THE FEDERAL PRISON SYSTEM.

(a) PROGRAM.—The Director of the Bureau of Prisons shall design, develop, and implement a comprehensive drug rehabilitation, counseling, and treatment program for the entire Federal prison system.

(b) AUTHORIZATION.—There are authorized to be appropriated $5,000,000 for fiscal year 1990 to the Federal Bureau of Prisons for the drug rehabilitation program authorized by subsection (a).

SEC. 205. MILITARY BASES.

(a) DETERMINATION OF SUITABILITY.—The Director of the Bureau of Prisons, in cooperation with the Secretary of Defense, shall determine whether facilities located on military bases recommended for closure by the Commission on Alternative Utilization of Military Facilities may be used as Federal confinement facilities.

(b) USE OF FACILITIES.—If the Director of the Bureau of Prisons determines that any facility is suitable for use as a confinement facility pursuant to subsection (a), the facility may be utilized for such purposes if the facility is accepted for closure by Congress.

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SEC. 206. USE OF FOREIGN ASSISTANCE FUNDS FOR PRISON CONSTRUCTION.

(a) TRANSFER AUTHORIZED.—(1) Notwithstanding any other provision of law, 90 days after the date of enactment of this Act there shall be transferred to the Attorney General for prison construction those unobligated funds appropriated for the fiscal year 1989 which are allocated for the fiscal year 1989 to provide assistance under the Foreign Assistance Act of 1961 (other than chapter 8 of part I as such Act which relates to international narcotics control) or to provide foreign military sales financing under the Arms Export Control Act with respect to a country for which a certification has been made under subsection (b).

(2) Funds transferred under paragraph (1) shall remain available for the same periods of time for which such funds would have been available under the Foreign Assistance Act of 1961 or the Arms Export Control Act, as the case may be, but for the enactment of this Act.

(b) CERTIFICATION.—Not later than 60 days after the date of enactment of this Act, the Secretary of State shall certify to the Congress those countries which have failed to make adequate progress in reducing illegal narcotics production.

SEC. 207. USE OF CUSTOMS FORFEITURE FUND FOR PRISON CONSTRUCTION.

Subsection (e) of section 613a of the Tariff Act of 1930 is amended to read as follows:

"(e) Amounts in the fund which are not currently needed for the purpose of this section—

"(1) may be used by the Attorney General for prison construction necessary on an emergency basis; or

"(2) if not used for the purposes provided in paragraph (1) shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.".

TITLE III—CAREER CRIMINALS

SEC. 301. REPEAT OFFENDER PROGRAM.

There is hereby authorized to be appropriated $7,000,000 for fiscal year 1990 to the Bureau of Alcohol, Tobacco and Firearms for the Repeat Offender Program and anti-gang activities to hire 100 additional special agents and support personnel.

SEC. 302. STUDIES.

(a) PROFILE CAREER CRIMINAL.—The National Institute of Justice shall conduct a study and report on the profile and number of career criminals in America. The Institute shall submit the report to the Congress not later than 1 year after the date of enactment of this section.

(b) STATISTICS ON CAREER CRIMINALS.—The Bureau of Justice Statistics of the Department of Justice shall compile and maintain statistics for the number of arrests, prosecutions, and convictions of career criminals nationwide under section 924 (c) and (e) of title 18, United States Code. The Bureau shall publish and make available to the public annual reports of such statistics.

TITLE IV—NARCOTICS INVESTIGATIVE AND TASK FORCE

SEC. 402. ALLOWING PAYMENT OF COSTS FROM THE DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.

Section 524(c)(1) of title 28, United States Code, is amended by—

(1) striking "and" after the semicolon in subparagraph (G);

(2) redesignating subparagraph (H) as subparagraph (I); and

(3) adding after subparagraph (G) the following:

"(H) the payment of any expenses necessary for the implementation and execution of approved narcotics investigative projects and task force projects of the United States Attorneys' Offices under the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 800, et seq.), at the discretion of the Attorney General; and".

EXHIBIT 1

MAN SLAIN IN SUSPECTED DRUG-TURF BATTLE

(By Terence Samuel)

A 23-year-old man was shot and killed yesterday as he drove along a West Philadelphia street and a gunman fired from a passing car.

Police said last night that the killing was the third in the last two weeks in what they believe is a turf battle among drug dealers in the Mill Creek section of West Philadelphia.

Police and witnesses said that Brock White of the 4900 block of Reno Street was driving south on 50th Street just before 6 p.m. and had stopped at a traffic light at Brown Street when the shooting began. Before the light turned green, a car pulled alongside White's and one of its occupants opened fire with a large-caliber handgun.

Police said that White was hit at least twice, once in the head and once in the shoulder.

Witnesses said White and the one passenger in his car tried to escape the gunfire by turning west onto the 5000 block of Brown Street. They said the Nissan Maxima that White was driving mounted the curb and careened down the sidewalk. It slammed into the front stoop of one house, hit the back of a truck parked on the street and stopped after hitting a tree halfway down the block.

White was taken to the University of Pennsylvania Medical Center, where he died at 7:15 p.m.

"I thought he was a drunken driver," said one neighbor who saw the car as it came around the corner, and who knew the victim.

"He was a good person," said the woman, who asked not to be identified. She said that she went to the car after it collided with the tree and tried to tap the victim, but that he was not moving and she thought he was dead.

Janice Porterfield, another resident of the block, said she heard the gunshots and saw the car coming down the street. She said that when White was taken from the car, his wounds were very visible. "You could see where he was shot twice in the head," Porterfield said.

Homicide detectives said that White, a suspected drug dealer, was allegedly the leader of one of the groups fighting for control of a playground at the corner of 51st and Hoopes Streets. Police said that the leader of the other gang, Albert Ragan, 24, of the 5900 block of Lansdowne Avenue, was shot and killed March 26, in the 700 block of North 46th Street.

Homicide Detective Lt. James Henwood said that Ragan's killing may have sparked a cycle of revenge shootings, including White's. The man police believe was responsible for Ragan's killing, Chester Keeley, 19, was found shot to death in the 5300 block of Diamond Street on April 1. There was a murder warrant out for Keeley at the time of his death.

"We believe that the last two killings were in response to the Ragan shooting." Henwood said.

As of last night, the number of homicides in the city this year was 124, a jump of 36 percent over the same period last year, when 91 homicides were reported.

EXHIBIT No. 2

[From the U.S. Senate, Subcommittee of the Committee on Appropriations, Washington, DC]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1987—JUNE 11, 1986

OPENING STATEMENT OF SENATOR SPECTER

Senator SPECTER. Good morning, ladies and gentlemen.

We will convene this hearing of the District of Columbia Subcommittee of the Appropriations Committee on the District of Columbia fiscal year 1987 budget.

The subcommittee has had a request to hear from my distinguished colleague, Representative Don Ritter, and we have granted that request but I do not think Representative Ritter is here yet, so we will proceed with our panel of Chief Judge William C. Pryor of the D.C. Court of Appeals; Chief Judge Fred Ugast of the superior court; and Mr. Larry Polansky, Esq., Executive Officer of the D.C. courts. Your honors—and I include Mr. Polansky in that—we welcome you here.

Mr. POLANSKY. I thank you.

Senator SPECTER. It is a longstanding commitment of mine, as you know, to assist the courts in any way that I can, and the subcommittee can, in carrying out the important judicial functions.

I have had the pleasure of hearing from Judge Ugast in the past, and Mr. Polansky. We welcome you here, Chief Judge Pryor. On the order of sequence, Judge Pryor is listed first, so let us proceed with you.

* * * * *

IMPACT OF PRISON SPACE ON JUDGES SENTENCING DECISIONS

Senator SPECTER. Well, Judge Ugast, you and I have discussed this subject before, and so did we with Judge Moultrie, and I know it is a difficult matter, but I am firmly of the view, having the experience I do on this committee, the Judiciary Committee, as District Attorney, that there is inevitably a sense by the sentencing judge, on what sentence he imposes, depending upon what the availability of prison space is. There are inevitably some cases where the judge would really like to sentence to jail but feels that he simply cannot because of overcrowding, and as a matter of fundamental safety, more people ought to go to jail than are going to jail, and are being impeded from going to jail because of the absence of space.

It is not a matter that the court can do anything about, but it is something the Council has to do something about, and the Major has to do something about. This subcommittee has been very active on it, and it is a little discouraging.

Judge UGAST. Well, it is a deep concern of mine, and when I, during the times I was acting for Judge Moultrie, and even when I was up here before, did comment the first time you asked me that, maybe 2 years ago, I think my response was something to the effect: Well, I didn't think it was having any substantial impact at the time but it was causing us great concern.

My answer would be different now; for in the marginal case, a close case between incarceration, or not, I think it is having an impact on sentencing. So my answer is a little different today than it was 2 years ago.

Senator SPECTER. Well, fine. So you think that if we had more jail space, that more

people would be going to jail on the discretionary judgments of the judges?

Judge UGAST. In some areas, coupled with all the other alternatives that we can come up with.

Senator SPECTER. The judges really have to be free to exercise their discretion, and they should not tilt away from a jail sentence in a case where they think it is necessary because there is no space. Chief Judge Pryor, would you care to comment on that issue?

Judge PRYOR. I was distracted. I'm sorry.

Senator SPECTER. Well, Congressman Ritter, would you care to comment on that issue? [Laughter.]

Mr. RITTER. I think we were both distracted by the same distraction.

Senator SPECTER. Chief Judge Pryor, Judge Ugast has just said that he does believe that in the marginal case, more people would go to jail if we had the physical facilities available. I would invite your comment on that, if you care to do so. I do not want to intrude on your judicial discretion.

Judge PRYOR. Sure. No problem. As a former trial judge, and having been in that situation, basically what happens is, you look at your range of choices, and in those close cases where you feel that the balance swings toward incarceration, if the space is not there, then you play it safe and go to the next alternative. So if the space is there, you use it. So I would agree.

Senator SPECTER. Well, all right. I am going to tell Mayor Barry and Council Chairman Clarke, that the public safety, in the view of the chief judge of the Court of Appeals of the District of Columbia and the chief judge of the superior court, that public safety would be enhanced if we had more jail space in terms of getting more people off the street who ought to be off the street, and see if we cannot light a little fire under them to get the jail moving.

ADDITIONAL FUNDING TO REDUCE BACKLOG OF CASES

Judge PRYOR. I think that is a fair statement.

Senator SPECTER. OK. We will carefully consider your budget request. If you had any magical plans to reduce the backlog even more, you could show this subcommittee a really tangible way to reduce the backlog on cases, both bail and jail, which might be implemented with some extra funding.

This is one Senator who would look very favorably on that, and will try hard on other lines, and reallocation of priorities to make that happen. It would be great value for the money, if you could come up with that.

Mr. POLANSKY. Senator Specter, the project that you funded in this year's budget has, as its final product, a report that will say to us, "What will it take to reduce delay to acceptable levels across the board in the District of Columbia courts?"—with the price tag attached. So, in the next 30 days, we expect to submit such a report to you.

Senator SPECTER. All right. I would be interested to know that. I take it you feel that the extra funds we have given you in the past—you have already said the additional judges we provided have been instrumental in reducing the backlog up until this point.

Judge UGAST. Tremendously. It is just I have got to now look at it courtwide, more broadly, than I have in the past.

Senator SPECTER. To the extent that you could provide the subcommittee with specifics as to how those funds have, in a concrete way, reduced the backlog, that would be useful in our evaluation of your requested budget. Thank you very much, Chief Judge Pryor, Chief Judge Ugast, and Mr. Polansky.

Mr. POLANSKY. Senator Specter, I will submit my statement for the record, too.

Senator SPECTER. Oh, I am sorry, Mr. Polansky. I did not mean to cut you off.

Mr. POLANSKY. There is nothing of great urgency in the court system budget, and I have submitted a statement. We have requested an amount that the Mayor and the Council have supported.

The only difference, between the entire court system budget and the budget submitted by the District, is the redirection that Judge Ugast mentioned, and an explanation of that is in the materials that we submitted.

By Mr. DECONCINI:

S. 747. A bill to amend chapter 44 of title 18, United States Code, regarding assault weapons; to the Committee on the Judiciary.

ANTIDRUG, ASSAULT WEAPONS LIMITATION ACT

● Mr. DECONCINI. Mr. President, I rise today to introduce the Anti-Drug Assault Weapons Limitation Act of 1989. This bill addresses the increasing problems associated with the use of assault weapons by illegal drug dealers, while protecting the rights of citizens who legally own assault weapons and continue to abide by the law.

The story is familiar to us all. Every night on the television, the front page, or the radio we learn of someone killed with an assault weapon. More often than not, the carnage is committed by an individual engaged in the illegal drug trade. Whether it is the Medellin Cartel or the Crips or Bloods youth gangs, drug dealers have found a weapon of choice that gives them an advantage over all adversaries, including the police.

Although the number of legal owners of so-called assault weapons far outnumber illegal owners, proposals have been offered penalizing law-abiding owners. It has been suggested that legal owners should be forced to register with the Federal Government, submitting to extensive background checks and investigations, before being able to maintain possession of what is rightfully theirs. It has even been suggested that the Government should be allowed to enter the homes of citizens and seize whatever weapons are determined to be assault weapons. I will not come before this body and claim these weapons are no more harmless than a single-shot 22. In the wrong hands assault weapons can inflict the worst damage imaginable. Yet, I do not believe the law-abiding citizen, owning an assault weapon for his or her own reasons, whatever they may be, should be penalized for the atrocities of criminals.

Mr. President, the legislation I am introducing today protects the rights of the legal owners while attacking the problems associated with the illegal use of assault weapons. Section 2 of the bill bans any future transfer, import, transport, shipping, receipt, or possession of an assault weapon, unless the assault weapon was legally owned on the effective date of the legislation. What this means is that no additional assault weapons will be introduced into the market once this bill is passed. Furthermore, those weapons which are illegally owned on the date of enactment, the UZI's and the like carried by drug dealers for example, will be outlawed. In the future, if a current legal owner of an assault weapon chooses to sell, or in some way transfer control of an assault weapon, he or she may do so as long as the procedures set forth in this bill are followed. What we have in the end is the ability to confiscate illegally owned assault weapons while protecting the rights of the legal owners to continue owning such weapons. In addition, all future sales of new assault weapons will be prohibited.

Section 3 of this legislation designates which weapons will be considered assault weapons. The weapons listed are seldom, if ever, used for a sporting purpose, and certainly were not designed for that purpose. Subsection (A) of section 3 lists nine weapons. Subsections (B) and (C) of section 3 provide that any weapon indentical or nearly identical to those listed as assault weapons will also be considered assault weapons. These subsections seek to prohibit a minor change in the structure of an assault weapon from enabling the weapon to avoid coverage of this bill.

Section 4 provides for the Secretary of the Treasury, with consultation from the Attorney General, to recommend to the Congress any additions or deletions to the list of assault weapons. Unlike other proposals, this bill does not place unlimited discretion in the hands of the Secretary. If, in the future, it is determined that additional weapons should be added to the list of assault weapons, or weapons listed should be deleted from the list, Congress, with the Secretary's recommendations, will be called upon to act. At that time Congress and not the Secretary of the Treasury will decide which, if any weapons, will be added or deleted.

If an assault weapon is used or carried during the commission of a crime of violence or during a drug trafficking offense, section 5 of the bill provides for an enhanced prison sentence of 5 years.

Since the passage of the 1968 Gun Control Act, Bureau of Alcohol, Tobacco and Firearms [BATF] regulations have required that a firearms transaction form 4473 be completed whenever there is a transfer of custody of a firearm; 28 CFR 178.124 further requires that the form be retained by the licensed importer, manu-

facturer or dealer, unless they cease doing business. If that occurs, the 4473 forms must be forwarded to BATF for their archives.

Section 6 of the bill utilizes form 4473 by requiring that the legal owner of an assault weapon obtain a copy of that form, either from the original seller of the weapon, or from the BATF, whichever is appropriate. The Secretary is directed to develop within 90 days after the date of enactment of this legislation regulations to enable the owner to request and receive delivery of form 4473 from the seller, or BATF when appropriate. Following the promulgation of regulations by the Secretary, a legal owner will have an additional 90 days to acquire a copy of form 4473.

If, however, the owner of an assault weapon knowingly fails to acquire a copy of form 4473 he or she may be fined up to $1,000, or be imprisoned for up to 6 months, or both. This provision is found in section 7 of the legislation introduced today. As a followup to section 7, section 8 amends section 922(g)(1) of title 18 United States Code to include knowingly failing to acquire a form 4473 as a disabling offense. If an individual knowingly fails to obtain a form 4473, that individual would be prohibited from selling or owning any firearms or ammunition.

Mr. President, I am certain that arguments will be made that this legislation does not go far enough. I am equally convinced that others will contend that the bill goes too far. I view those two arguments as supporting the position that this legislation takes—that there must be a reasonable middle position which will protect the public from physical harm while ensuring protection of constitutional rights under the law.

Thank you Mr. President. I ask unanimous consent that the text of the Anti-Drug Assault Weapons Limitation Act of 1989 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 747

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antidrug, Assault Weapons Limitation Act of 1989".

SEC. 2. Section 922 of title 18, United States Code, is amended by adding at the end thereof the following:

"(q)(1) Except as provided in paragraph (2), it shall be unlawful for any person to transfer, import, transport, ship, receive, or possess any assault weapon.

"(2) This subsection does not apply with respect to—

"(A) transferring, importing, transporting, shipping, and receiving to or by, or possession by or under, authority of the United States or any department or agency thereof, or of any State or any department, agency, or political subdivision thereof, of such an assault weapon, or

"(B) any lawful transferring, transporting, shipping, receiving, or possession of such a weapon that was lawfully possessed before the effective date of this subsection.".

SEC. 3. Section 921(a) of title 18, United States Code, is amended by adding at the end thereof the following:

"(25) The term 'assault weapon' means—

"(A) any firearm designated as an assault weapon in this paragraph, including:

"(i) Norinco, Mitchell, and Poly Technologies Avtomat Kalashnikovs (all models),

"(ii) Action Arms Israeli Military Industries UZI and Galil,

"(iii) Beratta AR-70 (SC-70),

"(iv) Colt AR-15 and CAR-15,

"(v) Fabrique Nationale FN/FAL, FN/LAR, and FNC,

"(vi) MAC 10 and MAC 11,

"(vii) Steyr AUG,

"(viii) INTRATEC TEC-9, and

"(ix) Street Sweeper and Striker 12;

"(B) all other models by the same manufacturer with the same design which may have slight modifications or enhancements including a folding stock; adjustable sight; case deflector for left-handed shooters; left-handed fire adaptor; shorter barrel; wooden, plastic, or metal stock; large size magazine; different caliber, provided the caliber exceeds .22 rimfire; bayonet mount; tripod or bipod mount; or flash suppresser; and

"(C) any other firearm with an action design identical or nearly identical to an assault weapon specified in subparagraph (A) which has been redesigned from, renamed, renumbered, or patterned after one of such specified assault weapons regardless of the company of production or country of origin, or any firearm which has been manufactured or sold by another company under a licensing agreement to manufacture or sell an identical or near identical assault weapon as those specified in subparagraph (A), regardless of the company of production or country of origin.".

SEC. 4. Chapter 44 of title 18, United States Code, is amended—

(1) by adding at the end thereof the following new section:

"§ 931. Additional assault weapons

"The Secretary, in consultation with the Attorney General, may, when appropriate, recommend to the Congress the addition or deletion of firearms to be designated as assault weapons."; and

(2) in the table of sections by adding at the end thereof the following new item:

"931. Additional assault weapons.".

SEC. 5. Section 922 of title 18, United States Code, is further amended by adding at the end thereof the following:

"(s)(1) Whoever, during and in relation to the commission of a crime of violence or a drug trafficking crime (including crime of violence or drug trafficking crime, which provides for an enhanced punishment if committed by the use of a deadly or dangerous weapon or device) for which he may be prosecuted in a court of the United States, uses or carries an assault weapon, shall, in addition to the punishment provided for the commission of any such other crime committed by the defendant, be sentenced to a term of imprisonment for not less than 5 years.

"(2) For purposes of this subsection, the term 'drug trafficking crime' means any felony violation of Federal law involving the distribution, manufacturing, or importation of any controlled substance (as defined in section 102 of the Controlled Substances Act).".

SEC. 6. Section 922 of title 18, United States Code, is further amended by adding at the end thereof the following:

"(t)(1) It shall be unlawful for any person to sell, ship, or deliver an assault weapon to any person who does not fill out a form 4473 (pursuant to 27 CFR 178.124), or equivalent, in the purchase of such assault weapon.

"(2) It shall be unlawful for any person to purchase, possess, or accept delivery of an assault weapon unless such person has filled out such a form 4473, or equivalent, in the purchase of such assault weapon.

"(3) If a person purchases an assault weapon from anyone other than a licensed dealer, both the purchaser and the seller shall maintain a record of the sale on the seller's original copy of such form 4473, or equivalent. The purchaser and seller shall both retain copies of such form for all subsequent transactions regarding such assault weapon.

"(4) Any person who, prior to the effective date of this subsection purchased an assault weapon which required retention of such form 4473, or equivalent, pursuant to the provisions of this subsection, shall, within 90 days after the issuing of regulations by the Secretary pursuant to paragraph (5) of this section, request a copy of such form from the selling dealer or in the event such dealer has discontinued operation, from the Bureau of Alcohol, Tobacco and Firearms. Such dealer or Bureau shall forward a copy of such form to the purchaser in accordance with regulations prescribed by the Secretary pursuant to paragraph (5) of this section.

"(5) The Secretary shall, within 90 days after the date of enactment of this section, prescribe regulations for the request and delivery of such form 4473, or equivalent.".

SEC. 7. Section 924 of title 18, United States Code, is amended by—

(1) redesignating subsections (f) and (g), and any references to such subsections, as added by section 6211 of Public Law 100-690, as subsections (g) and (h), respectively; and

(2) adding at the end thereof the following:

"(i) Whoever, knowingly fails to acquire such form 4473, or equivalent (pursuant to 27 CFR 178.124), with respect to the lawful transferring, transporting, shipping, receiving, or possessing of any assault weapon, as required by the provisions of this chapter, shall be fined no more than $1000, or imprisoned for not more than 6 months, or both.".

SEC. 8. Section 922(g)(1) of title 18, United States Code, is amended by inserting before the semicolon at the end thereof the following: "or a violation of section 924(i) of this chapter".

SEC. 9. Unless otherwise provided, this Act and the amendments made by this Act shall become effective 30 days after the date of enactment of this Act.●

By Mr. CRANSTON (by request):

S. 748. A bill to amend title 38, United States Code, and other provisions of law, to extend the authority of the Department of Veterans' Affairs [VA] to continue the State home grant and respite care programs and to revise VA authority to furnish outpatient dental care; to the Committee on Veterans' Affairs.

DEPARTMENT OF VETERANS' AFFAIRS HEALTH CARE PROGRAMS EXTENSION ACT

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 748, the proposed Department of Veterans' Affairs Health Care Programs Extension Act of 1989. The Secretary of Veterans Affairs submitted this legislation by letter dated March 20, 1989, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 20, 1989, transmittal letter and enclosed analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 748

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Department of Veterans' Affairs Health Care Programs Extension Act of 1989".

(b) Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. (a) Section 612(b)(1) is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following new subparagraph:

"(H) where medically necessary in preparation for hospital admission.".

(b) Section 612(b)(3) is amended—

(1) by striking "$500" and inserting in lieu thereof "$1,000"; and

(2) by adding at the end the following: "The Secretary may periodically review the cost of dental care to determine whether the dollar ceiling contained in this clause remains appropriate to carry out the purposes of this provision, and may adjust that ceiling, as the Secretary determines necessary.".

SEC. 3. Section 620B(c) is amended by striking "1989" and inserting in lieu thereof "1991".

SEC. 4. The first sentence of section 5033(a) is amended to read as follows: "There is hereby authorized to be appropriated $42,000,000 for the fiscal year ending September 30, 1990, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 5. Section 201(b) of Public Law 99-576 is amended by deleting "1989" and inserting in lieu thereof "1991".

VETERANS' ADMINISTRATION,
Washington, DC, March 20, 1989.

Hon. DAN QUAYLE,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill to amend title 38, United States Code, and other provisions of law, to extend the authority of the Department of Veterans Affairs (VA) to continue the State home grant and respite care programs and to revise VA authority to furnish outpatient dental care. We request that it be referred to the appropriate committee for prompt consideration and enactment.

This draft bill would extend the VA's authority to operate two major health-care programs. Of particular importance, the bill would extend through fiscal year 1994 the State home grant program which assists the States with the construction or acquisition of State home facilities for veterans. Over the years, these grants have created a network of 54 State veterans facilities in 36 States. These facilities make it possible to provide medical care to many more veterans than can receive care in VA facilities. It is a cost-effective program in which Federal participation is limited to no more than 65 percent of the cost of any one project. Extension of this grant program would result in estimated costs of $42 million for Fiscal Year 1990.

Another important provision of the draft bill would extend for 2 years, through September 30, 1991, VA's authority to operate the respite care program. This program allows VA to provide chronically ill service-connected veterans who reside at home with brief, planned periods of care in VA facilities in order to provide members of the veterans' families with some relief from the physical and emotional rigors of continuous home care. The respite care program was expressly authorized in Public Law 99-576, and VA has begun to gain some experience with its operation. This program helps veterans to remain at home in the care of their loved ones, rather than be institutionalized for protracted periods. The draft bill would also extend for two years the date by which VA must report to the Congress on its evaluation of the new respite care program. This would allow for a more thorough and complete analysis of the program's effectiveness. Extension of the respite care program for two years would not result in significant costs.

Finally, the proposed bill would revise VA's authority to furnish outpatient dental care. Current law authorizes VA to provide medical services needed to prepare for a patient's hospital admission, but by virtue of a rigid statutory limitation on the provision of outpatient dental care precludes VA from furnishing medically-required pre-admission dental procedures. Thus, existing law would require costly VA hospitalization to permit the performance of medically-needed but limited dental work in preparation for a veteran's hospitalization in cases where dental infection, for example, could jeopardize a patient's well-being. The proposed bill would enable VA to provide limited outpatient dental services in preparation for such procedures as cardiac valve replacement, implantation of hip and knee prostheses, and radiotherapy. Enactment of this provision would reduce the period of hospitalization for such patients and thus avoid costs of some $520,000 for each of the next 5 fiscal years.

The draft bill also includes a cost-saving amendment which would require VA to obtain a second opinion in instances where the cost of proposed dental care for a veteran by a fee-basis practitioner would exceed $1000. Current law requires a second opinion for procedures over $500. In keeping with the rising cost of medical and dental care, the draft bill would provide for a $1000 ceiling and a periodic adjustment of the limit. By avoiding costly reexaminations, it is anticipated that the proposal would result in a cost savings of approximately $198,000 annually for each of the next five fiscal years.

The draft bill would not impose any new costs and would result in cost savings of $718,000 in each of the next five fiscal years.

The programs covered by this legislation are included in the residual freeze category of the President's Fiscal Year 1990 budget plan. Final decisions concerning programs in this category are to be determined through negotiations between the Administration and Congress. Accordingly, this proposal, which as drafted reflects President Reagan's Fiscal Year 1990 budget request, may need to be revised to reflect the results of such negotiations.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposal to Congress.

Sincerely yours,

EDWARD J. DERWINSKI,
Administrator.

ANALYSIS OF PROPOSED BILL

Section 2 would amend 38 U.S.C. § 612(b)(1) to authorize the provisions of limited outpatient dental care to veterans scheduled for certain hospital procedures. Section 612(b)(1) of title 38, United States Code, now limits VA provision of outpatient dental care to those circumstances set forth in law. Section 612(b) does not authorize dental services needed in preparation for hospitalization.

This proposal would permit the VA to provide limited outpatient dental treatment to veterans when medically required for hospital treatment, (such as for cardiac valve replacement, implantation of hip and knee prosthesis, and radiotherapy), where the elimination of dental infection or correction of dental conditions is critical to the success of the planned hospital treatment or the welfare of the patient. These patients would be placed in a pre-bed care program for work-up prior to hospitalization, and the limited dental treatment, professionally determined to be essential, would be completed during that period.

At the present time, patients who need this type of limited dental treatment prior to certain types of surgery or other medical treatment are admitted as inpatients and the care is provided under the authority of 38 C.F.R. § 17.129. This practice results in longer periods of hospitalization and is more costly to the Department.

Section 2 would also amend 38 U.S.C. § 612(b)(3) to require VA to obtain a second opinion in instances where the cost of proposed dental care for a veteran by a fee-basis practitioner would exceed $1,000. Current law requires a second opinion for procedures over $500. The increase in this ceiling amount to $1,000 would be in keeping with the rising costs of medical and dental care. Further, in order to avoid the cost and inconvenience of requiring a second opinion for essentially routine dental procedures, the proposed revision provides for periodic review and adjustment of the ceiling amount.

Section 3 would amend 38 U.S.C. § 620B to extend for two years from September 30, 1989, to September 30, 1991, the VA's authority to provide respite care services. Under its respite care program, the VA furnishes certain chronically ill service-connected veterans who are in VA outpatient programs with brief, planned periods of inpatient care in VA hospitals or nursing homes. This inpatient care provides respite to members of the veteran's household who otherwise would be rendering needed care in the home. While a veteran may benefit from special care that can be provided during the period of respite, the primary objective of providing the care is to support the care-givers, the loved ones who provide essential care in the home. It is generally recognized that chronically ill persons not needing hospital care can most effectively be cared for at home by their family. But it is also recognized that this often places intolerable physical and emotional strains on the care-givers. These difficulties can become exacerbated when there is never any break in the continuum of the veteran's care.

The VA's respite care program was first expressly authorized in late 1986 with enactment of Public Law 99-576. During 1987 it became organized with VA Central Office providing medical facilities throughout the country with guidance on how to establish and administer respite care programs. The program is expected to provide a basis for evaluating whether respite care will help delay or avoid the need for prolonged institutionalization of veterans because they are able to receive continued care in the home. If that is the case, the program may have great potential for avoiding the high costs of providing the institutional care. A 2-year extension of the program would enable the VA to better evalute the cost-effectiveness of respite care.

Section 4 of the draft bill would amend 38 U.S.C. § 5033(a) to extend for an additional 5 years, through fiscal year 1994, the program for grants to States for the construction and acquisition of State home facilities for furnishing domiciliary and nursing home care and for the expansion, remodeling, and alteration of State home facilities for furnishing hospital, domiciliary, and nursing home care. The authority for this program expires at the end of fiscal year 1989.

These grants make it possible to extend medical care to veterans beyond that which is provided in VA facilities. It is a cost-effective approach, with Federal participation limited to no more than 65 percent of the cost of any one project. There are now State homes in 36 States. Nursing home care is provided in 52 homes, domiciliary care in 43 homes, and hospital care in seven homes. From fiscal year 1966 through fiscal year 1988, approximately $294 million was obligated in support of new nursing home care and domiciliary beds and for remodeling and modifying existing buildings. Eighty percent of the funds have been used for bed-producing projects. The remainder has been used for remodeling and renovation.

Section 5 would amend section 201(b) of Public Law 99-576 to extend for two years from September 30, 1989, to September 30, 1991, the date by which VA must report to the Congress on its evaluation of the respite care program authorized in late 1986 by Public Law 99-576. Department policy on establishing respite care programs was developed and promulgated by late 1987, and programs are now being implemented throughout the VA health care system. An extension of the due date for this report is needed to provide the Department with sufficient time to continue to develop the program, conduct the study mandated by the law, and consider the findings of the study in relation to medical efficacy and cost effectiveness of providing respite care.

COST AVOIDANCE FOR PROPOSED GRANTING LIMITED OUTPATIENT DENTAL TREATMENT ON A PRE-BED CARE STATUS FOR CERTAIN PATIENTS

No cost is anticipated due to the precluding of certain inpatient treatment activities by pre-bed care activities. Approximately 10,000 patients a year at VA medical centers need preparatory dental treatment that could be provided on a pre-bed care status at an average cost of $100 per case. Conversely, if these patients must be admitted for just one inpatient day each in order to legally provide the needed dental care, an additional $52 of lodging costs would be required per day. Thus, to legally provide the required care on an inpatient basis would cost approximately $1,520,000. To provide the care on a pre-bed care status would cost approximately $1,000,000 resulting in a cost avoidance of $520,000 for the first year.

Cost estimate.—Cost avoidance for 5-year period

	Cumulative total
1st	$520,000
2nd	1,040,000
3rd	1,560,000
4th	2,080,000
5th	2,600,000

PROPOSED LEGISLATION COSTING BY APPROPRIATION

[In millions of dollars]

Year	1	2	3	4	5
MEDICAL CARE (patient care in field)					
FTEE:					
Cost	[1] $520	[1] $520	[1] $520	[1] $520	[1] $520
Personal services					
Beneficiary travel					
0.007 travel					
Common, utilities and other rent					
Rent (SLUC)					
Rent (direct)					
Fee program:					
(Specify):					
Contracts					
Supplies					
Equipment					
Subtotal					
MAMOE (central office)					
FTEE:					
Cost:					
Personal services					
0.007 travel					
Supplies					
Contracts					
Equipment					
Subtotal					

[1] Cost avoidance.

COST SAVINGS ESTIMATES FOR THE VETERANS ADMINISTRATION TO AMEND PUBLIC LAW 96-151 TO REQUIRE A SECOND OPINION CLINICAL EXAMINATION FOR FEE DENTAL CASES EXCEEDING $1,000

	Fiscal year—				
	1988	1989	1990	1991	1992
1. Estimated number of Classes I-IV dental beneficiaries to be referred to fee dentists	22,000	22,000	22,000	22,000	22,000
2. Number of beneficiaries whose fee treatment will exceed $500 within a 12 month period	11,000	11,000	11,000	11,000	11,000
3. Number of beneficiaries whose fee treatment will exceed $1,000 within a 12 month period	2,000	2,000	2,000	2,000	2,000
4. Estimated round-trip mileage of those who will be re-examined by a VA dentist	200	200	200	200	200
5. Veterans Administration travel cost per re-exam visit (200 miles × $0.11)	$22.00	$22.00	$22.00	$22.00	$22.00
6. Travel costs paid by the VA for re-exam of treatment plans exceeding $500 (Line 2 × 5)	$242,000	$242,000	$242,000	$242,000	$242,000
7. Travel costs paid by the VA for re-exam of treatment plans exceeding $1000 (Line 3 × 5)	$44,000	$44,000	$44,000	$44,000	$44,000
8. Cumulative cost savings for VA if Public Law 96-151 is amended as proposed	$198,000	$396,000	$594,000	$792,000	$990,000

COSTING BY APPROPRIATION

[In millions of dollars]

Year	1	2	3	4	5
MEDICAL CARE (Patient Care in Field)					
FTEES:					
Cost					
Personal Services	[1] $198	[1] $198	[1] $198	[1] $198	[1] $198
Beneficiary Travel					
0.007 Travel					
Commun., utilities and other rent					
Rent (SLUC)					
Rent (Direct)					
Free Program:					
(Specify):					
Contracts					
Supplies					

COSTING BY APPROPRIATION—Continued

[In millions of dollars]

Year	1	2	3	4	5
Equipment					
Subtotal					
NAMOE (Central Office)					
FTEE:					
Cost					
Personal Services					
0.007 Travel					
Supplies					
Contracts					
Equipment					

COSTING BY APPROPRIATION—Continued

[In millions of dollars]

Year	1	2	3	4	5
Subtotal					

[1] Cost savings.

By Mr. PELL:

S. 749. A bill to require the National Railroad Passenger Corporation to repair a fire-damaged train station located in Kingston, RI, to the Commit-

tee on Commerce, Science, and Transportation.

REPAIR OF RAIL STATION IN KINGSTON, RI

● Mr. PELL. Mr. President, I wanted to take this opportunity here today to introduce a measure that is very important to the future of my State's transportation system.

Last December, the Kingston, RI train station was the site of a serious fire. The bill I am introducing today would direct the Secretary of Transportation, acting through the National Railroad Passenger Corporation, better known as Amtrak, to take such action as may be necessary to repair the Kingston train station, which is owned and operated by Amtrak.

Amtrak originally had thought it possessed sufficient insurance coverage to pay for the repairs. Closer examination of this insurance coverage unfortunately revealed that it was inadequate. As a result, Amtrak has thus far made no move to restore the station to its previous condition.

My legislation would compel Amtrak to use $250,000 in current, unobligated funds to restore the station to the condition in which it was immediately prior to the fire.

Mr. President, I am disappointed that I have to take the important step of introducing legislation to rectify this situation, but present circumstances have forced me to act in this manner.

The Kingston, RI, train station is an extremely valuable component of Rhode Island's transportation system. Second only to Providence in terms of passenger use, the Kingston train station handled over 70,000 passengers last year.

The Kingston station generates a revenue of about $1 million per year, which ranks it as the 42d most profitable Amtrak station out of 450 Amtrak stations nationwide.

But Mr. President, the Kingston, RI, train station represents more than just profits. It is an historic treasure.

The Kingston station was built over a century ago and his survived both the elements and decades of human neglect.

Mr. President, it is indeed ironic that that now that the station has been restored to its former glory, now that the station is being used by more and more passengers every year, it now stands boarded up and decaying because of severe fire damage.

Since December 12, the station has been as a derelict, with only a small concrete slab to serve passenger needs and comfort.

Attempts have been made to protect the damaged portions of the station against the elements, but we are losing time with each passing day as old timbers and planks rot beyond repair.

Mr. President, I am bringing this issue before Congress because I believe that Congress has a dual responsibility in this situation.

It is the responsibility of Congress to assist States in maintaining their transportation infrastructures. The Kingston train station is a valuable part of Rhode Island's transportation system and the unanticipated cost of its repair necessitates congressional intervention so that this asset is not lost for all time.

I believe that it is also the responsibility of Congress to support Amtrak with a reasonable level of funding, and with this funding comes the right to provide guidance on how this money should be spent.

Mr. President, my long experience as an advocate for U.S. passenger rail travel in general and for Amtrak in particular, gives me enough familiarity with the issues involved to know that I am pursuing the appropriate course of action in introducing this measure.

This experience with rail-related issues formally began in 1961, when I drafted Senate Joint Resolution 194, which proposed the establishment of a public authority to run a passenger rail service within the Northeast corridor. Over the years, I have been pleased to introduce legislation on high-speed rail transportation, rights-of-way authority, rail rehabilitation, increased funding for Northeast corridor operations and cooperative rail compacts among Northeastern States.

During my time here in the Senate, I have also been pleased to cosponsor or support a variety of specific bills and initiatives that have advanced the cause of passenger rail travel in this country.

I intend to vigorously pursue passage of the legislation I am introducing here today. I also intend to explore the possibility of sitting down with Amtrak to discuss possible nonlegislative alternatives for repairing this Rhode Island landmark.●

By Mr. BUMPERS:

S. 750. A bill extending time legislation of certain projects; to the Committee on the Environment and Natural Resources.

EXTENDING TIME LIMITATIONS ON CERTAIN PROJECTS

● Mr. BUMPERS. Mr. President, today I am introducing a bill which would extend the time required under the Federal Power Act for the commencement of construction of three small hydroelectric generation facilities on locks and dams 1, 2, and 3 on the White River in Independence County, AR. The three projects will be operated together as a run-of-river hydroelectric facility with a rated capacity of 19,091 kW and estimated average annual energy generation of approximately 107,000 megawatt hours.

Independence County and the city of Batesville have completed the requirements for obtaining licenses and financing for the projects and have taken equipment and general construction bids. Under the terms of the licenses issued by the Federal Energy Regulatory Commission, construction must be commenced by November 1989 at lock and dam 2 and by February 1990 at locks and dams 1 and 3. However, the licensees will not be able to start construction until they have entered into a power sale agreement with a purchaser. The licensees have been diligently attempting to sell the power from the project and are presently involved in discussions with a number of purchasers. However, even if a purchaser committed to take the power today, the final contract negotiations could take up to a year to complete.

It is important to the economy of this area that these licenses not be jeopardized by the lack of a signed power sale agreement. The oversupply of electricity in Arkansas which exists at the present time was beyond the control of the licensees. This oversupply situation is predicted to disappear by the mid-1990's and the licensees are confident they will have a commitment from one or more purchasers in the near future. For these reasons I am introducing legislation today to authorize the Federal Energy Regulatory Commission to extend the start of the construction dates for these three licenses for a maximum of three consecutive 2-year periods in accordance with the good faith, due diligence and public interest requirements of the Federal Power Act.

I ask unanimous consent that the text of this legislation be printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the time limitations of section 13 of the Federal Power Act, the Federal Energy Regulatory Commission upon the request of the licensees for FERC Projects Nos. 4204, 4659 and 4660 (and after reasonable notice) is authorized, in accordance with the good faith, due diligence, and public interest requirements of such section 13 and the Commission's procedures under such section, to extend:

(1) the time required for commencement of construction of Projects Nos. 4202, 4659, and 4660 for up to a maximum of 3 consecutive 2-year periods for each such project,

(2) the time required for completion of construction of such projects for a reasonable period not to exceed 5 years after commencement of construction of each project, and

(3) the time required for the licensees to acquire the real property required for such projects for a period of up to 5 years from the date of enactment of this Act.

The authorization for issuing extensions under paragraphs (2) and (3) of this section shall terminate 3 years after enactment of

this Act. The Commission may consolidate requests under this Act.

By Mr. PELL:

S. 751. A bill to amend the Federal Election Campaign Act of 1971, to better inform the electorate in elections for the office of Senator or Representative in the U.S. Congress; to the Committee on Commerce, Science, and Transportation.

INFORMED ELECTORATE ACT

Mr. PELL. Mr. President, I am introducing today the Informed Electorate Act of 1989 to provide a positive, no-cost solution to the complex problem of political campaign advertising in congressional elections. The same bill was introduced in the 100th Congress as S. 593 and as an amendment to S. 2.

The bill, in brief, would require all licensed television stations to provide a limited number of free time periods to political parties during the 2 months preceding general elections, for the presentation of views by candidates for the U.S. Senate and the House of Representatives. These discussion periods would be up to 15 minutes in length and would take place during what is known as the prime time access period, which in most television markets occurs between 7:30 and 8 p.m. local time.

My bill would require that the free time allocated by the act be used in a manner which promotes a rational discussion of the issues, and it requires that a least 75 percent of the time be devoted to the candidate's own remarks. The intention is to avoid slick commercials—like those we saw too much of last fall—while still allowing for some creativity in making interesting, substantive presentations.

The basic premise of this legislation is simply that broadcasters are key to the solution of the problem of escalating media costs as well as the problem of distorted political advertising. Since broadcasters have a Federal license, with responsibilities and obligations as a condition to having that license, I believe they can properly be called upon to provide a limited amount of programming time to enhance the electoral process.

The concept of free broadcast time in not new, but it has always encountered a host of obstacles and objections, some of which are well-founded. My bill has been crafted with a view toward circumventing these obstacles in ways which I hope are acceptable to interested parties.

It has often been said, for example, that free broadcast time won't work for candidates in large urban areas where there are so many candidates vying for time that the stations would be deluged and the viewers would be saturated. My bill deals with this problem by granting the free time to political parties which in turn would have total discretion as to which candidates would benefit most from the exposure and could best speak for the party. Moreover, there would be a specific limit on the amount of time that a committee could use on any one station—namely, 3 hours over the 60 day pre-election period.

Another problem often raised is that free time could be a costly disruption of commercial broadcast schedules, which require extensive advance planning and depend on ratings and advertising revenues for survival. My proposal would meet that objection by limiting the time grants, as I have already indicated, to no more than 15 minutes per occurrence, and aggregating no more than 3 hours per station per committee. The maximum burden on any one station—assuming maximum utilization by the House and Senate campaign committees of both parties—would seldom exceed 12 hours per election.

I might note also in this same connection that by specifying that the grants be provided during the prime time access period, my bill would be least disruptive of regular broadcast service and ratings. The prime time access period was originally set aside by the FCC for creative local programming following the evening news. In practice, the period has been taken over by nationally syndicated game and quiz shows. While I realize that these programs have a considerable public following, I believe that a maximum levy of 12 free hours out of some 200 prime time access periods in the year is a minimal public service to ask of broadcasters who are operating profitable public franchises.

Finally, many free time proposals raise the specter of Government regulators or media moguls making sensitive decisions about programming and timing that could have political consequences. Under my plan, all of those decisions would be made by the political parties and the candidates themselves, and no Government official or broadcaster would have anything to say about it as long as it conforms to the standards of the bill.

The Informed Electorate Act of 1989 does not limit or prohibit any other current political practice, including the purchase of additional television time by candidates who want more exposure than would be provided by the bill. I would hope, however, that the bill might to some degree curb the appetite for more advertising and thus stem the upward spiral of campaign costs.

In closing, I note that the proposal I offer attacks only one of the many political campaign problems we face today. The escalation of overall costs, the burdens of fundraising, and public concern about the influence of political action committees all are matters of continuing concern. For this reason, I have joined in cosponsoring S. 137, the Senatorial Election Campaign Act of 1989 authored by the distinguished Senator from Oklahoma [Mr. BOREN]. I look forward to the hearings that will begin shortly on this and a number of related bills before the Committee on Rules and Administration, and I hope that the Informed Electorate Act can be part of the comprehensive solution.

By Mr. HARKIN (for himself, Mr. HATFIELD, Mr. BURDICK, Mr. CRANSTON, Mr. DASCHLE, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mr. MATSUNAGA, Mr. RIEGLE, Mr. SANFORD, Mr. SIMON, and Mr. PELL):

S. 752. A bill to preserve the cooperative, peaceful uses of outer space for the benefit of all mankind by prohibiting the basing or testing of weapons in outer space and the testing of antisatellite weapons, and for other purposes; to the Committee on Armed Services.

OUTER SPACE PROTECTION ACT

● Mr. HARKIN. Mr. President, it is said that those who fail to learn from history are doomed to repeat it. The history of the nuclear arms race is a saga of missed opportunities. Beginning with their failure to gain international control over nuclear weapons in the late 1940's, the two superpowers have staggered down the road toward nuclear armageddon, building up obscene arsenals of nuclear weapons, beyond all reason. Nearly every opportunity for restraint has been squandered.

As a result, we are less secure. We have moved from absolute security at the end of World War II, to absolute insecurity. In 1946 no nation could harm the United States. Today we could be destroyed as a viable civilization in one-half hour, the flight time of an intercontinental ballistic missile.

Today we face a new opportunity: We can stop the escalation of the arms race into outer space. Today, there are no weapons in space. The challenge for us, as the 20th century draws to a close, is to prove that we have learned something from four decades of the arms race on Earth. Will we continue our old ways, filling outer space with weapons of war, or will we learn from history the futility of an unconstrained competition in weapons?

We certainly have much to learn from the history of the nuclear arms race here on Earth. Too often, we saw only the short-term military advantages of new weapons systems. Too often, we neglected the long-term consequences when the Soviets copied our advances. Too often, our advances in nuclear weaponry returned with Soviet stripes several years later to undermine our security.

The MIRV'ing of missiles was one clear lesson. We developed multiple warheads for our missiles in the late

1960's as an answer to the perceived threat of a Soviet ballistic missile defense system. With more warheads, we could penetrate possible Soviet defenses. We refused to negotiate a ban on multiple warheads with the Soviets in the SALT I talks, choosing instead to deploy MIRV'd missiles beginning in 1972, even though we and the Soviets did agree to ban ballistic missile defenses, the original motivation for adding MIRV's. As frequently happens, the weapon is deployed even after the justification is removed.

We had MIRV's and the Soviets didn't. We choose the short-term military gain, ignoring the long-term consequences.

We all know the results: The Soviets began MIRV'ing their ICBM's in 1976. With thousands of extra warheads, and with improved guidance on their powerful SS-18 missiles, these multiple warheads came back to haunt us, creating the "window of vulnerability" pseudothreat that is still with us today. Our land-based missiles are theoretically vulnerable, offering incentives to the Soviets to strike first in some future crisis to reduce the number of United States warheads that might reach the Soviet Union.

While no rational Soviet leader would ever use their MIRV'd missiles to destroy our land-based missiles under normal circumstances, since we could retaliate with our 5,600 submarine-based warheads, the vulnerability could be destabilizing in a severe crisis. At the very least, this hypothetical vulnerability may cost us many tens of billions of dollars to correct. All of this danger and cost could have been avoided if we had agreed to negotiate a ban on MIRV's in 1972.

Now we face a similar situation with regard to outer space. The years 1989 through 1993 are to antisatellite [Asat] and space weapons what 1968 through 1972 were to MIRV's. We have the same fundamental choice: Should we take advantage of short-term technological leads and build new Asat's and space weapons, or should we sit down with the Soviets and negotiate a mutual, verifiable ban on all space weapons?

The signs are not good. It looks like we are doomed to repeat our past mistakes, unless we act soon. Before Ronald Reagan left office, his Secretary of Defense, Frank Carlucci, submitted a request to begin developing antisatellite [Asat] weapons, based on SDI research.

Forget those claims about SDI being purely defensive. All star wars weapons can be used offensively to shoot down satellites, or defensively to destroy ICBM's or warheads. Unfortunately for all of us, it is much easier to shoot down satellites than warheads. Satellites travel in prescribed orbits; attacks can be planned days or weeks in advance. Satellites have vulnerable components such as communication antennas, solar panels, and sensitive sensors. An Asat weapons system need destroy at most 150 satellites at a time of our choosing, waiting in ambush until the satellites pass overhead.

By comparison, warheads are carried in small reentry vehicles [RV's] that are hardened for the fiery reentry into the Earth's atmosphere. Reentry vehicles have no external solar panels, no sensors, and no antennas. A ballistic missile defense system would have to attack thousands of RV's in a cloud of tens of thousands of decoys at a time of our opponent's choosing, and it would have to complete the job in less than 25 minutes. Worse yet, for any reasonable chance of success, most of the RV's would have to be destroyed while they are still on missiles rising out of the Earth's atmosphere above the Soviet Union. Therefore, star wars requires weapons in space.

When Senator HATFIELD and I introduced the Outer Space Protection Act in the 100th Congress, we believed that it would take many years to deploy effective weapons that would place our valuable space assets at risk. We thought we had time to build a consensus against extending the arms race into outer space. While some talked about "early deployment" of a star wars ballistic missile defense system, in fact it would take at least 8 to 10 years to place even a token, partial defense into orbit. Secretary of Defense Carlucci admitted late last year that the first phase of SDI could not be deployed before 1999 to 2000.

Asat weapons, on the other hand, could be deployed within a few years. The Pentagon has already reprogrammed money, without congressional approval, to refurbish the MIRACL laser at White Sands, NM, to make it into a weak Asat weapon. The modified MIRACL laser could take pot shots at satellites passing overhead by the end of the year. For the longer term, the free electron laser under development for SDI could make a more powerful and more capable Asat by the mid-1990's.

The other near-term Asat threat produced by star wars research is the exoatmospheric reentry vehicle interceptor system or ERIS. This ground-based rocket, part of the proposed phase 1 of star wars, would send its kinetic energy warhead into outer space. The SDI goal for the ERIS interceptor is to crash into incoming RV's in outer space, during the midcourse phase of the RV trajectory through space. But even before the ERIS system could succeed in destroying RV's, it could be used to damage satellites.

My fear is that ERIS interceptors may be deployed as part of a limited ballistic missile defense system, without any debate over its Asat capability. For example, we might be stampeded into deploying an "accidental launch protection system" or ALPS, to protect against an accidental or unauthorized launch of a few nuclear armed ballistic missiles. One proposal, to deploy 100 ERIS rockets near Grand Forks, ND, as allowed by the ABM Treaty, would make a potent Asat system. These 100 ERIS rockets could clear the skies of all Soviet satellites in low Earth orbit in a few hours or days.

The Navy is also considering the use of ERIS-like rockets based on ships to shoot down Soviet ocean reconnaissance satellites. Here's a repeat of the historical pattern: The military has an immediate need, to shoot down Soviet Rorsat and Eorsat satellites that help to target our naval forces. But what happens if we go ahead and deploy ERIS or lasers to damage Soviet satellites? What happens when they deploy effective Asat's in return?

The military respond that the Soviets already have an Asat capability, and we do not. In fact, the Soviet's crude coorbital system has not been tested since June 1982. This coorbital Asat requires up to several hours to maneuver into position next to the target satellite, giving ample warning to the satellite to maneuver or to electronically jam the Asat radar sensor. The coorbital system failed in 11 out of 20 tests prior to the Soviet's unilateral testing moratorium. The coorbital Asat system can at best fire three or four Asat weapons per day from two launch pads at Tyuratam. It would take several weeks to create the same damage as 100 ERIS rockets could wreak in one day.

In short, the proposed United States Asat program would be far superior to the Soviet system. It would surely stimulate the Soviets to abandon their unilateral testing moratorium and to develop their own effective, quick acting Asat system. The end result: Our own satellites would be placed at much greater risk, if we move ahead with the proposed Asat program.

We do have an alternative. We can sit down and negotiate an Asat test ban with the Soviets. We can agree to stop all Asat testing against targets in space. We can work out verification procedures and cooperative measures to assure that neither side could develop a capable Asat system. Our Outer Space Protection Act incorporates such a ban on all Asat testing, provided that the Soviets continue to abide by their testing moratorium. The bill calls on the President to negotiate a permanent ban.

Our bill also bans the placement of any weapons in space. I fear that Asat weapons would be just the first step down a slippery slope leading to the weaponization of space. So far, the military has used space for nonthreatening functions, such as communications, navigation, reconnaissance, early warning of missiles attack, and

monitoring of arms control treaties. That would all change with star wars. Star wars would require weapons in space. Either space-based interceptor [SBI] interceptor rockets, or space-based mirrors for ground-based lasers, or space-based lasers.

Once we began deploying weapons in space, our future security would be degraded. Space-based weapons, once deployed by the Soviets—or some other future adversary—could be used against our satellites, against airplanes, or even against targets on the ground. Would we really be more secure with hundreds of Soviet battlestations orbiting a few hundred miles above every military installation, every powerplant, every industrial facility in the United States?

To those who say that arming satellites is natural or inevitable, similar to arming ships at sea or airplanes, consider these differences: The debris from a fighter aircraft dogfight or an aircraft carrier battle at sea falls to the ground or the sea bottom. The debris from a space battle, on the other hand, remains in orbit for months or years, depending on the altitude. One space battle, or even a star wars test could render vast orbital bands of space useless for many years, curtailing the peaceful uses of outer space.

Space-based battlestations also differ from aircraft battle groups in terms of their lethal range and coverage. An aircraft carrier battle group moves rather slowly, giving ample warning of approach to a target area. Many inland areas never fall within lethal range of aircraft carriers. By contrast, space-based battle stations would fly over the heartland of our Nation every 90 minutes, placing all U.S. facilities at risk several times a day, every day of the year.

In summary, we have looked into the future to consider the implications of pursuing Asat and space-weapons capability. We are deeply troubled by this future. We see our national security degraded if the Soviet Union develops and deploys effective Asat and space-based weapons.

We have a choice: We can continue our historical trend, building these weapons with the hope of staying ahead, hoping that the Soviets won't catch up. Or we can prohibit Soviet development of the destabilizing weapons by negotiating a mutual, verifiable treaty banning all Asat tests and all weapons in space. I urge you to join Senator HATFIELD and me, along with Senators BURDICK, CRANSTON, DASCHLE, KENNEDY, KERRY, LEAHY, MATSUNAGA, RIEGLE, SANFORD, and SIMON in promoting the Outer Space Protection Act.

The space-weapons genie is still in the bottle. Let's keep it there.●

● Mr. HATFIELD. Mr. President, I am pleased to rise, as I did a year ago, with Senator TOM HARKIN to introduce the Outer Space Protection Act. As the Bush administration develops its approach to arms control, I think this legislation is particularly timely because it helps to set the parameters for the nuclear arms race. Very simply, the Outer Space Protection Act would prevent the nuclear arms race from creeping into space.

Mr. President, I am convinced that the nuclear arms race has escalated as dramatically as it has in these past few decades because no lines were ever drawn, no boundaries ever set.

Nobody ever could have imagined that the nuclear arms race would go as far as it already has—who could have imagined when the United States had three nuclear weapons in 1945 that there would be more than 55,000 nuclear weapons in the world four decades later? But then again, nobody ever agreed that there would be a point at which the United States and the Soviet Union would go no further. As Father Theodore Hesburgh recently pointed out, "We did it because they did it; they did it because we did it."

The legislation we are introducing today would draw a desperately needed line between the nuclear arms race and outer space. Although both the United States and the Soviet Union have deployed military satellites in space, neither country has deployed weapons in space. That will not be true forever, Mr. President. Unless we act now, space will become the next stage for the bizarre and potentially deadly dance we call deterrence.

The situation in which we now find ourselves—poised on the verge of an arms race is space—offers us a very clear choice: Either we move one step closer to nuclear war or we move one step back from it. An arms race in space is not inevitable. If it is to occur, it will occur because we have chosen it.

Unfortunately, Mr. President, as Leslie Gelb pointed out in the New York Times several years ago, "there seems to be a habit of mind developing among Soviet and American officials that the problem cannot be solved, that technology cannot be checked, a combination of resignation and complacency. They have gotten used to both the competition and the nuclear peace." Are we so resigned and so complacent that we cannot see—the threat or the opportunity?

Of course this legislation is mutual and it is verifiable.

But what it really is, Mr. President, is sane. It is a sane response to an insane arms race. I compliment Senator HARKIN and his staff on this legislation, and am proud to be an original cosponsor of it.●

● Mr. SIMON. Mr. President, I am pleased to be an original sponsor, along with my colleagues Senators TOM HARKIN, MARK HATFIELD, and a number of other distinguished Senators, of the Outer Space Protection Act of 1989. It is a sensible step in the right direction.

The bill seeks to preserve outer space for peaceful purposes only by prohibiting the basing or testing of space weapons. These include weapons that may be developed under the strategic defense initiative and antisatellite weapons programs. It is clear that we cannot afford an arms race in space. This legislation urges negotiations with the Soviet Union to foreclose a ruinous and dangerous space weapons buildup. If the U.S.S.R. goes ahead and tests, produces or deploys space weapons, then our prohibition will be lifted as well.

Mr. President, we have many pressing problems at home. Our priorities should be in these areas. Some research ought to be conducted, but we should pull back from excessive spending on Star Wars and antisatellite weapons. I commend this legislation to my colleagues, and I hope the administration will redouble its negotiating efforts in Geneva and stave off an arms race in space.●

By Mr. GORE (for himself, Mr. PRYOR, and Mr. HARKIN):

S. 753. A bill to provide a special statute of limitations for certain refund claims; to the Committee on Finance.

PROVIDING A SPECIAL STATUTE OF LIMITATIONS FOR CERTAIN REFUND CLAIMS

● Mr. GORE. Mr. President, I rise today to introduce legislation to address a glaring inequity in the Federal tax code and to protect the rights of taxpayers.

I want to thank my distinguished colleague from Arkansas [Senator PRYOR] for his shared commitment to resolving this problem. In the other body, the Representative from New York, Mr. [DOWNEY], will be introducing identical legislation, and I also want to applaud his efforts to correct this problem.

Taxpayers who neglected to claim credit for withholding on their returns in the past were not informed by tax examiners. I first learned of this problem during one of my open meetings in Memphis, where tax examiners told me about the Internal Revenue Service [IRS] policy prohibiting them from adjusting a taxpayers' withholding or giving the taxpayer credit when the taxpayer was entitled to it. There is no excuse for a rule that says public servants should not tell the public what they are entitled to know, especially when often confusing tax forms are involved. Furthermore, this policy affects those who can least afford it, like retirees and those laid off from their jobs.

When I learned about this policy, I wrote acting IRS Commissioner Michael Murphy for a complete explana-

tion. Soon after that, Commissioner Murphy and I met, and he assured me that the agency would change its policy of not informing taxpayers of deductions they are entitled to take. I was pleased with Commissioner Murphy's responsiveness to my questions and the shared commitment to fixing the problem.

Although Commissioner Murphy assured me that the agency will change its policy of not informing taxpayers of deductions they are entitled to take, I am concerned about the statute of limitations for taxpayers who filed in 1985 and do not have enough time to check and amend their returns. The legislation I am introducing today addresses that concern.

Taxpayers have only until April 17 to amend their 1985 returns if they discover this error, the error of neglecting to take credit for withholding on pensions or lump sum distributions. We need to get in touch with an estimated 1.5 million taxpayers across the country who could be affected, and we need to give them time to check their returns and amend them if they have not claimed credit on withholding.

I am working closely with the IRS to identify the affected taxpayers. For example, the IRS began a media campaign to reach those taxpayers and to urge them to check with the IRS if they believe they deserve a refund. The IRS is trying to address this problem administratively by issuing an authorization for refunds and saying that taxpayers can substantiate claims after April 17. However, we must be absolutely certain that the affected taxpayers have time to check their returns and amend them even if the statute of limitations runs out. This bill would protect taxpayers' right to claim refunds beyond the April 17 deadline.

This legislation is carefully crafted to allow taxpayers affected by the policy to amend their returns. It does not extend the statute of limitations generally. I believe that it is a necessary bill, one to help those taxpayers recover money that is rightfully theirs. It is the right thing to do, and I urge my colleagues to join me in this effort.

I ask unanimous consent that the text of the bill be printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STATUTE OF LIMITATIONS FOR CERTAIN REFUND CLAIMS.

Notwithstanding section 6511 of the Internal Revenue Code of 1986, if a claim for credit or refund of overpayment of the tax imposed under chapter 1 of such Code relates to an overpayment of tax attributable to the taxpayer's failure to take proper credit for amounts of tax withheld by the payor of any income included in such taxpayer's gross income for the taxable year ending December 31, 1985, such credit or refund may be allowed if claim therefor is filed on or before April 15, 1990.

By Mr. PACKWOOD (for himself, Mr. CRANSTON, Mr. BAUCUS, Mr. BURNS, Mr. MCCLURE, and Mr. STEVENS):

S. 754. A bill to restrict the export of unprocessed timber from certain Federal lands, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 755. a bill to authorize the States to prohibit or restrict the export of unprocessed logs harvested from lands owned or administered by States; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT OF UNPROCESSED TIMBER

● Mr. PACKWOOD. Mr. President, today I am introducing two bills on log exports. I am pleased to have Senators CRANSTON, BAUCUS, BURNS, MCCLURE, and STEVENS joining me as original cosponsors. One bill will delegate congressional authority to States so they can regulate the export of logs from State-owned lands and the second bill will establish in permanent law the prohibition of export of logs from Federal lands. A coalition of diverse groups including the Wilderness Society, Sierra Club, the National Audubon Society, the National Wildlife Federation, the AFL-CIO, Boise Cascade Corp., Southern Pacific Transportation Co., and the Western Forest Industries Association support legislation limiting log exports. This demonstrates the range of national support for action to restrict log exports.

My concern about the effect exporting logs has on the economy of Oregon is longstanding. In fact, in 1973, I held hearings in Portland on log export restrictions. I sponsored legislation that year banning log exports. In February, I held hearings on whether or not we should restrict log exports. The hearings were held in Portland, Eugene, and Medford, OR. Many of the more than 30 witnesses who testified were the same individuals who testified at my 1973 hearing. Representatives of Federal, State, and local governments as well as timber companies and environmental organizations stated loud and clear that they are concerned about the exportation of unprocessed logs.

The economy of Oregon depends on a vibrant and productive forest products industry. Mills are closing because they do not have enough logs to process, while at the same time, there is record demand for timber products. The export of unprocessed logs contributes to the problems of imbalance in the log supply equation. In 1988 alone, the Columbia River/Snake River Customs District exported an estimated 1.4 billion board feet of private and State logs to overseas markets. An estimated 98 million board feet of logs harvested from state-owned lands were exported. This is only about 3 percent of Oregon's total timber harvest but in this era of short supply these logs could be providing new jobs for millworkers. I believe, therefore, it is time for Congress to state explicitly that States should have the authority to regulate log exports from State-owned lands.

The first bill I am introducing today, similar to a House bill introduced by Congressman DEFAZIO of Oregon, would provide the congressional authority needed for Oregon and all States to prohibit or restrict the export of logs from State owned lands. This legislation is necessary because of a 1984 Supreme Court decision. South Central Timber Development against Wunnicke. At issue was an Alaska State law requiring State logs to be processed in the State of Alaska prior to being exported. The Alaska law was challenged as an infringement on Federal authority to regulate international trade under the Commerce clause. The Supreme Court remanded the case back to the Courts of Appeals and then to the district court for reconsideration. The Supreme Court stated in its opinion "congressional intent must be unmistakably clear" with respect to State delegation under the Commerce clause. Mr. President, this bill would explicitly grant States the authority to regulate log exports from State-owned lands. We are not requiring States to restrict log exports but only giving them the option to do so if they so wish.

Mr. President, my second bill would make permanent law the current temporary prohibition on the export of logs from western Federal lands in the contiguous 48 States. Since 1973, the ban on Federal logs has been included in the Interior appropriations bill. I think it is time that this ban which we have successfully fought every year become permanent law. In light of the administration's proposal to lift the ban it has on Federal log exports, this legislation could not be more timely. Without doubt, the administration's proposal would be devastating to the Pacific Northwest economy. The administration admits that more than 6,000 jobs could be lost which absolutely intolerable. I believe, therefore, that Congress should send a clear signal that this proposal is unacceptable. Making the yearly ban on exporting Federal logs permanent law accomplishes this goal.

My Federal log export bill also eliminates the loopholes in the practice of log substitution. Federal regulations prohibit companies that export private timber from using Federal logs in their mill as a replacement for the private logs exported. The regulations do

allow 51 companies that purchased Federal timber and exported private timber between 1971 and 1973 to continue this practice at their historic levels. These quotas are no longer necessary because there has been ample time for these historical exporters to adapt to the market. My legislation would phase out this practice over the life of existing Federal timber sales contracts. Therefore, I do not see why these companies should be provided an unfair advantage over other timber companies. I understand that some of these companies have gone out of business and this benefit has been transferred in some cases to new companies. This anticompetitive practice is injurious to the Nation's forest products industry and should be eliminated.

Another practice that would be phased out by my bill is third party substitution. Federal regulations allow log export companies that are restricted from purchasing Federal timber to buy Federal timber from other companies, referred to as third parties, to replace timber from private lands that is exported.

This bill requires the Secretary of Agriculture and the Secretary of Interior to develop coordinated and consistent regulations for the phase out of both direct and indirect substitution. Currently, the Forest Service and the Bureau of Land Management have different regulatory systems that are complex and conflicting. During the preparation of new regulations, such issues as the value of tributary areas, the geographical areas from which logs flow to mills, should be analyzed. The intent of my legislation is not to prohibit the use of public timber in all cases by a company that exports private timber. Reasonable tributary boundaries should be established in limited cases where a log flow between different timbershed areas is not economical or logical.

The Forest Service estimates that roughly 147 million board feet of logs are being replaced by substitution. These are enough logs to keep four medium-sized mills operating in my State of Oregon. In an era of short timber supply for Northwest mills, it is not sound policy for us to be shipping those unprocessed logs overseas. I do not believe it is sound public policy nor does it make economic sense to be exporting a commodity in short supply. Other timber producing countries have strict regulations on the export of logs. For example, the Province of British Columbia requires logs to be processed before they leave British Columbia. Other provinces in Canada have similar laws. Indonesia, which used to be the largest exporter of logs to Japan, has imposed very strict regulations and is now one of the largest exporters of plywood to Japan. This illustrates that countries that restrict exports of logs do not eliminate job opportunities but instead create jobs for value added wood products.

Mr. President, I believe these two log export bills will enable both the States and Federal government to develop cohesive and consistent policies governing the export of logs from Federal and State lands. A shortage of timber in the Pacific Northwest is a reality and I believe will be even further aggravated in the years to come. Restricting log exports is an important step in addressing Oregon's timber supply problems.

Mr. President I ask unanimous consent that the text of these two bills and a section-by-section analysis be printed in the RECORD.●

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act shall be cited as the "Federal Timber Export Restriction Act of 1989".

SEC. 2. Notwithstanding the Act of April 12, 1926 (44 Stat. 242) and except as permitted by section 4 of this Act, no person who acquires, either directly or indirectly, unprocessed timber originating from Federal lands shall—

(1) export such timber from the United States;

(2) sell, trade, exchange, or otherwise convey such timber to any other person for the purpose of exporting such timber from the United States; or

(3) use, or assist or conspire with any other person to use, such timber in substitution for unprocessed timber originating from private lands exported or to be exported from the United States.

SEC. 3. (a) Each person who acquires, either directly or indirectly, unprocessed timber originating from Federal lands shall report the disposition of such timber to the Secretary of Agriculture or the Secretary of the Interior at such time and in such manner as the Secretaries may require under the regulations they prescribe pursuant to section 7 of this Act.

(b) Each person who sells, trades, exchanges or otherwise conveys unprocessed timber originating from Federal lands to another person shall specifically identify the origin of such timber, and the person to whom such timber is conveyed shall acknowledge receipt of such origin identification and shall agree in writing to comply with the prohibitions in paragraphs (1) and (2) of section 2 of this Act.

(c) Using the information the Secretaries collect pursuant to this section each Secretary shall annually report to the Congress on the disposition of unprocessed timber originating from federal lands. The Secretary of Agriculture may meet this requirement by including such information pertaining to the National Forest System as part of the annual report required by section 8(c) of the Forest and Rangeland, Renewable Resources Planning Act of 1974, as amended (88 Stat. 478 16 U.S.C. 1606).

SEC. 4. This Act shall not apply to specific quantities of grades and species of unprocessed timber from Federal lands which the Secretary of Agriculture and the Secretary of the Interior determine to be surplus to domestic manufacturing needs.

SEC. 5. (a) For the purposes of this Act—

(1) "person" means an individual, partnership, corporation, association, or other legal entity and shall include subcontractors and any subsidiary, parent company, or other affiliate;

(2) "Federal lands" means lands administered by the Secretary of Agriculture or the Secretary of Interior and located west of the 100th meridian in the contiguous 48 states;

(3) "private lands" means lands held or owned by a person and does not include lands held or owned by the United States, a State or political subdivision thereof, or any other public agency, or lands held in trust by the United States for Indians; and

(4) "acquire" means to come into possession of, either directly or indirectly, through a sale, trade, exchange, or other transaction.

(b) For the purposes of section 5(a)(1) of this Act, persons are affiliates of each other if, directly or indirectly, (1) either one controls or has the power to control the other, or (2) a third person controls or has the power to control both. In determining whether persons are affiliates, all appropriate factors shall be considered including, but not limited to, common ownership, common management, and contractual relationships.

SEC. 6. Any person who violates this Act, or counsels, procures, solicits, or employs any other person to violate this Act, may be assessed a civil penalty by the appropriate Secretary of not more than $10,000 for each violation.

SEC. 7. Any person who knowingly violates this Act, or counsels, procures, solicits, or employs any other person to violate this Act, shall upon conviction, be fined not more than triple the gross value of the unprocessed timber originating from Federal lands which was exported.

SEC. 8. Within one year after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of the Interior shall, in consultation, each prescribe new coordinated and consistent regulations to implement this Act on lands which they administer. Such new regulations shall not apply to valid contracts in existence on the date such new regulations become effective.

SEC. 9. Section 2 of the Act of April 12, 1926, as amended (82 Stat. 966, 84 Stat. 1817) is hereby repealed.

SECTION-BY-SECTION ANALYSIS OF FEDERAL LOG EXPORT BILL

Section 1. Provides that this bill will be referred to as the "Federal Timber Export Restriction Act of 1989".

Section 2. Places prohibition on those who purchase federal timber either directly or indirectly.

Section 3. Requires a system to be developed to track the disposition of unprocessed timber originating from federal lands.

Section 4. Permits the Secretary of Agriculture and the Secretary of Interior to determine quantities of grades and species of logs which are surplus to domestic manufacturing needs.

Section 5. Defines various terms that limit the scope of the bill to lands administered by the Secretary of Agriculture or the Secretary of Interior and located west of the 100th meridian in the contiguous 48 states.

Section 6. Establishes civil penalties for violation of this Act.

Section 7. Establishes fines for persons who knowingly violate this Act.

Section 8. Requires the Secretaries of Agriculture and Interior to develop within 1 year of enactment, new coordinated and consistent regulations to implement this Act. The new regulations would not apply to valid contracts in existence on the date new regulations become effective. This would allow for an orderly phase out of direct and indirect substitution.

Section 9. Repeals section 2 of the Act of April 12, 1926 which restricted the exportation of unprocessed timber from Federal lands during 1969-1973. Since this provision has expired, it would be repealed.

S. 755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY OF STATES TO PROHIBIT OR RESTRICT EXPORTS OF UNPROCESSED LOGS.

(a) AUTORITY TO PROHIBIT OR RESTRICT EXPORTS OF UNPROCESSED LOGS.—Each State may by statute prohibit or restrict the exportation from the United States of any unprocessed logs harvested from land owned or administered by that State.

(b) DEFINITIONS.—For the purpose of subsection (a)

(1) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, and any other territory or possession of the United States; and

(2) the term "unprocessed log" shall have the meaning given to such term by the State involved.

SEC. 2. EFFECTIVE DATE.

This Act shall take effect on January 1, 1990.

SECTION-BY-SECTION ANALYSIS OF STATE LOG EXPORT BILL

Section 1. Provides states the authority to prohibit or restrict the export of logs from state owned lands.

Section 2. States that this Act shall take effect on January 1, 1990.●

● Mr. BAUCUS. Mr. President, I am extremely pleased to cosponsor Senator PACKWOOD's bill making the ban on exporting unprocessed timber from Federal lands permanent. Maintaining jobs in Montana and all of rural America is extremely important. In the West, many of these jobs are related to processing timber from Federal lands. Why export jobs?

I am concerned about continuing a trade restriction, but in this case I feel we are justified. Japan, Korea, and Taiwan have trade barriers against imports of processed wood products to protect their wood products industry which import logs from the United States. We need this legislation as leverage to assist us in negotiating a trade agreement to open these markets to U.S. lumber and plywood.

Since 1973, exporting logs harvested from Federal lands in the Western States has been prohibited. The ban has been passed as an annual amendment to the Interior appropriations bill.

This bill will close a loophole in the annual export ban called "third party substitution." This loophole has allowed some timber companies to export private logs they were supposed to process at home. These exporters then could purchase Federal timber from nonexporters to replace the private logs they shipped. The end result was a loss of jobs. It also created a larger demand for scarce Federal timber.

I would like to thank Senator PACKWOOD for the opportunity to cosponsor this important bill to keep jobs for Americans. As chairman of the Senate Finance Committee's International Trade Subcommittee, I look forward to working with him to open foreign markets for our processed timber products, so that we can export lumber rather than jobs.

Mr. President, I am also delighted to cosponsor Senator PACKWOOD's bill to authorize States to enact statues to prohibit exports of unprocessed logs harvested from land owned by States.

In States where jobs related to processing logs from State land are important, this bill is key. It will give the people of the State the ability to prohibit the export of unprocessed logs and keep jobs at home. This decision should be made within the States. This bill will allow that.

In Montana, jobs are important and we are trying to create jobs not export them. I am glad that Montanans will be able to make this decision under this bill.

I would like to thank the distinguished Senator from Oregon for the opportunity to cosponsor this bill.●

● Mr. BURNS. Mr. President, in the mountain west, jobs are always on our minds. One looks for big ways and little ways to effect the creation of jobs in the small population Western States—or at least hold onto those jobs we have.

Two bills being introduced today by Senator PACKWOOD, on which I'm pleased to be a cosponsor, contributes to the saving of jobs and the production of some new jobs in timber States like Montana and Oregon.

The Federal Timber Export Restriction Act of 1989 prohibits the export of raw timber cut from Federal lands. The processing of these logs, the turning of these logs into wood products, ought to be American jobs. In essence, this bill prohibits the export of wood products jobs—at least those jobs utilizing logs cut on Federal lands. We have several firms in Montana successfully exporting manufacturing wood products, a practice that saves jobs, yet reduces the trade deficit.

The companion bill will allow the various States, if they wish, to prohibit the export of unprocessed logs cut from State-owned forests. This is a States rights provision and the States are best able to determine the jobs consequences to the wood products industry that uses logs cut from State-owned lands.

Nothing in these proposals effects logs cut from private lands.

Mr. President, if export of unprocessed logs cut on Federal lands is permitted, I believe it will mean further export of jobs to other nations. In Montana, we can't stand the export of a lot more jobs.●

By Mr. THURMOND (for himself and Mr. BRADLEY):

S. 756. A bill to make the temporary suspension of duty on menthol feedstocks permanent; to the Committee on Finance.

PERMANENT DUTY FREE TREATMENT OF MENTHOL FEEDSTOCKS

Mr. THURMOND. Mr. President, I rise today to introduce a bill which would permanently suspend the duty on certain menthol feedstocks. Senator BRADLEY has joined as a cosponsor of this bill. These feedstocks are utilized by domestic manufacturers to produce synthetic menthol. At this time, there are no domestic producers of these feedstocks. Therefore, a duty affords no protection to any chemical manufacturer in the United States. To the contrary, it imposes unnecessary economic burden on the U.S. menthol industry by increasing production costs.

To relieve this unnecessary burden, I introduced a bill in 1983 to temporarily suspend the duty on menthol feedstocks. That legislation was ultimately incorporated into the Miscellaneous Tariff Act of 1984 which became law in October 1984. It provided for the suspension of this duty until December 31, 1987.

In 1986, I introduced legislation to extend the duty suspension; however, no action was taken. In 1987, I introduced a bill to further extend the duty suspension of menthol feedstocks. This measure was included in the Omnibus Trade and Competitiveness Act of 1988 and provided for the suspension of the duty until December 31, 1990.

This bill, that I am introducing today, is different from the previous bills in that it will permanently suspend the duty on menthol feedstocks. This relief is warranted in light of the fact that the American menthol market has not significantly changed since 1984 when the duty was first suspended. As I stated before, there are still no American producers of menthol feedstocks. Consequently, the only domestic producer of synthetic menthol must continue to import crucial raw materials and compete with foreign, cheaply produced menthol products in both domestic and international markets. Although, the price of menthol has increased over the past several years, subsidized foreign men-

thol imports continue to make meaningful competition difficult.

Mr. President, this bill will assist one American company in competing against foreign manufacturers without adversely affecting domestic industry. Further, it will help preserve the American menthol industry and American jobs. I hope that this legislation will be considered swiftly. I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT DUTY-FREE TREATMENT.

Subchapter II of chapter 29 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading with an article description having the same degree of indentation as the article description for subheading 2906.14.00:

"2906.17.00	Mixtures containing not less than 90 percent by weight of stereoisomers of 2-isopropyl-5-methyl-cyclohexanol, but containing not more than 20 percent by weight of any one such stereoisomer.	Free	45%".

SEC. 2. CONFORMING AMENDMENT.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking out heading 9902.29.05.

By Mr. BENTSEN:

S. 757. A bill to redesignate the Federal hydropower generating facilities located at Dam B on the Neches River at Town Bluff, TX, as the "Robert Douglas Willis Hydropower Project;" to the Committee on Energy and Natural Resources.

ROBERT DOUGLAS WILLIS HYDROPOWER PROJECT

● Mr. BENTSEN. Mr. President, I introduce today a resolution to redesignate the hydropower generating facilities at Dam B on the Neches River at Town Bluff, TX, as the "Robert Douglas Willis Hydropower Project." It is altogether fitting that this hydropower facility carry Robert Douglas Willis' name. He was executive director of the Sam Rayburn Municipal Power Agency, local sponsors of the hydropower project. Many persons involved in Federal power supply in Texas give him credit for having pursued relentlessly the goal of reliable power supply through Federal hydropower development, which finally led to a non-Federal funding concept. Those at the Sam Rayburn Municipal Power Agency, the Sam Rayburn Dam Electric Cooperative, the Sam Rayburn G&T, and the Sam Houston Electric Cooperative, and others in the Federal power industry know this as the "Town Bluff Funding Concept." This is now principally relied upon by the Corps of Engineers for water resource funding throughout the United States. This is part of his generous legacy to us.

Robert Douglas Willis passed away in May of last year. Before he died, he shared with us much of his talent and wisdom. He was a country lawyer. The people of Polk County, TX, appreciated his work as a lawyer in their community. Yet, he was more than that. He was a public service-minded man. He was a churchman. Often we do not mark the lives of those ordinary giants among us who leave this world a far better place than they found it. By renaming this hydropower facility after that ordinary giant, Robert Douglass Willis, we are honoring not only his family and his memory, but we are also paying tribute to our own capacity to appreciate others, to celebrate genius, and to reward public service.

Mr. President, I urge the Senate to pass this resolution without delay. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. REDESIGNATION OF HYDROPOWER FACILITIES.

The Federal hydropower generating facility located at Dam B on the Neches River at Town Bluff, Texas, is redesignated as the "Robert Douglas Willis Hydropower Project".

SEC. 2. REFERENCES.

Any reference in a law, rule, map, document, record, or other paper of the United States to the Federal hydropower generating facilities located at Dam B on the Neches River at Town Bluff, Texas, shall be deemed to be a reference to the "Robert Douglas Willis Hydropower Project".●

By Mr. LAUTENBERG:

S. 758. A bill to require the Secretary of the Treasury to monitor the adherence by certain U.S. corporations to principles of nondiscrimination and freedom of opportunity in employment practices in Northern Ireland; to the Committee on Governmental Affairs.

NONDISCRIMINATION IN EMPLOYMENT AND EQUALITY OF OPPORTUNITY IN NORTHERN IRELAND

● Mr. LAUTENBERG. Mr. President, I rise to introduce legislation to put the Nation on record in favor of nondiscrimination in employment and equality of opportunity in the workplaces of Northern Ireland. While this legislation parallels legislation enacted in New Jersey, similar laws have been passed in Connecticut, Massachusetts, Rhode Island, New York, Illinois, Michigan, Minnesota, Maine, and Florida.

This bill requires the Treasury Secretary to determine whether any Federal pension or annuity dollars are invested in United States companies doing business in Northern Ireland, and whether those companies adhere to the MacBride Principles, as clarified, a code of fair employment practices. The principles call on companies to, among other things, increase the numbers of Catholics in their work force, ban provocative religious and political emblems from the workplace, and use their best efforts to guarantee security for employees at work.

If the Secretary of the Treasury finds that a company in which Federal pension or annuity funds are invested is not in compliance with the MacBride Principles, the bill then requires a response by the Executive Director of the Federal Retirement Thrift Investment Board, who controls Federal pension and annuity funds invested in private companies. Where necessary, appropriate, and consistent with prudent standards for fiduciary practice, the Executive Director must initiate and support shareholder petitions for the MacBride Principles.

This bill has a simple purpose. It will put America on record in favor of equality of job opportunity in Northern Ireland, where currently, the unemployment rate for Catholic males is twice that of Protestant males. That rate is no accident. Discrimination on the basis of religion remains ingrained in the workplaces of Belfast and other towns. Such discrimination remains despite more than a decade's worth of Government efforts to eliminate it.

I ask unanimous consent that a copy of the bill appear in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury shall conduct an investigation to determine the extent to which the assets of any Federal pension or annuity fund are invested in any United States corporation or its subsidiary which engages in business in Northern Ireland.

(b) The Secretary of the Treasury shall monitor the extent to which corporations and subsidiaries identified under subsection (a) adhere to the principles of nondiscrimination in employment practices and freedom of opportunity in the workplace established and amplified by Sean MacBride and described in section 4.

SEC. 2. Not later than the first business day in January each year, the Secretary of the Treasury shall prepare and transmit to the Congress a report setting forth the findings of the investigations and monitoring carried out under section 1.

SEC. 3. The Executive Director of the Federal Retirement Thrift Investment Board shall, when necessary, appropriate, and consistent with prudent standards for fiduciary practice, initiate and support shareholder petitions or initiatives requiring adherence by the corporations and subsidiaries identi-

fied under section 1(b) which are not in full compliance with the principles referred to in that section.

SEC. 4. The principles which are referred to in section 1 and which are designed to guarantee equal access to regional employment in Northern Ireland are the following:

(1) Increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical jobs.

A work force that is severely unbalanced may indicate prima facie that full equality of opportunity is not being afforded all segments of the community in Northern Ireland. Each signatory to the MacBride principles must make every reasonable lawful effort to increase the representation of underrepresented religious groups at all levels of its operations in Northern Ireland.

(2) Adequate security for the protection of minority employees, both at the workplace and while traveling to and from work.

While total security can be guaranteed nowhere today in Northern Ireland, each signatory to the MacBride principles must make reasonable good faith efforts to protect workers against intimidation and physical abuse at the workplace. Signatories must also make reasonable good faith efforts to ensure that applicants are not deterred from seeking employment because of fear for personal safety at the workplace or while traveling to and from work.

(3) The banning of provocative religious or political emblems from the workplace.

Each signatory to the MacBride principles must make reasonable good faith efforts to prevent the display of provocative sectarian emblems at their plants in Northern Ireland.

(4) All job openings should be publicly advertised and special recruitment efforts should be made to attract applicants from underrepresented religious groups.

Signatories to the MacBride principles must exert special efforts to attract employment applications from the sectarian community that are substantially underrepresented in the work force. This should not be construed to imply a diminution of opportunity for other applications.

(5) Layoff, recall, and termination procedures should not in practice favor particular religious groupings.

Each signatory to the MacBride principles must make reasonable good faith efforts to ensure that layoff, recall and termination procedures do not penalize a particular religious group disproportionately. Layoff and termination practices that involve seniority solely can result in discrimination against a particular religious group if the bulk of employees with greatest seniority are disproportionately from another religious group.

(6) The abolition of job reservations, apprenticeship restrictions, and differential employment criteria, which discriminate on the basis of religion or ethnic origin.

Signatories to the MacBride principles must make reasonable good faith efforts to abolish all differential employment criteria whose effect is discrimination on the basis of religion. For example, job reservations and apprenticeship regulations that favor relatives of current or former employees can, in practice, promote religious discrimination if the company's work force has historically been disproportionately drawn from another religious group.

(7) The development of training programs that will prepare substantial numbers of current minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills or minority employees.

This does not imply that such programs should not be open to all members of the work force equally.

(8) The establishment of procedures to assess, identify, and actively recruit minority employees with potential for further advancement.

This section does not imply that such procedures should not apply to all employees equally.

(9) The appointment of a senior management staff member to oversee the company's affirmative action efforts and the setting up of timetables to carry out affirmative action principles.

In addition to the above, each signatory to the MacBride principles is required to report annually to an independent monitoring agency on its progress in the implementation of these principles.●

By Mr. BAUCUS (for himself, Mr. CONRAD, Mr. PRESSLER, Mr. DURENBERGER, and Mr. HARKIN):

S. 759. A bill to amend the Rural Electrification Act of 1936 to establish that it is a major mission of the Rural Electrification Administration to ensure that all rural residents, businesses, industries, and public facilities obtain affordable access, on an equal basis with urban areas, to telecommunications services, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL ACCESS TO TELECOMMUNICATIONS SERVICES ACT

Mr. BAUCUS. Mr. President, over the past 8 years, our economy has developed a split personality.

We have enjoyed an unprecedented boom on both coasts. But the economy has been like a piece of swiss cheese, with holes in that prosperity.

Today, much of the heartland of America—and particularly the agricultural, timber, and mining States—is deeply distressed.

Since 1980, rural unemployment has soared and rural incomes have fallen. As a result, people are moving out. Rural America is losing its most valuable resource—its people.

In Montana, our basic industries—agriculture, timber, and mining—have lost 12,000 jobs.

Paychecks have fallen by 25 percent.

And 29,000 more people moved out of Montana than moved in.

Why is this happening?

Part of the answer is cyclical. Part of it is structural. But another part of it is that rural America has been victimized by Federal policies.

Laissez-faire policy has turned rural America into the forgotten America. Its concerns were completely ignored by the previous administration.

While urban areas were bustling with prosperity, rural areas were starved of every essential tool to foster growth.

Deregulation of the banking industry is channeling capital from rural to urban centers, so that small town entrepreneurs can't get a loan to start their new businesses.

Deregulation of the airlines has forced rural communities to endure unstable and expensive service. Getting from here to there is a major undertaking.

Deregulation of the telephone industry has prevented rural areas from benefiting by the latest telecommunications services.

We, in Congress, must act in a bipartisan fashion to turn this situation around. We have a responsibility to help rural America diversify and get back into the economic mainstream.

As a first step, I am introducing legislation that will bring state-of-the-art telecommunications services to rural areas.

Today, urban areas are undergoing a dramatic transition into the information age. Experts predict that by the year 2000, 66 percent of the American work force will be employed in information services. From 1970 to 1980, some 90 percent of the new jobs created involved information and services activities.

To date, rural America has been left out of the benefits of this new age. It simply does not have the technology required for full participation. For example, many rural areas do not have essential private lines, touchtone phones, nor digital switching.

I believe telecommunications is the highway of the future for rural America. And just as the Federal Government made sure that the highway system and electricity were part of the economic infrastructure of rural America many years ago, so it now must ensure that telecommunications capabilities are part of that infrastructure in the future.

That is why I am introducing this legislation. It will provide an essential tool to foster diversification and prosperity.

Specifically, my legislation, the Rural Access to Telecommunications Act of 1989, will establish a rural telecommunications incentive fund at the Rural Electrification Administration. The fund will be used to provide low-interest loans to co-ops, and other telephone companies which provide service in rural areas, for the purpose of bringing state-of-the-art telecommunications services to rural residents, businesses, hospitals, and schools, by the year 1994.

State-of-the-art telecommunications services include: First, voice telephone service; second, private—not multiparty—telephone service; third, reliable facsimile document and data transmission; fourth, competitive long distance carriers; fifth, cellular (mobile) telephone service; sixth,

touchtone services; seventh, custom calling services, such as three-way calling, call forwarding, and call waiting; eighth, voicemail services designated to record, store, and retrieve voice messages; ninth, 911 emergency service with automatic number identification; tenth, the ability of schools, hospitals, and other public facilities to send and retrieve audio and visual signals; and eleventh, such other telecommunications and information services as become generally available in urban areas.

The Federal Government would appropriate $30 million for the fund during each of the next 5 years for this purpose.

In addition, the legislation will fund 10 pilot projects across the country for the purpose of testing the feasibility of using advanced telecommunications technologies to transmit or receive business, or other data, to and from rural communities.

Mr. President, I urge my colleagues to support this legislation. Congress must act affirmatively, as we have done in the past, to bring rural America out of its current depression.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Access to Telecommunications Services Act of 1989".

SEC. 2. FINDINGS.

Congress finds that—

(1) in almost every major respect rural areas have fallen behind urban areas during the 1980's;

(2) more than 500,000 people are now leaving rural counties each year;

(3) the rural unemployment rate (which has historically been below the urban rate) is now higher;

(4) the gap between urban and rural incomes has widened and rural poverty rates are now substantially above metropolitan area rates;

(5) there is a serious danger that rural communities will be increasingly isolated from the economic mainstream of the United States as the result of—

(A) deregulation of transportation services, which has resulted in many rural communities being cut off from affordable air, bus, and other transportation services; and

(B) the fact that rural employment is disproportionately concentrated in industries such as agriculture, resource extraction, and low skill manufacturing that have suffered during the 1980's and are not likely to result in major increases in employment and wealth in the foreseeable future;

(6) telecommunications are the highways of the future that can eliminate much of the disadvantage associated with the remoteness that is a part of rural life;

(7) recent studies have shown that investment in both business and residential telecommunications contributes to economic growth, with the greatest benefits occurring in the most remote areas;

(8) unfortunately, many rural communities do not have access to modern telecommunications technologies, such as digital switching and fiberoptics;

(9) it is critically important that this problem be remedied or rural America will not be able to fully participate in the increasing proportion of business activity related to, or dependent on, modern high capacity telecommunication services and facilities; and

(10) a rural telecommunications deficiency is particularly troubling because, far from being a disadvantage, telecommunications (a factor that can eliminate much of the disadvantage of distance) must be a major asset in promoting rural growth.

SEC. 3. RURAL ACCESS TO TELECOMMUNICATIONS SERVICES.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et. seq.) is amended by adding at the end thereof the following new title:

"TITLE V—RURAL ACCESS TO TELECOMMUNICATIONS SERVICES

"SEC. 501. GOALS.

"It is the goal of the United States acting through the Rural Electrification Administration to make universal and affordable state-of-the-art telecommunications access available to rural residents, businesses, industries, and other facilities (including hospitals and schools) by 1994, through services such as—

"(1) voice telephone service;

"(2) private (not multiparty) telephone service;

"(3) reliable facsimile document and data transmission;

"(4) competitive long distance carriers and value-added data networks;

"(5) cellular (mobile) telephone service;

"(6) multifrequency tone signaling services, such as touchtone services;

"(7) custom-calling services (including three-way calling, call forwarding, and call waiting);

"(8) voicemail services designed to record, store, and retrieve voice messages;

"(9) 911 emergency service with automatic number identification;

"(10) the ability of schools, hospitals, and other public facilities to send and receive audio and visual signals in cases where such ability will enhance the quality of services provided to rural residents; and

"(11) such other telecommunications and information services as become generally available in urban areas.

"SEC. 502. RURAL TELECOMMUNICATIONS INCENTIVE FUND; LOANS.

"(a) IN GENERAL.—There is established in the Treasury of the United States a trust fund, to be known as the 'Rural Telecommunications Incentive Fund' to serve as a source of capital for providing improved telecommunications to rural businesses, industries, and public facilities, including schools and hospitals.

"(b) LOANS.—

"(1) IN GENERAL.—The Administrator shall use the Incentive Fund to provide loans to—

"(A) entities providing (on the date of enactment of this section) telephone service to a rural area; and

"(B) rural telephone systems eligible for financing under this Act to provide modern telecommunications services referred to in section 501 to rural businesses, industries, and public facilities, including schools and hospitals.

"(2) REPAYMENT TERMS.—A loan made under this subsection shall be for such repayment terms as are consistent with other loans made under this Act to telephone systems.

"(3) INTEREST RATE.—

"(A) IN GENERAL.—Except as provided in paragraph (B), a loan made under this subsection shall bear interest at a rate determined by the Administrator on a case-by-case basis, except that such rate shall be less than 5 percent, but not less than 2 percent, per annum.

"(B) ADJUSTMENT.—Beginning not earlier than 5 years after the date the Administrator makes a loan to a borrower under this subsection, the Administrator may increase the rate established under subparagraph (A) for the loan, if the return to the borrower from facilities constructed through the use of funds provided by this section to provide telecommunications services described in section 501 is sufficient to enable the borrower to cover such higher rate, except that such rate shall not exceed 5 percent per annum.

"(4) PRIORITY OF PROJECTS.—In providing loans under this subsection, the Administrator shall give priority to—

"(A) projects that provide telecommunications services described in section 501, to enhance the potential for rural economic development or community improvement or viability; and

"(2) projects for which the investment required cannot produce an adequate return to the borrower without such assistance.

"(c) RETAINING PAYMENTS.—All repayments on loans made under subsection (b) shall be retained by the Incentive Fund and available for use by the Incentive Fund. All amounts held by the Incentive Fund shall accrue interest to the Incentive Fund.

"(d) FULL USE.—The Administrator shall make full use during each fiscal year of all amounts placed in the Incentive Fund, including all funds appropriated to the Fund and all funds from repayments on loans made under subsection (b) and any accrued interest.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000 for each of the fiscal years 1990 through 1994.

"SEC. 503. PILOT PROJECTS.

"(a) IN GENERAL.—The Administrator shall provide grants to persons to conduct pilot projects to test the feasibility of using advanced telecommunications technologies to transmit and receive communications for business or other entities in rural areas of the United States.

"(b) REQUIREMENTS.—In carrying out subsection (a), the Administrator shall require that—

"(1) pilot programs are operated in 10 regions in the United States;

"(2) a variety of rural businesses (such as manufacturing, services, and small business incubators) be included in the pilot program; and

"(3) persons that receive funding shall report to the Administrator within 18 months of receiving funding on the feasibility of each pilot program.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 1990 through 1994.

"SEC. 504. EQUALIZING ACCESS TO ADVANCED TECHNOLOGICAL SYSTEMS.

"(a) REPORT.—The Administrator shall submit an annual report to Congress on the gap in access to advanced telecommunications systems, if any, that exists on a State-

by-State basis between subscribers served by borrowers from the Incentive Fund established in section 502(a) compared to the total telephone industry.

"(b) SPECIAL UNIT.—

"(1) IN GENERAL.—The Administrator shall establish a special unit to be comprised of no less than 10 percent of the man-years devoted to the telephone program established by this Act to assist rural telephone systems in eliminating the technology gap referred to in subsection (a), particularly as such gap relates to rural businesses, by encouraging the use of technologies such as digital switching, satellite, and fiberoptics to provide telecommunications services described in section 501.

"(2) REPORT.—The Administrator shall submit an annual report to Congress on the activities of the special unit referred to in paragraph (1), including an analysis by the director of such unit as to any impediments (financial, technological, or other) that prevent improved rural telecommunications, and an identification and analysis of the options for addressing such impediments.".

SEC. 4. REPORTING ON DIFFERENCES BETWEEN RURAL AND URBAN TELECOMMUNICATIONS SERVICES.

(a) DEFINITIONS.—As used in this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Rural Electrification Administration.

(2) COMMISSION.—The term "Commission" means the Federal Communications Commission.

(b) IN GENERAL.—Each telecommunications exchange carrier shall submit an annual report to the Administrator or the Commission, as determined jointly by the Administrator and the Commission, on—

(1) the type of telecommunications services (including services described in section 501 of the Rural Electrification Act of 1936 (as added by section 3 of this Act)) available to subscribers; and

(2) the price of such services to subscribers.

(c) COMPILING INFORMATION.—The Administrator or the Commission shall require each such carrier to report (for communities of various population sizes using standard census categories)—

(1) the number of telecommunications subscribers (analyzed on the basis of factors such as whether such subscribers are a residence, business, or other facility) that are served through fiberoptics and other technologies; and

(2) the number of such subscribers receiving each of services described in section 501 of the Rural Electrification Act of 1936.

(d) COOPERATION ON REPORT.—The Administrator and the Commission shall cooperate in carrying out subsections (b) and (c) by—

(1) jointly developing a common survey form;

(2) sharing information received from such survey; and

(3) reporting annually and in detail on the results of such survey, in order to demonstrate the degree of progress in providing advanced telecommunications services to rural areas.

SEC. 5. INTEREST RATE ON INSURED LOANS.

Section 305(b) of the Rural Electrification Act of 1936 (7 U.S.C. 935(b)) is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(3) could not receive a return from an investment to provide telecommunications services described in section 501 that is sufficient to cover expenses and pay the debt service costs of a loan that bears an interest rate of 5 percent per annum.".

● Mr. CONRAD. Mr. President, I am pleased to rise today as an original cosponsor of Senator BAUCUS' Rural Access to Telecommunications Services Act of 1989. Senator BAUCUS has distinguished himself as a leader on a number of issues that are critical to rural areas: Fighting for protection of the Essential Air Service Program; working to ensure that rural hospitals keep their doors open and attract physicians and other health professionals; and, promoting the interests and development of small businesses, who work so hard to stay alive. I am happy to join him in this important effort to bring state-of-the-art telecommunications technology to rural areas.

This legislation would establish a Rural Telecommunications Incentive Fund within the Rural Electrification Administration. The Fund would provide low-interest loans to co-ops and other telephone service providers in rural areas. The legislation would also fund 10 pilot projects across the country to test the use of advanced telecommunications technologies to transmit and receive communications for businesses or other entities in rural areas.

Mr. President, I know the importance of advanced telecommunications in rural areas. The service sector—with services for industries like insurance, finance, travel, and telecommunications—offers unique opportunities for rural areas. These businesses are starting to look to rural America as a place to locate branches, especially since computer technology makes it easy to link distant operations. Without advanced telecommunications systems, however, these businesses would not have the satisfactory technology to accommodate their needs.

North Dakota has begun to reap the benefits of service sector jobs location. A Philadelphia travel agency, Rosenbluth Travel, decided to help a rural area suffering from the effects of last summer's devastating drought. The resources they were looking for?—long-distance telephone lines and data processing hook-ups. After surveying a number of possible sites, Rosenbluth decided to open a temporary office in Linton, ND, an area very affected by the drought. Hal Rosenbluth had over 90 applicants for his 20 positions, and decided to hire 40 part-time workers. Rosenbluth Travel has recently announced that the office will be a permanent one, an announcement that was most welcomed by Linton residents.

North Central Data Cooperative is another example of the effect technology can have on rural areas. Located in Mandan, ND, NCDC does data management for hundreds of clients. NCDC was formed in 1966 by a group of rural electric and telephone co-ops—they now serve more than 101 systems.

The key to attracting and fostering businesses like Rosenbluth Travel and NCDC is a state-of-the-art telecommunications system. North Dakota telephone cooperatives are working to maintain state-of-the-art systems, but they, and other telephone service providers in rural areas, need help. An advanced telecommunications system must underlie efforts to diversify the economy of rural America. Innovative entrepreneurs could be halted without communications technology; hospitals and physicians are cut off from important links with urban hospitals and medical schools; teachers and students are denied access to educational tools.

Mr. President, this legislation is an important rural development initiative; I ask my colleagues to carefully consider this bill and urge its quick passage.●

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. DODD, Mr. BENTSEN, Mr. BREAUX, Mr. DASCHLE, Mr. GRAHAM, Mr. KERRY, Mr. KERREY, Mr. PELL, Mr. ROBB, Mr. SANFORD, Mr. SASSER, Mr. BOSCHWITZ, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DOMENICI, Mr. GARN, Mr. HATCH, Mr. HEINZ, Mrs. KASSEBAUM, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. RUDMAN, Mr. SIMPSON, Mr. THURMOND, Mr. PRYOR, Mr. INOUYE, and Mr. LEVIN):

S. 760. A bill to implement the bipartisan accord on Central America of March 24, 1989; by unanimous consent, referred jointly to the Committee on Appropriations and the Committee on Foreign Relations.

IMPLEMENTATION OF BIPARTISAN ACCORD ON CENTRAL AMERICA

Mr. MITCHELL. Mr. President, today I'm pleased to join the distinguished Republican leader in introducing a bill to implement the bipartisan agreement on Central America. This bill will provide continued humanitarian aid to the Nicaraguan Resistance while supporting of the courageous efforts of the Central American Presidents to find a negotiated diplomatic settlement of the conflict that has so devastated their region.

This legislation is the result of a great many hours of work by Members on both sides of the aisle. I commend the President and the Secretary of State for their willingness to join with the Congress in meaningful consultation to resolve a policy debate which for most of this decade has been the subject of bitter division. And I con-

gratulate the many Members of Congress, Democrats and Republicans, Senators and Representatives, who toiled tirelessly to help achieve the bipartisan agreement that was the basis for this legislation.

Mr. President, this bill places the United States squarely in support of the peace and democratization process that was undertaken by the Central American presidents at Esquipulas and which was recently reinforced in El Salvador. This legislation provides $49.7 million in humanitarian assistance to the Nicaraguan Resistance through February 28, 1990, shortly after the date that new elections are scheduled to be held in Nicaragua. This humanitarian assistance also may be used for the voluntary reintegration or regional relocation of members of the resistance in a manner supportive of the Central American presidents' plan for implementing a peaceful solution to the regional fighting.

This is an important bill with respect to both the formulation of our overall foreign policy and the specifics of United States policy in Central America. If we have learned anything from the divisions in this decade over Central America, it should be that in our democracy no public policy can be sustained over time unless it is clearly stated and broadly supported. This legislation establishes the framework for such a policy in regard to Central America. Both the administration and the Congress deserve credit for recognizing the need for a unified bipartisan policy and responding in a positive and constructive way.

I believe the policy embodied by the agreement and this bill to be that best calculated to achieve our common objectives in the region. I trust the President and the Secretary of State to implement this legislation in a manner which achieves our goal of helping the people of Central America in their search for peace, justice, and the right to democratically determine their own future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. POLICY.

The purpose of this Act is to implement the Bipartisan Accord on Central America between the President and the Congress signed on March 24, 1989.

SEC. 2. ADDITIONAL HUMANITARIAN ASSISTANCE.

(a) TRANSFER OF FUNDS.—The President may transfer to the Agency for International Development, from unobligated funds from the appropriations accounts specified in section 6—

(1) up to $49,750,000, to provide humanitarian assistance to the Nicaraguan Resistance, to remain available through February 28, 1990;

(2) such funds as may be necessary to provide transportation in accordance with section 3 for assistance authorized by paragraph (1); and

(3) not to exceed $5,000,000 to "Operating Expenses of the Agency for International Development" to meet the necessary administrative expenses to carry out this Act.

(b) DEFINITION.—For purposes of this section and section 3, the term "humanitarian assistance" means—

(1) food, clothing, and shelter;

(2) medical services, medical supplies, and nonmilitary training for health and sanitation;

(3) nonmilitary training of the recipients with respect to their treatment of civilians and other armed forces personnel, in accordance with internationally accepted standards of human rights;

(4) payment for such items, services, and training;

(5) replacement batteries for existing communications equipment; and

(6) support for voluntary reintegration of and voluntary regional relocation by the Nicaraguan Resistance.

SEC. 3. TRANSPORTATION OF HUMANITARIAN ASSISTANCE.

(a) IN GENERAL.—The transportation of humanitarian assistance on or after the date of enactment of this Act which, before such date, was specifically authorized by law to be provided to the Nicaraguan Resistance, or which is authorized to be provided by section 2, shall be arranged solely by the Agency for International Development in a manner consistent with the Bipartisan Accord on Central America between the President and the Congress signed on March 24, 1989.

(b) PROHIBITION ON MIXED LOADS.—Transportation of any military assistance, or of any assistance other than that specified in 2(b), is prohibited.

SEC. 4. MEDICAL ASSISTANCE.

The President may transfer, in addition to funds transferred prior to March 31, 1989, to the Administrator of the Agency for International Development from unobligated funds from appropriations accounts specified in section 6, up to $4,166,000, to be used only for the provision of medical assistance for the civilian victims of the Nicaraguan civil strife to be transported and administered by the Catholic Church in Nicaragua.

SEC. 5. UNITED STATES POLICY CONCERNING ECONOMIC ASSISTANCE FOR CENTRAL AMERICA.

As part of an effort to promote democracy and address on a long-term basis the economic causes of regional and political instability in Central America—

(1) in recognition of the recommendations of groups such as the National Bipartisan Commission on Central America, the Inter-American Dialogue, and the Sanford Commission,

(2) to assist in the implementation of these economic plans and to encourage other countries in other parts of the world to join in extending assistance to Central America, and

(3) in the context of an agreement to end military conflict in the region,

the Congress encourages the President to submit proposals for bilateral and multilateral action—

(A) to provide additional economic assistance to the democratic countries of Central America to promote economic stability, expand educational opportunity, foster progress in human rights, bolster democratic institutions, and strengthen institutions of justice;

(B) to facilitate the ability of Central American economies to grow through the development of their infrastructure, expansion of exports, and the strengthening of increased investment opportunities;

(C) to provide a more realistic plan to assist Central American countries in managing their foreign debt; and

(D) to develop these initiatives in concert with Western Europe, Japan, and other democratic allies.

SEC. 6. SOURCE OF FUNDS; AND LIMITATION.

(a) SOURCE OF FUNDS.—The appropriations accounts from which funds shall be transferred pursuant to sections 2 and 4 are the following accounts in amounts not to exceed the following:

(1) Missile Procurement, Army 1988, $3,500,000.

(2) Procurement of Weapons and Tracked Combat Vehicles, Army 1987, $12,739,000.

(3) Other Procurement, Army 1988, $761,000.

(4) Research, Development, Test and Evaluation, Air Force, 1988, $1,902,000.

(5) Weapons Procurement, Navy 1989, $2,000,000.

(6) Research, Development, Test and Evaluation, Navy, 1989, $24,000,000.

(7) Other Procurement, Air Force, 1989, $32,300,000.

(b) LIMITATION ON OBLIGATIONS.—Of the funds transferred under section 6(a), not more than $66,616,000 may be obligated.

SEC. 7. PROHIBITION ON THE USE OF CERTAIN FUNDS.

(a) MILITARY OPERATIONS.—No funds available to any agency or entity of the United States Government under this Act may be obligated or expended pursuant to section 502(a)(2) of the National Security Act of 1947 for the purpose of providing funds, materiel, or other assistance to the Nicaraguan Resistance to support military or paramilitary operations in Nicaragua.

(b) HUMAN RIGHTS AND OTHER VIOLATIONS.—No assistance under this Act may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502(B)(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

SEC. 8. STANDARDS, PROCEDURES, CONTROLS AND OVERSIGHT.

(a) ACCOUNTABILITY STANDARDS, PROCEDURES, AND CONTROL.—In implementing this Act, the Agency for International Development, and any other agency of the United States Government authorized to carry out activities under this Act, shall adopt the standards, procedures, and controls for the accountability of funds comparable to those applicable with respect to the assistance for the Nicaraguan Resistance provided under section 111 of the joint resolution making further continuing appropriations for the fiscal year 1988 (Public Law 100-202) and title IX of Public Law 100-463. Any changes in such standards, procedures, and controls should be developed and adopted in consultation with the committees designated in subsection (b).

(b) CONGRESSIONAL OVERSIGHT.—Congressional oversight within the House of Representatives and the Senate with respect to as-

sistance provided by this Act shall be within the jurisdiction of the Committees on Appropriations of the House of Representatives and Senate, the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, the Permanent Select Committee on Intelligence of the House of Representatives, and the Select Committee on Intelligence of the Senate.

(c) EXTENSION OF PREVIOUS PROVISIONS.—The provisions of the Act of April 1, 1988 (Public Law 100-276) contained in subsection (b), (d), and (e) of section 4 and in section 5 shall apply to the provision of assistance under this Act except that section 4(d) shall not apply to the Intelligence Community.

SEC. 9. PROHIBITION.

Except as provided in this Act, no additional assistance may be provided to the Nicaraguan Resistance, unless the Congress enacts a law specifically authorizing such assistance.

SEC. 10. REPEAL.

Title IX of Public Law 100-463 is hereby repealed.

SEC. 11. REPORTING REQUIREMENTS.

The Secretary of State shall consult regularly with and report to the Congress on progress in meeting the goals of the peace and democratization process, including the use of assistance provided in this act.

Mr. DOLE. Mr. President, let me thank the distinguished majority leader, and I am pleased to join with him in introducing this legislation.

It does reflect a bipartisan accord recently achieved by Central America.

Mr. President, I am pleased to join with the distinguished Majority Leader in introducing legislation reflecting the bipartisan accord recently achieved in Central America.

The President and Secretary Baker have indicated their full backing for this bill. The same language was introduced in the House yesterday, with the sponsorship of the bipartisan leadership. So this is truly a cooperative effort.

This bill will do some of the key things that need to be done. Most important, it will give the President and the Secretary a credible, sustainable policy to work with. It will give them the foundation to conduct a strong diplomacy; to approach the other key players—in the region and around the world; the Central American presidents, the Soviets, our European allies—and say to them: America is ready again to assume a leadership role, over the long haul, in the Central American region.

It will put us on record again as saying we want peace in Central America, and will support efforts to achieve peace if they are realistic and effective; but it equally sends the message that we won't stand for peace at the cost of freedom, but insist on peace with freedom—in Nicaragua, just as in every other nation of the region. More concretely, it will keep the Contras intact, to serve as a continuing point of pressure on the Sandinistas. And, incidentally, this bill will also reduce and streamline some of the burdensome reporting and other requirements that have been built into previous Contra aid legislation.

So, in my view at least, it does some of the essentials, and gives us a fair shot—the best available—to keep the pressure on Managua, and to meet our own goals in Central America.

Let's be candid: This is a compromise, achieved after some hard bargaining. There are some things I would like to have seen in this bill that are not there. There are also a couple of things that are in the bill that I would just as soon were not.

But as Secretary Baker reminded us so often in our discussions on this issue, what is the alternative to achieving this kind of bipartisan accord?

The alternative would have been a continuation of partisan wrangling over this vital national security issue, to the benefit of neither party, and to the detriment of the Nation. The alternative, realistically, would have been no aid to the Contras at all—or at best some small dollop of aid, extended for a brief period, and loaded down with all kinds of additional conditions and qualifications.

I wish there were still better and more direct ways available to keep the pressure on the Sandinistas. But there are not. No matter how much I or others would like to see us keep open the option of more direct and effective support to the Contras, we just do not have the votes to accomplish that.

Finally, that is why the President, the Secretary, House Republicans, and many of us Republicans in the Senate have joined to support this approach.

So I am pleased to be an original sponsor. And I urge all Senators, of both parties, to join us in this endeavor—an effort which can take us beyond the sometimes empty admonition to "give peace a chance," and in fact will give the President the chance—the best available chance—to achieve in Central America our fundamental goals: peace, freedom, and the preservation of our national security interests.

This is a compromise. It is not what this Senator would do if it only took one vote. But it does place the President, President Bush, and Secretary of State Jim Baker in, I think, a very credible position.

It is an indication we want to be players in the region. It is an indication that there is a division of opinion, that a compromise was necessary.

But this package has been well received by Central American leaders and by European leaders. It does have, as I have indicated, the support of the President and the Secretary of State and the support of I think, probably a large percentage of this body.

Now, I am not under any illusions that Daniel Ortega is suddenly going to be a good boy in Central America, going to start believing in freedom and democracy, but all the primary thrust of this package is based on democracy and unless they start moving in that direction, certain things will not happen.

So in my view, and I know some of my colleagues on this side, do not feel it going far enough, they would like to have military aid, they believe that the Contras will be the losers in this process, and that is why I would want to make it clear that there are some of us who would like a stronger package, some of us would like to see more done with even humanitarian aid. Some would like to see lethal aid, but the votes are not there.

So I think the Secretary of State Jim Baker, and the President, George Bush, they are realistic, they understand the parameters, they understand the opposition, particularly on the Democratic side in the House and the Senate, and this is a good beginning. If it does not work, we will be back.

I hope that it works. I hope there is democratization in Nicaragua, and I hope this will also mean that we might work on a bipartisan basis in El Salvador, because we are going to have difficulties there.

So I thank the majority leader and I thank Members on both sides who spent many, many hours in consultations on the drafting of the legislation, and I would hope that we can now—maybe not now, but maybe tomorrow, get a time agreement so we could dispose of this matter in 2 or 3 hours on Thursday because let us keep in mind that on April 15, as I understand it, the Contras go on half rations. So there is some urgency and I know next week the distinguished majority leader has already indicated he wants to take up the FSLIC bill and that will probably take 3 full days.

So I would hope that my colleagues, even though some may not be in total agreement with the package, will be willing to help us on the time agreement.

I do believe that the majority leader is setting just the right precedent in sequential referral of this bill to both Foreign Relations and Appropriations.

I believe there will be a hearing tomorrow afternoon in the Foreign Relations Committee and the fact that we are only going to have a hearing and no markup, as we indicated in the request made, does not set any precedent.

So I again thank the majority leader and all others who helped on this legislation.

By Mr. DOMENICI (for himself, Mr. WALLOP, Mr. DURENBERGER, Mr. HATCH, Mr. COATS, and Mr. GRASSLEY):

S. 761. A bill to provide Federal assistance in developing adequate child care for the Nation's children, and for other purposes; to the Committee on Finance.

CHILD CARE ASSISTANCE ACT OF 1989

● Mr. DOMENICI. Mr. President, I am pleased to introduce the Child Care Assistance Act of 1989. This legislation proposes a comprehensive package of initiatives that I believe will go far to help American families meet their child care needs.

This bill addresses America's most pressing child care need by providing considerable Federal assistance to low-to-moderate income families to help them afford the high cost of child care. By providing families with refundable tax credits, this legislation enables us to target assistance to families most in need, but in a way that allows parents to decide how best to care for their children.

Combined with this tax credit proposal are several other provisions designed to help increase employer-sponsored child care options, and to help States address the particular child care challenges they face. These provisions will help improve the quality and availability of a growing variety of child care options from which families can choose.

This legislation represents something of a consensus package, put together by myself, and several of my colleagues in both the Senate and the House of Representatives. I would like to thank Senators WALLOP, DURENBERGER, HATCH, COATS, and GRASSLEY who have worked with me on this bill, and who are cosponsors. I would also like to commend Rep. TOM TAUKE, and several other Members of the House who have worked with us on this bill and who will be introducing the same measure today.

Mr. President, the inability of many young families to afford the high costs of raising their children is a serious national problem. In introducing this bill, we are stating clearly that the Federal Government can, and should, assist families with child care.

However, the way we assist families is of great importance. The approach to child care assistance advanced in this bill represents a united statement about the principles we believe should guide Federal policy to help families with child care.

The first is that assistance ought to be given directly to parents. Parents are the best at assuring their children will receive the highest quality care their family can afford. Federal assistance should, as it does in this bill, focus primarily upon helping families afford better care.

Second, Federal assistance ought to serve to improve child care options for parents. Contrary to the impression many may have, parents are not all flocking to day care centers. In fact, only about 12 percent of pre-school-age children are cared for in centers.

The striking characteristic of American child care demographics is the desire by parents to have a diverse set of care options from which they can choose. We should, as this bill does, try to help improve the choices available for parents, as well as improve the ability of parents to seek out care and to obtain care at their workplace.

Federal assistance ought to be flexible enough to accommodate the growing diversity in American families' needs and circumstances. Whether parents prefer care by a friend or relative, religiously affiliated care, center-based care, or some combination thereof, we should assure parents have maximum choice.

The third point I want to make is related to the second. Government assistance for child care should go to all families in need, regardless of the care arrangements parents choose or whether or not both parents work.

Parents differ in how they would like their children cared for, and how they should balance work with their children. All choices involve sacrifice.

In fact, it should be noted that parents who choose to stay at home with their children do so at tremendous economic sacrifice. Two-parent, one-earner families make, on average, about $13,000 less than do two-parent, two-earner families. These are very profound choices for families to make; government ought not to bias these decisions.

Fourth, the setting of licensing standards for child care facilities ought to be left to the States. Stiffer requirements mean higher costs for, and reduced accessibility to, care and do not always mean improved quality. States should—and already do—evaluate the balance that best meets their particular needs and circumstances.

The fifth and final point that helped guide this legislation is that, given limited Federal resources for assisting parents with child care, assistance ought to be targeted to those most in need.

Mr. President, the bill we are introducing today proposes to help substantially many young families with the high costs of child care by granting them a refundable tax credit of up to $1,000 for each of their pre-school-age child. Since the credit would be refundable, families can receive the benefit even if they do not incur income tax liability.

It is interesting to note that over the past few decades the Tax Code has accommodated the costs of raising children less and less. It is not surprising that more and more families with children struggle to make ends meet and find the care they would like.

I am convinced that the key to addressing America's foremost child care need lies in properly recognizing the costs of raising children in our Tax Code. The proposal we are offering today moves us clearly in the right direction of providing direct tax assistance to families with children.

Using tax credits as a mechanism for assisting families allows us to meet the principles mentioned above very well. Assistance will go directly to parents and will give parents maximum flexibility to choose the care they want. In addition, by making it refundable, we can target assistance to those families most in need.

In addition to this tax credit, the legislation would expand the current State Dependent Care Block Grant Program to help States address a wide array of child care needs. This block grant will give States the ability and flexibility to help assure child care service options keep growing and improving.

The bill also includes provisions to directly address needs associated with providing child care. Employers are given tax incentives to provide child care assistance to their employees, and assistance is given to help States establish liability insurance pools and revolving loan funds that can be used to help providers meet accreditation and licensing standards.

Mr. President, I hope Senators will look at this bill and I hope the Senate will adopt child care legislation that adheres to the principles put forth in this bill.

I ask unanimous consent that a copy of this bill and a summary be printed in the RECORD.●

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Care Assistance Act of 1989".

TITLE I—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

Subtitle A—Young Child Tax Credit

SEC. 101. YOUNG CHILD TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. YOUNG CHILD TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an individual who has 1 or more qualifying children, there is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the taxpayer's earned income for the taxable year as does not exceed $10,000.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means the sum of—

"(A) 12 percent, plus

"(B) 6 percent for each of the qualifying children in excess of 1.

"(b) LIMITATIONS; PHASE-OUT OF CREDIT.—

"(1) DOLLAR LIMITATION.—The amount of the credit allowed under subsection (a) for any taxable year shall not exceed—

"(A) $1,000 in the case of an individual with 1 qualifying child,

"(B) $1,500 in the case of an individual with 2 qualifying children, and

"(C) $2,000 in the case of an individual with 3 or more qualifying children.

"(2) PHASE-OUT OF CREDIT.—The amount of the credit under subsection (a) shall be reduced (but not below zero) by an amount equal to 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $10,000.

"(c) COORDINATION WITH DEPENDENT CARE CREDIT.—No credit shall be allowed under subsection (a) unless the taxpayer elects under section 21(f) not to have the credit under section 21 apply for the taxable year.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFYING CHILD.—The term 'qualifying child' means a child—

"(A) who qualifies the taxpayer as an eligible individual under section 32, and

"(B) who has not attained the age of 5 before the close of the taxable year.

"(2) EARNED INCOME.—The term 'earned income' has the meaning given such term by section 32(c)(2).

"(3) ADVANCE PAYMENT.—For purposes of sections 32(g) and 3507, and any provision relating to such sections, the credit allowable under subsection (a) shall be treated as allowable under section 32.

"(4) OTHER RULES MADE APPLICABLE.—Rules similar to the rules of subsections (d), (e), (f), and (h) of section 32 shall apply.".

(b) CLERICAL AMENDMENT.—The table sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting in lieu thereof the following new items:

"Sec. 35. Young child tax credit.

"Sec. 36. Overpayments of tax.".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended—

(A) by striking out "or section 32 (relating to earned income)" and inserting in lieu thereof ", section 32 (relating to earned income), or section 35 (relating to young child tax credit)", and

(B) by striking out the caption and inserting in lieu thereof the following:

"(4) OVERSTATEMENT OF CERTAIN CREDITS.—".

(2) Section 6513 of such Code (relating to time return deemed filed and tax considered paid) is amended by adding at the end thereof the following new subsection:

"(f) TIME TAX IS CONSIDERED PAID FOR DEPENDENT CARE SERVICES CREDIT.—For purposes of section 6511, the taxpayer shall be considered as paying an amount of tax on the last day prescribed for payment of the tax (determined without regard to any extension of time and without regard to any election to pay the tax in installments) equal to so much of the credit allowed by section 35 (relating to young child tax credit) as is treated under section 6401(b) as an overpayment of tax.".

(3) Subsection (d) of section 6611 of such Code is amended by striking out the caption and inserting in lieu thereof the following:

"(d) ADVANCE PAYMENT OF TAX, PAYMENT OF ESTIMATED TAX, CREDIT FOR INCOME TAX WITHHOLDING, AND YOUNG CHILD TAX CREDIT.—".

(4) Section 21 of such Code is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) ELECTION.—A taxpayer may elect (at such time and in such manner as the Secretary may prescribe) not to have this section apply for any taxable year.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

Subtitle B—Incentives for Employer Provided Child Care

SEC. 111. CREDIT FOR EMPLOYER EXPENDITURES FOR CERTAIN DEPENDENT CARE ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 43. DEPENDENT CARE ASSISTANCE PROGRAM CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the amount of the dependent care assistance program credit determined under this section for the taxable year shall be an amount equal to 10 percent of the qualified dependent care assistance program expenditures for such taxable year.

"(b) QUALIFIED DEPENDENT CARE ASSISTANCE PROGRAM EXPENDITURES.—For purposes of this section, the term 'qualified dependent care assistance program expenditures' means the aggregate amount of expenditures paid or incurred by the taxpayer during the taxable year in providing for or contributing to a dependent care assistance program (within the meaning of section 129(d)).

"(c) DEFINITIONS.—For purposes of this section—

"(1) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' means the payment of, or provision of, those services which if paid for by the employee would be considered employment-related expenses under section 21(b)(2) with respect to a qualifying individual (as defined under section 21(b)(1)(A)).

"(2) EMPLOYEE.—The term 'employee' includes an employee within the meaning of section 401(c)(1).

"(3) EMPLOYER.—An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (2).

"(d) SPECIAL AGGREGATION AND ALLOCATION RULES.—For purposes of this section—

"(1) AGGREGATION OF EXPENDITURES.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all members of the same controlled group of corporations shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the qualified employee assistance program expenditures giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of the credit under this section—

"(i) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such trade or business shall be its proportionate share of the qualified employee assistance program expenditures giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(2) ALLOCATIONS.—

"(A) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(B) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(3) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(e) NO DOUBLE BENEFIT.—No credit or deduction under any other provision of this chapter shall be allowed to a taxpayer for the taxable year for any expenditure with respect to which a credit is allowed under this section for such year.".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of such Code is amended—

(A) by striking out "plus" at the end of paragraph (4),

(B) by striking out the period at the end of paragraph (5), and inserting in lieu thereof a comma and "plus", and

(C) by adding at the end thereof the following new paragraph:

"(6) the employee assistance program credit determined under section 43.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

SEC. 112. STUDY OF BARRIERS TO CHILD CARE SERVICES PROVIDED BY EMPLOYERS.

The Secretary of Labor shall conduct a study of the barriers that prevent or impede employers from providing child care services for the benefit of their employees. Not later than 540 days after the date of the enactment of this Act, the Secretary shall submit, to the Committee on Education and Labor of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report containing—

(1) a summary of the results of such study, and

(2) the recommendations of the Secretary regarding the removal of such barriers and the need for incentives to encourage employers to provide such child care services.

TITLE II—BLOCK GRANTS TO STATES FOR ACTIVITIES RELATING TO DEPENDENT CARE SERVICES

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Section 670A of the State Dependent Care Development Grants Act (42 U.S.C. 9871) is amended by striking out "1989, and 1990" and inserting in lieu thereof "and 1989, and $300,000,000 for each of the fiscal years 1990 through 1992".

SEC. 202. USE OF ALLOTMENTS.

Section 670D of the State Dependent Care Development Grants Act (42 U.S.C. 9874) is amended to read as follows:

"USE OF ALLOTMENTS

"SEC. 670D. (a) Amounts paid to a State under section 670C may be used for the planning, development, establishment, expansion, or improvement by the States, directly or by grant or contract with public or private entities, of dependent care service activities. Such program may include—

"(1) activities to provide consumer education to enable individuals to select high quality dependent care services;

"(2) State and local resource and referral systems to provide information regarding the availability, types, costs, and locations of dependent care services of licensed providers;

"(3) loans or grants to establish child care services to be provided on school days in public or private schools or community centers, to school-age children before or after the school session;

"(4) training programs for providers of child care services and their employees;

"(5) recruiting and training programs for individuals who are not less than 55 years of age to qualify such individuals to provide child care services;

"(6) providing scholarships to low-income individuals who provide child care services, to enable such individuals to pay the education costs (including the cost of application, assessment, and credentialing) to obtain a nationally recognized child development associate credential;

"(7) projects to provide child care services for children who are sick and temporarily unable to continue to participate in their regular child care programs;

"(8) projects to provide dependent care services for dependents of individuals who work during nontraditional times of the day, week, or year;

"(9) grants or loans to nonprofit dependent care providers to enable such providers to comply with any applicable requirements for licensing to provide dependent care services;

"(10) activities designed to expand the availability and affordability of liability insurance for providers of dependent care services;

"(11) training and technical assistance for dependent care providers to improve the ability of such providers—

"(A) to use effective budget and accounting procedures;

"(B) to take full advantage of beneficial tax laws;

"(C) to reduce liability risks;

"(D) to comply with health and safety requirements;

"(E) to detect communicable diseases;

"(F) to detect and to prevent the abuse of dependents; and

"(G) to take any other actions designed to improve the quality of the dependent care services it provides;

"(12) projects and activities designed to meet the needs of special populations for dependent-care services, including dependents who are homeless, migrant, disabled, abused, neglected, or children of minors; and

"(13) any other project or activity that is designed to improve the quality, availability, or affordability of dependent care services.

"(b) A State shall not use amounts paid to it under this section to—

"(1) make cash payments to intended recipients of dependent care services, including child care services;

"(2) subsidize the direct provision of dependent care services, including child care services;

"(3) pay for the costs of construction; or

"(4) satisfy any requirements for the expenditures of non-Federal funds as a condition for the receipt of Federal funds.

"(c)(1) The Federal share of the cost of any project or activity carried out under this subchapter may not exceed 70 percent of the cost of such project or activity.

"(2) The non-Federal portion of such cost shall be paid with funds from non-Federal services.

"(3) Not more than 10 percent of the allotment under this subchapter to a State may be expended for administrative costs incurred to carry out this subchapter.

"(c) The Secretary may provide technical assistance to States in planning and operating projects and activities to be carried out under this subchapter.".

SEC. 203. TECHNICAL AMENDMENTS.

(a) DEFINITION OF STATE.—

(1) ALLOTMENTS.—Section 670B of the State Dependent Care Development Grants Act (42 U.S.C. 9872) is amended by striking out "Virgin Islands, the Trust Territory of the Pacific Islands" and inserting in lieu thereof "Virgin Islands of the United States, the Marshall Islands, the Federated States of Micronesia, Palau".

(2) DEFINITIONS.—Section 670G(10) of the State Dependent Care Development Grants Act (42 U.S.C. 9877(10)) is amended—

(A) by striking out "each" and inserting in lieu thereof "any"; and

(B) by striking out "Virgin Islands, the Trust Territory of the Pacific Islands" and inserting "Virgin Islands of the United States, the Marshall Islands, the Federated States of Micronesia, Palau".

(b) EXPIRED PROVISION.—Section 670E(c) of the State Dependent Care Development Grants Act (42 U.S.C. 9875(c)) is amended by striking out the last sentence.

SEC. 204. REPORTS.

Section 670F of the State Dependent Care Development Grants Act (42 U.S.C. 9876) is amended to read as follows:

"REPORTS

"SEC. 670F. (a) Each State that receives a grant under this subchapter shall submit such reports relating to the use for which such grant is expended, as the Secretary may require by rule. Each such report shall be submitted at such time, in such form, and containing such information as the Secretary may require.

"(b) The Secretary shall submit annually a report, to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate, describing the programs carried out by the States with grants received under this subchapter.".

SEC. 205. DEFINITIONS.

Section 670G of the State Dependent Care Development Grants Act (42 U.S.C. 9877) is amended—

(1) in paragraph (2)(A) by striking out "17" and inserting in lieu thereof "14";

(2) by redesignating paragraphs (7) through (11) as paragraphs (9) through (13), respectively; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) the term 'low-income individual' means an individual whose annual income is less than 150 percent of the poverty line;

"(8) the term 'poverty line' has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) and includes any revision required by such section;".

SEC. 206. SHORT TITLE.

Section 670H of the State Dependent Care Development Grants Act (42 U.S.C. 9801 note), is amended by striking out "Development" and inserting in lieu thereof "Block".

SEC. 207. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on October 1, 1989.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this title shall not apply with respect to any fiscal year beginning before the effective date of this title.

TITLE III—CHILD CARE LIABILITY RISK RETENTION GROUP

SEC. 301. PURPOSE.

It is the purpose of this title—

(1) to increase the availability of child care by alleviating the serious difficulty faced by child care providers in obtaining affordable liability insurance; and

(2) to provide States with a sufficient capital base for liability insurance purposes that may be increased or maintained through mechanisms developed by the State.

SEC. 302. FORMATION OF CHILD CARE LIABILITY RISK RETENTION GROUP.

(a) ASSISTANCE IN FORMATION AND OPERATION OF GROUP.—Any State may assist in the establishment and operation of a child care liability risk retention group in the manner provided under this title.

(b) CHILD CARE LIABILITY RISK RETENTION GROUP DEFINED.—For purposes of this title, the term "child care liability risk retention group" means any corporation (or other limited liability association)—

(1) whose members are child care providers licensed or accredited pursuant to State or local law or standards; and

(2) which otherwise satisfies the criteria for a risk retention group under section 2(4) of the Liability Risk Retention Act of 1986 (15 U.S.C. 3901(4)).

SEC. 303. STATE APPLICATIONS.

(a) APPLICATIONS.—To qualify for assistance under this title, a State shall submit an application to the Secretary of Health and Human Services (hereinafter referred to in this title as the "Secretary"), at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require, including a State plan that meets the requirements of subsection (b) of this section.

(b) STATE PLANS.—

(1) LEAD AGENCY.—The plan shall identify the lead agency that has been designated and that is to be responsible for the administration of funds provided under this title.

(2) PARTICIPANTS IN RISK RETENTION GROUP.—The plan shall provide that all participants in the child care liability risk retention group are child care providers who are licensed or accredited pursuant to State or local law or standards. In addition, the plan shall provide for maximum membership of family-based child care providers in the group.

(3) USE OF FUNDS.—The plan shall provide that the State shall use at least the amount allotted to the State in any fiscal year to establish or operate a child care liability risk retention group.

(4) CONTINUATION OF RISK RETENTION GROUP.—The plan shall set forth provisions that specify how the child care liability risk retention group will continue to be financed after fiscal year 1992, including financing through contributions by the State or by members of such group.

SEC. 304. FEDERAL ENFORCEMENT.

(a) REVIEW OF PLANS.—The Secretary shall review and approve State plans submitted in accordance with this title and shall monitor State compliance with the provisions of this title.

(b) FINDING OF NONCOMPLIANCE.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds—

(1) that there has been a failure to comply substantially with any provision or any requirements set forth in the State plan of that State; or

(2) that there is a failure to comply substantially with any applicable provision of this part,

the Secretary shall notify such State of the findings and of the fact that no further payments may be made to such State under this title until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

SEC. 305. AUTHORIZATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—To carry out the provisions of this title, there are authorized to be appropriated $75,000,000 for fiscal year 1990.

(b) AMOUNTS TO REMAIN AVAILABLE.—The amounts appropriated pursuant to subsection (a) shall remain available for assistance to States for fiscal years 1990, 1991, and 1992 without limitation.

SEC. 306. RESERVATIONS FOR TERRITORIES AND ADMINISTRATIVE COSTS.

From the sums appropriated to carry out the provisions of this title for each fiscal year, the Secretary shall reserve—

(1) 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs; and

(2) 3 percent for the administrative costs of carrying out the provisions of this title.

SEC. 307. ALLOTMENTS TO STATES.

(a) IN GENERAL.—The Secretary shall make an allotment to each State not referred to in section 306 for each fiscal year from the sums appropriated to carry out the provisions of this title for such fiscal year.

(b) ALLOTMENT FORMULA.—

(1) IN GENERAL.—The amount of each State's allotment under subsection (a) shall be equal to the product of—

(A) an amount equal to the sums appropriated to carry out the provisions of this title for each fiscal year minus the amount reserved pursuant to section 306 for such fiscal year; and

(B) the percentage described in paragraph (2).

(2) PERCENTAGE.—The percentage referred to in paragraph (1)(B) is a percentage equal to the quotient of—

(A) an amount equal to the number of children under 13 years of age living in the State involved, as indicated by the most recent data collected by the Bureau of the Census; divided by

(B) an amount equal to the number of children under 13 years of age living in the United States, as indicated by the most recent data collected by the Bureau of the Census.

(c) STATE ADMINISTRATIVE COSTS.—Of the amount allotted to a State pursuant to subsection (a), an amount not to exceed 10 percent shall be used by such State to provide for the administrative costs of carrying out such program.

SEC. 308. PAYMENTS.

(a) ENTITLEMENT.—Each State having a plan approved by the Secretary under this title shall be entitled to payments under this section for each fiscal year in an amount not to exceed its allotment under section 307, to be expended by the State under the plan for the fiscal year for which the grant is to be made.

(b) METHOD OF PAYMENTS.—The Secretary may make payments to a State in installments, and in advance or, subject to the requirement of section 304, by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(c) STATE SPENDING OF PAYMENTS.—Payments to a State from the allotment under section 307 for any fiscal year must be expended by the State in that fiscal year or in the succeeding fiscal year.

TITLE IV—REVOLVING LOAN FUND

SEC. 401. PURPOSE; DEFINITIONS.

(a) PURPOSE.—It is the purpose of this title to—

(1) increase the availability of family-based child care by enabling family-based child care providers to meet accreditation or licensing standards; and

(2) provide States with a sufficient capital base to make loans that may be increased or maintained through mechanisms developed by the State.

(b) DEFINITIONS.—As used in this title:

(1) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(2) STATE.—The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

SEC. 402. STATE APPLICATIONS.

(a) SUBMISSION OF APPLICATION.—

(1) FORM OF APPLICATION.—To qualify for assistance under this title, a State shall submit an application to the Secretary, at such time, in such manner, and providing such information as the Secretary may require, including a plan which meets the requirements of paragraph (2).

(2) QUALIFYING FOR LOAN.—The State shall submit a plan which sets forth procedures and requirements whereby any person desiring to make capital improvements to the principal residence of such person (within the meaning of section 1034 of the Internal Revenue Code of 1986) in order to become a licensed or accredited family-based child care facility, pursuant to State or local law or standards, may obtain a loan from the State revolving loan fund (hereinafter called the "fund"). Such fund shall be administered by the State and shall provide loans to qualified applicants, pursuant to the terms and conditions established by such State, in an amount, determined by such State, which is not in excess of $1,500.

(b) STATE PLAN.—

(1) ESTABLISHMENT OF FUND.—The State shall provide in its plan, that such State has established a revolving loan fund, and has provided procedures whereby—

(A) moneys are transferred to such fund to provide capital for making loans;

(B) interest and principal payments on loans and any other moneys, property, or assets derived from any action concerning such fund are deposited into such fund;

(C) all loans, expenses, and payments pursuant to the operation of this title are paid from such fund;

(D) loans made from such fund are made to qualified applicants for capital improvements to be made so that such applicant may obtain a State or local accreditation or a license for a family-based child care facility; and

(E) the plan shall set forth provisions that specify how any such revolving loan fund will continue to be financed after fiscal year 1991, such as through contributions by the State or by some other entity.

(2) QUALIFICATIONS.—Such plan shall also set forth procedures and guidelines to carry out the purposes of this title, including provisions that will assure that only applicants who obtain a license or accreditation for a child care facility in accordance with the provisions of State or local law or standards, benefit from loans made available pursuant to the provisions of this title.

SEC. 403. AUTHORIZATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—To carry out the provisions of this title, there are authorized to be appropriated $25,000,000 for fiscal year 1990.

(b) AMOUNTS TO REMAIN AVAILABLE.—The amounts appropriated pursuant to subsection (a) shall remain available for assistance to States for fiscal years 1990, 1991, and 1992 without limitation.

SEC. 404. RESERVATIONS FOR TERRITORIES AND ADMINISTRATIVE COSTS.

From the sums appropriated to carry out the provisions of this title in each fiscal year, the Secretary shall reserve—

(1) 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs; and

(2) 3 percent for the administrative costs of carrying out the provisions of this title.

SEC. 405. ALLOTMENTS TO STATES.

(a) IN GENERAL.—The Secretary shall make an allotment to each State not referred to in section 404 for each fiscal year from the sums appropriated to carry out the provisions of this title for such fiscal year.

(b) ALLOTMENT FORMULA.—

(1) IN GENERAL.—The amount of each State's allotment under subsection (a) shall be equal to the product of—

(A) an amount equal to the sums appropriated to carry out the provisions of this title for each fiscal year minus the amounts reserved pursuant to section 404 for such fiscal year; and

(B) the percentage described in paragraph (2).

(2) PERCENTAGE.—The percentage referred to in paragraph (1)(B) is a percentage equal to the quotient of—

(A) an amount equal to the number of children under 12 years of age living in the State involved, as indicated by the most recent data collected by the Bureau of the Census; divided by

(B) an amount equal to the number of children under 12 years of age living in the United States, as indicated by the most recent data collected by the Bureau of the Census.

(c) STATE ADMINISTRATIVE COSTS.—Of the amount allotted to a State pursuant to subsection (a), an amount not to exceed 10 per-

cent shall be used by such State to provide for the administrative costs of carrying out such program.

THE CHILD CARE ASSISTANCE ACT BILL SUMMARY

TITLE I. TAX CREDIT PROVISIONS

Young child tax credit

This subtitle would create a new, refundable, tax credit targeted at needy families with young children. Providing substantial assistance, this credit attacks directly the nation's principal child care need—the inability of many young families to afford the high costs of raising children. Through this new tax credit these families will be able to access better care for their children, while being allowed to choose for themselves the type of family and care arrangements they most prefer.

Low and moderate income families would receive a new, refundable, Young Child Tax Credit (YCTC) that would supplement families earnings as does the current Earned Income Tax Credit (EITC), and which families could draw upon in monthly installments.

The amount of supplement would be 12% of earned income for one of their children under age 5 and 6% for each of two additional children they have under age 5. The maximum credit would be $1,000 for the first child, and $500 for each additional child.

For incomes above $10,000 the YCTC is phased-out evenly up to incomes of $20,000 for the first child, $25,000 for the second, and $30,000 for the third.

Business tax credit

This subtitle would provide for a modest tax credit to employers who establish child care services for their employees, and calls for a study to examine the barriers businesses face to establishing and providing child care benefits, and to make recommendations.

Provides a tax credit to employers equal to 10% of the employers expenditures in providing for or contributing to a dependent care assistance program. Expenditures could be on on-site day-care services or reimbursements to employees for their own day-care arrangements.

Department of Labor is to conduct a study to examine barriers to increasing employer provided child care.

TITLE II. EXPANDED BLOCK GRANT FOR DEPENDENT CARE SERVICES

This second title would revise and expand the current State Dependent Care Block Grant Program to help states carry out programs to address a wide array of child care-oriented needs. This block grant is currently a small program that helps states establish child care resource and referral systems.

We are proposing expanding authority under this block grant to allow states the flexibility to concentrate on the particular child care problems they face. Generally, though, this expanded assistance would be used to ensure continued growth of child care service options, boost creation of creative, community-based child care options, improve market information for parents seeking child care, and enhance the overall quality of child care services in each state.

Revise current State Dependent Care Development Grant to expand allowable uses of the block grant funds.

Authorization would be increased from $20 million to $300 million.

TITLE III. ELIMINATING LIABILITY BARRIERS

This title helps states establish liability risk pools to help reduce significant and costly barriers to the creation of child care services.

Establish $75 million fund to assist states in establishing liability insurance pools of which any accredited child care provider may be a member.

TITLE IV. REVOLVING LOAN FUND

Provides $25 million to assist states in establishing a revolving loan fund from which family-based providers may borrow to make capital improvements required to meet accreditation or licensing standards.

● Mr. WALLOP. Mr. President, today, I join with several colleagues in introducing the Child Care Assistance Act. This is the revised version of legislation in the last Congress. While my colleague from Utah, Senator HATCH, proposed the first child care reform bill in the early 1980's, the bill I introduced last year was the first to use tax credits to provide real child care reforms. The legislation we are now introducing continues and expands this innovative approach.

Current law provides a very pleasant dependent care tax credit. It can be used by two working parents with incomes well above the national average to offset the cost of organized child care. Many have labeled it a Yuppie benefit since this is the group that mainly benefits from the credit. But, even they are not able to take full advantage of the credit since their expenditures do not hit the cap in the credit. The average credit is about $1,700, though the potential credit is much higher.

There are two deserving groups who receive little or no benefit from the credit. First are those families where one parent has chosen to remain at home to work as a child raiser—without pay. These families receive no benefit from the credit despite the sizable opportunity cost of their decision.

The second family group receiving little assistance is the low-income working family. Such families make up 30 percent of all families, yet they only receive 3.3 percent of the tax credits for child care. Middle and upper income families, which also account for 30 percent of all families, receive 50 percent of all tax credits for child care.

The legislation I introduced last year reversed this bias so that both the low and the upper income family groups each received about 25 percent of the child care tax credits. The bill we are introducing today further improves this ratio. We will have data from the Urban Institute in the near future which will provide the specific tax credit distributions.

We improve the tax credit to direct benefits to low- and moderate-income families. The credit achieves the goals of freedom of choice and fairness. Proponents of the ABC bill, which requires massive Federal intrusion into the workplace, argue that child care requires quality and quantity. Our tax credit does increase resources which meets the quantity goal. The quality goal is attained by increasing funding for the State Dependent Care Block Grant. The States would have more funds to improve the quality and accessibility of child care services. The major difference that sets us apart from the ABC bill is that we require no Federal regulation of child care nor Federal development of services. Regulation is properly left to the States, and the provision of services is left to the private sector.

The total cost of our proposal is about $3 billion. This is similar to the cost of the Bush initiative. We will have more detailed information on the cost when the Senate Finance Committee holds its hearing on child care tax credits next week. There have been a number of child care proposals introduced in this Congress. It will be a lively debate, but I suspect that the end result will be a bill much like we have introduced today. I would urge my colleagues to join us as cosponsors.●

● Mr. DURENBERGER. Mr. President, child care is a critical national concern, both for the welfare and enrichment of our children and for the competitiveness of economy. Today's changing demographics make it imperative that we as a Nation address the family needs of our society and recognize the problems so many parents face when attempting to find quality and affordable child care.

Our children now make up the poorest segment in our society, with over one-fifth of today's children growing up in poverty. Child care is an essential part of the solution of helping poor families become self-sufficient. It is time that we reaffirm our commitment to the value that we place on children and the well-being of our future generations.

That is why I am pleased today to join with my colleagues, Senator DOMENICI, Senator WALLOP, Senator HATCH, and Senator COATS in introducing the Child Care Assistance Act of 1989. Mr. President, you may ask why it is that with the many child care proposals already before the Congress why we need yet another proposal. I am introducing this legislation today because I do not believe that any one of these many proposals truly lays the right foundation on which child care policy will be built upon for a decade or more. Absent from this debate is a comprehensive bill that builds on the fundamental family values and principles that guide the way we care for our children.

This legislation starts from the notion that parents are the ultimate consumers of child care and that the decisions about the care of their chil-

dren is the ultimate responsibility of them as parents. This legislation does not discriminate against families who have made the decision to have one parent stay at home and care for the child. It does not discriminate against parents who choose to have their child provided for in a religious setting of their choice, and it targets funds to those parents most in need—those who are low income and have young children.

I am pleased that the legislation we are introducing today draws heavily on what we have learned over the past year in terms of child care policy as well as what we have learned in terms of legislative policy. One lesson of the last 10 years is that more Federal dollars, mandates, and bureaucrats do not, in and of themselves, solve problems. Experiences has also taught us that partnerships among different levels of governments, the public and private sectors and community groups make the best use of scarce resources and produce the best product. And, we have learned that giving consumers the resources and information they need to make wise choices in the marketplace is the best way to both expand access and improve quality for many public services.

The legislation we are introducing today will improve affordability, availability, and quality of child care services. It would help all low-income families with young children by creating a new young child tax credit that would supplement earned income up to 12 percent for the first child and 6 percent for each additional two children under the age of 5. The credit would be phased out at $20,000 for families with one child, at $25,000 for families with two children and $30,000 for families with three children.

To encourage businesses to take responsibility in meeting the work-family needs of their employees this bill creates a tax credit to employers who provide child care services for their employees. In an effort to increase the efficiency of current business-related tax credits and to encourage creative ways to better involve the business community this bill will ask the Department of Labor to conduct a study to examine the barriers to increasing employer provided child care. I think business has a vital stake in the development of Federal child care policy and that, if business and Government work together to help solve this problem can benefit the whole Nation.

To help address the problems of quality and access, this legislation revises and expands the current State Dependent Care Block Grant Program. Flexibility will be given to the States to concentrate on particular areas of need. Liability risk pools and a revolving loan fund will be established to address the liability problems within the child care industry and to reduce the cost barriers for child care providers.

I do not expect that this legislation will be the end-all in child care. I do, however, believe that it incorporates many of the key principles that need to be included in building the foundation for child care in this country, including recognition of the financial needs of all families, maximizing parental choice, improving quality of services, avoiding discrimination of religious care, encouraging responsibility of employers in meeting work-family needs, and targeting scarce resources to those most in need. It is my hope that all those who share a common commitment to this issue will overcome political considerations and come together to agree on a set of principles that will act as the foundation for Federal child care legislation. I believe we owe that much to the families and children of this country. And, Mr. President, I believe this legislation is a good place to begin.●

● Mr. GRASSLEY. Mr. President, I am pleased to join the Senator from New Mexico as a cosponsor of the Child Care Assistance Act. This bill contains the child care provisions which, I believe, best serve the interests of mainstream America. I am especially pleased to join in this effort with Senator DOMENICI, the Senate sponsor, and with Congressman TAUKE, the House sponsor. I know that they also recognize and support strong family values.

The makeup and needs of American families have experienced many changes. But the passion that parents have for doing a good job of rearing their children has not changed. As policymakers, we must be responsive to these needs.

But, we must also be careful not to overreact. As Federal legislators, we must recognize the vital resources that already exist. We must be careful not to use the child care agenda to exacerbate the growing Federal bureaucracy over which some Members of Congress like to preside.

Child care is one of the foremost concerns expressed by families. It might be tempting to respond to that concern by creating a Federal child care program. Instead, it should be our challenge to legislate a balance between the issues of quality and affordability, without compromising the prerogative of parents in deciding how to raise their children. The Child Care Assistance Act effectively strikes this balance.

It addresses the needs of parents by providing them optimum flexibility. The bill directs benefits specifically to low-income working parents, creating a refundable tax credit to families with young children.

It addresses the needs of child care providers by expanding the current State Dependent Care Block Grant Program. Grants could be used for almost any purpose to improve child care programs and facilities. Administered by the States, it will focus on needs particular to each State.

Another provision is a revolving loan fund. This can be used by family-based providers to assist them in meeting State standards. Liability insurance risk pools would be established and will alleviate costly barriers to sufficient liability insurance.

The final provision of the bill provides tax incentives for businesses to provide child care services for their employees.

Deciding whether to place children in day care can be a difficult ordeal. Almost two-thirds of today's youngsters have mothers in the labor force. Also, economic demands force mothers to return to work much sooner after the birth of a child. Nevertheless, these are family decisions, ones which the Federal Government should acknowledge, but not influence.

Unfortunately, the process is complicated by concern about obtaining affordable, high quality child care. Long waiting lists have become the norm for child care centers. Many parents wait up to a year to obtain an opening at a reputable center. It is especially challenging to obtain child care services in rural areas.

The child care business has many hidden expenses. The block grant section of the bill provides assistance for many of those costs. In particular, these grants would provide seed money to local organizations to encourage child care providers to make the capital improvements necessary to acquire State licensing.

Another provision of the bill would alleviate some of the liability problems of child care providers. By helping States create a liability pool, many of the risks and costs associated with liability insurance would be alleviated.

Of special importance to me, this bill recognizes the prerogative of parenthood. Simply, parents are responsible for their children and know what's best for them. The Federal Government can't interfere with that.

This bill doesn't. Instead, it would allow a refundable child care tax, up to $1,000 per child, for low- and moderate-income families. This credit would go to children and their families. As we well know, nothing and no one can replace a parent's love and attention. This would not discriminate between families who care for their own children or families who have close relatives care for their children. That's the maximum amount of parental flexibility the Federal Government could provide.

Mr. President, I am very pleased to join the Senator from New Mexico, and the others who have joined him

on this bill. This is very important legislation. I hope that my Senate colleagues will give it their full support.●

By Mr. EXON (for himself and Mr. KERREY):

S. 762. A bill to amend chapter 32 of title 39, United States Code, to limit the number of congressional mass mailings, require public disclosure of the costs of such mailings, and for other purposes; to the Committee on Rules and Administration.

LIMITING CONGRESSIONAL MAILINGS

Mr. EXON. Mr. President, with my colleague, Senator BOB KERREY, I am introducing legislation to limit the number of newsletters mailed by Members of Congress to constituents. This is an issue where the Senate has been wrongly targeted for criticism.

Franked mail is a privilege granted to allow each Member of Congress to respond to constituents and keep informed of congressional activities. It is not free. Every single letter, newsletter, postcard is paid for by U.S. taxpayers.

This legislation is straightforward. It is designed to:

First, reduce, by two-thirds, the number of mass mailed newletters a Member of Congress can send annually from six to two and thereby reduce the cost;

Second, require that the House of Representatives begin publicly reporting twice each year how much each Representative spends on mass mailings. The Senate already publishes how much each Senator spends;

Third, divide the joint congressional postage account into two separate accounts, one for the Senate and one for the House of Representative to prevent either side from spending savings generated by the other body; and

Fourth, stipulate that if any Member of the Senate or House of Representatives exceeds their postage allowance they be required to pay the excess with funds from their office payroll account.

This legislation is necessary because the House of Representatives has been overspending the joint postage account. This cannot be allowed, especially in times of tight budgets and enormous Federal budget deficits.

It is important to point out that the House has been permitted to send up to six postal patron mass mailings annually for a number of years. The Senate, in February, voted to adopt the House's six mass mailing rule and to my knowledge no Senator has or is planning to send six postal patron mass mailings annually.

There has been a great deal of misinformation and distortion about the Senate vote. Rather than being interpreted as an effort by the Senate to put the spotlight on how much the House of Representatives has been overspending the joint postage account, it simply drew criticism on the Senate. The House of Representatives escaped responsibility for overspending the joint account. The news media and others have portrayed the Senate vote strictly as a move to increase its own mailing privilege and allowed the House of Representatives, the real culprit of busting the budget on franked mail, to escape public scrutiny.

It is unfortunate that the news media has ignored the reasons behind the Senate vote which, I believe was to, negotiate from a position of strength with the House of Representatives who do not publicly report how much each Representative spends like the Senate does and consistently overspend the joint postage account. I want this overspending by the House of Representatives stopped and I believe the American taxpayers want it stopped.

For the record I have never exceeded the postage allowance allocated for my office. I am proud to have brought my office in under budget every year since being elected to the Senate in 1978. In my 10 years in the Senate I have returned to the Senate more than $2.5 million in funds allocated to operate my office.

Quite frankly, I do my best to hold down expenses and operate my office as efficiently as possible. I hope each Member of Congress and every Federal program and agency would try to operate their office for less than the amount budgeted. If everyone would try to get the job done for less, the Government would make tremendous progress in reducing the Federal deficit.

The Congress has one account to pay postage for newsletters and other franked mail sent by Members of the House of Representatives and the Senate. By informal agreement the one account has been divided equally between the two Houses of Congress. The Senate being allowed to spend up to one-half of the amount and the House permitted to do the same.

The problem with joint account arrangement is that the House of Representatives is overdrawing the account. For example, in 1988 there was $82 million in the joint congressional postage account or $41 million for the Senate and $41 million for the House. In 1988, the Senate produced a $5 million savings by spending only $36 million of the $41 million from its share of the account. The House of Representatives, on the other hand, spent its $41 million share and then overdrew the account by $36 million more for a whopping total of $77 million. At the end of February this year the Senate has spent about $2 million on franked mail, while the House, continuing its tradition, has spent in excess of $8 million. This excessive spending by the House must stop.

The House has abused the one account system by spending the savings produced by the Senate and, even worse, overdrawing the account by more than $30 million last year. The Senate is not going to provide political cover so the House of Representatives can continue to break the bank.

The Senate has been trying to get the House to reduce their overspending, but the House has not cooperated and continued to spend excessive amounts on franked mail. The February 28 Senate vote was a strategic move by the Senate to put the Senate and House on equal ground, threaten the House's ability to send any franked mail and get the House to negotiate.

Granted this was a risky move by the Senate which has drawn criticism and it may not work, but it was worth trying. It is important to note that the Senate vote did not approve any increase in funding. I think the Senate wanted to demonstrate to the House how costly its six newsletter rule is and be able to negotiate changes from a position of strength. This potential cut in the House mailing ability should shock some fiscal sanity into the House to negotiate some real reductions in the postage costs.

The cost of this legislation would be tremendously less than the potential cost of allowing each Member of Congress to send up to six postal patron newsletters. According to estimates this legislation to limit Senators and Members of the House of Representatives to a maximum of two newsletters annually should not cost more than the amount budgeted in 1988 for the joint postage account.

In closing, let me say that I do not have a problem with Members of Congress wanting to send a mailing to their constituents, whether that be the citizens represented by their U.S. Representative or their two U.S. Senators. I have sent an occasional newsletter to Nebraskans and may do so again, but I am very cost conscious and do not send many newsletters because of the cost to the taxpayers.

The legislation I introduced I believe will impose much needed limitations on the Congress to spend less on mass mailings and save the taxpayers money.

I ask that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 3210 of title 39, United States Code, is amended by adding at the end thereof the following new subsections:

"(h)(1) Notwithstanding any other provision of this section, no Member of Congress, Member-elect to Congress, or other official

to whom the provisions of this section apply may mail more than two usual and customary congressional newsletters as mass mailings and postal patron mailings in any calendar year.

"(2) The Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses such rules and regulations and shall take such other action, as the Committee or Commission considers necessary and proper for the Members and Members-elect to conform to the provisions of paragraph (1) and applicable rules and regulations. Such rules and regulations shall include, but not be limited to, provisions defining a postal patron mailing and what matter constitutes a newsletter.

"(3) For purposes of paragraph (1), the term 'mass mailings' shall have the same meaning as such term is defined under subsection (a)(6)(E).

"(i)(1) Each Member of Congress, Member-elect to Congress, and other official to whom the provisions of this section apply shall on the first January 1 following the date of the enactment of this subsection and every 6 months thereafter submit to the Senate Committee on Rules and Administration, or the House Commission on Congressional Mailing Standards, as appropriate, a disclosure statement containing a summary detailing all costs for every mass mailing conducted by such Member of Congress, Member-elect of Congress, or official during the preceding 6-month period. All such statements shall be made available to the public upon request.

"(2) Within 30 days after the submission of the statements described in paragraph (1), the Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall collect and publish a summary of the information from such statements.

"(3) For purposes of paragraph (1), the term 'mass mailings' shall have the same meaning as such term is defined under subsection (a)(6)(E).".

SEC. 2. Section 3216 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) The lump sum appropriation described in subsection (a) shall provide for separate appropriations for the Senate and the House of Representatives for such purpose.

"(2) Any Member of Congress, Member-elect to Congress or other official described under subsection (a)(1)(A) whose spending for franked mail expenses exceeds the postage allowance based on the appropriations described under paragraph (1) and determined by the Senate Committee on Rules and Administration or the House Commission on Congressional Mailing Standards, shall pay such expenses from funds of the office payroll account of such Member, Member-elect, or official.".

By Mr. FORD:

S.J. Res. 98. Joint resolution to establish separate appropriation accounts for the Senate and the House of Representatives for the payment of official mail costs; to the Committee on Rules and Administration.

SEPARATE APPROPRIATION ACCOUNTS FOR MAILING COSTS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES

Mr. FORD. Mr. President, today I am introducing a joint resolution to create separate appropriation accounts for the official mail costs of the Senate and the House of Representatives. This is the second part of a two-part action. The first part was the action that the Committee on Rules and Administration proposed, and the Senate adopted on February 28 as part of Senate Resolution 66, to give Senators the same mailing privileges as Members of the House.

Let me review a little recent history to remind Senators and clarify public understanding of what we did on February 28, and what we hope to accomplish by this joint resolution.

Mr. President, the House and the Senate presently share a joint appropriation for official mail costs. It is a line item in the budget. If anyone wants to check, they can find it in the current budget volume on page 9-6. It is one of eight accounts under the heading "Joint Items." In the budget you will see the budget authority and outlay amounts for 1988 and 1989 and the estimates for 1990 and 1991. They are as follows:

OFFICIAL MAIL COSTS

Fiscal year	Budget authority	Outlays
1988	$82,163,000	$78,483,000
1989	53,926,000	53,926,000
1989 [1]	7,057,000	7,057,000
1990	114,025,000	114,025,000
1991	77,368,000	77,368,000

[1] Proposed supplemental.

The account is administered by the Clerk of the House on behalf of the House and the Senate. Every month the Clerk writes a check to the U.S. Postal Service for one-twelfth of the appropriation. And every 3 months the Postal Service sends the Clerk a statement of the cost of House and Senate mail.

For the benefit of anyone who does not realize that the House and the Senate pay for postage on franked mail, let me state clearly and emphatically that we do. Franked mail is not free. The House and the Senate pay for postage at the very same rates as everyone else; 25 cents for first-class letters and appropriate rates for sorted, quantity mail that qualifies for Postal Service discounts. The Postal Service keeps track of our costs and lets us know each quarter how we are doing.

If at the end of the year, our costs exceed the appropriation, a supplemental is usually required. I say "usually" required because there is a provision in the appropriation language that makes the appropriation for a coming year available to pay current year expenses as soon as the appropriation bill is enacted. But if the deficiency is of any significant amount, taking advantage of that provision to the exclusion of a supplemental action would mean just that much less in the future year.

At this point, let me review how we are doing so far this year. The statement for the first quarter of this year has been received, and it indicates that the House and Senate combined expenses totaled $9,124,275. Based on the first quarter amount and historical trends, the Postal Service estimates that the total for the year will be $83,326,715. Subtracting the appropriation, $53,926,000, reveals a projected deficiency of $29,400,715. The amount of the proposed supplemental in the January budget, $7,057,000, leaves over $22 million of this expected deficiency uncovered.

Mr. President, it is instructive to look at the House and Senate relative shares of this quarter's expenses. The total was $9,124,275. Of that, the Senate expenses were $2,165,639, and the House expenses were $6,958,636, or three times those of the Senate and 76 percent of the total. Frankly, it is not unusual for the House expenses to be more than those of the Senate; in fact, it is the norm, as the following table indicates:

HOUSE AND SENATE EXPENDITURES FOR OFFICIAL MAIL, 1978–1988

[Dollar amounts in millions]

Fiscal year	Total	House		Senate	
		Amount	Percent	Amount	Percent
1978	$48.9	$35.1	72	$13.8	28
1979	42.9	27.7	65	15.2	35
1980	61.9	43.4	70	18.5	30
1981	53.9	29.7	55	24.2	45
1982	100.0	59.9	60	40.1	40
1983	72.4	40.3	56	32.1	44
1984	111.0	67.3	61	43.6	39
1985	85.2	45.3	53	39.9	47
1986	95.9	60.4	63	35.5	37
1987	63.6	44.2	69	19.4	31
1988	113.4	77.9	69	35.5	31

The mere fact that House expenses are more than those of the Senate is in itself very curious. If each body were to mail at the same rate, the Senate would be entitled to twice the amount for the House. This is because the Senate covers the Nation twice and the House once. Or to put it another way, each constituent has two Senators and one Representative. So for the House expenses to be exactly equal to those of the Senate, House Members must mail, on the average, twice as much mail per Member as Senators. And for House expenses to be double those of the Senate, House Members, must mail, on average, four times as much mail per Member as Senators.

Mr. President, let me focus now on the effect that sharing the account with the House on the Senate's efforts at self-restraint. As Senators know, in 1986 the Committee on Rules and Administration became quite concerned about the escalation of official mail

costs. The committee proposed, and the Senate adopted, a procedure under which one-half of the joint appropriation was allocated among Senators in proportion to the population of the States. We realized even then that that there was nothing to prevent the House from spending more than the other half of the appropriation, or even from spending all of it and more for that matter. That is, we realized at the outset that Senate savings could be soaked up by the House.

It was our hope, however, that after the Senate demonstrated the feasibility and effectiveness of allocating the appropriation among Senators, the House would follow our lead. Indeed, every Senate resolution to continue mail cost control in the Senate has urged the House to adopt similar procedures. Such procedures are the only way to ensure that expenses are kept within the bounds of appropriations.

As Senators know, the House has failed to adopt these or other similar procedures. The result was a crisis in the account this year that left Senators without financial resources to send on statewide mailing, while Representatives were still six districtwide mailings to their districts. In response to that situation, the Rules Committee proposed, and the Senate agreed on February 28, 1989, to repeal the Senate's self-imposed restraints and to adopt the same limits applicable to the House; that is, six postal patron mailings, with no limits on town meetings notices or on mailings sent to specific persons and addresses.

Now, Mr. President, I have been reading the press comments about the Senate's action on February 28, and I have been reading my mail, and I have been listening to my colleagues, some of whom are being criticized for voting in favor of the change. Mr. President, no one was or is more concerned than I am about the cost of congressional mail, but it was clear to me that we had reached an intolerable situation. It was intolerable because a dollar saved by the Senate was not really saved at all. It merely freed up that dollar for the other body to spend. And the reduction in the 1989 appropriation to $54 million, in anticipation of using a $27.8 million surplus from 1987, precipitated the crisis in the account I referred to earlier when the House's 1988 expenses, which were $77.9 million or 95 percent of the $82.2 million provided for 1988 for both Houses together, more than wiped out the surplus from 1987.

So, Mr. President, I offer this joint resolution, which provides a framework for both the House and the Senate to adopt procedures that will ensure that expenses are kept within the confines of appropriations. Let me spell out what the resolution does.

First, the resolution creates separate appropriation accounts for official mail costs of the House and the Senate. The account for the House would be administered by the Clerk of the House, just like the joint account is now. The account for the Senate would be administered by the Secretary of the Senate. The resolution does not specify the amount to be appropriated for the accounts. Each House would be responsible for proposing in annual budgets and including in appropriations bills the amounts for its own operations.

Second, the resolution requires the House Commission on Congressional Mailing Standards and the Senate Committee on Rules and Administration to issue regulations governing the use of official mail by their respective bodies.

Third, the resolution further specifies that such regulations shall include an allocation of the appropriation for each House among the Members of that House. We have proved through 3 years of experience in the Senate that this is workable and that it is an effective method of ensuring that expenditures do not exceed appropriations. In fact, it is nothing more than an application to this area of the simplest and most fundamental instrument of budget control: allocating budgetary amounts to the level where expenditure decisions are made. We do this in virtually every other area of budgeting, and we have proved in the Senate that it can be done here too.

Fourth, the resolution specifies that if a Senator or a House Member spends in excess of his or her allocation, that the difference must be made up from the Senator's or the House Member's own funds. That means no supplemental appropriations for postage.

Fifth, the resolution includes the current limits on postal patron mail—six statewide mailings per year for each Senator and six districtwide mailings per year for each Representative, and it retains the current exception of town meeting notices from counting against the limit of six. This restriction would be further limited by the appropriation. Members could accumulate funds or receive allocations from others to increase the amount available, but in no instance could a Senator exceed the six mailings.

Sixth, the resolution provides for the publication of the mass-mail costs of individual Members in both Chambers. Senator costs will be published in the semiannual report of the Secretary of the Senate; Representatives' costs will be published in the quarterly report of the Clerk of the House. The resolution specifies the information to be included in the reports the Senator's or Representative's name, the number of pieces mailed, the total cost of the mail, and the per capita cost. This is the information that the Senate has been publishing on Senator's mass mail since April 1, 1985. So we have provided that this can be done too, and if it is done for one house it ought to be done for both.

Finally, the resolution makes a technical correction to title 39 of the United States Code, by changing a reference to a singular "lump sum appropriation" for the House and the Senate into a plural reference to "Lump sum appropriations" for the House and the Senate. This pertains to the establishment of separate accounts for the House and the Senate.

Mr. President, aside from the problems arising from a joint postal account, there are inherent problems with two different policy charges to the same account. For example, the Senate policy assumes that one-half of the appropriation belongs to the Senate and that unexpended balances can be carried forward. Our records reflect this policy. Those records indicate that $63 million of cumulative funds have been brought forward from prior years, together with one-half of the current year appropriation available.

Many Members have been frugal and believed they have accumulated savings. The plain facts are that this assumption is not correct. No prior year funds are available in the appropriation account because those funds have been spent by the House. The net amount available in the appropriation for 1989 is $50 million; yet, under the Senate policy in effect until February 28, Senators alone could plan to spend $63 million—$13 million more than the appropriation for both Chambers.

The House has avoided a supplemental appropriation to cover its overspending by using the underspending of the Senate, but the day of reckoning is here. The savings of the Senate have been spent! That is what caused a change in Senate policy. Now we need a change in congressional policy. This resolution will enact such change as legislative policy for the future. It places accountability and responsibility where it belongs. It is also fiscally prudent because it will eliminate the need for future supplemental appropriations for postage.

It might be useful for me to indicate to Senators a further idea we should consider, once separate accounts for the House and the Senate are agreed to. This would involve scaling down the central account to a much smaller amount to cover nonmass mailing requirements and, simultaneously increasing Senators' official office expense accounts by amounts sufficient to cover mass mailings. Then, when a Senator wanted to send a mass mailing, he or she would have the postage charged to his or her office expense account and paid to the Postal Service by the Secretary of the Senate. To a

certain extent the funds would be general purpose funds, so that if a Senator opted, they could be used for other official purposes. And if Senators choose not to send any mass mail and choose to return the funds to the Treasury, they could do so and be duly credited with the savings. In the situation we have now, you can't do that. There are Senators who have never sent one newsletter, saving hundreds of thousands of dollars to which they were entitled. But there have been no savings, and there cannot be any because of this joint account. What Senators have saved has been spent by the other body. There has been no way for Senators to receive credit for being frugal or to turn back actual hard cash dollars to the Treasury that they did not use. Separate accounts will make that possible, as well as permitting one Member to transfer a portion of his or her allotment to another.

In conclusion, Mr. President, let me again point out to Senators that the action on February 28 was only the first shoe. That action was never intended to be the end of the story. Some Members who have asked have been told that there was more to come—to wait for the second shoe to drop. This is it. I hope that all Senators will not only vote for this resolution but will also discuss it with the House Members of their State delegations. Obviously, as a joint resolution, we need the concurrence of the House. Now that we are on a level playing field and there may not be as much savings in the Senate for the House expenses to hide behind, I would hope that the House concurrence would be speedily forthcoming.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 98

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. Effective October 1, 1989, there shall be—

(a) within the contingent fund of the Senate, a separate appropriation account to be known as the "Senate Official Mail Costs Account", and

(b) within the fund for Contingent Expenses of the House, a separate appropriation account to be known as the "House Official Mail Costs Account".

SEC. 2. The Senate Official Mail Costs Account shall be administered by the Secretary of the Senate. The House Official Mail Costs Account shall be administered by the Clerk of the House of Representatives.

SEC. 3. The Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses rules and regulations governing any franked mail. Such rules and regulations shall include an allocation among Senators and among Members of the House of Representatives of the amount appropriated for the Senate and the House, respectively, for official mail. The costs for postage for such franked mail mailed by or for a Senator or a Member in excess of the amount of his allocation shall be charged to such Senator or Member and shall be paid by him (in the case his allocation is from the Senate) in accordance with rules and regulations as may be prescribed by the Senate Committee on Rules and Administration, and (in case his allocation is from the House) in accordance with such rules and regulations as may be prescribed by the House Commission on Congressional Mailing Standards.

SEC. 4. (a) The total number of pieces of mail which may be mailed as franked mail under section 3210(d) of title 39, United States Code, during any calendar year by a Senator entitled to mail franked mail may not exceed an amount equal to six multiplied by the number of addresses to which such mail may be delivered in the State from which the Senator was elected (as determined on the basis of the most recent statistics, from the United States Postal Service, available prior to such calendar year). Any mail matter which relates solely to a notice of appearance or a scheduled itinerary of a Senator or such Senator's personal staff representative in the State from which such Senator was elected shall not count against the limitation set forth in the preceding sentence.

(b) The total number of pieces of mail which may be mailed as franked mail under section 3210(d) of title 39, United States Code, during any calendar year by a Member of the House of Representatives entitled to mail franked mail may not exceed an amount equal to six multiplied by the number of addresses to which such mail may be delivered in the area from which the Member was elected (as determined on the basis of the most recent statistics, from the United States Postal Service, available prior to such calendar year). Any mail matter which relates solely to a notice of appearance or a scheduled itinerary of a Member or such Member's personal staff representative in the area from which such Member was elected shall not count against the limitation set forth in the preceding sentence.

SEC. 5. (a) Two weeks after the close of each calendar quarter, or as soon as practicable thereafter, the Sergeant at Arms and Doorkeeper of the Senate shall send to each Senator a statement of the cost of postage and paper and of the other operating expenses incurred as a result of mass mailings processed for such Senator during such quarter. The statement shall separately identify the cost of postage and paper and other costs, and shall distinguish the costs attributable to newsletters and all other mass mailings. The statement shall also include the total cost per capita in the State. A compilation of all such statements shall be sent to the Committee on Rules and Administration. A summary tabulation of such information shall be included in the semiannual Report of the Secretary of the Senate. Such summary tabulation shall set forth for each Senator the following information: the Senator's name, the total number of pieces of mass-mail mailed during the quarter, the total cost of such mail, and the cost of such mail divided by the total population of the State from which the Senator was elected.

(b) Two weeks after the close of each calendar quarter, or as soon as practicable thereafter, the House Commission on Congressional Mailing Standards shall send to each Member of the House of Representatives a statement of the cost of postage and paper and of the other operating expenses incurred as a result of mass mailings processed for such Member during such quarter. The statement shall separately identify the cost of postage and paper and other costs, and shall distinguish the costs attributable to newsletters and all other mass mailings. The statement shall also include the total cost per capita in the area from which such Member was elected. A compilation of all such statements shall be sent to the House Committee on House Administration. A summary tabulation of such information shall be included in the quarterly Report of the Clerk of the House. Such summary tabulation shall set forth for each Member the following information: the Member's name, the total number of pieces of mass-mail mailed during the quarter, the total cost of such mail, and the cost of such mail divided by the total population of the area from which the Member was elected.

SEC. 6. Effective October 1, 1989, section 3216 of title 39, United States Code, is amended by striking out "by a lump sum appropriation to the legislative branch" and inserting in lieu thereof "from funds appropriated to (or otherwise available from) the Senate (for costs attributable to the Senate) and from funds appropriated to (or otherwise available from) the House (for costs attributable to the House of Representatives)".

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. PRESSLER, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 22, a bill to prohibit all United States military and economic assistance for Turkey until the Turkish Government takes certain actions to resolve the Cyprus problem.

S. 84

At the request of Mr. BIDEN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 84, a bill to amend title 28, United States Code, to provide Federal debt collection procedures.

S. 89

At the request of Mr. SYMMS, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 110

At the request of Mr. KENNEDY, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 110, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 137

At the request of Mr. BOREN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 137, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandi-

date political committees and for other purposes.

S. 148

At the request of Mr. PRESSLER, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Golden Anniversary of the Mount Rushmore National Memorial.

S. 185

At the request of Mr. DIXON, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 185, a bill to amend title 18 of the United States Code to punish as a Federal criminal offense the crimes of international parental child abduction.

S. 189

At the request of Mr. MATSUNAGA, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Indiana [Mr. COATS], the Senator from Rhode Island [Mr. PELL], the Senator from Texas [Mr. GRAMM], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 189, a bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to provide funeral transportation, remains transportation, and living expense benefits to deceased medal of honor recipients and their families.

S. 190

At the request of Mr. MATSUNAGA, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 190, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay without reduction in the amount of the compensation and retired pay.

S. 253

At the request of Mr. BINGAMAN, the names of the Senator from Michigan [Mr. RIEGLE], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 253, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 255

At the request of Mr. HARKIN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 255, a bill to authorize appropriations for the Local Rail Service Assistance Program.

S. 326

At the request of Mr. SHELBY, the names of the Senator from New Jersey [Mr. BRADLEY] and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of S. 326, a bill to amend the Federal Election Campaign Act of 1971 to repeal a provision allowing use of excess contributions.

S. 375

At the request of Mr. HOLLINGS, the names of the Senator from Mississippi [Mr. LOTT], the Senator from Idaho [Mr. MCCLURE], the Senator from Arizona [Mr. DECONCINI], the Senator from Louisiana [Mr. BREAUX] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 375, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 431

At the request of Mr. NUNN, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Indiana [Mr. COATS] were added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr. Federal Holiday Commission.

S. 439

At the request of Mr. PELL, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 439, a bill to establish a program of grants to consortia of local educational agencies and community colleges for the purposes of providing technical preparation education and for other purposes.

S. 447

At the request of Mr. BOSCHWITZ, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of S. 447, a bill to require the Congress and the President to use the spending levels for the current fiscal year—without adjustment for inflation—in the preparation of the budget for each new fiscal year in order to clearly identify spending increases from one fiscal year to the next fiscal year.

S. 448

At the request of Mr. SIMON, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States.

S. 449

At the request of Mr. BOREN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 449, a bill to amend the Internal Revenue Code of 1986 to provide incentives for oil and natural gas exploration and production, and for other purposes.

S. 461

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 461, a bill to amend title XVIII of the Social Security Act to permit payment for services of physician assistants outside institutional settings.

S. 464

At the request of Mr. SANFORD, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated or under contract with the United States by clarifying the U.S. obligation to observe occupational safety and health standards and clarifying the U.S. responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 476

At the request of Mr. SIMON, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Rhode Island [Mr. PELL], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 476, a bill to increase the number of refugee admission numbers allocated for Eastern Europe/Soviet Union and East Asia.

S. 489

At the request of Mr. KENNEDY, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 489, a bill to transfer certain funds available for State legalization assistance grants to programs to assist refugees.

S. 504

At the request of Mr. GRAHAM, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 504, a bill to improve the operation of the Caribbean Basin Economic Recovery Act, and for other purposes.

S. 537

At the request of Mr. RIEGLE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 537, a bill to require that any calculation of the Federal deficit made as a part of the Federal budget process include a calculation of the Federal deficit minus the Social Security reserves.

S. 561

At the request of Mr. HOLLINGS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 561, a bill to provide for testing for the use, without lawful authorization, of alcohol or controlled substances by the operators of aircraft, railroads, and commercial motor vehicles, and for other purposes.

S. 563

At the request of Mr. MATSUNAGA, the names of the Senator from Utah [Mr. HATCH] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 563, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to

receive retired pay concurrently with disability compensation after a reduction in the amount of retired pay.

S. 564

At the request of Mr. MATSUNAGA, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Virginia [Mr. WARNER], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. LEVIN], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 564, a bill to provide for an Assistant Secretary of Veterans' Affairs to be responsible for monitoring and promoting the access of members of minority groups, including women, to service and benefits furnished by the Department of Veterans' Affairs.

S. 595

At the request of Mr. DOMENICI, the names of the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 595, a bill to amend section 89 of the Internal Revenue Code of 1986 to exempt certain small businesses from the application of the employee benefit nondiscrimination rules, to delay and to simplify the requirements of such section, and for other purposes.

S. 615

At the request of Mr. DECONCINI, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 615, a bill providing for a 14-year extension of the patent for the badge of the American Legion.

S. 616

At the request of Mr. DECONCINI, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 616, a bill providing for a 14-year extension of the patent for the badge of the American Legion Auxiliary.

S. 617

At the request of Mr. DECONCINI, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 617, a bill to provide for a 14-year extension of the patent for the badge of the Sons of the American Legion.

S. 633

At the request of Mr. MATSUNAGA, the names of the Senator from Minnesota [Mr. BOSCHWITZ], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 633, a bill to promote the development of technologies which will enable fuel cells to use alternative fuel sources.

S. 634

At the request of Mr. MATSUNAGA, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 634, a bill to develop a national policy for the utilization of fuel cell technology.

S. 635

At the request of Mr. MCCLURE, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 635, a bill to prevent the unintended licensing of federally nonjurisdictional pre-1935 unlicensed hydroelectric projects.

S. 639

At the request of Mr. MATSUNAGA, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 639, a bill to establish a hydrogen research and development program.

S. 640

At the request of Mrs. KASSEBAUM, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 640, a bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents.

S. 656

At the request of Mr. GRASSLEY, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 656, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans.

S. 691

At the request of Mr. LAUTENBERG, the names of the Senator from Illinois [Mr. SIMON] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 691, a bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel.

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 56

At the request of Mr. GARN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of Senate Joint Resolution 56, a joint resolution designating April 23 through April 29, 1989, and the last week of April of each subsequent year as "National Organ and Tissue Donor Awareness Week."

SENATE JOINT RESOLUTION 71

At the request of Mr. HELMS, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of Senate Joint Resolution 71, a joint resolution designating April 16 through 22, 1989, as "National Ceramic Tile Industry Recognition Week."

SENATE JOINT RESOLUTION 76

At the request of Mr. HELMS, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. SYMMS], the Senator from South Dakota [Mr. PRESSLER], and the Senator from New Hampshire [Mr. HUMPHREY] were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week."

SENATE JOINT RESOLUTION 78

At the request of Mr. BENTSEN, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Tennessee [Mr. GORE], the Senator from Illinois [Mr. SIMON], the Senator from Maryland [Mr. SARBANES], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Alabama [Mr. SHELBY], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New York [Mr. MOYNIHAN], the Senator from Florida [Mr. GRAHAM], the Senator from California [Mr. CRANSTON], the Senator from Michigan [Mr. LEVIN], the Senator from North Dakota [Mr. BURDICK], the Senator from Ohio [Mr. GLENN], the Senator from California [Mr. WILSON], the Senator from Kansas [Mr. DOLE], the Senator from Alaska [Mr. STEVENS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Florida [Mr. MACK], the Senator from South Carolina [Mr. THURMOND], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Joint Resolution 78, a joint resolution to designate the month of November 1989 and 1990 as "National Hospice Month."

SENATE JOINT RESOLUTION 84

At the request of Mr. HATCH, the names of the Senator from Louisiana [Mr. BREAUX], the Senator from Hawaii [Mr. INOUYE], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 93

At the request of Mr. SIMON, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 93, a joint resolution to designate October 1989 as "Polish American Heritage Month."

SENATE RESOLUTION 24

At the request of Mr. LAUTENBERG, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Resolution 24, a resolution to express the sense of the

Senate regarding future funding of Amtrak.

SENATE RESOLUTION 63

At the request of Mr. SYMMS, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Resolution 63, a resolution expressing the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

SENATE RESOLUTION 92

At the request of Mr. SYMMS, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate regarding section 89 of the Internal Revenue Code of 1986.

SENATE RESOLUTION 99—RELATING TO THE RECYCLING OF PAPER IN THE SENATE

Mr. BOSCHWITZ (for himself, Mr. CHAFEE, Mr. GORE, Mr. DURENBERGER, Mr. BREAUX, Mr. BOND, Mr. REID, and Mr. LUGAR) submitted the following resolution; which was referred to the Committee on Rules and Administration.

S. RES. 99

Resolved, That, not later than 6 months after this resolution is agreed to, the Architect of the Capitol shall establish and implement a voluntary program for recycling paper that is disposed of in the operation of the Senate. Such program shall be designed to encourage separation of paper by type at the sources of generation (including offices of Members of the Senate) and to sell such paper for the purpose of recycling.

● Mr. BOSCHWITZ. Mr. President, today I am submitting a resolution for voluntary recycling of paper disposed of in the operation of the Senate. The resolution calls on the Architect of the Capitol to establish and implement this program which will include separation of paper by type within the Senators' offices.

Mr. President, after the incident last year of the New York garbage barge roaming the ocean, it is abundantly clear that this country is running out of landfill space. Recycling is a cornerstone of the future plans of our municipalities and counties to ensure that necessary landfill space remains available. The Senate should serve as an example in the recycling efforts of the Government.

The Senate has already begun to recognize the need for recycling. Last Wednesday, the Senate approved National Recycling Month, sponsored by Senator CHAFEE. This resolution is another step and will allow the Senate to lead by example in this important area.

Several studies have been conducted and the feasibility of recycling and separation of office paper by type has been proven. Within 4 to 6 months of implementing such a system, the proceeds from the sale of the paper pay for the initial costs. Discussions with the superintendent's and Architect's office have shown no institutional obstacles to the implementation of this effort. I call on my fellow Members of the Senate to join me in this effort to conserve resources and to serve as national leaders in the recycling effort.●

SENATE RESOLUTION 100—TO AMEND THE STANDING RULES OF THE SENATE

Mr. MITCHELL submitted the following resolution; which was considered and agreed to:

S. RES. 100

Resolved, That Rule XXV, Paragraph 3(c) is amended as follows:

Strike the figure after "Indian Affairs" and insert in lieu thereof "10".

SENATE RESOLUTION 101—RELATING TO FEDERAL LICENSING FEES FOR RECREATIONAL AND COMMERCIAL FISHING

Mr. LAUTENBERG submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation.

S. RES. 101

Whereas the proposed FY 1990 Budget proposes both the imposition of a $20 federal licensing fee for recreational and commercial fishermen and the imposition of a 1.75 percent levy on the sale of fish;

Whereas the proposed Budget has also proposed reducing federal funding for important marine fishing programs implemented by the National Marine Fisheries Services;

Whereas the imposition of a federal licensing fee for recreational and commercial fishermen could create a significant enforcement burden for the U.S. Coast Guard and could divert resources from its other important responsibilities such as rescue, drug interdiction, and maritime law enforcement duties.

Whereas it has been reported that Americans annually eat an estimated 3.7 billion pounds of fish;

Whereas the proposed 1.75 percent levy on commercial fish sales amounts to a federal tax on food;

Whereas it has been reported that the commercial fishing industry generates an estimated $28.8 billion to the nation's economy, and directly provides employment to an estimated 347,000 individuals;

Whereas it has been reported that there are an estimated 136 million saltwater recreational fishing trips taken along the United States each year by an estimated 13.7 million individuals;

Whereas recreational fishing has an estimated $28.1 billion impact on the nation's economy annually;

Whereas the imposition of a licensing fee and levy on commercial fish sales would discourage growth of the commercial and recreational fisheries industries in this country, and harm related industries;

Whereas the imposition of the licensing fee and levy would have adverse impacts on state and local economies;

Whereas previous proposals for saltwater fishing license fees have not been accepted by the Congress;

Whereas there already exists a federal tax on most fishing tackle and equipment; Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the imposition of such a levy would amount to an unjustified and ill-advised federal tax on food; and

(2) the imposition of such a fee would have significant adverse impacts on state and local economies; and

(3) such a commercial and recreational fishing license fee and such a levy on the sale of commercial fish should not be implemented.

Mr. LAUTENBERG. Mr. President, today I am submitting a resolution to express the sense of the Senate opposing the imposition of a Federal licensing fee for recreational and commercial marine fishing and a levy on the sale of fish. I am pleased to be joined by my distinguished colleagues, Senator HOLLINGS and Senator PELL.

Last summer, when the President was on the campaign trail in my State, he said he opposed the saltwater fishing license proposals put forth by the Reagan administration. That met with strong approval from fishermen in New Jersey and elsewhere. However, despite the President's avowed opposition to Federal fishing licenses, his budget proposal for fiscal year 1990 includes a recommendation to impose a $20 licensing fee for all commercial and recreational fishermen who fish off our coasts, as well as a 1.75-percent levy on the sale of fish. In addition, the President's budget proposal recommends cutting funding for fisheries programs by $70 million.

Recreational and commercial fishing represents an important segment of the economies of coastal States. It has been estimated that each year approximately 136 million saltwater recreational fishing trips are taken by 13.7 million people. In aggregate, recreational fishing has an estimated $28.1 billion annual impact on the Nation's economy. That's in addition to the estimated $28 billion that the commercial fishing industry annually generates to the national economy, and the 347,000 individuals directly employed in some aspect of commercial fishing.

In my State, fisheries play a vital role in the State's economic well-being. An estimated 748,000 saltwater recreational fishermen reside in New Jersey, while an estimated 488,000 tourists come to our State each year to fish in the Atlantic coastal waters. There are an estimated 800 owners of large marine sportfishing charter boats in New Jersey. It is estimated that recreational fisheries bring in over $400 million each year to New Jersey's economy.

Mr. President, the imposition of a Federal licensing fee on recreational

fishermen could have a devastating impact on State and local economies. In New Jersey, an overwhelming majority of those chartering marine fishing vessels do so only once each year. If a Federal fee of $20 is imposed in addition to the cost of chartering a vessel, many of these one-time recreational fishermen will find a fishing trip too expensive. For example, for a family of four, the cost of a one-time fishing trip would increase by $80. The impact on charter boat owners as well as on a range of associated businesses could be severe.

In addition, the proposed licensing fee and levy would impose a cost that would extend beyond the American fisherman and the fishing industry. The establishment of a Federal licensing fee could create a significant enforcement burden for the U.S. Coast Guard. To monitor every passenger on all recreational and commercial fishing vessels could prove an overwhelming task. The significant resources that the Coast Guard would have to devote to effective enforcement of a Federal fishing license could severely detract from its ability to carry out its other responsibilities. Resources could be diverted from the Coast Guard's important drug interdiction, rescue, and maritime law enforcement duties.

Mr. President, while the proposed fishing license would harm coastal economies, the recommended 1.75 percent levy on fish sales would affect Americans nationwide. Fish has become a staple of the American diet. It has been reported that each year Americans eat approximately 3.7 billion pounds of fish. The recommended 1.75-percent levy on the sale of commercial fish found in the President's budget proposal amounts to nothing more than a Federal tax on food. At a time when many Americans find it difficult to put a nutrition meal of the table, this Federal tax on food is uncalled for.

The Reagan administration recommended the imposition of Federal saltwater fishing licenses a number of times, and each time the Congress chose to firmly reject the proposal. The latest proposal is equally inappropriate, and I hope the current administration will not pursue it further. This resolution is meant to put the Senate firmly on record again in opposition to the administration's proposal. I urge my colleagues to support this measure.

AMENDMENTS SUBMITTED

MINIMUM WAGE LEGISLATION

HATCH (AND OTHERS) AMENDMENT NO. 21

Mr. HATCH (for himself, Mr. DOLE, and Mr. COATS) proposed an amendment to the bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minimum Wage Restoration Act of 1989".

SEC. 2. RESTORATION OF MINIMUM WAGE.

Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending December 31, 1989, not less than $3.65 an hour during the year beginning January 1, 1990, not less than $3.95 an hour during the year beginning January 1, 1991, and not less than $4.25 an hour after December 31, 1991;".

SEC. 3. NEW HIRE WAGE.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection:

"(g)(1)(A) Any employer may, in lieu of the minimum wage prescribed by subsection (a)(1), pay any employee the wage prescribed by subparagraph (B) if such employee has not been previously employed by such employer.

"(B) The wage referred to in subparagraph (A) shall be at least a wage equal to 80 percent of the wage prescribed by subsection (a)(1), but at least $3.35 per hour.

"(2) An employer may pay an employee the minimum wage authorized by paragraph (1) for a period not to exceed 180 days beginning with the day the employee began employment with the employer.

"(3) No employee may be displaced by any employer (including partial displacement such as reduction in hours, wages, or employment benefits) as a result of an employer paying the rate described in this subsection.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to employees first employed by an employer on or after January 1, 1990.

SEC. 4. CHANGE IN ENTERPRISE TEST.

(a) IN GENERAL.— Effective January 1, 1990, the first sentence of section 3(s) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)) is amended—

(1) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following new paragraph:

"(1) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated);"; and

(2) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively.

(b) PRESERVATION OF COVERAGE.—The next to last sentence of section 3(s) of such Act is amended—

(1) by striking out "Notwithstanding paragraph (2), an enterprise which is comprised of one or more retail or service establishments, which on June 30, 1978" and inserting in lieu thereof "Notwithstanding paragraph (1), an enterprise that on December 31, 1989";

(2) by striking out "Fair Labor Standards Amendments of 1977" and inserting in lieu thereof "Minimum Wage Restoration Act of 1989"; and

(3) by striking out "$250,000" and inserting in lieu thereof "(A) in the case of an enterprise described in paragraph (1) (as it existed before the amendment made by section 4(a)(1) of such Act), $250,000, or (B) in the case of an enterprise described in paragraph (2) (as it existed before such amendment), $362,500".

(c) CONFORMING AMENDMENT.—Section 13(a)(2) of such Act (29 U.S.C. 213(a)(2)) is amended by striking out "section 3(s)(5)" and inserting in lieu thereof "section 3(s)(4)".

SEC. 4. TIP CREDIT.

The third sentence of section 3(m) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate, except that" and inserting in lieu thereof the following: "in excess of (1) 45 percent of the applicable minimum wage rate during the period ending December 31, 1990, or (2) 50 percent of the applicable minimum wage rate after December 31, 1990, except that".

ARMSTRONG (AND OTHERS) AMENDMENT NO. 22

Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. EXON, Mr. DECONCINI, Mr. COATS, Mr. SYMMS, Mr. DURENBERGER, Mr. D'AMATO, Mr. HELMS, Mr. HATCH, Mr. CHAFEE, Mr. KASTEN, Mr. GRAMM, Mr. GORTON, Mr. COHEN, Mr. GRASSLEY, Mr. NICKLES, Mr. HARKIN, Mr. MCCLURE, Mr. LUGAR, and Mr. WARNER) proposed an amendment to the bill S. 4, supra; as follows:

At the end of the bill, insert the following new title:

TITLE II—EARNINGS TEST

SEC. 201. RETIREMENT EARNINGS TEST.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42 U.S.C. 402(f)(8)) is amended by inserting "(i)" after "(D)" and by adding at the end thereof the following new clause:

"(ii) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(l) before 1990 shall be $820 for August 1989 through December 1989 for purposes of—

"(I) applying subparagraphs (E) and (F) of paragraph (1); and

"(II) applying subparagraph (B) with respect to a determination made by the Secretary pursuant to subparagraph (A) as a result of a benefit increase effective with December 1989.".

(b) CONFORMING AMENDMENT.—

(1) Section 203(f)(8)(C) of such Act is amended by inserting "(other than 1989)" after "such determination is made".

(2) The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking out "which is applicable to individuals described in subparagraph (D) thereof" and inserting in lieu thereof "which would be applicable to individuals who have attained retirement age (as defined in section 216(l)) without regard to any increase in such amount resulting from a law enacted in 1989".

SEC. 202. SENSE OF CONGRESS REGARDING PHASE-OUT AND REPEAL OF EARNINGS TEST BY 2000 FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

It is the sense of the Congress that—

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(1) the earnings test limitation described in section 203(f) of the Social Security Act (42 U.S.C. 403(f)) be increased incrementally above the increases specified in current law in each taxable year beginning after 1990 and before 2000.

(2) such earnings test limitation be repealed for taxable years beginning after 1999 with respect to individuals who have attained retirement age (as defined in section 216(l) of such Act (42 U.S.C. 416(l)), and

(3) the 8 percent delayed retirement credit (determined under section 202(w) of such Act (42 U.S.C. 402(w)) be fully implemented by the year 2000.

SEC. 203. RETROACTIVE ENTITLEMENTS PROHIBITED.

(a) IN GENERAL.—Section 202(j)(4) of the Social Security Act (42 U.S.C. 402(j)(4)) is amended—

(1) in subparagraph (A), by striking "if the effect" and all that follows and inserting in lieu thereof "if the amount of the monthly benefit to which such individual would otherwise be entitled for any such month would be subject to reduction pursuant to subsection (q).''; and

(2) in subparagraph (B), by striking clauses (i) and (iv) and redesignating clauses (ii), (iii) and (v) as clauses (i), (ii), and (iii), respectively.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective for monthly benefits payable on the basis of applications filed after July 1989.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 11, 1989, at 9:30 a.m. to hold a hearing on the fiscal year 1990 and fiscal year 1991 budget request for the NASA space science and applications programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Aviation Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 11, 1989, at 9 a.m. to hold a hearing to address concerns on the safety and airworthiness of older aircraft.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation and the National Ocean Policy Study, be authorized to meet during the session of the Senate on April 11, 1989, at 2 p.m. to hold a hearing on the role of the oceans in global climate change.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, April 11, 1989, at 10 a.m., to hold a hearing on line item veto.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COURTS AND ADMINISTRATIVE PRACTICE

Mr. MITCHELL. I ask unanimous consent that the Subcommittee on Courts and Administrative Practice of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, April 11, 1989, at 2 p.m., to hold a hearing on interest swap legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, April 11, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, April 11, 1989, at 2 p.m. to receive testimony on the nominations of Jack Parnell to be Deputy Secretary of Agriculture, and Richard Crowder to be Under Secretary of Agriculture for International Affairs and Commodity Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SMALL BUSINESS COMMITTEE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Tuesday, April 11, 1989, at 2:30 p.m. The committee will hold a confirmation hearing on the nomination of Susan Engeleiter to be Administrator of the Small Business Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, April 11, 1989 at 9 a.m. in open session to continue hearings on the implications of Gorbachev's reforms for United States and allied security.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS SUSTAINABILITY AND SUPPORT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Readiness, Sustainability and Support of the Committee on Armed Services be authorized to meet on Tuesday, April 11, 1989 at 2 p.m. in open/closed session to review recommendations of the Defense Secretary's Commission on Base Realignment and Closure.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Labor, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Tuesday, April 11, 1989 at 10 a.m. to conduct a hearing on "Employee Pension Protection Act," S. 685.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WELCOME, VICTORIA JAKES KNOBLOCH

● Mr. WIRTH. Mr. President, I am pleased to announce that my legislative director, Kevin Knobloch, has joined me in the ranks of fatherhood. On Monday, April 10, 1989, at 4:50 p.m., Kevin and his wife, Liz Buchanan, became the proud parents of a 6 pound, 7.5 ounce baby girl, Victoria Jakes Knobloch. I would like to be one of the first to welcome Victoria into the world and wish her a healthy and happy future. In her honor, my staff and I will be planting a tree. As Victoria grows, so will her tree and the future of our global environment.●

CANNON AIR FORCE BASE WINS NATIONAL INSTALLATION EXCELLENCE AWARD

● Mr. DOMENICI. Mr. President, I wish to share with my colleagues some exciting and important information concerning the Department of Defense's annual competition for installation excellence.

Each year, bases within the three services compete for an award established by President Reagan in 1984, an award that recognizes the outstanding efforts of the people who operate and maintain our military installations.

This year's winner of the Installation Excellence Award for the Air Force is Cannon AFB, NM, a decision that means that Cannon is nothing less than the very best base in the Air Force.

Base officials will receive the Commander in Chief's Trophy in recognition of the performance of the 27th

Tactical Fighter Wing and the people that support the wing's mission. Cannon was first nominated for this award by the Tactical Air Command as the outstanding base within the command. That put Cannon in competition with the other outstanding facilities nominated throughout the Air Force.

I had the pleasure of visiting Cannon in February, and I can tell my colleagues that this award is well deserved. Colonel Peterson, commander of the 27th Tactical Fighter Wing, and Colonel Benson, the base commander, have done an outstanding job. Their good work is reflected in tremendous support for the base and its activities by the people of Clovis and Portales.

Cannon and the neighboring communities will not be able to rest on their laurels. They face a new challenge as a result of a major realignment proposed by the Base Closure Commission. More than 1,100 people will be reassigned to Cannon as part of a move to bring all U.S.-based F-111 aircraft with a similar mission to a single base.

I am certain that the challenge will be met and that the standards of excellence achieved at Cannon will continue to be the highest in the Air Force.

I offer my congratulations to the men and women of Cannon Air Force Base for their outstanding service to America. And I look forward to working with them as they prepare for a broader mission in the future.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,487th day of captivity for Terry Anderson in Beirut.

I ask that a column by A.M. Rosenthal which appeared in the New York Times on March 24, 1989, be printed in the RECORD.

The column follows:

FIGHTING THE SILENCE

Peggy Say lives in a pleasant house in Cadiz, Kentucky, and anguishes every day of her life for her brother. For four years he has been chained to a wall in a basement in Beirut.

Dora Kazachkova lives in one room in a communal apartment in Leningrad, and every day of her life is heavy with worry about her son. For 13 years he has been a political prisoner in the Soviet Union. Now he is in a prison camp in the Ural Mountains. No mail is going through. His mother fears that means he is alone and cold in a punishment cell.

The two women have never met and do not know each other's names. But they have something in common beyond sorrow for beloved captives. They are fighters and will neither rest nor be quiet.

It is hard to be a fighter for prisoners held by Muslim fanatics or the Soviet prison system. So many friends and advisers tell you to be silent lest the prisoner suffer even more and longer.

The stories of the two women are sufficient in themselves. But the same conflict confronts governments and private citizens throughout the Western world. Should we try to free our hostages only through "quiet diplomacy"? Or should we also try to exert pressure through public protest, political action and warnings of retaliation—if we can muster enough strength to mean them?

Mrs. Say and Mrs. Kazachkova are fighting as publicly as they can. They know remembrance is what the prisoners want more than anything but freedom. They believe that for their prisoners, being remembered is the essence of life, and that without it their agony will continue and could end in death.

Mrs. Say fights for Terry Anderson, the Associated Press bureau chief kidnapped in Beirut by a Muslim terrorist band. It is inspired and armed by Iran and operates in Syrian-patrolled Lebanese territory.

Mrs. Say puts her own life into her fight. She sets forth from Kentucky to the Middle East to plead for her brother. She gives speeches, holds press conferences, argues in public and private with United States officials.

She just cannot believe a Government as rich and powerful as the United States can do nothing about the nine American hostages but shuffle its feet in embarrassment.

Mrs. Kazachkova is 77 years old. Her son, Mikhail Petrovich Kazachkova, a physicist, was imprisoned in 1975 after talking with American consular officials about leaving the Soviet Union. She cannot travel or appear on TV, but she keeps fighting Soviet officialdom, battling for her son as best she can.

I have never met Mrs. Kazachkova or her son, but one day late last year I heard his voice. I was allowed to visit Perm 35, the prison camp where he was held. No foreigner had been permitted before, and the word got around the prison days in advance.

When I was walking between barracks, a window above was flung open. Somebody managed to cry out "We must see you," before the window was slammed down. It came from a hospital ward where six men had been locked away from the visitors.

The Soviet commandant knew who it was without looking up: "Kazachkova."

Before we left the camp, we read to the Soviet officers the names of all the prisoners with whom we had been allowed to talk and those who had tried to approach us but were kept away—including Mr. Kazachkova. We asked for assurances that no penalties would be imposed on them. We were given promises: no reprisals.

Now here is a detailed message to me from Mrs. Kazachkova. She says that after the visit reprisals were taken. She says food is worse than ever. She says her son is ill, that she fears he is on a hunger strike and in a punishment cell, because their letters to each other are suddenly being confiscated.

Requests for investigation have been sent to Soviet officials by Helsinki Watch of New York and by American scientists who feel a professional kinship with Mr. Kazachkova. No reply yet. Two letters sent by the American scientists, to Mr. Kazachkova and to the Soviet commandant, correctly addressed to the camp, have been returned marked "Unknown."

This column is another request, specifically to Ivan Rakhmanin, the Soviet procurator who accompanied me to the prison, and to Moscow News, whose editor staunchly insisted that the promise of my visit to the camp be fulfilled. Please find out whether the no-reprisal pledge is being carried out in good faith—for all the prisoners who spoke, including the man in the window.

In any case, of course, Dora Kazachkova, like Peggy Say, will keep fighting.●

SENATOR HUMPHREY'S WASHINGTON POST ARTICLE

● Mr. KASTEN. Mr. President, I rise today to draw the attention of all Senators to an important article in today's Washington Post coauthored by our distinguished colleague, Senator GORDON HUMPHREY, and Representative FRANK WOLF.

The article—entitled "Act Now To Save Lives in Sudan"—is a compelling account of the plight of the hundreds of thousands of men and women who have fallen victim to Sudan's man-made famine.

Senator HUMPHREY's account makes clearer than ever before the need for immediate action on this crisis. We are indebted to him for his leadership on this, as on other issues—and regret all the more his decision to leave this body for the greener pastures of his lovely home State.

Mr. President, I ask that the article be included in the RECORD.

The article follows:

ACT NOW TO SAVE LIVES IN SUDAN

There are about 25,000 characters on this newspaper page. Last year between 10 and 20 times that number of people—250,000 to 500,000—died from starvation and disease in Sudan as the result of a man-made famine.

There is plenty of blame for both sides in the brutal civil war that has raged for nearly a decade. Both sides have used food as a weapon, and the suffering is comparable to the Ethiopian famine of 1984 and 1985. But there is reason to hope now that the situation will improve.

Recently we traveled with Rep. Gary Ackerman (D-N.Y.) to an isolated camp in the Sudanese bush and met with Col. John Garang, head of the Sudanese Peoples Liberation Army. He agreed to allow free and safe passage of food from any neighboring country into areas of southern Sudan under his control. He also agreed to allow food destined for government-held towns, such as Juba, to pass through SPLA territory unhindered. To demonstrate his good will, Garang promised to send his third in command, Dr. Lam Akol, to Nairobi, where the relief effort for southern Sudan is being coordinated by private humanitarian groups.

Garang's commitment to us, combined with the Sudanese government's similar assurances to the United Nations, means that efforts can be stepped up to pre-position food in advance of the rainy season. From May through November, the roads are nearly impassable. Absent pre-positioning, more than a quarter-million people could die of starvation again this year, according to United Nations estimates.

What can the United States do to avert that catastrophe? The Bush administration should substantially increase funding to proven relief programs already in place and pressure our allies, who so far have been laggards, to do the same. The airlifts from Nairobi and Entebbe to Juba run by World Vision, Lutheran World Services, and the International Committee of the Red Cross, are working well, by our observation. There are roughly 200,000 refugees in Juba who are totally dependent on the airlifts. Howev-

er, funding for some of the flights is so precarious that contracts for planes are being extended on a week-to-week basis. The program which trucks food from Kenya to Kapoeta, Sudan, and from there to other southern areas also is working well, but should be greatly expanded. It is largely paid for by the United States and operated by the Norwegian Peoples Aid Organization and the World Food Program.

Even under the best circumstances, however, acute local crises are going to occur. Red tape and backtracking are endemic in Sudan. As an insurance policy, the Bush administration should lay plans for airdrops to deal with the crises. This will take further negotiations with the parties.

Last year was a time of learning at great human expense. This year we can have no excuse, especially in light of Col. Garang's offer. We must cut through the red tape, dispense with grandiose schemes, and more fully fund those programs which have proven they can do the job. In Sudan, time is measured in human lives lost. By its leadership, America can do much in the next several weeks to save hundreds of thousands of lives.●

WELCOMING THE REOPENING OF THE MARTIN COPELAND OPTICAL CO. IN RHODE ISLAND

● Mr. CHAFEE. Mr. President, today I am very pleased to announce the reopening of the Martin-Copeland Optical Co. in Rhode Island. This is an old, respected Rhode Island company, and on behalf of all Rhode Islanders, I would like to welcome the company and its employees back in business in our State.

The optical frames company first opened its doors 108 years ago in east Providence. As a local manufacturer and employer, Martin-Copeland played an important role in the growth of our State's economy, and in the State's history. By 1982, the company was responsible for roughly 600 employees.

Last December, after some economic setbacks, the company assets were turned over to the bank and employees were laid off. I am proud to say within 3 weeks—thanks to the hard work of President Curt Rogers, new owner Lou Schwartz, and many others—the Martin-Copeland Co. reopened. Sixty-six employees are already hard at work, and I have every confidence that the company will be stronger than ever in the near future.

In light of our current trade deficit, this reopening is especially significant. It represents a belief on the part of Rhode Islanders and others that we can and will keep our economy going strong. Both Mr. Rogers and Mr. Schwartz have expressed their commitment to expanding the business abroad—to Canada, and Europe. That sounds like new opportunities and new jobs to me, and should be good news to all Americans.

Mr. President, the Martin-Copeland Co. reopening is important to all of us in Rhode Island. And for all of us, I would like to again say, "Welcome back."●

THE NATURAL GAS REGULATORY REFORM ACT

● Mr. BINGAMAN. Mr. President, I rise today in support of S. 625, the Natural Gas Regulatory Reform Act, a bill sponsored by my colleagues Senator NICKLES of Oklahoma and Senator FORD of Kentucky that would eliminate the last vestiges of natural gas wellhead price controls by January 1, 1993.

Now is the time to complete the decontrol of wellhead natural gas prices. Our experience with partial wellhead decontrol under the Natural Gas Policy Act of 1978 and with the total decontrol of crude oil prices has proven unquestionably that energy markets respond favorably, both in terms of price and supply, to free market forces. Price controls at the wellhead are a regulatory anachronism, as proven by the fact that natural gas is the only commodity that remains subject to Federal price controls at its source.

The remaining wellhead price controls under the NGPA do not protect the consuming public and, over the long run, may operate to the public's detriment by distorting the prompt and accurate transmittal of market signals that is necessary if adequate gas supplies are to be available. The Department of Energy's Energy Information Administration [EIA] estimates in 1988—39 percent of flowing natural gas remained subject to NGPA price controls. However, EIA also estimates that in 1988 only 6 percent of flowing gas was subject to NGPA price controls set at below the prevailing market rate for natural gas. Thus, 94 percent of flowing gas was effectively decontrolled. With such an insignificant percentage of flowing gas subject to effective price controls, the remaining NGPA price controls do little to protect the consuming public from the vagaries of the market.

The chronic oversupply situation that characterized the natural gas industry for the past 6 years should soon end. When this occurs, fully responsive natural gas markets will be necessary to meet the demand for natural gas. First, the need for a clean-burning fuel for purposes of compliance with environmental regulations. Second, the need to enhance our Nation's energy security and the role that natural gas can play in displacing imported petroleum. Third, the need for new electric generating capacity, a significant portion of which is projected to be gas-fired.

Mr. President, passage of S. 625 will benefit natural gas consumers, because the elimination of remaining wellhead price controls will increase the competition in the natural gas industry that has been fostered by partial wellhead price decontrol under the NGPA and by the Federal Energy Regulatory Commission's initiatives promoting open access transmission. As a result, consumers will receive increased supplies of affordable natural gas in the near term and will be ensured adequate supplies of natural gas in the years to come.

S. 625 represents a consensus position that can be supported by all segments of that natural gas industry. The bill does not contain any special interest provisions that might put one segment of the industry at an advantage over another. Finally and importantly, the phased decontrol that would be authorized by S. 625 will act as a cushion to protect natural gas consumers from any unintended consequences of this final phase of wellhead price decontrol.

The natural gas industry is very important to my constituents in New Mexico. New Mexico ranks fourth among the States in natural gas production. There are 5,000 natural gas wells throughout the State that produce 200 million cubic feet per month. Approximately one-fourth of the revenues going into New Mexico's general fund comes from oil and gas related taxes, royalties, and permanent fund earnings. The State revenues derived directly form oil and gas sources totaled 750.7 million in 1987. Employment in the industry totals approximately 10,000. Clearly, New Mexico benefits from the exploration and development of natural gas, and the citizens of the State strongly support any effective effort to increase the production of this clean burning energy resource. This legislation is clearly an important part of that effort.

Mr. President, I strongly urge my colleagues to take advantage of this opportunity to put our national energy policy for natural gas on the right track.●

REEDUCATION CAMP PRISONERS

● Mr. BOSCHWITZ. Mr. President, I recently introduced legislation which calls upon the Government of Vietnam to expedite the release and emigration of reeducation camp prisioners.

My resolution—Senate Concurrent Resolution 16—sends an important message that we have not forgotten the thousands of Vietnamese who were associated with the United States-backed Government of South Vietnam.

After the fall of Saigon in April, 1975, about 130,000 Vietnamese who had been associated with the former administration and armed forces fled.

Most of these refugees settled in the United States. Many more, however, were not so fortunate. Between 1975 and 1978, the Socialist Republic of Vietnam established its infamous reeducation camps; into which it put former officials and military officers of the South Vietnamese Government, dissident intellectuals, clergymen, and others it perceived as a threat. Although estimates vary greatly, as many as 1 million Vietnamese have been imprisoned in these camps since 1975.

Some of these prisoners gained their release in a few weeks, some in a few years—the Vietnamese authorities appear to have arbitrary sentencing procedures. However, as of 1980, there were about 200,000 so-called long-stayers in the camps. Today, 14 years after the end of the Vietnam conflict, there are still some 2,000 prisoners languishing in reeducation camps.

Mr. President, whether their sentence was 12 weeks or 12 years, reeducation camp prisoners who were associated with the United States or its allies, and were hence political prisoners, deserve the opportunity to come to this country. That has consistently been the U.S. position and for good reasons. First, we must recognize that these people paid dearly for their affiliation with the United States. Former reeducation camp prisoners have reported that when high-ranking officials were not around, camp guards have kicked to death inmates who seemed to resist orders. Indeed, the authorities in the camps attempt to force conformity through confinement, hard labor, and indoctrination. Conditions are so severe in the camps that a significant number of deaths are reported due to malnutrition, exhaustion, and other unnatural causes.

We must also recognize that many of these prisoners have relatives in the United States. For these relatives, every day is filled with anxiety and despair over the fate of their loved ones.

Although both the United States and Vietnam have agreed that reeducation camp prisoners should be allowed to emigrate, efforts toward this end have been frustrated. The American position in favor of the emigration of reeducation camp prisoners was made clear in high-level talks between United States and Vietnamese officials in 1986 and 1987.

In the summer of 1988, a United States delegation, headed by Gen. John Vessey of Minnesota, held further talks with Vietnamese officials on this issue. A joint statement issued on July 15, 1988, "reaffirmed the policy of the Socialist Republic of Vietnam that released detainees and their close family members would be permitted to emigrate overseas if they so desired." Not long after this statement, however, the Vietnamese back-tracked and unilaterally suspended talks on implementing this program.

Vietnam has given contradictory signals about the fate of the reeducation camp prisoners. We must continue to press the Vietnamese to resume frank and productive talks on this most important humanitarian concern. Experience shows that firm and consistent pressure on the Vietnamese can produce results. Such pressure has already gained more cooperation from Vietnam on the MIA-POW issue and on the emigration of Amerasian children.

In April 1987, the Senate unanimously passed a resolution authored by Senator KENNEDY, which called upon Vietnam to release and allow the emigration of reeducation camp prisoners. This past December, the Congress of the Brotherhood of Asian Trade Unionists passed a resolution demanding that Vietnam release all political prisoners.

My resolution is intended to complement our previous efforts on behalf of reeducation camp prisoners. Identical legislation has been introduced in the House by Representative FRANK WOLF. It is my sincere hope that we will soon be able to resume making real progress on the release and emigration of Vietnamese reeducation camp prisoners.●

POPULATION FRONT

● Mr. GRAHAM. Mr. President, I would like to submit for the RECORD an editorial by Mr. Waldo Proffitt which appeared in the Sarasota Herald-Tribune on February 7. In a time when we hear increasingly more about threats to the global environment, it seems to me that the economic, social, and regional security ramifications of a growing world population are worthy of our serious consideration. To that end, I bring Mr. Proffitt's article to the attention of my colleagues.

The editorial follows:

[From the Sarasota Herald-Tribune, Feb. 7, 1989]

GOOD NEWS ON POPULATION FRONT

(By Waldo Proffitt)

The Census Bureau predicts—with less than 100 percent confidence—that the population of the United States will peak near the 300 million mark about 50 years from now, and decline very gradually for the rest of the 21st Century.

The prediction has brought a mixed reaction. Some people say it's good. Others say it's bad. Permit me to associate myself with those who say it's good. Actually, wonderful.

Most of the world's critical problems can be traced to an imbalance between resources and people. Most of the time we hear the imbalance blamed on a shortage of resources—food, land, money, skill, energy. But it is just as accurate, and more representative of what has been happening, to blame the imbalance on too many people.

In the most advanced and literate nations, men and women of child-bearing age have reacted to problems arising from the resource-people imbalance by deciding to have fewer children. Birth rates in nearly all the nations of Europe have dropped to the replacement level, or lower. Birth rates in the United States are following the same pattern. Our annual rate of population growth is now at .8 of 1 percent and dropping.

Unfortunately, it is the more affluent, better-educated citizens who have done the most to lower the birth rate. And, among nations, it is, with one or two exceptions, the industrialized, prosperous nations which are achieving stable populations, while the poorest nations have the highest birth rates.

You can argue that the thing to do for the well-off citizens or nations is to get busy and catch up in the birth rate race. But it's a prescription for disaster. A race between the "haves" and the "have nots" to see who can procreate the fastest is sure to end with the entire human race numbered among the "have nots." Nobody wins. The way for everybody to win is for the people of the Earth to decide to live within their resources, and it is up to the more fortunate nations to show the way and persuade others to follow.

At some point the population of the human race will stop increasing. Our numbers now stand at well over five billion. We do not know how many people can be supported by the resources of the Earth. The present five billion are not being supported in decent style. At least a billion of them live on the edge of death in hunger, poverty and pain.

No small portion of their suffering results from imperfect economic or political structures or from the simple inhumanity of man to man. If all our social systems worked perfectly, we could probably feed, clothe, and house five billion people.

But how many more? Can the Earth sustain 10 billion people? Twenty billion? World population in this century has been growing at a rate that would lead to a doubling in less than 30 years. That would give us 10 billion by 2020 and 20 billion by 2050.

It ain't gonna happen, friends.

Before it does, population growth will be stopped by pestilence, starvation, or war.

Or by sensible population policies, adopted by sensible nations in their enlightened self-interest.

That would be by far the best way. But it will take a lot of luck and a lot of smarts. Working against it are forces of religion and nationalism and, in the regions of the world with the most to gain from slower population growth, a deep-seated suspicion that the very idea is a scheme by Europeans and North Americans to regain or retain influence and power.

In the Reagan administration, this nation's approach to population policy could be fairly described as dumb. Counterproductive, too. We not only abandoned policies and programs that had long been supported by both major parties, but we talked and acted as if we didn't care about what happens to world population.

I hope that is changing. It's too early to be sure, but I have a feeling the key people in the Bush administration know that population policy is just as crucial as nuclear arms control to the security and prosperity of the nation. And will have to be handled with as much, or more, determination, good sense and good will.

As a matter of fact, in the present state of the world, we will sooner be able to stabilize levels of nuclear weaponry than to stabilize

world population at a level that will allow the people of all nations to enjoy life, liberty and the pursuit of happiness.●

RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS 101ST CONGRESS

● Mr. INOUYE. Mr. President, in compliance with section 133(b) of the Legislative Reorganization Act of 1946, as amended, the Select Committee on Indian Affairs is publishing the Committee's rules, which I submit for printing in the RECORD.

The rules are as follows:

RULES OF THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS FOR THE 101ST CONGRESS

COMMITTEE RULES

Rule 1. The Standing Rules of the Senate, Senate Resolution 4, and the provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent that the provision of such are applicable to the Select Committee on Indian Affairs and as supplemented by these rules, are adopted as the rules of the Committee.

MEETINGS OF THE COMMITTEE

Rule 2. The Committee shall meet on the second and fourth Thursday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

OPEN HEARINGS AND MEETINGS

Rule 3. Hearings and business meetings of the Committee shall be open to the public except when the Committee by majority vote orders a closed hearing or meeting.

HEARING PROCEDURE

Rule 4(a). Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee at least one week in advance of such hearing unless the Chairman of the Committee determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the Committee concurs. In no case shall a hearing be conducted with less than 24 hours notice.

(b) Each witness who is to appear before the Committee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his or her testimony with as many copies as the Chairman of the Committee prescribes.

(c) Each Member shall be limited to five (5) minutes in the questioning of any witness until such time as all members who so desire have had an opportunity to question the witness unless the Committee shall decide otherwise.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5(a). A legislative measure or subject shall be included in the agenda of the next following business meeting of the Committee if a written request for such inclusion has been filed with the Chairman of the Committee at least one (1) week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee to include legislative measures or subjects on the Committee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee shall be provided to each Member and made available to the public at least three (3) days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee. The Clerk shall promptly notify absent Members of any action taken by the Committee on matters not included in the published agenda.

CONDUCT OF BUSINESS

Rule 6(a). Except as provided in subsections (b) and (c), five Members shall constitute a quorum for the conduct of business of the Committee.

(b) A measure may be ordered reported from the Committee by a motion made in proper order by a Member followed by the polling of the Members in the absence of a quorum at a regular or special meeting.

(c) One Member shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure before the Committee.

VOTING

Rule 7(a). A rollcall of the Members shall be taken upon the request of any Member.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 8. Witnesses in Committee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee, and at the request of any Member, any other witness shall be taken under oath. Every nominee shall submit a financial statement on forms to be perfected by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. All such statements shall be made public by the Committee unless the Committee in executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a complete disclosure of their financial interests on forms to be perfected by the Committee in the manner required in the case of Presidential nominees.

CONFIDENTIAL TESTIMONY

Rule 9. No confidential testimony taken by or confidential material presented to the Committee or any report of the proceedings of a closed Committee hearing or business meeting shall be made public in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 10. Any person whose name is mentioned, or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 11. Any meeting or hearing by the Committee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reports using mechanical recording filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 12. These rules may be amended only by a vote of a majority of all Members of the Committee in a business meeting of the Committee:

Provided, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three (3) days in advance of such meeting. Such proposed amendments shall be mailed to each Member of the Committee at least seven (7) calendar days in advance of the meeting.●

A DISAPPOINTING DECISION—ACCESSIBLE TRANSPORTATION FOR THE DISABLED

● Mr. KERRY. Mr. President, I rise today to express my disappointment at the decision made yesterday by the administration to appeal the U.S. court of appeals decision Adapt versus Department of Transportation [DOT], issued on February 13, 1989. This court ruling represents a step forward in removing transportation barriers facing many of our disabled citizens.

In short, adapt: First, struck down a DOT provision allowing local transit systems to provide services to disabled persons only if advance reservations are made; second, required that buses bought with Federal money be accessible to the handicapped; third, required that a level of transportation be provided to those not able to use buses and; fourth, struck down the minimum 3-percent cap which under current DOT practices allows a State or transit system to comply with the law once they have spent just 3 percent of their operating budgets on disability needs.

If allowed to stand this ruling would help reduce many of the transportation barriers facing our disabled neighbors. It would accomplish this goal as intended by Congress; and since the ruling would phase in the accessibility of public transportation, it would do so without undue expense to State and local governments.

Lack of accessible transportation is a major factor in limiting educational and employment opportunities, which are the key to self sufficiency and independence. Conversely, dependence

resulting from limiting access, not only strips a measure of dignity from capable individuals, but in terms of social services, lost wages, and wasted human potential, it represents an enormous social and economic cost.

These are goals which have been expressed by the President during his campaign, and in his State of the Union Address. This case gave President Bush his first opportunity to act on his pledge to integrate disabled individuals into every facet of every day life. But, unfortunately, with the decision to appeal, a real opportunity for immediate progress in this area, was lost.●

LETTER TO PRESIDENT BUSH ON TAIWAN

● Mr. PELL. Mr. President, I am pleased to note that April 10, 1989, marks the 10th anniversary of the Taiwan Relations Act. The act has served both the United States and Taiwan well for a decade, and I am confident that it will continue to do so in the coming years.

In this regard, I wish to introduce for the record a letter to the President from Mr. David Tsai of the Center for Taiwan International Relations. The letter urges that the future of Taiwan be determined by the people who live on the island. I have long advocated increased democratization and self-determination for the people of Taiwan, and believe that the views expressed in the letter reflect a diversity of political opinion which is increasingly tolerated by the government in Taipei.

The letter follows:

THE CENTER FOR TAIWAN
INTERNATIONAL RELATIONS,
Washington, DC, February 17, 1989.

OPEN LETTER TO PRESIDENT BUSH

President GEORGE H.W. BUSH,
The White House, Washington, DC.

DEAR MR. PRESIDENT: When you visit the People's Republic of China (PRC) later this month, Chinese leaders are bound to talk to you about the "Taiwan question." The Beijing authorities insist that the island is part of their sovereign territory, and refuse to rule out the use of force to make good on this claim. They want the U.S. to press the Taipei authorities to enter into "reunification" negotiations.

We urge you not to make any concessions to the PRC on Taiwan's international status. Four previous administrations have progressively weakened U.S. support for the right of Taiwan's people to decide that question for themselves.

Ever since President Nixon made his historic trip to China in 1972, the U.S. government has left the future of Taiwan up to the "Chinese" on both sides of the Taiwan Strait; for its part, the U.S. merely hopes that this progress will come about by peaceful means.

We insist, in contrast, that sovereignty over Taiwan belongs to the people who live on the island, and to no one else. If the people on Taiwan wish, of their free will, to affiliate by some means with another country, that is of course their right. However, the community of nations should make it clear to the government of the PRC that it will oppose any effort to coerce the people of Taiwan into "reunification" with the PRC.

At present, the people on Taiwan are increasingly demanding the right to decide their future for themselves. In November and December last year, tens of thousands of people all over the island joined in rallies for a "new country, new parliament, and new system of government." Neither the PRC nor the U.S. can afford to ignore these demands.

We strongly encourage you to state explicitly to the Beijing authorities that the U.S. government supports the right of the people on Taiwan to self-determination. In essence, this was U.S. policy prior to President Nixon's trip to China and the issuance of the "Shanghai Communique." Successive administrations have all "acknowledged" that "Taiwan is a part of China." The Reagan Administration went so far as to agree to Beijing's demands that the U.S. gradually reduce and eventually end its sales of defensive arms to Taiwan. According to U.S. law—the Taiwan Relations Act of 1979—these sales are supposed to be based upon Taiwan's needs, not the demands of a nation that threatens to annex the island by force.

Furthermore, unless and until the people of Taiwan enjoy a genuinely democratic form of government, it is not possible for them to determine freely the status of the territory in which they live. As the U.S. State Department has stated in its most recent report on human rights in Taiwan, "[C]itizens do not have the ability to change their government." Therefore, your administration should also, through the appropriate channels, forcefully communicate to the authorities on Taiwan U.S. support for the immediate establishment on the island of a form of government based on the consent of Taiwan's people.

China needs U.S. capital, technology, and diplomatic support as much as the U.S. needs China's markets and friendship. Moreover, improving U.S.-Soviet relations have made the idea of "playing the China card" against the USSR obsolete. Therefore, there is no need for the U.S. to defer to the PRC on the issue of Taiwan's future.

In any event, the U.S. has no right to trade away the rights of the people on Taiwan. While we strongly support friendly and mutually beneficial relations between the U.S. and China, we believe that the U.S. must not pursue those relations at the expense of the 20 million people who live on the "Beautiful Island."

Sincerely,

DAVID W. TSAI,
President.

We are sending this letter on behalf of our organization and the following:

Ken S. Huang, President, Formosan Association for Human Rights.

Jim J. Lee, President, International Environmental Protection Assn.

Wen-yen Chen, President, North America Taiwanese Professors' Assn.

Kun T. Liao, President, North American Taiwanese Medical Assn.

Ben Hsieh, President, Taiwanese Christian Church Council of North America.

Fu-mei Chen, President, North America Taiwanese Spokespersons for Women's Association.

Joyce Weng, President, Society for the Study of Taiwan Literature.

Pearl Tang and Nancy Chen, Women's Movement for Democracy in Taiwan.●

TEN PIECES OF THE DRUG PUZZLE

● Mr. SIMON. Mr. President, in Washington, we are faced daily with headlines telling us we are losing the war on drugs. But no city or community is spared the heart break of ruined lives and wasted potential. In a column I write for newspapers in my State, I offer 10 commonsense suggestions—10 pieces of the drug puzzle that we have to put together. I ask to have it reprinted in the RECORD.

The article follows:

TEN PIECES OF THE DRUG PUZZLE

Talk to someone whose son or daughter has been destroyed by drugs, and the viciousness of this threat overwhelms you.

The United States is 5 percent of the world's population, yet we consume 50 percent of the world's illegal drugs.

The nation's capital is experiencing a wave of murders related to drugs. And while the statistics in Washington are worse than in most places, if we overnight got rid of the drug threat in every urban area of the nation, we would still face a serious blight elsewhere.

In 1988 four times as many people died of cocaine as in 1984.

What can be done?

The more you look at this problem, the more clear it is that the easy, dramatic answers will not work. We'll have to dig in and do the hard, undramatic things that count. What are they?

1. Drug education for all of us. The public education program for cigarettes is working. We're saving lives. We must do the same for drugs. Sometimes I ask high school students, "How many of you have had your parents talk to you about drugs in the last year?" Few hands are raised. Drug education in our schools, on the media, in our churches and synagogues, and in our homes must be an all-out national endeavor. Some years ago, the Kiwanis Clubs had a drug education program. A host of other organizations should follow their fine example.

2. Treatment centers must be available for addicts who want help. In many areas the wait for addicts to get treatment is six months to a year. That waiting period is dynamite. When people recognize they need help, we need to get it to them quickly. The costs of waiting are high.

3. We must recognize most drugs are not used by addicts, but by "good citizens" who want a special thrill. They must understand recreational use is a threat to them and to our society. For example, the majority of child abuse cases today are drug or alcohol-related. The casual user is like the person who lights a match at a service station: It may explode. More than two-thirds of the people now arrested for serious crimes test positive for drugs.

4. To discourage casual users, law enforcement must go after more than the trafficker. Yes, throw the full weight of the law at the person who sells drugs. But the person who buys drugs is part of the crime. With rare exceptions, law enforcement today goes after only the seller. We don't have enough jails to house people if we go after those found possessing or using drugs. But routine fines of $500 or $1,000 for all users—would

help. And I also favor printing in newspapers the names of those convicted of possession or use.

5. Trials for those accused of drug trafficking should be set as quickly as possible so the penalty is prompt, as well as severe.

6. Once people are found guilty of selling drugs, if they wish to appeal they should stay in prison while they appeal. To permit them to post bond after conviction and walk the streets is to invite more drug use and sales.

7. High-rise public housing is often a haven for drug users. Where that is a problem, take a lesson from Vince Lane, the new Chicago Housing Authority administrator, who is firmly cracking down.

8. Some places have inaugurated a hotline where people can call with information about drug dealing but remain anonymous. We need more hotlines and then publicize their existence.

9. For other countries producing drugs we should cooperate in trying to stop production, but make it clear that lack of cooperation by them will result in economic penalties.

10. Finally, there are many "small things" all of us must do to stop the drug traffic. Recently I drove on Cicero Avenue in Chicago and across the large street was a banner: "Beepers Sold Here—No Credit Check."

I asked the young man driving what it meant. He replied that beepers are used by teens selling drugs to avoid being caught.

"The people they're trying to attract sure do," he said, "and anyone under 25 knows what the sign means."

If he is correct, that store is involved in a legal business but the money they make is blood money. The media should shame them out of business.

These 10 things are among pieces of the puzzle that we have to put together. The task will not be easy, nor the battle quickly won. But win it we must.●

BASE CLOSING LEGISLATION

● Mr. SIMON. Mr. President, the clock is ticking on implementing the base closing legislation we enacted last year. I hope my colleagues take a good look at the whole concept before it is too late. I strongly believe that we ought to have tasked the Base Closing Commission to look first at closing overseas bases. But even accepting the Commission's mandate to examine domestic bases only. There are simply too many errors in the Commission's report to let it go unchallenged.

Inaccuracies abound in the case of the two Illinois bases slated for closure, Fort Sheridan and Chanute Air Force Base. My good friend and distinguished colleague from Illinois, Senator ALAN DIXON, has done a tremendous job in ferreting out the many problems with the base closing report in his capacity as chairman of the Readiness Subcommittee of the Armed Services Committee. As Senator DIXON's statement from the March 15, 1989, base closing hearing makes clear, the Commission didn't even find the time to visit Chanute, let alone verify the figures it used to clobber the base and the host community of Rantoul.

Mr. President, the Base Closing Commission did a rush job, and deserves a failing grade. Instead of praising Fort Sheridan and Chanute—both of which have done a stellar job over the years—the Commission chose to bury them. Let's send the Commission back to do the job right.

I commend the attention of my colleagues to Senator DIXON's March 15 opening statement and to a letter I wrote on March 1, 1989, for an open meeting on the future of Chanute, addressed to the acting Secretary of the Air Force. I ask that both Senator DIXON's statement and my letter be printed in the RECORD in full.

The material follows:

SENATOR ALAN J. DIXON, OPENING STATEMENT ON MILITARY BASE CLOSING REPORT, MARCH 15, 1989

Mr. Chairman, it has been my experience in over forty years of public service, that if a public official or public agency is basing decisions on bad information, you get a bad result. If the decision is based on no information, you get a worse result.

That is exactly where we find ourselves in these hearings today. The Base Closing Commission arrived at bad decisions because of bad information. We, in Congress, are trying to arrive at decisions without adequate information. I find this situation intolerable, and it is my intention to keep reminding everyone involved that a lot of mischief is going to be done, affecting thousands of people, simply because the Commission didn't have accurate information before it, didn't visit a number of bases involved, and hasn't given us whatever information it was that they supposedly based their decisions on.

The number of mistakes that have been discovered thus far leads me to believe that the verification process was seriously flawed. Anyone familiar with Chanute knows that this base does not have the shortages the Commission stated it has. Several million dollars have been spent in recent years to improve facilities at Chanute. If these facts had been verified by a visist to Chanute this base would not be on the base closing list today. The simple fact is that the Commission received bad information, this information was not verified by a visit or by a competent staff audit. The system is flawed.

Bad information again was the culprit behind recommending the closure of Fort Sheridan. Savings will not be realized because the Commission substantially underestimated the cost to move missions, the cost to keep open portions of the facility, and a whole host of other cost considerations. As one of the Commissioners noted when he visited the base, this is an important base that contributes greatly to the Army's mission. So, why close it because of bad information?

Before I close, I want to stress one point. The people of Illinois, and I'm sure in other affected areas as well, are more than willing to make sacrifices that will improve our military performance and save badly needed tax dollars. Americans have always done this and always will. Sour grapes is not the issue here. What is hard for many to accept is that they are being asked to suffer hardship because of bad information! It is simply not fair to them to ask them to accept these hardships without competently validating the information that was used by the Commission.

Finally, Mr. Chairman, I want to reiterate—bad information, bad results. No information, worse results. It can't get any worse than this!

QUESTIONS FOR BASE CLOSURE COMMISSION, COCHAIRMAN SENATOR RIBICOFF AND CONGRESSMAN JACK EDWARDS, MARCH 15, 1989

CHANUTE QUESTIONS

1. Both of you stated before a House hearing on 1 March that no information should be withheld from public scrutiny, there is nothing "we have done that shouldn't be available to the Congress of the United States. Why weren't steps taken to insure that information would be available here in Congress as needed so that a proper congressional review could begin?

2. The General Accounting Office, Chanute Air Force officials, and many who are familiar with Chanute Air Force Base indicate that the Base Commission used inaccurate data in determining the availability of facilities at the base. Your report said there is a shortage of facilities for training, administration, warehousing, medical and dental care, bachelor housing and recreational facilities. On the contrary, these shortages do not exist. Mistakes have been made. The Commission recommended moving photo interpretation training from Chanute, but this particular specialized training is not even conducted there. How can we move something that doesn't exist?

[Graphics not reproduced in the Record]

3. (*Chanute figure 1*) This diagram shows the Commission's utility value for Chanute which is based on inaccurate data.

(*Chanute figure 2*) This diagram shows the extent of inaccurate data used for the analysis.

(*Chanute figure 3*) This information makes it clear the Commission's figures do not match what is available at the base. In particular, I call your attention to the bachelor housing figure provided by Chanute which exceeds Air Force requirements, and the medical-dental figure provided by Chanute that is substantially larger than the number used by the Commission.

(*Chanute figure 4*) Facts clearly demonstrate that Chanute gains 43 points and moves into fourth place when accurate data for bachelor housing is substituted for inaccurate Commission data. If Chanute had been accurately evaluted, it would not have been the best candidate for closing in its category because lowest rated bases would have moved in the position as the best candidates for closing.

(*Chanute figure 5*) Chanute is less than 3,000 square feet away from meeting a 1994 requirement for medical and dental facilities. As a result, Chanute is rated yellow, a lower score than the other bases which received the higher green score. However, Chanute meets requirements now, and has, in fact, excess capacity instead of shortages that you claim it has. But let's look at the Commission's figures. Doesn't it make you suspicious that for the other four bases the requirement exactly equals the footage available! To the square foot! Just how accurate are the numbers anyway?

(Chanute figure 6) here is documentation correcting the discrepancies already pointed out. Viewed from the proper perspective, Chanute shares the best rating in the air training command category! In other words, Chanute falls short of being one of the best because it misses meeting its future require-

ments for medical-dental facilities by 1.6 percentage points. My reaction to this is that the Commission's process is flawed. How can we close a base because of a 1.6 percent shortage? Did you also know that the entire third floor of the hospital at Chanute is not even in use at the present time?

4. I am told that Air Force requirements are based on a need to handle an increase in trainees in the 1992-94 time-frame. As they now stand, all their air training bases meet existing requirements. Were you aware of this personnel increase? It could negate savings gained from closing Chanute. If we are increasing trainees, why are we closing a training base? It seems that the Air Force manipulated the requirements to justify closing Chanute!

5. Did the services aggressively propose their own base closing plans to the Commission? Your report states that Air Force plans provided opportunities to close bases. Does this mean the Commission lost some of its independence, by relying too much on these plans?

6. In your statement, you state that the economic impact of closing Chanute will be "moderate" yet the mayor of Rantoul has indicated the town will lose nearly 45 percent of its population. I'm told that closing Chanute is like closing all automobile plants in the Detroit area. The impact is devastating! If that's moderate, I would hate to see what you would call severe!

FORT SHERIDAN QUESTIONS

7. (Fort Sheridan graphic). Your report says that it will cost $68 million to close Fort Sheridan. Defense Department officials have indicated it will take about $153 million to close down—a difference of about $85 million. According to the GAO, Sheridan officials say that only 342 personnel positions of a Commission-projected 746 can be eliminated, thus substantially reducing the so-called savings. Furthermore, after the Federal, State, and local governments and any other interested parties get through carving up Fort Sheridan, it seems very little money, if any, will be saved. So why close a base that the Army says is important to its mission and was rated high among bases in this category?

8. I also understand that the Commission set aside phase I and made all bases in the Army headquarters/administration category eligible for closing consideration. Isn't this contrary to the stated preeminent consideration for closing a base being its reduced military value? Did discussions of selling valuable Sheridan property overwhelm this preeminent consideration?

9. I understand that a member of the Commission, Admiral Rowden, visited Fort Sheridan on the 8th of December just a few weeks prior to the release of your report. He was quoted as saying, "Fort Sheridan was not well presented to the Commission". He further is quoted as saying that the Department of the Army has not properly presented the Fourth Army's Reserve and National Guard responsibilities to the Commission. Just what information did you consider in closing Fort Sheridan? Did you consider the information presented by the admiral?

10. The Services have told me that there is a real shortage of family housing for military families in the Northern Illinois area. Among Fort Sheridan's facilities is a considerable number of family housing units (496 family quarters). Did the Commission ever consider making these units available for families serving at other armed services facilities in the Chicago metro area? Did the Commission ever consider whether this alternative might be more cost-effective than building new housing at the other bases?

11. Did the Commission know that the Fourth Army had decided to move the 416th Engineering Command, 85th Division and 86th Division Commands to Fort Sheridan, utilizing buildings that have become empty because of new construction?

12. Admiral Rowden stated to Fort Sheridan officials that a senior Army official told the Commission, "There are other places that need to go before Fort Sheridan." So just what information did the Commission use to decide to close Fort Sheridan?

OTHER BASE CLOSING QUESTIONS

13. (Construction cost graphic). Other Commission errors have been found as well. The majority clerk found that the Commission underestimated by 33 to 50 percent the construction cost to support the closure of Norton Air Force Base and the partial relocation of Norton missions to March Air Force Base. If Commission cost estimates are similarly flawed nationwide, total construction cost could reach $2.7 billion or more than the entire domestic construction cost budgeted for all services in fiscal year 1990. The Commission estimate for total construction cost is $1.8 billion. The difference would reduce Commission 20 year savings estimates by nearly a billion dollars to $4.7 billion. This is just one example of cost estimate mistakes. Considering these and others that have been pointed out can the Congress accept your recommendaions? I think not.

14. Bases in the Southeastern area of the Nation will remain virtually intact after closure and realignment. Thousands of letters and at least one study from this area were sent to you to influence your decision. What impact did they have and did you avoid bases for political reasons as many have suggested?

U.S. SENATE,
Washington, DC, March 1, 1989.

Hon. JAMES MCGOVERN,
Acting Secretary of the Air Force, Washington, DC.

DEAR MR. SECRETARY: I am writing about the scoping meeting you are sponsoring today in Rantoul, Illinois, concerning the closing of Chanute Air Force Base. I am opposed to the closing of Chanute and I have several other concerns as well.

No agenda has been received by my office for this meeting. Additionally, the only notice I received was from the Public Affairs Office at Chanute on February 27th. I was disappointed to learn that the Rantoul city officials were not informed in writing of this scoping meeting.

I have had serious concerns about the Base Closing Commission and the process it used from the start, well before Chanute was identified for closure. I was one of seven in the Senate voting against establishing the Commission, and my concerns then about basic fairness and the thoroughness of the process used by the Commission have been borne out.

First, as far as we can determine, the Commission did not even visit the base. I find this incredible, and in itself warrants serious re-examination of the entire effort. How many other bases were not visited?

Second, upon staff examination, it appears that there are serious discrepancies in data. For example, in an Economic Resource Impact Statement delivered to my office on February 16th, the square footage available for Training Facilities is listed as 1,583,016; yet the Commission reported that there were only 1,467,933 square feet available, a factor used against Chanute in the Commission's decision. In fact, Chanute has added 5,000 additional square feet since then, and so the total is actually 1,588,206 square feet, much closer to the requirement established by the Commission.

Similarly, medical and dental facilities are listed by the Commission at 89,562 square feet, falling short of the Commission's requirement of 104,502 square feet. In fact, Chanute has available 173,023 square feet, well above the minimum requirement.

Where did the Commission get its figures? No one seems to know. There are many other discrepancies of this sort that Mayor Podagrosi, Senator Dixon, Congressmen Madigan and Bruce, and I are looking into.

Third, in the last decade Chanute has undergone a major upgrade in facilities. About $180 million has been spent for new capital stock, much of which has gone into improving Chanute's readiness and training programs. Quality of life is high; in 1988 alone the base won Air Force and Air Training Center awards for best food service; best services; best family housing management office; and highest readiness in the Air Force Technical Training Command.

Fourth, the mandate of the Commission to look only at domestic bases made no sense. We have basically the same military commitments overseas today, when we are 20 percent of the world's economy, as we did at the end of World War II when we were 40 percent of the world's economy. Closing down some overseas bases and facilities, and bringing home troops and dependents, and accordingly shutting down all the infrastructure like base schools and hospitals, will surely bring about much greater savings over time than those estimated by the Commission for domestic bases.

Finally, it is my sense that the Commission did a classic "rush job," much like a student staying up all night to finish a term paper. The entire effort was conducted in a matter of a few short months, and as I noted earlier, they did not do their homework. How can you rule on a base like Chanute when you do not even visit the base or take the time go get the right figures?

There are other problems with the decision on Chanute, and I will be working with my good friends Senator Alan Dixon, Congressman Terry Bruce and Congressman Ed Madigan and others in the state to point out the flawed job done by the Commission. I would appreciate your taking a close look at this whole process and providing me with a clarification of the points I have raised here tonight, and an update on what the Air Force and the Department of Defense are doing to assist and work with the community of Rantoul.

Cordially,

PAUL SIMON,
U.S. Senator.●

DIXON, IL, AND DICKSON, U.S.S.R.—SISTER CITIES

● Mr. SIMON. Mr. President, for several years now the people of Dixon, IL, have had a sister city relationship with the people of Dickson, U.S.S.R., located in the Krasnoyarsk Territory of Siberia. I have been pleased to help this relationship along, and I have recently been informed that the two cities issued a joint declaration and

sent a joint letter to Presidents Reagan and Gorbachev last August.

One of the people most responsible for this effort is the mayor of Dixon, James E. Dixon. Mayor Dixon of Dixon has fought hard to make the sister city idea a reality, and his perseverence paid off. His vision of an involved citizenry, one that is actively engaged in trying to improve understanding between different cultures, is one reason why people-to-people diplomacy has become a success.

Mr. President, I ask that the joint declaration and joint letter between the people of Dixon, IL, and Dickson, Krasnoyarsk, U.S.S.R., be printed in the RECORD.

The material follows:

JOINT DECLARATION

James E. Dixon, Mayor of the City of Dixon, Illinois, of the United States of America, and Nikolai P. Kartamyshev, Mayor of the City of Dickson, Krasnoyarsk Territory, of the Union of Soviet Socialist Republics, declare on behalf of their respective citizens that they have established a "Friendship City" relationship between the two cities to promote mutual understanding and friendly cooperation as follows:

(1) We shall exert ourselves to promote mutual understanding and friendly relations between our two communities.

(2) We shall support and encourage interchange and cooperation by the citizens of our communities in every field, including city administration, education, and economic and cultural development.

(3) We shall promote the study of the English and Russian languages in our respective schools and institutions because we know our ability to communicate is essential to mutual understanding and friendship.

(4) We shall communicate the message "Dixon-Dickson" We Are The World" to all peoples because we are from small communities and representative of the great majority of common people throughout the world.

(5) We shall encourage other communities to join in friendly relationships as a means of promoting peace and welfare for all of mankind.

Both the Mayors declare this "Friendship City" relationship to be established on this date, that the document shall be published both in English and in Russian to be preserved by the two cities, and that it shall be communicated to General Secretary Gorbachev and President Reagan.

August 29, 1988.

JAMES E. DIXON,
Mayor of the City of Dixon, State of Illinois, United States of America.

NIKOLAI P. KARTAMYSHEV,
Mayor of the City of Dickson, Krasnoyarsk Territory, U.S.S.R.

COPY OF JOINT LETTER AUGUST 29, 1988 TO PRESIDENT REAGAN AND GENERAL SECRETARY GORBACHEV FROM MAYOR DIXON AND MAYOR KARTAMYSHEV

We, James E. Dixon and Nikolai P. Kartamyshev, elected Mayors of the cities of Dixon, Illinois, USA, and Dickson, Krasnoyarsk Territory, USSR, on behalf of the absolute majority of our residents, address to you the message of peace and friendship which we hope will meet your understanding and support.

Almost two years ago, after we knew about the existence of each other's towns whose names are almost identical, we began working to establish between us friendly relations. We are united by a dream that, despite all dividing distances and barriers, we would be able to make a contribution to mutual undertanding between our nations, because we know that the relationship between our countries greatly influences the events of the world.

With the support of the residents of our two towns, and with active participation of a group of volunteers or activists, our ties are developing, broadening in scope, and becoming more diverse, interesting and concrete. In the period from August 24 through August 30, 1988, in the city of Dixon, Illinois, we held our first meetings which were conducted in a special atmosphere of heartfelt friendship and mutual understanding. We found that there were many more things we held in common than there were differences between us.

We consider our ties as a further development of those measures that were undertaken by you in bringing together the peoples of the USA and USSR. In our opinion your efforts aimed at peace and trust are in extreme need of support nationwide from both sides.

We have selected as a symbol of our ties a human heart divided in two halfs. The first half is the Soviet flag and the second is the American flag. We think that the destiny of the peace in the world depends to a great extent on us. We consider that the destiny of the Soviet-American relations and peace in the world as a whole depends to a great extent on the effectiveness of "peoples diplomacy" or "citizens diplomacy", and it also depends on the strength of those ties that are borne from the heart of one individual to the heart of the other.

We call on you to cooperate in order to resolve the conflicts and difficulties which still face us. In the interest of preserving peace and security for all of us now living in the world, and for all future generations, we need to remove any still existing difficulties and restrictions.

In the final analysis, peace is essential to all human progress and for the prosperity of each human being on this planet. Let there be peace in the world.

August 29, 1988.

Sincerely yours,

JAMES E. DIXON,
Mayor, Dixon, Illinois, USA.
NIKOLAI P. KARTAMYSHEV,
Mayor, Dickson, Siberia, U.S.S.R.●

CONGRATULATIONS AMERICAN LEGION'S CHARLES JOINER

● Mr. BOND. Mr. President, on May 7, 1989, Mr. Charles Joiner of St. Louis, MO, will be honored as the Legionnaire of the Year, by the 11th and 12th Districts Department of Missouri American Legion. I have been acquainted with the good deeds and service of the American Legion for some years and I am indeed happy to relay my congratulations to a 37-year member.

Mr. Joiner became a member of the American Legion after serving honorably in the U.S. Navy during World War II. In 1974 Mr. Joiner was elected commander of St. Joseph Memorial American Legion Post 525 and is presently serving as post service officer. In 1979 he served as the 11th district commander. Mr. Joiner continues to be active in a number of civic, social, and service organizations.

Because of his tireless service to others, Charles Joiner's colleagues have selected him as the Legionnaire of the Year. I would like to take this opportunity to congratulate Mr. Joiner for this high honor and commend him for his continued involvement.●

THE USE OF PILOT CALL SIGNS IN THE LIBYAN MIG SHOOTDOWN: THE NEED FOR CAUTION IN AN ERA OF TERRORISM

● Mr. McCAIN. Mr. President, we are not used to thinking of Americans as the target of terrorism, or of individual members of our military as being made the target of such attacks because of the conflicts between nations. Recent events, however, have made it all too clear that we need to be extremely cautious in how we treat the names of any members of our forces who become involved in combat with terrorist states like Iran and Iraq. The attack on the family of the officer who commanded the *Vincennes* when it mistakenly shot down an Iranian air liner is all too tangible a case in point.

This is why I believe that we need to pay special attention to any press reports that may help terrorists identify members of our military, or their families, to terrorist elements. I also wish to draw the Senate's attention to a case in point. On March 16, 1989, George Wilson wrote an article in the Washington Post entitled "Despite New Details, Libyan Mig Incident Is Still Puzzling." In this article, he quoted other F-14 pilots who gave him the call signs of the pilot and the navigator of one of the F-14's that shot down a Libyan Mig-23 on January 4, 1989.

The actual names behind these call signs are known so widely that their use may well make the officers involved, and their families, the subject of terrorist attacks. In fact, I have been given a copy of a letter by one of the wives of the officers involved to George Wilson, and I think it is a warning to all of us as to how dangerous it is to reveal or publish any information that could target a member of the military or a military family.

Mr. President, I will ask that this letter be included in the RECORD in full. I do want to point out, however, that we all tend to be guilty of being a bit careless about the subject of terrorism. We in the Congress need to watch our words and be exceptionally careful about leaks. The press needs to weigh the value of color in a story against the risks to those concerned. Members of the services and executive branch need to remember that they

have the ultimate responsibility for protecting sensitive and classified data.

I, in fact, have some concern about even discussing this issue in public because it might become a self-fulfilling prophecy. The families involved have made it clear, however, that they feel a general warning now might help other families in the future. I trust that all of us will work together to ensure that this warning will not go unheeded.

Mr. President, I ask that the letter to which I referred be printed in the RECORD.

The letter follows:

APRIL 4, 1989.

DEAR MR. WILSON: After reading your article printed in the Washington Post (Sunday, March 28, 1989) I felt compelled to write to you and ask you to please answer this one question for me. "Why in the world did you identify the call signs of both pilot and RIO in your article?" These military call signs identify individuals and are well known throughout the military community. Even the civilian communities abroad, who host our husbands' ships and squadrons while deployed in the Mediterrean know these "nicknames."

Believe me, since this incident, my family as well as the other families involved, have developed a deep respect for the media across the United States. As of January 5, 1989, many news sources had identified all parties involved in the MIG incident. At the request of the Defense Department, for the safety of our lives, our identities were not revealed to the American public. I do not appreciate what you have done! I turn on my television to see the silhouette of a Navy Captain's wife, whose van has been bombed, who has lost her job, who cannot return to her home, and lives in fear for her family. Others in your profession exercised admirable restraint in withholding all references to air crew identities—why couldn't you?

Since the events of January 4th, our lives have changed and I would appreciate any future articles on your part, to consider our safety and wellbeing!●

CONGRATULATIONS TO STARR MOORE

● Mr. BOND. Mr. President, I rise today to call attention to an outstanding individual from my home State of Missouri. Starr Moore, an 8-year-old resident of Seneca, MO, can be considered a superhero by her family, friends, and fellow citizens since saving the lives of her brother, sister, and parents.

I believe that this young person's heroic actions are outstanding and should be noted. Through the Latchey Program, sponsored by Oak Hill Hospital in southwest Missouri, Starr learned about fire safety measures. Little did she know that within a week's time she would put these safety measures to use.

Starr led her 2-year-old brother and 4-year-old sister to safety after awaking to the smell of smoke and fire in the bedroom that they shared. She awakened her parents and they escaped, also unharmed. If it had not been for Starr's bravery and calm, the family could have perished.

The ability to face such a frightening and dangerous situation with courage is a remarkable feat and reflects Starr's intelligence and maturity. It is my pleasure to extend sincere congratulations to Starr Moore and to her remarkable family for Starr's heroism in saving the lives of her family.●

THE 1988/89 YOUNG WRITER'S CONTEST

● Mr. ROBB. Mr. President, I am pleased to bring to your attention, and to that of my colleagues, some very good news about young people. I speak of all the first through eighth graders who participated in the 1988/89 Young Writer's Contest, and particularly of this year's winners.

The Young Writer's Contest Foundation [YWCF] was formed to complement writing curricula in the classroom, and is designed to encourage the necessity for effective communication at a time when it is not uncommon to read and hear discouraging statistics about declining language skills in this country.

Writing is thinking; thinking is the heart of learning, and from the hearts of our children come the words that describe their thoughts of wonder, delight, and even confusion. These words are the messages of today's youth, which in the blink of an eye will be tomorrow's future.

Along with their educators, the 12,000 youngsters who entered the Young Writer's Contest this year deserve recognition for their efforts in rising to meet the challenge for excellence in language arts, an area of the highest national priority. It is especially pleasing to note that more than 30 Department of Defense dependents schools abroad submitted their students' work this year. These children of the men and women in the U.S. Armed Forces serving this Nation so far from home added a new dimension to this most worthwhile activity.

I applaud Ronald McDonald Children's Charities for supporting the Young Writer's Contest, I commend the educators for their dedication, and I take great pride in providing the names of the winners—among them, five from Virginia.

The original poems, stories, and essays written by the winners of the Young Writer's Contest will be published next month in the 1989 Rainbow Collection. In this, the Year of the Young Reader, as designated by the Library of Congress, there can be no more appropriate prize for winning than a book created by children, for children.

The list follows:

1989 WINNERS SCHOOL LIST

City and State	School	Student	Age
Trussville, AL	Hewitt Elementary School	Brian Layfield	8
Cave Creek, AZ	Cave Creek School	Cliff Biffle	7
Anaheim, CA	South JHS	Stephanie Cheung	13
Burlingame, CA	Burlingame Int'med School	Karen Paik	11
Cypress, CA	Arnold Elementary School	Bethany Martin	9
Walnut Creek, CA	Dorris-Eaton School	Sheri Shakeri	13
Denver, CO	Park Hill School	Julia VanBenthuysen	8
Englewood, CO	Cherry Hills Village Elem	Ben Blum	7
Glenwood Springs, CO	Glenwood Spgs. School	Maya Kurtz	10
Lewis, CO	Lewis-Arriola Elementary School	Jenny Williams	11
Lewis, CO	Lewis-Arriola Elementary School	Liz Wilber	12
Loveland, CO	Big Thompson Elementary School	Park Hays	11
Guilford, CT	Melissa Jones School	Kara Kramar	8
Higganum, CT	Haddam Elementary School	Ian G. Chriss	12
Bear, DE	M.B. Leasure School	Jessica Fitzpatrick	7
Lewes, DE	Shields Elementary School	Dana Smith	8
Milford, DE	Milford Mdl School	Craig Bozefsky	13
Milton, DE	Milton JHS	Brian Hawthorne	14
Wilmington, DE	Bancroft School	Joey Tridente	9
Howey in the Hills, FL	Howey Gifted Center	Amanda Morehead	10
Miami, FL	O. Hoover Elementary School	Pierre Hachar	8
Miami, FL	Southwood JHS	Rod Dunaye	13
Miami, FL	Southwood JHS	Cameron McPhee	12
W. Palm Beach, FL	Palmetto Elementary School	Janice Wedge	10
Calmar, IA	C.F.S. Cath. School	Melanie Sabelka	13
Buffalo Grove, IL	St. Mary's School	Karen Schulte	12
Chicago, IL	Clinton School	Taeyun Kim	13
Chicago, IL	Hawthorne Schol. Acad.	Christopher Oquendo	12
Chicago, IL	J. Kinzie School	Kathi Sadowski	11

1989 WINNERS SCHOOL LIST—Continued

City and State	School	Student	Age
Chicago, IL	J. Kinzie School	Brian Powers	12
Lake Forest, IL	Lake Forest Country Day	Consuelo Pierrepont	7
Winnetka, IL	North Shore Country Day	Lisa Rosen	13
Overland Park, KS	Indian Woods Mdl School	Victor Wishna	14
Burlington, KY	Kelly Elem School	Maria Anderson	10
Baker, LA	Baker Mdl School	Jezreel Phillips	12
Baton Rouge, LA	Audubon Elem School	Brian Coogan	9
Baton Rouge, LA	Audubon Elem School	Jason Kunstler	8
Baton Rouge, LA	Wedgewood Elem School	Catherin Amy Macris	9
Franklinton, LA	Franlinton Prim. School	Joshua Penton	6
Franklinton, LA	Franklinton Primary School	Mitch Fleming	7
Jeanerette, LA	Grand Marais Elem School	Joshua Berard	5
New Iberia, LA	Peebles School	Trent Landry	8
New Orleans, LA	L.S. McGehee School	Elizabeth Vaughan	11
Shreveport, LA	S. Highlands Elem Magnet	Joey Neugart	9
Shreveport, LA	Summer Grove School	Erin Waddell	8
Ipswich, MA	Winthrop School	Chris Nylen	9
Newburyport, MA	R.A. Nock Mdl School	Christina Babcock	11
Dover-Foxcroft, ME	SeDoMoCha Mdl School	Andrew Witmer	12
Livonia, MI	St. Genevieve School	Michelle Mudge	11
N. Branch, MN	N. Branch Elem School	Terese Zidon	10
Blue Sporings, MO	J. Lewis School	Matt John	8
Columbia, MO	Oakland JHS	Jeremy Murphy	13
Imperial, MO	Seckman Elem School	Richie McNelly	7
Bay St. Louis, MS	Bay Catholic Elem School	Sarah Taylor	9
Greensboro, NC	Erwin Open School	Emily Keith	9
Greensboro, NC	Erwin Open School	Elizabeth Osborne	9
Winfall, NC	Perquimans Mdl School	Christopher Gregory	11
Omaha, NE	W. Cather Elem School	Chris Koch	9
Hampton, NH	Hampton Academy	Suzanne McCaddin	13
Hamilton Square, NJ	St. Gregory School	Brendon Ford	12
Skillman, NJ	Orchard Road School	Jocelyn Medina	10
Albuquerque, NM	Arroyo del Oso School	Karen Shoebotham	8
Albuquerque, NM	Taylor Mdl School	Chandra Imel	13
Las Vegas, NV	C.W. Woodbury JHS	Kelly Hooker	12
Las Vegas, NV	Dell H. Robinson School	Brandi Gessells	13
Bronx, NY	Community Elem School 73X	Naomi Sotero	10
Dix Hills, NY	Chestnut Hill Elem School	Elyse Leemon	12
Harrison, NY	L.M. Klein Mdl School	Suzanne Foley	12
Long Beach, NY	LARC/Long Beach Schools	Lynn Bixenspan	9
Manhasset, NY	Shelter Rock School	Alison Berest	9
Rochester, NY	East HS	Jennifer Conrow	13
Brecksville, OH	Chipewa Elem School	Jenny Wyant	8
Columbus, OH	Mifflin Int. School	Alfie Brody	13
Columbus, OH	Monroe Trad. Mdl School	David Schulte	13
Columbus, OH	Ridgeview Mdl School	Panqing He	13
Lake Oswego, OR	River Grove Elem School	Joanna Piatek	11
Portland, OR	Glencoe Elem School	Jonah Attebery	7
Portland, OR	Glencoe Elem School	Heather Blair	8
Gettysburg, PA	St. Francis Xavier School	John Hayden	11
Mechanicsburg, PA	Good Hope Mdl School	Elizabeth Doty Wood	12
Mechanicsburg, PA	Good Hope Mdl School	Robert Powell	13
Monessen, PA	Monessen Elem School	Allyson Bill	11
Royersford, PA	Spring-Ford Mdl School	Dee Ruley	12
Tiverton, RI	Tiverton Mdl School	Adrian Danieli	13
Memphis, TN	Newberry Elem School	Gregory Stroup	10
Houston, TX	Memorial JHS	Claudine Christoforides	11
S. Jordan, UT	Jordon Ridge School	Adam Mangone	8
Salt Lake City, UT	Bryant Intmed. School	Jessica Wilson	13
Salt Lake City, UT	Emerson School	Saliee Ann Sudbury	5
Chantilly, VA	Franklin Int'med. School	Tina Herring	13
Chantilly, VA	Franklin Int'med. School	Angie Saleeba	13
Culpeper, VA	Culpeper Christian School	Meredith Mathews	10
Kilmarnock, VA	Lancaster Int'med School	Katina Myers	12
Mechanicsville, VA	Rural Point Elm School	Matt Gathright	9
Hartford, VT	Hartford Elem School	Mary Wilson	8
Brooklyn, WI	Brooklyn Elem School	Amanda Jeidy	8
Mequon, WI	Wilson School	Ryan Wolf	7
Elm Grove, WV	Elm Grove Elem School	Kate Bryant	11
Barrigada, Guam	Tamuning Elementary School	Matthew Wolff	8
Rio Piedras, Puerto Rico	Mater Salvatoris School	Rosa Mariella Fullana	7
Dept. of Defense Dependents Schools:			
West Germany	Landstuhl American School	Shannon Becker	14
West Germany	Landstuhl American School	Alison Howard	13
Okinawa	Becthel Elementary School	Stephanie Souchy	10

THE 100TH BIRTHDAY OF THE ADRIAN JOURNAL

● Mr. BOND. Mr. President, in January 1989 the Adrian Journal celebrated its 100th birthday. The Journal is the oldest continuous business in the city of Adrian, MO.

The paper was established in 1889 by Hutchison and McBride. From 1890 to 1935, the paper was published by J.E. Dowell, and upon his death in 1935 publication was assumed by his son, John Dowell, Jr. In 1947, the widow of John Dowell, Jr., Alyeene Moore Dowell and his son Emery B. Dowell assumed its operation. The Journal remained in the Dowell family until 1950 when it was leased to Bill and Shirley Vick of Kansas City. It was later sold to Jack and Elaine Curtis of Worland, WY, who operated the newspaper for 4 years then sold it to Bob and Linda Gunn. In 1982 the paper was incorporated and Steve and Linda (Gunn) Oldfield became co-owners of the newspaper.

Freedom of speech and a free press is a cornerstone of the American way of life. The Adrian Journal has been providing the people of Adrian and the surrounding towns important information about the community in which they live for 100 years. I wish to extent my congratulations to the Journal and its owners and I hope that the newspaper will continue to provide such excellent service for another 100 years.●

A VERY TALENTED MINNESOTAN

● Mr. DURENBERGER. Last week thousands of Minnesotans sat in their living rooms with their "Homer Hankies" in hand, rooting for a hometown hero. They weren't watching a sporting event or competition, but the evening held as much pride and warmth for us as did those remarkable

days of October 1987, when our own Minnesota Twins won the World Series.

Last week young Jason Gaes brought an Academy Award—an Oscar—home to Worthington, MN. I find it a special honor to recognize Jason and his family in the CONGRESSIONAL RECORD today, for theirs is a season of struggle and triumph—and all of us are proud that his work has achieved world-wide notoriety.

Jason Gaes' book, "You Don't Have to Die" was the basis of the documentary which was nominated for—and won—the prestigious academy's award for excellence in a documentary film. It depicts, with realism and compassion, the very traumatic experience of a young person coping with terminal cancer.

His courage and strength inspires awe in those whom have never experienced the tragedy of cancer. And, for those who have felt such pain—either first hand or through a loved one—we applaud Jason's openness and ability to cope.

I have included for the RECORD the leading article which appeared in the Worthington Daily Globe on Thursday, March 30, 1989, by Globe staff writer Jill Callison.

The article follows:

JASON'S FILM WINS OSCAR!

(By Jill Callison)

LOS ANGELES.—It was well worth a two-hour wait on the edge of a chair.

As the listing of Academy Award nominees for best documentary short subjects was recited by actors Jeff Goldblum and Geena Davis Wednesday night, the tension mounted.

A documentary about an extraordinary educational experiment, a Japanese family's internment during World War II, five months with a street gang, a 75-year-old photographer and "'You Don't Have To Die,' about a kid with cancer who beat the odds and showed us how other kids can." Goldblum said.

The envelope was torn open. "And the Oscar goes to 'You Don't Have to Die.'" announced Davis, herself the recipient of an Oscar earlier in the evening.

"We'd like to thank the Gaes family, whom the film is about," said producer William Guttentag, who spoke first in accepting the award.

And all over Worthington and the surrounding area, people gathered around their television sets cheered.

"You Don't Have to Die," a combination of animation, reenactment and the simple re-telling of the day Craig and Geralyn Gaes learned their 6-year-old son, Jason, had a rare form of cancer and was probably going to die and the months of treatment afterward.

Jason didn't die, however. When he was 8 years old, with the end of two years of surgery and chemotherapy in sight, he wrote a book about his battle with cancer, to give hope to other children who were facing the same fight.

"Sometimes when your sick from a treatment you miss school but try to make up your work cause colij makes you have all your work done before you can be a doctor. And I'm going to be a doctor who takes care of kids with cancer so I can tell them what its like," Jason wrote.

The book, illustrated by Jason's brothers, formed the basis for an invitation to a party the Worthington family threw after Jason completed cancer treatment. Copies of the book circulated and eventually the American Cancer Society began distributing it with the family's permission.

It was then printed in hard cover and Jason, accompanied by his mother and other family members, began appearing on talk shows, news shows and in print in every major newspaper and magazine in the United States.

A film crew appeared, guided by Guttentag and Malcolm Clarke with two actresses as the executive producer. Jason's story was turned into a half-hour Home Box Office special, which led to its Academy Award nomination.

Jason and his parents sat in the audience at Shrine Auditorium in Los Angeles Wednesday night. Following the Academy Awards ceremony, they planned to attend a party where Jason had hopes of glimpsing a favorite actor, Sylvester Stallone.

"It's not the actual awards that interest him," Geralyn Gaes said of Jason before they left for Los Angeles. "He's excited about who's going to be there after the presentation."●

BUDGET AMENDMENT FOR TV-MARTI

● Mr. HOLLINGS. Mr. President, earlier today in the Commerce, Justice, State Appropriations Subcommittee we reviewed the 1990 budget requests of the U.S. Information Agency. Mr. Marvin Stone, the Acting Director was our main witness and we discussed television broadcasting to Cuba. When I asked him if the administration was going to followup their support of the authorization for TV-Marti with a budget amendment, Mr. Stone said they would be meeting with the Office of Management and Budget on Friday to discuss a budget amendment providing the full $16,000,000.

Mr. Stone then indicated his concern that USIA not be forced to absorb the $16,000,000 within the current amount requested. He is exactly right on that as we finally have the modernization of the Voice of America underway after several false starts.

Mr. President, I am also pleased to announce the following additional cosponsors of S. 375, the bill I introduced on February 8, 1989, to authorize TV-Marti: The distinguished junior Senator from Mississippi [Mr. LOTT], the distinguished senior Senator from Idaho [Mr. MCCLURE], the distinguished senior Senator from Arizona [Mr. DECONCINI], the distinguished junior Senator from Louisiana [Mr. BREAUX], and the distinguished junior Senator from Utah [Mr. HATCH]. Mr. President I ask unanimous consent that these Senators be added as cosponsors to S. 375.●

ORDER OF PROCEDURE REFERRAL OF CONTRA AID BILL

Mr. MITCHELL. Mr. President, I ask unanimous consent that, once the Contra aid bill is introduced in the Senate later today, it be referred to the Committee on Appropriations and the Committee on Foreign Relations, and that the Foreign Relations Committee be discharged from the further consideration of the bill at the close of business on Wednesday, April 12, and that that committee be limited to a hearing only with the understanding that this unanimous-consent agreement not be interpreted to be setting a precedent for any further referrals.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT TO RULE XXV

Mr. MITCHELL. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. (Mr. KERREY). The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 100) to amend paragraph 3(c) of rule XXV.

Resolved, That rule XXV, paragraph 3(c) is amended as follows:

Strike the figure after "Indian Affairs" and insert in lieu thereof "10".

The PRESIDING OFFICER. Is there objection to its immediate consideration?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 100) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DANFORTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. I yield the floor to the Senator from Missouri.

EASTERN AIRLINES

Mr. DANFORTH. Mr. President, the news this morning is that Eastern Airlines' three striking unions—the machinists, the flight attendants, and the pilots—have reached an agreement with Peter Ueberroth that is expected to put Eastern back in business. Mr. Ueberroth has called the accord "a historic labor peace, a historic labor partnership."

Indeed, the Washington Post reports that Mr. Ueberroth was seen at one point yesterday afternoon walking with his arm around the shoulder of

Charles Bryan, the head of Eastern's machinists union.

Mr. President, congratulations are in order. First, congratulations to Eastern's employees. Soon they will be back at work. This is good news. It is good news for them, for their families, and for the traveling public. We look forward to their return. Second, congratulations to the leaders of Eastern's unions, to Peter Ueberroth, and to bankruptcy examiner David Shapiro, who, together, hammered out this deal. Finally, Mr. President, congratulations are in order to our distinguished majority leader. Without his courage and forbearance, it is unlikely that Eastern's employees would have this good news today.

Mr. President, at this time last week, Eastern's future was uncertain. Although there were indications that an eventual agreement might be struck between Mr. Ueberroth and Eastern's employees, in the Senate there was a motion pending to proceed to consideration of legislation that would have put these negotiations on hold for 26 days. This legislation would have set up a Presidential Emergency Board, and required Eastern's Unions to renegotiate with Frank Lorenzo. It would have taken Eastern back to March 4, and would have interfered with the orderly proceedings that had been established by U.S. Bankruptcy Judge Burton Lifland.

Mr. President, the pressure on the majority leader to proceed to this legislation must have been intense. The House of Representatives had acted on this bill on an expedited basis. It passed the House on a vote of 252 to 167. The chairman of the Senate Labor Committee told the Senate that there was an "urgent" need for the legislation. He said that there was "an emergency." He called for Federal intervention, on an expedited basis, with eloquent and impassioned pleas.

But, Mr. President, the distinguished majority leader resisted. He exercised an independent judgment. He withdrew the motion to proceed. Today's good news bears out the wisdom of his decision. Instead of being back in negotiations with Frank Lorenzo, today Eastern's employees are looking forward to a new relationship with a new employer. The future is bright.

Mr. President, the free market works. People solve their own problems. The Federal Government doesn't have all the answers. I congratulate the distinguished majority leader for his statemanship, for a job well-done, for his widsom in keeping the Federal Government out of the way, and for his acting in the best interests of Eastern's employees, their families and the traveling public.

Mr. MITCHELL. Mr. President, I thank the distinguished Senator from Missouri very much for his kind words. It is not false humility to say that they are not deserved, but I do appreciate it very much.

I commend the Senator from Missouri for the important role he played in that matter as well. He deserves as much credit as anyone in this institution for whatever role we played in the effort. I thank him very much.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, Senate Resolution 448, 96th Congress, and Senate Resolution 127, 98th Congress, as amended by Senate Resolution 100, 101st Congress, appoints the following Senators to the Select Committee on Indian Affairs: the Senator from Nevada [Mr. REID] and the Senator from Washington [Mr. GORTON].

ORDERS FOR TOMORROW

RECESS UNTIL 9:30 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow, Wednesday, April 12.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I further ask unanimous consent that following the time for the two leaders there be a period for morning business not to extend beyond 10 a.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUME CONSIDERATION OF S. 4

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 10 a.m. the Senate resume consideration of S. 4, the minimum wage bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if the distinguished Republican leader has no further business and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess, under the previous order, until 9:30 a.m. tomorrow, Wednesday, April 12, 1989.

There being no objection, the Senate, at 7:13 p.m., recessed until Wednesday, April 12, 1989, at 9:30 a.m.

EXTENSIONS OF REMARKS

INTRODUCTION OF THE TRUST INDENTURE REFORM ACT OF 1989

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. RINALDO. Mr. Speaker, today I am pleased to introduce the Trust Indenture Reform Act of 1989, by the request of the Securities and Exchange Commission. This legislation makes a number of important changes and improvements to the Trust Indenture Act of 1939. When Congress enacted the Indenture Act, it sought to protect bondholders from a series of abuses. For example, if there was no bond trustee, it might have been impracticable for individual bondholders to protect and enforce their rights against an issuer. Even if there was a bond trustee, it often did not have adequate rights and responsibilities to protect the bondholders.

Congress enacted the Trust Indenture Act to address these and many other problems that were injuring our debt markets.

The Trust Indenture Act has achieved many of these goals. But the world has changed since 1939, and much of the financial world has changed, too. While the original purposes of the Indenture Act may remain valid, the SEC believes that a number of changes to that act are needed to modernize and improve it. Portions of the act have become obsolete for a variety of reasons. Accordingly, I am introducing this legislation to improve the act in the following five ways:

First, every qualified indenture, by operation of law, will include a series of mandatory indenture terms;

Second, the SEC's exemptive authority will be broadened, allowing the Commission to modify its administration of the act, in response to future industry practices;

Third, technical, but unimportant, conflicts of interest will not make a trustee ineligible under the act. This amendment is not intended to compromise bondholders' rights in any meaningful way;

Fourth, foreign trustees will be permitted under qualified indentures, under appropriate circumstances; and

Fifth, overdue technical changes will be made.

I believe that these amendments merit careful consideration by the Members. This bill is designed to modernize an important statute that protects investors and the public. I commend the SEC for bringing these changes to our attention and believe we should examine them carefully.

I include in the RECORD at this point a section-by-section analysis of the bill.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Section 1 contains the Act's title.

SECTION 2

The amendment adds a new reference to section 305 in paragraph (8) of section 303, a change necessitated by new procedures for qualification of indentures after the effective date of the related Securities Act registration statement.

SECTION 3

The Act extends the Commission's exemptive power through amendments to section 304(d), which in its present form is limited to exemptions by order for debt offerings of foreign persons. New section 304(d) permits the Commission to waive or modify the statutory requirements where their application would be unnecessary or inappropriate for the protection of investors. The Commission will be able to adapt the statutory requirements to particular situations and developing market conditions under standards that look to the statute's fundamental purposes. Changes in the types of debt securities, in the methods of public financing and in the character of relations between obligors and their financial intermediaries have produced situations where the exact demands of the law's requirements do not serve its own intent and are incompatible with reasonable business terms. Under present law, the Commission is unable to provide relief. General exemptive authority is a necessary complement to the self-executing inclusion of mandatory indenture terms effected through new section 318(c). Without such authority in the Commission, needless costs and restrictions may be imposed without corresponding public benefit.

The amendment allows the Commission to grant an exemption from any provisions to any person, security or transaction or any class or classes hereof. Exemptions may be granted in full or in part and with or without such conditions as the Commission may require. Both exemptive rules and orders are contemplated. The Commission will be required to adopt rules prescribing procedures for grants of exemption. Such rules would be designed to expedite the exemptive process without imposing undue burdens on the Commission. The new subsection also vests in the Commission discretion to decline to entertain any application for exemption, a decision that would not be subject to judicial review.

Section 3 also deletes a qualification from section 304(a)(4)(A) that misleadingly suggests a limitation on Trust Indenture Act exemptions related to enumerated exemptions from section 3(a) of the Securities Act.

SECTIONS 4 AND 5

These sections allow for qualification of indentures in registered debt offerings after the effectiveness of the Securities Act registration statement covering the offering. Under present law, effectiveness of qualification is coordinated with that of the registration statement, a procedure based on the premise that all indenture terms would be fixed at the time of the registration's effectiveness. While this premise conformed to the administrative and financial customs extant in 1939, it has become obsolete because of delayed or continuous offerings now permitted under Securities Act rule 415. The indentures used in such offerings frequently do not specify business terms with significance under the Trust Indenture Act until the actual sale of the securities at some date later than the effective date. Post-effective qualification may be appropriate in delayed offerings and in offerings where debt securities must be included on a registration statement but may never be issued, as is the case with preferred stock exchangeable into debt at the issuer's election. Post-effective procedures also would be a useful mechanism in conjunction with section 304(d) applications for exemptive orders where variation from the Act's requirements would be appropriate.

SECTION 6

Section 6 gives the Commission the power to permit certain foreign persons to act as sole trustee under the indenture of a foreign obligor. The section will allow for trusteeships by business organizations that are not in corporate form, but are not natural persons.

The conditions for availability will be substantial equivalence of trust powers and regulation to the powers and regulation of institutional trustees in the United States, and reciprocal treatment of United States trustees. Trustees not meeting these standards would be required to seek permission to serve under amended section 304(d).

The Commission's authority under section 6 may be exercised by rule or order. Rulemaking authority will permit the Commission to exempt trustees of an entire jurisdiction upon a finding of comparability of trust powers and regulation of such jurisdiction's system and reciprocity.

SECTION 7

Section 7 relocates the proscription of an obligor's or its affiliate's serving as trustee under its own indenture. The change is necessitated by the amendment to section 310(b), generally making conflicts of interest irrelevant to a trustee's eligibility prior to default. An obligor should not serve as its own trustee under any circumstances.

SECTION 8

Significant changes to section 310(b) are effected by section 8. Most notably, the amendment will permit a trustee to serve under a qualified indenture so long as there is no default under the indenture. The technical conflicts currently described in section 310(b) furnish no incentive to a trustee to act against the interests of indenture security holders so long as no default exists. Prior to default, the indenture trustee's duties are ministerial, involving no substantial exercise of discretion on behalf of indenture security holders. In contrast, at the time of default, the indenture trustee is transformed into an active party representing the indenture security holders, so that insistence on strict standards of independence is ordinarily necessary.

"Default" for purposes of this amendment means default as defined within the indenture. Periods of grace and requirements of notice, however, must be disregarded for purpose of the conflicts standard in order to prevent avoidance of the disqualification standard through definitions in the indenture.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

As further assurance of the trustee's independence after default, the amendment adds new paragraph (10) to section 310(b) to define creditor status as a proscribed conflict. Lending relationships between trustee banks and obligors are conventional and, prior to default, involve little possibility of prejudice to the interests of holders under an indenture. Although present law does not prohibit a trustee that lends to an obligor from serving under a qualified indenture at any time, such trustees almost invariably will resign after a material default, in acknowledgement of the conflict of interest that the lending relationship entails.

New section 210(b)(10) recognizes this reality. The amendment makes exceptions to the disqualification of creditors in the situations described in paragraphs (1), (3), (4), (5) and (6) of section 311. These exceptions generally allow for incidental creditor relations, such as debt acquired through the trustee's ownership of the obligor's debt securities or incurred through rented property, which ordinarily do not involve opportunity for material conflict with the interests of indenture security holders.

The amendment to section 310(b)(1) codifies an interpretative position concerning the possibility of conflict to a trustee serving under several series of a single indenture. Contemporary forms of indenture often allow for significant differences between separate series under a single indenture. The definition of series at the end of the subsection will generally confine application of the position to series with separate voting rights, and, consistent with section 310(b)(1)(i), will create no conflict between series that are wholly unsecured and rank pari passu.

Section 310(b) (2) and (3) are modified to delete reference to obligors. The prohibition of an obligor's acting as trustee on its own indenture is now covered by new section 310(a)(5), which applies before and after default. The definition of "underwriter" for 310(b) purposes has been changed to reduce the relevant period from three years to one year. Section 310(b)(9) is amended to relate the present check of holdings of the obligor's securities in other fiduciary capacities to the date of default and anniversaries thereof while the indenture securities remain in default.

A new provision has been added to the subsection to create a procedure under which the trustee's duty to resign may be stayed in certain cases. The mechanism is intended to prevent unnecessary resignation in the event of a curable technical default. The provision concerning effectiveness of trustee's resignations is relocated and modified to apply to all resignations, rather than compelled resignations, to prevent abandonment of a trusteeship in anticipation of an obligor's default.

The subsection has been changed to substitute direct statutory commands for the directives to include required provisions within the indenture. This conforms to the operation of new subsection 318(c). Statements such as "the indenture shall provide," which would suggest the necessity to include required terms in the text of qualified indentures, have been eliminated.

SECTION 9

In addition to the change to statutory commands, the amendment changes the period for preferential collections from four months to make the Trust Indenture Act consonant with the Bankruptcy Reform Act of 1978. The four-month period is preserved for actions commenced under prior law.

SECTION 10

Section 10 amends section 312 to impose duties by statutory command.

SECTIONS 11 AND 12

The amendment eliminates the requirement for a trustee to report on its eligibility and other matters where no change in eligibility or other specified event has occurred. Present law requires the report annually. The change to statutory command is also made.

SECTION 13

In addition to the change to statutory commands, section 314 is amended to require an annual no-default certification from the obligor. Periods of grace and notice again will be disregarded for this purpose.

Section 314(d) is also amended to eliminate repetition.

SECTION 14

This makes the editorial change to section 315, imposing duties by statutory command.

SECTION 15

In addition to the editorial change, section 15 applies section 316's requirements on voting procedures to separately voting series covered by section 310(b)(1). New subsection (c) authorizes an obligor to set a record date for solicitations of votes or consents, a technical addition that will alleviate considerably administrative problems in the conduct of such solicitations. The reference to votes or consents permitted by section 316(a) is intended to exclude any inference that the record date procedure is available only when section 316(a) specifically describes the action under consideration. As a result, the record date procedure may be used for any vote, so long as the action is not forbidden by the statute.

SECTION 16

This section makes the editorial change to section 317, consistent with section 14.

SECTION 17

Section 318(a) is amended editorially. New section 318(c) is the operative provision for self-executing inclusion of mandatory indenture terms. The new subsection will eliminate the necessity of reciting the required terms within qualified indentures. The second sentence is intended to make it clear that optional provisions permitted by sections 310 to 317 are not part of a qualified indenture unless actually included.

New section 318(d) makes the Act's benefits available to indentures qualified under existing procedures. Because of the terms of existing section 318(b), the Act will not prevent future indentures from prescribing higher standards of independence or conduct.

SECTION 18

The addition clarifies the status of prescribed indenture provisions as federal questions. Jurisdiction is concurrent in federal and state courts to preserve a plaintiff's right to select a forum.

THE ENDANGERED SPECIES ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. MILLER of California. Mr. Speaker, recently, a Federal district court overturned the Interior Department's regulations limiting the application of the Endangered Species Act to activities occurring within the United States or on the high seas. I applaud that decision and I offer my congratulations to the conservation organizations which challenged the Department's shortsighted regulations.

The effect of the decision, if allowed to stand by the present administration, would be to return to the practices followed by Federal agencies prior to the promulgation of the new regulations in 1986 by former Interior Secretary Hodel. Simply stated, this means that the consultation provisions of the Endangered Species Act apply to any agency action, foreign or domestic.

The Hodel interpretation of the Endangered Species Act—limiting it to agency actions within the United States or on the high seas—made no sense. Endangered species exist outside our boundaries and, like the endangered species in our country, deserve the best possible protection. At a minimum, this means that the actions of our own agencies abroad should not jeopardize any endangered species.

The Federal district court, in rendering its February 15, 1989, decision, correctly interpreted congressional intent with regard to the applicability of the Endangered Species Act. I believe that opinion should be allowed to stand. And, I hope that the present administration will not only leave that decision unchallenged, but will move vigorously forward to implement it.

C-CAD AND JACK KISHPAUGH DESERVE COMMENDATION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. GEKAS. Mr. Speaker, I wish to bring to the attention of my colleagues the recent achievement of C-CAD, the Center for Computer Assistance to the Disabled, headed by Jack Kishpaugh, a former Hershey, PA native who has now relocated ot Arlington, TX. C-CAD was recently nominated for the Computerworld-Smithsonian Award for Innovative Use of Information Technology.

C-CAD, which held its fifth anniversary last July, has been having a positive impact on the lives of disabled individuals by promoting computer applications of benefit to the disabled and providing them with an opportunity to learn highly marketable computer skills as well as personal skills to enhance their daily lives. The center has a most impressive list of accomplishments, including helping 453 disabled clients with computer needs, maintenance of a huge disabled-oriented data base, the quarterly mailing of over 6,000 newsletters, and the presentation of the first regional conference on the applications of computer technology to serve the elderly and disabled. Many more accomplishments abound, but what is truly amazing is that C-CAD has done it all without government funding!

Jack Kishpaugh has a list of accomplishments himself. Jack has 20 years of combined active and retired military service and, though a quadriplegic as a result of a 1971 swimming

accident, serves actively with the Paralyzed Veterans of America, the Veterans of Foreign Wars, the Reserve Officers Association and other service related groups.

C–CAD, and Jack Kishpaugh, deserve our recognition and commendation for the work they do to help the disabled and for the Computerworld/Smithsonian award nomination.

Good luck and thanks to C–CAD for their labors of love!

JOB CORPS 25TH ANNIVERSARY CELEBRATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. AuCOIN. Mr. Speaker, this evening, friends from across the country will gather to celebrate the 25th anniversary of Job Corps—America's most successful youth training program dealing with America's hardest-to-employ youth. As a long-time supporter of Job Corps, I wish to extend my heartiest congratulations and overwhelming admiration to the Corps for a quarter century of service to America and her most disadvantaged youth.

The Job Corps, among a rare few public initiatives, has actually achieved and exceeded the lofty goals which were articulated for the program at its inception. And it has managed to do all of this in a very cost-effective manner.

This partnership between the Federal Government, organized labor, and private industry has more than fulfilled its promise to the Nation. Over 1.4 million of America's at-risk youth have benefited from Job Corps participation, exchanging joblessness, welfare dependency and, in some cases, jail cells for productive, self-reliant lives. From carpentry to culinary arts, Job Corps youth are taught the American work ethic: How to perform and keep a job.

I have had the pleasure to visit the Tongue Point and Angell Job Corps centers in Oregon. During those visits, I was struck by the vigor and vivacity of the students. The success of Job Corps has proven that if given the chance, there is nothing a human being cannot achieve.

Congratulations, Job Corps, and here's to 25 more years of service and success!

NEW YORK TIMES EDITORIAL ANSWERS CRITICISMS OF NEW MEDICARE CATASTROPHIC COVERAGE ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. STARK. Mr. Speaker, following is an excellent editorial from the New York Times of March 31, 1989, which answers the major criticisms being made against the expansion of Medicare enacted last year:

[From the New York Times, Mar. 31, 1989]

FAIR IS FAIR FOR MEDICARE

Income tax time brings a new round of agitation from older Americans upset about the new Medicare law, which collects premiums for expanded coverage in the form of an income tax surcharge. The complaints are based more on confusion than injustice.

Medicare used to cover only a limited number of days in the hospital. The new law will pay for "catastrophic" care-unlimited stays. Eventually it will also pay more on doctor bills, and pick up some prescription drugs.

More than half the 32 million elderly Americans covered by the program will pay no more than $48 a year in additional premiums for these extra benefits. But some people—the most affluent—complain because they have to pay more, up to $800 a year for the wealthiest.

Their objections fall into three categories:

Benefits haven't been expanded enough.

Only a small percentage of the elderly will ever need to be hospitalized for very long at a time, the critics say, so covering unlimited hospital stays is of slight value. But insurance buys peace of mind as well as tangible benefits. Otherwise why insure a house against the rare fire?

Others protest that expanded payments to doctors cap the amount an individual will pay only according to the Medicare—approved schedules of doctor's fees. Many doctors charge more. And some people on Medicare complain that coverage for catastrophic illness doesn't include nursing home care.

Both points are true but irrelevant. Washington will have to address soaring doctors' fees and nursing home costs, but the new Medicare wasn't intended to do either.

Many people already have private coverage duplicating that of the new law. Some features of the new law do indeed duplicate "Medigap" policies. But once the coverage for drugs and doctors' fees is phased in, few private policies will be able to keep up. Critics say that many retirees are covered by Medigap plans provided by their former employers, for which they now pay nothing. That avoids an unpleasant fact: Most employee retirement health plans are unfunded.

Employers are required by law to set aside money to cover their future liability for pensions, but not for health benefits. The unfunded liability for current retirees totals $85 billion, and health costs are rising fast. The unfunded amount for those not yet retired may be $2 trillion. As a result, corporations are examining health plans, and benefits may not remain in place even for those who now believe they are fully covered.

Progressive financing isn't fair. Originally, Medicare was intended as an entitlement equally for rich and poor. Progressive financing in the new law marks a historic shift—to an hororable principle enshrined in the income tax: The affluent are expected to pay at a higher rate than the poor.

In any case, even those who must contribute the most under the new law are net beneficiaries. Medicare coverage is so valuable that the typical client will receive a public subsidy of $2,024 this year. Those paying the full $800 surtax still benefit from a subsidy of $719.

It's understandable that people accustomed to subsidized health care will complain when they must pay something for new benefits. But that's no reason for the rest of us, now paying heavy payroll taxes to support the subsidy, to be misled.

INTRODUCTION OF TRUST INDENTURE REFORM ACT OF 1989

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. MARKEY. Mr. Speaker, today, I join with Congressmen RINALDO, LENT, and DINGELL in introducing, by request of the Securities and Exchange Commission, the Trust Indenture Reform Act of 1989.

As part of our general effort to update laws whose application has become cumbersome of anachronistic in today's financial marketplace, I support a thorough reexamination of the Trust Indenture Act of 1939. The Trust Indenture Reform Act of 1989 provides appropriate vehicle for such a reexamination.

The Securities and Exchange Commission has recommended a series of revisions that would accomplish several objectives. In principal part, the amendments would streamline and modernize the structure of the act, provide the SEC with exemptive authority where the statutory requirements would be unnecessary or inappropriate for the protection of investors, permit certain foreign persons to act as sole trustee under the indenture of a foreign obligor, and revise the conflict of interest provisions so that, prior to a default, the question of conflict of interest on the part of the trustee ordinarily would not be at issue. The SEC has argued that the ministerial, nondiscretionary nature of the indenture trustee's role justifies this last amendment.

It is the intention of the Subcommittee on Telecommunications and Finance, which I chair, to carefully review this bill, focusing on the need for the reforms the bill contains and on any unintended consequences they might generate. In particular, we will give serious consideration to any implications these provisions might have for the Glass-Steagall reform debate, in which the conflict of interest issue is so central.

If our examination supports the need for the changes contained in the bill, I will work to secure its passage. Today's financial marketplace is complex, fast moving, and a far cry both technologically and in terms of the products available to investors from the markets of the earlier part of this century. It is incumbent upon us to ensure that our laws facilitate rather than impede healthy market activity. Modernizing our laws consistent with contemporary market practices and needs—without sacrificing investor protection—is an essential task to which we must commit ourselves with vigor.

I do not, however, regard this bill as an appropriate vehicle for substantive amendments to the law that do not further the basic goals of modernizing and streamlining the law. This bill is intended to make a series of largely technical changes, and is not to be viewed as a means of pursuing a broader, more substantive agenda.

PRESIDENT BUSH: A PORTRAIT OF LEADERSHIP

HON. LAWRENCE COUGHLIN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. COUGHLIN. Mr. Speaker, a recent feature story about President Bush by Thomas Boswell, of the Washington Post, says something about the man who is our President. It speaks to his innate leadership ability, his understanding of human nature and his belief in competitive fitness.

The article, which first appeared in the Post and was reprinted in the Philadelphia Inquirer serving my congressional district, is primarily about baseball as the professional season opens. It says much more, however, about the American competitive spirit as exemplified by a man named George Bush who just happens to be President of the United States of America. I commend this story to my colleagues and ask that it be reprinted in the RECORD.

[From the Philadelphia Inquirer, Apr. 3, 1989]

ONE PRESIDENT WHO HAS HAD HIS INNINGS

(By Thomas Boswell)

WASHINGTON.—Inside a drawer in the Oval Office sits a handsome old first baseman's mitt that has been oiled and tended so lovingly and so long that it has almost turned black. Though it's nearly 50 years old, the mitt has been rewebbed and is in near perfect condition: good for another million scoops.

As presidents go, Teddy Roosevelt may have carried a big stick, but George Bush is definitely the glove man. With the onset of Bush's first spring in office, the South Lawn and the Rose Garden better watch out. If a grandchild wants to play catch. President Bush is an easy sell. "Sure, I get the itch," said the 64-year-old chief executive who, all his life, has been lured by every tennis racket, golf club, fishing pole, horseshoe, soccer ball, bat or glove that caught his eye.

"This is the very glove I used for three years at Yale. It's the George McQuinn claw," said the President, pulling the old friend from his desk and popping his fist in the pocket as he leaned back in his chair. " 'Trapper' it says here. It's a Rawlings. I remember when this glove came out. It was just wonderful. For a while I think they outlawed this cup [i.e., style of pocket], but now you can use anything."

Every politician, and especially every president, tries to establish his ties to baseball—the national pastime. Jimmy Carter played softball as cameras clicked. Richard Nixon knew reams of major-league statistics. And Ronald Reagan spent five years broadcasting Chicago Cubs games. Bush does not have to strain to prove his bona fides. He's the real thing—a legit ballplayer—although he habitually soft-pedals it.

In the first college World Series ever played, in 1947, Bush's Yale team played the illustrious University of California, led by Jackie Jensen, in the national championship game. The next year, Yale reached the national finals again against Southern California.

Back in that golden age of postwar baseball talent, no college played a higher level of ball than Yale, which thumped such schools as North Carolina and Clemson and, during one 11-game Bush-era winning streak, outscored its foes by 76–20. The Elis' coach, Ethan Allen, was a career .300-hitter in the majors. Three of Bush's teammates reached the big leagues and others played in the minors. Yale then was Stanford or Miami now.

How good was Bush? Good enough that he never missed a game at first base in three years and, his senior year, was team captain. Good enough that, his last year, he fielded .990 on 190 chances and batted .264 with six doubles, two triples, a home run and 28 runs produced in 25 games. And, finally, good enough that Yale teammate Dick Tettelbach (Yankees and Senators) has seriously compared him to Keith Hernandez as a defensive first baseman. "Absolutely superb. A real fancy Dan."

Of course, presidential mythology grows with the years. Still, recent evidence exists. Eight years ago, Warren Spahn and Bill Dickey needled Bush into playing in an old-timers game in Denver.

"When Tony Oliva came up," recalled Bush, "the second baseman kept yelling at me, 'Get back.' I said, 'Back?' I'm on the damned grass. Whatddaya want?' But the second baseman said, 'Back. This guy can still hit.' and damn if Oliva didn't pull one right down the line."

Though Oliva was 44 then and Bush 57, the President's memory of the play is that he just wishes he'd had his McQuinn Trapper. "My excuse on this part is I had a brandnew mitt—knocked the ball down—should have had it clean."

Bush dove to his left, backhanded the smash, then flipped to Milt Pappas for the out on a play that brought the crowd to its feet. Since Bush already had a solid single to center in his only at-bat, he decided to walk right off the field and into a glorious and permanent retirement. Like his old fishing friend Ted Williams, Bush knew when to quit.

Bush the ballplayer and Bush the politician are not entirely dissimilar. Bush practiced tirelessly and did everything to please. Hit to all fields. Stole bases. Made his more talented teammates look better by becoming flawless at digging throws out of the dirt. Also, he ingratiated himself effortlessly, whether by singing on train trips, teasing teammates or organizing the team gin game.

Already a war vet (in the same naval aviation class as Ted Williams), Bush was known as competitive, even hardnosed. His leadership was understated, yet his eventual captaincy was almost taken for granted.

A RARITY

Actually, Bush was the rarest of baseball freaks—throws left, bats right. And he knows it. "I was all inverted . . . just backwards," he said. "I started to play tennis serving left and then hit ground strokes right . . . but my mother was a bit of a perfectionist. I was about 5 years old and she said, "This won't do. 'Make up your mind.' So, I opted for right."

Though Bush had Ivy Leaguer Lou Gehrig (Columbia) as childhood hero and "memorized all the stats and lineups" for years, he never had illusions about his ability. At the All-Star Game in '81, he said flatly, "I wasn't good enough. I knew my limitations in baseball as I know them in life. I'd have floundered somewhere down in the minors."

Nevertheless, a lot of ballplayer mannerisms cling to Bush. He deflates the great, inflates the small, knows how to needle and he needled. The first time he met George Brett, the Kansas City Royals star forgot to address Bush properly as Mr. Vice President, Bush responded slyly, "George who?" Yet, when a little bald man with a tobacco chaw said, "Hello, Mr. Vice President, I'm Don Zimmer," Bush answered, "Oh, I know, I know. You used to play for the [original] Mets."

A "WALTER MITTY" JOY

Although Bush lacks the time to study box scores and attend games as he once did, he still claims to have a "Walter Mitty" joy in throwing out First Balls. In fact, it will take more than a faraway coup d'etat to keep him from doing the honors in Baltimore today. He even plans to bring Egyptian President Hosni Mubarak with him.

Nolan Ryan, one of Bush's longtime baseball friends, has filled the President's ear with First Ball advice. "Nolan says throw it high because amateurs get out there, no matter how good they are, and throw it into the dirt. . . . You get more of an 'ooooh' [from the crowd] if you heave it over the [catcher's] head instead of going with the fast-breaking deuce into the dirt."

History notes, and Bush knows, that Ronald Reagan's initial First Ball cleared Rick Dempsey's leap by two feet and was met with majestic "oooooohs."Bush even plots his First Ball strategy for getting to the mound. "I will stride to the mound," he said, "then stop a couple of steps short of the rubber and encourage the catcher ahead of time to [step out] in front of plate. That worked very well last year in Cincinnati."

For the First Ball, Bush had a preliminary practice workout at St. Albans School with his Little League grandson ("He modestly claimed to be hitting .600. We have not authenticated that"). Once in Cincinnati for the momentous occasion, Bush even solved the universal politician's problem in ballparks; how not to be booed.

"A LITTLE DEFENSIVE"

A 12-year-old boy and an 8-year-old girl were supposed to precede Bush onto the field. "I said to the little girl, 'Are you nervous? . . . Why don't we walk out together,' thus foiling anybody who would boo an 8-year-old blond kid and a strapping-looking Little League guy. . . . It was a little defensive on my part, but it worked."

Thus, Bush's soft personal touch and hard political instincts were wedded.

Gerald Ford may have been an all-American football player at Michigan and Teddy Roosevelt shot at least one of every species that could walk, but no president has ever had a wider or deeper interest in games than Bush. Whether he's fly fishing or pitching horsehoes, playing doubles tennis with Bjorn Borg or getting his golf handicap down to 11, Bush is just a blink away from being a sportsaholic. He still thinks soccer, in which he led Yale to a title as center forward, may have been his best sport.

Once bitten, Bush never loses his love for a sport—except golf, the game he has learned to despise. Yes, he's got the yips bad. "Putting and dancing are two of the things I hate the most," he said. "Putting, I can practice all day and still get it up in the neck—can't bring the club through . . . . It's terrible. Your friends laugh at you. They won't give you a six-inch putt because they know you're apt to stab it into the dirt and it's really been a humiliating experience."

The only time Bush feels more humbled is when he campaigns with Ted Williams. "Up in New Hampshire, for example," said the President, "It's 'Hey fella, would you get out of the way? Ted, how are you?' A great lesson . . . .

"Actually, I think [my puttings] is one of the reasons I'm more calm now than I used to be—the discipline that comes from being a lousy putter. [The] ridicule factor . . . .

"It's strictly psychological."

Where does baseball rank among all his dozen athletic passions? Bush's answer is simply to hold up one finger. He can't resist the game.

Once, as vice president, Bush was jogging a few miles with a university president when he spotted a batting cage in the distance. How many men Bush's age would take a detour from distance running to take BP? Bush insisted, then became so peeved at his poor hitting that he started wearing glasses.

"Baseball is just the great American pass time. I try to figure out what it is. I think it's the joy of feeling a part of [the game] more than other sports—wondering whether the guy's going to walk the hitter on purpose, wondering if the steal sign is on, wondering if he's going to bring in a relief pitcher . . . . The fan somehow feels more a part of the game sitting in the stands . . . . A lot of them are faster moving, but, in baseball, I get caught up in what I'd do if I were managing.

"The game seems to move along pretty good . . . . but I don't even mind when it drags."

Today in Baltimore, many baseball fans may be tempted to utter a testy little boo when they see yet another politician who seems to be horning in on Opening Day. President George Bush is different. If his First Ball bounces, it was probably a curve. And if he's wearing a glove, it's his own.

TRIBUTE TO STEVEN C. JORDAN

HON. PATRICIA F. SAIKI

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mrs. SAIKI. Mr. Speaker, President Bush refers to the "thousand points of light" who will make this a "kinder and gentler nation." Mr. Steven C. Jordan, a Hawaii resident, personifies the President's vision and sets an admirable example to all Americans through his selfless devotion to the community.

In 1986 Mr. Jordan came to Maui, HI, as a VISTA volunteer. During his tour, he worked with the Hawaii State Committee on Family Violence, and later for the Hawaii Foodbank. In addition to these responsibilities, he volunteered his time to the homeless at the Holy Family Ecumenical Shelter where he conducted research with the intention of establishing a family shelter.

Mr. Jordan's research proved to be extremely valuable to the Hawaii Housing Authority which was conducting a study on the homeless statewide. Now, the data gathered by Mr. Jordan has made an impact on the State's as well as the country's response to the plight of the homeless in Hawaii.

The point here is that volunteers really make a difference. Many of my colleagues will agree with me that America could be a stronger and more stable nation if more people were willing to reach out and help those less fortunate than themselves.

President Bush has made his call to all Americans loud and clear. I am proud to have such an outstanding individual as Steven Jordan helping my State of Hawaii. He has proven that great things can be accomplished with volunteer time.

I applaud Mr. Jordan and those like him who devote their time to voluntary causes.

RENEE FLASH: DADE COUNTY TEACHER OF THE YEAR

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. LEHMAN of Florida. Mr. Speaker, as a former Dade County teacher and member and chairman of the school board, I know from firsthand experience that our school system has attracted and retained some of the most dedicated and skilled teachers in the country.

One such teacher is Renee Flash, head of the English department at John F. Kennedy Middle School in North Miami Beach, who was recently chosen Dade County's Teacher of the Year. She has a special talent for education. Her innovation and enthusiasm make learning fun for her students, and you can see it in both their performance and their attitude. I'm not worried about whether or not future generations of Americans will be able to compete in the world economy with teachers like Renee Flash on the job.

I would like to share with my colleagues an article on Renee Flash which recently appeared in the Miami Herald.

DADE'S CLASSROOM STAR MAKES READING A JOY—TEACHER OF YEAR HELPS KIDS FEEL SPECIAL

(By Cathy Shaw)

For supporting local brain cells by helping children read, John F. Kennedy Middle School teacher Renee Flash was named Thursday as Dade County's Teacher of the Year.

"A teacher is more than the person who stands in front of the classroom disseminating information," said Flash, 39, first among six finalists honored at an awards luncheon at the Omni International Hotel before a crowd of 1,300-plus teachers, school administrators and business executives.

Flash received $5,000, the Golden Apple Award and an all-expenses-paid trip to London for her and four students. Her school gets $2,000.

Runner-up Mavel Fernandez, a dance teacher at South Miami Elementary, received $2,000. Other finalists, who received $1,000 each, were Sandra Champion, librarian and media specialist at Hialeah High School; Kay Pardee, a third-grade teacher at Pinecrest Elementary; James T. Griffin, a sixth-grade teacher at North Miami Elementary School, and Beatrice Liebman, who teaches English as a second language at Sunset Adult Education Center.

Flash describes her role as part teacher, part scientist, part parent.

"Kids feel good when they're wanted and accepted," said Flash, who teaches reading to students from more than 20 countries, some speaking little English, some with learning disabilities, some with emotional problems and some who just need to concentrate on reading.

"They need to feel they're special, and sometimes they need help in seeing they are special."

Her students have no problem seeing her as special.

"Mrs. Flash helps us when we have problems with our work and even with other classes," said seventh-grader Nancy Deslauriers, 13. "She shares her secrets with us, and she especially shares her love. She makes sure that we won't fail."

Flash's greatest pleasure is throwing students out of her class because they don't need her anymore.

"The light comes on and I give them their wings," she said. "These are the rewards."

The other rewards are daily: a story read, a word understood, a concept explained, a self-concept enhanced.

Flash, who grew up in Memphis, Tenn., started teaching in 1972 after graduating from the University of Florida. The Dade Reading Council named her Reading Teacher of the Year in 1987, a year after she initiated her school's silent reading program—in which students stay in homeroom an extra 20 minutes once a week to read for pleasure.

She skulks around the school with a camera, catching people reading and then displaying the evidence on bulletin boards. She is head of the English department at Kennedy and leader of the merit schools committee, whose theme this year is "Reading is for Me."

She believes in the "whole language" approach, which maintains that skills come out of reading rather than worksheets. "If they write, I listen to the content; I deal with ideas, and then I tell them, by the way, you need a comma here."

TRIBUTE TO GEORGE CARDINET

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. MILLER of California. Mr. Speaker, I rise today to pay tribute to George Cardinet, a distinguished citizen and horseman of Contra Costa County who celebrated his 80th birthday on April 8, 1989, with family and friends.

Mr. Cardinet is a nationally recognized crusader for the development of trails for horses, joggers, hikers, and bicyclists, and is one of America's most dedicated trail advocates. As founder and president of California's State Horseman's Association, he was instrumental in winning passage of California's Riding and Hiking Trails Act of 1945, which called for 1,200-mile State trail. He also played a vital role in the passage of the National Trails Act, and is a founding member of the North American Trails Conference, the Tahoe Rim Trail Fund, and the American Trails Network. The seven trail documentaries he produced are used extensively to promote trails nationwide.

In February of this year, I proudly introduced legislation to designate the Juan Bautista De Anza Trail as part of the National Trails System. George Cardinet, who rode 900 miles of the De Anza trail in 1976 during the U.S. Bicentennial reeanactment of the historic trek, has long been a persuasive advocate for the trail. Mr. Cardinet is the executive director of the Heritage Trails Fund, the nationwide equestrian group that has helped determine the location of the trail, and has organized support for its inclusion in the National Historic Trails System.

The successful passage of my legislation to expand the John Muir historical site in 1988 was in part due to George Cardinet's efforts. Many years earlier, he had the foresight to establish a trail underneath a proposed freeway which bisected the Muir property.

George Cardinet has been a horse lover since his days as a student working for a pack outfit in Stanislaus National Forest, and few things delight the retired president of Cardinet Candy Co. more than riding this Arabian horse on the trails he helped plan and establish that run past his 120-year-old ranch house near Mount Diablo State Park.

Mr. Speaker, I know that you and the Members of the U.S. House of Representatives join me as I thank George Cardinet, this tireless vanguard for public trails, for his many years of dedicated service, and congratulate him on this very special occasion, his 80th birthday.

THE 30TH ANNIVERSARY OF ARCHBISHOP IAKOVOS' ENTHRONEMENT

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. GEKAS. Mr. Speaker, Archbishop Iakovos, primate of the Greek Orthodox Archidocese of North and South America, has faithfully served the Greek community for over three decades. It is fitting that we recognize and honor His Eminence on this, his 30th year as Archbishop. As spiritual leader of over 2 million Greek Orthodox, and dean of all religious leaders in the United States, His eminence has diligently worked to bring vitality and unity to the Church. During his tenure, Archbishop Iakovos has established reforms that have greatly expanded the boundaries of Eastern Orthodoxy.

The Greek community is a very strong and vital community in this country. As a member of the Greek community and an American I would like to celebrate the 30th anniversary of Archbishop Iakovos' enthronement.

CONTRAS CONTINUE TO VIOLATE HUMAN RIGHTS, HOLD TEENAGERS AGAINST THEIR WILL

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. AuCOIN. Mr. Speaker, I would like to share with my colleagues a remarkable story about humanitarian acts and human rights. Drs. Tim Takaro and Susan Cookson are American physicians who have worked for the last 2½ years in the war zones of northern Nicaragua, supported by the Presbyterian Church (USA) and the Unitarian Universalist Service Association. Graduates of the University of North Carolina Medical School, they are returning to the United States to continue their careers in internal medicine.

A number of community health workers whom they trained, including high school aged teenagers, have been kidnaped by the Contras during the past 16 months. This is after the United States has spent millions to promote human rights among the Contras and during a time when we provided only "humanitarian" aid. In March of this year, Drs. Takaro and Cookson were allowed to visit Contra camps in Honduras to seek out the missing children on behalf of their families. In a letter they sent to friends and supporters they tell the story of this remarkable journey. I share it in hope that it will shine a light on the desperate predicaments into which our support for the Contras has placed so many young people and their families.

DEAR FRIENDS, we're back from visiting the *contra* camps in Honduras looking for kidnapped health workers.

We left Managua, February 23 with photographer and friend Larry Boyd. We had a list of nine people—health volunteers, religious workers or their relatives—kidnapped by the contras. We have worked with many of these people and their families have received no news of their whereabouts. We had finished our work in Jinotega but the fate of these people remained on our minds and in our hearts.

We did not expect to get very far but apparently the *contras* are worried about their public image. The *contras* representative in Tegucigalpa is their chief legal officer charged with investigating and prosecuting crimes by the contras. He calls himself "Commandante Johnson" and he offered to take us to the *contra* camps near the Nicaraguan border.

We left Tegucigalpa March 1 and six hours later in the dark we arrived in the *contra* headquarters. Following two years in constant fear of an encounter with the *contra* while in the countryside, we were now to live with them for the next two days. After a supper of rice, beans, cheese and tortilla, we met Pepe, a *contra* p.r. man assigned to watch us. We slept little that night on our US Army cots. The *contras* seemed friendly but all of us had witnessed their atrocities such as the assassination of our friend Ben Linder.

In the morning we toured the complex of camps around the headquarters. The medical clinics are well equipped with US material. We wish our clinics in Nicaragua were so well supplied. Tim noticed a supply of Ascendin, a powerful antidepressant, which the doctor told us is in big demand.

Then Cmdt. "Johnson" arrived with two of the people we were searching for—Gema Beverly Velasquez, 17, and Lydia Marbeli Zeas, 23. Gema was taken by the *contra* while walking near Jinotega in May 1988. Lydia is a teacher who has been helping in health programs near Jinotega. The *contras* came to her father's house the night of December 6, 1988 and took her. Their parents have heard nothing from their daughters since.

Pepe and Johnson loudly declared that the *contra* army is made up of volunteers and that we could take these girls to the United Nations refugee office so they could go home if they wanted. We arranged to talk with the girls again at 5 pm back in our tent.

We estimated that there are about 9000 people in the *contra* camps scattered across a wooded valley near the headquarters. They live in huts made of stick, US Army ponchos and plastic sheets. Most are between 16 and 20 years old and very few carried guns. Most wore US Army uniforms. They appeared to have little to do but camp chores and play volleyball. Except for a compass exercise, we didn't see any military training.

After lunch, we were surprised when the *contra* officers brought two more of the people we were looking for—Maria de los Angeles Gonzalez, 16, and Diego Manuel Centeno, 17. Maria is the daughter of a lay health worker in Jinotega while Diego and his father are health volunteers. They were kidnapped together from the house of Diego's father in July 1988.

Another man on our list was kidnapped at the same time and the two teenagers said he was in the camps as well. Jose Gabriel Lopez, 33, the father of a nine-month-old child, is a lay health worker, too.

Our luck continued. *Contra* officers told us that two more had been found—Felipe Artola, 45, and his son, Rafael Artola, 15. Ann Souter, a US nurse who also works with the lay health workers in Matagalpa and receives some support from the UUSC, heard of this case through Felipe's nephew, Ronald, a lay health worker. The contras came to Felipe's house on January 28, 1989. They stole money, food, a radio and Ronald's first aid kit. They then kidnapped Felipe, Rafael and Ronald's 55-year-old father whom they later released. Ronald was not home at the time. We were told we could see Felipe and Rafael on Friday morning.

Commandante "Johnson" said he wanted signed statements from us that the people we saw were mentally and physically healthy, had never been mistreated and were with the contras voluntarily. We agreed but said we wanted to do the examination in private. He agreed to this and then left for Tegucigalpa.

Diego and Maria immediately recognized Tim and Susan. We told them that we were here on behalf of their families to see if they were healthy and happy remaining in the camps. We said that their officers had given us permission to take them out of the camps if they wished to go home.

Susan examined Maria and Tim, Diego. Maria told Susan that she had been told by the contras that her father had been murdered by the Sandinistas. Having seen Maria's father a few days before, Susan reassured Maria that this was not true and that he continues to work hard in the area of health with the aid of the Catholic Church. Maria said she wanted to be a health volunteer and to work with her father.

The two teenagers were obviously under stress but were otherwise relatively healthy. At the end of the exams, Diego told Tim and Maria told Susan that they want to go home. They signed a brief statement and then voiced a similar statement into the tape recorder. Diego said he had not been mistreated but Maria said she had been physically dragged from the house receiving a sprain to her right wrist. They said another boy—Rosalio Lopez, 16, a delegate of the Word from the Catholic Church of their community, was also in their camp and wanted to go home.

We told Pepe of Jose Gabriel and Rosalio. He said we could see them on Friday morning. We then presented Pepe with copies of Maria's and Diego's declarations in the presence of Maria and Diego. He literally turned pale. Such fanatical believers in the contras' cause, the officers could not believe that their teenage troops wanted to go home.

They accused us of trying to obtain military secrets. We reiterated that we were journalists and physicians on a humanitarian mission with the support of the Presbyterian and Unitarian Churches of the USA. They demanded that one of their officers observe the remaining exams.

While examining Lydia and Gema, from one to four uniformed contras were with us. Tim explained to Lydia that we work with Father Douglas Araica of the Catholic Church and health promoter Enrique Gonzelez, both of whom Lydia knows. Tim said he had just talked to her father and brother who sent him to see how she was and if she was satisfied remaining in the camps. Gema's mother had sent us on a similar mission which Susan explained to her. We told them about the United Nations and of Comandante "Johnson's" offer for us to take them to the UN office. Gema said that she knew it wasn't true that her mother had forgotten her in spite of what they told her. Throughout the exam Gema kept saying in a low voice, "help me, help me".

Lydia was calm and had written a letter for her family. Of the four people we examined that day, only Lydia was not in military uniform. Both Gema and Lydia were in good physical health but Gema showed a high degree of stress. At the end of the exams, Lydia said she wanted to stay in the camp. Gema wrote her own declaration asking for repatriation through the UN including a section stating that she has not been abused.

We had talked to the teenagers for only a few minutes. The contras had them for months. They had them for another night and our fears came true the next day.

First Gema returned to our tent stating she not longer wanted to leave the contras and was happy there. When asked, Gema said various persons had talked to her during the night saying that she would be put in jail for at least six months if she returned to Nicaragua. Reaffirming she wanted to stay, she began to cry uncontrollably. All Susan could do was to hold her and comfort her.

Next Maria came to say she had decided to stay. When we asked her if anyone had talked to her during the night she became very aggressive, and insisted no. She said she didn't want to return to Nicaragua because there was still a war and that there is no new underwear in Nicaragua. On leaving the tent Maria pulled Susan aside and said to have her father come to the Las Manos border crossing next week. She said the contras were going to take her there to meet with him. As Susan began questioning this story, Pepe appeared accusing Susan of obtaining military secrets.

Diego then came to say he had decided to stay. On questioning him, he said officers had told him he would be put in jail or be killed. He sat with Susan for a few minutes, staring at the ground. Then he reversed himself again and said he wanted to go home.

At this point Pepe returned, saying Ruben the senior officer in the camp wanted to talk to us. Tim told Diego to wait for us to return. After accusations that we might be trying to get military secrets, Larry explained again our mission, who we were and how we entered the camp with the Honduran Army's permission and with Cmdt. "Johnson", all the correct channels to use. Ruben seemed satisfied but we were told that Jose Gabriel was out on patrol and no one knew when he would return. He said Felipe, Rafael and Rosalio were not in the camps and the officers denied having told us so the day before. Ruben also stated that no one had authority to tell Maria she could see her father. On returning to our tent Diego was gone. We were told to leave the camp.

The next day in Tegucigalpa, we told Cmdt. "Johnson" that we want all eight people we knew of in the camps taken to a neutral place to be interviewed by a neutral person from the UN or the International Red Cross. "Johnson" said he would return to the camps and we would meet on Friday. When Friday came "Johnson" was not available.

After we returned to Nicaragua, we met with the families of Diego, Maria, Gema and Lydia. They were happy to know their children are alive and wept when we gave them pictures. We reassured Jose Gabriel's 80-year-old father that his son is alive and wants to come home. The families have registered with the International Red Cross to open communication with their children.

The outcome to this story depends on you and other US citizens. Our list reveals many of the contra are young people who were kidnapped and are being held against their will. They are clothed in military garb, have no money and cannot receive permission to leave. It is our tax money that keeps these youth captive. They are kept there to preserve the illusion that a failed foreign policy still works. We have to let Congress know that it's time for a Central American policy that will promote peace and justice, not such inhumanity, war and poverty.

It is time to set the children free.

TRIBUTE TO DR. STEVE BANDEIAN, HEALTH SUBCOMMITTEE STAFFER

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1989

Mr. STARK. Mr. Speaker, the Ways and Means Health Subcommittee has recently suffered a loss in the departure of Dr. Steven Bandeian, who has taken a position at the Office of Management and Budget.

Steve, who is both a lawyer and a medical doctor, handled the subcommittee's work on part B Medicare issues, along with other issues. During his years with us, he was instrumental in helping ensure the passage of numerous amendments designed to increase the level of physician participation in Medicare Program, to, protect the quality of care that beneficiaries receive in HMO's and under part B. He has helped save the American taxpayer hundreds and hundreds of millions of dollars by reducing payments for unnecessary, questionable, or excessively expensive medical procedures. His own expertise as a physician is what gave the members of the subcommittee the confidence to move forward on complex and difficult medical questions.

For the past year, he has been the lead staff assistant on my bill entitled "Ethics in Patients Referral Act of 1989," H.R. 939. This bill seeks to end the practice of doctors being paid by Medicare for referring patients for tests and other treatments at facilities where the physician also receives income from the operation of that facility. The work on this bill drew heavily on Steve's combination of medical and legal talents. His extraordinary knowledge and concern about medical ethics allowed him to discover and analyze the terrible overutilization and waste that occurs when doctors refer to facilities where they have an ownership interest.

Dr. Bandeian has laid the groundwork for the rest of the year as we work on this bill. I believe it will be passed and will become another part of the testament to this congressional staff.

I wish Dr. Bandeian the very, very best. I am glad that he is staying with public service and that we may continue to have the benefit of his expertise.

MEG GREENFIELD OF THE WASHINGTON POST SPEAKS OUT FORCEFULLY IN DEFENSE OF ANIMALS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. LANTOS. Mr. Speaker, Meg Greenfield, editorial page editor of the Washington Post, speaks with great authority on a great variety of subjects. We in the Congress and Americans everywhere give consideration to her thoughtful views on a wide range of critical national issues.

Mr. Speaker, in this morning's Post, Ms. Greenfield has spoken out forthrightly and strongly for the protection of animals. "We have," she argues, "become far too careless, self-indulgent and cruel in the pain we inflict on these creatures." I ask that Ms. Greenfield's article be placed in the RECORD, and I strongly urge my colleagues to give it thoughtful attention.

The article follows:

[From the Washington Post, Apr. 11, 1989]

IN DEFENSE OF THE ANIMALS

(By Meg Greenfield)

I might as well come right out with it: contrary to some of my most cherished prejudices, the animal-rights people have begun to get to me. I think that in some part of what they say they are right.

I never thought it would come to this. As distinct from the old-style animal rescue, protection and shelter organizations, the more aggressive newcomers, with their "liberation" of laboratory animals and periodic championship of the claims of animal well-being over human well-being when a choice must be made, have earned a reputation in the world I live in as fanatics and just plain kooks. And even with my own recently (relatively) raised consciousness, there remains a good deal in both their critique and their prescription for the virtuous life that I reject, being not just a practicing carnivore, a wearer of shoe leather and so forth, but also a supporter of certain indisputably agonizing procedures visited upon innocent animals in the furtherance of human welfare, especially experiments undertaken to improve human health.

So, viewed from the pure position, I am probably only marginally better than the worst of my kind, if that: I don't buy the complete "speciesist" analysis or even the fundamental language of animal "rights"

and continue to find a large part of what is done in the name of that cause harmful and extreme. But I also think, patronizing as it must sound, that the zealots are required early on in any movement if it is to succeed in altering the sensibility of the leaden masses, such as me. Eventually they get your attention. And eventually you at least feel obliged to weigh their arguments and think about whether there may not be something there.

It is true that this end has often been achieved—as in my case—by means of vivid, cringe-inducing photographs, not by an appeal to reason or values so much as by an assault on squeamishness. From the famous 1970s photo of the newly skinned baby seal to the videos of animals being raised in the most dark, miserable, stunting environment as they are readied for their life's sole fulfillment as frozen patties and cutlets, these sights have had their effect. But we live in a world where the animal protein we eat comes discreetly prebutchered and prepacked so the original beast and his slaughtering are remote from our consideration, just as our furs come on coat hangers in salons, not on their original proprietors; and I see nothing wrong with our having to contemplate the often unsettling reality of how we came by the animal products we make use of. Then we can choose what we want to do.

The objection to our being confronted with these dramatic, distrubing pictures is first that they tend to provoke a misplaced, uncritical and highly emotional concern for animal life at the direct expense of a more suitable concern for human suffering. What goes into the animals' account, the reasoning goes, necessarily comes out of ours. But I think it is possible to remain stalwart in your view that the human claim comes first and in your acceptance of the use of animals for human betterment and still to believe that there are some human interests that should not take precedence. For we have become far too self-indulgent, hardened, careless and cruel in the pain we routinely inflict upon these creatures for the most frivolous, unworthy purposes. And I also think that the more justifiable purposes, such as medical research, are shamelessly used as cover for other activities that are wanton.

For instance, not all of the painful and crippling experimentation that is undertaken in the lab is being conducted for the sake of medical knowledge or other purposes related to basic human well-being and health. Much of it is being conducted for the sake of superrefinements in the cosmetic and other frill industries, the noble goal being to contrive yet, another fragrance or hair tint or commercially competitive variation on all the daft, fizzy, multicolored "personal care" products for the medicine cabinet and dressing table, a firmer-holding hair spray, that sort of thing. In other words, the conscripted, immobilized rabbits and other terrified creatures who have been locked in boxes from the neck down, only their heads in view, are being sprayed in the eyes with different burning, stinging substances for the sake of adding to our already obscene store of luxuries and utterly superfluous vanity items.

Oddly, we tend to be very sentimental about animals in their idealized, fictional form, and largely indifferent to them in realms where our lives actually touch. From time immemorial, humans have romantically attributed to animals their own sensibilities—from Balaam's Bibilical ass who providently could speak and who got his owner out of harm's way right down to Lassie and other Hollywood pups who would invariably tip off the good guys that the bad guys were up to something. So we simulate phony cross-species kinship, pretty well drown in the cuteness of it all—Mickey and Minnie and Poky—and ignore, if we don't actually countenance, the brutish things done in the name of Almighty Hair Spray.

This strikes me as decadent. My problem is that it also causes me to reach a position that is, on its face philosophically vulnerable, if not absurd—the muddled, middling, inconsistent place where finally you are saying it's all right to kill them for some purposes, but not to hurt them gratuitously in doing it or to make them suffer horribly for one's own trivil whims.

I would feel more humiliated to have fetched up on this exposed rock, if I didn't suspect I had so much company. When you see pictures of people laboriously trying to clean the Exxon gunk off the sea otters even knowing that they will only be able to help out a very few, you see this same outlook in action. And I think it can be defended. For to me the biggest cop-out is the one that says that if you don't buy the whole absolutist, extreme position it is pointless and even hypocritical to concern yourself with lesser mercies and ameliorations. The pressure of the animal-protection groups has already had some impact in improving the way various creatures are treated by researchers, trainers and food producers. There is much more in this vein to be done. We are talking about rejecting wanton, pointless cruelty here. The position may be philosophically absurd, but the outcome is the right one.

A SATURDAY NIGHT SPECIAL IS AN ASSAULT WEAPON

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. SMITH of Florida. Mr. Speaker, the April 7, 1989, Washington Post contained two pieces that support a point I am making with my bill to ban Saturday Night Specials—the cheap, easily concealable handgun is as much an assault weapon as the AK-47 or Uzi.

In his column, Richard Cohen made the very point that I propounded at the Crime Subcommittee's hearing on April 5: small handguns must be considered "assault" weapons because they assault Americans daily in playgrounds, schoolyards, homes, and cars. For the benefit of my colleagues who missed the column, I have included it at the end of my statement.

The other item involved a near-tragic accident with Mr. Wilbur Garrett, editor of National Geographic. Mr. Garrett dropped a loaded derringer which went off. The bullet penetrated his rear upper thigh and lodged perilously near a vital artery.

Mr. Garrett's incident did not end tragically, but others who use or face similar handguns are not as lucky as he. That is why I introduced H.R. 993, the Handgun Violence Prevention Act, a bill to ban these cheap assault weapons.

[From the Washington Post, Apr. 7, 1989]

EVERY GUN IS AN ASSAULT WEAPON

(By Richard Cohen)

Americans love a label. Put a catchy one on something and we pay attention. Nowhere is this truer than guns. Call a gun a "Saturday Night Special" and we recoil in horror. Call a semi-automatic rifle an "assault weapon" and even a life-member of the National Rifle Association such as President Bush moves against it. Had the AK-47 been called a "Peacekeeper," no one would have dared restrict it.

But while we are banning the importation of certain weapons, let's take a hard look at the statistics. As bad as assault rifles are, they are not really the problem. In 1987, rifles of all kinds accounted for only 4 percent of all murders and shotguns accounted for another 6. Handguns, on the other hand, accounted for 44 percent of murders.

So the question is: Why is there a virtual consensus about banning or restricting a weapon such as the assault rifle and almost no movement to ban or restrict most handguns? The answer, it seems, is that Americans will do something about guns only when some awful label is applied to them—when they are stripped of their romance and their real purpose is bared.

For instance, the so-called "Saturday night special" ran into trouble mostly because it got a descriptive term applied to it. It's cheap and not really a trusty weapon—but in most respects it's not different from any other handgun. Importation of these shoddy weapons was prohibited in two stages (1968 and 1988), but nothing was done about more trusty (and more expensive) handguns. What doomed the weapon was its price (the one John Hinckley bought cost $29), its short, no-nonsense barrel—and its monicker. A higher price and a longer barrel make a gun no less dangerous, yet these proliferate.

In a similar way, the assault weapon is a victim of nomenclature. The word "assault" is frightening, and the weapon keeps bad company; drug dealers and war lovers whose minds are cesspools of violent fantasies. Here, once again, the label too bluntly proclaims the weapon's purpose.

But an assault weapon is really not much different from other rifles, many of which are semi-automatic. In fact, the shotgun I recently used for skeet shooting (50 clay pigeons escaped with their lives) could fire three shells with three separate squeezes of the trigger—so it was semi-automatic. If it's semi-automatic rifles we fear, then we have good reason to be afraid. There are some 20 million to 30 million of them out there.

The current effort to ban assault weapons makes sense, since these rifles are increasingly popular. But rifles pale as a menace when compared with handguns. Indeed, you have a better chance of being killed by a blunt instrument (6 percent of all murders) than by a rifle. Assault rifles may be the preferred weapon of the deranged and the drug pusher, but they remain what they have always been—terribly hard to conceal. In Washington, a wide-open town by any standard, it is the old six-shooter we fear.

Consider: when you feel like saluting a rude driver with an obscene gesture, is it fear of an assault weapon that stifles the urge? Hardly. On a dark street, do you fear that two youths up ahead are carrying a rifle? No. In both cases, it's the handgun. The handgun is the weapon of choice of the mugger and the stick-up artist, the mid-

night caller and the hair-trigger motorist who's mad at the world.

Occasionally, the thinking of Nancy Reagan is worth considering. Back when she was a crusading first lady on the subject of drug abuse, she maintained that the casual drug user was linked to drug violence. The same argument could be made for noncriminals who buy handguns. The guns they buy are also bought by others. The guns they keep at home are often stolen.

Their debatable constitutional right to buy a gun—often with no questions asked—is abused by those who use it for crime. The insistence, given voice by the NRA, that any weapon that can be used by sportmen and target shooters should not be regulated means that, for the sake of a hobby, the rest of us are endangered. In 1987, the most recent year for which statistics are available, 10,566 people were killed by guns. Some hobby.

Were it not for the staggering number of handgun victims, America's preoccupation with assault weapons would be downright funny. But the plight of the inner city, the horrible realization that eye contact can trigger a shooting, means that the joke is on us. We are deceived by labels and restrict certain weapons as if, in ways that matter, they were significantly different from all others.

The Saturday night special and the assault weapon are two examples. But the statistics know better. Every night is Saturday night in the ghetto, and every gun is an assault weapon. Restrict them all.

TRACHTENBERG ON U.S. HIGHER EDUCATION

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mrs. KENNELLY. Mr. Speaker, at a time when many educators, parents, students, and government officials are asking whether we are getting our dollar's worth from our investment in America's higher education system, the new president of the George Washington University, Stephen Joel Trachtenberg, is providing some interesting and thought-provoking observations on the question.

Mr. Trachtenberg previously served for 11 years as president of the University of Hartford in my State of Connecticut and will be officially inaugurated on April 16 as president of George Washington University here in the Nation's Capital.

His thoughts, presented in a March 15, 1989, Hartford Courant article, are quite thought provoking and I am pleased to bring this article to the attention of my colleagues:

WHEN RESEARCH EQUALS REPUTATION, UNIVERSITIES FAIL THEIR STUDENTS

(By Stephen Joel Trachtenberg)

It is becoming increasingly commonplace to hear that American universities are failing the American people. In his recent book "ProfScam," for example, Charles J. Sykes lambastes them for concentrating their energies on research (much of it, he says, of dubious value), punishing those who actually dedicate themselves to teaching (often by not granting them tenure), and allowing much front-line teaching, especially that of freshmen and sophomores, to be assigned to harassed graduate students or foreign students, the latter often not fully proficient in English.

That these criticisms have some merit even academicians, if they are being honest, will agree. That they apply across the board to every university in the nation, most impartial observers will vehemently disagree.

Yet, where higher education tilts attention away from the young people who represent America's future and toward personal aggrandizement, even when that involves marginal research—the American public must take at least 50 percent of the blame.

As survey after survey has demonstrated, Americans' primary motivation for sending their sons and daughters to college—a motive shared by those young men and women—is to try to assure that as graduates they will get and keep high-paying jobs. That, in turn, makes these families highly susceptible to the pecking order in higher education established by public opinion, which is always eager to know who is No. 1 and who is in the Top Ten. Public opinion, in turn, is strongly reflected in and reinforced by the media.

As we might expect, media attention in this country is disproportionately devoted to the schools of the Ivy League and other so-called flagship universities with enormous annual budgets, very high tuition and endowments in the billions of dollars.

In some periods, these universities are idolized to the detriment of those that serve the vast majority of students. At other times, as at present, these industrial powerhouses of research ar denounced for their sinfulness, especially their neglect of the individual student. At that point, the brush used on them also succeeds in tarring the considerable number of less famous universities in this country that do considerably more for their students with infinitely more modest resources.

As a result of these strong public and media preferences, the pacesetters in American higher education have long been the world-class research universities where the rule is that the higher you rank as a faculty member, the less you teach.

These schools have also proven that the more you charge in the way of tuition, the more applicants you attract. And I am not the first skeptic to point out that the careers subsequently enjoyed by their graduates may have more to do with the talents that got them admitted in the first place than with anything they actually experienced, during their four undergraduate years, in the way of higher education.

Unfortunately, the tragedy doesn't stop there. The principles established by the universities Americans most admire—that the smarter a faculty member is, the more he or she is excused from teaching, and that the more self-destructive a faculty member is, the more he or she takes teaching seriously—have spread to other universities as well. They have spread to four-year colleges, and have, no doubt, begun to affect even community colleges.

Today, requests to be relieved of teaching duties may be based not only on research demands but on committee work, participation in faculty governance, the work involved in administering a lecture series, supervising production of a new faculty handbook—or preparing a report on why the university isn't granting enough release-time from teaching.

All of this stems from the values shared by most Americans regarding higher education. They want the best for their children, and the best of all is identified as Harvard, MIT and Stanford. It comes as a terrible shock when they discover that many schools like that aren't places where freshmen receive regular, loving attention from the Nobel Prize-winning senior faculty whose research and publications help to make the school's reputation.

The time for reform in higher education is here. We need to re-examine national goals and how they are being served or not served by America's 3,000-plus universities, four-year colleges and two-year colleges. We need to go back to the drawing board and rethink academic norms, procedures and selection and review processes. We need to determine if the allocation of federal research money may be indirectly damaging the education of the American young at a time when the economy desperately needs their talents, skills, dedication and creativity.

And to do all of that successfully, we had better resist any urge to scapegoat American higher education as the villain of the piece. What higher education is today is what Americans encouraged it, by commission and omission, to become.

STATES SHOULD COMPLY WITH MEDICARE LAW FOR LOW-INCOME SENIORS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. STARK. Mr. Speaker, today I am introducing a bill to reduce the private activity bond volume cap to zero for States which do not comply with Federal law requiring State assistance in paying Medicare expenses for the elderly poor.

The Medicare Catastrophic Protection Act requires States to implement a program effective January 1, 1989, to pay the out-of-pocket Medicare costs for elderly individuals with income below 85 percent of the poverty level. By 1992, States will be required to pay Medicare expenses for all seniors with incomes below the poverty level. Because of the failure of numerous States to provide this assistance as required by Federal law, hundreds of thousands of the poorest of America's seniors—people living on about $400 a month—have had $31.90 for Medicare part B premiums deducted from their Social Security checks each month since January of this year.

My bill would reduce the State bond cap to zero for any State not in compliance at the end of this year. The poor seniors may not have the clout to force the holdout States to comply with the Federal law, but perhaps this bill will provide an additional incentive for the States to comply.

The text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCTION IN PRIVATE ACTIVITY BOND VOLUME CAP FOR STATES WHICH DO NOT MEET CERTAIN REQUIREMENTS FOR PROVIDING MEDICAL ASSISTANCE.

(a) IN GENERAL.—Subsection (d) of section 146 of the Internal Revenue Code of 1986 (relating to volume cap) is amended by

adding at the end thereof the following new paragraph:

"(5) REDUCTION IN STATE CEILING FOR STATES WHICH DO NOT MEET CERTAIN REQUIREMENTS FOR PROVIDING MEDICAL ASSISTANCE.—The State ceiling applicable to a State for any calendar year shall be zero if—

"(A) as of January 1 of such year, the plan of such State under title XIX of the Social Security Act has not been amended to meet the requirement of section 1902(a)(10)(E) of such Act (relating to making medical assistance available for medicare cost-sharing for qualified medicare beneficiaries), or

"(B) the Secretary of Health and Human Services determines that, for any calendar quarter of the preceding calendar year, such requirement was not met."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to State ceilings for calendar years after 1989.

SLEAZE FACTOR CAN BE AVOIDED

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. HUBBARD. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared in the March 6, 1989, issue of The National Law Journal. The article is entitled "Sleaze Factor Can Be Avoided" and was written by an outstanding Washington attorney, James Hamilton.

Jim Hamilton, who was the assistant chief counsel to the Senate Watergate Committee, is a partner in the Washington, DC, law office of Olwine, Connelly, Chase, O'Donnell & Weyher.

He is the author of The Power to Probe: A Study of Congressional Investigations and numerous articles addressing a broad range of subject matters which have been published in legal journals and major newspapers.

In addition, Jim Hamilton has appeared frequently as a commentator on national television and radio broadcasting relating to legal and ethical issues.

I found Jim Hamilton's article to be very informative, and I would certainly recommend that it be read by anyone entering high-level government service.

I am hopeful that my colleagues will find the article as interesting and informative as I did.

The article follows:

SLEAZE FACTOR CAN BE AVOIDED

(By James Hamilton)

Despite its obvious successes, the Reagan administration will be remembered for its legal and ethical lapses. Messrs. Deaver, Nofziger, Meese, Poindexter and North have, unfortunately, left their mark.

The Bush administration, however, seems intent on avoiding a reputation for sleaze. Indeed, the president recently has lectured top government officials on the necessity of probity and has appointed a blue ribbon commission to look into the revision of federal ethics laws.

This article attempts to provide President Bush with a little assistance—to outline for those entering government the basic rules currently in force that they will be expected to follow.

Besides the desire to behave with propriety, there is another reason why those contemplating government service should review this primer. Persons entering the administration should understand beforehand that government service has its burdens. Many appointees will have to make substantial sacrifices in addition to reductions in salary.

This discussion is not intended to be exhaustive. Rather, it highlights the major issues with which appointees, particularly those to high-level positions must deal.

FINANCIAL DISCLOSURE

One of the first obligations of incoming high-level officials (generally GS-16's and above) will be to complete a financial disclosure form—SF 278. This form—which aptly may be called horrid—requires detailed disclosure of assets, sources and amounts of income, liabilities, purchases, sales and exchanges of property, gifts and reimbursements, interests in property, and certain arrangements such as those relating to future employment. Values are not reported specifically, but in ranges.

Appointees to positions requiring Senate confirmation also may be required to provide written answers to committee questionnaires. They and others will be asked to complete a detailed White House questionnaire designed to discover any information that could embarrass them or the administration. In addition, agencies and departments will require certain employees to submit statements detailing their employment and financial interests.

Responses must be accurate. An intentional false statement on SF 276, or to the Senate, White House or an agency, would be a federal felony. Former U.S. Rep. George Hansen (R-Idaho) served months in a federal prison because his disclosure form was inaccurate.

ETHICS AGREEMENTS

To avoid conflicts of interest, some high-level officials may be required to enter into so-called "ethics agreements," which may take a variety of forms. An ethics agreement, for example, may call for:

Recusal or disqualification from a particular matter or type of official action.

Divestiture of financial interests.

Resignation from a business.

Establishment of a blind trust.

The rules relating to blind trusts are complicated and the applicable regulations should be consulted. Stringent penalties are available for intentional or negligent violations of a blind trust agreement.

CONFLICT-OF-INTEREST RULES

The conflict-of-interest rules that apply to government service are many, complex and varied. A good place to start is the Code of Ethics for Government Employees, which was established by Congress and which exhorts government employees to:

Put loyalty to the highest moral principles and to country above loyalty to persons, party, or government department.

Uphold the Constitution, laws, and regulations of the United States and of all governments therein and never be a party to their evasion.

Give a full day's labor for a full day's pay, giving earnest effort and best thought to the performance of duties.

Seek to find and employ more efficient and economical ways of getting tasks accomplished.

Never discriminate unfairly by the dispensing of special favors of privileges to anyone, whether for remuneration or not; and never accept, for himself or herself or for family members, favors or benefits under circumstances that might be construed by reasonable persons as influencing the performance of governmental duties.

Make no private promises of any kind binding upon the duties of office, as a government employee has no private word that can be binding on public duty.

Engage in no business with the government, either directly or indirectly, that is inconsistent with the conscientious performance of governmental duties.

Never use any information gained confidentially in the performance of governmental duties as a means of making private profit.

Expose corruption wherever discovered.

Uphold these principles, ever conscious that public office is a public trust.

Federal regulations also contain another general admonition—to avoid even the appearance of impropriety. More specifically, the regulations state that an employee shall avoid any action that might create the appearance of.

Using public office for private gain.

Giving preferential treatment to any organization or person.

Impeding government efficiency or economy.

Losing complete independence or impartiality.

Making a government decision outside official channels.

Affecting adversely the confidence of the public in the integrity of the government.

The Department of Justice's Office of Professional Responsibility recently criticized severely former Attorney General Edwin Meese III for, among other things, creating the appearance that he was giving preferential treatment to interests promoted by his law school friend, E. Robert Wallach.

Beyond these general, somewhat hortatory statements, federal statutes and regulations contain various specific prohibitions—some reasonably obsecure—of which all federal employees should be aware.

GIFTS, ENTERTAINMENT AND FAVORS

Generally speaking, an employee may not solicit or accept anything of monetary value from a person who:

Has, or seeks business or relations, with the employee's agency.

Engages in activities regulated by the employee's agency.

Has interests that may be affected substantially by the employee's official actions.

The regulations of the various agencies may provide for certain exceptions to this rule. For example, exceptions may:

Allow gifts in the context of family or personal relationships when it is clear that business concerns are not the motivating factor.

Permit the acceptance of loans from financial institutions on customary terms.

Permit the acceptance of food or refreshments of nominal value on infrequent occasions; during, for example, a luncheon or dinner meeting where the employee's attendance is appropriate and there is not a reasonable opportunity to pay.

However, the Office of Government Ethics—the watch-dog agency as to government employee conduct—frowns mightily on one-on-one lunch and dinner meetings where the employee does not pay. In an October 1987 memorandum, OGE said: "In general, an Executive Branch employee's acceptance of 'one-on-one' meals from someone who hosts that individual because of his or her government position is prohibited, re-

gardless of the costs of the meal." The best advice—if you dine with someone you regulate—is: Pay for it yourself if at all possible.

OUTSIDE EMPLOYMENT AND COMPENSATION

A Government employee should not engage in outside employment incompatible with the full and proper discharge of government responsibilities. For example, a government official should avoid outside employment that tends to impair his mental or physical capacity to perform his government responsibilities. In other words, if you work 15 hours a day at OMB, don't moonlight.

A high-level official who does earn outside income cannot receive, under the generally applicable rule, an amount that exceeds 15 percent of his or her government salary. But individual agencies may set stricter standards, and President Bush, in his campaign, called for a ban on such income by all presidential appointees. Such a ban was, in fact imposed on presidential aides in the Reagan White House.

Also to be eschewed is the acceptance of a fee, or any other thing of monetary value, in circumstances that may create the appearance of a conflict in interest. To illustrate, if a highlevel member of the administration gives a speech in his official capacity, he may not accept an honorarium for the speech. Indeed, for an employer to receive any compensation from a private source for a government act (such as a speech), or to supplement his government salary would be a felony.

The astute reader undoubtedly has discerned that there is a difference between acceptable conduct for members of the executive branch and members of Congress. The latter—within certain limits—can accept honoraria for speeches. The current calls for reform of Congress' ethics rules would eliminate congressional honoraria and thus this distinction.

It goes without saying that a government official, including a member of Congress, may not accept a bribe to do a government act. Such conduct is criminal. This, of course, is largely what the current Pentagon probe purportedly is all about.

It is also a felony in most circumstances for a government employee to represent a private interest before the federal government or in any matter in which the United States has a direct or substantial interest. This is so even if the employee receives no compensation.

FINANCIAL AND OTHER PERSONAL INTERESTS

An employee may not have a financial interest that substantially conflicts, or appears to conflict, with his or her government duties. Indeed, with some exceptions, it is a felony for a government official to participate personally and substantially in a particular government activity that would have a direct and predictable effect on his or her financial interest.

An employee has a duty to protect and conserve government property entrusted to the employee. Theft of government property is, of course, a crime, but an employee also, may not use—or allow the use of—government property of any kind for unofficial activities.

For example, an employee may not use a government vehicle, computer or word processor for personal matters. Misuse of a government vehicle is one sure way to get media attention; witness the stories that focused on the use of government cars by the wives of former Attorney General William French Smith and former Treasury Secretary Donald Regan. Mr. Smith eventually repaid the government $11,000 for his wife's personal trips.

Generally speaking, an employee may not further a private interest by using official information, obtained through government service, that is not available to the general public. Moreover, there are various statutory provisions making it a crime to release specific types of information, such as classified and private financial information.

MISCELLANEOUS RULES

An employee must pay his just financial obligations in a proper and timely manner, especially those relating to federal, state or local taxes. The Justice Department's Office of Professional Responsibility criticized Mr. Meese for failing to pay his taxes on time.

An employee also may not engage in immoral or notoriously disgraceful conduct, or other conduct prejudicial to the government. Nor may an employee habitually use intoxicants to excess. And an employee may not, while on government property or on government duty, participate in any gambling duty, participate in any gambling activity. So please, no penny pitching in the West Wing.

POST EMPLOYMENT RULES

There also are various rules that restrict activities of government officials—particularly high-ranking government officials—after they leave office. These so-called "revolving-door" or "side-switching" rules are complicated and are beyond the scope of this article.

Violations of these rules carry felony penalties—as former presidential aid Lyn Nofziger has discovered to his dismay—and thus the applicable statutes and regulations should be consulted carefully when an employee leaves government. Many ex-government officials find that these rules hamper their ability to earn a living.

WORDS OF ADVICE

Each department and agency is required by law to appoint an ethics official. These officials are knowledgeable and are available for consultation concerning ethics issues. Given the complexity of the applicable rules, a federal employee would be well advised to consult the appropriate ethics officials whenever concern arises regarding the propriety of conduct.

Finally, if you are involved in conduct under scrutiny and decide to talk about it to an investigating official, be sure to tell the truth. Many people in Washington get into trouble, not for what they did, but because they lied about what they did.

Michael Deaver was not prosecuted for violating the "revolving-door" rules; he was prosecuted and convicted for lying about his conduct. Retired Lt. Col. Oliver North now will not be prosecuted for his alleged grand scheme to sell arms to Iran and divert the profits of these sales to the Contras, but he will be tried for peripheral crimes, such as lying to congressional and other investigators. Perjury and the crime of false statements—which does not require the existence of an oath—may be easier to prove than violations of the complicated, sometimes obscure, statutes that attempt to regulate the conduct of government employees.

TRIBUTE TO GARDNER CALVIN TAYLOR

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. TOWNS. Mr. Speaker, I rise to pay tribute to a great man: The Reverend Gardner Calvin Taylor, who as senior pastor of the great Concord Baptist Church, has led his 12,000 parishioners with exemplary urban, national, and international church leadership.

Many of us see Dr. Taylor as one of the greatest living examples of that classic preaching style which is the mark of one called to preach to the people of God. This is also reflected in the fact that Dr. Taylor is also the author of two distinguished publications: "How Shall They Preach?", and a collection of magnificant sermons titled, "Scarlet Thread". Preaching across this land and throughout the world as a lover of truth, justice, and peace, Dr. Taylor has set an example of unrelenting hard work, creativity, and boldness for all black leadership no matter what arena we struggle in. Gardner Taylor is also a great pastor. In 1952 he led his congregation in rebuilding its church edifice after it was destroyed by an accident. The Concord Church has become an institutional church in the heart of the Bedford-Stuyvesant section of Brooklyn, NY: It owns and operates a large private elementary school, a 150-bed nursing home, an apartment building for senior citizens, a clothing exchange center, and model youth and adult programs.

Dr. Taylor's sterling leadership in the area of housing redevelopment in the immediate neighborhood of Concord Church should also be noted, as well as his extensive involvements in our struggle for civil rights, equal employment opportunity, and social, economic, and political justice in general. Perhaps, most amazing is the fact that even as chief administrator of Concord's many worthy endeavors, Dr. Taylor still finds the time to carry out the usual pastoral duties, such as hospital visitation, spiritual counseling, and community leadership. Dr. Taylor is clearly a model urban pastor.

As former president of the Progressive National Baptist Convention, Dr. Taylor has stood for progressive, multicultural, and ecumenical vision. Along with his other many achievements and responsibilities, he has found time to be a visiting lecturer of homiletics at some of the most prestigious seminaries in America, touching the lives of hundreds of seminarians and thousands of preachers.

Dr. Taylor's wisdom and strength is admired and sought by many leaders throughout our Nation. In fact, Dr. Taylor was a close friend and confidant of Martin Luther King, Jr., and was one of the few who did not desert him when he took his historic stand against the Vietnam war. Dr. Taylor was among the many black pastors who provided the financial, emotional, and material support to the Southern Christian Leadership Conference when others either doubted it would succeed or abandoned it when it took prophetic, yet unpopular, stands against Jim Crow, economic

injustice, disfranchisement of black people, and the Vietnam war itself.

We must acknowledge that Dr. Taylor is still one of the most effective, sought after advisers to political leaders in the Nation. Many seek his counsel not only because of his extensive experience, immense intellect, and expansive influence, but also because of his excellent political and social savvy. But perhaps, most importantly, Dr. Taylor is a man of sterling integrity. At all levels of government, we cherish and appreciate his candor and wisdom.

Mr. Speaker, I ask my colleagues to join me in saluting Dr. Taylor for his faithfulness. While I am proud to say that he has consistently provided our country with exemplary leadership and sterling commitment, I am proudest to say that Dr. Taylor makes his church home in the great Borough of Brooklyn, in the 11th Congressional District, which I am privileged to represent.

THE COAST GUARD LICENSE VERIFICATION ACT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. CONTE. Mr. Speaker, today I am introducing the Coast Guard License Verification Act, a bill to assist the Coast Guard in verifying that applicants for or recipients of Coast Guard licenses or certificates for master, mate, engineer, or pilot of commercial vessels have correctly informed the Coast Guard of any record of driving under the influence [DUI].

The Coast Guard License Verification Act authorizes the Coast Guard to access the National Driver Register and verify information, supplied by applicants for and recipients of Coast Guard licenses and certificates for commercial vessels, regarding traffic violations related to driving under the influence of alcohol or controlled substances. It further requires the Coast Guard to develop and implement a rule, within 12 months of enactment, which will require applicants for and recipients of Coast Guard licenses and certificates for commercial vessels to supply information on their driving records to the Coast Guard. The bill is modeled after legislation enacted in 1987 which authorized the FAA to access the National Driver Register to check the driving records of aircraft pilots.

The Coast Guard currently has no simple method of verifying that the applicants have correctly stated all relevant DUI related violations on applications and renewals. Nor does the Coast Guard have the ability to check whether current recipients of licenses and certificates have had DUI violations. Through access to the National Driver Register, which is a clearinghouse of motor vehicle driving records from the States, the Coast Guard can rapidly and easily check the accuracy of information supplied by the aforementioned applicants and recipients.

The *Exxon Valdez* accident is a vivid example of the Coast Guard's need to know which officers on commercial vessels may be risks because of alcohol or substance abuse problems. Captain Hazelwood of the *Valdez* had a record of DUI's in New York. At the very same time that he was allowed to drive the *Valdez* through the Prince William Sound in Alaska, he was forbidden to drive his car down the road. His driver's license had been suspended, for the third time, by the State of New York because of DUI's.

Had the Coast Guard been aware of Captain Hazelwood's record, it could have taken special action to deal with the problem. The Coast Guard could have voided his license if he had submitted false information regarding his DUI record. If the Coast Guard determined that the alcohol problem was affecting his performance, it could have initiated license suspension or revocation procedures. At the least the Coast Guard would have been able to monitor his work, give him simple coordination tests when he boarded the ship, or inspect periodically his quarters for alcohol. In the absence of any information that Hazelwood had an alcohol problem, the Coast Guard was unable to take any preventive actions.

The vast majority of commercial vessels officers are responsible and have no alcohol or substance abuse problems. However, those few that do have problems pose a serious threat, as the *Valdez* accident illustrates. We must provide the Coast Guard access to the information it needs to lower the risk that officers with alcohol and substance abuse problems will end up in charge of a vessel at critical times. The Coast Guard License Verification Act will provide access to much of that needed information.

To borrow a phrase from Ronald Reagan, the simple concept is "trust, but verify." It just might be enough to prevent another *Valdez*.

CHIEF EXECUTIVE OFFICER IN THE CLASSROOM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. CLAY. Mr. Speaker, as leaders in Congress and across our Nation grapple with the crisis in our educational system, we are all anxious to help our children recognize the important link between getting an education and finding productive employment. All too often the children in our inner city schools do not learn this simple but invaluable lesson.

I was very impressed by the efforts of Stephen Wolf, chairman of United Airlines, to help the children of Chicago's inner city. Mr. Wolf has found the time to visit schoolchildren in their classrooms and I am sure he has helped to inspire many students. I applaud his efforts and I am happy to share the following editorial which appeared in the Chicago Tribune on February 15, 1989.

[From the Chicago Tribune, Feb. 15, 1989]

LEADING BY EXAMPLE IN THE CLASSROOM

The trouble at the top of floundering Chicago school system may drag on for some time, as noted in the above editorial. On another front, though, the news about city schools is much brighter. The Chicago business community, which for years was content merely to complain about the poor job the schools do in educating tomorrow's employees, now is working to make the system better.

Business leaders lobbied hard for school reform in the last session of the state legislature; they may not have gotten all that they wanted, but without their pressure the reform bill surely would have been much weaker. Several major companies are financing the new Corporate/Community School in North Lawndale, hoping to create a model for top-quality education in impoverished urban areas. A number of executives are joining Leadership for Quality Education, a nonprofit group funded by Chicago United and the Commercial Club's Civic Committee to muster the resources and the know-how to improve city schools.

Stephen Wolf, the 47-year-old chairman of UAL Corp., the parent of United Airlines, quietly has taken his commitment to better schools directly into city classrooms. He regularly leaves his suburban Elk Grove office to visit elementary schools in poorer city neighborhoods, delivering a forceful and straightforward message: Hard work and education are the ticket to a good job and success.

Wolf hands each youngster a list of United's basic employee requirements, including two essentials: Graduate from high school and don't use drugs. He always takes with him a few United employees—typically, a black pilot and flight attendant—who give the kids firsthand information about their work.

If students don't see the link between the classroom and a good job, no school reform effort, no matter how well planned and executed, can succeed. With his simple message, United's Wolf is providing that link. Here's hoping he's also providing a model that other executives will replicate all over the city.

IN HONOR OF A GREAT TEACHER, ELIZABETH CRAIG

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. STARK. Mr. Speaker, I would like to extend my warmest wishes to Mrs. Elizabeth Craig, who will be retiring this year after 39 years of teaching.

Mrs. Craig began her teaching career in North Dakota at the age of 18. After 4 years of successful teaching there she went to California to attend San Francisco State College. Upon graduation with teaching credentials, Mrs. Craig was hired by the San Lorenzo School District in 1954. She has been teaching at the Hesperian School ever since.

Throughout her teaching career, Mrs. Craig has taught many grades, leaving her wonderful impression and wisdom on all those she came in contact with. Her final year, Mrs. Craig is teaching a first-second grade combination class.

In her 39 years as a teacher, Mrs. Craig has made a powerful impact on the school system. Students, teachers, parents, and colleagues are going to miss this wonderful teacher.

I know all will miss her and I wish her all the best in her retirement.

DAVE HAMIL'S REA LEADERSHIP HAD A BIG ROLE IN SHAPING THE WEST

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. HEFLEY. Mr. Speaker, I would like to recommend to my colleagues the following article which appeared in the Thursday, March 2, 1989, edition of the Denver Post.

Dave Hamil of Sterling, CO, was longtime speaker of the Colorado House and contributed greatly to the Federal Government as head of the Rural Electrification Administration. His leadership in the REA had a big role in shaping the Mountain West.

I'm confident this article will be of interest.

[From the Denver Post, Mar. 2, 1989]

DAVE HAMIL'S REA LEADERSHIP HAD A BIG ROLE IN SHAPING THE WEST

(By Bill Hornby)

Bud Wells, a former Denver Post colleague, has written a fine biography of Dave Hamil of Sterling, longtime speaker of the Colorado House who was almost elected this state's governor and twice was its considerable contribution to federal government as head of the Rural Electrification Administration.

The biography, entitled "Four Score for Dave Hamil" (Henington Publishing Co., Wolfe City, Texas), is a wonderful trip for Colorado history buffs. It tells of the bygone '40s, '50s, and '60s when the feds were doing as much contributing regulating of the mountain West. When Colorado's post-World War II history is summarized properly, the Dave Hamils will be a lot more than footnotes.

When you look back on it, the REA restructured the mountain West about as much as railroads, paved highways, water storage and airports. And one thing all these public works had in common was that they were put in place as much as acts of public faith as of private economics.

This is not to say that prudent financing was neglected in these huge public works undertakings. But primarily they were built in the faith that they would create new markets, not just serve existing ones.

Dave Hamil was a rock-ribbed, cattle-feeding Republican, at home around any conservative cracker barrel in the state. But he was also one of the best federal administrators of creative programs we've seen. He was conservative to the core, yet he knew government had a positive, historic role in building the West.

The government bureaus that did so much of the building—the Bureau of Reclamation, the Federal Highway Administration, the Forest Service, BLM, REA (especially the latter)—were more heroes than goats when Hamil was growing up.

I doubt if a young Westerner today can believe these government men seemed like heroes, but the county agent who brought in a new crop variety or the REA lineman who put up the first yard light seemed to be men on white horses. That first light piercing the rural darkness, the first phone call to the cousin at the end of the canyon, the first radio and then TV bringing the countryside into the town loop—those were thrills with a capital "T."

The new markets these innovations were intended to create did, in fact, happen. Dave Hamil recalls in his biography making $20.6 billion in REA loans and loan guarantees, and having to write off as bad deals only a slight $24,478. That's not too shabby a bit of banking! In other words, the markets materialized when the basic public works were put in place. "Public policy" properly took the risk of basic investment.

Aching with the fiscal and philosophical hangovers of Reaganism, the average state and federal official seems in no mood to take significant public policy risks today, especially in rural America. Lacking the stimulus of major war, economic prosperity or really pervasive national depression, our congressional leaders from the West are telling us all the things we can't do.

There are a lot of things that can be done for rural America that don't need new money as much as they need new faith in progress, and a return to recognizing the proper positive role of the federal government. For example:

The mission of the REA could be rethought to include bringing rural America up-to-date in the telecommunications field, an infrastructure that is as important nowadays as highways and indoor plumbing. We need to get computers up to the ends of the canyons, too.

The Department of Agriculture extension program needs to be refocused on rural life, not just on agriculture. More than 60 percent of the income in rural America comes from non-farm sources. Economic development of rural communities should be as much an object of DOA attention as crops, but it never has been.

Airline deregulation must be revisited. Failure of air service to remoter areas is a real economic handicap.

The Colorado Rural Electric Association met in Denver this week, and I probably didn't make any friends by reminding them Hamil wouldn't have done well in a Reagan or maybe even a Bush administration. Hamil believes in prudent but active government—his instinct was to figure out how government could do something, not how to avoid the problem.

Hamil tells of running an REA phone line to Squaw Gap, a remote Dakota outpost. Even the Wall Street Journal poked fun—"You can now call Squaw Gap, but who wants to?" But it turned out there was a rancher up there who wanted to in the worst way—he ran up $120-a-month phone bills selling his stock all over.

Sometimes I wish that more of our current Washington political team wanted to take care of Squaw Gap.

NOTTOWAY COUNTY BICENTENNIAL

HON. NORMAN SISISKY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. SISISKY. Mr. Speaker, I rise today to commemorate the county of Nottoway in southside Virginia on the occasion of its bicentennial celebration. This county is rich with history and is deserving of recognition.

Nottoway County was founded May 1, 1789, when it was officially separated from neighboring Amelia County. In Nottoway, tobacco was grown and crops were planted and harvested. In Nottoway, brothers fought against each other and died in the "Battle of the Grove" during the Civil War. In Nottoway, citizens went about their ways taking care of their children, making a better life for them. In 200 years of its existence, the boundaries of this historic county have not changed. And within these boundaries, despite periods of turmoil and an ever-changing world, the values of traditional life there have flourished.

Today the fine people of Nottoway share many of the concerns that generations before them shared: finding and holding a good job in uncertain times; preserving the family farm; ensuring the quality of their children's education. Above all, they always are concerned with improving the quality of life in Nottoway. This county is indeed where many Virginians call "home."

Rich in English influence from its original settlers, Nottoway has served as an important crossing for Virginia's railroads and commerce traffic. The city of Crewe, named after Crewe, England and its famous railroad center, grew up around the station that serviced the Norfolk and Western trains on the Norfolk-Roanoke line. The city of Blackstone, named after the English jurist Sir William Blackstone, became an important commercial center after springing up at a crossroads. The city of Burkeville received its name from the well-known Virginian family, the Burkes, and the tavern they operated—an important stage stop on the Richmond-Danville route.

Mr. Speaker, Nottoway has made its contributions to Virginia and the Nation. Not only did four of its sons admirably fill the position I now proudly hold as a Member of the House of Representatives, but in addition, the Honorable William Hodges Mann, a native of Nottoway and circuit judge in those parts, served as the Governor of the great Commonwealth of Virginia from 1910 to 1914. Many a World War II GI can tell you of his experiences of training in Nottoway at the expansive Fort Pickett—still in operation today. Known as "Camp" Pickett during World War II, this installation trained countless thousands of American soldiers as they passed through on their way to defend our country in Europe and elsewhere.

Mr. Speaker, Nottoway County may be 200 years old, but I can tell you from personal experience that in a quiet but powerful way a new spirit of cooperation is at work in Nottoway. This spirit has emerged to build a sound, generous and just community, confident in its aims, its strength, and its future. This spirit has emerged to build a better way of life for the residents of Nottoway.

Yes Nottoway has come a long way, but much promise lies ahead. It has a glorious past upon which to build an even more glorious and bright-shining future.

I am pleased to have the opportunity today to express my deepest admiration for the people of Nottoway County, past and present, for their dedication to their community, and to wish them the very best for the next 200 years, and beyond.

TAXPAYER INSTALLMENT ACT

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. LIGHTFOOT. Mr. Speaker, this Saturday marks the income tax filing deadline for most taxpayers. Now that most taxpayers have prepared their returns, many of them are faced with paying more in taxes than they anticipated.

Therefore, I am reintroducing legislation today that I introduced in the last Congress: The Taxpayer Installment Act. Like H.R. 4534 and S. 2099 introduced in the last Congress, this bill permits taxpayers to pay their tax bills in three separate installments instead of being forced to come up with the entire amount owed immediately.

This legislation sets up a three payment schedule for the tax year. When the taxpayer elects to use this three payment plan, the first installment would be due on April 15, the second payment would be due on June 15, and the final payment would be due on September 15.

This bill has several advantages over the present situation. Since income averaging and many deductions, exemptions, and credits have been eliminated and since hefty penalties are being levied against taxpayers, this permits taxpayers to meet their obligations in a reasonable amount of time. The Internal Revenue Service [IRS] will still be able to charge appropriate interest rates on the amount of tax still owed, possibly bringing in even more revenue than presently collected.

If taxpayers are given a flexibility in meeting their tax obligations, they are encouraged to abide by the law instead of simply evading it. Although people currently can negotiate with the IRS to make installment payments, the IRS is not required to permit them to do so.

This measure should be relatively noncontroversial, and I urge my colleagues' support and cosponsorship.

INTRODUCTION OF TRUST INDENTURE REFORM ACT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. DINGELL. Mr. Speaker, I am pleased to join my colleagues Mr. RINALDO and Mr. LENT in introducing the Trust Indenture Reform Act of 1989 at the request of the Securities and Exchange Commission. Companion legislation (S. 651) was introduced by Senators DODD and HEINZ on March 17, 1989. The legislation was first submitted to Congress by the SEC on November 17, 1987, and introduced at the request of the Commission by Senators PROXMIRE and GARN on June 24, 1988.

The Commission stated in its transmittal letter that:

If enacted, the proposal will comprehensively modernize the Act to accom[m]odate its requirements to the needs of contemporary financing and institutional trust practice without undermining the purposes of the Act. The proposal also would assure the Act's adaptability to future developments in the public market for debt securities.

The Act regulates the public issuance of debt securities and the relationships among the security holders, the indenture trustee and the obligor. Since its adoption, there have been significant changes in the markets, with respect to both the types of debt securities offered to the public and the techniques for their sale. As a result, aspects of the Act have become administratively or substantively obsolete. The Commission's proposal would modernize the Act while continuing to mandate necessary protections for debt holders.

Accordingly, while current law requires indentures to set forth certain mandatory terms, this legislation would make inclusion of mandatory indenture terms self-executing through operation of law, thus avoiding unnecessary and lengthy boilerplate. The legislation would also broaden the Commission's exemptive power to allow for variations from the act's requirements where their application would be unnecessary or inappropriate for the protection of investors.

The legislation further provides for post-effective qualification of indentures in registered debt offerings, and gives the Commission the power to permit certain foreign persons to act as sole trustee under the indenture of a foreign obligor. Significant changes are also proposed to the Act's conflict of interest provisions. Finally, the legislation would effect miscellaneous technical changes in the Act.

Subsequent to the bill's introduction last year in the Senate, industry representatives approached Commission and Congressional staff seeking further changes in the Commission's proposals. A group of banks styled as The Ad Hoc Corporate Trust Industry Group submitted an extensive compilation which included an amendment to section 325 (77yyy) of the Act exempting them from the Act's criminal penalties as follows:

except that the provisions of section 77jjj to and including 77qqq of this title and any rule, regulation or order thereunder shall be administered for all purposes as though they were contract provisions contained in the qualified indenture, and aggrieved persons shall be entitled to civil and equitable remedies in any federal, state or other court of competent jurisdiction for the violation or breach thereof; violations or breaches of such sections or any rule, regulation or order thereunder, by or on behalf of any person or entity shall under no circumstances be subject to indictment, prosecution, trial, conviction, fine, penalty or sentence as a criminal offense under this title or any other provision of law.

Although I am not endorsing this legislation at this time, I believe that we should give serious consideration to the need for the Commission's proposals, consistent with our Rule X, cl. 2 (a) and (b) responsibilities under the Rules of the House to review, on a continuing basis, the application, administration, execution, and effectiveness of the laws under our jurisdiction to determine whether the laws are being implemented and carried out in accordance with the intent of the Congress and whether they should be continued, curtailed, or eliminated. I will however vigorously oppose any amendments seeking to insulate persons from the consequences of their illegal actions or which are otherwise in any way inconsistent with the purposes of the Act. Finally, special attention needs to be focused on the Glass-Steagall Act implications of these amendments with respect to bank underwriting of corporate debt.

I look forward to an active and constructive debate on this legislation.

GRIEVANCES SUFFERED BY A GROUP OF ALASKANS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. YOUNG of Alaska. Mr. Speaker, I am introducing again this bill to redress grievances suffered by a group of Alaskans when the Alaska National Interest Lands Conservation Act [ANILCA] was enacted in December 1980. This group is composed of sport hunting guides who were assigned exclusive hunting areas prior to the closing of those areas by Presidential proclamation in December 1978 or on December 2, 1980. Earlier versions of the Alaska Lands Act contained provisions that the interests of the sport hunting guides, a rugged group of Alaskans, would be protected.

The report language originally stated in April of 1978:

Since national parks and monuments are sanctuaries for wildlife, non-subsistence trapping and sport hunting are generally prohibited under section 1209(a) except in national preserves where the Secretary may permit sport hunting. However, several guides now provide services for hunters in portions of the extensions to Katmai and Denali National Parks and of the Gates of the Arctic and Wrangell-St. Elias National Parks. While the Committee did not wish to open these parks generally to sport hunting, the Committee does not intend to unduly affect the livelihood of the existing guides.

Thus the bill provides, in subsection 1209(c), alternatives which the Secretary can offer to persons who presently have licenses to guide hunters in those specified parks, if the Secretary finds that they would suffer economic hardship when sport hunting in those parks is prohibited as a result of this Act. Included is an option to allow those persons now duly licensed as guides to continue guiding for sport hunting for 20 years or for life. In providing this option, the Committee does not intend that such guiding permits shall be transferable or that the provisions of such permits is to be construed as authorizing the extension of hunting guide services beyond that allowed under their existing permits. To this end, the section contains a number of restrictions to ensure that such services and the taking of wildlife by persons guided by the permittees are carefully controlled and regulated.

Unfortunately, this original interest was mislaid at some point during the numerous conferences held before final passage of the act.

It is the purpose of this resolution, to compensate those hunting guides who lost revenues, businesses, and possessions when their rights in exclusive areas were abrogated and

the improvements they had made in the form of camps and forward bases were absorbed by the National Park System.

The remedy or redress called for by this legislation is simple and sure. Any guides who held a lawfully issued permit for an exclusive or joint use guide area upon enactment of ANILCA and who lost such permit will be eligible. Eligible guides must present evidence of income derived from guiding in the area during the 5-year period immediately preceding the closing date. Guides must also furnish maps certified by the State of Alaska guide license and control board showing the acres lost and file for compensation no later than December 31, 1987.

Under the bill, the amount of compensation will be approximately $1 for each acre of exclusive guide area lost. The compensation for improvements made solely to facilitate their guiding services shall be equal to the fair market value of such improvements before the area was closed to sport hunting less the fair market value of the improvements made after the area was closed.

Mr. Speaker, I am sure it was not the intention of Congress to single out this group of distinguished Alaskans for punishment, but that has been the end result.

The areas lost by guides ranged from 30 percent of their pre-ANILCA areas to 100 percent. Some had to close their own businesses and go to work for a more fortunate guide. Others changed their life long professions.

These guides are the same Americans who led the oil industry to the great fields of Prudhoe Bay. I can assure you it was not the intent of Congress to single them out for punishment.

These great Americans should not be the only group of losers. The have suffered great financial reverses and the loss of livelihood. It is long overdue that Congress and the executive branch redress their grievances. We need to act now.

I urge my colleagues to support this legislation and thereby strike a blow for justice.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COMPENSATION FOR LOSS OF GUIDE AREAS.

(a) COMPENSATION FOR LOSS OF INCOME.—

(1) IN GENERAL.—Notwithstanding section 1303 of ANILCA, the Secretary shall pay compensation to a person for loss of income to the person resulting from the closing to sport hunting of an area located wholly or partially within an area established as a unit of the National Park System in Alaska if the Secretary determines that the person is eligible for such compensation under this subsection.

(2) ELIGIBILITY FOR COMPENSATION.—A person shall be eligible for compensation under this subsection if the following conditions are satisfied:

(A) The person files with the Secretary an application for such compensation not later than December 31, 1989.

(B) The person held a lawfully issued permit from the State of Alaska Guide License and Control Board for an exclusive or joint use guide area on December 2, 1980, or acquired such a permit after that date pursuant to ANILCA, and such license has not been revoked by the State of Alaska for illegal hunting or guiding activities.

(C) The guide area referred to in subparagraph (B)—

(i) is located wholly or partially within an area established as a unit of the National Park System in Alaska; and

(ii) was closed to sport hunting on December 1, 1978, by Presidential proclamation or on December 2, 1980, by law, or is otherwise closed to sport hunting after the date of the enactment of this Act.

(D) The person presents evidence of income derived from guiding in the guide area referred to in subparagraph (C) during the 5-year period immediately preceding the date on which the area was closed to sport hunting.

(E) The person presents a map or maps, certified by the State of Alaska Guide License and Control Board, indicating the number of acres in the guide area referred to in subparagraph (C) which were closed to sport hunting as provided in such subsection.

(b) COMPENSATION FOR LOSS OF IMPROVEMENTS.

(1) IN GENERAL.—The Secretary shall pay compensation to a person for loss of improvements resulting from the closing to sport hunting of an area located wholly or partially within an area established as a unit of the National Park System in Alaska if the Secretary determines that the person eligible for such compensation under this subsection.

(2) ELIGIBILITY FOR COMPENSATION.—A person shall be eligible for compensation under this subsection if the following conditions are satisfied:

(A) The conditions set forth in subsection (a)(1) are satisfied with respect to compensation under this subsection.

(B) The person owned, as of December 2, 1980, improvements used primarily for guiding which were located on that date within an exclusive or joint use guide area wholly or partially within an area established as a unit of the National Park System in Alaska which was closed to sport hunting on December 1, 1978, by Presidential proclamation or on December 2, 1980, by law.

(C) The person presents evidence of their ownership of the improvements with respect to which compensation is applied for, and of the value of the improvements to the applicant's guiding business and income.

(D) The person was in compliance as of December 2, 1980, with any minimum use requirement for the guide area under the laws of the State of Alaska.

(c) PROCEDURE.—

(1) IN GENERAL.—The Secretary shall make a determination regarding whether an applicant is eligible for compensation under this section not later than 6 months after the date the Secretary receives an application from such person. Before making a determination under this subsection that an applicant is not eligible for compensation, the Secretary shall allow the applicant to provide supplemental information in support of the application.

(2) NOTIFICATION.—If the Secretary determines, after notice and an opportunity for the applicant to provide supplemental information, that an applicant is not eligible for compensation under this section, the Secretary shall so notify the applicant in writing within 30 days after making that determination. Notification under this paragraph shall include a statement of the reasons for the Secretary's determination.

(3) HEARING.—An applicant who receives notification from the Secretary that they have been determined to not be eligible for compensation under this section may request not later than 90 days after receiving such notification a hearing on the record with respect to such determination. The Secretary shall hold such a hearing not later than 30 days after receiving such a request, and shall issue a final decision not later than 30 days after the completion of such hearing.

(4) APPEAL.—A final decision of the Secretary in a hearing under paragraph (3) shall be appealable to the United States district court for the district in which the applicant resides or transacts business.

(d) PAYMENT OF COMPENSATION.—

(1) IN GENERAL.—The Secretary shall pay compensation under this section from the Sport Hunting Guide Compensation Account to a person determined by the Secretary to be eligible for such compensation. Such payment shall be made by the Secretary not later than 1 year after the date the Secretary receives the application for compensation from the person.

(2) AMOUNT OF COMPENSATION.—The amount of compensation to be paid by the Secretary to an applicant—

(A) under subsection (a) shall be equal to $1 for each acre in which sport hunting is prohibited; and

(B) under subsection (b) shall be equal to the cost to the applicant of constructing any improvement for which compensation is paid.

(3) COST OF CONSTRUCTION.—For purposes of this subsection, the cost of construction of improvements shall be determined by agreement between the applicant and the Secretary. If the parties cannot agree on the cost of construction, such cost shall be determined by a Federal administrative law judge appointed by the Secretary to hear evidence and resolve any issues in dispute which relate to such cost. In accordance with sections 554 and 556 of title 5, United States Code, a final determination by the administrative law judge shall be appealable to the United States district court for the district in which the applicant resides or transacts business.

SEC. 2. SPORT HUNTING GUIDE COMPENSATION ACCOUNT.

(a) ESTABLISHMENT.—There is hereby established in the Treasury a separate account to be known as the Sport Hunting Guide Compensation Account.

(b) USE.—Amounts in the account may be used by the Secretary to provide compensation under this Act.

(c) AUTHORIZATION.—There are authorized to be appropriated to the Sport Hunting Guide Compensation Account not more than $20,000,000 for each fiscal year after fiscal year 1989.

SEC. 3. DEFINITIONS.

In this Act—

(1) ANILCA.—The term "ANILCA" means the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.).

(2) IMPROVEMENT.—The term "improvement" means any home, cabin, tent-frame, air strip, boat landing, or other structure or improvement reasonably incident to guiding activities.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

KILDEE PAYS TRIBUTE TO MR. JAMES URQUHART

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. KILDEE. Mr. Speaker, I would like to bring to the attention of my colleagues and the Nation a recognition ceremony that will be held Friday, April 14, in Flint, MI, honoring Mr. James G. Urquhart. Mr. Urquhart is retiring from the Michigan Employment Security Commission after 25 years of outstanding service to his community.

After serving in the U.S. Army from 1954 to 1956, Mr. Urquhart attended Western Michigan University. He later transferred to Michigan Technological University in 1957. In 1960, he began his long and effective public career with the State of Michigan. Mr. Urquhart began first with the Department of Health in Kalamazoo from 1960 to 1963. He also worked for the Michigan Liquor Control Commission from 1963 to 1965. Mr. Urquhart began working for the Michigan Employment Security Commission in 1965 and has been the Flint branch manager since May 1985. It is with this extremely important human service agency that Mr. Urquhart's skills became known far and wide. A recent report released by the Michigan Employment Security Commission illlustrates Mr. Urquhart's acute sensitivity to maintaining a first-rate operation. The report indicates that the Flint branch office received the highest ranking in the State of Michigan for work produced, job service, and unemployment insurance work load in fiscal years 1986–88. We in Flint are truly blessed to have had someone like James Urquhart piloting a public institution upon which so many people rely for assistance.

Mr. Speaker, it is indeed a great honor and pleasure for me to recognize Mr. James Urquhart for nearly three decades of tireless efforts on behalf of the people of the State of Michigan. Although Mr. Urquhart is retiring after many years of hard work, undoubtedly he will continue to involve himself in the community and continue to leave his mark on Flint and Genesee County. I would like to ask the entire House of Representatives to join me in wishing him continued success in his retirement.

PUERTO RICO MOVING TO DECIDE ITS FUTURE RELATIONSHIP WITH UNITED STATES

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. FUSTER. Mr. Speaker, I again want to bring to the attention of my colleagues appropriate information and other pertinent articles, many in the national press, which tell about the proposed political status plebiscite in Puerto Rico, which I represent in this body. I am doing this, Mr. Speaker, because both Houses of Congress will soon be called upon to consider legislation authorizing a plebiscite among the choices of federated statehood or full independence or an enhancement of the existing commonwealth status.

My colleagues will recall that President Bush, in his February 9 address to a joint session of Congress, elaborated upon the matter of Puerto Rico's political status and the right of the people themselves to determine that ultimate status. The President also expressed his longfelt sentiment for statehood.

Mr. Speaker, I personally favor an enhanced commonwealth status for Puerto Rico. Commonwealth status has worked well—benefiting both Puerto Rico and the United States—since it was introduced in 1952. But now, Mr. Speaker, it needs fine tuning, and my colleagues will be hearing more from me about this in coming weeks and months.

Today I would like to share with my colleagues excerpts from a newspaper article by the nationally syndicated columnist, Georgia Anne Geyer. She has written about Puerto Rico many times in the past. Her following column, in part, appeared in the Washington Times of February 28, and in other newspapers across the Nation:

For years, the Cubans and liberation movements of the world have viciously and unceasingly attacked Puerto Rico as a colony because of its unique commonwealth arrangement with the United States. To those fanatical absolutists, only total independence was acceptable.

Cuba today is immensely more dependent upon the Russians than it ever was upon the Americans before the Cuban revolution. And it is now totally dependent upon the hated monoculture of sugar, which it even buys from other countries.

Puerto Rico, on the other hand, has changed from the poorhouse of islands in 1945 to a bustling industrial center with the highest per capita income (over $5,000) in Latin America. Puerto Rico's largely well-educated, middle-class (American) citizens buy more from the United States than Brazil's 150 million people and more than Africa's 645 million.

"Puerto Rico has the honor to have been the first people who, in the process of their self-determination of the 1940's and 1950s, saw that judicial sovereignty was not equivalent to development and to the undertaking necessary to lift up our living conditions and achieve a higher development of life," (according to Puerto Rico Governor) Rafael Hernandez Colon.

"We went into the commonwealth relationship, which meant giving up part of traditional sovereignty to work with the United States. Today, we've come to another crossroads. New arrangements are coming into play everwhere—between the United States and Canada, in Southeast Asia, in European unity. We have been proven correct in time."

Mr. Hernandez Colon is now busily lobbying Congress to put through a bill to hold the plebiscite. Congress would then set up the machinery to implement the results, and a plebiscite would be held, probably next year.

Indications from last November's electoral results are that the middle-ground and subtle commonwealth solution—which has brought the best and most respectful economic and intellectual investment of a rich country to a poor one, and then back again—will prevail. Mr. Hernandez Colon's pro-commonwealth Popular Democratic Party, for instance, received 48.7 percent of November's vote, to the pro-statehood New Progressive Party's vote of 45.8 percent. But no one really yet knows.

There is one intriguing possibility ahead. With the increasing and dangerous violence in the entire Caribbean area, ideas of commonwealth or statehood—or even the forging of other forms of relationships with the United States—may come into being or at least ought to be considered in other areas.

In a recent Panamanian poll, four out of five favored an economic and political union with the United States; after the Grenadan invasion of 1983, fully 75 percent of the people wanted to offically become part of the United States. Elements in both the Dominican Republic and El Salvador wanted to be annexed to the United States in the last century—and were turned down by Washington.

We can now clearly see that the post-World War II absolute independence and liberation called for by the Third World's intellectuals and caudillos have brought only more poverty and repression. The hope for genuine common good, and not for one caudillo's glorious military adventuring, lies in these other, more sophisticated relationships of limited sovereignty. They are now, thank God, becoming respected in a chastened world, and Puerto Rico stands in the forefront of this drama.

Mr. Speaker, there is much food for thought in that nationally syndicated column by Georgia Anne Geyer, and I commend relevant excerpts of it to the attention of my colleagues.

QUALITY VOCATIONAL EDUCATION FOR WOMEN

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Ms. SCHNEIDER. Mr. Speaker, today I am introducing legislation to ensure the continuation of full access to quality vocational education services for millions of women and girls in this country. My bill will: First, clarify and strengthen certain parts of the Carl Perkins Act of 1984 including the current 8.5 percent and 3.5 percent set-asides for women and girls; second, and "displaced homemaker" to the definition of eligible women; and third, clarify and strengthen the role of the sex-equity coordinator, that is, the individual responsible for administering vocational education money for women and girls.

My bill is endorsed by the National Coalition for Women and Girls in Education, a national coalition committed to expanding equity for women and girls in all aspects of education. Member organizations include the Displaced Homemakers Network, the American Association of University Women, the American Jewish Congress, and the National Academy of Sciences.

My legislation is built upon the strengths of an already successful program that is providing a vital resource for thousands of women in this country. In the words of the National Coalition for Women and Girls in Education, "These women have turned vocational training into paychecks earned, rent paid, groceries purchased, taxes paid and dreams of a

better life realized for themselves and their families."

Since 1984, the Carl Perkins Act has provided the largest commitment of Federal funds for educating women and girls in the Nation's history. The services provided by the sex equity and single parent/homemaker set-asides have reached thousands of young women and girls. They remain a critical source of funding as they are often the only door to women's economic self-sufficiency. In every State, the 8.5 percent and 3.5 percent set-asides have provided vital services, including teacher training, outreach, direct services to school districts, curriculum development, and counseling. Over the last few years there has been a vast improvement of services, encouraging more non-traditional enrollment and exposure to non-traditional occupations for girls.

We cannot afford to lose these set-asides. Without continued Federal leadership and targeted Federal dollars, women and girls will not receive the vocational services they need. Records show that prior to the passage of the Perkins Act and the inclusion of the set-asides, less than 1 percent of all State money was spent on women and girls.

My legislation responds to the critical needs of today's workforce and ensures that women and girls have access to quality vocational training. We must ensure that women continue to have choices for a broad spectrum of vocational education, including non-traditional training as this is essential for reducing women's poverty and dependence. By doing this, we are also making a sound investment in our economic future.

We have no time to lose. Preparing women for the work force has never been more important. Projections from the Department of Labor indicate that between now and the year 2000, almost two-thirds of the new entrants to the workforce will be women. By 2000, women will comprise nearly half of the Nation's labor force; 80 percent of women ages 25–54 will be working.

The future of the American economy depends on an increasingly better educated workforce. For the first time in U.S. history, a majority of all new jobs will require education or training beyond high school. Moreover, a knowledge of basic technologies will be a requirement for nearly every job. In the past, women and girls have been tracked into traditional female occupations, such as clerical, retail, and service trades, while men and boys have been trained for higher paying technical, and construction occupations. According to the National Coalition for Women and Girls in Education, a full 70 percent of female secondary vocational school students are simply tracked in programs leading to traditional female jobs.

Women and the families they support are increasingly at risk of living in poverty. Without access to education and training as well as support services, many women find themselves among the working poor. According to the Senate Budget Committee, 43 percent of women workers are currently in jobs that pay below the poverty level—compared to 27 percent of men.

Full access to quality vocational education cannot be compromised. Vocational education offers the individual a lifelong set of skills that can provide economic self-sufficiency in a changing labor market, and offers the country a valuable cadre of experts who perform many of the jobs that keep the economy functioning.

EDUCATIONAL EXCELLENCE ACT

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. MARLENEE. Mr. Speaker, last week I was pleased to become a cosponsor of H.R. 1675, President Bush's Educational Excellence Act of 1989. This $400 million package, introduced by my good friend and colleague from Pennsylvania, Representative GOODLING, is designed to acknowledge and reward excellence in education. Our children deserve quality schools and instructors. The act has programs to direct Federal funds to those who need it most, promote flexibility in educational choice, and institute some accountability into the education system.

The first section of this package is a $250 million program entitled the "Presidential Merit Schools" initiative. The purpose is to recognize and provide cash awards to public and private elementary and secondary schools that have made substantial progress in raising student educational achievement, creating a safe and drug-free environment, and reducing the dropout rate.

The Merit Schools Program would allocate funds to States from a formula based on school aged population and States' share of Chapter 1 Basic Grants. Schools would be selected by State with advice from special panels composed of educators, parents, and representatives of business, labor, and the general public. Both public and private schools are eligible to receive these funds.

Magnet Schools of Excellence is another $100 million program that would make grants on a competitive basis to school districts for academic and vocational magnet school programs. The aim of this initiative is to establish or enhance magnet schools by promoting open enrollment through parental choice and strengthening students' knowledge of academic or vocational subject areas.

The President's Awards for Excellence in Education is another incentive program for teachers. States would receive money in relation to it's share of the Nation's full-time equivalent public school teachers. States would receive enough for at least one award. Recipients would be selected by statewide panels named by the Governor. These panels would consist of parents, school administrators, teachers, school board members, and business leaders. Nominations would be proposed by public and private schools, teachers, parents, businesses, and student groups. There would be no restriction placed on how winners would use the $5,000 award, and nominees would be honored at a national ceremony.

Another program, drug-free schools, is a $25 million program designed to provide grants to school systems that have the most severe drug problems. The program would have schools located in urban areas compete for a one-time award to support a range of services including drug education, counseling, improved school security, afterschool programs, community outreach, parent programs, and alternative programs for students with a history of drug abuse or others difficult to reach in the regular school setting.

Alternative teacher and principal certification is another initiative designed to use professionals such as scientists and engineers to address teacher shortages. This program would allow professionals to come into the classroom without formal certification. States that have already implemented this type of program have had great successes, and have found no shortage of qualified candidates.

Participation in the alternative certification program would enable States to receive grants for the amount it applies, or an amount in relation to its share of total U.S. school age population, whichever is less. States could spend the money over a 2-year period, if necessary, but grants would be on a one-time only basis.

In an effort to strengthen the sciences curriculum in our Nation's schools, a National Science Scholars Program would allocate $5 million to recognize students who have achieved academic excellence in science and math. Four to ten student nominees from each congressional district would go to the President who would make selections based on recommendations from an advisory board of Senators and Representatives. These students would receive grants up to $10,000 a year for each year of undergraduate study.

Mr. Speaker, it is my hope that this legislative package will be the cornerstone on which we can continue to provide a high caliber of education programs to our children. I urge my colleagues to join the President in a bipartisan effort to see this model legislation pass during this Congress. While recognizing that the vast majority of school funding comes from local and State sources, this legislative initiative would supplement local efforts to promote excellence in education.

CELEBRATING THE 25TH ANNIVERSARY OF THE ARRIVAL OF SRI CHINMOY TO AMERICA

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to honor an outstanding individual and resident of the Seventh District in New York, Sri Chinmoy.

During his 25 years of service to mankind, Sri Chinmoy has led the way to new horizons of the human spirit. His tireless efforts toward world peace at the United Nations, the U.S. Congress, and the Pentagon have brought a new dimension to the global search for world harmony, affecting the thinking of many political and diplomatic leaders. This universal spokesman for peace has also brought his unique inner approach to human problems to thousands of ordinary citizens through hundreds of peace concerts, lectures, and public

meditations—offered always without charge. His devotees have conducted his peace meditations throughout America, including sessions at the United Nations and here in Congress.

A true man of letters and prolific artist and composer, Sri Chinmoy stands unparalled as one of the most creative men of our time. He has written literally hundreds of books of poetry, essays, stories, and plays, which have been translated into more than a dozen languages. His devotional songs, composed in both English and his native Bengali, number in the thousands. This master of the spirit has also mastered more than 20 musical instruments, and has performed his musical compositions in venues such as Carnegie Hall and Lincoln Center in New York and Royal Albert Hall in London. Sri Chinmoy expresses his spiritual views through art as well, and Americans have had the opportunity to view his Jharna-Kala paintings in various galleries and private exhibitions around the country.

It has been my privilege to know Sri Chinmoy for several years. I have personally observed his remarkable influence for good not only on his followers but also on others who have had the good fortune to encounter him. He has had a profound impact, for example, on ultradistance running in America, and hundreds of athletes have found their lives touched by his special vision. On April 13, Sri Chinmoy will celebrate the 25th anniversary of his arrival in America. I would like all of my colleagues to join me in honoring Sri Chinmoy on his silver jubilee, and wish him continued success in his efforts to bring peace into peoples lives all over the world.

REOPENING OF THE WEST PEARL RIVER

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. BAKER. Mr. Speaker, I am proud to announce that after much work by the city of Bogalusa, LA, the U.S. Army Corps of Engineers, and Congress, the first barge load of coal, weighing 1,047 tons, has made its way through the West Pearl River Navigation Canal into Bogalusa. This noteworthy event is the result of hard work by Federal, State, and local officials, especially Mayor Toye Taylor, of Bogalusa, and marks the beginning of an era of commercial expansion in Washington Parish.

In the early 1970's, sandbars built up on a 7-mile stretch of the West Pearl Canal, making it impossible for large vessels to travel from the Gulf of Mexico to Bogalusa via the West Pearl River. Now that the Army Corps of Engineers has completed its dredging of the river, businesses in Washington Parish will benefit from better and cheaper transportation services.

In addition, accessibility to the Gulf of Mexico from Bogalusa will attract new businesses to the area that want to bypass the congested docks in New Orleans. It is evident that with new industry we can establish new jobs, therefore helping to revitalize the economy of Washington Parish. With the reopening of the West Pearl River Navigation Canal, we've shown that by working together on the Federal and local levels, we can be successful in ensuring Louisiana's economic future.

A TRIBUTE TO OFFICER ROBERT MACHATE OF THE 70TH PRECINCT

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. SCHUMER. Mr. Speaker. My colleagues. Today I stand before you to call your attention to one of the saddest occurrences I know. March 3, 1989, Officer Robert Machate of the Brooklyn Anti-Crime Task Force of the 70th precinct was fatally shot.

I pause, as we all must, at the continued evidence of the tragedy which grips our cities day in and day out, the tragedy of crime and drugs. The outrage of this scourge is brought home when one of those fine young men and women who patrol drug plagued neighborhoods loses their life while trying to make a difference. I like to think Robert Machate made that difference. During his brief career with the New York City Police Department Officer Machate received numerous citations and honors.

This story is sadder than the loss of a single life, for Robert Machate leaves behind his young wife, Grace Ann, who is expecting a child in the spring. The Sheepshead Bay community, the place where Officer Machate both lived and once walked the beat, has rallied around the Machate family in their time of need. The community in conjunction with all of the police precincts in Brooklyn South has set up an education memorial fund in Officer Machate's name. It is reassuring to see the sense of responsibility and loss shared by the community of Brooklyn.

Machate was on routine patrol with his partner when he was slain. The death moved the entire city. Thousands of Brooklynites turned out for the funeral in Greenwood Cemetery. Later, over 500 people came to a candlelight vigil to remember Robert Machate and to rally around those who lose their lives in the war against drugs and crime.

At the vigil, Officer Machate's father spoke, challenging the community to not let the loss of his son's life be in vain. He said, "He cared for you * * * Now do something about it!" The only ray of hope born by this tragedy is the possibility that people will come to act, will come to be fed up with the untimely and unneeded loss of life and destruction of families now being caused by drugs and crime in our cities. We can pray that the loss of Robert Machate's life will inspire others to enter the fray and bring the scourge to an end.

Mr. Speaker. Colleagues. It is with incalculable sadness I share with you the heroism and tragedy of this young police officer and his family. But let us not use this occasion only to mourn a loss. Let us use it as an opportunity to salute the officers of the 70th precinct in Brooklyn and their fellow officers around this country who every day put their lives on the line to make this a safer and better place to live. We, who do not enter the war zones, should live by the example of the courage of those who do and try to make a difference too.

NATIONAL LIBRARY WEEK

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. TALLON. Mr. Speaker, I am happy to join with my colleagues this week in recognizing the Nation's libraries in "National Library Week." Libraries play an important role in our education system. Our libraries offer a window on the world through books and other educational materials.

Books and reading are basic nourishment of a growing mind and helping children develop into readers today is the best way of insuring a literate and informed citizenry tomorrow. Library Services and Construction Act funds have been used in South Carolina to train library staff in effective ways of bringing children and books together.

The impact of this emphasis is reflected in figures which show that children in South Carolina borrowed over 3.7 million books in fiscal year 1988 and 223,838 children attended book related programs in libraries. In my district, the Marion County Library has paired senior citizens and high school students with younger children and the teams meet at the library to read aloud to each other. In my district, 1,653 groups of preschoolers made visits to the libraries or had a visit from a librarian, who introduced them to stories and books.

The General Assembly of South Carolina has designated 1989 as the year of the young reader in South Carolina. The Librarian of Congress states the case succinctly: "The enterprise of reading is of central importance to the health of the Republic. In this country, we have an urgent need to bring more young people into creative contact with books, reading and libraries." Public libraries are enthusiastically working to met this need.

The South Carolina State Library is coordinating a statewide public awareness program now with the theme "L+I+B+R+A+R+Y—The Formula for Lifelong Education." The beginning of this long trek to lifelong education begins in the children's room of our public libraries.

THE 100TH ANNIVERSARY OF THE PHILADELPHIA PROTESTANT HOME

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. BORSKI. Mr. Speaker, the Philadelphia Protestant Home was founded 100 years ago as the Philadelphia German Protestant Home for the Aged.

The founders of the home—concerned ministers and their congregations—joined to provide a home for the elderly that would main-

tain a spirit of family, where the emphasis was on the individual, not the institution. All services were to revolve around the person.

Since 1889, the home has grown from a small boarding house in central Philadelphia to a hustling campus in northeast Philadelphia. Today, the facility is home to more than 550 senior citizens.

The Philadelphia Protestant Home will celebrate their proud past and dynamic future in an 11-month centennial celebration. The year begins with opening ceremonies on April 22, 100 years to the day from when the German Protestant ministers and German lay people met in the Reformed Zion Church to discuss the founding of a Protestant home for the aged.

Opening ceremonies will be followed by a centennial May festival and a series of centennial lawn concerts throughout the summer. A German festival and centennial dinner dance are scheduled in October, with founder's day on November 4. The celebration will continue through the winter with two concerts in December, a Valentine's concert in February 1990 and closing ceremonies in March.

Mr. Speaker, I salute the Philadelphia Protestant Home for 100 years of dedicated service to the older citizens of the Philadelphia community. I wish them continued success in their second century.

THE 89TH ANNIVERSARY OF NAVAL SUBMARINE BASE, SAN DIEGO

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. LOWERY of California. Mr. Speaker, I rise today to pay tribute to the Naval Submarine Base, San Diego, on the occasion of their 89th anniversary, and for the invaluable service they provide for our country.

Our Navy's submarine force began in 1900 with the commissioning of its first submarine, the *Holland*. Named for her designer and builder, the ship was 54 feet long, displaced 74 tons submerged, had a submerged speed of 2 knots, and a crew of 7.

In 1958, the nuclear powered *Nautilus* passed under the Arctic ice cap on a track that crossed the North Pole. The use of nuclear power for ship propulsion signified the most important postwar development in submarine technology. With the power source no longer requiring oxygen for combustion, the submarine was now free of its previous ties to the surface. The advent of nuclear power made the submarine truly submersible.

The Naval Submarine Base, San Diego, is a major command, with a mission to provide support to the U.S. Pacific Fleet Submarine Force. In support of this mission, the base is host to several major tenant commands. They represent a combined force of 19 nuclear submarines, 1 diesel submarine, 2 submarine tenders, 2 drydocks, and 4 deep submergence vehicles.

The Naval submarine base is located within a 330-acre facility on Point Loma in San Diego. More than 6,000 Navy and civilian personnel staff the offices, shops, and ships.

The growth and achievements of the base have made the city of San Diego proud to host their operations. I hope my colleagues will join me today in honoring the 89th anniversary of our submarine forces and in wishing them continued success in the years to come.

RALPH K. BENESCH AND LEGISLATIVE FELLOWSHIPS

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. BLAZ. Mr. Speaker, I'm sure many of my colleagues have taken advantage of a number of fellowship programs that provide Congress executive level expertise from the academia, the media, and the administration. So my comments will be neither novel nor pioneering. However, I would still like to put in a few good words for Ralph K. Benesch, who was on my staff for 9 months and whose ingenuity and professionalism were just exceptionally outstanding.

Ralph came over from the Department of Army under the legislative fellowship program administered by the Office of Personnel Management. In his other life, he is a foreign affairs officer in the Army's Politico-Military Division. I'd be hard pressed to recall exactly what I expected from him, but I know for certain what I got. From day one, Ralph did just about everything, from turning out a couple newsletters to helping a constituent construction company work out some contractual problems with the Air Force on Guam.

More important, he was my legislative assistant for foreign affairs. His in-depth knowledge of foreign countries, the issues, and U.S. policy was an invaluable resource to me. Equally valuable was his ability and initiative in working with committee and member staff, with Government agencies, foreign governments, and the private sector. He was always cool under both friendly and hostile fire.

However, what was perhaps most apropos of his performance was his answer when I asked what he had learned about Congress over these past 9 months.

He said, his faith in government was restored and he had learned to appreciate the political process. I began to suspect he was running for office. But he also told me that he was convinced that Congress was functioning just about the way our Founding Fathers had planned it to, not efficiently but with heart.

Well, I think Ralph also worked from his heart as well as his mind, to the mutual benefit of myself, Congress and the fellowship program he represented.

TARIFF SUSPENSION BILL INTRODUCED

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. FRENZEL. Mr. Speaker, today I have introduced H.R. 1777 for a company in my district which produces in-line skates which are very popular as an alternative to rollerskates in my State. While the company's competition imports the entire skate at a zero duty, it has to pay 6 percent on its skating boots which has created a pricing disadvantage for the company. In my judgment, it seems unfair that a company creating jobs should have a tariff disadvantage over an importer of a finished product. Therefore, I seek to equalize the tariff through a temporary duty suspension bill and will appreciate consideration of support from my colleagues.

OUTSTANDING CITIZENS HONORED

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. CARDIN. Mr. Speaker, I rise today to call to the attention of my colleagues two outstanding citizens of my district. Carole Sibel and her mother Carolyn Chaimson will be honored tomorrow by the Maryland Women's Division of State of Israel Bonds at their Golda Meir Award Luncheon.

Carolyn Chaimson came to Baltimore many years ago with her husband, and they quickly made themselves an integral part of the community. She has contributed generously to State of Israel bonds, both financially and with that most precious commodity, time.

Carolyn has never sought the spotlight—she has adopted the role of supporter for first her husband, and then her daughter Carole.

Carole Sibel has seen her mother's example and gone even farther.

Carole Sibel is someone who puts us all to shame. She currently serves as vice chair of the Women's Division of State of Israel Bonds, and as a member of the executive committee of the Maryland Committee for Israel Bonds. In addition, she is a member of several other boards and commissions. Carole is also a very talented performer, and remains active in cultural activities, including School for the Arts.

These are only her current positions. She has served as a past president of the Women's Division Board of the Associated Jewish Charities, and as a past officer of many other organizations. Carole Sibel believes that when you believe a cause is important, you must take an active role to further that cause.

Carole has said that her accomplishments were possible thanks to her mother, who has given her such a strong feeling of confidence in herself, that she felt she could make a difference in the community.

We, therefore, have to thank Carolyn Chaimson, not only for her own actions on behalf of the State of Israel, but for the legacy she has left us in Carole.

I hope that my colleagues will join me in honoring and commending these two outstanding civic activists. We should all follow the example they set, and I am proud to stand here and salute them.

WHAT'S THE MATTER WITH BEING A STRATEGIST?

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 1989

Mr. SKELTON. Mr. Speaker, last year, Gen. John R. Galvin, Supreme Allied Commander, Europe, testified before the House Armed Services Committee Panel on Professional Education, which I chair. Subsequent to that, General Galvin wrote an article for Parameters Quarterly magazine which is set forth in its entirety herein, based upon his testimony. One of the major proposals of our panel is to encourage the study of strategy within the military war colleges. This article makes the case for developing strategists.

WHAT'S THE MATTER WITH BEING A STRATEGIST?

(By John R. Galvin)

We need strategists. In the Army and throughout the services. At all levels. We need senior generals and admirals who can provide solid military advice to our political leadership, and we need young officers who can provide solid military advice—options, details, the results of analysis—to the generals and admirals. We need military strategists, officers, all up and down the line, because it takes a junior strategist to implement what the senior strategist wants done, and it (usually) takes the input of juniors to help a senior strategist arrive at his conclusions. Our current Chairman of the Joint Chiefs of Staff, Admiral Bill Crowe, recently said that what we need are people who can deal with "thorny problems—people in uniform who are expert in their warfighting specialties and also able to assist the National Command Authorities in matters of strategy, policy, resource allocation, and operations." [1] These officers, he said, need to be tested leaders and skilled military technicians, open minded and adaptable, knowledgeable of military history and the role of armed force in the world, and versed in the complexities of bureaucratic decisionmaking and the international interests of the United States and its allies.

This seems all too obvious, but if so, where are these strategists?

We can find plenty to read and study on the subject of leadership; in fact, there is a veritable mountain of studies, essays, and books explaining how to build leaders. Not so if one wants to build (or become) a strategist. Here the field of instructive works becomes thin. Of course, in some quarters the very idea of soldiers expounding on strategy is viewed with some concern. Yet the interest in strategy and the great strategists is as intense as it has ever been. On the other hand, the creating (a better word might be developing) of strategists is a matter that gets far less attention. The wealth of literature on strategy makes the lack of discussion on how we beget strategists all the more puzzling, for surely the development of military strategists is a vitally important issue which should be subject to the interchange of ideas and constructive critiques, just like that of strategy itself. Strange that it is not.

We owe it to those who follow us to educate them and prepare them to assume the heavy responsibility of providing military leadership and military advice in the service of the state; in other words, to make them (some of them, the best of them) military strategists. And if this is true, we need to ruminate a bit on what it is we are seeking.

A military strategist is an individual uniquely qualified by aptitude, experience, and education in the formulation and articulation of military strategy (making strategy and articulating strategy are equally important).[2] He understands our national strategy and the international environment, and he appreciates the constraints on the use of force and the limits on national resources committed to defense. He also knows the processes by which the United States and its allies and potential adversaries formulate their strategies. He has (and to say the least it is hard to work strategic issues without this) a fundamental knowledge of the structure, functions, and capabilities of the military organizations of friend and foe.

There are many steppingstones on the way to this knowledge. The budding soldier strategist gains early a firm grasp of tactics and how organizations and equipment function synergistically in war. He grows to understand how units move and how they "live" because he knows he is not just moving pieces on a chess board but real organizations with real possibilities and constraints. He builds himself a sound foundation, first in the tactical and then in the operational level of warfare. In the process, he becomes aware of the intricacies of staff functions and procedures so that he understands how units will handle themselves and the operational requirements they are given. After a while he knows what things are possible, what units can and cannot do, and what happens to them under various conditions of battle. This includes a good knowledge of logistics because logistics (including the ever-changing military technology) can profoundly shape what is strategically possible.

The military strategist comprehends all that can be summed up as the human dimension, the human element; he understands people and knows how to motivate them. He knows what it means to commit people—in the form of military units—to action in war. The soldier strategist knows how human beings react to the stresses, agonies, and horrors of war, not only at the lowest reaches, but at the highest levels of government as well. If he is good, he knows his own side intimately and the mind of his adversary as well.

The strategist in uniform provides advice to political authorities in the development of national policy (what is to be achieved) and national strategy (how to achieve it). He has a role in forming national strategy and policy by explaining military capabilities, the limits of armed force, and how military power can be used as an element of national power. He conveys to his political leaders his sensing of what is achievable and what is not achievable by military means.

He also translates political policy into military plans and actions. Developing an effective military strategy requires thoughtful analysis, creative ideas and a sense of perspective. It is unlikely that the demands of strategy will become any less complex in the future. Furthermore, the process of building strategy is never really complete. All strategy has to be reviewed often with a critical eye to determine if it will still accomplish the objective for which it was designed.

Fine. But the question remains whether we have the officers with the neccessary skills in the right places in the right numbers to do all this. How many military strategists do we need? The wag may say "none," and some may feel that the answer could be "one." You may need only one Alexander, they say, or one Napoleon, or one George Marshall. But perhaps the question really is, "How do we get as broad a leavening of strategic thinkers as possible?" For every accomplished strategist, how many must begin the long period of development? How do we produce enough officers to achieve the proper formulation of military strategy? Is there some minimum number for a given organization? How do we create a network of intelligent, experienced original thinkers who can conceive and implement the many facets of a military strategy?

We can never predict who will be in the key positions of strategy formulation and execution in a time of crisis, and we cannot expect to be able to create "instant military strategists" in time of war. In order to have the ability to expand, we need a structure—or better a matrix—in which at any one time there are officers at all levels experiencing a maturation of their talents as strategists. We need young strategists because we need senior strategists, and we need a lot because when the time comes we need enough.

Given the many differences in the backgrounds, environments, personalities, and careers of successful military strategists, how can we expect to create new ones out of whole cloth? Frederick the Great grew up with the advantages and education associated with the life of nobility. He not only led brilliantly in the field, he showed a unique ability to articulate his strategic concepts. Clausewitz had little formal education, never served in command, but knew battle from many perspectives. Liddell Hart left the service early, as a captain, while J.F.C. Fuller's military career took him to generalship. What message is there in this, what common thread?

Each military strategist reaches his level of skill by absorbing and ordering the unique experiences of his own life—from wartime battles and peacetime training, from his own study of books, from daily life in military units, from the counsels of his

[1] William J. Crowe, Jr., "Senior Officer Education, Today and Tomorrow," *Parameters*, 17 (Spring 1987), p. 4.

[2] Let's establish some common definitions. National strategy is "the art and science of developing and using the political, economic, and psychological powers of a nation, together with its armed forces, during peace and war, to secure national objectives." Military strategy is "the art and science of employing the armed forces of a nation to secure the objectives of national policy by the application of force or the threat of force." These definitions have the value of being simple and acceptable for general use. Also, they will hold at least one aspect constant while we range afield in the variables of another—the military strategist. Both definitions are from U.S. Department of Defense, *Dictionary of Military and Associated Terms*, JCS Pub 1 (Washington D.C.: U.S. Government Printing Office, 1 June 1987).

leaders and the conversations of his colleagues, from his studies and his teachers in military schools—and from trial and error in the school of hard knocks.

Strategic thinkers do not owe their success to the ability to master certain principles or maxims. War has been fought on shifting sands: battle can differ enormously from century to century and now even from decade to decade. The way to learn about the enemy (reconnaissance), to move against him (maneuver), or to bring power to bear (mass), is very different down through history. The common thread is an ability to assimilate military thinking (and not necessarily from personal combat experience), to derive from this assimilation a set of ideas, and to fit these ideas to the occasion.

So much for generalizations on the theme. Assuming you are convinced (or always were) that we absolutely must get our priorities right and build more good military strategists, you will agree that the need is for an agenda of action. Our approach should employ three elements: formal schooling, in-unit education and experience, and self-development.

First, schools.

Perhaps it is too obvious, but at each level, the schools should seek to broaden the officer's horizon. For example, the command and staff colleges should focus on the operational level of war, stress joint operations and introduce strategy, while the war colleges should concentrate on the study of strategy. In the past the Army War College focused on developing an awareness of the force development process. It stressed how to work the issues, such as the planning, programming, budgeting system, to help the Army compete for resources with the other services. Force development is not unimportant, but it was often taught to the neglect of serious study of the use of armed forces in war. Happily, this situation appears to have changed.[3]

The schools also need a first-rate faculty, especially at the senior service colleges. The faculty at the latter should include a mix of civilian and military professors to provide varying perspectives. This should help prevent the institution from being dominated by a single viewpoint or a single line of reasoning in dealing with strategic issues. The faculty should be composed of recognized experts in strategic studies and military history, professors who know their subjects in depth and can help the students grapple with all aspects of a strategic question. There should be low faculty turnover and long-term instructors. Last year's graduates have no business being on this year's faculty. By the same token, the faculty need not be dominated by people who have been successful commanders in units, but rather by people who can teach.

A good instructor is a special kind of person. The individuals who stick in our memories as good instructors share certain characteristics. To begin with, they invariably have a sound knowledge of their subject. They also know how to kindle the student's interest, how to get the student to challenge his own assumptions, and how to look at the subject in a new light. It takes an uncommon skill to foster understanding and to motivate and intellectually challenge students. In short, we must exercise care in selecting a quality faculty for the schools. And we must create incentives to keep the best teachers for extended tenures. Service as an instructor should be a prized assignment. It is interesting that we have first-rate tenured faculties to teach our youngsters at the service academies, but we do not have the same kind of tenure for people teaching our senior officers.

In addition, the schools should emphasize education rather than training. They should minimize lectures and stress extensive reading, research, written analysis, and discussion in seminars. Without a solid grasp of practical and theoretical knowledge, it is impossible to take the crucial step—the combining of existing facts in new ways to provide strategic insights. Written analysis is required as well. Writing is an excellent way to build communication skills, and it also provides a vehicle for sharing knowledge. Writing is not easy because it requires structured thinking—something that takes effort and discipline. But that is also one of its virtues; writing requires us to think logically. The schools must avoid overloading the students with lectures and briefings given by high-ranking VIP's, generals and flag officers. The treadmill of senior speakers is not as productive and inspiring as it looks, and there is an unfortunate somnolent atmosphere as it looks, and there is an unfortunate somnolent atmosphere in most of the large, dim auditoriums. It would be better to bring in experts or retired officers with experience in strategic planning (and not constrained by the current "party line") to talk to smaller groups about strategic issues. Selected television tapes from such seminars might be thought-provoking. The object is to get students to think strategically, not to parrot the "correct strategy."

Next, the relationship between military and civil schooling should be strengthened. We need to make better use in the military schools of the civilian education we provide to selected officers. For example, we might follow a year or more of study at a first-rate civilian university with a year as a student at the War College to allow that officer to share his expertise with other students in the class. We must not ignore civilian education. It provides a broadening experience and a cross-fertilization which is essential to keeping the military open to new ideas.

Lastly, the military schools should be in contact with their officers at all times, helping to form them into a professional society. A school's job is not complete at graduation. At each level, the school should follow its graduates until they enter the next higher school. Schools should keep the officers up-to-date with the new developments and advise them of what is going on in the curriculum, of articles or books worth reading, of courses that can be taken, and of other ways the school can be helpful. This will cost time and resources, but it is important if we believe that developing strategists is a steady, continuous, long-term process.

While the schools can provide guidance and basic knowledge to the emerging military strategist and encourage critical thinking, experience and education in units is necessary to broaden the officer's knowledge and provide awareness of the real problems and capabilities of military forces. Rarely can the strategist in uniform gain a complete understanding of military force in some theoretical way; an officer absorbs much of what he knows in the practical, daily world of military units. The "field," in other words, is more important than the field manual. The budding military strategist takes what he learns in units and connects it to abstract concepts. We may gain our conceptual ideas by thinking, but we learn by doing, But it does not follow that only one category of development is taking place at any given time in the career of an aspiring strategist. It is precisely when the officer is in the unit milieu that we need to encourage personal study and critical thinking. In-unit education is essential, and we do not have enough of it.

There are ways of accomplishing this education in units if we are willing to devote the energy and time to it. Commanders and other leaders can hold periodic training sessions for subordinates. At these sessions, new doctrine can be discussed, historical readings critiqued, or past and future campaigns analyzed. Commanders can call on historians to speak to their groups, hold seminars with civilian and military experts on a variety of issues, and walk battlefields. More and more unit commanders are providing these kinds of training opportunities, and the Army has taken a small step in this direction by establishing a required reading program for lieutenants,[4] but more can be done.

An in-depth understanding of armed forces is a prerequisite for the military strategist. He should be fully cognizant of the capabilities and limitations of military force in general and various types of military units in particular. In the present environment, this cannot be limited to his own service. Today's military map is not a flat piece of paper; it has three dimensions—land, sea, and air. Frederick the Great could concentrate wholely on a land strategy and Admiral Nelson on sea power. But the time is long since past when strategists could focus solely on single service operations. Also: for the United States, as the wars of this century have demonstrated, the time has passed when we could rely exclusively on unilateral national strategies.

Therefore, in addition to his proficiency in his own service, the military strategist must be competent in joint and combined operations as well. But a person who understands joint operations is not necessarily a strategist. In training people in joint operations, we often concentrate on procedures. At lower levels of command and staff this is appropriate, since the details of service integration are of great importance. But at the higher level the focus should be on the broader use of air, land, and sea force capabilities. "Gaining a joint perspective" is just a way-station on the road to becoming a strategist.

Today's military is a large organization with practically unavoidable elements of bureaucracy, and the military strategist must recognize this fact. Modern warfare is more complex than ancient warfare, although the principles often may be quite the same. The greater capabilities of command, control, communications and intelligence, of armaments, and of logistics have demanded organizational changes, as have the speed, intensity, and three-dimensional character of modern war. This means much larger staffs, many headquarters, and special elements devoted to tasks that a short time ago were non-existent or rudimentary (electronic warfare, air defense, airspace management, fire control). This creates bureaucratic ten-

[3] Howard D. Graves, "The US Army War College: Gearing Up for the 21st Century," *Parameters*, 18, (December 1988), pp. 2-12.

[4] Headquarters, Department of the Army, *Military Qualification Standards System, Commander's and Supervisor's Guide*. STP-II-MQS (Washington, D.C.: U.S. Government Printing Office, 1987), Chapter 3.

dencies on the battlefield—which become part of war's realities and have to be dealt with.

Schools must teach well the elements that build strategists, but leaders in units must understand better than they do today that the units they command are the homes of officers, and that part of training is officer development, and that the tactical, technological, and organizational bases for the development of strategists must be given sustainment. But above all, whether in units or in schools or in assignments elsewhere, whether lieutenants or generals, officers must—absolutely must—realize that the development of capabilities as a strategist is a matter of continuing personal application more than anything else. Alexander the Great learned about war at the side of his father, Philip of Macedon. He received no formal military education, yet few have matched his insight into combining effective military power with statecraft. Napoleon did receive some formal technical training, but it was his enormous and voracious appetite for knowledge of military operations—a knowledge that he gained almost entirely on is own—that made him great. A look at history will show that highly motivated self-development is the key to producing the best strategists. We must foster and nuture this.

While we teach military history in schools and can emphasize its study in units, the individual must continuously delve deeply into the past on his own. It is fundamental that a military strategist needs a strong and comprehensive knowledge of military history. The collective experience of military forces is the raw material from which he gains insights into the process of successfully applying military force. An officer who aspires to be a strategist must be sustained and nourished by the confidence that he knows the history of warfare. He knows how campaigns unfold, how various types of units interact, and how technological progress affects fighting capabilities. Military history is the basis of communication among strategists, the coin of the realm.

But the strategist in uniform must go beyond history and the purely military sphere; he requires a much broader base from which to operate. He must also work to develop an understanding of politics and the political process, for the objectives of strategy and the environments in which it is formulated are political. Politics and culture impose a variety of constraints on strategy. These include limitations on the resources committed to defense as well as strictures on the use of military force. He also has to divine his opponents' strategy and the factors influencing it as well, since strategy is not a single actor game.

Senior leaders have a particularly important role in the process of developing military strategists. They are the ones who determine the environment, provide the guidance, and establish the structure for our emerging strategists. We need to reach a consensus that strategists in uniform are needed and must be cultivated; in other words, to agree that this is something important to accomplish, something requiring a high priority. Once we agree to that, we should make sure that our officers get the time throughout their careers to develop as strategists. This requires that we put emphasis upon strategic thinking, or other things will usurp the time. In the typical assignment at present, long days are filled up just trying to complete the usual quotidian tasks. We must break out of the pattern in which our officers spend their time in mundane activities with little chance to think, followed by stints in school where they also may not do much conceptual thinking.

Senior officers must ensure that there is time in the units for the officer to reflect and absorb the lessons the unit has to offer, so that during the subsequent schooling he can develop his thoughts from a strong and practical base of experience and training.

We need to agree that strategy is not an "elective" of the later years of an officer's career—that work in this field has to begin quite early. The lieutenant does not have to be a strategist, but he must be aware that what he is absorbing will constitute to a knowledge of tactics and operational art that will constitute milestones on the way to ability in the field of strategy. We need consensus concerning the value of motivating and rewarding self-development at all stages. At the same time, we must afford the promising strategist the opportunity, through such avenues as civilian education or fellowships, to expand his horizons and connect the knowledge he gains in units to the wider world. We must also make sure that teaching in our schools is deemed a worthwhile assignment.

Our task would be simplified if we had a better grasp of what jobs require strategists, what individuals appear to have the makings of a good strategist, and a way to match the two. While beginning to develop the military strategist at the lowest levels, we need to identify where we need the strategist in the organization and make sure he gets the assignment he needs to grow in his understanding of strategy.

There may be a lesson for us in the inter-War period. The officers who served then faced infinitely greater resource constraints than anything we now experience. The Army of the 1920s and 1930s was short of everything—money, people, equipment, ammunition. Yet a significant number of leaders who emerged during that period proved to be exceptionally capable when tested by the Second World War. Some of their education was the result of military schooling—the experience of Fort Leavenworth, for example, was a turning point in the careers of many of the officers of the period. But much of their education came through unit programs and, even more, via self-development—through reading and study on their own, and through discussions with fellow officers. The memoirs and biographies of Generals of the Army Marshall, Eisenhower, and Bradley are full of examples of the unique amount of professional study that took place in the officer corps that was to shape the strategy of America during World War II. The way the officers of that era devoted themselves to mastering their profession should serve as a model for all of us in the years ahead.

(This article is adapted from the author's opening statement to the House Armed Services Committee Panel on Professional Military Education.)

SENATE—*Wednesday, April 12, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada.

Mr. BRYAN. Today's prayer will be offered by the Assistant Senate Chaplain, Rev. John E. Stait.

PRAYER

The Assistant Senate Chaplain, the Reverend John E. Stait, offered the following prayer:

Let us pray:

*Then Job answered the Lord, and said, "I know that Thou canst do all things, and that no purpose of Thine can be thwarted. * * * I will ask Thee, and do Thou instruct me."* Job 42:1-4 NAS.

Father in heaven we are asking Thee to instruct us. We need Your wisdom to do the right thing on the issues we face here in the Senate. We need open hearts that trust You even when we do not see the results we worked so hard for and thought were just.

Help us in the midst of compromise and disappointment to cling to the words of Job, "* * * I know * * * that no purpose of Thine can be thwarted." Hallelujah. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 12, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BRYAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, the Senate will resume consideration today of the minimum wage bill at 10 a.m. Pending is the Armstrong amendment on increasing the amount of money a Social Security recipient may earn before benefits are reduced.

It is my hope that we can complete action on the minimum wage bill either today or early tomorrow so that the Senate may begin consideration of the Contra funding proposal shortly after we receive it from the House. We will be working on our side today on an agreement to consider the Contra legislation without amendment. It is my hope that the distinguished Republican leader will be able to secure a similar agreement on his side of the aisle.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time and I also reserve the distinguished Republican leader's time.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction for morning business not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

The Chair now recognizes the distinguished senior Senator from Nevada.

CAMPAIGN FINANCE REFORM

Mr. REID. Mr. President, in recent months, I have observed that we are crossing a new threshold of what was thought possible in campaign finance. By doing so, we are going well beyond the boundaries of what is acceptable. And so, I again encourage my colleagues to work together and pass campaign finance reform legislation.

The laws we abide by now, and any future regulations we impose on campaign finance practices, must be enforced. Last month, I introduced the Federal Election Enforcement Act. The legislation is designed to ensure compliance with election laws. My bill accords the FEC authority to apply more severe penalties to convicted violators of the law.

Additionally, the Federal Election Enforcement Act requires expediency in FEC investigations and rulings.

Mr. President, I have spoken from this spot on the Senate floor on numerous occasions about how long it takes the FEC to act on a complaint that is filed. This Senator has had on his behalf complaints that have been filed almost 3 years ago and still nothing from the Federal Election Commission. So I do not think I am stretching things when I say we need to make the FEC act more rapidly.

When suspected criminals transgress the laws, they are privileged to a speedy trial. Certainly the Federal Election Commission should act with similar dispatch.

This Congress may carefully craft a campaign finance bill that results from weeks and months of compromise. But unless the FEC can enforce compliance with this new set of regulations, all our work would be futile, because if you have a law that is not enforced, it is meaningless.

My bill is vitally needed to resolve the problems we experience with today's campaign finance system.

The act's usefulness, however, will carry over to a new era in which our laws are refined and revised—an era of election law reform. I hope that time will be during the 101st Congress.

One veteran of political campaigns says that all Members of Congress go after money like vultures, even if they have only token opposition—or no opposition at all. The seasoned campaigner calls this quest for dollars an addiction.

This observation is not far from the truth.

It is as if we are all racing in our cars. We see the yellow light ahead that tells us: "proceed with caution." We respond by putting our foot on the gas and barrelling full speed ahead to get through the intersection before the light turns red.

We know we should slow down.

We know that imposing controls would help us and help our democratic process.

But nobody wants to be the first to stop. Nobody wants to proceed with caution while his opponents zoom past in the fundraising race.

Actually, it is more accurate to call this race a marathon. Because it starts from our first day in office. And it does not end until nearly 6 years later on a night in November.

Fundraising is a constant.

As a result, publicly elected Federal officials are criticized for raising money rather than doing their jobs.

Now more than ever, the media has fastened its sights on the smallest suspected infraction or indiscretion involving a Member's financial activities.

This magnifying glass hovers above the Congress, while the American public peers through. Their eyes are opened to a Congress that appears, to some, a very disillusioning sight to behold.

I have read of instances where constituents believe their elected Senator is spending more time raising money than attending to the needs of his State.

We need to restore credibility to the Congress and to the concept of democracy.

Franklin Roosevelt once said, "Democracry is not a static thing. It is an everlasting match."

We in Congress need to acknowledge the dynamic process by which Government operates.

We must move forward, step-by-step, to lead the necessary, inevitable march toward change.

The first step toward preserving democracy is campaign finance reform. Let us take that first step.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRYAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. REID). Without objection, it is so ordered. The Senator from Nevada is recognized.

A CRUEL HOAX

Mr. BRYAN. Mr. President, a cruel hoax is being played on the consumers of America.

The oil companies of America are using the tragic *Exxon Valdez* oilspill as an unjustified excuse for dramatically increasing the price of gasoline throughout America. While the cleanup in Alaska is moving all too slowly, the major oil companies have been all too quick in cleaning up at the gasoline pumps.

Since the spill, just a little over 2 weeks ago, gasoline prices have increased more than 10 cents per gallon. In my State, the State of Nevada, reports have indicated price increases of 20 cents per gallon or higher, an astounding 10- or 20-percent increase. According to one national survey, this has been the fastest and greatest single price increase in the history of the U.S. gasoline market.

Mr. President, I ask unanimous consent to print in the RECORD at the conclusion of my remarks two articles and an editorial from the Nevada newspaper citing the effect of these price increases.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BRYAN. The dramatic price increases appear to be nothing less than a blatant attempt to gouge Americans, and especially Western consumers. I intend to submit a resolution expressing the outrage of this body and calling on the major oil companies to halt further the price increases and to roll back their prices to pre-Valdez levels. If these price increases continue, I plan to hold hearings in the Consumer Subcommittee of the Commerce Committee to review the entire situation.

Last week, I wrote the oil company executives imploring them to stop the price increases. Not only would it be good public relations, it would be good business. I will acknowledge that there may be some minimal impact on the market due to the temporary cessation of shipping oil from Alaska. I also recognize that there may be a greater impact in the West since a greater percentage of oil for consumption in Western States comes from the Alaskan pipeline. However, any impact on the market resulting from the *Exxon Valdez* accident should only be temporary and limited in nature. In fact, shipping has now resumed.

Mr. President, it is ludicrous that oil companies should be profiting from a disaster caused by a member of their own industry. Since the *Exxon Valdez* ran aground in the early morning hours of Friday, March 24, we have all witnessed through daily news reports the enormous cost attributable to this avoidable accident—economic hardship for the people of Alaska, precious wildlife coated with crude oil, scenic coastlines despoiled and valuable and productive fishing operations threatened.

The head of the Environmental Protection Agency, in a recent hearing before the Senate Commerce Committee, properly characterized this tragedy as the San Francisco's earthquake of ecological catastrophe, all of this because one of America's largest corporations did not have even one member of the crew on the bridge who was licensed to command this vessel, a vessel measuring almost 1,000 feet, more than three football fields and carrying over 50 million gallons of crude oil. We must continue to focus our attention and our energies on cleaning up and minimizing the environmental damage caused by the Valdez oilspill. We must assess what went wrong and take the necessary steps to prevent reoccurrence. However, we must not allow the major oil companies to capitalize on this disaster by continuing an unwarranted assault on the American consumer.

Mr. President, I urge my colleagues to send a clear signal to the major oil companies of this country and to support this resolution.

EXHIBIT 1

[From the Las Vegas Review Journal, Apr. 5, 1989]

EXXON READY TO REFLOAT OIL TANKER: LAS VEGAS GAS PRICES INCREASING

(By Mary Hynee)

In the wake of an Alaskan oil spill, gas prices at Southern Nevada pumps have gone up 8 to 15 cents per gallon and may continue to rise dramatically, according to the Nevada Gasoline Retailers Association.

Yet it is too soon to say if the March 24 spill will result in a true shortage, said Jack Greco, chairman of the association's board.

Instead, Greco said, the oil refining companies are using the spill as a convenient excuse to jack up prices.

"It's our opinion they are both speculating and profiteering" in the wake of the spill, Greco said.

"They're anticipating increasing in gasoline and crude prices," he said, "and they're just taking it and putting it in their pockets right now."

Clark County and the rest of the Western states rely heavily on Alaskan crude. Arco, which supplies 33 to 36 percent of all the gasoline sold in Clark County, draws nearly all of its crude from the region of the spill, said Greco, an Arco service station dealer.

The spill largely has curtailed the shipments from the region. Yet Greco maintained oil may be diverted from other areas to prevent a shortage.

"An actual shortage may never happen," he insisted. "It's like the gun going off at the gate and these guys just race to raise the prices."

Generally, it takes 10 to 60 days for an increase to kick in after "something happens in the world of crude oil," said Nancy Solomon, a spokeswoman for the California State Automobile Association.

Increases reported since the spill appear to be unjustified, Solomon said, noting that the price of crude has dropped.

"What happened did not justify the kinds of price increases that have been seen in our territory," which includes Nevada, Northern and Central California, she said.

At Greco's Arco, prices for regular gas have increased in 12 days from 86.9 cents per gallon to 96.9 cents. Greco said his profit margin has not changed, and that he is merely passing on increases from the oil refining company.

In the Los Angeles area, prices for regular gas have risen as high as $1.25 per gallon, Greco said.

Other factors that could be affecting gas prices, Solomon said, include reduced oil production by OPEC and the onset of the vacation season.

Representatives of oil refining companies could not be reached for comment.

[From the Las Vegas Sun, Apr. 10, 1989]

GAS HIKE LARGEST, FASTEST IN HISTORY

LOS ANGELES.—The price of a gallon of gasoline climbed more than a dime at the nation's pumps in the past three weeks, spurred partly by fears of shortages due to the Alaska oil spill, an oil Industry analyst said Sunday.

"Retail gasoline prices nationwide showed the largest and fastest price rise in the history of the U.S. gasoline market," said

Trilby Lundberg, whose Los Angeles-based Lundberg Newsletter regularly surveys more than 12,000 gasoline stations throughout the country.

Lundberg, in a telephone interview, said the average price of a gallon of gasoline, including taxes, jumped 10.24 cents from 100.39 cents a gallon March 17 to 110.63 cents April 7.

"What we have just seen is an almost instantaneous national reaction to the brief cutoff of a quarter of the nation's oil supply due to the disaster in Alaska," she said.

Independent refiners were the first to experience oil shortages—especially in California where 40 percent of the crude oil comes form Alaska—and prices jumped, she said.

Shortage fears accelerated the increased demand and prices continued to rise until the flow of crude oil was resumed from Alaska.

Lundberg noted, however, that there were other contributing factors to the increase aside from the spill of 10.1 million gallons of oil March 24 when the Exxon Valdes struck a reef in Prince William Sound.

"The wholesale prices were rising noticeably prior to the Alaska disaster," she said. "These price increases were the results of three elements. Cutbacks in refinery output, higher prices in the import markets . . . and finally higher prices from U.S. refiners to head off possible shortages by dampening demand and thus preventing panic buying."

The survey found that the average price at self-service stations—where over 80 percent of consumer gasoline sales are made—was 100.96 cents for regular unleaded, 115.80 for premium unleaded and 100.56 for regular leaded.

Although there will probably be some stabilization now that oil shipments have resumed, Lundberg said the factors that lead to price increases all year long are continuing and further pressure will come once the summer driving season begins.

"The emergency is over, however, no one should expect an immediate drop of those 10 pennies, because of factors not related to the Alaska disaster, such as the relative stronger international crude oil prices and the seasonality of gasoline demand," she said.

The only other time prices were at a level similar to the current price was in the beginning of 1980 after the Iranian oil embargo threatened supplies and sent spot markets soaring, she said.

[From the Las Vegas Sun, Apr. 9, 1989]

EXXON OIL SPILL NO EXCUSE TO RAISE GAS PRICES NOW

It is a sad but true statement, but greed often comes before fairness and honesty.

The latest example has surfaced in the wake of the Alaskan oil spill.

The oil spill is a poor excuse for oil companies—and subsequently gas stations—to jack up their prices. It is a blatantly obvious attempt to gouge consumers.

While it is understood that there may be the need for a slight increase in gas prices because of the spill and its side effects, increases of 20 cents a gallon are unwarranted.

Jack Greco, chairman of the Nevada Gasoline Retailers Association, agrees.

"The pure profit motive and speculation of the oil companies jacked up the price," Greco said recently, arguing that the oil spill's impact on the gas supply has been minimal.

It is absurd that the oil companies should be making a huge profit off such a disaster, especially one created by a member of their own industry.

The gas we're buying now at the pumps was bought—and refined—at a set price before the accident.

Oil company officials say prices must be raised because of the decrease in reserves lost in the oil spill. So to keep the profit margin at a higher level, gas prices are increased, given the fact that companies will be distributing and refining less oil.

In times of tragedy, people—including oil company executives—should be working together to solve a problem, not seeking ways to make an extra buck.

Contributing to this price hike fiasco is the fact that some officials have grossly overstated the immensity of the disaster.

Yes, the 11-million-gallon oil spill was the worst in U.S. history. But no, it is not "the worst man-made disaster since Hiroshima," as Justice Kenneth Rohl proclaimed during the ship captain's arraignment in a New York court last week.

These sensational comments are precisely the reason oil companies and gas stations are getting away with raising their prices. If the American people are led to believe the oil spill was the most disastrous event in 40 years, they are more willing to submit to higher prices.

The real disaster resulting from the spill has been the marginal cleanup effort.

The spill has become an unruly beast. A full two weeks after the spill, Exxon had managed to scoop up only 4 percent of the 11 million gallons of oil.

In the meantime, the oil is killing fish, birds, sea otters, bears, and deer as it decimates the environment.

President Bush took action last Friday, ordering U.S. military forces to assist in the cleanup. While it should not have taken the president so long to react, it is a positive step for him to initiate an all-out effort to clean up the mess.

He must make certain that military expenses are paid for by the offending company and not by the taxpayers.

Let's concentrate on the cleanup efforts and not use the accident as an excuse to impose unreasonable gas ..ikes.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, how much time are we allowed?

The PRESIDING OFFICER. Five minutes.

The Senator from Rhode Island is recognized.

Mr. CHAFEE. I thank the Chair.

(The remarks of Mr. CHAFEE pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized.

THE CONTINUING CAPTIVITY OF TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, today is the 1,488th day of captivity of Terry Anderson in Beirut. I rise once again to remind the Senate and Senators of this fact as we have done on each day that we have been in session in this Congress.

Mr. President, I ask unanimous consent that an article on Terry Anderson's captivity published by Time magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LOST LIFE OF TERRY ANDERSON

(By Scott Macleod)

Imagine it. You are chained to a radiator in a bare, dark room. You never see the sun. When your captors fear that a noise in the night is an impending rescue attempt, you are slammed up against the wall, the barrel of a gun pressed against your temple. Each day you have 15 minutes to shower, brush your teeth and wash your underwear in the bathroom sink. Your bed is a mat on the floor. One of your fellow hostages tries to escape, and the guards beat him senseless. Another tries to commit suicide. One day you too reach the edge of your sanity. You begin furiously pounding your head against a wall. Blood oozes from your scalp and smears down your face.

Life has been like that for Terry Anderson ever since March 16, 1985, when the chief Middle East correspondent for the Associated Press was kidnaped in West Beirut. The men who grabbed him, members of the Shi'ite Muslim fundamentalist group called Hizballah, were intent on swapping Western hostages for 17 comrades imprisoned in Kuwait for a terrorist spree. Four long years later, Anderson is still held hostage. From accounts by his former fellow captives. Time has pieced together a glimpse of the life he has led.

The first day: Terry Anderson lies on a cot in a dingy apartment in Beirut's sprawling, bomb-ravaged Shi'ite slums. A blindfold is tightly wrapped around his head, and chains shackle a wrist and ankle, biting into the flesh. He can hear the roar of jets; Beirut airport is near. The former U.S. Marine is stunned and sobs constantly, frustrated, angry and afraid that the kidnapers intend to execute him. A guard bursts in and threatens him merely because he creaked the bedsprings. "I am a friend of the Lebanese," Anderson had told his family, "They won't kidnap me. I tell their story to the world."

Anderson is lost in the bowels of Beirut, but he is not alone. In the same 12-ft. by 15-ft. bedroom, also shackled hand and foot and crouching on the floor of a dirty clothes closet, Father Lawrence Martin Jenco of Catholic Relief Services (kidnaped Jan. 8, 1985) peers under his blindfold at the new arrival. A month later, they are led down to the dungeon, a basement partitioned into cramped cells with thin plasterboard, and held prisoner with others: William Buckley, Beirut station chief of the CIA (kidnaped March 16, 1984), the Rev. Benjamin Weir, a Presbyterian missionary (kidnaped May 8, 1984), and eventually David Jacobsen, director of American University Hospital (kidnaped May 28, 1985).

The hostages are repeatedly threatened with death. Their meals consist of Arabic bread, foul-tasting cheese and tea. Buckley's treatment reveals the full cruelty of the kidnapers. He catches a bad cold that develops into pneumonia, but the guards show him no mercy. "Mr. Buckley is dying," Father Jenco pleads one day. "He is sick. He has dry heaves. Give us liquids."

Speaking to one another in whispers, the hostages listen to Buckley's moans as he grows weaker, and finally delirious. On June

3, Buckley squats on the tile floor believing that he is sitting on a toilet seat, and food fantasies fill his head. "I'd like some poached eggs on toast, please," he mumbles. "I'd like an order of pancakes." That night Buckley starts making strange grunts and the others realize they are hearing the rattle of death, and a guard comes and drags Buckley's body away. Anderson's first letter to his family contains his last will and testament.

Out of the blue comes hope. At the end of June Anderson learns that TWA Flight 847 has been hijacked and 39 American passengers are being held. Hajj, the chief guard, arrives with word that a package deal is in the works. "You will be going home," he says.

Nothing happens. The guards, however, improve living conditions for Anderson and the others, apparently in fear they might fall sick and die like Buckley. "Christmas in July" brings dinner of Swiss steak, vegetables and fruit, medical checkups by a kidnaped Lebanese Jewish doctor, and the chance to start worshiping together. Anderson, once a lapsed Catholic whose faith now grows stronger by the day, wheedles permission from Hajj to make his confession to Father Jenco. Later, all the hostages are allowed to hold daily services in their "Church of the Locked Door." They celebrate Communion with scraps of Arabic bread. Anderson tells the guards to shut up when they mock the Christian service.

After the first worship, Pastor Weir reaches out and grasps Anderson, and the two men hug. Perhaps worried that the frail minister might be slipping, Anderson urges him to be strong. "Don't give up," he tells him. "Keep going."

Another new hostage has arrived, Thomas Sutherland, dean of agriculture at American University (kidnaped June 9, 1985). Eventually the captors permit their prisoners to be together all the time and to remove their blindfolds when the guards are out of the room.

One day in September, Hajj raises everybody's hopes again by announcing that a hostage will finally be released. He has them play a cruel game: they must choose for themselves who will go free. "Think it over," he commands as he walks away.

The hostages drag their agonizing discussion late into the night. Pastor Weir and Father Jenco make no effort to put themselves forward, and Sutherland is too much of a gentleman. But Anderson nearly takes a swing at Jacobsen as the two men engage in a bitter contest to be chosen. Anderson wins the vote, but then is devastated when Hajj refuses to abide by the decision. "Terry Anderson will not be the first to be released," he snaps. "He might be the last one." A few nights later, Hajj tells Pastor Weir he is going home.

On Christmas Eve the hostages hear on the radio that Church of England envoy Terry Waite has failed to negotiate their freedom, and has returned to London. Anderson is crushed. Father Jenco tries to sing carols but is too depressed. Jacobsen draws a crude Christmas tree on a piece of cardboard and sticks it on the wall.

Anderson fights back boredom and depression by throwing himself into habits and hobbies. Each morning he obsessively cleans the sleeping mats and takes spirited 40-minute walks around and around the room. When he fashions a chess set from scraps of tinfoil, the guards take the game away. Anderson takes French lessons from Sutherland, and stays up all night reading the Bible and novels by Charles Dickens that the guards provide.

After solitary confinement, the camaraderie is energizing. From memory Sutherland recites the poetry of his beloved Robert Burns, in the brogue of his native Scotland (he once played professional football with the Glasgow Rangers). Father Jenco takes the hostages on an imaginary tour of Rome and the Vatican. Anderson makes a deck of cards from paper scraps, and they all play cutthroat games of hearts.

Like sophists, Anderson the liberal Democrat and Jacobsen the Reagan Republican constantly provoke each other into arguments to keep their minds alive.

More than the others, Anderson challenges the guards, although for some reason he is beaten less frequently. He goes on a seven-day hunger strike when they suddenly ban the radio and the occasional copies of the *International Herald Tribune*. He does not know it, but the news blackout is imposed so he will not learn of the deaths of his father and brother back in the U.S. He does find out, however, that since his kidnaping his second daughter, Sulome, has been born.

In July 1986 Father Jenco is freed. Jacobsen goes home in November, but the public revelation of a secret U.S. arms-for-hostages deal with Iran torpedoes any further releases. Two months later, Waite the mediator is himself kidnaped.

Feeling increasingly abandoned by his government, Anderson spends much of 1987 in isolation. In December he gets a new roommate, French diplomat Marcel Fontaine (kidnaped March 22, 1985). Anderson is denied permission to send out a videotaped Christmas message to his family. The frustration becomes unbearable, and one day he walks over to a wall and beats his head against it. Blood seeps from Anderson's scalp. "Terry!" Fontaine pleads. "Think of your family!"

All the hostages find the cruelty too much to take. Sutherland, who had gone to Beirut passionately hoping to help Lebanese farmers, is treated worse than the others. He tries to kill himself by putting a nylon sack over his head. A more recent kidnap victim, Frank Reed, director of the Lebanese International School (kidnaped Sept. 9, 1986), attempts to escape but is caught. The guards beat him viciously and break his spirit, leaving him prostrate on the floor.

In 1988 Anderson and Fontaine find themselves in an apartment that has carpeting, heat and hot food. Are they being fattened up in preparation for their release? Despite the constant disappointments, Anderson is determined to think about his future. He ponders quitting journalism to take up farming. At last on May 3, after he has spent more than three years as a hostage, his time appears to have come when a guard tells him to get ready.

"You should do the same as I'm doing," Anderson says, trying to improve the Frenchman's chances. At midnight they come and take Anderson away. Two hours later, Fontaine learns that it is he who is being freed.

Fontaine remembers a conversation with Anderson. Feeling ill and more depressed than usual, he had turned to Anderson and said, "Terry, I am not afraid to die. But I don't want to die here and have them throw my body into the sea like they did with Buckley."

Anderson thought for a moment and replied, "I don't want to die anywhere."

Five months ago, Anderson's most recent videotaped message was dropped off at a Western news agency in Beirut. Signing off, he said to his family, "Kiss my daughters. Keep your spirits up, and I will try to do the same. One day soon, God willing, this will end."

DRUG TREATMENT AND THE ADMINISTRATION'S PROGRAM FOR THE DISTRICT OF COLUMBIA

Mr. MOYNIHAN. Mr. President, on Monday, William J. Bennett, who has assumed responsibility for the anti-drug abuse programs of the Federal Government under the statute which was enacted by the Congress in the closing hours of the 100th Congress, announced his first major initiative, a program to deal with drug abuse in the District of Columbia.

I do not wish to comment on the particulars of the program itself save to note that it consists almost entirely of law enforcement measures. That at least half of this effort should consist of law enforcement measures is self-evident. We are dealing with a problem of lawbreaking and of the general question of the observance of public order.

However, Mr. President, the effort that brought about the drug legislation of the 100th Congress was an effort to insist that treatment was an indispensable element of any program, plan, or strategy that has any hope of success. The Senate rose up in response to a House bill that consisted almost entirely of law enforcement, and that raised serious constitutional questions about the fourth amendment and other issues. The House bill represented a kind of emotional response to the crisis of drug abuse, which is certainly understandable but which at the end of sustained experience we know is simply inadequate. No one knows it more, no one insists upon it more than the police in my city of New York and any city in which you will find drugs. They say, "We can't do this on our own. The supply is overwhelming." Law enforcement is something that is necessary but in no way sufficient.

And so we turned to the issue of treatment in a skeptical Senate and an almost hostile House. We heard Senator GRAMM of Texas, make the case that there was no possibility of seriously interfering with supply. Senator BIDEN made the case that the law enforcement systems were overwhelmed. Senator NUNN made the case that the military could not and should not be responsible for winning the war on drugs. And it fell particularly to this Senator to make the case that while we did not have an effective pharmacological block for cocaine, or any wholly reliable therapeutic arrangement for the treatment of cocaine addiction, as we have gradually required for heroin addiction, we had to devel-

op one. Absent that there was no hope that a public or governmental response would have any consequence.

To see treatment largely missing from Dr. Bennett's program, with only a small 300-person pilot program from Health and Human Services, is to make ourselves ask: Have we made our point? It would have been wholly acceptable to this Senator if Dr. Bennett had said, "Listen, I do not know how to reliably treat cocaine addiction. I've got to learn. I've got to put these resources into law enforcements for now." But to act as if the response was adequate when it ignored the statute is disappointing.

Mr. Peter Reuter of the Rand Corp., with whom we consulted in this matter, commented on this fact in the New York Times this morning. An editorial in the New York Times this morning comments on this conspicuous absence of treatment programs. I stand here on the floor, in the first statement I have made on drugs since the legislation passed, and say I have over and over again spoken with persons at the highest level of this administration to say we asked for treatment. We gave two deputies in our legislation to Mr. Bennett, one for supply, one for demand. Demand came first. And we knew when we called for treatment on request—that is in the statute, treatment on request—we did not have a treatment for cocaine, but we were committing ourselves to trying to develop it. Indeed, Dr. Bennett is to be greatly congratulated for the choice of Dr. Kleber of Yale Medical School as his deputy for demand reduction. Dr. Kleber is one of the persons who consulted with the Senate in the legislation of the last Congress. But either we get up front with the fact that this is what we are trying to do, and what the law requires be done, even if we do not know how to do it, or we lose the basic point of our tremendous effort last year. For 6 months, the Senate addressed this issue and did something never done before. We had no committee hearings. There was no committee. There was no record. There were no witnesses. There was no markup. We did this Senator to Senator in rooms off this floor, and we did well.

No such statute had ever been enacted before, and it remains to be seen whether the executive branch understands what was done. With great respect, Mr. President, I will say that I think Mr. Bennett has shown a huge openness to these matters. However, on his first opportunity to demonstrate his understanding of our legislative intent, such understanding was not in evidence.

Mr. President, I ask unanimous consent that an article and an editorial from this morning's New York Times regarding this matter be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 12, 1989]

THE DRUG CZAR AND HIS SUBJECTS

William Bennett's job is to direct an orchestra of Federal agencies involved in drug control. To judge by his first pronouncement, he must sometimes feel as if he's down in the pit among the woodwinds, overwhelmed by proud, powerful departments. Thus, while his new plan for the District of Columbia may be a good beginning, it's too early to tell whether it can ease the pain and fear of bullet-riddled neighborhoods.

Rampant crack and a murder rate seven times the national average have turned the capital city into an alarming symbol. Mayor Marion Barry's involvement with a suspected drug dealer has accelerated calls for Federal intervention.

Mr. Bennett offers immediate hope in only one area: an effort, led by the Department of Housing and Urban Development, to reclaim federally supported housing projects now overtaken by drugs. The plan calls for sprucing up the projects, organizing the tenants and strengthening security.

It's harder to tell how the Bennett plan will help Washingtonians who don't live in projects. Mayor Barry had called for a huge increase in the police force. Mr. Bennett, studiously ignoring the Mayor, offers a vague proposal for a task force with personnel lent by 10 Federal agencies. But how these resources would be deployed remains to be seen.

Mr. Bennett also announced that the Administration would come up with a site for a new jail for 500 and make sure a new prison for 700, long under discussion, finally gets built. But the Bureau of Prisons offers to take only 250 inmates off the hands of D.C. jailers immediately. District officials say they need at least 1,500 spaces.

If there is one drug measure of indisputable importance, it is treatment for addicts who want it. Lamentably, the Bennett plan makes only a gesture toward that. New "pilot" programs would permit 300 more people to be treated in outpatient clinics. Yet serious treatment for cocaine abuse usually requires some inpatient care, if not prolonged residential care.

Why does the plan not provide more treatment? A spokesman for Mr. Bennett gives a revealing answer: The pilot programs are all that the Department of Health and Human Services had to offer. No wonder skeptics asked whether any drug czar could wield authority over the big departments.

The success of this plan may eventually turn on how the new interagency task force shapes up. For now, the exercise makes clear that for a truly determined effort, there is only one czar, George Bush.

[From the New York Times, Apr. 12, 1989]

WHITE HOUSE BACKS DRUG PLAN BUT SHUNS A BRAWL

(By Richard L. Berke)

WASHINGTON, April 11.—The White House today gave full support to William J. Bennett's plan to combat the drug epidemic in the nation's capital but steered clear of a political brawl with Mayor Marion S. Barry Jr.

"We are in this to solve the drug problem, not to pick fights," said Martin Fitzwater, the White House spokesman.

In announcing the plan Monday Mr. Bennett, chief of the Federal effort against narcotics, accused the District of Columbia Government of failing to serve its citizens. Today he said: "If anybody's feelings were hurt, I'm sorry. That's too bad. But this is not a tea party at the garden club."

Several experts questioned whether the new Federal strategy would be any more successful than the city efforts. While they generally welcomed the Bush Administration's decision to put two new prisons here and take other steps to curb drugs, some voiced concern about aspects of the plan like emphasizing law enforcement over treatment programs.

BARRY ALSO SHUNS BRAWL

Mr. Barry, whom Mr. Bennett did not attack by name, again refused today to engage in verbal fisticuffs. Asked on NBC-TV's "Today" program whether he viewed Mr. Bennett's comments as a "slap in the face," he replied: "No I don't. I'm like any other Mayor. We welcome all the help we can."

Later a mayoral spokesman, Rick Blake, said: "We're not going to get in a shooting war with Bennett. We have got to work positively with the chosen representatives of the United States."

The Rev. Jesse Jackson, who emphasized the drug issue in his Presidential campaign last year, denounced Mr. Bennett's approach in an interview, saying: "What struck me was the three white males there to announce the plan without any city officials. What we need is a joint venture—not joint intervention."

While some political leaders questioned Mr. Bennett's strong words, they were reluctant to defend Mr. Barry, who has been dogged by allegations that he used drugs and associated with drug dealers.

ERRONEOUS IMPRESSION

Walter E. Fauntroy, the District's nonvoting delegate to Congress, acknowledged the Mayor's personal problems but said of Mr. Bennett: "He gave the American people an erroneous impression of what the nature of the problem is in the District of Columbia. I haven't decided whether he doesn't understand or whether it was a deliberate effort to reflect poorly upon Mr. Barry as a rationalization for the failure of the Federal Government to exercise its responsibility in the nation's capital."

Representative Stan Parris, a Virginia Republican who is vice chairman of the House District Committee, countered that Mr. Bennett was "right on the mark" in his comments. "Bill Bennett and I apparently agree as to what is at the root of the problem," he said. "Mismanagement and foot-dragging."

Yet many experts and politicians asserted in interviews that the problem is far deeper than local government, and they cautioned that no matter how well-intentioned Mr. Bennett is, results would be hard to achieve.

"I really feel sorry for Bennett because he's been in office less than a month, doesn't have a staff together and already they're looking for results," said Daryl F. Gates, the Los Angeles police chief. "That may be one of the endemic problems. Suddenly, we want it solved tomorrow."

FRUSTRATION WITH BARRY

Mr. Gates said, however, that he understood Mr. Bennett's frustration with Mr. Barry. "Why people keep re-electing him is beyond me," he added.

Mr. Bennett himself has sought to lower expectations by dwelling on the pervasive problem and the inability of the District government to control it.

"We may see things get worse for a while," he said in an interview. "In the spring and summer it always gets worse. But I hope that when we come back formally in six months to review it, we'll be able to say it's better."

Senator Joseph R. Biden Jr., a Delaware Democrat who as chairman of the Judiciary Committee pushed for the law that mandated a drug chief, said he found the proposal "really innovative and useful."

But he said he was greatly concerned that the estimated $70 million to $80 million for the program would come from redistributed money in other Federal programs. Rather than take from elsewhere, the Senator called on Mr. Bennett to ask Congress to appropriate new funds for the plan.

"I want to know how we're going to pay for this initial program," Mr. Biden said. "We should do this, but not at the expense of Detroit, Los Angeles, Houston and Philly. That is totally inappropriate."

David Tell, Mr. Bennett's deputy chief of staff, said officials did not believe it was necessary to seek a new appropriation and were worried that such an effort would take too much time. Although his office has not released a specific financial breakdown, Mr. Tell added, "It is not our sense that significant funds are being drained away from other cities."

SPECIAL CASE IS SEEN

Although the Los Angeles City Council last month passed a resolution asking Mr. Bennett for more resources in fighting drugs there, aides to the drug chief said other jurisdictions have not yet formally asked for help. They emphasized that Washington was a special case because it is the capital and has the highest murder rate, and said they were limited in the number of cities they could target.

Peter Reuter, a senior economist at the Rand Corporation here who wrote a report on the District drug problem, said the Federal program was "generally sensible." But he said he was concerned about its stress on law-enforcement.

"There's a curious lack of interest in the treatment system," Mr. Reuter said. "That's an important ingredient of any long-term attack."

Mr. MOYNIHAN. I thank the Chair. I yield the floor.

SOVEREIGNTY OF BRAZIL OVER THE AMAZON

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Idaho.

Mr. SYMMS. Mr. President, are we still in morning business?

The PRESIDING OFFICER. The Chair will observe that time for morning business is supposed to expire at this time.

Mr. SYMMS. Mr. President, I ask unanimous consent that I might proceed as though in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized.

Mr. SYMMS. Mr. President, I just recently returned from Brazil where I had the privilege of being on Codel Chafee, a Codel that received some publicity in the United States. I recall our Codel leader in the midst of the jungle at one point when our four-wheel drive Land Rover was stuck in the mud on a very steep incline called Suicide Hill. Our distinguished leader pushed with all of his might and fell into the mud on the road. He got up and looked at me and said, "Steve, they call this a junket?" But he was totally unflapped.

As I saw him operating under those conditions were we were cabling the four-wheel vehicles together to pull them up the hill, I said to one of the reporters "This looks like Captain CHAFEE of 30, 40 years ago," directing the drivers and directing the people so we could get all the Senators and the staff to the location in the jungle where the camp was. It reminded me of an article by James Brady that was published February 1, 1988. I had seen it, and then I had lost the article. I have it now. I would like to submit this for the RECORD so that our colleagues can share this bit of history about our distinguished colleague from Rhode Island.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From City and State, Feb. 1, 1988]

AN UNFLAPPABLE SENATOR NAMED CHAFEE

(By James Brady)

It was a brief item in the news last month. Some touring Americans, including a U.S. senator, were in Israel during the recent "Troubles," and as part of their fact-finding mission were escorted to a Palestinian refugee camp. Here they are immediately set upon by rock-and bottle-throwing refugees who objected either to being looked over or to the fact their visitors were Americans.

The party, unhurt, retreated in good order. The senator, John Chafee of Rhode Island, said too much had been made of the affair. "We just wanted to look at a camp," he said.

That was all. He didn't seem terribly upset. Nor should one except him to be.

Chafee is an interesting man, a former governor of Rhode Island, a former secretary of the Navy, and for several terms a senator. He's a lawyer, his family had a little money, he attended both Harvard and Yale. He's been a fine senator, though not a particularly colorful one, a mainstream Republican.

Oh, yes, he was also a Marine.

I first met John Chafee in November 1951. He'd been a Marine officer during World War II and then, after getting a law degree and setting up a practice and marrying, had been recalled for Korea. When I met him he was a Captain commanding a rifle company of the 7th Marines up in the mountains of North Korea a few miles west of the Sea of Japan.

He was quite lean, with a high color in his cheeks, very trim and neat, considering the circumstances, and sporting a rich, dark-brown mustache. I was a second lieutenant about a year out of college and I thought Chafee a mature father figure. He may have been 28 or 29.

His company, Dog Company, has been in the hard fighting of that past summer and then the grinding offensive of September and October. When the snow came in early November the war had settled down to trench warfare and combat patrols that would have been familiar to a veteran of the First World War.

I'm not sure just how enthusiastic Chafee was to see me, a skinny, callow kid with little command experience and something less than the rugged presence of a Duke Wayne. But he had no option. A Marine rifle company is supposed to have seven officers. Chafee was down to five. He needed officers, even green kids.

The 1st Marine Division that November, the second of the war, was stretched out along the frozen ridgelines facing what was left of the North Korean army. The Chinese were west of us. We wouldn't fight them again until spring.

At some points on the line, the Marines and the Koreans shared the same ridgeline, dug into trenches that were frequently only 75 or 100 yards apart. You didn't leave your trench by day, only at night. At 75 yards even an indifferent shot can hardly miss you.

At night, we sent out patrols to raid their trenches, to try to grab a prisoner. They did the same thing. You never saw a plane, you never saw a tank. It was a very old-fashioned war. But both sides had plenty of mortars and artillery. They were what killed most people.

Chafee ran a good company.

The Koreans were there, in the next trench-line. The cold and the wind. The shelling. The boredom and the fear at the same time. I don't know when he slept. He was there by day, he was always on the other end of a field telephone at night. I can't tell you how comforting it was to a young rifle platton leader to know Chafee was there.

In all wars there is stupidity. An order came down from Division that expended brass was to be retrieved and turned back in. If you fired a round you were supposed to look around in the snow and find the brass cartridge casings Chafee knew it was a stupid order to troops in combat, privately argued against it, was overruled, and told us to retrieve the damned brass. But he didn't play up to the troops the way some officers did, seeking popularity. He just told us it was an order and it would be carried out. He didn't whine and he didn't politic. He just commanded.

Eventually he was rotated home and I stayed. I don't know if Chafee ever got any medals. After the war I met him sking. He said he was practicing law. Then one week he was in Time magazine, the new governor of his state. He wrote me that I ought to come up and visit. I'm sorry I never did.

The other day when they ran onto that rock throwing on the West Bank and Israel troops fired tear gas back, I saw a brief videotape of John Chafee. All this riot and chaos was going on and he was strolling along in an open-necked shirt and a blazer, his hands in his pockets. He looked a little older, a little heavier, and he was clean-shaven. Other than that, he was as cool as Korea, 36 or 37 years ago.

Mr. SYMMS. Mr. President, I also rise as a supporter and cosponsor of the Chafee resolution. It is vitally important for this body to express the clear and unequivocal position that, in recognizing the value of the Amazon and offering assistance to protect that resource, we make it clear that we do

not question the sovereign authority of Brazil over the area.

Over the past several months a number of international figures, in the height of their environmental zeal, have expressed great concern about the rapid deforestation in the Amazon. Some of these expressions have lacked a sensitivity, to the fact that the Amazon, far from being an international park, is part of the sovereign nation of Brazil.

So some of the comments of genuine concern by Americans and others, Europeans, have led some Brazilians, especially the Brazilian politicians in the heat of the upcoming Presidential election, to express anxiety over the possibility of foreign intervention in a matter of pure Brazilian sovereignty.

I, for one, strongly believe the only Brazilians can ultimately resolve the problems that their country faces. Preserving the sensitive but rich diversity found in the Amazon jungle is one of the many, many challenges that face that country. How to feed their impoverished and yet rapidly growing population is another problem. How to do this while paying interest on the enormous external debt is even a greater dilemma. And Brazil is facing all of these questions while just now struggling to return to democracy after many years of military rule. Only Brazilians, Mr. President, the people whose lives are literally at stake are going to be able to make those decisions.

That is why, Mr. President, that challenging Brazil's sovereignity is not the solution to Amazon protection. In fact, the issue has become a severe obstacle to true progress in that region. Instead of facing the difficult decisions that must be made in order to promote sustainable development in the Amazon, much time, effort and debate is being spent on lambasting foreigners. Before policymakers in Brazil can focus on the real issue, they have to get past that one.

So if there is anything that Senators, like Senators CHAFEE, BUMPERS, SPECTER, and I learned on our recent trip to Brazil, it was that the issue of Brazilian sovereignty must be put to rest, and soon. We should immediately and unequivocally express our conviction that Brazil's sovereignty in the Amazon is inviolable.

Mr. President, on our recent trip I found that Brazil's economic and environmental challenges, while perhaps much more extreme, are not unlike the challenges we face in the United States. So rather than criticize Brazil from afar, I propose we look to Brazil for clues as to the cause and solutions for our own problems. I will make a few of my observations.

First, I see in Brazil the results of big government planning at its finest. How well I remember taking economics some 30 years ago at the University of Idaho, when our old economics professor—Erwin Graue who incidentally is still alive at 93, teaching at Gonzaga University in Spokane, WA—used to talk about how the politicians in Brazil are leaving the children starving in San Paulo and Rio so they can build monuments to themselves in Brazilia.

I really did not pay that much attention at the time but when you seen what has happened, Brazil is a country that has had the benefit or the suffering, whichever way you view it, of incredible government central planning. With the help of international banks, past Brazilian governments have managed to heap upon a nation a mountain of debt, external as well as internal. Brazil is a nation that has to work hard to be poor. They have so many resources and so many assets going for them but they have managed to be poor all the same. Instead of investing the borrowed billions in economically efficient productive capacity for their nation and raising living standards, improving clean water, sanitary conditions, health care, the macromanagers in Brazil have splurged on all sorts of Government-sponsored development schemes.

These schemes by definition were directed at what was politically advantageous at the time but not what was necessarily the most economically sound. Much of the strategy for developing the Amazon has come from this same course, large-scale Government programs to appease the poor landless farmers who are being displaced in an effort to repay foreign debt. The huge mechanized soybean production in the fertile south has improved Brazil's trade balance. That is how they service their international debt. But it has also driven thousands upon thousands of now unemployed farmers north to the Amazon to eke out a living on bleached and infertile soil.

Second, Mr. President, the lack of clearly established well protected property rights has not made the Amazonian problem any easier. Land in the Amazon is hardly a tangible asset. It belongs de facto to the Government but can be granted to a homestead who makes beneficial use of the property.

Cutting down trees is nearly the only way to prove such beneficial use. And since the agricultural value of the land is soon lost, settlers are often driven from one forested area to another. The net result is a continually encroaching turnover of squatters, moving from place to place ever deforesting more land. As a result, a sense of true stewardship over a piece of property is not fostered. Land becomes almost a disposable item, to be used and then left for whatever residual value it may possess.

Third, Mr. President, I noted that the main outcry in Brazil against preservation of the Amazon came from the far left of their politics. Workers Party Congressmen roasted me and my colleagues before the Chamber of Deputies, claiming that Amazonian deforestation was a direct result of poverty, poverty caused by the IMF and the terrible debt extortion that it extracts from the country. While I disagree with their politics and ideology, it is interesting that the right in the United States has been warning of this for years, and the anti-American left in Brazil has not hesitated to use that very argument against us. I found it a real paradox in this most recent visit.

Fourth, Mr. President, I saw a sharp contrast between Brazilian environmentalists and our own environmental community. Here in the United States, environmentalists have sought to achieve their ends by the brute force of Government. We have passed laws upon laws that interfere with common sense silvaculture in the Pacific Northwest, where I come from. There, dying forests need to be harvested. Young trees could be planted to grow another forest, trees which would consume carbon dioxide, which would actually help with the global warming problem. But because of environmental laws that have been passed by well-intended people, common sense silvaculture has come to almost a standstill.

The environmental community confronts the industry openly in this country. They advocate command and control solutions, close down plants, and burden farmers and small business with Government regulation.

In Brazil, an approach like that would be doomed to immediate disaster, because advocating nonuse of resources in Brazil is paramount to advocating the death of thousands of starving children.

Driving an industry out of the country only worsens the economic factors causing most of the damage. In Brazil, if you force a confrontation between development and the environment, you force a choice between survival today and the future. And people who cannot survive the present do not have the luxury of worrying about the future.

Because of this, Mr. President, there has arisen in Brazil a new breed of environmentalists. Rather than oppose development, they seek to encourage it in a sustainable way. They advocate cutting down trees where the land is fertile enough to sustain agriculture, because they know that this will reduce the pressure to cut down trees where the land will not produce anything.

They work hard to find ways for miners to mine in low-cost environmentally sensitive ways, knowing that if they increase the profitability of mining, while at the same time making

it more environmentally sound, they need not worry about enforcement.

They desperately seek to find economic uses for forest resources like pharmaceuticals, natural fruits and nuts, high-value woods, and unique plants and animals. These efforts are the hope of the Amazon, because Brazilian environmentalists have learned what American environmentalists sometimes fail to focus on. I think we are becoming more and more aware in this country, and I look forward to the day when we have an environmental policy which is based on the premise that if you want to preserve a resource, you must work with the people whose lives depend on it, and not have the adversarial confrontation that we have had up to now.

In summary, Mr. President, I found Brazil to be a proving ground for many of the values that we have found happening here in the United States in recent years. The advantage of limiting government over massive central planning; the folly of internationalizing investment strategies and lending to governments rather than to individual entrepreneurs; the value of strong, clearly preserved private property rights; and

The need to reconcile economic development with environmental protection without relying on the brute force of government.

Brazil's future depends on her ability to embrace these principles. Happily for us, they are principles that our Founding Fathers infused throughout our Constitution, and we are fighting to preserve that legacy.

So, Mr. President, I want to say again that I compliment our codel leader, Senator CHAFEE, for what I consider to be an important trip. I am happy to sign on with his resolution. I think it is important that the U.S. Senate speak to this issue, and I hope that later today this resolution will clear unanimous consent so it can be brought before the Senate, because I think it makes an important statement to assure our friends in Brazil that we in the United States want to do what we can to help them with a problem that is clearly a sovereign problem of Brazil.

We do have a long, long history of cooperation between our two nations. We are not adversaries; we are friends. And we have to remain that way.

Mr. President, I yield the floor.

If there is no other Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMISSION ON WORK FORCE QUALITY AND LABOR MARKET EFFICIENCY

Mr. COCHRAN. Mr. President, Secretary of Labor, Elizabeth Dole, has a blue-ribbon panel of corporate executives, labor leaders, and scholars working on a policy framework for human resource development that it plans to unveil this coming Labor Day. Chaired by Richard F. Schubert, president of the American Red Cross, the panel is known as the Secretary's Commission on Work Force Quality and Labor Market Efficiency.

Its purposes were outlined by Chairman Schubert recently in an address to the annual convention of the American Association of Community and Junior Colleges, here in Washington. He stressed that "the time is right—right now—for a great offensive on the human resources front."

A key element of that offensive, I am convinced, will be a coordinated curriculum involving secondary and community college vocational-technical programs that responds to the employer community's emerging skill needs. This is the main thrust of S. 439, which I am cosponsoring with Senator PELL.

We invite Senators to cosponsor the Tech-Prep Education Act, and we urge Secretary Dole to support it. I hope my colleagues will take the time to read Chairman Schubert's message.

I ask unanimous consent that the remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF RICHARD F. SCHUBERT

Thank you. I am delighted to be here with you today and to have this opportunity to discuss subjects that may have transcendent importance for the future of our country.

In recent years there has been a very significant change in the way we—as a nation—think about Americans with severely limited labor market opportunities. I'm talking about poor adults who are physically able to work, but who are handicapped in that they have little or no marketable skills.

These people have some characteristics in common: They tend to be young, urban, minority . . . and they're all poor. For many years their poverty was the focus of our attention. Back in the 1960s the country's concern was based on compassion, on fairness, and—for some—on fears of violent social conflict.

These days, a very different additional theme is emerging. Now we are beginning to see the poor as a very neglected source of human resources. And we are beginning to see that we cannot afford to waste these human resources any longer.

So, in addition to asking "What can be done to help the poor?" we are now asking "How can we bring these people into the economic mainstream, so we can take full advantage of *all* of the nation's human resources?" Thus, we are focusing more than ever on the education, the training, and the employment of the disadvantaged.

I guess it's deeply rooted in human nature that we begin to take a problem really, really seriously when it affects us personally. Business people are not exceptions to this. For many years there have been a *few* business people who expressed concern about the disadvantaged, but today corporate leaders, one after the other, are sounding the alarm.

The problem that business people have begun to notice . . . that has in fact galvanized everyone's interest . . . is that some organizations are already having difficulty finding workers with the needed skills . . . and some are having difficulty finding workers, *period.*

To make the whole matter even more binding, we're being told by the experts that the passing of the baby boom wave—they're all working now—along with the rapid aging of our whole population, means labor shortages on into the next century.

So, the problem makes itself very clear: if lots of firms are having trouble hiring the human resources they need, it's not just a problem for each firm. It's the whole economy that's in trouble. America cannot compete in an increasingly competitive world if American firms cannot obtain the people they need. If America can't compete, then our standard of living can't be sustained.

And there you have it: suddenly we are not just concerned about the poor. Now we and the poor have something in common—we are all concerned about the economic future of most Americans.

Now, I didn't come here today to tell you about the great things business is doing, although many companies are putting time, money, and creativity into projects to help the schools, help a variety of government agencies, and to join with community-based outfits like the Urban League. I didn't come here to tell you that education and training are now even more crucially important than ever—it would be preaching to the choir. And I most certainly don't have solutions to the problems that I have just outlined.

My message is that the time is right—right now—for a great offensive on the human resources front. There is widespread agreement among politicians on both sides of the aisle, among business people, among academics, and in the general public that something has to be done now. There's less agreement on what to do—not because everyone is disagreeing, but because we don't know exactly what should be done.

If we could develop a coherent, comprehensive, results-oriented human resource strategy for the nation, it would be very likely to enjoy widespread support.

That's exactly where the Secretary of Labor's Commission on Workforce Quality and Labor Market Efficiency comes in. A human resource strategy for the country—by Labor Day 1989—is our charge from the Secretary. I think I know what a few of you are thinking: that name is too long, and it offers a great acronym, doesn't it: the CWQLME. Not too memorable, even if you could learn to say it.

But the name Commission on Workforce Quality and Labor Market Efficiency does have a certain virtue. It describes our job well. All human resource strategies fall into two categories: those that enhance the skills of the population (that's the Workforce Quality part), and those that make effective use of the skills that are available (that's the Labor Market Efficiency part).

So, what the Commission is trying to do is develop a comprehensive human resources strategy that we can propose to U.S. Labor Secretary Elizabeth Dole and to the nation this coming September. As Secretary Dole

said in recent testimony before the U.S. Senate Committee on Labor and Human Resources, "The importance of integrating the lower skilled and less educated into our mainstream economy demands a comprehensive human resource policy."

The Commission was created last July by the former Secretary, Ann McLaughlin. It is a bipartisan group of 21 distinguished people from business, labor, and academia.

Our mission is to make public policy recommendations focused

On education and job training in the public and private sectors.

On the job placement institutions.

On workplace flexibility, for work schedules as well as for support programs such as childcare.

And on changing the employment arrangements to enhance worker involvement and productivity.

The Commission has met twice. Our next meeting is scheduled for next week, April 4, here in Washington. After that we will have meetings June 20 and August 1.

We will hold public hearings in early May:

In Irving, Texas on May 2

Indianapolis, Indiana on May 4

Philadelphia, Pennsylvania on May 9 and

San Francisco, California on May 11.

I hope some of you will come to the hearings and testify. The Commission would be eager to have your ideas and suggestions. If you think you might like to testify, please give me your name and address and we'll send you further details.

Holding the hearings reflects the Commission's desire to reach out to the broadest possible constituency and to hear ideas from well beyond the beltway.

I would like to spend a minute or two talking about the specific kinds of questions we would like to find answers for in some of the topics that lie under Workforce Quality and Labor Market Efficiency.

For example, under "Incentives for Student Achievement," we would like to know:

What incentives can or should be given to students to attend class regularly and to work harder for good grades?

Should teachers be asked by potential employers to write letters of recommendations on behalf of students?

Should employers ask students for their high school transcripts?

Under "Second Chance Education and Training," we are asking:

What is the appropriate focus of government training programs? Some say basic language, math, and job-readiness skills. Others argue in favor of specific skill training because it provides an applied dimension to basic skill instruction. Which is right—or should we do both?

Should universal free basic education for adults become a priority goal of employment and training policy?

Is there a need to increase and facilitate information flows between employers and the education and training communities? What kinds of information?

Under "Financing and Tax Treatment of Education and Training" we would like to know answers to these questions:

How would private sources for student loans respond to changes in the availability of government loans?

What alternative student loan schemes are practical and what role should be delineated for government in each? What are the pros and cons of each approach?

Should there be universal access to loans for post-secondary education?

Should the corporate and personal income tax structures be changed to encourage investment in human capital? If they should be changed, in what ways?

And so on. We want to develop answers to questions of similar nature and intent, relative to the full range of subjects, including:

Matching Workers and Jobs

Enhancing labor force participation through flexibility in the workplace

(That includes flexibility in work schedules as well as family supportive programs.)

And Worker Involvement and Productivity.

Hopefully, this outline has given you some idea of what the Secretary's Commission is all about. My purpose is to have a lot of people looking forward to—and being interested in knowing about—the recommendations we will make to Secretary Dole on Labor Day 1989.

INAUGURATION OF DR. VARTAN GREGORIAN, 16TH PRESIDENT OF BROWN UNIVERSITY

Mr. PELL. Mr. President, this past weekend my distinguished colleague from Rhode Island [Mr. CHAFEE] and I had the distinct honor of participating in the inauguration ceremonies of the 16th president of Brown University, Dr. Vartan Gregorian.

Dr. Gregorian is a superb scholar and exceptionally able administrator. He brings to Brown a wealth of experience in both teaching and administration. Most recently, he was the president of the New York Public Library where his dynamic leadership brought about a complete revival of this venerable institution.

Dr. Gregorian has also served as provost and first dean of the faculty of arts and sciences at the University of Pennsylvania. In addition, he has held teaching positions at the University of Texas, San Francisco State College, the University of California at Berkeley, and Stanford University. It is very noteworthy that during his tenure as the chief executive officer at the New York Public Library, he also taught history at the New School for Social Research.

President Gregorian holds a bachelor of arts degree and a Ph.D. from Stanford University. He is also fluent in seven languages. He is, indeed, a remarkable individual.

This year marks the 225th anniversary of the founding of Brown University, which is our Nation's seventh oldest college. In addition to a nationally recognized undergraduate education program, Brown has a young and well-regarded medical school and an exceptional graduate school.

Following in the footsteps of the very capable leadership of Howard Swearer, I am confident that the stewardship of Brown is in good hands under its new president, Vartan Gregorian. I have known, liked, and admired him for several years, and I look forward to strengthening that relationship even further in the years ahead. He is an individual for whom I have the highest respect, an educator of the very highest caliber, and a person I am proud to call "friend."

Mr. President, on behalf of Senator CHAFEE and myself, I ask unanimous consent that the inaugural address of Brown University President Vartan Gregorian be placed in the RECORD following this statement. It is a compelling message, and one that I commend to my colleagues.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INAUGURAL ADDRESS, VARTAN GREGORIAN, APRIL 9, 1989

Chancellor Way, Mr. Tillinghast, Governor DiPrete, Senators Pell and Chafee, Mayor Paolino, Fellows and Trustees of Brown University, members of the faculty, alumni, students, honorable guests, my dear colleagues and wonderful friends. Thank you for your generous and kind sentiments. Thank you for your friendship and your presence here today.

I would like to take a minute or two to pay tribute to several individuals and institutions: first to my alma mater, Stanford University, and its faculty who gave me an excellent education. I am grateful to my teachers there and to my mentor, Professor Wayne S. Vucinich, who is here today. Thank you Uncle.

I am indebted to the faculities of San Francisco State College, the University of Texas at Austin, the University of Pennsylvania, the New School, and New York University for giving me the opportunity to teach.

I am happy to acknowledge my gratitude to John Silber, President of Boston University who in his capacity as Dean of the College of Arts and Sciences at the University of Texas at Austin, gave me my first academic administrative position; and to President Martin Meyerson and Provost Eliot Stellar of the University of Pennsylvania, who gave me an opportunity to serve that University as the first dean of its Faculty of Arts and Sciences and as the 23rd Provost of the University.

I am similarly grateful to my friend, Judge Louis Pollak, who presided over the ceremonies that gave me the privilege of becoming a citizen of the United States. Finally I would like to pay tribute to three extraordinary individuals—Brooke Astor, Andrew Heiskell and Richard Salomon—and convey through them my gratitude to the trustees and the staff of the New York Public Library for the privilege of serving one of our nation's major educational and cultural institutions—The New York Public Library.

Chancellor Way, members of the Brown Community, I assume the office of President of Brown University with pride, trepidation, hope and enthusiasm, as well as a firm determination to sustain its excellence, maintain its integrity, secure its continuity and serve its future. This is a daunting responsibility for I have reverence for learning and scholarship, admiration for teaching and teachers, respect for the potential of our students as leaders and their quest to become educated citizens.

I consider ignorance a sin as it deprives the individual of knowledge and autonomy, and dignity. Education, learning, and scholarship constitute acts of faith in the continuity of humanity. They honor the past and serve as witness to the future. And after all,

the business of education is the creation of the future.

I am grateful to the Corporation, the Faculty, the students and the alumni of Brown for entrusting its future to me. I thank you for giving me an opportunity to serve you, our youth and our nation. I am honored indeed.

Today is a day of celebration, a day of thanksgiving, and an occasion for rededication. We celebrate Brown. We celebrate the 225th anniversary of the founding of our University. During this period Brown has transformed itself from a small, fragile, parochial, regional institution into one of our nation's outstanding institutions of liberal learning. It has faithful and dedicated alumni, a brilliant student body, a distinguished faculty and devoted trustees. Its slow but phenomenal progress has not been accidental. Generations of scholars, students and educational leaders from James Manning to Francis Wayland to William Faunce to Henry Wriston to Howard Swearer (just to name a few) as well as a long list of philanthropists, alumni and nonalumni alike—people with faith in Brown and its educational mission, people with faith in America, faith in our democracy, faith in our future—have attempted to ensure the stability, the integrity and the continuity of our University.

Brown, Providence, Rhode Island and the U.S.A. have come a long way since 1764 when the Philadelphia Baptist Association approved a charter concerning the founding of a college which later became Brown University. (Among 69 persons designated in various colonies to receive subscriptions to get the College started was Benjamin Franklin.) From 1765 to 1769 the College had one professor. In 1770 tuition was $12 a year and the annual room rent was $5. The population of Rhode Island that same year was 59,678 and that of Providence 4,321. As late as 1827 when Francis Wayland, the fourth President of Brown assumed his post, the College had 3 professors, 2 tutors and 90 students. That same year the property of Brown consisted of two College buildings, used as lecture rooms and dormitories for students. President Wayland wrote in 1850 that "The College has not for more than forty years received a dollar from public or private benevolence. We have a tolerable college not actually starved but in salutory fear of starvation."

In 1827 funds of Brown amounted to $34,000. That fund remained the same as late as 1850. As a matter of fact, the combined number of students in the New England colleges (Bowdoin, Waterville, Dartmouth, Middlebury, University of Vermont, Williams, Amherst, Harvard, Brown, Yale, and Wesleyan) was 1,560 in 1834 and 2,000 by 1850. The total volumes in the libraries of our colleges were 109,218 in 1830 and 270,230 in 1849. In 1844 there was a total of 101 universities and colleges in the United States. In 1765 the population of the United States was 2,240,000 and that of the world some 730 million. Today the total population of the U.S. is 248 million and that of the world is thought to be over 5.24 billion. Currently, the total number of institutions of higher learning in the U.S. is 3,340 and total students enrolled in our colleges and universities is over 12 million. The New York Public Library alone has over 34 million catalogued items.

As we prepare to enter the 21st century, the University and society face awesome and complex problems and challenges. Let me mention at least three of them: 1. Integration of knowledge, 2. Rededication to liberal arts, and 3. the importance of mutualism.

I. INTEGRATION OF KNOWLEDGE

We are moving rapidly to the dawn of an information revolution that may well parallel the Industrial Revolution in its impact and far-reaching consequences. We are told that the total amount of collected information doubles every five years. On the other hand, the ratio of used to available information is decreasing all the time: We are unable to use 90–95 percent of the information supply. Computer specialists estimate that there are now more than 2,000 databases available world-wide to computer-equipped houses and offices. At the touch of a keyboard we are able to have access to more information than we can possibly absorb about any subject. While it is true that attention to detail is a hallmark of professional excellence, it is equally true that an overload of undigested facts is a sure recipe for mental gridlock. No wonder that John Naisbitt, in his popular book, *Megatrends*, bemoans the fact that the world is "wallowing in detail, drowning in information but starved for knowledge."

The situation is further compounded by the fact that the current explosion of information is accompanied by its corollary pitfalls—namely inflation of information, counterfeit information and obsolescence. Under the circumstances the greatest challenge facing modern society and civilization is how to cope with and how to transform information into knowledge. Universities and colleges, libraries and learned societies more than ever before have a fundamental historical and social task to give us not training but education, not education but culture as well, not information but its distillation—knowledge—in order to protect our society against counterfeit information disguising itself as knowledge, and against drowning us with trivia, thus paralyzing our choices and manipulating our society's fundamental institutions which are so necessary for a free, central, open and democratic society.

This is not an easy job. For in addition to an explosion of information and knowledge, we also face dangerous levels of fragmentation of knowledge dictated by the advances of science, learning and scholarship. Max Weber criticized the desiccated narrowness, the absence of spirit of modern society's intellectual specialists, leaving modern thought no alternative but to accept the logic of the process that there is no knowledge but specialized knowledge. This is a phenomenon, which Ortega y Gasset described as early as the 1930's in his *Revolt of the Masses* as "barbarism of specialization." We have today, he wrote, more scientists, scholars and professional men and women than ever before, but many fewer cultivated ones. The university which was to embody the unity of knowledge has become intellectually a multiversity; the concept of an educated and cultural person has also been fragmented. Furthermore, the unity of knowledge has collapsed. We are referring now to a multiplicity of literacies—analytical literacy, computer literacy, mathematical literacy, geographical literacy, scientific literacy, civic literacy, technological literacy, etc. (There are currently over a thousand different undergraduate majors and programs offered in America's colleges and universities.) We know that there is more to learn now than in the 17th century, yet we insist in our determination that it is still possible to educate and to train individuals in four years.

Brown's fourth President, Wayland, was one of the first educators to point out the dilemma of the modern university: "The amount which the College is required to teach is doubled, if not trebled, but the time in which all this is to be done, remains to a day just as it was before." There are simply too many facts, too many theories, too many subjects, too many specializations, to permit arranging all knowledge into an acceptable hierarchy. Under the circumstances the faculties of the Universities are confronted with difficult choices in balancing between analysis and synthesis, methodology and relative value of course content, thus placing more responsibility on the student. Today, universities face the challenge of resynthesizing the compartmentalized knowledge of separate fields by promoting both interaction and productive research and teaching collaboration among the disciplines and their practitioners. For clearly our age of excessive specialization and fragmentation of knowledge does not call for abandoning specialization. The remedy is a synthesis: the fusion of particulars.

Specialization requires integration. They are not mutually exclusive. This is not an easy task however. We must transcend the rigid boundaries separating the humanities and the social sciences, the humanities and the arts, the humanities and the sciences. We should get rid of the notion that there is and must be an endemic conflict between science and humanities, or at least between scientists and humanists. To condemn science as purely quantitative while reserving for the humanities the sole jurisdiction of qualitativeness is to indulge in uncalled-for snobbishness. It reminds me of the Anglican Bishop who told the Episcopal Bishop: "Brother, we both serve the Lord. You in your way and I in His."

The scientific passion for verifiability, the habit of testing and connecting the concept by its consequences in experience, I think, is just as firmly rooted in the humanities as in the sciences. We must remember that without scientific knowledge, choice and freedom would be woefully restricted.

The questions of integration of knowledge once again highlight the importance of liberal learning and the unity of the Arts and Sciences.

II. REDEDICATION TO LIBERAL ARTS

Justice Felix Frankfurter once remarked that "the mark of a truly civilized man is confidence in the strength and security to be derived from an inquiring mind." That is why I believe in the importance of a liberal arts education.

A liberal education does more than acquaint students with the past or prepare them for the future. It gives them a perspective for reflection upon the nature and texture of their own lives. It provides them with standards by which to measure human achievement and to recognize and respect the moral courage requried to endure human anxiety and suffering.

Related to the debate of the role of higher education in general and a liberal arts education in particular is also the quest of U.S. higher education—to find a golden mean between narrow professional training and broad humanistic education. For there are serious dangers in the renewed and unilateral emphasis on narrow, one-dimensional, vocational and preprofessional college education, even though we recognize the harsh economic realities that force it upon stu-

dents. Nevertheless, as Professor Roland Hoffman (the 1981 winner of the Nobel Prize in Chemistry) stated, addressing students about the question of excessive professionalism:

"Don't let the future constrain you. You will determine it . . . be intellectually adventurous.

"The world will wait for you to choose a profession. . .

"By grasping the richness and diversity that is offered to you, you stand to gain a depth of understanding of our culture and that of others that will give you a firm and rich foundation for living in our complex world and for improving it."

For if ever the world cried out for breadth of view and length of perspective, surely it is now. If ever there was a danger that a narrow professional view would make people insensitive to the needs of all outside their particular professional enclosures, there is such a danger now. We are becoming once again over-supplied with careerists and technocrats of one kind or another. Of course, specialized skills are vitally important. Of course, there is little good in learning that there is much that needs mending in the world without acquiring any notion of how to go about the practical task of repair. But, there is also not much point in becoming a highly skilled fixer yet wholly without ideas or convictions as to what needs fixing or why. We ought to realize that a lopsided education is both deficient and dangerous; that we need a proper balance between preparation of careers and the cultivation of values; that general and liberal education must be the thread that ought weave pattern of meaning into the total learning experience because, unless such a balance is restored, career training will be ephemeral in applicability and delusive in worth, and value education will be casual, shifting and relativistic.

Proper and balanced education is not to be conceived as a passive act, an end unto itself. It is a means to action. It is not all that good to be cool. It is important not only to be able to engage in new ideas but to be willing to make a public declaration of one's conviction, one's commitment and then translate them into actions and deeds. In the words of Oliver Wendell Holmes, Jr., "A life is action and passion. It is required of a man that he should share the passion and action of his time at peril of being judged as not to have lived."

The value of education lies in its task to enhance men's and women's powers of rational analysis, intellectual precision and independent judgment, and in particular to encourage a mental adaptability, a characteristic which men and women sorely need, especially now, in an era of rapid change, easily drifting toward homogeneity, leveling and mediocrity. We must remember that what liberalizes a fact is the quality of the mind that deals with it. And if education cannot train the mind to apprehend relations between facts and problems of the past and those of the present, then there is no such thing as liberal education. Education is the use of the mind.

A proper education must teach us the best our culture has taught, said and done as well as the dead ends and aberrations that clutter our history. It must help us understand the sweep of our culture, the achievements, the problems, the solutions and the failures that mark its history. This kind of knowledge is critical to our understanding of who and what we are because of our past. For if we care where we are, if we care where we are going, we have to understand our past. It must allow us to understand the nature of American polity, a pluralistic and multicultural society—in which the unique can participate in the universal without dissolving in it. It must serve as a tool of enlightenment and hence an instrument for individual as well as collective and continuous self-determination and liberation from political, economic and social ills. It must serve as the vehicle of the American democracy and its unfinished and continuous agenda—by allowing means to those who on the basis of either race, sex, or age have not been able to partake in the socio-economic and cultural benefits of the American society.

At the heart of a liberal education is the act of teaching. Teaching is a process continuous with scholarship, informed by it and in turn stimulating its pursuit. Good teaching is not only compatible with scholarship but like it, scholarship both informs teaching and benefits from it. Teaching is an act of convening, for the purpose of making a covenant. I agree with Erik Erikson when he speaks of human beings as the "teaching species"—for facts are kept alive by being told, logic by being demonstrated, truth by being professed.

III. MUTUALISM

More than ever, we are in need to recover a sense of the wholeness of human life and understand the human condition. Every human being needs direct personal contact with the great stories, myths and factions of the human race, an encounter with history in order to begin to know oneself and to sense the potentialities that lie within one's reach and the reach of other human beings. We must uncover the riches of the human soul and know about what distortions the human is capable of. We must know about the great liberations we can achieve and what it is to be a human being, what is possible, what can be. We know these through the lives and actions of individuals who speak to us by means of art, through the pages of literature, and history, annals of science, through vivid acquaintance with adventures of the human spirit, and the concerns about the individual as a human being and his or her journey through this life and the individual's place in the universe.

Blaise Pascal wrote movingly about this, the human condition:

"When I see the blindness and wretchedness of man;

When I regard the whole silent universe a man without light, left to himself, as it were lost in his corner of the Universe;

Without knowing who has put him there;

What he has come to do;

What will become of him at death; and

Incapable of all knowledge, I become terrified, like a man who should be carried in his sleep to a dreadful desert island, and should awake without knowing where he is, and without means of escape. . . ."

Commenting on the loss of this totality and fragmentation of man himself, Friedrich Schiller wrote:

". . . Eternally chained to only one single little fragment of the whole, man himself grew to be only a fragment and instead of imprinting humanity upon his nature, he became merely the imprint of his occupation."

Along with the fragmentation of knowledge, and the loss of a sense of totality, we face another major challenge, which was so eloquently articulated by President Richard Warch of Lawrence University. According to him, there is a tendency in our educational systems to treat matters of judgment, taste, and value as either irrelevant, or ancillary. As a result we have a situation in which judgment gives way to opinion, taste to preference, and value to feeling. Whether confronting hard ethical choices in public policy, or issues of personal identity as psychology, or questions about beauty as art or literature, or problems of environmental consequences, the sciences, we need to admit questions of values to the arena of discussion and debate.

The moral argument of a poem, the social implications of a political system, the ethical consequences of a scientific technique, and the human significance of our responsibilities should have a place in the class rooms and dormitory rooms. To deny that place is to relinquish any claims or an attempt to link thought and action, knowing and doing.

We cannot privatize morality nor relegate it to the realm of private choice or so-called "life-styles." Tension between morality and politics is real and we must confront it. We cannot retreat from the big issues of society and our time to the "pygmy world of private piety." We cannot be social, political and moral isolationists. Nor can we reduce ourselves into social-Darwinistic atomized sociobiological units. . .

Education is properly perceived as a liberating force, a means towards freedom, affirmation of life, freedom of individuals from the limitations of ignorance, prejudice, place and time. However, we must remember that no one is an island. In the words of Albert Schweitzer, "affirmation of life . . . is the spiritual act by which man ceases to live unreflectively, to affirm life is to deepen it, to exalt the will to live." We have no choice but to end the imprisonment of the self and concern ourselves with those outside our moral enclosures. We need a moral center, not a moral enclosure. We need to be capable of moral outrage and sensitive to the pain and sorrow of our fellow man and woman. It is important not only to be able to engage in new ideas but to be willing to make public declarations of one's convictions and commitments and then translate them into actions and deeds.

We cannot be bullish on ethics. It has no bottom line. It is not a commodity. Ethics is acquired. One's character is formed throughout one's life. It cannot be bought and it cannot be gotten through one or two courses taken in a law, medical or business school. We have to build meaning into our own life and build it through our commitments. Beware of manuals and fast-track recipes! There are not 50 great moments on ethics!

Alexis DeTocqueville, in his Democracy in America, coined the term individualism to describe the American character. He believed that the delicate balance between freedom, equality and social order must be weighted by enlightened self-interest, public morality and patriotism. He had hoped that long-term self interest and compassion would override short-term gratification and excesses of materialism and that individuals would learn that what is right is also useful.

In a healthy individualism and the individual there is a balance between the personal component of the self and the community or the social component. Neither component can exist by itself. In separation each is an astraction with no content.

De Tocqueville's "enlightened self-interest" makes it incumbent upon us as moral and spiritual human beings to distinguish between integrity and compromise, justice

and injustice, personal gain and public interest, means and ends, good and evil. The absence of intelligence, commitment and choice will always weaken our social bonds and hence weaken our society and our democracy.

I must remind all of us that our forefathers founded a land of opportunity, not a land of opportunists. They wrote the Constitution with the faith that the ordinary citizen was committed to the accomplishment of extraordinary acts.

The philosopher Henry Bergson once remarked that man has a tremendous "reservoir of indetermination" and that our power of choice for good and evil is enormous. It is through choices that one becomes an individual. We must, therefore, remain mindful that moral values and social ideals do not take root in the dry sands of materialism.

During the past three centuries colleges and universities in America—especially since the foundation of the land-grant colleges under the Morrill Act of 1862—have been the backbone of our nation's economic, cultural, scientific, technological, social and political progress. The American university has been able to accommodate so many in so many ways but also to prepare so many as well as possible for the nation's labor markets, its managerial and professional force. It has democratized access to higher education and nationalized opportunity.

Now, in the midst of the explosion of information, knowledge and complex challenges facing us, the American university cannot afford the luxury of transforming its first two years of instruction to meet the woeful inadequacies of our public school system. We cannot afford to relegate 50 percent of the university's time and resources to remedial work. We must help rescue our public school system. They must teach the core of our culture in its unity and diversity; they must teach our students science, logic, mathematics and biology. The universities in two years cannot do justice to 12 years of neglect in learning. We are our high schools' keepers; we must take—the nation must take—preventive measures to reform, strengthen and in some instances rescue our high school system. At a time when 850,000 of our young drop out and others are ill prepared for the complex society of the 21st century, we cannot condemn our youth to economic and technological subjugation or witness passively the emergence of a permanent underclass.

We cannot afford to see our society and our educational system drift apart into two separate but unequal worlds. Nor can we afford the luxury of having 23 to 30 million functionally illiterate Americans and rank 49th amongst the 160 members of the United Nations.

Both of these problems present our nation with both moral and economic imperatives.

Some 150 years ago, the New England divine, Edward Everett—minister, scholar, orator, politician, President of Harvard, a leading conservative of his day—delivered a famous speech:

"There are two roads by which a society can travel when it comes to the question of education." One, the route most other nations had followed, was to treat education as a luxury for a small privileged class of wealth and leisure. By that reckoning the fortunate few would "Let learning creep in with luxury and dispense its blessings to those it chose worthy of the honor. They would do so out of the surplus of vast fortunes." That, Everett intoned, was not the American Way. "The American Way was to make the care of the mind from the outset a part of its public economy, the growth of knowledge a portion of its public wealth."

This must be done. We cannot afford to fail.

I am proud of the fact that Brown University is providing leadership in this realm: Our Coalition of Essential Schools is engaged in a national, major and concerted effort to reform and restructure our nation's secondary education system.

I am proud that Brown University through its Institute for Research in Information and Scholarship (IRIS) and Center for Information Technology (CIT) are assisting in the integration of technology in and preparation of computer-based instructional materials for our high schools.

I am proud of the fact that 25 percent of our student body (some 1,200 students) provide some 18,000 hours of volunteer work to our community.

Finally, I am proud of our student body's idealism, the faculty's commitment to teaching, to research, to scholarship, and to excellence.

I have come to Brown to lead. I am gratified by your response.

I usually end all my speeches with a favorite quote from Sheridan's *The Critic* "that the number of those who undergo the fatigue of judging themselves is precious few."

It is Brown University's honorable mission to increase the number of those who undergo the fatigue of judging themselves.

The PRESIDING OFFICER. The Chair advises the Senator from Nebraska that the 5 minutes yielded to him by the Senator from Massachusetts, who is controlling the time, has expired.

Mr. KENNEDY. Madam President, does the Senator from Nebraska want 2 more minutes?

Mr. EXON. Three additional minutes.

The PRESIDING OFFICER. The Senator may resume.

Mr. EXON. Many of those citizens I was just referring to are prevented through causes over which they have no control from bettering their educational training level. A raise in the minimum wage will help those individuals lead a better life and the time is long since passed to give those workers some semblance of an even break.

I am not fond of efforts to create a subminimum wage. I have been intrigued by the labeling of such efforts. Initially, the wage was called a "training" wage by its supporters. Now, I hear that it is referred to as a "new hire" wage. That change is an outright admission by supporters that the 6-month subminimum wage in the President's proposal has little if anything to do with training.

In most States, we have now and will continue to employ a special lower-than-minimum wage for students that equates to a "training" wage for many young people.

I used to own a small business, and I know that in running a business the minimum wage is what you pay your new employees who cannot command a higher salary. In my view, the minimum wage is the training wage.

The stairs to a better salary should not include steps down into a basement. The President's proposal for a 6-month subminimum is but a recognization that many employers give their minimum wage employees a raise after a short time. There is no need for Congress to mandate when employers must increase an employee's salary.

There are clearly those who are in favor of the concept of a training, new hire, or subminimum wage and, at their urging, I am willing to give the concept a try. The proposal that has been submitted in the substitute for the minimum wage bill is an honest effort to compromise with those who support the concept and I can support the proposal when it is held in that light.

Madam President, the time is right for a minimum-wage increase. Let us pass this bill and send it to the President. I yield the floor.

CONCLUSION OF MORNING BUSINESS

Mr. MOYNIHAN. Mr. President, I see that there appears to be no Senators wishing to speak in morning business and the hour for that has past, and I wonder if we may not now resume consideration of the amendment of the Senator from Colorado.

The PRESIDING OFFICER. The period for morning business is concluded.

MINIMUM WAGE RESTORATION ACT

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, which is S. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

Pending:

Armstrong Amendment No. 22, to amend title II of the Social Security Act to increase the monthly earnings test limit, and to express the sense of the Congress regarding the phase-out and elimination of such test by the year 2000 for individuals who have attained retirement age.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 22

Mr. MOYNIHAN. Mr. President, I thank the Chair.

As we resume what I believe will be a brief exchange on the amendment of the Senator from Colorado, our distinguished colleague of the Finance Committee, Senator ARMSTRONG, I would like first to express one Senator's appreciation for his courtesy in this debate and for the remarks he made

about the Finance Committee last evening toward the end of our discussion. I can only endorse his views and express appreciation on the part of this Senator and I think this side of the aisle that in our long association in the committee, we have come to respect one another and work together on so many things that we can differ when we do in the way we are doing.

In that difference, Mr. President, it should be clear that those of us who cannot support the amendment understand we, all of us, this Senator included, proposed just exactly such a measure that the sense-of-the-Congress provision of the pending amendment envisages, when the 1983 Social Security legislation passed the Senate and went to conference.

On the other hand, sir, I do note, and I must insist that in conference with the House the House resisted and declined and so we compromised as we do in these matters which are open to compromise where we are talking resources, income, tax rates. We said we would move the reduction of benefits ratio from the $1 for every $2 earned above the exempt amount, as it is called, that amount under which there is no loss of benefit; we would move it from $1 for every $2 in excess earnings to $1 in $3, commencing the first of January 1990, which is the date on which the major part of the amendment of the Senator from Colorado would take effect.

As I observed yesterday, that will bring the retired worker with an average income in 1990 an extra $2,037 in benefits right off, done. It has been in a statute for 6 years now or the better part of it.

The proposal from the Senator from Colorado adds a mere $320 to the already $2,000 plus. And so we are talking about a marginal increase in annual benefits for persons whose incomes are almost by definition adequate. They have Social Security benefits and they are earning, they are in the marketplace. As best we know about persons still employed after retirement age of 65, they tend to be persons in the professions, persons with special skills and interests in their activities, which is to say persons with the upper incomes or in the upper range of incomes; not rich persons, but there are some of those, too, no doubt. But they are not the persons you would look to as say, being in any particular necessitous circumstances.

But the amendment would also cut benefits for others, and we don't really know who they are. We must be clear on this. As the distinguished chairman of our committee has made this clear, with an implacable clarity, Mr. President—I repeat, with an implacable clarity—Senator BENTSEN has said we are cutting benefits; workers filing for Social Security who are not entitled to certain benefits will no longer be should this amendment become law, and it will be the first time to my knowledge—I stand to be corrected, and I would hope to be corrected if I am wrong—it would be the first time in the history of the Social Security Act now into its second half-century that we have cut benefits on the floor of the U.S. Senate without hearings, without information, and evidently without concern.

Mr. President, I cannot accept this and although I know that the opinions will differ, I must record that I will vote in opposition.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Texas, Senator BENTSEN.

Mr. BENTSEN. Mr. President, the distinguished Senator from New York who is as knowledgeable as any person in this body on Social Security obviously feels very strongly about this issue, and so do I. What we have here is an objective that I think is supportable by itself—examining the earnings test and trying to increase it. I would like to do that. I would assume the Senator from New York would also be interested in working toward that end.

We have already made a very meaningful improvement in the situation by having the rate of reduction go from the 50 percent today to 33 percent next year. That change will substantially benefit those Social Security beneficiaries who are working.

So those are positive steps in the direction the Senator from Colorado wants to go and so does the Senator from Texas.

But I cannot go along with coupling that with cuts in Social Security benefits—and that is what this amendment does. This is cutting the Social Security benefits of approximately 100,000 people a year.

Who are these people? They could be someone who is ill, who cannot exercise their right to file for benefits at the proper time. It could be someone who was misinformed. It could be someone who is uneducated, who does not understand the law, who does not know the appropriate month to file an application which will result in the maximum benefits under Social Security, now under present law, we have a safety provision put in there—an option which we put in there to protect those people so that they can reach back and collect up to 6 months of those benefits that they would otherwise have lost.

What you are talking about is hitting those people for approximately $150 million a year; that is 100,000 people.

The proponents of the amendment say, "Oh, but we are going to benefit more people. We are going to benefit 640,000." Yes, you are, but you are going to benefit each of them a lot less. And that 100,000 people are going to take big hits; they will lose substantial amounts of money.

This amendment hurts, in many cases, people who will be the poorest of the beneficiaries of Social Security, the ones most prone to not have the knowledge of the law. Those are the ones who will not file in the appropriate month. Those are the ones who are taking the hit under this amendment.

As my friend from New York says, I cannot remember when we have had someone come to this floor and want to cut Social Security benefits.

I can see the 30-second television spots. I know where we are headed in this type of a vote. Some of the campaign committees will make a 30-second spot that says, "He voted against increasing Social Security benefits. Then I can see the 30-second spots on the other side. "He voted to cut Social Security benefits." And each of those spots will be true as far as they go. That is the kind of politics that we see these days fought on television in campaigns.

Sure, my friend from Colorado has a meritorious objective. I understand that. But I do not think it has been thought through as to what it does on the other side in a negative way in cutting benefits. And that is what we ought to keep in mind.

I have asked time and time again: Tell me who these people are. Tell me who these people are. Tell me exactly how they are going to be hurt. And I get varying answers. It is a technical area, a tough area. That is why we try to protect Social Security from these kinds of amendments on the floor of the U.S. Senate. That is what we have committees of jurisdiction for. That is why we bring in experts to testify as to how this specific piece of legislation is going to affect Social Security beneficiaries. And that is where it ought to be decided—in committee.

I will be very happy to have hearings on this, examine the objectives, try to understand this option better for those people that would take hits, we need to find out who would suffer under this amendment, who would find their meager incomes cut even more, because they have made a small mistake—because they were not able to file in the appropriate month we ought to learn who it is that will have to pay a price for it because of an amendment passed on the floor of the U.S. Senate.

What happens to the amendment when it goes to the other side? I do not know with any certainty, but my guess is that the Ways and Means Committee, which certainly feels they have jurisdiction just as the Finance Committee has jurisdiction, will ask for a sequential referral. The bill will be sent to them, and the amendment

will be dropped. This whole exercise will have been for naught.

So I strongly urge my friends in this Senate, people who are concerned about the sanctity of the Social Security Program, about the protection of it, to vote against this cut in Social Security benefits. Give us a chance in the committee of jurisdiction to examine the merits. Let us try to find a way to continue to protect against a contingency where someone has slipped up and not filed in the appropriate month, so that they will not have to give up the benefits that the law presently allows them. I urge that this amendment be voted down.

Mr. ARMSTRONG. Mr. President, both the Senator from Texas and the Senator from New York have been most gracious and most courteous toward me and to the others that have offered this amendment. I want to respond in the same context and again express my admiration to them and to again acknowledge that our hearts are in the same place.

There is no doubt in my mind that both Senator BENTSEN and Senator MOYNIHAN are as eager as I am not only to raise by $1,000, as this amendment will do, the earnings limit, but in the long run to get rid of it because it is unjust, it is unfair, it is an anachronism. On previous occasions both of these two distinguished leaders of this body have voted to do so and there is just no doubt in my mind that that is where we are going.

It is going to happen. I believe there is a reasonable chance it will happen on this bill. I think there is a reasonable chance the amendment will be adopted by the Senate. And if that happens, while I recognize the House might blue slip it, that it might get a sequential referral, that it might get lost between here and the other side of the Capitol, I do not think that is inevitable. In fact, there is strong reason to believe there will be enough interest on the part of Members of the House that the conferees from the House will be encouraged to keep this in the bill.

I have already consulted with some of our brothers in the House. I met briefly on this matter last night with a senior member of the House Ways and Means Committee who assures me that if the Senate, in its wisdom, decides to adopt this amendment that he will do everything he can to make it possible for this to be kept in the bill.

But I must express a degree of surprise at the observations about the retroactive retirement portion of the amendment. This has been characterized somehow as a novel idea, as an idea that represents a cut in benefits; that somehow it is the kind of thing we have never heard of.

Well, unless memory completely fails me, the Senator from Texas, who has expressed this concern, has previously voted for a similar amendment. Maybe there are some things that have changed since that occurred.

But this is not a new idea. It is an idea which has been under discussion and under consideration for a long time.

I believe I pointed out in my statement yesterday that about a decade ago we did away with virtually all of the retroactive retirement benefits in the Federal system. We did keep a vestige of it in the Social Security law, although it was the position of the Senate that it ought to be phased out and, in fact, many of us voted to do exactly that. It was changed, in fact, it was first proposed by the Senate and then changed in conference. I do not recall whether there were extensive hearings at the time, but, really, there is no reason for extensive hearings. This is a matter that is well understood and has been looked at very carefully.

I just want to make this point: It does not cut the benefit of any person who is now receiving a benefit. Nor does it, in some sense, treat unjustly a potential future retiree.

The idea of a retirement program is that when you retire you begin to draw a retirement income. Retroactive retirement is not per se fair, in my opinion.

I am not the only one who has this opinion. In addition to the vast majority of Members of the Senate, in fact it seems to me that the last occasion on which I am aware of that this matter was voted on, it was contained in a bill which passed by a margin of 83 to 4. At the time, so far as I can remember, there was no discussion of this matter. It was not an item of controversy at that time.

However, it is not just Senators who have looked at this matter. I want to again remind my colleagues that not only have the groups which are the most thoughtful about retirement benefits endorsed the Social Security earnings limit portion of my amendment, they have also specifically endorsed the retroactive retirement portion of the amendment.

Let me quote from the letter which I had printed in the RECORD yesterday from the American Association of Retired Persons and I do quote, "AARP believes that the offset in the amendment is a reasonable one."

In addition, the National Committee to Preserve Social Security and Medicare, an aggressive protector of Social Security beneficiaries, spelled out in some detail why they support the amendment and I would like to quote briefly from their statement. They state:

> We believe the proposed limitation of the retroactive retirement benefits to those over age 65 and their dependents will not cause undue hardship, particularly if public education efforts alert older workers to this change. At the same time the proposed increase in the earnings limit has the long-range potential for vastly improving the economic status of low-income older workers. Our support for your amendment is based on our evaluation of this cost/benefit equation.

Mr. President, some of us in this room remember a great entertainer, Jimmy Durante. He entertained generations of Americans all through his life and when he was in his seventies, people thought he might retire; and when he was in his eighties they thought he might retire and finally someone said to him: "Jimmy Durante, are you ever going to retire?"

And he said, "Well, no. I don't need the money, but I need the work."

Mr. President, there are billions of our fellow citizens who may not need the money, though many of them do, but who need the work. I am convinced that the justice of the Social Security earnings limit issue is both economic and personal.

The economic side of it is very clear. We are talking in a lot of cases about people who do not make very much. One of the speakers said, and I made a note of it because it just rubbed me the wrong way, that we are talking about persons whose income is adequate.

I guess that is in the eye of the beholder but in my view a lot of the people we are talking about, millions of them in this age bracket, in this income bracket, who find themselves faced, as a result of the earnings limit test, with a marginal income over 80 percent, these are not wealthy people. These are people whose income is in the $10,000 to $25,000 a year income bracket. That may be adequate in somebody's opinion. Certainly it is not a starvation kind of income. But it is not generous, it is not wealth. And when we tax the wealthiest wage earners in our country at 28 percent, to suggest that people in this particular income bracket and age bracket ought to be taxed at marginal rates of over 80 percent seems to me to be incredibly unfair. That is exactly what we are doing when we have a one-for-two offset of Social Security plus even a 15-percent Federal income tax plus FICA on earnings plus State income taxes.

The Senator from New York correctly points out, and I acknowledged in my statement yesterday, that this is scheduled to improve under the existing law from a one-to-two offset to a one-to-three offset. That is certainly a step in the right direction.

My amendment is another step in the right direction, and I am glad that he pointed it out, because I intended to again this morning, that in addition to raising the earning by $1,000, the amendment expresses the sense of the Senate that we ought to do away with

it altogether over a period of time. That, in fact, is my ultimate objective.

Mr. President, the Rochester Democrat & Chronicle said:

> What's wrong with a limit? For starters, it's an earnings limit, not an income limit. Those who have huge incomes from pensions or investments don't lose a dime in Social Security benefits. Those who earn more than $8,160 a year bagging groceries do.
>
> The limit is a work tax, pure and simple. Who can justify a 50 percent tax on some of the neediest Americans, while the Tax Reform Act of 1986 guarantees a top rate of 28 percent for the wealthy?

The same observation from the San Jose Mercury News, from the St. Louis Post-Dispatch, the Washington Times, the Baltimore Sun, the St. Petersburg Times, that wrote: "The earnings cap is an outmoded concept. * * *"; The South Bend Tribune, Dallas Morning News, the San Diego Tribune, Detroit News, Los Angeles Times, Forbes, the Cincinnati Enquirer, Houston Post, the Indianapolis Star, the Wilmington News Journal, the Register Guard, and on and on and on.

Mr. President, this is an idea whose time has come. Let us vote for it and then let us encourage our colleagues in the House to accept it in conference.

The PRESIDING OFFICER. The Senator yields the floor.

The Senator from New York.

Mr. MOYNIHAN. Mr. President, I believe we have had a good and fair debate on a matter which I think, as the distinguished Republican leader said last night, is likely to be with us for much of this Congress. And so, sir, in the absence of any Senator on his feet or her feet wishing to speak—I see the distinguished Senator from Colorado?

Mr. ARMSTRONG. Mr. President, we have on our side one Senator who indicated he might wish to speak. If we could have a moment I will ask someone to call his office and see if that is still his desire.

Mr. MOYNIHAN. Most assuredly and, Mr. President, perhaps I could take that moment to speak on behalf of the chairman who is necessarily away from the floor at this moment, and myself, to say that we do appreciate the courtesy which has been extended us in a matter where we understand the thrust of general perception.

I do want to make two points, however. One is substantive, the other you might say procedural. You might even say political.

I would hope that there might begin to develop a wider appreciation of the degree to which the Social Security retirement benefit represents a transfer of income from working persons to retired persons as against simply the earnings on retirement contributions made during working years.

I said yesterday and will say again today that, while actuaries have legitimate professional differences, they tend to agree that at least 75 percent of retirement benefits overall represent, in effect, a grant. A grant willingly, cheerfully made, but not a return on investment and savings during a lifetime, which a private pension by definition, in most cases, does. So, when one reduces this grant somewhat in the context of a higher income stream that comes about through continued employment, one is not taking away anything, one is simply giving less.

This is a social contract between generations. We have worked this out. But it ought to be understood that it is a contract between generations and that the working-age population has a right to some consideration also.

The other thing I say, Mr. President, with no indirection or no excessive indirection, we have heard an organization for which we have a great deal of respect endorse this measure which the chairman has stated with great forcefulness and cogency is an amendment on the floor which clearly avoids the committee's jurisdiction so that we really do not know what we are doing.

We do not know who these 100,000 persons are who will lose benefits. We know very little of the characteristics of the 600,000 who will gain. We have never had the Social Security Administration, the actuaries look at it for us or the program managers look at it for us. We have never asked the administration what their views are.

Well, as a matter of fact, informally I did, and they do not have any. So we do not know what the President thinks. We do not know what the Social Security trustees think. And I say again, to my almost certain knowledge, in 54 years this is the first time we have ever cut benefits in the Social Security system by means of a nongermane amendment to another bill, where the committee of jurisdiction has never had a chance to inquire, hear what the administration thinks, to hear what the interest groups think.

This may seem an easy thing to support today, but remember, those who support it today put in place today the future day when someone stands up on the floor and says: I have a good proposal. I have an amendment to cut cost of living allowances in order to pay for child care or some other enthusiasm of the moment. And when the committee chairman stands up and says, well, we have never heard this proposal before. We do not know what it will do. We cannot be sure whether it is a good idea at all. It sounds like a bad idea to me. Well, the precedent would have been established that the Senate cuts benefits through amendments that have not been studied, much less heard or reported out of the Committee on Finance.

I do not think that is a good precedent. If I were an official of an association representing retired persons, I would not wish to see the precedent established that Social Security benefits can be cut by an amendment on the floor of the Senate where the chairman of the Committee in Finance stands up and says I do not know what this amendment is, I do not know who it affects. I do not think we should cut benefits in this manner.

That is a precedent which I do not think retired persons will live to feel was a useful one. Indeed, I think it would be a dangerous one and I thank the Chair.

Mr. DOLE. Mr. President, I am pleased to cosponsor this amendment which takes a symbolic first step toward eliminating one of the most unfair and counterproductive provisions of our laws: The Social Security earnings limit.

On our first legislative day of this Congress, Senator ARMSTRONG joined with me and others in introducing legislation which would completely phase out this limit over 5 years, beginning with $3,000 annual increases. The amendment which we are offering today is a one-time increase in the earnings limit of $80 per month, or $1,000 per year, effective this August. Accordingly, this amendment complies fully with the Budget Act which prohibits increases in entitlement programs in years for which a budget resolution is not in effect.

Moreover, the amendment pays for itself in fiscal years 1989 and 1990 by eliminating a short-term windfall which actually penalizes retirees over time: the retroactive month of retirement. During this period, it is our hope that the Congress will adopt a permanent solution to the earnings limit problem.

Although this amendment is only a beginning, it is an appropriate one. It is generally agreed that any increase in the minimum wage would have a ripple effect on wages throughout the salary scale. However, wage increases do not merely ratchet elderly workers into slightly higher tax brackets. In 1988, for example, there is a penalty tax on any earnings of a Social Security recipient which exceed $8,880. And this penalty is imposed in addition to his regular tax liability. At its worst, therefore, the earnings limit can result in marginal tax rates as high as 102 percent.

More inportantly, this amendment also includes a sense of the Senate resolution that the Social Security earnings limit should be increased annually until it is finally eliminated by the year 2000. Although this phase-out is slower than I would like, it represents an important acknowledgment by Members of this body that the earnings limit is an unfair tax burden on many of our most productive citizens.

Finally, this resolution also signals our commitment to increase the delayed retirement credit from its current inadequate level of 3 percent to a fairer 8 percent. As our population ages, it will be increasingly important not to discourage elderly workers from continuing to work simply because they are not willing to sacrifice a portion of their vested benefits.

The elderly have already endured decades of hard work. They have paid regressive Social Security taxes throughout their working lives. If we want to enact legislation which is kinder to American workers, we should begin at once with the elimination of this unfair penalty.

Mr. President, a vote against this amendment in any form is a vote against the more than 800,000 retirees whose modest wages are now subjected to confiscatory taxation.

Mr. HELMS. Mr. President, I am very pleased to be a cosponsor of the amendment offered by the distinguished Senator from Colorado. As he has said, it is an idea whose time has definitely come.

Mr. President, if there is one concept that should be beyond dispute in this great country, it is that people should be encouraged to work. The Social Security retirement earnings test, however, punishes older Americans for remaining in the work force after the age of 65.

I recognize that when the country's labor pool exceeded the demand for workers, it might have made sense to offer incentives for older workers to make room for younger workers. However, in light of the shrinking labor force in the years to come, it makes no sense to continue policies which ignore the expertise and experience that can be gained from older workers who are willing to continue working.

Mr. President, I have seen persuasive estimates indicating that when the retirement earnings test interacts with income taxation of benefits, the marginal tax rate on Social Security recipients, is approximatly 85 percent. This virtually forces older Americans to retire, whether they wish to or not and regardless of their capabilities.

At a time when older Americans are facing increased health care costs, higher insurance costs, and many other financial burdens, it only makes sense to give them as much encouragement as possible to remain in the work force. Senator ARMSTRONG's amendment is a step in that direction.

I hope this amendment is only the first step toward complete elimination of the retirement earnings test. When that is accomplished, many older Americans will be freed from an unnecessary, oppressive financial disincentive for them to work. It will give the Nation the benefit of the expertise and experience of older workers. Furthermore, it will make the Social Security Program easier to understand and less costly to administer.

Mr. President, again, I commend the Senator from Colorado for his leadership on this issue, and I look forward to working closely with him toward the total elimination of the retirement earnings test.

Mr. President, at this point I ask unanimous consent that two articles written by Senator ARMSTRONG be printed in the RECORD. The first article appeared in the January 21, 1988 edition of the Denver Post. The second article appeared in the Denver Senior Edition.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Denver Post, Jan. 21, 1988]

STOP GOUGING THE ELDERLY

(By William Armstrong)

The Denver Post, in its first editorial of 1988, recalled the United Negro College Fund slogan that "a mind is a terrible thing to waste."

The Post is correct in observing that's true whether the mind belongs to an eager young student or a wise, experienced older American.

I have made exactly the same point in my efforts to undo the grossly unfair and counterproductive double tax on America's working elderly: the Social Security Earnings Limitation Test.

As the new session of the 100th Congress convenes this month, we should make repeal of the earnings test one of our New Year's resolutions. It imposes a marginal tax rate of more than 70 percent on about 1 million of our most experienced, talented and productive citizens.

How does it work?

To anyone age 65 to 70, the government says: "You can earn only a little bit of money by working. If you are too productive and earn to much, we will cut your Social Security in half." That's right: for every $2 earned above the arbitrary unit ($8,100 in 1987 and $8,400 in 1988), a working American in this group will lose $1 in Social Security.

The practical effect of this law is to force elderly citizens into retirement. After contributing to Social Security for decades and reaching age 65, they are presented with a stark choice: Eliminate virtually all significant earnings or face big cuts in the benefits to which they're otherwise entitled. It is a cruel choice between a productive life or the benefits they're counted on for decades.

One senior citizen who recently wrote to his congressman about the earnings test described in detail his financial situation after retiring from a major oil company. He wanted to operate a part-time consulting business with his wife, to stay active and continue to use the knowledge he had accumulated over a lifetime.

But after analyzing the hard financial facts, he realized that his little enterprise would be too productive, by Uncle Sam's standards, and that his net income would be higher if he forgot about working and elected to "sit around and watch soap operas and game shows," as he put it, so he could collect his full Social Security benefits.

Many elderly citizens, while ready to reduce their workload at age 65, don't wish to withdraw completely from the labor force.

As The Post correctly points out, "America must scrap its lingering habit of tossing workers on the economic scrap heap at age 65." We must do so, for demographic reasons and for moral ones.

As our overall population gets older, we should be encouraging any Americans who want to keep working and paying taxes.

The American work force is growing at the slowest rate since the 1930s, and the Labor Department predicts it will expand by a mere 1 percent in the 1990s. Members of our older population could step in and fill that void, if we don't punish them financially for working.

And the moral imperative is just as strong as the financial one.

We understand that the physical and mental health of our elderly often depend on their ability to lead active, fulfilling lives. For many, this means continuing to work.

The fact is, the right to the "pursuit of happiness" is not revoked at age 65.

The earnings test is just plain wrong and unfair. It's more than just a disincentive; it establishes some of the most confiscatory tax rates still allowed under the present code. The marginal rate on individuals who earn more than $8,400 this year will be 50 percent. When other federal and state tax liabilities are figured in, the marginal rate can approach 100 percent.

And here's the icing on the cake of this atrocious law; the Social Security Administration is awash in red tape trying to police compliance with the earnings test. It uses more than 8 percent of its employee and spends more than $200 million tracking the income levels of beneficiaries.

It's high time we scrap the earning test altogether. I have introduced legislation in the Senate to do just that, and Congressman Hank Brown has introduced a similar bill in the House. Under my proposal, the earnings limit would be increased by $3,000 per year beginning in 1990 and would be eliminated entirely in 1995 for beneficiaries above the normal retirement age, currently 65.

If we really believe America's citizens are her greatest natural resource, we can no longer deny them their best chance to lead full, productive lives and to contribute to their society.

[From the Denver Senior Edition, January 1988]

LET'S STOP PICKING THE POCKETS OF AMERICA'S ELDERLY

(By Senator Bill Armstrong)

When Texas resident Bill Owen retired from his job with a major oil company in 1985, he looked forward to devoting his time to a small consulting business he had operated with his wife since 1954. If business was good, he figured, he could make an $18,000 annual salary from Owen & Owen.

That salary, combined with his Social Security benefits, ought to provide a comfortable living, help keep him active and healthy, and enable him to give back to the business community some of the knowledge and skills he'd gained during his career.

What Owen didn't realize was that Uncle Sam would take back about $5,000 in Social Security benefits because the Owens' little enterprise was too productive, by federal government standards. After paying federal taxes on his consulting income and the remaining Social Security benefits, he would be left with only $7,108 of the extra $18,000 he earned.

In contrast, he could have netted $7200 if, in his words, he chose to "sit around and watch soap operas and game shows" and collect income from Social Security benefits alone.

It's time to end the outrageous tax rate of more than 70 percent now being imposed on Owens and about one million more of our most experienced, talented and productive citizens: America's elderly.

Despite all the attention to fairness and lower rates during tax reform last year, at least one group of Americans was left out in the cold: Social Security beneficiaries who want to continue working.

The culprit is something called the Social Security Earnings Test. It imposes a tax rate in excess of 70 percent on senior citizens with limited resources. It forces into retirement many who want to remain active in the work force. And it frustrates those who need additional income for expenses that fixed incomes can't support.

The earnings test mandates sharp reductions in the monthly benefits of those whose earnings exceed a specified amount. In 1987, the earnings limit for those age 65 to 70 is $8,160. Anyone earning more suffers a cut in benefits of $1 for every $2 earned above the limit. Only those above age 70 are free to increase earnings without fear of benefit cuts.

What's so wrong with the earnings test?

For one thing, it practically forces elderly citizens into retirement. After contributing to Social Security for decades and reaching age 65, the elderly are presented with a stark choice: eliminate virtually all significant earnings or face big cuts in the Social Security benefits to which they're otherwise entitled. It's a cruel choice between a productive life or the benefits they've counted on for a lifetime.

Many elderly citizens, while ready to reduce their workload at age 65, do not want to withdraw completely from the labor force. They want to remain productive and useful members of society. Still others need to earn more to meet increased expenses. Yet because of the low earnings limit, there is seldom a real alternative to full retirement.

Simply put, it isn't fair that the greatest burden should be placed squarely on the shoulders of our elderly citizens who can least afford it. The earnings test establishes, in effect, a 50 percent marginal tax rate on indivduals who earn more than $8,160. That means for every $1 earned above the limit, the elderly pay fifty cents in taxes. When other federal tax liabilities are figured in, this marginal tax rate exceeds 70 percent, and when state and local taxes are counted, the rate can approach 100 percent. It just isn't right.

As if that weren't enough, the earnings limit is also an administrative monster. The Social Security Administration spends over $200 million per year and uses eight percent of its employees to police the income levels of beneficiaries. SSA estimates that 60 percent of all overpayments and 45 percent of underpayments are attributable to the limit. Beneficiaries affected by the earnings test become entangled in miles of red tape as they try to estimate, monitor, and report income levels, and—even worse—pay back benefits they have already received. Is it any wonder they are disillusioned, with a program they expected would pay full benefits when they reached age 65?

It is high time we scrapped the earnings test altogether. I have introduced legislation in the Senate to do just that, and Congressman Hank Brown has introduced a similar bill in the House. Under my proposal, the earnings limit would be increased by $3,000 a year beginning in 1990 and eliminated entirely in 1995 for beneficiaries above the normal retirement age, currently 65.

The measure has its critics, to be sure. Some will say it would benefit the "rich" among Social Security beneficiaries, "rich" meaning those able to continue working and earn extra income. But in fact, more than two-thirds of the benefits that would be paid after repeal would go to those with incomes below $40,000—someone's idea of "rich," no doubt.

Repeal of the earnings test wouldn't benefit the "rich;" it would benefit the elderly who work or who wish they could afford to work. It would correct the most glaring inequity of the present law: Social Security beneficiaries with "unearned" income from pensions or investments collect their full benefits, while those who work to earn just $8,160 are penalized by having their benefits cut in half.

The Social Security Administration estimates the cost of my proposal to be $500 million in the first year and $6.6 billion over five years. These estimates, however, do not take into account the higher revenues which will flow back to the government as the expanded work force pays additional taxes. In the long run, I believe the cost of this reform will be negligible. The American work force is growing at the slowest rate since the 1930s, and the Labor Department predicts it will expand by a mere one percent in the 1990s. Members of our older population could step in and fill that void, if we don't punish them for working.

We've often heard it said—usually in connection with the education of young people—that "a mind is a terrible thing to waste." America has always regarded her citizens as her greatest resource, and it's equally tragic to deny older Americans the opportunity to live fulfilling, productive lives and to contribute to their society. The disincentives and burdens of the earnings limit are so great that we must get on with real tax reform for America's senior citizens. Social Security was intended to serve the needs of the elderly, not to deny them the fruits of their labor and the "pursuit of happiness" which is their unalienable right.

Mr. COHEN. Mr. President, I am pleased to be a supporter and cosponsor of Senator ARMSTRONG's amendment to raise the Social Security earnings limit. This amendment will ease a burden on senior citizens who must work or who want to work. This amendment also recognizes the contribution that the Nation's senior citizens can make and anticipates the growing need to give senior citizens every opportunity to remain active and productive.

My father, who recently turned 80, still works 18-hour days in his small bakery. From recent discussions with my father on the financial workings of his bakery operation, it is clear that economic considerations are not only what drives him to work so hard. Ruby Cohen works because he wants to.

I cite the example of my own father, not because I feel that every senior citizen should work, but because he is the best example I know of someone who wants to continue working past the age of 65. Many senior citizens have a need or desire to work past the typical retirement age. Yet, if they do, they may be severely penalized by the Federal Government.

Under the current Social Security retirement earnings test, Social Security recipients under age 70 face steep reductions in their monthly benefits if their earnings exceed a specified amount. For 1989, the earnings limit is $8,880. Those earning above this limit suffer a reduction in Social Security benefits of $1 for every $2 of earnings above the limit. Beginning in 1990, this penalty will be reduced to $1 for every $3 in excess earnings. The retirement earnings test does not apply to persons age 70 or older.

Last year 700,000 working senior citizens, 115,000 dependents, and 40,000 survivors lost some of their Social Security benefits because of the retirement earnings test. For moderate and middle income workers who want or need to work beyond the age of 65, this penalty is a real burden.

Senator ARMSTRONG's amendment would increase the monthly limit by $80, effective August 1, 1989. This would result in an increase of at least $1,000 in the annual earnings limit, beginning January 1990.

The Armstrong amendment also includes two sense of the Senate provisions calling for the establishment of a policy of helping the working elderly by:

First, gradually phasing out the retirement earnings test by the year 2000, and by

Second, moving forward the establishment of an 8-percent delayed retirement credit from the year 2000 to the year 2009.

If this amendment is enacted, 85,000 lower paid older workers who earned between $9,000 and $10,000 would no longer be affected by the retirement earnings test. In addition, the amendment would provide some relief for the more than three-quarters of a million persons who would still be affected by the earnings limit.

For example, a beneficiary with $6,108 annually in Social Security benefits—the average benefit for 1989—and $12,000 in wages would lose $1,560 in benefits under current law. The proposed change in the earnings limit would reduce this worker's loss by $480, cutting his or her penalty by about 30 percent.

This amendment would offset the cost of the proposed change in the retirement earnings test by repeal of the retroactive retirement provisions of Social Security. These provisions are costly and complex to administer, little understood by potential beneficiaries of them, and are often not in the best long-term interest of beneficiaries. The Social Security Administration favors repeal. The American Asso-

ciation of Retired Persons [AARP] and the National Committee to Preserve Social Security and Medicare [NCPSSM], both of which support this amendment, acknowledge that raising the earnings limit is more than a fair trade for the repeal of Social Security retroactive retirement. In fiscal years 1989 and 1990, the proposed offset will more than pay for the cost of raising the retirement earnings limit. The net cost of this amendment will rise to $80 million in 1991 and to $100 million in 1992.

The Social Security retirement earnings test is unfair. The marginal tax rates it imposes on the elderly are confiscatory. Because of the retirement test, a senior worker can pay marginal tax rates as high as 83 percent—50 percent earnings test penalty, 15 percent income tax, 7.51 percent FICA, 7.5 percent tax on Social Security benefits, and 3.37 percent catastrophic surtax. A young worker doing the same work and making the same income would face a marginal income tax rate of 15 percent and a Social Security tax rate of 7.51 percent in 1989.

The retirement earnings test drives senior citizens from the work force at a time when we should be inviting them to stay. Demographic trends make it inevitable that the need for the skills and talents of senior citizens will grow in the coming years. There will be fewer young Americans entering the work force and a growing number of Americans reaching the traditional retirement age. Since an increasing number of senior citizens pass the age of 65 in robust health, it should not be surprising that more and more of them want to keep working.

Mr. President, the Social Security retirement earnings test is an idea whose time has passed. It is unfair. It discourages senior citizens from continuing to share their skills and talents. It penalizes older workers severely. Therefore, I am pleased to join Senator ARMSTRONG as a cosponsor of this amendment to ease this burden. I hope that the Senate will adopt it.

Mr. GLENN. Mr. President, I am pleased that the Senate, by a vote of 85 yeas to 11 nays, passed an amendment which liberalizes the Social Security retirement test for beneficiaries age 65 to 70. Under current law, Social Security benefits for this group are reduced $1 for every $2 of earnings over $8,880. Beginning in 1990, this offset will be reduced to $1 for every $3 of earnings. The amendment we passed today would allow beneficiaries to earn an additional $80 per month before their Social Security benefits would be subject to the offset.

I support this increase, which is a modest amount, because it will be particularly beneficial to many older Americans who are receiving low or average Social Security benefits and who are earning slightly over the current earnings limitation. These people are working because they need to supplement their Social Security benefits with additional income in order to meet their daily living expenses. Unlike higher income beneficiaries, they are not likely to have income from pensions, investments, and other assets that is not subject to the earnings limitation.

Our population is aging and people are living longer and healthier lives. Given the demographic changes that are taking place, I believe it is important to encourage older workers to remain in the workplace. We can do this through the Social Security system by eliminating disincentives to employment, such as the retirement test, and by providing incentives, such as an increase in the delayed retirement credit. The amendment we passed today encourages the Congress to phase out the retirement test by the year 2000 and to accelerate implementation of the 8 percent delayed retirement credit from the year 2009 to 2000.

During today's debate on the Social Security amendment, concerns were expressed about the changes we were supporting in the Social Security system without the benefit of hearings by the committee of jurisdiction. I felt it was very important to send a message in support of liberalization of the Social Security retirement test, but I agree that we need additional information about the impact of eliminating the retroactive retirement option that is currently available to some retirees and about the future costs to the Social Security trust funds of eliminating the earnings limitation. I am hopeful that additional information will be provided by Social Security experts during further debate between Members of the Senate and the House of Representatives on this amendment, information which will enable Congress to take appropriate action to improve the Social Security system without unfairly burdening any current or future recipients.

Mr. BRADLEY. Mr. President, with great reluctance I must vote against the amendment offered by the Senator from Colorado [Mr. ARMSTRONG]. This amendment liberalizes the Social Security earnings test, which I strongly support, but it also eliminates most Social Security retroactive retirement benefits. I cannot support cutting some Social Security benefits in undetermined ways to pay for expansions for others.

Mr. President, under current law, Social Security payments are reduced by $1 for each $2 of earnings above the annual retirement test amount—$8,800 for those over age 65 in 1989. The 1983 Social Security reform bill included an earnings test liberalization so that $1 in benefits will be withheld for every $3 earned over the exempt amount for those reaching full retirement age in 1990. The amendment increases the Social Security earnings limit by $1,000 in 1990.

I support this liberalization because almost a million persons would be helped by the provision. About 100,000 lower paid workers who earn between $9,000 and $10,000 would no longer be affected by the retirement test.

The problem, Mr. President, is that the retroactive cut in Social Security benefits might affect over 100,000 newly retiring people. No one has been able to describe for certain how seriously these Social Security beneficiaries will be hurt. What is clear is that people who are entitled to these benefits under current law in many cases spouses in need would no longer receive them.

In sum, Mr. President, I support major liberalization in the Social Security earnings limit. But I don't support paying for these expansions by cutting other people's Social Security benefits—especially since we don't even know for sure how seriously these people will be hurt.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. I am grateful to the Senator from New York for withholding briefly. Mr. President, I ask unanimous consent that Senator HATFIELD be added as a sponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Other than that, I think we are ready to vote.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Colorado?

Mr. BENTSEN. Mr. President, none on this side.

The PRESIDING OFFICER. If not, the yeas and nays have been ordered on the amendment of the Senator from Colorado. The question is on agreeing to the amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in family.

Mr. SIMPSON. I announce that the Senator from Delaware [Mr. ROTH] is necessarily absent.

The PRESIDING OFFICER (Mr. ROBB). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 86, nays 11, as follows:

[Rollcall Vote No. 31 Leg.]

YEAS—86

Adams	Baucus	Bingaman
Armstrong	Biden	Bond

Boschwitz	Gorton	McClure
Breaux	Graham	McConnell
Bryan	Gramm	Metzenbaum
Bumpers	Grassley	Mikulski
Burdick	Harkin	Murkowski
Burns	Hatch	Nickles
Byrd	Hatfield	Nunn
Chafee	Heflin	Packwood
Coats	Heinz	Pell
Cochran	Helms	Pressler
Cohen	Hollings	Pryor
Conrad	Humphrey	Reid
Cranston	Jeffords	Rockefeller
D'Amato	Johnston	Rudman
Danforth	Kassebaum	Sanford
Daschle	Kasten	Sarbanes
DeConcini	Kerrey	Shelby
Dixon	Kerry	Simon
Dodd	Kohl	Simpson
Dole	Lautenberg	Specter
Domenici	Leahy	Stevens
Durenberger	Levin	Symms
Exon	Lieberman	Thurmond
Ford	Lott	Wallop
Fowler	Lugar	Warner
Garn	Mack	Wilson
Glenn	McCain	

NAYS—11

Bentsen	Kennedy	Robb
Boren	Mitchell	Sasser
Bradley	Moynihan	Wirth
Inouye	Riegle	

NOT VOTING—3

Gore	Matsunaga	Roth

So the amendment (No. 22) was agreed to.

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 23

(Purpose: To express the Sense of the Senate that the House of Representatives should immediately adopt and send to the Senate a bill to repeal or reform Section 89 of the Internal Revenue Code)

Mr. SYMMS. Mr. President, I call up an amendment which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 23.

Insert at the end of the bill the following new section:

SEC. . *Resolved*, That it is the sense of the Senate

(1) that Section 89 of the Internal Revenue Code of 1986 imposes an intolerable and unjustified burden of compliance upon employers, far out of proportion to any social benefits supposedly gained by establishing a policy in the tax code limiting the differences in health and other non-taxable benefits an employer may provide as tax-deductible compensation for employees; and, therefore

(2) the Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially Section 89 of the Internal Revenue Code of 1986.

AMENDMENT NO. 24 TO AMENDMENT NO. 23

(Purpose: expressing the sense of the Senate regarding repeal of Section 89)

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. President, I send a second-degree amendment to the desk and ask for its immediate consideration. I ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 24 to amendment numbered 23.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment proposed by Mr. SYMMS, strike all after the word "SEC. ." on line 3 and insert in lieu thereof the following:

Resolved, That it is the sense of the Senate

(1) that Section 89 of the Internal Revenue Code of 1986 imposes an intolerable and unjustified burden of compliance upon employers, far out of proportion to any social benefits supposedly gained by establishing a policy in the tax code limiting the differences in health and other non-taxable benefits an employer may provide as tax-deductible compensation for employees; and, therefore

(2) the Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially Section 89 of the Internal Revenue Code, effective December 31, 1989.

Mr. DOLE. Mr. President, have the yeas and nays been ordered on the second-degree amendment?

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi for that purpose at this time.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho [Mr. SYMMS].

Mr. SYMMS. Mr. President, I thank my colleague, Senator LOTT, for the correcting amendment which he and I have worked together on. My amendment that I am offering today is offered on behalf of myself, Mr. LOTT, Mr. KASTEN, Mr. BOSCHWITZ, Mr. DOLE, Mr. ARMSTRONG, Mr. WALLOP, Mr. HATCH, Mr. DOMENICI, Mr. COCHRAN, Mr. DECONCINI, Mr. PRESSLER, Mr. MCCAIN, Mr. HELMS, Mr. MCCLURE, Mr. MCCONNELL, Mr. BOND, Mr. COATS, Mr. NICKLES, Mr. BREAUX, Mr. MACK, Mr. BURNS, Mr. BOREN, and Mr. D'AMATO. There may be other Senators who wish to cosponsor. We would like to keep that open at the desk.

I will be very brief, Mr. President, I will just explain what this sense-of-the-Senate resolution does.

It is important to offer this on this bill because this bill has an impact on employers. And section 89 also has an impact on employers.

Mr. President, I have offered an amendment to the minimum wage legislation before the Senate today to urge the House of Representatives to send us, without further delay, some legislative vehicle to fix the problem of section 89 of the Internal Revenue Code.

It is necessary to do this in the form of a Senate resolution because the Constitution specifies that only the House of Representatives may originate legislation that deals with changes in the tax laws of this Nation. Section 89 is part of the Tax Code, so I cannot here today offer the amendment I would like to offer—to repeal section 89.

I am pleased to be joined by one-fourth of the Senate in cosponsoring this resolution.

The issue here today, Mr. President, is the burden Congress imposes on employers. The minimum wage legislation is a burden on employers. The Government, if this foolish legislation becomes law, will impose a burden to increase the minimum wage almost 50 percent, without any increase in the productivity of those same workers.

Why should the Government demand that workers—with no increase in the value of the work they perform—be paid more? It makes no sense, Mr. President. It is just an arbitrary burden we are going to impose on the employer—the employer who has created a job opportunity for that worker, and who has trained that worker and supervises that worker.

The employer is the one who finds a market for the worker's labor: The employer makes it possible for the worker to do something the consumer really wants him to do. Yet we in Congress seem always to try to find new ways to make the employer's role more difficult and even to discourage the employers of America from creating new jobs for our youth, or our unemployed and disadvantaged fellow citizens.

In 1986, with the tax reform bill, Congress included a seemingly minor provision affecting health and other welfare-type benefits that employers routinely provide for many of their employees. The Treasury Department had suggested that these benefits, which are tax deductible to employers just as wages are tax deductible, perhaps should be regarded as income to the employees. Now, of course Congress would have none of that nonsense. However, someone had the idea to restrict the ability of employees to

receive tax sheltered health benefits. That was the origin of section 89.

Employees who receive more than some average level of health benefits from their employers have to pay income tax on those benefits. The problem, Mr. President, is in trying to determine what is "excessive."

Section 89 of the Tax Code sets out a complicated series of tests and measurements that employers have to perform to determine if the benefits of their more valuable, more highly compensated employees are "excessive" or not. This has turned into a great big nightmare—a complete mistake on the part of the 99th Congress that we ought to correct as quickly as possible, before it is too late.

Section 89 establishes highly complex, new requirements for the tax exemption of employee benefits. Under this law, employers must now calculate "values" to learn whether their benefit plans qualify for tax exemption. This regulation is so far-reaching that employee benefits must now be painstakingly analyzed to determine what is a "benefit," what constitutes a separate "plan," and even who is "highly compensated." Then the employers must statistically determine if they are divided fairly between highly paid employees and rank-and-file workers.

What is more, part-time employees must be included in the calculations to determine whether plans are discriminatory. Of course, most part-time workers are already covered by their spouse's employer, or their parents' health coverage, or by their primary employer if they are working a second job. This creates a great—and unnecessary—burden in trying to figure out who really does have health benefits and who doesn't.

I understand one of the testing formulas to read:

At least 50 percent of the employees participating in a plan must be non-highly compensated, unless the percentage of highly compensated employees is equal to or greater than the percentage of highly compensated employees participating in the plan. Secondly, 90 percent of non-H.C.E.'s must be eligible to participate in a plan with an employer-provided benefit equal to at least 50 percent of the most valuable benefit provided to H.C.E.'s.

The problem, Mr. President, is that in the 1986 tax reform bill Congress included this seemingly minor provision that had very, very noble intentions. Many Senators in this Chamber including this Senator voted for that 1986 tax reform bill. Section 89 seemed to be a minor provision that affected health and other welfare-type benefits, which employers routinely provide for many of their employees, and the Treasury Department suggested that these benefits, which are tax deductible to employers just as wages are tax deductible, perhaps should be regarded as income to their employees.

Congress of course was not about to have any part of that, which we considered to be nonsense on the Treasury's point of view. However, someone had the idea that we might restrict the ability of employees to receive tax-sheltered health benefits, and that was the origin of section 89. Employees who receive more than some average level of health benefits from their employers would have to pay income tax on those benefits.

The problem is, Mr. President, in trying to determine what is excessive, and section 89 of the Tax Code sets out a very complicated series of tests and measurements employers have to perform to determine if the benefits for more valuable, more highly compensated employees are excessive or not. This has turned into a great nightmare, a complete mistake on the part of the 99th Congress, and I think we should go back and correct it as quickly as possible.

One of my very good friends who is a tax accountant and who worked on my staff here during this time who had a great hand in helping us on the Finance Committee at that time, Dwight Ripley, always makes the point to me that if you fellows in Congress could just fix these things as fast as you can foul them up in the Tax Code, it would be very helpful. I think this is an instance where we in the Congress need to go back and fix section 89, which establishes a highly complex new requirement for tax exemption of employee benefits. I think it is important that we do this.

This regulation is so far-reaching that employee benefits must now be painstakingly analyzed to determine what is a benefit, what constitutes a separate plan, and even who is highly compensated. Then the employer must statistically determine if the benefits are divided fairly between the highly paid employees and the rank and file workers. What is more, part-time employees must be included in the calculations to determine whether the benefit plans are discriminatory. Of course, most of the part-time workers are already covered by someone else, usually a spouse's employer or their parents' health coverage or as a primary employee if they are working in a secondary job. This creates a great and unnecessary burden in trying to figure out who really has health benefits and who does not.

Mr. President, I want to again quote one of the testing formulas to show you what we are dealing with in this case.

At least 50 percent of the employees participating in a plan must be nonhighly compensated, unless the percentage of highly compensated employees is equal to or greater than the percentage of highly compensated employees particpating in the plan.

Secondly, 90 percent of non-H.C.E.'s must be eligible to participate in a plan with an employer-provided benefit equal to at least 50 percent of the most valuable benefit provided to H.C.E.'s.

Now, Mr. President, most of us here in this Chamber have had the benefit of some education. We have been sent to the U.S. Senate to represent the people. I have been sent to represent my State, and we hate to say in public that we cannot understand some of the laws of the United States of which we are responsible in some way for having helped pass. I can be honest with my colleagues. What I just read, to most of us, is very difficult to decipher. You feel like you need some kind of an intelligence agent who is a trained code breaker to understand exactly what it means. It just does not make sense.

Now, if that is the case for us who are in the Congress, I wonder what it does to the employers of America, who are trying to worry about what it means, also. So I think that is why we are hearing from so many of our constituents. It is my understanding that the LaFalce bill in the other body has over 300 sponsors at this time, to repeal outright section 89. Where has common sense gone with respect to this?

Now, Mr. President, this entire testing process under section 89 is so perplexing that many employers are writing to me and to other Senators informing us that they are simply going to drop their employee benefit plans. That is certainly an unintended consequence of section 89. If anything, what I would like to see is more people, more employers, offer more health benefits to their workers, not the cancellation of plans because of an unforeseen but excessive regulation which is burdening them. That is really what this is all about, Mr. President.

I think that that is why I would expect that we would have a strong vote on this, to urge our colleagues in the other body to move a bill over here so that we can act on it. I would like to compliment the chairman of the Finance Committee for already scheduling hearings on May 9 on this subject, so we in the Senate Finance Committee can look at this issue very carefully.

Many articles that I have read claim that to expect small business to understand section 89 is ludicrous. I emphatically agree. I think Thomas Veal, of Touche Ross & Company, best summarized this entire regulation when he claimed that if King George and Parliament had come up with anything like section 89, it would not have taken 7 years to win the Revolutionary War. I totally agree with them. These are the kind of things that absolutely make cynics out of Americans toward the Congress, toward the IRS, and toward the institution of the U.S. Government in general.

I want to emphasize the costs associated with this bizarre example of the "leftwing social agenda" of those who would mandate all wages, benefits, and working conditions to the employers of America. Few argue against the fact that compliance with these regulations is going to cost businesses thousands upon thousands of dollars. Yet, one of the arguments against the repeal of section 89 is that we will lose some tax revenues we might otherwise collect from highly compensated employees, who would have to pay more income tax due to their health benefits under section 89.

There is absolutely no way, in my view, no matter what the number crunchers come up with, that we are going to lose tax revenue by delaying this for a year, substantially reforming it, or outright repealing it, because those who would have to pay more income taxes due to their health benefits would be only half the revenue effect. The other half of it is that it costs money to comply with this. The Joint Tax Committee may have come up with an idea that if we delay or repeal section 89, the tax revenue would be $300 million less in 1989 alone. Thus, if we repeal or delay it for 1 year, we supposedly have to come up with a revenue offset.

Mr. President, that revenue estimating system is part of the problem. The best estimate we have is that it will cost a billion dollars of private sector money to comply with section 89. Businesses have a marginal tax rate of 34 percent. The money for compliance would be money that would otherwise have not been spent and would be in the profit column of America's companies, and that will mean that we will lose about $340 million a year to the Federal Treasury from lower profits.

So I claim, Mr. President, and I believe to the best of my judgment, that repeal of section 89 will not cost Treasury and revenue, and it would certainly make American business more productive not to have to comply with it; and more Americans will enjoy the benefits of health care plans, if it is repealed, than if it stays on the books.

So the end result of this Government intervention is going to be quite simple: If we in the Congress do not act soon, businesses in our respective States are going to be dropping all employee benefits, and they are going to accept the penalties associated with noncompliance, based strictly on the lower cost. Believe it or not, some facets of the American economy still do operate on the basis of the law of supply and demand, though the Federal Government certainly seems to have abandoned these central tenets of capitalism when we try to excessively regulate the private sector.

Mr. President, Milton Friedman, of whom I am a great admirer, wrote that fundamentally there are only two ways of coordinating the economic activities of millions of persons. One is the technique of central direction, involving the use of coercion, the technique of the Army and the totalitarian State. The other way is voluntary cooperation of individuals, the technique of the marketplace.

Now, Mr. President, in my judgment, the members of the Finance Committee and the Members of the Senate in 1986, when the Tax Reform Act was passed, were intending to promote the second thesis of Dr. Friedman, voluntary cooperation of individuals, free men and women working through free institutions, to solve economic problems, not the use of force by the Government to determine what should happen with respect to who has medical benefits and who does not. I think this is a great opportunity for us today, and I know that I have thousands of letters from constituents in Idaho about section 89. I am sure that my colleagues have thousands of letters from their constituents, and I hope that we will be able to correct this matter as soon as possible.

Mr. President, I just submit in closing that my reason for offering this amendment is very simple: The legislation only requests the House of Representatives to take action regarding what I would call a legislative nightmare.

I am hopeful that with additional time, Congress will either see fit to repeal section 89 or to modify it to the extent that business and the citizens will not be tortured by this implementation. We must postpone it, if for no other reason than to send a message to the business community not to drop their benefit programs and give us an opportunity to correct this, so that we will not have millions of Americans find out that they have been dropped from programs because of a decision by their companies that they were unable to afford the cost of compliance with the current law.

So I urge my colleagues to join together and let us correct the mistake, and I think that it will be of benefit to all of us, all Americans, of all political persuasions and parties we happen to be in. This is simply a problem that should be fixed.

I thank my colleagues for bearing with me on these remarks. I ask unanimous consent that Senators LUGAR, GRASSLEY, WARNER, and BAUCUS also be added as cosponsors.

The PRESIDING OFFICER. Without objection, they will be added.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. BENTSEN. Mr. President, one of President Reagan's tax reform proposals in the 1986 tax reform bill, was to put nondiscrimination rules on tax-favored employee benefits. The idea being that rank and file employees would have health benefits, and other tax-favored benefits, that were comparable to those provided to the higher-paid employees. Some also hoped that perhaps this would result in a further extension of health insurance benefits to additional employees. Those goals were admirable. And the Congress followed the President's recommendations. But now it is obvious that the rules are not working. They are not accomplishing their objectives.

The complexity of these rules is exceedingly onerous, resulting in all kinds of additional costs in trying to interpret the law and the regulations. Businesses cannot understand the rules well enough to comply and, worse yet, the complexity in the rules is leading to the closing down of many of small business health and other employee benefit plans.

Something has to be done about the section 89 rules. Major surgery is needed and it is needed as quickly as possible.

As chairman of the Finance Committee, I plan to introduce legislation which will make these rules work. I am talking about major surgery on section 89. I will work with my colleagues on the Finance Committee and be delighted to have the suggestions of the Senator from Idaho and other Senators who are concerned about the implementation of this legislation.

Significant work has already been done by Finance Committee members. Senator BOREN will chair hearings in the Small Business Committee later this week. The junior Senator from Arkansas [Mr. PRYOR] has devoted a great deal of time to grappling with these complex issues.

The next step for the Finance Committee is having hearings that I have set for May 9. At that hearing we will explore the problems that business is incurring with section 89 rules and work on specific proposals to amend them.

I agree that substantial modification of section 89 has to be accomplished and soon. And as a result of that, I will vote for the sense-of-the-Senate resolution that is presented by the Senator from Idaho.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, a few moments ago when the Senator from Idaho offered his amendment I did not know that this was going to in fact be offered in the Senate today. I probably should have been aware of it but I was not.

I do say when he offered and laid before the Senate the sense-of-the-Senate resolution I had decided at that moment that I would oppose the amendment of the Senator from

Idaho. Upon reading the amendment very carefully, specifically the last sentence "The Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially section 89 of the Internal Revenue Code effective December 31, 1989," I have decided to support, with some hesitation, the Senator from Idaho's sense-of-the-Senate resolution.

However, I do not know that today we should be saying let us repeal section 89. Obviously, it is the popular thing to do. I am not sure it is the right thing to do. We have wrestled with section 89 and the impact of section 89 on businesses, especially small businesses. Additionally, we have yet to decide the impact of the massive regulations from the IRS, some 200 pages on section 89 implementation. We have received many letters from our constituents, especially from small business who frankly cannot figure out what to do under section 89 nor what the rules of the game might be.

About 3 weeks ago, I introduced a section 89 simplification bill. Today I have 35 cosponsors in this body on that particular piece of legislation. We are today meeting with groups who represent the small business people from across our country, the medium-sized businesses, and the large businesses. We are asking them for their constructive criticisms and possible amendments to this legislation to see if we cannot make section 89 livable.

If we do not make section 89 livable, but instead simply repeal section 89, Mr. President, I shudder at the consequences. I shudder at the consequences of what may be forthcoming with regard to the taxation of fringe benefits.

I am going to support the Senator's amendment, and I do it only because of that little sentence in there that says to repeal or to modify. I think that we ought to give this resolution a chance to see how many Members are interested in doing something about section 89.

Like the distinguished chairman of the Finance Committee, I will support the Senator's resolution under the condition that the modification provision rather than the outright repeal will be the message that we will be sending forth from this body today.

Mr. President, I would also at this time, if I might, add new names as cosponsors to S. 654, which have come in in the last 24 hours, the Senator from Louisiana, Mr. BREAUX, Mr. FOWLER, Mr. FORD, Mr. WIRTH, Mr. MATSUNAGA, Mr. SIMON, Mr. INOUYE, Mr. GRASSLEY, and Mr. SASSER. This now brings the total to 35. I ask unanimous consent that these Senators be added as cosponsors of S. 654.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I am pleased to cosponsor this resolution.

Last year in connection with the Technical Corrections Act, I supported amendments intended to simplify the nondiscrimination rules for employer health and benefit plans contained in section 89 of the Internal Revenue Code. It is now clear that these changes were not enough. Accordingly, on the first day of this session, I joined with Senator SYMMS and others in sponsoring legislation which would delay the effective date of section 89 for 1 year so that workable rules could be developed.

I have received letters from businessmen across the country, despairing of the compliance burdens imposed by section 89. In most cases these complaints are justified. In fact, section 89 compliance costs are now estimated to exceed even the substantial tax revenue raised by section 89, itself. This situation is intolerable.

This resolution requests the House of Representatives to address this situation at once by adopting legislation which eliminates the disproportionate compliance burdens now imposed by section 89.

The aim of section 89—to deny a Federal tax subsidy to discriminatory benefit plans—is valid. But the price of the current rules on American business is clearly too high.

Mr. COATS. Mr. President, encouraging employers to enact and maintain employee benefit plans that are balanced and fair is a worthwhile goal, yet the present law has the opposite effect.

Section 89 of the Internal Revenue Code was designed and enacted with the intention of promoting fairness in employer-sponsored benefit plans by discouraging plans that favor highly compensated employees over other employees. Yet, the statute as it now reads is too complex and too expensive to administer. The costs and risks to an employer of administering a benefit plan under the gun of section 89 are for most small businesses prohibitive. Section 89 will have the effect of forcing many small businesses to simplify their plans by reducing health benefit options and cutting back on subsidized health coverage. Many are considering dropping their benefit plans altogether.

This complex provision of the Internal Revenue Code goes far beyond simply ensuring against discrimination in plan structures. Section 89 actually redefines discrimination. Equal access by all employees is no longer enough. Section 89 requires employers to ensure equal participation between highly compensated employees and those not highly compensated.

Section 89 will require businesses to collect and analyze a massive amount of information about their benefit plans in order to comply with the new tests that are established. Under section 89 all benefit plans will be subject to two types of tests: First, nondiscrimination requirements, in other words, it tests the plan to determine whether highly compensated employees are disproportionately benefited vis-a-vis other employees; second, qualification requirements, in other words, it requires minimum standards for establishing and communicating benefit plans.

Both employers and employees could face significant new taxes under section 89 if the employer fails to fully comply with any of its many and complex provisions. For example, an employer that failed to meet the qualification requirement in a situation where his employee had received $100,000 in benefits for catastrophic medical expenses during the preceding year could be compelled to pay an excise tax of $28,000 just for that one employee, while the employee himself could also be taxed on the entire $100,000. The results of section 89 will therefore be to punish both employers and employees for providing and taking part in a health benefit plan. This makes for bad public policy.

Section 89 creates many more problems than it attempts to solve. The solution to the problems section 89 creates is to substantially revise or simply repeal section 89. I am therefore pleased to be a cosponsor of the Symms-Lott amendment to section 89.

Mr. BURNS. Mr. President, I want to join my good friend and colleague from Idaho in his effort to free small businesses of the burden of section 89 of the Tax Reform Act of 1986. I have cosponsored both his bill to delay implementation of this provision for 1 year and Senator LOTT's bill to repeal it all together.

I originally thought it best to go for a delay since the intent of section 89 is good. No one can argue against fair benefits treatment for all employees. However, like most of the Members in this body, I have heard the outcry of the small businesses in my State about the costs of complying with section 89. And in a State where all of the businesses can be considered small—that cry came through loud and clear. In fact, one company in my State estimates it will cost them $12,000 a year to just test all of their plans. They will probably have to hire a full time staff person to meet the requirements of section 89. This is a perfect example of the bureaucratic burden that Washington, DC, so often places on the backs of small businesses throughout our country.

I then decided to support Senator LOTT in his repeal effort for that reason, but not that reason alone. I was convinced that repeal would be

the best solution when an accounting firm in Helena, MT, told me that five of their clients have already decided to drop their benefits plans in order to avoid costly compliance with section 89. Many other businesses are considering taking the same action, but they are waiting to see if their warnings will be heeded out here. Now, employees are the ones getting hurt because even if their employer gave them salary increases to help pay for their own plans, it is unlikely that they will be able to find an individual plan that compares with a employer-provided group plan. In fact, the rank-and-file worker will be hurt the most because they will be least able to afford an individual plan. With all of the recent news about the number of uninsured workers, section 89 is a step in the wrong direction.

This amendment, which is a sense of the Senate asking the House to pass legislation to repeal or substantially modify section 89, is the first step in the right direction. I urge my colleagues to join me in supporting this amendment and sending a positive signal to all small businesses and their rank-and-file employees.

Mr. PACKWOOD. Mr. President, I have heard from many Oregonians and others across the Nation that section 89 is too burdensome to comply with. I am convinced that it should be made more workable. The Finance Committee will be exploring these problems at its hearing on section 89 next month. This will be a good first step to develop proposals to address employers concerns about section 89.

However, I am concerned about the suggestion in this resolution that section 89 should be repealed. Section 89 was enacted as part of the Tax Reform Act of 1986. It was one of the many reforms to the Internal Revenue Code to make our tax system fairer.

For years, we have had nondiscrimination rules for pension plans. Section 89 extends this concept to employer provided health benefits. The section 89 rules are designed to ensure employers treat their employees fairly. No longer can employers give the best health benefits to highly compensated employees, while giving only modest health benefits to the average worker.

The Treasury's tax reform proposals in November 1984 and May 1985—Treasury I and II—would have capped the amount of health benefits which can be provided tax free to all employees. As an alternative to this, we choose to enact the section 89 nondiscrimination rules. I believe that suggesting section 89 be repealed will reopen the issue of taxing employer-provided health benefits again. This would be unfortunate. It was a bad idea in 1986 and is a bad idea now.

I am also concerned that this resolution sends the wrong signal to taxpayers. By suggesting that section 89 may be repealed, it encourages taxpayers to not comply with the law. Section 89 became effective January 1, 1989, and many taxpayers are already in compliance. They will think twice before incurring costs to comply with a controversial statute in the future.

In sum, Mr. President, I believe that section 89 needs to be simplified, and this should be a high priority for the Finance Committee. But section 89 should not be repealed. Employers should not be permitted to discriminate against the average worker in providing health benefits.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. President, I, too, wish to join the Senator from Idaho [Mr. SYMMS] in sponsoring the amendment and also commend the bipartisan group that is supporting legislation that would delay, modify, or preferably repeal section 89.

I am very pleased to hear the comments from the distinguished chairman of the Senate Finance Committee, the Senator from Texas [Mr. BENTSEN] and the comments from the Senator from Arkansas [Mr. PRYOR].

It is obvious there is a lot of concern across the aisle about what section 89 is requiring, the complexity and the difficulties that business and industry are finding in trying to deal with this legislation.

I do want to emphasize that I have felt very strongly since the beginning of the year when I started looking at the ramifications of section 89 that it should be repealed. There are now bills pending that would delay it, and I believe the Senator from Idaho has one that would delay it for a year, several perhaps bills that would modify it, although I think we are going to find it is going to be very, very difficult to modify section 89 in a way that would be acceptable and understandable to small businessmen and women in particular, and still get the job done. That was the desire when the section was originally adopted. So I think it should be repealed and have introduced my own legislation to accomplish that goal.

I should emphasize that in the other body now legislation that would repeal section 89 now has over 280 cosponsors. There is very strong sentiment in the other body, and I do need to emphasize, I think, also that the amendments we are considering here today are in the form of a sense of the Senate. That way we avoid constitutional problems with regard to origination of the legislation. We also avoid the problem of this being a nongermane amendment.

So I think this is a proper way to go at this time. It heightens the interest and the awareness of the American people about section 89. It puts the Senate on notice that there is a very strong feeling about it and it requests the House to take early action.

I am also pleased that the distinguished Senator, the chairman of the Finance Committee, has indicated that the there will be hearings in his committee on May 9.

I wish to take a minute, though, to talk a little bit about the history of such provisions as this. I do not think we should direct criticism at any particular individual or group. Perhaps the intent was noble. Obviously, the legislation was noble and had broad support.

The 1986 tax reform package, while it had a tortured process through the Congress, it was passed and signed by the President. It had bipartisan support. I voted for it somewhat reluctantly, I must admit.

But this is a similar provision of the type we had in the past. You will remember a few years ago we had a tax bill that had a provision that involved withholding of interest and dividends by financial institutions. There was an uproar about that, and that section was repealed. Not long after that, we had another tax bill that required companies, businesses, industries, professional groups to log mileage on their automobiles, and when we really realized the implications of it, we changed that section.

I think here again, while we had basically a bill with good intentions and it seemed to be working out pretty well, this is the one rotten egg perhaps that was able to get through the process without fully understanding what was happening. I think it is a wolf in sheep's clothing.

While we would like to make sure that employers and employees have an opportunity to get a benefit coverage, whether it is health or other types, what we are seeing happening here is that it is so complex and so difficult and so costly to implement this section that many businesses are just dropping their benefit plans. So the people we intended to help are not being helped and people we did not intend to hurt are being hurt. There is no question that it is not working.

Maybe big industries in this country can comply with it. They have lawyers and accountants and CPA's and all types of professional people on their payrolls that can do the job. But a small business, owned by a man or woman, has real difficulty with this.

I have had a lot of correspondence and a lot of calls. I have a handwritten letter here with me this morning from a lady from Biloxi, MS, that is trying to find a way to comply with it. She says: "I can't understand it. It is costly and we are going to have to drop a very important benefit plan that we have for our company."

I think we should emphasize for a moment here who is helped by this.

Maybe the Treasury Department. You know, this is the type of idea that seems to be regurgitated up from the bowels of the Treasury Department every time we have a tax bill. I do not know how they come up with these ideas.

It also perplexes me when I hear people worrying about or putting the emphasis on, well, we will gain this much revenue or we will lose that much revenue from the Treasury. Who is it that worries about the small businessmen and women who have to pay these revenues into the Treasury? I think it is ridiculous that we put all the emphasis on, well, dollars may be gained or lost. What about the people that are out there working and paying their taxes, doing the job and trying to look after their employees?

So maybe Treasury will like it because they might have to hire some more people to carry out the requirements of section 89.

For consultants, it may be a consultant's dream. But, you know, I have one technique, one antenna that I use to sense when we have gone too far. When I start getting calls from the consultants and the CPA's, people that have to tell business and industry how to do these things, when they start calling and saying, "Give us relief; we can't even answer the questions that are being asked by our clients," we then know we have gone too far.

Who does it hurt? It hurts the taxpayer, I think, and it obviously hurts small businessmen and women.

So I emphasize these points. There are enormous compliance costs; very complex rules that took the IRS up until March to even get on the books. And that really has not helped much. And it assumes the worst of employers. This section assumes that employers do not want to have coverage, benefit plans for their employees. I do not believe that is the case. I believe most of them are committed to providing that sort of coverage for their employees.

So I would urge my colleagues to support this legislation. It is the minimum that we should do now. It is one step toward what I think should happen, and that is the outright repeal of section 89 and let us go on about our business in other ways.

I commend the Senator from Idaho for his work.

Mr. President, I ask unanimous consent that the word "revolved" in both the first- and second-degree amendments be changed to the word "declared" to conform to the style of the sense-of-the-Senate amendment.

The PRESIDING OFFICER. Without objection, the wording will be changed in accordance with the Senator's request.

The amendments, as modified, are as follows:

AMENDMENT NO. 23

Insert at the end of the bill the following new section:

SEC. . *Declared*, that it is the sense of the Senate:

(1) that section 89 of the Internal Revenue Code of 1986 imposes an intolerable and unjustified burden of compliance upon employers, far out of proportion to any social benefits supposedly gained by establishing a policy in the tax code limiting the differences in health and other nontaxable benefits an employer may provide as tax-deductible compensation for employees; and, therefore

(2) the Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially section 89 of the Internal Revenue Code of 1986.

AMENDMENT NO. 24

In the amendment numbered 23, as modified, proposed by Mr. SYMMS, strike all after the word "SEC. ." on line 3 and insert in lieu thereof the following:

Declared, that it is the sense of the Senate

(1) that section 89 of the Internal Revenue Code of 1986 imposes an intolerable and unjustified burden of compliance upon employers, far out of proportion to any social benefits supposedly gained by establishing a policy in the tax code limiting the differences in health and other nontaxable benefits an employer may provide as tax-deductible compensation for employees; and, therefore

(2) the Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially section 89 of the Internal Revenue Code, effective December 31, 1988.

Mr. NICKLES. Mr. President, I rise today in support of this effort to rid our business community of the overburdensome nondiscrimination rules applied to employee benefit plans known as section 89. Section 89 is a businessman's nightmare. It is full of so many complicated eligibility tests and so many restrictions, that it took the experts at the Internal Revenue Service over 2 years to figure out the guidelines.

The IRS guidelines were to be ready for businesses by November 1988. It was not until March 1989, that the IRS finally released the guidelines for section 89—3 months after the law already was in effect.

How can we expect U.S. businessmen and women to understand the kind of benefits they need to be providing their employees when the IRS is having trouble figuring out the guidelines themselves? The attorneys and accountants are warming up their adding machines in anticipation of all the new business.

The costly data-gathering requirements and complicated valuation rules to test the eligibility and benefit provisions of each plan are so burdensome that I am afraid section 89 will not be fulfilling its intended purpose to provide employees with fair, and in many cases, increased benefits. I'm afraid section 89 will have the opposite effect.

Those firms that do not now offer health benefits will be further discouraged to do so. And those businesses that do provide health benefit plans will be inclined to reduce the benefits—eliminate dependent coverage, for example—or terminate their plans altogether.

Section 89 is simply a bad law that ought to be repealed or rewritten to best suit the needs of both the employer and the employee. As it stands now, section 89 is of no value to either party. I have joined with my friend from Mississippi, Senator LOTT, in sponsoring a measure to outright repeal the burdensome section 89 provisions.

My regret is that we are not considering such legislation today. I understand that such an effort on this bill would be prevented from consideration by a budget point of order that would be lodged by some who do not feel as I do. But, Mr. President, this measure before us can serve as a commitment on the part of the Senate to accomplish the objective I have stated. I urge its support by my colleagues.

Mr. HEINZ. Mr. President, I support the Symms-Lott amendment which calls for resolution expressing the sense of the Senate to modify what is commonly referred to as section 89. I agree with my distinguished colleague from Idaho that section 89, in current form, is much more complex than is needed to guarantee that employees within a company benefit equally from a company's tax-exempt health insurance plan. However, while I am supportive of the amendment, I do not believe it is necessary to call for the repeal of this section of the Internal Revenue Code. While the end result of section 89 is far from the initial concept Members of the Congress had in 1986, it should not be repealed.

Mr. President, the Congress started out with a simple enough concept in 1986—to ensure that workers had access to their employer's health plans and that employers did not intentionally or unintentionally exclude low-paid workers from participating in their best or executive only health plans. However, as we are all well aware, the Congress instead adopted ridiculously confusing and complex rules in order to ensure that workers actually elect the health benefits being offered regardless of their income bracket. As section 89 currently stands, the only thing we are accomplishing is to confuse employers and put employees at risk of having their health benefits stripped away. This end result is far from the original intent we had just 3 years ago to ensure equitable health insurance coverage.

We must move swiftly to simplify these burdensome rules and I believe we are doing that. On March 17 of this year, I joined my friend and colleague from Arkansas in introducing the section 89 Simplification Act of 1989 to give employers an opportunity to avoid the tremendous burden of testing health plans for compliance with section 89. S. 654 provides the option of returning to that simple concept the Congress envisioned. This bill is a start. Most importantly, it is providing us with a vehicle to open up discussion with the business community on this most serious issue.

Mr. President, we need to simplify section 89. I think we can all agree with that. In my judgment, S. 654 is a step in the right direction. I propose that before we start talking repeal, first and foremost, we need to invest the time and effort to simplify.

Mr. DOMENICI. Mr. President, I am pleased to join Senator SYMMS as a cosponsor to amendment No. 23, which expresses the sense of the Senate that section 89 poses an intolerable compliance burden upon the employers in this country.

I applaud the initiative taken by Senator SYMMS in offering this resolution which requests the House of Representatives to adopt and send a bill to repeal or modify section 89 of the Tax Code.

The objective of section 89 was to make sure that employers made the same fringe benefits available to both key employees as well as the rank and file employees. With 25 million uninsured workers and worker's families in America, encouraging private insurance coverage is a worthwhile goal.

This sounds reasonable. The problem is that instead of encouraging more health coverage for workers, employers are dropping their plans because they can't figure out the rules necessary to comply with the new law.

Several bills have been introduced in both the House and the Senate to change section 89 in some way. These bills either repeal, delay or modify current law.

I understand that the bill on the House side that calls for a straight repeal of section 89 has nearly 300 cosponsors.

On March 15 I introduced S. 595, the section 89 Small Business Relief Act of 1989. My bill takes a different approach toward reform. I do not believe it is a final solution to the problems caused by section 89, but I do hope it will serve as the basis for a compromise.

S. 595 proposes five changes in the current law. First, it would completely exempt those businesses with fewer than 20 employees from the section 89 requirements.

Second, it would delay the compliance date for 2 years after the effective date, which was January 1, 1989.

Third S. 595 would raise the standard of coverage from 17½ hours a week to 25 hours.

Fourth, my bill would reduce the required coverage percentage in the "alternate coverage test" from 80 percent to 65 percent.

Finally, it would also declare that companies offering equal benefits to all will be judged in compliance with law whether or not all employees choose to participate.

Mr. President, I am looking forward to working with my colleagues to make this law workable for business men and women in this country.

Mr. KASTEN. Mr. President, I rise in strong support of the amendment offered by my friend and colleague from Mississippi.

Mr. President, the section 89 uniform nondiscrimination rules are a classic case of good intentions gone awry. What began back in 1986 as a small provision of the tax bill designed to keep lowly compensated employees from being discriminated against has taken on a life of its own. Congress has created a regulatory monster. Section 89 must be repealed or delayed, and it must be done soon.

The case against section 89 is strong and convincing, and I am pleased so many of my Senate colleagues are working to stop section 89 from going into effect as written.

Who suffers most from the section 89 regulations? The answer is clear—our Nation's small businesses. Small businesses are the backbone of our Nation's economy. Nearly 80 percent of the jobs created during the current economic expansion have been created by small businesses. If we want to keep our economy strong, we need a strong, vibrant small business community to lead the way.

But instead, with these section 89 regulations, we are hitting the small businessman where it really hurts. Small companies are being overwhelmed by a tidal wave of paperwork. And this tidal wave hasn't finished crashing down either—because the IRS has yet to issue a great number of the regulations that are scheduled to be issued. If anyone can explain to me how people are supposed to comply with regulations that have not even been written yet, I would be more than willing to hear them out.

And that's not all. A small company can't even prove on its own that it is in compliance with these rules. Instead, it is forced to spend thousands of dollars on benefit consultants, specialists who even themselves have problems trying to understand these regulations.

Larger companies also incur great costs. One company has already spent half a million dollars just collecting the data necessary to see if they are in compliance. This is money that we could be spending to create new products, create new jobs, or even expanding employee benefits, which is, after all, what section 89 was intended to do in the first place.

And this brings me to another group that will be hit hard by these new regulations—America's workers. Perhaps the greatest irony of the section 89 debate is that those whom this provision was intended to benefit may well suffer from it. It is by no means clear that firms will expand benefits in response to section 89. Less optimistic scenarios are just as likely. We all know that some of our country's "highly compensated" employees could see their benefits remain the same while their tax bill increases. Another possibility is that the benefits of these highly compensated employees will be reduced so that the firm can be in compliance with the law.

The most frightening possibility, however, is that companies will begin to eliminate coverage entirely for all employees so that they will not have to deal with section 89. Examples of such behavior already exist. Take, for example, a manufacturer in my home State who employs more than 140 people. Upon learning of the section 89 rules, he promptly canceled all coverage, asserting that having no benefits guarantees no discrimination. Another firm in Milwaukee, WI, this one an archery sales shop, canceled all its health insurance coverage on February 1 because section 89 was just too complex of them to handle.

Wisconsin is not unique in this regard. A five-employee mining company in Arizona stated that its decision to cancel its group health plan was "prompted by the IRS section 89 legislation." And the nine-employee hardware store in Florida which stated—and this is a quote—"our (cancellation) decision is due to IRS ruling 89 which makes it necessary to cancel this company benefit." End of quote. And how about a 19-employee company in Rhode Island which stated, quote, "The administrative requirements and penalty clauses of section 89 of the IRS Code are too excessive to make continuation of this policy practical."

Mr. President, these are just a few examples of what is a profoundly disturbing trend. I am convinced that many workers throughout the Nation will see a reduction or elimination in their benefits because of the section 89 regulations. We must not allow this to happen.

Mr. President, businesses suffer from section 89, and workers suffer, too. The only group that profits from this regulation is the group of benefit consultants. No wonder this regulation has been called the "Benefit Consultants' Full Employment Act."

It seems clear that the section 89 regulations are going to be changed in

some way. A majority of Members in both Houses have cosponsored legislation calling for delay, repeal, or simplification of these regulations. Both the Senate Finance Committee and the House Ways and Means Committee are working on this issue. Let's send a clear message to businesses and workers across America. Let's put the Senate on record against section 89.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BENTSEN. Mr. President, I have no further requests for time on this side.

Mr. SYMMS. Mr. President, I ask unanimous consent that Senator COHEN be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, I believe the Senate is nearly ready to vote on this amendment. I have been informed that there are some Senators at the White House and that if we could put in a quorum they could be notified there will be a vote very shortly. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I know of no further requests for time on this side.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment, as modified, of the Senator from Mississippi [Mr. LOTT]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

Mr. SIMPSON. I announce that the Senator from Delaware [Mr. ROTH] is necessarily absent.

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 32 Leg.]

YEAS—98

Adams	Chafee	Ford
Armstrong	Coats	Fowler
Baucus	Cochran	Garn
Bentsen	Cohen	Glenn
Biden	Conrad	Gorton
Bingaman	Cranston	Graham
Bond	D'Amato	Gramm
Boren	Danforth	Grassley
Boschwitz	Daschle	Harkin
Bradley	DeConcini	Hatch
Breaux	Dixon	Hatfield
Bryan	Dodd	Heflin
Bumpers	Dole	Heinz
Burdick	Domenici	Helms
Burns	Durenberger	Hollings
Byrd	Exon	Humphrey
Inouye	McCain	Rockefeller
Jeffords	McClure	Rudman
Johnston	McConnell	Sanford
Kassebaum	Metzenbaum	Sarbanes
Kasten	Mikulski	Sasser
Kennedy	Mitchell	Shelby
Kerrey	Moynihan	Simon
Kerry	Murkowski	Simpson
Kohl	Nickles	Specter
Lautenberg	Nunn	Stevens
Leahy	Packwood	Symms
Levin	Pell	Thurmond
Lieberman	Pressler	Wallop
Lott	Pryor	Warner
Lugar	Reid	Wilson
Mack	Riegle	Wirth
Matsunaga	Robb	

NAYS—0

NOT VOTING—2

Gore Roth

So amendment No. 24 (as modified) was agreed to.

Mr. COCHRAN. Mr. President, practically every small businessman I have met with during the last few months has stressed the urgency of congressional reform or repeal of the section 89 provisions.

The original objective of section 89 may have been to discourage discrimination in employer-sponsored benefit plans, but the effect has been to discourage employers from offering any benefit plans at all. The recordkeeping and testing requirements are so complex, and the penalties for noncompliance are so severe, that many small businesses are finding they cannot afford to continue to provide group health insurance or other benefit plans.

If our Tax Code is to be used to promote social goals, such as broader access to health care and employee benefits, we should make sure that the tax laws help accomplish these goals.

Several pieces of legislation have been introduced in the Senate and the House of Representatives to address the problem: bills to delay implementation of section 89, bills to repeal section 89, and bills making substantive changes in the law to provide relief from its worst excesses. The cosponsor lists on all of these bills continue to grow.

It is clear that Members of both Houses want to act on legislation which will provide a workable remedy for U.S. employers.

I am pleased to join Senator LOTT and Senator SYMMS in urging the House of Representatives to initiate action and to send the Senate a bill that will eliminate the problems section 89 is causing.

The PRESIDING OFFICER. The question now occurs on the amendment offered by the Senator from Idaho, as modified and as amended.

The amendment (No. 23), as modified and as amended, was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JEFFORDS addressed the Chair.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 25

(Purpose: To provide a maximum hour exemption for employees receiving remedial education)

Mr. JEFFORDS. Mr. President, I send an amendment to the desk on behalf of myself and Senator CONRAD and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself and Mr. CONRAD, proposes an amendment numbered 25.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . MAXIMUM HOUR EXEMPTION FOR EMPLOYEES RECEIVING REMEDIAL EDUCATION.

Section 7 of the Fair Labor Standards Act of 1988 (29 U.S.C. 207) is amended by adding at the end thereof the following new subsection:

"(q) For a period or periods of not more than 10 hours in the aggregate in any workweek, any employer may employ any employee for a workweek in excess of the maximum workweek specified in subsection (a) without paying the compensation for overtime employment prescribed in such subsection, if during such period or periods the employee is receiving remedial education that is—

"(1) provided to employees who lack a high school diploma or educational attainment at the eighth grade level;

"(2) designed to provide reading and other basic skills at an eighth grade level or below; and

"(3) does not include job specific training.".

Mr. JEFFORDS. Mr. President, throughout the debate over increasing the minimum wage, if you listen carefully I think you will hear a certain amount of agreement among my distinguished colleagues. I don't think anyone would disagree with the notion that what our least skilled workers need most is the education and training necessary to find and hold a good job

Obviously, we cannot solve those problems in the course of debating

this legislation. But I think we can look at ways in which we might remove impediments to workers trying to acquire these tools. This amendment is designed to remove one of these impediments.

I will not go on at any length on the magnitude of the problem. We all know that our work force, present and future, is painfully lacking in the skills we will need to compete with the rest of the world in the decades ahead. If we are to maintain our productivity and our standard of living, let alone improving them, we simply must do a better job of educating and training our work force.

By "we" I do not mean merely the Federal Government, indeed our role is relatively small. State and local government, parents, community organizations, and employers all will play a part.

That last partner, business, is already spending billions upon billions to train workers. That's only proper. It seems to me that employers should be principally responsible for providing job-specific training that will inure to their benefits.

However, you just can't train someone for a job who cannot read, write, or perform simple calculations. Before you can even begin to engage in job specific training, you need to be sure that workers possess minimal language and math skills.

As we all know, an astounding number of adults and younger workers lack these basic skills. Our education system has failed them. As a result, employers are also spending billions to provide employees with the education they should have received in elementary and junior high school.

Right now, there seems to be a bit of uncertainty in the application of the FLSA's overtime provisions to employer-provided remedial education. My amendment would resolve this uncertainty by relieving employers of any overtime obligation for hours workers spend in such remedial classes.

This amendment sets out several restrictions to prevent employer abuse. First, classes cannot exceed 10 hours per week. Second, remedial education cannot exceed the eighth grade level. Third, it cannot contain any job-specific training. Fourth, employers would still be required to compensate employees for time spent in class—at least at the minimum wage.

This strikes me as a reasonable compromise. Certainly employers have their own self-interest in offering such education. They need skilled workers.

But it seems to me that the benefits to employees are substantial. Frankly, I hope they will exceed those of their employers. There is nothing better we can do in this debate than to make the minimum wage irrelevant for American workers.

Mr. President, I appreciate the support of my colleagues on this amendment and urge its adoption.

Mr. CONRAD. Mr. President, I am pleased to join my colleague from Vermont in proposing this important amendment. The amendment we are offering would exempt employers who offer their employees remedial education from the overtime provisions of the Fair Labor Standards Act.

Some employers presently offer remedial education to help bring their employees' reading, writing, and arithmetic skills up to an eighth-grade level. Under current law, the kind of compensation to which employees participating in such education programs are entitled is unclear. Because of this uncertainty, some employers who might otherwise initiate worker education programs are discouraged from doing so.

In today's rapidly changing world, we must prepare each individual not only to function, but also to become a participating, contributing member of society. If we fail in this responsibility, not only do we fail those individuals, but society as well. By promoting employer education programs we will be taking a small step toward opening doors for many Americans who would otherwise have little hope of surviving in the modern work force.

Too many people are entering the American work force ill-prepared, illiterate, and undereducated; 700,000 young people drop out of high school each year. Another 700,000 graduate functionally illiterate. Add to that 1 million working-age immigrants entering the American work force each year, and you begin to realize the gravity of the situation that confronts us. These people must be educated.

Mr. President, by exempting employers who sponsor remedial education programs from paying overtime compensation to participating employees, we hope to encourage more businesses to initiate such programs. I am pleased to join Senator JEFFORDS in this effort.

Mr. JEFFORDS. Mr. President, I will not take more time on this amendment. It is agreed to by everyone, I believe. I urge adoption of the amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I commend the Senator from Vermont for offering this amendment. This amendment would encourage precisely the kind of effort by employers that is needed to close the skills gap and assist more people in moving into jobs. After listening to Secretary Dole talk about the lack of basic skills, I believe that this is exactly the type of amendment which will enhance those basic skills and respond to some of her concerns. I think the amendment is a very useful, important, and constructive addition. I urge the Senate to accept the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 25) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 26

(Purpose: To express the sense of the Senate that the rights and protections of the Fair Labor Standards Act of 1938 should apply to Senate employees and to require the Senate Committee on Rules and Administration to report a Senate resolution that provides such rights and protections)

Mr. JEFFORDS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 26.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF RIGHTS AND PROTECTIONS OF FAIR LABOR STANDARDS ACT OF 1938 TO SENATE EMPLOYEES.

(a) SENSE OF SENATE.—It is the sense of the Senate that the rights and protections provided under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) should apply with respect to an employee of the Senate or any office thereof.

(b) ADMINISTRATION.—Not later than 180 days after the date the minimum wage rate prescribed by section 6(a)(1) of such Act (29 U.S.C. 206(a)(1)) is increased pursuant to an amendment made by this Act, the Senate Committee on Rules and Administration shall report to the Senate a Senate resolution (including necessary amendments to Senate rules and regulations) that—

(1) applies rights and protections in accordance with subsection (a);

(2) establishes the scope of coverage of such rights and protections; and

(3) establishes such remedies and enforcement and other procedures as are necessary to carry out paragraph (1).

Mr. JEFFORDS. Mr. President, my amendment seeks to extend the rights and protections of the Fair Labor Standards Act to Senate employees. It does so by instructing the Committee on Rules and Administration to report out a resolution 6 months after a minimum wage increase takes effect that would not only apply these rights and protections to Senate employees, but would also establish the scope of cov-

erage and necessary remedies and enforcement procedures.

Mr. President, I want to express my tremendous appreciation to the chairman and ranking minority member of the Committee on Rules and Administration, Senators FORD and STEVENS. They and their staffs have been extremely constructive and cooperative in helping to develop this language. I also appreciate the support of the chairman and ranking member of the Labor Committee, Senators KENNEDY and HATCH, for their support as well. I should also note that this issue has been one in which my colleague from Vermont, Senator LEAHY, has been a leader on this issue as well.

Mr. President, I know that some of my colleagues may have concerns about this amendment. I think these concerns are unfounded. While it is true that this amendment might require some adjustment in our personnel practices, this adjustment is the same one that every other employer has made when it has come into coverage under the FLSA. These employers have survived, and I expect the Senate will as well if this amendment is adopted.

I think this amendment is important for several reasons. First, there is simply no excuse for this body not to apply the same rules to itself that it has applied to virtually every other employer in the United States. This body should act as a model employer, not as one which continues to live by a double standard.

Second, I think that Congress could regain some of its credibility with the public by adopting this amendment. As my colleagues know, we are not always held in particularly high regard by the citizens of this Nation. While I would argue that there are a lot of misconceptions contributing to this assessment, I cannot fault a Vermonter's logic if he or she asks me why Congress does not apply to itself the same laws it applies to others. Adoption of this amendment would not hurt this institution, it would enhance it.

Finally, I think this amendment will promote fair dealing with our employees. No doubt it may be used by a disgruntled employee down the road. As we all know, disgruntled employees make life difficult for elected officials from time to time right now, sometimes with reason, sometimes without. But I happen to have confidence in the intelligence of voters to distinguish between valid and unfounded criticisms. And instead of letting the exception dictate our policy, we should base our decisions on the vast majority of Senate employees who will not abuse any system we devise.

The question before us is not how all the intricacies of this policy are to be implemented. The other body has settled on one means to accomplish this end, which may or may not be appropriate for the Senate. My amendment leaves those decisions to the Rules Committee and, ultimately, the Senate as a whole. It would be improper and premature for me to suggest what the outcome of their deliberations will be.

But I think it is important that we today agree on the outlines of what we would like the Rules Committee to produce. I think it is only fair that we extend the rights and protections of the FLSA to Senate employees.

Mr. President, this amendment is merely to bring the Senate in conformance—as the House has already done under this legislation—and to ensure that we as leaders of this Nation also abide by the same rules or concepts in any event of the Fair Labor Standards Act with respect to the pay of our employees.

It does not infringe upon the rights of the Senate in any matter. It provides that the Rules Committee should take action and provide a means for ensuring that this protection is granted. It provides the necessary exceptions to staff of Members and others who would be encumbered or prejudiced if they were to be under time-and-a-half provisions, et cetera.

I have cleared this with the Rules Committee. I deeply appreciate their cooperation. There was some concern raised by the Ethics Committee. We have since amended the provisions of the amendment and believe that any concerns that were originally expressed by the Ethics Committee are no longer relevant to the present amendment.

Again, I urge adoption and ask that the amendment be agreed to.

Mr. KENNEDY. Mr. President, I have been asked by a colleague to have a brief quorum call. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Vermont [Mr. JEFFORDS].

Mr. KENNEDY. Mr. President, just for the benefit of the Members, this amendment relates to the issue of the application of the Fair Labor Standards Act to the institution of the Congress. We have found that in a number of instances, whether it is in various civil rights laws, or other legislation, we have not included the Congress in employee protections. I think that the Senator from Vermont has pointed this out, and it seems to me to be appropriate. This is especially true if we are going to go on record favoring employee protections for the rest of the country.

This particular amendment has been cleared with the chairman and the ranking minority member of the Rules Committee which would have appropriate jurisdiction. I will certainly hope that the Senate would approve this amendment.

Mr. LEAHY. Mr. President, today we are considering a major initiative aimed at protecting most American workers from unfair labor practices. If signed into law, this minimum wage bill would prevent exploitation of the working poor, increase buying power, and stimulate the economy. There is one important group, however, who will not see the benefits of a raise in the minimum wage. I am referring to the men and women who serve us every day here on Capitol Hill.

By exempting itself from important labor and civil rights laws, like the Fair Labor Standards Act, Congress has applied a double standard to its own employees. We deprive the men and women who make our work possible of the civil, physical, and economic working rights and standards enjoyed by other Americans. The result: Dickensian working conditions suffered by some Capitol Hill employees.

Eleven years ago, I realized that Congress has to clean house and for the first time introduced the Fair Employment in Congress Act. Since then, I have reintroduced similar legislation over and over again. The bill's purpose is simple. It would eliminate Congress' exemption from the Civil Rights Act of 1964, the Equal Employment Opportunity Act, the Equal Pay Act, the Age Discrimination in Employment Act, the Occupational Safety and Health Act, section 504 of the Rehabilitation Act of 1973—and the Fair Labor Standards Act. It would make Congress subject to the same restrictions upon employment and discrimination which apply to the rest of the country.

Today, the Senate takes an important step toward reforming the double standard which we have applied to our workers. I commend my Vermont colleague, Senator JEFFORDS, for his work in this area. Adoption of this resolution marks the first time the Senate has recognized its own employees in this context. I thank Senators FORD and STEVENS for their willingness to bring the issue of congressional application of the Fair Labor Standards Act before the Senate Rules Committee.

The time for discussion and debate on this issue is long overdue. I am encouraged by the efforts of Senators JEFFORDS, FORD, and STEVENS on this resolution and by Senator GLENN's commitment to discuss the issue of Capitol Hill labor practices before the Senate Governmental Affairs Committee. I look forward to working togeth-

er on measures to bring fairness and equity to the people who serve us faithfully every day.

The PRESIDENT pro tempore. Is there further debate on the amendment?

No Senator seeks recognition.

The question is on agreeing to the amendment of the Senator from Vermont [Mr. JEFFORDS].

The amendment (No. 26) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

The PRESIDENT pro tempore. There is a motion to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 27

(Purpose: To express the sense of the Senate regarding working poor families)

Mr. BOSCHWITZ. During the 1960's and 1970's, Congress sought to eliminate any Federal income tax liability for families whose income was below the poverty level. Several approaches were used in tax legislation enacted in 1969, 1975, 1976, and 1978 including increases in the personal exemption, the standard deduction—also termed the zero bracket amount—and the earned income tax credit. These provisions were intended to increase the level of income at which a family begins to pay Federal income tax—termed the tax threshold or entry point.

After 1980, however, these provisions had not kept pace with inflation, and as a result, prior to the Tax Reform Act of 1986, the income tax threshold had fallen below the poverty level.

TAX REFORM AND LOW-INCOME FAMILIES

To virtually eliminate income tax burdens for families with incomes below the poverty line, the Tax Reform Act of 1986 substantially increased the standard deduction, the personal exemption, and the earned income credit, and indexed each for inflation. For example, the tax threshold for a family of four increased from $9,575 in 1986 to $13,288 in 1987, an increase of almost 40 percent. These changes are estimated to have removed 6 million poverty-level taxpayers from Federal income tax rolls.

The Tax Reform Act's increase in the personal exemption is the first statutory increase in the exemption since 1978. The personal exemption is the principal tax law provision that differentiates tax burden by family size: One exemption is allowed for the individual, the individual's spouse, and each dependent. Accordingly, the near doubling of the personal exemption from $1,080 to $1,900 in 1987, $1,950 in 1988, and $2,000 in 1989 is especially favorable for low- and moderate-income families.

As a result of the 1986 act, in 1988 a married couple with two children will incur no positive income tax liability until income attains $15,116. This income exceeds the poverty level by 25 percent. In 1988, a family with income at the poverty level will receive a net income tax refund through the earned income tax credit of $646; this offsets 72 percent of the family's $911 payroll tax burden.

Under the act, all tax thresholds are higher than the estimated poverty level for 1988 except for single individuals. More than two-thirds of all single individuals with annual income less than $10,000 are under 25 and thus are likely to be receiving significant support from other family members that is not reflected on the tax return. In addition, the majority of single individuals between ages 25 and 64 live with other individuals, and thus share household costs. Accordingly, within the existing framework of defining tax liability, Congress believed that the poverty line is not an accurate guide to the true economic circumstances of the majority of those who file tax returns as unmarried individuals. Moreover, an increase in the standard deduction for unmarried taxpayers would exacerbate the marriage penalty.

LEGISLATIVE HISTORY OF THE EITC

The earned income tax credit [EITC] was developed in 1972 by the Committee on Finance as part of a guaranteed employment program that would have replaced existing welfare programs. The credit was called a work bonus in 1972, because, unlike programs in which going to work means a reduction in benefits, the work bonus increased with earned income, up to a phaseout range.

Although the committee's 1972 proposals were not adopted, the earned income tax credit was enacted in 1975. The EITC was designed to target tax relief to working low-income taxpayers with children, provide relief from the Social Security payroll tax for these taxpayers and, like the work bonus proposal, improve incentives to work.

As originally enacted, the credit equaled 10 percent of the first $4,000 of earned income; that is, a maximum credit of $400. The credit began to be phased out for adjusted gross income [AGI]—or, if greater, earned income—above $4,000, and was entirely phased out for taxpayers with AGI of $8,000. For 1979 through 1984, the maximum credit was increased to $500—10 percent of the first $5,000 of earned income. Also, the income level at which the phaseout began was raised to $6,000, with a complete phaseout not occurring until an income level of $10,000. For 1985 and 1986, the credit was increased to 11 percent of the first $5,000 of earned income. The maximum credit of $550 was reduced for income in excess of $6,000, and was completely phased out for income equal to or in excess of $11,000. Prior to 1987, the dollar amount of the earned income credit was not indexed for inflation.

Under the Tax Reform Act of 1986, the credit was increased to 14 percent of the first $5,714 of earned income, beginning in 1987. The maximum amount of the credit—$800—is reduced by 10 cents for each dollar of AGI—or, if greater, earned income—in excess of $6,500—$9,000 after 1987—and the credit is completely phased out at an income of $13,500—$17,000 after 1987. These amounts are before adjustment for inflation occurring after fiscal year 1984.

DESCRIPTION OF THE EITC

Eligibility—The earned income credit is available to married individuals filing joint returns who are entitled to a dependency exemption for a child; surviving spouses—who, by definition, must maintain a household for a dependent child; and unmarried heads of households who maintain a household for a child. A dependency exemption generally is available only if the taxpayer provides more than half of the total support of the child, and a taxpayer is considered to maintain a household only if more than half of the household expenses are furnished by that individual. For this purpose, benefits under the AFDC Program—aid to families with dependent children—are not considered as support provided or furnished by the taxpayer. Thus, if more than half of an individual's or couple's income is from AFDC or another source other than their own income or resources, the earned income credit generally is not available.

Beginning in 1987, the credit equals 14 percent of the first $5,714 of earnings, including net earnings from self-employment plus an adjustment for inflation—$6,500 after inflation adjustment in 1989. The size of the credit is unrelated to the number of dependents—in excess of one. In 1989, for each dollar of earned income above $9,000 the maximum credit—$874 in 1988—is reduced by 10 cents.

EITC IS REFUNDABLE

Unlike most tax credits, the earned income credit is refundable; that is, if the amount of the credit exceeds the taxpayer's Federal income tax liability, the excess is payable to the taxpayer. Also, under an advance payment system, eligible taxpayers may elect to receive the benefit of the credit in their paychecks, rather than waiting to claim a refund on their return filed by April 15 of the following year.

EITC AND AFDC AND FOOD STAMPS

The treatment of the earned income tax credit for purposes of AFDC and

food stamp benefit computations has varied since inception of the credit. When enacted in 1975, the credit was not considered income in determining AFDC and food stamp benefits, and the credit could not be received on an advance basis. From January 1979 through September 1981, the credit was treated as earned income—for purposes of determining the phase-out of the credit—when actually received. Receipt of the credit on an advance basis was authorized in July 1979.

From October 1981 to September 1984, the amount of the credit was treated as earned income and was imputed to the family even though it may not have been received as an advance payment. Pursuant to the Deficit Reduction Act of 1984, the credit is treated as earned income only when it is received, either as an advance payment or as a refund after conclusion of the year.

Under Federal rules, a State generally has the option of treating a tax refund as either unearned income in the month of receipt, or as a resource. However, the amount of earned income credit embodied within a tax refund is treated as earned income in the month the refund is received. If the refund is treated as unearned income, it reduces the amount of the AFDC benefit on a dollar-for-dollar basis.

Food stamp rules do not have a similar requirement. In determining the food stamp benefit, the credit is counted as earned income for the month of receipt, if received on an advance basis, or as an asset, if received in a lump sum at the end of the year.

EFFECT OF PROVISION

For calendar year 1986, earned income tax credits totaled $2.0 billion, of which about $1.5 billion represented Treasury payments in excess of current year tax liability and $0.5 billion was offset against the individual's tax liability. Some 6.3 million families received the credit, which averaged $321 per family. Of total recipients, over 4.6 million received a portion of the earned income tax credit in the form of a Treasury payment—rather than a reduction in tax liability. Only approximately 10,000 families received advance payments, totaling about $2.2 million in 1986.

MY AMENDMENT TO EXPAND THE EITC/ CONCLUSION

My amendment centers around the refundable tax credit concept I have just described. It is given directly to the working poor families. The working poor most often owe no taxes. So a tax credit—that reduces the taxes they owe—does no good. A refundable tax credit is paid to the working poor even if they owe no tax.

I propose to expand the existing refundable earned income tax credit. As I've indicated, the current credit allows low-income workers with one or more children to receive a fixed refundable tax credit. The credit can be added right onto a worker's weekly or biweekly paycheck.

Under my amendment, the amount of the credit would be increased and would be varied by family size. Eligible taxpayers making between $7,143 and $8,000 would receive a maximum credit value of $1,000 (one child,), $1,500 (two children), $2,000 (three children) and $2,500 (four children). The credit would be phased out for incomes over $8,000 and would not be available to those making $18,000 or more.

Expanding the earned income credit would help ease the financial difficulties facing low-income workers without causing job loss or inflationary pressure. That's what we're trying to achieve, at least in my mind, and I hope my colleagues will agree.

Mr. President, the concern of many here in Congress for the well-being of American workers and their families prompted the consideration and proposal for increasing the Federal minimum wage and legislation mandating a number of other benefits, including health insurance coverage and parental and medical leave. I certainly share the concern that the makers of that legislation have. That is why today I am introducing an amendment to expand the existing refundable earned income tax credit, which will be directed right, which some of these things are not.

On the fact of it, why anybody should oppose raising the minimum wage is a good question. I must say, Mr. President, as you know, I am a small businessman from Minnesota, and we have businesses in Minnesota and Wisconsin and Iowa and Indiana. We cannot hire anybody at the minimum wage, nor do we try to, nor have we for some years.

I think everybody would agree that at $3.35 an hour, which is the present minimum, it is hard to earn a decent living—$3.35 times 40 hours times 52 weeks comes in a little under $7,000 a year, and that is not much. But the issue is more complicated than that. Why stop at $4.55 per hour, which is being offered here, and if we are seeking to raise the standards of those on the minimum wage, why not immediately go to $6 and $7 or give everybody a guaranteed annual wage of $15,000?

Quite clearly, there are some economic impacts of raising the minimum wage. Everybody recognizes that. If there were not these impacts, debate would not be taking place, and we could raise the minimum wage to a livable wage, which $3.35 is not and $4.55, in reality, is not, particularly if somebody has a family.

The fact is that the proposal currently before the Congress simply increases the minimum wage and would not help the working poor substantially, and that, in my judgment, is a great disadvantage. Indeed, such workers, those among the working poor, would probably be the first ones to be affected by the negative side effects of this measure, and the negative side effects are indeed to be realized by the fact that we are not going to raise the minimum wage to $6 or $7. There would be negative side effects, and it is a matter of degree. The question is, Are we going to?

I am not opposed to a gradual increase in the minimum wage. That would be neither inflationary nor jeopardize job opportunities. I do not know what such a gradual increase would be, because I suppose that economists would tell us that just increasing the minimum wage creates several problems.

We need to look closely at better alternatives, in my judgment. One such alternative is the Job Enhancement Families Act, which I introduced during the last session of Congress and may offer as an amendment here today. My amendment will encourage welfare recipients to enter the work force and help lower-income families remain in the work force by expanding the earned-income tax credit, and to vary it by family size. Similar legislation has been introduced in the House by Congressman TOM PETRI from Wisconsin, and I commend him for his efforts on this issue.

Before I describe my amendment, let me summarize the concerns that I have with simply increasing the minimum wage. First, it must be understood that the minimum wage is not the prime cause of poverty and that few minimum wage workers live in poverty homes. Congress should ensure that any legislation in this area target those workers most seriously in need of assistance, low-income heads of households and minorities in depressed urban areas. That is really who we are trying to help, low-income heads of households and also minorities in depressed urban areas, or in rural areas, as well. A flat increase in the minimum wage really will not achieve those ends.

A Washington Post columnist, Robert Samuelson, in his analysis of this issue, reaches a very similar conclusion. He has stated, "The profile of minimum wage workers simply does not fit the popular stereotype. Government policies should not be based on stereotypes that are demonstrably false."

The minimum wage is the most prevalent among teenagers in their first jobs. I certainly worked more than one such job at the minimum wage during those years. I used to lay asphalt, Mr. President. I used to work behind one of those asphalt spreaders at a dollar an hour on the side of a mountain in northern New York, and it was very

hot and smelly and was in the summertime, the only time that you can do that. Those were among my earliest jobs.

Among 16- to 19-year-olds in 1987, 29 percent of those employed earned the minimum wage. Among 20- to 24-year-olds, the proportion drops less than 10 percent, and less than 5 percent of people over 25. Many of those are elderly workers on Social Security who are seeking a supplement to their income. Some just want to keep busy and remain in the mainstream. Seventy percent of all minimum wage earners live in a family where the family income is at least 150 percent above the poverty level.

About 8½ percent, about a third of a million people, are heads of households earning the minimum wage. Only a small number of all workers, less than 2 or 3 percent, are full-time, year-round workers in families below the poverty line. Those are the workers we should be concerned with; those are the low-income workers who must care for a child or two or even three children. It is those people that we want to aim at, and the earned-income tax credit, which I will speak about later, is directed at those people, and the minimum wage increase is not directed at those people.

Many workers earn their first pay at the minimum wage, but that does not mean they get stuck there. All employers I know review their workers' performance and wages every 3 months, or 6 months, and give a raise when it is appropriate.

A pay raise for these workers does not happen simply because the Congress acts.

In a recent column in the Washington Post entitled "Scrap the Minimum Wage," Samuelson argues that, contrary to popular belief, there is not a large pool of minimum wage jobs where pay rises only as a result of congressional fiat.

He says:

> If this were so, there would be as many minimum wage jobs today as in 1981, when the wages was last increased. In fact minimum wage jobs have dropped 50 percent since then—from 7.8 million to 3.4 million in 1988. Even low paying jobs benefit as the nations general income level increases. Companies can afford to pay more, and—to attract workers—they must.

Certainly, Mr. President, I can attest to the fact that companies must pay more. As I said earlier in my remarks, we operate a company that I founded in Des Moines, the Twin Cities of Minneapolis and St. Paul, Madison, WI, and Milwaukee, WI, and Indianapolis; and certainly in those areas—those are urban areas to be sure—the minimum wage really has no application at least as we find it. If we would advertise for help and offer the minimum wage, we simply would not have any takers at all.

Raising the minimum wage will cost some jobs—all economists agree to that—and hurt those who we are trying to help. Economic studies clearly substantiate that conclusion.

A U.S. Chamber of Commerce study concluded that when the 1977 minimum wage increase was fully in effect—this was a 4-year process that raised the minimum wage by 47 percent—644,000 jobs were lost. The proposal we are considering here today could well have a similar effect and certainly will have some effect on a number of jobs. Those estimates vary. But one thing nobody disagrees with is that it will result in the loss of some jobs.

Numerous studies have been published, each concluding that the wage increase before us will adversely affect both employment and inflation.

The Congressional Budget Office study conducted last year on the impact of the minimum wage increase, estimated the job loss at anywhere from a quarter to a half million jobs. In addition, the study projected an increase both in unemployment and inflation by approximately one-half of 1 percent. Unfortunately, it was rejected by the chairman of the House Education and Labor Committee, because the study had not specifically asked for an estimate of the effect on the economy. A revised study was prepared with the impact on the economy deleted.

This year the Congressional Budget Office has produced a new study and concluded that up to 250,000 jobs would be lost and using its inflation rate another 230,000 people would lose their jobs in addition to that.

Teenagers, who represent 40 percent of all minimum wage workers, would account for between half and two-thirds of the anticipated job loss. This in itself would be a tragedy. A teenager's first job is often at a low wage or the minimum wage and it is typically his or her main entry into the work stream. Mine was, as I mentioned earlier. It was also at the minimum wage at that time.

An employer, faced with a 47-percent increase in the cost of part-time labor will have no choice but to eliminate such employment opportunities.

Young people will take the hardest hit, but there will be job losses at all levels, not just because of the minimum wage, but because the whole wage level will go up with no corresponding increase in the productivity and we will become less competitive in world trade.

Mr. President, I have sat many times in my office with wage cards of my employees before me and gone over them and made upward adjustments. I never made a downward adjustment, always upward adjustments.

Mr. President, as I began to say I have sat many times with pay cards in my office of my employees and gone through them and raised them. It must be understood that when the minimum wage goes up that not only those workers go up but that on entire range of workers will get an increase in pay and perhaps that is not objectionable to me. It is not objectionable to me. It always happened that way in my firm but the impact of that must be understood Mr. President because if somebody goes from $3.25 to $4.25, the person who was formerly at $4 will now want to go to $5 or close to that and the person who was formerly at $4.75 will also want to go up. So the entire wage rate will, the whole business will be ratcheted up. To some that may not be objectionable, but you have to recognize that it will have inflationary impact and in everything as we go up we will be a little less competitive in international trade and for every point that the inflation level rises we add $12 billion to the Federal deficit.

So these are some offsetting things to consider, you cannot just raise the minimum wage in a vacuum. It cannot be done in an isolated way with no side effects. If it were, then of course we should not raise the minimum wage to $4.50, we should raise it to $6 or $7 because even at those pay rates it is hard to make a living. As usual the people who will be hurt by increasing the minimum wage are those who are at the lower wage rate, because now a new consideration will enter into their situation and that is whether or not that job should be kept or whether it should be automated or it should just be done away with and in the process we are going to hurt a lot of other people.

There is one thing that needs to be considered and that is rural America. In rural America the wage scales are lower than they are in the cities and perhaps that should not be so, but that is a realism we should deal with and frankly as rural America seeks to gain additional jobs and create new jobs. As you know in rural America there is not a symphony orchestra normally or there is not the largest library or the other facilities one would find in the large city and one of the appeals to an employer or to a business person is that the wage rate is lower and by increasing the minimum wage we take away one of the real advantages that rural America has to come pet and we should not think of that too be as we increase the minimum wage.

As usual, as I said, the first people to be hurt will be those at the bottom, those without education, those in jobs that are not very skilled, those with jobs that can be easily eliminated or replaced.

The same thing goes with the health insurance plans that are now being offered. That could well be well over a

dollar an hour for part-time employees and 50 or 60 cents an hour for full-time employees. That, too, adds to the cost of doing business and it really must be factored into the inflation rate, the balance of trade rate, and so forth.

I know, in talking about the people who work at lower levels, that many people say, "Well, on the other hand"—and I heard the distinguished majority leader, the Senator from Maine, talk about the capital gains rates and the fact that some of us are in favor of moderating the capital gains rates in order to create additional capital and investments and so forth, that there we would be helping people who are better off. The majority leader stated that we would be helping the rich.

Well, some of those people are rich just in that year, Mr. President. I point out that people who operate small businesses, people who operate a 300- or 400-acre farm and do so over a 15- or 20-year period and then sell the farm in that year, they are indeed in the upper income brackets. Many people who find themselves making large capital gains are really realizing the fruits of a lifetime of work. That year they are in high brackets or in high income and find themselves among the rich. They would like to be there every year, but they probably drop right back down to middle-class status in other years. One should not judge all capital gains as being just among the rich. That is not the case at all.

Well, added together, all of these things, the additional benefits may indeed hurt the people who we want to help the most and jobs will become just automated out of existence.

When I was in law school, I used to go down to Merrill Lynch, the brokerage house. In those days, getting the statements out on the first of the month meant that you sat there and you stamped names on the envelopes. We used to do that in 12-hour shifts, and it was $1 an hour. We thought it was a pretty good job. That was in the early fifties, and that indeed was a good job back then.

But those kinds of jobs are going to be lost and have already been lost in that case. It is important that we not automate out of existence the jobs that are entry-level jobs for people seeking work, particularly for the first time.

So, Mr. President, in raising the minimum wage, we must understand that it cannot be done in a vacuum, that it is not done without some offset somewhere else in the economy. If it could be done in a vacuum, if it could be done without some other kind of effect on the economy, we really ought to raise the minimum wage to $6, $8, $10 an hour.

The Senator from the State of Washington spoke about someone who ran for office in his State who wanted a $10 an hour minimum. People have an understanding that simply cannot be done without some serious side effects on the economy. And even the rather modest raise which is being proposed here, which is being proposed by the Senator from Massachusetts, to $4.55, still modest, is going to have some side effects and is not going to accomplish all that all of us hope for.

What does have a better impact is the earned income tax credit. The earned income tax credit would apply to those people who are heads of household who have families and, in the event their total income was low, they would get a tax credit, a refundable tax credit, a tax credit they would not have to wait until the end of the year to receive, a tax credit that would be added to their paychecks on a biweekly basis, a tax credit that would be aimed directly at family people. It would be aimed not at a young person who is in high school who is seeking to supplement his own income or who comes from a home where poverty is not a problem. And so this is a far more targeted effort to help those people who are in need.

I intend to offer such an amendment. I understand that that amendment is now being discussed by the staff on the other side. When they get through considering that amendment and putting it in a form that is mutually acceptable, I will at that point offer that amendment.

Mr. President, I yield the floor.

Mr. JEFFORDS. Mr. President, I would like to speak in favor of whatever amendment it is we end up with here.

But I first want to commend the Senator from Minnesota for focusing on the importance of trying to establish the policy for our minimum wage.

As I pointed out earlier, it is extremely important that when we do raise the minimum wage, we try to make sure that those who are in poverty are the ones that are most benefited. One of my concerns with the present bill is that that does not occur.

For us to be able to raise the families out of poverty by allowing them to participate in the work force, we have to have a system and a method to be able to supplement their income above any reasonable minimum wage that we could provide in order to give sufficient income to those families. There are a number of benefits using the EITC approach rather than just attempting to raise the minimum wage sufficiently enough to get all of the families off.

The demographics indicate that only about 14 percent of the heads of households will be affected by the minimum wage by raising it sufficiently to get them off, or only 14 percent of the people that will be on minimum wage are heads of household. That means that if we raise the minimum wage only to the levels that are presently being discussed, at best the one- and two-member families will be assisted, but those in three and four and five and above will not be assisted in a way that they can get off of welfare. So I hope that serious consideration would be given to providing a program which will assist those that need it the most.

There are other benefits also with using the EITC approach rather than attempting to raise the minimum wage sufficiently to get all families off of welfare. Any displacement impact, for instance, is minimized.

As already pointed out many times, the number of people that will be displaced in the work force by virtue of raising the minimum wage is substantial. The figures vary anywhere from 200,000 to 800,000, depending upon the level and depending upon who does the estimating. But there will be a substantial number of young people, especially poor young people and young people in the urban areas, that will not get jobs if we raise the minimum wage by any level.

We should also make sure that the economic dissipations with respect to inflation or competitiveness are reduced as well as the impact would be by just raising the level itself.

Finally, the reward for the working poor will be increased and be better targeted to those who need the assistance most essentially. So I hope that the final version that we may come to with respect to minimum wage will embody the EITC concept.

There are other areas of concern that I expressed earlier with respect to the training wages in either the original bill, the bill which is now before us, or the administration's proposal do not meet the goals of the training wage proposal. But I am hopeful that, all working together in the days ahead, we will come up with a minimum wage proposal which will be advantageous to those who we really want the bill to work for and not to do something which is based mostly upon emotional judgments rather than on establishing the appropriate goals and reaching those goals.

(Mr. KERREY assumed the chair.)

Mr. BENTSEN. Mr. President, if we want to turn this minimum wage bill into an omnibus tax bill, we can do it. We can go ahead and restore the IRA deduction for all wage earners. We can restore the charitable deduction for nonitemizers. Let us have a good time here this afternoon.

I support the earned income tax credit, but the idea of offering an expansion here, at a cost $1.5 billion over 5 years, without paying for it, is not

the way to legislate. And certainly it is subject to a point of order for violating the budget rules, I will be making that point of order if we pursue this course.

We will see if Senators want to waive the budget rule and start down the road of busting the budget.

I have been asked by the President, the Secretary of the Treasury, and the Director of the OMB, to work with them as chairman of the Finance Committee in trying to arrive at a budget. I saw nothing in the administration proposal that made the suggestion to start busting the budget. The idea of going about cutting taxes without offsetting revenues is not the responsible way to legislate. We just should not be violating the Budget Act.

I seriously question whether the administration would support this, I doubt that they would want to start down this path of busting the budget. I certainly oppose it.

I am informed that to cut down on the revenue loss, some families with one child would actually lose benefits. I do not know the details, but I do not think we ought to reduce the tax credit and increase the tax burden on some low-income families without full consideration and hearings before a committee of appropriate jurisdiction.

If we keep on going down this path, they are going to be lining up outside to offer tax amendments. Do Senators think the other body is going to accept that? They feel very strongly about any kind of tax legislation on a S-numbered bill.

This is a killer amendment. if you really want to kill the minimum wage bill, this is the path to go.

I have strongly supported the earned income tax credit, but this is not the time to attach it to a minimum wage bill. This is not the time to violate the constitutional prerogatives of the other body and have them kill the bill and send it back to us to further have to deal with it.

So I urge the opposition to the amendment and I urge that it be defeated. I will raise a point of order on the question of waiving the budget rules and regulations at the appropriate time if we pursue this course.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, as soon as we get it copied and prepared here, I am going to be offering a sense-of-the-Senate resolution with respect to an earned income tax credit that will be added to the minimum wage bill. The earned income tax credit—and this will be a sense-of-the-Senate resolution—will be more targeted than the minimum wage increase.

The minimum wage increase is kind of a rifle shot. I do not say that it will not help some people in need. Certainly it will, but this, the earned income tax credit, is designed to apply only to those people who are below a certain income level. The minimum wage, of course, is meant to apply to everybody who works, and whether that person is a young person coming from an affluent family or if it is a mother or father seeking to support their children, the earned income tax credit will gather family income, and, if it is below a certain level, then there will be a tax credit that is refundable that will be paid to that family and, indeed, that family does not have to file an income tax return on April 15 and then wait for a lump sum. In fact, it will be offered so that it can be paid on a biweekly basis and added to a person's paycheck.

Mr. President, let me just move back here to a chart that describes this. This is the Job Enhancement for Family Act. This is a bill that I introduced. While this is a little different bill than the sense-of-the-Senate resolution that I am offering this afternoon, nevertheless, it incorporates some of these same points.

A person below a certain amount of income, below $8,000, receives the full credit which will be as high as $2,500 for head of a household with four children; somewhat less, as you see, $2,000 for an earned income tax credit for a family of three children and so forth. This chart shows that the more children the person has, the larger the earned income tax credit will become.

Earned income tax credit, obviously, is for those people who work. A person who gets $2,500 a year as an earned income tax credit, who is working a 40-hour week, 50 times 40 is 2,000 hours a year, so it is about $1.25 an hour increase, and those with three children is approximately $1 an hour addition that is paid by way of a refundable tax credit from the Federal Government.

It is an incentive to work, and then it is phased out so that by the time that family gets to $19,000, the earned income tax credit is gone. That it is not cut off at a point as soon as your wages get above a certain amount, but it is phased down in a sensible way so that it is available to the working poor, and certainly a family of four of $11,000 to $12,000 has to be considered among the working poor.

This is a well-balanced approach, and it is an approach that is somewhat different than existing law because existing law does not make these kinds of distinctions between the size of the family. This chart, and all these numbers, reflect the amounts of the earned income tax credit under the existing law, which makes no allowance for the size of the family which should really happen if we are going to see that those people get back to work.

So, Mr. President, this is a sense-of-the-Senate resolution, and I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] for himself and Mr. COATS, proposes an amendment numbered 27.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. . SENSE OF SENATE REGARDING WORKING POOR FAMILIES.

It is the sense of the Senate that—

(1) the United States should not deal with the problems of working poor families only by raising the minimum wage established under section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206);

(2) an increase in the minimum wage in most cases will not, by itself, bring a large family supported by a minimum wage earner out of poverty;

(3) the long-term solution for working poor families is education and training access to quality health care and child care.

(4) in the short term, the United States can increase incentives to work and make a more efficient commitment of resources to help low inccome families by amending the existing earned income tax credit established under section 32 of the Internal Revenue Code of 1986 to vary the credit by family size and by increasing the minimum wage.

(5) through a mechanism such as a family-size adjusted earned income tax credit and a minimum wage increase the United States can help deal with the tension between wages, which are based on productivity, and welfare which is based on need;

(6) such a mechanism provides a reward for working while adjusting that reward to need;

(7) earned income tax credit should be amended to relate the percentage of credit to the number of children in the family;

(8) specific amounts should be determined by the consideration of revenue offsets; and

(9) amendments to carry out this section should be adopted on the first appropriate revenue bill.

Mr. BOSCHWITZ. Mr. President, I have described the earned income tax credit, a tax credit that would inure to the benefit of the working poor, the size of which would be dependent on the size of the family and on the income. It would reward those who work and want to work. It is the kind of proposal that I think is a forward-looking proposal. It is not inflationary, as would be a raise in the minimum wage. It is a good supplement.

There is going to be a minimum wage increase. It is a very excellent supplement to an increase in the mini-

mum wage because, as I have stated, certainly the minimum wage is going to have some impact on the poor, an unfortunate impact on some, those who continue to work who are at the minimum wage and there are certainly some in my constituency who will benefit, and that is a good thing.

This will provide additional benefits to heads of households. It will not have an inflationary impact. It, indeed, will get more people into the workplace. I believe it will create additional tax revenue even though it is described as a revenue loser. Therefore, it is a constructive and positive way to go. I yield the floor.

Mr. KENNEDY. Mr. President, when the Senate considered the increase in the minimum wage last year, we had an opportunity to debate an alternative to the minimum wage, and that alternative was the earned income tax credit. It was an amendment offered by the Senator from Minnesota. We resolved that particular issue, but we did not resolve the question whether we were going to have an increase in the minimum wage because we were caught up at the end of the session and we were unable to get final action on the minimum wage legislation.

The amendment proposed today is different from that in that it recognizes the need to increase the minimum wage and provides an earned income tax credit for the larger families. That is a concept which I support. We know that with the increase in the minimum wage as it has been developed by our committee that a single individual would benefit more than with an earned income tax credit even if it is refundable. Married couples would as well. But beyond that, once you get into families of 3, 4, 5, 6, and 7 that are living in poverty, the earned income tax credit provides tremendous benefits. This is particularly true because the Senator from Minnesota has crafted his amendment progressively so that the benefits provided are provided to the neediest families. The work incentives included in the concept are commendable.

As I understand, the decision by the Senator from Minnesota has been to go on record today to indicate his support for a family size adjuster for the earned income tax credit, should we have an increase in the minimum wage, which I am very hopeful we will have with the implementation of this legislation.

This amendment does have implications on the budget now, and over a period of time. If the amendment itself had been offered, there were not the appropriate kinds of offsets to conform with the Budget Act. There were also as I understand it, some questions in terms of the constitutionality of this amendment—this is perceived as raising revenues—and a number of other questions which could have been raised and which I think might have blurred the view of the Senate on this particular issue.

As I understand it, the Senator from Minnesota has indicated he wants to offer a sense-of-the-Senate resolution to embrace the concept of the earned-income tax credit, and he is hopeful that the Senate will consider this issue at some time later in the session. He also hopes that we will consider a revenue offset, which seems to me to be a thoroughly responsible approach in trying to deal with the income resources of those who are at the lower rung of the economic ladder.

I express appreciation to the Senator for raising this issue again and for fashioning the amendment to ensure that we will maximize the income for the individuals on the lowest rung of the economic ladder. I appreciate his willingness to develop a sense-of-the-Senate amendment on this issue. I understand he intends to ask for a yea and nay vote. I hope the amendment will be supported.

I for one certainly welcome the opportunity to work with the Senator from Minnesota as we work through this particular session even with the tight budget limitations and restrictions, to see if we cannot find some way of achieving the objectives we have discussed here today.

Mr. BENTSEN. Mr. President, I congratulate the distinguished Senator from Minnesota for his substantial improvement in the language of the amendment he proposed and is now offering as a sense-of-the-Senate resolution. I concur with the thrust of the amendment. As in all things, there are a couple things I would have differently phrased. But I understand that, and I will be pleased to support the sense-of-the-Senate resolution.

I think, frankly, that changing the thrust of it to a degree where you are calling for it to be paid for, where it is not a budget buster, is a major move and a responsible one.

Mr. BOSCHWITZ. Mr. President, I thank the distinguished Senator from Texas for expressing his support of the concept of the earned income tax credit. Certainly his interest in and support of that matter is essential if it is going to move forward.

I thank also the Senator from Massachusetts for expressing his support of the idea of an earned income tax credit and his willingness to work together on it during the course of this session. We will have to also work, I say to my friend from Massachusetts, on the idea that the budgetary costs here may be overstated because if we do put some people to work and get them off the various welfare roles, we will have a positive rather than a negative impact on the cost of Government.

Mr. KENNEDY. If the Senator will yield, I certainly agree. It has not been a point that has been recognized to a very great extent in the course of the debate on the minimum wage. We have our differences on that issue, I know, but the fact is you are unable to move people off welfare now, particularly large families with little financial incentive to move off welfare under the current conditions. This is particularly true if families know they are going to have to pay for health insurance or day care. The concept of the Senator, I believe, fits well with the minimum wage. I know that we have differences, but as far as this Senator is concerned, if we are able to fashion a proposal that provides both the individual and the childless couple with an increase in the minimum wage—which will help those working poor—and then add in the concept of the Senator from Minnesota, we would achieve the best of all worlds in trying to move people off dependency and into productivity.

So I agree with the observation that the Senator makes in terms of the advantages that it would provide for moving people off dependency. I think that is certainly one of the positive features of the Senator's proposal.

Mr. BOSCHWITZ. I say to my friend from Massachusetts that if we combine with this a tax credit involved with child care, we will give an additional incentive for people with families to move off.

Mr. KENNEDY. If the Senator will yield, I agree.

I think the combination of both efforts, the one developed by the Senator from Connecticut, the ABC Program, and then some sort of a tax credit which I know has been something the Senator from Utah has been considering, with, I imagine the Senator from Minnesota, is certainly a package that would make sense.

Mr. BOSCHWITZ. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there sufficient second? There is sufficient second.

The yeas and nays were ordered.

Mr. BOSCHWITZ. I ask unanimous consent that an article in the Washington Times dated April 5 of this year by Warren Brookes, the distinguished columnist who often is found in the Washington Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MINIMUM VISION ON WAGES?

(By Warren Brookes)

President Bush is undoubtedly delighted to have kept last month's minimum-wage vote to a veto-sustainable level. At the same time the Democrats had to accept the principle of a training wage or youth minimum,

albeit for two months instead of six. This means the Senate and conference should give Mr. Bush a bill he can sign.

Politically this will be a victory. Visionwise it is another lost opportunity. The day of the House vote, The New York Times weighed in with an editorial calling the whole minimum-wage debate "a distraction." They said that raising the minimum will do nothing for poor people because the lost jobs will more than offset the rise in wages: "No one should be fooled, though. An increased minimum is no answer to poverty."

The New York Times then took up the cudgel for a proposal long championed by Republican Rep. Tom Petri of Wisconsin, to expand the earned income tax credit (EITC) which The Times said "puts extra money in the envelopes of low-wage workers. To increase the minimum wage would merely look good; to increase the tax credit would do good."

On March 17, Mr. Petri got the 31-member House Republican Policy Committee to endorse his expanded, multipurpose, Family Living Wage Act (FLWA) under which families earning salaries at or near the minimum wage would receive a base tax credit of $1,050 a year plus $700 per preschool child and $350 per school-age child for up to four children.

A low-wage worker with two preschoolers under this plan would receive a total EITC of $2,450, the equivalent of an hourly wage increase of $1.32, or more than the $1.20 which the House approved for the minimum wage increase last month.

As the family income rises over the $8,000 annual level, the FLWA credit would phase down to minimum child-care credits of $200 and $100 per preschooler and schoolager respectively for families with incomes in the mid-$20,000 range, and these credits would remain until income exceeds $40,000. (See table.)

The beauty of the Petri plan is that not only does it take care of those genuinely poor families at the minimum wage (less than 30 percent of the minimum-wage pool) but it generates child-care benefits for working low- and moderate-income families—killing two policy birds with one far less harmful policy stone.

Above all, The New York Times pointed out, "the credit doesn't change the employer's costs and thus does not encourage him to abolish jobs. For those who really care about the working poor, the issue is not the minimum wage but minimizing poverty."

Exactly so. The reason unions oppose the Petri plan is not because they care about the 2.6 million minimum-wage workers, but they want to raise the "benchmark" to raise their own wages.

One problem is that the Petri proposal is more costly to the budget process, but much of that is illusory. While the total package would cost the Treasury $7 billion in additional EITC revenues, some $4 billion could be financed by repealing the present dependent care income tax credit, which goes mainly to upper-middle-income families.

At the same time, the Reagan Council of Economic Advisers last year estimated that raising the minimum wage to $4.65 an hour would add $2-6 billion a year at least to the deficit.

Furthermore, the Petri/FLWA substantially increases the incentives for single women and families to leave the welfare rolls. Because of this the Republican Policy Committee argued the net real cost to the Treasury would be less than $3 billion.

If so, that is a small price to pay for a genuinely visionary new approach to income support. Because the EITC is available only to those who actually work, the FLWA becomes an expanded incentive to break the dependency trap.

Contrast this fresh, creative compassionate—yet conservative—departure from the status quo with the Bush compromise. Its weakness was vividly illustrated by Labor Secretary Elizabeth Dole, who quite correctly told Congress that all studies show that raising the minimum wage kills jobs for the young and the poor.

But instead of refusing any increase on principled economic grounds, Mrs. Dole was forced by Mr. Bush's campaign pledges to offer the Democrats a "less-bad" compromise proposal, and wound up trying to convince unbelieving media that $4.25 was less damaging than $4.65, and six months training was less harmful than two months.

Once again, we have compromise where none was needed. Since 1983 the share of workers receiving the minimum wage has fallen from 8 percent to less than 3 percent today. Soaring job creation, combined with a narrowing base of available workers means most teen-agers now get 30 percent to 50 percent above minimum wage in most markets. Less than 1 percent of all workers are minimum-wage household heads.

The reason is demographic as well as economic: In the last eight years, the number of youths aged 16-19 has fallen by 12 percent, while the total working-age population has been growing at half the rate of the three prior decades, and a third the rate at which payroll employment has been rising.

At the same time, the industries for which the minimum wage was intended, garmentmaking, textiles and the retail trade, are now paying an average of $6.27 an hour, $7.58 an hour and $6.47 an hour, respectively, and rising more than 4 percent a year.

If there ever were a need for the minimum wage, that need is gone in an economy now facing labor and skill shortages for decades. President Bush has supplied minimum vision on this one.

FAMILY LIVING WAGE ACT

[Family with four children—two preschoolers]

Earned income	FLWA benefit	Total income	Effective increase/ hour
$7,000	$3,150	$10,150	$1.68
10,000	2,640	12,640	1.41
15,000	1,960	16,960	1.05
25,000	600	25,600	0.32
40,000	600	40,600	.32

Source: FLWA–H.R. 1104, 1989.

Mr. CHAFEE. Mr. President, I would like to lend my support to the distinguished Senator from Minnesota [Mr. BOSCHWITZ] for his resolution offered in the Senate yesterday requiring the Architect of the Capitol to establish and implement a voluntary program to sort and recycle paper used by the Senate.

It would be hypocritical of the Senate to require other branches of Government and the private sector to recycle waste material, if it is not itself setting an example.

Also I would like to signal my intention, when this resolution is considered by the Senate, to amend the resolution to also require that the Senate purchase recycled paper when possible. By this action the Senate will not only recyle its waste paper, but it will also close the loop, by creating a market for the sale of recyled paper. Unless we take significant steps to create demand for recycled paper, the market will soon be glutted with an over-supply of recyclable material.

It is my hope that the entire U.S. Government will emulate the Senate's lead in this matter. Legislation which Senator BAUCUS and I will shortly introduced to reauthorize the Resource Conservation and Recovery Act will seek to move the Government in this direction.

The PRESIDING OFFICER. If there is no further debate, the question now occurs on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in family.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

The PRESIDING OFFICER (Mr. GLENN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 33 Leg.]

YEAS—97

Adams	Fowler	McConnell
Armstrong	Garn	Metzenbaum
Baucus	Glenn	Mikulski
Bentsen	Gorton	Mitchell
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Boschwitz	Hatch	Packwood
Bradley	Hatfield	Pell
Breaux	Heflin	Pressler
Bryan	Heinz	Pryor
Bumpers	Helms	Reid
Burdick	Hollings	Riegle
Burns	Humphrey	Robb
Byrd	Inouye	Roth
Chafee	Jeffords	Rudman
Coats	Johnston	Sanford
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Conrad	Kennedy	Shelby
Cranston	Kerrey	Simon
D'Amato	Kerry	Simpson
Danforth	Kohl	Specter
Daschle	Lautenberg	Stevens
DeConcini	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Lieberman	Wallop
Dole	Lott	Warner
Domenici	Lugar	Wilson
Durenberger	Mack	Wirth
Exon	Matsunaga	
Ford	McCain	

NAYS—1

McClure

NOT VOTING—2

Gore Rockefeller

So the amendment (No. 27) was agreed to.

Mr. BOSCHWITZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MITCHELL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I believe American workers are among the most productive in the world. Today I rise to support an increase in the minimum wage, a step I believe is long overdue.

The Senate Labor Committee has conducted a thorough review, and concluded that today's minimum wage is not a livable wage, and proposes that it be increased. Today, more than 1.1 million families in which one or both parents work full-time cannot escape poverty. We are going to do something about that. The Graham-Pryor-Mitchell-Kennedy substitute offers a higher wage, and in an effort to see this legislation enacted, also adopts a 60-day training wage.

I would like to address both of these provisions.

The minimum wage in the United States has not been adjusted for inflation since 1977, with the last increase from this adjustment occurring in 1981. The buying power of these workers has decreased every year since 1981. It should be no surprise that the number of our working poor has increased by 43 percent between 1978 and 1987. The problem of the homeless has worsened dramatically. Our poverty rate is once again rising. We have essentially contributed to a new under class in America—the working poor and the working homeless.

Increasing the minimum wage, according to a recent Urban Institute report, will reduce the poverty gap by 14 percent and decrease the number of poor families by 206,000.

The minimum wage today amounts to less than $7,000 a year for a full-time worker and thus competes with welfare. It makes no sense in Vermont—or anywhere else—to be in a position where welfare payments may be more rewarding than going out and getting a job. The vast majority of Americans want to work and are proud to work. Unless we increase the minimum wage, we will be sending precisely the wrong signal to many people on welfare who might otherwise be productive, contributing members of our society.

I have never supported a subminimum training wage. I believe that our Nation's young people, performing the same job as their adult counterparts, deserve the same wage. Nothing in President Bush's proposal requires that the employer train these workers. In essence it allows these workers to be paid less without any real benefit.

Some argue that these workers have less need for money because they are single or live with their parents. I don't believe it. Major expenses for young workers have soared. Transportation costs are up, rents are up, meals away from home have jumped by 40 percent and tuition for colleges and universities costs over a third more than it did in 1981.

I worked my way through college and law school and I know the importance of earning money at a young age. These young people are just beginning their employment careers and forming young families; their wages should provide a stable earning base for their success in both areas instead of casting a shadow over our Nation's most vulnerable workers.

Mr. President, I want to thank the majority leader and chairman of the Labor and Human Resources Committee for their work to bring this matter to the floor so early in this session of Congress. I think it sends the right signal to the working men and women in this country that we as a nation value and reward hard work, and that once again, the minimum wage will be a living wage. I hope President Bush puts his veto threats aside and signs this measure into law.

TIME TO RAISE THE MINIMUM WAGE

Mr. HARKIN. Mr. President, I am happy to rise in support of S. 4, the Minimum Wage Restoration Act. This bill, which seeks to raise the minimum wage, is as important to the future of working families as any bill we may consider this year. Succeeding in this effort is as important now as it was when the minimum wage was first established half a century ago.

Times may have changed dramatically since 1938 when Franklin Roosevelt urged Congress to extend the frontiers of social progress by adopting a minimum wage. But the need for such a minimum wage which is a living wage has not changed at all.

Fifty years ago, Congress saw and understood the need to improve the standard of living of those who were undernourished, poorly clad and ill-housed. Unfortunately, those problems remain unaddressed for many Americans even today. Yet, the minimum wage in 1989 is less than a poverty wage.

We have accomplished much over the years in improving conditions for working men and women. We should no longer undermine those hard won gains by refusing to bring the national minimum wage into line with today's needs.

I am heartened that the Congress is acting to raise the minimum wage and I applaud the committee chairman and all of those who have lent their time, support and energy to this important effort.

And I'm particularly pleased about the provision in the bill dealing with the tip credit.

When the Senate Committee on Labor and Human Resources met on March 8 to mark up S. 4, I offered an amendment to increase the tip credit. I'm very pleased that the committee adopted my amendment by a voice vote.

Let me provide a brief explanation of that amendment.

A provision in the Fair Labor Standards Act currently allows an employer to apply a portion of an employee's tip income against the obligation to pay the minimum wage. Existing law places the tip credit at 40 percent. Thus, restaurant employers, for example, may pay their tipped employees $2.01 an hour in cash wages and take a tip credit of $1.34 an hour, which is 40 percent of $3.35.

My amendment would restore the tip credit to 50 percent of the minimum wage in two annual steps: 45 percent in 1990; 50 percent thereafter.

I think this is an equitable proposal. For one thing, it would bring the labor laws somewhat more in line with the tax laws as they relate to tip income. Until enactment of the Deficit Reduction Act of 1984, tips had never been considered wages for employer payroll tax purposes. But in 1984, tips were defined as wages for FUTA tax purposes, thus subjecting employers for the first time to FUTA liability on income their employees had received, not from them, but from customers.

The Omnibus Budget Reconciliation Act of 1987 extended this same rational to Social Security taxes. Thus, employers are now required to pay FICA taxes on all reported tips. Previously, employers paid FICA only on tips counted toward the tip credit.

As you can see, tips are treated fully as employer-paid wages for tax purposes, but they are only partially counted as wages under the Fair Labor Standards Act. My amendment addresses this inconsistency between the Tax Code and the FLSA.

The fact is, under the law, a tip credit cannot reduce an employee's wages below the minimum wage. In other words, the tip credit can never exceed tips actually received by an employee, and no employee would ever earn less than the minimum wage. My amendment does not change that. So, this is not really a minimum wage issue. My amendment would not reduce the cash wages of tipped employees. Actually, with the proposed minimum wage rate increase, cash wages for tipped employees would increase under my amendment.

My proposal simply recognizes that tips are the joint effort of the employer and his tipped employees. The original amendments that brought restaurateurs under FLSA gave employers credit for their contribution to the production of tip income. A restaurant's premises and atmosphere, the quality and presentation of the food, the price of the meal, and such are all factors which contribute directly to

the level of tip income received by employees.

Mr. President, the driving force behind the minimum wage bill is to help those at the bottom rung of our economic system. This amendment allows us to better target this legislation to those who are truly minimum wage employees. It also helps correct an inequity that currently exists between the Tax Code and the Fair Labor Standards Act.

EXECUTIVE SESSION

DEPARTMENT OF ENERGY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations reported by the Energy Committee today: W. Henson Moore, of Louisiana, to be Deputy Secretary of Energy; John C. Tuck, of Virginia, to be Under Secretary of Energy; and Donna R. Fitzpatrick to be an Assistant Secretary of Energy.

I further ask unanimous consent that these nominations be considered and confirmed en bloc, that motions to reconsider be tabled en bloc, that any statement be printed in the RECORD as if read, that the President be immediately notified; and that the Senate return to legislative session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

John Chatfield Tuck, of Virginia, to be Under Secretary of Energy;

Donna R. Fitzpatrick, of the District of Columbia, to be an Assistant Secretary of Energy (Management and Administration); and

W. Henson Moore, of Louisiana, to be Deputy Secretary of Energy.

Mr. MITCHELL. Mr. President, I yield to the distinguished chairman of the Energy Committee and commend him for the prompt action on these nominations.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. I thank the majority leader. It is with a great deal of pleasure that I send these nominations to the Senate from the Energy Committee. They were unanimously considered in the Energy Committee this morning.

Mr. President, Henson Moore was, for years, a Congressman from Baton Rouge, a Congressman from the other party. But I might say, it is a tribute to the kind of service that he rendered, to the kind of man he is, that he has been so strongly supported by myself and by my distinguished colleague, JOHN BREAUX, from Louisiana.

Both of us, Mr. President, very strongly supported him for Secretary of Energy, because of the wide knowledge he has, because of his demonstrated skill, ability, and integrity.

Mr. President, I very strongly urge my colleagues to unanimously approve Henson Moore as Deputy Secretary of Energy.

John C. Tuck, as Under Secretary of Energy, is also a well-known figure on this floor, because he served as floor assistant to Senate Majority Leader Baker when he was majority leader here in the Senate.

Donna Fitzpatrick, as Assistant Secretary of Energy, is or has been serving as Assistant Secretary with some distinction and, indeed, has shown her skill and ability.

So, Mr. President, it is with a great deal of pleasure that those of us on the Energy Committee submit these three names, and it is a special and personal pleasure that I submit Henson Moore as Deputy Secretary of Energy.

I thank the majority leader.

STATEMENT ON NOMINATION OF W. HENSON MOORE TO BE DEPUTY SECRETARY OF ENERGY

Mr. McCLURE. Mr. President, on April 12, 1989, the Committee on Energy and Natural Resources favorably reported the nomination of W. Henson Moore to be Deputy Secretary of Energy by a unanimous vote.

The President has made an excellent choice in nominating Henson Moore to be Deputy Secretary of Energy. As a former colleague, I have known Mr. Moore for some 15 years. He is a skilled and knowledgeable politician whose understanding of Government and whose expertise in the energy field will be a great asset to the department. Mr. Moore's institutional knowledge of Congress and its Members will be extremely valuable in forging the kind of working relationship that is essential for the making of sound public policy; and I strongly support his nomination.

As I have publicly stated over and over, this Nation's energy problems exist not because we are short of energy, but because we lack a long-term, comprehensive and consensus-based national energy strategy. As we heard recently during Admiral Watkins' confirmation hearing, the Department of Energy is faced with a range of problems and difficulties related to the operation of DOE's defense and nondefense facilities. The newly confirmed Secretary has made a good beginning in addressing these issues but there is still a long way to go in solving this Nation's energy problems. I believe Henson Moore has the background and experience to bring strength to the management team at DOE and that he will be a great asset in building a strong national energy policy.

Mr. President, I urge my colleagues to join me in supporting Mr. Moore's confirmation as Deputy Secretary of Energy.

STATEMENT ON NOMINATION OF THE HONORABLE W. HENSON MOORE TO BE DEPUTY SECRETARY OF ENERGY, DEPARTMENT OF ENERGY

Mr. DOMENICI. Mr. President, I rise in support of the nomination of Hon. W. Henson Moore to be the Deputy Secretary of the Department of Energy.

Mr. Moore is highly qualified to take charge of the responsibilities that await him as Deputy Secretary. Prior to his new appointment, Mr. Moore was involved in legislative and government affairs as a senior partner in a law firm. His focus there was not by chance; he had served 12 years as a U.S. Congressman from the Sixth District of Louisiana. Because of his experiences on the Hill, particularly his service on the House Budget and House Energy and Commerce Committees, I know he will bring to the Department a knowledgable understanding of and skilled hand at dealing with the concerns many of us have here in Congress regarding the many challenges we face, especially on such issues as nuclear waste cleanup and the safe and timely modernization of our nuclear facilities.

W. Henson Moore will be an excellent Deputy Secretary and I urge my colleagues to vote favorably on his nomination. I believe that President Bush and Secretary Watkins have assembled a first-rate team at DOE and I look forward to working with Henson Moore and others in the years ahead. Congratulations and good luck to you.

STATEMENT ON NOMINATION OF DONNA R. FITZPATRICK TO BE ASSISTANT SECRETARY OF ENERGY FOR MANAGEMENT AND ADMINISTRATION

Mr. McCLURE. Mr. President, on April 12, 1989, the Committee on Energy and Natural Resources favorably reported the nomination of Donna R. Fitzpatrick to be Assistant Secretary of Energy for Management and Administration by a unanimous vote.

As we heard recently during Admiral Watkins' confirmation hearing, the Department of Energy is faced with a range of problems and difficulties related to the operation of DOE's defense and nondefense facilities. The newly confirmed Secretary has made a good beginning in addressing these issues but there is still a long way to go in solving this Nation's energy problems.

Miss Fitzpatrick has twice been confirmed by the Senate for positions at the Department of Energy—in 1988 as Under Secretary of Energy and in 1985 as Assistant Secretary for Conservation and Renewable Energy. Her background and qualifications will undoubtedly serve to strengthen the management team at the Department of Energy.

Mr. President, I urge my colleagues to join me in supporting Miss Fitzpatrick's confirmation as Assistant Secretary of Energy for Management and Administration.

STATEMENT ON NOMINATION OF MS. DONNA R. FITZPATRICK TO BE ASSISTANT SECRETARY FOR MANAGEMENT AND ADMINISTRATION, DEPARTMENT OF ENERGY

Mr. DOMENICI. Mr. President, I rise in support of the nomination of Ms. Donna R. Fitzpatrick to be the Department of Energy's Assistant Secretary for Management and Administration.

Ms. Fitzpatrick is well qualified to take on the responsibilities that await her. Prior to her new role, she served in three other capacities at the Department of Energy, as Under Secretary from 1988 to the present, as Assistant Secretary for Conservation and Renewable Energy from 1985 to 1988, and as the principal Deputy Assistant Secretary from 1984 to 1985. In these former roles, Ms. Fitzpatrick had an excellent opportunity to follow the issues of importance to the Department and to become familiar with the players and process that would help her to become an effective advisor in resolving the many challenges ahead. Additionally, because of these former roles, she will provide a certain amount of institutional memory and stability during this period of transition.

I believe that Donna Fitzpatrick will be a fine and capable Assistant Secretary. Generally, I know her as someone with whom we can work, who has been very receptive to the needs and concerns of the Congress, and who understands the issues that face us in the near future. More specifically, I know Ms. Fitzpatrick as someone who has been helpful on a number of issues that I have followed closely in the past, including my efforts to craft a fair and responsible technology transfer bill. She also offered constructive advice when we worked together on the issue of clean coal.

Donna Fitzpatrick will be an outstanding Assistant Secretary and I urge my colleagues to vote favorably on her nomination. I look forward to working with Donna on energy issues as closely in the future as we have in the past.

STATEMENT ON NOMINATION OF JOHN C. TUCK TO BE UNDER SECRETARY OF ENERGY

Mr. McCLURE. Mr. President, on April 12, 1989, the Committee on Energy and Natural Resources favorably reported the nomination of John C. Tuck to be Under Secretary of Energy by a unanimous vote.

As we heard recently during Admiral Watkins' confirmation hearing, the Department of Energy is faced with a range of problems and difficulties related to the operation of DOE's defense and nondefense facilities. The newly confirmed Secretary has made a good beginning in addressing these issues but there is still a long way to go in solving this Nation's energy problems.

The nomination of John Tuck will serve to strengthen the management team at the Department of Energy. Through Mr. John Tuck's positions in both the Senate and the House of Representatives managing floor activities, as well as his most recent responsibilities in legislative affairs at the White House, he has gained good management experience and a particular expertise in moving legislation through Congress. I believe Mr. Tuck will serve the administration well, and I strongly support his nomination.

Mr. President, I urge my colleagues to join me in supporting Mr. Tuck's confirmation as Under Secretary of Energy.

STATEMENT ON NOMINATION OF JOHN C. TUCK TO BE UNDER SECRETARY, DEPARTMENT OF ENERGY

Mr. DOMENICI. Mr. President, it gives me great pleasure to rise today in support of confirmation of the nomination of John C. Tuck to be Under Secretary of Energy.

Tuck began serving the Congress in 1974, after serving on active duty in the Navy during the Vietnam war era. His first job on the Hill was in the Clerk's Office in the House of Representatives. For the next 7 years, he served the Republican leadership of the House in a variety of posts.

I got to know Tuck well when he moved to this side of the Capitol in 1981, where he served as assistant secretary for the majority.

As assistant secretary, Tuck aided Majority Leader Howard Baker in the day-to-day floor operation of the Senate. Tuck provided himself to be always capable, knowledgeable, and courteous—one of the staff without whom the work of the Senate would not get done.

From 1986 to 1989, Tuck served President Reagan in the White House, most recently as Assistant to the President and Director of the Office of the Chief of Staff.

Mr. President, when Admiral Watkins was nominated to be Secretary of Energy, he stated that he wanted to bring in a topnotch management team to assist him in running the Department of Energy. John Tuck fits the bill, and I am sure that he will serve Admiral Watkins and President Bush as he served the U.S. Senate, the House of Representatives, President Reagan, and his country: with dedication and distinction.

I hope the entire Senate will join me in supporting the confirmation of John C. Tuck to be Under Secretary of Energy.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

MINIMUM WAGE RESTORATION ACT

The Senate continued with consideration of the bill.

AMENDMENT NO. 28

(Purpose: To delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] for himself, Mr. D'AMATO, Mr. BOSCHWITZ, Mr. LOTT, Mr. GARN, and Mr. NICKLES proposes an amendment numbered 28.

Mr. KASTEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following new section:

SEC. . EFFECTIVE DATE FOR SECTION 89 DELAYED 1 YEAR.

Paragraph (1) of section 1151(k) of the Tax Reform Act of 1986 (relating to effective dates) is amended to read as follows:

"(1) IN GENERAL.—The amendments made by this section shall apply to years beginning on or after Janauary 1, 1990.".

Mr. KASTEN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 29 TO AMENDMENT NO. 28

(Purpose: To delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986)

Mr. KASTEN. Mr. President, I send a perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 29 to amendment numbered 28.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, lines 8 and 9, of the amendment, strike out "on or after January 1, 1990" and insert in lieu thereof "after December 31, 1989".

Mr. KASTEN. Mr. President, a short while ago the Senate, by an over-

whelming vote of 98 to 0, approved the Lott-Symms-Kasten amendment.

I think it is more than appropriate that we follow up on this expression of the sense of the Senate. So, Mr. President, I believe that we have to do more.

My amendment is a simple one. It merely calls on the Senate to put its muscle where its mouth was just a few minutes ago. The amendment would delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

Mr. President, taking the Senate at its word, we can conclude there is substantial congressional sentiment for modifying this section, or even repealing it outright. A number of us are on different kinds of bills. Actually, a majority of our colleagues have already cosponsored one or more of the various measures which would have the effect of repealing, modifying, or delaying this section.

Our course of action is clear. We have to amend this provision, and in the vote that we had a few moments ago the Senate by 98 to 0 said we would, but we have a major problem right this moment. Even today, right now, thousands of businesses are struggling to comply with a provision that we know and they know is misguided and now we know and they know is going to be changed, modified, or possibly repealed.

Mr. President, there is no reason for subjecting these businesses and their workers to an entirely unnecessary year of confusion and paperwork as we in the Senate struggle toward consensus on this issue.

We can pass a package of revisions this year. We can even repeal section 89 this year. But we do not have to make that choice today.

And I know that in the debate on the previous sense-of-the-Senate resolution a number of people said they wanted to repeal and a number of people said they wanted to change. We do not have to make that choice, but what I am asking my colleagues to do and to do today is to express their willingness to look at the issues seriously this year, and that means delaying the implementation of section 89 until we have had this year to discuss how it might be improved upon.

Delaying the effective date until next January 1 would give us in Congress the opportunity to work our will—and thus relieve the burden of at least the most onerous provisions of section 89 on businesses and workers.

An "aye" vote on this amendment would send a clear signal to those businesses and workers that we recognize as much as they do that these rules as written are unwise, unworkable, and just plain unfair.

We heard a lot of eloquent debate on the substance of this issue. There is no cause for me to repeat it right now, and that is why we are talking about simply a delay until January 1, 1990. The Senate has spoken by a vote of 98 to nothing. It is now time for the Senate to commit itself to action, action this year. So let us delay section 89.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. NICKLES. Mr. President, will the Senator yield?

Mr. KASTEN. I am pleased to yield to the Senator from Oklahoma.

Mr. NICKLES. The amendment of the Senator from Wisconsin then would delay for the remainder of this year so that those businesses that have benefit plans that are right now in process of trying to comply with very difficult regulations which are still pending, would know that we would have 1 year for Congress to make a change. We have a majority in both the House and Senate that indicate we want to make a change. So they would not have to spend a lot of money in complying with a provision that in all likelihood would be changed by Congress anyway.

Mr. KASTEN. The Senator is correct.

Frankly, the final regulations are not even out yet and we are in the process of asking people to comply with something that we have, by a vote of 98 to 0, already said we are going to change, but even the rules for what we are going to change are still not out. So I think we simply have to let people in the small business community know that this is not going to take place until we have our act together, and that the provision will start January 1, 1990.

Mr. NICKLES. I compliment my friend and colleague. I think he has an excellent amendment.

The PRESIDING OFFICER. Is there further debate?

The Senator from Arkansas.

Mr. PRYOR. Mr. President, reluctantly today I stand here to oppose the distinguished Senator's amendment and I do so for two or three reasons, and I will try to be very, very brief.

One of the reasons, Mr. President, that I oppose this amendment is that only 2 hours ago, we took a vote on section 89 of the Internal Revenue Code. In that vote, which was 98 to 0, the Senate went on record as saying we need it to repeal or to modify section 89. I do not know how we could be much clearer than that.

The second thing that we did is we have now agreed that on May 9, not of 1990 or 1991 or 1992, but May 9, 1989, just a few days away from today, the Senate Finance Committee is going to hold a hearing, Mr. President, on the issue of section 89.

There is no question that section 89 has wrought havoc. The lengthy regulations, the confusion, the complexities have been particularly harsh on small businesses.

Mr. President, only 3½ weeks ago, I introduced the Section 89 Simplification Act, a bill on the floor of the U.S. Senate. As of today, we have on both sides of the aisle 35 cosponsors of that particular piece of legislation. Ten of those cosponsors, I say to my distinguished friend, 10 of those cosponsors of the Section 89 Simplification Act are members of the Senate Finance Committee.

Mr. President, I am not saying that our simplification legislation is perfect. The Senate Finance Committee will review section 89 and all its wants on May 9. Many have complained that we have not held hearings on this matter. Well, that hearing will be held on May 9.

Since the introduction of the Section 89 Simplification Act, I have received letters and constructive thoughts from various organizations throughout our country. For example, the American Retail Federation, says in this particular letter, "We have here one or two suggestions as to how this legislation can be made better."

We have here a letter, Mr. President, from the National League of Cities supporting reform of section 89.

We have a letter from the Association of General Contractors of America. "We would like to offer for your consideration some additional simplification proposals." And they go forward and list these proposals which we hope to incorporate in the ultimate piece of legislation that will be subject to the Finance Committee hearing on May 9.

We have from the National Small Business United Organization a letter dated April 4 stating:

> National Small Business United is pleased to present you with our views of 654. Although we do not at this time endorse this bill, we appreciate the efforts and the first steps that are being taken for simplification.

Mr. President, the bottom line is that this is a budget loser. If the Kasten amendment is adopted, I say respectfully, it is going to cost something in the neighborhood of probably $150 million the first year.

We say this: And it is a very simple statement, Mr. President. I do not want to belabor the case. We have already dealt with this issue once today. I felt we dealt with it fairly. We say major surgery is required. We think it must be approached responsibly after proper consideration by the Finance Committee. We do not think that the minimum wage bill, which is now the pending business of the Senate, is the

right piece of legislation to address the complexities of section 89.

Finally, it is very conceivable, Mr. President, that the Kasten amendment would bring about another issue and that is the constitutional issue of revenue bills having to be first introduced in the House of Representatives, the other body, and sent to the U.S. Senate. This is clearly and simply a revenue bill. It is clearly and simply, Mr. President, a revenue loser. And we can guarantee that the House will blue slip this particular provision. Also, let me assure the Members that the Finance Committee under the able leadership of Senator BENTSEN will fully review the issue of section 89 in the May 9 hearing. I urge that the Kasten amendment be defeated.

Mr. President, as I am about to take my seat, let me give forewarning to my good friend and colleague, which I respect very much. I know his intentions and I also know his frustrations—but at an appropriate point—and it is not going to be very far down the track—I will make the point of order that the pending amendment violates section 311(a) of the Budget Act and will seek and I am sure we will ultimately have a vote on the waiver of the Budget Act.

Mr. KASTEN. The Senator is not making that point of order at this point?

Mr. PRYOR. I am not making it at this point. I must leave the floor very shortly, I apologize to my colleague. That point will be made, I assume, when the Senator finishes his remarks.

(Mr. ADAMS assumed the chair.)

Mr. KASTEN. Mr. President, on this whole issue of repealing section 89, and particularly with regard to the revenue estimates, I hear a faint echo of 10 percent withholding on interest and dividends. We went through that. The Senator from Arkansas and I were on the same side on that issue.

But here we are again. Regulations are not out. The Senate voted 98 to 0 to change it. I think, frankly, that by the time you have your hearings and then have legislation passed and it goes to the House and they have their reform or remodeling or whatever they are going to call it, we are going to be at January 1 anyway. We just cannot make it through all the hoops and we know what we have is wrong now.

In talking about the revenue estimates, we are back where we were when we were talking about what we were going to gain with 10-percent withholding on interest and dividends, and those revenue estimates went all over the map.

Trying to find a revenue estimate for section 89 is like trying to find a needle in a haystack right now. The Budget Committee does not have a revenue estimate. The Congressional Budget Office [CBO] does not have a revenue estimate. And the Joint Committee on Taxation is operating on numbers that are 2 years old.

What revenue estimates do we have? They are found in the Joint Committee on Taxation's 1987 review of the Tax Reform Act of 1986, published on May 4, 1987. This publication, known as the Blue Book, lists the following revenue estimates for section 89. They said 1988 revenue was going to be $72 million; 1989 was going to be $128 million—not $150 million, not $140 million, $128 million.

In 1990, it was going to be $140 million, and in 1991, it was going to be $154 million.

Now, how did they pick the 1988 number? That was the first year that this was supposed to go into effect.

If I could have the attention of my friend from Arkansas, I want to make this point on the revenue estimate. They said the first year was going to be $72 million. This would be the first year, but now we are saying it is $128 million the first year, or as the Senator is suggesting—$150 million. We do not know. The projections are all over the map.

For the first 3 months of the current fiscal year, we know that we did not collect anything because the regulations have not been in place. That was calendar year 1988, before the regulations were issued. We still do not have the final regulations.

As I said, the proposed regulations were issued in the Federal Register on March 7 of this year. They will not be finalized for months and the regulations that we do have do not include the group life insurance policies or a number of other technical provisions.

So, clearly, the revenue we gain from section 89 for fiscal year 1989, if any, is going to be less than the projected amounts. So the revenue estimates are wrong.

If the Senator wants to raise a point of order, this may be the time to raise that point of order. I do not see other people wanting to debate.

But the fact is, the revenue estimates are all over the map. The reform and work that the Senator and others are going to do in the Finance Committee and the Ways and Means Committee are going to change the bill—and I hope that he is right that we will simplify it—and, therefore, that will change the revenue estimates. So how we know where the revenue estimates are right now, I do not think anyone could know. But I can promise you it is not $150 million for 1989.

Mr. PRYOR. Mr. President, if I could respond to my distinguished colleague and friend. I do not have a revenue estimate. I was basically using some round figures that I have heard bandied around by members of the Budget Committee and the staff of the Finance Committee.

But I do have this, I say to my friend. I do have a statement from the Select Budget Committee, an oral declaration delivered to the Parliamentarian, that this is, in fact, a revenue loser. And if it loses only $1, we are in violation of the Budget Act. In fact, we are in violation of two provisions of the Budget Act: not only section 311, which is the prohibition against budget busting, et cetera, but also section 303, the prohibition against a revenue bill before the adoption of a budget resolution.

We have yet to adopt the budget resolution. Mr. President, if my colleague is finished—I do not want to cut off debate; I want him to have an ample amount of time—I must say I think the distinguished Senator has taken what might be the independent and popular position, but I do not think it is good policy. That is why I hope that the Members will support us in our challenge, that it does, in fact, violate section 311 of the Budget Act.

Mr. President, I make a point of order that the pending amendment violates section 311(a) of the Budget Act.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I move to waive all those sections in title III and title IV of the Congressional Budget Act of 1974, as amended, which contain points of order against my amendment, for the purpose only of considering my amendment.

The PRESIDING OFFICER. The motion is debatable.

Is there further debate? The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I simply want to reiterate the point that we do not know how much this is going to cost if we were to enact the law for which the regulations have not even been published. And we do know that we are going to change it. How we can have any kind of a revenue estimate is impossible.

The other point I would like to make is, let us think about this in the whole. The cost of complying with section 89 is going to be far greater to middle America, workers, and small business, than the revenue raised by this provision, whether it is $72, $130, or $150 million. The cost of complying could be close to $1 billion, we heard estimates in the previous debate.

So I hope that the Senate will support my effort to waive those sections of the Budget Act.

Mr. President, I ask unanimous consent that several articles on section 89 and a list of business groups who support the repeal of section 89 be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 29, 1989]

IRS PROVISION ON BENEFITS COULD PRODUCE PAIN

(By Albert B. Crenshaw)

You've just had a major operation.

You're coming out of the anesthetic, and your husband is there holding your hand. "How did it go?" you mumble.

"Well," he says, "there's good news and bad news.

"The good news is that your surgery went fine and your employer's health insurance plan will pay the entire $100,000 tab.

"The bad news is that your employer's health insurance plan has failed the new federal antidiscrimination test, so the $100,000 is taxable income to us."

Welcome to Section 89 of the Internal Revenue Code.

Effective this year, Section 89 requires all employers that offer fringe benefits to demonstrate that their plans do not "discriminate" against lower-paid employees by granting less generous benefits.

If the employer does not meet the law's basic standards—which include having the benefit plan in writing, notifying employees that it exists, and some other relatively rudimentary criteria—any benefits paid out under the plan are taxable income to the employee.

If the employer meets those basic "qualification requirements" but fails the law's numerical tests—the second standard—because the plan covers too many upper-echelon employees and not enough rank-and-file, then the upper-echelon employees are taxed on the "discriminatory excess."

Further, whenever a benefit results in taxable income to the employee, the employer must include the amount in the employee's W-2 the form that tells each taxpayer how much income he has received the previous year. Failure to do that results in potentially major penalties against the employer as well.

Section 89 was part of the 1986 Tax Reform Act, but did not become effective until this year. Until recently, it had gone largely unnoticed by business, and even, opponents now claim, by many members of Congress.

Section 89 "basically is an ambush," James Lagos of National Small Business United told a House Small Business Committee hearing last week. Because the law is both so strict and so technical, said Lagos, a lawyer who operates several small businesses in Ohio, "almost all of us are violating the law" today.

But no one is entirely sure, because the Internal Revenue Service has so far not issued regulations spelling out how to comply.

Committee Chairman John J. LaFalce (D-N.Y.), who has introduced legislation to repeal Section 89, called it "a sleeper" that "was snuck into" the tax bill by the House Ways and Means Committee.

But Ways and Means staff members indicated that repeal is not on the committee's agenda. One noted that the panel is aware of the difficulties involved in complying with the law, but said that as if often the case in tax legislation, "there's a tension between fairness and simplicity."

Committee members felt there was a need to curb discrimination in employee benefits—at least those benefits that enjoy favorable tax treatment—and that such a law could be "simple and less fair, or you could make it fair, and that means complexity. It's something we deal with all the time," said one staffer.

For employees, the bottom line is this: make sure your employer is aware of Section 89 and find out what the company intends to do to deal with it. If you are "highly compensated"—and if you make more than $50,000 a year and/or own a stake in the company, you could be—you should go into detail on the subject because the company's benefit plan has to pass both standards to get you off the hook.

Your employer should do at least enough to comply with the qualification standards. That will eliminate the chance that your $100,000 worth of surgery will result in taxable income to you. (That possibility may not be as painful as it might at first seem. Some experts think you could deduct as medical expenses the cost of the operation to the extent that it, plus any other medical costs, exceeded 7½ percent of your adjusted gross income.)

The numerical tests present a more complicated situation. If your company fails the test—that is, if not enough lower-paid employees are either eligible for or participating in the plan—it may want to change its plans so they pass.

Alternatively, the employer can drop the plans altogether, or continue discriminating and let you pay additional tax. Or it may "gross you up"—that is, raise your pay to make up for the additional taxes you will pay.

"Frankly, this [Section 89] doesn't stop anyone from discriminating," said Ellen A. Fredel of the Washington law firm of Shaw Pittman Potts & Trowbridge. It simply says that "if you discriminate, perks are going to have to include some amount in income," she said.

Under certain circumstances, Section 89 can apply to other "perks," such as free or cut-rate parking and employer-subsidized cafeterias or dining rooms. So there is considerable potential for nasty surprises.

But the IRS has indicated that for this year, at least, it will not penalize an employer that makes a good-faith effort to meet the standards.

In the case of the qualification requirements, that should be relatively easy. These standards, according to a Ways and Means staff member, were meant to get at "severely abusive" situations—for instance, a hospitalization plan that is established just before the chief executive officer's triple bypass operation and terminated when he recovers. So the employer can probably meet the standard without a major investment of time or money.

And if your employer meets the standards, you are in the clear unless you are a highly compensated employee.

The numerical tests are much tougher. Large employers, which generally don't discriminate have to gather a lot of information just to prove their case. Small employers, which commonly provide benefits for the owner and a few key employees, can probably do the tests easily enough but their plans may well be found to be discriminatory.

If that happens, and you are a highly compensated employee, you and your employer should sit down and figure out who's going to pay what. The government has decided that someone is going to pay—now's the time to try to avoid being that someone.

[From the Wall Street Journal, Apr. 12, 1989]

SECTION 89—A CRAZY TAX LAW

(By John J. LaFalce)

The 1986 Tax Reform Act was supposed to stop the tax code from driving economic decisions. But the administrative nightmare known as Section 89 not only will drive business decisions regarding health-insurance benefits, but also is likely to force smaller businesses to abandon their health-insurance plans just when Congress is seeking to cope with the problem of 37 million Americans without coverage.

As chairman of the House Small Business Committee I have been leading the fight to repeal Section 89. Nearly 300 members of Congress, representing all points on the political spectrum, have joined me in this effort.

The intent of Section 89 of the Internal Revenue Code, which took effect Jan. 1, is to ensure that tax-exempt employee benefit plans, principally health and life insurance, do not favor higher-paid employees over average workers. Specifically, Section 89 establishes nondiscrimination rules to determine whether employers provide comparable benefits to all workers. It does not require that benefits be provided across the board; it does not forbid discrimination. It just makes employees pay taxes on the discriminatory benefits.

In theory, this tax penalty is supposed to encourage businesses to provide benefits to their lower-paid employees, and thereby expand health-insurance coverage among the nation's uninsured workers. In fact, however, the law is so exceedingly complex and burdensome that it is more likely that many employers simply will not provide fringe benefits.

The vast majority of uninsured workers are employed by small businesses; fewer than half work for firms with less than 25 employees. Any policy that would discourage small employers from providing health benefits, as does Section 89, is unwise.

Section 89 is based on the assumption that there is widespread and odious discrimination in employer-provided benefit plans. Yet there was no testimony to document widespread discrimination, and I have been unable to find any member of Congress who will claim parentage of the provision.

The law assumes that state and local governments, universities and nonprofit groups are guilty of discrimination. It assumes that every unionized employer is discriminating even though the benefit provided are those agreed to at the bargaining table. No employer is completely exempt.

The law stands reason on its head. It applies not to intentional discrimination but to equality of results. If employees' benefit choices do not fit a predetermined mold, plans are guilty of discrimination.

The recurring administrative costs will force the private sector to waste resources and force American companies to be less productive.

Section 89 carries onerous penalties. If a benefit plan fails the nondiscrimination tests, higher-paid employees must pay taxes on the value of their "discriminatory" benefits. If a benefit plan fails the qualification requirements, all employees who participate in the plan must pay taxes on the actual benefits received—their medical reimbursements. In other words, employees are punished for the noncompliance of their employers.

The Treasury Department finally issued regulations implementing Section 89 on March 7, more than two months after the law took effect. In hearings before the Committee on Small Business, public-sector witnesses decried the provision, saying it will force the diversion of funds from badly needed public services to consultant and legal fees. In addition, the educational community strongly supports repeal of the law. The executive vice president of Purdue University, Frederick Ford, testified that the university will spend tens of thousands of dollars to hire consultants, and will dedicate hundreds of hours of employees' time to gather the data needed to prove compliance.

Business—particularly small business—will have even greater difficulty complying. One witness cited the example of a company with fewer than 50 employees that paid $60,000 to a consultant with the result that the firm was advised to impute $4,000 worth of income to its higher-paid employees.

Other witnesses have estimated that aggregate compliance costs will range from $1 billion to $5 billion.

Section 89 is the perfect example of a well-intentioned idea that was implemented legislatively in an atrocious manner—so atrocious that it cannot be fixed and must be repealed.

[From the Milwaukee Sentinel, Mar. 22, 1989]

BENEFIT MANAGERS CRAM TO PASS SECTION 89 TEST

(By Jim Grinstead)

Company benefit managers have been a grumpy lot lately.

Faced with a major change in the tax law known as section 89, they are struggling to deal with a problem that could either heavily tax their resources or run up expensive consulting bills.

The one piece of advice they are getting without fail is: Begin work immediately.

In short, section 89 requires that all companies examine their benefit plans to determine if more highly paid employees are getting benefits not available to employees paid less.

If those benefits exist, the company must change the plans so they are equitable or the employee must pay a tax on the excess.

Section 89, a revision to the Tax Reform Act of 1986 that took effect Jan. 1, is intended to provide benefits to all employees on an equitable basis and tax those benefits given to highly compensated employees, according to Robert Horvat, who is with the human resources consulting group of Arthur Young in Milwaukee.

The Internal Revenue Service claims another principal objective of the legislation is to extend health coverage for employees not now covered.

Despite those goals, the IRS is receiving howls of protest from business groups around the nation, calling section 89 cumbersome, overly expensive and impossible to manage.

Many of those involved also say privately that a goal of the revision is the raising of more tax revenue as much as it is the equalization of benefits.

"They've created a monster," said Dick Shon, the owner of six Midas Muffler shops in the Milwaukee area which employ a total of 35 people.

Shon expects employers, especially small employers, to lower their benefits. "I don't know how we'll comply with this kind of law," he said.

The pressure is on the employer to do the testing correctly, for if the employer is wrong, it could leave an employer with a major tax bill.

Mike Benton, an Arthur Young tax manager, used the example of an employee who has open heart surgery, with the expenses coming to $100,000. If the employer has done the testing incorrectly, the employee will be taxed on the benefit received—$100,000—not just the extra premium the company paid for the insurance.

Recent regulations put some limits on the amount of tax an employee might owe, but it would be at least 25% of the benefit.

Observers believe some companies may decide just to increase the pay of highly compensated employees to allow them to pay the tax and save the cost of the research needed to bring any plans in line.

At other companies, that may not be possible and they will soon begin the process of reviewing their plans.

The testing process is long and tedious, and many business groups have been complaining to their legislators about the law, seeking its repeal. There are now four proposals before Congress to do away with the law, but those watching the situation do not expect it to go away.

"This regulation will create mountains of paperwork and red tape for many businesses," said Sen. Robert W. Kasten Jr. (R-Wis.). "It's possible that a number of employers will simply discontinue some employee benefits rather than risk non-compliance with the Section 89 regulations."

Even the National Society of Public Accountants has called for the repeal of the law because of its record-keeping requirements.

For the small-business person, the new law will require new forms and new approaches to benefits.

In Shon's case, he must examine health, life, sick leave, vacation and paid holiday plans. He said he does not think benefits should be the same for a trainee as they are for an executive.

To deal with the problem, Shon has scheduled a meeting with his lawyer to talk about compliance. He said he has heard of firms that will charge him $400 per benefit offered to examine his business to determine what changes he needs to make, but Shon said he cannot afford that expense.

In the end, he said he may have to drop some of his company's benefits.

However, a benefits consultant who deals with small- and medium-size businesses believes the problems will not be as bad as the screams would indicate.

Timothy J. O'Meara, of Fringe Benefit Planning Inc., said it may cost a small business $1,500 to $2,000 to do the testing the first year. After that, he said, the business would have a good road map as to how to handle its benefit programs.

Costs in subsequent years will be less to monitor the program, he said, and costs in later years will be only a few hundred dollars and a few hours of time.

O'Meara used the example of a company he tested with 110 employees and one highly compensated employee, working less than 17½ hours a week, who threw the firm into discrimination with the law. The answer was not to increase his gross salary, which would have been expensive, but instead to remove him from eligibility for the plans.

In the end, O'Meara and other advisers are telling their clients to pick the option that costs them the least, not necessarily the one that is the easiest.

"It is a manageable problem." O'Meara said.

The problem is particularly manageable for larger companies.

Roger Freitag, manager of headquarters employee benefits for the Allen-Bradley Co., said his company's ownership by Rockwell International Corp. helps because Rockwell is developing computer software to do the complicated analysis.

For Allen-Bradley, all Freitag expects to do is gather the information and send it to the parent company for analysis.

"We get off easily because they promised to do it for us," he said.

Freitag also does not expect benefits to change much after the analysis because his company's benefits are not expected to be discriminatory. If problems are found, Freitag only expects to fine-tune the system to bring it into compliance rather than make major changes to the programs.

One reason for that, he said, is that once employees are working for the company, the hope is to keep them on and changing plans would make "more enemies than friends."

Freitag, like others in the field, expects the second and subsequent years to be much easier once the initial monitoring systems have been developed.

Despite the calls from leigislators and business groups to revise or repeal Section 89, many observers do not expect it to go away, although some of the rules might change in coming years.

"Nine-tenths of Section 89 has to do with information collecting," said Lawrence L. Grudzien, director of employee benefit services of Arthur Young.

However, it is that information collecting that will take months of work for personnel departments, not only this year but also very likely in the years to come.

In its seminars, Arthur Young's experts are telling employers how they must begin looking at their benefit plans.

The basic requirements are that a plan be in writing, that the employee's rights under the plan be legally enforceable, that employees be notified of the benefits under the plan, that the plan be for the exclusive benefit of employees—including their families, if the employer wishes to offer that extension—and that the plan be a long-term offering.

"I think most companies are going to be in compliance," Horvat said, adding that coming into compliance with those rules will not be difficult.

After that, the problem gets more complicated.

The first test an employer must pass is called the 80% test. It checks to see if at least 80% of the non-highly-compensated employees are covered under that health or group-term life plan during the plan's year and that it does not contain any provision that discriminates in favor of highly compensated employees.

If this test is passed, the employer's job is complete, except for reporting to the IRS.

If not, a long and tedious process is entered to determine what the differential is in each plan the company offers.

Not only health plans must be tested. The same requirements held true for life insurance, accident plans, tuition reduction plans, educational assistance programs, dependent care assistance programs such as child day care, group legal coverage and similar fringe benefits.

Part of the problem is that employers often offer several different plans within a category from which employees can choose.

Each variation of a plan is generally a new plan and it must be tested separately.

Many observers suggest that employers will reduce the number and diversity of benefits offered in order to meet the 80% test in one plan and save the problems of yearly testing.

LIST OF GROUPS WHO SUPPORT S. 350

Adhesive Sealant Council.
Alliance of Independent Storeowners and Professionals.
American Association of Nurserymen.
American Consulting Engineers Council.
American Council of Independent Laboratories.
American Furniture Manufacturers Association.
American Land Title Association.
American Machine Tool Distributors Association.
American Road Transportation Builders Association.
American Society of Association Executives.
American Subcontractors Association.
American Supply Association.
Associated Builders and Contractors.
Associated General Contractors of America.
Association of Physical Fitness Centers.
Associates of the Wall and Ceiling Industries International.
Electronic Industries Association.
Florists Transworld Delivery Association.
Food Marketing Institute.
Independent Bakers Association.
Independent Bankers Association of America.
International Association of Refrigerated Warehouses.
International Mass Retail Association.
MAPCO.
Machinery Dealers National Association.
Mortgage Bankers Association.
National American Wholesale Grocers Association.
National Association for the Self-Employed.
National Association of Brick Distributors.
National Association of Manufacturers.
National Association of Personnel Consultants.
National Association of Small Business Investment Companies.
National Association of Truck Stop Operators.
National Association of the Remodeling Industry.
National Association of Wholesaler Distributors.
National Campground Owners Association.
National Candy Wholesalers Association.
National Coffee Service Association.
National Electrical Contractors Association.
National Fastener Distributors Association.
National Grocers Association.
National Lumber and Building Material Dealers Association.
National Paperbox and Packaging Association.
National Restaurant Association.
National Retail Merchants Association.
National Shoe Retailers Association.
National Small Business United.
National Society of Public Accountants.
National Tire Dealers.
North American Equipment Dealers Association.
Opticians Association of America.
Petroleum Marketers Association of America.
Printing Industries of America.
Professional Plant Growers Association.
Retail Bakers of America.
SMC/Pennsylvania Small Business.
Small Business Legislative Council.
Society of American Florists.
Specialty Advertising Association International.
U.S. Chamber of Commerce.

Mr. PRYOR. Mr. President, in conclusion, and this will be my last statement on the waiver issue, in the attempt to give the Finance Committee an opportunity on May 9 to look into this issue, the Senate has just mandated the House and the Senate to come forward with some, at least if not repeal, certainly modification of section 89. I think all of us support some modification of it.

Finally, Mr. President, the real issue here is as the Senator has stated, that we do not know how much revenue this is going to lose, we do not know what those budget figures are, we do not know what revenue impact the Kasten amendment would have if it in fact is included in the minimum wage bill. And because we do not know that, to my way of thinking, is an even greater reason at this point to defeat the Kasten amendment and to first try to get 60 affirmative votes in this body in challenging the Budget Act.

I ask for the yeas and nays. I guess this is an automatic vote, Mr. President, if I am not mistaken.

Mr. LEVIN. Mr. President, I agree with Senator KASTEN that the Senate should delay the implementation of section 89 for 1 year. I am a cosponsor of the legislation introduced by Senator SYMMS to do just that.

However, the issue presented by this motion to waive the Budget Act to allow for the consideration of the Kasten amendment is a different one. In light of the budget deficit, we should only consider as a matter of last resort waiving the Budget Act in a way that would increase the deficit. We are not at that point yet with respect to section 89. I will be participating in hearings before the Small Business Committee tomorrow to review section 89. The Finance Committee will be holding hearings on this same subject early next month. Hopefully, after that review the Finance Committee will report out legislation to delay section 89 for 1 year, just as is called for by this amendment, but as part of a package which would not increase the deficit. In that way we could achieve simplification of the Tax Code and deficit reduction, both of which are prime goals of this Nation's businesses.

For this reason, I will vote against waiving the point of order but with the hope that the Congress will enact the underlying Kasten amendment to delay section 89 for 1 year as part of a package which will not increase the deficit.

The PRESIDING OFFICER. The vote is automatic but the yeas and nays are not automatic.

Mr. PRYOR. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin to waive the Budget Act for sections 303 and 311. This vote requires a 60-vote majority. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE], is absent because of illness in family.

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

[Rollcall Vote No. 34 Leg.]

YEAS—56

Armstrong	Glenn	Mack
Bingaman	Gorton	McCain
Bond	Grassley	McClure
Boschwitz	Harkin	McConnell
Bumpers	Hatch	Murkowski
Burns	Hatfield	Nickles
Coats	Heflin	Pressler
Cochran	Heinz	Roth
Cohen	Helms	Rudman
D'Amato	Hollings	Shelby
Danforth	Humphrey	Simpson
DeConcini	Jeffords	Specter
Dixon	Kassebaum	Stevens
Dole	Kasten	Symms
Domenici	Kerrey	Thurmond
Durenberger	Kerry	Wallop
Exon	Lautenberg	Warner
Fowler	Lott	Wilson
Garn	Lugar	

NAYS—42

Adams	Dodd	Moynihan
Baucus	Ford	Nunn
Bentsen	Graham	Packwood
Biden	Inouye	Pell
Boren	Johnston	Pryor
Bradley	Kennedy	Reid
Breaux	Kohl	Riegle
Bryan	Leahy	Robb
Burdick	Levin	Rockefeller
Byrd	Lieberman	Sanford
Chafee	Matsunaga	Sarbanes
Conrad	Metzenbaum	Sasser
Cranston	Mikulski	Simon
Daschle	Mitchell	Wirth

NOT VOTING—2

Gore	Gramm

So the motion to waive the Budget Act was rejected.

The PRESIDING OFFICER. On this vote, the yeas are 56; the nays are 42. Three-fifths of the Senators duly chosen and sworn not voting in the affirmative, the motion is rejected.

The pending amendment would delay for 1 year the effective date of a section of the Internal Revenue Code which produces revenues for the current fiscal year. As such, the amendment would lose revenues in the current fiscal year and would cause revenues to fall further below the revenue floor for fiscal year 1989. The point of

order is sustained, and the amendments fall.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I simply want to say to my colleagues, this is not an issue that is going to go away. We were unable to get the supermajority on this vote, but it is a clear indication that the Senate wants to change or repeal section 89. I think it is only fair that we tell the American people that we are not going to force them to go through this this year and give them the assurance that at least we will wait to start until the beginning of next year.

I predict this issue will come back. As we get further and further into 1989, and the uncertainty about section 89 stays, as we go through hearings and we see a clear consensus for change, I believe we will be back, and we will be back again to change this effective date. We will be back again to argue about the phony revenue estimates, and I believe we will be successful in delaying or repealing section 89.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 30

Mr. NICKLES. I send an amendment to the desk and ask for its immediate consideration.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. MCCAIN, Mr. COATS, Mr. FOWLER, Mr. THURMOND, Mr. DECONCINI, Mr. BOREN, Mr. PRESSLER, and Mr. LEVIN, proposes an amendment numbered 30.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section: SEC. .

According to the Health Insurance Association of America, at least 70 percent of the elderly were covered by supplemental insurance policies (sometimes provided by former employers) or Medicaid at the time Public Law 100-360 was enacted, in effect, duplicating some coverage for almost two-thirds of the Medicare beneficiaries.

This year, a supplemental premium of 15 percent of tax liability is being assessed against Medicare beneficiaries and that next year the tax will rise to 25 percent of the senior citizen's tax liability rising to 28 percent in 1993 thereby placing a heavy burden on senior citizens who often live on a fixed income.

Hundreds of thousands of senior citizens from across the country have written Congress requesting that the Act be revised: Now, therefore

It is the sense of the Senate that the Senate Finance Committee review Public Law 100-360, the Medicare Catastrophic Coverage Act of 1988, specifically including the financing mechanism.

Be it further the sense of the Senate that, the Finance Committee hold hearings in the process of reviewing Public Law 100-360.

Mr. NICKLES. Mr. President, the amendment I have pending before this body is a sense-of-the-Senate resolution basically directing the Finance Committee to review the so-called Medicare Catastrophic Coverage Act of 1988. I think this act needs to be reviewed. I think if many of my colleagues have done what I have done and traveled around the State or in their district, they found out that thousands of senior citizens are quite upset about the bill that was passed last year and upset, in this Senator's opinion, with good cause.

Mr. MCCAIN. Mr. President, can we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until there is order. The Senator from Oklahoma.

Mr. NICKLES. I thank the Chair, and I thank my friend and colleague and cosponsor of this resolution, Senator MCCAIN, from the State of Arizona. I also wish to compliment the Senator from Arizona for his leadership in this. He introduced legislation, cosponsored by myself and others, that would change the 1988 Medicare Catastrophic Coverage Act. As a matter of fact, this Senator has introduced legislation that would postpone it for 2 years. That is not what the amendment before us does today.

The amendment I have before the Senate today directs the Finance Committee to review the bill that passed last year. It leaves it open for the Finance Committee to make changes. This Senator believes that significant changes should and could be made.

I think the bill that passed last year was unfair to senior citizens. In many cases, it is actually catastrophic to senior citizens because we penalize senior citizens for saving, we penalize senior citizens when we make them duplicate coverage that they already had.

As a matter of fact, 70 percent of senior citizens prior to passage of the bill last year already had private coverage. But we came in and duplicated it with this Medicare Coverage Act. I think that is unfortunate because the bill is very expensive. It costs every senior citizen on Medicare age 65 and above $4 per month regardless of income. And if it is a couple, that is $8 a month, so that adds up. And then also for this fiscal year, the year we are in right now, fiscal year 1989, has a 15-percent tax surcharge.

Mr. President, as you know and as all Americans know, this is tax week. A lot of us are filling out our tax forms, and they are not too simplified. They are not real easy to do sometimes. Sometimes we need to hire accountants. Some of us do both. Some of us do our own tax papers and then we hire accountants to make sure we did not make mistakes. But every senior citizen, everyone over 65 next year at this time will be paying an additional 15-percent tax surcharge for the fiscal year 1989. In the year 1990, there will be a 25-percent tax surcharge. And keep in mind this is in addition to the monthly increase in premiums. The $4 a month increase they pay this year is added to the existing $28 monthly premium. So the Medicare monthly premiums are growing at astronomical rates, and then we come back with a very high and in my opinion very punitive tax surcharge, 15 percent for 1989, a 25-percent increase for 1990, for 1991 it goes to 26 percent; for 1992, 27 percent; for 1993, 28 percent, and it will continue to escalate in the years ahead. This is on all senior citizens. If they pay taxes, they are going to get hit.

Some people said when it was passed, "This will only impact the wealthier senior citizens." I tell my colleagues to ask their senior citizens when they go back for the next break, when they paid their taxes, ask them if they would not mind paying an additional 15 percent or 25 percent because that is what we have passed under last year's bill.

So I think it needs to be reconsidered. I think if my colleagues will pay attention to their constituents, it will be reconsidered. We look in our office. Our office has received in just a few weeks thousands of communications saying repeal or change the so-called Catastrophic Coverage Act of 1988. We have had letters. These are telegrams and postcards. They are in the thousands. We have had countless communications. Here is another thousand that came in. Just to give you an example, and remember that they are talking about the taxes. "Please review the new Medicare law. It is double taxation for some with a modest income of $8,700 a year and no deduction." Basically, this is a senior citizen, not a wealthy senior citizen who says please review it, please change it, please repeal it.

These telegrams came from different groups, some organizations, but we also look. These are all individual letters. These are not form letters, Mr. President. These are letters from individuals. These are letters from retired Government employees. These are letters by senior citizens of all economic backgrounds—farmers, ranchers, and others. I have thousands of these. I brought them.

Mr. President, I cannot lift all of these. I have had such a large re-

sponse. We have had I think over 10,000 communications. We have had petitions. I do not know of anybody who has gone back to their State and talked to all of their constituents lately. We are having a hard time in our office keeping the computers up to date because thousands of senior citizens are saying the bill that was passed last year was unfair.

I think they are right. I think we made a mistake. I think we should review it. I think we should change it.

So the essence of this resolution is to have the Senate Finance Committee hold hearings, and hopefully reconsider our actions and make some changes.

I would make a recommendation. I see the chairman, my good friend from the State of Texas, Senator BENTSEN. I really hope we will direct the catastrophic coverage to those people who did not have coverage before and to those people who could not afford it. A lot of senior citizens cannot afford their own Medigap policies. Actually, the majority of senior citizens were providing for their own coverage. Let us not duplicate that coverage. Let us allow them to provide that coverage for themselves. If the Government needs to intervene, if we need to fill a gap maybe where some people were not being covered that need to be covered, let us direct our attention to those people who did not have the coverage and who cannot afford it.

I think that is doable. I also think it would be a lot less expensive. It would probably be one-fourth or less expensive than the present law.

It is much more affordable. The 70 some percent that already had coverage could keep their coverage. We would not need to duplicate it. One of the real unfortunate things that we have right now is we have millions of senior citizens that are still paying. They had private coverage. They still have private coverage. So now they have the duplication of coverage. That is not fair to them. They are wasting millions if not billions of dollars. That is happening every single month. They are not canceling their private policies. Maybe some of them are. But there are millions of senior citizens who are not.

So let us eliminate this duplication. Let us not force those to have Government coverage on top of their private coverage. I think that is a serious mistake.

I urge my colleagues to support this resolution. I urge the Finance Committee to have hearings on this bill to allow people to testify now that they found out what the bill that passed is about. Unfortunately, when it passed a lot of people were not quite aware of the cost. Now the costs are coming home. I will tell my colleagues if we do not change it, next year—if you think these letters and I have another box full, are any indication—the letters are going to be much greater because next year at this time they are going to be paying these taxes.

The following year, with a 25-percent tax surcharge I think we will be hearing it all across the land. People will be crying for change. They are crying for it right now.

If colleagues have been going back to their States I think they will find out that this is probably the one issue that will be brought up in every single meeting, and if you ask your constituents, it will be strongly resoundly stated, "change it or repeal it."

So this resolution I am asking and urging the Finance Committee to review, the Medicare Catastrophic Coverage Act, and to hold hearings in that process.

Mr. President, I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in support of this amendment. It is a sense of the Senate. It is not binding, but it says some things that I think we want to say. Let me say that I was one of those—I say this somewhat reluctantly—who voted for this bill. Virtually all the senior citizen groups were telling us that this was something that was wanted and was needed. And we did their will we thought.

There is no question it has some coverage that is important. I would not favor repealing it. Let me add to my colleagues, if we vote for this sense-of-the-Senate resolution here, we also are going to bite the bullet if this is not the way we want to pay it. We are going to have to find some other way of paying it. We just cannot add to the deficit. But I am willing to bite the bullet.

What I find wrong with the legislation as it was enacted, and it was enacted in good faith with the best of intents, is No. 1 it puts an income tax on the basis of age. I do not think we should have that. I do not favor it over 65, I do not favor it 18 to 25 or 30 to 40 or any other age group. There is an inequity there.

Second, we talk about catastrophic. It does not really take care of the great catastrophe. One of these days we will have to pay attention to that, and that is long-term care. Only two industrial nations do not take care of their parents and grandparents if they need long-term care, and that is South Africa and the United States of America. We can do better.

This particular amendment does not deal with that. It deals only with the immediate problem. I think the coverage that is offered under the catastrophic bill is important. It is much more important, frankly, than a lot of seniors understand who come to our town meetings. I agree with my colleague from Oklahoma. It comes up at every town meeting. There is just no question about it.

The coverage is important. The means of financing that coverage I think is wrong. We have to find an alternative. I hope we can move in the direction of finding an alternative. I am pleased to support the amendment offered by the Senator from Oklahoma.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN Mr. President, I rise in support of this amendment.

If I may, I'd like to respond to a couple of very important points that my colleague from Illinois made. I was 1 of 11 who voted against this legislation. I voted against it not because of any degree of clairvoyance I might have enjoyed, but largely due to the way in which the seniors in my State responded to the legislation. I wrote to some 50,000 of them. I gave them a synopsis of the legislation, as I knew it, and a breakdown of what the costs were going to be for the coverage they were going to receive. By a 4-to-1 majority, they responded with a strong negative.

Now, after they have become aware of exactly what is involved with this legislation, my mail is now running 500 to 1.

Let me also point out to my friend from Illinois that we can finance this bill, this catastrophic illness coverage. We can finance the key aspects of this bill, and we can do it with the present increase that we have already made in Medicare premiums, by stripping away all of the unnecessary parts of this bill that were basically added to it. This issue highlights what I view as the most unpleasant aspect of how the legislative process works. This act went from a good idea, to provide senior catastrophic illness with some public sector protection from the financial ravages of illnesses to a bill with every imaginable benefit. All of the benefits is this act would be nice to have, but the inclusion of some have needlessly sent the cost of health care right out of sight.

Let me point this out: Seniors in America—as a group—do not resent paying for care that they receive. But seniors in America only want to pay for those benefits which they think they need. This is an important point to recognize some are accusing seniors in this country of just being selfish—that they do not want to pay for the benefits they receive. That they would rather lay the expense of this on the back of working men and women. That is just not the case, Mr. President. Seniors only want to pay for benefits which they feel they need, not superfluous benefits. While some of these benefits, such as prescription drugs and others, may be nice to have they

have made this bill indeed unacceptable to an overwhelming majority of older Americans.

The other point I think needs to be made here is that, by financing this legislation to the hilt and making it such an incredibly expensive package, we have foreclosed the likelihood of addressing what is the real concern of seniors in America today and what should be our real concern. It was mentioned by my colleague, the Senator from Ilinois: Long-term care.

Believe it or not, Mr. President, many seniors believe that the adoption of the "Medicare Catastrophic Coverage Act of 1988" means they now have long-term care protection. This is because, to them, that is the catastrophe in their lives. That is the catastrophe, indeed, when we are talking about expenses of $22,000 to $35,000 per year for the cost of nursing home stay. Yet the cost of private long-term care insurance runs from $1,200-5,000 a year, depending on one's age.

Mr. President, I agree with my colleague from Illinois. We have an obligation to the seniors of this country to provide them with some public sector protection from the expense of long-term care. I do not see, though, how we are going to do it when we have enacted a piece of legislation which basically wrings them dry. And worse, when we are talking about premiums of up to $800 to $1,000 per year per person for this coverage. Let me also thank my friend from Texas, for whom I have the greatest admiration and respect, and indeed, I do not envy him for his task as chairman of the Finance Committee. He is faced with difficult decisions on a daily basis, and it is easy for people like me to criticize his decisions without coming up with a viable option, which I am guilty of from time to time, I must admit.

I appreciate my colleague from Texas agreeing to hold hearings on this issue. I think it is important that we revisit the act, given the fire-storm it has created. I also hope that if he would have the opportunity, that we could possibly have a hearing outside of Washington, DC, because I believe that seniors in this country need to be heard on this issue about which they are obviously extremely agitated. I thank my colleague from Texas for agreeing to hold hearings.

Mr. President, recently there was a meeting of a local AARP chapter in my State. As you know, AARP was one of the prime movers of this legislation. I suggest that a case could be made that if it had not been for the American Association of Retired Persons, this legislation would not have become reality. At this meeting, a film produced to defend the act was shown. I believe it was made and produced by AARP. After a 2-hour discussion, the president of the chapter called on the 200 or so members present to raise their hands if they supported the act. Only two hands went up.

As the act moved through Congress, as we know, it changed dramatically. One of the ways it changed was that it became mandatory. As we know, the Senate bill was optional. What started out as a proposal to provide protection of long-term hospitalizations, for only a small increase in Medicare premiums, ended up as an expansive and expensive package. And, with the exception of the spousal impoverishment benefit, it duplicates much of the coverage currently available in the private sector. And, it mandates that seniors participate without regard to whether they want or need the coverage.

I would like to draw my colleagues' attention to what this act has done to retired Federal employees and retired members of the military. It is really almost criminal.

Retired members of the military and retired Federal employees served and worked their entire lives to get the benefits they are now being forced to pay for. I can understand their anger and sense of betrayal. I would like to remind my colleagues that the version we passed and sent to conference with the House was optional. The final version was not.

The enormous cost to stay in a nursing home is what bothers senior citizens, and it is indeed the critical issue that I think we are going to have to address in the years ahead.

Mr. President, I believe we have the responsibility to go back and review the act given the fact that we adopted this act and required seniors to participate in the financing. It is with the goal in mind of the Finance Committee revisiting this act that led me to offer S. 335, the "Medicare Catastrophic Coverage Revision Act of 1989" on February 2.

Mr. President, S. 335 would delay, for a year, implementation of all provisions in the act that have not already been implemented (including the supplemental premium), with the exception of the spousal impoverishment protection. Thus, the long-term hospitalization, skilled nursing facility, and spousal impoverishment benefits would be protected during this 1-year period and implemented.

The cost of these provisions would be borne by the already flat $4 a month add-on to Medicare premiums.

This 1-year time period would afford Congress the opportunity to reexamine, through public hearings, the present law to assess whether it truly meets the real catastrophic illness protection needs of our Nation's seniors.

It would make it possible to make any changes that the hearings indicate ought to be made.

Let me point out again, no, let me emphasize, spousal impoverishment, skilled nursing, and long-term hospitalization would be protected in my bill, while the implementation of all of the other benefits that were larded onto it would be delayed. This legislation is unique. Among those bills that have been offered with a goal in mind of reexamining the act, all the others establish commissions.

Mr. President, I am tired of establishing commissions. I think the American people are tired of commissions. I think the American people expect their elected representatives to address these crucial issues themselves, without abrogating their authority and their responsibility to commissions.

This legislation has received bipartisan support in Congress and has received the endorsement of the Coalition for Affordable Health Care, a conglomoration of some 33 interest groups spanning the entire political spectrum—from Gray Panther chapters, the National Association of the Retired Federal Employees, to the Retired Officers Association. I must admit, Mr. President, those are strange bedfellows, but obviously this issue has joined together a wide spectrum and a broad spectrum of American society

An identical companion bill was introduced in the House several weeks ago by Congressmen DEFAZIO and TAUKE.

So, Mr. President, I am fully on record as supporting the notion that we ought to have public hearings to review the act. As such, I am strongly supporting my friend from Oklahoma on his sense of the Senate resolution. I suggest this is only the first step, and I commend the distinguished chairman of the Finance Committee for agreeing to hold hearings to reexamine the act.

I hope in doing so, the hearings will examine both the act's financing and its benefits. In addition, I hope the committee will consider holding hearings outside of Washington. When the hearings are held, I hope they will also examine bills such as S. 335.

Mr. President, in closing, I would like to again emphasize—seniors in America are not afraid to pay the bill for benefits they believe are necessary. They are understandably reluctant, and in fact, angered, at having to pay for benefits that they do not believe are necessary. Two, they already have insurance which covers such eventualities. Three, because of their work, and the benefits provided by their employer as a condition of employment, many already have some protection from catastrophic illness, which is duplicated by this act at their expense.

Mr. President, we must provide some public sector catastrophic health care protection to senior citizens. But, it should probably be limited, not duplicative, and certainly protect those who

are low income. Certainly, we ought to provide spousal impoverishment protection to all seniors.

We can do this, Mr. President, but we do not have to do it at the price of this legislation, which is unfortunately going to impoverish Americans, rather than help them. And, indeed, it ignores the crucial concern to seniors—the need for protection from long-term care expenses, which is indeed the catastrophe that may face us all. In fact, over 50 percent of us will confront a need for long-term care in our lifetimes, with 20 percent of us needing nursing home care.

Mr. President, I thank my friend from Oklahoma. I urge my colleagues to support this sense of the Senate resolution and respond to the outcry that is out there across this country concerning the Medicare Catastrophic Coverage Act of 1988. I believe, the seniors feelings regarding this act are justified, especially given the act's unjustified expense and scope.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I rise in support of the measure before us.

There is no question in my mind that we must take a very careful look at the measure that we passed last year known as the catastrophic bill. It was somewhat of a misnomer, I suggest, but at least that is what we called it.

I think this would be entirely appropriate action.

I also recognize and thank the distinguished chairman of the Finance Committee, the distinguished Senator from Texas, who as is usual has a very understanding nature. He has agreed to hold hearings on this. He had indeed agreed to hold hearings on this, I believe, even before this measure was introduced.

But this measure certainly is not going to hurt anything. I think it indicates that a sizable majority in the U.S. Senate demands that this bill be revisited and some workable solution that the Finance Committee can hopefully come up with can address the many concerns that many of our constituents have brought to our attention on this measure.

Indeed, Mr. President, as we move forward on this very controversial bill known as the increase in the minimum wage, we might be successful in putting so many good things on this bill that are being suggested by those who violently oppose the basic minimum wage increase, that we might be able to garner enough votes to override a Presidential veto if the President does veto this bill, as he has threatened.

So I think the more good measures that we add to this minimum wage bill, and this certainly is one, the more chances we have to pick up support for those who up to now have indicated that they are opposed to the underlying measure.

Sometimes I think it does not make a whole lot of sense to be against the underlying measure and then indicate that you will support a Presidential veto of that and then start adding a whole series of amendments thereto.

But maybe this will work to the benefit of those of us who feel that this measure should become law with most or all of the amendments that thus far have been constructively offered.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. FOWLER). The Senator from Indiana [Mr. COATS].

Mr. COATS. Mr. President, I also rise in support of the sense-of-the-Senate resolution and also commend the chairman of the Finance Committee for his willingness to revisit this issue and open up a question.

Back in December 1987 I attended a meeting at the White House with the President and a number of his senior advisers, and the issue of catastrophic health insurance was raised at that meeting by the House minority leader, the Representative from Illinois [Mr. MICHEL], to which the President responded that he favored offering a plan to our seniors to provide for catastrophic coverage.

I then subsequently in January 1987 met with Health and Human Services Secretary Otis Bowen whereby he outlined for me his plan to carry forward both his and the President's wishes on this issue. Secretary Bowen's plan was to be self-financing. It was to be voluntary. It was to use private industry and would not require establishment of any Federal bureaucracy.

I felt it was important and I reiterated my support to the President and to Secretary Bowen for moving forward with a plan to provide catastrophic health insurance coverage.

Catastrophic coverage makes a great deal of sense. It is peace of mind protection. None of us feel we are going to be hit with that catastrophic; yet we buy fire insurance, house insurance, and auto insurance, knowing that the statistics are going to indicate that a certain percentage of our population is going to be faced with a particular catastrophe or tragedy and we ought to be prepared in the event that that happens.

Too many seniors had found themselves in a situation whereby one illness would wipe out a lifetime of savings. Something that they had worked for and saved for and planned for their entire lives was snatched away with one debilitating illness.

So catastrophic coverage, that is covering every dollar over a certain deductible amount, made a great deal of sense.

We had a public duty to help relieve this anxiety of our seniors and a number of us supported the concept.

I then introduced in the House of Representatives Secretary Bowen's voluntary plan.

But what we found in the House was that the plan was weighed down with provision after provision, expensive provisions, many of them not directly related to the basic catastrophic concept. The surtax that was imposed to help pay for these extra provisions hits the middle- and upper-class disproportionately. The benefits for drugs I thought were far too costly. It became a massive extension of Medicare coverage, creating new programs and creating a tax burden which seniors had not anticipated nor I believe any of us who were in on the early original concept had anticipated.

So when it came to a vote in the House of Representatives, I voted against it, against the wishes of many interest groups that were propounding the virtues of this particular bill but feeling that the provisions were just simply so far from what the concept had been originally talked about that it ought to be substantially revised before I could support it.

It then came over here to the Senate. Some of the objectionable features, I think most objectionable features were removed. The surtax scale was modified. The program was cut by about $10 million. The drug benefits were phased in more gradually.

Coming out of conference then back to the House, many of us were faced with a tough decision. The legislation we felt still had some flaws, was still too expensive, still too disproportionately directed toward a certain segment of the senior citizen population, but as we are all often faced with here, the choice is yes or no, not maybe.

We were not at that point in my opinion deciding if this was necessarily the very best legislation that we could devise, but we are deciding if this was the direction we wanted to go in. A number of us, including myself, did support this direction, and it is a commitment that I do not regret, because I think catastrophic insurance is an act of compassion and a matter of justice and it is an area where we can help seniors support a burden that they should not have to bear alone.

Having said that with the benefit now of experience and the benefit of looking at this carefully in terms of how it is implemented, it is obvious that not only are some parts of this catastrophic bill disturbing, they are potentially disastrous. New facts and analysis have come to light. The funding mechanism threatens to undo the whole package. Nearly half the seniors are left with a tax increase far in excess of what they had anticipated, buying benefits less than they had anticipated.

And I think for that reason we face the potential of seeing this thing completely undone.

For those seniors with a gross income of over $6,265 a year, it is not a good deal in my opinion for those people. Over the next 5 years seniors will be paying $44.3 billion in premium and income tax surcharges for benefits estimated to be worth just $30.5 billion and many of the elderly already have Medigap insurance that covers catastrophic illness. Most of those will be paying these soaring fees and taxes for something they do not feel they need.

So we are left with a law that actually, as I said, undermines the case for catastrophic insurance and by loading the legislation with additional costs and piling exorbitant rates on nearly half of our seniors we may have sacrificed compassion to controversy.

A law aimed at security has bred a great deal of confusion and a law intended to ease minds and provide peace of mind has instead instilled fear in many of the minds of our seniors.

So this is the reason that I am supporting the call from the Senator from Oklahoma for a sense-of-the-Senate resolution to return this to the Finance Committee for review. If we are to save catastrophic insurance from what I think is a clearly justified public outrage we are going to need to reexamine the manner in which it was funded and the way it is constructed. The goal is not to abolish catastrophic insurance. It is needed and it is timely, but it cannot go forward in its current form. It requires emergency surgery. That is the only way we are going to save this patient.

I yield the floor.

Mr. NICKLES. Mr. President, I wish to thank my friend and colleague, Senator COATS, from the State of Indiana, for his statement and also for his leadership in this area.

I also wish to thank Senator MCCAIN for his statement, as well, and also for the legislation he has introduced, which has a lot of cosponsors and, incidentally, a lot of senior organizations that are supportive of it, as well.

Mr. President, I ask unanimous consent that Senator LEVIN and Senator BOREN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair, in his capacity as a Senator from the State of Georgia, also asks unanimous consent that he be added as a cosponsor.

Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, the Senator from Nebraska is quite right. I have stated all along that we would hold oversight hearings on the catastrophic illness bill. That is what we ought to do, in the case of any major new social legislation. That is the normal process.

This legislation included some major benefit changes, and provided for increases in Medicare benefits. We added prescription drugs, extensions of home health services and skilled nursing care, a limit on what beneficiaries must pay toward physician care, and a new approach to financing this entitlement.

I heard the distinguished Senator from Illinois say that we did not have nursing home care in the legislation. He is quite right, and I wish we could have. But when you stop to think what catastrophic illness coverage alone cost us, we are talking about approximately $5 billion a year when fully effective. The most modest nursing home care legislation that I have seen costs $30 billion a year. In this kind of a budget crunch, there is no way we can put legislation together.

Am I aware of the feelings of many senior citizens and concerns about catastrophic illness? Of course, I am. I have had numerous delegations, as late as yesterday, discussing the issue with me, and thousands of letters. What they are generally talking about is not the benefits. Most of them are delighted with the great increases in the benefits. But they are talking about the manner in which it is paid for and who pays for it and how much it costs.

Now, as my colleagues will recall, it was President Reagan who set the parameters of how we pay for catastrophic illness benefits. He made that point crystal clear: that he was not going to sign any bill, that he would veto any bill, that was not paid for by the potential beneficiaries of that legislation. That was one of the paramount issues for the administration. And those are the rules under which we operate.

When the bill was signed, President Reagan said:

> I am proud to be able to note that the legislation follows the same premise as all sound insurance programs. It will be paid for by those who are covered by its services.
> * * *

So as a part of the agreement that led to the enactment of this catastrophic legislation, the new benefits were made self-financing.

I have heard some say that we are not paying out in benefits as much as we are taking in in premiums, and that is certainly accurate right in the first years. This is because one of the other things the administration insisted on was that funding for catastrophic be front-loaded and that there be a substantial contingency fund available to protect the benefits and to see that the money was there to pay them, so we would not have to go back to the Treasury for additional financing. And that we carried out, too.

I am aware that there are at least a dozen bills that have been introduced in the House and in the Senate to change the financing, to delay the benefits pending review of the financing, or to repeal the law altogether. Now very few of the Members are included to repeal the benefits, so it is the financing we are talking about.

I have not heard anybody talking about raising the income tax rates. I have not heard anyone talking about major excise taxes to pay for these benefits.

I happen to believe that the combination of a basic premium and a supplemental premium is an appropriate way to go, but I am sure willing to listen to any other approach, and we will do that as we hold hearings.

Some might talk about a payroll tax, although I have not heard that. I think working Americans have enough problems already without that kind of an approach.

I might state that members of the administration that I have heard from thus far have stated their opposition to changing the financing. Further, I am convinced that once there is more experience with the program, more and more Americans will find that those benefits are well worth the cost.

I was looking at a study the other day on the private sector's Medigap policies. It cited examples where, of the premiums collected, 40 percent was paid back to beneficiaries—40 percent. The other 60 percent went for agents' commissions, profits, administrative costs.

Do you know what the number is for Medicare? Ninety-seven percent of the money collected goes back, 3 percent for administration.

I heard some comments about the cost being too high for the benefits incurred. Every beneficiary, every one of these Medicare catastrophic insurance policyholders, will have a policy subsidized not just by themselves but by other taxpayers. In the top bracket, whatever beneficiaries pay, there will still be a substantial subsidy paid by the rest of the taxpayers of the country.

The Congressional Budget Office tells us that the catastrophic legislation will provide new benefits for 22 percent of Medicare enrollees each year and that the expected value of the Medicare benefits will continue to be far in excess of what any individual pays for coverage.

Let me give you some more information from CBO. For the individual that made the maximum payroll tax contribution and pays the maximum supplemental premium, there will be a $719 subsidy in addition to the premium payment. And for that individual who made half the average payroll tax contribution, and pays the average supplemental premium, his subsidy will be more than $2,000. And, of course, 60 percent of enrollees pay no supplemental premium at all—they

only pay the $4 a month basic premium. I know of no Medigap policy that is as extensive or intensive, that gives the amount of coverage that the catastrophic illness bill does.

I had a fellow in my office yesterday who said, "I'm not going to have a catastrophic illness." I said, "Well, you have some great communication there to be able to establish that, and I hope you are right." But 22 percent will be taken care of, those with the worst cases.

Others say, "But, then, I do not get anything out of it." Well, if that is the case, they are lucky. They are fortunate.

I carry fire insurance on my home. If I did not want to buy it, the mortgage company would see that I did. I hope I never have to collect it, that that catastrophe just does not happen to me. But I have that peace of mind that if it does happen, the mortgage is going to be paid off and I will get my equity back because of the coverage under my policy.

And so it is with catastrophic illness. We are talking about peace of mind for millions of Americans. And not just to those 65 years and older, but to their sons and their daughters. When mom or pop has a catastrophic illness and the estate gets wiped out, the children must reach into their pockets to try to fill up the gap and take care of their parents.

I have a report here from the General Accounting Office. It reads:

> The Catastrophic Coverage Act added significant new benefits to Medicare for beneficiaries who require a substantial amount of health care in a given year. Starting in 1990, these new benefits will substantially decrease the maximum amount a Medigap policy faces in claims.

So, these are the positive things that are being achieved through this legislation. Are there glitches in the program? Problems with the program? Absolutely.

The Senator from Arizona was talking a moment ago about Federal employees' concern about overlap and duplication. We have made some headway in that regard and we are going to make some more as we hold hearings on this piece of legislation.

Mr. President, I am pleased to support the resolution. I think it is done in a responsible way. It calls for something we planned to do but we are delighted to have the Senate on record in support of those hearings. I think the resolution gives us some additional muscle in getting through the things we have to do.

This catastrophic insurance bill passed the Seante by a vote of 86 to 11. It is a major step forward in health care for senior citizens of this country.

Perfect? Absolutely not. Things to be changed and amended? I am sure there are. But those are things we will develop in the course of our hearings and we will do it within the jurisdiction of our committee and, hopefully, with the assistance of the administration and other Members of the U.S. Senate who have concern for this legislation.

Thank you.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I want to thank my friend and colleague, the Senator from Texas, for supporting this legislation and for committing to hearings on this bill.

While I have his attention and before he leaves the floor, I would like to repeat some of what I said before. I would urge that the committee direct a lot of attention to providing the insurance for those people who previously did not have it and who could not afford it. There is a very significant percentage of senior citizens that already had some private coverage. I think there is duplication, in many cases unnecessary.

If we would target the attention toward the 20 to 30 percent that did not have the coverage previously, I think that would be a very wise thing to do economically and it would reduce the cost and therefore would reduce the necessity of such large increases in taxes that for some senior citizens this year will cost $1,600 and next year will cost more than that. In a couple of years, $2,000 per couple. It hits them fairly hard.

So, if we could direct our attention toward providing the coverage for those persons who did not have it previously and who could not afford it, I think it would make the entire problem more economical and more manageable. At least that is my recommendation, for what it is worth.

I will testify before his committee and I do appreciate his support of the resolution.

I also would like to point out possibly one other troublesome area, again while the chairman is here, and that is Federal employees. There is a real problem there and I think some headway has been made. I believe much more can be made and should be made. Federal employees are quite supportive of making revisions, as I know the chairman is aware.

There are also a lot of companies that negotiated to provide so-called supplemental or Medigap policies as part of their fringe benefit packages, as part of their retirement packages. In other words, this income or this benefit was provided at no cost to the employee and now, with the passage of the bill last year, those employees are hit with a very expensive provision. I hope we will look at those cases.

Again, I appreciate the accommodation of the chairman.

Mr. LEVIN. Mr. President, I am pleased to be a cosponsor of the resolution offered by the Senator from Okalahoma asking the Finance Committee to review the Catastrophic Health Insurance Program enacted last year.

This legislation provides important improvements in coverage over what was previously available under Medicare. However, the mechanism by which this new coverage is funded requires a serious review by the Finance Committee. I am particularly troubled by the fact that under the new law one portion of the senior citizen population is required to subsidize the program for other seniors. I know of no precedent for this selective subsidization through the Tax Code. Seniors are not looking for a free ride, but they are seeking a fair shake. I do not think that the current way the Catastrophic Health Insurance Program is financed provides them with that now, and I hope that the Finance Committee after its review of the program will make the changes necessary to achieve that goal of fundamental fairness for all of our senior citizens.

● Mr. HEINZ. Mr. President, I join my colleagues in support of Senator NICKLES' amendment requesting that the Finance Committee review and hold oversight hearings on the financing of the Medicare Catastrophic Coverage Act. In doing so, I also wish to associate myself with the remarks of the distinguished Senator from Texas and chairman of the Finance Committee, Senator BENTSEN, in voicing my continued and strong support for this important expansion of Medicare benefits. I also join my colleagues in commending Senator BENTSEN's willingness to hold oversight hearings on the financing component of the act.

The new Catastrophic Insurance Program represents the most critical expansion of Medicare benefits since the program's beginning in 1965. Benefits of this new program include unlimited hospital days, increased coverage for home health and skilled nursing care, and respite and hospice payments. Beginning in 1991, catastrophic insurance will, for the first time under Medicare, pay the outpatient costs of prescription drugs for over 5 million beneficiaries. For three out of four elderly, prescription drugs are the largest out-of-pocket health care expense. Also, under this new legislation, when one spouse enters a nursing home, the other is protected against impoverishment. But, like so many of my colleagues, I, too, have received thousands of letters and petitions from constituents who firmly believe their interests have not been well served by the approach taken in financing this program. Many believe that these benefits will not meet all their needs, and many more prefer an optional over a mandatory program.

My colleagues and I reasoned that since many older Americans already

have employer provided or individual Medigap protection, they should not be required to pay for additional duplicative coverage. In fact, the Senate included a provision in its bill that would have made participation in the payment and benefits of Medicare's catastrophic and part B supplemental medical insurance voluntary. Unfortunately, this provision was opposed by the House during the House-Senate conference on the bill, and the House position—to make payment of the catastrophic supplemental premium mandatory—prevailed.

I continue to support the Senate position for voluntary participation on the grounds that each senior citizen should be given the opportunity to choose whether the benefits outweigh the costs. I also welcome the opportunity oversight hearings may provide for learning of other approaches that preserve the benefits of catastrophic insurance while restoring public confidence in its financing component.

In closing, Mr. President, I also wish to join my colleagues in acknowledging the need for the Congress to address what we know is the most catastrophic event of all for older Americans—the onset and financial consequences of a long-term chronic illness. I am pleased to be among the members of the Bipartisan Commission on Comprehensive Health Care, created by the Medicare Catastrophic Coverage Act. I am confident that this Commission will make significant inroads in the problem of the lack of insurance against the devastating cost of long-term care.●

Mr. HATCH. Mr. President, I rise in support of Senator NICKLES' amendment expressing the sense of the Senate that the Finance Committee should reconsider the Medicare Catastrophic Care Act of 1988. Senator NICKLES has aptly requested that the Finance Committee reconsider the financing mechanism for this major piece of legislation.

I, too, believe that we must take a serious look at the financing of the Catastrophic Care Act. Although I firmly believe that we have to find a way to protect our senior citizens from the financial devastation of a catastrophic illness, I am deeply concerned about the financial burdens placed upon many of our Nation's seniors by the Catastrophic Care Act. First and foremost, I am concerned by the fact that this bill requires that all seniors pay for coverage, whether they want to or not. This bill increases the part B premium, which you might consider voluntary—until you stop and reflect that 98 percent of all seniors now purchase part B coverage. So almost all seniors will be required to pay this increased premium. In addition, this law requires that a supplemental premium be paid by all of those seniors with a Federal tax liability of $150 or more. I have heard it estimated that as many as 50 to 60 percent of seniors will be asked to pay this supplemental premium. Is it really right to ask our Nation's seniors to pay this surtax? The authors of this legislation claim that it represents an insurance policy—and have even gone so far as to call it the best buy in town. If this is the case, why don't we let informed seniors make the purchase decision on their own?

I have already received many letters from my constituents expressing their unhappiness with the Catastrophic Care Act. To better understand their concerns about this legislation, and what changes they would like to see in this law, I am in the process of conducting a survey among seniors in Utah. When this survey is completed, I will make some specific suggestions regarding how to amend the structure of the Medicare Catastrophic Care Act. I am committed to changing the Catastrophic Care Act, which I believe must be done if we are to protect the health care of our seniors while also protecting their inalienable right to freedom of choice.

I urge my colleagues to support Senator NICKLES' resolution to ask the Finance Committee to reconsider the Medicare Catastrophic Care Act and specifically its financing mechanism.

Mr. PRESSLER. Mr. President, I am pleased to cosponsor and support Senator NICKLES' amendment to reconsider the income surtax financing of the Catastrophic Health Care Coverage Act of 1988. This amendment affirms my own commitment to reexamine how the Catastrophic Health Care Program is financed. Earlier this year, I asked our distinguished colleague Senator BENTSEN, chairman of the Senate Finance Committee, to hold hearings on the effect of the current financing mechanism on seniors. It is extremely important that the Senate review this issue and listen to the advice of the many, many seniors who write to their Senators each day on this subject. I have received more than 1,000 pieces of correspondence on the catastrophic insurance program. The sense of those letters is that the surtax is too expensive, the coverage duplicates what many seniors already have through Medigap policies, and the program does not include long-term care.

There is an immediate need to address the concerns of our older Americans. As a member of the Senate Special Committee on Aging, I am privileged to learn firsthand how the aged of America, and particularly of South Dakota, are affected by the Catastrophic Health Care Program. We need to be sensitive to the needs of our seniors because the surtax, which is the principal source of financing for the catastrophic program, will take effect when they sit down to prepare their 1989 tax returns.

The surtax is particularly offensive to the moderate income aged. For example, a couple with $30,000 of taxable income will have to pay a surtax of $225 and a basic premium of $96, for a total of $321. However, this does not include the additional cost of coinsurance and deductibles for part A (hospital care) and part B (physician care). Many people will still need to carry a Medigap policy in order to help pay deductibles, coinsurance, and physician charges not reimbursed by Medicare.

The catastrophic program duplicates benefits many seniors already have in their Medigap policies, which cost less than the catastrophic program surtax. This duplication should be examined closely and a determination must be made on which program provides the most coverage for the least amount of money.

There are other problems. The provision for nursing home care is not a major benefit to people in my State of South Dakota. So few nursing homes are Medicare-certified that only a small number of aged will be able to use this benefit. In addition, how many people really need 365 days of hospital coverage? Probably very few, indeed.

Physician coverage also will continue to be a problem for our aged. Specifically, if a physician does not accept as his or her cost the amount that Medicare reimburses for a particular procedure, then the patient must make up the difference. Catastrophic coverage does not benefit the aged who experience this problem.

Therefore, it is urgent that the Senate Finance Committee hold hearings on the economic effect of the surtax on our senior citizens. It is time to reexamine the financing of the Catastrophic Health Care Program.

Mr. DURENBERGER. Mr. President, I am deeply disturbed by the readiness of my colleagues to agree to support a resolution directing the Senate Finance Committee to review Public Law 100-360—the Medicare Catastrophic Coverage Act of 1988. This was a major piece of legislation in terms of its social significance and complexity. Most importantly, in this era that demands fiscal responsibility, the catastrophic law represents the principle that individuals who benefit from public programs pay for those benefits in accordance with their ability to do so.

Therefore, I am troubled by the implication behind this resolution that these concepts, which took many difficult months to develop and enact into law, should be subject to reopening at this early stage. This is of particular concern to me because similar and perhaps even more intractable issues are

soon to be confronted by myself and others members of the Congressional Bipartisan Commission on Comprehensive Health Care. The work of the Commission would be sorely handicapped if the most fundamental tenets of fiscally responsible approaches were viewed as being off limits as we begin our deliberations.

Mr. President, no one should misinterpret the events of today as license to send catastrophic back to the drawing board. A prudent review is in order, but we should not abandon the sound foundation we built over 3 years of debate to provide catastrophic protection for our senior and disabled citizens.

Mr. NICKLES. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. NICKLES]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

So the result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 35 Leg.]

YEAS—97

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gorton	Mikulski
Bentsen	Graham	Mitchell
Biden	Gramm	Moynihan
Bingaman	Grassley	Murkowski
Bond	Harkin	Nickles
Boren	Hatch	Nunn
Boschwitz	Hatfield	Packwood
Bradley	Heflin	Pell
Breaux	Heinz	Pressler
Bryan	Helms	Pryor
Bumpers	Hollings	Reid
Burdick	Humphrey	Riegle
Burns	Inouye	Robb
Byrd	Jeffords	Rockefeller
Chafee	Johnston	Roth
Coats	Kassebaum	Sanford
Cochran	Kasten	Sarbanes
Cohen	Kennedy	Sasser
Conrad	Kerrey	Shelby
Cranston	Kerry	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Specter
Daschle	Leahy	Stevens
DeConcini	Levin	Symms
Dixon	Lieberman	Thurmond
Dodd	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	Wilson
Exon	Matsunaga	Wirth
Ford	McCain	
Fowler	McClure	

NAYS—2

Durenberger	Rudman

NOT VOTING—1

Gore

So the amendment (No. 30) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Utah.

Mr. HATCH. Mr. President, I would like to call the attention of my colleagues to the fact that we have gone on and on on this bill. The battle is over. My particular side lost at least for now. As much as we think our arguments were persuasive and should have turned the tide, they did not. I call on my colleagues to consider, if they will, allowing this to go to a final vote up or down. If there have to be some additional amendments, I hope we will think with clarity which ones they will be and narrow them down to just one or two more. I am calling on all my colleagues to get this matter completed. As far as I am concerned, it is a minimum wage bill. Both sides know where they are. It is going to pass the body the minute we bring it up and finally decide to vote. I am going to vote against it, and I call on every colleague to vote against it because it is detrimental to this country. But it will pass. Then we are going to go to conference and we are going to have something similar between the House and Senate because both are basically in agreement on the minimum wage aspects. We are going to have an inferior training wage that will make it so onerous and burdensome for the small businessmen and women to meet the requirements that noboby is going to use the so-called training wage attached to the majority bill.

So they have effectively scuttled a very good idea that would really help a lot of minorities and women and underprivileged people.

Then it is going to come back to both Houses, and it will be passed again in the final consolidated form, and then the President is going to veto it. Then we are going to see whether the House or the Senate decides to uphold his veto. That is what is going to happen. For us to prolong this debate, it seems to me, adds to the confusion and makes it more difficult to do what has to be done. Everybody knows that the ball game rides on the Presidential veto.

The President, who has been willing to increase this 27 percent, not an inconsequential increase in the minimum wage but a very hefty increase in the minimum wage but not as much as our colleagues on the other side would like, who is willing to have a real training wage that will save 170,000 jobs for the very people who need them the most, has been shot down. We might as well acknowledge it. He is going to veto it. That is all that is left, but that is a very significant power. I submit that with few exceptions in the constitutional history of this country has the President established himself as a master of the veto power. I suspect that this President is going to have to try to do that, because it is apparent he is going to have to eat an awful lot of very bad legislation unless he stands up and vetoes it and we, as a minority, hopefully a bipartisan minority, are going to have to stand up and sustain those vetoes from time to time.

That is where we are. I call on all my colleagues to consider, if they will, the fact that we have been through it ad infinitum on this particular legislation. That is really what is going to happen. I would like to have this brought to a close and vote up or down. I hope my colleagues are listening and I hope they will consider this request. I realize we have to go through a couple more amendments, but I hope it will only be a couple more. Be that as it may, we are prepared to follow through.

But I tell my colleagues there is good reason to end this debate at this time, have the vote up and down, and go on from there. I think both sides would be well disposed to do that. We will have many other battles for another day on bills that must pass, bills that have to go through this Congress, on which we can add some of these amendments. This one is not going to go through if I have anything to say about it. It will go through Congress, but I hope we can sustain the Presidential veto and really help America in the process and send a message in the process and get rid of this archaic, outmoded relic that winds up hurting the very people they claim they are trying to help.

With that, I yield the floor to whoever has an amendment and hope we can get some cooperation from our colleagues.

AMENDMENT NO. 31

(Purpose: To provide that each committee of the Congress that reports employee benefit legislation shall secure an objective analysis of the impact of such legislation on employment, economic competitiveness, economic growth, the Federal budget and international trade and include such analysis in the committee report)

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask for its immediate consideration. It is on behalf of myself, Senator SYMMS, Senator LOTT, Senator HELMS, and Senator BOSCHWITZ.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming, Mr. WALLOP, for himself, Mr. SYMMS, Mr. LOTT, Mr. HELMS, and Mr. BOSCHWITZ, proposes an amendment numbered 31.

Mr. WALLOP. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 5. INCLUSION OF COMPETITIVE AND ECONOMIC IMPACT ANALYSIS IN CONGRESSIONAL COMMITTEE REPORTS OF EMPLOYEE BENEFIT LEGISLATION.

Each committee of the Congress that reports legislation that requires employers to provide new employee benefits shall secure an objective analysis of the impact of the legislation on employment, economic competitiveness, economic growth, the federal budget and international trade, and include such analysis in the committee report.

AMENDMENT NO. 32 TO AMENDMENT NO. 31

(Purpose: To provide that an economic impact statement shall accompany the conference report of the Minimum Wage Restoration Act)

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], proposes an amendment numbered 32.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. KENNEDY. Mr. President, reserving the right to object, I will not object; I would like to get copies of the two amendments.

Mr. NICKLES. The Senator has a copy.

The PRESIDING OFFICER. Is there an objection to terminating the reading of the amendment?

Mr. KENNEDY. I have to object. I do not have copies. I have a copy of one amendment and not a copy of the underlying amendment.

Mr. WALLOP. I am sending one down to the Senator now.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. I withdraw the objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is considered as read.

The amendment is as follows:

At the appropriate place in the amendment, insert the following new section:

SEC. . ECONOMIC IMPACT STATEMENT.

(a) ACT NOT EFFECTIVE UNLESS STATEMENT PREPARED.—This Act shall not take effect unless the Committee on Labor and Human Resources requests, and the General Accounting Office prepares, an economic impact statement, as described in subsection (b), to accompany the conference report of this bill.

(b) ECONOMIC IMPACT STATEMENT.—The economic impact statement required by subsection (a) of this section shall—

(1) state the extent to which enactment of this Act or, if a conference report is issued, the Act as reported by the conference committee would result in cost or savings to the private and public sectors; and

(2) include a detailed assessment of the annual impact of the Act (projected annually over a 5-year period from its effective date and expressed in monetary terms where appropriate) on—

(A) costs or savings to consumers and business;

(B) national employment;

(C) the ability of United States industries to compete internationally;

(D) State and local governments, fiscally and otherwise; and

(E) outlays by the Federal Government, including indirect costs it will incur as an employer, as compared to outlays for the same activity in the current fiscal year (as reported by the Congressional Budget Office).

Mr. WALLOP. Mr. President, if I may briefly state what is taking place, the amendment which the Senator from Oklahoma has sent, is an amendment as I understand it in the second degree. I say to my colleague from Utah that I appreciate the concern he has about getting on this bill, and the optimism he has over its future. Nonetheless, I have the temerity to offer this, and to support the amendment in the second degree of my friend from Oklahoma because this is an issue that is significantly important to Americans, even in its debate.

The amendment that I offer has a simple but important purpose and the purpose is to require an economic impact statement for any legislation reported by a House or Senate committee which creates a new or revised Federal mandate for private sector employee benefits. We have undertaken an interesting new habit here. That by which we cannot support by taxes and deficit spending we simply lay on the people of America, and suggest that it is their obligation and we disguise it in ways which are not so obvious as taxation.

The economic impact statement would be included in the committee's report on the legislation. This amendment is similar to one which our former colleague, now Vice President QUAYLE, attempted to enact both in 1987 and last year. We did not succeed in the 100th Congress. But I believe now is the time for the Senate to enact this legislation.

There are certain specific purposes which we try to capture in our proposal. However, translating good intentions into workable programs, is at best a difficult task. We do not always succeed because of both faulty perceptions and the lack of accurate information. This current debate on the minimum wage is a good example of both problems. Some believe that the only way to help the working poor is to increase the minimum wage. I do not doubt their sincerity. The perception errs in equating poverty with the minimum wage.

Of the 4 million workers receiving the minimum wage, most are single and under age 24; fewer than a quarter of million are heads of households. Low-income working families will not be helped by increasing the minimum wage. There are many more sensible solutions which do not cost jobs such as the reform of the earned income tax credit which would increase in fact the economic well-being of the working poor.

But besides this perception problem we also have an information gap. The advocates of S. 4 view their increase as a free good. There is, they insist, no cost. Nothing could be further from the truth. Other speakers have outlined economic costs of this proposal but the Senate needs to have this information up front. For example, in the April 5 Washington Post, Robert Samuelson's column, two interesting little tidbits of information, neither of which are formally achieved, but the Bush administration estimates the job loss at 650,000. The Congressional Budget Office believes it between 125,000 and 250,000 people. The Congressional Budget Office is our information arm. It is the one theoretically independent, nonpartisan review of economic consequences.

One has to ask what it is we are seeking to achieve at a cost of 150,000 to 250,000 jobs if they are right, or two-thirds of a million if the President's people are right.

Also in there the CBO estimates that the Democratic proposal would increase inflation between a tenth and a third of 1 percent. And that American consumers would lose between $3 billion and $10 billion of purchasing power.

These are not inconsequential actions on the part of Congress, but we do not have anything formal. And the effect of my amendment and my cosponsors is to insist that we do have an appraisal so that when we make decisions affecting the lives of Americans that we understand all the lives we are affecting and not just those symbolic lives which we put up in front of us as the raison d'être of a given piece of legislation. Symbols in the world of democratic politics with a small "d", not capital, are often more important than the consequences.

We seek in this thing—amendment—to have us measure carefully the consequences. There is nothing more sinister than that. The Senate needs to have the information up front.

There is coming a broad array of bills which will manadate new employee benefits. First is the higher minimum wage, parental leave, mandated

health benefits, and others. Each of these has some cost in employment, in higher business expenses, in inflation, and upon the Federal budget. One of the things I did not mention is that the cost on the Federal budget is estimated by CBO to be something in the neighborhood of $300 million over the life of the bill.

Our amendment would require that all of these bills include an explanation of their economic impact. Without this information—it is simple enough to achieve—we would not know the effect of the legislation on the most critical factors on eliminating poverty. That is the economic growth of America through the development of new business and the health of existing business.

I regret that we did not have this information before us last year when debating the high-risk disease notification legislation. It would also have been helpful had we had such an analysis to review prior to considering this piece of legislation. In the Senate Committee on Labor and Human Resources report on S. 4, the regulatory impact statement says, "The economic impact of the legislation is relatively small in the aggregate and imperceptible to the individual according to one expert testifying before the committee." That is the sum total of the attention that the committee paid to economic consequences—the sum total of economic attention. Just one expert said that it might be relatively small and impossible for the individual. Well, if you happen to be the individual, one of the two-thirds of a million who lose their job however imperceptible it may be to the expert testifying in front of the committee, it might have a little bit more meaning to you.

There is no further consideration given by the committee to the impact the increase in minimum wage would have on our Nation's competitiveness. Do you remember that funny word last year? That was the buzzword of Democrats and Republicans alike, "competitiveness." Oh, my goodness, what has happened to American competitiveness? We have to do everything." Now in one fell swoop we take a whack at competitiveness without even trying to measure the consequences of it in our world of international trade—in both the domestic market and abroad.

Let me also point out that 85 percent of the wage earners making the minimum wage are not the primary wage earner in a family. It is also estimated that 14 million employees out of a labor force of over 115 million earn approximately $4.65 an hour. Yet for those businesses that pay workers the current minimum wage, I would expect forcing them to pay an employee an increase up to $4.55 an hour, simple arithmetic, simple economics, says it results in layoffs and fewer hires. The committee report gives no weight whatsoever, no consideration to that.

So although I am doubtful, I am certain in fact that this debate will center around the desirability of increasing the minimum wage from a symbolic purpose. There is a general consensus that an increase will have some harmful effect on employment opportunities. There is a variety of views as to how much that is, but there is a general consensus that it will. According to the Department of Labor, for each 10 percent increase in the minimum wage loss, there will be between 100,000 and 200,000 job opportunities lost.

Also, this increase could result in the loss of teen employment of up to 1 to 3 percent. According to the Minimum Wage Study Commission appointed by President Carter, there is some evidence that employers respond to a higher minimum wage by reducing other labor costs such as the number of hours their other employees work each week.

Mr. President, the point of all these facts is to demonstrate the need to include such data in committee reports in order to allow Members of the Senate and Members of the House of Representatives a better opportunity to gauge the impact of what we are doing versus the proposed good.

It has been proven time and time again that increases in employer costs result in lower employment, and at a time when the unemployment rate is the lowest it has been in a decade, that is not something we want to see as a result of legislation we enact which does not cost the Federal Government anything, but could cost small businesses a great deal.

Currently, employers are voluntarily spending an average of 39.3 percent of their payroll benefits or $10,283 per year per employee. Voluntary annual expenditures by employers on benefits have risen from $190 billion in 1973 to $742 billion in 1986. The small businesses of our Nation can ill afford additional costs at a time when they are attempting to foster their own growth and make them more competitive.

Mr. President, I compare this amendment to those of environmental impact statements, which began in 1969 as a result of the enactment of the National Environmental Policy Act. These statements are required by all agencies which deal with resource-intensive projects or anything that could have a ground effect, such as construction projects, building of dams, and so forth.

Many of our decisions now revolve around environmental impact statements for better or for worse. The statements do provide essential information, as we legislate and as we regulate. Why should we not have similar information on the impacts economically of decisions that we make? Is not the economic environment of Americans just as important as the natural environment which surrounds us? Are we not part of the environment in which we live? And the environment in which we live, is it not indeed affected by the economic health of those people participating in it?

An economic impact statement of the effect of the economy and the Federal budget of an increase in the minimum wage would have been helpful, and in the future will be, if this passes. By studying the impacts of such proposals, we might discover that there are indeed less painful tradeoffs. As is pointed out by Serge Taylor in his book "Making Bureaucracies Think," he mentioned that these are the kinds of things that we ought to do. "The experience of different impact statement systems is worth making explicit as a guide to thinking about extending impact statement arrangements to other fields."

The purpose of my amendment is to ensure that we have an opportunity to review the ramifications of this type of legislation before it becomes law. It should be an essential focus of our legislative process. Small business is the backbone of our Nation's economy, and they are extremely sensitive not only to benefit mandates—indeed many States have them—but to increases in labor costs which in turn affect their ability to compete in today's market.

Mr. President, I urge the adoption of this amendment, and the amendment in the second degree, which my colleague from Oklahoma has offered.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from Oklahoma.

Mr. NICKLES. I wish to compliment my friend and colleague, the Senator from Wyoming, for his excellent statement. I will not repeat his statement, but I think it is important that we know what we are doing.

If we pass legislation which will affect thousands of businesses and hundreds of thousands of people, I think we should know it. Maybe we should have some kind of concurrence on what we are doing. Is this bill we are talking about inflationary? Will it increase CPI costs, and therefore increase the costs of a lot of Government programs? Will it increase unemployment? I happen to believe it will.

I argued on this floor, and I will not repeat those arguments today, but I think if we pass the bill as now pending before the Senate it is liable to cost 500,000, maybe 600,000 jobs.

I noticed OMB states that the higher minimum wage of $4.65 per hour would reduce employment by 650,000 jobs and raise the unemployment rate for 16- to 19-year-olds be-

tween 2½ and 3 percentage points. I do not think we should do that.

I do not think we should put a lot of teenagers out of work or hundreds of thousands of people out of work. That came from OMB. CBO estimates, I think, as many as 500,000 jobs would be lost. I am not sure which is right.

The Senator from Wyoming, Mr. Wallop's amendment, and mine, says that before this bill would become law, we would have GAO do a report, and it would be included in the Labor Committee report as it comes from conference; and so everyone, before we vote on final passage of the conference report, would have an idea, to be included with the committee report, and would know what the economic impact would be.

I might tell my friend and colleague from the State of Massachusetts that we agreed to the same amendment on the high risk notification bill. We actually agreed to it 92 to 0. That was on March 24, 1988. This is the same amendnent. We should have known what the impact would be when we were working on high risk. We should know what the impact would be on the minimum wage bill.

So I again urge my colleagues to support this. I think the Senator from Wyoming has an excellent second-degree amendment, which, I think, likewise bears our support.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have been debating this issue for several days now, and I cannot help but observe, as we hopefully are coming into the final hours of this debate, that so many amendments are being offered by those who have taken positions in opposition to provide a restoration of the purchasing power for Americans who are working on the bottom rung of the economic ladder. I have listened to the discussion of the debate of my friend from Wyoming, as well as my friend from Oklahoma, and both have indicated opposition to this proposal. We have tried to address some of the points which they have raised in previous debate and discussion, and we will respond to the points which have been raised by this particular amendment.

First of all, Mr. President, we are charged under the Senate rules, on any piece of legislation that comes out of our committee, to give a report of the effect of that particular legislation on the cost to the Government and the regulatory impact. And in our particular report, we have complied with that rule in our legislative report in sections 7 and 8.

Mr. President, we went far beyond that. I do not know what the source of the Senator from Wyoming is with regard to the work of our particular committee, but he ought to get his facts correct, in terms of what we did do and what we did not do.

The Senator from Wyoming points out that we only had the testimony of one particular witness. That is not correct. I hold in my hand the hearings of the Labor Committee on June 10, 17, and 23, where we heard the testimony of four economists, including Dr. Adams and Dr. Swinton. Dr. Adams gave us an econometric model simulation of the bill's impact, the Wharton econometric model.

We heard from Dr. Glennie, who gave testimony in opposition to the increase in the minimum wage. We have the testimony of Walter Williams, which was submitted. He did not give it orally, but it was in opposition, as well.

We had two distinguished economists and one econometric model that considered the economic impact of unemployment, the impact on inflation, and also referenced the international competition situation, and we had testimony in opposition.

In the testimony of Dr. Adams, we had the 1987, 1988, 1989, 1990 analyses based upon $3.35 present minimum wage, the increase to $3.85, $4.25, and $4.65.

In that testimony he discussed the effects on the GNP for each year. He discussed the GNP deflator. He discussed the impact of the wage rate on the unemployment rate and on the export deflator.

And in the particular testimony with regards to export, the testimony is the export price increase is only from one-tenth to two-tenths of a percent, so the impact on U.S. competitiveness is not significant.

We not only complied with what the rules required us to, we went far beyond that and that testimony has run through the econometric models in ways that have been generally accepted by business, by other Government agencies and by other committees of the Congress and Senate in doing various cost evaluations.

This particular issue of minimum wage, of course, has been studied, and studied to death.

We had a minimum wage commission that did a very extensive review of various competition, employment, and prices just a number of years ago, and we studied and studied these issues to death.

The one thing that we have found that those arguments in opposition to the minimum wage, that talk about the impact on inflation as well as wages are absolutely unfounded when we look at the historical past. In discussing the minimum wage, we are fortunate because we have had six other instances over the last 50 years when we have raised the wage, and we have heard those similar arguments raised in opposition to any increase. The same old arguments. I have read the RECORD. They are virtually identical. Sometimes I think the speeches and the material that were provided by the Chamber are just run right off, absolutely the same argument with maybe some little adjustments in terms of the particular figures, but the arguments are universally the same and they are wrong. History has demonstrated that they are wrong, Mr. President.

I have listened with interest to my friend from Oklahoma talking about the impact on unemployment even in his State, and he knows his State, and I respect his knowledge of his State. He has talked about the impact of increasing the minimum wage and talked about the figure of 10,000 jobs in the State of Oklahoma with the increase.

You know, once again I think history is of some import if we look over at what happened in 1961. For example, unemployment in the State of Oklahoma was 5.9 percent. We raised the minimum wage to $1.15. Unemployment went down to 5.1 percent. The next year, in 1963, we increased it to $1.25; unemployment in Oklahoma stayed the same. It was the same in 1966, when the unemployment rate was at 3.6 percent. And then it was raised to $1.40, and unemployment went down in Oklahoma. It was raised in 1968 20 cents, to $1.60, and unemployment remained exactly the same. In Oklahoma, from 1961 to 1986 the minimum wage went up 60 cents, from $1 to $1.60, 60 percent, and unemployment there went from 5.9 percent in 1961 to 3.5 percent.

So this makes the point, Mr. President. I think just in a very quick way we can continue to go down through the figures. We have gone from 1961 to 1977 from $1, to $2.30 and total unemployment in Oklahoma has actually gone down.

I think in looking at the arguments that are made by people who are opposed to this action, when they come here in the final hours and say, as the Senator from Oklahoma said, we are going to have 10,000 loss of jobs in Oklahoma, I think it is useful to look at the record as to what has happened in his particular State.

Mr. NICKLES. Mr. President, will the Senator yield?

Mr. KENNEDY. Let me just finish the general response and then I will be more than glad to yield.

That has been a similar situation in the State of Wyoming. We hear about what is going to be the impact in the State of Wyoming, and here we find that in 1976 the minimum wage was $2.30, in 1977 it was $2.30, and unemployment went down. Then it went up to $2.65, and unemployment went down from 3.6 to 3.3 percent. Then it went up to $2.90.

In 1977, from $2.30, it has gone up 60 cents, to $2.90, in 2 years, and unemployment goes down again to 2.8 percent. It has dropped from the 3.6 percent in 1977 with a minimum wage of $2.30, from 3.6 percent to 2.8 percent, a reduction in unemployment with an increase of the minimum wage by 60 cents, a 26-percent increase.

Now we find in the State of Wyoming, the 1981 figures were at $3.35, and unemployment was 4.1 percent. In 1982 it is $3.35 and unemployment has increased to 5.8 percent, an increase in unemployment, no change in the minimum wage, no change in the minimum wage and yet there was an increase in the unemployment.

Mr. President, we have gone over these particular arguments in some detail earlier in the discourse and debate.

I think any fair reading of what has happened in the history of the increase in the minimum wage you have to say that the adverse impact that has been predicted in any of those cases just is not so.

There have been fluctuations in terms of unemployment. Even teenage unemployment has been much more related to the general economic conditions than the whole issue and question of increases in the minimum wage.

I think you can make the case to the contrary, Mr. President, but basically what we have said, as Business Week has said, not an organization or publication that is generally considered to be a liberal organization or a liberal publication, that basically the impact on employment is negligible.

It seems that this committee has reviewed econometric models.

The point is made by the Senator that we ought to do more of a review in terms of international trade. I point out, Mr. President, that the fact is that last year's omnibus trade bill in section 5421 requires that the President of the head of the appropriate department to include in its comments on legislation a statement on the impact of legislation on U.S. international competitiveness if the administration thinks there will be such effects.

Mr. President, Secretary Dole came up before our committee. She is required under law under the bill that passed last year that if she believes there is going to be adverse impact on our international competitiveness she is required under law to make that statement and to make that case before our committee or she is violating the law. That is what the effect of that particular provision is.

Now Secretary Dole testified on March 3, gave us the administration's position on the minimum wage bill. There was no comment at all about its impact on international competitiveness, favorable or unfavorable.

We can only conclude that the administration does not think there are any such effects since otherwise it would have been required to do so.

Mr. NICKLES. Mr. President, will the Senator yield?

Mr. KENNEDY. I will in just 2 minutes.

It is very clear what the effect of this amendment would be. It is an effort by those who are opposed to this legislation to put a condition and defer or delay or perhaps even cancel any potential increase in the areas of the minimum wage. They are opposed to it—let us call a spade a spade—even with this provision. Neither of them are prepared to say that they would support the bill if this amendment were adopted. And so I find trouble when they are crying crocodile tears about all of the economic impact and the failure of the committee to deal with these matters, because I believe that we have. We are required to by the Senate rules. We have conformed with the requirement of the rules and gone beyond them, and now they indicate that they feel that a much greater study should be done.

I ask the Senator from Oklahoma, previously when we had increases in the cost of living for the American military, whether either the Senator from Wyoming or the Senator from Oklahoma, or the 2.5 million in the military asked for the economic impact or what its effect was going to be. I did not hear a request on that.

I did not hear them asking every year to let us take the inflator for the cost of living for seniors and Social Security that goes into effect every year and ask what the economic impact is going to be in our country. I do not hear that particular proposal.

But when it comes to the minimum wage, restoring the purchasing power for the hard-working Americans, our fellow citizens, on the bottom rung of the ladder, then all of a sudden it is "we can not have this until we are going to have further econometric studies." I find that logic, Mr. President, difficult to follow.

Thirty-three million senior citizens get that cost-of-living increase every year, and I am for it. They built this country. I believe they ought to get it.

And I have supported the increase in terms of the military. I think they ought to receive it. They are our best weapons system, with the quality of the people that serve in the Armed Forces.

But we do not hear from those individuals and the Federal employees, a group of about 40 million people who are getting increases in the cost of living, we do not hear the Senator from Wyoming or the Senator from Oklahoma say, "Let's cost those out in terms of the export deflator, what the impact is going to be to the economy."

But with regards to the minimum wage: "Let's condition that. Let's condition that."

I will ask the Senator: Do you want to delay the increase in Social Security, the next Social Security increase, until we have a similar kind of study for the impact of the cost of living for our seniors? Do you want to condition that increase on a similar study?

Mr. WALLOP addressed the Chair.

Mr. KENNEDY. Mr. President, I do not want to yield the floor.

Mr. WALLOP. Mr. President, the rules of the Senate say I cannot address the Senator directly.

Mr. KENNEDY. I will respond then——

Mr. WALLOP. I was about to respond.

Mr. KENNEDY. If the Senator does not care to respond.

Mr. WALLOP. I am happy to respond.

Mr. President, I was about to respond but I have to respond through the Chair.

Mr. KENNEDY. I will yield and then I will be glad to get——

Mr. WALLOP. Mr. President, I was simply trying to respond to the Senator.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KENNEDY. Mr. President, I yield to the Senator from Oklahoma who inquired of me earlier.

Mr. NICKLES. Mr. President, my friend and colleague mentioned the issue of COLA's. I cannot think of COLA's putting anybody out of work.

I would like to ask the Senator how many jobs does he think, by increasing minimum wage under his bill, how many jobs does he believe, under his estimates and the committee's estimates, how many jobs will it cost? How many teenagers are we going to put out of work, how many Americans are we going to put out of work with his amendment?

Mr. KENNEDY. The best information we have, I say to the Senator, is anywhere from 50,000 to 100,000 loss of potential job growth in the period in the future.

Let me explain that. The Department of Labor has said that we are going to have a growth of 5.2 million jobs over the period of the next 4 years. I think you might be able to say that that might not go to 5.2 million. It might go to 5.1 million. That is possible. I think it is negligible, but I believe that that is possible.

As I say, those are figures which can be justified by the review and the study—the Adams' study, Business Week review, and CBO's estimate at 125,000. So that would be the best estimate that I could provide.

Mr. NICKLES. I appreciate the Senator's response.

If I might inquire further: the Senator gave us an estimate that the increase in the minimum wage as proposed by himself and others would put 50,000, or 60,000, or 70,000 people out of work that might otherwise have jobs if we did not increase the minimum wage. We have statements by OMB that estimate as many as 650,000.

I wonder why the Senator is opposed to having GAO, which is a nonpartisan entity, why would the Senator object to having them do a study and give their recommendations to us so we would know that? If the Senator estimates 50,000 and several groups are estimating 10 times as large a job loss, why would the Senator object to having this study made?

Mr. KENNEDY. Mr. President, the fact is the CBO figures quoted by my colleague, were on different proposals. The CBO figure for the pending legislation is 125,000. I estimated 100,000.

The point is that the arguments that are being raised here are basically the arguments of the Chamber of Commerce. If you read through each and every debate we have had in the past, the chamber has made the same distortions and misrepresentations. Those are the facts. People can read the RECORD. I have.

Second, even if the number of lost job opportunities is 600,000, we must consider what the impact will be down the road when the minimum wage increase goes into effect, because we have phased this increase in over a period of time.

What does the Department of Labor, the administration's own figures, say in terms of job growth? Five point two million new jobs. What do they say will be the number of Americans that will be added to the workforce? Four point four million. We are not even going to have sufficient workers to fill the jobs that will exist. This is a phenomenon that has not taken place in this country in years due to the demography of this Nation.

So even with the 600,000 that the Senator talks about, we are not going to have an adverse impact in terms of our fellow citizens who want to work. But we will improve the lives of 4.6 million men and women and children who are living in poverty today and who have a member of the family working, trying to provide a living. Their lives will be given a sense of dignity and they will know that living in America and working in America will not condemn them to a poverty wage.

I do not think we ought to lose track of that fact when we are talking about inflated figures, Mr. President. They are inflated. Certainly Business Week does not agree with you and certainly the CBO figures this year on this proposal do not agree with you. And the materials that have been provided as part of the record in terms of the economists that reviewed this do not conform with your statements, either.

Repeating the overinflated figures time in and time out does not make them any truer. These dire predictions were not true in the Senator's own State in the times when we saw an increase nor was it true in the State of the Senator from Wyoming.

I think looking back at the history of these increases is a lot more relevant to what may happen than even econometric models, with all respect.

So, Mr. President, I believe that we have dealt with this particular issue in the way the Senator intended: with a distinguished econometric model, the results of which have been included in the record. In addition, an opportunity to testify was extended both to economists that favored the bill and that opposed it. That is a balanced hearing record.

We took the suggestions of those that were in opposition to the proposal and listened to their best economists. It is in there. Members can make their own judgment.

But to say that we are going to say no to millions of Americans, our fellow citizens, so that we can have some more economists lined up here, is something that I believe does not make a great deal of sense.

Mr. President, we have tried to address all of the questions that have been raised. I might mention a further item to indicate to both of our colleagues and to the membership that we are certainly not opposed to obtaining the best information on any of our various proposals. Last year, on another item that was before our committee, we asked the GAO—this is in June 1987—we asked them to do a GAO study on what the impact of a certain measure would be on the various economic indicators.

Mr. President, I ask unanimous consent that the letter from the GAO dated June 1, 1987, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, June 1, 1987.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, U.S. Senate.

Hon. ORRIN G. HATCH,
Ranking Member, Committee on Labor and Human Resources, U.S. Senate.

DEAR SENATORS: This letter is in response to your April 24, 1987, letter asking whether GAO could provide the Committee with employment impact estimates for legislative proposals requiring employers to provide certain compensation or benefits.

We will try to respond to any specific requests from the Committee for analysis of legislative proposals, but we are reluctant to agree to continuing work requirements because of the resulting need to set aside specialized staff who are then unavailable to respond to other congressional needs. We are also concerned about the timing issue. It is difficult for us to estimate the length of time needed to perform this kind of analysis without some additional research, however, it is likely that the 60- to 90-day timeframe would limit our ability to fully answer your questions. We could identify factors likely to affect employment, the sectors affected, and possibly provide a broad-range estimate. However, a longer timeframe to perform analyses and more experience in doing them would allow us to provide better and more precise estimates.

With respect to the methodology to be used, benefits mentioned (minimum wage, parental leave, and mandatory health benefits) would each require a somewhat unique methodology and require a study of a unique set of literature and modeling techniques. Estimates such as those requested are subject to some considerable uncertainty and are sensitive to the specific provisions of the proposal and a wide variety of analytical assumptions. We would, therefore, suggest that if you wish to proceed with this work that we agree on the general nature and timing of output required.

Our staff is available to further discuss the Committee's needs and can be reached by calling William Gainer, our Associate Director for Education and Employment, on 275-5365.

Sincerely yours,

RICHARD L. FOGEL,
Assistant Comptroller General.

Mr. KENNEDY. The GAO, in its letter, writes:

This letter is in response to your April 24, 1987, letter asking whether GAO could provide the Committee with employment impact estimates for legislative proposals requiring employers to provide certain compensation or benefits.

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This letter was on another item: the plant closing legislation. We welcomed getting the best information. We are quite prepared to deal with that. I do think that we have complied with the spirit of the pending amendment in the past.

What this amendment says now, let us be clear about it: No, this bill will not go into effect until a long series of requirements are achieved. We debated this last fall, Mr. President. Now, just several months later, they say, "Let us go back for a whole new set of hearings because we are some distance down the road from last fall."

If we let this amendment go into effect—I do not think it is necessary, we have sufficient information to act

on—the opponents of any bill will say: "Look, it is 5 months ago that we had the study. Let us do another study."

This issue has been studied to death. The American people and the families of the American poor do not deserve another day of delay, let alone a delay for economists to sit down and try to come up with some figures the subject of which we have addressed over the course of this past discussion.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, just a couple of comments. One, my friend and colleague said that CBO said there would be a job loss of 125,000. I would like him to share that with me, maybe put that in the RECORD, if he would be kind enough to do it. Because I think it is interesting that OMB says it would be 650,000 jobs. The Senator from Massachusetts says it would be 60,000. I do not want to pass a law that will put 60,000 people out of work. And that would be the impact.

I have gone into my State. I have talked to owners of small businesses and I have talked to people who said: No, I cannot afford to pay $4.55 for people sacking groceries or pumping gas or some of the beginning level jobs.

I think we should agree. I would like to have at least some concurrence on what the economic impact would be. I do appreciate the Senator stating that it would have a negative impact on 50,000, 60,000, 70,000 people. I do not want to do that to any of those people.

I think that first job is the most important job they will ever have. I think they can begin with that first job, entry level job. They can begin climbing the economic ladder.

Let us not pull the ladder up. Let us not deny them that opportunity.

There have been 19 million new jobs created since 1982; 19 million. That is phenomenal growth.

So the Senator from Massachusetts says: Well, is this not great? But it was not because we were increasing the minimum wage. If I followed his economic analysis we would eliminate unemployment by increasing the minimum wage and we would eliminate welfare if we increased the minimum wage. Well, why do we not do that? If his economic analysis is correct, let us increase the minimum wage to $10 or $20 an hour and we will eliminate all welfare, eliminate all unemployment; we will have full employment, no welfare. We will have balanced budgets. We are going to be in a utopian society. We will be competitive internationally.

I do not think that argument will hold up. I do not think it will bear out to be the truth.

I think an economic analysis by GAO will substantiate our claim. All we are asking is that GAO do a study, a nonpartisan group, do a study and tell us what the impact would be.

By passing this law, are we going to put half a million people, mostly young people, many disadvantaged people, many minorities, are we going to be putting them out of work? Let us let them answer those questions.

Senator KENNEDY says, well, not too many, 50,000 or 60,000. I think it would be closer to 500,000. Well, who is right? It would be nice to know. Then, if Senators want to vote for it given these facts on a conference report they can vote for it. They will know what they are voting for. It will be part of the committee report.

Senator KENNEDY mentioned Secretary Dole said there will be 5 million jobs in the next 5 years that can absorb some of the unemployment. She also said passage of the Senator's bill will put 650,000 people out of work and I think that is too large a price to pay.

Again, all I am asking for is this economic analysis. I do not know why the Senator opposed that amendment so strenuously. We did pass it as part of the high risk notification bill and I would hope he would accept the amendment.

I think it is a good amendment. I congratulate my colleague, Senator WALLOP, from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. I will not drag this out; I have no such intention. But I would say to my friend from Massachusetts that he ought to accept the amendment if he thinks he has gone even farther than the terms of it would require.

Why would it be worrisome, if we have already gone farther? The problem is that the Senator has, I think, my friend, confused the committee record with the report upon which we, the Senate, can make our judgment.

I would say again that the committee report contains no evidence or information of any consequence about the economic effects of this legislation; absolutely none. The sum total of it is on 2¼ pages, one of which contains a letter from the Congressional Budget Office, which does not bother to talk about employment levels; one of which is a small thing on the regulatory impact; and one is a small sentence or two on the economic impact on individuals, customers, consumers, and businesses.

But, Mr. President, I regret to say it but the Senator from Massachusetts did not hear a single argument the Senator from Wyoming made; not one. My amendment does not go to opposition or support of this particular legislation. It is a plea for information upon which to make a judgment.

The committee's hearing report is a record of hearings. It is not an economic analysis. It is the opinions of a few people who have come in on one side or the other of that and it is not an economic analysis. It cannot be construed as such by anybody with any business experience.

The other thing about my amendment is it does not go solely to this bill on minimum wage. It goes to all mandated programs, all the things which this Congress sets out to do with all the best intentions. We ask only that somebody take time enough to appraise its effect on America's small businesses, large businesses, and competitiveness.

I have precious little sympathy with a letter from GAO, now printed in the RECORD, that it takes a long time. It takes a long time to find your way back if you lose a job and do not have the economic ability to participate in America's economy any more. It takes a long time to live a life on welfare that is dictated by an increase in minimum wage.

Maybe that would not be the consequence. Who knows? Nobody in the Senate. Not the committee and certainly not Senators taking the report of the committee. That is what is at issue.

The Senator says we have been debating this proposal for several days. We have not been debating this proposal for any days. We have one side of it. Those of us who have a concern as to the possible economic consequences of this cannot debate the rest of it because there is no information. You can read all the green books with hearing records that you like but those are not an economic assessment and they are not, generally speaking, part of the report that the committee makes to the Members for the purposes of debate.

So, I would just again say: My purpose is not either to be supportive of or in opposition to—though the Senator correctly states the case that I am in opposition to raising the minimum wage. My purpose in this has nothing to do with that. My purpose goes far beyond this bill. My purpose goes to those things which this Congress may, in its wisdom or lack of it, set out to do to the American people, all the while professing to be doing something for the American people.

If it is to be for the American people, then we ought to have the economic consequences to assure us that it is not to them. And some of us, unlike the Senator from Massachusetts, have been in business, small business; we have met payrolls; we have supported our workers and their families; we do know the consequences of what is and is not economic in the world of meeting and matching payrolls. And I am concerned.

If, in fact, all the information contained in the green book which is the hearing record—not the committee

report—says that there is going to be no economic impact, why would the Senator from Massachusetts be shy to have that information in front of us? If, on the other hand, the judgments of CBO are correct, or the Labor Department are correct, or OMB are correct, why would we be shy as having that as a small piece of information, weighing the benefits and detriments of a given piece of information: On this, on mandated health, on parental leave, on any of the other things which we may in our wisdom concoct? That is all that is asked, just that we have information available to us upon which to make a decision.

So I would say to my friend I am prepared to terminate this debate. It is not for or against the bill. It is just a piece of information requested that we may need on this legislation and in the future.

Mr. KENNEDY. Mr. President, the record of the Labor and Resources Committee includes not only a report, but it includes hearings, as Members of this body know. Individuals can read the report, and then if they have a good deal of interest in the subject matter, they can review the hearings. When you have the opportunity to review the hearings, you will find that our committee not only met the requirements of the rules of the Senate, but we also did the kind of econometric evaluation that has been acceptable to other committees. It is one that is respected across this Nation.

The Senator from Wyoming might not feel that our report is complete enough, but I reject his argument that we did not address all of the various facets of this legislation. During the hearings that we had on July 17 Professor Adams testified. I will read his statement:

> In this paper, we apply the comprehensive simulation techniques of the Wharton econometric model to see how much effect the proposed revision of the minimum wage from $3.35 to $4.65 per hour over a 3-year period would have on the Nation's inflation and unemployment rates.

Maybe the Senator from Wyoming does not like the results of that particular hearing or that particular model, but they are in the RECORD. As I mentioned before, this hearing's record also has reference to the import price index, GNP, unemployment, and the export deflator. I do not know what more we are going to be able to achieve in that particular area.

Mr. President, this particular question, I think, is best responded to in terms of the historical precedent. There are many arguments that are made here on many different issues that come before the Senate, and we take positions on many issues, many of these are new issues in which we do not know the full impact of the proposal. An example is the whole development of the budget process; no one could have anticipated where this body would be as a result of that particular debate. We moved slowly and we took the action that the Senate so wanted at that time.

This issue is an old issue. It is 50 years old. We have raised the minimum wage six different times during six different economic periods, and we can review the past history. We can review the impact on inflation, the impact on unemployment, the impact on competitiveness, and any other economic indicator. They are the best indicator of the impact that this bill will have.

Maybe a range of econometric models are valuable on other issues, but I believe that history is the best evidence on this issue and, quite frankly, that history is completely consistent with many of the well accepted and respected econometric models. But I make one final point.

There is another issue which is involved. And that is that 50 years ago, the Congress, the President, the American people made a commitment that working 40 hours a week, 52 weeks of the year should not condemn an individual to a life of poverty. That comitment was kept in the thirties, the forties, the fifties, and the sixties. It was kept by Republican Presidents as well as Democratic Presidents. This should not be a Democratic/Republican issue. President Eisenhower recommended an increase in the minimum wage three different times because he understood the basic social compact that was made. Our society has said that if you work 40 hours a week, you ought to be able to live with a sense of dignity.

The only time we have failed to fulfill that commitment has been over the period of the last 8 years. We are attempting to restore our obligation to that social compact. We have heard in the course of this debate all kinds of ancillaries like the world is going to come to an end, or our economy is going to fall in, or that economic conditions are going to be shaken to the core. We hear that after we have heard those who oppose this bill say that it is only going to affect a few people; why are we here? I do not know where the Senator from Wyoming was when the Senator from Utah said "I do not know why we are doing this because there are only a few thousand people that are heads of households." That was the principal opponent of the bill: "It is only going to affect a very few people, so why are we out here?"

Now the Senator from Wyoming is shaking his head and saying: Why is it that we cannot have this major econometric model? What is the Senator scared of? Evidently, suggested by the inference of my colleague from Wyoming, if we take this extraordinary step to return purchasing power to our fellow American citizens to what it was in 1981, that some financial disaster is going to occur.

I would bet, Mr. President, that if we had a one-tenth of 1-percent increase in inflation, if we had two-tenths of 1-percent increase in inflation, the American people would pay it gladly to ensure that their fellow citizens were not living a life of poverty. I do not know how high you have to go, Senator, to say, "Well, It is not acceptable in this Nation." I believe very firmly that if this bill results in one-tenth, two-tenths, three-tenths of 1-percent inflation, the American people will still want it. That may be too much, too high for the Senator from Wyoming, but I believe that this issue is sufficiently compelling and timely that the American people support it. And I would add that the proponents of this amendment even with the amendment refuse to give an indication that they support the bill.

I would hope, Mr. President, that we would have the opportunity to move ahead, and move beyond this. I think we have met the requirements, not only the rules, but quite frankly, we have met the requirements of this particular amendment. I will not accept a situation in which we are forced to condition such a basic and fundamental issue of social justice on some kind of additional review by economists.

I think the Members of the Senate have spoken on that. They voted on that issue just earlier this week. They said that they are prepared to go ahead with this. That is what a majority of the Members, with several members of the Senator's own party, said; that they are prepared to go ahead and approve this bill. Given that, I certainly hope that we will move ahead on this issue.

Mr. WALLOP. Mr. President, I assure you while I have no intention to delay, I am amused once again that my friend from Massachusetts seems to substitute decibels for logic. I wish he would debate the amendment. My purpose is not pro or anti this piece of legislation. It is a stated desire on my part for information on which to make a decision.

My friend, you in this instance have a hearing record that has been published, but I say to the Senator from Massachusetts or any other Senator listening, they know how seldom that is the case. Very often the Senate makes its decision before the hearing record is even printed.

My amendment does not go to this piece of legislation solely, but anything which is going to have an economic impact on the life of Americans, competitive as well as employment, as well as the effects on small businesses.

To argue 40-hour weeks, I have no quarrel with 40-hour weeks. That is not my purpose here. My purpose is if

the Senator from Massachusetts chooses to make his decision on the basis of the information he has, well and good, but I am saying that the Senate on this and future legislation, such as parental leave and all the mandated benefits, needs to have this information in the committee report and not in the hearing record, which will not be available to us 90 percent of the time when we go to make these decisions. To say you complied with the rules of the Senate in a technical way, I would say, yes, but in a realistic way and for which we could make intelligent decisions on the basis of the information contained therein, I would just have to say no. It is not pro or con this bill and it is not only related to this bill. It is related to the whole business of trying to make judgments on the economic life of America.

Mr. KENNEDY. Will the Senator yield? Let me say that my arguments were more for the combination of the two economic impact amendments, because they were offered in tandem. I think it is reasonable to assume that they should be considered in tandem.

In fairness to the Senator from Wyoming, I have no objection to the basic amendment of the Senator, the part which does suggest that the committee require—if the Senator was interested in offering that just as it is, I would urge the Senate to accept it if we could get some clarification—that we review the impact, both in terms of costs and benefits. I would be glad to have a short quorum call. If the Senator is in a situation where he would be prepared to make minor modifications, I think I could be prepared to accept that. I do not know what the particular arrangement is with the Senator's friend and colleague.

Mr. WALLOP. Mr. President, if I may, I say to my friend, they are two separate issues. I do not have an arrangement. I would be happy to consult with the Senator. I see the difference. I am only trying to argue my own amendment.

Mr. KENNEDY. OK.

Mr. WALLOP. With that, Mr. President, I suggest the absence of a quorum so that I might have a moment to discuss it with the Senator from Massachusetts.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I ask unanimous consent that the Nickles amendment to the Wallop amendment be removed, and that upon the disposition of the Wallop amendment, the Nickles amendment become pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, before I begin, let me thank the Senator from Massachusetts and the leader for working this little problem through.

Mr. President, I ask unanimous consent that I be permitted to modify my amendment.

The PRESIDING OFFICER. The Senator has that right. There is no objection.

Mr. WALLOP. Mr. President, the modification is at the desk, and it is agreeable, I understand, to the able Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Wyoming's [Mr. WALLOP] amendment will be so modified.

The amendment (No. 31), as modified, is as follows:

At the end of the bill add the following new section:

SEC. 5. INCLUSION OF COMPETITIVE AND ECONOMIC IMPACT ANALYSIS IN CONGRESSIONAL COMMITTEE REPORTS OF EMPLOYEE BENEFIT LEGISLATION.

Each committee of the Congress that reports legislation that requires employers to provide new employee benefits or otherwise affects employment levels and conditions shall seek objective analysis of the impact of the legislation on employment, economic competitiveness, economic growth, the federal budget and international trade, and include such analysis in the committee report.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I have no objection to the amendment of the Senator from Wyoming, as modified. As a matter of fact, I support that amendment. The kind of information which he seeks, I think, is entirely appropriate, and I think it is worthwhile for any committee to consider, and it certainly is worthwhile to be available to the Members of the Senate and the American people in considering any legislation.

The principal part of the debate which took place earlier was under an unusual set of conditions, which was a debate on an amendment to the amendment. But the particular proposal of the Senator from Wyoming, I think, was a useful recommendation, and I certainly urge the acceptance of that amendment.

I think, perspectively, if the various committees conform with that particular requirement, I believe that the kinds of concerns of the Senator from Oklahoma, as well, would be resolved. But that may or may not be true.

In any event, Mr. President, I am prepared to urge the Senate to consider that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment, (No. 31) as modified, was agreed to.

Mr. WALLOP. I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I ask unanimous consent to withdraw the pending amendment, which I believe was my second-degree amendment and I also wish to compliment Senator WALLOP and Senator KENNEDY for working out an amendment which is very positive and very good and provides for economic analysis of some of the legislation that we are dealing with. I compliment both Senators for their efforts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 33

(Purpose: To provide that the Davis-Bacon Act shall apply only to a contractor, or subcontractor, whose annual gross volume of sales made or business done is not less than $500,001)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 33.

Mr. NICKLES. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Ms. MIKULSKI). Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF DAVIS-BACON ACT.

The first section of the Act of March 3, 1931, commonly known as the Davis-Bacon Act (40 U.S.C. 276a) is amended by adding at the end thereof the following new subsection:

"(c) This Act shall apply only to a contractor, or subcontractor, whose annual gross volume of sales made or business done is not less than $500,001 (exclusive of excise taxes at the retail level that are separately stated).".

AMENDMENT NO. 34 TO AMENDMENT NO. 33

(Purpose: To provide that the Davis-Bacon Act shall apply only to a contractor, or subcontractor, whose annual gross volume of sales made or business done is not less than $500,000)

Mr. WALLOP. Madam President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP] proposes an amendment numbered 34.

Mr. WALLOP. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In amendment 33, strike all after "SEC." and insert the following:

APPLICATION OF DAVIS-BACON ACT.

The first section of the Act of March 3, 1931, commonly known as the Davis-Bacon Act (40 U.S.C. 276a) is amended by adding at the end thereof the following new subsection:

"(c) This Act shall apply only to a contractor, or subcontractor, whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated).".

Mr. NICKLES. Madam President, I appreciate the work of my colleagues. Basically, what we have before us is a small business exemption dealing with Davis-Bacon. I also wish to compliment the Senator from Massachusetts and the sponsors of the bill.

In the bill pending before the Senate we have a small business exemption from the minimum wage. We exempt firms with sales of less than $500,000 from the minimum wage. I think, likewise, if we are going to exempt them from the minimum wage, we should also exempt them from the requirements of Davis-Bacon. I think most of my colleagues are aware of Davis-Bacon. Davis-Bacon is the law which passed in 1935, which mandates Federal wage requirements. It says that the Department of Labor will determine what is "prevailing," so we have the Federal Government setting wage rates, and in many cases setting wage rates very high.

In many cases, many times, the minimum wage——

The PRESIDING OFFICER. The Senate is not in order. The Senator has a right to be heard.

The Senator from Oklahoma.

Mr. NICKLES. Thank you very much. This amendment is very simple. It is a small business exemption from the Davis-Bacon requirements. We exempt small business firms, those firms that have sales of less than $500,000. Under the Senator's pending bill, from minimum wage, I think likewise it only makes sense to exempt those same firms from the requirements of Davis-Bacon. I think it is self-explanatory. I hope it is an amendment that all of my colleagues will support.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I certainly respect the goal of the Senator from Oklahoma, in ensuring that small businesses are going to be able to participate in various contracts, but I do not believe that this is the way to proceed.

The way that Davis-Bacon works at the present time is once the figure is established in terms of conformity with Davis-Bacon, then there is competition and then based upon the competition and the requirements of Davis-Bacon the contract is awarded.

There are set-asides now for small business. In fact, about 28 or 30 percent of Government construction is set aside for small business. In those contracts all of the businesses can compete and compete fairly.

What this would effectively do is have small businesses that may be $550,000 or $600,000 competing with a small business of under $500,000, and on the basis of that competition it would do a serious injustice to the small business of $550,000 or $600,000 because the one, according to the amendment of the Senator from Oklahoma, even if you are $600,000, and that is a pretty small business, that one that only got $500,000 would not be required to meet the wage requirements and another business of $600,000 would be required to meet them.

What the purpose of the small business set-asides would be and which are in existence at the present time is to say Oklahoma firms that are $500,000 and $600,000 can compete fairly and evenly on an even playing ground rather than draw the line and say at $500,000 you have one set of rules and at $600,000 you are effectively out of it.

I do not know why it is that the Senator from Oklahoma wants to say for $600,000 gross you are not going to be able to compete with those that are $500,000.

If you want to deal with the small business set-asides, I am all for it, so that we are going to have an even playing ground, whatever that might be.

But this really is an amendment which we just saw about 45 minutes ago in terms of changing the Davis-Bacon provisions, and it would have the effect of basically skewing in a very significant way advantages for a certain number of small businesses and saying to another group of small businessmen "Uh-huh, you can't participate."

I, for the life of me, wonder how you justify this as a small business amendment because most of the small businesses at $600,000 are pretty small. But they would be effectively excluded.

As I say, we are expecting in our committee to have a chance to review the whole question on Davis-Bacon during the course of this Congress. I would be more than glad to have the Senator come and testify, give this issue some examination and study.

As I say, we just got this amendment about 45 minutes ago. And there may be some features of it that are commendable. I am reluctant to have a vote and a determination on it because there may very well be some features in it which would make some sense.

But certainly as it has been described and as written, I think instead of making an even field for small business to be able to compete it says, "Well, we are going to skew this in such a way," and establish what in this case is an arbitrary level which is $500,000. The way we reach the $500,000 is that we increased the small business exemption virtually with the increase in the minimum wage. That is how we reached that figure, but we had no knowledge when we were doing that in terms of the minimum wage that a proposal of this nature would come in with all of the implications that would have for the small businesses.

The administration has not requested it. They have not asked for this kind of provision.

I have had the good opportunity to listen to Secretary Dole a good deal about their position on the minimum wage legislation.

There may very well be features of it which are appealing, but I find that it is not appropriate for us to accept that this evening.

I will urge at an appropriate time that the Senate reject it.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, just a couple comments. The debate on this will not take long. I do not know if anybody else wants to speak on it, but it is not my intention to prolong the Senate.

I know the Senator from Massachusetts would like to finish the bill and that is certainly agreeable with this Senator.

A couple comments: My friend from Massachusetts mentioned it would not be even. A firm with $600,000 in sales would be covered under Davis-Bacon and one with $500,000 or less would not be covered. He is correct. I am all in favor of increasing this amendment to $600,000. I would increase it to $1 million if my colleague from Massachusetts would like to increase it and really help a lot of small businesses, more small businesses. Certainly this Senator would be willing to do so. I doubt that that was his intent.

But currently, the bill that we have before us has a distinction on minimum wage. It says that firms with sales of less than $500,000 would be exempt from minimum wage requirements; those that have sales greater than $500,000 would not be exempt.

So the Senator's legislation already has distinctions based on this $500,000

threshold sales, and I think with good intent.

I believe as to that $500,000 threshold, current law contains a threshold of $362,500 for the exemption.

The purpose of that exemption is good in my opinion. It tries not to adversely affect too many small businesses with an increase in the minimum wage. So I think that it makes sense to have the $500,000 exemption, Certainly if we are going to exempt small firms, that is firms that have sales less than $500,000, from minimum wage, then, as a bare minimum, we would also exempt them from very high Davis-Bacon wage requirements.

How many firms have this impact, it is hard to say. But certainly there are many.

I used to be a small businessman. I had a janitorial service at one time, and I also had a manufacturing concern at one time, one of which, the janitorial service, was under this $500,000 threshold. We had several employees, but we were still below the $500,000. Likewise, I ran a manufacturing concern, and we were well above this amount.

So, yes; it might provide a greater positive benefit for small business, but really the reverse is true. For the small business, anybody that has sales less than $500,000, if they have to comply with Davis-Bacon, basically are prohibited from bidding. They are not even in the game. They are not even in the ballpark. They just really are not going to be competitive, and maybe it is a small job. It may be putting the windows in a small post office in Maryland. It may be a small job putting a roof on a small Federal building in the State of Massachusetts. It may be any kind of little operation where you have a lot of small business, say, "Boy, I would like to compete on some of these Federal contracts," and then when they find out they have to pay $14 an hour they say, "Well, I can't do that; 95 percent of my work is done in the private sector and I pay an average of $7 an hour or $8 an hour. How in the world can I do a Government contract even if it is a $20,000 contract? How can I do that if I have to pay prevailing wage rates that are twice as high as what I normally pay?"

So the small businessman is basically excluded in many cases from Government contracts. This amendment would exclude businesses that have sales of less than $500,000 from Davis-Bacon just like the bill we have before us would exclude firms that have sales of less than $500,000 from the minimum wage.

I think it is a commonsense amendment. I hope that my colleagues will support it.

Mr. KENNEDY. Madam President, this is part of the problem. The Senator does not know how many firms we are affecting. The Senator does not know how many employees we are affecting. We do not have any position expressed on this amendment from the Small Business Administration. We have no position on this amendment from the administration.

Basically, the current law is a $2,000 threshold for contracts covered by Davis-Bacon provisions. We had indicated we were prepared to go up to a $50,000 threshold last year. We are going to have hearings on this particular measure later this year.

The concept of Davis-Bacon is that it is the American taxpayers' money that is being collected and is paying for various contracts, and the American taxpayers' money should not be used to either enhance wages in a particular community or diminish them, that they ought to get the basic prevailing wage for that area.

So we know that has been the historic past. What the proposal of the Senator from Oklahoma would do is say that for small firms of $500,000 and you will be able to meet the other requirements, you would be able to have an advantage because you do not have to pay a prevailing wage even though that is being paid for by the American taxpayers. If you are $600,000 you have to, and clearly those at $500,000 have a clear advantage over $600,000.

It seems to me both of them are small businesses. I do not know what the Senator from Oklahoma has against the $600,000 business. It seems to me it is best to say that that firm that is $500,000, $600,000, $700,000, $1 million, $2 million ought to be able to bid on a particular contract. It may be that roofing contract that may either be included and covered under the Davis-Bacon Act or not. But it makes more sense to proceed that way rather than just the arbitrary way.

As I say, we do not know what the conditions are. We do not know what additional administrative bureaucracy would be made.

Are you going to say, "Well, you are $500,00 and you are excluded"? Who is going to know if it is $500,000? Who is going to go out and check on the receipts of the bidding project? How many more people is that going to take on the Federal payroll? How much oversight is that going to require? How much additional bureaucracy is that going to require?

What if they got $510,000 and make it? Are they going to be protested and you are going to have accountants going out there and reviewing their books?

Madam President, I think we are entitled to at least have some examination of this issue. We are going to be addressing the Davis-Bacon issue during the course of this Congress. We will be addressing it. We will be glad to listen to the Senator from Oklahoma, whether he is successful or not in this endeavor. But it does seem to me to raise questions unrelated to the minimum wage in the final hours of debate.

As I said, we received this particular proposal an hour ago. We have been trying to inquire of the Small Business Committee and talked to a number of their personnel. They are unable to give us the answers. We have talked to other agencies. They are unable to give us the answers. There has been no real inquiry into any of this or an opportunity for us to consider this measure.

We know the Senator has been interested in Davis-Bacon in the past, and we will continue to try to work with him in the future. But I hope the Senate would not accept this amendment.

Mr. NICKLES. Madam President, a couple of final comments and I will conclude and we can vote and move on.

There is an economic impact on small business. There is no question, if you go out and ask any small business in the United States of America with sales of less than $500,000 if they should have the Department of Labor determine their wage rates for any Federal construction work, they will tell you no; they cannot afford it, or it is too burdensome.

My good friend and colleague said: wait a minute, we are going to have to hire additional accountants and lawyers and so on to figure and implement this minor change that I am talking about.

It would be just the opposite, because right now current law—and I have been wanting to change current law. The Senator is correct. I have been working on that for a few years, but he has been successful in blocking in our efforts.

Current law is that if you have any Federal construction contract that exceeds $2,000, you have the Federal Government setting your wage rates.

Now, I think that is absurd for small contracts. So I have been trying to increase that amount. I think we should increase it rather substantially. But we have not been successful because it has been opposed by my friend and others on the floor and in the House.

So what we are trying to do now is change it. We put in an exclusion or a small business exemption for minimum wage. The Senator is correct on minimum wage. If a firm had $600,000 in sales, they have to comply with minimum wage. They are exempt if their sales are less than $500,000.

Likewise, I am saying, let us follow the same guidelines. If we are going to exempt firms that have less than a half million dollars in sales from the minimum wage, let us also exempt them from the prevailing wage doctrine of Davis-Bacon. It only makes

sense. And it would open up some opportunity.

I have been standing on this floor saying what is wrong about the increase in minimum wage; that it is going to deny economic opportunity to individuals, individuals on the lower end of the economic ladder. I want to open up some doors of opportunity. I want small businesses to be able to compete on a Federal contracting job to do small jobs. Maybe it is putting windows in a post office. Maybe it is putting on a roof. Maybe it is doing a small road contract.

I think that we should allow small business people to be able to make determinations with their employees on what the wage rate should be, because they know, the employees and the employers working together, negotiating together, what wages should be, instead of having those figures dictated by the Department of Labor from Washington, DC. That is what is wrong with the current law. That is the reason we need a small business exemption from Davis-Bacon. That is the reason I think this amendment will be supported overwhelmingly by small business throughout America.

And, it will save money. It will save jobs and it will open up doors for contracts for small business.

When we talk about creating jobs, 80 percent of all new jobs are created in small business. So let us not tell that small businessman that maybe is just getting started—maybe his sales are $50,000 a year, maybe his sales are $200,000 a year and he has three employees—let us not tell him, "If you want to do Federal work, before you tell your employees what you will pay them, you have to go through and have a wage survey done by the Department of Labor and they will tell you what to pay your employees on this Federal construction job. Whereas, you can set your wages on 90 percent of your work which is done in the private sector." It really makes no sense.

We can save the Federal Government money. We can save time and paperwork on compiling prevailing wages on small contracts. I think that makes sense. We can allow small business to bid on Federal jobs, thereby creating more competition and getting the better buy for the Federal Government to make our tax dollars go further. It is just a commonsense small business exemption from Davis-Bacon that really should be adopted.

Mr. KENNEDY. Madam President, I think we have made the arguments here earlier. I think that we have had the debate on the issue of Davis-Bacon. We have recognized that over a period of time certain jobs—for example, military construction, building various runways where American planes and American servicemen are going to fly, building the servicemen's barracks where they are going to live and where they are going to get training, that we ought to ensure that the workers who are going to work in those particular places are going to receive a prevailing wage. They deserve the best. They ought to get the best, or at least not the worst.

Since it is the taxpayers' money, we have not tried to enhance the wages or to lower the wages. If the contractors want to win the bid, they have to provide at least the prevailing wage in that area, which gives the assurance of skilled work in terms of the particular contract.

I quote here the National Electrical Contractors Association. We are not talking for some particular labor group. This is the National Electrical Contractors Association testifying.

What happens if Davis-Bacon is removed? If a contractor bids a job extremely low based on undercutting prevailing wages of one or more trades, he simply is not going to get skilled employees to man the job. And with unskilled personnel, perhaps working under the supervision of one or two skilled craftsmen, the result is going to be an incredible dropoff of productivity, a slowdown in construction, a drastic lowering of job quality, and probably all three. Lower productivity or job delay mean increased cost to whom? The owners. Who is the contractor in this particular case? The Federal Government.

Now, we can go into some detail and find some common ground. But I find that the Senator from Oklahoma still has not indicated, even with this proposal, that he is prepared to support the underlying legislation.

As I Indicated, we just received this only an hour or so ago. We do not know what its impact is going to be on the number of employees, to small firms, the wide range of competitive practices, or how we are going to monitor this. The Senator has made no recommendations or suggestions on how that might be done.

It seems to me that we are wiser to defer this particular issue to another day rather than dealing with this in a piecemeal manner.

I see my friend from Ohio on the floor. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Madam President, I rise to oppose this amendment and I am frank to say that I think there is something a little bit irregular, with all due respect to my friend from Oklahoma, what we have done to this minimum wage bill which is so meaningful, so needed for so many millions of Americans.

I have seen every kind of amendment under the Sun come up today. This is another one. The amendment does not belong on the bill. But even if it did, it would not be a good amendment, because the amendment would take the current minimum wage and overtime exemption, excluding companies that do $500,000 or less in gross business per year, and extend that exemption to the Davis-Bacon Act.

Frankly, the amendments is illogical. It is a non-sequitur. It does not follow. There is no reason to be doing it on this bill. Companies doing less than $500,000 in business would not have to pay the prevailing wage on Federal construction contracts. They get the contracts from the Government, and it is only logical they would be willing to pay the prevailing wage in the community. To provide an exemption for them from the Davis-Bacon Act on a minimum wage bill just does not follow.

If there were merit to this subject, and I do not believe there is, but if there were, it would not belong on this bill.

Mr. NICKLES. Would the Senator yield?

Mr. METZENBAUM. Without losing my right to the floor to the Senator, only for a question.

Mr. NICKLES. Is the Senator aware of the fact that under the bill pending before the Senate we exempt firms that have sales less than $500,000 from minimum wage?

Mr. METZENBAUM. Yes.

Mr. NICKLES. And therefore, if we exempt them from minimum wage, why in the world would we not also exempt them from a prevailing wage which is in all cases much greater than minimum wage?

Mr. METZENBAUM. There is a very simple answer to that. We exempt them from minimum wage because the argument is made that small businesses cannot afford to pay that much, that it is too much paperwork, it is too much a challenge.

I do not happen to agree with that but I accept the concept and I am not prepared to do battle with respect to it.

But you ask why, if you exempt them from the Fair Labor Standards Act, you do not exempt them from Davis-Bacon as well? The answer is simple. Because these are people who are getting Government construction contracts. These are people who are getting contracts that assume that people are going to be paid a full wage. And a full wage is the prevailing wage in the community.

So, why would we go to these people who are getting a Federal contract and carve out for them an exemption?

I do not have much doubt about what would happen if you put this amendment in the law. I know what would happen. Corporations would bid the contract in separate companies. They would use subsidiaries, they would use newly created companies in order to get by without the obligation to pay the prevailing wage.

Frankly, it sounds harmless but it is not. It is a devastating kind of amend-

ment. It is an amendment which would do much mischief.

There may be a few companies of this small size doing business with the Federal Government and getting contracts now. But if we change the law to exempt them from the Davis-Bacon Act, I can predict to you with certainty, that situation will change and it will change fast.

We will see an avalanche of new small contractors getting Federal contracts by working their employees 10, 12, or 14 hours a day without overtime compensation. We will put the Federal Government in the business of subverting the prevailing wage rates.

The Nickles amendment will encourage chopped up Federal contract bidding: one small company bid here, another small company bid here, another one bid there. That does not make good sense. But the net result would be that numerous small contractors would wind up bidding on a piece of the project.

It would put the Federal Government in the business of buying labor on the cheap.

The Federal Government, with its massive purchasing power, should not be allowed to buy labor at subpar wages, undercutting all other employers in an area and driving wages down for all workers. The Federal Government ought to see to it that people are paid—and that is what the law provides—the prevailing wage in the area. But this would provide an exemption. It always sounds good: an exemption for small business. Everybody wants to provide an exemption for small business. But the fact is that when small business is spending the Federal taxpayers dollars, then those Federal tax dollars should not be used to pay subpar wages. And that is what this amendment will make possible.

The local communities, I am frank to say, need this protection so that the wage structure is not destroyed by cutthroat competition. What you would be doing with this amendment is you would be saying to the very substantial contractors: You are going to fail to get the contracts because they are going to come in with some smaller company, even if it is a newly formed company set up by a major corporation. We will set up a new little company and that little company will not have to meet the prevailing wage. That would be cutthroat competition and it would not be fair to the contractors that normally bid for Government business.

The public needs this protection to ensure that qualified, experienced workers are hired on Federal construction projects. On these Federal construction projects, particularly involving military construction, we cannot afford cutrate workmanship on projects that are critical to the national security.

The Davis-Bacon Act has served this Nation well for over 50 years and there is no need to gut it with this amendment.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Just a couple of final comments. I heard my good friend from Ohio say that this amendment would be devastating. Well, it certainly would not be devastating to small business. It would help small business. It would allow a small businessman to compete on a few small Government contracts. We are not talking about big Government contracts. If we were talking about big Government contracts, the employer is going to exceed the $500,000 threshold. So we are talking about small businessmen bidding on small Government contracts.

Why should we tell them, no, do not bother, do not bid? Why should we follow the guidance of the Senator from Ohio and say the Department of Labor should be determining what a small businessman will pay his employees when maybe they mutually agreed what they should be paid?

The small businessman hired him. He knows what kind of experience this person has. Maybe he is a carpenter, maybe he has some other type of skill. Why in the world would we have the audacity to think that in Washington, DC, a survey taken in Washington, DC, that may or may not include the specific community that an employer is in, why in the world should we have the audacity to say here is what you should pay your employees?

He may only have three employees and yet we are going to be dictating to him: You have to pay this wage rate for every person that does work. Maybe 90 percent of his work is done in the private sector. If we do not do this amendment we are going to continue excluding small businessmen and small business firms from doing business with the Federal Government. I think that is a travesty. I think that is a serious mistake.

The Senator also said something about subpar wages. Who is to make that determination? Are we going to be deciding that in Washington, DC, what the wages should be in Canton, OH? Or maybe some other small town in Ohio?

I mentioned the fact of putting a roof on a post office or maybe you are talking about putting in a driveway on a small Federal building. You have contractors every day that may do it and they may do it for $4,000 yet we are going to tell the small contractor if you are going to do this $4,000 contract, even though your annual sales are only $200,000, before you do it we have to tell you, from Washington, DC, what the prevailing wage is. And in many cases it is three or four times what the individual would be paying his employees.

It really makes no sense. This is a good amendment. This is a small business exemption to Davis-Bacon. It will help allow small business people to bid on Government contracts. It will save the Government some money. It will increase competition. Increased competition is good. It is good for the taxpayers. It is good for the economy as well.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Madam President, I oppose the pending amendment and will shortly move to table it, assuming everyone has had the opportunity to express themselves fully, so that Senators may be aware that there will be a vote on my motion to table the pending amendment in just a few minutes.

The distinguished Senator from Oklahoma has argued forcefully and sought to draw an analogy between the prevailing wage laws and the minimum wage laws.

He has suggested, with what I think has a superficial appeal, an argument that if we are going to change one, we ought to change the other. But the fact is, Madam President, that the two laws serve wholly different purposes and are based upon entirely different principles.

The Fair Labor Standards Act is based on the commerce clause. The small business exemption in that law presumes that firms not grossing more than $500,000 a year are not engaged in interstate commerce. The prevailing wage laws, that is the so-called Davis-Bacon laws, are based upon an entirely different principle. They are based on the principle of fairness, which is that the money raised by the Government from taxes imposed on all the citizens of our country, including the working men and women of our country, should not be used to drive down the wages of those working men and women.

These laws do not promise inflated wages for workers at the expense of other taxpayers. They do not make any worker rich. They do protect the average worker by assuring that when the Federal Government, with its massive purchasing power, enters a local market, the wages of the workers employed on Government projects must not be driven down, and the decisions are made in regions across the country, not just here in Washington, on the basis of surveys made in 440 different local areas. They are essentially locally based decisions.

For these and the other reasons stated during the course of the debate, Madam President, I move to table the underlying Nickles amendment.

Mr. NICKLES. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a second sufficient.

The question is on agreeing to the motion.

The Clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

The PRESIDING OFFICER (Mr. SIMON). Are there any other Senators in the Chambers who desire to vote?

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 36 Leg.]

YEAS—61

Adams	Exon	Metzenbaum
Baucus	Ford	Mikulski
Bentsen	Fowler	Mitchell
Biden	Glenn	Moynihan
Bingaman	Graham	Murkowski
Bradley	Harkin	Packwood
Breaux	Hatfield	Pell
Bryan	Heflin	Pryor
Bumpers	Heinz	Reid
Burdick	Hollings	Riegle
Byrd	Inouye	Rockefeller
Chafee	Johnston	Sanford
Conrad	Kennedy	Sarbanes
Cranston	Kerrey	Sasser
D'Amato	Kerry	Shelby
Danforth	Kohl	Simon
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Wirth
Dodd	Lieberman	
Durenberger	Matsunaga	

NAYS—38

Armstrong	Grassley	Nickles
Bond	Hatch	Nunn
Boren	Helms	Pressler
Boschwitz	Humphrey	Robb
Burns	Jeffords	Roth
Coats	Kassebaum	Rudman
Cochran	Kasten	Simpson
Cohen	Lott	Symms
Dole	Lugar	Thurmond
Domenici	Mack	Wallop
Garn	McCain	Warner
Gorton	McClure	Wilson
Gramm	McConnell	

NOT VOTING—1

Gore

So the motion to lay on the table amendment numbered 33 was agreed to.

AMENDMENT NO. 35

(Purpose: To modify the maximum hour exemption provided for irrigation districts)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes an amendment numbered 35.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert:

Paragraph (12) of section 13(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(b)(12)) is amended by inserting after "water" the following: ", at least 90 percent of which is ultimately delivered.".

Mr. McCLURE. Mr. President, this amendment is proposed to afford the exemptions of section 6 and 7 of the Fair Labor Standards Act to a water delivery organization that supplies 90 percent or more of its water for agricultural purposes. The amendment would permit the application of the exemptions to the entities who were the originally intended beneficiaries of the section. The amendment does this by eliminating the literal necessity that fully 100 percent of water delivered by a qualified delivery organization must be used for agricultural purposes.

I offer this amendment to carry out the intention of Congress when this exemption was originally proposed. The exemption for overtime pay requirements for irrigation entities was placed in the Fair Labor Standards Act to protect rural sections of the economy. In the application of the exemption in Idaho, the Department of Labor has focused on the word "exclusively" to the exclusion of anything else. In one case, the delivery of less than 1.5 percent of the total water right delivered by a water delivery organization and used by members for nonagricultural purposes was sufficient to deprive the organization of the exemption. While the user controls the purpose of use of the water, the small portion of water not applied to agricultural purposes was being used for the watering of lawns and gardens in municipal areas that have developed from formerly irrigated farms. The remainder of the water is used for the irrigation of more than 160,000 acres of grounds. Notwithstanding the fact that more than 98.5 percent of the water was being used by farmers for agricultural purposes, the exemption was denied to the water delivery organization. The Department of Labor determined that the water was not being used exclusively for agricultural purposes, as defined in the act. The deprivation of that exemption caused an assessment of approximately $50,000 to issue against the organization. Ultimately, it was the farmer and shareholders of the organization that were required to pay the assessment. In adopting the exemption in 1949, Congress did not intend to place an additional burden on the farmers, a burden which would come back on them in terms of lower net prices. In light of the current method of application of the exemption, it is imperative that an amendment be made to facilitate the intent of Congress. The Department of Labor presently interprets the statute to require that the exemption be denied, no matter how insubstantial the nonexempt purpose for which water is being used. This amendment promotes and effectuates the aim and design of Congress to provide the exemption to irrigation companies who ultimately deliver the majority of their water to agricultural users. The fact that an insubstantial portion of the water is used to water the grass in a municipal park or some minimal use should not mean that all the farmers in the company are denied the benefit of the exemption. The Department of Labor feels constrained to apply the literal terms of the exemption because of the language of the section. Congress now has before it the opportunity to permit the Department to extend the benefit of the exemption to its intended beneficiaries.

Not only would the application of the exemption benefit the farmers themselves, but it also will benefit the employees of the water delivery organization. Irrigation of agricultural ground never has been, nor will it ever be, a 40-hour-per-week proposal. During the summer irrigation season, water must be continually managed and delivered. Following harvest, however, the work load is light because there are few duties other than maintenance work to perform until the following irrigation season. Winter compensation time and days off have traditionally been the method of compensating for longer hours worked during the summer. If the amendment is unsuccessful, water delivery organizations will be forced to lay off many of their employees during the winter season. The passage of the amendment will yield benefits not only for the farmers who are the exemption's intended beneficiaries, but also the employees of the water delivery organization who will continue to earn a year-round income.

Mr. President, my understanding is that the managers of the bill are prepared to accept the amendment.

Mr. KENNEDY. Mr. President, I urge the Senate to accept the amendment. I think the amendment is justified.

I urge the amendment be adopted.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 35) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

REPORT LANGUAGE—OVERTIME EXEMPTION FOR PERSONNEL CONSULTANTS

Mr. COCHRAN. Mr. President, I intended to offer an amendment to include the personnel placement industry among those exempted from overtime requirements under the Fair Labor Standards Act. The amendment would have exempted personnel consultants earning commissions and compensated in accordance with the two requirements set out in section 207(i) of the act, giving them the same exemption now provided to other commission-based employees.

After consultation with the managers of the bill, however, I understand their reluctance to add another exemption to the already lengthy list in the act. I am pleased that the chairman has agreed to seek the inclusion of language in the final conference report that will direct the Secretary of Labor to reevaluate the appropriateness of the half-century-old decision that denied the personnel placement industry the exemption that extended to other commission-based industries.

I appreciate the interest in the amendment expressed by several of my colleagues and the efforts of those in the personnel placement industry to bring this problem to our attention. With the chairman's support for the language, I am confident it will be included in the conference report and that the Secretary will reevaluate the fairness of excluding this industry from exemption under section 207.

PROPOSED CONFERENCE REPORT LANGUAGE

The conferees have been made aware of changed circumstances in the personnel placement industry. That industry places people in jobs and compensates its consultants primarily through commissions. In 1941, the Department of Labor determined that personnel placement firms were not "retail or service establishments" for purposes of the Fair Labor Standards Act. That determination was consistent with then-current concepts of interstate commerce and the functioning of the personnel placement industry, and was sustained in Federal court. Since 1941, there have been changes both in the understanding of interstate commerce and in the evolution of the personnel placement industry. Accordingly, the conferees direct the Department of Labor to reexamine whether personnel placement firms should be treated like other service establishments under section 207(i).

Mr. METZENBAUM. Mr. President, I am pleased to have worked with Senator KENNEDY, the manager of the bill, and Senator COCHRAN to address the issue of overtime coverage for commissioned consultants in the personnel placement industry. We are recommending the inclusion of language in the conference report on this bill directing the Department of Labor to reexamine whether personnel placement firms should be treated like other service establishments under section 207(i) of the Fair Labor Standards Act. I believe this agreement addresses the problem raised by the personnel placement industry.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I understand the Senator is ready to proceed, and if he would permit me just a moment to attempt to determine now how close we are to completion of this matter. My understanding is that the Senator from Minnesota has an amendment which——

Mr. KENNEDY. May we have order, Mr. President? The majority leader deserves to be heard.

The PRESIDING OFFICER. The point is well taken. Just a moment.

Mr. MITCHELL. My understanding is the Senator from Minnesota has an amendment which will be accepted by the managers.

Mr. DURENBERGER. If the leader will yield, I have two amendments both of which are brief and I understand both will be accepted.

Mr. MITCHELL. The distinguished Republican leader has indicated that he will move to recommit the legislation—essentially, the President's package of yesterday with the amendments that have been added on since then.

Mr. DOLE. That is 5 minutes on a side.

Mr. MITCHELL. We agree they will have 5 minutes on each side.

Mr. WALLOP. If I may, I have an amendment. I do not intend to take a long time on it from my side dealing with the compensatory time. We have employers in our State and employees in our State who wish to be compensated for time and a half.

Mr. MITCHELL. Will the Senator agree to 30 minutes equally divided on the amendment?

Mr. WALLOP. Yes.

Mr. DOLE. I will agree to 10, equally divided.

Mr. MITCHELL. For the benefit of Senators, it now appears that Senator DURENBERGER's two amendments will be accepted, following which Senator WALLOP will offer an amendment with respect to which there will be 30 minutes equally divided. So we should have a vote on that at about 6:45 or 6:50. Then the only remaining item will be the motion to recommit by the distinguished Republican leader with just 5 minutes on a side.

So there will be additional votes this evening. It is my hope that we can complete action on the legislation this evening. It may mean going slightly beyond the 7 o'clock time. But I think all Senators will agree being this close and having had so many votes already, our interests are best served by moving to completion. So that is my intention at this time.

Mr. KENNEDY. There was an amendment from my colleague, Senator KERRY. We are prepared to accept that as well.

Mr. MITCHELL. There will be an amendment by Senator KERRY as well that the managers will accept. So if we can proceed along those lines, Senators should be on notice that there will be additional votes this evening—it now appears as many as three just prior to and just after 7 p.m.

I thank the manager and my distinguished colleague. I now yield to the Senator from Minnesota.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 36

(Purpose: To require the Secretary of Labor to conduct a study of the impact of the minimum wage increase on rural areas and high unemployment areas)

Mr. DURENBERGER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER] proposes an amendment numbered 36.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . STUDY OF IMPACT OF MINIMUM WAGE INCREASE ON RURAL AREAS AND HIGH UNEMPLOYMENT AREAS.

(a) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study of—

(A) the impact of increasing the Federal minimum wage required under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et. seq.) (as amended by this Act) on rural areas and high unemployment areas; and

(B) the feasibility of establishing a minimum wage differential for rural areas and high unemployment areas.

(2) FACTORS.—In carrying out such study, the Secretary shall consider—

(A) the impact of the small business exemption provided under section 3(s) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)) (as amended by section 3(a));

(B) the impact of any training or new hire wage established under such Act (as amended by this Act); and

(C) employment levels, the potential for job creation, the average cost of living, average wage levels, and average income levels in rural areas and high unemployment areas.

(b) REPORT.—Not later than June 1, 1991, the Secretary shall submit a report that describes the results of the study conducted under subsection (a) to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(c) DEFINITIONS.—As used in this section:

(1) HIGH UNEMPLOYMENT AREA.—The term "high unemployment area" means a standard metropolitan statistical area that has an unemployment rate that is at least 150 percent higher than the national unemployment rate.

(2) RURAL AREA.—The term "rural area" shall have the same meaning given such term in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

(3) SECRETARY.—The term "Secretary" means the Secretary of Labor.

Mr. DURENBERGER. Mr. President, I rise today to offer an amendment to S. 4, the Minimum Wage Restoration Act of 1989.

This amendment directs the Secretary of Labor to conduct a study on the impact of increasing the Federal minimum wage on rural areas and areas of high unemployment in this country.

I am pleased that my distinguished colleagues Mr. CONRAD, Mr. LUGAR, Mr. HARKIN, Mr. GRASSLEY, Mr. WILSON, Mr. PRESSLER, Mr. STEVENS, Mr. DECONCINI, and Mr. BOSCHWITZ have joined me as cosponsors of this important amendment.

I see the debate over whether to raise the minimum wage as a regional issue rather than a partisan issue, and I am concerned that increasing the minimum wage will have a larger impact on rural areas and areas of high unemployment than it will on flourishing urban areas.

Rural areas generally experience a higher rate of unemployment, have a lower cost of living, and have lower average income levels than do metropolitan areas.

In 1987, for example, the average unemployment rate in the United States was 6.2 percent. However, in the standard metropolitan statistical areas the average unemployment rate was 5.7 percent, and in the standard non-metropolitan statistical areas the unemployment rate was 7.9 percent.

Mr. President, the rural unemployment rate was nearly 30 percent higher than the national average, and was nearly 40 percent higher than that in the metropolitan areas.

I know in my own State of Minnesota, employers in the Twin Cities area face a labor shortage. They cannot find enough workers at $4 per hour, let alone at the current minimum wage of $3.35 per hour.

However, in many of my state's rural communities, jobs are hard to come by at any wage, even the minimum wage. I am sure my colleagues face this situation in their own States as well.

In the past, Congress has recognized regional differences in wages in legislation such as the Davis-Bacon Act, where the Federal Government must pay prevailing wages on construction contracts.

Prevailing wages are determined in each community. S. 4 does recognize that a depressed wage structure exists in several industries in Puerto Rico, and the bill provides relief to those industries. However, this legislation does not address the regional wage differences that exist on the mainland.

Mr. President, I had originally intended to offer an amendment to provide a wage differential for rural areas and areas of high unemployment. Unfortunately, comprehensive economic data on rural areas does not exist today. The Department of Labor simply does not maintain and compile important information such as the cost of living in rural communities. For this reason, I am requesting the Department of Labor to conduct a study to determine the impact of increasing the Federal minimum wage on rural areas and areas of high unemployment.

I have asked the Secretary of Labor to consider such factors as employment levels, job creation rate, the average cost of living, average wage levels and average income levels when looking at the differences between urban and rural areas. I also recognize that two provisions in this legislation may have a mitigating impact on the wage increase; therefore, I have asked the Secretary to consider the impact of the increased small business exemption and the training wage measure that was adopted in the Gramm/Pryor substitute measure.

For purposes of my amendment, "rural" is defined as a standard nonmetropolitan statistical area determined by the Office of Management and Budget.

"Area of high unemployment" is defined as a standard metropolitan statistical area with an unemployment rate that is at least 150 percent higher than the national unemployment rate.

Mr. President, I believe it is important for Congress to understand the impact of an increase in the minimum wage on rural areas and areas with high unemployment, and this study will provide us with relevant data and comments regarding the feasibility of enacting a rural differential, which will be critical to future minimum wage debates.

I have requested the Secretary to report to the Senate Committee on Labor and Human Resources and to the House Committee on Education and Labor by June 1, 1991.

This date falls before the last scheduled increase in the minimum wage and after the completion of the 1990 census, so Congress may take this report into consideration prior to the last increase in the minimum wage, and may take any action deemed appropriate.

I appreciate the broad-based support for my amendment, and I am pleased that the managers of the bill have agreed to accept it.

Mr. KENNEDY. Mr. President, I urge the Senate to accept this amendment. It is difficult for me to believe that they will be able to draw up that rural differential which is referred to by the Senator from Minnesota, but I think we ought to get a review and get an examination to know what the facts are. So I have no objection to that.

I want to mention, while I am talking about that, the impact studies that are going to be suggested by my colleague from Massachusetts [Mr. KERRY], who is going to get a review and a study on the subminimum, on the tip credit, and also on the minimum wage, so that we will be able to have the benefit of that at a time when, hopefully, we will be able to pass this legislation, and the next time we consider a minimum wage, we will be able to have a more comprehensive review of these particular areas.

So I urge the Senate to accept the amendment of the Senator from Minnesota.

The PRESIDING OFFICER. Is there further debate?

Mr. GRASSLEY. Mr. President, I would like to speak in support of my colleague—Senator DURENBERGER's amendment. I share his view that rural areas often find themselves in different economic circumstances than urban centers. Frequently, rural communities suffer higher unemployment accompanied by lower average incomes and costs of living. Any increase in the minimum wage may adversely affect rural areas.

This amendment does not mandate any differential in the minimum wage for rural areas. It only requires that the Labor Department study the issue and assess the impact of the minimum wage on rural areas and those regions affected by high unemployment. In order to evaluate whether we need a minimum wage differential for rural areas, we certainly need to learn more about the impact of the minimum wage on these areas.

I do not want to rush into creating any Federal minimum wage differentials by geography. After all, my home State of Iowa may soon have the highest State minimum wage in the Nation. Last month, the State legislature approved an increase in the State minimum wage, which will bring it up to $4.65 an hour by 1992. That rate will apply even if the Federal minimum wage mandates a lower hourly rate.

So I feel it's important that we proceed cautiously in this area. I certainly do not want to see my home State suffer any further competitive disadvantage by the creation of a lower Federal minimum wage for rural areas. Thank you, Mr. President.

Mr. CONRAD. Mr. President, while I intend to vote to increase the mini-

mum wage, I do so with one major reservation. The current "national" minimum wage does not even begin to recognize the regional wage and economic differences that are readily apparent in this country. Therefore, I am pleased to be consponsoring the amendment by Senator DURENBERGER to require the Department of Labor to study the feasibility of establishing a minimum wage differential for rural and high-unemployment areas.

Throughout the minimum wage debate we have heard a great deal about the shortage of teenage labor. However, in North Dakota teenage labor is plentiful. Many of our Nation's cities are experiencing labor shortages. But many rural areas have a severe shortage of jobs at any wage. In New York you might pay a dollar or more for a cup of coffee or a coke. But in Minot, ND, you might pay less than 50 cents.

So why, then, do we treat all of these places equally when it comes to the minimum wage? I completely understand that the minimum wage represents what society believes should be the compensation floor for low-wage Americans. And I completely agree that someone who works full time throughout the year should earn at least a minimally livable wage. It's an awful thing for someone to end up $3,000 short of the poverty line after working 40 hours each week for an entire year. But the fact is, the cost of living is quite different in New York, Chicago, and Seattle from what it is in Okemulgee, OK; Superior, WI; and Elgin, ND.

As the Senator from Minnesota has pointed out, Congress in the past has recognized regional wage differences in the Davis-Bacon Act. Under Davis-Bacon the Federal Government is obliged to pay prevailing wages on construction contracts in particular communities. There are obviously different circumstances that come into play when comparing the minimum wage to the Davis-Bacon Act, but Davis-Bacon at least recognizes the fact that different communities have differing economies.

As does the Senator from Minnesota, I recognize the fact that the lack of comprehensive data on rural areas prevents us from initiating a rural wage differential this year. However, the next time Congress revisits the minimum wage issue, we absolutely must have that information in hand.

The amendment requires the Secretary of Labor to submit a report not later than June 1, 1991, on the feasibility of establishing a variable minimum wage. The Department will be required to include in its report an analysis of the impact of the small business exemption under the Fair Labor Standards Act; the impact of the new training wages; and a discussion of employment levels, the potential for job creation, the average cost of living, average wage levels, and average income levels in rural areas and high unemployment areas.

I would also encourage the Labor Department to look at the potential downsides of creating some sort of urban-rural minimum wage differential. For example, North Dakota is experiencing the largest out-migration of any State in the Union. Would a lower wage rate encourage more people to leave the State or might it encourage new businesses to move into the State? There are many important questions to which this study can help us find the answers.

Mr. President, the study proposed in this amendment is long overdue. I am pleased to join Senator DURENBERGER in urging my colleagues to support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 36) was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 37

(Purpose: To require the Secretary of Labor to promulgate regulations that permit certain computer operators, systems analysts, software engineers, and similarly skilled technical workers to qualify for the professional exemption from the minimum wage requirements)

Mr. DURENBERGER. Mr. President, I have a second amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER] proposes an amendment numbered 37.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . REGULATIONS CONCERNING CERTAIN EMPLOYEES.

Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall promulgate regulations that interpret the professional exemption contained in section 13(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)(1)) in a manner that permits computer systems analysts, software engineers, and other similarly skilled professional workers to qualify under such section for such exemption. Such regulations shall ensure that such employees shall continue to be eligible for such exemption even if such employees are compensated on an hourly basis, except that to qualify for such exemption such employees shall be compensated at an hourly rate that is at least 6½ times greater than the applicable minimum wage rate under section 6 of such Act (29 U.S.C. 206).

Mr. DURENBERGER. Mr. President, I rise today to offer an amendment to address an inequity that currently exists in the Department of Labor's interpretation of "professional employee" under the Fair Labor Standards Act.

In particular, I feel that it is time for the Department of Labor to update the term "professional" as it applies to highly skilled computer specialists.

I am pleased that my distinguished colleagues, Mr. KERRY and Mr. KENNEDY, have joined me as cosponsors of this amendment.

Under section 13(a)(1) of the Fair Labor Standards Act, professional employees are currently exempt from the minimum wage and overtime requirements of the act.

They are defined as employees whose primary duty consists of work requiring advanced knowledge in a field of science or learning, or work as a teacher.

Doctors, lawyers, teachers, artists, and scientists all fall under the definition of professional; highly skilled computer programmers, systems analysts and software engineers do not.

In 1973, the Department of Labor issued regulations specifically excluding employees in the computer field from the professional employee exemption.

The Labor Department stated that there was too great a variation in the standards and academic requirements to conclude that employees in the computer science field are true professionals.

Therefore, these employees are covered by the minimum wage and overtime provisions of the FLSA.

Mr. President, over the last 16 years the computer science field has advanced dramatically.

Today universities offer intense course studies in computers on both an undergraduate and graduate level.

In fact, the field of computers is advancing each day, and it is considered to be an integral part of the high technology field.

Computer programmers, systems analysts and software engineers are respected professionals, who should be treated as such.

In addition, in 1986 Congress added another twist to this issue when we adopted the Tax Reform Act.

An amendment to the Tax Reform Act requires certain independent com-

puter consultants working for a broker to convert from independent contractor status to employee status for tax purposes (section 1706).

These computer programmers, analysts, and software engineers contract their work through a broker or third party, and are paid at an hourly rate substantially higher than the minimum wage.

They generally set their own work schedules, including the number of hours they work each week, and they voluntarily enter into written contracts with brokers to be paid on an hourly basis.

However, because they are no longer independent contractors for tax purposes and because they are not considered professional employees, they are covered by the minimum wage and overtime requirements of the FLSA.

In my view, the Department of Labor's 1973 assessment of employees in the computer field is outdated.

I believe that these computer specialists meet the employment test of work that is "predominantly intellectual and varied in character" set out in the professional exemption.

Therefore, my amendment directs the Secretary of Labor to review the definition of professional employee as it relates to computer programmers, systems analysts, and software engineers.

For those skilled employees who are paid at least 6½ times the applicable minimum wage rate, they are to be considered professional employees, exempt from the overtime requirements of the FLSA.

Mr. President, I am pleased that the managers of the bill are willing to accept my amendment that requires a long overdue review of the status of employees in the computer field.

Mr. KERRY. Mr. President, I am pleased to cosponsor with Senators DURENBERGER and KENNEDY, the pending amendment. This amendment will require that the Department of Labor revise and update its rules that interpret the term professional as applied under the Fair Labor Standards Act to employees who are employed as computer programmers, systems analysts, software engineers, or similarly skilled technical services workers so that these workers would be exempted from the time-and-a-half overtime requirement when their hourly salaries exceed the minimum wage by at least 6½ times.

Under current rules, the Department of Labor operates with a 16-year-old rationale that these workers cannot qualify for the professional exemption in section 13(A) because "computer sciences are not generally recognized by colleges and universities as a bona fide academic discipline with standardized licensing, certification or registration procedures."

Well, times have changed. In Massachusetts, these technical workers are highly educated, highly skilled, and highly paid. They are the backbone of many of the high-technology industries that fuel our growing economy. It is imperative that they be exempted from these provisions so that they are able to provide services as efficiently and productively as possible.

DOL's salary guarantee requirement is unreasonable when applied to these highly skilled, highly compensated employees who earn between $25 and $100 an hour.

An exemption is necessary because it recognizes that the world has changed since the Department of Labor made its rulings. In Massachusetts, DOL has targeted several companies for audits for failure to pay time-and-a-half overtime to highly paid technical workers. This just does not make any sense any more.

Many companies, large and small, in Massachusetts depend on the services of computer programmers and other highly technical workers to solve problems. The nature of the free-lance computer programmer's business is that the hours are unpredictable. They are compensated well, even though on an hourly basis. The Department of Labor must recognize that the economy has changed in the past 16 years, and that our computer programmers, systems analysts, software engineers, and other similarly skilled technical workers are, indeed, professionals.

Mr. President, the current use of the technical services professionals covered by this amendment is an important factor in keeping Massachusetts', and the Nation's, high-technology industries flexible, responsive, and competitive. These characteristics of our industry must be increased, not reduced, if our standard of living is going to increase. This amendment provides one small, specific way in which we can reinforce those critical characteristics of a competitive American industrial base.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be made a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I support the amendment. It is narrowly crafted to ensure that this professional exemption would only apply to professionals compensated at 6½ times the minimum wage. And if the minimum wage reaches $4.55 an hour, that would mean they would be making at least $29.57 an hour to qualify. It carries on the spirit of the legislation and refers to provisions in the regulations which are already in place. I think it is a fair and worthwhile improvement and something that we had not considered in the committee. I commend the Senator for bringing it to the attention of the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 37) was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 38

(Purpose: To require the Secretary of Labor to conduct certain surveys and research)

Mr. KENNEDY. Mr. President, I send to the desk an amendment by my colleague from Massachusetts, Mr. KERRY, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] for himself and Mr. KENNEDY, proposes an amendment numbered 38.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . SURVEYS AND RESEARCH.

(a) IN GENERAL.—The Secretary of Labor shall conduct surveys and research on the characteristics of minimum wage employment, and the impact of the modification to the scope of coverage and minimum wage levels, under the Fair Labor Standards Act of 1938 (7 U.S.C. 201 et seq.) (as amended by this Act) and section 6 of this Act, including—

(1) a survey of the distribution of wages earned by employees subject to the Fair Labor Standards Act of 1938 and section 6 of this Act by wage level, industry affiliation, and regional, State, and other demographic characteristics, including an analysis of the feasibility of conducting such survey on a regular periodic basis;

(2) a study of the impact of increasing the sales level that subjects an enterprise to the Fair Labor Standards Act of 1938 under section 3(s) of such Act (29 U.S.C. 203(s)) (as amended by section 3(a) of this Act);

(3) a study of the degree of compliance with, and methods of enforcement of, the Fair Labor Standard Act of 1938, including goals and plans for ensuring compliance with such Act (as amended by this Act) and section 6 of this Act; and

(4) a study of the impact of increasing the tip credit provided under section 3(m) of such Act (as amended by section 5 of this Act).

(b) COMPLETION DATES.—The Secretary shall complete—

(1) the survey and study required under paragraphs (1) and (3) of subsection (a) not later than September 30, 1991; and

(2) the studies required under paragraphs (2) and (4) of subsection (a) not later than September 30, 1992.

(c) RESULTS.—The Secretary shall make the results of the surveys, research, and studies conducted under this section available to Congress.

Mr. KENNEDY. Mr. President, as previously described, this would ensure that at the end of the implementation of the legislation, that there would be a review of the impact on the tip credit, on the training wage, on the increase in the minimum wage. It seems to me this would provide valuable information, and it is really complementary to the approach that the Senator from Minnesota has taken.

I think it will provide additional information that would be worthwhile to the Members of the Senate, and I hope it would be accepted.

Mr. KERRY. Mr. President, debate on the proposed changes in the Fair Labor Standards Act has demonstrated one thing clearly—while analysis of policy is extensive, credible data relating to this program are almost nonexistent. To a large extent, we are arguing in a hard data vacuum about the impacts of this important program. The fact of the matter is that no comprehensive data are regularly collected on many important dimensions of this program. In my view this is unacceptable and actions should be taken to remedy this problem once and for all.

The legislation being proposed here is profoundly different from that envisioned over five decades ago. It establishes a two-tier wage program that will permit employers options and flexibility in hiring that they currently do not enjoy. It is critically important that we know what impacts these changes will have on employers, young workers, older workers, single heads of households, minority workers, and so forth. There has been extensive speculation, but the plain fact is that no one knows for sure what the impacts will be of the many proposed changes. We need to know and must establish a process to obtain objective answers.

The proposed legislative changes are multidimensional in character and probable impact. Each part of the law interacts with every other part. It is not possible to change one significant part and not expect changes to occur elsewhere. We need to know how these proposed changes will affect hiring decisions, employment dislocations, compliance with the law, family income levels, and a whole range of critically important relationships. The time is past to rely on economic models of presumed or assumed relationships. We need and must have comprehensive, objective survey data.

This is not a partisan issue—it is the need for everyone, on all sides of the issue, to have before them data and information that will meet the tests of objectivity, comprehensiveness, and timeliness. We should not have to rely on guesstimates and conjecture when it comes to legislative changes impacting millions of American workers and families. We need to know, industry needs to know, and American workers need to know that the data and information is as accurate and complete as scientific methods permit.

The best way to ensure that data of the quality and character we seek are available is to charge the department and agency responsible for the program to set in motion the necessary statistical programs to gather the data. No one knows the dimensions of the program better than does the Department of Labor and the Employment Standards Administration. As the administrative home of the Wage and Hour Division, the Employment Standards Administration possesses the capability to oversee the conduct and completion of the proposed data generation and research program. Certainly, the expertise of the Bureau of Labor Statistics should be called upon by the Department because of the Bureau's unquestioned ability to conduct large surveys of high quality. The Employment Standards Administration and the Bureau of Labor Statistics have worked closely in earlier survey and data development processes and should do so again. It is critically important that the resources of these two Labor Department organizations be joined together to provide the program knowledge, the experience, and the survey and statistical capabilities to obtain high quality data and information.

I urge my colleagues on both sides of the aisle to support the provisions of this amendment. The issues we face are complex and controversial. Therefore, every effort should be made to develop data that we can all feel is the best there is in terms of quality and comprehensiveness. The issues we are confronted with will be with us far into the future. We are going to revisit these issues again and therefore need to put in place a process for obtaining data and information needed for the deliberative process. If a Minimum Wage Review Board is established, it too, will need comprehensive, high quality data for its review process. Those data do not exist today and there is no process in place to ensure their development.

The amendment I am proposing will remedy that situation and I urge you to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 38) was agreed to.

Mr. KENNEDY. Mr. President I move to reconsider the vote by which the amendment was agreed to.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 39

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP] proposes an amendment numbered 39.

Mr. WALLOP. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, and the following:

That section 7 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of the maximum workweek applicable to such employment under subsection (a) if, pursuant to a contract made between the employer and the employee individually or an agreement made as a result of collective bargaining by representatives of employees entered into prior to the performance of the work, the employer at a written request of the employee grants the employee compensatory time off with pay in a subsequent workweek in lieu of payment of the number of hours worked in such current workweek in excess of the maximum workweek applicable to such employee under subsection (a). For purposes of determining the maximum workweek applicable to such employee under subsection (a), and the rate of pay due to the employee, compensatory time used by the employee shall be considered hours actually worked during the subsequent workweek in which actually used. Any voluntary agreement must specify the time period in which the compensatory leave * * *.

Mr. WALLOP. Mr. President, this amendment revives an issue that we considered, but did not totally resolve 3 years ago. The issue is whether comp time can be used by the hourly wage employees of a business. Under the Fair Labor Standards Act, if an hourly employee works more than 8 hours a day, then the only way to compensate that employee is through the overtime pay requirement. The use of the alternative compensatory time off policy is now effectively prohibited.

The amendment I am offering would provide a useful labor law reform. It would allow employers and employees to voluntarily enter into contracts to use a comp time format as an alternative to the overtime requirement. Employees would be able to earn paid leave as a result of overtime work. This is similar to the comp time procedure that is now available to many salaried employees.

The existing lack of flexibility for hourly employees in the Fair Labor Standards Act can be traced back to the Great Depression. The major concern during the 1930's was to expand employment opportunities. Both a minimum wage floor and a ceiling on the hours in a work week were the key elements of the Labor Standards Act. The act was an attempt to promote sorely needed jobs when it was enacted in 1938. But, this is 1989, and our economy is vastly different from the economy in 1938. However, the only change in the Labor Standards Act in the past 50 years has been to increase the minimum wage rate. But the needs, the structure, and the composition of the workplace have changed drastically. Unfortunately, our efforts to promote a more flexible work environment have been stonewalled by opponents of labor law reform.

Not only is the composition of the work force much more diverse in 1989, but there is also an increased need for diverse work arrangements. We have struggled to allow homework—to allow women who are employed as hourly workers to work at home. This same privilege is now available to professionals who are salaried. And, the advent of computers will increase homework by professionals. But, if you are a woman working at an hourly wage who wants to work at home in order to care for your children, you are prohibited from so doing. This prohibition is imposed by the same people who believe that professional child care providers and not parents are the only ones capable of providing proper child care. This is the ABC crowd.

The pending amendment is a proposal which I have pushed for most of this decade. My interest was prompted by a visit to a company in Wyoming. The employees were largely female. The business was cyclical with certain months involving long work hours and a slower period at other times in the year. The employees and the employer had developed a comp time proposal. The workers would receive steady wages throughout the year, but they would work fewer hours in the summer. They would have more time to spend with their children during summer school vacations. However, the U.S. Department of Labor blocked this agreement because it violated the Fair Labor Standards Act. There is no flexibility in the law to allow workers to structure the most desirable work arrangement.

The bill I developed, which is S. 515 in this Congress, and redrafted as an amendment today, would correct this flaw. The amendment would permit hourly wage employees to enter into contracts to use comp time as a substitute for overtime pay. It would give hourly wage earners the same access to comp time that professionals now enjoy.

Back in 1985, the Supreme Court ruled that State and local employees would now be covered by the Fair Labor Standards Act. Traditionally, States and their subdivisions were exempt from Federal labor laws. The regulation of its employees was a power reserved to the States. However, the Supreme Court ruled otherwise in the Garcia decision. Ignoring the issue of the intrusion of the Federal Government in State matters, this decision created serious practical problems for the States. I will not relive that debate now. However, Congress did respond, and enacted an exemption from the overtime rule. It only applies to State and local government employees. At the time, I did seek to enact my proposal. However, I was dissuaded by the argument that the legislation drafted by the Labor Committee was a delicate compromise on the fast track. Today's bill is neither delicate nor on a fast track, so now is the time to enact my proposal.

Once again, all we are doing is permitting voluntary agreements between labor and management to utilize a flexible comp time program. Quite frankly, there should not be any need for my bill. The Federal Government should not be involved in regulating labor and management relations. This involvement does exist, and at the very least, we should ensure that Federal requirements do not stifle innovation. Our economy is no longer a depressed, insular market as it was in the 1930's. We have a vibrant international marketplace, and it is time that our labor laws caught up with the change of the past 50 years.

Back in the early 1970's, a proposal was developed to allow a 4-day, 40-hour workweek. It took forever to get any movement on this legislation, even though it is an appropriate, sensible idea. I hope we do not have to go through the same drawn out process with the comp time proposal. I would urge my colleagues to vote for my amendment.

Time with family is viewed as more important than financial compensation. If they wish it, if it is voluntary and if it meets certain guidelines, it should be permitted.

So back in the early seventies a proposal was developed to allow a 4-day, 40-hour workweek.

It took forever to get any movement on that legislation, even though it is an appropriate and a sensible idea.

I hope we do not have to go through the same drawn-out process to the comp time proposal.

Let me urge my colleagues to vote for my amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I hope that the Senate will not accept the amendment of the Senator from Wyoming.

We have had at least a time-honored 50-year respect for a 40-hour week, basically 8 hours a day, 5 days a week. We do not under the existing law require individual workers to get overtime unless they work in excess of 40 hours a week.

If there are particular situations where employees have to work late on a particular day, work less on another particular day, that is still permitted under the existing Fair Labor Standards Act.

What the Senator from Wyoming is basically saying is when that person comes in and gets that employment, he indicates that they sign a contract to permit this kind of compensatory time off.

The problem with that, as we all know, is that the bargaining position between an employer and a single employee at the time when they come on in to work is not one of great equity.

We know very well that any employee when they go to the job the employer may well say "You've got the job; just sign here," which says we do not have to compensate you for any time over 40 hours a week.

No. 1, there is existing flexibility with regards to the 40 hours now as has been described earlier by the Senator from Wyoming.

Basically, what this amendment would say is "You, employer, can require any individual not only to work 40 hours a week, to work 50 hours a week, to work 60 hours a week, or effectively be terminated, and the compensatory time with pay is subsequent work week." It does not say the next week. It does not say within the month. It does not say in the next few days. It just says "subsequent" sometime down the line.

You can see a situation where individuals would work 50, 60 hours a week, week after week. We believed in the development of the Fair Labor Standards Act that if you are going to provide some kind of requirement beyond the 40 hours there ought to be at least some additional compensation for that kind of work and denial of that employee to be with his or her family and to be able to enjoy any kind of a normal existence. And we have recognized if you are going to have to do it, you have to pay a premium for it. The employee is going to be compensated at rate of time and one-half their normal hourly pay.

But not under the Wallop amendment. They may work 50 hours a week, 50 hours the next week, 50 hours the next week. What happens then if that individual is terminated? How are we going to ever enforce any kind of overtime for the 40 hours a

week? There are just not those provisions.

We agree that there has to be some flexibility with hours. There are times when individuals may very well be required to work additional time. That opportunity exists.

But what we have said, if you are going to force that or going to require those individuals to work over the 40 hours, they ought to get the time and a half. They ought to get the time and a half.

You could see the situation here now where individuals in a very significant way could be exploited. I believe that that is what may very well happen. I am sure that there are many employers who would not. We are not talking about the employers who would not exploit.

We want to ensure that we are going to provide some protection for employees who might be exploited.

And, Mr. President, I think there is sufficient flexibility that exists in the current law. Basically, if we accept the Wallop amendment, we are saying no more overtime because I think it is as completely unrealistic to expect any new employee who signs on with an employer not to sign that particular contract, and you are eliminating a very basic and fundamental protection for workers.

I thought we were under a time agreement, but I am afraid we did not ask. We did not ask for a consent agreement for the time.

The PRESIDING OFFICER. There was no request for unanimous consent for a time agreement.

The majority leader did indicate informally that there would be 15 minutes on either side.

Mr. WALLOP. Mr. President, if the Senator from Massachusetts is finished for the moment, as far as I am concerned that agreement exists, whether we had unanimous consent or not.

Mr. KENNEDY. That is fine.

Mr. WALLOP. I have no desire to delay this.

Let me just say to my friend that sufficient flexibility does not exist or I would not have brought it up.

This was a request to me by the employees of a firm in Cheyenne, WY, called Unicover. Their employees, as I stated earlier, work primarily with the employment cycle which is divergent, often more time in the winter than in the summer, and they preferred to have the surety of compensated work without layoffs in slack time and compensatory time to the issue of overtime. This was their understanding.

Mr. President, I ask unanimous consent that a letter by the Unicover Corp.'s president be printed in the RECORD at this time detailing the chronology of these events.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNICOVER CORP.,
Cheyenne, WY, January 12, 1982.

Hon. MALCOLM WALLOP,
U.S. Senate, Washington, DC.

DEAR MALCOLM: I am writing you today, personally, to ask that you consider introducing an amendment to the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201 *et seq*). Although this is a lengthier letter than usual, I would sincerely appreciate your personal evaluation of it in its entirety.

As will be outlined in the letter, the purpose of my request is to provide non-exempt employees generally with a greater latitude in managing their working lives without unreasonable, over protection from the government.

In making this request to you I want to emphasize that I believe that in almost every respect the Fair Labor Standards Act of 1938, as amended is both fair and in the national interest. Nonetheless, the increased educational level of all employees gives rise to greater expectations about relationships which should be permissable with their employers and the amount of control that they should be able to exercise over both their working and leisure time.

Since our founding in 1968, Unicover Corporation has grown from a very small company to a major employer in the Cheyenne area, with a full-time work force of over 225. More than many businesses, our business tends to have very large swings in workload. At the same time, our business requires a skilled, work force, well-trained with our particular requirements in mind.

Despite the swings in workload, it has, therefore, been our policy to maintain steady employment for all those who work at Unicover Corporation. During our fourteen years we have not laid off a single worker even during times when there was simply not enough work to go around. At the same time, when the workload has surged we have resorted to the use of overtime, for which we have gladly paid at the lawful rates. The net result has been beneficial to the Company and, even more, to the employees who have thus been assured of steady employment throughout the year.

It seems reasonable to expect that it should be the public policy of the United States to encourage steady, full-time employment of able-bodied citizens. The Fair Labor Standards Act of 1938, as amended, really addresses this issue in a one-sided fashion. It mandates a minimum rate of overtime pay for work in excess of 40 hours per week as a device for discouraging the use of overtime, which it views as an impediment to the creation of new job opportunities in American industry.

This is, I believe, a simplistic solution to the question of providing full-time employment. For it disregards the number of people who may be paid overtime wages during one part of the year, and yet be laid-off by their employer during another part of the year (which, of course, places them on the unemployment rolls). Becoming unemployed (for this, or any other reason) is quite upsetting to anyone. So, it would appear that the provisions of the Fair Labor Standards Act of 1938, as amended, are an incomplete mechanism in achieving the public policy which has been enunciated.

As shall become evident, the Fair Labor Standards Act of 1938, as amended, also results in what I believe to be discriminatory options available to employees with respect to their ability to manage their own working time. Today, those options are based on whether or not they belong to exempt or non-exempt classes of workers (i.e., those entitled to or not entitled overtime compensation).

I believe that Unicover Corporation's philosophy, as stated in writing in its Personnel Policies and other company publications, is consistent with the expectations which working people have today: In our written policies we say that "we believe in the individual and that it is essential to respect the dignity and rights of all persons who work here, and to recognize them for the contributions they make." We also state that we have a fundamental principle "to increase the capabilities of the people who work at Unicover through job development and training, and to give them the opportunity to find satisfaction in what they do." As outlined above, this has manifested itself in the principle "to provide equal opportunity to all who work here, and a secure future in which to exercise it."

It was probably for that reason that in 1980 our elected Employee Council suggested to the Company that Unicover Corporation adopt an optional Compensatory Time Policy which would permit an employee, at his or her sole option, to build up extra hours instead of overtime pay which could be used at a later time for additional days off. For example, an employee normally entitled to two weeks of paid vacation could build up an additional 40 hours of "Compensatory Time," which could be used in conjunction with the annual leave entitlement, thereby making a three week vacation.

Our employees pointed out that this would be advantageous both to the employees and to the Company. The employees expressed the view that they were really more interested in having more time off than they were in having to work more than 40 hours in a week, even though they would be paid at overtime rates. They emphasized that they wanted more freedom to work most when the Company really needed it, and least when work was least available. Yet, they wanted steady pay throughout the year without fear of layoff.

For some time we considered the possibilities. Then, we prepared a policy, and submitted a draft of the "Compensatory Time Plan" for comment and criticism by all employees in April, 1981. The reception was enthusiastic, to say the least. We then referred the policy to our attorneys, whose initial review indicated that it presented no problems and did not conflict with law. The policy was put into effect in early July, 1981, and was received and used with genuine enthusiasm.

The key elements of our plan are as follows:

First, that the employees has the right to request permission to work additional hours to be banked for the future as compensatory time.

Second, that an employee who has been asked to work overtime has the right to request that the hours so worked be banked as compensatory time, instead of being paid as overtime. In the latter case, the Company has no right to make that decision for the employee. In both this and the preceding cases, requests are initiated by the employee, and documented on written and signed forms (copies of which are attached hereto).

Third, that Compensatory Time is counted as hours actually worked in the period in which Compensatory Time is actually used.

And, fourth, that Compensatory Time is "banked" for the future and, when paid, is paid at the hourly rate in effect at the time of payment (plus overtime, if appropriate), which is often higher than the period in which it was earned (because of salary increases).

That outlines the policy. Our exact policy has been as follows:

"(a) Only hourly employees of the company are permitted to earn compensatory time, which is accumulated and used (paid) in accordance with this section.

"(b) Compensatory time is reflected by the hours of work which an employee accumulates in a special compensatory time account. The purpose of compensatory time is to enable an employee to 'bank' hours of work for payment later in connection with weekends, holidays, annual leave, as well as sick and medical leave, or for any other purposes. It can also be used in connection with flextime to permit even more convenient scheduling of working hours. Compensatory time is considered time actually worked in the period used and is paid according to applicable shift and overtime provisions. It is non-forfeitable and is paid if you leave the company. The accumulation and use of compensatory time is subject to the approval of management.

"(c) An employee may voluntarily request the opportunity to accumulate compensatory time. Permission to accumulate compensatory time must be requested in advance in writing, on the form approved for the purpose. It must be approved by an employee's immediate manager, and be submitted for administrative review to the Office of Human Resources. For days on which an employee is scheduled to work a normal shift (for example, Monday through Friday), permission to earn compensatory time is limited to not less than one hour and to not more than two hours. For days on which an employee is not scheduled to work a normal shift (for example, Saturday), permission to earn compensatory time is limited to not less than four hours and to not more than eight hours. Permission is at the sole discretion of management; permission may be denied for reasons such as, but not limited to, availability of work, availability of supervision and fair allocation of opportunities for earning compensatory time to employees requesting it.

"(d) An employee who volunteers to work overtime when asked, or who is required to work overtime, has the option of accumulating compensatory time for the hours worked instead of considering the hours worked as overtime. Permission to accumulate compensatory time in this way will be given automatically, but must be requested in writing, on the form approved for the purpose. The request shall be submitted to the employee's immediate manager for processing, and forwarded for administrative review to the Office of Human Resources. There is no minimum or maximum amount of compensatory time earned in this way: it is exactly equal to the hours and fractions thereof worked.

"(e) In no case may an employee accumulate more compensatory time once his/her compensatory time totals 40 hours (5 days) of compensatory time or more. Employees on all forms of probation are permitted to earn compensatory time.

"(f) The cash equivalent of accumulated compensatory time is always equal to the number of hours accumulated multiplied by the employee's Applicable Rate or salary per hour at the time compensatory time is used or paid. The Applicable Rate is the (A) Prime Shift base wage, or (B) Second Shift total hourly wage including shift differential, or (C) Third Shift total hourly wage including shift differential, which the employee received during the regularly scheduled weekday shift which the employee worked on the business day immediately preceding the day on which the compensatory time is used or paid. Upon termination of employment, with or without cause, employee will be paid cash equivalent to the compensatory time accumulated pursuant to this section.

"(g) Permission to be absent from work and to use compensatory time by being paid its cash equivalent instead, is subject to the approval of management. Permission to do so must be requested in advance in writing, on the form approved for the purpose. It must be approved by an employee's immediate manager, and be submitted for administrative review to the Office of Human Resources. Permission to use compensatory time, so long as it conforms to these policies, will not be unreasonably withheld. However, management has the right not to grant permission for any or all employees due to such reasons as, but not limited to, vacations and leave of others, staffing conflicts within a department, work volume, or, general staffing requirements.

"(h) Requests to use accumulated compensatory time may be made at any time. However, employees must observe the following deadlines when requesting permission: use amounting to 1, 2 or 3 days is to be requested not later than 5 working days in advance; leave of 4 or 5 days not later than 10 working days in advance; use amounting to 6, 7, 8, 9 or 10 days not later than 15 working days in advance; and use amounting to more than 10 days not later than 30 working days in advance. Sudden emergencies and special circumstances, naturally, do not fall under this requirement of notice.

"(i) The use of compensatory time, and payment therefor, is limited to compensatory time accumulated before the actual date of use. However, in the event that an employee is paid under Section 18(i) for work which could not be performed due to a general plant closing due to weather, an employee may apply accumulated compensatory time to the hours which need to be made up.

"(j) Accumulated compensatory time may be taken subject to the rules outlined above in increments of 5 minutes, but a minimum of 15 minutes.

"(k) Salaried employees (that is, supervisors, managers, professionals and officers who do not receive overtime pay) may be excused from work without the requirement that Annual Leave, Sick Leave or Unpaid Leave be used. Permission in this regard can be given only by an officer or general manager who is the head of a department. The request must be made and granted in writing in a form submitted to the Office of Human Resources for the record. Excuses from work is at the sole discretion of the department head in question, who shall consider the circumstances and appropriateness of the request in view of the salaried employee's performance. Additional provisions in this regard are found in Sections 8(c) and 8(m) of these Personnel Policies."

In the early fall, 1981, our new Director of Human Resources suggested to management that our Compensatory Time policy did not comply with the Fair Labor Standards Act of 1938, as amended. We thereupon referred the plan back to our attorneys for further analysis. In reply, they informed us that: "Upon initial review, the Compensatory Time Policy appeared to be permissible because of it's voluntary nature and obvious benefit to employees . . . Our additional research has revealed that this does not comply with the surprisingly strict requirements and interpretations of the Fair Labor Standards Act."

Our counsel went on to point out that "a diligent research effort which [has] uncovered only one actual court case involving a compensatory time program similar to that proposed by Unicover. In that case, the State of New Jersey was prohibited from using compensatory time as a substitute for cash payments for overtime compensation . . . The administrators of the act [the Fair Labor Standards Act of 1938, as amended] as well as the Courts have been extremely solicitous of the positions of employees, even where the employees had ostensibly contracted or bargained away the benefits of the Fair Labor Standards Act."

He went on to say, that: "In fact, the most frustrating aspect of the cases is the consist holding that an employee cannot contract with an employer to accept wage payments which do not conform to the Fair Labor Standards Act requirements as strictly interpreted. Thus, it appears that even a voluntary program of compensatory time . . . [is unacceptable, even though such a rule] is neither convenient for the employee nor beneficial to the employer . . ."

It was interesting to note, in the above context, that while a citizen of the United States could voluntarily give up a Constitutional right under the Fifth Amendment, he or she could not voluntarily give up a right under the Fair Labor Standards Act of 1938, as amended, even though he or she did so entirely voluntarily, and even though he or she determined that it was in his or her best interests to do so.

As a result of the letter from our counsel, we thereupon set out to obtain an official ruling from the U.S. Department of Labor, and after some searching, we discovered that we should write the Employment Standards Administration, Wage and Hour Division, at the regional office of the U.S. Department of Labor in Denver. We wrote to them on December 10, 1981, and they replied to us quite promptly on December 16, 1981 with the attached letter. In summary, the Wage and Hour Division said that "your 'New Personnel Policy' would not comply with the overtime provisions of the Fair Labor Standards Act."

As a result of this letter, we have taken the necessary steps to rescind the Compensatory Time provisions of our Personnel Policies, to pay all Compensatory Time on the books immediately at overtime rates, and to pay additional amounts owing to those who have been under the Compensatory Time Policy. I want to emphasize that this action on our part is the result of our own good efforts to assure that we are complying with the law, and is not the result of a Department of Labor Investigation or order.

You can well imagine how extremely disappointed—one would even say, irate—our employees were when we informed them of the demise of the Compensatory Time Provisions of the Personnel Policies. One of their reactions was directly related to the extensive use of Compensatory Time among salaried (exempt) employees who work for the State of Wyoming. As our attorney points out, "Most companies that utilize compensatory time programs do so only for professional staff people who are exempt

from the terms of the Fair Labor Standards Act (e.g. accountants in the big 8 accounting firms)."

This, Compensatory Time is not available on any basis to those to whom the act applies (non-exempt employees). In 1938, when the Fair Labor Standards Act was originally adopted, it might have been true that many hourly workers needed to be protected because they did not have the high educational levels that workers have today. In any event, the expectations of workers in 1938 and the perceptions of the options available to them during their working lives, were quite different than they are today.

Today, people want (one might even say, insist upon) the ability to have a greater direction of their own working lives. I might add that our own, highly successful, use of "flextime" under which workers establish their own actual working hours within broad guidelines, is an indication of how important "liberty to decide for one's self" in the working place is to today's highly motivated workers. They want to be "Free to Choose."

We have today a workforce which is much more able than ever before to make its own decisions. It is a workforce which, at least at Unicover Corporation, feels over regulated by the fetters of the Fair Labor Standards Act of 1938, as amended. That is the reason why the employees of this Company have endorsed this letter to you through the signed petitions which are attached. You will note, from actual count, that virtually every worker (both exempt and non-exempt) have signed these petitions.

I believe that you will agree with me that appropriate legislation giving employees the option of voluntary, employee-initiated Compensatory Time is desirable. Particularly so when it can also serve the national policy of encouraging steady, full-time, year-'round employment, and increased job satisfaction.

With Best Personal Regards, I am,
Yours very truly,
UNICOVER CORP.
JAMES A. HELZER,
President.

Mr. WALLOP. I understand what the Senator from Massachusetts is saying. I understand completely. I am not setting out to try to abuse anything.

I point out that the amendment as modified I think as handed to the Senator said that any voluntary agreement must specify the time period in which compensatory leave must be utilized. I would say that that does not give you 50 hours a week, 50 hours, and 50 hours a week. It must have a specific agreement. It must be voluntary.

The problem that we have is that the hourly wage workers are simply not given the flexibility that our salaried employees have.

Those who would like to have a 3-week vacation instead of time and a half and 10 days of whatever is offered by their employers cannot arrange that no matter how badly they may wish to; they cannot arrange it.

It would seem to me in an era of modern times, far different from the era of 1938, we might modernize the workplace for the employees of America.

Although the National Federation of Independent Business supports it, it was not brought to me by a businessman; it was brought to me when I stopped and visited with the employees of that plant. They would like nothing better than to have the surety of year-round employment, year-round compensation, and longer periods of time to share with their family during down periods of time for their corporation.

It is not sinister. It is meant to accommodate primarily working women. But why would not a working man who had otherwise gotten the compensation he wished to have per year perfer time off?

So I am not after trying to make it possible for sinister people to operate; I am trying to make it possible for legitimate workers of America to tailor the workplace environment to suit their particular need in a contract arrangement with their employer.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WALLOP. I am prepared to yield back. We do not have a time agreement.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, the Wallop amendment allows employers to provide comp time in lieu of overtime pay.

We do not have that anywhere in the law except for one exception that was provided in 1985 when Congress gave the State and local government employers the comp time option.

I know about that exception because Senator NICKLES and I were the architects of that provision. We were the ones who worked it out because the cities were having a problem with their police and firefighters. We enacted that law because State and local governments were suddenly covered by the Fair Labor Standards Act due to the Supreme Court's 1985 Garcia decision. It is a totally different situation than what we have here.

The Government employers came to us with the strong argument that they could not afford a straight overtime provision because of the long hours worked by police and firefighters, and it was creating havoc. As a matter of fact, the municipalities were coming forward and asking to be totally exempt from the wage and hour law, but the Supreme Court has said that they were covered and they were asking Congress to provide an exemption.

Many of us did not think an exemption was appropriate and were not prepared to support that.

On the other hand, we wanted to give some relief and wanted to accommodate the communities. We recognized that firefighters oftentimes will work 35 and 40 hours at a time at the fire station, and then take a considerable amount of time off.

There is no evidence at all from the 50-year history of the Fair Labor Standards Act that private employers are burdened by the current overtime provisions. The 1985 comp-time law was a narrow provision that involved a careful compromise between unions and employer groups participating in weeks of painstaking negotiations.

It was carefully crafted. It was fair to both sides. Suddenly tonight we get an amendment that has to do with the whole substance of the law, having to do with the wage and hour law.

We are dealing with the minimum wage law. And, for the life of me, I cannot understand why amendment after amendment after amendment has had nothing at all to do with the minimum wage law but has only addressed itself to some other subjects. We have had all sorts of resolutions on section 89, what we will tell the House to do and what we will tell the Finance Committee to do. That has nothing to do with this bill, nor does this amendment.

This amendment is a bad amendment. It is a sweeping change that affects all employers. But if it were the best amendment in the world, it would not belong on this bill. It ought to be handled as separate legislation.

It is my understanding that the Senator from Wyoming has actually introduced separate legislation to the same effect. But it would be reckless and irresponsible for those of us gathered here this evening at 20 minutes to 7 to impose such a dramatic change without hearings, without input from employer or employee representatives or without even a scintilla of evidence that a problem exists in the private sector.

I stand here with no reservations and say that I am chairman of the Labor Subcommittee and I hear from employers about matters of concern to them. I hear from labor unions. I hear from working people on matters of concern. I have never, never heard of anybody urging this particular approach about comp time.

And furthermore I want to point out that this amendment does not track the language of my 1985 bill covering State and local employees. That language was worked out with Senator NICKLES and others and it was carefully put together. This amendment is full of ambiguities, as Senator KENNEDY has already pointed out. But most of all, most of all, there is no evidence that this amendment is needed at all. If there is merit to it, it ought to stand on its own and it ought not to be an

amendment to this minimum wage law. It is the wrong legislation at the wrong time and the wrong place.

Mr. WALLOP. Mr. President, I ask unanimous consent that Senators SIMPSON, COATS, HELMS, and SYMMS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I say to my friend I did not anticipate generating a long whine about the matter and manner in which this has to be presented. The minimum wage is section 6 of the Fair Labor Standards Act. This is section 7. This is no long-reaching departure. I would say that we did discuss this very specifically. The Senator from Ohio was there and I was part of that whole restructuring of the Garcia thing and I was on the Labor Committee.

Now, I am not advancing this as an opportunity for employers. I was asked this by employees, not their employer, after they were denied the opportunity to have extra vacation time in the summer that they wished to have with their families.

So, I say there is no sinister attempt here. This is no late night attempt. In fact, a quarter to 7 in terms of the Senate is scarcely a late night. Let me ask also: Why should State employees have the privilege of tailoring their work environment in ways which are satisfying to them and the hourly wage employees of America, who are the backbone of our economy, not have it? And why—I only ask this question rhetorically then I yield because I know the majority leader wishes to table this amendment—but why should we in Washington, inside the beltway, who do not treat our own employees according to comp time or 40-hour weeks or any of those things, who do not even understand what the workplace of America is about, why should we inside the beltway tell America's workers that the only structure of the work environment can be decided, formed, and imposed from Washington? If employees and the employers wish to make a contract that is satisfactory to both of them, why should Washington stand in the way?

Mr. President, I am prepared to have the majority leader do his evil deed on this.

Mr. MITCHELL. I thank the Senator.

Mr. President, it is my intention momentarily to move to table this amendment. Therefore, I alert Senators that a rollcall vote will occur on that motion to table in the next few moments. Senators should be prepared for that.

Mr. President, the Senator from Wyoming raises what I think is a very serious and important question. Listening to the debate, there is no doubt in my mind that there are conceivably circumstances under which the flexibility which he suggests may be appropriate and, in deed, in the best interest of the employees as well as the employers.

My concern is that this, if adopted, would constitute a major change in what by law, custom, and practice has been considered the traditional workweek in our society; that while it no doubt would accommodate some, it would also create an enormous potential for abuse with no consideration of protection against that abuse.

It is for that reason that I will move to table the amendment, not because I do not think he has raised an important question. I think he has. And, of course, he poses a real difficulty which confronts us all the time, of how, in a large, diverse society of 240 million people, we can enact laws which govern everyone without involving some lack of accommodation to some and not trying to deal with appropriate circumstances.

So I think the appropriate thing is that this matter should be considered independently and all of these questions explored, but I believe at this time, without that kind of adequate exploration, I think there is the real potential for abuse with no adequate protection.

Mr. WALLOP. Will the majority leader yield for an observation?

Mr. MITCHELL. Yes.

Mr. WALLOP. I appreciate what you are saying, but in a modern world where family time and leisure time is an increasingly valuable asset to American workers, I would hope that you would urge that hearings be held on my bill. I have no doubt what happens when you move to table something. But I would urge that you do what you can to see if we cannot find and tailor the language necessary to take care of these needs of modern American workers which are quite different from those of 1938.

Mr. MITCHELL. I will indeed do so, and I think the Senator's point that changes are occurring in the American work force and they are occurring very rapidly and we ought to try to adapt laws to them is well taken and I will encourage that.

But for the moment, Mr. President, for the reasons stated, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maine [Mr. MITCHELL] to table the amendment of the Senator from Wyoming [Mr. WALLOP]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that, the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

The PRESIDING OFFICER (Mr. LIEBERMAN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 33, as follows:

[Rollcall Vote No. 37 Leg.]

YEAS—66

Adams	Exon	Matsunaga
Biden	Ford	Metzenbaum
Bingaman	Glenn	Mikulski
Boren	Gorton	Mitchell
Boschwitz	Graham	Moynihan
Bradley	Grassley	Nunn
Breaux	Harkin	Packwood
Bryan	Hatfield	Pell
Bumpers	Heflin	Pryor
Burdick	Heinz	Reid
Byrd	Hollings	Riegle
Chafee	Inouye	Robb
Cohen	Jeffords	Rockefeller
Conrad	Johnston	Roth
Cranston	Kennedy	Rudman
D'Amato	Kerrey	Sanford
Daschle	Kerry	Sarbanes
DeConcini	Kohl	Sasser
Dixon	Lautenberg	Shelby
Dodd	Leahy	Simon
Domenici	Levin	Specter
Durenberger	Lieberman	Stevens

NAYS—33

Armstrong	Gramm	McConnell
Baucus	Hatch	Murkowski
Bentsen	Helms	Nickles
Bond	Humphrey	Pressler
Burns	Kassebaum	Simpson
Coats	Kasten	Symms
Cochran	Lott	Thurmond
Danforth	Lugar	Wallop
Dole	Mack	Warner
Fowler	McCain	Wilson
Garn	McClure	Wirth

NOT VOTING—1

Gore

So the motion to lay on the table amendment (No. 39) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 40

(Purpose: To make certain technical corrections)

Mr. KENNEDY. Mr. President, I send to the desk a package of amendments. They are technical amendments. They have been cleared with the ranking minority leader. There are six technical amendments included, and they have all been cleared with the minority.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes technical amendments numbered 40.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

In section 3(b)(1), strike out "December 31, 1989" and insert in lieu thereof "September 30, 1989".

In section 3(b)(1)(A), strike out "December 31, 1989" and insert in lieu thereof "September 30, 1989".

In section 6(b)(2), strike out "subsection (g)(1)(B)" and insert in lieu thereof "subsection (g)(1)D)".

In section 6(g)(1), strike out "(as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10))" and insert in lieu thereof "(as defined in paragraphs (8)(A) and (10)(A) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802(8)(A) and (10)(A))".

In section 6(h), strike out "January 1, 1993" and insert in lieu thereof "July 1, 1992".

Mr. KENNEDY. Mr. President, as I indicated, these are technical amendments, and they have been cleared with the minority.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments (No. 40) were agreed to.

Mr. KENNEDY. Mr. President, I understand the Republican leader has an amendment which we are prepared to accept.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

AMENDMENT NO. 41

(Purpose: To impose a civil penalty of the willful or reported violation of the minimum wage and maximum hour requirements)

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 41.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . CIVIL PENALTIES FOR VIOLATIONS.

Section 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(e)) is amended.

(1) in the first sentence, insert after "or any regulation issued under that section," the following: "or any person who repeatedly or willfully violates sections 6 or 7;" and

(2) in paragraph (3), by adding after "section 15(a)(4)" the following: "or a repeated or willful violation of paragraph (2) of section 15(a)."

Mr. DOLE. Mr. President, I rise today to offer an amendment to S. 4, the minimum wage bill.

This amendment is simple and straightforward. It seeks to expand the existing protections given to minimum wage workers by the Fair Labor Standards Act. More specifically, it would expand current laws by subjecting employers who repeatedly or willfully violate the act's minimum wage and overtime provisions to significant civil penalties.

EXPLANATION OF CURRENT LAW

Let me briefly explain current law. This explanation—I believe—will help show why this amendment is needed.

Under current law, any employer who willfully violates the minimum wage and overtime provisions of the Fair Labor Standards Act may be prosecuted criminally and fined up to $10,000. A second conviction may result in imprisonment.

Under current law, either an individual employee or the Secretary of Labor may also bring a civil action for backpay. In addition, current law allows the Secretary of Labor to obtain injunctive or other equitable relief against an employer in order to prevent the employer from violating the minimum wage and overtime provisions at some point in the future.

But current law does not provide for the imposition of fines in civil suits brought against employers who willfully or repeatedly violate these provisions. In a civil action to enforce the Fair Labor Standards Act's minimum wage and overtime provisions, an employer is simply liable for some liquidated damage and backpay—backpay that rightfully belongs to the aggrieved employee. The act also imposes a 2-year statute of limitations on the recovery of backpay, unless a violation is willful.

EXTENDING THE CIVIL PENALTY PROVISION

The Fair Labor Standards Act does provide for civil penalties when other violations of the law occur. For example, it does subject employers to civil penalties when they run afoul of the act's child labor provisions. An employer is subject to a maximum civil penalty of $1,000 for each such violation.

The amendment that I am introducing today would impose a similar penalty for willful or repeated violations of the act's minimum wage and overtime provisions. It would subject an employer to a maximum civil penalty of $1,000 for each proven violation of these provisions. And when determining the exact amount of the penalty, the size of the employer and the gravity of the violation will be taken into account.

So—as you can see—this amendment does not radically alter the enforcement procedures of the Fair Labor Standards Act. It simply fills a gap in existing law. It simply subjects employers to civil penalties when they willfully or repeatedly fail to pay the minimum wage—just as civil penalties may be imposed on employers who violate our child labor laws.

THE WORKERS IN CALIFORNIA

Mr. President, I believe that this amendment is desperately needed. Only yesterday, I saw a very troubling report on CNN—the Cable News Network. The report suggested that many employers, particularly in California, were paying their workers at wages far below the $3.35 minimum. Most of these workers are newcomers to America.

The CNN report also told a very sad personal story—the story of a woman named Clemenica Bonilla. According to the report, Mrs. Bonilla had worked as long as 11 hours a day in a Los Angeles restaurant for about $1.80 an hour—yes, $1.80 an hour—for the past 19 months. During this period, Mrs. Bonilla was sending most of her measly salary to her mother and 12 brothers back in Guatemala.

Now, it is my understanding that these types of practices already violate current law and that the Fair Labor Standards Act already provides remedies for these violations. It is also my understanding that the regional director of the Department of Labor's wage and hour division in California will soon begin a compliance action against the employers depicted in the CNN piece. That's good news.

CONCLUSION

But I still believe that the law needs a few more teeth. It needs a bit more firepower. And that's what this amendment proposes to do.

Of course, I understand that this amendment will not stop every abuse. It will not stop every unscrupulous employer. Congress can enhance penalties and toughen requirements all it wants—and violations of the law will continue to occur. We all know that.

But I believe that this amendment will at least make some employers think twice before deciding to break our minimum wage and overtime laws. And I believe that this amendment—in a small way at least—will help to prevent cases like that of Clemenica Bonilla from ever happening again.

Mr. President, I discussed this amendment with both managers of the bill. What it does, very quickly, is it increases civil penalties in those cases where you have willful and repeated exploitation of certain people who are paid much less than the minimum wage.

If you happened to have watched CNN a couple of days ago, you might have seen how some in the State of California are exploiting people coming into this country who work for $1.80 an hour, 100 hours a week. This amendment would increase the penalties in cases of that kind.

Mr. KENNEDY. Mr. President, I welcome the amendment. It increases the civil penalties for willful or repeated violations.

It seems to me this is entirely consistent with other provisions of the Fair Labor Standards Act.

There are real problems, increasingly so. I welcome the amendment of the Senator from Kansas and urge my colleagues to accept it.

The PRESIDING OFFICER. Is there further debate on the amendment? Hearing none, the question is on agreeing to the amendment.

The amendment (No. 41) was agreed to.

Mr. DOLE. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I am going to offer a motion to recommit.

Mr. KENNEDY. May we have order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order. The Chair recognizes the Senate Republican leader.

MOTION TO RECOMMIT

Mr. DOLE. It is very simple. It is just a motion to recommit and report back with the Bush minimum wage, $4.25 an hour, a 6-month training wage, and all of the amendments adopted—Social Security, section 89, the technical amendments by the Senator from Massachusetts, the amendments of Senators COCHRAN, DURENBERGER, and others. That is purely and simply what it is.

I say again that we have an opportunity if this motion to recommit is adopted to implement an increased minimum wage very soon. If not, it seems to me that the President is going to veto anything more than $4.25 an hour, any training wage that is less than 6 months, and so this is one last opportunity to do the right thing. That is to increase the minimum wage to $4.25 over a 3-year period with a 6-month training wage and include all the amendments adopted in the past day and a half. I send this motion to the desk for myself and the distinguished Senator from Utah [Mr. HATCH].

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] moves to recommit the pending bill to the Committee on Labor and Human Resources, with instructions to report forthwith a substitute amendment containing amendments numbered 21, 22, 23, as amended by 24, 25, 26, 27, 30, 31, as modified, 35, 36, 37, 38, 40, and 41.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. HATCH. I hope our colleagues will consider this motion because in essence they will not get all of the amendments they have voted for, but I think they will get an increase in the minimum wage which many in this body want and many feel is something that needs to be done. The President's bill alone will increase the minimum wage 27 percent over the next 3 years. That is versus 36 percent. The difference is we will avoid the veto, and we will have it enacted into law with all of these particular amendments including the raise of the Social Security earnings limit, something that virtually everyone in this body would like to have, a sense of the Senate on the earned income tax credit, the sense of the Senate to delay implementation of section 89, and an urging of the Finance Committee to review the problem of catastrophic health insurance, so you have all the amendments that this body has felt fit to pass. You will have a minimum wage that will have increased 27 percent. You will have a training wage that will be a true training wage because it will not have the onerous language of the Graham amendment which basically makes that training wage nonfunctional because it will make it so expensive to use because of the regulations that are likely to be issued that literally no small business person will be able to afford to do the training wage.

This is really a compromise. It is a reasonable one. It is one that will get the increase in the minimum wage that many would like. It certainly would be one to show a good gesture toward the President who has tried to stand on principle and do what he feels is right here while at the same time trying to save jobs and I think it is a win for everybody. So I hope our colleagues will consider it.

I appreciate the leadership of the minority leader in calling this up, and I hope we will give it fair and adequate consideration. I urge all colleagues to vote for it.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. I will just take a moment. First of all, I wish to express my appreciation to all of our colleagues for their cooperation during the course of this debate. We have had a good debate and a good discussion on a wide variety of different issues, on the impact of employment, on the impact of inflation, on the whole meaning of the minimum wage to 14 million Americans and their families who will be affected by the proposal, the substitute which has been accepted of Senator GRAHAM and Senator PRYOR. I hope this particular motion will be rejected. I know the majority leader intends to have a vote on final passage which will also include all of the other amendments which have been accepted. It will give an opportunity for our colleagues to address that particular issue.

I think we have come a long way. This is a different measure than was reported out of our committee. It reflects the best and balanced judgment of a variety of different Members, Republican and Democrat alike. It is considerably different from the measure that the President had indicated he would veto. I am still hopeful, if we are able to get a strong vote this evening, that the President will change his mind so that the historical commitment that we have made to our fellow Americans, that is, if you are going to work in America 40 hours a week you are not going to live a lifetime in poverty.

I again thank our colleagues for their cooperation and I hope that the motion by the Senate minority leader will not be accepted.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

Mr. MITCHELL. Mr. President, for the benefit of Senators, we are now at the concluding moments of consideration of this legislation. It is my intention to speak briefly in opposition to the motion to recommit. Then there will be a vote on it, and I hope and expect that it will be rejected, and then we will proceed immediately thereafter to a vote on final passage. Is that the Senator's understanding?

Mr. HATCH. That is my understanding, and I hope we can do it.

Mr. MITCHELL. Mr. President, let me make just a few brief points. In support of this motion the argument is made that it includes amendments which were adopted in the hours that have intervened between the votes on the major amendments yesterday and today. Well, of course, as Senator KENNEDY has pointed out, if anyone supports those amendments that have been adopted, they will have the opportunity to vote for them on final passage, which vote will occur immediately following this one.

That means this vote is identical to the vote which we cast yesterday on the Hatch amendment. As the distinguished Republican leader has made very clear, this is, in his words, one last chance to accept the President's package. I do not believe anything has occurred between 4 o'clock yesterday and 7 o'clock today that would cause a single Senator to change his or her mind on that question. We voted this yesterday.

I urge Senators who voted against the Hatch amendment yesterday to cast their votes today in a consistent manner in opposition to the motion to recommit.

Seventy-six percent of the American people favor an increase in the minimum wage to $5.05 an hour, an amount consistent with the loss that poor working Americans have incurred through the effects of inflation combined with no increase in the mini-

mum wage for 8 years. No other segment of the American population has been so deprived during this decade.

It is said that this is a 27-percent increase, and indeed it is. But 27 percent when measured against the loss that poor working Americans have incurred as a result of the effects of inflation in this decade is inadequate. The $4.55 over 3 years in the legislation is itself a substantial compromise, a significant compromise and will leave the minimum wage far below the level that was intended when the concept of minimum wage was first accepted in our society and below the level at which it was throughout its existence until this decade.

So I say simple decency, simple fairness, ought to be our concern. I will make one final point.

We are experiencing in our Nation a dangerous polarization of our society on the basis of income and wealth. Those at the very top, those who have the highest incomes and the greatest wealth, now enjoy a proportion of that wealth and income that is greater than at any time in our history. Those at the bottom of the income scale have a proportion of income and wealth that is the smallest that it has been at any time in our history.

The gap between the rich and the poor in America is today greater than it ever has been. The single most important step we can take—not to close that gap, because no one step will close that gap—to prevent that gap from growing to a degree that is dangerous to stability in our society is to increase the minimum wage. We are now arguing over 30 cents an hour for the poorest Americans who have not had an increase for 8 years. I think this is overdue.

I urge my colleagues to vote against the motion to recommit, and for the legislation in the vote that immediately follows.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senate Republican leader.

Mr. DOLE. Mr. President, I will take 1 minute. I know it is late. Members have other obligations.

There is one big basic difference, though. The President will sign this proposal. He will veto the other one. So if you want a minimum wage—and I am for an increase in the minimum wage; I voted for increases in the past. The President's costs 90 cents out of a total original $1.35. So he has gone a long way to meet the demands of those on the other side. But the bottom line is what will he sign? In this case, I have it on pretty good authority that it is not going to be any higher than $4.25.

We have an opportunity here to help a million senior citizens with the amendment by Senator ARMSTRONG and others. We have an opportunity here to clear up some of the confusion in section 89. We have an opportunity to do a lot of other things that have been done here with amendments that have been accepted. We will get it signed. That is the difference. Do we want an issue or do we want to help those people that the majority leader just referred to?

So this is the last chance maybe this year. I think it would be unfortunate. Some said, "Well, the President should not start at $3.95 or $4. Then you could have negotiated to $4.25 and everyone would have claimed victory." He promised to raise the minimum wage. Some thought maybe the earned income tax credit might be a better way to do it. He promised to do it. He decided this is what he should do based on the advice he had gotten—$4.25, and a 6-month training wage.

I want to say in the best way I can that he is serious about it. He is not going to pull back from it. If we want to go through this exercise in 6 months from now or 60 days from now, that is up to the majority. But I would say we have a bill here that will pass the House, be signed by the President, and we can all be there for the signing ceremony in 10 days.

The PRESIDING OFFICER. Is there further debate?

Mr. HATCH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the motion of the Senator from Kansas [Mr. DOLE] to recommit with instructions.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

I further announce that if present and voting, the Senator from Tennessee [Mr. GORE] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 43, nays 56, as follows:

[Rollcall Vote No. 38 Leg.]

YEAS—43

Armstrong	Grassley	Murkowski
Bond	Hatch	Nickles
Boren	Helms	Pressler
Boschwitz	Hollings	Roth
Burns	Humphrey	Rudman
Chafee	Jeffords	Simpson
Coats	Johnston	Specter
Cochran	Kassebaum	Stevens
D'Amato	Kasten	Symms
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Garn	McCain	Wilson
Gorton	McClure	
Gramm	McConnell	

NAYS—56

Adams	Exon	Metzenbaum
Baucus	Ford	Mikulski
Bentsen	Fowler	Mitchell
Biden	Glenn	Moynihan
Bingaman	Graham	Nunn
Bradley	Harkin	Packwood
Breaux	Hatfield	Pell
Bryan	Heflin	Pryor
Bumpers	Heinz	Reid
Burdick	Inouye	Riegle
Byrd	Kennedy	Robb
Cohen	Kerrey	Rockefeller
Conrad	Kerry	Sanford
Cranston	Kohl	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Shelby
Dixon	Levin	Simon
Dodd	Lieberman	Wirth
Durenberger	Matsunaga	

NOT VOTING—1

Gore

So the motion was rejected.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President. I move to reconsider the vote by which the motion was rejected.

Mr. WALLOP. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 35, H.R. 2, the House companion bill, that all after the enacting clause be stricken——

Mr. CHAFEE. Mr. President, I wonder if I might proceed for 30 seconds.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I will vote for final passage of the minimum wage compromise because I believe an increase is overdue. I prefer the President's approach on this issue. I believe in the 6-months training period. If the conference does not report a bill as requested by the President and the President vetoes it I will support the President's veto.

The Senate has spent 5 days debating this matter. We have adopted several amendments that have improved the overall bill and that will benefit many Americans. As amended, this bill, S. 4, is all we have. It is time we dispose of it and send it to conference.

If, after the conferees have finished with the bill and it is still unacceptable to the President, he will veto it. He has made that clear. As I have indicated, I will support his veto. But it is time to pass the compromise that we have spent so much time on, send it over to the House, hammer out a conference report, and send it to the President. Let us give the conferees a chance.

AMENDMENT NO. 22—SOCIAL SECURITY RETIREMENT EARNINGS LIMIT

Mr. BIDEN. Mr. President, once again, I express my support for an increase in the Social Security earnings limitation. That is why I voted for the Armstrong amendment to the minimum wage bill, which raises the earnings limit by a modest $80 per month. This will help further encourage many valuable, experienced workers to remain in the workforce. It will also provide some relief from tax inequities currently imposed on older Americans.

The retirement earnings test was originally designed to prevent Social Security benefits from becoming an income substitute rather than the supplement it was intended to be. Americans who continue to earn income after reaching retirement age were judged to require smaller Social Security supplements. However, no American who needs both benefits and wages to make ends meet should be penalized for their efforts to help pay their own way. Americans of every age must never be discouraged from remaining productive members of the work force. They should never be discouraged from providing for the costs of their own retirement needs.

Raising the earnings limitation will help restore the incentive to older Americans to continue working and contributing to our economy for as long as they are willing and able. This incentive is especially important now that we are facing a contraction in the labor pool. The experience and skill which older Americans bring to the market are in particularly short supply.

In addition to keeping essential experienced workers active in our economy, the retirement earnings credit should be lifted to remove an excessive and unfair tax burden from the shoulders of older Americans. For senior wage earners who exceed the current earnings limit of $8,880 per year, a 50-percent benefit reduction is added to a 15-percent income tax burden, a 7.5-percent FICA payment, a 7.5-percent tax on Social Security benefits and a 3.3-percent tax for the catastrophic health program. Younger workers, on the other hand, are subjected only to the income tax and the Social Security tax. Clearly, older workers should not receive such unequal tax treatment.

I do have one reservation about the specific amendment before us. In order to meet budget requirements, it contains an offset of revenue loss that could adversely affect some retirees by eliminating the lump-sum-payments option for benefits they choose to delay receiving while they continue to work. However, I believe that most retirees in fact have not counted on the lump-sum payment and thus few people would be affected. In any event, it would not affect the total amount of benefits a retiree receives. And for those who continue to work, the increase in the earnings limitation provided by the Armstrong amendment will allow them to receive higher retirement benefits.

I would also like to respond to the argument made against the Armstrong amendment that it should have been considered first by the Finance Committee. The fact is that the Finance Committee has in the past favorably reviewed such an increase in the earnings limit, and therefore further review by the committee would serve no real purpose.

The overall benefits of the Armstrong amendment to hundreds of thousands of working senior citizens make a compelling case for its enactment, and I urge all my colleagues to support it.

AMENDMENT NO. 23—SECTION 89

Mr. BIDEN. Mr. President, I supported the sense-of-the-Senate amendment to the minimum wage bill calling for substantial reform or repeal of section 89 of the Tax Code. Section 89 was designed to ensure that benefits which are paid for by all taxpayers, through tax deductions allowed to employers for the cost of providing benefits, are passed on equally to all employees. Although the principle of section 89 is one which I fully support, the compliance requirements and penalties associated with the law as written are excessively burdensome to both employers and employees. In fact, these onerous features could have the opposite effect of that intended. Employers may even eliminate benefit plans rather than provide them more equitably. For these reasons, I support substantial reform of section 89, and if this cannot be achieved in a timely fashion, I believe we must consider repealing the current law and returning to the drawing board on this issue.

The Senate considered a second amendment relating to section 89 which would have delayed its implementation for another year. I voted in October 1988 for a 1-year postponement of section 89, and I will support further delay. However, unless we also require major reform of the law, delay will not solve the problem. Business needs delay and reform, not just delay. Postponement without requirement of the necessary reforms would serve only to take pressure off the Congress in the short-term, and would do nothing to relieve businesses in the long-term. That is why I voted against waiving the budget limits in order to consider the Kasten amendment.

AMENDMENT NO. 28—INTERNAL REVENUE CODE SECTION 89

Mr. WARNER. Mr. President, I rise in support of Senator KASTEN's amendment to delay the implementation of Internal Revenue Code section 89 for 1 year, in order for Congress to write a workable alternative.

Earlier today, I supported Senators LOTT and SYMMS amendments to express the sense of the Senate that section 89 ought to be repealed or modified. However, that amendment did not go far enough in sending a message to the business community that Congress is determined to do something about this burdensome tax requirement.

Section 89 of the Internal Revenue Code enacted as part of the tax reform bill of 1986 has become one of the most pressing matters on the table for the 101st Congress.

The intent of the 1986 tax legislation, as I understood it at the time, was to preclude the use of employer provided tax deductible health insurance payments as a effective tax-free compensation. It prohibited companies from giving their highly compensated employees extra deductible health insurance benefits that were not available to the remaining majority of employees. A good intention, but the reality turns out to be nowhere near the original idea.

The 1988 technical corrections legislation required IRS to issue regulations implementing the section 89 provisions by November 15, 1988. Four months late in mid-March, these regulations finally made their debut along with the advice from the IRS for the business community to try and cope as best it could until the middle of the year when they would have to comply with the letter of the law. It was, to use an overworked phrase, too little, too late.

The business community is waiting for Congress to take the lead and get to work on changing this onerous and now, effectively, useless provision. Because businessmen, especially smaller ones, are dropping their tax-favored health and other benefit plans altogether. This, surely, was not our intent. We must act now to see that implementation of this provision stops here and now until we can devise a better way to accomplish our objective.

AMENDMENT NO. 22—SOCIAL SECURITY AMENDMENT

Mr. KOHL. Mr. President, the amendment offered by our colleague from Colorado proposes to lift the cap on the Social Security earnings test. I understand that the Senator proposes to lift that cap from $8,800 to $9,800—$1,000 a year—and I believe that is reasonable. We ought to be encouraging those citizens between the ages of 65 and 70 who want to work, to do so without fear of losing their Social Security benefits. Perhaps the cap ought to be lifted more than the proposed $1,000 a year, on that point I might agree with the Senator.

But the second part of the amendment, as I understand it, includes a sense of the Senate provision that

goes far beyond a liberalization of the cap. The bottom line of that nonbinding provision is that by supporting the Armstrong amendment, it could appear that I believe we ought to do away with that test altogether.

Mr. President, perhaps that too is an idea that's time has come. But, I am advised that the Senate has not conducted hearings on this issue since the 1983 amendments became law. Because of that, I do not believe it is appropriate to commit to such a policy decision at this time. The earnings test has been an integral part of the Social Security program since inception. Totally eliminating it, as I am confident that my colleague from Colorado is aware, would result in a financial drain on the Social Security trust fund. What is the economic impact of that? No one here today has answered that.

Our distinguished colleague from New York, who is clearly an expert on Social Security, has indicated that the offset for this is the equivalent of a cut in Social Security benefits. The chairman of the Senate Finance Committee has indicated that it is a cut for 100,000 elderly. As a member of the Special Aging Committee, I am concerned with that prospect.

To support this amendment, with its broad implications, has been a difficult decision. I understand that both the AARP and the National Committee to Preserve Social Security have indicated their strong support for this amendment. I am confident that that support will be reflected in the final vote on this amendment. But it was just 1 year ago that Washington based groups representing the elderly convinced both bodies of Congress that America's elderly wanted a catastrophic health care plan. Members responded accordingly and look what has happened. When I return to Wisconsin I am constantly reminded that Wisconsin's senior citizens did not fully understand that package and many would have liked to have been directly informed and consulted on the details of the bill. The time to discuss these issues is before voting on them, not after the fact. I hope that we can exercise more caution in considering the larger issue of totally eliminating the earnings test.

I have listened very carefully to the limited floor debate on this proposal. The impacts of totally eliminating the earnings test have not been fully discussed. While I will support this amendment to lift the earnings cap from $8,800 to $9,800, I want to state for the purposes of the record, that my vote does not in any way imply my support for totally eliminating the earnings test. As a matter of policy, issues of this significance ought to be the subject of hearings and extended debate.

There are two bills relative to this issue that have already been introduced in this Congress. I want hearings on those measures and I hope that we can return to this issue after careful study. It does not seem appropriate for us to act on this rider as part of the minimum wage bill. I would be happy to consider giving it my full support under other circumstances.

This has been a difficult decision, Mr. President. I commend my colleagues from New York and Texas for their courage and leadership on these proposals. I thank the Chair.

AMENDMENT NO. 33—THE DAVIS-BACON ACT

Mr. BIDEN. Mr. President, I voted to table the Nickles amendment for two reasons. First, and most importantly, it is bad policy to chip away at the protections of the Davis-Bacon Act. Davis-Bacon is crucial both to ensure that those who work on Government projects receive adequate and reasonable wages, and to ensure that Government work is performed by skilled and qualified workers. If we pay employees on federally funded construction projects less than locally prevailing wages, we will run the risk of having lower quality work performed. It is easy to imagine what this could mean with a sensitive military installation or a crucial health research laboratory. By sharply limiting the application of the Davis-Bacon Act, this amendment is penny-wise and pound-foolish.

I was also concerned, Mr. President, that the amendment had not been reviewed by the Senate Labor Committee. Any amendment which would dramatically affect the scope and reach of a legal protection as important as the Davis-Bacon Act should be carefully studied and scrutinized by the Labor Committee, which has jurisdiction over this issue. This is hardly the way to address an issue of this importance. There has been very little notice or serious study, there have been no hearings on this proposal, and we do not even have the benefit of any comments or recommendations from the administration or any of the relevant agencies.

Mr. MATSUNAGA. Mr. President, I rise to add my voice to those in favor of S. 4, the Minimum Wage Restoration Act of 1989. The time has come to enact this long overdue legislation and to move on to other issues. After nearly a decade of relative neglect, our country faces mounting human resource problems, and we should get on with the task of resolving them.

The steady erosion in the value of the minimum wage has been exhaustively documented, and I will only cite a few of the essential facts. The Federal minimum has been stuck at $3.35 for 8 years, even though consumer prices have increased 39 percent during this same period. Adjusted for inflation, the value of the minimum wage is the lowest it has been since 1955. A worker employed full time at the minimum wage now earns less than three-fourths of the amount necessary to lift a family of three above the poverty line. Traditionally, the minimum has been maintained at one-half of the average wage. The minimum is now equal to only about one-third of the average. I believe we must maintain the principle of the original Fair Labor Standards Act by establishing a meaningful wage floor to ensure all working Americans a fair day's pay for a fair day's work.

Mr. President, we ought to remind ourselves just how modest this legislation is. While S. 4 would go a long way in restoring the value of the minimum wage, it still falls far short of the established benchmarks. Increasing the minimum to $4.65 by 1992 would still be 59 cents below its 1981 inflation-adjusted value. A person working full time at the minimum wage and supporting a family of three would still come up to only 85.5 percent of the poverty level. The 1992 wage floor would still fall substantially below 50 percent of the average wage benchmark.

During the course of the debate, we have heard opponents of this legislation argue that an increase in the Federal minimum wage will result in substantial job losses. But the claims of job losses have been vastly overstated. A number of recent studies have concluded that a minimum wage increase will not limit new jobs, because far fewer workers will be affected than has been supposed. One significant reason is that previous studies which predicted substantial job losses included in their analysis States that already have raised minimum wages above the Federal minimum. There are 10 such States, including my own State of Hawaii. It is significant that unemployment has declined or remained stable in 9 of the 10 States which have raised minimum wages above the Federal minimum. If past history is any guide, it is unlikely that an increase in the Federal minimum will result in any increase in the national unemployment rate. In six of the seven times Congress has increased the minimum wage, employment actually went up.

Mr. President, opponents of this legislation have argued that an increase in the Federal minimum wage will have an inflationary effect on the economy. In this connection, a claim has been made that the economy is now overheated and therefore vulnerable to inflation, because manufacturing activity is vigorous and because the labor market is tight. Mr. President, this line of argument overlooks two important countervailing factors. First, the recent growth of manufac-

turing output has been lower than expected. There is mounting evidence that recent productivity gains have not been as impressive as expected. Consequently, there is less inflationary pressure than might have been expected. Second, the current 5.0 percent unemployment rate significantly understates the extent of underemployment in the economy. The understatement results from the fact that the official unemployment rate does not include the growing number of discouraged workers who have dropped out of the labor force, as well as those who are involuntarily working part time. The fact of the matter is that the current 5.0 percent unemployment rate is generating rather minimal inflationary pressure. Given these facts, there is very little reason to believe that the modest wage increase contemplated by S. 4 will set off any inflationary spiral.

Finally, Mr. President, opponents of this legislation argue that increasing the Federal minimum wage will hurt U.S. competitiveness in global trade competition by ultimately pushing up manufacturing costs to unreasonable levels. But, as management experts like Peter Drucker emphasize, modern technology has reduced direct labor costs to less than 10 percent of total product value, and this percentage will decline even more in the future. The fact of the matter is that wage levels are rapidly becoming irrelevant in world competition. It is productivity and quality, factors which are the derivatives of managerial competence, which have become the decisive factors. Let us make no mistake about it, Mr. President—competition in global trade increasingly will be based, not on wage differentials, but on superior productivity, technology, and human resources. Beyond this, opponents of minimum wage legislation tend to overlook the fact that average compensation in the economies of some of our principal trading competitors, such as Japan and West Germany, now exceed average compensation in this country.

Mr. President, as we consider this legislation, it is important to keep in mind the socioeconomic environment in which we are operating. The reality is that, during the past decade or so, the income gap between the richest and poorest segments of our society has grown progressively wider. A recently released study by the House Ways and Means Committee documents that the average income of the poorest 20 percent of all persons in the United States fell 11 percent in real terms from 1973 to 1987, while the average family income of the richest 20 percent rose 24 percent over the same time period. The administration glosses over this disturbing phenomenon by citing substantial growth in the number of new jobs during the last 9 years. But, as President Reagan's Commission on Competitiveness—the Young Commission—concluded several years ago, job growth means little if it is not accompanied by the kind of human resource investment that is conducive to improving productivity. The fact of the matter is that we have created new jobs without providing the requisite investment in the tools and incentives to make the productivity of our work force a competitive advantage. Consequently, U.S. productivity growth has lagged during recent years, relative to other developed countries.

There is no question that improving our productivity growth rate will require a flexible, trained work force that can adapt to the economic change that is upon us. Mr. President, we will not be able to increase productivity growth if large segments of our population live in poverty, without training or economic opportunity. The reasons for the growing poverty gap are complex, but there can be no question that the decline in wages—made possible, in part, by the dramatic decline in the real value of the minimum wage since 1981—has been a significant factor. Most of the working poor have earnings at or near the minimum. While increasing the minimum is only one of many policy initiatives that are needed, such an increase will do more to lift working poor out of poverty than any other immediately available measure. Mr. President, let us enact this modest legislation and begin the daunting task of bringing members of the working poor back into the economic mainstream.

Mr. GORTON. Mr. President, while considering S. 4, the minimum wage bill, we have debated and voted on several amendments, the majority of which passed and are now a part of the bill. I supported these amendments, and I support the concepts behind them.

I cosponsored an amendment with Senator ARMSTRONG to raise the social security earnings limit so that seniors will gain a new incentive to continue to work when they wish to do so. I am pleased that my colleagues agreed with us and passed this crucial amendment.

I supported the amendment by Senator BOSCHWITZ to expand the earned income tax credit, and again, I was very pleased to see the Senate concur. I supported this amendment and will continue to support legislation that extends the EITC because it is clearly the best way to help the working poor.

The amendment declaring the sense of the Senate that section 89 of the Internal Revenue Code should be repealed was important. And the amendment declaring the sense of the Senate that the Finance Committee should reconsider the catastrophic health care financing mechanism is equally important.

These and other amendments all establish important principles not related to the contest over minimum wage legislation. But they do not improve the basic minimum wage legislation and so I still cannot support S. 4.

I cannot support S. 4 because it still comes down to a question of jobs. The damage done by S. 4—the loss of jobs that will occur by raising the minimum wage to $4.55 per hour, the resulting inflation and inflation-caused job loss—all of this will do much more damage than the good which can be gained by an increase of this size in the minimum wage. And so, despite my support for the amendments we have passed today, I must vote against S. 4.

As I have told this body previously, I support President Bush's minimum wage proposal which would raise the rate to $4.25 per hour. I hope that we will eventually pass a bill that raises the minimum wage to this level and includes a training wage.

Mr. KERRY. Mr. President, the legislation we are considering today is crucial to the lives and well-being of many families. In fact, the minimum wage has been a fundamental component of America's version of democratic capitalism for over 50 years. Yet, in the 1980's we have let this underpinning of economic justice deteriorate dramatically.

The Federal minimum wage has not increased since 1981; it has not increased at all while consumer prices have increased 40 percent. If the minimum wage had been increased to maintain its 1981 value, it would now be $4.68 an hour, not $3.35 an hour where it stands today.

It is important to remember that this bill is a compromise. The minimum wage legislation the Senate considered in the 100th Congress would have increased the level to $5.50 an hour in 1992. Our action today will increase the minimum wage to a level that will be less than that a worker would be receiving today had the 1981 minimum wage level simply been adjusted for inflation.

Millions of workers and retirees, including Social Security recipients, have their earnings and benefits adjusted annually through COLA's. But minimum wage workers, those at the lowest end of the wage scale have not had their earnings adjusted one penny for inflation since 1981. In fact, inflation has given them a real wage cut of about 40 percent. This simply is not fair.

A full-time worker earning the Federal minimum wage today stands to earn $6,968 in a year, just over $1,000 above the poverty level for a single wage earner and over $5,000 below the poverty level for a family of four. Be-

tween 1959, when poverty statistics first were collected, and 1981, the minimum wage was a living wage—a full-time minimum wage worker earned, on average, just over 100 percent of the poverty threshold for a three-person household.

It is important to remind ourselves about who earns wages at the minimum or below the minimum. In 1986, nearly two-thirds of those workers were women, and over 70 percent were over 20 years of age. Ten million female heads of households earn the minimum wage. Increasing the minimum wage will give women, and their families, better lives.

Some argue that low-wage jobs will be lost if the minimum wage is increased. This is a grave concern to me. The administration's analysis concludes that its own proposal would lead to job loss of about 250,000 workers. CBO estimates an increase to $4.65 an hour could costs about 125,000 jobs annually. CBO's analysis did not take the expansion in tip credit or the expansion of the small business exemption into account. This means that even if one were to accept the CBO estimate, the job loss would most likely be well below 100,000—below half of what the administration finds acceptable.

CBO's estimate, like those of most other analysts, is based on labor market data only through 1979. The lack of timely data that reflects changes in demographics and labor markets is a serious problem in estimating the effects of changes in the minimum wage. In fact, it makes any credible effort to estimate job loss and duration almost meaningless.

Frankly, it is imperative that data be collected which can provide, once again, a sound basis for decisions relating to the minimum wage and its impact. For this reason, I proposed an amendment to S. 4, which the Senate accepted, which authorizes the Department of Labor to conduct surveys and research on the characteristics of minimum wage employment and the impact of increasing and modifying the minimum wage.

I am very concerned about the impact of the increased minimum wage on business. Even in Massachusetts, where few businesses can find workers at the minimum wage, there will be some pressure on labor costs because of the increase. For this reason, today I introduced legislation to permanently extend the targeted jobs tax credit and to index the wage available for the credit to increases in the minimum wage.

The TJTC is more generous for the employing firm than the subminimum wage when an eligible worker is hired; it is targeted at those who need the most assistance getting their first job; and indexing means that the value of the credit will increase as the minimum wage increases.

In States like Massachusetts, where entry level jobs usually pay well above the minimum wage, a subminimum wage does little to help out employers. The targeted jobs tax credit does subsidize the wages of eligible employees while they acquire work skills and become more productive. At the same time, the employees are paid market wages, not the lower subminimum wage.

The final version of the bill we are considering today incorporates an amendment, of which I am a cosponsor, important to computer professionals and the computer industry. This provision requires that the Department of Labor revise its definition of "professional" as applied under the Fair Labor Standards Act so that those computer programmers, systems analysts, and similar technical workers who work as freelance experts through personnel brokers would be exempted from the overtime provisions. This change recognizes that the world has changed since DOL made its ruling 16 years ago that these highly trained technicians were not professionals. Its enactment will allow Massachusetts' high-technology industries to remain flexible and competitive.

Finally, S. 4, as amended, includes a provision offered by my colleague from Vermont, which excludes workers in remedial education programs from the overtime provisions of the FLSA. This provision addresses the very real need for private industry to assist its workers acquire the basic skills and education they need to perform their jobs productively. If we are to compete effectively in international markets, our work force needs to be well educated and well trained. Business must help in this effort, with the schools, colleges and universities, parents, labor, and State and Federal Government.

Mr. BINGAMAN. Mr. President, I rise in support of this legislation to require an increase in the Federal minimum wage.

Raising the minimum wage is important to millions of American workers attempting to provide for themselves and their families. The minimum wage is now $3.35, the rate at which it was set in 1981. The minimum wage has lost one-fourth of its purchasing power to inflation since 1981. While the minimum wage's purchasing power has fluctuated considerably over time, it is less today than at any time since the mid-1950's. A full-time worker paid $3.35 an hour earns less than $7,000 a year, well below the $11,611 poverty level for a family of four.

The decline in the real purchasing power of the minimum wage has created a disturbing paradox. At today's level, in over half of the States, someone working full time at the minimum wage would earn less than if they had gone on welfare. If we truly want to create incentives to get people off welfare, then we must provide them with good jobs at a livable wage.

As well as falling behind in purchasing power, the minimum wage also has fallen as a share of wages. After hovering around 50 percent of average hourly earnings in private nonagricultural industries during the 1950's and 1960's, the minimum wage averaged just over 45 percent in the 1970's. By 1985, it had declined to about 39 percent of average wages.

The legislation we consider today restores fairness and effectiveness to our minimum wage policy by increasing the Federal minimum wage in a gradual way from $3.35 per hour to $3.85 per hour in 1990, and to $4.25 per hour in 1991. After January 1, 1992, the minimum wage will be set at not less than $4.55 an hour. This incremental increase should not impose any undue hardship on employers. Additionally, the legislation includes a 60-day training wage period. From then on it would be set at 85 percent of the applicable wage. The training wage would apply only to a first time hire. The benefits of increasing the minimum wage far outweigh any disadvantages. The increase will help a great number of working men and women in New Mexico and elsewhere.

There is also a concern that raising the minimum wage will hurt our international competitiveness. It is claimed that this action will raise our labor costs relative to our competitors and thereby price American products out of the global marketplace. This argument is, I believe, a mistaken view of how the world really works and how to solve our competitiveness problems. America cannot maintain its position in the world economy by lowering our living standards and becoming a low wage country. There are too many nations already using that strategy for us to win in that game. Nor should we even try that plan. America became an economic power through productivity growth and ever-improving worker skills, not through cheap labor. Investing in our human resources is the path to greater economic competitiveness, not refusing to pay a livable wage.

According to the New Mexico Department of Labor, an estimated 108,000 New Mexico citizens will benefit from this legislation. A substantial sector of New Mexico's economy is service oriented. As you know, this is the area where a substantial number of positions pay the minimum wage. Additionally, this increase in minimum wage will positively benefit our farm workers in New Mexico's seasonal agricultural economy.

There is a concern that a minimum wage increase would lay an inequitable burden on business. However, history

has proven otherwise. An increase in the minimum wage is not an entirely new phenomenon for American businesses. The minimum wage was raised several times since 1949. Each time, numerous business organizations and economists were in strong opposition. Yet it is apparent from the employment data that the adverse consequences predicted never came to pass.

Critics of this legislation also claim that an increase in minimum wage will hurt youth employment and do little to help the working poor. This is incorrect. In the United States, it is estimated that 69 percent of workers earning less than $4.55 were adults over 20 years of age—while only about 31 percent were youth. Clearly, it is also the working poor that are earning the minimum wage, not just middle-class teenagers with a summer of after school jobs as some of my colleagues would claim.

In fact, many of those earning the minimum wage are single, working mothers. It is the tragedy of this Nation that one of the fastest growing of the low-income groups are our single working mothers. I would challenge any of my colleagues to try to live on the current minimum wage—let alone support their children on this income.

Mr. President, the problem of the working poor is a serious one in this country. Many people hold the mistaken view that the poor are all on welfare—not working. This is incorrect. In New Mexico, 20,000 of the 47,000 families below the poverty level can be classified as working poor with at least the head of household employed. Nationally, almost half of the households below the poverty line are working poor—almost 5.5 million households where one, two, three, four, or even more members of the household are wage earners but still cannot break above the poverty level. In fact, there are almost 1.3 million households in this country where two people work simply to attain the mean income of about $6,300 per year. I would challenge any of my colleagues to live alone on $6,300 per year.

There are over 8.4 million American workers living below the poverty level, people who are working hard but still finding it difficult to make ends meet.

The plight of the working poor is also acute in my home state of New Mexico. Over 225,000 New Mexicans who are either employed or looking for a job are living at or below the poverty level—almost one-third of my State's civilian work force is living in poverty.

Based on these statistics, it is imperative that we understand the connection between the increase in the minimum wage and protecting the working poor. The minimum wage is the bulwark of protection for the working poor, especially for working single mothers.

Mr. President, fairness and equity dictate that we must protect our workers from laboring under poverty wages. This legislation helps assure such protection.

Mr. KERREY. Mr. President, I rise today to support S. 4. I have reached the conclusion that the destination described by this legislation is good and worthy of the risks attached to getting there. However, I have also reached the conclusion that the manner by which we will arrive at this destination is unsatisfactory and is acceptable to me only because there seems to be no satisfactory alternative.

First of all, permit me to observe that minimum wage is simply a rule of doing business. It is not a program for the poor or for business. It is not a guarantee that employers will be fair or successful. Nor will it guarantee that workers will be productive and honest.

We are a Nation of rules. We are a Nation that tries to shape the language of our rules so that a society of individuals can achieve a desirable result while permitting the individuals themselves to satisfy rational self-interest.

The Senator from Massachusetts has at times made this an issue of advocacy on behalf of the working poor. His advocacy on behalf of our use of standards of fairness and justice as well as numerical measurements of GNP has made this a better world. He is not only pursuasive with his arguments but he is powerful with his ability to influence the course of events in this body.

His advocacy, in fact, produced a notable convert: President George Bush, who committed during the campaign to raising the Nation's minimum wage. Now, the Senator of Massachusetts, the fighting defender of America's workers, and the President of the United States, the great defender of the status quo, are separated by a mere 30 cents and a few difficult to understand details regarding a training wage.

While I applaud this advocacy and am grateful for its converts, I do not believe it is merely an issue of fairness. I believe this rule change will have impacts on the behavior of small business owners, and upon their employees. I believe we must give full consideration to these impacts. Further, I believe that this consideration will show why the manner in which this increase is achieved must be avoided in the future.

Mr. President, I am a partner in a medium-size business that employs people at the minimum wage. Although their numbers are small, the numbers of people whose hourly wage is between the existing minimum wage and the new minimum wage is much larger.

I was also actively involved with this business the last time minimum wage was increased. Significantly, that increase was also about 50 percent with a multiyear phase-in.

Mr. President, let me make it clear that I have concluded that this Nation needs a minimum wage. The argument that we do not is based on wishful thinking. Those who propose a total elimination would never propose a 50-percent reduction. They know what would happen, economically and politically. People would be paid less at the entry level and there would be fewer Senators proposing such things again.

Having arrived at a point that we should raise the minimum wage to $4.55 and indicating that I will support the proposed increase, I must also offer a critical analysis of what will happen once this rule is changed. Even if we were to end up with the slightly lower level proposed by President Bush, my criticism of what we are doing remains the same.

We should not pass such large increases in the minimum wage that a phased-in plan is needed to "soften the blow." Rather, we should increase the wage by a much more modest amount on an annual basis. Please, do not conclude that I believe the minimum wage should be indexed; it should not. It is the long delay followed by a sharp increase which produces the following undesirable results:

First, the percentage increases are large. They are 15 percent in 1990, 10 percent in 1991, and 8 percent in 1992. For businesses that have most of their employees earning less than $6 per hour the total, annual increase in labor cost will be approximately 6 percent. This means that businesses will begin their planning for the next 3 years assuming a major increase in their costs which is the direct result of Government action. I assure you that the fairness argument loses its impact under these circumstances.

Second, there are three choices which are available to the business: raise prices, become more efficient so as to lower labor costs, or to reduce profits. It cannot be ignored that all three of these actions—a combination of which will likely be used—are made more drastic when the increases exceed the cost of living.

Third, when we pass laws that require annual increases for the next 3 years, the impact on the business and on the employee is as if we have indexed the wage. Employees develop an expectation that a wage increase will occur every January 1 even if personal performance does not justify the increase. Although Government has grown accustomed to such bad habits,

small businesses have not. At the small business level where the risk of the entrepreneur is essential, this would not be good for the American economy which depends upon innovation and independent discovery.

Fourth, payroll taxes, which are now approximately 11 percent of gross wages, will be increased as a consequence of this change. It is another well disguised tax increase.

There are other adverse consequences which are worth noting. Day care centers and head start programs will have difficulty passing on increased costs. Thus, we will be hurting many who we want to help.

Mr. President, in casting my vote for this increase I have given substantially more weight to my concern for fairness and equity than to economic considerations. In presenting this testimony I want to make certain those economic considerations are not ignored.

Mr. DURENBERGER. Mr. President, I rise today to support S. 4, the Minimum Wage Restoration Act of 1989. This legislation will provide a long overdue raise in the current Federal minimum wage of $3.35 per hour and a much-needed adjustment in the small business exemption.

When Congress first enacted a wage floor in 1938, it did so in order to ensure that working, productive Americans receive a wage that is sufficient to sustain them. In other words, Congress wanted to secure a minimum wage sufficient to keep working Americans out of poverty, particularly because it is these low-wage, marginal employees who are least able to negotiate a decent wage with their employers. Unfortunately, the current $3.35 minimum wage does not accomplish the goal raising working Americans out of poverty, nor does the $4.55 level contained in this bill. I do not believe that the minimum wage should be the only tool used by the Federal Government to combat poverty, but at least an increase to $4.55 per hour will move us in the direction of ensuring a more livable wage.

For the last 8 years, this country has experienced record economic growth. Our average incomes have increased; inflation is under control; interest rates have declined; unemployment has declined. And yet we have failed to change the minimum wage to reflect that growth and the increased costs that have occurred during that time. S. 4 will restore some of the value of the minimum wage that has eroded in the last 8 years by raising the minimum wage in three yearly 40-cent-per-hour increases beginning October 1, 1989.

Mr. President, opponents of this legislation argue that a substantial increase in the minimum wage will cause a loss of thousands of jobs and job opportunities. Perhaps if Congress had been doing its job and had made some adjustments in the minimum wage during the last 8 years, however, the effects of this legislation would not be nearly as severe as the opponents claim. And, I am not convinced that S. 4 will have such adverse affects. In fact, I believe that now is the best time to increase the minimum wage, because we have just received good news from the Department of Labor that the national unemployment rate has dropped to 5 percent.

In addition to the wage increases included in S. 4, this bill also contains a simplification and increase in the small business exemption. Currently, small businesses with annual gross sales of less than $362,500 per year are exempt from the minimum wage requirements of the Fair Labor Standards Act. However, just as the minimum wage has eroded over the last 8 years, so has the value of the small business exemption. I am pleased that S. 4 raises the small business enterprise test to exempt firms with annual gross sales of less than $500,000 per year, and that the bill includes a much needed simplification of the small business exemption by eliminating several of the separate enterprise tests. It should now be much less confusing for small employers to determine whether or not they are subject to the minimum wage and overtime provisions of the Fair Labor Standards Act. And, I am hopeful that the small enterprise exemption will also provide relief to those firms, particularly in rural areas, that may be most affected by the increase in the Federal minimum wage.

The third main component of the Minimum Wage Restoration Act is the training wage. And it is this new initiative that causes me great concern. The training wage provision allows employers to pay a wage of 85 percent of the minimum for up to 2 months to those employees working in their first job. These 2 months of employment are deemed to be a training period, during which time the employee receives only on-the-job training.

Mr. President, as I have stated before I oppose a subminimum wage, and I disagree with those who believe in the necessity of the so-called training wage. The measure before us does not require employers to provide specific training. However, unlike other training wage proposals we have debated recently, this one only applies to new entrants into the work force. It seems clear to me that there is an inherent training element and learning process that the new entrant acquires in his or her first job. In that sense I believe an employer should be allowed to pay a modest wage differential to a new entrant who must learn certain basic rules and disciplines about operating in the professional workplace.

For the above reasons, I am willing to support this 2-month first-hire training wage. However, I can do so only with the knowledge that it is temporary and that the Secretary of Labor will report to Congress on the effectiveness of the training wage after the wage had expired.

In addition to my reservations over the training wage portion of S. 4, I am concerned with the overall impact of the bill on rural areas and areas of high unemployment in this country. I see the debate over whether to raise the minimum wage as a regional issue rather than a partisan issue. It is the rural area that generally experiences a higher rate of unemployment, has a lower cost of living and has lower average income levels than the metropolitan area. I had originally intended to offer an amendment to provide a wage differential for rural areas and areas of high unemployment. Unfortunately, comprehensive data on which to base a sound proposal does not exist. Therefore, I am pleased that the Senate has adopted my amendment to require the Secretary of Labor to conduct a study on the impact of increasing the Federal minimum wage on rural areas and areas of high unemployment. This study will provide us with relevant data and comments regarding the feasability of enacting a rural differential, which will be critical to future minimum wage debates.

I am also pleased that the Senate has agreed to my amendment directing the Secretary of Labor to revise the definition of professional employee as it relates to computer programmers, systems analysts, and software engineers. Under section 13(a)(1) of the Fair Labor Standards Act, "professional employees" are currently exempt from the minimum wage and overtime requirements of the act. Professionals are defined as employees whose work is predominantly intellectual and varied in character. However, employees in the computer field are not considered professionals, because a 1973 ruling by the Secretary of Labor determined that the variation in standards and academic requirements in the computer sciences was too great. It is clearly evident that the computer science field has advanced dramatically over the last 16 years; therefore, I am glad that my colleagues agree it is time for the Secretary to review the definition of professional employee as it relates to high skilled computer programmers, systems analysts and software engineers.

Mr. President, the Senate is acting today to raise the Federal minimum wage from the current $3.35 per hour to $4.55 per hour by 1991. Because the $3.35 wage level has remained unchanged since 1981, this legislation is vital for the restoration of some sense of equity to those Americans on the lowest rung of the wage ladder. It is not a perfect bill, but I support S. 4 as the best option available to this Sena-

tor today. As I prepare to cast my vote in favor of this bill, I am sincerely disappointed knowing that it will be vetoed and that the long overdue increase in the minimum wage will be delayed once again. I only hope that Congress and the administration will be able to reach agreement on an acceptable increase in the Federal minimum wage and training wage soon.

Mr. BIDEN. Mr. President, opportunity has always been the engine of our society. When Americans are greeted by a horizon filled with possibility they respond to every challenge with energy and enthusiasm. Americans who rise to meet the daily challenges of their workplace deserve the guarantee of a fair day's pay at a decent livable wage. This guarantee provides an opportunity and an incentive for self-improvement. We all benefit when incomes are sufficient to allow workers to apply their own wages toward improving their own well-being.

Since 1981, when the minimum wage was last increased, consumer prices have risen by more than 40 percent. The proposed increase will not even fully restore the minimum wage to the value it had in 1981. This proposal is not an excessive windfall, but truly a minimum standard for a fair wage.

Every time that the Congress has increased the minimum wage, there have been dire predictions that these increases would cause widespread unemployment. In every case, these predictions have been wrong. In this instance as well, the administration's job loss statistics are overblown. Their calculations do not account for the fact that 12 States, including California, have already raised their minimum wage. Nor do the administration's estimates include the expanded exemptions for small businesses in both the House and Senate bills. Finally, our labor force is currently shrinking making extensive job loss a remote possibility.

In order to provide an incentive for minimum wage earners and offset even marginal job losses, we have included a 60-day training wage. The administration's own Labor Department statistics show that 30 days is, on average, sufficient to provide for any meaningful training. The administration's proposal of a 6-month training wage is excessive and would severely harm the 52 percent of minimum wage earners whose jobs tend to turn over within 6 months. Also, employers could be tempted by a 6-month subwage to churn workers to maintain lower wage costs.

If the American dream means anything, it is that, when a man or woman goes out and takes a job and works at it day in and day out, that person should bring home a decent wage. Too many Americans today work without the guarantee of a truly decent and fair day's wage. A failure to provide a minimum wage increase will perpetuate this injustice.

Mr. LEVIN. Mr. President, the minimum wage was intended to provide fulltime workers with an income level adequate to meet the basic necessities. The current minimum wage of $3.35 an hour does not achieve this goal.

The $3.35 an hour in effect in 1981 is only worth $2.60 an hour in 1988 dollars, a decline in purchasing power of almost 30 percent. The legislation we are passing today is a reasonable step toward returning the minimum wage to a livable wage and restoring the buying power which has been eroded by inflation. For the millions of Americans currently earning the minimum wage, a full-time job means less than $7,000 a year. It is ironic that this decline in purchasing power has occurred at the same time that the wealthiest Americans have significantly increased their share of the Nation's income.

There is a widespread, but inaccurate, perception that only young people are working for the minimum wage. We are often reminded that 58 percent of minimum wage earners are less than 25 years old. However, it is not true that anyone under 25 is young and doesn't really earn a livable wage. Many people younger than 25 years old are struggling to support families on that $3.35 an hour. They may be single mothers, or they may be learning a skill with hopes of a promotion, but they are working and trying to better themselves. Yet we've penalized that initiative by failing to have the minimum wage keep pace with inflation. So, most of the people making the minimum wage are not just working for movie money or stereo money. A huge number of them are working for making ends meet money.

Fifty years ago, when the Fair Labor Standards Act of 1938 was first being debated, President Roosevelt stated:

> Our Nation, so richly endowed with a capable and industrious population, should be able to devise ways and means of insuring to all our able-body men and women a fair day's pay for a fair day's work.

The legislation we are considering is a reasonable way of helping to achieve that goal.

Mr. DOMENICI. Mr. President, I rise today to declare my support for an increase in the Federal minimum wage. An increase in the minimum wage will give a needed boost to many of our poorest paid workers, and will take an important step toward helping move low-paid workers out of poverty.

Yet, I believe increasing the minimum wage should be done so with some caution, and recognition of the broader picture of how we can help the working poor.

We should never lose sight of our Nation's best program for helping the working poor—a strong, vibrant, and growing economy that is producing job opportunities. Strong job growth gives low-skilled, low-paid workers what they need the most—the opportunity to improve their work skills and work experience and improve their earnings.

In my State of New Mexico, workers have been benefiting from this job growth even though times are still tough. Our unemployment rate has dropped from 10.2 to 7.3 percent since January 1987. Over 50,000 more people are now employed from a work force of nearly 700,000.

I believe President Bush has outlined an excellent proposal for raising the minimum wage. It was crafted carefully to balance the need to raise the minimum wage, with the need to keep open many job opportunities for low-skilled workers.

President Bush has proposed that the minimum wage be raised 27 percent over the next 3 years—moving the minimum wage from $3.35 to $4.25 an hour. The President has also called for establishing a separate training wage at 80 percent of the full minimum for new hires during their first 6 months on a job.

This is a reasonable and wise approach to raising the minimum. The Department of Labor estimates that raising the minimum above the $4.25 per hour would increase the job loss rate 4-fold—costing 100,000 jobs for each $0.10 increment.

I also support the President's call for a training wage. It gives workers who are most vulnerable to job loss associated with increasing the minimum wage—the low-skilled workers, starting in a new job—the opportunity to gain some work experience and skills, while assuring them the protection of the full minimum wage after they have gained that experience.

Last year I introduced an amendment to grant a similar training wage to participants in the Summer Youth Employment Program. This program is operated under the Job Training Partnership Act and in New Mexico last year helped 16,000 disadvantaged youths get jobs for the summer.

Mayors and Governors only have so much money to spend on these programs. Granting these program managers the flexibility to pay a training wage would give them the ability to give many more youths the very valuable experience of a first job.

In my State, Mr. President, we have roughly 50,000 to 100,000 New Mexicans at or near the minimum wage. Many of these workers are young people, getting experience at their first job. A good number of them are employed in our tourist industry, and by the many small businesses that are the backbone of New Mexico's economy.

An increase in the minimum will help many of these workers, but we

should keep in mind the impact this will have on employers' ability to offer jobs to our young and unskilled workers.

The potential impact on jobs concerns me most when we consider a large raise in the minimum along with some of the other burdens we have placed, and are considering placing, upon employers.

During tax reform we passed the so-called section 89 rules designed to make sure all employees have access to fringe benefits. Many employers are having such a problem with the rules they are dropping benefits, and we are considering repealing that measure.

Proposals are also on the agenda to mandate employee health benefits and parental leave benefits. The cumulative effect of all these mandates would be very detrimental to job growth in New Mexico and across the Nation.

Mr. President, I welcome a raise in the minimum wage, yet I urge my colleagues to consider this legislation in the context of all mandates we are considering imposing upon employers. I hope the Senate will adhere to the guidelines President Bush and Secretary Dole have crafted for the minimum wage, and make sure we keep job opportunities for the working poor growing.

Mr. BYRD. Mr. President, I am pleased that today we are finally voting on legislation to increase the minimum wage.

Mr. President, last year, as the majority leader, I worked hard to have the 100th Congress enact minimum wage legislation (S. 837). We had two cloture votes on this legislation. However, the Republicans were able to thwart our efforts because they wanted a training wage included in the legislation. Well, Mr. President, the legislation before us has a reasonable training wage included in it, and there is still opposition because, the opposition says, it is too much of an increase and the training wage period is not long enough.

It has been over 8 years since the minimum wage was increased to $3.35 per hour. For an individual employed full time in a minimum wage job, the yearly salary is approximately $7,000. Since the last increase, the purchasing power of that wage has decreased by 30 percent. The current minimum wage is only worth $2.40 per hour in current dollars.

Since we last considered minimum wage legislation last September, the purchasing power of the current minimum wage has dropped an additional 3 to 4 percent. This is a travesty.

Mr. President, like many other States, the State of West Virginia has continued to lag behind the Nation in recovering from the recession of the early 1980's. Since the early 1980's, West Virginia's unemployment rate has been in the top three in the Nation. The per captita income in 1981 was $8,395, or 80 percent of the national average. By 1987, West Virginia's per capita income had risen to $11,020, but, in terms of percentage of the national average, it had fallen 9 points to 71 percent. In addition, the percentage of families living below the poverty level averaged 22.8 percent for the years of 1984 through 1986.

The number of jobs in West Virginia's manufacturing sector has dropped from a level of 111,000 in 1981 to 87,000 in December 1988, and coal mining jobs have declined from a level of 60,000 to 29,000 during the same time period. At the same time, jobs in the trade sector have increased from 132,000 in 1981 to 147,000.

Recent studies show that West Virginia has also experienced wage impoverishment, with the share of low-wage jobs expanding at a rate of 7.2 percent at the expense of the shares of middle-wage and high-wage jobs.

Therefore, many West Virginians have had to take other jobs to earn a living but are still struggling to provide for their families. For example, in recent figures available for West Virginia, of the over 41,000 job openings that were filed with the State, over 26,000 of the jobs, or 63 percent, were jobs with an hourly wage rate of $3.35 to $3.84 per hour.

West Virginians deserve to be able to provide for their families, and, Mr. President, a job that pays $7,000 to $8,000 per year cannot allow a family to meet basic needs.

Arguments have been made that increasing the minimum wage would result in enormous job loss. These arguments have been heard each time the minimum wage has been raised, and almost each time they have been wrong. After all the increases in the last 50 years of minimum wage protection, only once—in 1974-75—has employment dropped, and that drop was due to a recession, not to an increase in the minimum wage.

Mr. President, minimum wage workers have lost one-quarter of their purchasing power since the last increase in the minimum wage. The time is long overdue to increase the minimum wage.

All honest work possesses dignity, regardless of the wage. But most Americans and West Virginians believe in fairness and a decent wage for a hard day's work. In fact, a recent Gallup Poll revealed that the American people support an increase of the minimum wage to $4.65 by 1990—10 cents more and 1 year earlier than the provisions we are now voting on—by 77 percent.

This legislation to increase the minimum wage to $4.55 per hour is consistent with that philosophy. There must be no more stalling. I urge my colleagues to support the passage of this much-needed legislation.

I congratulate Senator KENNEDY for his excellent leadership and for his supreme dedication for bringing this legislation to fruition. He has displayed his usual fine skill throughout the debate and action on this bill. I also congratulate the majority leader on his efforts on behalf of this much-needed increase in the minimum wage.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MITCHELL. Mr. President, I renew my request for unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 35, H.R. 2, the House companion bill, that all after the enacting clause be stricken and the text of S. 4, as amended, be substituted in lieu thereof and the bill be deemed read the third time.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, this will be the last vote this evening.

Mr. President, I ask for the yeas and nays on final passage of the House bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 62, nays 37, as follows:

[Rollcall Vote No. 39 Leg.]

YEAS—62

Adams	Chafee	Ford
Baucus	Cohen	Fowler
Bentsen	Conrad	Glenn
Biden	Cranston	Graham
Bingaman	D'Amato	Harkin
Bradley	Daschle	Hatfield
Breaux	DeConcini	Heflin
Bryan	Dixon	Heinz
Bumpers	Dodd	Inouye
Burdick	Durenberger	Jeffords
Byrd	Exon	Johnston

Kennedy	Mikulski	Robb
Kerrey	Mitchell	Rockefeller
Kerry	Moynihan	Sanford
Kohl	Nunn	Sarbanes
Lautenberg	Packwood	Sasser
Leahy	Pell	Shelby
Levin	Pressler	Simon
Lieberman	Pryor	Specter
Matsunaga	Reid	Wirth
Metzenbaum	Riegle	

NAYS—37

Armstrong	Grassley	Murkowski
Bond	Hatch	Nickles
Boren	Helms	Roth
Boschwitz	Hollings	Rudman
Burns	Humphrey	Simpson
Coats	Kassebaum	Stevens
Cochran	Kasten	Symms
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Garn	McCain	Wilson
Gorton	McClure	
Gramm	McConnell	

NOT VOTING—1

Gore

So the bill (H.R. 2), as amended, was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill as amended, was passed.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I move that the Senate insist on its amendment and request a conference with the House and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that S. 4 be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, President Bush has said that he wants to work with Congress and he has shown a willingness to work with us on other issues such as Contra aid, the S&L crisis, and the budget. Why will he not work with us on minimum wage? There is no justification for a veto of this legislation. The real victims of a veto will be the millions of low-income Americans who deserve a chance to work their way out of poverty.

Thirty cents an hour—that is all that divides us on the amount of the minimum wage, but it can make all the difference to families struggling to escape from poverty.

Four months—that is all that divides us on the training wage, but it can make all the difference to working families condemned to a subpoverty minimum wage today.

There are still a few more innings to go. The Senate will have a conference with the House. The Senate and the House will vote again on the conference report and then this bill will go to the President.

Our door is open on Capitol Hill. The White House door is shut now, but it does not have to stay shut in the days ahead. There is still time for us to sit down together, to reason together, to agree on a bill that Congress can be proud of, that the President can sign, and that provides simple justice for the lowest income workers in America.

The battle for the mind of the President now begins. Our message to the American people is clear: no man, no woman who works and receives the minimum wage should be condemned to a life of poverty.

Mr. President, I want to thank very much my distinguished colleague, the ranking minority member of our Human Resources Committee, Senator HATCH. We debated this issue at very considerable length in the last session. We debated it in the course of our hearings. We debated it during the course of our markup and debated it on the floor of the Senate.

He is a worthy adversary who believes deeply in his position. It has always been a joy to work with him and debate with him and to continue the dialog on the great domestic agenda.

I want to thank the majority leader for all of his support, for the time he has spent on the floor of the Senate and for the arguments that he has made in support of this program. I think it has made a very important difference in examining these issues and in persuading many of our colleagues, not only on this side of the aisle but on the other side of the aisle, as to the importance and the value of our debate.

I thank as well the minority leader for all of his courtesies and his willingness to work with the committee. Even though he had his own reservations about the legislation, we have been able to move to this point because of his cooperation and that of his staff.

I want to pay particular note to the members of our staff, Nick Littlefield, our general staff director; Jay Harvey; Sarah von der Lippe; Mike Epstein; Mike McCarthy; Nathalie Phan; and Kris Iverson, who works for Senator HATCH. We want to thank her for all of her work.

A number of the members of our committee have spent a good deal of time on this matter, particularly Senator METZENBAUM, who was very much involved in the debate and the discussion. Senator SIMON was very active in the course of the debate. Senator MIKULSKI and a number of others were extremely active and involved. I am grateful to all of them.

BROCK ADAMS was there in the early debates and was extremely helpful as all of the members have been. I want to state that this ultimate decision would not have been realized if we had not been able to gain the support of two of our Republican colleagues on our Human Resources Committee. We were grateful for their support in this measure gaining the floor. That fact should not be lost, as we conclude this aspect of the debate. I am grateful to them.

I am thankful to our other colleagues, those who offered amendments, some of which we accepted, others rejected. I think this has been an enlightened debate, a good-spirited debate. Although we have differed, we have, I think, been able to carry on this debate in the way that has provided more light than heat.

I think as a result of this debate the issues that divide us on this matter will be more clearly understood by the American people. I am grateful to all of those who worked with us during the course of the consideration of this legislation.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I thank the distinguished Senator from Massachusetts for his kind words. I thank the distinguished Republican leader for his unusual courtesy throughout the consideration of this legislation. I think we would all be remiss were we not to say that the person singly most responsible for this legislative accomplishment has been the Senator from Massachusetts. As chairman of the Senate Labor Committee he has worked tirelessly throughout his career to vindicate the rights and interests of the poor, the underrepresented in our society. And this is one more example of his dedication, his commitment, his hard work, and his legislative skill.

But for his efforts the working men and women of America would not have the promise of meaningful increase in the minimum wage. And I say that in full recognition of the difficulties that lie ahead, the sincere differences of opinion on the best approach in this regard.

I think whatever one's point of view on the issue, every American ought to recognize that it has been Senator KENNEDY who has led this effort throughout; who has sustained it throughout; and who is responsible for the actions of the Senate today.

On behalf of not only those who are aware of what we are doing, but more importantly in behalf of the many millions of Americans who are not aware of what he has done, who may not know about this legislation but whose lives will be improved, hopefully, as a result of it, I thank him. And I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senate Republican leader.

Mr. DOLE. Mr. President, I want to congratulate the Senator from Massachusetts. Even though we disagree on this issue, certainly his tireless efforts have been successful. Again, I think

there is an honest difference of opinion on the merits of a further increase in the minimum wage. I think the President has decided that he is willing to go so far, $4.25, with a 6-month training wage. I would say in all candor I am certain he is going to stick with that position. But that is not said to indicate that the Senator from Massachusetts, along with the Senator from Utah, did not do their homework. They are diligent, they are resourceful, they are tough, and the Senator from Massachusetts had the votes.

I would thank my colleague, too, from Utah, Senator HATCH, who held to his position, stuck to his conviction on this issue. The net result is there are probably 39 votes to sustain a veto in the Senate. Only 34 are required.

I would also say in addition to the people who might benefit from an increase in minimum wage, we have to keep in mind the profile, with about 72 percent under 25 years of age; 67 percent single; the majority living in the family, not heads of households. So, for the most part they are young and my view is that by increasing the minimum wage to the extent that we have done in this bill, we are, in effect, driving some of those people back on the streets at the very time we are saying we ought to get young people off the streets. We ought to find them a job. We ought to deal with the drug problem.

It is my view that we are doing just the opposite in passing this legislation. All the surveys cannot be wrong. There are 60-some surveys that we are going to lose between 500,000 and 800,000 jobs.

But that debate has been had. My colleagues have listened to the debate. They have decided to support a higher minimum wage with a shorter duration training wage. That is the judgment of the Senate. It will now go to conference and probably to the President in the near future, and then it will be his call.

I believe his call will be to veto it; not because he is opposed to the minimum wage. In fact, as I said, he agreed to come up 90 cents over a 3-year period. He went about 65 to 70 percent of the way. And I commend the President for that because I believe the minimum wage should have been increased in the past 8 years. It was not.

I think we at least agree, most of us, I would say the vast majority, that an increase is overdue. It is just a question of where we draw the line.

So I congratulate my colleagues and members of their staff and the majority leader for his leadership. I think we have disposed of this rather sensitive measure in fairly good time, considering that we had nine votes today and a number of amendments and a lot of debate.

Mr. MITCHELL. I thank the Republican leader.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

JUDICIAL SALARY ACT OF 1989—MESSAGE FROM THE PRESIDENT—PM 31

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I am pleased to submit for your consideration and enactment the "Judicial Salary Act of 1989". This legislation would increase the pay of Justices and judges of the United States by 25 percent, thus responding to the recommendation of the Chief Justice and the Judicial Conference that immediate salary increases be enacted for the judiciary.

Present pay schedules have failed to maintain a rational relationship between private sector compensation and salaries for Federal officials. The failure to enact substantially improved judicial salary rates will imperil the tradition of lifetime judicial service and the ability of the courts of the United States to function as an effective, independent judiciary.

Current salary rates deter sitting judges from continuing in office. Moreover, more and more well-qualified judicial candidates do not aspire to Federal judicial office because of the existing salary structure. Continuation of this trend will dilute the quality of the judiciary and frustrate the congressional purpose of broadening the base of the judiciary, as expressed in the last two acts creating new Federal judgeships.

These conditions call for prompt legislative action to help restore the real income loss in judicial salaries over the past two decades.

GEORGE BUSH.

THE WHITE HOUSE, *April 12, 1989.*

GOVERNMENT-WIDE ETHICS ACT OF 1989—MESSAGE FROM THE PRESIDENT—PM 32

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I am pleased to submit for your consideration and enactment a bill entitled the "Government-Wide Ethics Act of 1989." This legislation reflects my commitment to ensuring the protection of the public interest in the integrity of the Government.

The "Government-Wide Ethics Act of 1989" would constitute the first major revision of the Ethics in Government Act of 1978 and covers a broad spectrum of ethics issues. Federal personnel financial disclosure reporting requirements would be revised to strengthen the public disclosure process. The general conflict-of-interest and post-employment restriction statutes would be strengthened and expanded to cover, with stated exceptions, officers and employees in all three branches of Government. The bill also includes numerous other important provisions addressing such matters as: deferral of tax liability associated with divestiture of assets in order to avoid conflict of interest; outside earned income limitations for senior officials; extension to the Congress of the independent counsel statute; and restrictions on the use of excess campaign contributions.

The proposals represent an effort to communicate definitive ethical standards to Federal employees throughout our Government. The people who dedicated their lives selflessly to serving this country and the citizens who rely on the integrity of their public servants deserve no less.

GEORGE BUSH.

THE WHITE HOUSE, *April 12, 1989.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 5. A bill to provide for a Federal program for the improvement of child care, and for other purposes (Rept. No. 101-17).

By Mr. LEAHY (for Mr. BYRD), from the Committee on Appropriations, with amendments:

S. 760. A bill to implement the bipartisan accord of Central America of March 24, 1989.

By Mr. BUMPERS, from the Committee on Small Business, without amendment:

S. 767. An original bill to make technical corrections to the Business Opportunity Development Reform Act of 1988.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

W. Henson Moore, of Louisiana, to be Deputy Secretary of Energy;

John Chatfield Tuck, of Virginia, to be Under Secretary of Energy; and

Donna R. Fitzpatrick, of the District of Columbia, to be an Assistant Secretary of Energy (Management and Administration).

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' request to appear and testify before any duly constituted committee of the Senate.)

By Mr. BUMPERS, from the Committee on Small Business:

Susan S. Engeleiter, of Wisconsin, to be Administrator of the Small Business Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS (for himself and Mr. LEAHY):

S. 764. A bill to amend part A of title IV of the Social Security Act to provide that an individual under the age of 21 who otherwise meets the requirements of that part shall continue to be considered a dependent child for so long as the individual is a full-time student and may be expected to complete the educational program in which the individual is enrolled before he or she attains the age of 21; to the Committee on Finance.

By Mr. THURMOND (by request):

S. 765. A bill to ensure that serving with honor is the aspiration of every employee in our Government and to provide for the equitable treatment of all Government officers and employees under the laws of the United States, and for other purposes; to the Committee on Government Affairs.

By Mr. KERRY (for himself, Mr. JEFFORDS and Mr. INOUYE):

S. 766. A bill to amend the Internal Revenue Code of 1986 to make the targeted jobs tax credit permanent and to index the amount of wages to which the credit applies; to the Committee on Finance.

By Mr. BUMPERS, from the Committee on Small Business:

S. 767. An original bill to make technical corrections to the Business Opportunity Development Reform Act of 1988; placed on the calendar.

By Mr. KENNEDY (for himself, Mr. SIMON, Mr. INOUYE, Mr. MATSUNAGA, and Mr. ADAMS):

S. 768. A bill to amend the Public Health Service Act and the Fair Labor Standards Act of 1938 to provide basic health benefits for all Americans, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. KERRY:

S.J. Res. 99. Joint resolution classifying Haiti as a major drug transit country under section 481(h) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

S.J. Res. 100. Joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961 with respect to the Bahamas; to the Committee on Foreign Relations.

By Mr. CHAFEE (for himself, Mr. SYMMS, Mr. SPECTER, and Mr. MOYNIHAN):

S.J. Res. 101. Joint resolution to establish that it is the policy of the United States to encourage and support conservation efforts initiated by Brazil to protect the Amazon Forest and that the United States should redouble its efforts to reduce its pollution of the global environment; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BRYAN:

S. Res. 102. Resolution expressing the sense of the Senate with respect to gasoline price increases which have occurred after the *Exxon Valdez* oilspill of March 24, 1989; to the Committee on Energy and Natural Resources.

By Mr. MITCHELL (for Mr. DECONCINI for himself and Mr. MCCAIN):

S. Res. 103. Resolution to amend Senate Resolution 66, agreed to February 28, 1989, to make certain technical corrections, and for other purposes; considered and agreed to.

By Mr. HATFIELD (for himself and Mr. BOSCHWITZ):

S. Con. Res. 26. Concurrent resolution urging first asylum countries of the Association of Southeast Asia Nations (ASEAN) to reinstate the practice of providing refuge to all asylum-seekers from Vietnam, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEFFORDS (for himself and Mr. LEAHY):

S. 764. A bill to amend part A of title IV of the Social Security Act to provide that an individual under the age of 21 who otherwise meets the requirements of that part shall continue to be considered a dependent child for so long as the individual is a full-time student and may be expected to complete the education program in which the individual is enrolled before he or she attains the age of 21; to the Committee on Finance.

CONTINUING HIGH SCHOOL EDUCATION FOR CHILDREN ON AFDC

● Mr. JEFFORDS. Mr. President, last year we passed a welfare reform package that sought to help welfare recipients become employed by providing expanded educational and job-training opportunities and by removing a number of disincentives to employment.

In the spirit of continuing these efforts, the senior Senator from Vermont [Mr. LEAHY] and I are introducing a bill that would remove one disincentive to education that still affects some families participating in the Aid to Families with Dependent Children Program [AFDC].

Under current law, a child enrolled in the AFDC Program becomes ineligible for further assistance if he or she reaches the age of 18 and cannot be reasonably expected to complete a secondary school program, or its equivalent, before turning 19. For instance, a high school student who will turn 19 in May and graduate in June would be removed from the AFDC Program the previous May, when he or she turns 18. Obviously, the loss of AFDC benefits would be a negative factor in that student's decision on whether to stay in high school.

The effect of this policy is felt by those who have experienced some difficulty during the educational process. In many cases, it affects students whose progress has been slowed by a disability.

The bill we are introducing today would amend the definition of "dependent child" to allow States the option of including students up to the age of 21, so long as that student can be expected to complete his or her school education.

Providing educational opportunities is one of our most effective methods of fighting welfare dependency and allowing people to participate fully in our society. Mr. President, I urge all of my colleagues to take a close look at this proposal.●

● Mr. LEAHY. Mr. President, I am pleased to join Senator JEFFORDS in sponsoring legislation that will correct a problem with AFDC regulations that makes it difficult for some low-income students to complete their high school educations.

Under current law, a high school student who turns 19 before graduation—possibly because he or she was held back a year or could not attend because of illness—is dropped from the AFDC Program on his or her 18th birthday. Another student, in the same circumstance but whose 19th birthday falls after graduation, receives benefits through the month of graduation.

Losing AFDC benefits often means that a student must take a job to help support family members. That extra burden can make it very difficult to stay in school and graduate. It makes no sense to me to penalize a young person just because his or her birthday happens to fall at the wrong time of the year.

This legislation amends the Social Security Act so that, at State option, full-time students can continue to receive AFDC benefits until age 21.

My good friend Senator STAFFORD authored this legislation in the last Congress. Senator STAFFORD earned the title "Education Senator" for his many years of work in the field. He

was guided by an earnest belief in the power of education to improve and enrich our lives. This bill is really a dropout prevention bill because it eliminates disincentives in existing law for low-income students to finish high school.

Mr. President, an education is still a ticket to a better life in this country. We all know the statistics. In Vermont, high school dropouts are three times more likely to be unemployed than are graduates. High school graduates earn 60 percent more than nongraduates during their first 10 years out of school. Eighty-five percent of individuals in Vermont prisons do not have high school diplomas.

I am pleased to work with Senator JEFFORDS to continue Senator STAFFORD's efforts to ensure that all students, regardless of income, have the same opportunity to complete high school and work toward a better life.●

By Mr. THURMOND (by request):

S. 765. A bill to ensure that serving with honor is the aspiration of every employee in our Government and to provide for the equitable treatment of all Government officers and employees under the laws of the United States, and for other purposes; to the Committee on Governmental Affairs.

GOVERNMENTWIDE ETHICS ACT

Mr. THURMOND. Mr. President, today, I am pleased to introduce, by request, the administration's ethics legislation. This legislative proposal is a comprehensive bill which reflects the President's commitment to the integrity of Government service. It incorporates many of the recommendations of the President's Commission on Federal Ethics Law Reform which was established in January 1989.

Briefly, I would like to highlight principles set forth by the President regarding ethics reform. The President has set forth four guiding principles as follows:

First, ethical standards for public servants must be exacting enough to ensure that officials act with the utmost integrity and live up to the public's confidence in them;

Second, standards must be fair, objective, and consistent with common sense;

Third, standards must be equitable all across the three branches of the Federal Government; and

Fourth, we cannot afford to have unreasonably restrictive requirements that discourage able citizens from entering public service.

The proposal submitted by the administration was drafted with these four guiding principles in mind.

Regarding the administration proposal, it covers several ethics areas. Briefly, I would like to discuss each of these areas.

First, financial disclosure provisions are included in the legislative package. The bill makes financial reporting and review requirements uniform across the three branches of Government. In addition, the bill would require individuals to disclose the actual value of each asset and source of income rather than disclosure of the category of the value of the asset. As well, this bill would create an advisory commission to study ways to simplify disclosure forms filled out by Presidential appointments.

This proposal also broadens coverage of general conflict-of-interest laws to the Judiciary and to nonmember officers and employess of the Congress. The Office of Government Ethics could issue regulations which provide for waivers for inconsequential and remote financial interests.

The President's legislation also impacts in the area of outside activities and gifts. Current law that bans supplementation of salaries by executive branch officials would apply to the judicial branch as well. This legislation also would bar senior officials in all three branches of Government from serving on the board of directors of a for-profit enterprise. As well, provisions would prohibit employees in all three branches from accepting a gift or other items of monetary value from anyone whose interests may be substantially affected by the performance or nonperformance of the employee's official duties.

The legislation also has post employment restrictions that apply to Federal employees who leave Government service. This proposal would extend 1-year post employment restrictions in current law to the legislative and judicial branches. An additional provision would prohibit former executive and legislative personnel, for 2 years after leaving Government, from disclosing nonpublic Government information pertaining to U.S. strategy in international negotiations.

Regarding other provisions, the bill extends application of the independent counsel statute to Members of Congress and prohibits use of excess campaign contributions for personal use and office expenses.

In summary, this legislation includes many proposals to reform current ethics laws and to add to them. I am pleased that the President has decided to submit his proposal which indicates his commitment to strengthen and expand current ethics laws. This proposal warrants consideration by Congress when it begins action on ethics legislation.

In closing, it is my strong desire that Congress move swiftly to act on legislation which will vastly enhance our current ethics laws. I believe we must take action to prevent irreparable damage to our Nation and to restore public confidence and integrity in our system of government. Enactment of tough, effective legislation will instill confidence in all of us that this Government makes decisions based on the merits of an issue, not based on positions taken by those who have the most access, influence, or financial clout.

By Mr. KERRY (for himself, Mr. JEFFORDS, and Mr. INOUYE):

S. 766. A bill to amend the Internal Revenue Code of 1986 to make the targeted jobs tax credit permanent and to index the amount of wages to which the credit applies; to the Committee on Finance.

MODIFICATION OF TARGETED JOBS CREDIT

● Mr. KERRY. Mr. President, we have heard a great deal in the debate on the minimum wage bill about training wages and subminimum wages. Sometimes this debate is in the context of helping businesses with the higher costs associated with an increase in the minimum wage; sometimes it is in the context of giving workers a break getting entry level jobs.

An increase in the minimum wage is of great concern to the small business community. Any increase in the minimum wage means increased pressure on wages.

This wage cost issue concerns me greatly. But I think that a subminimum wage does not address the issues adequately. The Graham substitute is a reasonable approach on the issue with a limited duration subminimum wage that ensures that training will actually be provided. I supported this measure and will be watching this experiment very carefully.

Congress has already authorized a program that could, with a few modifications, do even more.

We can assist small businesses find entry level workers at reasonable wages and assist the entry level workers who need the most help entering the work force by permanently extending the targeted jobs tax credit and increasing the level of wages subject to the credit. I am introducing legislation today to accomplish these goals.

The credit serves several very important purposes. It promotes private sector job creation by giving employers a substantial economic incentive to hire individuals who have the most difficulty entering the labor force.

The credit is most often claimed for young people who are economically disadvantaged, but others who have trouble entering the labor force are eligible as well: economically disadvantaged exoffenders, economically disadvantaged Vietnam-era veterans, and individuals receiving general assistance, Supplemental Security Income or Aid to Families with Dependent Children.

In Massachusetts, it is expected that there will be 10,000 certifications this year; most of these certifications are for employees hired to fill entry level sales, clerical and service support jobs.

From the employers' point of view, the targeted jobs tax credit, in effect, serves as a training wage. It reduces the cost of employing a targeted worker significantly; even more than a subminimum wage. If the Bush proposal on the minimum wage were to be enacted in 1992, the wages paid to eligible subminimum wage workers would be $3.40 instead of $4.25 for up to 6 months. Over the 6 months, the employer will save $850. Under my proposal to increase the qualified first-year wages, the employer could take a credit of over $3,000.

The subminimum wage will not do much to help in States like Massachusetts, where businesses have a tough time finding workers to work at the minimum wage. In Massachusetts, where many entry level workers are paid substantially more than the minimum wage. Businesses would not benefit much from the subminimum wage, businesses would, however, be able to take the 40 percent credit when they employ targeted workers, no matter what wage is paid, as long as the employee meets the eligibility criteria. In Massachusetts in 1988, 50 percent of the TJTC certifications were for jobs paying over $6 an hour.

The TJTC targets those who need training and work experience the most. Employers are well aware that many members of the targeted groups are not prepared to be productive members of the work force when they begin to work. We need to provide education and training for our children so they are better prepared to work in a competitive economy; the credit is one more way to assist the economically disadvantaged get a start in the working world, and move from dependence and welfare to independence and self-sufficiency.

The targeted jobs tax credit ensures that eligible workers receive a decent wage. While the employers receive a wage subsidy for helping bring an unprepared potential worker into the labor force, the workers receive a full wage.

The credit was enacted in the Revenue Act of 1978. In its subsequent reauthorizations, it has been scaled back tremendously. The size of the credit has been reduced from 50 percent to 40 percent; eligibility has been tightened; the credit no longer applies to wages earned in the second year. The number of certifications has jumped around wildly over the past 10 years as the program lapsed or was scaled back. Even so, in 1987, almost 600,000 eligible people were certified by the Department of Labor.

The legislation I am introducing today permanently extends the credit so that businesses can plan on its use in the future. Permanent extension gives business the incentive to develop strategies to hire targeted workers. In Massachusetts, where the number of TJTC certifications is expected to grow from 8,800 last year to 10,000 this year, many more individuals would be certified if businesses and the State employment agencies knew with certainty that the credit would be available in the future. And even more would take part if the creditable wages were increased to reflect higher entry level wage rates that would make sense.

The more the program is used, the more targeted workers will get a chance to acquire training and work experience. With our changing labor force, it is especially important to bring disadvantaged workers into the workplace as soon as possible so that they can learn the skills necessary to make a productive contribution to the economy.

As importantly, this legislation will index the wage level that is available for the credit to increases in the minimum wage. If the minimum wage increases to $4.55 in 1992, the employer would be able to take a credit of 40 percent of wages up to $8,149. This additional tax incentive should encourage firms not participating in the program to look at the tax credit and to use it.

Given our budget constraints, it is important to consider the costs as well as the benefits of extending and expanding this tax credit. Increasing the level of wages subject to the credit would mean additional budget costs, of less than $100 million at the very most. When compared to the benefits to workers and to employers this cost is modest. Moreover, the reduction in dependence on welfare and other forms of support for the unemployed will, in fact, contribute to reducing our budget deficit.

I strongly believe that extension of the credit and its indexing to the minimum wage is well worth the costs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MODIFICATIONS OF TARGETED JOBS CREDIT.

(a) CREDIT MADE PERMANENT.—

(1) IN GENERAL.—Section 51(c) of the Internal Revenue Code of 1986 is amended by striking out paragraph (4).

(2) AUTHORIZATION.—Paragraph (2) of section 261(f) of the Economic Recovery Tax Act of 1981 is amended by inserting "and any fiscal year thereafter" after "and 1989".

(b) AMOUNT OF WAGES TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 51(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(3) LIMITATIONS ON WAGES TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—the amount of the qualified first-year wages which may be taken into account with respect to any individual shall not exceed $6,000 per year.

"(B) INCREASE TIED TO MINIMUM WAGE.—In the case of any taxable year beginning in a calendar year after 1989, the $6,000 amount under subparagraph (A) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the minimum wage adjustment for such calendar year determined under subparagraph (C).

such amount shall be rounded in the same manner as under section 1(f)(6).

"(C) MINIMUM WAGE ADJUSTMENT.—The minimum wage adjustment for any calendar year is the percentage (if any) by which—

"(i) the minimum wage in effect under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) as of the close of the calendar year, exceeds

"(ii) such minimum wage in effect as of the close of 1989."

(2) CONFORMING AMENDMENTS.—

(A) Clause (ii) of section 51(d)(12)(B) of such Code is amended to read as follows:

"(ii) subsection (b)(3) shall be applied by substituting one-half of the amount in effect under such subsection for such amount."

(B) Subparagraph (A) of section 51(h)(1) of such Code is amended by striking out "$6,000" and inserting "the amount in effect under subsection (b)(3) for the year".

(C) Subparagraph (B) of section 51(h)(1) of such Code is amended by striking out "were $500 per week" and inserting "each month were one-twelfth of the amount in effect under subsection (b)(3) for the year".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1989.●

By Mr. KENNEDY (for himself, Mr. SIMON, Mr. INOUYE, Mr. MATSUNAGA, and Mr. ADAMS):

S. 768. A bill to amend the Public Health Service Act and the Fair Labor Standards Act of 1938 to provide basic health benefits for all Americans, and for other purposes; to the Committee on Labor and Human Resources.

BASIC HEALTH BENEFITS FOR ALL AMERICANS ACT

Mr. KENNEDY. Mr. President, I rise today to introduce the Basic Health Benefits for All Americans Act.

The problem that this bill addresses began a generation ago when the discussion was made to enact Medicare for elderly Americans but not for all Americans. Today, almost all elderly Americans have access to affordable health care. Medicare has become one of the most popular social programs ever enacted. But the problem of denial of health care to other citizens has increased every year; it is a crisis now, and Congress can neglect it no longer.

Thirty-seven million Americans have no health insurance coverage at all, either public or private. Sixty million

more have insurance that even the Reagan administration said was inadequate.

Every day, every year, more than 40,000 Americans seek health care and are turned away, or neglect their health because they cannot afford the care they need.

Every week, more than 46,000 American families are faced with catastrophic health care costs in excess of $3,000 that their insurance does not cover.

Across the country, more and more hospitals are facing a cruel choice between closing their doors to those who cannot pay and closing their doors to everyone—because they can no longer afford to serve those in need.

To illustrate what these tragedies mean in human terms, I would like to tell you a tale of two children. Both developed cancer. Coby Howard was 7 years old when he was diagnosed as having leukemia. His mother was a divorced single parent of 3 children. Although she could have qualified for welfare, she preferred to work to support her family—and she worked hard, putting in long hours as a waitress for a modest wage.

When Coby's cancer was diagnosed, his mother was devastated. But there was hope, because the type of leukemia that afflicted Coby has a 70 percent cure rate if a bone marrow transplant was performed. But a transplant costs $100,000, and, unlike most of us, Coby's mother had no insurance through her job. Instead, the family relied on Medicaid, and in Oregon, Medicaid does not cover such high cost procedures.

The community responded. A fundraising effort was launched to raise the $100,000. They had reached $80,000 when Coby died.

The second young man who developed cancer had a worse prognosis than Coby. But his family had access to the best medical care available without any consideration of cost. The stress of caring for that child and the concern about his survival was great, but at least his family could take comfort in knowing that everything that could be done was being done. He is alive and well today, and he is my son.

No other industrial country in the world except South Africa tolerates a system in which the state of a family's health is determined by the amount of the family's wealth.

The legislation I am proposing today will assure that no man, woman or child in America will ever again be denied the health care they need. It will guarantee that no family will see its savings wiped out and its hopes for the future swept away by a tidal wave of debt because of inadequate or nonexistent health insurance.

The Basic Health Benefits for All Americans Act is not back door national health insurance. It creates no new bureaucracy. It constructs no massive regulatory apparatus.

This bill is built on two simple concepts. First, the job-based system of health insurance that provides coverage for most workers and their families should be extended to the millions of workers who have been left out. This simple step will provide coverage for 23 million people—two-thirds of the uninsured.

Second, Medicaid should be expanded by the addition of a new program to provide benefits for Americans not covered by the current program, and not eligible for job-based insurance. Because of current budget pressures, the public program will be phased in gradually, beginning in 1991 with the 6 million uninsured Americans who are poor. The second phase, beginning in 1996, will provide coverage to the near poor, with incomes above poverty but within 185 percent of the poverty line. The final phase, implemented in 1999, will provide coverage for all remaining uninsured citizens.

The public program will be financed by a combination of Federal-State funds and beneficiary premiums related to income with Federal contributions based on the current Medicaid matching formula. Benefits will be essentially the same as the basic package required of employers, except that the cost-sharing premiums will not be required for the poor, and will be reduced for the near poor.

The employer mandate program builds on the bill introduced in the last Congress, and reported by the Senate Labor Committee. Like the previous bill, the legislation requires firms to provide a basic package of benefits to employees working more than 17½ hours a week and their families. The benefits include physician services, hospital services, diagnostic tests, pregnancy and well-baby care, and a limited mental health benefit.

The bill also sets maximum copayments, deductibles, and the employee share of the premiums, and provides catastrophic coverage through an out-of-pocket limit on covered expenses. No exclusions for preexisting conditions are permitted. The bill provides flexibility for employers by allowing them to vary the benefit package to suit their unique needs, as long as the basic benefits are covered and the value of the plan is not cut back.

A new feature in this year's bill allows firms to make a premium contribution proportional to hours worked for employees working less than 25 hours per week.

Two major concerns were expressed about last year's bill. First, it was said that the cost of providing health care would result in increased unemployment and be a drain on the national economy, as American businesses struggle to compete in world markets. This issue was examined carefully by the Labor Committee in an extensive series of hearings and was found to be groundless.

With regard to economic impact, four independent, credible economic analyses of the bill were conducted by distinguished authorities. The bill was tested using two of the best known models of the U.S. economy—the Wharton Model and the Decision Resources, Inc. model. Each of those analyses found that the impact of the bill on employment and economic growth would be negligible.

In fact, the legislation will help, not harm, American businesses in World markets. Ninety-seven percent of the employees of the manufacturing firms that are at the cutting edge of international trade today already insure their workers. These businesses pay too much for health insurance because others pay too little.

There is not free lunch in health care or in health insurance. When hospitals provide charity care for someone who cannot pay, that care is hardly free. It results in higher health care charges to paying patients and higher premiums to firms that provide insurance.

It is time to put these hidden costs where they belong—on the firms that refuse to protect their workers' health. If we succeed in this endeavor, the country as a whole will be the winner, because a healthier, insured America will also be a more competitive America.

The second major concern expressed about the bill is its impact on small business. I, too, am determined to enact it in a way that will protect the interests of both small business and the American people.

The health insurance market for small business today is a disaster area. Firms with fewer than 25 workers pay a markup for coverage they buy that is 5 times as high as a large business would pay for the same benefits. For very small businesses of 10 or fewer employees, the markup is 8 times higher—approaching 40 percent of the total premium.

Not only is the cost of insurance to small business excessive, but it is frequently not available at any price; in other cases, it is available under condiitons that render it of little value. In this market, particularly for firms with 10 or fewer employees, if a worker or owner or a member of their families is in poor health, insurance will often not be available at all. When insurance is available, it will typically exclude coverage for preexisting conditions—the very diseases for which they are not likely to need insurance. To add insult to injury, if a healthy group does manage to secure coverage and a member of the firm subsequently develops a costly illness, coverage is

often not renewed or only offered again at an exorbitant price.

In light of the harsh realities of the marketplace, it is not surprising that many small firms choose not to provide health insurance coverage to their workers. What is surprising is that a majority of small business employees work for firms that do the decent thing and provide insurance, in spite of the exorbitant prices they pay in the marketplace.

It is also surprising to me that the small business lobby is firing at this legislation, instead of at the victimization of millions of small business employers.

My message to small business today is that government is on your side, and that there is no inherent conflict between small business and basic health insurance.

The basic health benefits bill restructure the small business insurance market by establishing a system of regional insurers. This system will give small businesses the benefits of economies of scale, guaranteed access to coverage, community rating, and availability of cost-effective managed care.

The bill also includes an important additional protection. Any small business that faces an excessive cost in providing health insurance coverage will receive a Federal subsidy.

I believe that this legislation is one that small businesses can not only live with—it is one they can prosper under.

In companion legislation, I will be offering a proposal to improve the tax treatment of health insurance purchased by small business and that will dramatically simplify the so-called section 89 nondiscrimination rules that many firms, large and small, have found so burdensome. In fact, section 89 will be largely unnecessary if basic health benefits is enacted.

As I look back at the distance we have traveled over the last 2 years with this idea, I am impressed with the progress we have made.

Two years ago, there was little attention to the crisis in access to health care. Today, an article in the New England Journal of Medicine advocating a radical reform of our health care system has just received wide attention throughout the country.

Two years ago, few groups were willing to lend their name to this bill; for many, support was lukewarm at best. Today, we have more than 100 groups, drawn from all spectrums of society, willing to work hard to enact this proposal into law.

Three-quarters of the American people support the proposal—and the support is equally strong among citizens of all income levels, all races, all regions of the country, and in both political parties.

I look forward to working with the cosponsors of this legislation, with the groups that have endorsed the concept of the Basic Health Benefits for all Americans Act, and with millions of our fellow citizens. It is time to make health care a basic right for all, not just an expensive privilege for the few.

Mr. President, I ask unanimous consent that a factsheet describing the bill, a list of endorsing organizations, and the text of the bill, as introduced, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Basic Health Benefits for All Americans Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO PUBLIC HEALTH SERVICE ACT

Sec. 101. Basic health benefits for employees and their families.

TITLE II—AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938 AND EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 201. Basic health benefits for employees and their families.

Sec. 202. Preemption under Employee Retirement Income Security Act of 1974.

TITLE III—REQUIREMENTS FOR HEALTH BENEFIT PLANS FOR EMPLOYEES AND THEIR FAMILIES

Subtitle A—Requirement and Definitions

Sec. 301. Employer requirement to enroll employees and families in health benefit plans.

Sec. 302. Coverage of employees and family members.

Sec. 303. Definitions.

Subtitle B—Requirements for Health Benefit Plans

Sec. 311. General requirements; permitting actuarially equivalent plans.

Sec. 312. Requirements relating to covered items and services.

Sec. 313. Requirements relating to timing of coverage and prohibition of preexisting condition limitations.

Sec. 314. Requirements relating to premiums, deductibles, copayments, coinsurance, and limit on out-of-pocket expenses.

Subtitle C—Certification of Regional Insurers

Sec. 321. Designation of health insurance regions.

Sec. 322. Periodic certification of regional insurers.

Sec. 323. Requirements of regional insurers.

Sec. 324. Miscellaneous provisions.

Subtitle D—Regulations and Enforcement

Sec. 331. Regulations.

Sec. 332. Enforcement.

Subtitle E—Small Business Subsidy

Sec. 341. Small business subsidy.

TITLE IV—ASSURING PROVISION OF HEALTH BENEFITS TO UNDER-POVERTY, NEAR-POVERTY, AND OTHER INDIVIDUALS

Sec. 401. Assuring provision of health benefits to under-poverty, near-poverty, and other individuals.

Sec. 402. Effective date.

TITLE V—EFFECTIVE DATE

Sec. 501. Effective date.

Sec. 502. Policy respecting additional benefits.

TITLE I—AMENDMENTS TO PUBLIC HEALTH SERVICE ACT

SEC. 101. BASIC HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES.

(a) REQUIREMENT.—The Public Health Service Act is amended—

(1) by redesignating title XXVI (42 U.S.C. 300cc et seq.) as title XXVII; and

(2) by inserting after title XXV (42 U.S.C. 300bb-1 et seq.) the following new title:

"TITLE XXVI—BASIC HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES

"SEC. 2601. HEALTH BENEFITS.

"(a) IN GENERAL.—Each employer shall, in accordance with title III of the Basic Health Benefits for All Americans Act, enroll each of its employees and their families in a health benefit plan.

"(b) ENFORCEMENT.—

"(1) INELIGIBILITY FOR ASSISTANCE.—An employer that is a State or political subdivision of a State or an agency or instrumentality of a State or political subdivision and that does not comply with subsection (a) shall not be eligible to receive a grant, contract, loan, or loan guarantee under this Act.

"(2) GENERAL ENFORCEMENT PROVISIONS.—Any employer that does not comply with subsection (a) shall be subject to section 332 of the Basic Health Benefits for All Americans Act.

"(c) DEFINITIONS.—The terms used in this section have the meanings prescribed for the terms by section 303 of such Act.".

(b) CONFORMING AMENDMENTS.—

(1) Sections 2601 through 2616 of the Public Health Service Act (42 U.S.C. 300cc through 300cc-15) are redesignated as sections 2701 through 2716, respectively.

(2)(A) Sections 465(f) and 497 of such Act (42 U.S.C. 286(f) and 289(f)) are each amended by striking out "2601" and inserting "2701".

(B) Section 305(i) of such Act (42 U.S.C. 242c(i)) is amended by striking out "2611" each place it appears and inserting "2711".

TITLE II—AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938 AND EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 201. BASIC HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES.

(a) HEALTH BENEFITS.—The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) is amended by adding at the end thereof the following new title:

"TITLE II—BASIC HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES

"SEC. 201. HEALTH BENEFITS.

"(a) IN GENERAL.—Each employer shall, in accordance with title III of the Basic Health Benefits for All Americans Act, enroll each of its employees and their families in a health benefit plan.

"(b) ENFORCEMENT.—Any employer that does not enroll each of its employees and their families in a health benefit plan as required by subsection (a) shall be subject to

section 332 of the Basic Health Benefits for All Americans Act.

"(c) DEFINITIONS.—The terms used in this section have the meanings prescribed for the terms by section 303 of such Act.".

(b) CONFORMING AMENDMENTS.—

(1) The Fair Labor Standards Act of 1938 is amended by striking the first section and inserting the following:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Fair Labor Standards Act of 1938'.

"TITLE I—WAGES AND HOURS".

(2) The Fair Labor Standards Act of 1938 is amended by striking "this Act" each place it occurs and inserting "this title".

SEC. 202. PREEMPTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Section 514(b)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(2)) is amended—

(1) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)"; and

(2) by adding at the end the following new subparagraph:

"(C) Nothing in subparagraph (A) shall be construed to exempt from subsection (a) any provision of the law of any State to the extent that such provision regulates, or otherwise provides any requirement relating to, contracts or policies of insurance issued to or under a health benefit plan under title III of the Basic Health Benefits for All Americans Act.

(b) TREATMENT OF HAWAII PREPAID HEALTH CARE ACT.—Section 514(b)(5) of such Act is amended—

(1) in subparagraph (A)—

(A) by striking "Except as provided in subparagraph (B), subsection" and inserting "Subsection (a)", and

(B) by striking "Haw. Rev. Stat. §§393-1 through 393-51" and inserting "Hawaii Rev. Stat. Chapter 393";

(2) in subparagraph (B), by striking the dash and all that follows through the end and inserting the following: "any State law relating to employee benefit plans."; and

(3) by striking subparagraph (C).

(c) CONFORMING AMENDMENT.—Paragraph (1) of section 3 of such Act (29 U.S.C. 1002(1)) is amended by adding at the end the following new sentence: "Such terms include a health benefit plan established in accordance with title III of the Basic Health Benefits for All Americans Act.".

TITLE III—REQUIREMENTS FOR HEALTH BENEFIT PLANS FOR EMPLOYEES AND THEIR FAMILIES

Subtitle A—Requirement and Definitions

SEC. 301. EMPLOYER REQUIREMENT TO ENROLL EMPLOYEES AND FAMILIES IN HEALTH BENEFIT PLANS.

(a) IN GENERAL.—This title shall apply to employers required to enroll employees and their families in health benefit plans under section 2601(a) of the Public Health Service Act or under section 201(a) of the Fair Labor Standards Act of 1938.

(b) TYPES OF PLANS PERMITTED.—

(1) IN GENERAL.—Except as required under paragraph (2), an employer may meet the requirements of this title by means of enrollment in any health benefit plan.

(2) PROVISION OF HEALTH BENEFIT PLANS THROUGH REGIONAL INSURERS.—

(A) EMPLOYERS REQUIRED TO USE REGIONAL INSURERS.—

(i) EMPLOYERS WITHOUT A HEALTH BENEFIT PLAN.—Except as permitted under subparagraph (B)(ii) and subparagraph (C), each employer, that does not have its employees enrolled in a health benefit plan on the day before the effective date of this Act, shall meet the requirements of this title by means of enrollment in any health benefit plan of a regional insurer (as defined in section 303(12)).

(ii) SMALL EMPLOYERS CHANGING INSURERS.—Each small employer that—

(I) has its employees enrolled in a health benefit plan on or before the day before the effective date of this title, but

(II) subsequently, on or after the effective date of this title, changes the insurer offering the plan under which those employees are (or may be) enrolled or changes the plan from a self-insured plan to a plan of an insurer,

shall, except as provided in subparagraph (C), then meet the requirements of this title by means of enrollment of those employees in any health benefit plan of a regional insurer.

(B) CONTINUED USE OF REGIONAL INSURERS REQUIRED.—

(i) IN GENERAL.—If an employer meets the requirements of this title by means of enrollment of employees and families in any health benefit plan of a regional insurer, except as permitted under subparagraph (ii) and under subparagraph (C), the employer shall continue to meet such requirements by means of enrollment of such employees and families in such a plan.

(ii) EXCEPTION FOR CERTAIN LARGE EMPLOYERS.—A large employer (other than an employer that was a large employer on the day before the effective date of this title) that meets the requirements of this title by means of enrollment of employees in any health benefit plan of a regional insurer may elect to meet the requirements of this title with respect to such employees other than by means of enrollment in a health benefit plan of a regional insurer. If such an election is made and so long as the employer remains a large employer, the regional insurer may not make any health benefit plan of that insurer under section 323 available for enrollment of employees and families of that employer.

(C) CERTAIN PLANS.—Subparagraphs (A) and (B) shall not apply to an employer which maintains or contributes to a plan described in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37)).

(c) EXCEPTION FOR EMPLOYERS IN HAWAII.—Employers in the State of Hawaii shall be exempt from the requirements of this title, for so long as the Hawaii Prepaid Health Care Act (Hawaii Rev. Stat. Chapter 393) remains in effect.

SEC. 302. COVERAGE OF EMPLOYEES AND FAMILY MEMBERS.

(a) REQUIREMENT.—Except as permitted under subsections (b) and (d) and section 313(c)—

(1) enrollment of an employee in a health benefit plan under this title includes enrollment of the employee's family in the plan; and

(2) enrollment of the employee or the employee's family in a health benefit plan may not be waived by the employee.

(b) EXCEPTIONS TO AVOID DUPLICATE FAMILY COVERAGE.—

(1) SPOUSE OR PARENT EMPLOYED.—An employee, at the employee's option, may waive enrollment in a health benefit plan under this title for the spouse or a child of the employee but only for such period as the employee demonstrates that such spouse or child, respectively, is actually covered under a health benefit plan.

(2) CHILD EMPLOYED.—A child who is employed (or a parent on the child's behalf) may waive enrollment in a health benefit plan provided by the child's employer during any period in which the child otherwise is covered under a health benefit plan.

(c) NONDISCRIMINATION BASED ON FAMILY STATUS.—An employer may not fail or refuse to hire, and may not discharge or otherwise discriminate against, any individual because the individual has a spouse or child and such employer is required under this title to enroll the spouse or child in a health benefit plan.

(d) WAIVER IN CASE OF MULTIPLE EMPLOYERS.—In the case of an individual who is an employee (other than a less-than-full-time employee) with respect to more than one employer, the employee may waive enrollment in the health benefit plan of any such employer, but only if the employee is, and certifies to the employer that the employee is, enrolled in the health benefit plan of one employer.

SEC. 303. DEFINITIONS.

In this title:

(1) CHILD.—The term "child" means, with respect to an employee, an individual—

(A) who (i) is under 18 years of age, (ii) is under 23 years of age and a full-time student, or (iii) is an unmarried, dependent child, regardless of age, who is incapable of self-support because of mental or physical disability which existed before age 22; and

(B)(i) who is the biological, adopted, or foster child of the employee or the employee's spouse,

(ii) who is the legal ward of the employee or the employee's spouse, or

(iii) with respect to whom the employee or employee's spouse, stands in loco parentis during the course of an adoption application.

(2) EFFECTIVE DATE OF THIS TITLE.—The term "effective date of this title" means January 1 of the second year that begins after the date of the enactment of this Act.

(3) EMPLOYEE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term "employee" means, with respect to an employer, an individual who normally performs on a monthly basis 17½ hours of service per week for that employer.

(B) HANDICAPPED WORKERS.—The term "employee" does not include an individual described in section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)).

(C) CERTAIN EMPLOYERS.—The term "employee" means, with respect to an employer described in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37)), an individual who performs—

(i) 17½ hours of service per week for the employer; or

(ii) an equivalent amount of service during a 1-, 3-, or 6-month period for the employer, as determined under regulations issued by the Secretary.

(D) LESS-THAN-FULL-TIME EMPLOYEE DEFINED.—The term "less-than-full-time employee" means, with respect to an employer, an employee who normally performs on a monthly basis less than 25 hours of service per week for that employer.

(E) CONSULTANTS AND CONTRACTORS.—The term "employee" shall include an individual who is a consultant or contractor of an employer if the Secretary determines that the consulting arrangement or contract was en-

tered into to avoid the requirements of this title.

(F) TEMPORARY EMPLOYEES.—

(i) IN GENERAL.—The term "employee" does not include a temporary employee.

(ii) TEMPORARY EMPLOYEE.—The term "temporary employee" means an individual employed by a temporary help services firm who is assigned to perform duties for a corporation, partnership, or other entity who is not an employee, except as specified in clause (iv).

(iii) TEMPORARY HELP SERVICES FIRM.—The term "temporary help services firm" means an organization engaged in the business of furnishing temporary employees for a corporation, partnership, or other entity.

(iv) CERTAIN TEMPORARY EMPLOYEES TREATED AS EMPLOYEES.—A temporary employee who is assigned to perform and complete at least 750 hours of service for a temporary help services firm on behalf of one or more corporations, partnerships, or other entities in a period of 6 consecutive months shall be treated as an "employee" under this title.

(4) EMPLOYER.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term "employer" means—

(i) an employer that is required to pay the individuals it employs the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) (or would be required to pay such wage but for the dollar volume standards prescribed in section 3(s) of such Act (29 U.S.C. 203(s)) or the exemptions prescribed in section 13(a) of such Act (29 U.S.C. 213(a)); and

(ii) any State or political subdivision thereof, or any agency or instrumentality thereof.

(B) DOMESTIC SERVICE EMPLOYERS.—The term "employer" shall not include an employer that is required to pay the individuals it employs the minimum wage prescribed by section 6(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(f)) (or would be required to pay the minimum wage prescribed by section 6 of such Act but for section 13(a)(15) of such Act (29 U.S.C. 213(a)(15)).

(C) OWNER-OPERATORS.—An owner-operator of a business shall be considered to be both an employer and employee with respect to himself or herself if the owner-operator has one or more employees who are required to be enrolled under a health benefit plan of the owner-operator.

(D) SMALL AND LARGE EMPLOYER.—The term "small employer" means, with respect to a calendar year, an employer that normally employs fewer than 26 employees on a typical business day during the calendar year, and the term "large employer" means an employer that is not a small employer.

(E) APPLICATION OF CONTROLLED GROUP RULES.—Section 607(4) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(4)) shall apply in the determination under this title of whether an employer is a large or small employer and the number of employees an employer normally employs.

(F) FAMILY FARMERS.—

(i) PRICE SUPPORT GREATER THAN 70 PERCENT OF PARITY.—The term "employer" shall not include the owner or operator of a family farm unless the level of agricultural prices, or the minimum level of agricultural price support provided by the Secretary of Agriculture for loans and purchases, for the major commodity produced on the farm is equal to or greater than 70 percent of the parity price of the commodity as maintained by the Secretary during the preceding 2 crop years.

(ii) PRICE SUPPORT LESS THAN 70 PERCENT OF PARITY.—Owners and operators of a family farm who do not receive minimum agricultural price support through loans and purchases that is equal to or greater than 70 percent of parity for the major commodity produced on the farm from the Secretary of Agriculture for the preceding crop year shall be included within the definition of the term "employer" only if, based on a national referendum conducted by the Secretary of Agriculture, a majority of the owners and operators vote in favor of mandatory participation in the low-cost regional insurance program provided by this title.

(iii) NO COVERED EMPLOYEES.—Owners and operators of family farms with no employees required to be enrolled in health benefit plans under this title, may be included in the definition of "employee" under this title if, based on a national referendum conducted by the Secretary of Agriculture, a majority of farmers in the commodity group vote in favor of mandatory participation in the low-cost regional insurance program provided by this title.

(iv) DEFINITION OF FAMILY FARM.—As used in this subparagraph, the term "family farm" means a farm with respect to which—

(I) the operator or the family of the operator, or both (or, if the operator is a cooperative, corporation, partnership, or joint operation, the members, stockholders, partners, or joint operators, respectively) devote a substantial amount of time daily to the management or operation of the farm;

(II) a majority of the hours of labor required annually for the (farm and nonfarm) enterprise of the farm is provided by the operator or the family of the operator, or both (or, if the operator is a cooperative, corporation, partnership, or joint operation, by the members, stockholders, partners, or joint operators, respectively, and the families of such individuals); and

(III) the value of the gross annual sales of agricultural commodities produced on the farm is not more than $750,000.

(5) FAMILY AND FAMILY MEMBER.—The terms "family" and "family member" mean, with respect to an employee, the employee's spouse and children.

(6) HEALTH BENEFIT PLAN.—The term "health benefit plan" means an employee welfare benefit plan (as defined in section 3(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)) that—

(A) provides medical care to participants or beneficiaries directly or through insurance, reimbursement, or otherwise; and

(B) meets the requirements of section 311.

(7) HEALTH INSURANCE REGION.—The term "health insurance region" means such a region designated under section 321.

(8) INSURER.—The term "insurer" means an entity qualified under the law of a State to offer insurance or provide health benefits in that State.

(9) MENTAL DISORDER.—The term "mental disorder" has the same meaning given such term in the International Classification of Diseases, 9th Revision, Clinical Modification.

(10) NONGOVERNMENTAL EMPLOYER.—The term "nongovernmental employer" means an employer not described in paragraph (4)(A)(ii).

(11) PHYSICIAN SERVICES.—The term "physician services" means professional medical services lawfully provided by a physician under State medical practice acts, and includes professional services provided by a dentist or a licensed advanced-practice nurse acting within the scope of their practices (as determined under State law) if such services would be treated as physician services if furnished by a physician.

(12) REGIONAL INSURER.—The term "regional insurer" means an insurer or group of insurers certified as a regional insurer under section 322.

(13) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(14) STATE.—The term "State" includes the District of Columbia and, except for purposes of paragraph (8), also includes Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa.

(15) TAILORED HEALTH BENEFIT PLAN.—

(A) IN GENERAL.—The term "tailored health benefit plan" means a plan that—

(i) but for subparagraph (B), would be health benefit plan, and

(ii) has an actuarial value of benefits (as defined in section 311(b)(8)) at least equivalent to ½ of the actuarial value of benefits otherwise required of a health benefit plan.

(B) LIMITATION ON SERVICES.—A tailored health benefit plan may, in accordance with regulations of the Secretary, limit the scope and duration of services but only in a manner that emphasizes coverage of ambulatory services.

Subtitle B—Requirements for Health Benefit Plans

SEC. 311. GENERAL REQUIREMENTS; PERMITTING ACTUARIALLY EQUIVALENT PLANS.

(a) GENERAL REQUIREMENTS.—Subject to subsections (b) and (c), in order for a health benefit plan to meet the requirements of this section, the plan shall—

(1) provide benefits for items and services in accordance with section 312;

(2) provide coverage of employees and family enrolled in the plan in accordance with section 313; and

(3) provide for premiums, deductibles, copayments, and coinsurance in accordance with section 314.

(b) ACTUARIALLY EQUIVALENT PLANS PERMITTED.—

(1) VARIATIONS IN PREMIUMS, DEDUCTIBLES, AND COST-SHARING.—A health benefit plan also meets the requirements of this section notwithstanding that it does not meet one or more requirements of section 314 (relating to premiums, deductibles, copayments, coinsurance, and limit on out-of-pocket expenses), other than the requirement of section 314(b)(2)(A), if the actuarial value of benefits under the plan (as defined in paragraph (8)) is not less than the equivalent of the actuarial value of benefits under the plan that would have applied if the plan met the requirements described in subsection (a).

(2) MINIMUM REQUIREMENTS.—Nothing in this subsection shall be construed as not requiring each plan—

(A) to meet the requirements of sections 312(a)(4) and 313; or

(B) to establish a limit on out-of-pocket expenses under section 314(d), except that this subparagraph shall not be construed to require the establishment of the out-of-pocket limit described in section 314(d)(5)(B).

(3) MENTAL HEALTH BENEFITS.—Notwithstanding any other provision of law, a health benefit plan may meet the requirements of section 312(a)(5) by including payment for any combination of benefits speci-

fied in subparagraphs (A) and (B) of such section if the plan includes payment for—

(A) benefits the value of which is at least actuarially equivalent to the value of the benefits for which payment is otherwise required under such subparagraphs; and

(B) both types of benefits described in each of such subparagraphs.

(4) ADVISORY BOARD.—

(A) ESTABLISHMENT.—The Secretary shall establish an Advisory Board to advise the Secretary on the development of actuarial equivalency standards and such other matters relating to the administration of this title as the Secretary or the Board considers appropriate.

(B) MEMBERSHIP.—The Advisory Board shall consist of 13 members appointed by the Secretary, of whom—

(i) four members shall be representatives of employers, who shall be experienced in the administration of and knowledgeable about health insurance and actively engaged in the management or design of health insurance programs, of which—

(I) two members shall be representatives of large businesses; and

(II) two members shall be representatives of small businesses;

(ii) two members shall be representatives of labor organizations, who shall possess the qualifications described in clause (i);

(iii) two members shall be representatives of the insurance industry, at least one of whom shall be knowledgeable about small group policies;

(iv) two members shall be actuaries, who shall be experienced in the administration of and knowledgeable about health insurance programs; and

(v) three members shall be representatives of the general public not described in clauses (i) through (iv).

(C) TERMS.—Each member of the Advisory Board shall serve for a term of 4 years, except that members first appointed shall serve for staggered terms, as designated by the Secretary. A member may serve on the Board after the expiration of the term of the member until a successor has taken office as a member of the Board.

(D) COMPENSATION.—The members of the Advisory Board may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, while away from their homes or regular places of business, for each day (including travel time) during which they are attending meetings or conferences of the Advisory Board or otherwise engaged in the business of the Board.

(E) DEVELOPMENT OF ACTUARIAL EQUIVALENCY VARIATIONS.—Not later than 6 months before the effective date of this title, the Advisory Board shall develop and transmit to the Secretary—

(i) at least three model health plans each with an actuarial value of benefits that is equivalent to the actuarial value of benefits of a minimum plan (as defined in paragraph (9));

(ii) a table of actuarial equivalency describing permitted expansions in covered services and variations in copayments, deductibles, limits on out-of-pocket expenses, and an employer's share of the premium or premiums under a health plan, as a percentage increase or decrease in the actuarial value of the minimum plan, with the table describing as many expansions and variations as practicable in order to facilitate compliance with this section; and

(iii) recommendations for procedures to facilitate the process by which an employer may certify actuarial equivalency for plan variations not provided in the model health plans or the table of actuarial equivalency and for the certification of multiple plans offered by the same employer.

(F) REVIEW OF CHANGES.—The Advisory Board shall review proposed changes to the minimum benefit package required of health benefit plans and transmit a cost benefit analysis of such changes, along with recommendations, to Congress and the Secretary.

(5) TABLE OF ACTUARIAL EQUIVALENCY.—The Secretary shall publish, at least 3 months prior to the effective date of this title, a table that specifies the percentage increase or decrease in the actuarial value of benefits under a health benefit plan providing only the required benefits resulting from variations in covered services, copayments, deductibles, limits on out-of-pocket expenses, and an employer's share of the premium or premiums under a health benefit plan. The table shall describe as many variations as feasible. In developing the table, the Secretary shall consider the recommendations of the Advisory Board established in paragraph (4).

(6) COMPLIANCE WITH FIDUCIARY DUTIES.—In the case of health benefit plan variations for which relative actuarial values are not expressly provided for in the table published under paragraph (5) or in the case of variations in which one or more elements of covered services, copayments, deductibles, and limits on out-of-pocket expenses are given a relative actuarial value by the plan administrator that is different from that provided by such table, the plan shall not be considered out of compliance with this section—

(A) if, under a process consistent with the duties of a fiduciary under part 4 of title I of the Employee Retirement Income Security Act of 1974, it is established that, and an actuary meeting credentials established by the American Academy of Actuaries or by the Secretary has certified that, the actuarial value of the benefits of the plan is at least equivalent to the actuarial value of the benefits of a minimum plan; and

(B) until and unless the Secretary has determined that such variations are not in compliance with the requirements of this section.

(7) MULTIPLE PLANS.—In the case of an employer that has a health benefit plan that meets the requirements of paragraph (6)(A) or is otherwise determined to have an actuarial value of benefits that is at least equivalent to the actuarial value of a minimum plan, the Secretary shall establish by regulation streamlined procedures for the approval of additional health benefit plans the actuarial value of the benefits of which is at least equivalent to the actuarial value of the benefits of the approved health benefit plan.

(8) ACTUARIAL VALUE OF BENEFITS DEFINED.—For purposes of this subsection, a plan's "actuarial value of benefits" is the amount by which the total of the amounts payable as benefits under the plan exceeds the amount of the premiums, deductibles, copayments, and coinsurance payable by the employee under the plan, as determined on an actuarial basis per enrollee for a plan year.

(9) MINIMUM PLAN DEFINED.—For purposes of this subsection, the term "minimum plan" means a health benefit plan that only provides the minimum benefits required under this title.

(c) NEW SMALL BUSINESSES.—In the case of a small employer that normally employs 10 or fewer employees on a typical business day during a year and that has been an employer for 2 or fewer years, the employer may meet the requirements of this section by means of enrollment in a tailored health benefit plan (as defined in section 303(15)), rather than a health benefit plan.

SEC. 312. REQUIREMENTS RELATING TO COVERED ITEMS AND SERVICES.

(a) IN GENERAL.—Except as otherwise provided in this section, a health benefit plan shall include payment for—

(1) inpatient and outpatient hospital care, except that treatment for a mental disorder is subject to the special limitations described in paragraph (5)(A);

(2) inpatient and outpatient physician services, except that psychotherapy or counseling for a mental disorder is subject to the special limitations described in paragraph (5)(B);

(3) diagnostic and screening tests;

(4) prenatal care and well-baby care provided to children who are 1 year of age or younger; and

(5)(A) inpatient hospital care for a mental disorder for not less than 45 days per year, except that days of inpatient care may be substituted for days of partial hospitalization according to a ratio established by the Secretary; and

(B) outpatient psychotherapy and counseling for a mental disorder for not less than 20 visits per year provided by a provider who is acting within the scope of State law and who—

(i) is a physician; or

(ii) meets the standards of subsection (g)(2)(B) and is a duly licensed or certified clinical psychologist or a duly licensed or certified clinical social worker, or a duly licensed or certified equivalent mental health professional, or a clinic or center providing duly licensed or certified mental health services.

(b) EXCEPTIONS.—Subsection (a) shall not be construed as requiring a plan to include payment for—

(1) items and services that are not medically necessary;

(2) routine physical examinations or preventive care (other than prenatal care and well-baby care covered under subsection (a)(4)); or

(3) experimental services and procedures.

(c) AMOUNT, SCOPE, AND DURATION OF CERTAIN BENEFITS.—Except as provided in subsection (b), a health benefit plan shall place no limits on the amount, scope, or duration of benefits described in paragraphs (1) through (3) of subsection (a).

(d) AMOUNT, SCOPE, AND DURATION OF PRENATAL CARE AND WELL-BABY CARE.—A health benefit plan may limit the amount, scope, and duration of prenatal care and well-baby care described in subsection (a)(4) pursuant to regulations of the Secretary specifying the amount, scope, and duration of such care. The Secretary shall develop such regulations after consultation with appropriate medical experts.

(e) LIMITATIONS.—

(1) PANELS AND MANAGED CARE SYSTEMS.—Nothing in this Act shall prohibit a health benefit plan from providing benefits for the items and services described in this section through a panel or other form of managed care system, and from selecting particular health care providers or types, classes, or categories of health care providers to participate in such panel or managed care system. Such panel or managed care system shall provide, in accordance with regula-

tions issued by the Secretary, reasonable access to care by plan enrollees.

(2) DIFFERENT LEVELS OF PAYMENTS.—Nothing in this Act shall prohibit a health benefit plan from establishing a different level of payments for reimbursement for different health care providers furnishing the benefits for the items and services described in this section.

(3) HEALTH CARE PROVIDERS.—Nothing in this Act shall be construed to require a health benefit plan to utilize any health care provider (or type, class, or category of health care provider) to provide benefits for the items and services described in this section that were provided by the plan before the effective date of this title, other than the health care providers being utilized by the health benefit plan on such effective date, except that this paragraph shall not apply to duly licensed or certified clinical psychologists (acting within the scope of State law) after the end of the 5-year period beginning on the effective date of this title. The previous sentence shall not apply to health benefit plans offered by regional insurers under subtitle C.

(4) DENIAL OF PAYMENT TO EXCLUDED PROVIDERS.—Nothing in this Act shall require a health benefit plan to make payment to any health care provider that is excluded from participation in any Federal health care program.

(f) BASIS OF PAYMENT MAY DIFFER FROM ACTUAL CHARGES.—The requirement of payment for services described in subsection (a) shall not prevent an insurer from establishing a fee schedule or other basis of payment that is different from actual charges, but only if such fee schedule or other basis provides, pursuant to regulations of the Secretary, for payment at a level sufficient to achieve adequate access to services covered by the plan without additional out-of-pocket expenses for the covered service (but for copayments and deductibles permitted under section 314).

(g) MENTAL HEALTH CARE.—

(1) INPATIENT CARE.—With respect to inpatient hospital care described in subsection (a)(5)(A), subject to the provisions of subsection (e), such care shall include reimbursement for professional care, provided to the individual while receiving such inpatient care, provided by a physician or duly licensed or certified clinical psychologist operating within the scope of practice of the physician or psychologist, as determined under State law. Nothing in this subsection shall be construed to modify hospital practices with regard to scope of practice, admitting privileges, or billing arrangements.

(2) OUTPATIENT CARE.—

(A) USE OF PROVIDERS.—With respect to outpatient psychotherapy described in subsection (a)(5)(B) and subject to the provisions of subsection (e), a health benefit plan which provided benefits with respect to outpatient psychotherapy before January 1, 1989, is not required under subsection (a)(5)(B) to provide benefits for outpatient psychotherapy provided by any health care provider (or type, class, or category of health care provider described in subsection (a)(5)(B)(ii), other than physicians or duly licensed or certified clinical psychologists), other than health care providers being utilized by the plan on January 1, 1989.

(B) STANDARDS FOR CERTAIN PROVIDERS.—The Secretary shall establish standards that providers referred to in subsection (a)(5)(B)(ii) must meet to be eligible for payment under a health benefit plan.

SEC. 313. REQUIREMENTS RELATING TO TIMING OF COVERAGE AND PROHIBITION OF PREEXISTING CONDITION LIMITATIONS.

(a) DATE OF INITIAL COVERAGE.—In the case of an employee (and family members) enrolled under a health benefit plan provided by an employer, the coverage under the plan must begin not later than the latest of the following:

(1) 30 days after the day on which the employee first performs an hour of service as an employee of that employer.

(2) The first day on which the employer is required to meet the requirements of this title.

(3) In the case of an employer which maintains or contributes to a plan referred to in section 301(b)(2)(C)—

(A) 90 days after the date on which the employee first performs an hour of plan-covered service as an employee of the employer, except that if the initial waiting period is longer than 30 days, coverage under the plan shall continue for an equivalent period after the last day on which the employee performs an hour of plan-covered service as an employee of the employer; or

(B) 180 days after the day on which the employee first performs an hour of plan-covered service, except that if the initial waiting period is longer than 30 days, coverage under the plan shall continue for an equivalent period after the last day on which the employee performs an hour of plan-covered service.

(4) In the case of a child, coverage applies for any period during which the employee who is the child's parent is covered (subject to section 302(b)).

(b) PROHIBITION OF PRE-EXISTING CONDITION PROVISIONS.—A health benefit plan may not exclude or otherwise limit any individual from coverage under the plan on the basis that the individual has (or at any time has had) any disease, disorder, or condition.

(c) RIGHT TO WAIVE ENROLLMENT.—

(1) LESS-THAN-FULL-TIME EMPLOYEES WITH INCREASED PREMIUMS.—In the case of a less-than-full-time employee who is subject to, and is charged, an increased premium under section 314(b)(5), the employee may, notwithstanding any other provision of this title, waive enrollment under this title. Such waiver shall be exercised in such form and manner as the Secretary shall specify and shall terminate upon the employee no longer being subject to, and charged, such an increased premium.

(2) EMPLOYER CONTRIBUTION TO PUBLIC PLAN.—In the case of a less-than-full-time employee who waives enrollment under paragraph (1), the employer is required, in a manner specified by the Secretary, to make a payment to the State or other entity providing health benefits under the program established by the amendments made by title IV of this Act equal to the minimum amount the employer would have made towards the health care costs of the employee if the employee had not waived such enrollment. Such payments shall be credited towards Federal expenditures required to carry out such program.

(d) DATE OF INITIAL COVERAGE AND MINIMUM SERVICE REQUIREMENTS FOR CERTAIN TEMPORARY EMPLOYEES.—A temporary employee described in section 303(2)(F)(iv) shall—

(1) become eligible for coverage under the health benefit plan of a temporary health services firm on the first day of the first calendar month following the completion of 750 hours of service during a period of 6 consecutive months and is employed by such firm on the eligibility date; and

(2) continue coverage under this title in each calendar month following the month of initial coverage, if such employee—

(A) has completed at least 100 hours of service in the immediately preceding calendar month; and

(B) has not been terminated before the first day of such calendar month.

SEC. 314. REQUIREMENTS RELATING TO PREMIUMS, DEDUCTIBLES, COPAYMENTS, COINSURANCE, AND LIMIT ON OUT-OF-POCKET EXPENSES.

(a) ENROLLEE COST-SHARING PERMITTED.—A health benefit plan may require an enrollee to pay for premiums, deductibles, copayments, and coinsurance amounts for coverage under the plan, but only if the premiums, deductibles, copayments, and coinsurance do not exceed the limitations imposed under this section.

(b) LIMITATION ON PREMIUMS.—

(1) MONTHLY PREMIUM LIMITED TO 20 PERCENT OF ACTUARIAL RATE.—

(A) IN GENERAL.—Subject to paragraph (5), a health benefit plan may not require an employee to pay a premium—

(i) for coverage for a period of longer than one month; or

(ii) the amount of which on a monthly basis exceeds 20 percent of the monthly actuarial rate defined under subparagraph (B).

(B) MONTHLY ACTUARIAL RATE DEFINED.—For purposes of this subsection, the term "monthly actuarial rate" means, with respect to a health benefit plan in a plan year, the average monthly per enrollee amount that the employer providing the plan estimates, for enrollees under the plan during the year, would be necessary to pay for the total benefits required under the plan (including administrative costs for the provision of such benefits and an appropriate amount for a contingency margin) during the year.

(C) APPLICATION ON BASIS OF FAMILY STATUS.—For purposes of this paragraph, a health benefits plan may provide for the premium to be applied, and the monthly actuarial rate to be computed—

(i) separately for employees who have family members covered under the plan and for employees who do not have family members covered under the plan, and

(ii) with respect to employees with such covered family members, separately (I) for employees who have a covered spouse and one or more covered children, (II) for employees who have a covered spouse but no covered children, and (III) for employees who do not have a covered spouse but have one or more covered children.

(D) ADJUSTMENT FOR COVERED SPOUSE WITH OTHER COVERAGE.—For purposes of this paragraph, if a health benefit plan charges an employee for a share of the premium, the plan shall establish a separate premium category (or categories) for family coverage in the case of a covered spouse who is receiving primary health insurance coverage from another health benefit plan. The premium for such categories shall be established based on actual or projected plan experience or according to a formula established by the Secretary.

(E) ADJUSTMENT OF PREMIUMS FOR EMPLOYED RETIREES UNDER HEALTH BENEFIT PLANS.—If an employer provides a health benefit plan with respect to retirees and the plan charges a retiree for a share of the premium of the plan, in the case of such a retiree who is enrolled as an employee (or de-

pendent) under a health benefit plan under this title, the health benefit plan with respect to the retiree must provide for an adjustment of the amount of the retiree's premium in order to take into account the reduction in health insurance costs resulting from such coverage.

(2) NO PREMIUM FOR LOW INCOME EMPLOYEES FOR AT LEAST 1 HEALTH BENEFIT PLAN.—

(A) IN GENERAL.—Each employer with an employee whose hourly wage rate is less than the hourly wage rate specified in subparagraph (B) shall offer each such employee at least one health benefit plan that does not require a premium for such employee.

(B) HOURLY RATE.—The hourly wage rate specified in this subparagraph for premiums paid in a plan year beginning in a calendar year is 125 percent of the minimum wage rate prescribed by section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) for that year. If the rate computed under the previous sentence is not a multiple of 1 cent it shall be rounded to the next highest multiple of 1 cent.

(3) PAYMENT OF PREMIUMS.—An employee enrolled under a health benefit plan is liable for payment of premiums required under that plan in accordance with this subsection.

(4) WITHHOLDING PERMITTED.—No provision of State law shall prevent an employer of an employee enrolled under a health benefit plan established under this title from withholding the amount of any premium due by the employee from the payroll of the employee.

(5) SPECIAL RULE FOR LESS-THAN-FULL-TIME EMPLOYEES.—In the case of a less-than-full-time employee (as defined in section 303(2)(D)) who is not described in paragraph (2)(A), a health benefit plan may require the employee to pay a premium the amount of which (on a monthly basis) does not exceed—

(A) 100 percent, minus

(B) 80 percent, multiplied by the ratio of (i) the average number of hours per week the employee is normally employed by the employer in the calendar quarter to (ii) 25,

of the monthly actuarial rate (as defined in paragraph (1)(B)).

(c) LIMITATION ON DEDUCTIBLES.—

(1) IN GENERAL.—Except as permitted under paragraph (2), a health benefit plan may not provide, for benefits provided in any plan year, for a deductible amount—

(A) that exceeds—

(i) with respect to benefits payable for items and services furnished to any employee with no family member enrolled under the plan, for a plan year beginning in—

(I) the first calendar year that begins more than 1 year after the date of the enactment of this Act, $250; or

(II) for a subsequent calendar year, the limitation of deductions specified in this clause for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (United States city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year; and

(ii) with respect to benefits payable for items and services furnished to any employee with a family member enrolled under the plan, for a plan year beginning in—

(I) the first calendar year that begins more than 1 year after the date of the enactment of this Act, $500; or

(II) for a subsequent calendar year, the limitation of deductions specified in this clause for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (United States city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year; and

(B) for prenatal care or well-baby care described in section 312(a)(4).

If the limitation of deductions computed under subparagraph (A)(i)(II) or (A)(ii)(II) is not a multiple of $10, it should be rounded to the next highest multiple of $10.

(2) WAGE-RELATED DEDUCTIBLE.—A health benefit plan may provide for any other deductible amount instead of the limitations under—

(A) clause (i) of paragraph (1)(A), so long as the amount does not exceed (on an annualized basis) 1 percent of the total wages paid to the employee in the plan year; or

(B) clause (ii) of paragraph (1)(A), so long as the amount does not exceed (on an annualized basis) 2 percent of the total wages paid to the employee in the plan year.

(d) LIMITATION ON COPAYMENTS AND COINSURANCE.—

(1) IN GENERAL.—Subject to paragraphs (2) through (4), a health benefit plan may not—

(A) require payment of any copayment or coinsurance for an item or service for which coverage is required by this title in an amount that exceeds 20 percent of the cost of the item or service;

(B) require payment of any copayment or coinsurance for prenatal care or well-baby care described in section 312(a)(4); or

(C) require payment of any copayment or coinsurance for items and services required under section 312 furnished in a plan year for an employee after the employee has incurred out-of-pocket expenses under the plan that are equal to the out-of-pocket limit (as defined in paragraph (5)(B)).

(2) EXCEPTION FOR PREFERRED PROVIDERS.—If a health benefit plan establishes reasonable classifications of participating and nonparticipating providers of items and services, the plan may require payments in excess of the amount permitted under paragraph (1) in the case of items and services furnished by nonparticipating providers.

(3) EXCEPTION FOR IMPROPER UTILIZATION.—A health benefit plan may provide for copayment or coinsurance in excess of the amount permitted under paragraph (1) for any item or service that an individual obtains without complying with any reasonable procedures established by the plan to ensure the efficient and appropriate utilization of covered services.

(4) MENTAL HEALTH CARE.—In the case of care provided under section 312(a)(5)(B), a health benefit plan may not require payment of any copayment or coinsurance for an item or service for which coverage is required by this title in an amount that exceeds 50 percent of the cost of the item or service.

(5) LIMIT ON OUT-OF-POCKET EXPENSES.—

(A) OUT-OF-POCKET EXPENSES DEFINED.—In this section, the term "out-of-pocket expenses" means, with respect to an employee in a plan year, amounts payable under the plan as deductibles and coinsurance with respect to items and services provided under the plan and furnished in the plan year on behalf of the employee and family covered under the plan.

(B) OUT-OF-POCKET LIMIT DEFINED.—In this section, except as provided in subparagraph (C), the term "out-of-pocket limit" means for a plan year beginning in—

(i) the first calendar year that begins more than 1 year after the effective date of this title, $3,000; or

(ii) for a subsequent calendar year, the out-of-pocket limit specified in this subparagraph for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (United States city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year.

If the out-of-pocket limit computed under clause (ii) is not a multiple of $10, it should be rounded to the next highest multiple of $10.

(C) ALTERNATIVE OUT-OF-POCKET LIMIT.—A health benefit plan may provide for an out-of-pocket limit other than that defined in subparagraph (B) if, for a plan year with respect to an employee and the employee's family, the limit does not exceed (on an annualized basis) 10 percent of the total wages paid to the employee in the plan year.

Subtitle C—Certification of Regional Insurers

SEC. 321. DESIGNATION OF HEALTH INSURANCE REGIONS.

The Secretary shall designate by regulation six, seven, or eight health insurance regions for purposes of this subtitle.

SEC. 322. PERIODIC CERTIFICATION OF REGIONAL INSURERS.

(a) IN GENERAL.—The Secretary shall establish procedures for the periodic certification of regional insurers for each health insurance region. Any insurer or group of insurers may apply to be certified as a regional insurer for a region. Subject to subsections (d) and (g), each insurer or group of insurers applying to be certified that meets the eligibility criteria established by subsection (b) may be certified.

(b) MINIMUM ELIGIBILITY STANDARDS FOR CERTIFICATION.—No applicant may be certified as a regional insurer unless the applicant—

(1) meets minimum standards of financial stability established by the Secretary;

(2) meets minimum standards for quality and type of services established by the Secretary;

(3) meets the requirements of section 323;

(4) agrees to enroll any group in the region applying for enrollment that is eligible to enroll with a regional insurer;

(5) agrees to offer only plans and plan options approved by the Secretary to organizations required to enroll with a regional insurer;

(6) agrees that if it offers an indemnity plan or managed-care plan (as described in paragraphs (1) and (2) of section 323(b, respectively)) within the region, it will also make at least two such indemnity plans or managed-care plans, respectively, available in its capacity as regional insurer; and

(7) agrees to allow its offerings to be listed in material distributed by the Secretary, described in such form as the Secretary may prescribe, and to enroll persons who wish to enroll by mail by accepting a completed form to be contained in such material.

(c) APPLICATIONS.—No insurer or group of insurers may be certified as a regional insurer unless it submits to the Secretary an application for such certification in such form and at such time as the Secretary prescribes. Each such application shall include—

(1) specific descriptions of each of the health benefit plans the applicant proposes to offer under section 323(a) as a regional insurer; and

(2) such information as the Secretary determines to be necessary for the Secretary to consider the items described in subsection (d).

(d) ADDITIONAL CONSIDERATIONS.—In reviewing applications for certification as regional insurers, to the extent necessary to provide for effective competition, the Secretary may consider, with respect to each applicant compared to other applicants—

(1) the price of health benefit plans proposed to be offered by the applicant;

(2) the quality and types of services to be provided under the plans;

(3) the experience of the applicant in providing and managing health benefit plans; and

(4) the financial stability of the applicant.

(e) CERTIFICATION.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall first certify regional insurers for each health insurance region. The Secretary shall publish in the Federal Register a list of the regional insurers certified under this section.

(f) EVALUATION AND DECERTIFICATION.—The Secretary shall periodically evaluate the performance of regional insurers under this subtitle. If the Secretary finds that a regional insurer is not substantially meeting the requirements (including considerations under subsection (d)) of this subtitle, the Secretary may terminate the certification of the insurer or group of insurers.

(g) PERMITTING RESTRICTIONS ON CERTIFICATION IN CERTAIN CASES.—If the Secretary determines that—

(1) every regional insurer in a region has a retention rate that is 20 percent or greater,

(2) such a large retention rate has existed over a period of time, and

(3) there is a failure of competition among regional insurers in the region,

notwithstanding any previous provision of this section, the Secretary may restrict certification of regional insurers for the region, based on a competitive bidding or other system, to those regional insurers (otherwise qualified to be certified) which offer health benefit plans at the lowest rates or at rates below a specified level. For purposes of the previous sentence, the term "retention rate" means, with respect to an insurer or group of insurers, the difference between the amount of premiums collected with respect to health benefit plans offered by the insurer or group under this title and the amount of benefits paid under such plan, expressed as a percentage of the amount of such premiums collected.

(h) REPORT ON REGIONAL INSURER PROGRAM.—Within 2 years after the effective date of this title, the Secretary shall report to Congress on the effectiveness of the regional insurer program established under this subtitle. The Secretary shall include in such report such recommendations for changes in such program as may be appropriate.

SEC. 323. REQUIREMENTS OF REGIONAL INSURERS.

(a) IN GENERAL.—

(1) MINIMUM REQUIREMENTS.—Subject to section 301(b)(2)(B)(ii), each regional insurer shall offer, to employers located in its health insurance region at least one tailored health benefit plan (as defined in section 303(15)) and at least—

(A) two indemnity plans described in subsection (b)(1)—

(i) one of which provides only the minimum benefits required of a health benefit plan; and

(ii) the other of which provides benefits typical of the benefits offered under comprehensive health benefit plans offered in the region; or

(B) two managed-care plans described in subsection (b)(2)—

(i) one of which provides only the minimum benefits required of a health benefit plan; and

(ii) the other of which provides benefits typical of the benefits offered under comprehensive health benefit plans offered in the region.

(2) OPTIONAL, ADDITIONAL BENEFITS.—In the case of plans described in subparagraph (A)(i) or (B)(i) of paragraph (1), a regional insurer may offer optional, additional benefits for an additional premium. Such options shall include variations in copayments, deductibles, and the out-of-pocket limit, and additional services and categories of providers. Such benefits shall be subject to approval by the Secretary and, to the maximum extent feasible, shall be standard across carriers within a region.

(b) PLANS DESCRIBED.—

(1) INDEMNITY PLAN.—An indemnity plan described in this subparagraph is a health benefit plan—

(A) that makes payment with respect to items and services furnished by any provider licensed in the State to provide the items and services if—

(i) the provider is a type of provider covered under the plan;

(ii) the provider is not excluded from receiving payment under the plan on the basis of fraud, abuse, or incompetence (as determined under the rules and procedures of the plan); and

(iii) the plan does not differentiate in payment to providers under the plan based on a contractual arrangement (or lack thereof) between the plan and the provider; and

(B) under which an individual incurs an obligation or makes payment for covered item or service and the plan reimburses the individual or the provider of such services for the amounts payable for such item or service under the plan.

(2) MANAGED-CARE PLAN.—A managed-care plan described in this subparagraph is a health benefit plan not described in paragraph (1), and includes a health benefit plan under which items or services must generally be furnished either by—

(A) providers having a contractual relationship with the plan; or

(B) providers included on a list specified by the plan that consists of a group of providers in a State that is more restricted than all licensed providers in the State.

(c) COMMUNITY-RATED PREMIUMS.—

(1) IN GENERAL.—Subject to section 324(b)(2), each regional insurer shall fix premiums for the plans required under subsection (a) under a community rating system for all employers. An insurer may not set or adjust such premiums based on the age or gender of employees (or their families), on other factors relating to the projected or actual use of health services under the plan, or, except as provided in paragraph (2), on geographical location within the region.

(2) COMMUNITY-RATING ON A LESS THAN REGIONAL BASIS.—A regional insurer shall fix premiums on a community-rated basis for one or more States in a region if the Secretary determines that the region-wide rates otherwise determined for such States would exceed by a substantial percentage the reference rate for such State or States. For purposes of the previous sentence, the term "reference rate" means, for a State or States, the average health care premiums for benefits under this title in the State or States, adjusted upward by the Secretary's estimate of the savings in premiums that may be attributable to the use of the regional insurer system under this title. Nothing in this paragraph shall permit a community-rate to be based on an area other than on a statewide basis covering one or more States.

SEC. 324. MISCELLANEOUS PROVISIONS.

(a) SUBCONTRACTS.—Each regional insurer may enter into subcontracts with other entities in carrying out this subtitle.

(b) ARRANGEMENTS WITH SMALL BUSINESSES.—

(1) IN GENERAL.—The Secretary shall encourage regional insurers to enter into appropriate arrangements with entities representing groups of small businesses (such as small business service bureaus and chambers of commerce) for the provision of administrative services with respect to small businesses enrolled in plans offered by the insurers.

(2) PREMIUM REDUCTION.—Each such insurer shall reduce the premiums otherwise charged for such plans to such small businesses by an amount that reflects the value of such administrative services.

(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and enrollment forms to employers required under section 301(b)(2) to provide health benefit plans of regional insurers. In carrying out this subsection, the Secretary shall, to the maximum extent feasible, enter into contracts (to the extent and in such amounts as may be provided in advance in appropriation Acts) with small business service bureaus, chambers of commerce, and other entities with experience in providing health insurance services to small businesses.

Subtitle D—Regulations and Enforcement

SEC. 331. REGULATIONS.

(a) PROPOSED RULES.—Within 4 months after the date of enactment of this Act, the Secretary shall publish a notice of proposed rule making to carry out this title.

(b) FINAL RULES.—Within 9 months after the date of enactment of this Act, the Secretary shall promulgate final rules to carry out this title. Such notice and final rules shall be made in accordance with section 553 of title 5, United States Code.

(c) EFFECT OF FAILURE TO PROMULGATE RULES.—The failure of the Secretary to promulgate final rules under this title shall not relieve any person or entity to which the provisions of this title apply of any obligations under this title.

SEC. 332. ENFORCEMENT.

(a) CIVIL MONEY PENALTY AGAINST PRIVATE EMPLOYERS.—

(1) 10 PERCENT OF TOTAL WAGES.—Any nongovernmental employer that does not comply with section 302(c) or the requirements of section 2601(a) of the Public Health Service Act or section 201(a) of the Fair Labor Standards Act of 1938 in any calendar year shall be subject to a civil penalty of not more than 10 percent of the total amount of the employer's expenditures for wages for employees in that year.

(2) ASSESSMENT PROCEDURE.—A civil money penalty under this subsection shall be assessed by the Secretary and collected in a civil action brought by the United States in a United States district court. The Secretary shall not assess such a penalty on an employer until the employer has been given notice and an opportunity to present its views on such charge.

(3) AMOUNT OF PENALTY.—In determining the amount of the penalty, or the amount agreed on in compromise, the Secretary shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification of noncompliance by the Secretary.

(4) JUDICIAL REVIEW.—In any civil action brought to review the assessment of such a penalty or to collect such a penalty, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of the penalty, unless in a prior action such a trial de novo was held on the assessment.

(5) USE OF AMOUNTS COLLECTED.—Civil money penalties collected under this subsection shall be credited to the account maintained to provide health benefits under the program established under the amendments made by title IV.

(b) LIABILITY TO INDIVIDUALS FOR DAMAGES.—Any nongovernmental employer that knowingly does not comply with section 302(c) or the requirements of section 2601(a) of the Public Health Service Act or section 201(a) of the Fair Labor Standards Act of 1938 shall be liable for damages (including health care costs incurred) to the employee or the employee's family resulting from such failure to comply.

(c) STATE INELIGIBILITY FOR PUBLIC HEALTH SERVICE ACT FUNDS.—A provision making States and political subdivisions thereof ineligible for funds under the Public Health Service Act if they fail to enroll employees under health benefit plans is set forth in section 2601(b)(1) of such Act.

Subtitle E—Small Business Subsidy

SEC. 341. SMALL BUSINESS SUBSIDY.

(a) IN GENERAL.—In the case of an employer which—

(1) is a small employer,

(2) demonstrates to the satisfaction of the Secretary of Labor that the employer's compliance cost (as defined in subsection (b)) for the employer's fiscal year (beginning with the first full fiscal year in which this title is effective) exceeded the percent specified in subsection (c) of the employer's gross revenues (as defined by the Secretary of Labor) for the year, and

(3) requests payment under this subsection,

the Secretary of Labor shall provide for payment to the employer of 75 percent of the excess described in paragraph (2). Payment under the previous sentence shall be made, to the extent feasible, on a calendar quarter basis during the fiscal year involved based upon the best estimates available (with such subsequent adjustment as may be required) or during the employer's succeeding fiscal year.

(b) COMPLIANCE COST DEFINED.—In this section, the term "compliance cost" means, with respect to an employer for a fiscal year, the actual health insurance costs incurred by the employer in that year multiplied by the ratio of—

(1) the average actuarial value of the minimum health benefit plan required to be provided by the employer under this title in that year, to

(2) the average actuarial value of the health benefit plan actually provided.

(c) PERCENT OF GROSS REVENUES APPLIED.—

(1) IN GENERAL.—Except as provided in this subsection, the percent specified in this subsection is 5 percent.

(2) NATIONAL ADJUSTMENT.—For fiscal years beginning during or after the third year in which this title is effective, the Secretary of Labor shall adjust the 5 percent specified in paragraph (1) by ratio of (A) the national average proportion of health insurance costs per employee per dollar of gross revenues for the preceding year, to (B) the national average proportion of health insurance costs per employee per dollar of gross revenues in 1988.

(d) ADJUSTMENT FOR CERTAIN INDUSTRIES.—In the case of an employer in an industry for which the Secretary of Labor determines that using the ratio of the health insurance costs per employee per dollar of gross revenues in the industry is not an appropriate measure of the financial burden of providing such insurance, the Secretary of Labor may promulgate an alternative standard to be applied.

TITLE IV—ASSURING PROVISION OF HEALTH BENEFITS TO UNDER-POVERTY, NEAR-POVERTY, AND OTHER INDIVIDUALS

SEC. 401. ASSURING PROVISION OF HEALTH BENEFITS TO UNDER-POVERTY, NEAR-POVERTY, AND OTHER INDIVIDUALS.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by inserting after title VIII the following new title:

"TITLE IX—STATE-PROVIDED HEALTH CARE BENEFITS FOR POOR INDIVIDUALS

"SEC. 901. COVERAGE REQUIREMENTS FOR STATE HEALTH CARE BENEFITS PROGRAMS.

"(a) IN GENERAL.—In accordance with the provisions of this title, each State shall establish and operate a health care benefits program under which the State—

"(1) on and after January 1, 1991, offers to under-poverty individuals (as defined in subsection (b)(1)) health care benefits applicable to such individuals under section 902;

"(2) on and after January 1, 1991, may offer, and on and after January 1, 1996, offers, to near-poverty individuals (as defined in subsection (b)(2)) benefits applicable to such individuals under section 902; and

"(3) on and after January 1, 1996, may offer, and on and after January 1, 1999, offers, to all other individuals not covered under a health benefit plan under title III of the Basic Health Benefits for All Americans Act benefits applicable to such individuals under section 902.

"(b) UNDER-POVERTY INDIVIDUAL AND NEAR-POVERTY INDIVIDUAL DEFINED.—

"(1) UNDER-POVERTY INDIVIDUAL DEFINED.—In this title, the term 'under-poverty individual' means an individual whose family gross income does not exceed 100 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

"(2) NEAR-POVERTY INDIVIDUAL DEFINED.—In this title, the term 'near-poverty individual' means an individual whose family gross income exceeds 100 percent, but does not exceed 185 percent, of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

"(3) DETERMINATIONS OF INCOME GENERALLY.—An individual's income for purposes of this title shall be determined (at the applicant's option) either—

"(A) by multiplying by four the individual's income (or, if applicable, the family's income) for the three months preceding the month in which the application for benefits under a State health care benefits program is made; or

"(B) by using the individual's or family's income for the twelve months preceding the month in which the application for such benefits is made.

"SEC. 902. DESCRIPTION OF BENEFITS PROVIDED.

"(a) CORE BENEFITS.—Except as provided in this subsection, benefits under a State benefits program with respect to all individuals shall be the same as required of health benefit plans under title III of the Basic Health Benefits for All Americans Act.

"(b) ADDITIONAL BENEFITS.—Benefits under a State benefits program with respect to all individuals—

"(1) shall include coverage for items and services relating to early and periodic screening and diagnosis of children under the age of 21 to ascertain their physical and mental defects, and relating to health care, treatment, and other measures to correct or ameliorate defects and chronic conditions discovered as a result of such screening and diagnosis; but

"(2) may not include coverage for any items or services not described in subsection (a) or paragraph (1).

"SEC. 903. COST-SHARING PROVISIONS.

"(a) UNDER-POVERTY INDIVIDUALS.—With respect to under-poverty individuals, a State benefits program may not impose any premiums, deductibles, copayments, or cost-sharing.

"(b) NEAR-POVERTY INDIVIDUALS.—

(1) IN GENERAL.—With respect to near-poverty individuals, a State benefits program may impose—

"(A) premiums, but only if the amount of such premiums does not exceed 3 percent of the individual's gross income;

"(B) deductibles, but only if the amount of such deductibles does not exceed ½ of the maximum deductible amount permitted under section 314(c) of the Basic Health Benefits for All Americans Act; and

"(C) coinsurance or copayments, but only if—

"(i) the percent of any copayment or coinsurance does not exceed ½ of the percent of copayment or coinsurance permitted under section 314(d)(1) of such Act; and

"(ii) there is a limit on out-of-pocket expenses that does not exceed ⅓ of the out-of-pocket limit established under section 314(d)(5)(B) of such Act.

"(2) DETERMINATION OF OUT-OF-POCKET LIMIT.—In applying subparagraph (C)(ii), instead of applying an alternative out-of-pocket limit described in section 314(d)(5)(C) of the Basic Health Benefits for All Americans Act, a State, at its option, may provide for an out-of-pocket limit which does not exceed, on an annualized basis, 3⅓ percent of the gross income of the individual involved.

"(c) OTHER COVERED INDIVIDUALS.—With respect to other individuals described in section 901, a State benefits program may impose premiums, deductibles, copayments, and coinsurance, but only if—

"(1) such premiums do not exceed the actuarial value of the benefits provided under the program with respect to such individuals; and

"(2) the deductibles, copayments, and coinsurance do not exceed the deductibles, copayments, and coinsurance, and out-of-pocket limit on deductibles and coinsurance permitted under section 314 of the Basic Health Benefits for All Americans Act.

"SEC. 904. TREATMENT OF INDIVIDUALS COVERED UNDER AN EMPLOYER HEALTH BENEFIT PLAN.

"(a) IN GENERAL.—Except as provided in this section, an individual who is enrolled in a health benefit plan under title III of the Basic Health Benefits for All Americans Act is not entitled to benefits under a State benefits program.

"(b) BUY-IN FOR UNDER-POVERTY INDIVIDUALS.—In the case of an individual described in subsection (a) who is an under-poverty individual, a State benefits program shall provide for payment of—

"(1) any premiums charged the individual for the applicable category of coverage under the employer's health benefit plan in which the individual is enrolled, except that the State is not required to pay for such amount of a premium as exceeds the lowest premium charged the individual for the applicable category of coverage under any health benefit plan offered the individual under title III of the Basic Health Benefits for All Americans Act; and

"(2) deductibles and other cost-sharing imposed on the individual under the employer's health benefit plan, but only with respect to the minimum benefits required under such a plan under title III of the Basic Health Benefits for All Americans Act.

"(c) PARTIAL BUY-IN FOR NEAR-POVERTY INDIVIDUALS.—

"(1) IN GENERAL.—In the case of an individual described in subsection (a) who is a near-poverty individual, a State benefits program—

"(A) subject to paragraph (2), shall provide for payment of any premiums charged the individual for the applicable category of coverage under the health benefit plan; but

"(B) is not required to provide payment towards any deductibles, copayments, or other coinsurance.

"(2) LIMITATIONS ON PREMIUMS.—A State is not required to pay for any amount of a premium under paragraph (1)(A) to the extent such premium exceeds the lower of—

"(A) the lowest premium of any health benefit plan offered the individual for the applicable category of coverage under title III of the Basic Health Benefits for All Americans Act; or

"(B) 20 percent of a monthly actuarial rate that represents the 75th percentile of the community premium rates charged for basic health benefit plans offered in the State for the applicable category of coverage by regional insurers under section 323(c) of such Act.

"(d) BUY-IN FOR CERTAIN INDIVIDUALS.—In the case of an under-poverty individual or a near-poverty individual who is eligible for coverage under, but is not otherwise required to be enrolled in, a health benefit plan under title III of the Basic Health Benefits for All Americans Act, the State may require, as a condition of eligibility for benefits under a State benefits program, the individual to enroll under such a plan, but only if the individual's share of premiums and out-of-pocket expenses will be no greater than if the individual had not been required under this subsection to enroll in such a health benefit plan.

"SEC. 905. ELIGIBILITY.

"(a) IN GENERAL.—The State shall provide for determinations of eligibility of an individual applying for benefits under a State benefits program not later than the end of the 30-day period beginning on the date the individual files such an application. If a State fails to make such a determination within such period, the individual applicant shall be considered to be so eligible effective on the day after the end of such period and until the State makes a determination to the contrary.

"(b) RECEIPT OF APPLICATIONS.—Each State shall provide for the receipt of applications for benefits under a State benefits program at locations, other than welfare offices, that serve large numbers of indigent individuals.

"(c) ENROLLMENT PERIODS; EFFECTIVE DATES OF COVERAGE.—

"(1) FOR UNDER-POVERTY INDIVIDUALS.—In the case of an individual who is determined to be an under-poverty individual or a near-poverty individual, the individual may enroll in a State benefits program at any time, and coverage of benefits under a State benefits program shall apply to services furnished during the 3-month period preceding the month in which the individual was determined to be an under-poverty individual.

"(2) FOR NEAR-POVERTY INDIVIDUALS.—In the case of an individual who is a near-poverty individual, the individual may enroll in a State benefits program—

"(A) during the first period of 3 months (beginning after the effective date of this title) in which the individual is a near-poverty individual;

"(B) during an annual open enrollment period (of not less than one month) established by the State; and

"(C) during such other periods (including upon loss of coverage under a health benefit plan under title III of the Basic Health Benefits for All Americans Act) as the Secretary shall require in regulations.

Coverage for such an individual shall take effect as of the first day of the first month in which such enrollment occurs.

"(3) FOR OTHER INDIVIDUALS.—In the case of an individual who is neither an under-poverty individual nor a near-poverty individual, the individual may enroll in a State benefits program during the periods described in subparagraphs (B) and (C) of paragraph (2). Coverage for such an individual shall take effect as of the first day of the first month in which such enrollment occurs.

"(d) GUARANTEED MINIMUM ELIGIBILITY PERIOD.—An individual who is determined in a month to be eligible for benefits under a State benefits program shall remain eligible for a period of not less than 6 months.

"SEC. 906. REIMBURSEMENT.

"Each State benefits program shall provide for payment to providers of benefits on the basis of rates which, according to regulations established by the Secretary, will be accepted as payment in full (but for any applicable copayments and deductibles) for the covered services by a portion of providers sufficient to achieve access to services covered by the program for individuals in the State.

"SEC. 907. FEDERAL PAYMENT.

"(a) IN GENERAL.—Beginning with the quarter which begins on January 1 of the second year that begins after the date of the enactment of this title, for each quarter during which a State operates a State benefits program, the Secretary shall pay to the State, in such installments as the Secretary determines, an amount equal to—

"(1) the State's Federal health benefit assistance percentage of the total amount expended by the State during such quarter for the cost of health care benefits in the operation of its State benefits program (except as provided in subsection (c)); plus

"(2) 50 percent of the remaining amounts expended by the State during such quarter in the operation of such program.

Payments under this subsection shall be based on the Secretary's best estimates of likely program expenditures, with subsequent adjustments to reflect previous over- or under-estimates of the amount of payments which should have been made.

"(b) FEDERAL HEALTH BENEFIT ASSISTANCE PERCENTAGE DEFINED.—For purposes of this section, the 'Federal health benefit assistance percentage' for any State is equal to 100 minus a percentage which bears the same ratio to 45 percent as the square of the per capita income of such State bears to the square of the per capita income of all States, except that in no event may a State's Federal health benefit assistance percentage be less than 50 percent or more than 83 percent. The Federal health benefit assistance percentage for each State shall be promulgated by the Secretary between October 1 and November 30 of each year, on the basis of the average per capita income of each State and of the United States for the three most recent calendar years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the four quarters in the period beginning October 1 next succeeding such promulgation.

"(c) LIMITATION ON STATE EXPENSES INCLUDED.—

"(1) UNDER-POVERTY INDIVIDUALS.—For purposes of subsection (a)(1), the total amount expended by a State during a quarter for the cost of health care benefits in the operation of its State benefits program shall not include any payment made by the State during the quarter under section 904(b)(1) for a premium imposed on an under-poverty individual enrolled in a health benefit plan under title III of the Basic Health Benefits for All Americans Act to the extent such payment exceeds the lowest amount the State is required to pay under section 904(b)(1).

"(2) NEAR-POVERTY INDIVIDUALS.—For purposes of subsection (a)(1), the total amount expended by a State during a quarter for the cost of health care benefits in the operation of its State benefits program shall not include any payment made by the State during the quarter under section 904(c)(1)(A) for a premium imposed on a near-poverty individual enrolled in a health benefit plan under title III of the Basic Health Benefits for All Americans Act to the extent such payment exceeds the lower of the amounts specified in subparagraphs (A) and (B) of section 904(c)(2).

"SEC. 908. QUALITY REVIEW AND CONTROL.

"(a) REVIEW OF PROGRAMS.—The Secretary shall provide for adequate arrangements for reviewing State benefits programs to ensure that such programs meet the requirements of this title and provide quality health care to participating individuals.

"(b) DEVELOPMENT OF CLINICAL PRACTICE GUIDELINES.—In determining whether or not items and services provided under a State benefits program are medically necessary, each State benefits program shall provide for the application of such clinical practice guidelines as the Secretary may develop in consultation with experts in the field.

"(c) MANAGED CARE OPTION.—A State may not provide for benefits under a State benefits program through any plan that restricts the provider (among qualified providers)

from whom an individual may obtain covered items and services unless—

"(1) the plan has a significant enrollment of individuals not receiving benefits under such State benefits program;

"(2) the State benefits program makes available to any such individual an option to receive such benefits from any such qualified provider;

"(3) the State benefits program permits an individual receiving benefits through such a plan, not less often than annually and without cause, to discontinue receiving benefits under that plan; and

"(4) any arrangements for incentive payments for physicians under the plan comply with regulations established by the Secretary to ensure the provision of quality care.

"SEC. 909. ADMINISTRATION.

"(a) IN GENERAL.—Subject to subsection (b), each State shall provide for administration of its State benefits program.

"(b) ELECTION.—A State, with such notice to the Secretary as the Secretary may require, may elect to have its State benefits program (insofar as it provides benefits with respect to individuals under section 901) administered with respect to that State by the Secretary (or by such agent as the Secretary may designate). The Secretary may not accept such an election unless the State provides assurances satisfactory to the Secretary that the State will make payments to the Secretary toward the cost of implementing such a program in the same amounts and at the same time as the State would make payments under such a program but for the fact of such an election.

"SEC. 910. EFFECT OF FAILURE TO PRESCRIBE REGULATIONS.

"The failure of the Secretary to prescribe any regulations under this title shall not relieve a State of any responsibility for complying with this title.

"SEC. 911. STATE HEALTH BENEFITS PROGRAM DEFINED.

"For purposes of this title, the term 'State benefits program' means a State health care benefits program established and operated pursuant to this title.".

SEC. 402. EFFECTIVE DATE.

The amendment made by section 401 shall take effect on January 1, 1991, without regard to whether regulations to implement such amendment are promulgated by such date.

TITLE V—EFFECTIVE DATE FOR TITLES I THROUGH III

SEC. 501. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as otherwise provided in this section, title III of this Act (and the amendments made by titles I and II) shall take effect on January 1 of the second year that begins after the date of the enactment of this Act.

(b) EXISTING PLANS.—In the case of an employer that, on the date of the enactment of this Act, has in effect a health benefit plan, title III (and the amendments made by titles I and II) shall not apply until the first day of the second plan year that begins after the date of the enactment of this Act.

(c) STATE AND LOCAL GOVERNMENTS.—In the case of an employer whose revenue is raised by a taxing authority, a health benefit plan maintained by the employer shall not be required to meet the requirements of section 314(b)(1)(A)(ii) until the first day of the third plan year that begins after the date of the enactment of this Act. During the period beginning on the effective date prescribed under subsections (a) and (b) and ending on the first day of the third plan year that begins after the date of the enactment of this Act, employee participation in such plan shall be voluntary unless otherwise required by the plan.

(d) ADVISORY BOARD.—Section 311(b)(4) shall take effect on the date of enactment of this Act.

(e) SMALLER BUSINESS TRANSITION.—

(1) IN GENERAL.—Subject to paragraph (2), in the case of an employer that did not employ any employees, or that normally employed fewer than 6 employees, on a typical business day during the calendar year immediately before the effective date described in subsection (a), title III (and the amendments made by titles I and II of this Act) shall not apply until January 1 of the fourth year that begins after the date of the enactment of this Act, or, if earlier, January 1 of any year following the first year in which the employer normally employed 6 or more employees on a typical business day during the year.

(2) TAILORED HEALTH BENEFIT PLAN ONLY.—During the period beginning on the effective date prescribed in paragraph (1) and ending on December 31 of the sixth year that begins after the date of the enactment of this Act, in the case of an employer that employs an average of 5 or fewer employees, the health benefit plan of the business shall only be required to provide a tailored health benefit plan (as defined in section 303(15)).

SEC. 502. POLICY RESPECTING ADDITIONAL BENEFITS.

(a) IN GENERAL.—After the date of the enactment of this Act, no employer shall be required under title III to provide any health benefit in addition to the benefits required to be provided under section 312(a) (as in effect on the date of the enactment of this Act) unless—

(1) such additional health benefit is for a service that State medicaid plans (under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.)) are required to cover for individuals receiving cash assistance under part A of title IV of such Act (42 U.S.C. 601 et seq.); and

(2) before the enactment of such requirement, the benefits and costs of requiring the provision of such additional health benefit have been analyzed and considered by Congress.

(b) REPORTS.—

(1) IN GENERAL.—In carrying out subsection (a)(2) with respect to the consideration of a proposed additional health benefit, Congress shall request a report from the Institute of Medicine of the National Academy of Sciences or a public or nonprofit entity with expertise relating to health benefits. Any such report shall—

(A) analyze and summarize such proposed additional health benefit; and

(B) contain an estimate of the economic and health impacts of such proposed additional health benefit.

(2) CONSULTATION.—Any such report shall be prepared in consultation with interested members of the public and with individuals and entities having expertise with respect to such proposed additional health benefit.

SENATOR EDWARD M. KENNEDY'S PROPOSED BASIC HEALTH BENEFITS FOR ALL AMERICANS ACT (BHB)

THE PROBLEM

Rising number of uninsured Americans.—Thirty-seven million Americans currently have no health insurance coverage—and the number has been rising by almost a million a year since 1980. Approximately two-thirds of the uninsured (23 million) are members of families in which at least one member of the household works full-time. Children constitute one-third of the uninsured (12 million children).

Inadequate insurance leaves millions vulnerable to catastrophic costs.—Sixty million Americans have some insurance but they are underinsured. They have no catastrophic cap on their vulnerability to out-of-pocket health care costs and are potentially at risk in the event of serious illness.

Denial of essential care/Families unprotected against high costs.—A recent report by the Report Wood Johnson Foundation found that one million Americans annually are denied health care because they cannot pay for it; an additional fourteen million do not even seek care they feel they need because they know that they cannot afford it. A recent study found that up to one-third of hospital admissions could have been avoided by earlier access to care. According to the Department of Health and Human Services, about two-and-a-half million families annually face catastrophic, out-of-pocket health care expenses exceeding $3,000.

Excessive health insurance costs for large and small businesses.—Businesses that already ensure their workers pay a high price for the failure of all businesses to fulfill this social responsibility. As Robert Crandall, Chairman of American Airlines, said, "Companies like ours pay for health care twice—once for own employees and then again, via taxes and inflated health insurance premiums, for the employees of those businesses who don't provide benefits for their own people."

Small businesses who enter the insurance market pay unnecessarily high costs because the current fragmented, inefficient insurance system for small businesses produces high sales and administrative costs, inadequate market power to organize efficient delivery of care, and excessive, costly switching between insurance companies. Small businesses with any employees in poor health often cannot purchase insurance at any price.

THE PROPOSAL

For working Americans, the legislation requires all employers to provide at least a basic, low-cost package of health insurance coverage for all full-time workers and their dependents in the same way that they are now required to pay all workers at least a minimum wage. The minimum plan must include protection against catastrophic costs. A system of regional insurers is created to assure the availability of community-rated, low-cost insurance to small businesses, and a subsidy program is established for small businesses facing excessive costs in complying with the mandate. Employers would be required to cover all employees and their dependents, regardless of health status. Employers are assured flexibility to design a plan of their choice, provided that minimum standards are met.

For Americans who are unable to participate in employment-based insurance, the legislation establishes a public Federal-state program that will provide subsidized insurance coverage. Because of the current budget crisis, the public program will be phased in gradually, beginning with the 6 million uninsured, poor Americans who cannot benefit from employment-based coverage. By the year 2000, all Americans will be covered by private or public plans.

IMPACT

23 million members of working families (two-thirds of all the currently uninsured),

including 7.5 million children, will be covered under the private program. Coverage under the first phase of the public program will result in insurance for an additional six million individuals, including 2.1 million children.

56 million currently insured individuals will gain catastrophic coverage and more than 2 million families that annually experience catastrophic out-of-pocket costs of over $3,000 will be protected.

7 million currently insured individuals who have health conditions that would make them uninsurable if they lost their current coverage will be able to change jobs without fear of loss of insurance protection.

Significant reduction in hospital unreimbursed care costs: $5.2 billion.

Significant savings for smaller firms now providing health insurance: $4.0 billion.

Selected additional benefits include: coverage for 300,000 disabled children; cost-effective prenatal and well-baby care for 500,000 currently uninsured infants annually.

COST OF BILL

Actuarial Research Corporation (ARC), a respected independent actuarial firm, estimates that the average hourly cost of an indemnity plan meeting the bill's standard is 80 cents for a full-time worker. The employer's share of this cost will be 64 cents. ARC estimates that an employer choosing the managed care options, such as Preferred Provider Organization (PPOs) and Health Maintenance Organizations (HMOs) can buy a plan at 15 percent less than the indemnity plan cost or about 54 cents per hour, equivalent to a 16 percent increase in the minimum wage. Businesses that currently insure their workers would experience reduced costs, because they would no longer have to pick up the costs of charity care and unreimbursed care for currently uninsured workers.

The total value of the health insurance purchased under the bill is an estimated $33 billion. Offsets for (1) administrative savings for small businesses; (2) potential managed care savings for small businesses; (3) replacement of high-cost, low-value individual policies; and (4) reduction in taxpayer and employer costs for charity care reduce the net cost to $18 billion. CBO has not yet completed its estimate of the cost of the first phase of the public program, but the phasing of the program can be adjusted, if necessary, to meet deficit-reduction targets.

IMPACT ON THE ECONOMY

The legislation will assure fair competition between businesses that insure their workers and those that do not. It will enhance international competitiveness since the firms that are at the cutting edge of international competitiveness already insure their workers and are paying additional costs to subsidize the health care of workers in firms that do not provide insurance. Because the legislation increases labor costs, it will reduce employment somewhat, but the effect is minimal. Professor Gerard Adams of the University of Pennsylvania analyzed the proposal using the well-known Wharton Econometric model and found no net effect on employment. The highest estimate of employment effects came from the Data Resources, Incorporated econometric model, and it found a minimal increase in the unemployment rate of one-tenth of one percent. The Consumer Price Index is estimated to increase an average of less than 2/10ths of one percent over the first three years, with no impact in subsequent years. The legislation will also reduce welfare dependency by removing one of the principal barriers to employment—the loss of medical insurance.

ADVANTAGES FOR SMALL BUSINESS

Cost savings to firms currently offering coverage.—Approximately sixty percent of workers employed in businesses of twenty-five employees or fewer work for firms that already provide health insurance coverage. Small businesses that provide health insurance to their employees face sales and administrative costs averaging twenty-five percent of total premium costs. For firms of ten employees or less, the cost is significantly higher. By contrast, large firms spend only five percent of premiums on sales and administration. By establishing regional contractors as described in the bill, ARC estimates administrative and sales savings in premiums of as much as ten percent compared to similar plans on the current market. In addition, the legislation will make managed care options available to small businesses that could reasonably be assumed to cut costs by an additional fifteen percent. The result: a potential savings of 25 percent to small businesses.

All small businesses will have guaranteed access to health insurance coverage without pre-existing condition exclusions through the regional insurer program.

Additional protection for small business.—The bill recognizes that the cost of compliance with the legislation may be excessive for a minority of small businesses. Accordingly, the legislation establishes a subsidy program for small businesses that experience costs in excess of five percent of gross revenues in providing the required package of benefits. The subsidy will be 75 percent of costs in excess of this standard. Because gross revenues may not be the best measure of affordability in all industries, the Secretary of HHS is asked to conduct a study of the impact of such a standard and establish a different standard, if appropriate, for specific categories of business.

Impact on the American health care system.—Basic Health Benefits is not national health insurance. Instead, the legislation maintains the American tradition of a pluralistic health care system and a private-public partnership to assure needed care. The system of private employment-based health insurance coverage for working families is maintained and expanded to all workers. Public coverage is restricted to individuals who are not full-time workers or dependents of workers and the direct provision of such coverage is reserved for States under Federal guidelines. All employment-based coverage is provided by private insurers, under new rules to improve the functioning of the small business health insurance market.

The legislation frees physicians, hospitals, and other health care providers to offer the best, most cost-effective care to all without regard to their ability to pay.

The Basic Health Benefits maintains the best of the current American health care system and assures that its benefits will be extended to all American families.

SPECIFICATIONS FOR BASIC HEALTH BENEFITS FOR ALL AMERICANS ACT AS INTRODUCED IN THE 101ST CONGRESS

PRIVATE PROGRAM

I. Incorporates provisions of S. 1265, the Minimum Health Benefits for All Workers Act, as reported from the Senate Committee on Labor and Human Resources:

Employers provide insurance meeting minimum standards to all workers and dependents.

Minimum package includes: physician services; hospital services; diagnostic tests; prenatal/well-baby care; limited mental health coverage; and catastrophic coverage ($3,000 out-of-pocket limit).

Maximum deductibles/co-payments: $250 deductible/individual; $500 deductible/family; 20% co-payment; and no deductibles or co-payments on prenatal/well-baby care.

Maximum employee share of premium: 20 percent.

No exclusions from coverage based on health status.

Actuarial equivalency test allows flexibility in benefit design.

Regional contractors provide community-rated insurance coverage for currently uninsured and small businesses.

Any insurer may be certified as a regional contractor if it is willing to meet the requirements of the act.

Regional contractors offer: indemnity and managed care plans; economies of scale; and minimum and comprehensive coverage.

Complementary legislation establishes tax deductibility of self-employed health insurance premium

II. Additional provisions—Subsidy for small business for whom compliance is an excessive burden:

Subsidy provided if cost of minimum plan exceeds 5% of gross revenues;

Subsidy equals 75% of excess cost; and

Secretary will establish alternate standard for industries for which gross revenue standard is inappropriate.

Proportional contribution for part-time workers

Employers will be allowed to make a proportional contribution for part-time workers working between 17.5 and 25 hours per week;

Workers working less than 25 hours per week may decline coverage.

III. Complementary legislation:

Establishes full tax deductability for self-employed health insurance premium;

Simplifies and reduces "Section 89" nondiscrimination rules.

Public program: All Americans assured health insurance coverage by the year 2000;

Public program available to any American not covered by employment-based coverage;

In response to budget realities, public program is phased in:

Phase I (Implemented simultaneously with private program)—Covers all poor Americans with no health insurance (6 million people).

Phase II—(1996) Covers those between 100 and 185% of the poverty level (4 million people).

Phase III—(1999) Covers remainder of uninsured population (5 million people).

Benefits/premiums:

Same package as private plan;

No co-payments, deductibles or premiums for those less than 100% of poverty;

Co-payments, deductibles and premiums related to income for those at 100–185% of poverty;

Those who are above 185% of poverty pay actuarial cost of coverage for public program enrollees.

Payment to providers:

As in private program, states must offer payment rates at levels adequate to assure access.

Financing and administration:

Program administered by states under Federal guidelines;

Federal match of eligible state expenditures at Medicaid rates;

States must offer managed care and fee-for-service options.

ORGANIZATIONS ENDORSING THE CONCEPT OF THE BASIC HEALTH BENEFITS FOR ALL AMERICANS ACT

AIDS Action Council.
American Academy of Child and Adolescent Psychiatry.
American Academy of Family Physicians.
American Academy of Pediatrics.
American Academy of Nurse Practitioners.
American Academy of Physical Medicine and Rehabilitation.
American Airlines.
American Agricultural Movement (AIM).
American Association for Counseling and Development.
American Association for Marriage and Family Therapy.
American Association of University Affiliated Programs for Persons with Developmental Disabilities.
American College Health Association—Nurses' Section.
American College of Emergency Physicians.
American Congress of Rehabilitation Medicine.
American Diabetes Association.
American Ethical Union.
AFSME.
AFL-CIO.
Americans for Indian Opportunity.
American Hospital Association.
American Jewish Congress.
American Medical Students Association.
American Nurses' Association.
American Osteopathic Hospital Association.
American Protestant Health Association.
American Psychiatric Association.
American Psychological Association.
American Public Health Association.
American Society of Internal Medicine.
Association of American Medical Colleges.
Association for Children and Adults with Learning Disabilities.
Association for Hospital Medical Association.
Association for Retarded Citizens of the United States.
Association of Schools of Public Health.
Baxter-Travenol Laboratories.
Black Women's Agenda.
Building and Construction Trades Department, AFL-CIO.
Catholic Charities.
Catholic Health Association of the United States.
Center for Women Policy Studies.
Child Welfare League.
Children's Defense Fund.
Church of the Brethren.
Church Women United.
Citizen Action.
City of New York.
Columbian Fathers Justice and Peace Office.
Communications Workers of America.
Comprehensive Family Care Center.
Consumer Federation of America.
Displaced Homemakers Network.
Enlisted Association of the National Guard of the United States.
Epilepsy Foundation of America.
Family Service America.
Federally Employed Women.
Federation of American Health Systems.
Industrial Union Department, AFL-CIO.
International Ladies Garment Workers Union.
International Union of Bricklayers and Allied Craftsmen.
International Union of Operating Engineers
Jesuit Social Ministeries.
League of Rural Voters.
Lutheran Office for Governmental Affairs, Evangelical Lutheran Church in America.
Mental Health Law Project.
National Abortion Rights Action League.
National Association for Home Care.
National Association of Children's Hospitals and Related Institutions.
National Association of Commissions for Women.
National Association of Community Health Centers.
National Association of Counties.
National Association of Nurse Practitioner Faculties.
National Association of Nurse Practitioners in Reproductive Health.
National Association of Private Psychiatric Hospitals.
National Association of Protection and Advocacy Systems.
National Association of Public Hospitals.
National Association of Rehabilitation Facilities.
National Association of Social Workers.
National Association of Temporary Services.
National Caucus and Center on Black Aged, Inc.
National Conference of Gerontological Nurse Practitioners.
National Council of Churches.
National Council of Community Hospitals.
National Council of Community Mental Health Centers.
National Council of Jewish Women.
National Council of Negro Women.
National Education Association.
National Farmers Organization.
National Farmers Union.
National Federation of Societies for Clinical Social Worker, Inc.
National Head Injury Foundation.
National Health Care Campaign (161 affiliated Health, Civic, and Labor organizations).
National Hospice Organization.
National Institute of Women of Color.
National Insurance Consumers Organization.
National Mental Health Association.
National Multiple Sclerosis Society.
National Organization for Rare Disorders.
National Parkinson Foundation, Inc.
National Rehabilitation Association.
National Save the Family Farm Coalition.
National Union of Hospital and Health Care Workers, 1199.
National Women's Law Center.
National Women's Party.
National Women's Political Caucus.
NETWORK: A Catholic Social Justice Lobby.
New York City Health and Hospitals Corporation.
Older Women's League.
Retail, Wholesale and Department Store Union.
Service Employees International Union.
Teamsters Union.
The United Methodist Church/General Board of Church and Society Department of Human Welfare.
Unitarian Universalist Association of Congregations, Washington Office.
United Association of Journeymen and Apprentices of the Plumbing and Pipe-fitting Industry of the U.S. and Canada.
United Auto Workers.
United Cerebral Palsy Associations, Inc.
United Federation of Teachers.
United Food and Commercial Workers Union.
United Mineworkers of America.
United Steelworkers of America.
Washington Office of the Episcopal Church.
Washington Office, Presbyterian Church, U.S.A.
Western Association of Children's Hospitals.
Women's Equity Action League.
Women's International League for Peace and Freedom.
World Institute on Disability.

By Mr. KERRY:

S.J. Res. 99. Joint resolution classifying Haiti as a major drug transit country under section 481(h) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

S.J. Res. 100. Joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961 with respect to the Bahamas; to the Committee on Foreign Relations.

CLASSIFICATION OF HAITI AS A DRUG TRANSIT COUNTRY AND DECERTIFICATION OF THE BAHAMAS

Mr. KERRY. Mr. President, I am introducing today a joint resolution which will place Haiti on the list of major drug transit countries. The President must make a determination within 30 days after enactment of this legislation as to whether or not he will certify Haiti as "fully cooperating" in the war on drugs.

The certification process is not a perfect science. It is extremely difficult to measure the cooperation of various countries and the Congress has not, in my opinion, provided the State Department with the appropriate benchmarks to make their recommendations to the President. Nevertheless, I do feel it is important to preserve the integrity of the process.

There can be little doubt that Haiti is a major transshipment point for illegal narcotics being smuggled from South America to the United States. The Bureau of International Narcotics Matters says exactly that in the international narcotics control strategy report which they submitted to the Congress on March 1 of this year. In that report they said of Haiti:

Haiti remained a transshipment point for the movement of illegal narcotics, particularly cocaine into the United States during 1988.

And later in the report they state,

Haiti continues to grow in importance as a key logistics and transshipment point for narcotics* * *.

That sounds pretty clear to me.

By introducing this joint resolution, I am in no way prejudging the cooperation that Haiti has provided to the

United States during the past year. It would appear that Haitian authorities, particularly the leader of that country, General Avril, are making sincere efforts to rid their country of drug corruption. Reports indicate that the recent coup attempt directed at General Avril was precipitated by his attempt to rid the Haitian Armed Forces of narcotics corruption.

I simply feel that if we are to effectively wage a war on drugs and to develop a strategy, particularly in the international arena, we must know where the problems are and then seek the cooperation of the countries concerned. That is the purpose of this legislation.

Finally, Mr. President, I am at this time also introducing legislation to decertify the Bahamas.

I ask unanimous consent that the text of the two joint resolutions be printed in the RECORD.

There being no objection, the joint resolutions were ordered to be printed in the RECORD, as follows:

S.J. RES. 99

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for purposes of the withholding of bilateral assistance and opposition to multilateral development assistance under section 481(h)(1) of the Foreign Assistance Act of 1961, Haiti shall be considered to be a major drug transit country, within the meaning of section 481(i)(5) of that Act.

(b) For purposes of section 481(h)(2)(A) of the Foreign Assistance Act of 1961, a determination and certification by the President within the meaning of clause (i) or clause (ii) of that section which is made within 30 days after the date of enactment of this joint resolution shall be considered to be timely made.

S.J. RES. 100

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby disapproves of the determination of the President with respect to the Bahamas as contained in the certification required by section 481(h) of the Foreign Assistance Act of 1961 (presidential determination numbered 89-11), received by the Congress on February 28, 1989.

By Mr. CHAFEE (for himself, Mr. SYMMS, Mr. SPECTER, and Mr. MOYNIHAN):

S.J. Res. 101. Joint resolution to establish that it is the policy of the United States to encourage and support conservation efforts initiated by Brazil to protect the Amazon Forest and that the United States should redouble its efforts to reduce its pollution of the global environment; to the Committee on Foreign Relations.

CONSERVATION OF AMAZON FOREST

Mr. CHAFEE. Mr. President, on Monday, April 3, Senators SYMMS, BUMPERS, SPECTER, and I returned from an exciting and informative trip through the Amazon area of Brazil and also included Brazil's major cities.

Today, I would like to give the Senate a brief report on our trip and, on behalf of myself, Senator SYMMS and Senator SPECTER, introduce a joint resolution concerning the Brazilian Amazon Forest.

At the beginning of our trip, we went deep into the jungle with scientific experts to see and learn about the tremendous biological diversity and ecological importance of tropical rain forests.

Although the Amazon Forest covers an area that spans several countries—Brazil, Venezuela, Equador—over 600 million acres of the Amazon rain forest is in Brazil itself.

The environmental significance of this area is best illustrated by the following statistics:

Brazil's portion of the Amazon represents 30 percent of the world's tropical forests. Of all the tropical forests in the world, 30 percent are in Brazil.

This rain forest in Brazil produces 18 percent of the world's fresh river water.

Is the home for 30 percent of all species of plants and animals.

Mr. President, the ongoing destruction of this rich environment, if allowed to continue, will have profound effects on Brazil and, indeed, on the entire world.

After the jungle visit we went to the cities of Porto Velho, Brasilia, and Sao Paulo to meet with State and Federal officials, including the President of Brazil, President Sarney. We also met with various representatives of environmental, scientific, and business interests.

The message we heard over and over again was a straight-forward simple statement which is as follows: The Amazon belongs to Brazil. The Government of Brazil is extremely sensitive on that point. The Government is wary of suggestions that the problems of deforestation are addressed through mechanisms that the Government of Brazil perceives as challenges to its sovereignty.

To the extent people in this Nation or any other country in the world are proposing the creation of anything resembling an international board to control the Amazon or to deal with the development of forest management plans that would be forced on Brazil, Brazil's reaction is this is an infringement on our sovereignty and all such proposals should be rejected.

Proposals that rely, for example, on debt-for-nature swaps do not, as a factual matter, fall in this category. As a practical matter, however, Brazil, perceives such swaps as a challenge to its sovereignty. As many of us know, perception is often more powerful than reality and must be dealt with even if we disagree with the perception.

The explicit message we received from the Brazilians was: Do not tell us how to run our country. More important, however, was the subtle message that said: We need help.

Burdened with a tremendous international debt approaching $130 billion and faced with squalid living conditions for many of its population, Brazil is struggling to develop and to use its Amazonian resources in an economically and environmentally sustainable fashion.

The problem is that Brazil does not have the financial resources to set aside and protect vast stretches of the Amazon while, at the same time, feeding and housing its people. Add to this the shortage of technical expertise that is needed to manage the Amazon in accordance with sound conservation principles and there results a formula for disaster.

We have many environmental problems, as the President and all of us know, here at home in the United States, and other countries, such as Brazil, know that. No one can deny that we have to do a better job right here in the United States as far as protecting our global environment. So we do not come to the table with clean hands. The threat of global climate change as a result of the greenhouse effect is a good example of this problem.

Destruction of the Amazon, the burning off of the trees and forest and fields, contributes about 7 percent to the total greenhouse effect in the world. By comparison, the United States is responsible not for 7 percent but 20 percent of the greenhouse effect.

We in the United States must not point fingers at Brazil. If we expect to have any credibility with Brazil and other developing countries, we must stop the production of chlorofluorocarbons and other chemicals that are destroying the ozone layer, we must work toward controlling acid rain, and reducing emissions of carbon dioxide and the other greenhouse gases. The list of unfinished business in our own backyard goes on and on. We can and should share this technical expertise with any neighbors or any other nations that would like it, such as Brazil.

Today we are introducing a resolution which will establish three major points. First, it will state that as a matter of United States policy, Brazil's sovereign authority is not and will not be challenged or questioned. Suggestions such as international control or foreign domination of the Amazon area are explicitly rejected.

Second, it provides for the adoption of a United States policy to encourage and support conservation efforts initiated by Brazil to protect the Amazon Forest. In this regard, I personally plan to work closely with our State Department and through our State Department with the country of Brazil over the next few months to identify

specific areas where the United States can be helpful to Brazil.

Obviously, the issue of international debt must be addressed. In addition, it may be appropriate and helpful to provide assistance in the form of technical training and the sharing of technologies.

Finally, the resolution makes it clear that the United States must redouble its efforts to address our own environmental problems stemming from unsound practices in this country.

For the benefit of Brazilians and all inhabitants of our planet, we need to do a better job of recognizing the fact—and I hope this comes through to everyone—that this globe we are riding around on is a very small and fragile vessel and all life on Earth is interdependent. No one on this globe is a mere passenger. We are all part of the crew and as such each of us has a responsibility. We owe it to ourselves, our families, and future generations at home and abroad to do all we can to protect and prevent destruction of our environment.

Whether we are talking about cleaning up Narragansett Bay in Rhode Island or halting destruction of the tropical rain forests in Indonesia, Nigeria, or Brazil, the importance of meeting these problems head on and solving them should be appreciated by everyone.

Mr. MOYNIHAN. Mr. President is the Senator willing to have the Senator from New York as a cosponsor?

Mr. CHAFEE. I certainly am delighted to have a distinguished member of our Environment Committee on this joint resolution. I thank the distinguished Senator from New York.

Mr. President, I ask unanimous consent that a copy of the joint resolution and two recent reports on our trip be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 101

Whereas, the Federal Republic of Brazil is a long standing friend of the United States, being our most populous neighbor in the western hemisphere, and a trading partner with whom we have conducted over ten billion dollars of trade per year;

Whereas, Brazil possesses within its borders over 600 million acres of one of the greatest natural resources on Earth, the vast forest of the Amazon, comprising 30 percent of the world's tropical forests, 18 percent of the world's fresh river water, and the habitat of approximately 30% of all life species, including more species of primates, flowering plants, and psittacine birds than are found in any other nation;

Whereas, this great resource is indisputably under the sovereign authority of Brazil, and any suggestion to subject the Amazon to international control or in any way diminish Brazil's sovereign authority over it should be condemned as inappropriate;

Whereas, the conservation and preservation of its Amazon forest is ultimately the responsibility of Brazil and it is developing a body of environmental law and has included in its new constitution a strong commitment to environment protection;

Whereas, the environmental degradation of Amazonia includes an estimated 7 percent contribution to the greenhouse effect, loss of genetic resources found in its rich biological diversity, degradation of soil quality, erosion and accelerated siltation of waterways;

Whereas, such environmental degradation jeopardizes the renewable nature of Amazonia natural resources;

Whereas, the United States has a stake in the sustainable economic development of all tropical nations, including Brazil, for humanitarian, political, economic, and environmental reasons, and, to a great extent, the development of these nations depends on increasing production from their potentially renewable soil, forest, and water resources in an environmentally sound manner;

Whereas, the United States has historically and continues to face many environmental problems of its own, resulting in a wealth of technology and experience useful to sustainable development and environmental protection; Therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the United States to unequivocally recognize Brazil's sovereign authority in the Amazon, condemning any suggestion of international control or foreign domination over the area, and this policy should be reflected in all United States-Brazilian relations and should be conveyed through all appropriate diplomatic channels to Brazil, be it further

Resolved, That, where appropriate, the United States should adopt a policy to encourage and support conservation efforts initiated by Brazil to protect the Amazon Forest and should be open and willing to respond positively, through means such as technical assistance, international financing coupled with environmental assessments, and various mechanisms to reduce unsound development of the Amazon forest which is a result of Brazil's external debt burden and other economic and social factors; and be it further

Resolved, That the United States should redouble its efforts to address development within its own borders in an environmentally sound and sustainable manner.

[From the Washington Post, Apr. 2, 1989]

COOLING A BURNING ISSUE: AMAZON—U.S. SENATORS' TOUR OF REGION ELICITS RARE PRAISE BY BRAZILIANS

(By Michael Getler)

SAO PAULO, BRAZIL, April 1—Four visiting U.S. senators, explaining that they were here to listen and learn rather than lecture Brazil about destruction of the Amazon rain forest, have registered some success in calming the angry rhetoric now surrounding an issue of great importance to Brazil and the rest of the world.

"Your approach is very constructive," Brazil's secretary of external affairs, Paulo Tarso Flecha de Lima, told the senators. The delegation is headed by Sen. John H. Chafee (R-R.I.), the ranking Republican on the Environment and Public Works Committee, and comprises Sens. Dale Bumpers (D-Ark.), Steve Symms (R-Idaho) and Arlen Specter (R-Pa.).

Tarso's comment was widely echoed by local officials, federal lawmakers, government officials—including President Jose Sarney—and environmentalists during a weeklong trip that had been preceded by considerable Brazilian resentment at the prospect of another visiting group of inquisitive Americans. The visit, which ended today in this teeming metropolitan area of about 16 million people, is being seen, according to Brazilian officials, as the first positive development in what had been months of public hostility aimed at Washington.

Thirty percent of the world's rain forest is in Brazil's Amazon, and about 15 percent of it has now been burned, according to Thomas E. Lovejoy, a tropical biologist and assistant secretary of the Smithsonian Institution, who is traveling with the delegation.

Much of this burning, mostly for land and road clearing, has taken place in the last two years. It has touched off alarms by environmentalists who fear the burning and loss of the trees are contributing in an important way to the so-called greenhouse effect, a potentially dire change in the world's climate through what scientists believe will be a global warming trend.

In recent months, the issue has exploded in and upon Brazil, which feels it is being singled out for undue emphasis by the United States and European nations. Brazilians have pointed out accurately that much greater concentrations of harmful carbon dioxide in the atmosphere are being caused by industrial nations.

The sudden, new international emphasis on curbing forest burning comes on top of Brazil's many other woes: a $120 billion foreign debt (the largest in the world), an exploding population, triple-digit inflation and a politically weak and unpopular president in Sarney.

Attention to Brazil intensified after what seemed an unusually hot and dry American summer and especially after the murder in December of a leader of the Brazilian rubber tappers' union seeking to save the Amazon trees, Francisco (Chico) Mendes.

In January, another congressional delegation flew to Brazil on a preplanned fact-finding mission that was nevertheless widely perceived and written about in the Brazilian press as outsiders coming to investigate the Mendes slaying.

In Washington and Tokyo, meanwhile, American officials and lawmakers were trying to block Japanese funding of a road through the Amazon to Peru and the Pacific that Brazil sees as crucial if it is ever to sell its export to Asian markets.

Remarks widely attributed to Sen. Robert W. Kasten Jr. (R-Wis.) that the Amazon belongs to the world rather than to Brazil because of its ecological importance further infuriated Brazilians.

Finally, during the January congressional visit, the idea of swapping "debt for nature" also arose, a concept in which some of Brazils' debt might be retired in exchange for conservation in the Amazon. Sarney has jumped on the concept, in particular, and turned it into an affront to Brazilian sovereignty to be totally rejected.

It was into that environment that the Chafee delegation came this week. The significance of the trip, however, came in the way it has managed, according to Brazilians and Americans here, to defuse the emotionalism that helps get discussions of the Amazon problem back onto a more rational and pragmatic level.

At every stop, Chafee and the others sought to assure Brazilians. "There is no intention, and I never heard anyone in the United States advocate, intervening in any

way on the sovereign territory of Brazil," Chafee told an unprecedented, two-hour session of the environmental committee of Brazil's National Congress on Thursday, attended also by the three other senators.

The sovereignty issue, which Sarney raises continually, is viewed as a red herring by many American and European officials who see it as a way for the Brazilian president to create a nationalistic political issue, to divert attention from Brazilian policy and to placate the military, which is widely viewed here as the major force influencing development of the Amazon region.

Brazilian officials say that while the U.S. delegation in January, led by Sen. Timothy E. Wirth (D-Colo.), did not commit any gaffes, the group's approach was more aggressive than the pragmatic inquiries of the current visiting senators, who also emphasized the considerable environmental work left to do in the United States.

"You have come with a character we are not familiar with," Gumercindo Milhomen, a congressman from a left-wing workers' party that could win the national presidential election scheduled Nov. 15, said during the committee meeting in Brasilia. "This group made a public manifestation to learn. Others who came before did not do this."

"The meeting with the committee was very good," said Fabio Feldman, the leading legislative environmentalist in the Brazilian Congress, "because it made clear there was no conspiracy against Brazilian sovereignty. We know the environment issue will be important in the next election campaign, but it is important not to focus on the sovereignty problem."

Even with the controversy about the visit, Feldman said: "In reality, keeping the pressure on the Amazon region is obliging the government to change its priorities. It should even be possible to make debt-for-nature swaps."

"We are having a political problem now with the idea of swapping debt for nature in Brazil," said Maria Teresa Jorge de Tabu, president of the Funatura nonprofit conservation organization. "But the Brazilian president and ministries don't represent all Brazil. We have a legislature and Brazilian people," she said, noting that there are now about 600 environmental associations around the country.

She suggested to the senators that they "wait a little while" on such debt-swap issues, that "Brazil needs time, and more care is needed in how things are said by outsiders." Environmental awareness, she explained, is still quite new in a country that has overwhelming problems helping people find land to live on and feed themselves.

Asked by Sen. Specter if the presence of the Americans was counterproductive, she said: "No, it is always good. Even the last one"—a reference to the Wirth delegation.

"It generated a lot of critical articles," she went on, "but it was good in my point of view because the matter was in the news and on television for many, many weeks, even if the government disagrees."

In the meetings with Foreign Minister Roberto de Abreu, deputy minister Tarso and Sarney on Friday, the Brazilians said there is room for international cooperation in the Amazon—including financial aid—provided it comes under Brazilian jurisdiction and with no strings. Sarney, according to Chafee, spoke of being open to technology transfers and joint programs to monitor satellite assessments of the degree of destruction, which Sarney has said was significantly less and more confined regionally than many scientists say.

Tarso pointed out that even the would-be debt-for-nature swaps that have been vaguely discussed are very small relative to the Brazilian debt and have an air of unreality about them. "The owners of the debt, the banks," he said, "have never said they want debt for nature. They want their money, not a rain forest in Brazil."

Sarney has promised to unveil on Thursday a new environmental plan and regulations. But there is considerable skepticism here about how far these will go or how much they will be enforced.

Roberto Franco, who resigned as environmental minister last year in protest against Sarney's policies, said in an interview that the military controls environmental policy, "and that means nothing will be done."

"Whether they will be able to carry out any of these remains to be seen" Chafee said.

The senators began their trip in the northern and western Amazon states most directly affected by widespread burning, states to which more than a million immigrants and displaced southern farmers had fled in recent years seeking new land.

Just before the senators arrived, local editorials were sharply critical of their motives. The governor of the state of Rondonia, in an interview with a local newspaper, suggested that the United States wanted to transform the Amazon into another Vietnam.

The governor, who was out of town, never met with the senators. But those mayors and vice governors who did were cordial and seemed to welcome the discussion, especially questions about crops and the poor Amazonian soil by Bumpers and Symms, who are from farm states. The local leaders explained in detail the dilemma of a country that knows it is destroying much of its environment but has human needs that are more pressing to them.

"Developed countries like yours can give themselves the luxury of such concerns," said Silvio Persivo, a state planner. "But we are dealing with much more basic issues of people trying to eke out a living from the forest," he said.

"We have to worry about how people here survive and feed themselves," said vice governor Orestes Muniz during the meeting in Porto Velho, the state capital. "We understand that there was a time when deforestation occurred in an unplanned way, and we are trying to put a stop to it.

"Rondonia by itself," he continued, "does not have the means to develop. We need the cooperation of foreign governments and the federal agencies of Brazil. But the problem of sovereignty is how you talk about Brazil outside of Brazil."

Although the senators have been guarded in their comments, and there is acknowledged debate about the extent of the destruction in this vast remote region, Bumpers told Tarso that "most scientists in the world now believe there is a very awesome and onerous threat to civilization" because of the greenhouse effect. The burning of the Amazon, he added, contributes about 7 percent of the carbon dioxide being pumped into the air "while we in the United States, using fossil fuels, contribute about 20 percent."

"So we come," Bumpers went on, "as all thoughtful citizens of this planet, to the negotiating table to decide if we accept this scientific theory as real, or argue that it is untrue and perhaps pay an awful price 20 years down the road."

[From the Providence (RI) Journal, Apr. 9, 1989]

TO SAVE THE MAJESTIC RAIN FOREST

(By Carol McCabe)

Imagine broccoli, a green, densely tufted head of broccoli.

Imagine a supermarket produce counter covered with broccoli. Now imagine looking down upon an entire field of dark-green clumps of broccoli. An acre. A thousand acres. Ten thousand acres. Ten thousands square miles.

Now you're beginning to see the Amazon rain forest from the air, as Sen. John H. Chafee did last week after hiking through its wet undergrowth, sleeping in a hammock under its canopy, and chugging along its waterways in a double-decker motor launch called a gaiola, or birdcage.

"I don't believe my constituents wake up every morning worrying about the Amazon jungle," the Rhode Islander said as he flew across miles of that lush vegetation during a week-long environmental tour of Brazil. "But there is increasing awareness that this is one world we're spinning around in . . . We have learned that the environment of the entire world is interrelated."

Chafee was in Brazil as senior Republican on the Senate Committee on Environment and Public Works. Recently, the panel has focused on the crisis of global warming, also known as the "greenhouse effect."

Scientists believe the temperature of the surface of the Earth is slowing rising due to an accumulation of gases in the upper atmosphere. Higher temperatures could alter plant and animal life cycles and damage human health. Most of the gases responsible are produced by human activities. They come from factories, automobiles—and from smoke rising from burning trees.

Chafee and three Senate colleagues—Republicans Arlen Specter of Pennsylvania and Steven Symms of Idaho and Democrat Dale Bumpers of Arkansas—were in Brazil to study destruction occurring in the largest remaining virgin forest on Earth.

The Amazon rain forest—dense woods of broad-leafed plants that grow where temperatures are warm and rain is heavy—is being torched. Some observers believe that between 15 and 20 percent of this primitive paradise, one of the greatest plant and animal habitats on Earth, has already been lost. That's an area the size of France.

Much of the destruction has been done by people for whom the threat of global warming is less important than the threat of empty stomachs. Struggling with a population explosion and financial crisis, Brazil's government has encouraged movement from overcrowded developed areas to the unpopulated Amazon. Hundreds of thousands have moved north and west in the 1980s.

The flames they've kindled to turn jungle into farm fields have ignited a firestorm. Environmentalists around the world have protested development of the Amazon. To see the problem firsthand, Chafee's delegation boarded a military DC-9 on Easter morning and headed for the Emerald Forest.

A WORD OF WELCOME

"You are now in the middle of the greatest wilderness in the world." Tom Lovejoy, a Smithsonian Institution official and tropical biologist, told the Senate delegation as it gathered in a jungle clearing the next night.

The group, including staff members, had spent several hours traveling in lurching, jeep-like Bandeirantes over raw roads badly

eroded by heavy rains. They had bypassed fallen trees; occasionally, their vehicles got stuck in 10-inch-deep yellow mud.

Another half-hour of picking their way through wet jungle on foot had brought them to Camp KM41, a Smithsonian research base about 50 miles from the Amazon port of Manaus.

Over Brazilian rum and a dinner that included a fruit-eating Amazon river fish, Lovejoy gave the senators their bearings. "You can go a thousand miles east to the Atlantic, a thousand miles to the Andes, or 300 miles north to Venezuela and it's still one forest," he said.

He described that forest as "the greatest expression of life on Earth," home to an estimated 30 percent of all plant and animal species known to science and countless more as yet unidentified.

In the rain forest is a species of tree that produces 99 percent of the world's natural rubber supply. One kind of palm has leaves that produce a fiber that the Indians use for fishlines, bowstrings, nets and hammocks. There are nut trees and guarana trees, which have a seed the caffeine content of which is higher than coffee's. The locals say it's good for heart trouble, diarrhea and laggard libidos.

Twenty-two kinds of cacao (the source of chocolate) grow in the rain forest, which is home also to 319 known species of hummingbirds, 460 known species of butterflies, the world's largest cockroaches, and a fish the size of a surfboard, the tongue of which makes an excellent food grater.

Up in the canopy formed by the trees are these monkeys: spider, woolly, howler, capuchin and dusky titi; the senators would awaken to the roar of howlers moving rapidly through the treetops.

Below, broad leaves catch the rain and gently drip it to the ground, where lives a bushmaster snake with a remarkable venom. It kills by plunging the blood pressure of its prey to zero. Scientists who studied the venom discovered a previously unknown system to regulate human blood pressure. From that came a prescription drug for hypertension.

While the senators were at Camp KM41, they saw some of the wonders of the rain forest from trails used by researchers based there.

The group moved through trees with leaves like pieces of corrugated tin, funnel-shaped leaves, leaves shaped like the ridged corn-stick muffins served in New England diners. They stepped gingerly around termite mounds and an army of ants carrying white crumbs.

Rob Bierregaard, the 37-year-old tropical biologist who runs Camp KM41's operations, got word from one of his Brazilian scouts that a wild pig had been killed by a jaguar near another trail. Chafee, unarguably the most tireless of the tourists, was disappointed that there wasn't time to hike there for a possible glimpse of the jaguar.

But there were bats and brilliant-blue morpho butterflies to see along the trail; blue-headed parrots flashed above the canopy. Bierregaard took the senators to an area where fine nets strung among the dense ferns have snared 40,000 small birds for study.

"We are trying to find out what birds are present in the undisturbed forest," he told the group straggling after him over a trail tangled with roots and vines. "If we know what cast of characters we have here, we will know who's missing when we examine areas that have been isolated by cutting."

As Chafee settled into his hammock to sleep one night, he listened to a chorus performed by all the frogs between Manaus and the Venezuelan border, accompanied by rain dripping from millions of catchment leaves. "I was thinking about that astonishing diversity of plants and animals," he said later. "I was thinking that it's a short and fragile distance between the richness of that virgin forest and civilization outside."

PROBLEMS BEGET PROBLEMS

Into that rain forest have poured the bandeirantes, the breed of Brazilian backwoodsmen for whom the bucking four-wheel-drive vehicles were named. In a country that's as sparsely settled now as the United States in 1810, the bandeirantes are to the Brazilian wilderness what Daniel Boone and Davy Crockett were to the North American Frontier.

As Brazil struggled with proliferating population, widespread poverty, an inflation rate that hit 900 percent last year, and a $119 billion foreign debt, poor people began moving along new highways, heading north from the country's heavily developed southern states.

When the government offered free land in the Amazon to anyone willing to farm it, truckloads of people began to move north. Many of the newcomers were small farmers displaced by the mechanization of agriculture in the south.

In the early 1980s, half a million settlers poured into the Amazon state of Rondonia, most of it blanketed until then with virgin forest.

Spreading out along red-dirt feeder roads gouged from the jungle, the bandeirantes began to clear small plots of land to grow food. The fastest way to clear the heavy forest was to burn it. Satellite photos once showed 170,000 fires burning in the rain forest, sending smoke 12,000 feet into the air.

Last summer, Chafee was told, the airport at Porto Velho, Rondonia, had to be closed for 21 days because of low visibility caused by the smoke.

Two days after the visit to Camp KM41, Chafee got into a small plane at that airport to fly across portions of Rondonia, now the most severely deforested Amazon state. Because it was the rainy season, there were no fires, but the empty fields and isolated buildings of the small farms could be seen.

"For them, it is the decision of a lifetime to move to the Amazon," explained Julio Bitelli, a Brazilian diplomat who spent part of the week traveling with the Americans.

"Back there in the south, they probably lived in a dry house or apartment with comforts like television, vacuum cleaners. They come here and live in some kind of simple shelter until they can build a log cabin. There is no electricity. . . . There are health problems in such a rainy place. We had eradicated malaria, and now it is coming back."

Worst of all, the homesteaders soon discover that once their rain forest land is cleared, the soil is too poor to produce more than two or three crops. Without decaying vegetation, no instant nutrients are available. Without broad leaves to drip the moisture gently to the ground, heavy rains wash away naked soil as they had washed away the road to the Smithsonian camp.

As one plot of land wears out, they move on to clear the next, trying to survive.

Thinking of the stone walls hidden in thick Rhode Island woods, Chafee asked if the Amazon forest would renew itself as New England's forests have. The answer was no. Only low scrub grows back. No rubber trees, no cacao, no butterflies or bushmasters, no glorious guarana.

Symms of Idaho, a colleague of Chafee on the Environment Committee, sat with him on the flight over the forest. He's a conservative, opposed to federal control of land. Still, as a farmer himself—a fruit grower whose college degree is in horticulture—he could see the danger of stripping the land.

As he surveyed the depleted landscape, Symms expressed sympathy for the frontiersman living in one isolated clearing. "He's just a pioneer doing what my own folks did in Idaho. I don't know what the solution is."

LOOKING FOR ANSWERS

The Chafee delegation traveled into the frontier town of Porto Velho in Rondonia. There, following a night of intermittent power failures, they met wth state officials. The conservations took place in a coffee shop whose taped music included "Smoke Gets In Your Eyes," which struck Chafee as uniquely apppropriate.

"We understand that there was a time when deforestation occurred in an unplanned way, and we are trying to put a stop to it," said Orestes Muniz, Rondonia's vice governor. "It is no longer legal to come in and deforest the land."

State and federal governments now realize that agriculture cannot succeed on cleared jungle land. "Because of the rainfall, the value of the soil is lost in a couple of years. . . . The land is not successful for any economic use except for forestry." The nuts, oils, rubber and medicinal plants of the jungle could yield more than the meager crops that can be grown on the cleared land, Munz said.

But Rondonia faces tremendous problems because of the influx of settlers, the vice governor said, and it cannot afford to protect the environment without help.

He and Francisco de Assis Arraujo, state secretary of environment, cited several ways in which the United States might help Brazil: agricultural research to help the farmers already in Rondonia learn how to improve their land and select appropriate crops, training forest rangers, and providing airplanes and helicopters to monitor activities in the forest.

It was the first of many meetings in which the senators would ask how the United States can assist Brazil's environmental efforts. Before the week ended, Chafee's group conferred in Brasilia with President Jose Sarney, members of his Cabinet and the Brazilian congress, and in Sao Paulo with environmental and religious leaders.

Everywhere, the senators emphasized their awareness that the United States also has its own environmental problems to solve.

Speaking to Brazil's secretary of external affairs, Paulo Tarso Flecha de Lima, Bumpers cited figures showing that, for example, while Amazon burning may contribute 7 percent to the global level of carbon dioxide, one of the "greenhouse" gases reaching the atmosphere, automobile and factory emissions in the United States add 20 percent. The Arkansas lawmaker said all countries must face the greenhouse threat together.

As he flew homeward last Monday, Chafee reviewed the journey.

"I came away impressed with the degree of environmental awareness at all levels," he said. "The Amazon has a certain mystique for Brazilians, even those who have

never seen it. A comparison might be the way Americans feel about the Grand Canyon. Maybe we've never seen it, but we don't want planes buzzing it or pollution damaging it.

"Of course, there's a gap between expressing concern about the environment and doing something about it," he said. "We'll have to wait and see what is in President Sarney's plan, and how well it is carried out."

On Thursday, Sarney unveiled the plan—dubbed "Our Nature." The centerpiece is a massive mapping and zoning study to determine which parts of the Amazon basin are suitable for development, what kind of development would best suit each of those regions, and what areas should be left alone entirely. The plan also establishes several new parks and reserves; restricts the use of mercury by gold miners, who have severely polluted the water system in some regions, and suspends financial incentives for farming and ranching that have led to the clearing of vast areas of forest.

"Finally," Chafee said, "I am totally convinced that there is an interconnecting web of life. When you affect the rain in Brazil by cutting a forest, I can't believe it doesn't somehow affect the climate in the rest of the world.

"When you radically alter the life of a fish in the Amazon, you affect fish a thousand miles away. If the Amazon fishery fails because fish there no longer get food from the forest," Chafee said, "the fishermen of the Amazon are going to fish elewhere. Eventually, our New England fishermen will be affected. Everything is connected."

ADDITIONAL COSPONSORS

S. 39

At the request of Mr. ROTH, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 39, a bill to amend the National Wildlife Refuge Administration Act.

S. 89

At the request of Mr. SYMMS, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 100

At the request of Mr. ROCKEFELLER, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 137

At the request of Mr. BOREN, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 137, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns to limit contributions by multicandidate political committees, and for other purposes.

S. 190F

At the request of Mr. MATSUNAGA, the names of the Senator from North Carolina [Mr. SANFORD] and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of S. 190F, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay without reduction in the amount of the compensation and retired pay.

S. 203

At the request of Mr. BURDICK, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 203, a bill to authorize research into ground water contamination and remediation, and for other purposes.

S. 231

At the request of Mr. MOYNIHAN, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 256

At the request of Mr. HARKIN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 256, a bill to direct a study by the Secretary of Agriculture of the classification of anhydrous ammonia as a poisonous gas for purposes of the Hazardous Materials Transportation Act, and for other purposes.

S. 260

At the request of Mr. MOYNIHAN, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from North Carolina [Mr. SANFORD], and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of S. 260, a bill to amend the Internal Revenue Code of 1986 to make the exclusion from gross income of amounts paid for employee educational assistance programs.

S. 306

At the request of Mr. BENTSEN, the names of the Senator from Nevada [Mr. REID] and the Senator from Louisiana [Mr. BREAUX] were added as cosponsors of S. 306, a bill to amend the Social Security Act to make certain modifications in the Medicare Program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes.

S. 384

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 384, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

S. 416

At the request of Mr. DOMENICI, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from New York [Mr. MOYNIHAN], the Senator from Alabama [Mr. HEFLIN], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost-of-living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 432

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 519

At the request of Mr. LAUTENBERG, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 552

At the request of Mr. BRADLEY, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of S. 552, a bill to restore balance among sources of supply for the Nation's sweetener needs, and for other purposes.

S. 563

At the request of Mr. MATSUNAGA, the names of the Senator from North Carolina [Mr. SANFORD] and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of S. 563, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Services to receive retired pay concurrently with disability compensation after a reduction in the amount of retired pay.

S. 564

At the request of Mr. MATSUNAGA, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 564, a bill to provide for an Assistant Secretary of Veterans Affairs to be responsible for monitoring and promoting the access of members of minority groups, including women, to service and benefits furnished by the Department of Veterans Affairs.

S. 565

At the request of Mr. D'AMATO, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 565, a bill to authorize a new corpora-

tion to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

S. 566

At the request of Mr. D'AMATO, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

S. 579

At the request of Mr. GLENN, the names of the Senator from Michigan [Mr. RIEGLE] and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 579, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to establish Federal motor vehicle safety standards to require that a schoolbus is equipped with a system of mirrors that provide the driver when seated with an unobstructed view of certain areas under and alongside of the schoolbus, and for other purposes.

S. 590

At the request of Mr. HEFLIN, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 590, a bill to prohibit injunctive relief, or an award of damages against a judicial officer for action taken in a judicial capacity.

S. 623

At the request of Mr. HARKIN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 623, a bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe labeling requirements for foods which contain vegetable oils, and for other purposes.

S. 625

At the request of Mr. NICKLES, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 625, a bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry, and for other purposes.

S. 643

At the request of Mr. CONRAD, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 643, a bill to amend the Internal Revenue Code of 1986 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing radon levels in the principal residence of the individual, and for other purposes.

S. 654

At the request of Mr. PRYOR, the names of the Senator from Louisiana [Mr. BREAUX], the Senator from Georgia [Mr. FOWLER], the Senator from Kentucky [Mr. FORD], the Senator from Colorado [Mr. WIRTH], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Illinois [Mr. SIMON], the Senator from Hawaii [Mr. INOUYE], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 654, a bill to amend the Internal Revenue Code of 1986 to provide for the establishment of simplified health arrangements meeting the requirements of section 89, to modify the definition of part-time employee for purposes of section 89, and to simplify the application of section 89.

S. 682

At the request of Mr. SIMON, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 682, a bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association," "Visiting Nurse Service," "VNA," "VNS," or "VNAA," or the unauthorized use of the name or insignia of the Visiting Nurse Association of America.

S. 685

At the request of Mr. METZENBAUM, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 685, a bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pension plans and to provide for an explicit exception to such rules for employer revisions meeting certain requirements.

S. 686

At the request of Mr. MITCHELL, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 686, a bill to consolidate and improve laws providing compensation and establishing liability for oil spills.

S. 691

At the request of Mr. LAUTENBERG, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 691, a bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel.

S. 708

At the request of Mr. BRADLEY, the names of the Senator from West Virginia [Mr. ROCKEFELLER] and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 708, a bill to amend title V of the Social Security Act to promote the integration and coordination of services for pregnant women and infants to prevent and reduce infant mortality and morbidity.

S. 709

At the request of Mr. KERRY, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 709, a bill to establish a program to guarantee the availability of downpayments for first time homebuyers based on a program of monthly or other payments into an interest tax-exempt account.

S. 714

At the request of Mr. MCCLURE, the names of the Senator from Kansas [Mr. DOLE] and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 714, a bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993.

S. 760

At the request of Mr. MITCHELL, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 760, a bill to implement the bipartisan accord of Central America of March 24, 1989.

S.761

At the request of Mr. DOMENICI, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 761, a bill to provide Federal assistance in developing adequate child care for the Nation's children, and for other purposes.

S. 763

At the request of Mr. MACK, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 763, a bill to require a report on the extent of compliance by the Palestine Liberation Organization [PLO] with its commitments regarding a cessation of terrorism and the recognition of Israel's right to exist, and for other purposes.

SENATE JOINT RESOLUTION 15

At the request of Mr. PRESSLER, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of Senate Joint Resolution 15, a joint resolution to designate the second Sunday in October 1989 as "National Children's Day."

SENATE JOINT RESOLUTION 47

At the request of Mr. PRESSLER, the names of the Senator from Idaho [Mr. SYMMS], the Senator from Delaware [Mr. ROTH], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 47, a joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 71

At the request of Mr. HELMS, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Joint Resolution 71, a joint resolution designating April 16

through 22, 1989 as "National Ceramic Tile Industry Recognition Week."

SENATE JOINT RESOLUTION 91

At the request of Mr. ROCKEFELLER, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Rhode Island [Mr. PELL], the Senator from Illinois [Mr. DIXON], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Minnesota [Mr. DURENBERGER], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Indiana [Mr. COATS] were added as cosponsors of Senate Joint Resolution 91, a joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day."

SENATE CONCURRENT RESOLUTION 8

At the request of Mr. PRESSLER, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Concurrent Resolution 8, a concurrent resolution expressing the sense of the Congress regarding the need for the negotiation of an international agricultural conservation reserve treaty.

SENATE RESOLUTION 86

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii [Mr. INOUYE] was added as a consponsor of Senate Resolution 86, a resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways Flight 103, and the security of air travel.

SENATE RESOLUTION 92

At the request of Mr. SYMMS, the names of the Senator from Maine [Mr. COHEN], the Senator from Utah [Mr. GARN], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Resolution 92, a resolution expressing the sense of the Senate regarding section 89 of the Internal Revenue Code of 1986.

SENATE RESOLUTION 101

At the request of Mr. LAUTENBERG, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Rhode Island [Mr. PELL], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of Senate Resolution 101, a resolution to express the sense of the Senate opposing the imposition of a Federal licensing fee for recreational and commercial marine fishing and a levy of the sale of fish.

AMENDMENT NO. 22

At the request of Mr. HATFIELD, his name was added as a cosponsor of amendment No. 22 proposed to S. 4, a bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

At the request of Mr. PRESSLER, his name was added as a cosponsor of amendment No. 22 proposed to S. 4, supra.

SENATE CONCURRENT RESOLUTION 26—RELATING TO REFUGE FOR REFUGEES FROM VIETNAM

Mr. HATFIELD (for himself and Mr. BOSCHWITZ) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 26

Whereas the refugee crisis in Southeast Asia remains unresolved and large numbers of refugees continue to the flee from Vietnam, Laos, and Cambodia;

Whereas, although Hong Kong and ASEAN first asylum countries are to be commended for their past actions on behalf of refugees in the region, concerns remain over the failure to provide refuge to all asylum-seekers arriving in Hong Kong and in ASEAN member countries;

Whereas, in June 1989, the United Nations will convene the International Conference on Indochinese Refugees in Geneva, Switzerland;

Whereas representatives of the ASEAN member countries, the United States, Canada, Australia, Hong Kong, the European Community, Vietnam, Laos, and other interested and affected countries gathered on March 7-9, 1989, in Kuala Lumpur, Malaysia, for the Preparatory Meeting for the International Conference on Indochinese Refugees;

Whereas the countries represented at the Preparatory Meeting unanimously adopted a draft declaration and comprehensive plan of action to be presented for ratification at the June United Nations Conference in Geneva;

Whereas the draft declaration agreed to by all countries present at the meeting in Kuala Lumpur includes provisions for region-wide screening of asylum-seekers and for the encouragement of voluntary repatriation under the auspices and monitoring of the United Nations High Commissioner for Refugees (UNHCR) or persons determined not to be refugees;

Whereas the ongoing program in Thailand for the screening of Lao asylum-seekers has had major and continuing problems;

Whereas the ASEAN member countries have announced that all asylum-seekers from Vietnam arriving in ASEAN countries on or after March 14, 1989, will be screened to determine their refugee status; and

Whereas the Socialist Republic of Vietnam has demonstrated its hostility to those leaving Vietnam illegally and, in particular, to those refusing to return to Vietnam voluntarily: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) it is the sense of the Congress that—

(1) ASEAN first asylum countries should reinstate the practice of providing adequate refuge for all Vietnamese asylum-seekers, while carrying out the screening of such individuals;

(2) early access should be given to the United Nations High Commissioner for Refugees (UNHCR) to provide humane care and protection to such asylum-seekers;

(3) no repatriation of Vietnamese asylum-seekers should occur until a strong and effective internationally approved mechanism is in place to guarantee that such asylum-seekers will be returned in conditions of safety and dignity and will not be subjected to persecution in any form;

(4) given Vietnamese attitudes toward illegal departure, forced repatriation of refugees to Vietnam should not be considered a viable option;

(5) continuing efforts should be made to improve the screening program of Lao asylum-seekers in Thailand;

(6) the United States should remain committed to a generous and humane Southeast Asian refugee resettlement policy; and

(7) the United States should urge its Western allies to implement or continue generous and humane Southeast Asia refugee resettlement policies.

(b) For purposes of this resolution—

(1) the term "ASEAN" means the Association of Southeast Asian Nations; and

(2) the term "ASEAN first asylum countries" includes any country which is a member of the ASEAN group of countries and which is the first to receive an individual seeking asylum.

● Mr. HATFIELD. Mr. President, since 1975, over 2 million refugees have fled from Vietnam, Laos, and Cambodia. While many have been resettled, nearly 600,000 people still languish in the refugee camps of Thailand, Malaysia, Hong Kong, the Philippines, and Indonesia. The despair, the pain, and the suffering of the Southeast Asian refugee is constant and long-standing.

Mr. President, I rise today to submit a concurrent resolution expressing the sense of Congress with regard to recent developments in Southeast Asia concerning refugees from Vietnam, Laos, and Cambodia. This resolution is designed to underscore our continuing concern for the plight of these refugees.

The refugee crisis in Southeast Asia continues unabated. After a reduction in the stream of refugees from Vietnam and Laos during the mid-1980's, refugees began to flee by boat from Vietnam in increasing numbers during late 1987 and 1988. Processing difficulties and restrictions in the Orderly Departure Program, the legal avenue of departure from Vietnam, contributed significantly to the increase in illegal boat departures.

The first asylum countries of the region, long known for their generous and humane treatment of refugees, have become increasingly frustrated with the growing numbers of refugees reaching their shores and the seemingly intractable causes of these refugee outflows. As a result, during 1988, the fragile regional consensus reached in 1979 governing refugee policy in Southeast Asia began to break down.

Reports began to surface in 1988 that boats carrying Vietnamese asylum-seekers were being pushed back to sea from the shores of Thailand and Indonesia, resulting in over 200 deaths. Such pushbacks expose refugees to starvation, dehydration, drowning, and the whims of murderous pirates. Malaysia announced that

it will close its main refugee camp in 1989 to new arrivals, and Hong Kong instituted what many believe to be an unfair screening program last June for those arriving after that date. The screening program for refugee from Laos, begun by Thailand in 1985, has also deteriorated. As a result, push-backs of Laotian asylum-seekers into Laos have occurred. The situation has become so dire that even forced repatriation is being considered as a solution to the refugee crisis in Southeast Asia.

These developments have spurred calls for a new international conference to develop solutions to the refugee crisis in Southeast Asia, similar to the one held in 1979. Responding to these calls the United Nations will convene the International Conference on Indochinese Refugees in Geneva in June.

In preparation for the June International Conference, representatives of the ASEAN member countries, the United States, Vietnam, Laos, and other interested nations met on March 7-9 in Kuala Lumpur to consider possible solutions to the continuing crisis. The countries represented unanimously adopted a draft declaration and comprehensive plan of action to be presented for ratification at the June conference. It is that declaration and plan of action that my resolution addresses.

Among other matters, the draft declaration that was adopted includes provisions for ASEAN region-wide screening of asylum-seekers, for the encouragement of voluntary repatriation of those determined not to be refugees, and for the deterrence of clandestine departures from Vietnam. Prior to the consideration of the draft declaration at the U.N. Conference in June, however, the ASEAN member countries announced that all asylum-seekers arriving in ASEAN countries on or after March 14, 1989 will be screened to determine refugee status. Previously, region-wide screening was not practiced in Southeast Asia.

Given these developments, it is important that Congress speak to these issues and reaffirm its commitment to Southeast Asian refugees prior to the Geneva meeting in June.

My resolution sends a simple and humane message to those deliberating upon the fate of Indochinese refugees. This resolution asks, given that region-wide screening is now a reality, that the practice of granting first asylum be adhered to and that the United Nations High Commissioner for Refugees be given early access to those seeking refuge.

Further, this resolution expresses disapproval of repatriation of Vietnamese refugees until strong and effective international safeguards are in place to ensure the safety and well-being of those returned. More importantly, forced repatriation of Vietnamese refugees is specifically rejected as an option.

Finally, my resolution calls for improvements in the Lao screening program and reaffirms our commitment to a generous and humane Southeast Asian refugee resettlement policy.

Mr. President, we must not allow ourselves to succumb to compassion fatigue. It is not the time for us to forget the horrors faced by those seeking refuge in Southeast Asia. With a settlement in Cambodia growing more likely and with the desire of the Vietnamese to become meaningful participants in the world community, the causes of refugee flows in that region of the world may soon abate. In the meantime, we cannot cease being vigilant. Only when the crisis is over, only when the refugee in Southeast Asia is safe and well-cared for, and only when the people of that region feel secure and free in their own countries can we be satisfied.

I urge my colleagues to support the passage of this resolution prior to the June United Nations Conference on Indochinese Refugees. For further information concerning refugee developments in 1988 in Southeast Asia, I offer to my colleagues an excerpt from the 1988 World Refugee Survey authored by Court Robinson of the U.S. Committee for Refugees. I ask unanimous consent that this excerpt be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SINS OF OMISSION: THE NEW VIETNAMESE REFUGEE CRISIS

(By Court Robinson)

In late May 1988, a boatload of 110 Vietnamese refugees set off from the southern port of Ben Tre, bound for an asylum camp in the region and, ultimately, resettlement in the West, following a route travelled by more than one million people before them. As has happened so often before, something went horribly wrong. Three days out, the engine failed and the boat began to drift. Two weeks later, somewhere in the South China Sea, the refugees flagged down a U.S. warship the Dubuque. In what the captain later called a "tragedy of errors," they were not rescued, but simply reprovisioned with food and water and then turned away, 260 miles from the nearest land. When the supplies ran out and several of the weaker passengers died, their bodies were cannibalized by some of the others. Reportedly, three victims were forcibly drowned before they were eaten. By the time Filipino fishermen rescued the refugees in late June, only 52 people remained alive.

The captain of the Dubuque has been relieved of his command and court-martialed. One of the refugees may be tried for murder. Dozens of people are dead, and dozens more lives have been shattered. But the real tragedy is that the Vietnamese had to escape in the first place; they should have been able to migrate legally. The fact that 14 years after refugee flows first began Vietnamese feel they must choose dangerous, clandestine flight on the high seas instead of a safe and orderly departure goes to the heart of the current refugee crisis in Southeast Asia. It is a crisis brought on more by errors of omission than of commission by alternatives left unexplored, and roads not taken.

Refugee outflows from Cambodia, Laos, and Vietnam since 1975 now total well over two million people. Spurred by Vietnamese government repression and harassment, refugees poured out of Vietnam in overcrowded freighters, fishing junks, and makeshift rafts. The boat flows peaked in the summer of 1979, when 55,000 Vietnamese sought asylum in a single month. Concern mounted further when the Malaysian government confirmed that it had towed more than 40,000 Vietnamese back to the open sea. Pushbacks, often with substantial loss of life, were documented in Thailand and Indonesia with alarming frequency as well.

In July 1979, the United Nations convened an international conference in Geneva to seek solutions to what clearly had become a major humanitarian crisis. The 65 governments in attendance reached consensus on three fundamental commitments: countries in the region would provide at least temporary asylum, the international community would provide resettlement places for those who had already fled, and the countries of origin would discourage illegal and dangerous departures, and instead cooperate with the United Nations and with other countries to promote more orderly outflows.

Just one month before the Geneva conference, the UN High Commissioner for Refugees (UNHCR) had signed a memorandum of understanding with Vietnam, agreeing to a seven-point program for the orderly departure from Vietnam of "family reunion and other humanitarian cases." Such an initiative would necessarily need to start small, but was intended to serve as a viable alternative to boat departure. "The success of any plan of action," warned a UN statement on the conference, "would depend on a substantial reduction of the disorderly exodus of thousands of persons from their homeland."

The conference appeared to be a success on virtually all counts. Worldwide resettlement commitments, which had stood at 125,000 in May, were more than doubled to 260,000. The United States alone promised to raise Indochinese refugee admissions to 14,000 per month for 1979. Vietnam, for its part, clamped down on the semi-official smuggling organizations that had promoted the cynical and wholesale export of its unwanted ethnic Chinese population. With the reduction in organized outflows and the advent of the Orderly Departure Program (ODP), boat arrivals in the region began to decline almost immediately, and pushbacks ended, at least as official policy.

The Geneva conference built consensus around a precarious quid pro quo: asylum countries in the region—Thailand, Malaysia, Hong Kong, Indonesia, and the Philippines—agreed to give refugees temporary haven on the understanding that resettlement countries—principally, the United States, Canada, Australia, and France—would offer them permanent homes. For nearly a decade, that consensus held. More than 1.7 million Indochinese refugees have been resettled around the world, over half of those in the United States. From 1980 to the end of 1987, departures for resettlement outpaced arrivals, and the populations in the refugee camps gradually declined.

For two years, 1984 and 1985, legal departures via ODP were higher than boat arrivals in the region. Through the end of 1985,

ODP departures totalled 100,000, almost half of these coming to the United States. Then on January 1, 1986, Vietnam suspended any further interviewing of ODP applicants for the U.S. program, complaining of a backlog of 22,000 cases. This suspension, combined with more restrictive processing criteria on the U.S. side, reduced legal refugee departures from 700 per month to 480 per month in 1986. Worldwide ODP departures dropped from nearly 25,000 in 1985 to under 13,000 two years later.

THAILAND'S PATIENCE SNAPS

In late 1987, Vietnamese refugee arrivals in Thailand surged, with most coming by way of a relatively safe route that took them overland through Cambodia to the port of Kompong Som where they boarded boats for a short ride to Thailand's east coast. By year's end, Vietnamese arrivals in Thailand totalled almost 12,000, three times the number for 1986. Then Thailand's long standing patience snapped.

On January 27, 1988, Thai marine police forced a boat carrying 40 Vietnamese asylum seekers back into international waters. The next day, the Minister of the Interior announced that all Vietnamese boats heading toward Thailand would be pushed back to sea. Although the government has since softened this position, in the months that followed, more than 2,300 Vietnamese were pushed back, resulting in over 200 deaths. The boat people who managed to reach Thailand safely after January have been moved to a new camp on the volatile Thai-Cambodian border where they have been denied the chance to seek resettlement.

The spark that Thailand lit ignited the region. At least 600 Vietnamese boat people who turned up in Malaysia in 1988 reported that they had been pushed off from Indonesia. In April, Indonesian forces fired on a refugee boat near Natuna Island, killing one person and injuring another. Malaysia, for its part, has announced that its main refugee camp, Pulau Bidong, will be closed to new arrivals some time in 1989.

On June 16, Hong Kong instituted a new screening policy under which all Vietnamese arriving after that date are considered illegal immigrants subject to detention and deportation, unless they can convince an immigration officer that they are refugees.

As word of these restrictive actions reached Vietnam, boat arrivals in the region tapered off. But by October 1988, the Vietnamese refugee population in Southeast Asia had climbed above 60,000, compared to 35,000 just one year earlier.

Vietnamese boat people are by no means the only refugee crisis Southeast Asia faces. Sporadic pushbacks of Hmong and the other highland Lao groups continue in Thailand. Lowland Lao increasingly are denied access to a border screening program first instituted in 1985. And 300,000 Cambodian "displaced persons" live in dangerous and crowded encampments on the Thai-Cambodian border, without benefit of refugee status or protection. As if to underscore that vulnerability, the Khmer Rouge, who were responsible for the deaths of more than one million people during their four-year rule in Cambodia, recently removed almost 16,000 refugees from their UN-aided camps in Thailand and forcibly relocated them to malaria-ridden combat bases inside Cambodia.

There are no obvious solutions for any of these problems. But there is no question that a new regional consensus must be reached, beginning with Vietnamese refugees, if we are to avoid a continued breakdown in commitments to protection, asylum, and fundamental human rights. In the search for answers, it is important to articulate a vision of what could be: for those who are seeking temporary asylum, a chance to do so with adequate safeguards for their protection and well-being; for those who are seeking resettlement, fullest possible opportunity to migrate directly from their own country; and for all those who wish it, a chance to go home again in safety and dignity.

PULL FACTOR DEBATED

No other refugee group has had a greater impact on national, regional, and international refugee policies in Southeast Asia than the Vietnamese. The Geneva conference in 1979 was convened primarily to address the boat people problem. The resettlement commitments made that year largely went for Vietnamese admissions, as has the bulk of the worldwide numbers ever since. Thai asylum policies, and the original regional consensus linking asylum with resettlement, unravelled only when Vietnamese arrivals increased dramatically last year. And it is likely that Vietnamese refugees will be the predominant focus of the UN-sponsored international conference on Southeast Asian refugees that has been proposed for some time in 1989.

There are any number of reasons for this preoccupation. Most obvious is that Vietnamese refugee outflows have been larger and more sustained than those of other groups. Second, boat people are a regional phenomenon, whereas Laotian and Cambodian refugees have had an impact primarily on Thailand. Third, given the present political tensions as well as the long history of ethnic animosity in the region, Vietnamese arguably have been the least welcome of the refugee groups in Southeast Asia, and prospects for the local integration or voluntary repatriation have been remote, so international resettlement has been the most humane alternative available. Finally, at least as far as the United States is concerned, although there was extensive U.S. military involvement in all three countries of Indochina for the two decades preceding 1975, the primary and most substantial commitment was to Vietnam, and responsibility for its loss was felt keenly.

The policy of resettlement in order to secure asylum worked for Vietnamese refugees with often remarkable efficiency. The boat people population in the region dropped from 205,000 in mid-1979 to about 40,000 three years later. Over 226,000 more boat Vietnamese reached asylum in the region during that time, and 391,000 were resettled in other countries. But as the flows continued, the resettlement and asylum countries began to ask: Large-scale international resettlement may be preserving asylum, at least for the Vietnamese, but is it also perpetuating the need for asylum?

Officials and policymakers talked more and more openly of the "pull factor" and the "magnet effect," suggesting that the opportunity of resettlement in a Western country, especially in the United States, was drawing people out of Indochina, or at least factored significantly in their decision to leave. The often-heard corollary to this argument was that an increasing percentage of people leaving were not refugees, but "economic migrants," who were not fleeing persecution so much as they were seeking a new life overseas.

The U.S. government was sufficiently worried about the pull factor that in April 1982, it declared a moratorium on resettlement of all Indochinese refugees without immediate family, political, or professional ties to the United States. This group without U.S. ties (in Processing Priority 6, or more simply, P-6) retained their refugee status, and remained in camps administered by UNHCR. The message from the United States, however, was that until further notice they were not of "special humanitarian concern" for the purposes of U.S. resettlement.

Annual Vietnamese boat arrivals declined for five straight years after the moratorium was announced, but a new problem emerged. Along with continued P-6 arrivals, there was a growing number of cases otherwise rejected for resettlement by the United States and other countries. In 1981 and 1982, the U.S. Immigration and Naturalization Service first began to reject Vietnamese claims to refugee status, arguing that the new Refugee Act of 1980 called for case-by-case determination of a "well-founded fear of persecution." Prior to this, presumptive refugee eligibility had applied, and the only Vietnamese rejected for resettlement has been those who were excludable under regular immigration criteria. This buildup in rejected or ineligible cases introduced a new term in the refugee lexicon—*longstayers*, generally defined as refugees who had lived in camps for two years or more.

The Vietnamese longstayer problem became particularly acute in Hong Kong where, because of geographical proximity, the boat flow has been increasingly dominated by northern Vietnamese with no ties to the United States or other resettlement countries. By the end of 1987, Hong Kong's Vietnamese refugee population numbered 9,500, nearly half of whom had been in camps for three years or more. Seventy percent of the new arrivals were from the north.

Boat arrivals in Hong Kong had been climbing steadily each year since 1985, so it should not have been a complete surprise that when arrivals in Thailand and Malaysia jumped in late 1987 and early 1988, Hong Kong would experience a similar increase. But the numbers far surpassed even the most drastic predictions. From January to June 1988, more than 17,000 boat people poured into Hong Kong, the highest figures in nine years.

Boat flows did not stop after the government announced new screening measures in June. Indeed, more than 5,500 Vietnamese arrived in Hong Kong in July alone. Since then, the numbers have fallen quickly, from 2,300 in August, 300 in September, to 60 in October. Is this due to the arrival of monsoon season; fear of detention, mistreatment, and repatriation at the hands of the Hong Kong authorities; or a winnowing-out of the less desperate from the more desperate? The safest conclusion is probably all three.

HIGH RESETTLEMENT EXPECTATIONS

But it is imperative that we step back for a moment from our almost obsessive scrutiny of monthly arrival rates and profiles, annual resettlement offtake, camp demographics, daily rations, and the like, to see what has been taking place for Vietnamese refugees in Southeast Asia. For many years, Vietnamese have been arriving in asylum countries, fleeing political and ethnic persecution, human rights abuses, famine, and poverty. Their reasons for flight are compelling and varied, but it is fair to say that virtually all have left, not in search of asylum, but in search of resettlement.

A recent study of Vietnamese refugees in Southeast Asia sponsored by the Ford Foundation noted that "interview after interview, not only with new arrivals, but also with longstayers, pointed to a common link shared by those who had suffered long years of reeducation as well as those who had joined the flow for reasons less obvious: high expectations" about resettlement. The most frequently recorded expectation was that people would be resettled within six months to one year after arrival in an asylum country, and that they would be able to select their country of resettlement, the top choices being the United States, Canada, and Australia.

The fact that most Vietnamese expect to be, and have been, resettled quickly in the country of their choice, and that this may figure significantly in their decision to escape Vietnam, does not, and should not, lead to the conclusion that they are "economic migrants." In practically every case, motivations for leaving are complex, and reports from UNHCR and other field agencies indicate that a clear majority of arrivals appear to have fled due to a well-founded fear of persecution.

But the prevalence of these expectations forces us to look again at the premise upon which the U.S. refugee program has been operating in Southeast Asia since 1979. Resettlement has been the means, and preservation of asylum has been the end. For most Vietnamese refugees, it is the other way around.

We need to acknowledge how inappropriate, and ultimately inhumane, it is to continue to treat the Vietnamese refugee issue predominantly in an asylum context, when Vietnamese are not seeking asylum, but resettlement. As the flows have continued, more resettlement has been the price exacted to preserve asylum. Then, as resettlement opportunities inevitably diminish over time, and the flows rise and fall but show no sign of stopping, asylum commitments are revoked or diluted, leading to inhumane treatment, violence, and death.

Resettlement has been achieved safely and directly from Vietnam through ODP for more than 150,000 people. But, at least for the U.S. program, the lack of full and consistent cooperation between the United States and Vietnam has prevented the program from reaching its full potential. A UN report issued just after the 1979 Geneva conference stated that both UNHCR and Vietnam "are expecting 5,000 or 6,000 departures a month once the arrangements have become fully operational." In fact, worldwide ODP departure figures have never reached half that rate, nor have they ever exceeded the resettlement rates of Vietnamese in first-asylum countries.

Given this imbalance, it is not surprising that the boat flows continue. Evidence suggests that Vietnamese will tolerate persecution, discrimination, and poverty for years if they feel that they can ultimately leave through ODP. But the waiting becomes intolerable when resettlement from asylum countries appears swift and virtually certain for those with ties to the West.

The cruel catch is that boat refugees first must survive the trip. Piracy and pushbacks may have added tens of thousands to the death toll, but the boat journey itself is an inherently dangerous one. This is what must stop, not through pushbacks or other harsh deterrent measures, but through a real diversion of the outflow into orderly migration channels.

The need is vital as ever before to preserve asylum—temporary safe haven in humane conditions until the opportunity exists to return home safely or a more durable solution can be found—for those who seek it. But asylum should be available on its own terms, not secured through large-scale resettlement. By the same token, resettlement should be available to the fullest extent possible without the need to reach asylum countries first.

The only way to achieve both of those goals for Vietnamese is through a renewed international commitment to the Orderly Departure Program, one that will accommodate at least 50,000 migrants for each of the next three years. ODP is already safer than clandestine flight, but only when it is consistently more reliable, inclusive, and expeditious than resettlement from asylum countries can unauthorized outflows be expected to diminish and, eventually, stop altogether.

Since its inception in June 1979, the ODP has provided an avenue for more than 150,000 Vietnamese to migrate safely. More than 68,000 of these have come to the United States via ODP, with the rest divided among some 30 other countries.

There are two basic migration tracks in the U.S. ODP program. From 1985 until 1989, the refugee track was limited to no more than 8,500 per year. Historically, the refugee track within ODP has included a predominance of family reunification cases, along with former U.S. government employees associates, Amerasians, and some former political prisoners. About 20,000 people have left Vietnam through the nonrefugee ODP track—primarily immigrant visa holders, American citizens, and a very small number of humanitarian parole cases.

In early 1988, the U.S. and Vietnamese governments began to expedite the movement of Amerasians. Under special two-year legislation, the United States is expected to admit up to 30,000 Amerasians and their family members by March 1990. These individuals enter with immigrant visas, but have access to full refugee benefits, so while their admissions numbers are not charged to the refugee ceiling, their budgetary impact on overseas and domestic programs is the same as a refugee's.

The U.S. ODP ceiling for 1989 was originally set at 25,000, almost three times its size the previous year, and included admissions slots for 13,000 refugees and 12,000 Amerasians. Although some argued that the inclusion of Amerasians was inappropriate, given their new immigrant status, these higher numbers were still a very encouraging sign that the United States was finally getting down to business with Vietnam on widening orderly migration channels.

In mid-December, however, the State Department initiated a transfer of 5,500 numbers from the ODP ceiling to accommodate additional resettlement needs in the Soviet Union. The official rationale for this transfer was that the numbers would not be used this year, in part because of the continued inability of the U.S. and Vietnamese governments to reach an agreement on the migration of reeducation camp prisoners.

A transfer of such large numbers out of ODP sends a terribly dangerous signal to Vietnam, to asylum countries in the region, and to our resettlement partners, that U.S. commitments on orderly migration simply cannot be counted on. The timing of this message, furthermore, could not be worse, given the upcoming international conference.

Last summer, the two governments appeared tantalizingly close to an agreement that would have allowed perhaps 50,000 former political prisoners and their families to emigrate. But in August, Vietnam suspended the discussions, citing what they called a "hostile" policy statement by a senior State Department official.

An agreement yet may be reached this year, but it seems counterproductive at best to be giving away numbers that already are committed and in hand for such a purpose. Reeducation camp prisoners have suffered a great deal already for their political views and affiliations. They and their families remain stigmatized in the new society, most seek to leave Vietnam, and, of most urgent concern, they have shown that they will depart clandestinely if they cannot do so legally.

In dealing with Vietnam, the Bush Administration should give immediate priority to the successful conclusion of a political prisoner migration agreement. Taking the Amerasian accord as a model, a legislative proposal might well achieve a breakthrough in bilateral negotiations, if it could establish a special initiative with its own procedures, funding, and timetable.

Also within the massive U.S. ODP files are the names of more than 60,000 people who are immediate relatives (spouses, parents, and unmarried minor children) of U.S. citizens, or who have current or near-current immigrant visa numbers. Over 20,000 of these could emigrate each year under U.S. law, but they have been stuck in basically the same queue as 700,000 other ODP applicants. Persons holding exit permits since 1985 are only now being interviewed for departure, so it is not surprising that many people gave up on the program and escaped. In November, however, Vietnamese authorities released the names of thousands of people available for U.S. interviewing, of whom fully two-thirds were eligible for immigrant visas either immediately or within one year. This is a very hopeful sign that the refugee and immigrant tracks finally may be coming disentangled.

The Orderly Departure Program has been hampered by frequent logistical logjams, political bickering, and unannounced policy shifts, all of which must be overcome if ODP is to be reestablished as a credible alternative to clandestine departure. The critical next step will be to secure and maintain generous ODP numbers worldwide, both for refugees and, increasingly, for immigrants.

RESETTLEMENT CANNOT STAND ALONE

It should never be foregotten that the use of resettlement as a protection mechanism in Southeast Asia has protected countless lives in the last decade. But it was never designed to stand alone indefinitely. Particularly in today's environment, refugee resettlement cannot fully secure protection, nor preserve asylum on its own. Orderly migration programs are the obvious and most direct way to reduce uncontrolled outflows; their success has been proven for Vietnamese, and potential exists for Laotians and Cambodians. Other regional solutions, including valid screening procedures, local settlement, and safe repatriation, are needed as well. With these, it may finally be possible to preserve asylum, free of the necessity for sustained, large-scale international resettlement.

Even as humane solutions for refugees in southeast Asia must be increasingly independent from resettlement. It nevertheless remains a vital piece of the regional puzzle. Resettlement of Vietnamese refugees most certainly will continue, but it must be predi-

cated on an international commitment to ensure that, from now until the boat flows end, total ODP departures each year will exceed by a substantial margin resettlement departures of Vietnamese in first-asylum countries. By the same token, ODP criteria for refugees, immigrants, or parolees must be more generous than the resettlement criteria that apply in the first-asylum camps. It should be expected that the truly desperate may continue to flee, but those who seek resettlement must be given every incentive to use orderly migration channels, and every humane disincentive from pursuing resettlement through dangerous, clandestine departures.

Finally, there is the issue of the longstayers, who have either been rejected or declared ineligible for overseas resettlement. In discussing possible resettlement options for this group, we should not include those who do not seek such an alternative. Among those who do seek resettlement are Vietnamese land and boat refugees, Cambodians, in Khao I Dang, most lowland Laos, and some percentage of highland Lao. Most of these fall into the P-6 priority group, those with no ties to the United States.

It is clear that no single country will be willing to absorb large numbers of longstayers on top of ODP and other resettlement commitments. An international "sharing-out" will be necessary, perhaps under relaxed processing guidelines. For those who are rejected for resettlement as refugees, special humanitarian parole programs may be needed. It is vital that any longstayer resettlement program is implemented in such a way and at such a time that it does not trigger a new outflow of people whose goal and only immediate alternative appear to be resettlement.

SCREENING PITFALLS AND PROMISE

In the past three years, two screening programs have been established for Indochinese refugees: in Thailand for Laotian asylum seekers, and in Hong Kong for Vietnamese boat people in each case, the host government has asserted its right to make refugee determinations, but has permitted UNHCR to monitor the process and submit appeals. Prior to these programs, both Laotians and Vietnamese enjoyed prima facie refugee status as soon as they were registered in UNBHCR-sponsored camps.

There are many good reasons to worry at the advent of screening programs in the region. Hong Kong insists that its interviewing criteria and procedures are consistent with UNHCR guidelines, but serious shortcomings still existed at the end of the year. Conditions in the detention centers, while improving, remain overcrowded and inhumane. And most troubling of all is the prospect of indefinite detention of the screened-out, pending their return to Vietnam. In Thailand, lack of access may be the worst problem, but the screening program is also plagued by extortion, bribery, and a misplaced emphasis on immigration, rather than refugee, criteria.

Without discounting these concerns, the institution of local screening programs must be seen as an inevitable and legitimate development in response to continuing refugee flows. UNHCR participates in, and monitors, refugee status determination procedures throughout the world, and acknowledges the sovereign right of nations to establish such programs.

Since 1979, the willingness of the asylum countries in the region to allow prima facie refugee status for all Indochinese arrivals has been predicated on the assumption that all of the arrivals eventually will be resettled elsewhere. This equation has omitted the possibility of refugees who do not seek or will not be granted resettlement, or the possibility of nonrefugees who leave their country for reasons other than a well-founded fear of persecution. Now, as it has become increasingly clear that resettlement will not be offered to every arrival and may even be perpetuating the outflows, asylum countries threaten to turn full circle and declare that nobody is a refugee.

Screening programs, with all the pitfalls they present, may be the only workable alternative to a total breakdown in asylum. The countries in Southeast Asia have been signalling their growing impatience at serving as conduits in the resettlement pipeline. They want the refugee flows to stop. Effective but totally unacceptable means to stem the flow have included pushbacks, inhumane detention, and abusive treatment. Regional screening mechanisms will not stop refugee movements, nor should they be designed to, but they do offer an alternative to inhuman deterrence practices.

UNHCR and most of the resettlement countries would prefer to see screening programs established in the region for Vietnamese asylum seekers, so long as they are in keeping with UNHCR guidelines. Hong Kong instituted a screening program on June 16, 1988, and Malaysia announced in December that it would adopt screening mechanisms in 1989, but so far the other countries of asylum remain reluctant to undertake this step, arguing that screening would leave them with a residual population of nonrefugees for whom the international community would feel no responsibility.

The only answer to that concern, at the moment, is not a promise of eventual resettlement for everyone, which would simply perpetuate the deadly treadmill we are on, but an international commitment to a sustained search of an ultimately durable solution, be it resettlement of some in nonrefugee categories, limited local settlement, or safe repatriation.

REPATRIATION MUST BE SAFE

Thus far, voluntary repatriation has been an alternative selected by only a small number of Indochinese refugees. Since 1980, a total of 12,159 refugees. Since 1980, a total of 12,159 refugees in Thailand have returned to Cambodia and Laos under the auspices of UNHCR, although tens of thousands are estimated to have returned home unofficially in that time. Only a handful of Vietnamese have opted to go home.

The fact that voluntary repatriation is, and may remain for some time, a limited alternative should not prevent UNHCR and the international community from promoting it. The right of a citizen to return home is as fundamental as the right to seek asylum or to emigrate.

There is some reason to think that voluntary repatriation for Vietnamese may become more viable, a new arrivals in asylum countries come to realize that resettlement simply is not available for all who leave. In December, Vietnam and UNHCR signed as agreement on voluntary repatriation, under which the Vietnamese government gave assurances that those who wished to return could go back to their home towns without fear of punishment or discrimination. Such a promise, of course, is not sufficient in itself, but it is a beginning. About 300 Vietnamese in Hong Kong have elected to return, since screening was instituted there in June. UNHCR needs to be closely involved, in Hong Kong and in other asylum countries, to ensure that the repatriation process is fully voluntary and safe, and that it results in successful reintegration for all participants.

The option of involuntary return is also being considered for screened-out Vietnamese in Hong Kong and, indeed, has already been exercised for some 44 screened-out Lao in 1987 and 1988. The fundamental question being debated in the region is: can involuntary return be carried out in such a way that it does not constitute refoulement, the forced return of a refugee to a country where that person's life or freedom would be threatened on account of race, religion, nationality, membership in a particular social group, or political opinion?

Examining this question in the context of the international legal instruments relating to refugees, the answer is yes, but only if two critical conditions are met. First, the individual must be determined, in a fair and impartial hearing carried out with UNHCR guidelines and participation, not to be a refugee. Second, the person's country of origin must provide a guarantee, verifiable through international monitoring, that the returnee will not be subject to reprisals or other human rights violations.

In a recent critique of the Hong Kong screening program, the Indochina Resource Action Center made numerous recommendations to the United Kingdom, Hong Kong, Vietnam, and UNHCR to improve the screening process and to establish acceptable conditions for repatriating those determined not to be refugees. The screening recommendations, which could serve as guidelines for the region, include: pre-interview guidance and assistance to asylum seekers; certification for all government and UNHCR interpreters; provision of UNHCR legal assistance and monitoring; maintenance of interview records; and provision of the right to administrative appeal and judicial review.

As for repatriation, the recommendations include: provision of temporary refuge to all who lack the protection of the Vietnamese government; and the establishment of a tripartite commission involving UNHCR, the UK and Hong Kong governments, and Vietnam to negotiate repatriation terms, which, at minimum, would include binding commitments from Vietnam not to penalize returnees and to allow UNHCR monitoring, and an agreement from UNHCR to provide reintegration assistance.

PROTECTION COMES FIRST

In any acceptable configuration in Southeast Asia, protection of refugees and asylum seekers will require renewed commitments from all concerned, include the asylum countries, resettlement and UN donor countries, and the three Indochinese states.

The asylum countries must acknowledge their responsibility to provide all asylum seekers temporary safe haven, a chance to establish their refugee bona fides in a fair and impartial hearing, and humane living conditions pending a durable solution. They must stop threatening pushbacks and refoulement whenever it appears resettlement commitments are flagging, but instead, allow time for orderly departure programs, screening, and safe repatriation efforts to take effect.

Resettlement and UN donor countries, for their part, must commit substantial resources, political and financial, to orderly migration programs, first in Vietnam and Laos, and then in Cambodia, pending a set-

tlement of the conflict there. International support must also be available to the asylum countries to help maintain safe and humane living conditions, particularly for those whose wish or only alternative is eventually to return home. Resettlement from asylum countries will need to continue, but not as a substitute for orderly migration programs or as the sole element in an open-ended equation to preserve asylum.

Finally, the Indochinese states must acknowledge the fundamental right of all people to the protection of their own government. They must abolish the laws and practices that promote discrimination against such groups as ethnic minorities, religious groups, and former reeducation camp prisoners. And before any safe repatriation can take place, voluntary or otherwise. Vietnam must remove from its books and its practices the imposition of criminal penalties on illegal departures.

A comprehensive and more balanced approach to refugee problems in Southeast Asia calls for reinvigorated commitments within the region and throughout the world to create a full range of humane alternatives to the destruction and despair of a continued refugee exodus. If we err at all this time, let it be from trying too much, not too little too late.●

SENATE RESOLUTION 102—RELATING TO GASOLINE PRICE INCREASES FOLLOWING THE "EXXON VALDEZ" OILSPILL

Mr. BRYAN submitted the following resolution; which was referred to the Committee on Energy and Natural Resources:

S. RES. 102

Whereas the *Exxon Valdez* ran aground off the coast of Alaska early in the morning of Friday, March 24, 1989;

Whereas enormous costs attributable to such an avoidable accident have already been incurred;

Whereas such costs include economic hardship for the people of Alaska, the endangerment of precious wildlife, the blackening of scenic coastlines, and threatened losses of valuable and productive fishing operations;

Whereas gasoline prices have increased an average of more than 10 cents per gallon nationwide following the tragic accident of the *Exxon Valdez;*

Whereas such gasoline price increases represent one of the most rapid and most significant price increases in the history of the gasoline market in the United States;

Whereas such gasoline increases are far greater than the minimal impact on the gasoline market that may be attributable to the temporary cessation of the shipping of oil from Alaska;

Whereas any impact on the gasoline market which may be attributable to the *Exxon Valdez* accident should be only temporary and limited in nature; and

Whereas the shipping of oil from Alaska has now resumed; Now therefore, be it

Resolved, That it is the sense of the Senate that—

(1) consumers in the United States should not be forced to bear the burden of the tragic accident involving the *Exxon Valdez;*

(2) oil companies should not profit from a disaster caused by an oil company;

(3) because the shipping of oil from Alaska has resumed, the major oil companies responsible for implementing such price increases should immediately cease the implementation of such price increases, and should not make any further increases which are claimed to be attributable to the *Exxon Valdez* oil spill; and

(4) current gasoline prices should be reduced to reflect price levels which existed immediately before the *Exxon Valdez* oil spill of March 24, 1989.

SENATE RESOLUTION 103—MAKING TECHNICAL CORRECTIONS TO SENATE RESOLUTION 66

Mr. MITCHELL (for Mr. DECONCINI, for himself, and Mr. MCCAIN) submitted the following resolution; which was considered and agreed to:

S. RES. 103

Resolved, That (a) subsection (d) of section 21 of Senate Resolution 66, agreed to February 28, 1989, is amended to read as follows:

"(d)(1) The Special Committee on Investigations (hereafter in this section referred to as the "special committee"), a duly authorized subcommittee of the select committee, is authorized from March 1, 1989, through February 28, 1990, to study or investigate any and all matters pertaining to problems and opportunities of Indians and the Federal administration of mineral resources, including but not limited to resource management and trust responsibilities of the United States Government, Indian education, health, special services, and other Federal programs and related matters.

"(2) For the purpose of this section the special committee is authorized from March 1, 1989, through February 28, 1990, in its discretion (A) to adopt rules (not inconsistent with this resolution and the Standing Rules of the Senate) governing its procedure, to be published in the Congressional Record, (b) to make investigations into any matter within its jurisdiction, (C) to make expenditures from the contingent fund of the Senate, (D) to employ personnel, (E) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (F) to hold hearings and to take staff depositions, interrogatories, and other testimony, (G) to require, by subpoena or order, the attendance of witnesses and the production of correspondence, books, papers, and documents at hearings or at staff depositions, (H) to procure the services of individual consultants or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946, as amended, and (I) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable basis the services of personnel of any such department or agency.

"(3) The Chairman of the special committee or any member thereof may administer oaths to witnesses, and, at staff depositions authorized by the special committee, oaths may be administered by any individual authorized by local law to administer oaths.

"(4) Subpoenas authorized by the special committee may be issued over the signature of the chairman, or any member of the special committee designated by the chairman, or the member signing the subpoena.

"(5) All subpoenas and related legal processes of the special committee authorized under S. Res. 381 of the One Hundredth Congress, second session, are authorized to continue.

"(6) The special committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate through the select committee at the earliest practicable date, but not later than February 28, 1990.".

(b) The amendment made by subsection (a) of this resolution shall be considered as having taken effect on February 28, 1989.

AMENDMENTS SUBMITTED

MINIMUM WAGE LEGISLATION

SYMMS (AND OTHERS) AMENDMENT NO. 23

Mr. SYMMS (for himself, Mr. GARN, Mr. COHEN, Mr. LAUTENBERG, Mr. LUGAR, Mr. GRASSLEY, Mr. WARNER, Mr. BAUCUS, Mr. LOTT, Mr. KASTEN, Mr. BOSCHWITZ, Mr. DOLE, Mr. ARMSTRONG, Mr. WALLOP, Mr. HATCH, Mr. DOMENICI, Mr. COCHRAN, Mr. DECONCINI, Mr. PRESSLER, Mr. MCCAIN, Mr. HELMS, Mr. MCCLURE, Mr. MCCONNELL, Mr. BOND, Mr. COATS, Mr. NICKLES, Mr. BREAUX, Mr. MACK, Mr. BURNS, Mr. BOREN, and Mr. D'AMATO) proposed an amendment, which was subsequently modified, to the bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, as follows:

Insert at the end of the bill the following new section:

SEC. . *Declared* that it is the sense of the Senate—

(1) that Section 89 of the Internal Revenue Code of 1986 imposes an intolerable and unjustified burden of compliance upon employers, far out of proportion to any social benefits supposedly gained by establishing a policy in the tax code limiting the differences in health and other non-taxable benefits an employer may provide as tax-deductible compensation for employees; and, therefore

(2) the Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially Section 89 of the Internal Revenue Code of 1986.

LOTT (AND LAUTENBERG) AMENDMENT NO. 24

Mr. LOTT (for himself, and Mr. LAUTENBERG) proposed an amendment, which was subsequently modified, to amendment No. 23, as modified, proposed by Mr. SYMMS (and others) to the bill S. 4, supra, as follows:

In the amendment numbered 23, as modified, proposed by Mr. SYMMS, strike all after the word, "SEC. ." on line 3 and insert in lieu thereof the following:

Declared, that it is the sense of the Senate—

(1) that Section 89 of the Internal Revenue Code of 1986 imposes an intolerable and unjustified burden of compliance upon employers, far out of proportion to any social benefits supposedly gained by establishing a

policy in the tax code limiting the differences in health and other non-taxable benefits an employer may provide as tax-deductible compensation for employees; and, therefore

(2) the Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially Section 89 of the Internal Revenue Code, effective December 31, 1988.

JEFFORDS (AND OTHERS) AMENDMENT NO. 25

Mr. JEFFORDS (for himself, Mr. CONRAD, and Mr. KERRY) proposed an amendment to the bill S. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . MAXIMUM HOUR EXEMPTION FOR EMPLOYEES RECEIVING REMEDIAL EDUCATION.

Section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) is amended by adding at the end thereof the following new subsection:

"(q) For a period or periods of not more than 10 hours in the aggregate in any workweek, any employer may employ any employee for a workweek in excess of the maximum workweek specified in subsection (a) without paying the compensation for overtime employment prescribed in such subsection, if during such period or periods the employee is receiving remedial education that is—

"(1) provided to employees who lack a high school diploma or educational attainment at the eighth grade level;

"(2) designed to provide reading and other basic skills at an eighth grade level or below; and

"(3) does not include job specific training.".

JEFFORDS AMENDMENT NO. 26

Mr. JEFFORDS proposed an amendment to the bill S. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF RIGHTS AND PROTECTIONS OF FAIR LABOR STANDARDS ACT OF 1938 TO SENATE EMPLOYEES.

(a) SENSE OF SENATE.—It is the sense of the Senate that the rights and protections provided under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) should apply with respect to an employee of the Senate or any office thereof.

(b) ADMINISTRATION.—Not later than 180 days after the date the minimum wage rate prescribed by section 6(a)(1) of such Act (29 U.S.C. 206(a)(1)) is increased pursuant to an amendment made by this Act, the Senate Committee on Rules and Administration shall report to the Senate a Senate resolution (including necessary amendments to Senate rules and regulations) that—

(1) applies rights and protections in accordance with subsection (a);

(2) establishes the scope of coverage of such rights and protections; and

(3) establishes such remedies and enforcement and other procedures as are necessary to carry out paragraph (1).

BOSCHWITZ (AND COATS) AMENDMENT NO. 27

Mr. BOSCHWITZ (for himself and Mr. COATS) proposed an amendment to the bill S. 4, supra, as follows:

At the end of the bill, add the following:

SEC. . SENSE OF SENATE REGARDING WORKING POOR FAMILIES.

It is the sense of the Senate that—

(1) the United States should not deal with the problems of working poor families only by raising the minimum wage established under section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206);

(2) an increase in the minimum wage in most cases will not, by itself, bring a large family supported by a minimum wage earner out of poverty;

(3) the long-term solution for working poor families is education and training access to quality healthcare and childcare;

(4) in the short term, the United States can increase incentives to work and make a more efficient commitment of resources to help low income families by amending the existing earned income tax credit established under section 32 of the Internal Revenue code of 1986 to vary the credit by family size and by increasing the minimum wage;

(5) through a mechanism such as a family-size adjusted earned income tax credit and a minimum wage increase, the United States can help deal with the tension between wages, which are based on productivity, and welfare which is based on need;

(6) such a mechanism provides a reward for working while adjusting that reward to need;

(7) the earned income tax credit should be amended to relate the percentage of credit to the number of children in the family;

(8) specific amounts should be determined by the consideration of revenue offsets; and

(9) amendments to carry out this section should be adopted on the first appropriate revenue bill.

KASTEN (AND OTHERS) AMENDMENT NO. 28

Mr. KASTEN (for himself, Mr. D'AMATO, Mr. BOSCHWITZ, Mr. LOTT, Mr. GARN, and Mr. NICKLES) proposed an amendment to the bill S. 4, supra, as follows:

At the end of the bill, insert the following new section:

SEC. . EFFECTIVE DATE FOR SECTION 89 DELAYED 1 YEAR.

Paragraph (1) of section 1151(k) of the Tax Reform Act of 1986 (relating to effective dates) is amended to read as follows:

"(1) IN GENERAL.—The amendments made by this section shall apply to years beginning on or after January 1, 1990.".

KASTEN AMENDMENT NO. 29

Mr. KASTEN proposed an amendment to amendment No. 28 proposed by Mr. KASTEN (and others) to the bill S. 4, supra, as follows:

On page 1, lines 8 and 9, of the amendment, strike out "on or after January 1, 1990" and insert in lieu thereof "after December 31, 1989".

NICKLES (AND OTHERS) AMENDMENT NO. 30

Mr. NICKLES (for himself, Mr. MCCAIN, Mr. COATS, Mr. THURMOND, Mr. DECONCINI, Mr. BOREN, Mr. PRESSLER, Mr. LEVIN, and Mr. FOWLER) proposed as amendment to the bill S. 4, supra, as follows:

At the end of the bill add the following new section:

SEC. . According to the Health Insurance Association of America, at least 70 percent of the elderly were covered by supplemental insurance policies (sometimes provided by former employers) or Medicaid at the time Public Law 100-360 was enacted, in effect, duplicating some coverage for almost two-thirds of the Medicare beneficiaries.

This year, a supplemental premium of 15 percent of tax liability is being assessed against Medicare beneficiaries and that next year the tax will rise to 25 percent of the senior citizen's tax liability rising to 28 percent in 1993 thereby placing a heavy burden on senior citizens who often live on a fixed income.

Hundreds of thousands of senior citizens from across the country have written Congress requesting that the Act be revised; Now, therefore,

It is the sense of the Senate that the Senate Finance Committee review Public Law 100-360, the Medicare Catastrophic Coverage Act of 1988, specifically including the financing mechanism.

Be it further the sense of the Senate that, the Finance Committee hold hearings in the process of reviewing Public Law 100-360.

WALLOP (AND OTHERS) AMENDMENT NO. 31

Mr. WALLOP (for himself, Mr. SYMMS, Mr. BOSCHWITZ, Mr. LOTT, and Mr. HELMS) proposed an amendment which was subsequently modified, to the bill S. 4, supra, as follows:

At the end of the bill add the following new section:

SEC. 5. Inclusion of Competitive and Economic Impact Analysis in Congressional Committee Reports of Employee Benefit Legislation.

Each committee of the Congress that reports legislation that requires employers to provide new employee benefits or otherwise affecting employment levels and conditions shall seek objective analysis of the impact of the legislation on employment, economic competitiveness, economic growth, the federal budget and international trade, and include such analysis in the committee report.

NICKLES AMENDMENT NO. 32

Mr. NICKLES proposed an amendment to amendment No. 31 proposed by Mr. WALLOP (and others) to the bill S. 4, supra, as follows:

At the appropriate place in the amendment, insert the following new section:

SEC. . ECONOMIC IMPACT STATEMENT.

(a) ACT NOT EFFECTIVE UNLESS STATEMENT PREPARED.—This Act shall not take effect unless the Committee on Labor and Human Resources requests, and the General Accounting Office prepares, an economic impact statement, as described in subsection (b), to accompany the conference report of this bill.

(b) ECONOMIC IMPACT STATEMENT.—The economic impact statement required by subsection (a) of this section shall—

(1) state the extent to which enactment of this Act or, if a conference report is issued, the Act as reported by the conference committee would result in cost or savings to the private and public sectors; and

(2) include a detailed assessment of the annual impact of the Act (projected annually over a 5-year period from its effective date and expressed in monetary terms where appropriate on—

(A) costs or savings to consumers and business;

(B) national employment;

(C) the ability of United States industries to compete internationally;

(D) State and local governments, fiscally and otherwise; and

(E) outlays by the Federal Government, including indirect costs it will incur as an employer, as compared to outlays for the same activity in this current fiscal year (as reported by the Congressional Budget Office).

NICKLES AMENDMENT NO. 33

Mr. NICKLES proposed an amendment to the bill S. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . APPLICATION OF DAVIS-BACON ACT.

The first section of the Act of March 3, 1931, commonly known as the Davis-Bacon Act (40 U.S.C. 276a) is amended by adding at the end thereof the following new subsection:

"(c) This Act shall apply only to a contractor, or subcontractor, whose annual gross volume of sales made or business done is not less than $500,001 (exclusive of excise taxes at the retail level that are separately stated).".

WALLOP AMENDMENT NO. 34

Mr. WALLOP proposed an amendment to amendment No. 33 proposed by Mr. NICKLES to the bill S. 4, supra, as follows:

In amendment 33, strike all after "SEC." and insert the following:

. APPLICATION OF DAVIS-BACON ACT.

The first section of the Act of March 3, 1931, commonly known as the Davis-Bacon Act (40 U.S.C. 276a) is amended by adding at the end thereof the following new subsection:

"(c) This act shall apply only to a contractor, or subcontractor, whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated).".

McCLURE AMENDMENT NO. 35

Mr. McCLURE proposed an amendment to the bill S. 4, supra, as follows:

At the appropriate place insert: Paragraph (12) of section 13(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(b)(12) is amended by inserting after "water" the following: ", at least 90 percent of which is ultimately delivered".

DURENBERGER AMENDMENT NO. 36

Mr. DURENBERGER proposed an amendment to the bill S. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . STUDY OF IMPACT OF MINIMUM WAGE INCREASE ON RURAL AREAS AND HIGH UNEMPLOYMENT AREAS.

(a) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study of—

(A) the impact of increasing the Federal minimum wage required under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) (as amended by this Act) on rural areas and high unemployment areas; and

(B) the feasibility of establishing a minimum wage differential for rural areas and high unemployment areas.

(2) FACTORS.—In carrying out such study, the Secretary shall consider—

(A) the impact of the small business exemption provided under section 3(s) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)) (as amended by section 3(a));

(B) the impact of any training or new hire wage established under such Act (as amended by this Act); and

(C) employment levels, the potential for job creation, the average cost of living, average wage levels, and average income levels in rural areas and high unemployment areas.

(b) REPORT.—Not later than June 1, 1991, the Secretary shall submit a report that describes the results of the study conducted under subsection (a) to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(c) DEFINITIONS.—As used in this section:

(1) HIGH UNEMPLOYMENT AREA.—The term "high unemployment area" means a standard metropolitan statistical area that has an unemployment rate that is at least 150 percent higher than the national unemployment rate.

(2) RURAL AREA.—The term "rural area" shall have the same meaning given such term in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

(3) SECRETARY.—The term "Secretary" means the Secretary of Labor.

DURENBERGER (AND KENNEDY) AMENDMENT NO. 37

Mr. DURENBERGER (for himself and Mr. KENNEDY) proposed an amendment to the bill S. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . REGULATIONS CONCERNING CERTAIN EMPLOYEES.

Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall promulgate regulations that interpret the professional exemption contained in section 13(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)(1)) in a manner that permits computer systems analysts, software engineers, and other similarly skilled professional workers to qualify under such section for such exemption. Such regulations shall ensure that such employees shall continue to be eligible for such exemption even if such employees are compensated on an hourly basis, except that to qualify for such exemption such employees shall be compensated at an hourly rate that is at least 6½ times greater than the applicable minimum wage rate under section 6 of such Act (29 U.S.C. 206).

KERRY AMENDMENT NO. 38

Mr. KENNEDY (for Mr. KERRY) proposed an amendment to the bill S. 4, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . SURVEYS AND RESEARCH.

(a) IN GENERAL.—The Secretary of Labor shall conduct surveys and research on the characteristics of minimum wage employment, and the impact of the modification to the scope of coverage and minimum wage levels, under the Fair Labor Standards Act of 1938 (7 U.S.C. 201 et seq.) (as amended by this Act) and section 6 of this Act, including—

(1) a survey of the distribution of wages earned by employees subject to the Fair Labor Standards Act of 1938 and section 6 of this Act by wage level, industry affiliation, and regional, State, and other demographic characteristics, including an analysis of the feasibility of conducting such survey on a regular periodic basis;

(2) a study of the impact of increasing the sales level that subjects an enterprise to the Fair Labor Standards Act of 1938 under section 3(s) of such Act (29 U.S.C. 203(s)) (as amended by section 3(a) of this Act);

(3) a study of the degree of compliance with, and methods of enforcement of, the Fair Labor Standards Act of 1938, including goals and plans for ensuring compliance with such Act (as amended by this Act) and section 6 of this Act; and

(4) a study of the impact of increasing the tip credit provided under section 3(m) of such Act (as amended by section 5 of this Act).

(b) COMPLETION DATES.—The Secretary shall complete—

(1) the survey and study required under paragraphs (1) and (3) of subsection (a) not later than September 30, 1991; and

(2) the studies required under paragraphs (2) and (4) of subsection (a) not later than September 30, 1992.

(c) RESULTS.—The Secretary shall make the results of the surveys, research, and studies conducted under this section available to Congress.

WALLOP (AND OTHERS) AMENDMENT NO. 39

Mr. WALLOP (for himself, Mr. SIMPSON, Mr. COATS, Mr. HELMS, and Mr. SYMMS) proposed an amendment to the bill S. 4, supra; as follows:

At the end of the bill, add the following:

That Section 7 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"( ) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of the maximum workweek applicable to such employment under subsection (a) if, pursuant to a contract made between the employer and the employee individually or an agreement made as a result of collective bargaining by representatives of employees entered into prior to the performance of the work, the employer at a written request of the employee grants the employee compensatory time off with pay in a subsequent workweek

in lieu of payment of the number of hours worked in such current workweek in excess of the maximum workweek applicable to such employee under subsection (a). For purposes of determining the maximum workweek applicable to such employee under subsection (a), and the rate of pay due to the employee, compensatory time used by the employee shall be considered hours actually worked during the subsequent workweek in which actually used. Any voluntary agreement must specify the time period in which the compensatory leave * * *.

KENNEDY AMENDMENT NO. 40

Mr. KENNEDY proposed an amendment to the bill S. 4, supra, as follows:

In section 3(b)(1), strike out "December 31, 1989" and insert in lieu thereof "September 30, 1989".

In section 3(b)(1)(A), strike out "December 31, 1989" and insert in lieu thereof "September 30, 1989".

In section 6(b)(2), strike out "subsection (g)(1)(B)" ind insert in lieu thereof "subsection (g)(1)(D)".

In section 6(g)(1), strike out "(as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10))" and insert in lieu thereof "(as defined in paragraphs (8)(A) and (10)(A) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8)(A) and (10)(A))".

In section 6(h), strike out "January 1, 1993" and insert in lieu thereof "July 1, 1992".

DOLE AMENDMENT NO. 41

Mr. DOLE proposed an amendment to the bill S. 4, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . CIVIL PENALTIES FOR VIOLATIONS.

Section 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(e)) is amended.

(1) in the first sentence, insert after "or any regulation issued under that section," the following: "or any person who repeatedly or willfully violates section 6 or 7;" and

(2) in paragraph (3) by adding after "section 15 (a) (4)" the following: "or a repeated or willful violation of paragraph (2) of section 15(a)."

BUSINESS OPPORTUNITY DEVELOPMENT REFORM ACT

BUMPERS (AND BOSCHWITZ) AMENDMENT NO. 42

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. BOSCHWITZ) submitted an amendment intended to be proposed by them to the bill (S. 767) to make technical corrections to the Business Opportunity Development Reform Act of 1988; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Business Opportunity Development Reform Act Technical Corrections Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents of the Business Opportunity Development Reform Act of 1988 (hereinafter referred to as "the Act") is amended—

(1) in item 713, by striking "Procurements" and inserting "Procurement"; and

(2) in item 722, by striking "participating" and inserting "participation".

SEC. 3. DEFINITIONS.

Section 2 of the Act is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(2) by inserting after paragraph (2) the following new paragraph:

"(3) the term 'Business Opportunity Specialist' means the Administration employee responsible for providing business development assistance to Program Participants pursuant to sections 7(j) and 8(a) of the Small Business Act (15 U.S.C. 636(j), 637(a));"; and

(3) in paragraph (6), as redesignated—

(A) by striking "Small Business" and inserting "Minority Small Business", and

(B) by inserting before the semicolon the following: ", unless otherwise indicated".

SEC. 4. PROGRAM ELIGIBILITY.

Section 7(j)(11) of the Small Business Act (15 U.S.C. 636(j)(11)) is amended—

(1) by striking subparagraph (B) and inserting the following:

"(B)(i) Except as provided in clause (iii), no individual who was determined pursuant to section 8(a) to be socially and economically disadvantaged before the effective date of this subparagraph shall be permitted to assert such disadvantage with respect to any other concern making application for certification after such effective date.

"(ii) Except as provided in clause (iii), any individual upon whom eligibility is based pursuant to section 8(a)(4) shall be permitted to assert such eligibility for only one small business concern.

"(iii) A socially and economically disadvantaged Indian tribe may own more than one small business concern eligible for assistance pursuant to section 7(j)(10) and section 8(a) if—

"(I) the Indian tribe does not own another firm in the same industry which has been determined to be eligible to receive contracts under this program, and

"(II) the individuals responsible for the management and daily operations of the concern do not manage more than two Program Participants.";

(2) in the first sentence of subparagraph (E), by striking "Office of the Associate Administrator for Minority Small Business" and inserting "Office of Minority Small Business";

(3) in the second sentence of subparagraph (E), by striking "such Associate Administrator" and inserting "the Associate Administrator for Minority Small Business and Capital Ownership Development";

(4) in subparagraph (F)(v), by striking "with the Associate Administrator" and inserting "to the Associate Administrator";

(5) in subparagraph (F), by striking clause (vi) and inserting:

"(vi) make recommendations to the Associate Administrator for Minority Small Business and Capital Ownership Development concerning protests from applicants that have been denied program admission;";

(6) in subparagraph (F)(viii), by striking "subparagraph (H)" and inserting "subparagraph (I)";

(7) in subparagraph (G)(ii), by striking "participants" and inserting "Participants";

(8) by redesignating subparagraph (H) as subparagraph (I); and

(9) by inserting after subparagraph (G) the following:

"(H) Not later than 90 days after receipt of a completed application for Program certification, the Associate Administrator for Minority Small Business and Capital Ownership Development shall certify a small business concern as a Program Participant or shall deny such application.".

SEC. 5. BUSINESS PLANS.

(a) IN GENERAL.—Section 7(j)(10)(A)(i) of the Small Business Act (15 U.S.C. 636(j)(10)(A)(i)) is amended by striking "which sets forth" and inserting "which set forth".

(b) CONTENTS OF PLAN.—Section 7(j)(10)(D) of the Small Business Act (15 U.S.C. 636(j)(10)(D)) is amended—

(1) in the first sentence of clause (i), by striking "business opportunity specialist" and inserting "Business Opportunity Specialist";

(2) in clause (ii)(II), by striking "small business concerns" and inserting "the small business concern";

(3) in clause (iii), by inserting before the end period the following: "relating to attaining business activity from sources other than contracts awarded pursuant to section 8(a)";

(4) in clause (iv), by striking "contact awards" and inserting "contract awards"; and

(5) in clause (iv)(I), by inserting before the second comma the following: "relating to attaining business activity from sources other than contracts awarded pursuant to section 8(a)".

SEC. 6. ELIGIBILITY REVIEWS AND ELIGIBILITY OF NATIVE HAWAIIANS.

(a) ELIGIBILITY REVIEW.—Section 7(j)(10)(J)(i) of the Small Business Act (15 U.S.C. 636(j)(10)(J)(i)) is amended by striking "suspended or terminated" and inserting "suspended".

(b) ELIGIBILITY OF NATIVE HAWAIIANS.—Section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)) is amended by striking "organizations" and inserting "Organization".

(c) Section 207(b) of the Act is amended by striking "(15 U.S.C. 631(e)(2)(C))" and inserting "(15 U.S.C. 631(e)(1)(C))".

(d) DEFINITION OF "SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERN".—Section 8(a)(4)(A) of the Small Business Act (15 U.S.C. 637(a)(4)(A)) is amended—

(1) in clause (i), by inserting "unconditionally" after "per centum"; and

(2) in clause (ii), by inserting "unconditionally" before "owned by".

SEC. 7. TERMINATION AND GRADUATION STANDARDS.

(a) IN GENERAL.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)) is amended—

(1) by striking subparagraph (E)(ii) and inserting:

"(ii) completes the period of Program participation as prescribed by paragraph (15);";

(2) by striking the first subparagraph (F); and

(3) in subparagraph (F), by striking the first sentence and inserting the following: "For purposes of this section and section 8(a), the term 'terminated' and the term 'termination' means the total denial or suspension of assistance under this paragraph or under section 8(a) prior to the graduation of the participating small business concern

or prior to the expiration of the maximum program participation term.".

(b) ECONOMIC DISADVANTAGE.—Section 8(a)(6)(C)(iii)) of the Small Business Act (15 U.S.C. 637(a)(6)(C)(iii) is amended by striking out "section 7(j)(10)(H)" and inserting "section 7(j)(10)(G)".

SEC. 8. STAGES OF PROGRAM PARTICIPATION.

(a) IN GENERAL.—Section 7(j)(12) of the Small Business Act (15 U.S.C. 636(j)(12)) is amended—

(1) in subparagraph (A), by striking "development" and inserting "developmental"; and

(2) in subparagraph (B), by inserting "in its effort" after "to assist the concern".

(b) DEVELOPMENTAL STAGE.—Section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)) is amended by striking the second sentence and inserting the following: "Such assistance may be made without regard to section 18(a). Assistance may be made by direct payment to the training provider or by reimbursing the Program Participant or the Participant's employee, if such reimbursement is found to be reasonable and appropriate.".

SEC. 9. LOANS.

Section 7(a)(20) of the Small Business Act (15 U.S.C. 636(a)(20)) is amended in subparagraph (C)(iv), by inserting "is" before "amortized".

SEC. 10. CONTRACTUAL ASSISTANCE.

(a) CITATION.—Section 303(a) of the Act is amended by striking "15 U.S.C. 363(j)(10)" and inserting "15 U.S.C. 636(j)(10)".

(b) COMPETITIVE BUSINESS MIX.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)) is amended by striking "(i) During the developmental stage" and inserting "(I)(i) During the developmental stage".

(c) COMPETITIVE THRESHOLDS.—Section 8(a)(1)(D)(i) of the Small Business Act (15 U.S.C. 637(a)(1)(D)(i)) is amended by striking "program participants" and inserting "Program Participants".

(d) OPTIONS.—Section 303(f)(2) of the Act is amended by inserting "active" before "contracts previously awarded".

(e) NON-MANUFACTURER RULE.—Section 8(a)(17)(B) of the Small Business Act (15 U.S.C. 637(a)(17)(B)) is amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and

(2) by inserting after clause (i) the following:

"(ii) be a small business concern under the numerical size standard for the Standard Industrial Classification Code assigned to the contract solicitation on which the offer is being made;".

SEC. 11. STATUS OF THE ASSOCIATE ADMINISTRATOR FOR MINORITY SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT.

(a) IN GENERAL.—Section 401(a) of the Act is amended by striking "In Section" and inserting "Section".

(b) CAREER POSITION.—Section 401(b) of the Act is amended by striking "of the Act" and inserting "of the Small Business Act".

SEC. 12. PROHIBITED ACTIONS AND EMPLOYEE RESPONSIBILITIES.

Section 8(a)(18)(A) of the Small Business Act (15 U.S.C. 637(a)(18)(A)) is amended by striking "certified".

SEC. 13. POLITICALLY MOTIVATED ACTIVITIES.

Section 8(a)(19)(B) of the Small Business Act (15 U.S.C. 637(a)(19)(B)) is amended by striking ", imposed by the Administrator,".

SEC. 14. REPORTS BY PROGRAM PARTICIPANTS.

Section 8(a)(20)(A) of the Small Business Act (15 U.S.C. 637(a)(20)(A)) is amended by striking "business opportunity specialist" and inserting "Business Opportunity Specialist".

SEC. 15. CONGRESSIONALLY REQUESTED INVESTIGATIONS.

Section 10(e)(2) of the Small Business Act (15 U.S.C. 639(e)(2)) is amended by striking "of the disposition of the matter" and inserting ", of the disposition of the request".

SEC. 16. CONTRACT PERFORMANCE.

Section 8(a)(21) of the Small Business Act (15 U.S.C. 637(a)(21)) is amended—

(1) in subparagraph (B), by striking "The Administrator may, as a matter of discretion and on a nondelegable basis, waive the requirements of subparagraph (A) if requested to do so prior to the actual relinquishment of ownership or control. In addition to the requirement of the preceding sentence, a waiver may be given only if any of the following conditions exist:" and inserting the following: "The Administrator may, on a nondelegable basis, waiver the requirements of subparagraph (A) only if one of the following conditions exist:"; and

(2) by redesigning subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following:

"(C) The Administrator may waive the requirements of subparagraph (A) if—

"(i) in the case of subparagraph (B)(i), (ii) and (iv), he is requested to do so prior to the actual relinquishment of ownership or control; and

"(ii) in the case of subparagraph (B)(iii), he is requested to do so as soon as possible after the incapacity or death occurs.".

SEC. 17. DUE PROCESS RIGHTS.

Section 8(a)(9) of the Small Business Act (15 U.S.C. 637(a)(9)) is amended—

(1) in subparagraph (A), by striking "Administrator" and inserting "Administration";

(2) in subparagraph (B)(iii), by striking "section 7(j)(10)(H)" and inserting "section 7(j)(10)(G)"; and

(3) in subparagraph (C), by striking "Administrator's" and inserting "Administration's".

SEC. 18. EMPLOYEE TRAINING AND EVALUATION.

Section 410 of the Act is amended—

(1) in subsection (a), by striking "Training Requirements for Business Specialists" and inserting "Training Requirements for Business Opportunity Specialists"; and

(2) in subsection (c)(2), by striking "subsection (a)" and inserting "subsection (b)".

SEC. 19. PRESIDENTIAL REPORT ON CONTRACTING GOALS.

Section 15(h)(2)(A) of the Small Business Act (15 U.S.C. 644(h)(2)(A)) is amended by inserting "individuals" after "economically disadvantaged".

SEC. 20. COMMISSION ON MINORITY BUSINESS DEVELOPMENT.

Section 505 of the Act is amended—

(1) in subsection (b)(1)(B)(ii), by striking "program participants" each place it appears and inserting "Program Participants";

(2) in subsection (b)(1)(C), by striking "subparagraph (B)" and inserting "subparagraph (A)";

(3) in subsection (b)(2)(C), by striking "each such subparagraph" and inserting "paragraph (1)";

(4) in subsection (c)(3), by striking "such subparagraphs" and inserting "subparagraphs (B), (C), and (D)";

(5) in subsection (c)(6)(B), by striking "paragraph 2" and inserting "subsection (b)(2)";

(6) in subsection (d)(1)(B), by striking "531(b)" and inserting "5311(b)";

(7) by adding at the end of subsection (d) the following:

"(C) To facilitate the expeditious initiation of the Commission's activities, the Administrator of the Small Business Administration shall designate an Executive Secretary and provide such additional interim staff and support services as the Administrator deems appropriate until the time of the Commission's organizational meeting and the designation of its Executive Director, or such longer time as may be agreed upon by the Administrator and the Chairperson of the Commission.";

(8) in subsection (f), by striking "cease to exist on" and inserting "cease to exist within 90 days after"; and

(9) in subsection (g), by striking "authorized in the section" and inserting "authorized in this section".

SEC. 21. RELATIONSHIP WITH OTHER PROCUREMENT PROGRAMS.

Section 15(m)(1)(A) of the Small Business Act (15 U.S.C. 644(m)(1)(A)) is amended by striking "procedure" and inserting "procedures".

SEC. 22. INDIAN TRIBE EXEMPTIONS.

Section 602 of the Act is amended—

(1) in subsection (a), by striking "Section 8(a)(16) of the Small Business Act" and inserting "Section 8(a)(1)(D) of the Small Business Act,";

(2) in subsection (b)(2)(B), by inserting after "reservation" "or former reservation of such tribe as determined by the Secretary of the Interior";

(3) in subsection (b)(2)(C), by inserting ", or such former reservation" before the semicolon; and

(4) by striking subsection (d) and redesignating subsection (e) as subsection (d).

SEC. 23. SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM.

Section 711(a) of the Act is amended by inserting "in this title" after "referred to".

SEC. 24. ENHANCED SMALL BUSINESS PARTICIPATION GOALS.

Section 712(b)(1) of the Act is amended by striking "section 718" and inserting "section 717".

SEC. 25. PROCUREMENT PROCEDURES AND REPORTING.

(a) PROCUREMENT PROCEDURES.—Section 713(a) of the Act is amended by striking "$25,000 or more" and inserting "more than $25,000".

(b) REPORTING.—Section 714(c)(2) of the Act is amended by striking "section 712(d)" and inserting "section 712(c)".

SEC. 26. DESIGNATED INDUSTRY GROUPS.

Section 719(b)(2) of the Act is amended to read as follows:

"(2) Major Group 16 (Heavy Construction Other Than Building Construction—Contractors) (excluding dredging);".

SEC. 27. DEFINITION OF PARTICIPATING AGENCY.

Section 718(c) of the Act is amended—

(1) by designating paragraphs (5) through (9) as paragraphs (6) through (10), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) the Department of the Interior,"; and

(2) in paragraph (8), as redesignated, by inserting "with" before "the Public Building Service".

SEC. 28. ALTERNATIVE PROGRAM FOR CLOTHING AND TEXTILES.

Section 721 of the Act is amended—

(1) by inserting "(10 U.S.C. 2301 note)" after "Fiscal Year 1987" in subsection (a)(2)(B); and

(2) by adding at the end thereof the following:

"(c) PROGRAM TERM.—The Program shall commence on January 1, 1989, and terminate on September 30, 1992.

"(d) REPORT.—The Secretary of Defense shall issue reports to the Congress on the operations of the program established pursuant to this section. Such Reports shall detail the effects of the program on the mobilization base and on small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals. Interim reports shall be submitted every 6 months during the term of the program to the Committees on Armed Services and Small Business of the House of Representatives and the Senate.".

SEC. 29. EXPANDING SMALL BUSINESS PARTICIPATION IN DREDGING.

Section 722 of the Act is amended—

(1) in subsection (a), by adding before the end period the following: "solicited on or after January 1, 1989";

(2) in subsection (d)(1)(B), by inserting "foster" before "joint ventures";

(3) in subsection (d)(1)(C), by inserting "foster" before "subcontracting through"; and

(4) in subsection (f), by inserting ", regarding compliance with this section" at the end of paragraph (1), and by striking paragraph (3).

SEC. 30. REGULATIONS.

Section 801(3) of the Act is amended by striking "two hundred and ten days" and inserting "270 days".

SEC. 31. AMENDMENTS TO EFFECTIVE DATES.

Section 803 of the Act is amended—

(1) in subsection (b)(3)(B), by striking "Sections 302 and" and inserting "Section";

(2) in subsection (b), by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) Section 302 shall take effect on June 1, 1989."; and

(3) in paragraph (1) of subsection (b), by striking "June 1, 1989" and inserting "August 15, 1989".

SEC. 32. EFFECTIVE DATES OF THIS ACT.

The amendments made by this Act shall apply as if included in the Business Opportunity Development Act of 1988.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding an oversight hearing on Friday, April 14, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building. The topic has changed to Indian participation and Government procurement contracting.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Thursday, April 20, 1989, at 9:30 a.m., in SR-301, to continue receiving testimony on campaign finance legislation introduced this session. At this hearing individuals and organizations will present their views on the following bills:

S. 7, to amend the Federal Election Campaign Act of 1971 to further restrict contributions to candidates by multicandidate political committees, require full disclosure of attempts to influence Federal elections through soft money and independent expenditures, correct inequities resulting from personal financing of campaigns, strengthen the role of political parties, and contain the cost of political campaigns;

S. 56, to limit the role of political action committees in federal elections;

S. 137, to amend the Federal Election Campaign Act of 1974 to provide for a voluntary system of spending limits and partial public financing of Senate general campaigns, to limit contributions by multicandidate political committees;

S. 242, to amend the Federal Election Campaign Act of 1971 to prohibit the use of compulsory union dues for political purposes;

S. 326, to amend the Federal Election Campaign Act of 1971 to repeal a provision allowing use of excess contributions;

S. 330, to amend the Federal Election Campaign Act of 1971 to prohibit committees, require full disclosure of attempts to influence Federal elections through soft money and independent expenditures, and correct inequities resulting from personal financing of campaigns;

S. 332, to prohibit candidates in Federal elections from soliciting contributions to repay contributions or loans made by such candidate to his campaign;

S. 359, to prohibit the use of excess campaign funds for personal use; and

S. 597, to amend the Federal Election Campaign Act of 1971 to limit candidate expenditures of personal funds.

Individuals and organizations who wish to testify or submit a statement for the hearing record are requested to contact Jack Sousa, chief counsel of the Rules Committee, on 224-5648.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Manpower and Personnel of the Committee on Armed Services be authorized to meet on Wednesday, April 12, 1989, at 9:30 a.m., in open session to receive testimony on S. 653, the Aviation Career Improvement Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS, SUSTAINABILITY AND SUPPORT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Readiness, Sustainability and Support of the Committee on Armed Services be authorized to meet on Wednesday, April 12, 1989, at 9:30 a.m., in open session to review recommendations of the Defense Secretary's Commission on Base Realignment and Closure.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES AND BUSINESS RIGHTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies and Business Rights of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, April 12, 1989, at 9:30 a.m., to hold a hearing on competitive problems in the cable TV industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, April 12, 1989, at 9:30 a.m., to hold a hearing to receive testimony from Senators on congressional campaign finance legislation—Senate bills 7, 56, 137, 242, 326, 330, 332, 359, and 597.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 12, at 10 a.m., to hold a hearing the future of United States-Soviet relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DOMESTIC AND FOREIGN MARKETING AND PRODUCT PROMOTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Domestic and Foreign Marketing and Product Promotion of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, April 12, 1989, at 2 p.m., to hold a hearing on the GATT proceedings in Geneva as they relate to agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, April 12, 1989, to hold hearings on the Federal Government's use of trusteeships under the RICO statute.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 12, 1989, at 2 p.m., to hold a hearing on the nomination of Elaine L. Chao to be Deputy Secretary of the Department of Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 12, 1989, at 9 a.m. to hold a hearing on the education, competitiveness, and children's television.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate on Wednesday, April 12, 1989, to mark up S. 413, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 12 at 2 p.m., to hold a nomination hearing on Henry Catto to be Ambassador to the United Kingdom and Vernon Walters to be Ambassador to the Federal Republic of Germany.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HEALTH EFFECTS OF OZONE

● Mr. LIEBERMAN. Mr. President, last week, I expressed my concern about the health effects of air pollution on the most vulnerable members of our society, including children, the elderly, and those with respiratory or cardiovascular problems.

Today, I want to focus on the impact of air pollution on healthy individuals. I believe the effects are unacceptable and dramatically point out the need to enact a stronger Clean Air Act in this Congress.

The results of one series of recent studies are particularly instructive. In June 1988, scientists Donald Hortsmann and William McDonnell from the Environmental Protection Agency's research facility in North Carolina reported on the reaction of humans, in controlled laboratory settings, to ozone concentrations at levels found in many areas of our country where the ozone standard is being violated. The subjects were put through a series of exercises similar to those of children at play or construction workers on the job.

The scientists measured lung functioning—breathing capacity—during the day and at the end of the day, following 6.6 hours of exercise. They found that lung function loss was so severe and unexpected that it was necessary to conduct the study again. The second study, conducted in late 1988, examined subjects at a level of ozone exposure 50 percent below the current health-based level. Again, the results were dramatic: The subjects experienced breathing difficulty and were extremely sensitive to respiratory diseases. Most importantly, the lungs began to show the same symptoms as a body responding to an external attack. One symptom of this attack is inflammation of the lungs. In animals, these symptoms indicate permanent, irreversible lung damage.

Of particular interest, Drs. Hortsmann and McDonnell found that about 10 percent of the subjects were responders—people who reacted more severely to the ozone exposure than the average person. Scientists have not been able yet to identify which portion of the population will experience this response. These studies assure us, however, that a substantial group of otherwise perfectly healthy people will experience very significant lung function losses.

We are only now beginning to learn the full impact of the effects of ozone. During the summer of 1988, as we were experiencing the worst air pollution of the decade, a joint American-Dutch environmental health conference was held in the Netherlands. The studies discussed at the conference provide additional evidence of the permanent damage to the lungs from long-term exposure to ozone.

For example, a number of scientists reported at the symposium that animals react to long-term exposure to ozone as if their bodies were being subjected to massive external threats. D.M. Hyde of the School of Veterinary Medicine at the University of California at Davis reported that some of the changes in the animals' bodies—scarring and development of lesions in the airways—are the same as those found in tobacco smokers.

The EPA Acting Assistant Administrator for Air, Donald Clay, testified before Congress that animals exposed for only a few hours to ozone at levels below the Federal standard and a bacterial condition were.

. . . significantly more likely to develop serious respiratory infections resulting in death than were animals exposed to the same bacterial (condition) and clean air.

Studies in Los Angeles conducted over the last decade show declines in the functioning of human lungs—also known as aging of the lungs—similar to the results seen in the animal studies. These studies also compared the rate of chronic respiratory impairment of people in Los Angeles with people in less polluted areas.

Not surprisingly, they found a clear difference between the two, with much more disease and respiratory impairment among Los Angeles residents.

Unfortunately, there are no effective measures that individual citizens of Los Angeles or Connecticut can take to protect ourselves from this exposure—other than total isolation in a controlled breathing chamber.

This is a problem that cries out for a Federal response, and that response should take the form of a strong Clean Air Act which can mandate reductions in the emissions that threaten all of our lives. It will mean changes in the way we do business and the way we live, but the American people are prepared to make those changes if we provide the leadership. Nothing less than the health of our citizens is at stake.●

SENATE CONCURRENT RESOLUTION 25, TO INCREASE THE NUMBER OF REFUGEES ALLOWED INTO THE UNITED STATES

● Mr. D'AMATO. Mr. President, I rise today to express my support for Senate Concurrent Resolution 25, the sense of the Senate resolution by my distinguished colleague, the senior Senator from Iowa. This concurrent resolution calls upon the President and Congress to engage in emergency consultations to increase the number of refugees allowed into the United States in 1989, to provide funds to pay for them, and to restore the presumption that Jews and members of other religious minorities emigrating from the Soviet Union have a well-founded fear of persecution.

The need for this concurrent resolution is unfortunate, pressing, and clear. The Immigration and Naturalization Service, according to testimony by Nancy R. Kingsbury of the General Accounting Office at an April 5, 1989, hearing of the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary of the House of Representatives, has been adjudicating refugee cases in an inconsistent manner. The result has been rising denial rates and an international black eye for the United States and the cause of human rights.

Let me quote from Ms. Kingsbury's prepared testimony. In the section headed, "Adjudications of Refugee Cases Inconsistent," she stated:

We found various inconsistencies in the manner in which individual refugee cases were adjudicated in Rome and Moscow * * *. [T]he manner in which cases were adjudicated changed in August 1988 from automatic approval to case-by-case adjudications and application of worldwide standards has changed from a more generous approach. As a result, denial rates have increased steadily since the beginning of fiscal year 1989. Also, there has been a 36-percent reversal rate (187 of 527) on denials which were appealed so far in fiscal year 1989. This suggests that many cases are not correctly processed. We also found inconsistencies in the depth of interviews and types of questions asked by the INS interviewers. Finally, we were told that INS in Rome is reexamining its denial decisions on all Pentecostals' applications to determine if the decisions were appropriate, because an unexpectedly high denial rate as of January for this group could not be adequately explained in comparison to the widely held view that many Pentecostals are persecuted in the Soviet Union.

The General Accounting Office continued with a damning explanation of the reasons why conditions were so bad:

Several factors appear to contribute to the inconsistent adjudications. First, we found a mix of knowledgeable officers, experienced in adjudicating Soviet cases, and temporary duty officers who were not trained in Soviet country conditions and had no experience in adjudicating Soviet cases. Second, the heavy workload caused by the increased numbers of applicants forced voluntary agency and INS officials to work quickly to complete the case loads. Also, there is a lack of physical evidence to support refugee claims. As a result, decisions are made subjectively, almost solely on the basis of testimony of applicants.

What this means is that too few experienced officers were trying to handle too many cases, and the inexperienced officers brought in to help were processing cases, but improperly. This is a tragedy.

As a past chairman of the Commission on Security and Cooperation in Europe and a current commissioner, I have fought hard for Soviet compliance with its international human rights obligations. Now that we are finally beginning to see better compliance, especially with the right to freedom of emigration, we are confronted with the problem that we are not ready to deal with it.

The result is that we now are getting worse reviews in the international press that the Soviet Union, particularly as a result of our handling of these refugees. We've created a bureaucratic nightmare, one that is being acted out in full view of the European press.

It is hard to picture how we can continue to be a respected and credible critical voice calling the Soviets and their Warsaw Pact allies to account for their lesser, but still significant human rights violations at the forthcoming Paris Human Dimension Helsinki Process meeting, when the people the Soviets release are languishing in a bureaucratic maze that Franz Kafka would have admired. We have to get this mess under control and soon. Our budget deficit will excuse many things, but not this.

I applaud the administration's initiative to create a new immigration category and allocate $85 million for the refugee admissions program and $15 million for refugee assistance needs in Africa and Southeast Asia. The additional refugee funding will meet the costs for 28,500 persons, according to administration testimony, raising the fiscal year 1989 total to 112,500 refugees.

The difficulty is that this new administration initiative does not solve the problem. As my colleagues know, I have been continuously and severely critical of the Immigration and Naturalization Service's shortcomings. They have done too little to improve their performance, which in the case of Soviet refugees, falls far short of the mark.

In particular, the problem arises of the application of the statute to the refugees. The pertinent part of the statute states as follows:

[T]he term refugee means * * * any person who * * * is unable or unwilling to return to [his or her country], and is unable or unwilling to avail himself or herself of the protection of that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion * * *. (8 U.S.C. 1101(a)(42).)

It has been alleged that the INS, fully aware of a recent Supreme Court decision setting forth standards for applying the "persecution or well-founded fear of persecution" test, is not applying it properly. The effect of this misapplication is to reduce the number of people qualified for admission to the United States as refugees to a number equal to the resources available to pay for them.

The administration's new request addresses in part the need for additional resources, but does not address the underlying question of INS conduct. That is a serious issue and one the appropriate oversight committees would do well to explore with thoroughness and speed.

Mr. President, to aid this review process I will ask that an excerpt from the February 9, 1989 memorandum prepared by Fried, Frank, Harris, Shriver & Jacobsen for the legal council for Soviet Jewry, at the request of the Hebrew Immigrant Aid Society, be printed in the RECORD at the close of my remarks. The excerpt that I offer is the section of the memorandum outlining the legal standard for refugee admissions and applying this standard to the situation of Soviet Jews.

In the wake of the administration's new initiative to deal with the Soviet refugee question, I cosponsor my colleague's concurrent resolution to make the point that, even if the administration's measure should be adopted expeditiously—and I strongly support it and hope that it will be passed as soon as possible—that will not solve the problem.

It is a serious mistake to overlook the history associated with this issue and take the easy way out—the creation of a New Immigration Category. In fact, in my view, the vast majority of the people now coming out of the Soviet Union are refugees and deserve to be treated as refugees by the United States Government. Also, the administration's initiative may fall short of addressing the full scope of the problem.

It is entirely possible that the additional 28,500 numbers will not meet the fiscal year 1989 need. My colleagues and I will examine this issue closely. It makes no sense to put a Band-Aid on a problem requiring major surgery.

Mr. President, I urge my colleagues to join me in support of this important concurrent resolution. Help me send a message to those in the Soviet Union who have believed over the years in the United States as the World Leader in Human Rights. Let's tell them that Lady Liberty's Torch has not been extinguished by our Budget difficulties—that our love for freedom and high regard for others who are willing to sacrifice for it will not be lost in a bureaucratic budget maze.

Finally, we must keep the heat on the Immigration and Naturalization Service. They perform a very important function, representing the United States to people who want to come to the United States. It is in all of our best interests that these officials represent the United States with the greatest possible professionalism and fairness. The present State of affairs falls far short of that, due to management problems, not the hard work of the people in the field who are called upon to accomplish superhuman tasks with almost no resources.

I ask that the excerpt to which I referred be printed in the RECORD.

The excerpt follows:

IV. ESTABLISHING A "WELL-FOUNDED FEAR OF PERSECUTION"

A. The Definitions of "Refugee" and "Persecution"

To gain political asylum or refugee status under the Refugee Act of 1980, an applicant must demonstrate that he is a "refugee" within the meaning of Section 101(a)(42) of the INA, 8 U.S.C. 1101(a)(42). Section 101(a)(42) provides in relevant part:

"The term 'refugee' means (A) any person who is outside any country of such person's nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually re-

sided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country *because of persecution or a well-founded fear of persecution* on account of race, religion, nationality, membership in a particular social group, or political opinion, or (B) in such circumstances as the President after appropriate consultation (as defined in Section 207(c) of this Act) may specify, any person who is within the country of the person's nationality [and who is persecuted or has a well-founded fear of persecution]." Id. (emphasis added).

Under this definition of "refugee," an individual's claim for political asylum or refugee status turns almost entirely on his ability to demonstrate a "well-founded fear of persecution." Despite the critical importance of this phrase, the INA failed to define it further. For a more detailed explanation of what constitutes a "well-founded fear," one must look to the Supreme Court's opinion in *INS* v. *Cardoza-Fonseca*, 480 U.S. 434 (1987). Although the Court insisted in that case that it did "not attempt to set forth a detailed description of how the well-founded fear test should be applied," it nevertheless gave a great deal of guidance to lower courts in interpreting this phrase.

The *Cardoza-Fonseca* opinion focused on the purpose behind the passage of the Refugee Act, in particular, on Congress' intention to bring United States refugee law into conformity with the U.N. Protocol relating to the status of refugees. The most obvious evidence of this intention was the wording of Section 101(a)(42), which is taken almost directly from the Protocol's definition of "refugee." On the basis of this history, the Court concluded that interpretations of the Protocol's definition were relevant in determining the meaning of § 101(a)(42). (Id. at 451.)

The Court specifically referred to the Handbook on Procedures and Criteria for Determining Refugee Status published by the Office of the United Nations High Commissioner for Refugees.[1] Although the Court noted that the Handbook is not binding on the INS, they felt it was a helpful aid since "it provides significant guidance in construing the Protocol" and "has been widely considered useful in giving content to the obligations that the Protocol establishes." (Id. at 452, n. 22 (citations omitted).)

In its discussion of the phrase "well-founded fear of persecution," the Handbook provides a number of guidelines for interpretation. It notes that the phrase involves both a subjective element—the applicant's fear—and an objective element—the likelihood of persecution. Handbook, at 11, ¶36. According to the Handbook, an individual's fear should be considered "well-founded" if it would be "intolerable" for him to return to his country of origin. Id. at 12, ¶42. His fear need not be based on his own personal experience but may be based on what happened to his friends and relatives or other members of his racial or social group. (Id. at 13, ¶43.) Moreover, the "fear" may be entirely prospective—an individual may reasonably fear future persecution even if he has not been persecuted in the past. (Id., ¶45.)

The Handbook also discusses the meaning of the word "persecution." The clearest case of persecution, according to the Handbook, is "a threat to life or freedom on account of race, religion, nationality or political opinion or membership in a particular social group." However, the Handbook also notes that persecution may involve other serious violations of human rights short of a threat to life or liberty. (Id. at 14, ¶51). Whether these other acts amount to persecution depends on the circumstances, including the individual's subjective fear of persecution. The Handbook notes that "[d]ue to variations in the psychological make-up of individuals and in the circumstances of each case, interpretations of what amounts to persecution are bound to vary." (Id., ¶52.)

The Handbook distinguishes between persecution, which, if present, entitles one to refugee status, and discrimination, which, by itself, does not confer such status. In a paragraph often cited by the INS in its denial of Soviet Jews' applications, the Handbook states that "[i]t is only in certain circumstances that discrimination will amount to persecution." (Id. at 15, ¶54.) However, the *Handbook* goes on to say, in a paragraph which the INS has failed to quote, that even discrimination may constitute persecution in circumstances where it gives rise to a fear of further unfavorable treatment amounting to persecution. (Id., ¶55.) Moreover, an individual may also be able to establish a well-founded fear of persecution on "cumulative grounds," if he was "subjected to various measures not in themselves amounting to persecution (e.g. discrimination in different forms), in some cases combined with other adverse factors (e.g. general atmosphere of insecurity in the country of origin)." (Id., ¶53.)

Domestic case law offers additional guidance on the definition of "persecution." The Ninth Circuit Court of Appeals concluded that persecution need not be government-instigated; it may also come from groups which the government is either unwilling or unable to control. *Bolanos-Hernandez* v. *INS*,. 767 F.2d 1277, 1284 (9th Cir. 1985). Moreover, persecution may be other than physical. The imposition of substantial *economic disadvantage* for reasons of race, religion or political opinion may constitute persecution. (*Kovac* v. *INS*, 407 F.2d 102, 197 (9th Cir. 1969).) Even more generally, persecution has been defined as "the infliction of suffering or harm upon those who differ (in race, religion or political opinion) in a way regarded as offensive." (Id.)

B. The Evidentiary Burdens of Proof and Persuasion Required to Establish a "Well-Founded Fear"

Although it discussed the meaning of the phrase "well-founded fear," the *Cardoza-Fonseca* opinion was primarily concerned with the issue of what standard of proof to apply in asylum cases. Prior to the *Cardoza-Fonseca* decision, circuit courts were divided on the issue whether or not to apply the same standard in asylum cases as in cases involving withholding of deportation. Some courts, applying the deportation test, required the asylum applicant to show that it was "more likely than not" that he would be subject to persecution if forced to return to his country of origin. (*Sotto* v. *INS*, 748, F.2d 832 (3d Cir. 1984).) Other courts applied a more lenient standard in asylum cases and required only that the applicant demonstrate a "reasonable possibility of persecution." (*Bolanos-Hernandez* v. *INS* 749 F.2d 1316 (9th Cir. 1984).)

The Supreme Court sided with the latter courts and held that a more lenient standard should be applied in asylum cases.[2] Rejecting the "more likely than not" standard, the Court stated that "[o]ne can certainly have a well-founded fear of an event happening when there is less than a 50-percent chance of the occurrence taking place." A fear of persecution could be well-founded even if based on a 10-percent chance of persecution. *ID.* at 477. In language which echoes the Handbook's, the Court then explained that the "well-founded fear" standard of asylum claims included both subjective and objective elements.

Courts have interpreted Cardoza-Fonseca to mean that "an applicant for asylum has established a well-founded fear if a reasonable person in his circumstances would fear persecution." (Matter of Mogharrabi, Interim Dec. No. 3028 (BIA 1987) (emphasis added); *Desir* v. *INS*, 840 F.2d 723 (9th Cir. 1988).) In the two years since Cardoza-Fonseca was decided, courts have identified the existence of a well-founded fear of persecution in a variety of situations. E.g., Matter of Mogharrabi (where an Iranian studying in the United States received veiled threats from an employee of the Iranian Interests Section at the Algerian Embassy, was then grabbed by his neck, and later fled from the Embassy when the employee drew a gun—all of these events having been recorded on camera); *Arteaga* v. *INS*, 836 F.2d 1227 (9th Cir. 1988) (where a Salvadoran's political neutrality toward the civil war left him open to forcible recruitment by guerrillas); *Desir* v. *INS*, 840 F.2d 723 (9th Cir. 1988) (where a Haitian's refusal to pay extortion money to Haitian security forces was perceived by those forces as an act of disloyalty necessitating punishment).

Although the standard involves both a subjective and objective element, evidence of persecution may be established either by the introduction of documentary evidence or by the "credible and persuasive testimony of the applicant." *Cardoza-Fonseca* v. *INS*, 767 F.2d 1448, 1453 (9th Cir. 1985), aff'd 480 U.S. 434 (1987). The courts are sensitive to the fact that corroborative testimony is often difficult or impossible to obtain, and in those

[1] *Handbook on Procedures and Criteria for Determining Refugee Status Under the 1951 Convention and 1967 Protocol Relating to the Status of Refugees* (UNHCR, Geneva 1979) (hereinafter referred to as "Handbook").

[2] The Court did not address the question of whether this same standard applies to applications for refugee status; however, it is clear that the standards must be the same since the phrase at issue, "well-founded fear of persecution," is used in both types of determinations.

cases may rely entirely on the applicant's own testimony. (Mogharrabi, at 10.) Courts may also grant asylum based solely on a finding that the country at issue has a history of persecuting individuals whose situations resemble that of the applicant. (Id. at 11.)

V. THE "WELL-FOUNDED FEAR" STANDARD AS APPLIED TO THE SITUATION OF SOVIET JEWS

There is a vast literature documenting the persecution faced by Soviet Jews.[3] As a result, under the Cardoza-Fonseca standard, individual Soviet Jews who apply for asylum should have little trouble establishing a "well-founded fear" of persecution. Given the unpredictable nature of the treatment of Jews in the Soviet Union as evidenced by their past and present treatment, it is reasonable for Soviet Jews to fear persecution on account of their religion if they return.

According to the Handbook, religious persecution can come in many forms: "prohibition of membership of a religious community, of worship, in private or in public, of religious instruction, or serious measures of discrimination imposed on persons because they practice their religion or belong to a particular religious community." (Handbook, at 18, n.72.)

The persecution of Soviet Jews falls into nearly all of these categories. Soviet Jews are limited in their ability to freely practice their religion and to learn about their cultural heritage. (Country Reports, at 1058-61.) Soviet Jews also suffer discrimination when they apply to college and certain jobs and may have limited opportunities for promotions (Id. at 1065.) Attempts by Soviet Jews to hold public demonstrations concerning topics of Jewish interest are often curtailed by the authorities. (Id. at 1067.) Anti-Semitic literature is available in bookstores and anti-Semitic organizations are allowed to operate freely, suggesting Government approval. (Id. at 1057.) Finally, immigration laws are frequently applied in an arbitrary manner to Jews and Jews who apply to emigrate are persecuted. (Id. at 1062-63.)●

EXPANDING THE PRIMARY MARKET: U.S. ECONOMIC CHALLENGES IN THE GLOBAL ECONOMY OF THE 1990'S

● Mr. KERRY. Mr. President, the hurdles the United States must overcome in the global economy in the coming years are certainly formidable. We must reduce our dangerous twin deficits, maintain our competitiveness, and prevent the re-emergence of protectionism anywhere in the world. We are all familiar with these pressing issues, with the threat they pose to our standard of living and with the urgent need to make real progress in addressing them.

Certainly U.S. businesses operating around the world are cognizant of these challenges and are working to meet them. Perhaps no company has been more involved on this front than American Express and its chairman, Jim Robinson. Mr. Robinson is an active participant in this discussion and has often come forth with innovative ideas and proposals regarding the most urgent world economic problems. For this reason, I would like to share with you his recent thoughts on the global economic challenge for the United States in the coming decade. He has made some astute observations regarding deficit reduction, international trade and developing country debt which deserve our consideration.

Mr. President, I ask that the text of Mr. Robinson's speech to the Bay Area Council on this critical issue be printed at this point in the RECORD.

The remarks follow:

EXPANDING THE PRIMARY MARKET: U.S. ECONOMIC CHALLENGES IN THE GLOBAL ECONOMY OF THE 1990'S

(By James D. Robinson III)

I am delighted to be here today as part of your 1989 Outlook Conference.

My assignment is to talk about the global economic outlook and to say a few words about the economic and political trends that the new Administration and Congress will face, both at home and abroad.

I'm afraid you've been short-changed: I am not an economist, or an economic forecaster. But since the ticket calls for forecasts, I can tell you what three of the economists in American Express are saying.

Two of them—Allen Sinai, Chief Economist of the Boston Company, part of our Shearson Lehman Hutton subsidiary, and Bill Melton, Chief Economist of IDS, another of our subsidiaries—have similar views.

Both see a slowing economy this year, with real growth of 2½% or 3%, and a near-recession in 1990.

Inflation: a bit above 5% this year, then lower to 4½% or 3½% in 1990.

Long-term Treasury Bonds: About 9½% on average in 1989, then down one or two percentage points in 1990.

Short-term Treasury bills: Here they differ. Sinai sees an 8½% average for 1989; Melton, a 7½% average. Both lower in 1990.

The dollar: at 117 yen this year, according to Sinai, or 120 yen according to Melton.

Now, if you don't like that mix, here's a brighter picture from Robert Barbera, Chief Economist of Shearson Lehman Hutton:

Real growth of 3% this year and 2.4% next.

Inflation of 4.4% and then 4.3%.

Short-term interest rates: 7.8% this year, than 7.4%.

Long-term interest rates: 8.9% in 1989, rising to 9.1%.

The dollar: 122 yen.

If you like good odds, here are two of three economists predicting an economic slowdown next year, with higher inflation and interest rates this year. If you like long shots, one of three economists is saying, "steady as she goes for both 1989 and 1990."

As I said, I'm not an economist, so I'm glad that part of the speech is behind us. I am just a businessman . . . a businessman from the services-sector business who's concerned about growth in his primary market—which for American Express happens to be the whole world. So that's the limited perspective that I bring to you today.

With that caveat in mind, what do I see out there? First of all, things look pretty good near term. President Reagan is leaving office with the economy in fine shape. With one exception, the new President doesn't face any immediate economic crises. In fact over the past few years we've been getting acceptable readings on all the basic economic indicators. And these trends look like they will continue through 1989:

There's pretty good economic growth and low unemployment . . . seventy-three months of economic growth, the longest peacetime expansion in our history.

There's good growth in the rest of the industrial world—Japan, the NICs, Canada, the U.K., Italy, even West Germany.

International trade increased by 9% last year.

Inflation is moderate, at about 4½% to 5%. That's up from 2% to 3% two years ago, and reason for caution. But there's no evidence that inflation is going to move sharply higher.

The dollar is competitive, and the G-7 coordination process has worked reasonably well.

Yes, interest rates have been creeping up recently, especially at the short end, but they're still affordable.

The financial system is reasonably stable. The fact that we survived the crash of October 19, 1987 shows how much resiliency there is.

There is one immediate crisis facing the new President—the thrift industry. Other problems could become crises—the dollar could come under pressure; interest rates and inflation could rise if there's no action on the budget deficit; growth could slow enough to tip us into recession. Still, in general, George Bush is taking over at a time when economic conditions are quite favorable.

That's the problem! We all know that, while we may not be facing major economic crises, there are some serious structural challenges ahead. Our political system is pretty good at responding to crises. It's not as good at responding to challenges.

Last year, I had the privilege of serving on the executive committee of the American Agenda—the project of President Ford and President Carter to develop concrete advice for the new President. The final report identified twelve top priorities.

Six were listed as requiring immediate attention:

1. The budget deficit;
2. National Security and arms control;
3. The FSLIC crisis;
4. Third world debt and international trade;
5. Children at risk; and
6. U.S. relations with allies.

Six additional issues were identified as ongoing priorities:

1. Productivity, competitiveness, education, and job training;
2. U.S. relations with the U.S.S.R.;
3. U.S. relations with Mexico;
4. Nicaragua and Central America;
5. The environment; and
6. Drugs.

Out of these twelve challenges, I want to highlight three today: the budget deficit,

[3] See, e.g., the State Department's Country Reports on Human Rights Practices for 1987.

international trade, and the third world debt burden.

Each of these are long-term challenges. How the Administration and the Congress manage them will not only impact our businesses in the months ahead but will also determine the health of the economy and U.S. influence in the world in the decades ahead.

Three challenges. Why do I focus on these, and not others? Because I think they're basic, and linked. They represent the three major imbalances in the world economy today. The longer they persist, the worse the economic future will be, especially for the United States. Let me suggest why.

THE BUDGET DEFICIT

First, the budget deficit . . . the most obvious and the most fundamental challenge. The Congressional Budget Office's baseline projections for the Federal budget—assuming no deficit reduction—show deficits of $150 billion to $130 billion for the next five years. Even this week's Administration budget, which assumes five more years of strong growth with falling inflation and interest rates, has baseline deficits over $100 billion through 1991. That may not seem so bad—until you realize that surpluses in Social Security (rising from $50 billion to $100 billion) hold down or mask the numbers. Excluding Social Security surpluses, we're looking at budget deficits of $200 billion or more in each of the coming years. And that doesn't include the costs of bailing out the thrift industry, or fixing the nuclear weapons production plants.

When reflecting on how we got in this mess, it's useful to remember a line of Mae West's. She once said, "When faced with a choice of evils, I always choose the one I haven't tried yet." In this decade, the Administration, the Congress, and basically the American people, when faced with the evil of cutting spending and the evil of raising taxes, decided to try another evil that hadn't really been tried except in wartime: big budget deficits.

Quite frankly, the consequences haven't been so bad.

Deficits were supposed to cause inflation to go up. Well, inflation came down.

Deficits were supposed to cause interest rates to go up. Well, interest rates came down.

Deficits were supposed to be bad for a country's economic health. Well, Japan's budget deficit is larger relative to its economy than ours, and look how well Japan is doing.

Of course, if you're an economist, you can show where the strains are. You can point to real interest rates of three to five percentage points. You can point to the high level of personal savings in Japan and low personal savings in the U.S. You can point to the enormous amounts of borrowing by the U.S. from foreign sources, and show how this has made the U.S. the world's largest debtor. All of that's true—and all of it doesn't seem to matter . . . because it's too abstract.

So, new arguments are needed. To my mind, the strongest argument for budget deficit reduction is that getting the U.S. fiscal house in order is prerequisite to meeting almost every other challenge. As long as the U.S. continues to run large budget deficits, we will not have control of our economic destiny. If deficits keep absorbing national resources, where will we find the savings needed to finance new investment? When the government's spending $150 billion and more each year just in interest on the Federal debt, how will it pay for the education and infrastructure we need to be competitive? How will the U.S. be able to exercise international leadership, if we're overly dependent of foreign capital?

Reducing the deficit is especially critical because of our inadequate national savings. Net national savings in 1988 was only about 2.8% of GNP, compared to 7.2% of GNP during the 1970s. The Federal deficit accounts for about one quarter of that deterioration.

Looking ahead, more savings will be needed because investment needs will be huge.

New technologies, such as superconducting materials, fifth generation computers, submicron microchip circuitries, and biotechnologies, will require hundreds of billions of dollars of new investment.

Modernizing existing production and service capacities so that U.S. businesses can be internationally competitive will absorb equal amounts. At American Express alone, we're investing in new computer and telecommunications equipment at the annual rate of $1.3 billion just to keep up with demand and technological change.

Rebuilding and modernizing our country's public infrastructure—everything from fixing old bridges to building new airports and schools—$2 trillion or more will be required over the next decade.

Educating and training world-class workers, at a time when more and more of the potential workforce will be non-English speaking, or functionally illiterate youngsters, or displaced adult workers.

Investments in these areas are vital for our country to increase productivity, become more competitive, and raise our standard of living.

Where are we going to get the money for these needed investments?

One answer could be to borrow it from abroad. That's what the U.S. has been doing in this decade. Clearly, there are political problems with doing that—but the real problem with foreign investment is not its presence, but its potential absence. Even developing countries that used to attack foreign investors now recognize that it's much worse *not* to have them. As long as the U.S. has to borrow from abroad, it's probably better to receive those funds through direct investment in factories and businesses that generate new jobs than through "hot money" purchases of Treasury securities alone. Still, the role of direct foreign investment will be a recurring political debate of 1989.

In any event, with the excess of U.S. foreign debt over U.S. foreign assets reaching half a trillion dollars last year, you have to wonder how much more the U.S. can borrow from abroad . . . or how much more foreigners are willing to invest in our country. So, we're back to the question, how to expand national savings?

Some economists say, don't worry. The baby boom generation is getting older, moving into the stage in life when they save. Already, the personal savings rate has moved up from 3.2% in 1987 to 4.3% in 1988, with some forecasting a 6% plus savings rate in 1990.

Maybe they're right. I hope so. Still, should you get the score on it? No. That makes it all the more important to reduce the drain on savings from the budget deficit, if not move into a budget surplus.

Now, I'm an optimist. Some of my friends in Congress have told me that for the first time in twelve years, there's someone in the White House who is not a stranger to Washington . . . a President who believes the Administration and Congress can work together on a bi-partisan basis. He's appointed a strong team, which is well aware of the national savings problem and is working on new solutions. At some point, input from the National Economic Commission may be useful. So, I'm hopeful that progress on the deficit can and will be made. After all, a $40 billion deficit reduction each year is not impossible out of a $1 trillion Federal budget and a $5 trillion economy.

Personally, I think we can and should get most, if not all, of that out of cuts in spending. But there may ultimately have to be something on the revenue side. Rather than get into details here on which taxes should be raised, I will use that old Art Buchwald line: "I know but I am not at liberty to say." In either case, it's very important that spending cuts or revenue increases impact consumption—not savings and investment.

THE TRADE CHALLENGE

That brings me to the trade challenge. Here, I don't mean just the U.S. trade deficit, though that's part of the problem. I also mean preserving and strengthening the multilateral system of open trade. In short, it's time for international commercial disarmament.

Obviously, the U.S. trade deficit is a problem, not only for us, but for the world's trading system. The merchandise trade deficit shrunk last year to about $130 billion from $171 billion in 1987. But the improvement seems to be slowing. Most forecasts show trade deficits still at over $100 billion this year and next.

Such large imbalances make it hard politically for the U.S. to maintain its commitment to free trade. Any U.S. movement away from the principles of open markets in turn would, of course, weaken other countries' commitment.

What can be done to get the U.S. trade deficit down further? The causes lie in our own policies, as well as in the economic policies and trade distorting practices of other countries. So, at home, the most important step is to reduce the budget deficit in ways that moderate consumption and boost savings. That would help curb the U.S. appetite for imports.

Abroad, countries need to increase the capacity for domestic growth and consumption, especially in the developing world. That would expand the primary market for U.S. exports.

If these changes are to work, all countries must reduce the direct and indirect obstacles to trade. Without open trade, market forces cannot reduce trade imbalances.

What can the U.S. do to expand free and open trade?

At times, the U.S. must be a tougher trade negotiator . . . not afraid to take a hard line when confronting unfair trade practices in other countries. The 1988 Omnibus Trade Act gives the Administration all the necessary tools.

The U.S. should also be willing to explore bilateral trade agreements, along the lines of the U.S./Canada free trade agreement. The Canadian FTA was designed to be compatible with GATT—the General Agreement of Tariffs and Trade—and to serve as a model for other open trade agreements, including GATT.

Some see the U.S./Canada FTA and the movement of Europe toward closer economic integration by 1992 as evidence that regional trading blocs will become the norm. They need not. On the contrary, both will, I

hope, be part of a stronger multilateral trading system.

On the GATT front, the news is encouraging, even though last month's meetings in Montreal got some negative press coverage . . . mostly because of a gridlock on agriculture between the U.S. and the EEC. In fact, much progress was made. Tentative agreements were reached in eleven out of fifteen areas of negotiation, including an important one on services. Two years remain to realize the objectives established in Uruguay when the present round was launched. There is still much to do. Creative ideas are needed to resolve deadlocks in agriculture and intellectual property, to narrow differences on textiles and safeguards, and to convert agreements reached at Montreal into final form.

A successful conclusion to this GATT round would be a major contributor to economic prosperity and stability in the decades ahead. Fortunately, the new administration will field a strong team, led by an experienced advocate and negotiator in Carla Hills as U.S. Trade Representative, while retaining Clayton Yeutter's unique trade-negotiating skills and experience at Agriculture. They will face serious challenges. But the lesson of Montreal is that, with leadership from the heads of government and constructive support from business and the public, international commercial disarmament can be achieved.

LDC DEBT AND DEVELOPMENT

The third challenge I want to talk about today is the need to find a solution to the heavy debts and lagging economies in less developed countries (LDCs). In Latin American and African countries, economic growth is inadequate. Hyperinflations are common. Personal incomes have dropped by a third or more. Poverty is rampant.

Poor growth in developing countries has many causes. Low commodity prices, bad economic policies and practices, corruption—all have hurt. So, too, has the burden of servicing massive debts. Each year, $25 billion to $30 billion in financial resources has flowed out of the seventeen most heavily indebted countries alone in debt service.

Why is this a problem for the U.S.? Because, if the U.S. doesn't take the lead in solving the LDC debt problem, we risk losing Latin America and other developing countries as trading partners, as allies, and as market-oriented democracies.

Think of the implications for the U.S. of an economically stagnant and politically disintegrating Latin America, starting with Mexico:

The loss of these markets for exports;

The threat to our national interests from hostile leftist or right-wing governments;

The immigrant pressures on our borders;

Continuing, if not worsening, drug trafficking;

The environmental impact of the greenhouse effect as rain-forests are destroyed.

So, there's a big stake in solving this problem.

The key to a successful stategy for LDC debt is reversing the outflow of capital and reviving economic growth. U.S. policy to date has not been able to achieve this. New and more comprehensive measures are needed, as the new administration recognizes.

I believe that market-oriented structural reforms adopted by the LDCs in exchange for meaningful financial incentives—debt relief and/or new credit—are the best way to establish the conditions for growth. The objective should be to create a reinforcing cycle in which financial relief provides incentives for sticking to needed economic reforms, and those reforms provide the climate for new investment.

Almost a year ago, I proposed one approach to the LDC debt problem: the creation of an international agency to buy banks' LDC loans at a discount. That agency, called the Institute of International Debt and Development, or I_2D_2 for short, would then provide debt relief to the LDC in exchange for accelerated economic reforms.

That's one option; there are others. Clearly, the financial techniques are there. The question is whether the political will is up to the task.

The preconditions are in place for a new LDC debt strategy. Many banks are ready and able to accept some form of debt relief or debt reduction, if it is negotiated, conditioned, and not imposed. Many debtor countries have made progress toward market-oriented economies and are prepared to adopt a variety of policy changes. Some industrial countries—Japan, for instance—are proposing new approaches. The key country is the U.S. I hope . . . and believe . . . the administration will seize the opportunity to exercise leadership on this issue.

CONCLUSION

These three challenges—the budget deficit; trade; and LDC debt—are but three of the structural problems we face. But progress on meeting these challenges is a prerequisite to progress in other problem areas. And unless progress is made, the U.S. will lose its political, and perhaps economic, leadership position.

Thanks to U.S. farsightedness after World War II, the economies of Japan, Europe, and now other countries in Asia, have grown to rival the U.S. in size and wealth. In some areas, their businesses and technologies are ahead of ours. They are now lending the U.S. their capital. They will assert their own ideas and proposals wherever U.S. policies and performance are found wanting.

The U.S. certainly can retain its leadership, however. It has the largest, richest and most open economy. Throughout the world, our values—political freedom, democracy, market-oriented economies—are winning, not only in Asia and Latin America, but even behind the Iron Curtain. The economic success stories have been the countries with trade-oriented, market-driven economies, not those that are centrally planned. China is experimenting with competitive and private enterprise. The Soviet Union now has its glasnost and perestroika. On issues from military to commercial disarmament, to issues of trade or LDC debt, most governments in the free world, despite at times critical rhetoric, want U.S. leadership in developing multilateral responses.

That's the challenge, and the opportunity, I see ahead for the new administration, the Congress, and the business community.

Thank you.●

CRIMES VICTIM WEEK

● Mr. GORTON. Mr. President, this week of April 9, 1989, marks "Crimes Victim Week." When constituents from my State of Washington called to urge my support as a cosponsor of this measure, I was happy to lend my support. Crimes Victims Week reminds us all of those who suffer from the careless and wanton actions of people whose disregard for the law causes so much harm to innocent people.

I am thinking, particularly, of innocent victims of drunk drivers. Victims whose harm extends long past the momentary high of the drunk driver. According to an opinion poll by Mothers Against Drunk Drivers [MADD], drunk driving fatality rates remain high because drunk drivers "know that they can get away with it." Public perception must be changed by sending out a message to drivers who drink that they can no longer "get away" with driving drunk.

A new message must be communicated, in part, by asking our courts to throw the book at inebriated drivers by awarding restitution or compensation to the victims of drunk drivers and their families. This is no new idea, but it is one that should be expanded so drunk drivers know that they can never get away with driving drunk, especially when someone is hurt.

While this problem remains with State governments to resolve through tough penalties and enforcement, we should not be remiss in lending our public support.●

THE GREAT WASHINGTON CENTENNIAL ARBOR DAY TREE PLANTING PROJECT

● Mr. ADAMS. Mr. President, today, citizens of Clark County, WA, will be celebrating our State's 100th birthday in a unique way. In a special Arbor Day celebration, 1,000 Clark County students will plant maple seedlings on Officers Row, commemorating the State's centennial. Each tree will be decorated with a plaque identifying the school that planted it. A monument with the following inscription will also be unveiled:

In 1879, General O.O. Howard and Colonel H.A. Morrow supervised the construction of sidewalks, bridle paths, street lamps and the planting of the first Century Trees that line the street today. On April 12, 1989, the citizens of Vancouver commemorated the 1879 beautification of Officers' Row and elementary students planted second century big leaf maples.

As you know, Mr. President, 1989 marks the 100th year of statehood for Washington. Since 1889, trees have played a vital role in our State. The timber from Washington State forests has been critical to the strength of our economy. Our bountiful forests provide a healthy environment for wildlife and a recreational lifestyle appreciated by all our State's citizens.

By planting trees on Arbor Day, the citizens of Vancouver are demonstrating their appreciation for the role trees have played in our State's past. As our Evergreen State enters a new century, I think it is fitting to celebrate with the planting of trees. Indeed, these new trees symbolize the foundation for growth we will experi-

ence over our next century of statehood. I extend my best wishes to all the people in the Clark County area who are participating in this Arbor Day celebration and have helped to remind us why Washington State is known as the Evergreen State.

At this time, Mr. President, I would like to enclose an article from the March 14, 1989, Clark County section of the Oregonian.

The article follows:

VANCOUVER PLANS CENTENNIAL ARBOR DAY FETE

(By Leverett Richards)

VANCOUVER.—Vancouver will lead the state in an epic centennial celebration of Arbor Day on April 12, according to Kelly Punteney, the city's landscape gardener-planner.

"We will be celebrating the end of one century and welcoming the start of the next century," Punteney explained. The "Great Washington Centennial Arbor Day Tree Planting Project" is being sponsored statewide by the Washington Forest Protection Association, the Department of Natural Resources, the Washington State Superintendent of Public Instruction and the state Centennial Commission.

Vancouver's daylong celebration, biggest in the state, is being planned by the Vancouver Parks and Recreation Department in cooperation with the Vancouver School District and the Evergreen Arboretum Committee. Brian Boyle, Washington's Commissioner of Public Lands, will be the keynote speaker at the ceremonies.

Highlight of the day will be the ceremonial planting of 26 new native big leaf maple trees on Officer Row by 1,000 students from 26 of the county's elementary schools.

"Most of the giant elms on Officers Row have survived the worst that nature could throw at them for more than 100 years, including the Columbus Day Storm of October 1962," Punteney pointed out. "These new trees will take over where the battle-scarred veterans left off and carry on for the next 100 years and more."

There is a lesson here for coming generations, Punteney said. And arborists and environmental experts will visit each of the 26 elementary schools in advance and explain the vital importance of trees. "They need an understanding of role trees play in their environment since they will be making the responsible decisions in the future," Punteney said.

The trees, 10 to 12 feet tall, will have to be placed by heavy machinery in advance of the ceremonies, Punteney explained. But the school brigades, each bearing its school banner, will finish the job. Each tree will bear a plaque identifying the responsible school.

The ceremonies will start at 11 a.m. in front of the Marshall House and continue through 12:30 a.m. Scott Campbell, master of ceremonies, will introduce Boyle who will deliver the keynote address.

Climax of the day will be the unveiling of a monument with the following inscription: "In 1879, Gen. O.O. Howard and Col. H.A. Morrow supervised the construction of sidewalks, bridle paths, street lamps and the planting of the first Century Trees that line the street today. On April 12, 1989, the citizens of Vancouver commemorated the 1879 beautification of Officers' Row and elementary students planted second century big leaf maples."

City of ordinances prohibit planting of big leaf maples as street trees, but the city council made an exception for the historic Officer Row project. Punteney explained. The Department of Natural Resources supplied the trees on special order.

During the morning professional arborists will explain and demonstrate the correct techniques for pruning street trees like the old maples.

At the conclusion of the ceremonies three white birch trees will be planted as a living memorial to Sylva Bolds Whitfield who died in December 1988 after more than 50 years of distinguished service to the community.

"She helped shape the future of Vancouver," Punteney said. She was one of the moving forces behind the establishment and maintenance of the Evergreen Arboretum at the east end of Officers Row where the memorial trees will be planted.

She served for 12 years on the county planning commission and served on the first steering committee developing plans for the city's Central Park. She headed the city's landscape commission, which directed the planting of hundreds of street trees in May 1965. She was a director of Portland's Japanese Garden Society and served on the Interagency Commission for Outdoor Recreation, which disbursed federal funds for parks.

Mayor Bruce Hagensen will use the occasion to name the members of the Urban Forestry Commission recently established by the city council.●

ROBERT NATHAN

● Mr. SIMON. Mr. President, on March 30, there was a gala celebration, honoring one of Washington's most respected elder statesmen. Regardless of our party or ideological affiliation, we all recognize the contributions made by Robert Nathan over the years. I ask that my remarks to Bob on that auspicious occasion be printed in full in the RECORD.

The remarks follow:

IN HONOR OF A LEADER, A STATESMAN AND A FRIEND

Tonight, a celebration of one of our most noted economists and humanitarians will occur in Washington. I rise today to offer a tribute to Robert "Bob" Nathan, who has not only helped shape our economy but has had a strong influence on many people in and outside of government, including myself. Fifty years ago Bob entered the government as an economist at the Department of Commerce. Since then, Bob has continued to have a strong influence on economic developments in this country, both from within and outside government.

In 1942, a local paper wrote "Robert Roy Nathan violates all the rules in the Washington formula of stay dumb, sit still, pat the right guy on the back. He's a brilliant economist, has boundless energy, and is belligerent when he has to be." It is nice to know that even then, Bob did not necessarily play by the rules, but rather would do just about anything, and demand the same from his co-workers, to achieve his goals.

At that time Bob had just assumed the head of the Planning Division of the War Production Board. It was Bob who put together the formula for the Victory Plan announced by President Roosevelt shortly after the bombing of Pearl Harbor. Few believed that Bob's timetables and strategy could be met; in the end his goals proved to be realistic.

The characteristics described in the article stayed with Bob throughout his career. Those of us who have had the good luck to work with Bob, and to get to know him as a friend, saw all those characteristics save one—in friendship, kindness replaced the belligerence.

I have many personal memories of Bob, but the one that stands out the most comes not from an experience here in the U.S. but rather in Korea. I was with a congressional delegation visiting South Korea some years ago. We had spent a great deal of time with government and business people involved in the economic explosion in Korea. At one point I turned to our host and asked who had been responsible for the "blueprint" for South Korea's economic growth." My host never missed a beat in replying, "Your Bob Nathan." Indeed, Bob has become "our Bob Nathan" for many in and outside of government, as well as in and outside this country.

From the beginning Bob had strong ideas—and rarely have I known of his compromising these ideals. As an economist and a philosopher, Bob started as a liberal and continues as a liberal, and one who sees no reason to change either his philosophy of government and economics nor the "tag". Bob so well fits the John F. Kennedy quote, ". . . liberalism is not so much a party creed or a set of fixed platform promises as it is an attitude of mind and heart, a faith in man's ability through the experiences of his reason and judgment to increase for himself and his fellow men the amount of justice and freedom and brotherhood which all human life deserves." It is an honor to have been able to work with someone who so well fits this definition of giving so much of himself to help those who need our help.

While I cannot be with you tonight Bob for this very special, and well deserved celebration, know that Jeanne and I send you our very best wishes and our thanks for years of advice, friendship and humor. We cherish that association.●

THE FUTURE OF U.S. FOREIGN POLICY

● Mr. SIMON. Mr. President, in recent years, much attention has been given to how U.S. foreign policy is made. We have heard many criticisms of our present system and many recommendations for change.

In January, Representative ANTHONY BEILENSON, who chairs the House Intelligence Committee, weighed into this debate with a speech he gave to the Los Angeles World Affairs Council. Having had the pleasure to serve with TONY in the House, the speech was nothing less than I would have expected—thoughtful, creative, and sure to spark controversy.

The speech begins by stating the case for the need to rethink some of our current foreign policy assumptions such as the role of alliances, of international institutions, the role of the United States in world affairs, and the future of U.S. military policy.

But even more important, the speech issues a challenge to all those involved and concerned about our foreign policy to reexamine how we view

U.S. national security and how we assess our national interests. TONY identifies five specific threats he sees to U.S. security: this includes the Soviet threat but also involves the economic threats of budget and trade deficits, Third World debt, energy dependence and the growing problems of environmental destruction and overpopulation.

Mr. President, this speech throws down a gauntlet to those of us involved in U.S. foreign policy to reevaluate not only our current policies but their underlying assumptions. Some of TONY's proposals will likely cause heated debate; I do not agree with all of those points he has addressed. But I believe this is important reading for those of us in Congress and those involved in international issues in Government and in the public interest community as well. I ask that the speech "A Broader View of U.S. National Interests: New Directions for U.S. Foreign Policy" be printed in full in the RECORD.

The remarks follow:

A BROADER VIEW OF U.S. NATIONAL INTERESTS: NEW DIRECTIONS FOR U.S. FOREIGN POLICY

(Address by Congressman Anthony C. Beilenson)

The last time I was here, several years ago, I spoke solely about U.S.-Soviet relations, and how we might work at improving them.

Today I want to touch on a broader spectrum of issues and take a more expansive view of what our foreign policy concerns ought to include.

And to talk, among other things, about some big problems confronting us that I think need to be addressed in a more serious, energetic, and responsible way than we're currently doing.

I

This seems to me a propitious time to think about possible changes of direction and emphasis in U.S. foreign policy.

We have a new Administration—a more centrist, less ideological president, who has surrounded himself with a group of pragmatic foreign policy advisors; and they are facing different circumstances than those that confronted Mr. Reagan and his Administration when they came to Washington eight years ago.

There are two major differences between January of 1981 and January of 1989. The first, of course, is the evolving change in our relationship with the U.S.S.R., which has come about largely because of new Soviet leadership and its attention to internal economic and political problems—with a concomitant, although only partial, de-emphasis of foreign and military involvement. This new focus within the Soviet Union promises to continue for at least the near future and, in all likelihood, well beyond that.

Mr. Gorbachev has shown more flexibility in conducting Soviet foreign policy than any of his predecessors, and there has been an improvement in East-West relations that may provide a basis for much additional progress in the next few years.

The other important difference facing Mr. Bush is the United States' enormous fiscal deficit, and our escalating accumulation of national debt—and the obvious, and necessary, constraints that that will impose upon all U.S. policy, both foreign and domestic.

In one respect it is fortuitous that we find ourselves in this fiscal straitjacket: for a long time now—long past the point where it made sense—we have assumed that our responsibilities in this world are virtually limitless. Now, we are forced to do what we should have been doing all along: look carefully at what our policy objectives are, and should be, and, as importantly, what we can afford to do.

Fortunately, also, there have been other changes in the world—some hopeful trends and events that make this an opportune time for such a re-appraisal.

The war between Iran and Iraq has ended, and seems unlikely to re-ignite; Vietnam is beginning to withdraw its troops from Cambodia; South Africa, Angola and Cuba have signed agreements providing for Namibian independence and a withdrawal of Cuban troops from Africa; and, most importantly, the Soviets have agreed to withdraw their forces from Afghanistan by February 15, and apparently will meet that deadline.

Some of these events have resulted from the increased cooperation between Moscow and Washington. Both governments were helpful in encouraging an end to the Gulf War; and Moscow apparently leaned on Cuba to participate in the Angola talks and agreements, and on Vietnam to loosen its hold on Cambodia. And, of course, our two countries have agreed to an INF Treaty that will eliminate both sides' intermediate-range missiles from Europe.

This is also a time in which the Soviets have signalled that they will be much less confrontational, less adventuristic, not only in Afghanistan, but in Africa, and Asia, and elsewhere in the world.

It is a time of great ferment in Eastern Europe and among the nationalities within the U.S.S.R.—all of which present new opportunities and, of course, some dangers.

It is a time when it has become clear—if it wasn't before—that, as an ideology, communism has largely lost its appeal and force throughout the world.

It is a time, therefore, when cold war attitudes, responses, ways of looking at things, suddenly seem inappropriate and outdated—not only no longer relevant, but actually damaging, because they keep us from responding to new imperatives that *do* threaten us and require our attention.

Finally, it is a time in which it is also becoming clear that we are moving from what was for almost 40 years a bi-polar world in which East-West tensions and problems dominated our thoughts, our concerns, and our policies—to an increasingly complex and interdependent multi-polar world in which western Europe, Japan, China, and some other regional groupings of nations are all becoming major economic and political players in the world.

II

All of these changes not only give us a chance, an opportunity, to re-think and re-evaluate many of the assumptions that have under-girded and shaped the way in which we have been doing business in the world: they also argue the wisdom, the necessity, of modifying some of those policies.

They suggest, for example:

Encourage allies to take charge of their own defense

That we should encourage our European allies, and Japan, to take greater responsibility for the defense of their own territories.

As a share of GNP, U.S. defense spending is about twice as high as that of our NATO allies, and about six times as high as that of Japan.

Western Europe is a major, and growing, economic force in the world, and a bastion of democracy. The Europeans are steadily catching up, even moving ahead of us, in productivity, competitiveness, and standards of living. They are much better able than before to take on the major portion of the responsibility of defending themselves—while we should adjust our own role to conform to the shift that has occurred in the relative economic and military power of the United States.

That does not mean disengagement by us: we should retain our nuclear deterrent, and some troops in Europe—but we should put the Europeans in charge of organizing and sustaining the defense of Europe, and maintaining the regional balance.

Japan, too, which has become an economic superpower, is now able to provide for much of its own defense. Japan is more easily defended than Europe—it can be done largely with naval and air forces, which we'll probably keep there anyway. But we don't need conventional land forces there.

And, while we're on the general subject, and in the same general area, we should also let South Korea take care of its own defense needs.

Use our allies more

And, we should work more closely, more often, with our allies. A cardinal tenet of all international actions of ours—military, political or economic—should be: don't act unilaterally.

This does not mean to say that we should never, ever, act alone—although, frankly, I can't think of an instance where we really ought to when no one else will join in with us.

But, we should offer to support our allies and friends instead of acting unilaterally. In Nicaragua, for example, we should have said to the democratic nations of Latin America: you know as well as we—probably much better—what needs to be done, and how to do it; and, in any case, it affects you and your vital interests much more than it does ours—so let us know how we can help you; we'll support whatever it is you want to do.

There are lots of countries all around the world which share our goals and concerns, and there is no reason why it always has to be the U.S. who takes the lead and, often, tries to do it by itself. If there's something that ought to be done in the name of protecting freedom or spreading democracy, we should work hard at convincing our allies that action should be undertaken by all of us, in concert, to effect the outcome we desire. If it's worth doing, and if it should be done, there should be others who will join in the enterprise. If we go it alone, the burden falls entirely upon ourselves—and the chances of success dwindle considerably.

Stop acting as policeman to the world

Along the same lines, we should stop acting as policeman to the world. No one asked us to do it, but we've been in the habit for quite some time of thinking that we have to worry about, and react, to everything, everywhere. One of the lessons we should have learned by now is that there's no need to worry about every development that is occurring in the world; most are of no real importance to us.

What happens in South Yemen, in Nicaragua, in Ethiopia, or in Angola, for instance, and to take some recent examples, is not of

great concern to our security or our well-being.

In fact, in today's world, few events abroad can affect America's core security. The United States should not be indifferent to overseas developments, but we can afford to react to them with far more deliberation, and restraint, than we have in recent years.

We should rule out unilateral military intervention as a matter of course, unless there are obvious, compelling, and overriding reasons for making an exception to that rule.

In general, we should not use force except to defend ourselves and our allies. In the not-too-distant past, that might have sounded almost trite—certainly obvious. But, after the past couple of decades, it's a concept we should return to.

That's not being isolationist—it's being sensible, practical, aware of our limitations and, in the final analysis, more effective and successful when we do need to act on the world stage.

Use the U.N. more

We should use the U.N. more. In fact, it's had a number of recent successes: in Afghanistan, in negotiating an end to the Iran-Iraq War, and in sponsoring the accords concerning Angola and Namibia. And recently, the Secretary General launched a peace initiative to end the war for control of the Western Sahara between Morocco and the Algerian-backed Polisario guerrilla movement.

The U.N. is only as effective as the big powers allow it to be. Fortunately, the Soviets are now using it in order to extricate themselves, without losing face, from involvement in regional wars that Moscow no longer judges to be in its interest. We should use it more ourselves for the same useful function: to take on the burdens of solving some regional and Third World disputes without getting ourselves drawn in unilaterally—which always makes it difficult and costly to pull out.

As the reduction of Cold War tensions opens the way to making the U.N. more effective, and as global issues come increasingly to center stage, presenting monumental challenges to all the nations of the planet, the need and desirability of using the U.N. as a focus of attention and an instrument of action in many of these areas is self-evident.

Take a thoughtful look at our military commitments

Lastly, these changes that have taken place in the world—and our budget situation here at home—suggest that:

We rethink our policy objectives around the world, and the military force structure necessary to implement them.

That we must develop a defense strategy that is affordable and realistic; and that we cannot continue to extend U.S. commitments abroad at a time when we are strategically and economically overextended.

Mr. Reagan's military buildup was conducted without a coherent overall strategy, and it has left our country with weapons programs we cannot afford to complete. For several years, Defense Secretary Caspar Weinberger had the easy job of presiding over a virtually unlimited growth in all areas of military spending. The new Secretary, Mr. Tower, along with the Congress, now faces some extraordinarily difficult and painful budget-cutting decisions, such as these, to name just two:

Do we go ahead with our current plans to buy a fleet of B-2 Stealth bombers at $800 million apiece; could the $80 billion total cost be better spent elsewhere—or saved?

Do we need so many people in our armed forces? Under an Administration that was perhaps more likely than most others to use force, we only called on our military four times in the last eight years—to invade Grenada, bomb Libya, for the peacekeeping mission in Lebanon, and to protect the tankers in the Persian Gulf. If these are the kinds of uses to which we are likely to continue to put our military forces, we must ask: do we need to keep, at enormous cost, more than 2.1 million men and women in the armed forces in peacetime?

III

Well, those are all important issues, but as the many changes in the world that I spoke of earlier allow us to reexamine and reevaluate many of these current concerns and policies, they also afford us the opportunity to focus our attention on a number of mostly new issues and problems that already have a major impact on our own security and well-being—or likely will in the near future.

Let me talk briefly about five of these principal threats to our vital national interests that President Bush and Congress ought to be concerned about and concentrating on—and make a few suggestions about how we might respond to them.

The first of them is quite traditional and familiar; the others somewhat less so. But they all, I think, require our serious attention.

U.S.-Soviet relations

I believe we should start with what, quite rightly, has long been considered the most obvious threat—the Soviet Union.

We can and should be hopeful about our improving relations with the U.S.S.R: we should encourage the continuing openness, democratization, and change there.

But I think it is useful to keep reminding ourselves that the Soviet Union is the only nation on earth that can physically destroy us as a viable society and as a nation should it ever decide to do so. If the Soviets suddenly decided right now to send their missiles our way, all of us here in Los Angeles would be dead thirty minutes from now, and so would tens of millions of our fellow Americans. No one else in the world has the means to inflict that kind of devastation—or, for that matter, any sizable amount of devastation upon us.

It has always been highly unlikely that the Soviets would do so—if for no other reason than the fact that they know that we would destroy them in return—and it is even less likely now, with all that is going on over there. But the potential threat and, more importantly, the ability, remains—and it behooves us to continue to be firm, strong, patient, and persistent in our efforts to bring our long-time rivalry under as much constraint and control as possible.

And that means, I think, pursuing more actively and intelligently than we have so far, much larger reductions in conventional forces in Europe even than Mr. Gorbachev has unilaterally announced. It also means pursuing more seriously than we have a balanced and verifiable reduction in the number of destabilizing, first-strike nuclear weapons in each nation's arsenal, and an enforceable treaty banning weapons in space—and, thus, a reappraisal of how we should structure and pursue our Strategic Defense Initiative—or Star Wars—programs.

Mr. Gorbachev has pledged, without any reciprocal action by the West, to cut Soviet forces by about 10 percent within two years and, beyond that, to convert them from an offensive to a defensive posture.

The U.S.S.R. will have a significant advantage in offensive weapons in Europe even after Mr. Gorbachev's proposed cuts. Still, it is notable that he says he will withdraw—and disband—some of the most threatening of these forces, including six tank divisions deployed in East Germany, Hungary and Czechoslovakia, together with artillery and combat aircraft.

But no unilateral actions can substitute for negotiations for a new security system in Europe. We should seek with the Soviets to establish a wide corridor along the central front from which the most provocative weapons on both sides—tanks, armored personnel carriers, attack helicopters and artillery delivery systems—would be removed. Such an initiative would make accidental conflict unlikely, and successful premeditated attack virtually impossible. It could lead to a radical reduction of the chances of war in Europe by lowering political tensions there. And it would bolster Western Europe's military security by reducing the size of the Soviet army and moving it hundreds of miles to the east of its current positions, thus transforming Eastern Europe into a protective buffer between Western Europe and the Soviet Union.

We should also explore additional ways in which we can work closely with the Soviets—perhaps our joint co-guarantor status with Afghanistan offers a precedent for cooperative action in some other parts of the world.

And, of course, there are many additional areas where we should recognize, and work together to resolve, our growing number of common interests and concerns: terrorism, the proliferation of nuclear weapons, and environmental problems of all sorts.

Our current relationship with the U.S.S.R., with less emphasis on arms and more on diplomacy and cooperation, presents an opportunity to address these concerns far more effectively than we have ever been able to before.

So, although, a great majority of Americans, according to the polls, now believe that the Soviets are a minor threat, or no threat at all, we would be wise to continue worrying about them until and unless there are some fundamental, irreversible changes in their system.

But we should work with Mr. Gorbachev and help him as best we can, because it is in our interest to avoid seeing him replaced by either a hack or an ideologue who might engage in military adventures to distract attention from the increasing weakness of the economy; because we want to encourage greater freedom for the countries of Eastern Europe; and because there can be no long-term stability in Europe, the Middle East, and the Third World unless the Soviets cooperate.

And, because it is as important for us, as it is for the Soviets, to end the Cold War once and for all.

Federal budget and trade deficits

Foremost among the other major threats to our national well-being, and likely a much more immediate danger to us than the Russians, are our enormous budget and trade deficits. These deficits—and the massive debt that has accumulated as a result of them—are sapping our economic strength, threatening our economic stability, and guaranteeing declining living standards for Americans in the future. They keep us from investing adequate amounts in our own economy and in necessary human resources here at home, and they keep us from com-

peting successfully in interdependent world markets. They are also placing an increasing amount of power to influence American economic policies in the hands of foreign investors.

In their recent report entitled "American Agenda," former Presidents Gerald Ford and Jimmy Carter began with this observation: "The ability of the U.S. government to get control over the federal budget is fundamental to effective U.S. foreign policy. American credibility abroad will stand or fall on whether the President and Congress can make difficult decisions at home."

They went on to say: "We are convinced that the U.S. budget deficit and the deficit in the balance of trade are issues that are fundamental to the U.S. ability to deal effectively with any of these foreign policy problems. If we try to negotiate with our Western allies on foreign policy issues without first having taken serious action to deal with the U.S. budget and trade imbalances, we will begin from a position of weakness. Our allies, we believe, will pay substantially less attention to our appeals and proposals if we have not first made it clear what the U.S. intends to do about the twin American deficits in budget and trade."

The belief that a strong and healthy economy at home is the most important component of international influence and power is not a new one. President Dwight Eisenhower, perhaps, made the point most strongly. Economic strength, he said, is the foundation of military power. Americans must be careful that their foreign policy objectives do not become so excessive that pursuing them ends up destroying the vitality and strength of America's economic and political institutions.

And, fortunately, these views are shared by President Bush and his economic advisors, who believe that his administration must immediately confront these twin deficits.

But the fiscal situation facing the new President, and the country, is truly daunting:

1. Our annual budget deficits since 1982 have averaged three times as much as the highest single yearly deficit before 1981;

2. Our total national debt has risen from $930 billion to $2.7 trillion in just eight years and two months—this means that in just eight years we have tripled the total amount of debt it took us nearly 200 years to accumulate, from the first year of George Washington's administration through the fourth year of Jimmy Carter's administration;

3. This year our annual interest payments on the national debt exceed $160 billion—15% of our budget. That means that 15% of the money our government spends this year cannot be used for buying anything (defense, health care, social security).

4. And, the U.S. has been transformed from the world's largest creditor nation to the world's largest debtor in just six years.

I won't discuss the fiscal situation further except to tell you what you already know: the truth is, there is no way to close the $165 billion gap between spending and revenues without some new, or higher taxes—and I hope Mr. Bush, however reluctantly, comes to that conclusion as soon as possible, because these deficit problems—however one feels about their solutions—do have a great effect on this nation's ability to continue as the preeminent world power, and a limiting effect on U.S. foreign and defense policy options.

And, any serious effort to preserve our influence and our position in the world thus requires a solution to our fiscal problems here at home—and that means some additional taxes.

Third World debt

Even as our domestic fiscal crisis requires our immediate attention, it is also very much in our own interest to help solve the crushing debt problems that many Third World countries, especially in Latin America, now face.

Much of the debt incurred by developing countries during the 1970s was not used to build factories or buy new equipment, which would have supported new economic activity and generated income for these nations. Instead, some was squandered by military regimes, which have since been replaced by democratic governments; some was used to cover up balance-of-payment deficits created by ill-conceived economic policies; and much of the money was shipped out of the borrowing countries by wealthy businessmen and has been earning for these individuals tens of billions of dollars in interest in foreign (often U.S.) bank accounts.

The debt has drained the resources that are desperately needed for investment in new plants and infrastructure. During this decade, these nations have been mired in recession: unemployment is up, average income is below 1981 levels, and inflation has ravaged the savings of the middle class and reduced living standards across the board.

Since 1982, Latin America nations have paid out $150 billion just in interest on their foreign debt. Last year alone these nations sent an estimated $31 billion in interest payments to richer countries. This transfer of such enormous amounts of money constitutes a massive, perverse redistribution of income from the poor to the rich of the world, and represents a new and significant restraint on Third World development.

New loans have helped many of the countries keep up their interest payments, but there has generally not been enough left over for new investments that would help their economies grow. Our own budget deficits, which have driven up interest rates internationally, have greatly exacerbated the problems these nations have had in servicing their debts.

Our own economy has been hurt by this debt, too. Because of the austerity programs required to be undertaken by Latin governments to reform their economies and enable them to make interest payments on their debts, they have had much less money with which to buy imports from the United States—normally their principal supplier of manufactured and agricultural goods. Latin America used to buy 30% of all U.S. exports; now that's down by almost half. Thus, their debt problem has had a doubly negative effect on us: it has deprived U.S. manufacturers and farmers of much-needed markets, thus costing us two million jobs here in the United States; and it has contributed greatly to our own enormous trade deficit.

From a foreign policy perspective, perhaps the most important consequence of this debt crisis is the threat it poses to the most hopeful developments that have taken place in the Western Hemisphere during the past decade—the growing number of nations that have turned to democratic government. New democracies have replaced military dictatorships in Brazil, Argentina, and elsewhere—but national elections are coming up for seven Latin debtor nations in the next two years, and opposition candidates are tempting voters with promises of radical action to get out from under the debt squeeze. Mexico, its election past, but its future uncertain, warrants special concern. If the political advances of recent years are to be preserved and consolidated, Latin American economies must begin to grow again—to give their people some hope of improved living conditions and a better future.

Achieving economic growth, and maintaining political stability in this hemisphere will require, in one form or another, implementing an agreed-upon plan for reducing both the principal amount of this debt, and the crushingly large annual cost of paying interest on it.

The industrialized nations of the world should start immediately to have their finance and treasury officials work together and estimate an appropriate current discount value for each Third World nation's debt, and then, through the International Monetary Fund, negotiate interest rate relief or a combination of interest rate relief and principal forgiveness between the debtor and creditor countries and the lending institutions.

They should also, in the meantime, reach an agreement to reduce the interest payments of these debtor nations by as much as $20 billion a year—about two-thirds of the total annual net payments they have been making in recent years.

I certainly don't mean to suggest that all Third World debt should be written off; I am saying that we must finally acknowledge what everyone already knows—that many of the loans will never be repaid. The sooner we admit that, and begin helping our neighbors in the hemisphere get out from under these unsupportable burdens, the sooner the enormous threats that this continuing debt crisis carries with it, to their well-being and to ours, will be resolved.

Energy dependence and vulnerability

A fourth obvious, and growing, threat to our national well-being and security is our increasing reliance on imported oil.

Just three years ago, we imported 27% of the oil we use. Now we're importing more than 40% and, by the early 1990's, if present trends continue, we will be importing over half the oil we use—a much higher proportion, incidentally, than that which triggered our energy crises of the 1970's, bringing not just the inconvenience of long gas lines, but also two serious recessions, high unemployment, and the worst period of inflation in American history. If we want to avoid a very dangerous, very threatening economic crisis that we know will come some time in the next few years, then we must begin to reverse this growing dependence on foreign oil.

Oil imports are rising rapidly because prices are so low that Americans no longer have any incentive to conserve. Gasoline, in fact, is cheaper now, in real terms, than at any time since Americans began driving.

So we clearly need to re-establish some economic incentives to conserve oil, and one of the best ways to do that is to tax gasoline at a higher rate. We ought to phase in a 50-cent increase in the federal gasoline tax, by raising it 10 cents a year for five years.

Raising the price of gasoline through a higher tax would give people an incentive to buy more fuel-efficient cars, and to use carpools and mass transit where possible. But cutting consumption of gasoline, a higher gas tax would reduce the need to import so much oil.

Lowering U.S. demand for imported oil would also reduce our trade deficit. Oil accounts for nearly one-quarter of the trade

imbalance, so cutting demand for just this one commodity would greatly reduce the total amount of money we send overseas. And, phasing in a 50-cent-a-gallon tax would put us on a path toward a balanced budget faster than any other single measure that anyone is seriously considering. Since each penny per gallon of tax raises about $1 billion a year, this proposal would slash our deficits by an enormous $50 billion annually once it is fully implemented.

By reducing our trade and budget deficits, we would also be ensuring lower inflation, lower interest rates, less unemployment and a higher standard of living for all Americans.

If we do nothing to curb our growing demand for imported oil, the cost of gasoline will go up because oil supplies will decline. We could soon be paying $2 or $3 dollars a gallon or more, as foreign oil producers increase their control over the world oil market and are again able to raise their prices.

On the other hand, the cost of gas will increase modestly and gradually if we raise the gas tax, but we will have lowered our demand for oil and kept foreign producers from raising their prices. We will pay a little more for gasoline, but we will pay the entire extra cost to ourselves, ensuring that the tens of billions of dollars that would otherwise be sent abroad to fill the coffers of the OPEC oil chiefs are instead put to use here at home.

Finally, since a higher gasoline tax would reduce auto emissions, it would help solve two of the most pressing environmental problems we face: air pollution, and the build-up of carbon dioxide in the atmosphere—which is believed to be the main contributor to the global warming phenomenon.

A higher gasoline tax is by no means a cure-all for the vast array of economic and environmental problems our nation faces. But no other single measure can ease so many major problems without creating new administrative burdens or causing serious hardship.

Thus, simply raising this tax may be as important, and as effective, a step as we can take to protect a sizeable number of our major national interests.

Environmental and population problems

A last area of concern which, fortunately, is rapidly gaining increasing political support, are the myriad environmental problems which have been bursting upon the public consciousness the past couple of years.

In the past, we viewed the protection of our environment largely as a domestic matter: we sought to control pollution in the air and water, regulate hazardous chemicals, and protect our forests and parklands. There's still much to be done in those areas, but increasingly, the most serious environmental problems we face are international in scope—and will require international cooperation to solve.

Among the major environmental issues we must begin to address in earnest are the accelerating depletion of the life-protecting ozone layer; global warming, or the so-called greenhouse effect; the continuing destruction of the world's tropical forests; the increasingly difficult and costly safe disposal of toxic wastes; and the devastating effects of acid rain.

Broadly speaking, the solutions lie in increasing our energy efficiency and reducing waste, banning CFCs and other destructive chemicals, reforesting the earth, and controlling population growth. The steps we and other nations need to take will not be easy; they will often involve economic disruption and changes in living patterns.

But these problems threaten life itself throughout the world. For the security and well-being of Americans, as well as everyone else, now and in the future, working toward their solution must be made a central goal of our nation's foreign policy. I can think of no more important area in which we should offer outspoken leadership. Nor can I think of any effort we might undertake that would reward us with more gratitude, prestige, and influence, than a determined, helpful leading role by the United States in a world-wide effort to tackle these problems in a serious and sustained way.

Finally, on this same general topic, I want to end with a few words about what I believe is the number one problem of the 20th century and beyond, and the underlying cause of all our environmental problems: the growth of the human population.

We just visited last month, my wife, and I, two of the most stable and well-run nations of Africa, Kenya and Senegal. Kenya with a population of 23 million, had until recently the highest birthrate in the world (over 4%), which will result in a population in excess of 100 million people part-way through the next century. Senegal, in many respects the most politically free nation of Africa, has a 3% population growth rate and, because of that, and despite its truly herculean efforts to help its own people, is very poor and getting poorer.

Mexico, to take an example closer to home, had 27 million people at the end of World War II, has 83 million today, and will have ¼ of a billion people by the middle of the next century. It has grave economic problems: a massive debt that cannot be paid, 20% unemployment, and 50% underemployment. We here in the United States already feel the effects, of course, of Mexico's inability to produce jobs for its people, but the more serious problems of political instability that skyrocketing population growth could produce would have a truly massive impact on us.

Everywhere you look, the problem is the same. The populations of most of the poorest countries of the world are now doubling every 15 to 20 years. If these countries cannot meet the basic needs of their own people today, they surely will be much less able to do so when they have twice as many people to feed, shelter, educate, and provide jobs for 15 or 20 years from now.

The world's strained, and over-exploited resources, now supporting just over five billion people, will have to sustain life for more than eight billion by the year 2025—that's three billion more people, most of them desperately poor, in just 36 years.

This rapid growth in population is invariably taking a huge toll on the environment—stripping forests, eroding fragile soil, and polluting and then exhausting water supplies. More and more land is becoming desert, and tens of millions of people are moving each year to increasingly crowded urban slums, where the majority will live in poverty and face starvation, creating conditions that will inevitably lead to political unrest.

As with other environmental problems, I believe the U.S. should take the lead in efforts to reduce worldwide population growth. One good way to start would be to announce that we will end all bilateral economic aid to developing nations (which currently totals about $4.5 billion annually) and offer instead, to those countries that want it and will take it, substantial amounts of funding for family planning programs.

In addition, we would take $1 billion a year from the money that would be saved and dedicate it to a crash project to develop inexpensive, effective, and easily used methods of contraception that would be especially welcome in developing countries, where oral contraceptives, IUDs, diaphrams, and condoms are either too expensive, are rejected for cultural reasons, or are ineffective because they require health-care services that often are not available.

This proposal may sound overly dramatic and harsh, but I believe we need to dramatize the problem—and the fact that we feel so strongly about it.

In reality, ending economic assistance except for family planning is not nearly so hard-hearted as it might seem, because the truth is, our current aid program does very little good in a world where a great amount needs to be done. Our contribution to any individual country is relatively small and, to be blunt about it, the effect upon the lives of its people is negligible. That's true even where our aid programs are the largest. The $134 million worth of aid we sent to Bangladesh this year, for example, translates into about $1 per person in that impoverished land, and no one believes that life in Bangladesh will improve in any noticeable way because of that help.

The truth is, no matter how much aid is given by the U.S., and others, developing countries simply cannot solve their economic problems without first solving their population problems. The developing countries themselves know there is no hope, unless they can control the growth of their own populations.

So, we should simply announce: no more economic aid. It has not made a discernable difference; it has not made a dent in the problem—it's like pouring money down a bottomless pit. But if you would like family planning, we will help you.

In fact, hundreds of millions of people throughout the world would welcome greater family planning assistance. Surveys indicate that half of the married women in developing countries (other than China) do not want any more children; millions more would like to delay subsequent births. Focusing the world's attention on the population problem, and providing a much greater amount of family planning assistance would be, without question, the most useful and humanitarian contribution the U.S. could make to this increasingly crowded world in which we all must live.

In concluding, let me recapitulate:

With the advent of a new Administration, the constraints of our budget deficit here at home, an improvement in the behavior of the U.S.S.R. and in our relations with them, and with a series of hopeful and improving situations in many parts of the world—this is a good and appropriate time to re-evaluate the foreign policy imperatives that face us for the remainder of this century.

All of these changes give us the opportunity to change the emphasis of how we deal with our foreign policy problems, and to recognize, and come to grips, with problems that may be of greater concern to our real security and well-being over the long run than the East-West issues with which we have so long been obsessed.

I hope we seize the opportunity and get to work on these problems quickly, in a serious and intelligent way.●

GORBACHEV-CASTRO SUMMIT

● Mr. MACK. Mr. President, the recent Gorbachev-Castro summit provided the backdrop for a classic human interest story.

But the story had little to do with scripted hugs, handshakes, gestures of friendship or warmed over anti-U.S. rhetoric between the two Communist leaders.

Rather, the most significant human interest story concerned a 37-year-old Cuban medical doctor who studied at the University of California-Berkeley, and wanted to bring freedom to his homeland.

Dr. Samuel Martinez Lara was arrested twice in 6 days by Fidel Castro's government for what was called anti-government actions.

In the predawn hours before Mikhail Gorbachev was to address the Cuban National Assembly Tuesday, Lara and up to 11 others were jailed for planning a human rights rally to alert Gorbachev to human rights abuses in Cuba. They wanted the Soviet leader to encourage Castro to take a step toward a more open society and institute some of the same reforms that the Soviets are experiencing.

Just about 1 week earlier, Lara and nine others were arrested for distributing a two-page newsletter called "Frankness."

Lara, who heads the Human Rights Party in Cuba, reminded the world last week that despite the gestures and rhetoric made during the summit, Cuba remains an island prison void of even the slimest light of freedom.

Although Gorbachev has voiced concern for Castro's iron rule, his failure last week to match his words with action to move Cuba toward more political freedoms was a disappointment.

Gorbachev was more interested in being conciliatory than productive, saying political reform, "is not a universal formula," and "our solidarity dear friends, is not subject to circumstantial fluctuations."

Castro remained adament that the kind of social, political, and economic changes that the Soviet Union has seen would not happen to his country.

"How can you suppose that the steps that are being taken in the Soviet Union can be applied to Cuba, and vice versa? Anyone can see that this is madness," Castro said.

Gorbachev's laudatory comments to Castro were not balanced with any meaningful concrete actions. He failed to even mention the existence of political prisoners although Castro continues to imprison those who challenge his absolute rule.

The extensive use of forced labor camps, psychiatric wards for prisoners of conscience, and the imprisonment of "plantados"—those Cubans categorized as common criminals because they refuse to subject themselves to Communist indoctrination while in prison—are a part of Cuban life.

The United Nations has finally come to realize that the continuous flood of information coming out of Cuba regarding human rights abuse is not the product of anti-Castro agitations by the United States.

The United Nations released a 400-page report in February that documented cases of torture, disappearances, and other human rights violations committed by the Cuban Government last year. The report indicates that the Attorney General of Cuba admitted to investigating possible mistreatment of 7,607 prisoners from January to September 1988.

Twenty-two prisoners at Combinado del Este spoke of tortures, mock executions, denial of medical assistance and other inhumane treatment. In several instances, prisoners were forced to dig their own graves before being subject to mock executions.

The Cuban Government promised the Commission that there would be no reprisals against witnesses, and yet over 30 people who aided the Commission were jailed, beaten in the streets by the police, or fired from their jobs.

These findings led Ambassador Armando Valladares, a former Cuban prisoner for 22 years and our representative to the U.N. Commission on Human Rights, to conclude that, "human rights abuses are the very essence of the Cuban revolution."

As the network cameras last week focused on Havana's beautiful beaches, Cuba remained a floating prison, and Gorbachev's trip failed to change any of that.

Television coverage of summit high drama juxtaposed against the recent U.N. report merely serves to highlight the disparity between the rhetoric of Castro and Gorbachev and the daily life under Cuba's tyrannical political system.

Cuban subversion of Latin American countries is now stronger than ever. Youths from all over Latin America still receive technical training off Cuba's shores on the Isle of Youth. Castro has hundreds of advisors stationed in Nicaragua, supports the FMLN in El Salvador, and continues to allow his island to be used as a vacation land for Latin American revolutionaries, drug traffickers and terrorists.

Castro's rhetoric has not been reassuring either. Two months ago Castro said that even those within the party who wanted perestroika and glasnost "belong with dissidents and counter-revolutionaries." And this week he responded to reporters' questions about his adventurism in Central America by saying, "That question is out of order. The Soviet Union and the United States have nothing to say about Cuba's foreign relations."

Since the Soviet Union has said, "Any reduction in aid (to Cuba) is out of the question," it is up to the United States to continue helping Cubans press for change within their country.

Pressure cracks are forming in Cuba's Communist structure due to United States economic pressure, adverse international publicity concerning human rights violations and Radio Marti broadcasts. Hopefully, TV Marti will also spread the message of freedom into Cuba.

International pressure in the form of the recent U.N. report on the human rights conditions in Cuba, and a general reform movement taking place in other socialist countries will also help to chip away at Castro's iron hold.

Even though normalization of relations between the United States and Cuba at this point would be a mistake, this does not mean we should take a passive role.

I recently cosponsored a bill to beam TV Marti broadcasts into Cuba. I have also introduced a resolution calling on the Castro regime to hold free and open elections, mirroring the demands of several informal political and human rights groups inside Cuba who seek democracy for their country.

And as a member of the Senate Foreign Relations Committee, last week I called on the chairman of that committee to devote at least one committee session to testimony on the human rights abuses now taking place in Cuba.

The message of freedom is the message of hope. The United States has a unique opportunity to spread the message of freedom to an oppressed people just 90 miles from our shores.

We can never forget that the human rights abuses in Cuba are more than statistics; they are a constant reminder that pursuing peace in foreign policy is not enough. We must pursue individual freedoms.●

HEAD COACH KERMIT DAVIS

● Mr. SYMMS. Mr. President, the University of Idaho Vandal Basketball Team has more than met everyone's expectations this year. Their new head coach, Kermit Davis, led them to victory in the Big Sky Conference Tournament, ensuring them a spot in the NCAA championships.

Kermit was hired by Idaho last year and, at 29, is the youngest Division I coach in the country. A remarkable man, he has done great things this year for the team, for the University of Idaho, and for the community of Moscow. Originally from Mississippi, he graduated from Mississippi State in 1982 with his bachelor's degree in business and received his masters degree in education in 1984.

As an alumnus of Idaho, I am thrilled that he, his wife Betty, and their daughter Allyson have chosen to make Moscow their home, and the Vandals their team. I would also like to wish them all of the luck in the future.

Mr. President, I ask that this newspaper article on Kermit Davis from the Idaho Statesman be entered into the RECORD.

The article follows:

DAVIS BRINGS CARING STYLE TO U OF I

(By Becky Pault)

YOUNGEST COACH IN DIVISION I FINDS STYLE SUITS VANDALS

Little things can make a big difference in one's view of life. Little Ally Davis has done that for University of Idaho basketball coach Kermit Davis.

On the few occasions when the Vandals lost this year, knowing that his baby daughter would be at home when he arrived made the long trips home from points around the West seem much shorter.

"It does put a lot of things in perspective," said Davis, Idaho's first-year coach and, at 29, the youngest Division I coach in the country. "I've always heard my Dad and everybody else say it. It's unbelievable. You have something to look forward to."

Ally is particularly special to Davis and his wife, Betty. Ally (short for Allyson) was born with Down's syndrome, but the most recent progress report from a physician in Seattle is that she's doing great.

"You've got to adapt to all situations," Davis said. "We don't really see it as a challenge but a lot of fun."

People see the Davises at various Special Olympics events. But that was an activity on the agenda long before Ally arrived. It's a passion carried with him from Mississippi. As for his work with the handicapped, it seems to suit the portrait of Davis as painted by those close to him—that of a caring, giving man.

"He's doing it in Kermit's way," said Dave Boling, a Spokesman Review sportswriter who covers the Vandals for the Spokane newspaper, "which is understated and without any flourish. It's not for personal gain."

It's simply that Davis loves children.

"I've always had an interest in Special Olympics and what they stand for," said Davis, who has been chosen as the speaker for this year's closing events for the Idaho competition. "Children have always been a great interest. Even before Ally."

For Ally's progress, Davis credits Betty. Her schedule of five to seven hours a day doing various exercises, reading to and playing with the baby has made the difference, Davis said.

But those who knew Kermit Davis say it is his nature to pass credit around, even though he has been an equal contributor. Maybe that's part of what has endeared the youthful coach to school administrators and members of the media alike.

"He's just marvelous to deal with," Boling said. "He's a pretty remarkable guy. You talk about how young he is, but there's a lot of maturity there."

That is the same thing Davis' athletic director, Gary Hunter, says. Hunter was new to Idaho when Tim Floyd resigned to go to New Orleans last year and Davis was hired to replace him. Hunter still admits that the thought of a 28-year-old head basketball coach at the Division I level had him a little worried.

"It took me just one half an hour of being around him," Hunter said, admitting that his fondness for Davis started with the first handshake. "Not one single thing has happened to change my mind."

Records are the first things to pop into an athletic director's mind when he thinks of his head coaches, but not far behind are a series of things that rank right up there with on-the-court success. And all those things fall into the general category of how the coach presents himself to his team and the community, where the all-important boosters are hanging on every action, every word.

"He's very mature beyond his chronological age," Hunter said. "He handles himself with our students, with our boosters, our faculty, our staff like a seasoned veteran.

"He's always up, happy, smiling."

And then there is the Southern drawl.

"We just love that drawl," Hunter said, chuckling, then telling of how Davis' family teases him about being "Northernized" because of a noticeable softening of his Mississippi accent.

For all that maturity, Kermit Davis gets the credit. Kermit Davis Sr., that is.

"I grew up in a basketball family," said Kermit Jr., whose father was head coach at Mississippi State in the late 1970s.

"Being only 28 when I was hired, my basketball years were much, much older."

Kermit Sr. didn't send his son off to college to learn how to be a coach. He knew the youngster had seen all the good that goes with coaching, that he knew the excitement of winning, that he had felt the warm glow of the spotlight. But, father reminded son, there was more, much more. There were long hours of hard practices, there was the knot in your stomach as you worried over a game to come, that losing can leave you blue.

Davis just nodded, went off to college, earned his bachelor's degree in business administration, then his master's in teaching and went straight to coaching at Southwest Mississippi Junior College. Coincidentally, Davis, then 24, was the youngest junior-college coach in the nation.

"He pointed out all the negative things," Davis said of his father, now retired as a coach but not far from the action as a rater of Southeast Conference basketball officials. "He felt if I knew all those things and still wanted to do it, he was comfortable with it. My whole family was."

Confortable and proud.

As proud as his family is of him, Davis is proud of the Vandals, who have exceeded his expectations in tying for the Big Sky Conference title and being considered a co-favorite in this week's post-season tournament.

It wasn't that he ever doubted the talent assembled on the Moscow campus; he was a little concerned about the transition from the super-intense Floyd to his more relaxed style of handling the players.

"Our team was picked to do pretty well," Davis said. "Our players have lived up to those expectations. That's kind of hard for a first-year staff.

"Maybe the difference is Tim got his point across a little different than I do. Maybe I'm a little softer-toned. But that's personalities."

As it is, Kermit Davis' personality suits the Vandals and Moscow just fine.●

TRIBUTE TO STATE SENATOR JOHN D'AMICO

● Mr. LAUTENBERG. Mr. President, I rise to pay tribute to a good friend, New Jersey State Senator John D'Amico. He will be honored as "Man of the Year" by Congregation Sons of Israel of Asbury Park, at a dinner on April 16, 1989.

John received his undergraduate education at Harvard College and his juris doctor from Harvard Law School. In 1966 he was admitted to the New Jersey Bar and began his career in law as a law clerk with the Monmouth County Court in Freehold, NJ.

From 1967 until 1970 he was an associate with the firm of Drazin, Warshaw, Auerbach & Rudnick in Red Bank, NJ. He was also a volunteer member of the staff of the New Jersey public defender.

In 1970 he continued his legal career at The Mutual Benefit Life Insurance Co. in Newark, NJ. He held the positions of attorney, assistant counsel, associate counsel, counsel, second vice president and became counsel in 1981.

John has contributed to his community over the years by participation in community service as a member of the boards of the Monmouth County Chapters of the American Red Cross and the Salvation Army. He has served as counsel for the National Society to Prevent Blindness of New Jersey.

In addition, John has devoted time to civic activities as counsel for Citizens for Transportation Bonds, as a former member of the Monmouth County Planning Board and Board of Social Services. He was director and former chairman of the Shore Commuter Coalition and was the first Monmouth County representative on, and vice chairman of the North Jersey Transportation Coordinating Council.

State Senator D'Amico began his career in politics in 1979 as councilman of the Borough of Oceanport, NJ. He served in this capacity until 1984. He was elected Monmouth County freeholder in 1983 and reelected to this post in 1986.

I have had the privilege of working with John closely on matters affecting Monmouth County and the entire State of New Jersey. He has always been there to lend a hand and to help get things done. It is no surprise that he was selected to fill the State senate seat vacated when Congressman Pallone was elected to the U.S. House of Representatives. Based on John's past accomplishments, his constituents can be sure that he will carry on a tradition of good service and commitment.

Admired by family, friends and colleagues, I extend to John my congratulations as he receives the "Man of the Year" Award. He is a most deserving recipient and I wish him con-

tinued success and happiness in the future.●

TOM WHITTAKER

● Mr. SYMMS. Mr. President, America is a land in which anything is possible, and I am proud to stand up today and speak to you of a man who does not know of the word impossible. This is a man who has not only made his own life a success, but is also an inspiration to many others. Tom Whittaker, of Pocatello, ID, has surmounted incredible odds to attain his lifetime goal which at one time must have seemed impossible to him and everyone else.

Tom is climbing Mount Everest. A dangerous feat the majority of people would never attempt. Tom, however, is not only attempting it, but he is doing it with an artificial leg. He was injured in a car accident 10 years ago and lost his right foot as a result. After the accident, Tom all but gave up hope that he would ever climb Everest, but, when the opportunity arose, he took full advantage of it, refusing to allow his disability to prevent him from pursuing his lifelong dream.

This man is a hero not only to other handicapped individuals, but also to every American who has worked for a seemingly impossible goal and made it. It is people like Tom Whittaker who make America great, and I am honored that he is from my home State of Idaho.

Mr. President, I ask that the enclosed article be inserted into the RECORD.

The article follows:

[From the Idaho State Journal, Mar. 21, 1989]

WHITTAKER READY TO CLIMB EVEREST WITH HI-TECH FOOT

(By Binaya Guruacharya)

KATMANDU, NEPAL.—A handicapped Idahoan was to leave Katmandu Tuesday in an attempt to be the first person with only one foot to conquer Mount Everest, the world's highest mountain.

"For seven years I worked with disabled people to try and show them that the barriers are more attitudinal than physical . . . (and) Everest is my chance to validate this," Tom Whittaker said in an interview prior to his departure.

Whittaker, 40, of Pocatello, aims to be the first man with an artificial foot to attempt to climb the 29,028-foot peak along the Sino-Nepalese border. Jeff and Kellie Rhoads of Inkom, will also participate in the assault.

Whittaker and members of the American Everest Expedition will begin their trek to the base camp at the bottom of Khumbu Glacier.

The group plans to spend a few days acclimatizing before beginning their attempt on the world's tallest peak.

Whittaker lost his right foot in a car accident 10 years ago and is equipped with a high-tech artificial foot.

"I know I will have some disadvantage . . . I not only have my right foot missing but also my knee cap," Whittaker said.

"When you do not have a knee cap your quadricep muscle on the front of your thigh loses 30 percent efficiency," he said. "And having an artificial limb is also inefficient.

Whittaker's artificial foot helps compensate for the loss of strength by storing energy on impact and releasing the energy as his weight shifts to the other foot.

Always a keen mountaineer, Whittaker spent two years regaining his strength after the accident.

When one of the expedition's leaders, Karen Fellerhoff of Bozeman, Mont., called Whittaker to ask if he would join the expedition, he eagerly accepted.

"I was very excited at the idea as after my injury I had given up all hopes of climbing in the massive Himalayan ranges," he said. "I realized this is my chance of a lifetime. I thought that lightning does not strike twice in the same place."

Before his injury, Whittaker was an outdoor guide for rafting, rock climbing and mountaineering.

Fellerhoff, who twice failed in attempts to reach the summit, said she helped organize the expedition to complete an "unfinished work."

The group of 14 includes six U.S. alpinists—four men and two women—two Swedes, two Belgians, two Britons and two New Zealanders. All are experienced mountaineers.

The team is taking the traditional Southeast Ridge route pioneered by Sir Edmund Hillary and Sherpa Tenzing Norgay in their first conquest of Everest 35 years ago. Hillary is now New Zealand's ambassador to India and Nepal in New Delhi.

His 34-year-old son, Peter Hillary, is making his third assault on Everest as a member of Fellerhoff's expedition. His previous tries ended in failure.●

THE JOE DOHERTY CASE

● Mr. DIXON. Mr. President, I rise before you today regarding the ongoing case of Joseph Patrick Thomas Doherty, of the Republic of Ireland, who has been incarcerated since 1983 in New York City.

The fact that a decision has not been made in his case is appalling. Mr. Doherty has been imprisoned through two Presidential administrations and several attorneys general. The facts in his case have been presented many times by all parties concerned. Surely, Mr. President, 6 years is a long enough time to be able to come to a decision!

I implore the Bush administration and Attorney General Thornburgh to complete a final review and demonstrate some leadership on the issue of the Joe Doherty case. A decision is long overdue!●

RICHARD GIBB, PRESIDENT, UNIVERSITY OF IDAHO

● Mr. SYMMS. Mr. President, I rise today to honor a great man who has done much for education in Idaho. University of Idaho President Richard Gibb has done many things for Idaho and for the university during his 12-year tenure which, unfortunately, ends in June.

President Gibb has instituted many commendable programs at the University of Idaho, including an honors program, and the establishment of a core curriculum. His influence and friendship as president will be missed, but at least he will be staying at the university to teach agriculture economics.

I would like to thank President Gibb for his dedication and devotion to the University of Idaho, and to wish him the best of luck in the future. As an alumnus of Idaho, it is rewarding for me to have seen my former university in such capable hands.

I request that the enclosed articles from the Lewiston Morning Tribune and the Idahoan be included in the RECORD.

The articles follow:

LAWMAKERS BID FAREWELL TO GIBB

(By Christopher Smith)

BOISE.—Outgoing University of Idaho President Richard Gibb "leaves a legacy of commitment" to Idaho's higher education system members of the Centennial Legislature proclaimed today in commending Gibb for his 11-year tenure at the UI.

The House and Senate unanimously passed a proclamation recognizing Gibb's achievements at the UI, ranging from the establishment of a core curriculum and honors program to improved research and winning athletic programs.

"Dr. Gibb, my good friend, you've been a great person for the entire state of Idaho and you have in fact elevated the process of education everywhere in the state," said Rep. James "Doc" Lucas, R-Moscow, who read the proclamation in the House.

After receiving a standing ovation, Gibb said from the House chambers gallery: "I consider it a privilege to live in this state and a privilege to have served the university. I want to thank you all for the support you've given me and I ask you extend that support to my successor, Elisabeth Zinser, in whom I have tremendous respect."

Gibb, 60, will step down from the UI presidency June 30 to return to teaching agriculture economics at the UI. Zinser was hired by the Idaho Board of Education earlier this month to succeed Gibb as president July 1.

Idaho House Speaker Tom Boyd, R-Genesee, noted that Gibb was both a District 5 constituent and a friend. But he good-naturedly chastised Gibb for addressing the House without the speaker's approval.

"You are, in my estimation, the first person to ever address this body from the balcony," Boyd chided.

Rep. Janet Hay, R-Nampa, noted that when Gibb was hired as UI president, he decided to become a private pilot and bought an airplane to travel around the state on UI business.

"But a few years back there was a crash landing that I don't know the details of and you sold the plane," Hay, a former Board of Education member joked. "We were still impressed with your enthusiasm. Thank you for fulfilling all the goals you outlined when you came to the state of Idaho."

Sen. Don Mckin, D-Moscow, carried the proclamation into the Senate and called Gibb's career "a real tribute to the city of Moscow, the state of Idaho and the University of Idaho. He's a real symbol of the quality of higher education in the state."

Sen. Skip Smyser, R-Parma, joked that as a member of the national board of the Vandal Boosters, he's "clashed with Dr.

Gibb a few times over tailgate parties." But Smyser noted that under Gibb's reign, Vandal athletics have excelled to new heights.

"This is the first time in the history of the Big Sky conference that a university has won both the football and basketball championships in a single year," said Smyser.

Sen. Lynn Tominaga, R-Rupert, commended Gibb for his ability to deal with tight state funding during lean years.

"He's the kind of person who says, 'Give me what you can and I'll do what I can to do a better job with it,' " said Tominaga.

In addressing the Senate, Gibb said: "I supposed I'm biased, but I know of no other state that provides more education for the money than Idaho."

LAWMAKERS THANK GIBB FOR 12 YEARS' SERVICE

(By Marty Trillhaase)

BOISE.—Retiring University of Idaho President Richard D. Gibb was supposed to sit in the Idaho House of Representatives gallary and watch as lawmakers formally honored his 12-year tenure.

Instead, Gibb rose to his feet and—breaking all precedent and probably legislative protocol in the process—addressed the 84 lawmakers.

Fortunately for Gibb, the man with the gavel was one of his own representatives—House Speaker Tom Boyd, R-Genesee.

"You are in my estimation—as far as I know—the first person to ever address this body from the balcony," Boyd said.

Added House Education Committee Chairman Janet S. Hay, R-Nampa, "I was going to say it's nice to have Dr. Gibb in a spot where he can't talk back. I can see I lost again."

Hay, who was a member of the Idaho State Board of Education when Gibb was hired in 1977, Tuesday drafted and rushed to passage a legislative proclamation honoring Gibb, who will step down July 1. He was at Boise Tuesday attending an Idaho Board of Education meeting.

The proclamation prompted a string of accolades from lawmakers in both the House and Senate.

"I think you've been a great person for the state of Idaho and you have in fact elevated the process of education in the state of Idaho," said Rep. James (Doc) Lucas, R-Moscow.

In the Senate, Lynn S. Tominaga, R-Rupert, remembered his days as a UI student-body president when Gibb was hired.

"He struck me as an individual who cared about higher education and what was going on in higher education," Tominaga said. "He's done the best job he could and I think the state of Idaho is better off for it."

Unlike the House, the Senate invited Gibb to the podium for a formal address. In both cases, Gibb commended the state and its legislator.

And he promised them his successor, Elisabeth A. Zinser, would meet with their approval.

"I have met my successor. I am impressed," Gibb said. "I am very impressed with Dr. Zinser."●

PLO COMMITMENTS COMPLIANCE ACT OF 1989

● Mr. MACK. Mr. President, yesterday the Senator from Connecticut [Mr. LIEBERMAN] and I introduced S. 763, the PLO Commitments Compliance Act of 1989.

I ask that S. 763 be printed in the CONGRESSIONAL RECORD today, along with a letter from the Senator from Connecticut [Mr. LIEBERMAN] and me to Member of the Senate requesting their support and related articles. I also ask that the Senator from California [Mr. WILSON] be added as an original cosponsor at the next printing of S. 763.

The material follows:

S. 763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "PLO Commitments Compliance Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) United States policy regarding contacts with the Palestine Liberation Organization (including its Executive Committee, the Palestine National Council, and any constituent groups related thereto, (hereinafter referred to as the "PLO")) set forth in the Memorandum of Agreement between the United States and Israel, dated September 1, 1975, stated that the United States "will not recognize or negotiate with the Palestine Liberation Organization so long as the PLO does not recognize Israel's right to exist and does not accept United Nations Security Council Resolutions 242 and 338";

(2) section 1302 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2151 note; Public Law 99-83), effective October 1, 1985, stated that "no officer or employee of the United States Government and no agent or other individual acting on behalf of the United States Government shall negotiate with the Palestine Liberation organization or any representatives thereof (except in emergency or humanitarian situations) unless and until the Palestine Liberation organization recognizes Israel's right to exist, accepts United Nations Security Council Resolutions 242 and 338 and renounces the use of terrorism";

(3) the Department of State statement of November 26, 1988, found that "the United States Government has convincing evidence that PLO elements have engaged in terrorism against Americans and others" and that "Mr. [Yasser] Arafat, Chairman of the PLO, knows of, condones, and lends support to such acts; he therefore is an accessory to such terrorism";

(4) Secretary of State Shultz declared on December 14, 1988, that "the [PLO] today issued a statement in which it accepted United Nations Security Council Resolutions 242 and 338, recognized Israel's right to exist in peace and security, and renounced terrorism. As a result, the United States is prepared for a substantive dialogue with PLO representatives";

(5) President Ronald Reagan, subsequent to the decision to open a United States-PLO dialogue, stated that the PLO "must demonstrate that its renunciation of terrorism is pervasive and permanent" and if the PLO reneges on its commitments, the United States "will certainly break off communications";

(6) since Yasser Arafat's statements in Geneva, there have been several attempted incursions into Israel by PLO member groups, that Arafat has not renounced any of these potential terrorist incidents, that he has threatened "ten bullets in the chest" to any of his own people who seek peace and coexistence with Israel, and that his principal deputy, Abu Iyad, as well as other senior Al-Fatah figures, have been quoted as saying that the PLO recognition of Israel and renunciation of terrorism is merely tactical and that a Palestinian state is but the first step in the "liberation of Palestine"; and

(7) such actions and statements give both the United States and Israel reason to question the PLO's ultimate intentions.

SEC. 3. POLICY.

(a) IN GENERAL.—The Congress reiterates long-standing United States policy that any dialogue with the PLO be contingent upon the PLO's recognition of Israel's right to exist, its acceptance of United Nations Security Council Resolutions 242 and 338, and its abstention from and renunciation of all acts of terrorism.

(b) POLICY TOWARD IMPLEMENTATION OF PLO COMMITMENTS.—It is the sense of the Congress that the United States, in any discussions with the PLO, should seek the implementation of concrete steps by the PLO consistent with its commitments to move towards peace and recognition of Israel and away from terrorism and other violence, including concrete actions that will further the peace process, such as—

(1) disbanding units which have been involved in terrorism;

(2) publicly condemning all acts of terrorism for which they are not responsible while continuing to abstain from committing acts of terrorism;

(3) ceasing the intimidation of Palestinians seeking peace with Israel;

(4) calling on the Arab states to recognize Israel and to end their economic boycott of Israel; and

(5) amending the PLO's Covenant to remove provisions which undermine Israel's legitimacy and which call for Israel's destruction.

SEC. 4. REPORTING REQUIREMENT.

Beginning 30 days after the date of enactment of this Act, and every 120 days thereafter in which the dialogue between the United States and the PLO has not been discontinued, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report, in unclassified form to the maximum extent practicable, regarding progress toward the achievement of the measures described in section 3(b). Such report shall include—

(1) a description of actions or statements by the PLO as an organization, its Chairman, members of its Executive Committee, members of the Palestine National Council, or any constituent groups related thereto, as they relate to the Geneva commitments of December 1988 regarding cessation of terrorism and recognition of Israel's right to exist;

(2) the extent to which the PLO and its members continue to endorse or participate in terrorist operations against Israel;

(3) the position of the PLO regarding the prosecution and extradition, if so requested, of known terrorists such as Abu Abbas, who directed the Achille Lauro hijacking during which Leon Klinghoffer was murdered, and Muhammed Rashid, implicated in the 1982 bombing of a Pan Am jet and the 1986 bombing of a TWA jet in which four Americans were killed;

(4) steps taken by the PLO to evict or otherwise discipline individuals or groups taking actions inconsistent with the Geneva commitments;

(5) whether "Force 17" and the "Hawari Group", units directed by Yasser Arafat that have carried out terrorist attacks, have been disbanded;

(6) whether the PLO has called on any Arab state to recognize and enter direct negotiations with Israel or to end its economic boycott of Israel;

(7) whether the PLO, in accordance with procedures in Article 33 of the Palestinian National Covenant, has repealed provisions in that Covenant which call for Israel's destruction;

(8) the PLO's position on and involvement in fostering violence in the West Bank and Gaza;

(9) the extent to which the PLO threatens, through violence or other intimidation measures, Palestinians from the West Bank and Gaza who actively seek peace with Israel, an end to the unrest and who might be receptive to taking part in elections there; and

(10) whether the PLO has repudiated its "strategy of stages", whereby it seeks to use a Palestinian state in the West Bank and Gaza as the first step in the total elimination of the State of Israel.

U.S. SENATE,
Washington, DC, April 7, 1989.

DEAR COLLEAGUE: On December 14, 1988 Secretary of State George Shultz announced that the United States would open a "substantive dialogue with the Palestine Liberation Organization (PLO). In doing so, Secretary Shultz recognized that the PLO had fulfilled three long-standing conditions in U.S. law and practice: recognition of the State of Israel, acceptance of UN Resolutions 242 and 338, and renunciation of terrorism.

Recently, however, the architect of the original conditions for a US-PLO dialogue, Henry Kissinger, wrote, "What never occurred to some of us in drafting that document was that these conditions would one day be met by semantic formulas rather than by an insistence on concrete changes in attitude."

To this date, the PLO has not gone beyond "semantic formulas" and on to the real, substantive steps that would signal a lasting transformation away from terrorism and towards peace. In fact, since December the PLO has, if anything, backtracked and come close to breaking its commitments.

Since PLO Chairman Yassir Arafat's statement in Geneva, there have been at least seven attempted terrorist raids against Israel. Arafat has personally threatened "ten bullets in the chest" to any Palestinian seeking peace with Israel. And only two weeks ago Arafat said, "the Declaration of Palestinian Independence constitutes a beginning of the real confrontation of the Zionist project on the land of Palestine itself."

Perhaps even more disappointingly for the peace process, no new Arab leader has taken the PLO's recognition of Israel seriously enough to follow suit.

On Tuesday, April 11, we will introduce the "PLO Commitments Compliance Act of 1989", a bill reiterating U.S. policy that any U.S.-PLO dialogue be contingent upon continued compliance by the PLO with the U.S. conditions on abstention from terrorism and recognition of Israel. The bill also outlines the concrete steps the Congress believes the PLO must take to bring its actions into line with its expressed commitments. Finally, the bill requires regular reports on whether the PLO has taken any of these positive, necessary steps away from terrorism and towards peace.

If you would like to be an original cosponsor of the PLO Commitments Compliance Act of 1989, please contact Saul Singer (4-5274, Sen. Mack) or Tom Parker (4-4041, Sen. Lieberman) by noon, April 11th.

Sincerely,

CONNIE MACK.
JOSEPH LIEBERMAN.

[From the Washington Post, Apr. 7, 1989]

A STONE'S THROW TO A PLO STATE

(By Charles Krauthammer)

Iraq is acquiring nuclear bombs. Syria already has poison gas. Saudi Arabia has long-range missiles. And now we learn that Libya, which is building a chemical weapons factory, is acquiring long-range fighter-bombers. At which country do you think these weapons of extermination will be aimed?

The target, in Arab parlance, is not a country at all, but the "Zionist entity." (The fact that not a single Arab country has recognized Israel following Yasser Arafat's much heralded "recognition" of Israel last December shows that the rhetorical device, meant to impress eternally gullible Americans, was thoroughly understood by the Arabs to be meaningless.)

Nuclear bombs and poison gas and long-range missiles do not show up on American television. What shows up nightly are 16-year-old boys throwing stones at Israeli soldiers. The viewer can be forgiven for believing that Israel is threatened by no more than 16-year-old stone-throwers and for wondering at the hardheartedness of the Jews in denying these youths their own state on a small piece of Middle Eastern territory.

But in a Palestinian state, 16-year-old boys will not rule. The armed factions of the PLO will. The West Bank will become the locus of murderous conflicts between PLO factions, each backed by an Arab patron, precisely as has happened in Lebanon for the last 14 years. (Today's Lebanese lineup card has, among other things, Iraqis arming Christians, Syrians arming Druze, and Iranians arming Shiites). After the occupation, the West Bank, now Belfast, becomes Beirut.

The real danger from a West Bank state is not stones thrown into Tel Aviv, but inherent instability. Being nonviable economically and politically, a West Bank state would need to expand into its neighbors—Israel and Jordan—in order to become viable. The resulting irredentist turmoil and agitation would invite intervention from states such as Syria and Iraq.

These states, implacably opposed to Israel's existence and now possessing not only huge tank armies but also weapons of mass extermination, await two developments before risking a war for the final liberation of Palestine: a gravely weakened Israel (i.e., an Israel that had given up the strategic depth of the West Bank) and the opportunity to intervene on behalf of a beleaguered state of Palestine. A PLO state provides both of these indispensable conditions for war.

A PLO state, an idea now as fashionable as the checkered kafiyeh, is a trap. What is the alternative? The alternative, outlined by Israeli Prime Minister Shamir on his visit this week in Washington, is a peace process that rests on two principles: a transitional period and elections.

Whatever arrangements Israel and the Palestinians make, no ultimate solution is attainable now. There has to be a transition period during which each side can demonstrate to the other its bona fides. An Israeli poll taken last week shows that two-thirds of Israelis believe that the Palestinians will not be satisfied with a West bank state. They have reason so to believe. Only two weeks ago, Arafat said that "the Declaration of Palestinian Independence constitutes a beginning of the real confrontation of the Zionist project on the land of Palestine itself." Leila Khalid puts it more bluntly: "We will return to Nablus and then move on to Tel Aviv." Only time will permit a demonstration that the Palestinians do not truly intend what they now say they intend for Israel.

The second idea is elections on the West Bank to produce an indigenous Palestinian negotiating authority. The ferocity with which this idea has been attacked by non-West Bank Palestinians makes one wonder what they are so afraid of. Prof. Rashid Khalidi, writing from Chicago, says there could be no real election under the harsh conditions of Israeli occupation.

The idea that a secret ballot cannot be conducted honestly by the Israelis is simply false. No one disputes the honesty of the West Bank municipal elections conducted in 1976. (In fact, they were so honest in expressing Palestinian discontent that the Israeli government eventually fired the elected mayors.)

Moreover, Palestinian propagandists never hesitate to use polling data from the West Bank to prove the fealty of the West Bankers to the PLO. An opinion poll is an open ballot. Polls require conditions of far more political freedom than do secret ballots. Khalidi and other PLO propagandists freely invoke West Bank polls, yet now pretend that a secret ballot is not to be trusted. The argument is bogus. It reflects a deep fear by Palestinian exiles—most of whom come from (and thus want to take over) not the West Bank but Israel—that with elections they are going to lose the initiative to West Bankers, who might ultimately be more prepared for compromise.

Shamir's peace initiatives are already being derided as Camp David "old ideas." Old? Do treaties now carry a 10-year statute of limitations? At Camp David, Israel gave up all of Sinai in return for certain arrangements and promises. Israel is now being asked to give up more land in return for more arrangements and promises. Will Israel be told 10 years later that these arrangements and promises are "old," that Israel is now required to come up with "new ideas" to satisfy new and more expansive Palestinian aspirations for—who knows?—the Galilee? Trashing Camp David does not give Israel confidence that the United States will stand by its commitments when the Arabs, having pocketed Israel's concessions today, demand more tomorrow.

Elections, autonomy, transition. Shamir's ideas may not be new—novelty is a highly overrated diplomatic commodity—but they are realistic. They are the best way toward Bush's proclaimed goal of "Palestinian political rights." Only Israel can grant these rights. And only under conditions of prudence and reciprocity will Israel grant them.

[From the Washington Post, Jan. 7, 1989]

MR. ARAFAT'S THREAT TO KILL

From Yasser Arafat, who says he has renounced terrorism, comes this reported response to a West Bank truce appeal by Bethlehem Mayor Elias Freji: "Any Palestinian leader who proposes an end to the intifada [uprising] exposes himself to the bullets of his own people and endangers his life. The PLO will know how to deal with him." Immediately Mayor Freij backtracked and went into hiding.

When Yasser Arafat spoke the words about renouncing terrorism and accepting Israel that opened his line to Washington, it was said by those who welcomed this development that of course it was going to be hard for the PLO chairman to control the splinters and fringes but that he would have to understand that, to be fully credited by Israel, the United States and others, the renunciation must be categorical and universal, applying in all places and against all possible targets. The implicit premise was that the Palestinian movement has two parts: a political part, prepared to compromise, and a terrorist part, which would have to be isolated or broken. Yasser Arafat, it was felt, had finally been drawn across this ragged but fateful line.

Now, just a few weeks later, comes Mr. Arafat—himself, in public, baldly—uttering the kind of gross direct threat against a well-known Palestinian moderate that is a familiar feature of the mechanics of Palestinian control on the West Bank. It is the sort of warning that apologists for PLO terrorism commonly attribute to the Palestinian enemies and rivals of the chairman, thereby intending to absolve this supposed courageous moderate, this man of gentle persuasion and democracy, from responsibility for the rough stuff.

In the excitement of the December exchanges between the PLO and the United States, many Americans were tempted to believe that finally the PLO had turned a corner and was reaching realistically for peace. That is the judgment that Mr. Arafat's new statement clouds. He has provided a chilling reminder of the close and deadly weave between the political side and the terrorist side of the PLO. Not just from its ranks or splinters but from its top leaders' minds, the habit of conducting politics by violence must be convincingly eradicated. Otherwise very few Israelis are going to be drawn into dealing with the "new Arafat," and very few Americans are going to urge them to do so.

[From the Wall Street Journal, Apr. 5, 1989]

MIDDLE EASTERN REALITIES

The Middle East, its problems normally far away, is on America's doorstep this week. Israel's Yitzhak Shamir and Egypt's Hosni Mubarak are both making separate visits to talk with President Bush. With Secretary of State Baker in the lead, Mr. Bush is talking about an international peace conference and the need for "a new atmosphere." Over the years, Washington probably has spent more time sitting in rooms in Washington talking about the Middle East than any other foreign-policy problem. We suspect the quality of that talk would benefit greatly if both George Bush and Jim Baker personally toured those portions of the old Palestine Mandate that sit at the heart of this matter.

We did so recently, particularly the hills of Samaria. The United Nations had allotted these hills to the Jordanians in 1947. They would still have them but for the fact that in 1967 during the Six Day War, when it looked as if Israel would be destroyed by Syria and Egypt, Jordan belatedly joined the fray, only to lose Judea as well as Samaria. Arab attacks in 1973 failed to destroy Israel, and Jordan abandoned its claim to the lands last year.

We entered by car northeast of Tel Aviv, at a point where according to the old lines of 1949, Israel was but nine miles wide. The rocky hills rise sharply (some, but not all, have enough grass to graze goats, and in the valleys there is increasing agriculture by Arabs and Jews). In 1977 in Judea and Samaria there were 25 Jewish settlements and two more under construction; today there are 138. Our guide—Ariel Sharon, who was a minister involved in the development of this region when much of the expansion was planned—routed us near or through a dozen of these towns, neat concrete and stucco housing, some with factories, university or agricultural buildings.

To the Israelis, the most striking thing about this area is its military significance by three important measures: depth (from the Samarian hills one can scan with the naked eye the Israeli coast and its main population centers); the eastern front (a quick drive inland and one is looking at the Jordan River and the potential invasion routes of Jordan, Syria and Iraq); and Jerusalem (these hills feed to the approaches of Israel's capital). Jewish towns now overlook the most important military vantage points, intersections and roads.

It is sobering to stand in the Samarian hills with General Sharon, to listen to his explication of their military significance and to be reminded by him that Czechoslovakia's key defensive positions lay in the Sudetenland, which was lost through peace negotiations at Munich. One thing the visitor notices is how small the perspectives are in this region, which is why global strategists worry about a conflict today escalating out of control. Imagine, for instance, the implications of Iraqi chemical weapons being launched indiscriminately aboard inaccurate missiles. Israel would no doubt take what measures it thought necessary to end an assault by such weapons.

It is difficult to find in Israel a responsible official who doubts that the Arab riots and the current peace overtures are part of a broader military strategy. While the PLO's chairman, Yasser Arafat, is talking peace to the Americans and the Western press, his PLO colleagues are reminding the Arabs of the "phased plan" adopted in 1974 by the Palestine National Council in Cairo. The plan eyes the destruction of Israel in phases, starting with the declaration of a PLO state on any land that can be gained and operating from there.

As recently as November of last year, the PLO journal Al-Yom Al-Sabah quoted Abu Iyad, Mr. Arafat's key deputy, as saying that the PNC decisions last year in Algiers, which set the stage for the current peace overtures, "are a refinement of the Palestinian position as adopted in the Phased Plan in Cairo 14 years ago. * * * The PNC session in Algiers in 1988 was meant to revitalize this program and to create a mechanism to get it moving."

In January, the Agence France Press quoted Nayif Hawatmeh, chairman of the Democratic Front for the Liberation of Palestine, a PLO constituent, as saying, "The Palestine struggle should now be aimed at creating a state in the West Bank and Gaza. This will not prevent us from achieving our final aim of liberating all of Palestine." Mr. Bush's State Department Arabists undoubtedly can provide him with reams of this documentary material.

Even in the volatile politics of the Middle East it's important to note gradations of responsibility among the players. Egypt concluded and has honored a peace with its Israeli neighbor. In resolving the Taba dispute recently, Egypt showed an ability to negotiate responsibly toward a goal, rather than bluster for the world media. Jordan obviously wants out of this conflict. It is harder to gauge precisely the intentions of a Saudi Arabia that is embarking on a $30 billion arms-buying binge.

But can Israel assume that any of these could stand aside in a war provoked by Arab hotheads such as Iraq and Syria? Israel faces on its eastern front more combat divisions than the 21 active divisions that exist in the U.S. Army; Iraq's army alone has ballooned since 1979 to 47 divisions from seven. Israeli analysts have little doubt that were a Palestinian state to be set up on the West Bank the region's forces would gradually (or suddenly) be brought forward and, without a buffer, the Jewish state would be in mortal peril.

To put it plainly, what is at stake in any "new" political arrangement is Israel's survival. And in turn what is at stake for the United States is the credibility of this country's commitment to an embattled nation that has remained a democratic outpost for 40 years. Rather than see Israel destroyed in any war, the U.S. almost certainly would feel forced to intervene, politically and perhaps militarily. If, however, it remains the goal of U.S. policy to prevent war in this region, it is no doubt easier to do so by making its loyalties clear now, rather than when the armies are moving.●

A TRIBUTE TO WILLIAM T. DRAKE

● Mr. DECONCINI. Mr. President, I rise today to pay tribute to an outstanding Federal executive, William T. Drake, Deputy Director of the Bureau of Alcohol, Tobacco and Firearms. Mr. Drake retired from the Bureau on April 1, 1989, after serving the Treasury Department for 28 years. As chairman of the Subcommittee on Treasury, Postal Service and General Government, I have had the opportunity to view, first hand, Bill's managerial skills.

Since becoming an Inspector with BATF on July 13, 1961, Bill has served in increasingly responsible positions within the Department. From 1969 to 1971, he was the Assistant Division Chief of the IRS Taxpayer Services Center in Ogden, UT and from 1971 to 1973, he served as Assistant Division Chief of Data Conversion with IRS at Fresno, CA. In March 1973, Bill was appointed BATF's Chief of Field Operations, Midwest Region. He was appointed Assistant Regional Director, Midwest Region in September 1974 and served in this position until transferring to Washington, DC in September 1976 as the Deputy Assistant Director—Compliance Operations. His

leadership abilities were further exemplified when he was appointed to the position of Associate Director—Compliance Operations—in January 1980. On January 2, 1984, Bill was further elevated to the dual position of Deputy Director [BATF] and Associate Director—Compliance Operations.

Throughout the last 28 years, Bill has served the Government diligently in his various capacities and has implemented many innovative and progressive changes in regulatory philosophy. Through his tireless efforts, Bill guided the modernization and simplification of the regulatory process. He has directed the establishment of office automation, information processing, and cash management technologies, which have resulted in increased efficiencies, as well as improved service to the public.

Through his deep spirit of loyalty, enthusiasm, and sincere concern for people, Bill has fostered an esprit de corps that has allowed the Bureau of Alcohol, Tobacco and Firearms to become one of the most efficient and well respected regulatory operations in the country.

I commend Bill for his exemplary leadership and untiring devotion to Government service and wish him all the best in his retirement.●

TRIBUTE TO MRS. MILDRED ELIZABETH CALLIHAN MILLER

● Mr. SASSER. Mr. President, I rise before you today to pay tribute to an outstanding citizen of Memphis, TN, Mrs. Mildred Elizabeth Callihan Miller.

Mrs. Miller is a true heroine, an inspiration for all Americans. She is not famous, she didn't win the World Series, she is not a millionaire or a politician, but she is all the more a heroine. Against all odds, she overcame the bonds of poverty, disability, and racial prejudice; and with her husband, the late Alexander C. Miller, raised a family of nine happy and successful children.

Mrs. Miller's tale of strength over adversity began when she was blinded shortly after her birth in Holly Springs, TN. Despite her handicap, she adapted quickly and eventually graduated from the Tennessee School for the Blind in Nashville, where she took college preparatory courses in addition to piano and vocal music.

After graduation, in an effort to open up the world to others less fortunate than herself, she learned to share her knowledge by teaching braille. At this time, Mrs. Miller met and married her student, Alexander, who was blinded in adulthood by an accident.

The two bravely set out to raise their family in the projects of Memphis, subsisting on public assistance and Alexander's meager income from street vending. Despite their circumstances, the family has been described as a happy, united one. As the children grew older, they helped their father with his vending and pulled together to complete the enormous housework requirements for a family of eleven. Somehow, the Millers were able to instill pride and selfworth in each of their children as their academic and career records clearly show.

Even after her husband's death in 1964, Mrs. Miller continued the struggle to see that her children rose above the projects and the welfare rolls. She moved the family to Gary, IN, where employment opportunities were best for her oldest boys. Miraculously, she held the family together and saw that they were properly fed and educated.

Today, the accomplishments of her nine adult children shine as a living tribute to the woman who fought for them. All of the Miller children are enjoying successful careers and productive, independent lives. Among them are a doctor, an engineer, a computer programmer, a teacher, a certified public accountant, a production specialist, a personnel manager, a scheduler, and a systems analyst for Shelby County government. You may be sure that much of the credit for these accomplishments belongs to the woman I honor.

Mr. President, I am sure you will agree with me when I say that this country could use a lot more dedicated citizens and tireless mothers like Mildred Miller. Mrs. Miller, I salute you.●

REFERENDUM ON THE POLITICAL STATUS OF PUERTO RICO

● Mr. JOHNSTON. Mr. President, last week I introduced, with the cosponsorship of the ranking minority member of the Committee on Energy and Natural Resources, Senator MCCLURE, three bills to initiate the legislative process on the issue of Puerto Rico political status. Given the tremendous interest in this issue I ask that a copy of each bill, S. 710, S. 711, and S. 712, be printed in the RECORD.

Copies of the bills follow:

S. 710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the ——.

SEC. 2. REFERENDUM.

(a) IN GENERAL.—An islandwide referendum shall be held in Puerto Rico in which qualified voters of the Commonwealth of Puerto Rico shall be presented a choice of selecting and negotiating one of three status options for Puerto Rico as follows:

(1) Statehood with full powers and cultural identity duly recognized;

(2) Independence with full economic guarantees; or

(3) Enhanced Commonwealth in permanent union.

(b) DATE OF REFERENDUM.—The first referendum shall occur on ——, 1991.

(c) RETURNS OF REFERENDUM.—The returns of the referendum held under this Act shall be made to the Governor of Puerto Rico, who shall cause them to be canvassed in the manner provided by law for the canvass of votes cast in general elections in the Commonwealth of Puerto Rico. If there is not a majority in favor of one of the three options, then there shall be, on ——, 1991, a runoff referendum between the two status options which had received the largest number of votes. The Governor shall certify to the President and to the Congress of the United States that decision of the people of Puerto Rico which received a majority of the votes cast.

(d) APPLICABLE ELECTION LAWS.—The election laws of the Commonwealth of Puerto Rico shall apply to the referendum held under this Act.

SEC. 3. NEGOTIATIONS TO DEVELOP LEGISLATION BASED ON REFERENDUM.

(a) NEGOTIATIONS.—Following certification by the Governor as provided in section 2(c), then the process, involving representatives of the principal political party representing the status option selected, and in full consultation with the other two principal political parties, shall begin to develop implementing legislation in consultation with the Committee on Energy and Natural Resources of the United States and the appropriate committees of jurisdiction in the United States House of Representatives. Such legislation shall, upon enactment, authorize a further referendum of the people of Puerto Rico to approve or disapprove the selected status as defined in the legislation. A change of status shall not be effective unless or until approved in such a referendum.

(b) TIME LIMIT.—The second referendum to approve or disapprove the selected status as defined in the legislation developed under this section shall occur no later than the end of the Congress which is in session on the fourth anniversary of the date of the Governor's certification provided for under section 2(c), or as may be otherwise provided in such legislation.

S. 711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the United States of America recognizes the principles of international law with respect to its relationship with Puerto Rico; and

(2) the United States is committed to a process of consultation and negotiation with the people of Puerto Rico leading to a referendum on the issue of political status to be conducted in a fair and equitable manner.

SEC. 2. REFERENDUM.

(a) IN GENERAL.—An islandwide referendum shall be held in Puerto Rico in which qualified voters of the Commonwealth of Puerto Rico shall be presented a choice of negotiating one of three status options for Puerto Rico as follows:

(1) Statehood;

(2) Independence; or

(3) Commonwealth.

For the purpose of these negotiations it is understood that the initial position of the people of the Commonwealth of Puerto Rico and of the Congress of the United States is that the terms shall be as follows;

(b) INITIAL DEFINTIONS.—

(1) Statehood: —— ——;

(2) Independence: —— ——;

(3) Commonwealth: —— ——.

(c) DATE OF REFERENDUM.—The first referendum shall occur upon the call of the Governor, and during calendar year 1991.

(d) RETURNS OF REFERENDUM.—The returns of the referendum held under this Act shall be made to the Governor of Puerto Rico, who shall cause them to be canvassed in the manner provided by law for the canvass of votes cast in general elections in the Commonwealth of Puerto Rico. If there is not a majority in favor of one of the three options, then there shall be, upon the call of the Governor, and during calendar year 1991, a runoff referendum between the two status options which had received the largest number of votes. The Governor shall certify to the President and to the Congress of the United States that decision of the people of Puerto Rico which received a majority of the votes cast.

(e) APPLICABLE ELECTION LAWS.—The election laws of the Commonwealth of Puerto Rico shall apply to the referendum held under this Act.

SEC. 3. NEGOTIATIONS TO DEVELOP LEGISLATION BASED ON REFERENDUM.

(a) NEGOTIATIONS.—Following certification by the Governor as provided in section 2(d), then the process, involving representatives of the principal political party representing the status option selected, and in full consultation with the other two principal political parties, shall begin to develop implementing legislation encompassed within the principles as set forth in section 2(b), and in consultation with the Committee on Energy and Natural Resources of the United States Senate and the appropriate committees of jurisdiction in the United States House of Representatives. Such legislation shall, upon enactment, authorize a further referendum of the people of Puerto Rico to approve or disapprove the selected status as defined in the legislation. A change of status shall not be effective unless or until approved in such a referendum.

(b) TIME LIMIT.—The second referendum to approve or disapprove the selected status as defined in the legislation developed under this section shall occur no later than the end of the Congress which is in session on the fourth anniversary of the date of the Governor's certification provided for under section 2(d), or as may be otherwise provided in such legislation.

S. 712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the United States of America recognizes the principle of self-determination and other applicable principles of international law with respect to Puerto Rico; and

(2) the United States is committed to a process of consultation and negotiation with the people of Puerto Rico leading to a referendum on the issue of political status to be conducted in a fair and equitable manner.

TITLE I

SEC. 2. REFERENDUM.

(a) IN GENERAL.—An island-wide referendum shall be held in Puerto Rico in which qualified voters of the Commonwealth of Puerto Rico shall be presented a choice of three status options for Puerto Rico as follows:

(1) statehood;

(2) independence; or

(3) commonwealth

as set forth in titles II, III, and IV of this Act.

(b) DATE OF REFERENDUM.—The first referendum shall occur on ————, 1991, or on a date as may be mutually agreed by the three principal parties, and during the summer of calendar year 1991.

(c) RETURNS OF REFERENDUM.—The returns of the referendum held under this Act shall be made to the Governor of Puerto Rico, who shall cause them to be canvassed in the manner provided by law for the canvass of votes cast in general elections in the Commonwealth of Puerto Rico. If there is not a majority in favor of one of the three options, then there shall be, on ————, 1991, or on a date as may be mutually agreed by the three principal political parties, and during the summer of calendar year 1991, a runoff referendum between the two status options which had received the largest number of votes. Such referendum shall also include an option of "None of the Above". The Governor shall certify to the President and to the Congress of the United States that decision of the people of Puerto Rico which received a majority of the votes cast, if a majority is obtained.

(d) APPLICABLE ELECTION LAWS.—The election laws of the Commonwealth of Puerto Rico shall apply to the referendum held under this Act.

(e) Upon the effective date of this Act, the status option which has been certified by the Governor pursuant to subsection (c), shall go into effect in accordance with the appropriate title of this Act.

TITLE II

Statehood: —— ——.

TITLE III

Independence: —— ——

TITLE IV

Commonwealth: —— ——.●

IDAHO NATIONAL GUARD

● Mr. SYMMS. Mr. President, the Idaho National Guard is a tremendous asset to the State of Idaho. A recent study points out how much impact the Idaho National Guard has on the economy of Idaho. Boise itself sees about half a million dollars every working day from the presence of the Guard.

Still, there is more to the Guard than just numbers. The men and women of the Idaho National Guard are good citizens, people who contribute their time and talents to make Idaho an even better place to live. The Guard is a good neighbor. It is involved in community activities and supports community efforts where their experience in the field provides valuable services.

Idaho's adjutant general, Maj. Gen. Darrell V. Manning, should be credited in this success story due to his excellent leadership and foresight. I am proud that Idaho has a man of Darrell Manning's quality commanding our excellent National Guard troops.

The impact of the Idaho National Guard is outlined in detail in an article that appeared in the March Greater Boise Chamber of Commerce newsletter. I ask that this article be printed in the RECORD.

The article follows:

IMPACT STUDY SHOWS NATIONAL GUARD PROVIDES ECONOMIC BENEFITS

The Idaho National Guard recently released their 1989 Economic Impact Study. The report describes how the Idaho National Guard provides economic benefits to the state and each of the 27 communities in which the Guard operates.

During FY 1989, the guard will spend about $79.1 million in Idaho. Of this total, Idaho provides $1.7 million and the federal government provides the rest, $77.4 million. Thus, for every $1 spent by the State for the National Guard, the federal government spends about $45.

The report, prepared by Mike Mertz, CPA and professor of accounting, says Guard members will pay an estimated $800,000 in state sales taxes and an estimated $3,400,000 state income taxes on the $45 million in Guard salaries they will receive in FY 1989. Idaho collects substantially more in tax revenues on Guard salaries, therefore, than the state provides to pay for the Guard.

The Idaho National Guard creates a total of about 1,900 equivalent full-time jobs in Idaho. During the summers of 1987 and 1988, the Idaho National Guard assisted firefighters throughout the state in fighting forest fires.

In Boise alone, the Air National Guard will spend $27.6 million of state and federal funds in FY 1989. The Air Guard employs 1,914 full and part-time people in the Boise area. The Army National Guard will spend $34.6 million in FY 1989 and employs 1,213 full and part-time people.

The report also points out a number of public service activities performed by the Guard each year. Specific projects include surveying and grading a new soccer field in Boise, reinforcing the floor and foundation of the Garden City Senior Citizens Center, relocating playground equipment for the Meridian School District and designing and installing a drain field and doing a topographical survey at the botanical gardens.

For more information about the Guard's Economic Impact Study, please call Colonel Tom Gilbertz at the Idaho National Guard, 384-6000.●

WORLD REFUGEE SURVEY REPORTS REFUGEES WORLDWIDE NOW EXCEED 14 MILLION

● Mr. PELL. Mr. President, the U.S. Committee for Refugees has just issued its annual World Refugee Survey which calls our attention to some very compelling statistics and information. The number of the world's refugees outside their own countries has continued to climb—from 13.3 million in 1987 to 14.4 million in 1989. An equivalent number are "internally displaced" within their countries, for reasons of war, famine, and civil strife.

This increase, according to the U.S. Committee for Refugees, reflects two overriding realities: Refugees are not able to return home, and new refugee flows continue to arrive in asylum countries.

I echo the words of the able and experienced Director of the U.S. Committee, Roger P. Winter, when he says: "These are not numbers. They are

people. Each one of these 14.4 million represents an individual human tragedy."

In recent years Americans have been particularly concerned about Indochinese refugees, and about Jewish refugees and others now again able to leave the Soviet Union. What this Survey documents is that these groups are only part of the problem.

The largest numbers of refugees can be found in Africa and South Asia, and for them overseas resettlement is not generally the solution. Rather, what is called for are worldwide cooperative efforts to provide the needed food and health care and other support that are so urgently needed in all regions of the world.

I ask that the introductory chapter by Roger Winter from the 1988 World Refugee Survey be printed in the RECORD.

The excerpt follows:

THE YEAR IN REVIEW

(By Roger P. Winter)

Refugees need a permanent home. But, as victims of persecution and war, they have minimal control over their destinies. A solution for their homelessness must often seem utterly beyond their power to effect. That is because refugees are the flotsam of power struggles—world, regional, national, and local. The powerful, who have created the misery of the weak, have little regard for the tolls they have exacted and even less incentive for rectifying the losses incurred because of their actions. Therefore, the refugees are left to wait. And, if they retain the energy, to hope.

They hope that those who control the destiny fo governments might take actions that will have the inadvertent bonus of affecting their destiny for the better as well. But the basic changes in the lives of common people that trickle down after negotiators have concluded their business are not easy to come by and don't materialize quickly. A year ago, we looked forward to the hope of Soviet withdrawal from Afghanistan, progress on the Central America peace plan, a peace accord in Sri Lanka, and the withdrawal of Vietnamese troops from Cambodia. A year later, progress has been made on a number of these situations. However, for most of the refugees another year has been added to their exile.

Still, progress between the superpowers and on some regional conflicts offers hope that perhaps soon the worldwide refugee population—now at 14 million—will decrease rather than increase. The dramatic progress on a settlement in Namibia adds to this hope.

In the meantime, reality confronts us. Hundreds of thousands of new refugees have been created in 1988 in Africa, largely fleeing conflict in southern Sudan, northern Somalia, and Mozambique. The situation for Vietnamese refugees in Thailand degenerated early in the year, resulting in great loss of life and sparking an as yet unfinished fundamental reassessment of refugee policy throughout Southeast Asia. The end of the Iran-Iraq war, instead of bringing the repatriation of hundreds of thousands of refugees, actually resulted in the exile of an additional 100,000 Iraqi Kurds, and the internal displacement of perhaps ten times that number, as Iraq turned its guns—and more insidious weapons—away from its external enemy and onto troublesome elements within its own population.

While the resolution of so many refugee problems seems both tantalizingly close and as far away as ever, the interim protection of refugees through the offer of asylum and resettlement has noticeably deteriorated in 1988. Western Europe and North America continued a matrix of restrictive asylum policies and practices—particularly for refugees from the Third World—that are undermining the quality of refugee protection worldwide. The psychology, even the morality, of those in the developed world responsible for this latter situation is difficult to comprehend.

Political realism is essential in defining the level of flexibility nations adopt in permitting the entry of asylum seekers. But what has all-too-often happened is that principles are tossed to the winds and approaches are adopted that not only are biased or are unfairly restrictive, but moreover are designed to frustrate the asylum seeker's access to any system at all in which his claim might be adjudicated. Despite serious poverty and other maladies in parts of the developed world, the very truth is that most of us in North America and Western Europe are materially well off, even fat by the standards of most of the world's people. In December, Bishop Herbert W. Chilstrom, head of the Evangelical Lutheran Church in America, recounted some of his recent experiences in the Third World. He said the sight of starving children and homeless people persuaded him that "never again will I be able to say I am middle class. The truth is I am a very rich person, and so are you." He said the chief sin that comes with acquiring possessions is that "we turn in on ourselves."

Perhaps turning in on ourselves is not so different from turning our backs on others, protecting what we have. With the chasm that divides what we have. With the chasm that divides the world's rich from its poor growing wider and deeper, this may be the genesis of the new policies of restrictionism, an attempt to bar those other masses. But this approach ignores the fact that governments are specifically obligated by international covenant to deal with refugees and asylum seekers differently from other migrants. To avoid this, some have asserted that refugees are not refugees at all, but rather are economically motivated, simply trying to join us because of what we have.

We don't have the moral right to underestimate refugee pain. We have the moral obligation to consider their fears with ungerrymandered criteria and to respond generously. The moral wrong is the risk of rebuffing, to our later shame, deserving individuals and undermining, perhaps for years to come, the international refugee protection system, one of the most humanitarian systems the international community has yet constructed.

As usual, 1988 was a year of pluses and minuses for refugees. The most dramatic event early in the year was the action taken by Thailand to crack down on Vietnamese boat people. Beginning in late January, an interdiction blockade in the Gulf of Thailand deflected and redirected refugee boats headed to Thailand. Many boats were pushed back as they sought to land. In the process, several hundred refugees died. The changed psychology of the situation spawned a dramatic increase in pirate attacks against refugees. During the following months, attitudes in other first asylum countries of the region hardened. Pushbacks continued in Indonesia. Hong Kong rushed to implement a new screening program as a deterrent. Malaysia announced its intention to close its major refugee camp.

That these developments were tragic for individual Vietnamese refugees cannot be minimized. The events did, however, trigger movement towards a fundamental reassessment of the refugee situation in the region, including calls for a new international conference on the matter. It will be crucial in 1989 for the international community to resist pressures to wash its hands of the continuing exodus from Vietnam and to construct a truly principled approach that employees the full range of humanitarian solutions for these refugees—one that, while achieving improved control and minimizing less compelling flight, also fully protects refugees.

Thailand has unfortunately also allowed the deterioration of the screening program for refugees from Laos that it implemented in 1985. As a result, Hmong in particular continue to be pushed back into Laos. The U.S. quietly began to reconsider for resettlement some previously rejected Cambodians at Khao I Dang, a welcome change. Thailand made several important improvements in life quality and security for Cambodians located along the Thailand-Cambodians border, but inaction by Thailand and the international community permitted the dread Khmer Rouge to force thousands of refugees back into Cambodia. Finally, Thailand, which for years has provided unoffical haven for ethnic Karen and others who have fled fighting in Burma, also recieved a substantial number of students who fled political upheaval in most of Burma's major cities. Unfortunately, Thailand has not permitted UNHCR to fulfill its mandate regarding these refugees.

Aside from the successful final stages of the repatriation of Ugandan refugees from Sudan, the situation of refugees in Africa deteriorated markedly in 1988. The most predictable event was the continuing exodus from ravished Mozambique. The U.S. State Department released an invaluable report analyzing violence against civilians, attributing the great mass of it to the Renamo forces. Although the refugees have fled to every contiguous country, tiny Malawi has a refugee burden in many ways unmatched by any in the world. The refugee influx is a twelfth of the nation's own population.

Three other situations in Africa exploded into view in 1988. In August, ethnic violence in northern Burundi killed thousands and forced the flight of more then 50,000 to Rwanda.

Conflict in northern Somalia resulted in massive destruction in the major city of Hargeisa. In June, some 350,000 fled into nearby Ethiopia, which itself remains the Horn of Africa's largest refugee producer. The situation of the Somali refugees deteriorated in late 1988, resulting in substantial criticism of UNHCR by the nongovernmental organizations providing assistance.

The conflict in southern Sudan finally entered the world's focus. This current phase of the struggle between the Islamic, Arabized north and the non-Islamic, African south resulted in the deaths of at least 260,000 civilians in 1988 alone from direct violence and disrupted food production and distribution. Militias affiliated with the Sudan army targeted ethnic Dinka for violence, causing a trek of hundreds of miles for tens of thousands of young Dinka men and boys. In March, they began to arrive in Ethiopia in dramatic numbers, but even

more dramatic condition. Relief workers said that as many as a quarter did not survive the journey, and that those who arrived in Ethiopia were in the worst physical condition of any refugee flow in decades. In all, 350,000 southern Sudanese refugees remain in Ethiopian camps.

The larger tragedy was that of southern civilians who remained in Sudan as "internally displaced people." A million made their way to Khartoum to escape the direct fighting. There, the poorest of the poor, unassisted by a government that viewed them as a threat, they were the worst hit victims of August's massive Nile flooding. Most remain unassisted to this day. Interdiction of food supplies by authorities left many civilians in the transitional zone between north an south in absolute famine, as well as the victims of violent militias. And in the very south, the government was present in only a limited number of garrison towns. These towns, as well as towns like Kapoeta, controlled by the rebel Sudan People's Liberation Army, were ringed with thousands of the formerly proud, now dispossessed, often dying southern Sudanese.

It is hard to believe that a humanitarian tragedy of this dimension, fully known to governments including our own, could materialize with nary a murmur until the outcry of refugees and advocates, the beginnings of a media focus, and the burgeoning awareness of ordinary people of good will in many nations finally began to change the political equities and force a response.

Where was the UN? Where was the Organization of African Unity? Where was the world's humanitarian machinery in such a case? Sadly, there is little the international community is obliged to do, and little that it actually does. Such a situation is viewed as the "international affair" of the country in question, whose government may well be fully or partially responsible for the very existence of the tragedy in the first place. Protecting and assisting internally displaced civilians—when the responsible government can't or won't respond adequately—is a major unresolved item for the international humanitarian agenda.

Millions of people remained internally displaced across South Asia and the Middle East as a result of unresolved civil conflicts, more often than not involving external powers. Two million displaced persons within Afghanistan were as obstructed from returning to their homes as the five million in exile in Pakistan and Iran. The exit of thousands of Soviet troops did not deter those remaining from continuing to engage in brutalities against the Afghan people and their land.

Hundreds of thousands of Sri Lankans remained internally displaced or in exile in India despite the signing a year ago of a peace accord meant to resolve the conflicts in that island nation. Hundreds of thousands remained displaced in Lebanon as well, as that country continued to be battered by competing warlords and militias. Palestinian refugees were still vulnerable to violence in Lebanon, as well as the occupied territories of Israel, where refugee camps were the scene of pitched battles and collective punishments.

Although the shooting stopped in the Iran-Iraq war, it produced the ironic result of new waves of repression against the internal enemies of both Saddam Hussein and Ayatollah Khomeini. An escalation of arrests and executions in Iran clearly signalled to Iranian refugees that it was not yet safe to return. Iraq, on the other hand, used the armistice as an opportunity to wage all-out war on the Kurds of the mountainous north, displacing hundreds of thousands within Iraq and causing tens of thousands to flee to neighboring Turkey and Iran. Turkey was particularly uneasy with the new influx, and continued to refuse to grant refugee status to refugees from either Iraq or Iran.

In Central America, civilians displaced by warfare and violence within their own countries, as well as refugees throughout the region and in North America, continued the wait for peace and security. Human rights conditions deteriorated in both Guatemala and El Salvador, with refugees continuing to flee those countries and spontaneously make their way north. Some Salvadoran refugees decided to return home, despite great turmoil and risk there. Their decision in part reflected the privations of their lives in Honduran refugee camps. Nicaraguans in Honduras fared somewhat better, but Honduras was indicating reluctance to continue to provide haven for either refugee group. Although fighting in the contra war reached a standstill late in the year, tens of thousands of Nicaraguans continued to flee the Sandinista regime and the shambles of an economy beset by war and natural disasters.

A dramatic increase in applications for asylum in the United States and Canada, especially from Central Americans, led both countries to make it increasingly difficult to file and pursue asylum claims. A U.S. federal judge ruled that the Immigration and Naturalization Service uses methods "from subtle persuasion to outright threats and misrepresentations" to coerce and intimidate Salvadoran asylum seekers into abandoning their asylum claims.

Thanks to a continued relaxation of emigration policies in the Soviet Union, more than 70,000 people left in 1988, predominantly ethnic Germans, Armenians, and Jews.

These are welcome developments, although they challenge the United States and its resettlement partners to expand migration opportunities beyond a refugee context in order to accommodate such large numbers. While the reduction of east-west conflicts can pave the way for more constructive efforts to resolve some of the world's most trying refugee quandaries, among the greatest challenges will be the north-south variety, low intensity conflicts in the Third World, often involving brutal repression and wrenching dislocation.

The United States has a unique role to play in setting the tone for international response to these refugees and displaced people. The issue ultimately is one of moral, principled leadership, but too often that leadership does not surface without ordinary people supplying the motivation.

We are a people of causes. And when a cause catches us, strange and sometimes wonderful things happen. The little girl down the well, the ice-bound whales, the victims of earthquake in Armenia—all these caught us.

Refugees and displaced people are victims. A few are controversial. But the bulk are regular people caught up in persecution and violence. As a nation and as individuals, we have increasingly made the very tragic error of believing that refugees are one of our problems, rather than their becoming one of our causes.

We have a chance with a new Administration to change our course. While dealing with immigration enforcement, we should give the highest priority to preserving a humanitarian response to asylum seekers. While framing our foreign policy, we should give a priority of the highest order to human rights, to humanitarian assistance, to solutions to refugee movements, all in politically neutral terms that focus on the vulnerability of the victims of persecution and conflict.●

TRIBUTE TO FRANCIS GUESS

● Mr. SASSER. Mr. President, I rise today to pay tribute to a distinguished Tennessean and public servant, Mr. Francis Guess.

Mr. Guess will be honored this week by the National Conference of Christians and Jews along with two other distinguished Nashvillians, Irby Simpkins and Albert Werthan, as a recipient of the NCCJ's Human Relations Award. All three have exemplified the principles of the NCCJ, which was established to promote better community relations and goodwill.

Francis Guess, who is a graduate of Tennessee State University and earned a postgraduate degree from my alma mater, Vanderbilt, has served his community, States and Nation admirably in a variety of important posts. A Vietnam veteran, Mr. Guess is currently a member of the Tennessee Human Rights Commission, the U.S. Commission on Civil Rights, and the President's Personnel Advisory Committee. He was formerly commissioner of the Tennessee Department of Labor and the Department of General Services. He serves on the board of directors of the Nashville Symphony, the NCCJ, the Capitol Club of Nashville, Moore Industries and Family and Children's Services. He is the past president of the Nashville Urban League. He has won numerous awards in recognition of his professional and civic work.

The National Conference of Christians and Jews has worked to eliminate the vestiges of prejudice and discrimination that still exist in our society. Francis Guess' efforts to promote equality of opportunity are in the best tradition of the organization. I salute him for that work, and for all his efforts on behalf of his State and Nation.●

FINANCIAL INSTITUTION RECOVERY AND ENFORCEMENT ACT OF 1989

Mr. PRESSLER. Mr. President, earlier today, the Senate Committee on Banking, Housing, and Urban Affairs, of which I am a member, held a markup session on S. 413, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. In that meeting, I entered the following statement concerning my intention to offer an amendment on the Senate floor to allow solvent small savings and loan institutions a reasonable period of time in which to build up or otherwise

attain the capital or net worth requirement as provided in S. 413.

I ask unanimous consent that my statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR PRESSLER

Mr. Chairman, I do not want to take up a great deal of the Committee's time. But there is an issue I would like to raise, and perhaps pursue with a floor amendment.

As I reviewed the bill text yesterday it struck me that there is a heavy advantage toward the larger institutions in this legislation. The "good will" provision is a good example. While it provides relief to some, very few if any small institutions benefit because none use it.

My concern is that we are providing flexibility for some, but not the small thrift businesses. They are being held to a tougher practical standard. As happens all too often in Washington, the little guy loses out.

What I would like to do is bring a small businesses perspective to the debate. Specifically, I am contemplating offering an amendment on the Senate floor to help small businesses meet the 6% capitalization requirement on a more reasonable timetable if it is justified under certain conditions.

I would define "small thrift business" by using some objective measure of assets—such as those with less than 250 million dollars in assets. But being small isn't enough. It would have to be solvent and have to be making good progress toward the ultimate 6% capitalization requirement. The goal is to prevent small, healthy businesses from being cut off at the knees automatically in 1991.

I am not envisioning simply waiving the 6% requirement. I understand and share its objective. It would stay in place. The most that I would do is to give them a little more time. Before the small business would qualify, it would have to be solvent and already have shown substantial progress toward achieving its 6% requirement. And it would have to continue showing real progress toward the 6% requirement so that it would be met within, for example, 2 or 3 years.

We are working on the numbers, but the point is that it would (a) have to be a small business; (b) show financial viability and serious progress toward the 6% goal; and (c) prove that it would meet the 6% target by a date certain—although a little later than required of the big businesses. This would give them the flexibility they do not have now.

So I'm talking about a give-away here—just providing a little flexibility for the small guy. This would not apply to the large institutions. They've already been accommodated to a large extent. But the little guy seems to have been left out.

I am convinced that we will end up putting a lot of very solid small businesses out of business if we don't provide some flexibility. I believe the larger institutions do have that to some extent under this bill—much more so than the small guy.

I won't take up any more of the committee's time here. I just wanted to throw that out on the table for now to float the idea. If I find support, I will pursue it on the floor.

I would have liked to have had it filed earlier so I could offer it this morning, but this is a direction I've noted just the last couple of days after going over the final committee bill and talking to my small business institutions in South Dakota.

So with that I will close, but I did want to raise the issue. We will be circulating some language and I hope my colleagues will take a close look at it. Thank you.

NORTH CAROLINA INVENTORS HONORED BY IPO FOUNDATION

Mr. SANFORD. Mr. President, this week three inventors from North Carolina will be honored by a Washington foundation for outstanding work that benefits all Americans. They are scientists and businessmen at a company they formed, Alphatronix, in Research Triangle, NC. They will share a prize for Distinguished Inventors of 1989 given by the Intellectual Property Owners Foundation—Thursday evening, April 13.

They are Richard N. Gardner, Robert P. Freese, and Thomas A. Rinehart. They are being honored for their invention, which is best described as improvements in magneto-optical recording media that are embodied in erasable, rewritable optical disks. Optical disks can store 1,000 times as much information as conventional floppy diskettes used with personal computers.

These three, along with a fourth person, Leslie H. Johnson, did their work while all were on the staff of the 3M Co. in Minnesota. Mr. Johnson remained at 3M, while his three colleagues moved to Research Triangle, formed their own company last year and set about the business of making the hardware that is used with the 3M equipment.

Now, what is so special about what these people have done? After all, the words that describe their invention are hard to pronounce, and even harder to understand. The answer, I believe, is that these people represent the best of the American tradition of invention, and the core of that tradition is a belief that the human mind can see a common problem and determine a way to solve that problem that benefits everyone.

I am particularly proud that these inventors chose North Carolina as a place to establish their company. I salute them and I salute the IPO Foundation for making the recognition of their work possible.

NOMINATION OF RICHARD H. TRULY, NASA ADMINISTRATOR

Mr. COCHRAN. Mr. President, I am very pleased that today the President has nominated Adm. Richard H. Truly, a native of the State of Mississippi, to be Administrator of the National Aeronautics and Space Administration. For the first time in its history, NASA will be led by a career naval officer who has also distinguished himself as a veteran astronaut.

Admiral Truly was the first commander of the Naval Space Command. He piloted the second space shuttle flight in 1981 and commanded the *Challenger* in 1983 during the eighth flight of the shuttle. As Associate Administrator for Space Flight, he led the recovery team following the *Challenger* tragedy in 1986, and he spearheaded the shuttle recovery program that led to America's return to space. He earned the respect of all for his capable leadership during that critical period in our Nation's space program.

Richard Truly is the epitome of the excellence and promise which have characterized America's space program. I congratulate President Bush on his selection of Admiral Truly for this important position, and I urge Senators to join me in supporting his confirmation.

THE PROBLEMS AND OPPORTUNITIES OF INDIANS AND THE FEDERAL ADMINISTRATION OF MINERAL RESOURCES

Mr. MITCHELL. Mr. President, on behalf of Senators DECONCINI and MCCAIN, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 103) to amend Senate Resolution 66, agreed to February 28, 1989, to make certain technical corrections, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 103) was agreed to, as follows:

S. RES. 103

Resolved, That (a) subsection (d) of section 21 of Senate Resolution 66, agreed to February 28, 1989, is amended to read as follows:

"(d)(1) The Special Committee on Investigations (hereafter in this section referred to as the "special committee"), a duly authorized subcommittee of the select committee, is authorized from March 1, 1989, through February 28, 1990, to study or investigate any and all matters pertaining to problems and opportunities of Indians and the Federal administration of mineral resources, including but not limited to resource management and trust responsibilities of the United States Government, Indian education, health, special services, and other Federal programs, and related matters.

"(2) For the purpose of this section the special committee is authorized from March 1, 1989 through February 28, 1990, in its discretion (A) to adopt rules (not inconsistent with this resolution and the Standing Rules of the Senate) governing its procedure, to be published in the Congressional Record, (B) to make investigations into any matter within its jurisdiction, (C) to make expenditures from the contingent fund of the Senate, (D) to employ personnel, (E) to sit

and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (F) to hold hearings and to take staff depositions, interrogatories, and other testimony, (G) to require, by subpoena or order, the attendance of witnesses and the production of correspondence, books, papers, and documents at hearings or at staff depositions, (H) to procure the services of individual consultants or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946, as amended, and (I) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable basis the services of personnel of any such department or agency.

"(3) The chairman of the special committee or any member thereof may administer oaths to witnesses, and, at staff depositions authorized by the special committee, oaths may be administered by any individual authorized by local law to administer oaths.

"(4) Subpoenas authorized by the special committee may be issued over the signature of the chairman, or any member of the special committee designated by the chairman, or the member signing the subpoena.

"(5) All subpoenas and related legal processes of the special committee authorized under S. Res. 381 of the One Hundredth Congress, second session, are authorized to continue.

"(6) The special committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate through the select committee at the earliest practicable date, but not later than February 28, 1990.".

(b) The amendment made by subsection (a) of this resolution shall be considered as having taken effect on February 28, 1989.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL COSPONSOR ADDED TO S. 760

Mr. MITCHELL. Mr. President, I have just been informed that Senator BOREN's name was inadvertently omitted as a cosponsor of S. 760, a bill to implement the bipartisan accord on Central America.

Mr. President, I ask unanimous consent that Senator BOREN be included as an original cosponsor of S. 760.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY

RECESS UNTIL 10:30 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:30 a.m., Thursday, April 13.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that following the time for the two leaders, there be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, does the distinguished Republican leader have any further business?

Mr. DOLE. Mr. President, I will just indicate, as we discussed privately, I hope that any Members on this side of the aisle—and I think that is where most of the amendments will come from on the Contra aid agreement—will be in a position to advise staff by tomorrow morning between 9:30 and 10:30 if they intend to offer any amendments and the nature of the amendments so that the majority will know—maybe not specifically but generally what the amendments will be—and how much time they might need because it would seem to me that with that information, the majority leader might be able to complete action on that bill by early evening tomorrow.

So we will be making phone calls on this side of the aisle. I think we have to check with five or six Members who may be in a position at 10:30, or a little later, to tell the majority leader precisely what the amendments are and how long they will take.

Mr. MITCHELL. I am grateful to the distinguished Republican leader for his cooperation in this regard, and it is my hope we can complete on that matter at a relatively early hour tomorrow.

RECESS UNTIL TOMORROW AT 10:30 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess, under the previous order, until 10:30 a.m. tomorrow, Thursday, April 13, 1989.

There being no objection, at 8:11 p.m., the Senate recessed until tomorrow, Thursday, April 13, 1989, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 12, 1989:

DEPARTMENT OF STATE

DOUGLAS P. MULHOLLAND, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF STATE, VICE MORTON I. ABRAMOWITZ, RESIGNED.

DEPARTMENT OF ENERGY

DIANE KAY MORALES, OF TEXAS, TO BE AN ASSISTANT SECRETARY OF ENERGY (ENVIRONMENT, SAFETY AND HEALTH), VICE ERNEST C. BAYNARD, III, RESIGNED.

DEPARTMENT OF STATE

JOHN CAMERON MONJO, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF INDONESIA.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

RONALD FRANK LEHMAN II, OF VIRGINIA, TO BE DIRECTOR OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY, VICE WILLIAM F. BURNS, RESIGNED.

DEPARTMENT OF COMMERCE

THOMAS JONES COLLAMORE, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE KATHERINE M. BULOW, RESIGNED.

DEPARTMENT OF EDUCATION

NANCY MOHR KENNEDY, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF EDUCATION, VICE FRANCES M. NORRIS, RESIGNED.

DEPARTMENT OF LABOR

DALE TRIBER TATE, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE JERRY D. BLAKEMORE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. RICHARD C. GENTZ, xxx-xx-xxxx/1230, U.S. NAVY.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE.

JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

JOHN S. COOKE, xxx-xx-xxxx
DAVID E. GRAHAM, xxx-xx-xxxx
DEWEY E. HELMCAMP III, xxx-xx-xxxx
KIN K. JUDD, xxx-xx-xxxx
LEVATOR NORSWORTHY, JR., xxx-xx-xxxx
CRAIG S. SCHWENDER, xxx-xx-xxxx
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ALLAN A. TOOMEY, xxx-xx-xxxx
THOMAS N. TROMEY, xxx-xx-xxxx
ALEXANDER M. WALCZAK, xxx-xx-xxxx

IN THE ARMY

THE FOLLOWING-NAMED CADETS, GRADUATING CLASS OF 1989, UNITED STATES MILITARY ACADEMY, FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, 533 AND 4353:

TIMOTHY F. ABBOTT, xxx-xx-xxxx
JENNY W. ADAMS, xxx-xx-xxxx
ROBERT C. AGANS, JR, xxx-xx-xxxx
JEFFREY C. AHRENS, xxx-xx-xxxx
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ALBERT L. ALBA, xxx-xx-xxxx
RONALD L. ALBRECHT, xxx-xx-xxxx
JOEL P. ALENT, xxx-xx-xxxx
AMBER D. ALLEN, xxx-xx-xxxx
BRIAN C. ALLEN, xxx-xx-xxxx
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EDWARD J. AMATO, xxx-xx-xxxx
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MICHAEL M. SULLIVAN, xxx-xx-xxxx
NEIL J. SULLIVAN, xxx-xx-xxxx
PETER T. SULLIVAN, xxx-xx-xxxx
TIMOTHY P. SULLIVAN, xxx-xx-xxxx
DOUGLAS S. SUTTER, xxx-xx-xxxx
ROBERT G. SUTTER, xxx-xx-xxxx
STEVEN J. SVOBODA, xxx-xx-xxxx
ERIN M. SWEENEY, xxx-xx-xxxx
NATHAN V. SWEETSER, xxx-xx-xxxx
JAMES M. SWINGLE, xxx-xx-xxxx
SHERYL L. SWOFFORD, xxx-xx-xxxx

STEPHANNIE A. TALLENT, xxx-xx-xxxx
JAMES R. TALLEY, xxx-xx-xxxx
CHRISTOPHER P. TAPP, xxx-xx-xxxx
LEAFAINA O. TAVAI, xxx-xx-xxxx
ROBERT J. TAYLOR, xxx-xx-xxxx
JOHN S. TELFORD, xxx-xx-xxxx
JON E. TELLIER, xxx-xx-xxxx
BETH A. THOMAS, xxx-xx-xxxx
KIMBERLY J. THOMAS, xxx-xx-xxxx
BRIAN L. THOMPSON, xxx-xx-xxxx
PERIN K. THOMPSON, xxx-xx-xxxx
TIMOTHY T. THOMPSON, xxx-xx-xxxx
WILEY C. THOMPSON, xxx-xx-xxxx
BRUCE K. THORN, xxx-xx-xxxx
ERIC D. TILLEY, xxx-xx-xxxx
LINDA D. TIMM, xxx-xx-xxxx
WILLIAM A. TOHILL, xxx-xx-xxxx
KENNETH W. TONEY, xxx-xx-xxxx
JOHN M. TONRA, xxx-xx-xxxx
ROBERT F. TOOLE, JR., xxx-xx-xxxx
ONESIMO O. TORRES, xxx-xx-xxxx
DAVID C. TRYBULA, xxx-xx-xxxx
KEVIN L. TUCKER, xxx-xx-xxxx
PHILIP F. TULL, xxx-xx-xxxx
CHARLES T. TULLY, JR., xxx-xx-xxxx
NORMAN T. TURFE, xxx-xx-xxxx
TRACY A. TURNER, xxx-xx-xxxx

JONATHAN E. ULSAKER, xxx-xx-xxxx
EDWARD J. URBANIAK, xxx-xx-xxxx
CHRISTOPHER J. VAKA, xxx-xx-xxxx
BOBBIE J. VANCE, xxx-xx-xxxx
RICHARD J. VANDER WAL, xxx-xx-xxxx
LEE M. VANHOUTEN, xxx-xx-xxxx
BRENT A. VANMANEN, xxx-xx-xxxx
SANDRA L. VANN, xxx-xx-xxxx
PAUL A. VARNER, xxx-xx-xxxx
MICHAEL J. VASSALOTTI, xxx-xx-xxxx
ALEX C. VERNON, xxx-xx-xxxx
JOSEPH H. VEST, xxx-xx-xxxx
SCOTT A. VEZEAU, xxx-xx-xxxx
JOHN V. VIGGIANO, xxx-xx-xxxx
DENNIS F. VILLASENOR, xxx-xx-xxxx
DOUGLAS S. VINSON, xxx-xx-xxxx
KEVIN M. VOLK, xxx-xx-xxxx
JOHN G. VOORHEES, JR., xxx-xx-xxxx
JOSEPH K. WALKER, xxx-xx-xxxx
VINCENT M. WALLACE, xxx-xx-xxxx
AARON K. WALLER, JR., xxx-xx-xxxx
CHARLES S. WALLS, IV, xxx-xx-xxxx
JASON L. WALRATH, xxx-xx-xxxx
WILLIAM A. WALSKI, xxx-xx-xxxx
JAMES J. WALTON, xxx-xx-xxxx
ANN E. WANNER, xxx-xx-xxxx
CONAN M. WARD, xxx-xx-xxxx
MICHAEL J. WARD, xxx-xx-xxxx
HENRY B. WARDICK, III, xxx-xx-xxxx
BENJAMIN F. WARNER, xxx-xx-xxxx
DAVID P. WARSHAW, xxx-xx-xxxx
GLENN A. WATERS, xxx-xx-xxxx
TIMOTHY F. WATSON, xxx-xx-xxxx
MICHAEL K. WEGLER, xxx-xx-xxxx
THOMAS E. WEISENFELS, xxx-xx-xxxx
DEBORAH A. WELLINGTON, xxx-xx-xxxx
WILLIAM B. WELSH, xxx-xx-xxxx
JAMES WENNER, xxx-xx-xxxx
SALLY A. WEST, xxx-xx-xxxx

JOHN W. WHATLEY, IV, xxx-xx-xxxx
JOHN W. WHEELER, xxx-xx-xxxx
TIMOTHY R. WHEELOCK, xxx-xx-xxxx
CHARLES W. WHITE, JR., xxx-xx-xxxx
KELLY R. WHITING, xxx-xx-xxxx
JON B. WILDERMUTH, JR., xxx-xx-xxxx
AMY J. WILLIAMS, xxx-xx-xxxx
MAURICE L. WILLIAMS, xxx-xx-xxxx
MICHELLE M. WILLIAMS, xxx-xx-xxxx
ROBERT L. WILLIAMS, JR., xxx-xx-xxxx
THOMAS R. WILLIAMS, xxx-xx-xxxx
RUSSELL M. WILLIAMSON, xxx-xx-xxxx
JAMES R. WILLIS, JR., xxx-xx-xxxx
ISAIAH WILSON, III, xxx-xx-xxxx
JOHN N. WILSON, xxx-xx-xxxx
MARGARET R. WILSON, xxx-xx-xxxx
SHAWN P. WILSON, xxx-xx-xxxx
WILLIAM T. WINKLBAUER, xxx-xx-xxxx
ELIZABETH L. WINKLER, xxx-xx-xxxx
GREGORY S. WINSTON, xxx-xx-xxxx
STEPHEN W. WITZMANN, xxx-xx-xxxx
JOYCE WOO, xxx-xx-xxxx
BRUCE M. WOOLVERTON, xxx-xx-xxxx
MICHAEL J. WORDEN, xxx-xx-xxxx
JEFFREY T. WORKMAN, xxx-xx-xxxx
NICOLE A. WORKMAN, xxx-xx-xxxx
STEPHEN P. WORKMAN, xxx-xx-xxxx
JON A. WOZNIAK, xxx-xx-xxxx
MICHAEL A. WRIGHT, xxx-xx-xxxx
RICHARD A. WULFF, xxx-xx-xxxx
MICHAEL D. WYANT, xxx-xx-xxxx
ANN M. WYCOFF, xxx-xx-xxxx
AMY M. YAEGER, xxx-xx-xxxx
WADE S. YAMADA, xxx-xx-xxxx
ROY YAN, xxx-xx-xxxx
SCOTT D. YANAGIHARA, xxx-xx-xxxx
EUGENE A. YANCEY, III, xxx-xx-xxxx
DENNIS W. YATES, xxx-xx-xxxx
KIYOTAKA A. YAZAWA, xxx-xx-xxxx
JOSE C. YBARRA, JR., xxx-xx-xxxx
JOSEPH Y. YI, xxx-xx-xxxx
CRAIG A. YOUNG, xxx-xx-xxxx
MICHAEL A. YOUNG, xxx-xx-xxxx
SUSAN M. YOUNG, xxx-xx-xxxx
KORTA YUASA, xxx-xx-xxxx
CHARLES K. YUN, xxx-xx-xxxx
DANIEL YUN, xxx-xx-xxxx
CARL J. ZAISER, xxx-xx-xxxx
BRUCE W. ZARTMAN, xxx-xx-xxxx
CRAIG S. ZEITLER, xxx-xx-xxxx
JAMES L. ZIEGLER, xxx-xx-xxxx
PETER J. ZIOMEK, xxx-xx-xxxx
LUIS F. ZUNA, xxx-xx-xxxx
MARTIN A. ZYBURA, xxx-xx-xxxx

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THEIR ACTIVE DUTY GRADE, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

MEDICAL CORPS

To be captains

LISA MOORES, xxx-xx-xxxx
LESLIE ORAZIETTI, xxx-xx-xxxx
THOMAS RAPACKI, xxx-xx-xxxx
SAMUEL SAYSON, xxx-xx-xxxx

CONFIRMATIONS

Executive nominations confirmed by the Senate April 12, 1989:

DEPARTMENT OF ENERGY

W. HENSON MOORE, OF LOUISIANA, TO BE DEPUTY SECRETARY OF ENERGY.

JOHN CHATFIELD TUCK, OF VIRGINIA, TO BE UNDER SECRETARY OF ENERGY.

DONNA R. FITZPATRICK, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (MANAGEMENT AND ADMINISTRATION).

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

WITHDRAWAL

Executive nominations withdrawn by the President from further Senate consideration:

DEPARTMENT OF LABOR

JERRY D. BLAKEMORE, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE DAVID F. DEMAREST, RESIGNED, WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

HOUSE OF REPRESENTATIVES—*Wednesday, April 12, 1989*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. FOLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 12, 1989.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore today.

JIM WRIGHT,
Speaker of the House of Representatives.

PRAYER

The Reverend Paul Hebbert, Gering Zion Church, Gering, NE, offered the following prayer:

O God, our Heavenly Father, who by Your providence led our forefathers to this land of liberty. We ask You to ever guide our Nation in its pursuit of peace. We ask for our Representatives in Congress, direction in their consultations, so that the safety, honor, and welfare of the people may be advanced by their endeavors, that happiness and virtue be established in every heart, that every foundation that is laid, be laid upon that one sure foundation, Jesus Christ. We ask that Your kingdom would go forward till the Earth be filled with the knowledge of Your love. We ask this in the name of our blessed Lord and Saviour, Jesus Christ. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. UPTON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. UPTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 298, nays 99, not voting 35, as follows:

[Roll No. 19]

YEAS—298

Ackerman	Flippo	Manton
Akaka	Florio	Markey
Alexander	Foley	Martin (NY)
Andrews	Ford (MI)	Matsui
Annunzio	Frank	Mavroules
Anthony	Frenzel	Mazzoli
Applegate	Frost	McCrery
Archer	Gallo	McDade
Atkins	Gaydos	McDermott
AuCoin	Gejdenson	McEwen
Barnard	Gephardt	McHugh
Bartlett	Gibbons	McMillen (MD)
Bateman	Gillmor	McNulty
Bates	Gilman	Meyers
Bennett	Gingrich	Mfume
Bereuter	Glickman	Michel
Berman	Gonzalez	Miller (CA)
Bevill	Gordon	Miller (WA)
Bilbray	Gradison	Mineta
Boggs	Grant	Moakley
Bonior	Gray	Mollohan
Borski	Green	Montgomery
Bosco	Guarini	Moody
Boucher	Gunderson	Moorhead
Boxer	Hall (OH)	Morella
Brennan	Hall (TX)	Morrison (CT)
Brooks	Hamilton	Morrison (WA)
Broomfield	Hammerschmidt	Mrazek
Brown (CA)	Harris	Murtha
Bruce	Hatcher	Myers
Bryant	Hawkins	Nagle
Bustamante	Hayes (IL)	Natcher
Byron	Hayes (LA)	Neal (NC)
Callahan	Hefner	Nelson
Campbell (CA)	Hertel	Nielson
Campbell (CO)	Hoagland	Nowak
Carper	Hochbrueckner	Oakar
Chapman	Hopkins	Oberstar
Clarke	Horton	Obey
Clement	Houghton	Olin
Coelho	Hoyer	Ortiz
Coleman (MO)	Hubbard	Owens (NY)
Coleman (TX)	Huckaby	Owens (UT)
Collins	Hughes	Packard
Combest	Hutto	Pallone
Conte	Hyde	Panetta
Conyers	Jenkins	Parker
Cooper	Johnson (CT)	Patterson
Costello	Johnson (SD)	Payne (NJ)
Coyne	Jones (GA)	Payne (VA)
Craig	Jontz	Pease
Crockett	Kanjorski	Pelosi
Darden	Kaptur	Penny
DeFazio	Kasich	Perkins
Dellums	Kastenmeier	Pickett
Derrick	Kennedy	Pickle
Dicks	Kennelly	Porter
Dingell	Kildee	Poshard
Dixon	Kleczka	Price
Donnelly	Kostmayer	Pursell
Dorgan (ND)	LaFalce	Rahall
Duncan	Lagomarsino	Rangel
Durbin	Lancaster	Ravenel
Dwyer	Laughlin	Ray
Dymally	Leath (TX)	Regula
Early	Lehman (CA)	Richardson
Eckart	Lehman (FL)	Rinaldo
Edwards (CA)	Leland	Ritter
Engel	Lent	Robinson
English	Levin (MI)	Roe
Erdreich	Levine (CA)	Rogers
Evans	Lewis (FL)	Rohrabacher
Fascell	Lewis (GA)	Rose
Fazio	Livingston	Rostenkowski
Feighan	Lloyd	Rowland (CT)
Fish	Lowey (NY)	Rowland (GA)
Flake	Luken, Thomas	Roybal
Russo	Smith (IA)	Traxler
Sabo	Smith (MS)	Udall
Saiki	Smith (NE)	Unsoeld
Sangmeister	Smith (NJ)	Valentine
Sarpalius	Smith (VT)	Vander Jagt
Savage	Solarz	Vento
Sawyer	Spence	Visclosky
Saxton	Spratt	Volkmer
Scheuer	Staggers	Walgren
Schiff	Stallings	Watkins
Schneider	Stark	Weber
Schulze	Stenholm	Weiss
Schumer	Stokes	Weldon
Sharp	Studds	Whitten
Shaw	Swift	Williams
Shumway	Synar	Wilson
Shuster	Tallon	Wolpe
Sisisky	Tanner	Wyden
Skaggs	Tauzin	Wylie
Skelton	Thomas (GA)	Yates
Slattery	Torres	Yatron
Slaughter (NY)	Torricelli	
Smith (FL)	Traficant	

NAYS—99

Armey	Hastert	Roberts
Baker	Hefley	Roth
Ballenger	Henry	Roukema
Barton	Herger	Schaefer
Bentley	Hiler	Schroeder
Billirakis	Holloway	Schuette
Blilley	Inhofe	Sensenbrenner
Boehlert	Ireland	Shays
Brown (CO)	Jacobs	Sikorski
Buechner	James	Skeen
Bunning	Kolbe	Slaughter (VA)
Burton	Kyl	Smith (TX)
Chandler	Leach (IA)	Smith, Denny (OR)
Clay	Lewis (CA)	Smith, Robert (NH)
Clinger	Lowery (CA)	Smith, Robert (OR)
Coble	Lukens, Donald	Snowe
Courter	Madigan	Solomon
Cox	Marlenee	Stangeland
Dannemeyer	Martin (IL)	Stearns
DeLay	McCandless	Stump
Dickinson	McCollum	Sundquist
Dornan (CA)	McGrath	Tauke
Dreier	McMillan (NC)	Thomas (CA)
Edwards (OK)	Miller (OH)	Upton
Emerson	Molinari	Vucanovich
Fawell	Murphy	Walker
Fields	Oxley	Walsh
Gallegly	Parris	Wheat
Gekas	Pashayan	Whittaker
Goodling	Paxon	Wolf
Goss	Petri	Young (FL)
Grandy	Quillen	
Hancock	Rhodes	
Hansen	Ridge	

NOT VOTING—35

Anderson	Dyson	Long
Aspin	Espy	Machtley
Beilenson	Foglietta	Martinez
Cardin	Ford (TN)	McCloskey
Carr	Garcia	McCurdy
Coughlin	Hunter	Neal (MA)
Crane	Johnston	Pepper
Davis	Jones (NC)	Towns
de la Garza	Kolter	Waxman
DeWine	Lantos	Wise
Douglas	Lightfoot	Young (AK)
Downey	Lipinski	

□ 1022

Mr. DICKS changed his vote from "nay" to "yea."

Mr. FLAKE changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The distinguished gentleman from Texas [Mr. ORTIZ] will lead the House in the Pledge of Allegiance.

Mr. ORTIZ led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 248. An act to amend title 18 of the United States Code to provide increased penalties for certain major frauds against the United States, and

S.J. Res. 61. Joint resolution to designate April 1989 as "National Recycling Month."

The message also announced that pursuant to Public Law 83-420, as amended by Public Law 99-371, the Chair on behalf of the Vice President reappoints Mr. INOUYE to the Board of Trustees of Gallaudet University.

IT IS CRIMINAL TO IGNORE DRUG TREATMENT

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute.)

Mr. EDWARDS of California. Mr. Speaker, the current administration, like the Reagan administration, is ignoring one of the most important elements in the fight against drugs, and that is drug treatment. All the law enforcement agencies agree that they cannot solve the drug problem alone. They all agree we need education in our schools and we need treatment for drug addicts.

But the Reagan administration wanted to cut back on social programs. Federal support for drug treatment was cut by 40 percent. As a result, addicts seeking drug treatment were told they had to wait up to a year in some cities. And less than one-half of those who are turned away reapply after the waiting period.

This policy only fosters more crime. An addict who is turned away from treatment commits, on average, a crime every other day—180 crimes a year—to support his drug habit. Addicts denied treatment are responsible for millions of dollars in crime every year.

These short-sighted, destructive policies are being repeated by George Bush, and all Americans—not only the poor, not only the drug addicts—all of us are suffering the consequences.

INTRODUCTION OF LEGISLATION ON THE NOTCH

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, can you imagine anyone having to choose between, say, food or prescription medication because you don't have enough to pay for both? Sad as it may be, this is the unfortunate situation of some of our Nation's senior citizens.

We, as a body, are collectively responsible for such a deplorable dilemma for some of these Americans through our inaction in resolving the discriminatory notch period. The notch results in many seniors receiving as much as $100 a month less in Social Security due to no other reason than the year in which they happened to have been born.

I'm certain that all my colleagues will agree that our Social Security system should not discriminate against anyone. For this reason, I am now introducing for the fourth consecutive Congress legislation to correct the notch.

I join my other colleagues on the notch coalition in calling upon the appropriate Chair to quickly convene hearings on the issue as a first step toward eliminating injustice and inequality from our Social Security system.

REPORTED DEAL BETWEEN MX-MIDGETMAN MISSILE SUPPORTERS

(Mr. EVANS asked and was given permission to address the House for 1 minute.)

Mr. EVANS. Mr. Speaker, according to recent news reports, many leaders in Congress and within the administration seem content to mobilize the MX missile and deploy Midgetman in fiscal year 1990—thereby avoiding tough policy choices that simply have to be made in an era of belt tightening and a massive budget deficit.

As a member of the Armed Services Committee, I think it's time to bring a little common sense back into our Nation's military budget. We all know that many of our colleagues have strong disagreement about which ICBM option is the best—many Members argue that Midgetman is the way to go because it's a more survivable deterrent, others say that the MX is a less pricey alternative—but in light of our current budget problems I would hope almost all of us could agree that going ahead with both missile systems would be the worst option of them all.

At a time when our Nation already faces the real possibility of a nuclear weapons production facility cleanup and a savings and loan bailout—each of which could easily run into the tens of billions of dollars—it just doesn't make sense for Congress to place an additional $30 to $50 billion burden on the backs of the average taxpayer simply because we can't make up our mind.

Mr. Speaker, taking these observations into consideration I urge my colleagues to take a closer look at the impending MX-Midgetman missile agreement. To some it may seem like the easy way out, but it might not be so attractive when the time comes to pay the bill.

JAPANESE TAKEOVERS

(Mr. SUNDQUIST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SUNDQUIST. Mr. Speaker, last week, the business press in this country and in Japan reported that Boone Pickens has purchased a 20-percent stake in Koito Manufacturing—Japan's leading producer of automotive lighting.

What caught my attention about this is the way the Japanese business community responded.

Despite the fact Japanese firms themselves spent $15 billion last year to take over companies in other countries—and despite the fact that Japanese businesses enjoy virtually unrestricted access to our own markets—corporate Japan remains hostile to foreign takeovers of their own industries.

I want to suggest to our Japanese trading partners that the door swings both ways. They cannot expect unlimited opportunities for business investment in the United States without offering American investors similar opportunities in Japan.

Those of us who believe in reciprocity in trade have reason to be saddened and concerned by the way corporate and official Japan appears to be circling the wagons the first time an American makes a major move into a Japanese firm.

I say go Boone, go.

□ 1030

DOCUMENTS SHOW PRESIDENT BUSH WAS "KEY PLAYER" IN IRAN/CONTRA

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, President Bush deserves much more credit than we have been giving him around here. That is, for his knowledge in the Iran/Contra scam.

Documents now show that President Bush was a "key player." Still it seems that the President chooses to sit back and not discuss his role. I do not blame him, because it appears to me that

President Bush is getting up to his knees in Contra-band.

It is evident now that he had prior knowledge and knew that funneling those moneys to Honduras broke the law.

While Oliver North is taking the fall, President Bush is sitting back throwing horseshoes at the Constitution of this country and we are sitting back all embroiled in an investigation over some books.

Mr. Speaker, I recommend and urge Congress that we focus an investigation into the "big guy" of this country and that justice should be equally meted out for all. He should not be able to rise above the law.

WE OWE TO THE AMERICAN PEOPLE A SUBSTANTIVE BATTLE AGAINST DRUGS

(Mr. HAYES of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYES of Louisiana. Mr. Speaker, in many ways Washington, DC, is the symbol of America, whether it is the monuments along the Potomac or The Mall on which we are now seated. In many ways, however, it is not.

The District of Columbia should not be used as a symbol for a war against drugs while we just say "No" to Louisiana, while we just say "No" to Florida, while we just say "No" to California, while we just say "No" to Iowa.

Instead of a symbolizing gesture for the television cameras, we owe the American people a substantive battle against drugs. To do less is to turn our backs on the American people in order to have a good profile for the 6 o'clock news.

AMERICAN COMPANIES DESERVE CONGRATULATIONS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, congratulations to Intel, an innovative American company. Intel has developed a powerful new computer chip which is the chip of the future for minicomputers. It will extend Intels' dominance in the market for personal computers microprocessors.

Foreign experts have been quick to say American's have lost their ability to create, that we do not have a long-range view of markets and products.

It isn't so. Intel has been a leader in the chip field and they are looking long range. What those foreign experts hope is that if they tell us we can't enough times—that we have lost our ability—that we will believe them.

What they don't know is "can't" is not in the American vocabulary. Give us a problem and we will solve it. A little Arizona company, Go Video proved this. They have developed a double deck VCR.

Prohibited by Japanese trading companies to get vital parts—Go Video against overwhelming odds, will manufacture this year in Arizona the first analog semiconductor made for VCR's in the United States. They are putting us back in business. I am proud of Intel and Go Video. Congratulations.

CALIFORNIA OIL SALES SHOULD BE INDEFINITELY POSTPONED PENDING SCIENTIFIC REEVALUATION

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, the *Valdez* is a worst-case oilspill that the Government refused to anticipate. As a result, well over 90 percent of the 11 million gallons spilled and now pollutes Prince William Sound with no relief in sight.

It was shocking, then, Mr. Speaker, for the American public to learn last week that the Reagan administration tried deliberately to cover up the impact of a spill off California's coast and to whitewash the ineffectiveness of our current cleanup technology.

As a result, 28 of us from both sides of the aisle called on President Bush to cancel the lease sale in northern California and cancel or indefinitely postpone all other California sales pending scientific reevaluation.

We hope the President will respond quickly and positively to our bipartisan proposal.

He can and should quickly become the environmental President he said he wanted to be. It is imperative, Mr. Speaker, that President Bush and the Congress act to ensure that Alaska and the Nation never again endure an oilspill catastrophe.

EVERY SINGLE DOLLAR NOW DEPOSITED IN SAVINGS AND LOANS IS SAFE

(Mr. GEKAS asked and was given permission to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the savings and loan industry across the Nation is waiting patiently for the congressional response to the crisis that now faces it. We are proceeding at a faster pace than we thought in the various legislative proposals that will make up a package to attack the problems.

One of them, of course, reaches into whatever fraud and misbehavior might have caused some of these aberrations in the Midwest and West, and another would be an approach toward a new kind of insurance system which will make certain that all the depositors and every single dollar deposited by those people will remain intact.

One thing that should be made clear to all the American people from all of this: That every single dollar now deposited in savings and loans is preserved, is safe, and will not be in any way endangered. Also, that the full faith and credit of the United States is in back of, and always will be in back of, deposits made in savings and loan institutions.

So that fear of having money in savings and loans is unjustified.

Have confidence, we say to the American people, because these bills that we are going to be adopting will go a long way toward preventing any kind of harm.

SYMPATHY TO FAMILY OF MARK KILROY AND FAMILIES OF OTHER VICTIMS OF MURDERS NEAR MATAMOROS, MEXICO

(Mr. ORTIZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ORTIZ. Mr. Speaker, I ask my colleagues to join me today in expressing my deepest sympathy to the family of Mark Kilroy and the families of the other victims of the shocking mass murders near Matamoros, Mexico.

The discovery of these hideous crimes and the apprehension of several suspects was accomplished through the diligent cooperation of Mexican and United States law enforcement officials.

The mass grave containing 12 bodies was discovered at a ranch just south of the United States-Mexico border and it is now becoming apparent that a demented drug smuggling gang, possibly involved in Satanic rituals, was responsible.

This tragedy is deeply disturbing to all of us. It is a comment on the type of criminals we are dealing with in fighting the drug war. I hope this will illustrate the need to intensify our effort to wipe out this scourge.

Once again, I wish to express my deepest sympathy to the Kilroy family and the families of the other victims. Our prayers are with you in this time of grief.

BASE CLOSING COMMISSION WAS GUTLESS

(Mr. PORTER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, the recently declassified 2,000 pages of transcripts of the Base Closing Commission's deliberations display a narrow, biased approach to identifying bases

suitable for closure. Here is what the Commissioners said regarding Fort Sheridan, IL:

On the sale of land: "We invented the property value."

On the military utility standards: "Change the scores."

On closing Fort Sheridan: "If we add Fort Sheridan, which everybody says has got to be closed, it's been in every piece I've ever read, that Fort Sheridan is doomed. Now, if we have that, you—the cochairmen—will have to testify that it failed the formula, but that we added it because our gut said that it ought to be added."

Finally, on the Commissioner's opinion of their work: "Let's don't admit we have done a lousy job."

Rather than having the courage to stand up and tell the truth about Fort Sheridan, the Commission gutlessly buckled to an uninformed public media. We should reject their unwise recommendations.

□ 1040

THE WRECK OF THE "EXXON VALDEZ"

(Mr. BONIOR asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. BONIOR. Mr. Speaker, on March 24 the supertanker *Exxon Valdez* ran aground in Alaska's Prince William Sound, dumping over 10 million gallons of crude oil into one of America's most pristine waterways.

A black plague is now spreading across America's last frontier—killing fish and wildlife—spoiling coastlines—destroying businesses—and leaving in its wake environmental devastation that will take generations to repair.

We were told safe oil drilling was compatible with protection of the environment. We were told an oilspill wouldn't happen—and if it did, an elaborate contingency plan was in place to handle the mess.

We were not told the truth.

The cleanup effort, by anyone's standards, has been an unmitigated disaster.

Exxon cares more about profits than protecting the environment—and once again, the American people suffer—through higher gas prices and loss of our priceless natural resources.

BROKEN COMMITMENT TO SPORTSMEN AND FIREARMS ENTHUSIASTS

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. VOLKMER. Mr. Speaker, President Bush broke a commitment to American sportsmen and firearms enthusiasts. That commitment was to oppose gun control.

George Bush broke that commitment when he yielded to the hysteria surrounding the assault rifle issue by suspending the importation of 24 additional semiautomatic rifles including seven .22 caliber rifles. This action follows on the heels of last month's import suspension.

Does the President actually believe these suspensions are going to have an impact upon the drug running criminal? If he does I have some nice ocean front property in Missouri I would like to talk to him about.

The people that these suspensions will affect are your constituents and mine—the law abiding gun enthusiast who owns firearms for hunting, competition, collection, plinking, and self-protection. All very legitimate purposes. These suspensions smack of the old tired gun control mentality of restricting the rights of the law abiding while ignoring the criminal. Crime is not a sportsman with a semiautomatic rifle. It's caused by the criminal. That's where we should be concentrating our efforts.

Let us hope the President will stop retreating and blaming crime on guns. But then what can we expect—George Bush voted for the 1968 Gun Control Act. He missed the target then and he is missing the target again.

DEPLOYING BOTH MIDGETMAN AND MX RAIL GARRISON BASING

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, over the past few years Congress has been debating the need to modernize the land-based leg of our nuclear triad by shifting from silo- to mobile-based missiles. The two major proposals have been the MX Rail Garrison Basing Mode and the small ICBM or Midgetman.

Recently, a supposed compromise surfaced, to deploy both systems. This misbegotten notion is truly political gamemanship at its worst.

No one believes that both rail garrison and Midgetman are needed for our national defense.

No one believes that spending $35-$50 billion for this double deployment is the best use of our resources, especially at a time when we are facing massive budget deficits and budget cuts.

No, in fact, the only argument for double deployment is that it allows both sides in this dispute to save face.

Mr. Speaker, we cannot afford a political face-saving deal which will waste billions of dollars. Billions which can better enhance our national security by being spent on needed military or nonmilitary programs or by being used to lower the budget deficit.

In these times of budget crisis, we must make real choices, not play political games. If we play the game of choosing not to chose, we all lose.

NASA CHIEF RETIRES

(Mr. ROE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROE. Mr. Speaker, Dr. James Fletcher, Administrator of the National Aeronautics and Space Administration retired on April 8, 1989. Dr. Fletcher has held the post of NASA Administrator on two separate occasions. He served as the agency's fourth Administrator from April 1971 to May 1977 and then became the seventh head of the agency in May 1986.

When President Reagan tapped Dr. Fletcher for the top NASA position in 1986, he needed a man of both experience and resourcefulness. James Fletcher qualified on both counts.

The task facing NASA's new chief was formidable. The Nation and the agency were grappling with the space shuttle *Challenger* accident that had occurred just 3 months before in January, Jim Fletcher's job was nothing short of keeping America's faith in the future of its space program.

Dr. Fletcher's strong spirit and steady hand not only guided NASA through the arduous work of redesigning the space shuttle program, but with his energy, expertise, and management skills he was able to keep other NASA programs moving forward, meeting their deadlines, and maintaining momentum.

During this time, the space station initiative attained a new and important plateau. Under Jim Fletcher's guidance, America reached final agreement with its international partners for the space station's development and operation.

Although the American public probably knows Dr. Fletcher primarily through his work with the Nation's space program, Dr. Fletcher has also had a varied and distinguished career in the private sector.

After receiving a B.A. degree in physics from Columbia University in 1940, he became a special research associate at Harvard University's Cruft Laboratory. From there, he went to Princeton University to become an instructor. Upon earning a Ph.D. in physics from the California Institute of Technology in 1948, he joined the Hughes Aircraft Co. at age 29. After 6 years at Hughes, there were several more years of entrepreneurial work in the space field culminating the systems vice president position at Aerojet General Corp.

In 1964, Dr. Fletcher moved from industry to academia when he became the president of the University of Utah, a post he held for 7 years. It was from this position that Jim Fletcher moved to NASA for the first time to serve 6 years as the agency's fourth Administrator.

When he left NASA in 1977, he accepted the William K. Whiteford professorship of energy resources and technology at the University of Pittsburgh. He was at Pittsburgh when President Reagan asked him to return to NASA for a second term, the one from which he is now retiring.

The Nation and the Nation's Space Program are indebted to Dr. Fletcher for his willingness, his caring, and his conscientious decision to take on what may have been the single most difficult job in the Nation at the time.

I know that my colleagues in the House of Representatives join me in thanking Jim Fletcher for a job well done. He is a noted scientist, a dedicated educator, and a civil servant whom we are most proud and privileged to have had on our side.

ALASKA OILSPILL

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute.)

Mr. MOAKLEY. Mr. Speaker, today I rise to express my extreme disappointment with the administration's hesitant response to the cleanup of the disastrous oilspill in Alaska. The wreck of the *Exxon Valdez* resulted in the largest oil tanker spill ever in U.S. history. But the fact that the cleanup effort didn't begin for more than 24 hours after the spill is particularly disturbing to me.

The precious and valuable natural resources in Prince William Sound will be forever threatened by this tragedy. The massive oilspill has already killed many sea otters and birds and injured hundreds more. Salmon, Mollusks, and other types of fish that inhabit the waters will also be at risk. It is heartbreaking to me just to watch the news at night, and see the sea otters and birds completely covered with a coat of oil, and struggling to survive the ravages of this avoidable spill. We must take all precautions necessary to ensure that this magnitude of a spill never occurs again.

While I firmly believe Exxon has a moral obligation to cleanup the spill, I believe the Federal Government should have taken immediate action to prevent the spill from spreading as widely as it has. I would like to reaffirm my commitment to strict environmental regulation and sufficient levels of funding to address the environmental needs of our Nation.

AFTER THE "EXXON VALDEZ": THE TEST OF COMMITMENT

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, after the tragedy of Prince William Sound, a lot of us have had a lot to say about tanker safety. But no one said it better than my favorite constituent, former Senator Warren Magnuson. Maggie put it this way:

We've got to have more stringent regulations to protect safety with all those tankers running around. We have to stiffen the Coast Guard's back!

He didn't say that last week, he said it back in 1976 when he was trying to keep the giant supertankers out of Puget Sound. And in my city of Seattle the fishermen, the boaters, and everyone who loves Puget Sound thanks Warren Magnuson, NORM DICKS, and BROCK ADAMS for protecting our waters from the kind of catastrophe that befell Alaska's fishing grounds on Good Friday.

Last year about this time, President Bush stood beside Puget Sound and proclaimed himself an environmentalist. Now his Interior Department wants to open up the Washington coast, where a 200,000-gallon oilspill occurred last winter, to offshore oil exploration and drilling. This area is also under study as a marine sanctuary, with a hearing tomorrow in Seattle on the boundaries.

I want the administration to know that those boundaries must protect the marine life off our shores, the fisheries, the Olympic Peninsula coastline. The people of my State will want to know how the environmentalist in the White House decides to treat our coast—whether the National Oceanic and Atmospheric Administration will designate a marine sanctuary that protects our resources, or whether the Interior Department proceeds with an offshore oil lease sale that may squander them.

For us in the Pacific Northwest, this decision will be a test of the President's commitment to the environment. It's easy to stand on the shore and call yourself an environmentalist. It's harder to make the tough choices that protect and conserve our resources for the future. We all hope this administration will choose wisely:

Don't blow up the world, don't kill all the flowers,
Today this is your world, tomorrow its ours.
Leave us pure water, forests untouched.
Think of tomorrow. Leave something for us.

□ 1050

WHITE HOUSE SHOWS CONCERN OVER OILSPILL BUT IS SLOW TO ACT

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, I ask that the Members indulge me for a moment and imagine this scene: A body of water off the U.S. coast filled with sludge, dead fish, and birds floating atop a blackened surface.

Is this a description of President Bush's 1988 campaign AD depicting Boston Harbor? No. This is what one will presently find off the southern coast of Alaska, And, despite his campaign rhetoric, President Bush has been slow to respond to this crisis.

While a week ago the President ordered a survey team from the Department of Defense to provide logistic support, this team is still assembling. In the interim, the oil has expanded into a deadly, 1,600-square-mile slick which has contaminated 800 miles of Alaskan coastline.

Of the 10 million gallons of crude oil which spilled into Alaska's Prince William Sound, the President told journalists—and I quote, "What you do is do the best you can, express the genuine concern that you feel on the environment—and I do feel concern—but not take irresponsible action to guard against an incident of this nature."

As President Bush continues to express the genuine concern that he feels, the remaining wildlife in the region is at risk.

To do little but express concern is not an option that Congress should accept. If the President refuses to adequately respond to crises such as this, then Congress must take it upon itself to ensure that there is a timely and thorough response to such catastrophes.

"BIG BUCKS" FOR EXXON FROM ENVIRONMENTAL MISHAP?

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, Exxon says that they are going to pay for the cleanup. Are they? No, they are not going to pay for it, but they are going to clean up.

The cost of a gallon of gasoline is going up 10 to 20 cents per gallon. They are going to make billions of dollars, as many as $10 billion, from the users of the highways, and now they come back and they want to write off their costs to the tune of hundreds of millions of dollars that the taxpayers are going to have to pay.

These are big bucks that Exxon is going to make in profits from trying to ruin the environment, and if we do not make them pay for their profits instead of letting them take it from our pockets, we are a bunch of damned fools.

ALASKAN OILSPILL POINTS UP NEED FOR NEW LEGISLATION

(Mr. ENGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, in the early morning of March 24, the *Exxon Valdez* ran aground in Prince William Sound in Alaska, creating the worst oilspill in our Nation's history.

The captain of this tanker, Robert Hazelwood, was asleep in his cabin when the accident occurred. A blood test of Captain Hazelwood after the disaster found that his alcohol level was over the legal limit. Captain Hazelwood had lost his drivers license due to drunk driving convictions and should never have been allowed to pilot the *Valdez*.

The oilspill was made worse by Exxon's slow reaction to stop the leak. By the time cleanup efforts began, almost 24 hours after the accident, 240,000 barrels of oil had been dumped into the water. More than 2 weeks after this mishap, the oil still has not been cleaned up.

The environmental problems this incident has caused will take years to rectify. A great deal of wildlife has been killed due to the oil and more will probably die. Additionally, the toxic sludge from the spill is inching toward valuable fishing grounds and could have a serious affect on the Alaska fishing industry. We need sufficient funding to address this crisis.

Despite the Alaska oilspill, tankers will be traveling our waterways every day creating the possibility of another accident. We need to learn from this incident and enact legislation and tough environmental regulation to protect our environment and prevent this from happening again.

PRAISING JERRY "MANU" BYRD

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, it is my distinct pleasure to honor a dear friend of mine Jerry "Manu" Byrd during the centennial of the Hawaiian steel guitar. Jerry Byrd is a steel guitarist in the sense that Rembrandt was a painter.

In Hawaiian steel guitar circles, Jerry is known simply as The Great One. Thousands throughout the world have enjoyed his singular musical skill, which brings forth the fantasies and realities of our island paradise: perfumes of tropical flowers, swaying palms, pounding surf, colorful rainbows, surfers, and hula maidens. More importantly, Jerry's steel strings evoke our Hawaiian spirit of aloha.

I feel privileged to join Jerry's many friends and his family in saluting him for his contribution to Hawaii. Jerry has shared his talent so unselfishly, not only with the listening public but with the many students he has taken under his tutelage.

I want to extend a big mahalo to Jerry "Manu" Byrd for all he has done for music and Hawaii.

OILSPILL THREAT TO NATIONAL PARKS

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, not long ago we heard then-Vice President Bush proclaim he was an environmentalist and deride his opponent for failing to act. Well now, Mr. President, Prince William Sound in Alaska looks worse than Boston Harbor. Otters, seabirds, and other wildlife are dying from the exposure to the oil spilled from the tanker *Exxon Valdez*.

And the damage is spreading.

Besides the disastrous affects on the ecosystem of Prince William Sound, and the livelihoods of the local communities, the oilspill is already impacting national park resources at Kenai Fjords National Park. The oil slick could also effect both Katmai National Park and Lake Clark National Park. Seabirds at isolated islands in the Gulf of Alaska are dying after they dive into the oil-covered water hunting for food.

In an effort to protect these resources, the Subcommittee on National Parks and Public Lands will hold a hearing tomorrow on the oilspill threat to Alaskan national parks. I am also glad to see that other committees in Congress have begun investigating the oilspill and ways to control the damage.

We in Congress must get the information we need and we must act quickly to protect our national parks and the other natural resources from the spreading path of oily destruction.

NO WAY TO RUN A RAILROAD

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, according to press reports, attempts have recently been made to cut a deal to permit both the MX Rail Garrison and the Midgetman missiles to go forward.

Some may think this is a formula for resolving the long dispute over ICBM modernization. I think a two missile deal will not end the battle over ICBM modernization, but ensure that this divisive battle rages on.

Rail Garrison may be attractive to those who are trying to salvage the MX, but Mr. Speaker, it ain't no way to run a railroad.

As the chairman of the House Armed Services Committee said about MX Rail Garrison last year, "Day to day, it's in garrison, more vulnerable than silo-based missiles. Given warning, the missiles can be dispatched over the rails, making them more survivable. That solves the problem we don't have and doesn't solve the problem we do have."

MX Rail Garrison is survivable only if there is strategic warning of a Soviet first strike and we get 4 to 6 hours to close our window of vulnerability by sending the MX trains onto the public rail lines. In a surprise attack, a single Soviet missile could destroy an entire garrison of eight MX's.

Some of you may remember the Reagan administration's ill-fated Dense Pack basing scheme, which would have put all of our MX eggs in one basket in the hope that they'd be safe because incoming Soviet warheads would destroy their brother warheads—in what the Pentagon called the "fratricide effect." The current MX Rail Garrison plan is little more than Dense Pack on wheels. We should reject it, just as we rejected Dense Pack back in 1982.

If moving away from MIRV'd ICBM's and toward single warhead missiles is sound strategic policy, we should just do it. If there are arms control options that can reduce the Soviet strategic threat, we should pursue those options and conclude an arms reductions treaty.

We can no longer afford the luxury of a political tradeoff that wastes another $9 billion putting the first 50 MX's on railroad cars and opens the way to breaking the 50 cap and spending between $20 to $30 billion to deploy both missiles.

It's time to derail MX on rails now before the train starts leaving the station.

ICBM OPTIONS

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, the administration is currently trying to decide whether to commit to the Midgetman ICMB deployment system.

Midgetman promises to have reasonably good survivability and make a moderate contribution to nuclear deterrence, but its acquisition cost is about $58 million per warhead for 450 survivable warheads.

The best solution would be to negotiate a ballistic missile flight test ban, which would give us the same benefit at zero cost.

I urge the President to take up the best solution, or at least the Midgetman fallback. But if this administration lacks the intellectual capital to

ban flight testing and lacks the financial capital to build Midgetman, it should face reality and write off the ICBM's.

The "mutt solution," combining vulnerable MX rail garrison with Midgetman, would give us only 270 survivable warheads. Its cost would be astronomical: $87 million per warhead. It would be a figleaf over our growing ICBM vulnerability. There is no reason why the taxpayers should be asked to cough up $87 million per figleaf.

□ 1100

PROVIDING FOR CONSIDERATION OF H.R. 1487, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1990 AND 1991

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 126 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 126

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1487) to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections, each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. It shall be in order to consider en bloc the amendments to said substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Dymally of California, or his designee, said amendments shall be in order although changing portions of said substitute not yet considered for amendment, and said amendments shall not be subject to amendment, except pro forma amendments for the purposes of debate, or to a demand for a division of the question in the House or in the Committee of the Whole. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. DONNELLY). The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. HALL of Ohio. Mr. Speaker, House Resolution 126 is an open rule providing for the consideration of H.R. 1487, the Foreign Relations Authorization Act for fiscal years 1990 and 1991.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

The rule further makes in order the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the bill as the original text for the purpose of amendment under the 5-minute rule. The substitute shall be considered for amendment by titles instead of by sections, with each title considered as having been read.

There are two technical waivers under this rule with respect to the substitute. The first is a waiver of clause 7 of rule XVI, which is the prohibition against nongermane amendments. The original bill, introduced at the request of the administration, only contained the request for the State Department. Since the substitute contains provisions requested by the President in addition to the State Department request, this technical germaneness waiver is required.

The second is a waiver of clause 5(a) of rule XXI, which is the prohibition against appropriations in a legislative bill. Certain provisions in the substitute involve technical violations of this rule that make this waiver necessary.

It also should be noted that the rule makes it in order to consider en bloc the amendments to the substitute printed in the report accompanying the rule, if offered by Representative DYMALLY of California, or his designee. The amendments are in order although changing portions of the substitute not otherwise considered for amendment. The amendments are not subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole.

Finally, there is one motion to recommit, with or without instructions.

Mr. Speaker, H.R. 1487 authorizes funding in fiscal 1990 and in fiscal 1991 for State Department, the U.S. Information Agency, the Board for International Broadcasting, and related programs and activities. An effort has been made by the Foreign Affairs Committee, by other committees with jurisdictional interests, and by the administration to work together on this legislation to address many funding and management issues relating to international operations.

Mr. Speaker, this is a bipartisan rule, designed to expedite legislation crafted with the cooperation of the administration and the committees of jurisdiction. I urge my colleagues to adopt this rule so that the House can move forward with the consideration of this authorization legislation.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, the rule before us today provides 1 hour of general debate for the consideration of the Foreign Relations Authorization Act for fiscal year 1990 and 1991. Under the rule, Members will be permitted to offer germane amendments to the bill. The rule provides for a package of en bloc amendments to be offered by the gentleman from California [Mr. DYMALLY] or his designee. No amendments will be permitted to change the en bloc amendment package, except pro forma amendments for the purposes of debate only.

So, Mr. Speaker, while this rule provides a mostly open amendment procedure, however, it is not a completely open amendment procedure.

Mr. Speaker, the Committee on Foreign Affairs reported a committee amendment in the nature of a substitute on this bill. Two waivers of points of order are included in the rule in order to protect this committee substitute.

First there is a waiver of the germaneness rule, clause 7, of rule XVI. The waiver is included because the introduced version of H.R. 1487 provided authorization only for the State Department. The committee substitute covers a number of other agencies, such as the U.S. Information Agency, Voice of America, Board for International Broadcasting, the Asia Foundation, international organizations, and the Inter-American Foundation. Since the committee substitute includes material on a different subject from the original bill, the waiver of the germaneness rule is included to protect the committee substitute only. Other amendments offered on the floor will still have to be germane to the text to which they are offered.

There is a second waiver included in this rule, Mr. Speaker. The rule which prohibits appropriations on legislation, clause 5(a) of rule 21 is waived to protect the committee substitute. There is language in the committee substitute which says that certain fees charged by the National Archives and Records Administration may be spent as part of the National Archives Trust

Fund. Since this arrangement bypasses the normal appropriations process, it technically constitutes appropriations on a legislative bill. The waiver was included in the rule to protect the committee substitute from a point of order.

Finally, Mr. Speaker, the rule does provide for one motion to recommit with or without instructions. This is a fair rule. As the gentlemen on the other side of the aisle know, I do not hesitate to blast about rules which are unfair. But this one is fair. I would just say, Mr. Speaker, that it comes as no surprise that the first major authorization bill of the 101st Congress comes to us as a bipartisan product—this bill was produced by a bipartisan, good faith effort. And the rule reflects that bipartisan spirit.

Mr. HALL of Ohio. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I rise to support the rule. I thank the gentleman from Ohio [Mr. HALL] for the time.

Mr. Speaker, I also rise to announce that I will be offering my standard Buy American amendment that I have offered over the past 4 years to authorization bills. I want to explain it just briefly because it is not listed in the DSG report.

Basically, Mr. Speaker, the amendment would allow a 6-percent weighted advantage to American companies and suppliers when bidding on contracts covered under this act.

To qualify for that 6-percent weighted advantage the provisos are as follows: the item, goods, or products must be made and assembled in America by American workers; No. 2, those products, goods, or items must contain at least 50 percent American content.

Mr. Speaker, this provision, for those of my colleagues who may ask, would be waived when it is in conflict with existing GATT agreements or other international treaties. However, the State Department would have the added duty of reporting to both the House and Senate how this amendment impacted upon their letting of bids, and how many American contracts were awarded, how many foreign contracts were awarded and that difference. In addition, how many times were contracts let subject to this amendment to foreign firms due to the restrictions and limitations under the GATT agreements or any other international agreement.

□ 1110

I just will mention here in closing that while Japan and Europe are buying America, maybe we could do a little better job of structuring an opportunity for American companies to get a little more of the American taxpayers' dollars, and rather than having welfare and food stamps, maybe we could keep some people working.

This is a modest effort. I would hope when the time comes that you would look kindly at my amendment. I support the rule.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. MARTIN], a member of the Rules Committee.

Mrs. MARTIN of Illinois. Mr. Speaker, at the outset I want to commend the Committee on Foreign Affairs for working so well together across the aisle and with the administration. The bill that this rule makes in order is truly a product of bipartisan and interbranch compromise. Moreover, the committee has worked well with three other committees having shared jurisdiction over some parts of this bill to avoid the need for prolonged sequential referrals, and potentially nasty floor fights. Our diplomatic corps which is authorized by this bill might benefit from studying the negotiations which produced this masterful compromise.

I am not a diplomat, but I am a former teacher. I would have to give the Foreign Affairs Committee an A+ for diplomacy, but a C– for procedure. The Rules Committee has characterized this as an open rule, but that is just not the case. While this rule does permit germane amendments to be offered to the committee amendment in the nature of a substitute, it closes to amendment this 22 or so en bloc package that these other committees and the administration wanted after the bill was reported.

If this were a treaty, it would be a little like telling the Senate that you can consider the treaty and attach your reservations, but you may not consider or alter what it does in the accompanying protocols.

So this rule is half glasnost and half gag-nost. When I asked in the Rules Committee why House members should not have the same right to amend the en bloc amendments as they do the rest of the bill, I was given some vague answer about the need to preserve the agreements reached with other committees and the administration.

Well now, would we not all like to have those kind of little deals in life? Would it not be nice if no one could ever question our decisions or influence others to take another course? But that is really not what this House is supposed to be about, especially in a democratic body like this where we are all grown-ups and all our votes count the same, and all our constituents expect their Representative to have an equal footing at the starting gate with everyone else's Representative.

Mr. Speaker, at the time in the Rules Committee I invoked principle by asking why we could not have a completely open rule, I really did not know nor did I have an amendment to anything in this package of en bloc amendments that might upset someone's policy cart. One ordinarily thinks that en bloc amendments were noncontroversial.

But after the meeting I took a second look and had staff look at the amendments to see why there had been this fuss. It comes from an old General Assembly view, find out who gets what in the bill, and lo and behold, in the third to the last amendment I found a rather substantive and major foreign policy matter relating to certain reporting requirements in the Middle East.

What it does in rather general terms is to require the Secretary of State to submit biannual reports on the actions and statements of the PLO relating to their commitments of last December renouncing terrorism and recognizing Israel's right to exist. Moreover, the amendment requires one report by the Secretary on the policies of the Arab States toward the Middle East peace process.

But I learned that this was really a substantially watered down version of a more detailed reporting requirement that actually would have enabled the Congress and country to better assess just how well the parties in the region were complying with their commitments. And I thought to myself, can you imagine letting House members actually debate and talk about this? We should be. It is not as if we are spending so much time on the floor that we do not have time to do this. It is important enough for each Member of the House who has a commitment to peace, to the stability of Israel and its right to exist, to be able to debate this.

Mr. Speaker, I am not a member of the Foreign Affairs Committee, but I do think I know when Congress is being patted on the head and told to mind its own business, to go off in a corner, keep quiet, and not to ask questions. I happen to be very much for the peace initiatives of our administration to achieve a lasting peace in the Middle East, but I am also committed to the continued survival of the State of Israel, and concerned that we not jeopardize that by mitigating the actions of those who are newly arrived at this peace table.

I do not think it is unreasonable for this House to have a chance to amend such an important foreign policy provision by asking for more specific information; and yet this whole rule is apparently designed to prevent just that.

I therefore appeal to my colleagues to vote against this rule, to demonstrate your concern not only for an open amendment process, but because of your commitment to peace, securi-

ty, and territorial integrity in the troubled Middle East. Here is a chance for all of us to strike a blow for procedural principle and policy principle, all in a single vote.

Send this back to the Rules Committee with the loud and clear signal that an open rule is what would serve this Congress and this country best.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Speaker, I simply want to make two or three points with reference to the statement of the gentlewoman from Illinois [Mrs. MARTIN].

One, on the question of the PLO in the Middle East, the Parliamentarian ruled that the original submission was not germane, but would be more appropriate to the Foreign Aid bill. Therefore, this was the compromise.

Two, any Member can introduce any amendment dealing with the en bloc amendments at the end of the bill and create a new title. So nothing in this rule precludes any Member from bringing up any measure that they wish to at the end of the bill in a new title.

Three, this was a compromise measure. We worked long and hard with a number of committees with different jurisdictions and different points of view. We asked a number of Members to withhold their amendments so that this bill would not be loaded with Christmas tree items, and that the State Department bill not be encumbered with foreign policy and foreign aid issues. This is the reason for restricting amendments to the en bloc.

Philosophically, I share the gentlewoman's view. I do not like closed rules, but if you want to get a bipartisan bill, a consensus bill, sometimes we have to make these compromises.

So I ask that we reject the plea of the gentlewoman from Illinois [Mrs. MARTIN] to vote against this bill and vote aye on the measure.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BROOMFIELD], the distinguished former ranking Republican on the Foreign Affairs Committee.

Mr. BROOMFIELD. Mr. Speaker, first I would like to thank the gentleman from Ohio [Mr. HALL] and the gentleman from New York [Mr. SOLOMON] for bringing this rule to the floor.

Mr. Speaker, I strongly support this rule, as requested by Chairman DANTE FASCELL and myself, on H.R. 1487.

The rule, like the bill, is the product of close, bipartisan negotiations. As a result, I feel that we will be considering one of the better authorization bills that the Foreign Affairs Committee has reported to the House.

I am very happy that we are considering an open rule. Under this rule, all Members will be allowed to offer germane amendments with no pre-printing requirements and no time limit.

I also want to state my strong support for the bipartisan en bloc amendment, to be offered at the beginning of the bill.

This amendment is a consensus product, supported by committee Democrats, committee Republicans, and the administration.

The bill, as reported, includes mainly budget and management provisions from the administration request. The administration strongly supports H.R. 1487 in its present form.

The en bloc amendment contains some reporting requirements and those issues in the administration request which were shared jurisdiction with other committees.

The fiscal year 1990 administration request for Foreign Relations authorization included an increase of around approximately 20 percent above last year's appropriation. The committee bill, after substantial cuts, still represents a 15-percent increase in spending.

Again, I strongly support the rule as requested and hope that it will mark the beginning of a trend toward the open consideration of legislation.

□ 1120

Mr. SOLOMON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. DONNELLY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mrs. MARTIN of Illinois. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 91, not voting 11, as follows:

[Roll No. 20]

YEAS—330

Ackerman	Bennett	Brooks
Akaka	Bentley	Broomfield
Alexander	Bereuter	Brown (CA)
Anderson	Berman	Brown (CO)
Andrews	Bevill	Bruce
Annunzio	Bilbray	Bryant
Anthony	Bliley	Bustamante
Applegate	Boehlert	Byron
Aspin	Boggs	Callahan
Atkins	Bonior	Campbell (CA)
AuCoin	Borski	Campbell (CO)
Barnard	Bosco	Cardin
Bateman	Boucher	Carper
Bates	Boxer	Carr
Beilenson	Brennan	Chandler
Chapman	Jenkins	Pickett
Clarke	Johnson (SD)	Pickle
Clay	Johnston	Porter
Clement	Jones (GA)	Poshard
Clinger	Jones (NC)	Price
Coelho	Jontz	Pursell
Coleman (MO)	Kanjorski	Quillen
Coleman (TX)	Kaptur	Rahall
Collins	Kasich	Rangel
Conte	Kastenmeier	Ravenel
Conyers	Kennedy	Ray
Cooper	Kennelly	Regula
Costello	Kildee	Richardson
Coyne	Kleczka	Rinaldo
Darden	Kolbe	Roberts
Davis	Kolter	Robinson
de la Garza	Kostmayer	Roe
DeFazio	LaFalce	Rogers
Dellums	Lagomarsino	Rose
Derrick	Lancaster	Rostenkowski
DeWine	Lantos	Roukema
Dicks	Laughlin	Rowland (CT)
Dingell	Leach (IA)	Rowland (GA)
Dixon	Lehman (CA)	Roybal
Donnelly	Lehman (FL)	Russo
Dorgan (ND)	Leland	Sabo
Dornan (CA)	Lent	Saiki
Downey	Levin (MI)	Sangmeister
Dreier	Levine (CA)	Sarpalius
Durbin	Lewis (GA)	Savage
Dwyer	Lightfoot	Sawyer
Dymally	Lipinski	Saxton
Dyson	Long	Scheuer
Early	Lowey (NY)	Schiff
Eckart	Luken, Thomas	Schneider
Edwards (CA)	Machtley	Schumer
Emerson	Manton	Sharp
Engel	Markey	Shaw
English	Martin (NY)	Shays
Erdreich	Martinez	Sikorski
Espy	Matsui	Sisisky
Evans	Mavroules	Skaggs
Fascell	Mazzoli	Skeen
Fazio	McCloskey	Skelton
Feighan	McCollum	Slattery
Fish	McDermott	Slaughter (NY)
Flake	McEwen	Slaughter (VA)
Flippo	McGrath	Smith (FL)
Florio	McHugh	Smith (IA)
Foley	McMillan (NC)	Smith (NE)
Ford (MI)	McMillen (MD)	Smith (NJ)
Frank	McNulty	Snowe
Frenzel	Meyers	Solarz
Frost	Mfume	Solomon
Gallo	Michel	Spratt
Gaydos	Miller (CA)	Staggers
Gejdenson	Miller (OH)	Stallings
Gephardt	Miller (WA)	Stangeland
Gibbons	Mineta	Stark
Gillmor	Moakley	Stenholm
Gilman	Mollohan	Stokes
Glickman	Montgomery	Studds
Gonzalez	Moody	Swift
Goodling	Morella	Synar
Gordon	Morrison (CT)	Tallon
Goss	Morrison (WA)	Tanner
Gradison	Mrazek	Tauzin
Grant	Murphy	Torres
Gray	Murtha	Torricelli
Green	Myers	Towns
Guarini	Nagle	Traficant
Hall (OH)	Natcher	Traxler
Hall (TX)	Neal (MA)	Udall
Hamilton	Neal (NC)	Unsoeld
Hammerschmidt	Nelson	Valentine
Harris	Nowak	Vander Jagt
Hatcher	Oakar	Vento
Hawkins	Oberstar	Visclosky
Hayes (IL)	Obey	Volkmer
Hayes (LA)	Olin	Walgren
Hefley	Ortiz	Walsh
Hefner	Owens (NY)	Waxman
Hertel	Owens (UT)	Weiss
Hoagland	Oxley	Weldon
Hochbrueckner	Pallone	Wheat
Hopkins	Panetta	Whitten
Horton	Parker	Williams
Houghton	Parris	Wilson
Hoyer	Patterson	Wise
Hubbard	Payne (NJ)	Wolf
Huckaby	Payne (VA)	Wolpe
Hughes	Pease	Wyden
Hutto	Pelosi	Wylie
Hyde	Penny	Yates
Jacobs	Perkins	Yatron

NAYS—91

Archer	Henry	Schaefer
Armey	Herger	Schroeder
Baker	Hiler	Schuette
Ballenger	Holloway	Schulze
Bartlett	Inhofe	Sensenbrenner
Barton	Ireland	Shumway
Bilirakis	James	Shuster
Buechner	Johnson (CT)	Smith (MS)
Bunning	Kyl	Smith (TX)
Burton	Lewis (CA)	Smith (VT)
Coble	Lewis (FL)	Smith, Denny (OR)
Combest	Livingston	Smith, Robert (NH)
Courter	Lloyd	Smith, Robert (OR)
Cox	Lowery (CA)	Spence
Craig	Lukens, Donald	Stearns
Crane	Madigan	Stump
Dannemeyer	Marlenee	Sundquist
DeLay	Martin (IL)	Tauke
Dickinson	McCandless	Thomas (CA)
Douglas	McCrery	Upton
Duncan	McDade	Vucanovich
Edwards (OK)	Molinari	Walker
Fawell	Nielson	Watkins
Fields	Packard	Weber
Gallegly	Pashayan	Whittaker
Gekas	Paxon	Young (AK)
Gingrich	Petri	Young (FL)
Grandy	Rhodes	
Gunderson	Ridge	
Hancock	Ritter	
Hansen	Rohrabacher	
Hastert	Roth	

NOT VOTING—11

Coughlin	Garcia	Moorhead
Crockett	Hunter	Pepper
Foglietta	Leath (TX)	Thomas (GA)
Ford (TN)	McCurdy	

□ 1143

Mr. SMITH of Vermont changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR FURTHER EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. GAYDOS, from the Committee on House Administration, submitted a privileged report (Rept. No. 101-24) on the resolution (H. Res. 118) providing amounts from the contingent fund of the House for further expenses of investigations and studies by the Committee on Standards of Official Conduct in the first session of the 101st Congress, which was referred to the House Calendar and ordered to be printed.

REMOVAL OF NAME AND MEMBER AS COSPONSOR OF H.R. 1067

Mr. TORRES. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1067.

The SPEAKER pro tempore (Mr. DONNELLY). Is there objection to the request of the gentleman from California?

There was no objection.

INTRODUCTION FOR REVEREND HEBBERT

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I am proud and happy to introduce the guest chaplain today, Rev. Paul Hebbert of the Gering Zion Church of Gering, NE, in my Third Congressional District.

Reverend Hebbert is a genuine homespun native Nebraskan, born in Chadron, NE, in the northwestern pine ridge area of our great State.

He has lived in Nebraska all of his life with the exception of a few years in Wyoming.

His ministerial calling has been primarily in Nebraska, and for the past 13 years he has been in God's service as pastor of Gering Zion Church.

Not only an inspirational leader, Reverend Hebbert is to be commended for his community service, and most noteworthy is his work with young people as a counselor for the Neighborhood Youth Corps.

A talented musician, he and his wife, Margaret, their two sons and daughter, and two daughters-in-law have formed the Hebbert Family Singers.

This talented and dedicated family singing group provides inspiration, enjoyment, and entertainment to church, youth groups and rallies all over Nebraska.

Reverend Hebbert told me he is thankful and grateful for the opportunity to participate in the part of the congressional process that reflects our dependence on God.

It is an honor to have a man of such faith and talent with his long record of service, devotion, and dedication lead us in prayer today.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1990 AND 1991

The SPEAKER pro tempore. Pursuant to House Resolution 126 and rule XXIII, the Chair declares the House in the committee of the whole House on the State of the Union for the consideration of the bill, H.R. 1487.

□ 1147

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1487) to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes, with Mr. SWIFT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California [Mr. DYMALLY] will be recognized for 30 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Chairman, I yield such time as he may consume to the chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the distinguished gentleman from California [Mr. DYMALLY], the chairman of the subcommittee, for yielding.

Mr. Chairman, I rise in strong support of H.R. 1487. I think I can say without overstating the case, Mr. Chairman, that this bill represents a rebirth of bipartisanship in the conduct of foreign affairs. I want to extend my congratulations to the ranking member of the subcommittee, the gentlewoman from Maine [Ms. SNOWE] and also to the gentleman from California [Mr. DYMALLY], chairman of the subcommittee, for the hard work that they have put in getting this bill together. They have worked very hard with the administration as well.

This bill represents not only a bipartisan consensus but also has full input from the administration.

What we have is a bill which provides the funds which the administration seeks. It basically does not have the contentious policy directives that have so often marred discussions on this issue.

□ 1150

This bill was carefully formulated. I am very proud of the work that has been done by the subcommittee on this bill. If we had awards around here, I would like to give an award today to both the manager of the bill, the chairman of the subcommittee, and the ranking member, the gentlewoman from Maine [Ms. SNOWE] for the handling of this bill. I would like to think that we could handle all legislation this way with bipartisan cooperation and constructive input from the administration whether Republican or Democratic.

Now, having said that, I want to take one more second and express my appreciation to the gentleman from Michigan [Mr. BROOMFIELD], who is the ranking member of the full committee. Without his support, his cooperation and his understanding, this cooperation would not have been possible. He has cooperated every step of the way and I am grateful for that.

This bill represents, Mr. Chairman, the least that can be done. I want to emphasize that to my colleagues. Brickbats have been thrown at this account, the 150 account, which contains the money for the international af-

fairs activities of our Government. I am here to say, as chairman of the full committee, that in my long experience in this House, I do not believe that I have ever seen our foreign policy capability, both structurally and operationally at a greater danger point. I must tell Members that we, this country and the administration and the Congress, have to find some way to come together to make a fundamental decision that the United States is going to maintain world leadership. We must have strong and effective foreign affairs agencies to protect our security and our economic interests and our values. We have pushed and pulled, cut and manicured, and butchered our capability to conduct foreign policy in an effective manner. We have cut financially, structurally and otherwise. The administration and its predecessors have had to compromise at lower budget levels than are desirable. We know such budget cutting is essential. We are doing that in order to reduce the deficit, and certainly this account is taking its fair share, more than its fair share of the cuts. I want to restate again with the strongest possible emphasis, Mr. Chairman, that this is not an account to play around with. We are at a very dangerously low level in real dollars. I dare say we are at about the 1969 level in funding our essential foreign affairs agencies.

The State Department is the smallest department in the Government, and there is just no further way that Members can wring any more money out of this account, although I am sure it will be tried. That does not mean we have to have every last penny here. I am not saying that. I am saying in a broad general sense on both foreign aid, security assistance, and this bill with respect to the foreign affairs agencies themselves, we are at a very, very minimal funding level.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I commend Chairman FASCELL for working closely with us in crafting this bill.

H.R. 1487, as reported by the Foreign Affairs Committee, is basically devoid of burdensome language tying the President's hands in executing foreign policy. The administration has also stated its strong support for H.R. 1487, as reported. Just yesterday I received a letter from Secretary Baker indicating his strong support for this bill, which I would insert in the RECORD at this point:

THE SECRETARY OF STATE,
Washington, April 11, 1989.

Hon. WILLIAM S. BROOMFIELD,
House of Representatives, Washington, DC.

DEAR BILL: As the House prepares to take up the State Authorization Bill, H.R. 1487, I wanted to indicate my strong support for passage of the version reported by the House Foreign Affairs Committee. You, Chairman Dante Fascell, and Subcommittee Chairman Mervyn Dymally and his ranking member, Olympia Snowe, have worked very hard to produce legislation which will enable us to carry out the Department's vital functions.

This is an important bill. The State Department is our first line of defense for our national security and I view it as fundamentally important that funding levels remain as close to the Administration's request as possible. I know that President Bush shares my interest.

H.R. 1487 contains resources which will allow us to conduct our nation's diplomacy at home and abroad. The legislation would authorize resources that will enable us to construct safe and secure facilities abroad.

Another significant feature of this legislation is the proposed funding for vital international organizations and peacekeeping activities. Our funding for the UN, for example, will enable us to meet longstanding U.S. commitments and to support programs which advance humanitarian activities. Our peacekeeping request is keyed to major, positive developments in Afghanistan, Iran-Iraq, and Southern Africa.

Let me also cite the important refugee programs which are funded in this bill. H.R. 1487 will allow us to continue to expedite the safe and speedy emigration of those who seek a better life for themselves.

This bill funds valuable programs conducted by the U.S. Information Agency and the Board for International Broadcasting. These activities allow for the communication of American views and ideals to overseas audiences.

We are naturally concerned, however, that efforts may be made on the floor to reduce funding to unacceptable levels, or to add damaging management of foreign policy amendments. I urge you to maintain funding levels as high as possible. We also think it is important to continue the fine efforts of the Foreign Affairs Committee, successful to date, to keep the bill clean and confined to Administrative matters.

Although I support House passage of the Committee reported version of H.R. 1487, I must reiterate the Administration's concern with issues such as the Moscow/Mt. Alto agreement, the prohibition against post closings, various provisions concerning economically and socially disadvantaged groups, and the creation of a new Bureau of South Asian Affairs. These are important issues that I hope will be addressed through further consultations as action on the bill proceeds. I look forward to working with you toward a satisfactory resolution of these issues.

With warm personal regards,
Sincerely yours,

JAMES A. BAKER III.

I would also like to express my support for the bipartisan en bloc amendment, which will be considered shortly.

This amendment was assembled by Chairman DYMALLY and Congresswoman SNOWE, in consultation with the administration. The amendment is a consensus product, containing some committee amendments as well as report language and those issues in the administration request which were shared jurisdiction with other committees.

The fiscal year 1990 administration request for foreign relations authorization included an increase of around 20 percent above last year's appropriation. After committee consideration this increase was pared back substantially.

Many programs important to U.S. foreign policy are included in these increases. The bill expands United States refugee programs to accommodate the increasing numbers of refugees from the Soviet Union and Southeast Asia, including a $100 million supplemental authorization for 1989. Also included is funding for a Voice of America transmitter to be constructed in Israel.

This bill does not contain any reference to the Soviet bugging of the Moscow Embassy. This is not because the problems are solved—far from it. This is because the Foreign Affairs Committee is prepared to proceed on the basis of existing law, section 151 of the diplomatic security provisions under the 1988–89 State Department authorization.

This prevents the Soviets from moving into their Mount Alto Embassy until we move into a safe and secure United States Embassy facility in Moscow. It also requires the President to certify that steps will be taken to eliminate the damage to national security from Soviet electronic espionage from Mount Alto.

I am willing to work with the administration on this, however, I feel the Foreign Affairs Committee's proposals are a sensible approach to this problem. I remain committed that a solution must come through the Foreign Affairs Committee.

One particular program in this bill that I would like to highlight is TV Marti.

I recently sponsored H.R. 1294, a bill to authorize funding for TV Marti which was cosponsored by several Members on both sides. This idea has the support of the President, Vice President, and OMB.

I am pleased that the committee bill contains this measure, a very powerful weapon in the war of ideas.

Radio Marti currently brings to the Cuban people accurate information about national, regional and world events that is simply unavailable to them elsewhere.

TV Marti will provide the people of Cuba with not only the sounds of freedom but with a vision of democracy at work, as well.

I strongly support this legislation and I urge my colleagues to do likewise.

Mr. DYMALLY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, this is a unique role for me to rush to the well to support the funding authoriza-

tion for the State Department. It must be under the leadership of the new subcommittee chairman, the gentlewoman from Maine, and others, my friend, the gentleman from Michigan [Mr. BROOMFIELD], but I do so as the successor in the Committee on Government Operations to the gentleman from Texas [Mr. BROOKS], who is very concerned about the way the State Department expended their money in many of the areas of oversight that we have in connection with this distinguished committee.

So I wanted to assure all the members of this committee, first of all, that I would be continuing my former chairman's oversight of many of the programs in a $5 billion budget, and I would also like to add a word of congratulations about the provisions that establish a Foreign Service Internship Program which is designed to increase representation of minorities in the Foreign Service.

I know that the chairman, the gentleman from California [Mr. DYMALLY] and my colleague, the gentleman from Michigan [Mr. CROCKETT], both had a lot to do with this program. To be truly representative of the United States, the Foreign Service ought to reflect the tremendous cultural and ethnic diversity that is ours in this country. This is impossible given the current levels of minority representation in the Foreign Service.

□ 1200

Minorities, as we know, Mr. Chairman, comprise only 11 percent of the Foreign Service as a whole, and the situation is even worse in the senior Foreign Service where only 24 of the 655 senior Foreign Service officers are minorities. While the proposed internship will obviously not correct these unacceptable imbalances, we know it is a step in the right direction.

Mr. Chairman, I congratulate the gentleman for that provision and for the bill.

Mr. Chairman, I rise in support of H.R. 1487, which authorizes funding for the State Department and our other foreign affairs agencies for fiscal years 1990 and 1991.

The funding levels in this bill—$4.8 billion for fiscal year 1990 and just under $5 billion for fiscal year 1991—are tiny in comparison to the more than $300 billion we spend on the Department of Defense each year. Nevertheless, since strong, effective diplomacy must always be the first line of our national defense, the work of our foreign affairs agencies is in many ways just as important as that of DOD. With this in mind, I tip my hat to the dedicated men and women of the Foreign Service who serve their country overseas—often under very difficult and dangerous conditions.

While the State Department's budget may pale in comparison to DOD's, it still involves a substantial amount of the taxpayers' money. The Department, therefore, must be held accountable for its expenditure of these funds. Under the leadership of its former chairman, JACK BROOKS, the Government Operations Committee established a reputation for conducting tough, aggressive, yet constructive oversight of the State Department's management operations. As new chairman of the committee, I am committed to continuing these oversight efforts and I look forward to working with Secretary of State Baker to assure that the Department's funds are spent in an efficient and effective manner.

Finally, Mr. Chairman, I would like to express my enthusiastic support for the provisions of H.R. 1487 that would establish a Foreign Service Internship Program designed to increase the representation of minorities in the Foreign Service.

To be truly representative of the United States, the Foreign Service must reflect our tremendous cultural and ethnic diversity. This is simply impossible given current levels of minority representation in the Foreign Service. Minorities comprise only 11 percent of the Foreign Service as a whole—and the situation is even worse in the elite senior Foreign Service, where only 24 of 655 senior Foreign Service officers are minorities. While the proposed internship program will obviously not correct these unacceptable imbalances overnight, it is clearly a step in the right direction and deserves our strong support.

Mr. Chairman, I urge my colleagues to join me in supporting this bill.

Mr. DYMALLY. Mr. Chairman, first let me thank the chairman of the Committee on Government Operations, the gentleman from Michigan [Mr. CONYERS], for his kind remarks, and let me thank the chairman of the full committee for his award. However, I would prefer to go down to Florida to accept the award rather than accept it here in Washington.

Mr. Chairman, I rise in support of H.R. 1487, as amended, authorizing appropriations for fiscal years 1990 and 1991 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Asia Foundation, and the Inter-American Foundation and related programs.

Mr. Chairman, I would like to take this opportunity to commend my colleagues on the full committee and the Subcommittee on International Operations who contributed so much to the crafting of this legislation, particularly my ranking minority member, Ms. SNOWE, whose leadership and cooperation was of enormous importance to the consideration of this legislation.

H.R. 1487 authorizes appropriations and other management tools to permit the operation of one of the indispensable cogs of our national security machinery, the Department of State and its overseas missions, as well as the USIA and Radio Free Europe and Radio Liberty. Without adequate funding and management authority for these foreign affairs agencies, the other elements of our national security apparatus would be severely constrained. The Defense Department would lose its ability to collect defense-related information abroad, as would our intelligence and law enforcement communities, and our foreign security and economic assistance programs would lose vital on-site management.

Unlike the situation 2 years ago when this authorization became overloaded with foreign policy amendments on the House and Senate floor which were objectionable to the President and became embroiled in the massive end-of-the-year continuing resolution, we have restricted this legislation to its principal purpose—the authorization of appropriations and provision relating solely to the operations of the Department of State and other related agencies. This legislation is strongly supported by the President and the Secretary of State as evidenced by the following letter and statement of administration policy:

THE SECRETARY OF STATE,
Washington, April 1, 1989.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, House of Representatives.

DEAR DANTE: As the House prepares to take up the State Authorization Bill, H.R. 1487, I wanted to indicate my strong support for passage of the version reported by the House Foreign Affairs Committee. You, ranking member Bill Broomfield, and Subcommittee Chairman Mervyn Dymally and his ranking member, Olympia Snowe, have worked very hard to produce legislation which will enable us to carry out the Department's vital functions.

This is an important bill. The State Department is our first line of defense for our national security and I view it as fundamentally important that funding levels remain as close to the Administration's request as possible. I know that President Bush shares my interest.

H.R. 1487 contains resources which will allow us to conduct our nation's diplomacy at home and abroad. The legislation would authorize resources that will enable us to construct safe and secure facilities abroad.

Another significant feature of this legislation is the proposed funding for vital international organizations and peacekeeping activities. Our funding for the UN, for example, will enable us to meet longstanding U.S. commitments and to support programs which advance humanitarian activities. Our peacekeeping request is keyed to major, positive developments in Afghanistan, Iran-Iraq, and Southern Africa.

Let me also cite the important refugee programs which are funded in this bill. H.R. 1487 will allow us to continue to expedite the safe and speedy emigration of those who seek a better life for themselves.

This bill funds valuable programs conducted by the U.S. Information Agency and the Board for International Broadcasting. These activities allow for the communication of American views and ideals to overseas audiences.

We are naturally concerned, however, that efforts may be made on the floor to reduce funding to unacceptable levels, or to add damaging management of foreign policy amendments. I urge you to maintain funding levels as high as possible. We also think it is important to continue the fine efforts of the Foreign Affairs Committee, success-

ful to date, to keep the bill clean and confined to Administrative matters.

Although I support House passage of the Committee reported version of H.R. 1487, I must reiterate the Administration's concern with issues such as the Moscow/Mt. Alto agreement, the prohibition against post closings, various provisions concerning economically and socially disadvantaged groups, and the creation of a new Bureau of South Asian Affairs. These are important issues that I hope will be addressed through further consultations as action on the bill proceeds. I look forward to working with you toward a satisfactory resolution of these issues.

With warm personal regards,

Sincerely yours,

JAMES A. BAKER III.

THE SECRETARY OF STATE,
Washington, April 7, 1989.

Hon. MERVYN M. DYMALLY,
Chairman, Subcommittee on International Operations, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: Thank you very much for your letter of March 15 regarding my appearance before the Subcommittee on International Operations on March 21. I appreciated the opportunity to testify before you and the other members of the Subcommittee. I believe most of the issues in your letter were discussed.

Let me reaffirm my commitment to assist you and members of the Committee in any way possible to secure passage of this legislation as proposed by the Administration.

Sincerely yours,

JAMES A. BAKER III.

[Statement of Administration Policy, Apr. 10, 1989]

H.R. 1487—FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1990 AND 1991

The Administration supports House passage of H.R. 1487. The bill provides many useful authorities and sufficient appropriation authorizations for the conduct of the nation's foreign relations. Although the Administration generally supports H.R. 1487, the following changes are recommended:

Add a provision to modify section 151 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (P.L. 100-204). Section 1512 Requires the President to terminate the United States-Soviet Embassy Agreement. This requirement intrudes on the President's exclusive constitutional authority to terminate treaties or Executive agreements;

Amend sections 125 and 202 to repeal sections 122 and 204 of the foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (P.L. 100-204). These sections prohibit the use of funds to close State Department and U.S. Information Agency (USIA) posts overseas. Although these sections are modified by H.R. 1487, a post may still not be closed until 365 days after Congress has been so notified. These provisions are unworkable and intrude upon the President's authority to decide when and where ambassadors or consuls shall be appointed;

Amend section 141 to allow greater latitude for the State Department to open an unclassified consulate in Kiev;

Modify section 152, which raises serious constitutional concerns regarding equal protection, and section 153, which also appears to raise similar concerns. The Administration strongly supports improving the recruitment of minority applicants in the Foreign Service, and will work with Congress to accomplish this objective in a manner that does not raise constitutional concerns;

Delete section 131, which creates an unnecessary and wasteful new Bureau of South Asian Affairs;

Amend section 401(C), which authorizes appropriations for the Israel Radio Relay Station, to make the minority set-aside provisions consistent with such provisions in existing law; and

Amend sections 201 and 301, which authorize appropriations for USIA, to (1) delate earmarking for the TV and Film Service and for Voice of America and (2) increase the appropriation authorization for "Radio Construction" from $65 million to $89 million as proposed by the Administration.

I am proud that we have been able to meet the goal of bipartisanship and executive/legislative cooperation that the President called for in this State of the Union Message and the Secretary of State in his confirmation hearings.

The only element of the President's request which has come under any serious difference of opinion is the increase over fiscal year 1989 of his overall authorization request for appropriations, most of which have been included in this bill. The committee, on a bipartisan basis, recommended the President's overall request for the international affairs budget function to the Budget Committee, and agreed to this bill, also on a bipartisan basis. However, as indicated in her additional views, Ms. SNOWE is concerned about the higher authorization levels in this bill in the context of the deficit reduction process. At the same time, she conceded that the bulk of the President's requested increases come in areas where the United States has obligations which must be honored, such as support for U.N. peacekeeping initiatives backed by our Government, implementation of the United States-Israel radio transmitter agreement, and a much needed enhancement of our Embassy security program which will be directed at terrorists threats as well as technical penetration such as in Moscow and Leningrad. In subcommittee, we worked together to defer some of the funding which represented an increase above current services until fiscal year 1991. While I believe that further cuts could endanger vital operations authorized by this legislation, I will continue to work with Ms. SNOWE on the floor and in conference to ensure that the funds authorized to be appropriated for our foreign affairs agencies do not exceed our national security needs.

Let me say a few words about the contents of this legislation. Title I deals with the budget request for the Department of State for which we are recommending a total of $3,397,343,000 for fiscal year 1990 and $3,660,938,000 for fiscal year 1991. After adding badly needed funds for refugee and migration assistance, this represents a net cut of almost $140 million in authority from the administration's request. I hasten to add that, beyond inflation, most of the increase is due to the new administration's policy of fully funding our assessed contributions to international organizations.

Title I also contains provisions dealing with concular procedures in the event of a disaster such as Pan Am 103; expressing the need to increase consular officers assigned to the Soviet Union to assist in the processing of requests of Soviet citizens seeking to emigrate; and, addressing this committee's well know concerns about the management of the Office of Munitions Control and about the opening and closing of posts abroad. We also address the question of allowing the department to open any truely interim unclassified consular mission in Kiev. Title I, finally, authorizes danger pay for DEA agents working overseas.

Title II and Title III address budgetary issues pertaining to USIA and the Voice of America. In total, we recommend $960,445,000 for fiscal year 1990 and $1,050,423,000 for fiscal year 1991. Again, these figures represent a very, very tight budget with basically no frills. Despite our best efforts, we are still coming up $11 million short of current services for this agency in fiscal year 1990.

These titles also provide authorization for television Marti pursuant to a request of the administration. We direct the USIA to establish an information network for the dissemination of information to other governments pertaining to drug trafficking. We restore the bipartisan requirements of the U.S. Advisory Commission of Public Diplomacy. We provide procedures for the domestic dissemination of USIA films.

Title IV provides the authorization of appropriations for the board for international broadcasting which makes grants to Radio Free Europe/Radio Liberty. In 1990, we recommend $412,175,000, or $13 million short of the administration's request. In 1991, our recommendation provides for only a 4-percent increase over 1990, or $210,943,000. You will note that in 1990, we provide for 95 percent of the authorization necessary for the construction of a new transmitter site in Israel.

Title V authorizes $16,200,000 for fiscal year 1990 and $16,848,000 for fiscal year 1991 for the Asia Foundation. This authorization includes a $2.5 million initiative to be carried out in the South Pacific, a region that deserves greater attention.

Finally, title VI contains language requested by the administration dealing with our contributions to international organizations. Everyone is familiar with our dealings with the United Nations over the last several

years. Now, the administration feels that we must begin repaying our arrearages which total nearly a half a billion dollars. We are also moving forward to full funding. In light of these developments, we are hereby authorizing the President to withhold up to 20 percent of our assessed contributions if an organization is found to be failing to continue the implementation of the budgetary decisionmaking and other reforms. This cautionary measure is, I believe, necessary to make sure that the process we have started at the United Nations is to continue.

Mr. Chairman, I would now like to explain briefly the purpose of the en bloc committee amendment which the rule has made in order. In order to meet the committee's markup schedule and to accommodate the administration, members of the committee, and other committees having a jurisdictional interest in this bill, we have put together these additional amendments. The executive branch request included several provisions which fell within the shared jurisdiction of the Committee on Foreign Affairs, and other standing committees. In close coordination with the administration and the other committees, we were able to reach agreement on most of these requests. All such provisions are germane to the reported bill and do not broaden the scope of the legislation. In addition to the outstanding executive branch requests, the committee amendment also contains a few initiatives of committee members on both sides of the aisle which required a little time beyond the date the bill was ordered reported in order to clear with other committees or with the administration. These provisions are also germane to the reported bill and represent a consensus of the committee. Given the broad consensus on this package of amendments, we believe that the request that the en bloc amendments not be subject to further amendment is reasonable. This request of course does not foreclose members' right to offer germane amendments to the reported bill. I would like at this point to enter into the record the correspondence between the Committee on Foreign Affairs and other committees of the House which have shared jurisdiction over some of the provisions contained in the committee's amendment:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, April 6, 1989.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, Washington, DC.

DEAR JOHN: Thank you for your help in attempting to resolve the Television Marti provisions in H.R. 1487 which fall under the jurisdiction of the Committee on Energy and Commerce.

I have reviewed the proposed legislative language and believe it meets the concerns of this Committee. The Committee intends to offer this language on the Floor as part of the package of amendments which have been agreed to by all parties, and will support the appointment of conferees from the Committee on Energy and Commerce to any conference committee in order to defend this provision.

Thank you for your cooperation in this matter.

With best wishes, I am

Sincerely yours,

DANTE B. FASCELL,
Chairman.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, April 6, 1989.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR DANTE: On April 4, 1989 I wrote a letter to the Speaker requesting referral of H.R. 1487, the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991, regarding communication matters relating to Television Marti which fall under the jurisdiction of the Committee on Energy and Commerce.

Since writing that letter, our staffs have discussed the issue in detail and have proposed legislative language which they believe would address the concerns of both Committees. If the attached language meets your concerns, can be incorporated in the package of floor amendments which the Committee will offer, and if the Committee on Energy and Commerce can protect this language in Conference with the Senate, I would be willing to facilitate your Committee's effort to bring the legislation to the floor quickly by withdrawing our request to the Speaker for a sequential referral.

Thank you for your consideration of this issue.

Sincerely,

JOHN D. DINGELL,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, April 5, 1989.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, Washington, DC.

DEAR MR. CHAIRMAN: The Administration's authorization request for the Department of State for fiscal years 1990 and 1991, which I hope to bring to the House Floor next week, contains several provisions which fall under the shared jurisdiction of our two committees. Following, is a brief description of these provisions. A copy of the legislative language as submitted by the executive branch is also enclosed.

Section 133 of the request would authorize a program of child care at Moscow and at other posts if they meet specific criteria.

Section 140 facilitates the implementation of current governmental policy by allowing foreign service nationals to transfer their interest in the Civil Service Retirement and Disability Fund to local retirement plans and trust funds.

Section 141 provides for judicial review of a final action of the Grievance Board or the Secretary in separation for cause cases.

Section 142 amends the Foreign Service Act of 1980 to permit emergency visitation to post, as well as from post, so long as the travelling family member is required by law to live away from post.

Section 144 terminates the option of taking extra retirement credit in lieu of post differential under sections 816 and 817 of the Foreign Service Act, thus conforming the old Foreign Service Retirement and Disability System to a change already made for the new Foreign Service Pension System.

With your concurrence, the Committee intends to present these amendments to the Rules Committee on April 11 and offer them on behalf of the Administration on the Floor on April 12 as part of the overall State Department authorization legislation (H.R. 1487, as amended). If you have no objection to this expedited procedure, we will proceed with the consideration of these amendments in this context without prejudice to your jurisdiction. Your response will be made part of the record before the Rules Committee and on the Floor.

Thank you for your kind consideration of this matter.

Sincerely,

DANTE B. FASCELL,
Chairman.

COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
Washington, DC, April 6, 1989.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This refers to your letter of April 5, 1989, concerning amendments which the Committee on Foreign Affairs will seek to offer to H.R. 1487, the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991. As you note, these provisions fall within the shared jurisdiction of our two Committees.

After reviewing the proposed amendments, I have determined that, in order to satisfy your desire to expedite House action on H.R. 1487, the Committee on Post Office and Civil Service has no objection to the consideration of the amendments contained in sections 133, 140, 141, 142, and 144 of the Administration's authorization request, with one technical modification.

In section 140(b), amending section 8345 of title 5, United States Code, by adding new subsection (1), I propose the following: strike ", for the employee's funds thus transferred," and insert a period after the word "chapter". Accordingly, new section 8345(1) would read as follows:

"(1) Transfers of contributions and deposits authorized by Section 408(a)(3) of the Foreign Service Act of 1980, as amended, shall be deemed a complete and final payment of benefits under this chapter."

The technical amendment I propose would make parallel the amendments to both section 408(a) of the Foreign Service Act of 1980 and section 8345 of title 5, United States Code, as contained in section 140 proposed by the Administration. The amendment also clarifies the fact that the transfer of the subject funds to a certified trust or local retirement plan extinguishes any other annuity of lump sum entitlement rights under the civil service retirement system.

As I stated before, if you concur in this change, the Committee has no objection to your proceeding to consideration of the amendments mentioned above without prejudice to the jurisdiction of the Committee on Post Office and Civil Service.

With kind regards,

Sincerely,

WILLIAM D. FORD,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, April 5, 1989.

Hon. GLENN M. ANDERSON,
Chairman, Committee on Public Works and Transportation, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Administration's authorization request for the Department of State for fiscal years 1990 and 1991 contains two provisions which fall under the shared jurisdictions of our two committees.

The first provision amends the State Department Basic Authorities Act to enable the Department of State to retain funds received by the Department in connection with the use of Blair House. Such funds would include reimbursements and surcharges for services and goods for the use of the Blair House facilities. It is the intent of this provision that these funds would be available for the maintenance and other expenses of Blair House.

The second provision amends the International Center Act to authorize the Department of State to charge U.S. Government agencies for the use of facilities located at the International Center. Any payments received for the lease or other use of the Center would be used to cover operating expenses of the facility, including administration, maintenance, and utilities expenses. A copy of the legislative language is enclosed.

With your concurrence, the Committee intends to present these amendments to the Rules Committee on April 13 and offer them on behalf of the Administration on the Floor on April 17 as part of the overall State Department authorization legislation (H.R. 1487, as amended). If you have no objection to this expedited procedure, we will proceed with the consideration of these amendments in this context without prejudice to your jurisdiction. Your response will be made part of the record before the Rules Committee and on the Floor.

Thank you for your kind consideration of this matter.

Sincerely,

DANTE B. FASCELL,
Chairman.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, April 6, 1989.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: It is my understanding the Committee on Foreign Affairs ordered reported on March 23, 1989, the bill, H.R. 1487 authorizing appropriations for fiscal years 1990 and 1991 for the Department of State and for other purposes.

It is further my understanding that H.R. 1487 will be considered by the House Rules Committee on April 11, 1989, at which time the Committee on Foreign Affairs will present additional amendments intended to be offered on behalf of the Administration on the floor on April 12, when H.R. 1487 is scheduled to be considered.

In this regard, I would like to point out that four provisions contained in either H.R. 1487, as reported, or the proposed Administration package of amendments are under the jurisdiction of the Committee on Public Works and Transportation.

The first provision amends the State Department Basic Authorities Act to enable the Department of State to charge fees or impose surcharges for use of Blair House and retain such funds received by the Department during fiscal years 1990 and 1991 for exclusive use only for maintenance and other expenses of Blair House. This authority may only be exercised to such extent and in such amounts as are provided in advance in appropriations acts.

The second provision amends the State Department Basic Authorities Act by authorizing the Department to require the payment of a fee by other executive agencies of the United States for the lease or use of facilities, commonly referred to as the Federal building, located at the International Center and used for the purpose of security and maintenance. Any payments received for lease or use of such facilities shall be available, to such extent and in such amounts as are provided in advance in appropriations acts, without fiscal year limitation, for operation and maintenance expenses of such facilities including administration, maintenance, utilities, repairs and alterations.

The third provision amends section 123 (c)(2) of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93) by striking "50,000,000" and inserting "62,000,000". This provision increases the amount to $62,000,000 necessary for transfer by the Department of State to the Administrator of General Services for construction of a consolidated training facility for the Foreign Service Institute. The facility constructed under this section and the site of such facility shall be under the jurisdiction and in the custody of the Administrator of General Services.

Lastly, the Department of State is seeking an amendment to Title II of the State Department Basic Authorities Act, by authorizing the Secretary of State, through the Office of Foreign Missions, to acquire real property in the United States in order to implement an in-kind exchange of properties with a foreign country. Such property shall be used for or in connection with the diplomatic and consular establishments of the respective countries. Property acquired by the United States in the foreign country through such exchange shall benefit the United States at least to the same extent as the property acquired in the United States benefits the foreign government. The Committee understands that the House Foreign Affairs Committee does not intend to offer this specific amendment as part of the Administration package of amendments before the House Rules Committee nor to the House when H.R. 1487 is considered. Accordingly, we reserve judgment on this particular issue.

As recognized by your letter dated April 5, 1989, these matters are clearly under the jurisdiction of the Committee on Public Works and Transportation. However, in the interest of expediting the bill, the Committee is satisfied with the action proposed to be taken by the Committee on Foreign Affairs in regard to H.R. 1487.

Sincerely,

GLENN M. ANDERSON,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, April 5, 1989.

Hon. JACK BROOKS,
Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Administration's authorization request for the Department of State for fiscal years 1990 and 1991 contains a provision which falls under the shared jurisdiction of our two committees.

The provision in question would grant the Department access to state and local criminal records for use in investigations to determine eligibility for access to classified information on the same basis as other agencies with comparable needs for such information. A copy of the legislative language is enclosed.

With your concurrence, the Committee intends to present this amendment to the Rules Committee on April 11 and offer this on behalf of the Administration on the Floor on April 12 as part of the overall State Department authorization legislation (H.R. 1487, as amended). If you have no objection to this expedited procedure, we will proceed with the consideration of this amendment in this context without prejudice to your jurisdiction. Your response will be made part of the record before the Rules Committee and on the Floor.

Thank you for your kind consideration of this matter.

Sincerely,

DANTE B. FASCELL,
Chairman.

COMMITTEE ON THE JUDICIARY,
Washington, DC, April 5, 1989.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your letter requesting the Judiciary Committee's concurrence in your Committee's intention to offer an amendment to the State Department authorization bill which comes within the jurisdiction of the Committee on the Judiciary. Specifically, the amendment in question would allow the Department of State to review State and local criminal records for use in investigations to determine eligibility for access to classified information.

Access to such records for use in security clearance investigations was previously granted to several agencies, including the Department of Defense, OPM, CIA, and the FBI. The Judiciary Committee concurred in the granting of such access with the understanding that the agencies maintained procedural due process practices which protected the rights of the individuals being investigated. I have no objection to extending this same authority to the Department of State with the assumption that that agency will also maintain appropriate due process requirements in the handling of such information. Therefore, I will not object to your proposal to present this amendment to the Rules Committee and on the Floor.

I would note, however, that the Judiciary Committee does have some concern about the procedures employed by all agencies in the Executive Branch when granting or denying security clearances. A recently proposed Executive Order would strip the security clearance process of the procedural safeguards that have assured fairness in clearance and revocation cases for nearly 30 years. I know that you, too, have expressed concern about this proposal. I appreciate your commitment to work with the Judiciary Committee and other appropriate congressional committees, along with the Administration, to develop a uniform personnel security program which preserves the basic principle of fairness and achieves a satisfactory balance between individual rights and legitimate national security interests in safeguarding classified information.

With best wishes, I am
Sincerely,

JACK BROOKS,
Chairman.

In conclusion Mr. Chairman, H.R. 1487 is consistent with the intent of the congressional budget process. It provides a 2-year authorization. It is on schedule, and it contains no violations of the Budget Act. I urge your favorable consideration.

PART B—TELEVISION BROADCASTING TO CUBA

SECTION 221—SHORT TITLE

Section 221 provides a short title for this part to be known as the Television Broadcasting to Cuba Act.

SECTION 222—FINDINGS AND PURPOSES

Section 222 contains the findings of the Congress and the purposes of television broadcasting to Cuba.

SECTION 223—TELEVISION BROADCASTING TO CUBA

Section 223 authorizes the U.S. Information Agency to provide for the open communication to Cuba through the use of television broadcasting. This program which will be referred to, pursuant to subsection (c), as the "USIA Television Marti Program.".

Subsection (b) directs that television broadcasting to Cuba shall be done in accordance with the standards of the Voice of America.

Subsection (d) requires the Federal Communications Commission (FCC) to assign, by order, a frequency on which television broadcasting to Cuba may operate. The FCC shall by rule establish procedures for the assignment of a frequency pursuant to the authority granted in Section 223(d)(3). For all purposes other than the initial grant of a license, the operation of the broadcast station authorized herein shall be treated as all other FCC licensees are treated pursuant to the Communications Act of 1934. Further, the FCC shall make no assignment in the event of "objectionable interference". Evidence of objectionable interference shall come from the results of testing television broadcasting to Cuba that was funded in title V of the Departments of Commerce, Justice and State, the Judiciary and Related Agencies Appropriations Act, 1989 (P.L. 100-459) as well as from other parties.

For the purposes of this Act, "objectionable interference" will be considered to occur if the domestic television licensee's primary service area, within the Grade B coverage contour, is subjected to an interfering signal with a field strength of 28 decibels below the desired signal (for 10 kHz frequency offset operations by the Service) or of 45 decibels below the desired signal (if 10 kHz frequency offset is not employed by the Service). In addition, objectionable interference will also be considered to occur to domestic television licensees beyond their primary service area whenever reception of a regularly used signal is impaired by the signals radiated by the Service, regardless of the quality of the reception or the strength of the signal so used.

Section 223(d)(2) is not intended to permit objectionable interference. Rather, it serves as an additional safeguard against interference existing at the time the license for television broadcasting to Cuba is issued. Nothing in this section is designed to mitigate against the prohibitions against objectionable interference found throughout this part.

Subsection (e) mandates that if a frequency is awarded to provide television broadcasting service to Cuba, transmissions from the service shall be in accordance with technical and operational parameters specified by the FCC. Television broadcasting to Cuba shall be designed and constructed such that objectionable interference is not caused to domestic television licensees.

Section 223(e)(1) mandates that, in the event that the signal of the Service interferes with a domestic licensee, the FCC must direct the Service to cease broadcasting until such time that the objectionable interference has been eliminated. In addition to receipt of complaints from any person concerning objectionable interference from television broadcasting to Cuba, the FCC shall act as provided for in Section 223(e)(1) if it determines through its own monitoring or on its own action that objectionable interference is being caused by television broadcasting to Cuba. The FCC shall exercise its discretion as provided for in Section 223(e)(1) to distinguish between the complaint which is frivolous or totally lacking in merit and the complaint which on its face is serious. This act does not give the FCC discretion to permit operation of television broadcasting to Cuba which does cause objectionable interference.

Section 223(e)(2) empowers the FCC to assist any domestic television licensee which may be subject to objectionable interference from television broadcasting to Cuba. The FCC may authorize a domestic television licensee to increase its power in order to offset any adverse effect of such interference. This authorization is necessary because it appears that the maximum-to-minimum ratio of the radiation pattern that can be achieved, demonstrated and maintained with a directional antenna of this type is approximately 30 db (a field ratio of 32 to 1). Once the allowable power toward a domestic station is established, the power to be radiated to Cuba could be no more than 30 db greater than this value. The FCC is expected to ensure that television broadcasting to Cuba does not create objectionable interference such that the present service of domestic television stations is threatened.

Other corrective action may include the use of directional increases in effective radiated power in order to offset the interference caused by the Service over an affected geographic area. All such actions are intended to regain those coverage areas lost to interference caused by the Service and should only be employed, as appropriate, consistent with domestic interference protection standards such that interference is not caused to other domestic licensees.

SECTION 224—TELEVISION MARTI SERVICE OF THE UNITED STATES INFORMATION AGENCY

Section 224 directs the Director of the U.S. Information Agency to establish within the agency a new Television Marti Service. This new service will be responsible for all television broadcasts to Cuba. This section also provides the director of the new service the authority necessary to employ such staff as may be necessary to carry out the duties of the service which will be administered separately from other television functions of the agency.

Subsection (b) directs the service to make maximum use of existing facilities and resources of the agency.

SECTION 225—AMENDMENTS TO THE RADIO BROADCASTING TO CUBA ACT

Section 225 expands the duties of the Advisory Board on Radio Broadcasting to Cuba to include oversight of television broadcasting to Cuba. Subsection (c) makes clear that this amendment is not intended to replace the current board members with a new membership.

SECTION 226—ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

Section 226 authorizes other agencies of the federal government to provide such assistance as may be required of the U.S. Information Agency to carry out the provisions of the Broadcasting to Cuba Act.

SECTION 227—FACILITY COMPENSATION

Section 227 expresses the intent of the Congress that the Secretary of State seek prompt settlement of U.S. claims against the government of Cuba arising from Cuban interference with television and radio broadcasting in the United States.

Subsection (b) allows for compensation for expenses realized by all domestic broadcast licensees who suffer interference from either retaliatory interference from Cuba or from television broadcasting to Cuba. Section 227(c) requires that the FCC issue regulations for the purposes of implementing this section. The regulations issued by the FCC are expected to impose a minimal regulatory burden on domestic licensees. There is some concern that regulations developed by the FCC under the Radio Broadcasting to Cuba Act served as a disincentive for radio licensees to petition for compensation.

Section 227(d) authorizes $5,000,000 for use in compensating radio and television licensees pursuant to this section. If claims to the USIA exceed the $5,000,000 authorized, an additional $5,000,000 of such other funds as are appropriated (after the date of enactment of this Act) to the USIA shall also be available.

Section 227(e) requires that the FCC continually monitor and periodically report to Congress on interference from television broadcasting to Cuba as well as Cuban retaliatory interference. This requirement on the FCC is closely linked to its responsibilities in Section 223(e). The Congress is interested in reports from the FCC concerning interference complaints from domestic licensees caused by television broadcasting to Cuba operations and the disposition of those complaints.

SECTION 228—AUTHORIZATION OF APPROPRIATIONS

Section 228 authorizes the appropriation of $16 million of fiscal year 1990 and $16 million for fiscal year 1991 for the U.S. Information Agency to conduct television broadcasting to Cuba. These amounts are in addition to those authorized under section 201.

This authorization is contingent on a Presidential determination that testing of television broadcasting to Cuba has demonstrated such broadcasting to be feasible and will not interfere with the operation of domestic licensees. The President's finding will be based upon tests conducted by an interagency task force which includes representatives of USIA, FCC, Department of Commerce and other appropriate agencies. It is the responsibility of the FCC to keep the appropriate committees of Congress informed of the progress made by this interagency task force in its testing of television broadcasting to Cuba. If the President finds that television broadcasting to Cuba is feasible, the FCC shall commence its responsibilities as provided for in Section 223(d).

The President shall submit a report to Congress which includes all of the findings of testing of television broadcasting to

Cuba, thirty days before he makes a determination pursuant to this section.

Mr. Chairman, I reserve the balance of my time.

Ms. SNOWE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this legislation essentially represents the administration's request. There is much to support in this bill, but I am concerned about the overall funding level as reported by committee.

Before describing this bill further and explaining my concerns, however, I would like to express my gratitude to the chairman of the subcommittee [Mr. DYMALLY], the chairman of the full committee [Mr. FASCELL], and the ranking member of the full committee [Mr. BROOMFIELD] in their efforts to work with me in drafting this legislation. We worked closely together throughout the process and, for the most part, achieved broad consensus in drafting this bill. The only area of disagreement is with the bill's overall funding level.

This legislation provides virtually the entire administration funding request. As reported out of committee, the bill is $642 million above the fiscal year 1989 appropriation, a 15.5-percent increase. Yet this is $132 million less than the administration's request.

The bulk of this increase represents four big ticket items that the United States has an obligation to provide. These are: Full funding of the United Nations; support for international peacekeeping operations; implementation of the United States-Israel transmitter agreement; and completion of the Radio Free Europe/Radio Liberty transmitter modernization program.

These items alone add up to $510 million above the fiscal year 1989 appropriation, or a 12-percent increase. After several years of tight State Department budgets, it would not have been possible to absorb such increases and stay anywhere near current services. In fact, if it weren't for the major unavoidable increases, this would be the leanest State Department request in years.

Pursuing these initiatives compels all of us to look to other areas for offsetting reductions. It requires the Department to go further in establishing priorities. A case can be made individually for each of the requested increases, beyond those I have already outlined. With current fiscal constraints, however, we simply can't fund them all.

I worked in committee, unfortunately without success, to prevent member amendments which largely eliminated the modest reductions achieved in the original draft bill. I expect that the full House will be more sympathetic to greater fiscal restraint in this area than committee was.

At the end of floor consideration I will offer an amendment to reduce the overall funding level of this bill by $125 million. If any individual cuts are made during the amending process, I will reduce the final cut by that amount. I recognize that this cut will restrict the ability of the foreign affairs agencies to initiate new programs. It will preserve, however, the increases that are absolutely necessary to fund the major U.S. commitments that I outlined earlier.

I will have more to say on my cutting amendments later in the process. I urge my colleagues to support my effort and refrain from offering other major cutting amendments. While I support the intent of cutting the overall authorization level in this bill, it is important that we take such action in a coordinated, sensible fashion.

Beyond the funding levels, this is clean and largely uncluttered. It contains no controversial provisions opposed by the administration. At the same time, it also includes several important initiatives.

One is establishment of TV Marti. With the visual impact of television, TV Marti will bring uncensored news and information to the Cuban people. It will build on the success of the Voice of America's popular Radio Marti service.

Legislation authorizing TV Marti was introduced by the ranking Republican of the full committee, the gentleman from Michigan, and was cosponsored by the chairman of the committee, the gentleman from Florida. It was also requested by the administration and is strongly supported by the President.

Another important provision addresses the poorly coordinated U.S. Government response to the terrorist bombing of Pan Am flight 103 last December. This provision requires the State Department to act as overall coordinator. The Department is specifically required to provide support and timely information to relatives of disaster victims.

This bill also includes full funding of the United Nations, as requested by both President Reagan and President Bush. This return to full funding recognizes substantive reform at the U.N. Two years ago the U.N. adopted and last year implemented a new consensus budget process that provides the U.S. with an effective veto over budget decisions.

When the United States began its withholding of payments under the Kassebaum-Solomon amendment, which I supported, we also made a commitment to return to full funding when the U.N. made all the reforms we demanded. They have done so, according to President Reagan's determination last fall. Therefore, it is up to us to uphold our part of the bargain.

This bill contains a provision jointly sponsored by the gentleman from Pennsylvania [Mr. YATRON] and myself. That provision authorizes the President to resume withholding 20 percent of our contribution to the U.N. if the new budget process is not maintained. In testimony before the committee, Secretary of State James Baker assured that withholding would resume promptly if the new U.N. budget process broke down.

I understand the gentleman from New York [Mr. SOLOMON] will be offering some modifications to that provision. Another important initiative is implementation of the United States-Israel transmitter agreement to construct a joint Board for International Broadcasting-Voice of America transmitter in Israel. This will allow the United States to broadcast for the first time into Soviet Central Asia, which contains the Soviet Union's fast-growing Moslem population.

Finally, I recognize that the State Department has requested a constrained operational budget, despite appearances. But necessary increases make it even more compelling for us to restrain this budget in other areas.

I urge my colleagues to support this effort, and then to support this important legislation.

□ 1210

Mr. DYMALLY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. SMITH], a member of the committee.

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman from California [Mr. DYMALLY] for yielding me this time.

Mr. Chairman, I would like to rise in support of this piece of legislation and say that it has been a truly unique operation this year in terms of how the committee and the subcommittee approached the problem of funding for the various component parts of this bill. I would like to commend the chairman, the gentleman from California [Mr. DYMALLY] in his first year as chairman for crafting a tremendously important and well-balanced piece of legislation and commend the gentlewoman from Maine [Ms. SNOWE] who had a significant hand in helping achieve, for the most part, a very strong, bipartisan approach on the agreements that were necessary to implement the legislation before the subcommittee.

I would like to say, Mr. Chairman, that in keeping with what the chairman of the full committee, the gentleman from Florida [Mr. FASCELL], had to say with reference to the juncture at which we find ourselves in terms of our foreign operations and our ability to conduct foreign diplomacy both inside and outside the United States, I want to go a little further than the chairman. Not only do I think that we are at a very critical stage, but I think

that frankly part of our problem is ourselves.

Mr. Chairman, we have for some reason over the past number of years allowed; that is, we in the Congress have allowed, foreign policy to run, contrary to what the administration would have people believe, to run somewhat unabated, and there is some movement now toward allowing, by removing earmarking, a capability to have even more individual effort by the administration on the implementation of foreign policy without the benefit of some restrictions built into the law by our committee, and I want to say that what we have done in this bill is set some priorities, do what we think is right for the issues that we are concerned about, and hopefully the House will see it the way we have, that this committee has a very strong part to play in developing foreign policy.

Mr. Chairman, I urge my colleagues to support this bill. It is one of the best that I have seen since I have been in the House.

Ms. SNOWE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in support of the State Department authorization legislation for fiscal year 1990, H.R. 1487.

The provisions of this legislation have been ably described by the distinguished chairman of the subcommittee and I would like to take this opportunity to pay tribute to the gentleman from California [Mr. DYMALLY] as well as the ranking Republican, the gentlelady from Maine [Ms. SNOWE] who have worked so long and hard to bring this legislation to the floor.

As a former ranking member of the Subcommittee on International Operations, I am acutely aware of the myriad detail which they and their staffs had to examine in their effort to craft this piece of legislation.

Their work has been made more difficult by budgetary constraints, which have forced us to make some very difficult, and in some cases, contentious decisions. But those decisions were made openly, through free debate, and with the support of the majority of the members of the subcommittee.

Among the more important provisions included in this bill are proposed resources that will enable us to construct safe, secure facilities abroad, proposed funding for our peacekeeping activities, funding to advance our humanitarian activities, resources for our all important refugee programs, and support for our international broadcasting programs.

Mr. Chairman, this legislation provides essential funds for the vital foreign affairs functions of the State Department. Accordingly, I urge my colleagues to support its passage.

Mr. DYMALLY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, I thank the gentleman from California [Mr. DYMALLY], my friend, for yielding this time to me, and I rise in support of H.R. 1487.

I would like, Mr. Chairman, to commend both the chairman of the full committee and its ranking member, the gentleman from California [Mr. DYMALLY], my friend and colleague who in his first term as chairman of this subcommittee, along with his very able colleague and our very able colleague, the gentlewoman from Maine [Ms. SNOWE], the ranking member, have worked together in a bipartisan fashion, and, as the bill left the subcommittee and the full committee, crafted a very solid piece of legislation and managed to bring it to the floor expeditiously. Mr. Chairman, they deserve our compliments and support.

□ 1220

Mr. Chairman, I am especially pleased to support the en bloc amendment presently under consideration as a part of this legislation. I authored two of the provisions in that amendment.

I want to thank the chairman of the full committee and again both the chairman and the ranking member of the subcommittee for their assistance in placing these provisions in the en bloc package.

Rather than burden the body with a detailed explanation of the reasons and underpinnings in each of these amendments, I have asked unanimous consent to revise and extend my remarks so that the membership can review in the RECORD the underpinnings for both these amendments and understand the basis upon which the subcommittee and the full committee included both these amendments in the legislation.

The first provision deals with United States policy toward the Palestine Liberation Organization, and requires a report from the State Department addressing the actions and statements of the PLO as they relate to the commitments made in Geneva regarding renunciation of terrorism and recognition of Israel's right to exist.

As you know, Mr. Chairman, the United States opened up a dialog with the PLO last December after the Secretary of State determined that it had met the United States conditions for dialog. These conditions were the two noted above plus acceptance of U.N. Security Council Resolutions 242 and 338.

As part of that decision, President Reagan stated that the PLO's renunciation of terrorism must be "pervasive and permanent" and that if the PLO reneges on its commitments, the United States "will certainly break off communications." Regrettably, Mr. Chairman, but not surprisingly—the President's caution was well placed.

The PLO's record since Geneva gives many Mideast observers reason to doubt that organization's ultimate intentions. For example, we know:

That there have been a number of attempted terrorist incursions into Israel by PLO member groups;

That Yasser Arafat has refused to condemn or renounce any of these terrorist incidents;

That Arafat has threatened to kill his people who seek peace and coexistence with Israel;

And that his principal deputy, Abu Iyad, as well as other senior Al-Fatah figures, have said that PLO recognition of Israel is merely tactical, that a Palestinian state is but the first step in the "liberation of Palestine."

My amendment, Mr. Chairman, is most appropriate in light of this record, for it helps this body underscore:

Its concern over the PLO's continued pursuit of terror and violence;

Its understanding that the United States decision to open a dialog with the PLO was conditioned upon its clear and permanent renunciation of terrorism against Israel and its clear and permanent recognition of Israel's right to exist;

And its belief that PLO violations of its commitments harm that dialog and the prospects for Middle East peace.

The biannual report my amendment requires will provide us a means of determining PLO intentions regarding both the peace process and relations with Israel and will give guidance to United States officials in determining the appropriate United States policy toward the PLO. As the amendment indicates, the report will rely for its information upon the actions and statements of the PLO chairman, members of the PLO executive committee, the constituent groups comprising the PLO, and the Palestine National Council.

Although the amendment does not mention specifics, let me here list the items which I fully expect will be incorporated into this State Department report, and which I understand will be included in the House report language which will accompany this bill.

First, the extent to which the PLO and its members continue either to endorse, or actively participate in, terrorist operations against Israel and, if not, whether they publicly condemn such actions and move to expel the individuals or groups found responsible;

Second, whether the PLO has taken steps to repeal from the Palestine national covenant, in accordance with the procedures defined in article 33 of that covenant, all provisions which seek to undermine Israel's legitimacy and call for Israel's destruction;

Third, the extent to which the PLO has continued to guide, foster, and support the violence in the West Bank and Gaza or whether it in fact has called for an end to that violence—which would be both a sign of good faith and an indication that Arafat can control the following he claims to represent;

Fourth, the extent to which the PLO and its members terrorize, threaten, or otherwise intimidate Palestinians in the West Bank and Gaza who actively seek peace with Israel, who seek an end to the uprising, and who might be receptive to taking part in elections there;

Fifth, whether the PLO and its members have repudiated their "strategy of stages," whereby they seek to use a Palestinian state in the West Bank and Gaza as the first step in "the liberation of Palestine;"

Sixth, whether the PLO has ceased to demand the "right of return" for all Palestinians, a euphemism for Israel's destruction; and

Seventh, whether the PLO agrees to the prosecution and/or extradition of known PLO terrorists, such as Abu Abbas or Mohammed Rashid, and whether it has taken steps to disband "Force 17," Arafat's elite terrorist unit, or the "Hawari Group."

The second provision, Mr. Chairman, requires a report on the extent of Arab participation in the Mideast peace process.

Mr. Chairman, we recently celebrated the 10th anniversary of the Camp David accords, a remarkable success for United States diplomacy and a major contribution to peace in the Mideast. However, the satisfaction over this achievement was tempered by the knowledge that no other Arab country has joined the peace process in the intervening years.

Indeed, in the decade since the treaty was signed, the other Arab States have continued to maintain their 40-year state-of-war against Israel, a policy which remains the primary obstacle to Mideast peace. This policy is especially disturbing today given the flux and ferment in the region and the opportunities that have opened up which conceivably could lead to significant movement in the Mideast peace process.

Certainly, there is little doubt that peaceful gestures toward Israel would help provide crucial assurance that her security will not be threatened should she take risks for peace. Nonetheless, the Arab States continue to stand on the sidelines and offer rationalizations for their inaction on the peace in the region.

The main purpose of my amendment, Mr. Chairman, is for Congress to express its deep concern over the failure of the Arab States in the Mideast to join the peace process and to see what steps, if any, they are taking to move that process forward. The amendment therefore calls for a report detailing the policies of these States toward the Middle East peace process, including progress toward:

Public recognition of Israel's right to exist in peace and security;

Ending the Arab economic boycott of Israel, and;

Ending efforts to expel Israel from international organizations or to deny her participation in the activities of such organizations.

To these items, I wish to see added whether the Arab States have taken any steps to seek repeal of the "Zionism is racism" resolution in the United Nations, and whether these States have ended vitriolic attacks in government statements and the media against Israel and Jews. Again, I fully expect these additional items to be included in the report language which will accompany this bill.

It is instructive to note, Mr. Chairman, that the administration expressed public support for this kind of initiative when Secretary of State Baker—in his February appearance before the House Foreign Affairs Committee—answered an unequivocal "yes" when I asked him whether it was necessary to encourage the Arab States to take tangible steps to show they are truly committed to living in peace with Israel.

Mr. Chairman, peace in the Middle East requires movement on both sides. However, peace will be impossible if the PLO—its moderate rhetoric aside—continues its terrorist war against Israel, and it will be impossible if the Arab States continue to wage economic, diplomatic, political, and military war against the Jewish state.

The PLO and the Arab States say they want peace; my amendments will help determine the sincerity of their statements.

Mr. DYMALLY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WEISS], a member of the committee.

Mr. WEISS. Mr. Chairman, I very much appreciate the gentleman yielding this time to me.

Mr. Chairman, as a member of the Subcommittee on International Operations, I rise in strong support of H.R. 1487, the Foreign Relations Authorization Act. I would like to commend Mr. DYMALLY, the chairman of the subcommittee, and the ranking minority member, Ms. SNOWE, for their leadership in crafting the bill before us today.

While I may not agree with its every provision, the Foreign Relations Authorization Act is nevertheless an important piece of legislation. It provides funding for valuable programs and projects which deserve the full support of Congress. I would like to call particular attention to three provisions in this bill: a report to Congress concerning the State Department's use of polygraph testing, funding for international organizations, and increased assistance to Soviet refugees.

For four years, former Secretary of State Shultz valiantly fought against the use of the polygraph, even to the point of threatening to resign from his position. His parting words on the use of lie detector tests was that "management through fear and intimidation is not the way to promote honesty and protect security."

Yet, on March 19, the day before he left office, Secretary Shultz's name appeared on a set of regulations which authorizes the use of polygraph examinations in certain circumstances. Although we have received assurances from officials at the State Department that the provisions of the regulations would be interpreted as restrictively as possible, the regulations contain some very ambiguous language which could potentially mean a vast expansion of the use of polygraphs at the State Department.

I expressed my concern directly to the new Secretary of State James Baker during a subcommittee hearing, and was pleased to hear that he had "the same minimal regard for the polygraph" as did his predecessor. At that time, Secretary Baker questioned the reliability of the polygraph, and noted that he thought it was susceptible to misuse. I very much appreciated Secretary Baker's assurances on this matter.

In light of the sensitivity of this issue, I have sponsored a provision in the bill before us to require the Secretary of State to submit an annual report to Congress on the implementation of the polygraph program at the Department of State. As stated in the report language of H.R. 1487, the committee adopted this provision to make clear its desire to ensure that the lie detector program is carried out in a fashion, according to strict regulations, so as to avoid any abuse. The required report will allow the Foreign Affairs Committee to discharge its oversight responsibilities over this critical issue.

The Foreign Relations Authorization Act also provides for full funding of the United States assessed contributions to over 40 international organizations, including the United Nations, as well as the first installment of payment of our arrearages to these organizations. President Bush has continued President Reagan's welcome—if belated—commitment to full funding of the United Nations, and to repayment of our arrearages to international organizations. Recently, he has stated that he "takes the United Nations very seriously," and that he is no longer pessimistic about U.N. peacekeeping efforts.

Since the enactment of the Kassebaum-Solomon amendment in 1985, the United States has pursued a policy of withholding portions of U.S. assessed contributions to the United Nations in order to promote reform on budgetary and administrative matters in that body. I opposed such efforts at the time on the grounds that however well-intentioned, they represented a violation of our international treaty obligations.

There is now general agreement between Congress and the administration that progress has been made towards these reforms, and that we should acknowledge it by fulfilling our financial obligations. The provisions in the bill before us reflect that agreement. The measure authorizes the President to withhold funds from the U.N. only if he determines that progress in reforms is not continuing. I believe this language represents an improvement over current law, and I urge my colleagues to defeat any amendments offered today which would unnecessarily hinder the United States from fulfilling its financial commitments to these important organizations.

Finally, I am pleased that H.R. 1487 also contains two provisions essential to continued U.S. support for refugees from the Soviet Union. Despite the en-

couraging signs of change in the Soviet Union, there are still many citizens of that nation who are persecuted on the basis of their religious beliefs. I share the disappointment of many of my colleagues with the recent change in Immigration and Naturalization Service policy under which individuals fleeing religious persecution in the Soviet Union are no longer presumed to be refugees. After years of pressing the Soviet Union to adopt a freer emigration policy, it is a tragedy that the United States has responded by suddenly closing its doors to those who are fleeing from persecution. Even more unfortunate is the possibility that the reason for the sudden change is simply a lack of funds.

H.R. 1487 provides supplemental authorization of $100 million for this year to fund an additional 28,000 refugee admissions from the Soviet Union, Southeast Asia, and Eastern Europe. The bill also contains an increase over the administration request for funding of refugee admissions next year, but only to a current services level. Should current trends continue, a supplemental authorization will be required again next year. In addition, the bill expresses the sense of Congress that the Department of State should assign more consular officers to the U.S. Embassy in the Soviet Union to help relieve the huge backlog of applicants to emigrate. It is essential that the United States not turn its back on these refugees now.

Mr. Chairman, I commend the work of members of the committee and staff on this bill and I urge my colleagues to support it.

Ms. SNOWE. Mr. Chairman, I yield 4 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the gentlewoman from Maine for yielding time to me, and commend the committee for those provisions in the bill relating to new procedures for State Department officials charged with communicating with family members following an overseas tragedy involving U.S. citizens. As we all know, following the terrorist bombing of Pan Am flight 103 over Scotland on December 21, 1988, family members as will as, Members of Congress have rightly questioned State Department policy in this area.

I strongly support the provisions in this bill which clarify that the State Department is the primary agency and point of contact for next-of-kin following an overseas tragedy involving Americans. In order to keep family members well informed, the State Department must function as a clearinghouse for the transmittal of all pertinent information, and this is stated unequivocably in the legislation before us today.

These stipulations should not be necessary, they are but elementary functions that the State Department should perform. My colleagues, I raise this point because following the Pan Am bombing, there were simply too many reports from grieving families, many from my own district, that State Department employees here and in Scotland were callous and uncooperative even during the first few harrowing days. Many of my constituents who lost loved ones on flight 103 have testified in this body that they received more assistance from British authorities than officials from their own country. This is an outrage! Fortunately, the bill under consideration today moves to correct these grave injustices.

Specifically, under this bill, the State Department will be required to notify promptly the next-of-kin of U.S. citizens involved in an international disaster and to act as primary liaison with foreign governments. In addition, the State Department is directed to enter into negotiations with international air carriers to develop standardized procedures and to consider establishment of a toll-free telephone number to facilitate inquiries from next-of-kin.

Mr. Chairman, the grief of the living victims of Pan Am 103 was in many cases exacerbated by the performance of State Department officials following the bombing. While our primary responsibility must be to prevent such incidents from occurring in the first place, we must, nevertheless, put in place mechanisms to support American families in the event of international tragedy.

Mr. GILMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I want to commend the gentlewoman from New Jersey for focusing attention on this portion of the bill, relating to the tragic Pan Am 103 explosion. Those of us who had victims from that tragic accident in our own congressional districts fully recognize the importance of what the gentlewoman has been pointing out, the callous attitude, the lack of attention to the deep seated concerns of the families.

Hopefully, this sort of provision relating to new procedures for State Department's communications to family members of any victims of overseas tragedies will help to alleviate these concerns and hopefully we will not have to depend on such a provision in the future. In the event we are confronted with another such tragic incident, this provision should help to alleviate those concerns.

I also commend the gentlewoman for bringing together a number of Members in this body who are similarly situated, with families of crash victims in their own districts, in trying to formulate improved procedures for handling these kinds of problems. I thank the gentlewoman for her concerns.

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for his comments.

Mr. DYMALLY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. NELSON].

Mr. NELSON of Florida. Mr. Chairman, at the beginning of this session I introduced the Television Broadcasting to Cuba Act, which has largely been incorporated into the State Department authorization we now have before us. This legislation calls for the long-term authorization of the TV Marti Program.

I have been working on the TV Marti concept for 2 years now. Sometime ago I had a visit with a former official in the Cuban Government who defected to the United States. He had seen the benefits of Radio Marti in Cuba and told me of the liberating effects of Radio Marti's objective reporting and accurate news coverage. When we passed Radio Marti, we knew that if the Cuban people could see as well as hear the truth, Mr. Castro would have to be more responsive to the needs and desires of his people.

Radio Marti has recently expanded its hours from 17½ to 24 hours a day. I applaud this announcement and hope that the momentum that Radio Marti has generated can be carried over to TV Marti. The United States, as the worldwide standard bearer for democracy and human rights, must take every opportunity to insure that all people are given the opportunity to know the truth.

Now with TV Marti, the Cuban people can both see and hear the truth. There are claims that Castro will retaliate by jamming not only the TV Marti signal but also by jamming many innocent U.S. stations unrelated to this program. The truth of the matter is that this just did not happen, and there is no reason to believe it will happen now.

The Cuban people have been surpessed by Castro's propaganda machine for too long. I believe it is our responsibility to help open the eyes as well as the ears of the people suffering under a totalitarian dictatorship.

□ 1230

Ms. SNOWE. Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey [Mr. RINALDO].

Mr. RINALDO. Mr. Speaker, as the ranking Republican member of the telecommunications subcommittee, I wish to point out that the new authorizing language for TV Marti proposed in this bill is a very important step forward for this new broadcasting service to Cuba. I speak of this and of its importance because I represent the city of Elizabeth, NJ, which has a substantial number of Cubans who have set-

tled there. They have personally told me time and time again stories they have heard from their relatives about how important and what a great effect Radio Marti has had upon the Cuban people, and certainly TV Marti should be even a better means of communication.

This provision corrects a variety of technical problems with TV Marti, and harmonizes its establishment with our Federal communications laws. It will permit TV Marti to be broadcast and removes the possibility that TV Marti would interfere with TV stations in the United States. The Federal Communications Commission also will be required to monitor TV Marti to ensure that interference to domestic TV stations does not occur. This compromise was worked out through the bipartisan cooperation of the Energy and Commerce and Foreign Affairs Committees.

I thank the chairman of the Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL], the ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD], and all members of that committee for their willingness to reach a solution to the technical problems associated with TV Marti.

I also commend the chairman of the Energy and Commerce Committee, the gentleman from Michigan [Mr. DINGELL], and the chairman of the Telecommunications Subcommittee, the gentleman from Massachusetts [Mr. MARKEY], for their leadership on this issue.

We all have worked hard to make TV Marti a reality, because it is so important to the cause of freedom. I hope TV Marti fulfills its promise and becomes a beacon of truth and hope for all the citizens of Cuba.

Mr. DYMALLY. Mr. Chairman, I yield 3 minutes to the chairman of the Subcommittee on Human Rights and International Organizations, the gentleman from Pennsylvania [Mr. YATRON].

Mr. YATRON. Mr. Chairman, I rise in strong support of H.R. 1487. I want to commend Chairman FASCELL, Congressman BROOMFIELD and Congresswoman SNOWE for their bipartisan efforts to bring this important piece of legislation to the floor. In particular, I want to commend the new chairman of the International Operations Subcommittee, Congressman DYMALLY for his outstanding leadership in crafting this very complex bill which establishes the framework for managing American foreign policy.

Mr. Chairman, this is one of the most important initiatives we will consider on the floor in this session. H.R. 1487 authorizes appropriations for the U.S. Information Agency, Voice of America, Board for International Broadcasting and Radio Free Europe/Radio Liberty. These agencies are critically important to projecting American values and interests abroad.

The Soviets are investing enormous resources into international communications, targeting Western European and Latin American audiences. We should not allow the Soviet Union to define the East-West agenda, through shrewd and improved public relations tactics. Maintaining a strong international communications policy is a sound and cost-effective way to project fundamental values of freedom and human rights, and to ensure that the world community is receiving the truth about America's contribution to global peace.

This bill also includes funding for the National Endowment of Democracy which has been at the forefront of supporting the democratic aspirations of oppressed people around the world. Funding for NED is an investment in democracy and human rights.

Mr. Chairman, H.R. 1487 authorizes President Bush's request to fully fund international organizations including the United Nations, the International Atomic Energy Agency and the World Health Organization. Under the leadership of Secretary of State Baker and U.N. Ambassador Thomas Pickering, the administration is requesting funding for several important multilateral peacekeeping operations. The Soviets have left Afghanistan, the Iran-Iraq war has ended and the Cubans are leaving Angola. In resolving these conflicts U.S. security interests were served and in every case the U.N. Secretary General took the lead in negotiating these settlements. The peacekeeping operations are designed to ensure that these settlements are fully implemented.

Mr. Chairman, the bill also supports our Foreign Service and provides them with a much needed diplomatic security program. These men and women are at the front lines of implementing American foreign policy at great personal risk and we need to provide them with the necessary resources to carry out these tasks.

I urge our colleagues to support this bill and to follow the leadership of the Foreign Affairs Committee in considering amendments.

Mr. PEASE. Mr. Chairman, I support the bill authorizing funds for the many worthwhile activities of the State Department, U.S. Information Agency and related agencies. But since this is one of the first major authorization bills to be considered on the House floor yet this year, I want to make a couple of observations.

First of all, I applaud the leadership of President Bush and the House Foreign Affairs Committee in authorizing the full amount of funding for U.S. contributions to the various international organizations to which we belong. America should not be a deadbeat in providing badly needed financial support to the United Nations and other international organizations. We are $477 million in arrears in fulfilling out financial commitments to these organizations. It is projected that it will take 6 years for us to make good on that shortfall, but the White House, Chairman FASCELL, and all of the members of the House Foreign Affairs Committee deserve much credit and praise for correcting this blight on the record of long-established U.S. support for the role that international organizations like the United Nations make in building a more peaceful, stable world.

At the same time, it appears to me that there are items in this bill which are questionable expenditures given the budget stringencies we face. Specifically, I am not convinced that now is the time to spend $32 million in the next 2 years for USIA to establish a television broadcasting capability into Cuba.

Finally, this bill requires within 1 year that the General Accounting Office study the activities and effectiveness of the National Endowment for Democracy. I note that this bill authorizes $9.2 million more for the endowment than requested by President Bush. To me, it seems prudent that the Congress wait to provide additional funds above the President's request for fiscal year 1990 until we have the benefit of GAO's evaluation, and I am sorry that the House did not see fit to adopt the Kanjorski amendment.

Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 1487, the Foreign Relations Authorization Act, fiscal years 1990 and 1991, and commend the distinguished chairman of the Committee on Foreign Affairs, the Honorable DANTE B. FASCELL, and the distinguished chairman of the Subcommittee on International Operations, the Honorable MERVYN M. DYMALLY, for the many excellent provisions contained in this legislation.

For example, this bill provides full funding to the United Nations and other important international agencies. It provides for United States funding with reference to new and most important U.N. peacekeeping efforts in Namibia and Angola.

H.R. 1487 enhances and continues our humanitarian migration and refugee assistance program by authorizing $412 million in fiscal year 1990 for this worldwide effort.

In my capacity as chairman of the Congressional Task Force on Haiti, I am particularly pleased that the legislation before us recognizes the valuable contributions of two agencies whose work I have been privileged to observe firsthand in Haiti:

First, the Inter-American Foundation has been on the cutting edge in funding programs that have been effective in bottom-up development activities in Haiti. The support of the Inter-American Foundation and the dedicated and informed work of the Foundation's representative in Haiti, Robert Maguire, have been extremely important to grassroots development leadership whose very lives have been on the line in the past 3 years. Based upon my observation of the work of the Foundation in Haiti, I am confident that this agency is worth every dollar authorized for its activities.

Secondly, I am pleased that this bill provides an increase for the National Endowment for Democracy which has also provided support to democratic leadership in Haiti. I can state that the work of the National Endowment for Democracy and its member organiza-

tion, the National Democratic Institute, on behalf of democratic efforts in Haiti, have been most helpful and beneficial.

Finally, H.R. 1487 contains a number of provisions which will expand access and opportunity within the agencies funded by this authorization. H.R. 1487 contains the following such items:

An intense, 4-year internship program at the Department of State and U.S. Information Agency designed to increase the membership of historically excluded groups within the Foreign Service;

A pilot program for increased participation by minority business in foreign relations activities through voluntary set-asides;

A provision authorizing the Secretary of State to award grants to historically minority institutions of higher education for the purpose of establishing academic programs and scholarships in international relations;

A revision of the USIA fellowship program to include opportunities for scholars from Africa, the Caribbean, and Latin America;

A set-aside provision related to the nearly $200 million provided for the establishment of a Board for the International Broadcasting/Voice of America relay station.

Again, I commend the Committee on Foreign Affairs and its leadership for the crafting of this legislation. I am delighted to recommend its many fine features, and I urge my colleagues to pass H.R. 1487.

Mr. SCHEUER. Mr. Speaker, I rise in support of the amendments to the Department of State authorization bill being considered today.

On December 31, 1984, the United States formally withdrew from the United Nations Educational, Scientific and Cultural Organization [UNESCO]. This highly unprecedented step was taken in response to the observations that UNESCO had become divisively politicized, had allowed its budget to grow without restraint, and had not properly managed its personnel, programs and financial affairs.

Prior to taking this action, the Committee on Science, Space, and Technology and the Committee on Foreign Affairs requested that the General Accounting Office [GAO] examine the basis for the allegations against UNESCO. The report, Improvements Needed in UNESCO's Management, Personnel, Financial and Budgeting Practices, contained several points which were very helpful to the Members in evaluating the role of the United States within UNESCO.

The amendment which is under consideration today, calls for the Secretary of State to furnish a report on the activities of UNESCO since December 31, 1984. This report should include specific references to the recommendations contained in the GAO report and provide an analysis of how these points have been dealt with by the organization.

UNESCO has a very important function within the international scientific community. Increasingly, we realize that important issues such as the environment and illiteracy transcend national boundaries and that coordinated research strategies and effective solutions can be facilitated by a group like UNESCO. While the United States has maintained observer status at UNESCO, if substantive reforms have been made in key areas, the United States may wish to reconsider its membership status. An analysis of this matter by the Secretary of State on the status of reforms within the organization, will provide Congress with a useful update on this important matter.

Ms. SNOWE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. DYMALLY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute, now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read.

It shall be in order to consider en bloc the amendments to said substitute printed in House Report 101-22 if offered by Representative DYMALLY, or his designee, which shall be in order although changing portions of said substitute not yet considered for amendment, and shall not be subject to amendment or to a demand for the division of the question. Pro forma amendments are in order for the purposes of debate.

The clerk will designate section 1.

The text of section 1 is as follows:

H.R. 1487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Foreign Relations Authorization Act, Fiscal Years 1990 and 1991".

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

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The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATIONS OF FUNDS; RESTRICTIONS

SEC. 101. ADMINISTRATION OF FOREIGN AFFAIRS.

(a) DIPLOMATIC AND ONGOING OPERATIONS.—The following amounts are authorized to be appropriated for the Department of State under "Administration of Foreign Affairs" to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law other than the diplomatic security program:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", of the Department of State $1,496,387,000 for the fiscal year 1990 and $1,610,438,000 for the fiscal year 1991, of which not less than $250,000 for each fiscal year shall be available only for use by the Bureau of International Communications and Information Policy to support international institutional development and other activities which promote international communications and information development.

(2) ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD.—For "Acquisition and Maintenance of Buildings Abroad", $218,900,000 for the fiscal year 1990 and $227,656,000 for the fiscal year 1991.

(3) REPRESENTATION ALLOWANCES.—For "Representation Allowances", $4,600,000 for the fiscal year 1990 and $4,784,000 for the fiscal year 1991.

(4) EMERGENCIES IN THE DIPLOMATIC AND CONSULAR OFFICE.—For "Emergencies in the Diplomatic and Consular Office", $4,700,000 for the fiscal year 1990 and $4,888,000 for the fiscal year 1991.

(5) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For "Payment to the American Institute in Taiwan", $11,300,000 for the fiscal year 1990 and $11,752,000 for the fiscal year 1991.

(b) DIPLOMATIC SECURITY PROGRAM.—In addition to amounts authorized to be appropriated by subsection (a), the following amounts are authorized to be appropriated under "Administration of Foreign Affairs" for fiscal years 1990 and 1991 for the Department of State to carry out the diplomatic security program:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $361,995,000 for the fiscal year 1990 and $376,475,000 for the fiscal year 1991.

(2) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—For "Protection of Foreign Missions and Officials", $9,100,000 for the fiscal year 1990 and $9,464,000 for the fiscal year 1991.

(c) ALLOCATION FOR OFFICE OF MUNITIONS CONTROL.—Of the amounts authorized to be appropriated by this section such amount as is necessary to maintain 53 full-time equivalent personnel and any associated costs shall be available only for the Office of Munitions Control for each of the fiscal years 1990 and 1991.

SEC. 102. INTERNATIONAL ORGANIZATIONS AND CONFERENCES.

(a) ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—

(1) There is authorized to be appropriated for "Contributions to International Organizations", $714,927,000 for the fiscal year 1990 and $817,000,000 for fiscal year 1991 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international organizations and for other purposes authorized by law.

(2) Of the amounts authorized to be appropriated by paragraph (1), $1,249,000 for fiscal year 1990 shall be available only for the South Pacific Commission.

(b) CONTRIBUTIONS TO INTERNATIONAL PEACEKEEPING ACTIVITIES.—There is authorized to be appropriated for "Contributions to International Peacekeeping Activities", $111,184,000 for the fiscal year 1990 and $115,000,000 for the fiscal year 1991 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and for other purposes authorized by law.

(c) INTERNATIONAL CONFERENCES AND CONTINGENCIES.—There is authorized to be appropriated for "International Conferences and Contingencies", $6,340,000 for the fiscal year 1990 and $7,300,000 for the fiscal year 1991 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and for other purposes authorized by law.

SEC. 103. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated under "International Commissions" for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For "International Boundary and Water Commission, United States and Mexico", $21,960,000 for the fiscal year 1990 and $22,838,000 for the fiscal year 1991.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For "International Boundary Commission, United States and Canada", $750,000 for the fiscal year 1990 and $780,000 for the fiscal year 1991.

(3) INTERNATIONAL JOINT COMMISSION.—For "International Joint Commission", $3,750,000 for the fiscal year 1990 and $3,900,000 for the fiscal year 1991.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For "International Fisheries Commissions", $11,000,000 for the fiscal year 1990 and $11,440,000 for the fiscal year 1991.

SEC. 104. OTHER PROGRAMS.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—The following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) UNITED STATES BILATERAL SCIENCE AND TECHNOLOGY AGREEMENTS.—For "United States Bilateral Science and Technology Agreements", $4,000,000 for the fiscal year 1990 and $4,160,000 for the fiscal year 1991.

(2) SOVIET-EAST EUROPEAN RESEARCH AND TRAINING.—For "Soviet-East European Research and Training", $4,600,000 for the fiscal year 1990 and $4,784,000 for the fiscal year 1991.

(3) MIGRATION AND REFUGEE ASSISTANCE.—For "Migration and Refugee Assistance", $411,950,000 for the fiscal year 1990 and $428,428,000 for the fiscal year 1991.

(b) ALLOCATION OF FUNDS.—Of the amounts authorized to be appropriated by paragraph (3) of subsection (a) $25,000,000 for the fiscal year 1990 and $25,000,000 for the fiscal year 1991 shall be available only for assistance for refugees resettling in Israel.

(c) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS FOR MIGRATION AND REFUGEE ASSISTANCE FOR THE FISCAL YEAR 1989.—In addition to such other amounts as are authorized to be appropriated or otherwise made available to the Department of State for the fiscal year 1989 for "Migration and Refugee Assistance", there is authorized to be appropriated for "Migration and Refugee Assistance", $100,000,000 for the fiscal year 1989. Amounts appropriated pursuant to this subsection are authorized to remain available until expended.

SEC. 105. REDUCTION IN EARMARKS IF APPROPRIATIONS ARE LESS THAN AUTHORIZATIONS.

The State Department Basic Authorities Act of 1956 is amended by inserting after section 10 the following new section:

"SEC. 11. REDUCTION IN EARMARKS IF APPROPRIATIONS ARE LESS THAN AUTHORIZATIONS.

"If the amount appropriated (or made available in the event of a sequestration order issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177; 2 U.S.C. 901 et seq.) for a fiscal year pursuant to any authorization of appropriations provided by an Act other than an appropriation Act is less than the authorization amount and a provision of that Act provides that a specified amount of the authorization amount shall be available only for a certain purpose,

then the amount so specified shall be deemed to be reduced for that fiscal year to the amount which bears the same ratio to the specified amount as the amount appropriated (or made available in the event of sequestration) bears to the authorization amount.".

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

SEC. 121. AUTHORIZATION OF CERTAIN OPERATIONAL ACTIVITIES.

Section 2 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669) is amended—

(1) in subsection (g) by striking "and";

(2) in subsection (h) by striking the period and inserting "; and"; and

(3) by adding after subsection (h) the following new subsections:

"(i) pay obligations assumed in Germany on or after June 5, 1945;

"(j) provide for telecommunications services; and

"(k) provide for maximum physical security in Government-owned and leased properties and vehicles abroad.".

SEC. 122. FOREIGN SERVICE INSTITUTE FACILITIES.

Section 123(c)(2) of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93) is amended by striking "$50,000,000" and inserting "$62,000,000".

SEC. 123. WORKING CAPITAL FUND FOR OFFICE OF FOREIGN MISSIONS.

Section 13(a) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2684) is amended—

(1) by inserting "and" before "(4)";

(2) by striking "; and (5) services and supplies to carry out title II of this Act"; and

(3) by inserting after the first sentence "Such fund shall also be available without fiscal year limitation to carry out the purposes of title II of this Act.".

SEC. 124. MUNITIONS CONTROL REGISTRATION FEES.

For each fiscal year, $500,000 of the registration fees collected by the Office of Munitions Control of the Department of State shall be credited to a Department of State account, to be available without fiscal year limitation. Fees credited to that account shall be available only for payment of expenses incurred for—

(1) contract personnel to assist in the evaluation of munitions control license applications, reduction in processing time for license applications, and improved monitoring of compliance with the terms of licenses, and

(2) the automation of munitions control functions and the processing of munitions control license applications, including the development, procurement, and utilization of computer equipment and related software.

SEC. 125. DIPLOMATIC AND CONSULAR POSTS ABROAD.

Section 122 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended to read as follows:

"SEC. 122. DIPLOMATIC AND CONSULAR POSTS ABROAD.

"(a) OPERATION OF POSTS.—Except as provided by this section, no funds authorized to be appropriated by this or any other Act shall be available to pay any expense related to the closing or downgrading through reductions in staff or operations of a diplomatic or consular post.

"(b) CONGRESSIONAL NOTIFICATION.—Except as provided in subsections (c) and (d), a diplomatic or consular post may be closed or downgraded through reductions in staff or operations only if not less than 365 days prior to a proposed closing or downgrading of a post, the Secretary of State prepares and submits a notification, together with any justifications, of such proposed action to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

"(c) EXCEPTIONS.—The provisions of subsection (b), shall not apply with respect to any post closed or downgraded through reductions in staff or operations—

"(1) because of a break or downgrading of diplomatic relations between the United States and the country in which the post is located; or

"(2) because there is a real and present threat to United States diplomatic or consular personnel in the city where the post is located and a travel advisory warning against American travel to that city has been issued by the Department of State.

"(d) SEQUESTRATION.—In the case that a sequestration order is issued pursuant to Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.; Public Law 99-177), the Secretary of State may, as part of an agencywide austerity proposal, submit a report proposing a list of diplomatic and consular posts to be downgraded or closed in order to comply with the sequestration order, together with a justification for the inclusion of each post on such list. Such report shall be submitted to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

"(e) DEFINITION.—As used in this section, the term 'diplomatic or consular post' does not include a post to which only personnel of agencies other than the Department of State are assigned.".

SEC. 126. CLOSING OF DIPLOMATIC AND CONSULAR POSTS IN ANTIGUA AND BARBUDA.

Section 123 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is repealed.

SEC. 127. REPORT TO CONGRESS CONCERNING OCEANIA.

Not more than 180 days after the date of the enactment of this Act, and annually thereafter, the Secretary of State shall prepare and submit an unclassified report to the Committee on Foreign Affairs of the House of Representatives which—

(1) sets forth in detail the policy of the United States with respect to Oceania which is comprised of Polynesia, Micronesia, and Melanesia;

(2) examines the nature, extent, and source of political, social, and economic instability affecting states in such region;

(3) assesses the impact and level of Communist influence in Oceania;

(4) analyzes projections for the total economic growth of such region, with particular emphasis on the exclusive economic zones (EEZ); and

(5) makes recommendations for specific measures necessary to ensure a strong United States presence in Oceania that contributes to and strengthens democratic institutions and economic growth for the states of such region.

SEC. 128. SENSE OF CONGRESS CONCERNING CONSULAR OFFICERS ASSIGNED TO THE UNITED STATES DIPLOMATIC MISSION TO THE SOVIET UNION.

It is the sense of the Congress that the Secretary of State should assign additional consular officers to the United States diplomatic mission to the Soviet Union to assist in the timely and efficient processing of consular services for Soviet citizens seeking to emigrate.

SEC. 129. PROCEDURES REGARDING MAJOR DISASTERS AND INCIDENTS ABROAD AFFECTING UNITED STATES CITIZENS.

(a) AMENDMENT TO STATE DEPARTMENT BASIC AUTHORITIES ACT OF 1956.—The State Department Basic Authorities Act of 1956 (22 U.S.C. 2269 et seq.) is amended—

(1) by redesignating section 42 as section 43; and

(2) by adding after section 41 the following new section:

"SEC. 42. PROCEDURES REGARDING MAJOR DISASTERS AND INCIDENTS ABROAD AFFECTING UNITED STATES CITIZENS.

"In the case of a major disaster or incident abroad which affects the health and safety of citizens of the United States residing or traveling abroad, the Secretary of State shall provide prompt and thorough notification of all appropriate information concerning such disaster or incident and the affect on United States citizens to the next-of-kin of such individuals. Notification shall be provided through the most expeditious means available, including telephone communications, and shall include timely written notice. The Secretary, through the appropriate offices of the Department of State, shall act as a clearinghouse for up-to-date information for the next-of-kin and shall provide other services and assistance. Assistance shall include liaison with foreign governments and persons and with United States air carriers concerning arrangements for the preparation and transport to the United States of the remains of citizens who die abroad, as well as disposition of personal effects.".

(b) SECRETARY OF STATE.—

(1) The Secretary of State shall enter into discussions with international air carriers and other appropriate entities to develop standardized procedures which will assist the Secretary in implementing the provisions of section 42 of the State Department Basic Authorities Act of 1956 as amended by subsection (a).

(2) The Secretary of State shall consider the feasibility of establishing a toll-free telephone number to facilitate inquiries by the next-of-kin in cases of major disasters or incidents abroad which affect the health and safety of citizens of the United States residing or traveling abroad.

(c) REPORT TO CONGRESS.—Not more than 180 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit a report to the Congress which sets forth plans for the implementation of the amendment made by subsection (a) and the provisions of subsection (b)(1), together with the Secretary's comments concerning the proposal under subsection (b)(2).

SECTION 130. REVIEW OF INTERNATIONAL AND BILATERAL COMMISSIONS.

Not more than 180 days after the date of the enactment of this Act, the Secretary shall prepare and submit a report which provides a review of United States participation in all international and bilateral commissions to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Together with such comments and recommendations as the Secretary considers appropriate, such report shall include—

(1) a justification for United States participation in each international or bilateral commission;

(2) an assessment of the effectiveness of each international or bilateral commission in which the United States participates; and

(3) information concerning the cost of United States participation in each such commission.

SEC. 131. ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.

(a) ESTABLISHMENT OF POSITION.—There is established in the Department of State the position of Assistant Secretary of State for South Asian Affairs, which is in addition to the positions provided under the first section of the Act of May 26, 1949 (22 U.S.C. 2652).

(b) APPOINTMENT.—The Assistant Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

(c) RESPONSIBILITIES.—The Assistant Secretary shall have responsibility within the Department of State with respect to India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Afghanistan, and Maldives.

(d) CONFORMING AMENDMENT.—

(1) POSITIONS AT EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Assistant Secretary for South Asian Affairs, Department of State.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1989.

SEC. 132. SUBMISSION OF ANNUAL COUNTRY REPORTS ON TERRORISM.

Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended by striking "March 31" and inserting "April 30".

PART C—DIPLOMATIC RECIPROCITY AND SECURITY

SEC. 141. UNITED STATES-SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.

(a) WAIVER OF RESTRICTION REGARDING SOVIET CONSULATES IN THE UNITED STATES.—Section 153 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended in subsection (b)—

(A) by inserting "(1)" before "The Secretary"; and

(B) by adding after paragraph (1) (as so designated by subparagraph (A)) the following new paragraph:

"(2) Paragraph (1) shall not have effect during the fiscal years 1990 and 1991.".

(b) REPORTS TO CONGRESS.—Not later than January 30, 1991, the Secretary of State shall develop and submit to the Congress a plan for secure permanent facilities for the United States mission in Kiev, together with a budget request to implement such plan.

SEC. 142. CONSTRUCTION OF UNITED STATES EMBASSY IN OTTAWA.

Section 402(a) of the Diplomatic Security Act (22 U.S.C. 4852(a)) shall not apply to the construction or renovation of the United States embassy in Ottawa, Canada.

SEC. 143. CONSTRUCTION SECURITY CERTIFICATION.

(a) CONSTRUCTION SECURITY CERTIFICATION.—Section 160(a) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended—

(1) by inserting "or approving occupancy of a similar facility for which construction or major renovation commenced prior to the effective date of this section," after "activities,";

(2) at the end of paragraph (1) by striking "and";

(3) at the end of paragraph (2) by striking the period and inserting "; and"; and

(4) by inserting after paragraph (2) the following new paragraph (3):

"(3) a plan has been put into place for the continued evaluation and maintenance of adequate security at such facility, which plan shall specify the physical security methods and technical countermeasures necessary to ensure secure operations, including any personnel requirements for such purposes.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

PART D—PERSONNEL MATTERS

SEC. 151. FORMER SPOUSES OF USIA AND AID EMPLOYEES.

(a) RETIREMENT BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 830 of the Foreign Service Act of 1980 (22 U.S.C. 4069a) (relating to retirement benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(f) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

(b) SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 831 of the Foreign Service Act of 1980 (22 U.S.C. 4069b) (relating to survivor benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(g) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

(c) HEALTH BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 832 of the Foreign Service Act of 1980 (22 U.S.C. 4069c) (relating to health benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(f) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to subsections (a), (b), and (c) of this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

SEC. 152. FOREIGN SERVICE INTERNSHIP PROGRAM.

(a) FINDINGS.—The Congress makes the following findings:

(1) On September 3, 1986, George Shultz, as Secretary of State, issued a statement containing 32 directives concerning equal opportunity in the Foreign Service. In his statement Secretary Shultz affirmed that it was of "fundamental importance that the Foreign Service truly represent the cultural and ethnic diversity of our own society", and indicated that the lack of such balanced representation was "a foreign policy problem which affects our image as a nation and as a leader of the free world". Secretary Shultz stated "that representation of women and minorities in the Foreign Service is still unacceptably low" and declared that he was "particularly concerned at the small number of Blacks in the Senior Foreign Service".

(2) The Secretary approved 32 recommendations included with the statement regarding recruitment, assignments, performance evaluations, and equal employment opportunity procedures within the Foreign Service. The recommendations of Secretary of State Shultz included—

(A) the targeting of historically black colleges and universities for special recruitment efforts, including specific information on how to apply for the Foreign Service examination, the testing process, and the mechanics of entry;

(B) independent review of the written exam for any cultural bias against blacks;

(C) the inclusion of more blacks on the board of examiners panels;

(D) investigation of methods to increase black enrollment in university courses which might improve an applicants chances of passing the written exam;

(E) development of new recruitment strategies;

(F) the assignment of more black officers to senior (and visible) role model positions; and

(G) the recruitment of more black officers into the political and economic cones of the foreign service.

(3) During the past 7 years, equal opportunity programs to attract women and minorities to the Foreign Service have been most successful in recruiting women and Asian Americans. Such programs have been less than successful in the recruitment of blacks, Hispanics, and Native Americans. In 1982, 188 new recruits were appointed to the Foreign Service, 48 were minority appointments constituting 26 percent. In 1985 the number of new appointments had increased 33 percent to 281, but minorities comprised only 10.3 percent of such appointments, a total of 29.

(4) For blacks and Hispanics the trend of hiring in the Foreign Service is disconcerting. Nineteen blacks were appointed to the Foreign Service in 1983, in 1987 only 10 blacks were appointed. Hispanic appointments ranged from 12 in 1983 to 8 in 1985 to 15 in 1987. For Native Americans the Foreign Service statistics are ominous, 5 appointments in 1983, 1 in 1984, and no appointments in 1985, 1986, or 1987.

(5) The severe underrepresentation in the Foreign Service of individuals from certain cultural and ethnic groups is in large part due to the small pool of applicants from such groups. In each year from 1982 through 1987, minority applicants represented 14 to 17 percent of the total applicants and only

50 percent of such applicants took the written exam. In 1987, 1,769 minority applicants took the written exam, 191 passed, and 36 were actually appointed to the Foreign Service.

(6) The absolute and relative decline in the appointment to the Foreign Service of certain minorities who reflect the cultural and ethnic diversity of the United States dictates that more aggressive equal opportunity programs be established to facilitate the recruitment and appointment of such individuals.

(b) ESTABLISHMENT.—Title I of the Foreign Service Act of 1980 is amended by adding at the end the following new chapter:

"CHAPTER 12—FOREIGN SERVICE INTERNSHIP PROGRAM

"SEC. 1201. STATEMENT OF POLICY; OBJECTIVES.

"(a) STATEMENT OF POLICY.—Consistent with the findings of section 101, the Foreign Service of the United States should be representative of the American people. In order to facilitate and encourage the entry into the Foreign Service of individuals who meet the rigorous requirements of the Service, while ensuring a Foreign Service system which reflects the cultural and ethnic diversity of the United States, intensive recruitment efforts are mandated. This is particularly true for Native Americans, blacks, and Hispanics where other affirmative action and equal opportunity efforts have not been successful in attracting the ablest applicants for entry into the Foreign Service. The United States remains committed to equal opportunity and to a Foreign Service system operated on the basis of merit principles.

"(b) OBJECTIVES.—The objective of this chapter is to strengthen and improve the Foreign Service of the United States through the establishment of a Foreign Service Internship Program. The program shall promote the Foreign Service as a viable and rewarding career opportunity for qualified individuals who reflect the cultural and ethnic diversity of the United States through a highly-selective internship program for students enrolled in institutions of higher education.

"SEC. 1202. FOREIGN SERVICE INTERNSHIP PROGRAM.

"(a) ESTABLISHMENT.—In consultation with the heads of other agencies utilizing the Foreign Service system, the Secretary of State shall establish a Foreign Service internship program to carry out the objectives of this chapter in accordance with the provisions of this chapter.

"(b) FOREIGN SERVICE INTERNSHIP PROGRAM.—The program shall introduce interns to the practice of diplomacy and the unique rewards of the Foreign Service. The program shall consist of three successive summer internships of not less than eight weeks duration in each year to be completed over the course of not more than four years. Special emphasis shall be given to preparing the intern for the Foreign Service examination process. In each year not less than 10 interns shall enter the program.

"(c) ELIGIBILITY TO PARTICIPATE.—

"(1) Students enrolled full-time in institutions of higher education from groups which are underrepresented in the Foreign Service in terms of the cultural and ethnic diversity of the Foreign Service and for whom equal opportunity and affirmative action recruitment efforts have not been successful in achieving balanced representation in appointments to the Foreign Service shall be eligible to be interns in programs under this chapter.

"(2) An intern shall have successfully completed not less than one academic year of study at an institution of higher education to be admitted to the program. In each succeeding year of participation an intern shall have completed an additional year of undergraduate or graduate study and shall maintain an exemplary record of academic achievement.

"(3) In selecting interns, the Secretary shall consider only the ablest students of superior ability selected on the basis of demonstrated achievement and exceptional promise whose academic records reflect the requisite standards of performance necessary for the Foreign Service.

"(d) SUMMER INTERNSHIPS.—

"(1) The primary focus of the first internship shall be the study of international relations, the functions of the Department of State and other agencies which utilize the Foreign Service system, and the nature of the Foreign Service. The internship shall be held in Washington, District of Columbia, at the Department of State. As appropriate, the Secretary shall utilize the personnel and facilities of the Foreign Service Institute and the United States Congress.

"(2) The second internship shall be, principally, an assignment to a specific bureau of the Department of State and the United States Congress. Emphasis shall be on providing insight into the economic and political functional areas.

"(3) The third internship shall be an assignment to a United States mission abroad in the political or economic area.

"(e) ADMINISTRATION.—The Secretary of State shall determine the academic requirements, other selection criteria, and standards for successful completion of each internship period. The Secretary shall be responsible for the design, implementation, and operation of the program.

"(f) MENTORS.—Each intern shall be assigned a career Foreign Service officer as a mentor. The mentor shall act as a counselor and advisor throughout each summer internship and as a personal Foreign Service contact throughout the period of participation in the program. In the assignment of mentors, the Secretary shall give preference to Foreign Service officers who volunteer for such assignment and who may be role models for the interns.

"(g) COMPENSATION.—Interns shall be compensated at a rate determined by the Secretary which shall not be less than the compensation of comparable summer interns at the Department of State. As determined by the Secretary, for the purposes of travel, housing, health insurance, and other appropriate benefits, interns shall be considered employees of the Foreign Service during each internship period.

"(h) FOREIGN SERVICE EXAMINATION.—To the extent feasible, the Secretary may administer the Foreign Service examination in annual increments.

"SEC. 1203. REPORT TO CONGRESS.

"Together with the annual submission required under section 105(d)(2), the Secretary of State shall submit a report to the Congress concerning the implementation of the program established under this chapter. Such report accompanied by such other information as the Secretary considers appropriate, shall include specific information concerning the completion rates of interns in the program, interns who took the Foreign Service examination, interns who passed the examination, former interns appointed to the Foreign Service, assignments of former interns, and the advancement of former interns through the Foreign Service System.

"SEC. 1204. FUNDING.

"Of the amounts authorized to be appropriated by section 101(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991, $100,000 for fiscal year 1990 and $150,000 for fiscal year 1991 shall be available only to carry out this chapter. Sums appropriated for the purposes of this chapter are authorized to remain available until expended.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The Foreign Service Act of 1980 is amended by adding after the items relating to chapter 11 the following:

"CHAPTER 12—FOREIGN SERVICE INTERNSHIP PROGRAM

"Sec. 1201. Statement of policy; objectives.
"Sec. 1202. Foreign service internship program.
"Sec. 1203. Report to Congress.
"Sec. 1204. Authorization of appropriations.".

(d) REPORT TO CONGRESS.—Not more than 90 days after the date of the enactment of this Act, the Secretary of State shall submit a report to the Congress concerning the implementation of the Foreign Service Internship Program.

SEC. 153. GRANTS FOR INSTITUTIONS AND STUDENTS FOR TRAINING IN INTERNATIONAL AFFAIRS.

The State Department Basic Authorities Act of 1956 (22 U.S.C. 2269 et seq.) is amended—

(1) by redesignating section 43 (as so designated by section 129 of this Act) as section 44; and

(2) by adding after section 42 the following new section:

"SEC. 43. GRANTS FOR TRAINING AND EDUCATION IN INTERNATIONAL AFFAIRS.

"(a) GRANTS TO INSTITUTIONS OF HIGHER EDUCATION FOR PROGRAMS IN INTERNATIONAL AFFAIRS.—

"(1) The Secretary of State is authorized to make grants to institutions of higher education to enable such institutions to provide programs in international affairs for undergraduate students, particularly those students who are from cultural and ethnic groups which are underrepresented in the Foreign Service. Such programs shall provide students with an opportunity to participate in academic, research, and clinical programs in international affairs designed to provide students with effective preparation for entry into the Foreign Service.

"(2) In making awards to institutions the Secretary shall, to the maximum extent feasible—

"(A) give priority consideration to the award of grants to historically black colleges and universities and other minority institutions of higher education; and

"(B) ensure an equitable geographic distribution of awards and an equitable distribution among public and private institutions of higher education.

"(b) GRANTS TO STUDENTS FOR STUDY IN INTERNATIONAL AFFAIRS.—

"(1) The Secretary of State is authorized to make awards for undergraduate study in international affairs to students of superior ability selected on the basis of demonstrated achievement and exceptional promise, particularly students who are from cultural and ethnic groups which are underrepresented in the Foreign Service. Grants shall be awarded for only one academic year of study and shall be renewable for a period not to exceed 3 years. No student shall receive an award except during periods in which such student is maintaining satisfactory progress in, and

devoting essentially full time to, study in international affairs or a related field.

"(2) In making awards to students, the Secretary shall, to the maximum extent feasible—

"(A) give priority consideration to the award of grants to students from cultural and ethnic groups which are underrepresented in the Foreign Service;

"(B) ensure an equitable geographic distribution of awards and an equitable distribution among students enrolled in public and private institutions of higher education.

"(c) REQUIREMENTS.—The Secretary shall provide for such fiscal control and accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid under this section. The Secretary may provide for the making of such reports, in such form and containing such information, as the Secretary may require to carry out this section.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000 for the fiscal year 1990 and $100,000 for the fiscal year 1991 to carry out this section. Sums appropriated for the purposes of this section are authorized to remain available until expended.".

SEC. 154. DANGER PAY ALLOWANCE.

(a) AUTHORITY.—The Administrator of the Drug Enforcement Administration, after consultation with the Secretary of State, may authorize a danger pay allowance for any employee of such agency serving at a post abroad where the conditions of such service pose a threat of physical harm or imminent danger to the health or well-being of such employee.

(b) DETERMINATIONS.—In making a determination under subsection (a), the Secretary of State and the Administrator of the Drug Enforcement Administration shall consider the degree to which an employee may be subject to special or extraordinary risks or dangers due to the nature of such service which do not apply to employees of other agencies serving at such post.

(c) LIMITATIONS.—A danger pay allowance under subsection (a) may not exceed 25 percent of the basic pay of the employee. The sum of any danger pay allowance and any other additional differential payment granted to an employee with respect to such service may not exceed 25 percent of the basic pay of the employee.

SEC. 155. REPORT TO CONGRESS CONCERNING POLYGRAPH PROGRAM.

(a) REPORT TO CONGRESS.—Not later than January 31 of each year, the Secretary of State shall prepare and submit an annual report on the polygraph program of the Department of State to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(b) CONTENTS OF REPORT.—The report shall provide an assessment of the implementation of the polygraph program during the preceding fiscal year. Together with such other information and comments as the Secretary considers appropriate, the report shall include the following:

(1) Data on the number of lie-detector tests administered.

(2) A description of the purposes and results of such tests.

(3) A description of the criteria used in the selection of programs and individuals for administration of lie-detector tests.

(4) The number of individuals who refused to submit to the administration of such tests.

(5) The number of lie-detector tests administered in which a specific incident was not under investigation.

(6) A description of the actions taken when an individual fails or refuses the administration of such tests, including the denial of clearance or any other adverse action.

(7) A detailed accounting of cases in which more than two administrations of such tests were necessary to resolve discrepancies.

(8) Any proposed changes in regulations for the Department of State polygraph program.

(c) DEFINITION.—For purposes of this section the term "lie detector" shall have the meaning given such term under section 2 of the Employee Polygraph Protection Act of 1988.

SEC. 156. STUDY OF SEXUAL HARASSMENT AT THE DEPARTMENT OF STATE.

(a) FINDINGS.—The June 1988 report of the United States Merit Systems Protection Board entitled "Sexual Harassment in the Federal Government: An Update" determined that the Department of State (including the United States Information Agency) had the highest rate of incidence of sexual harassment of women of any agency of the Federal Government.

(b) STUDY.—Subject to the availability of appropriations, not more than 90 days after the date of the enactment of this Act, the Secretary of State (in consultation with the Director of the United States Information Agency) shall enter into a contract with a private organization with established expertise and demonstrated capabilities in personnel systems and problems for the purpose of conducting a study and preparing a report concerning sexual harassment at the Department of State and the United States Information Agency.

(c) REPORT.—Together with such other information as is determined to be appropriate and informative, such report shall include—

(1) an assessment of the origins of sexual harassment at the Department of State and the United States Information Agency;

(2) a determination of the reasons for the high rate of incidence of sexual harassment at such Federal agencies;

(3) an evaluation of the actions which have been proposed and implemented by such Federal agencies to respond to the findings of the Merit Systems Protection Board report;

(4) a proposal for further specific actions by each agency; and

(5) recommendations for such changes in administrative procedures, regulations, and legislation as may be considered necessary to address the problem of sexual harassment at the Department of State and the United States Information Agency.

(d) SUBMISSION OF REPORT TO THE CONGRESS.—Not more than one year after the date of the enactment of this Act, the Secretary of State shall submit the full and complete report of such study, together with such comments as the Secretary of State or the Director of the United States Information Agency consider appropriate, to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

AMENDMENTS EN BLOC OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Chairman, pursuant to the rule, I offer amendments en bloc.

The Clerk read as follows:

Amendments en bloc offered by Mr. DYMALLY:

Page 10, after line 20, insert the following new section (and amend the table of contents accordingly):

SEC. 106. AVAILABILITY OF FUNDS.

Section 24 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 269b) is amended by adding after subsection (d) the following new subsection:

"(e) Amounts authorized to be appropriated for a fiscal year for the Department of State or to the Secretary of State are authorized to be obligated in such fiscal year for contracts for periods not exceeding 12 months which are to be performed in 2 fiscal years.".

Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. FEES AND REIMBURSEMENTS.

The State Department Basic Authorities Act of 1956 is amended—

(1) by redesignating section 44 as section 45; and

(2) by inserting after section 43 the following new section:

"SEC. 44. (a) Notwithstanding any other provision of law, for fiscal years 1990 and 1991 funds received by the Department in connection with the use of Blair House (including fees for use of Blair House facilities and reimbursements and surcharges for services and goods provided) may be credited to the appropriate appropriation account of the Department and shall be available only for maintenance and other expenses of Blair House.

"(b) The authority of this section may be exercised only to such extent and in such amounts as are provided in advance in appropriation Acts.".

Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. INTERNATIONAL CENTER.

Section 4 of the International Center Act is amended by inserting after subsection (b) the following new subsection (c):

"(c) The Department of State is authorized to require the payment of a fee by other executive agencies of the United States for the lease or use of facilities located at the International Center and used for the purposes of security and maintenance. Any payments received for lease or use of such facilities shall be credited to the account entitled 'International Center, Washington, District of Columbia' and shall be available, to such extent and in such amounts as are provided in advance in appropriations Acts, without fiscal year limitation, for operation and maintenance expenses of such facilities including administration, maintenance, utilities, repairs and alterations.".

Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. PILOT PROGRAM FOR CHILD CARE FACILITIES AT CERTAIN POSTS ABROAD.

Section 31 of the State Department Basic Authorities Act of 1956 is amended by adding after subsection (d) the following new subsection:

"(e) For fiscal years 1990 and 1991, the Secretary of State is authorized to assist in the establishment, operation, and maintenance of non-Government operated child care facilities at posts abroad where the Secretary determines that due to extraordinary circumstances such facilities are necessary to the efficient operation of the post. Such

assistance may include grants and subsidies to such a facility to offset in part the cost of such care. In making a determination that assistance under this subsection is necessary, the Secretary shall consider—

"(1) whether Foreign Service spouses are encouraged to work at the mission because—

"(A) the number of members of the mission is subject to a ceiling imposed by the receiving country; or

"(B) foreign nationals are not employed at the mission; and

"(2) whether local child care is available.".

Page 22, after line 3, add the following new section (and amend the table of contents accordingly):

SEC. 144. MODIFICATION OF PREFERENCE FOR UNITED STATES CONTRACTORS IN DIPLOMATIC CONSTRUCTION PROGRAM.

(a) MODIFICATION OF PREFERENCE.—Section 402(a) of the Diplomatic Security Act (22 U.S.C. 4852) is amended in paragraph (2) to read as follows:

"(2) bid on a diplomatic construction or design project which involves physical or technical security, unless the project—

"(A) involves nonsophisticated, low-level technology, as determined by the Assistant Secretary for Diplomatic Security;

"(B) is for the design or construction of a facility that does not process or store classified material; and

"(C) does not exceed a total value of $500,000.".

(b) REPORT TO CONGRESS.—The Secretary of State shall prepare and submit to the Congress an annual report concerning the implementation of the amendment made by subsection (a) of this section.

Page 35, strike line 21 and all that follows through line 15 on page 36 and insert the following new section:

SEC. 154. DANGER PAY ALLOWANCE.

The Secretary of State may not deny a request by the Drug Enforcement Administration to authorize a danger pay allowance for any employee of such agency, in accordance with the authorities granted in section 5928 of title 5, United States Code.

Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. AUTHORITY TO TRANSFER RETIREMENT CONTRIBUTIONS FOR FOREIGN SERVICE NATIONALS TO LOCAL PLANS.

(a) LIMITED OPTION TO TRANSFER TO LOCAL PLAN.—Section 408 of the Foreign Service Act of 1980 (22 U.S.C. 3968) is amended by inserting at the end of subsection (a) the following new paragraph:

"(3)(A) Where a foreign national employee so elects during a one-year period established by the Secretary of State with respect to each post abroad, the Secretary of the Treasury (at the direction of the Secretary of State) shall transfer such employee's interest in the Civil Service Retirement and Disability Fund to a trust or other local retirement plan certified by the United States Government, under a local compensation plan established for foreign national employees pursuant to this section (excluding local social security plans).

"(B) For purpose of this paragraph, an employee's 'interest in the Civil Service Retirement and Disability Fund' means the sum of employee and all employing agency contributions with respect to such employee (pursuant to sections 8331(8) and 8334(a)(1) of title 5, United States Code) and interest at the rate provided by section 8334(e)(3) of title 5, United States Code. Any such transfer shall void any annuity rights or entitlement to lump sum credit under subchapter III of chapter 83 of title 5, United States Code.".

(b) EFFECT OF TRANSFER.—Section 8345 of title 5, United States Code, is amended by adding at the end thereof a new subsection (1), as follows:

"(1) Transfers of contributions and deposits authorized by section 408(a)(3) of the Foreign Service Act of 1980 shall be considered a complete and final payment of benefits under this chapter.".

Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. JUDICIAL REVIEW—SEPARATION FOR CAUSE.

Section 610 of the Foreign Service Act of 1980 (22 U.S.C. 4010) is amended by adding at the end of subsection (a)(2) the following new sentence: "Section 1110 shall apply to proceedings under this paragraph.".

Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. TRAVEL, LEAVE, AND OTHER BENEFITS.

Section 901 of Chapter 9 of the Foreign Service Act of 1980 (22 U.S.C. 4081) is amended in paragraph (9) to read as follows:

"(9) roundtrip travel to or from an employee's post of assignment for purposes of family visitation in emergency situations involving personal hardship, except that payment for travel by family members to an employee's post of assignment may be authorized under this paragraph only where the family of the member is prevented by official order from residing at such post;".

Page 39, after line 25, add the following new section (and amend the table of contents accordingly):

SEC. 157. CREDIT FOR SERVICE AT UNHEALTHFUL POSTS.

(a) APPLICATION TO DETERMINATIONS OF ELIGIBILITY FOR FORMER SPOUSES.—Section 816(i)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4056) is amended to read as follows:

"(2) A former spouse shall not be considered as married to a participant for periods assumed to be creditable service under section 808(a) or section 809(e).".

(b) TERMINATION OF EXTRA CREDIT FOR RETIREMENT PURPOSES.—Section 817 of the Foreign Service Act of 1980 (22 U.S.C. 4057) is amended by adding at the end the following: "Such extra credit may not be used to determine the eligibility of a person to qualify as a former spouse under this subchapter, or to compute the pro rata share under section 804(10). No extra credit for service at unhealthful posts may be given under this section for any service as part of a tour of duty, or extension thereof, commencing on or after the effective date of the Foreign Relations Authorization Act, fiscal years 1990 and 1991.".

Page 51, after line 10, add the following new section (and amend the table of contents accordingly):

SEC. 212. AUTHORITIES REGARDING EMPLOYMENT OF ALIENS.

Section 804 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474) is amended in paragraph (1) by inserting "when job vacancies occur," after "available".

Page 51, strike line 11 and all that follows through line 16 on page 60, and insert the following new part (and amend the table of contents accordingly):

PART B—TELEVISION BROADCASTING TO CUBA

SEC. 221. SHORT TITLE.

This part may be cited as the "Television Broadcasting to Cuba Act".

SEC. 222. FINDINGS AND PURPOSES.

The Congress finds and declares that—

(1) it is the policy of the United States to support the right of the people of Cuba to seek, receive, and impart information and ideas through any media and regardless of frontiers, in accordance with article 19 of the Universal Declaration of Human Rights;

(2) consonant with this policy, television broadcasting to Cuba may be effective in furthering the open communication of accurate information and ideas to the people of Cuba and, in particular, information about Cuba;

(3) television broadcasting to Cuba, operated in a manner not inconsistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest;

(4) facilities broadcasting television programming to Cuba must be operated in a manner consistent with applicable regulations of the Federal Communications Commission, and must not affect the quality of domestic broadcast transmission or reception; and

(5) the Voice of America's Radio Marti program already broadcasts to Cuba information that represents America, not any single segment of American society, and includes a balanced and comprehensive projection of significant American thought and institutions, but there is a need for television broadcasts to Cuba which provide news, commentary, and other information about events in Cuba and elsewhere to promote the cause of freedom in Cuba.

SEC. 223. TELEVISION BROADCASTING TO CUBA.

(a) TELEVISION BROADCASTING TO CUBA.—In order to carry out the purposes set forth in section 222 and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent, the United States Information Agency (hereafter in this part referred to as the "Agency") shall provide for the open communication of information and ideas through the use of television broadcasting to Cuba. Television broadcasting to Cuba shall serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.

(b) VOICE OF AMERICA STANDARDS.—Television broadcasting to Cuba under this part shall be in accordance with all Voice of America standards to ensure the broadcast of programs which are objective, accurate, balanced, and which present a variety of views.

(c) USIA TELEVISION MARTI.—Any program of United States Government television broadcasts to Cuba authorized by this section shall be designated "USIA Television Marti Program".

(d) FREQUENCY ASSIGNMENT.—

(1) Subject to the Communications Act of 1934, the Federal Communications Commission shall have the authority to assign by order a suitable frequency to further the national interests expressed by this Act, except that no such assignment shall result in objectionable interference with the broadcasts of any domestic licensee.

(2) In furtherance of the purposes of paragraph (1), the Federal Communications

Commission may modify the license or permit of a television licensee or permittee. Notwithstanding any provision of the Communications Act of 1934, no such order to modify the license shall become final until the licensee shall have been notified in writing of the proposed action and the grounds and reasons therefor, and shall have been given reasonable opportunity, in no event less than 30 days, to show cause by public hearing, if requested, why such modification should not issue.

(3) For purposes of section 305 of the Communications Act of 1934, a television broadcast station established for purposes of this part shall be treated as a government station, but the Federal Communications Commission shall exercise the authority of the President under such section to assign a frequency to such station.

(e) INTERFERENCE WITH DOMESTIC BROADCASTING.—(1) Broadcasting by the Service shall be conducted in accordance with such parameters as shall be prescribed by the Federal Communications Commission to preclude objectionable interference with the broadcasts of any domestic licensee. The Federal Communications Commission shall monitor the operations of television broadcasting to Cuba pursuant to section 227(e) of this Act. If, on the basis of a complaint from any person, the Federal Communications Commission determines, in its discretion, that broadcastings by the Service is causing any objectionable interference with the transmission or reception of the broadcasts of a domestic licensee, the Federal Communications Commission shall direct the Service to cease broadcasting and to eliminate the objectionable interference. Broadcasts by the Service shall not be resumed until the Federal Communications Commission finds that the objectionable interference has been eliminated and will not recur.

(2) The Federal Communications Commission shall take such actions as are necessary and appropriate to assist domestic licensees in overcoming the adverse effects of objectionable interference caused by broadcasting by the Service. Such assistance may include the authorization of nondirectional increases in the effective radiated power of domestic television stations so that its coverage is equivalent to the maximum allowable for such facilities, to avoid any adverse effect on such stations of the broadcasts of the Television Marti Service.

(f) USIA AUTHORITY.—The Agency may carry out the purposes of this part by means of grants, leases, or contracts (subject to the availability of appropriations), or such other means as the Agency determines will be most effective.

SEC. 224. TELEVISION MARTI SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE.—The Director of the United States Information Agency shall establish within the Agency a Television Marti Service. The Service shall be responsible for all television broadcasts to Cuba authorized by section 223. The Director of the United States Information Agency shall appoint a head of the Service who shall report directly to the Director. The head of the Service shall employ such staff as the head of the Service may need to carry out the duties of the Service. The Service shall be administered separately from other television functions of the United States Information Agency.

(b) USE OF EXISTING FACILITIES OF THE USIA.—To assure consistency of presentation and efficiency of operations in conducting the activities authorized under this part, the Service shall make maximum feasible utilization of Agency facilities and management support, including Voice of America: Radio Marti program, Voice of America, and the United States Information Agency Television Service.

SEC. 225. AMENDMENTS TO THE RADIO BROADCASTING TO CUBA ACT.

(a) ADVISORY BOARD FOR CUBA BROADCASTING.—Section 5 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465c) is amended—

(1) by amending the heading to read as follows: "ADVISORY BOARD FOR CUBA BROADCASTING";

(2) by amending subsections (a) and (b) to read as follows:

"(a) There is established within the Office of the President the Advisory Board for Cuba Broadcasting (hereafter in this Act referred to as the 'Board'). The Board shall consist of nine members, appointed by the President by and with the advice and consent of the Senate, of whom not more than five shall be members of the same political party. The President shall designate one member of the Board to serve as chairperson.

"(b) The Board shall review the effectiveness of the activities carried out under this Act and the Television Broadcasting to Cuba Act and shall make recommendations to the President and the Director and Associate Director for Broadcasting of the United States Information Agency as it may consider necessary.";

(3) by amending subsection (d) to read as follows:

"(d) The head of the Cuba Service and the head of the Television Marti Service shall serve, ex officio, as members of the Board."; and

(4) in the last sentence of subsection (e) by striking "The ex officio member" and inserting "The ex officio members".

(b) REFERENCES.—A reference in any provision of law to the "Advisory Board for Radio Broadcasting to Cuba" shall be considered to be a reference to the "Advisory Board for Cuba Broadcasting".

"(c) CONTINUED SERVICE OF MEMBERS OF BOARD.—Members of the Advisory Board for Radio Broadcasting to Cuba as in existence on the day before the effective date of the amendment made by subsection (a) shall continue to serve for the remainder of the term to which each such member was appointed as members of the Advisory Board for Cuba Broadcasting.

"(d) WAIVER.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended in the first sentence by inserting before the comma "and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent".

"(e) EFFECTIVE DATE.—The amendment made by subsections (a) and (d) shall take effect on the date of the enactment of this Act.

SEC. 226. ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.

In order to assist the United States Information Agency in carrying out the provisions of this part, any agency or instrumentality of the United States may sell, loan, lease, or grant property (include interests therein) and may perform administrative and technical support and services at the request of the Agency.

SEC. 227. FACILITY COMPENSATION.

(a) CLAIMS AGAINST CUBA.—It is the intent of the Congress that the Secretary of State should seek prompt and full settlement of United States claims against the Government of Cuba arising from Cuba interference with television and radio broadcasting in the United States. Pending the settlement of these claims, it is appropriate to provide some interim assistance to the United States broadcasters who are adversely affected by Cuban television and radio interference and who seek to assert their right to measures to counteract the effects of such interference.

(b) PAYMENTS TO UNITED STATES TELEVISION BROADCAST LICENSEES.—The Agency may make payments to the United States television and radio broadcast licensees upon their application for expenses which they have incurred before, on, or after the date of this Act in mitigating (1) the effects of activities by the Government of Cuba which directly interfere with the transmission or reception of broadcasts by such licensees, and (2) the direct interference caused by the transmission of television broadcasting to Cuba with the transmission or reception of broadcasts by such licensees. Such expenses shall be limited to the costs of equipment replaced (less depreciation) and associated technical, engineering, and other reasonable and prudent expenses.

(c) REGULATIONS.—The Federal Communications Commission shall issue such regulations and establish such procedures for carrying out this section as the Federal Communications Commission finds appropriate. The Federal Communications Commission shall ensure that such regulations do not impose an undue burden on domestic licensees. Such regulations shall be issued no later than 180 days after the date of the enactment of this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated to the United States Information Agency $5,000,000 for use in compensating United States television and radio broadcasting licensees pursuant to this section.

(2) When sums appropriated pursuant to paragraph (1) have been expended, $5,000,000 of such other funds as are appropriated (after the date of enactment of this Act) to the United States Information Agency shall be available for use in compensating United States television and radio broadcasting licensees pursuant to this section.

(3) Amounts appropriated or otherwise made available under this section are authorized to be available until expended.

(e) MONITORING OF INTERFERENCE.—The Federal Communications Commission shall continually monitor and periodically report to the appropriate committees of the Congress interference to domestic broadcast licensees—

(1) from the operation of Cuban television and radio stations; and

(2) from the operations of the television broadcasting to Cuba.

(f) TASK FORCE.—It is the sense of the Congress that the President should establish a task force to analyze the level of interference from the operation of Cuban television and radio stations experienced by broadcasters in the United States and to seek a practical political and technical solution to this problem.

(g) EFFECTIVE DATE.—This section shall take effect on October 1, 1989.

SEC. 228. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts under section 201, there are authorized to be appropriated to the United States Information Agency, $16,000,000 for fiscal year 1990 and $16,000,000 for fiscal year 1991 for television broadcasting to Cuba in accordance with the provisions of this part.

(b) LIMITATION.—

(1) Subject to paragraph (2), no funds authorized to be appropriated under subsection (a) may be obligated or expended unless the President determines and notifies the Congress that the test of television broadcasting to Cuba (as authorized by title V of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989 (Public Law 100-459)) has demonstrated television broadcasting to Cuba is feasible and will not interfere with the broadcasts of licensees. The Federal Communications Commission shall furnish to the appropriate committees of Congress all interim and final reports and other appropriate documentation concerning objectionable interference from television broadcasting to Cuba to domestic television licensees.

(2) Not less than 30 days before the President makes the determination under paragraph (1), the President shall submit a report to the Congress which includes the findings of the test of television broadcasting to Cuba.

(c) AVAILABILITY.—Amounts appropriated under this section are authorized to be made available until expended.

SEC. 229. DEFINITIONS.

As used in this part—

(1) the term "licensee" has the meaning provided in section 3(c) of the Communications Act of 1934;

(2) the term "appropriate committees of Congress" includes the House Foreign Affairs Committee, the House Energy and Commerce Committee, the Senate Committee on Foreign Relations, and the Senate Committee on Commerce, Science, and Transportation; and

(3) the term "Service" means the Television Marti Service established pursuant to section 224(a) of this Act.

Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. VOLUNTARY PILOT PROGRAM FOR INCREASED PARTICIPATION BY ECONOMICALLY AND SOCIALLY DISADVANTAGED ENTERPRISES IN FOREIGN RELATIONS ACTIVITIES.

(a) ESTABLISHMENT OF PILOT PROGRAM FOR VOLUNTARY SET-ASIDES.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State (in consultation with the Director of the United States Information Agency) shall prepare and transmit a detailed plan for the establishment of a pilot program of voluntary set-asides for increased participation by economically and socially disadvantaged enterprises in programs and activities of the Department of State and the United States Information Agency to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(b) REPORT TO CONGRESS.—Such plan shall include—

(1) a description of where such pilot program will be located in each such agency's organizational structure and what relevant lines of authority will be established;

(2) a listing of the specific responsibilities that will be assigned to the pilot program to enable it to increase, in a rational and effective manner, participation of economically and socially disadvantaged enterprises in activities funded by such agencies;

(3) a detailed design for a time-phase system for bringing about expanded participation by economically and socially disadvantaged enterprises, including—

(A) specific recommendations for percentage allocations of contracts, subcontracts, procurement, grants, and research and development activities by such agencies to such enterprises; and

(B) particular consideration of the participation of economically and socially disadvantaged enterprises in activities in the areas of communications, telecommunications, and information systems;

(4) a proposed reporting system that will permit objective measuring of the degree of participation of economically and socially disadvantaged enterprises in comparison to the total activities funded by such agencies;

(5) a detailed projection of the administrative budgetary impact of the establishment of the pilot program; and

(6) a detailed set of objective criteria upon which determinations will be made as to the qualifications of economically and socially disadvantaged enterprises to receive contracts funded by such agencies.

(c) OBJECTIVES.—The objective of the pilot program shall be to increase the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agencies.

(d) RESPONSIBILITIES.—The pilot program shall—

(1) establish, maintain, and disseminate information to, and otherwise serve as an information clearinghouse for, economically and socially disadvantaged business enterprises regarding business opportunities funded by the agencies;

(2) design and conduct projects to encourage, promote, and assist economically and socially disadvantaged business enterprises to secure direct contracts, host country contracts, subcontracts, grants, and research and development contracts in order for such enterprises to participate in programs funded by the Department of State and the United States Information Agency;

(3) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities funded by such agencies;

(4) develop support mechanisms which will enable socially and economically disadvantaged enterprises to take advantage of business opportunities in programs funded by such agencies; and

(5) enter into such contracts (to such extent or in such amounts as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its functions under this section.

(e) RESPONSIBILITIES OF THE SECRETARY.—The Secretary of State (after consultation with the Director of the United States Information Agency) shall provide the pilot program with such relevant information, including procurement schedules, bids, and specifications with respect to programs funded by the Department of State and the United States Information Agency, as may be requested by the pilot program in connection with the performance of its functions under this section.

(f) DEFINITIONS.—

(1) For the purposes of this section the term "economically and socially disadvantaged enterprise" means a business—

(A) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

(B) whose management and daily business operations are controlled by one or more such individuals.

(2) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

(g) REPORTS TO CONGRESS.—For each of the fiscal years 1990 and 1991, the Secretary of State shall prepare and submit a report concerning the implementation of the pilot program under this section to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

Page 71, after line 4, add the following new section (and amend the table of contents accordingly):

SEC. 606. REPORT ON UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION.

Not later than 30 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit a report on the activities after December 31, 1984, of the United Nations Educational, Scientific, and Cultural Organization.

Page 6, after line 23, insert the following:

(3) Notwithstanding section 727 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204), of the amounts authorized to be appropriated by paragraph (1), $100,000 shall be available only for the United States Commission on Improving the Effectiveness of the United Nations.

Page 71, after line 4, insert the following new section (and amend the table of contents accordingly):

SEC. 606. UNITED STATES COMMISSION ON IMPROVING THE EFFECTIVENESS OF THE UNITED NATIONS.

Section 727 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended in subsection (b) by inserting before the period at the end of such subsection "; whichever is greater".

Page 22, after line 3, add the following new section (and amend the table of contents accordingly):

SEC. 144. REPORT CONCERNING COMPENSATION AND DIPLOMATIC IMMUNITY.

(a) REPORT TO CONGRESS.—The Secretary of State shall prepare and submit a report to the Congress which considers the need and feasibility of establishing a program which makes compensation awards to citizens and permanent residents of the United States for physical injury or financial loss which is the result of criminal activity reasonably believed to have been committed by individuals with immunity from criminal jurisdiction as a result of international obligations of the United States arising from multilateral agreements, bilateral agreements, or international law.

(b) CONTENTS OF REPORT.—Together with such other information as the Secretary considers appropriate, the report shall include—

(1) a plan and feasibility analysis for the establishment of such a program, including—

(A) specific recommendations for funding, administration, and procedures and standards for compensation and payment of awards; and

(B) particular consideration of the feasibility of an appeals mechanism;

(2) an assessment of the feasibility of establishing a fund, the availability of existing accounts, or other sources of funding for the program; and

(3) consideration of other possible mechanisms for compensation or reimbursement, including direct compensation by the individual with immunity from criminal jurisdiction or by the sending country of that individual.

(c) SUBMISSION OF REPORT.—Not more than 180 days after the date of the enactment of this Act, the Secretary of State shall submit the report to the appropriate committees of the Congress.

Page 22, after line 3, add the following new section (and amend the table of contents accordingly):

SEC. 144. INCREASED PARTICIPATION OF UNITED STATES CONTRACTORS IN LOCAL GUARD CONTRACTS ABROAD UNDER THE DIPLOMATIC SECURITY PROGRAM.

(a) FINDINGS.—The Congress makes the following findings:

(1) State Department policy concerning the advertising of security contracts at foreign service buildings has been inconsistent over the years. In many cases, diplomatic and consular posts abroad have been given the responsibility to determine the manner in which the private sector was notified concerning an invitation for bids or request for proposals with respect to a local guard contract. Some United States foreign missions have only chosen to advertise locally the availability of a local security guard contract abroad.

(2) As a result, many United States security firms that provide local guard services abroad have been unaware that local guard contracts were available for bidding abroad and such firms have been disadvantaged as a result.

(3) Undoubtedly, United States security firms would be interested in bidding on more local guard contracts abroad if such firms knew of the opportunity to bid on such contracts.

(b) OBJECTIVE.—It is the objective of this section to improve the efficiency of the local guard programs abroad administered by the Bureau of Diplomatic Security and to ensure maximum competition for local guard contracts abroad concerning foreign service buildings.

(c) PARTICIPATION OF UNITED STATES CONTRACTORS IN LOCAL GUARD CONTRACTS ABROAD.—With respect to local guard contracts for a foreign service building which exceed $250,000 and are entered into after September 30, 1989, the Secretary of State shall—

(1) establish procedures to ensure that all solicitations for such contracts are adequately advertised in the Commerce and Business Daily;

(2) establish procedures to ensure that appropriate measures are taken by diplomatic and consular post management to assure that United States persons and qualified United States joint venture persons are not disadvantaged during the solicitation and bid evaluation process due to their distance from the post; and

(3) give preference to United States persons and qualified United States joint venture persons where such persons are price competitive to the non-United States persons bidding on the contract, are properly licensed by the host government, and are otherwise qualified to carry out all the terms of the contract.

(d) DEFINITIONS.—For the purposes of this section—

(1) the term "United States person" means a person which—

(A) is incorporated or legally organized under the laws of the United States, including the laws of any State, locality, or the District of Columbia;

(B) has its principal place of business in the United States;

(C) has been incorporated or legally organized in the United States for more than 2 years before the issuance date of the invitation for bids or request for proposals with respect to the contract under subsection (c);

(D) has performed within the United States and overseas security services similar in complexity to the contract being bid;

(E) with respect to the contract under subsection (c), has achieved a total business volume equal to or greater than the value of the project being bid in 3 years of the 5 year period before the date specified in subparagraph (C);

(F)(i) employs United States citizens in at least 80 percent of its principal management positions in the United States; and

(ii) employs United States citizens in more than half of its permanent, full time positions in the United States; and

(G) has the existing technical and financial resources in the United States to perform the contract;

(2) the term "qualified United States joint venture person" means a joint venture in which a United States person or persons owns at least 51 percent of the assets of the joint venture; and

(3) the term "foreign service building" means any building or grounds of the United States which is in a foreign country and is under the jurisdiction and control of the Secretary of State including residences of United States personnel assigned overseas under the authority of the Ambassador.

(e) AMERICAN MINORITY CONTRACTORS.—Not less than 10 percent of the amount of funds obligated for local guard contracts for foreign service buildings subject to subsection (c) shall be allocated to the extent practicable for contracts with American minority small business contractors.

(f) AMERICAN SMALL BUSINESS CONTRACTORS.—Not less than 10 percent of the amount of funds obligated for local guard contracts for foreign service buildings subject to subsection (c) shall be allocated to the extent practicable for contracts with American small business contractors.

(g) LIMITATION OF SUBCONTRACTING.—With respect to local guard contract subject to subsection (c), a prime contractor may not subcontract more than 50 percent of the total value of its contract for that project.

Page 20, after line 5, add the following new section (and amend the table of contents accordingly):

SEC. 133. MIDDLE EAST REPORTS.

(a) REPORTS CONCERNING COMMITMENTS OF THE PALESTINE LIBERATION ORGANIZATION.—

(1) Not more than 30 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall prepare and submit to the Congress a report concerning the actions and statements of the Palestine Liberation Organization as they relate to the carrying out of the commitments of such organization made in Geneva on December 14, 1988, regarding the renunciation of terrorism and the recognition of Israel's right to exist.

(2) In addition to any reports under paragraph (1), the Secretary of State shall report to the Congress when there are changes in the procedural or substantive status of the dialogue with the Palestine Liberation Organization.

(3) For the purpose of providing information required by paragraph (1), the term "actions and statements by the Palestine Liberation Organization" shall include actions and statements of the chairman, members of the Executive Committee, the constituent groups comprising the Palestine Liberation Organization, and the Palestine National Council.

(b) REPORT CONCERNING THE ARAB STATES AND THE PEACE PROCESS.—Not more than 30 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report concerning the policies of Arab states toward the Middle East peace process, including progress toward—

(1) public recognition of Israel's right to exist in peace and security;

(2) ending the Arab economic boycott of Israel; and

(3) ending efforts to expel Israel from international organizations or denying participation in the activities of such organizations.

Page 71, line 21, insert "in advance" after "provided".

Page 71, after line 4, insert the following new section (and amend the table of contents accordingly):

SEC. 606. SENSE OF CONGRESS CONCERNING AN ENHANCED ROLE FOR THE INTERNATIONAL COURT OF JUSTICE IN RESOLUTION OF INTERNATIONAL DISPUTES.

(a) FINDINGS.—The Congress makes the following findings:

(1) In 1945 the United States supported the establishment of the International Court of Justice (ICJ) to provide for the orderly resolution of disputes among nations under the rule of law.

(2) The United States, pursuant to Article 93 of the Charter of the United Nations, is also a party to the Statute of the International Court of Justice which provides in Article 36(1) that the International Court of Justice will have jurisdiction over "all cases which the parties refer to it and all matters specially provided for in the Charter of the United Nations or in treaties and conventions in force".

(3) In August 1946 the United States, pursuant to Senate advice and consent (61 Stat. 1218), voluntarily accepted the compulsory jurisdiction of the International Court of Justice in other international disputes under Article 36(2) of the Statute of the International Court of Justice, on certain conditions, and maintained such recognition for four decades from 1946 to 1986 when United States acceptance was terminated.

(4) The United States has utilized the International Court of Justice on numerous occasions to resolve disputes with other nations.

(5) In April 1984, the United States notified the Secretary General of the United Nations that the United States was suspending for two years its acceptance of the compulsory jurisdiction of the International

Court of Justice in cases relating to Central America.

(6) In 1985, the United States announced it was terminating, in whole, United States acceptance (effective April 1, 1986) of the compulsory jurisdiction of the International Court of Justice.

(7) The Soviet Union, as a member of the United Nations, is also a party to the Statute of the International Court of Justice and is thus bound by Article 36(1).

(8) The Soviet Union, unlike the United States, has not since the inception of the International Court of Justice voluntarily accepted the compulsory jurisdiction of the ICJ under Article 36(2) or taken any other case voluntarily to the court.

(9) Soviet leader Mikhail Gorbachev, in his address to the United Nations in December of 1988 said: "We believe that the jurisdiction of the International Court of Justice at the Hague as regards the interpretation and implementation of agreements on human rights should be binding on all states.".

(10) The Legal Advisor of the State Department is holding discussions with Soviet officials and representatives of other permanent members of the United Nations Security Council and other states to determine whether and how the International Court of Justice might be used for the peaceful settlement of international disputes through procedures that assure fairness and the protection of legitimate national interests.

(b) SENSE OF CONGRESS.—The Congress commends and strongly supports efforts by the United States to broaden the compulsory jurisdiction and enhance the effectiveness of the International Court of Justice.

Mr. DYMALLY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments en bloc be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DYMALLY. Mr. Chairman, there is nothing secretive about these en bloc amendments. They are part of a series of discussions and compromises with the administration, with committees which had jurisdiction over some of these amendments and have the unanimous approval of the Committee on Foreign Affairs.

Mr. Chairman, we simply asked for a closed rule to expedite the process. Any Member who wishes to amend any one of these en bloc amendments can do so at the end of the debate on this particular piece of legislation.

I ask for the Members' support for these amendments.

Mr. Chairman, I yield back the balance of my time.

□ 1240

Ms. SNOWE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, very briefly, I just want to express my support for this noncontroversial en bloc amendment. This amendment is largely composed of various provisions requested primarily by the administration, but also additional amendments by some of the members of the committee and outside of the committee.

We were not able to include these provisions in the overall legislation originally because they involve shared jurisdictions with other committees, and since this bill was on an expedited consideration track, we had to leave out all of these amendments until we could clear the differences with the other committee. Otherwise, this entire bill would have been delayed by sequential referrals.

This en bloc amendment also includes I think a small number of noncontroversial amendments by other Members. We satisfied three criteria, as the chairman indicated. One is they were accepted by the administration. Second, they were accepted by the Democratic managers of the bill, and third they were accepted by the Republican managers of this legislation.

We were strict in applying the criteria to what would be included in the en bloc amendment. We do so, so we could ensure that the motion is only used for the sake of efficiency in expediting consideration of this legislation. We wanted particularly to avoid the perception that the en bloc amendment contained any provisions that might otherwise have problems here on the floor of the House.

So I would urge adoption of the amendment.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from California [Mr. DYMALLY].

The amendments en bloc were agreed to.

AMENDMENTS OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Chairman, I offer several technical amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. DYMALLY:

Page 25, lines 15 and 16, strike "blacks" and insert "African Americans".

Page 25, lines 9, 19, and 24, strike "black" and insert "African American".

Page 26, line 1, strike "black" and insert "African American".

Page 26, lines 8, 15, 17, and 18, strike "blacks" and insert "African Americans".

Page 28, line 2, strike "blacks" and insert "African Americans".

Page 34, line 2, strike "black" and insert "African American".

Mr. DYMALLY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DYMALLY. Mr. Chairman, these amendments simply change the word "blacks" to "African Americans." It is the new designation now for this ethnic group, and I want to be in sync with the times.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California [Mr. DYMALLY].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KASICH: Page 39, after line 25, insert the following new section (and amend the table of contents accordingly):

SEC. 157. LIMITATION ON HOUSING BENEFITS.

(a) GENERAL.—The Secretary may not provide any housing allowance, differential payment, provision of housing, or other comparable benefit on the basis of the representational status of any employee of the Department of State or member of the Foreign Service serving at any diplomatic or consular post abroad except if such individual is the ambassador or deputy chief of mission or a counsellor at the post, or the senior representative of an agency other than the Department of State.

(b) REPORT AND PLAN.—The Secretary of State shall provide a report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives on the allocation of representational benefits to employees of United States diplomatic and consular posts not later than 180 days after the date of enactment of this Act. The report required by this subsection shall contain a plan which the Secretary intends to implement prior to October 1, 1991 for the limitation of such benefits at United States diplomatic and consular posts overseas.

(c) TERMINATION.—The provisions of this section shall terminate on October 1, 1991.

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KASICH. Mr. Chairman, I want to first of all compliment the chairman of the subcommittee and also the ranking member, because I think we have been able to reach some accommodations here on something I think the entire membership will find particularly interesting.

Whenever a State Department employee goes overseas, they have to decide what kind of a living arrangement they are going to get. They decide this based on the kind of experience they would have right here in the Capital. If they have a couple of young kids, they might get a couple of extra bedrooms. If they are a couple living alone, obviously they would not need to have a 5- or 6-bedroom house

in order to accommodate their living situation.

The General Accounting Office, along with the Inspector General, did some studies into this, and they did an examination of the kinds of living arrangements that actually existed. What happened, Mr. Chairman, is that the Inspector General found that 40 percent of all of the Government leased overseas housing exceeded the standards that have been established.

OK, that is all kind of confusing, I guess. But if Members want to hear it in very simple terms, the General Accounting Office went in and found out, for example, in Brussels that two separate couples with no children were given 6-bedroom homes, and a single employee occupied a house with 7 bedrooms in Brussels.

In Manila, a couple with one child was assigned a 5-bedroom unit. This is particularly interesting, and I am sure that the chairman would find this interesting, a couple was given a 3-bedroom unit because they had a large dog. So because these people had some kind of a big dog, they decided that they needed to have 3 bedrooms. An employee was given larger bedrooms to accommodate adult children when they came to visit.

In Rio de Janeiro the GAO found that the State Department employees were living in large apartments overlooking the beach, while a few blocks inland suitable housing within standards was available for a lot less money.

The simple fact of the matter is that we have a problem with the fact that when our American employees from the State Department are assigned housing, it is done not only on the basis of what their family arrangements are, but if they have what we would call representational duties, meaning that they entertain, they represent the United States by entertaining, we have found that many of these people get these special arrangements designed to properly entertain in their homes, and they get these very nice, very nice housing situations, and we find out, of course, they really do not entertain and they really are not representing the United States in any official capacity.

So what I attempted to do was restrict the ability of State Department employees to get these fancy living arrangements. Let me just tell my colleagues that the USIA has more modest living arrangements. They do not give people an extra bedroom because they have a big dog. They do not operate like that. They do not give one person a 7-bedroom house. They do not operate that way, but the State Department has.

So I wanted to put great restrictions on, and the committee has agreed to say that these housing allowances and these special benefits that go into housing allowances will only go to the Ambassador, the Deputy Chief of Mission, the Ambassador's counselor, and the head of any Federal agency. This provision will apply for the duration of this bill, and then the State Department must come back in 6 months and give us a plan as to how they are going to fit employees in the proper living arrangements.

This is the kind of stuff that drives taxpayers crazy. I mean when my constituents go—first of all, they do not go to Rio—but when they go, they stay at a Holiday Inn, probably in the middle of the jungle. These people are staying in apartments overlooking the beach. I know the gentleman from Florida, Chairman FASCELL, does not have arrangements like that when he travels.

So we need to get this thing cleaned up in an era of big deficits, but even more than that it is the principle of the thing.

So I want to thank the committee for accepting this amendment. I think it is constructive, and I am not attempting to create any morale problems. I am trying to make sure we have some common sense in the way we treat our State Department employees and our taxpayers.

Mr. DYMALLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I simply want to reserve comment on this because I do not know what the State Department's position is. But at the present time we are not opposed to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. KASICH].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. DYMALLY. Mr. Chairman, reserving the right to object, I would simply ask the gentleman from Ohio a question. One amendment deals with the State Department and one with the USIA?

Mr. KASICH. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. DYMALLY. Mr. Chairman, we have no objection, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. KASICH: Page 20, after line 5, insert the following new section (and amend the table of contents accordingly):

SEC. 133. DEBT COLLECTION.

Title I of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669 et seq.) is amended by redesignating section 45 as section 46 and inserting after section 44 the following:

"SEC 42. DEBT COLLECTION.

"(a) CONTRACT AUTHORITY.—(1) Subject to the availability of appropriations, the Secretary of State shall enter into contracts for collection services to recover indebtedness owed by a person, other than a foreign country, to the United States which arises out of activities of the Department of State and is delinquent by more than 90 days.

"(2) Each contract entered into under this section shall provide that the person with whom the Secretary enters into such contract shall submit to the Secretary at least once each 180 days a status report on the success of the person in collecting debts. Section 3718 of title 31, United States Code, shall apply to any such contract to the extent that such section is not inconsistent with this subsection.

"(b) DISCLOSURE OF DELINQUENT DEBT TO CREDIT REPORTING AGENCIES.—The Secretary of State shall, to the extent otherwise allowed by law, disclose to those credit reporting agencies to which the Secretary reports loan activity information concerning any debt of more than $100 owed by a person, other than a foreign country, to the United States which arises out of activities of the Department of State and is delinquent by more than 31 days.".

Page 51, after line 10, insert the following new section (and amend the table of contents accordingly):

SEC. 212. DEBT COLLECTION.

Title VIII of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1472 et seq.) is amended by adding at the end thereof the following:

"SEC. 811. DEBT COLLECTION.

"(a) CONTRACT AUTHORITY.—(1) Subject to the availability of appropriations, the Director of the United States Information Agency shall enter into contracts for collection services to recover indebtedness owed by a person, other than a foreign country, to the United States which arises out of activities of the United States Information Agency and is delinquent by more than 90 days.

"(2) Each contract entered into under this section shall provide that the person with whom the Director enters into such contract shall submit to the Director at least once each 180 days a status report on the success of the person in collecting debts. Section 3718 of title 31, United States Code, shall apply to any such contract to the extent that such section is not inconsistent with this subsection.

"(b) DISCLOSURE OF DELINQUENT DEBT TO CREDIT REPORTING AGENCIES.—The Director of the United States Information agency shall to the extent otherwise allowed by law disclose to those credit reporting agencies to which the Director reports loan activity information concerning any debt of more than $100 owed by a person, other than a foreign country, to the United States which arises out of activities of the United States Information Agency and is delinquent by more than 31 days.".

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KASICH. Mr. Chairman, this is an amendment that has passed this House before. I want to say to the committee that I hope when we get into conference that the committee will really assert itself, not just on this amendment but on the amendment that came before it.

I want to tell the gentleman from California [Mr. DYMALLY], chairman of the subcommittee, that I am going to give him a copy of the examples that I cited so that he can see that we are not trying to do anything in the last amendment that was out of line, just basically to put some common sense in the way these people live overseas.

This amendment is designed to make sure that when people get travel advances, when they travel overseas, when they come home they ought to file statements as to what they spend, and they ought to reimburse the government for what they have left.

Right now there is $12 million outstanding. I think the State Department has done somewhat of a better job since we started banging away on this a couple of years ago, and they are now starting to use to some degree, and we are now going to find out to what degree, collection agencies and credit bureaus so that people are not walking around with the Government's money in their pockets.

□ 1250

And, as I say, this passed the House before, and I hope it will pass again, and I hope, Mr. Chairman, in conference that we can be aggressive in terms of trying to clean this part of the law up.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment and commend the gentleman for his efforts in this area. As the gentleman from Ohio has indicated, this is the same amendment that he offered in 1987, and that amendment was adopted by voice vote in the House.

Certainly the State Department should make every effort to collect unpaid debts from employees. They are limited, of course, because they don't have experience in debt collection. The gentleman makes a good point in suggesting that the State Department could benefit from the expertise of private debt collection organizations, and I would hope that more progress could be made in recouping debts owed to the U.S. Government.

As I understand it, the State Department has only collected $250,000 in fiscal year 1989 out of the $12,000,000 owed to the Department. We need to undertake a more rigorous effort to collect these debts.

Mr. KASICH. I thank the gentlewoman. I want to say to the gentlewoman this delinquent debt problem, it amounts in money owed by individuals and companies to the Federal Government, to the tune of $32 billion. That is a $6 billion increase in about the last 4 years. This is part of a comprehensive effort to attack all of these areas where there is delinquent debt.

The reason why it was not agreed to in the House-Senate conference was because there was a commitment we would have overall hearings on the whole problem of debt collection. Of course we never had the hearings, and we still have a $12 million outstanding bill here due to the people.

So, I hope that we will be aggressive in that conference committee in trying to be sure that this is put into law. I appreciate the comments of the gentlewoman.

Mr. DYMALLY. Mr. Chairman, I move to strike the last word, and I rise to comment on the amendment.

Two years ago the committee accepted this amendment. I understand that in the conference committee there was a jurisdictional problem. So, Mr. KASICH might be well advised to check with the Committee on the Judiciary to be sure that we do not have this problem again. But this committee has no objection to the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio [Mr. KASICH].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: Page 7, line 9, before "There" insert "(1)".

Page 7, after line 16, inserting the following:

(2) None of the funds authorized to be appropriated under paragraph (1), may be obligated or expended for any United States delegation to any meeting of the Conference on Security and Cooperation in Europe (CSCE) or meetings within the framework of the CSCE unless the United States delegation to any such meeting includes individuals representing the Commission on Security and Cooperation in Europe.

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, I will be very brief. This amendment, I believe, has been worked out with members of the minority, and members of the minority in the Senate. It deals with the role of the Helsinki Commission in the future CSCE talks.

It simply asserts that the Helsinki Commission will be part of this process. It states, it strongly reinforces the efforts of Congressman FASCELL, the chairman of the Committee on Foreign Affairs, Chairman HOYER, Mr. "CHRIS" SMITH in the minority, and DON RITTER and myself, Commission members, about the proper role of the Commission in the CSCE.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield.

Mr. RICHARDSON. I yield to the chairman of the subcommittee, the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentleman for yielding.

Mr. Chairman, does the chairman of the international operations committee get to travel, too?

Mr. RICHARDSON. Yes.

Mr. DYMALLY. Mr. Chairman, we have no objection to the amendment. It is an okay amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: Page 39, after line 25, insert the following new section (and amend the table of contents accordingly):

SEC. 157. REPORTS AND STUDIES CONCERNING BROADENING THE CULTURAL AND ETHNIC REPRESENTATION OF THE FOREIGN SERVICE AND THE DEPARTMENT OF STATE.

(a) TASK FORCE AND REPORT ON HISPANIC RECRUITMENT.—The Secretary of State shall appoint a task force comprised of high-ranking officials to conduct a study and make recommendations concerning improvements in the recruitment and promotion of Hispanic Americans at the Department of State and within the Foreign Service. Not later than one year after the date of the enactment of this Act, the task force shall submit a report of the findings of such study to the Secretary of State and the appropriate committees of the Congress.

(b) REPORT TO CONGRESS ON STATUS OF UNDERREPRESENTED GROUPS AT THE DEPARTMENT OF STATE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit a report concerning efforts of the Department of State to improve the percentage of individuals who are at the assistant secretary and head of bureau level at the Department of State from groups which are underrepresented in the Foreign Service in terms of the cultural and ethnic diversity of the Foreign Service.

(c) STUDY OF FOREIGN SERVICE EXAMINATION.—The Secretary of State shall enter into a contract with a private organization for a comprehensive review and evaluation of the foreign service examination. Such review and evaluation shall—

(1) identify any cultural, racial, ethnic, and sexual bias;

(2) evaluate the ability of the examination to measure an individual's aptitude for and potential in the foreign service;

(3) consider the relevance of the foreign service examination to the work of a foreign service officer;

(4) make recommendations for the removal of any element of bias in the examination; and

(5) make recommendations for improvements to achieve an examination free of any bias.

Not more than 18 months after the date of the enactment of this Act, the Secretary of State shall prepare and submit a report to the Congress which contains the findings of such review and evaluation, together with the comments of the Secretary and measures which the Secretary has initiated to respond to any adverse findings of such review. Such report shall take into consideration the current efforts by the Department of State to review its foreign service examination.

(d) FOREIGN SERVICE FELLOWSHIPS.—The Secretary of State is authorized to establish a foreign service fellowship program at the Department of State. The foreign service fellowship program shall provide a fellowship, for not less than 4 months, for academics in the area of international affairs who are members of the faculty of institutions of higher education. Such program shall give priority consideration in the award of fellowships to individuals teaching in programs in international affairs which serve significant numbers of students who are from cultural and ethnic groups which are underrepresented in the Foreign Service.

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, today I offer an amendment to the Foreign Relations Authorization Act which addresses a most serious problem within the State Department and the Foreign Service. In 1980, the Congress passed the Foreign Act. This act mandated that the Secretary of State take actions to assure that the Foreign Service be representative of the American people in its cultural, ethnic, and racial diversity.

Of 276 Deputy Secretaries and Assistant Secretaries, only 10 are black and only 1 is Hispanic. This problem is more serious within the Senior Foreign Service Officers Corporation. Of 720 senior officers, only 4 percent are minorities and only 1 percent are Hispanic.

Since passing of the act some 8 years ago one would hope that the situation would have improved; that the State Department would have taken proper measures. Unfortunately, this is not the case. The situation within the Foreign Service has not improved, in fact it has deteriorated. In the past 5 years the percentage of minorities within the Foreign Service has dropped from 20 to 17 percent. And we have no substantive assurances that efforts are being made to stop this decline.

My amendment has four provisions which I believe will push the Department of State and the Foreign Service in a positive direction:

First, task force on Hispanic recruitment within the Foreign Service and Department of State;

Second, report to Congress on the status of underrepresented groups at the Department of State, assistant Secretary and bureau head level;

Third, mandates a study of the Foreign Service exam, by an independent source, to identify any cultural, racial, ethnic, and sexual bias in the exam.

Fourth, Foreign Service Fellowship Program for faculty of minority institutions.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield.

Mr. RICHARDSON. I yield to the chairman of the subcommittee, the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentleman for yielding.

Mr. Chairman, the Secretary of State in his confirmation testimony before the Senate, in his appearance before the full Committee on Foreign Affairs and its subcommittee, and in private discussions has made strong commitments to increasing the role of minorities in the State Department. His appointment of the United States Ambassador to South Africa, a Foreign Service officer, to me is another signal that he is moving in the right direction. I believe we ought to give the State Department an opportunity.

There is a task force now reviewing some of these measures. The amendment which Mr. RICHARDSON offers is in keeping with that direction. I think they are good amendments and we ought to accept them.

Those which he has withdrawn are issues which we are going to study later on.

Mr. Chairman, I ask support for the amendment of the gentleman from New Mexico [Mr. RICHARDSON].

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, I congratulate the gentleman on his amendment. Mr. Chairman, the minority supports the efforts of the gentleman from New Mexico.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey:

SEC. 133. REPORT CONCERNING GLOBAL WARMING PREVENTION INFORMATION NETWORK.

(a) FINDINGS.—The Congress makes the following findings:

(1) The United States, which chairs the response strategies working group of the Intergovernmental Panel on Climate Change (IPCC), has an interest in preventing global warming.

(2) The Secretary of State urged other nations of the world to reduce the generation of greenhouse gases at the IPCC's first meeting.

(3) Information and technology available in the United States, and internationally, on global warming and related issues could substantially assist in reducing the generation of greenhouse gases in developing countries and help prevent global warming.

(b) REPORT TO CONGRESS.—

(1) Not more than 90 days after the date of the enactment of this Act, the Secretary of State shall, in consultation with other Federal agencies, prepare and submit a report to the Congress on the feasibility of establishing a global warming prevention information network to disseminate prompt, accurate, and comprehensive information concerning matters pertaining to global warming to foreign governments, business organizations, public and private institutions, and citizens of other countries.

(2) Together with such other information as the Secretary of State considers appropriate, such report shall—

(A) include recommendations as to the most appropriate means by which the dissemination of such information may be achieved; and

(B) evaluate, including relevant costs, the availability of information concerning methods and technologies to—

(i) reduce energy consumption through conservation and energy efficiency;

(ii) promote the use of solar and renewable energy sources which reduce the amount of greenhouse gases released into the atmosphere;

(iii) develop safe non-toxic replacements for chlorofluorocarbons and halons.

(iv) promote the conservation of forest resources which help reduce the amount of carbon dioxide in the atmosphere;

(v) assist developing countries in ecological pest management practices and in the proper use of agricultural and industrial chemicals.

(vi) promote recycling and source reduction in order to reduce the volume of waste which must be disposed of, thus decreasing energy use and greenhouse gas emissions;

(vii) coordinates international research efforts to reduce energy consumption and reduce emissions of greenhouse gases; and

(viii) encourage international agreement and cooperation to reduce the generation of greenhouse gases.

Mr. SMITH of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, the problem of global warming cuts across all national borders. The devastating effects which a rise of only a few degrees of temperature could have on the planet, demand that we take steps now to prevent global warming.

Scientists tell us that global warming may occur due to the buildup in our atmosphere of what have become greenhouse gases, specifically, carbon dioxide, methane, chlorofluorocarbons or CFC's, nitrous oxides, ground level ozone, and other trace gases. In response, it is imperative that the United States pass clean air legislation, phase out the use of CFC's, as called for in the Montreal Protocol, and take other actions which will reduce our own emissions of greenhouse gases.

However, unilateral actions taken by the United States cannot solve the problem of global warming. Almost 80 percent of greenhouse gas emissions come from countries other than the United States, including developing countries. EPA estimates that the developing countries share of greenhouse gas emissions could climb as high as 60 percent in about the next 100 years. It is essential that the United States take the lead in encouraging the rest of the world to reduce greenhouse gas emissions.

President Bush has pledged to hold a Global Environmental Conference during his first term toward that goal. Furthermore, the United States currently chairs the response strategies group of the intergovernmental panel on climate change [IPCC], which was created to study the problem of global warming. Our commitment to prevent global warming has been made.

Mr. Chairman, Secretary of State Baker, in his address to the IPCC in late January, said that nations should start to act now rather than waiting until all the uncertainties have been resolved. He told the conference that nations should focus immediately on steps that are known to affect climate change such as reducing CFC gas emissions, increasing energy efficiency and promoting reforestation. In addition, Secretary Baker said that solutions to global warming should be as specific and cost efficient as possible.

The amendment I am offering today calls for the State Department to study the feasibility of establishing a framework for disseminating global warming prevention information which is already available in the United States, but not in other countries around the world. Using the U.S. Information Agency as the vehicle, we could collect information provided by the Department of Energy, the Environmental Protection Agency, the Department of Agriculture, the Forest Service, and any other appropriate department or agency, on reducing emissions of greenhouse gases and then broadcast them to other countries.

The fact is that our Government currently has a wealth of material which could help many countries, including those in the developing world, to reduce their emissions of greenhouse gases without compromising their economic goals. For example, the Department of Energy was able to send me, within only a few hours, numerous publications on methods to reduce energy production through energy conservation or new advances in energy efficiency. By reducing energy consumption, developing countries can decrease their emissions of both carbon dioxide and nitrous oxide, two of the primary greenhouse gases, without sacrificing their productive capacity.

In another area, it was recently reported that Du Pont, the world's largest producer of CRC's, had developed a gas to replace CFC-12, the most common of the chloroflourocarbons. It is imperative that the rest of the world be informed of such developments so that they can pursue strategies to eliminate their CFC usage, as outlined in the Montreal Protocol. Furthermore, through programming on VOA and Worldnet, the United States could promote the goals of the Montreal Protocol by public education.

Mr. Chairman, this amendment seeks to establish a network similar to a provision already contained in H.R. 1487. Section 204 of this bill authorizes USIA to establish and maintain a network for dissemination of information concerning U.S. programs to combat narcotics and other controlled substances. My amendment simply elevates global warming to a priority status for the United States.

This amendment would put the Congress on record in favor of making a global warming prevention a priority. It would emphasize our commitment to disseminating information on simple, practical, and readily available solutions to global warming.

Mr. Chairman, by providing the world with information on how to help prevent global warming, we would be making a major contribution to the world's, and America's, environmental future. In addition, by taking this leadership role, the United States may be seen in a more positive light by the world community, which would further enhance our national objectives.

I would urge all of my colleagues to support this practical step to prevent global warming.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has identified a key need which must be addressed in confronting the dangers that global warming presents to our people and indeed the entire world.

Mr. Chairman, we have reviewed the amendment and I find it acceptable. We have no objection.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman from New Jersey on his amendment, which concerns global warming. I think it is absolutely necessary that we think of creative ideas and approaches to this problem and developing an international strategy for addressing it. There is no question it is going to require multinational effort and the United States should take the lead on this issue.

So, I think the gentleman in requiring the State Department to come back with a report as to how we can establish an information network regarding global warming is certainly a right step forward.

I support the gentleman in his efforts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOLBE: Page 20, after line 5, insert the following new section:

SEC. 133. REPORT CONCERNING MEXICO.

Not more than 90 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit a report to the Congress concerning the relationship between the United States and Mexico. Such report shall—

(1) analyze potential changes in political, cultural, diplomatic economic, and other factors as the United States and Mexico move toward greater economic integration and cooperation;

(2) consider the feasibility and effect of a three-way meeting among Canada, Mexico, and the United States to discuss greater economic integration and cooperation; and

(3) analyze political, cultural, diplomatic, economic, and other factors related to the development of an economically integrated and cooperative border region between Mexico and the United States.

(4) evaluate the adequacy of the resources of the Department of State which currently address relations between the United States and Mexico, including a projection of future needs to handle the increasing work load requirements resulting from the growing flow

of goods, services, and people across the United States-Mexican border.

Mr. KOLBE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. KOLBE. Mr. Chairman, the amendment I offer today is one I offer on behalf of myself and my colleague from California, Congressman JERRY LEWIS. Mr. LEWIS is at the White House attending a leadership luncheon and could not be here to speak on the amendment. But the two of us have collaborated on this, and each of us has a part of it.

□ 1300

This amendment is very simple, Mr. Chairman. It recognizes the importance of Mexico the importance both from a strategic and economic standpoint, an importance I think all Members will agree can only increase over time. This importance is highlighted by the very extraordinary negotiations that are taking place right now on debt reduction between our two countries and which will set the tone for the entire debt problem of the lesser developed countries.

I think our relationship with Mexico takes on new significance Mr. Chairman, as a result of the negotiation and ratification of the United States-Canada Free Trade Agreement. Many people have begun to look at Mexico as the next logical target for negotiations to further liberalize trade on a bilateral basis. Mexico is the third largest trading partner of the United States, something that in all of our talk about Canada and Europe and Japan we sometimes forget.

Now I recognize, Mr. Chairman, that the United States Trade Representative has the primary responsibility for trade negotiations. This amendment simply tries to address the cultural, political, and other issues that have a direct effect on efforts to liberalize trade. This amendment directs the Secretary to analyze and report back to Congress on the political, cultural, diplomatic, economic, and other factors that might hamper negotiations between our two countries.

In addition, it asks the Secretary of State to evaluate and report to Congress on the current resources of the Department of State to support the diplomatic relationship between the United States and Mexico and to make a projection of future needs to handle increasing work which will result from the growing flow of goods, services, and people across the border between our two countries.

I hope that this amendment will be the first step to increase understanding and awareness within Congress of the importance of developing and enhancing the very important trade, political, and cultural relationship we enjoy with Mexico. This is a relationship I might add, that will only grow in importance, particularly as the year 1992 approaches with its changes for Europe. I hope I will have the support of this body for this amendment.

Mr. LEWIS of California. Mr. Chairman, this amendment, on which Mr. KOLBE and I have collaborated, asks for a report from the Secretary of State that focuses on several aspects of the United States' relationship with Mexico.

First, it directs our State Department to analyze the future "political landscape" between Mexico and the United States as our economies grow closer. This includes an analysis of Canadian and Mexican sentiment toward a three-nation meeting to discuss greater economic integration in North America.

Second, it asks the State Department to give Congress an analysis of what an "economically integrated and cooperative border region" between the United States and Mexico would look like.

Third, it asks the State Department to undertake an internal examination to evaluate the resources it now applies to United States-Mexican relations and project what those needs will be in the future.

I agree with my distinguished colleague from Arizona that Mexico's importance in our foreign policy will grow throughout the 1990's and beyond. That is why this amendment is offered, to give Congress another tool for understanding our southern neighbor, so that we will be up to this challenge.

Trade has become an increasingly important part of our relations with Mexico. As an economic concern, it is second only to Mexico's debt situation, which itself is now entering a new phase.

There are many good intentions on both sides of the border concerning free trade, yet we know that good economics do not sell themselves. The experience of almost losing the Canada free trade agreement to nationalist political pressures warns us against complacency in expanding our free trade relations in this hemisphere.

Pushing too hard for a North-American free trade accord may backfire at this time. That is why we need a report from our State Department giving Congress a clear view of the political landscape on this matter. With such information in hand, we can ensure that the small, but key, steps that we take are the right ones for North America's future.

However, trade and economic figures do not tell the whole story. The great importance and sensitivity of United States-Mexican relations demands that we understand more than just numbers. We must also understand the people, politics, and perceptions behind greater economic integration with our neighbors of the South and North.

The amendment also focuses on the border-region economy because this region already acts as a testing zone for the ideas and realities of economic integration between Mexico and the United States. If we can understand what makes the enterprises of the border region succeed, then perhaps we can avoid unnecessary conflicts and hazards in the future.

Our job, and the purpose of this amendment, is to see that the steps we take in our relations with Mexico are informed and intelligent ones. We cannot afford to make foreign policy mistakes in this hemisphere based on political naivete or misconceptions.

Because of the rapidly moving events in Mexican politics and its debt position, the amendment asks for the report in 90 days. Congress needs this analysis quickly.

The report must come from the State Department because they have the expertise to analyze the political, cultural, diplomatic, and economic factors involved in these issues. This is not merely a request for a report on trade relations. The amendment calls for a report on the important issues surrounding North American trade which, after all, matter as much to the people in Mexico and Canada as do the trade numbers.

Mr. DYMALLY. Mr. Chairman, I rise in support of the amendment. We have no objection to the amendment and we support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. KOLBE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. REGULA

Mr. REGULA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REGULA: Page 6, after line 23, insert new paragraph:

(3) The Assistant Secretary for Inter-American Affairs through the Bureau of Inter-American Affairs shall assume direct and complete responsibility for the management of all aspects of United States' relations with, including the management of United States' contributions to, the Organization of American States.

Mr. REGULA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REGULA. Mr. Chairman, my amendment is quite simple. Its goal is to place the full responsibility for the management of U.S. relations with the Organization of American States firmly under the control of the Assistant Secretary of Inter-American Affairs.

As it presently operates, responsibility for the OAS is divided between two bureaus. The Bureau of Inter-American Affairs is supposed to assign policy direction to the U.S. mission to the OAS, while the Office of International Organizations is responsible for handling U.S. contributions as well as the promotion of U.S. citizens for positions within the organization.

The result is a U.S. mission which feels it has neither the full support of the Bureau of Inter-American Affairs nor the Office of International Orga-

nizations. And, this division of responsibilities has severely impacted U.S. nationals employed by the OAS. In the latest round of staff reductions, U.S. employees were disproportionately affected, especially those in policy positions. They never felt that they had adequate support from either the Office of International Organizations or the U.S. mission.

Moreover, due to our neglect or maybe lack of foresight, the OAS is going unused in helping to solve the myriad of problems in the hemisphere. The resulting financial crisis in which the OAS finds itself could possibly cripple it so that it becomes less useful.

I believe this small but significant change brought about by this amendment will improve how we use the OAS and protect U.S. interests there.

In sum, for U.S. policy to be effective at the organization, I believe all functions related to the OAS need to reside in the Bureau having Latin American expertise. There needs to be one person responsible for formulating policy, assigning responsibilities for carrying out that policy, and at the same time having all the tools available to successfully implement that policy.

My amendment would remove the division of responsibility, making one person, one Bureau accountable for our relations with the Organization of American States.

The amendment has the approval of the committee chairman and vice chairman. I urge its passage.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I want to tell the gentleman I certainly support his amendment. It makes an important point in suggesting consolidating the responsibility of the concerns to the Organization of American States, and since we made a substantial contribution of $50 million or more, it is necessary, I think, to provide focus and oversight on our overall direction so we can strengthen our role in the Organization itself.

I want to thank the gentleman for offering this amendment and making this kind of recommendation.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from California.

Mr. DYMALLY. Mr. Chairman, I want to state to the chairman that the majority staff has reviewed this amendment. It is the thrust in the right direction. We support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. REGULA].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

The Clerk will designate title II.

The text of title II is as follows:

TITLE II—UNITED STATES INFORMATION AGENCY

PART A—AUTHORIZATIONS OF APPROPRIATIONS AND AUTHORIZED ACTIVITIES

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—The following amounts are authorized to be appropriated for the United States Information Agency (other than for the Voice of America) to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, and other purposes authorized by law:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $462,510,000 for the fiscal year 1990 and $481,010,000 for the fiscal year 1991.

(2) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—For "Educational and Cultural Exchange Programs", $153,000,000 for the fiscal year 1990 and $159,120,000 for the fiscal year 1991.

(3) TELEVISION AND FILM SERVICE.—For "Television and Film Service", $31,000,000 for the fiscal year 1990 and $32,240,000 for the fiscal year 1991.

(4) NATIONAL ENDOWMENT FOR DEMOCRACY.—For "National Endowment for Democracy" $25,000,000 for the fiscal year 1990 and $25,000,000 for the fiscal year 1991.

(5) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For "Center for Cultural and Technical Interchange between East and West", $20,000,000 for the fiscal year 1990 and $20,800,000 for the fiscal year 1991.

(b) ALLOCATION OF FUNDS.—Of the amounts authorized to be appropriated by paragraph (2) of subsection (a), $150,000 for the fiscal year 1990 and $156,000 for the fiscal year 1991 shall be available only for the training at the University of Maine and in Washington, District of Columbia, of media personnel from developing French-speaking countries. The Voice of America International Broadcast Training Center shall administer such training program. The Bureau of Educational and Cultural Exchanges shall provide to the center such assistance as may be necessary in the facilitation of such program.

SEC. 202. USIA POSTS AND PERSONNEL OVERSEAS.

Section 204 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended to read as follows:

"SEC. 204. USIA POSTS AND PERSONNEL OVERSEAS.

"(a) OPERATION OF POSTS.—Except as provided by this section, no funds authorized to be appropriated by this or any other Act shall be available to pay any expense related to the closing or downgrading through reductions in staff or operations of a United States Information Agency post abroad.

"(b) CONGRESSIONAL NOTIFICATION.—Except as provided in subsections (c) and (d), a United States Information Agency post abroad may be closed or downgraded through reductions in staff or operations only if not less than one year prior to a proposed closing or downgrading, the Director of the United States Information Agency prepares and submits a report of such proposed action, together with any justifications, to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

"(c) EXCEPTIONS.—The provisions of subsection (b), shall not apply with respect to any post closed or downgraded through reductions in staff or operations—

"(1) because of a break or downgrading of diplomatic relations between the United States and the country in which the post is located; or

"(2) because there is a real and present threat to United States diplomatic or consular personnel in the city where the post is located and a travel advisory warning against American travel to that city has been issued by the Department of State.

"(d) SEQUESTRATION.—In the case that a sequestration order is issued pursuant to Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.; Public Law 99-177), the Director of the United States Information Agency may, as part of an agencywide austerity proposal, submit a report proposing a list of United States Information Agency posts abroad to be downgraded or closed in order to comply with the sequestration order, together with a justification for the inclusion of each post on such list. Such report shall be submitted to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.".

SEC. 203. CHANGES IN ADMINISTRATIVE AUTHORITIES.

Section 810 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1475e) is amended to read as follows:

"SEC. 810. USE OF CERTAIN FEES AND PAYMENTS.

"Notwithstanding section 3302 of title 31, United States Code, or any other law or limitation of authority, all payments received by or for the use of the United States Information Agency from or in connection with English-teaching and library services, Agency-produced publications, and motion picture and television programs produced or conducted by or on behalf of the Agency under the authority of this Act or the Mutual Educational and Cultural Exchange Act of 1961 may be credited to the appropriate appropriation of the United States Information Agency to such extent as may be provided in advance in an appropriation Act.".

SEC. 204. USIA NETWORK FOR DISSEMINATION OF INFORMATION CONCERNING UNITED STATES PROGRAMS TO COMBAT NARCOTICS AND OTHER CONTROLLED SUBSTANCES.

The United States Information Agency shall establish and maintain an international narcotics information network. The network shall disseminate prompt, accurate, and comprehensive information to foreign governments concerning programs and activities of the United States Government—

(1) to eliminate the illicit production, trafficking, and abuse of narcotic and psychotropic drugs and other controlled substances within the United States; and

(2) to promote drug prevention and rehabilitation in the United States.

SEC. 205. DISSEMINATION IN THE UNITED STATES OF MATERIAL PREPARED FOR DISSEMINATION ABROAD.

Section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended—

(1) in the second sentence by striking "Any" and inserting "Subject to subsection (b), any";

(2) by inserting "(a)" after "501."; and

(3) by adding after subsection (a) (as designated in paragraph (2)) the following new subsection:

"(b) Motion pictures, films, and other material prepared for dissemination abroad shall be available for use in the United States 12 years after the initial dissemination of such material outside the United States, or in the case of material not disseminated abroad, 12 years after the preparation of such material. The Archivist of the United States shall be the official custodian of material made available under this subsection. The Archivist of the United States shall issue necessary regulations to ensure that persons seeking release in the United States of motion pictures, films and other material made available under this subsection have secured necessary United States rights and licenses. Costs associated with making master copies of any such material shall be paid by the person seeking domestic release of such material. The National Archives and Records Administration may charge fees for copies made under this subsection in accordance with section 2116(c) of title 44, United States Code. Fees collected by the National Archives and Records Administration under this subsection shall be paid into, administered, and expended as part of the National Archives Trust Fund.".

SEC. 206. REPEAL OF LIMITATION ON PASSIVE PROGRAMS FOR WORLDNET.

Section 209 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended by striking subsection (e).

SEC. 207. LIMITATION ON WORLDNET FUNDING.

Of the funds authorized to be appropriated to the United States Information Agency for fiscal year 1990, not more than $12,000,000 may be obligated or expended for Worldnet.

SEC. 208. UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.

(a) UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.—Section 604 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1469) is amended to read as follows:

"SEC. 604. UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.

"(a) ESTABLISHMENT.—There is established an advisory commission to be known as the United States Advisory Commission on Public Diplomacy. The Commission shall consist of seven members appointed by the President, by and with the advice and consent of the Senate. The members of the Commission shall represent the public interest and shall be selected from a cross section of educational, communications, cultural, scientific, technical, public service, labor, and business and professional backgrounds. Not more than four members shall be from any one political party. The term of each member shall be three years, except that of the original seven appointments, two shall be for a term of one year and two shall be for a term of two years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of such term. Upon the expiration of a member's term of office, such member may continue to serve until a successor is appointed and has qualified. The President shall designate a member to chair the Commission.

"(b) STAFF.—The Commission shall have a staff director who shall be appointed by the chairperson of the Commission. Subject to such rules and regulations as may be adopted by the Commission, the chairperson of the Commission may—

"(1) appoint such additional personnel for the staff of the Commission as the chairperson considers necessary; and

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

"(c) DUTIES AND RESPONSIBILITIES.—The Commission shall formulate and recommend to the Director, the Secretary of State, and the President policies and programs to carry out the functions vested in the Director or the Agency, and shall appraise the effectiveness of policies and programs of the Agency. The Commission shall submit to the Congress, the President, the Secretary of State, and the Director annual reports on programs and activities carried out by the Agency, including appraisals, where feasible, as to the effectiveness of the several programs. The Commission shall also include in such reports such recommendations as shall have been made by the Commission to the Director for effectuating the purposes of the Agency, and the action taken to carry out such recommendations. The Commission may also submit such other reports to the Congress as it considers appropriate, and shall make reports to the public in the United States and abroad to develop a better understanding of and support for the programs conducted by the Agency. The Commission's reports to the Congress shall include assessments of the degree to which the scholarly integrity and nonpolitical character of the educational and cultural exchange activities vested in the Director have been maintained, and assessments of the attitudes of foreign scholars and governments regarding such activities.

"(d) LIMITATION ON AUTHORITY.—The Commission shall have no authority with respect to the Board of Foreign Scholarships or the United States National Commission for UNESCO.".

(b) CONTINUED SERVICE OF MEMBERS OF COMMISSION.—Members of the United States Advisory Commission on Public Diplomacy as in existence on the day before the effective date of the amendment made by subsection (a) shall continue to serve for the remainder of the term to which each such member was appointed.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 209. SENSE OF CONGRESS CONCERNING THE HUMPHREY FELLOWSHIP PROGRAM.

It is the sense of the Congress that the United States Information Agency should review the Humphrey Fellowship Program and consider the feasibility of broadening the placement of fellows under such program to the processes of the United States Government in Washington, District of Columbia, the United States Congress, and State and local governmental processes.

SEC. 210. REPORT TO CONGRESS CONCERNING EXPENDITURES FOR WORLDNET.

Not later than 60 days after the date of the enactment of this Act, the United States Information Agency shall prepare and submit to the Congress a report which contains a detailed explanation of prospective expenditures for Worldnet for fiscal year 1990.

SEC. 211. GENERAL ACCOUNTING OFFICE STUDY OF THE NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) STUDY OF NED.—The Comptroller General of the United States shall conduct a study of the operations of the National Endowment for Democracy. Such study shall evaluate—

(1) the programs and operations of the National Endowment for Democracy;

(2) the effectiveness of the National Endowment for Democracy in fulfilling its goals; and

(3) the management structure of the National Endowment for Democracy, including—

(A) an assessment of the present composition of the board of directors; and

(B) the capability and effectiveness of the board in providing objective oversight of the programs and operations of the National Endowment for Democracy.

(b) REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall prepare and submit a report of the findings of such study to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

PART B—TELEVISION BROADCASTING TO CUBA

SEC. 221. SHORT TITLE.

This part may be cited as the "Television Broadcasting to Cuba Act".

SEC. 222. FINDINGS AND PURPOSES.

The Congress finds and declares that—

(1) it is the policy of the United States to support the right of the people of Cuba to seek, receive, and impart information and ideas through any media and regardless of frontiers, in accordance with article 19 of the Universal Declaration of Human Rights;

(2) consonant with this policy, television broadcasting to Cuba may be effective in furthering the open communication of accurate information and ideas to the people of Cuba and, in particular, information about Cuba;

(3) television broadcasting to Cuba, operated in a manner not inconsistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest; and

(4) the Voice of America's Radio Marti program already broadcasts to Cuba information that represents America, not any single segment of American society, and includes a balanced and comprehensive projection of significant American thought and institutions, but there is a need for television broadcasts to Cuba which provide news, commentary, and other information about events in Cuba and elsewhere to promote the cause of freedom in Cuba.

SEC. 223. TELEVISION BROADCASTING TO CUBA.

(a) TELEVISION BROADCASTING TO CUBA.—In order to carry out the purposes set forth in section 222 and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent, the United States Information Agency (hereafter in this part referred to as the "Agency") shall provide for the open communication of information and ideas through the use of television broadcasting to Cuba. Television broadcasting to Cuba shall serve as a consistently reliable and authori-

tative source of accurate, objective, and comprehensive news.

(b) VOICE OF AMERICA STANDARDS.—Television broadcasting to Cuba under this part shall be in accordance with all Voice of America standards to ensure the broadcast of programs which are objective, accurate, balanced, and which present a variety of views.

(c) USIA TELEVISION MARTI.—Any program of United States Government television broadcasts to Cuba authorized by this section shall be designated "USIA Television Marti Program".

(d) SPECTRUM ALLOCATION.—

(1) Subject to paragraph (2), notwithstanding subchapter 2, chapter 5, title 5, United States Code, or any provision of the Communications Act of 1934, the Federal Communications Commission shall have the authority to allocate by order the spectrum it determines to be the most practicable and efficient to further the national interests expressed by this Act, which to the maximum extent possible shall avoid interference with any domestic television broadcasting.

(2) Such spectrum shall be assigned in accordance with section 305 of the Federal Communications Act of 1934.

(e) INTERFERENCE WITH DOMESTIC TELEVISION BROADCASTING.—Broadcasting by the Service shall be conducted in such a manner as to avoid interference, to the maximum extent possible, with any domestic television broadcasting.

(f) USIA AUTHORITY.—The Agency may carry out the purposes of this part by means of grants, leases, or contracts (subject to the availability of appropriations), or such other means as the Agency determines will be most effective.

SEC. 224. TELEVISION MARTI SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE.—The Director of the United States Information Agency shall establish within the Agency a Television Marti Service. The Service shall be responsible for all television broadcasts to Cuba authorized by section 223. The Director of the United States Information Agency shall appoint a head of the Service who shall report directly to the Director. The head of the Service shall employ such staff as the head of the Service may need to carry out the duties of the Service. The Service shall be administered separately from other television functions of the United States Information Agency.

(b) USE OF EXISTING FACILITIES OF THE USIA.—To assure consistency of presentation and efficiency of operations in conducting the activities authorized under this part, the Service shall make maximum feasible utilization of Agency facilities and management support, including Voice of America: Radio Marti program, Voice of America, and the United States Information Agency Television Service.

SEC. 225. AMENDMENTS TO THE RADIO BROADCASTING TO CUBA ACT.

(a) ADVISORY BOARD FOR CUBA BROADCASTING.—Section 5 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465c) is amended—

(1) by amending the heading to read as follows: "ADVISORY BOARD FOR CUBA BROADCASTING";

(2) by amending subsections (a) and (b) to read as follows:

"(a) There is established within the Office of the President the Advisory Board for Cuba Broadcasting (hereafter in this Act referred to as the 'Board'). The Board shall consist of nine members, appointed by the President by and with the advice and consent of the Senate, of whom not more than five shall be members of the same political party. The President shall designate one member of the Board to serve as chairperson.

"(b) The Board shall review the effectiveness of the activities carried out under this Act and the Television Broadcasting to Cuba Act and shall make recommendations to the President and the Director and Associate Director for Broadcasting of the United States Information Agency as it may consider necessary.";

(3) by amending subsection (d) to read as follows:

"(d) The head of the Cuba Service and the head of the Television Marti Service shall serve, ex officio, as members of the Board."; and

(4) in the last sentence of subsection (e) by striking "The ex officio member" and inserting "The ex officio members".

(b) REFERENCES.—A reference in any provision of law to the "Advisory Board for Radio Broadcasting to Cuba" shall be considered to be a reference to the "Advisory Board for Cuba Broadcasting".

(c) CONTINUED SERVICE OF MEMBERS OF BOARD.—Members of the Advisory Board for Radio Broadcasting to Cuba as in existence on the day before the effective date of the amendment made by subsection (a) shall continue to serve for the remainder of the term to which each such member was appointed as members of the Advisory Board for Cuba Broadcasting.

(d) WAIVER.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended in the first sentence by inserting before the comma "and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent".

(e) EFFECTIVE DATE.—The amendments made by subsections (a) and (d) shall take effect on the date of the enactment of this Act.

SEC. 226. ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.

In order to assist the United States Information Agency in carrying out the provisions of this part, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of the Agency.

SEC. 227. FACILITY COMPENSATION.

(a) CLAIMS AGAINST CUBA.—It is the intent of the Congress that the Secretary of State should seek prompt and full settlement of United States claims against the Government of Cuba arising from Cuban interference with television and radio broadcasting in the United States. Pending the settlement of these claims, it is appropriate to provide some interim assistance to the United States broadcasters who are adversely affected by Cuban television and radio interference and who seek to assert their right to measures to counteract the effects of such interference.

(b) PAYMENTS TO UNITED STATES TELEVISION BROADCASTERS.—The Agency may make payments to the United States television and radio broadcasting station licensees upon their application for expenses which they have incurred before, on, or after the date of this Act in mitigating, pursuant to special temporary authority from the Federal Communications Commission, the effects of activities by the Government of Cuba which directly interfere with the transmission or reception of broadcasts by such licensees. Such expenses shall be limited to the costs of equipment replaced (less depreciation) and associated technical and engineering costs.

(c) REGULATIONS.—The Federal Communications Commission shall issue such regulations and establish such procedures for carrying out this section as the Federal Communications Commission finds appropriate. Such regulations shall be issued no later than 180 days after the date of the enactment of this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the United States Information Agency $5,000,000 for use in compensating United States television and radio broadcasting licensees pursuant to this section. Amounts appropriated under this section are authorized to be available until expended.

(e) LIMITATION ON AVAILABILITY OF FUNDS.—Funds appropriated for implementation of this section shall be available for a period of no more than 4 years following the initial broadcast occurring as a result of programs described in this part.

(f) TASK FORCE.—It is the sense of the Congress that the President should establish a task force to analyze the level of interference from the operation of Cuban television and radio stations experienced by broadcasters in the United States and to seek a practical political and technical solution to this problem.

(g) EFFECTIVE DATE.—This section shall take effect on October 1, 1989.

SEC. 228. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts under section 201, there are authorized to be appropriated to the United States Information Agency, $16,000,000 for fiscal year 1990 and $16,000,000 for fiscal year 1991 for television broadcasting to Cuba in accordance with the provisions of this part.

(b) LIMITATION.—

(1) Subject to paragraph (2), no funds authorized to be appropriated under subsection (a) may be obligated or expended unless the President determines and notifies the Congress that the test of television broadcasting to Cuba (as authorized by title V of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989 (Public Law 100-459)) has demonstrated television broadcasting to Cuba to be feasible.

(2) Not less than 30 days before the President makes the determination under paragraph (1), the President shall submit a report to the Congress which includes the findings of the test of television broadcasting to Cuba.

(c) AVAILABILITY.—Amounts appropriated under this section are authorized to be made available until expended.

AMENDMENT OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KANJORSKI: Page 41, [Title II, Part A, Sec. 201(a)(4)], strike lines 2–4, and insert in lieu thereof:

"For 'National Endowment for Democracy' $15,800,000 for the fiscal year 1990 and $15,800,000 for the fiscal year 1991."

Mr. KANJORSKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be con-

sidered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KANJORSKI. Mr. Chairman, my amendment reduces the authorization for the National Endowment for Democracy from the $25 million reported by the committee, to the current level of $15.8 million. This is also the funding level requested by the President.

Earlier this year, I have testified that the National Endowment for Democracy needs greater congressional oversight. In this context, I am pleased that our colleague from California, the chairman of the subcommittee, has already begun reviewing this program. I particularly want to commend the gentleman for including language in this authorization calling for the General Accounting Office to study the operations, efficiency, and management of the endowment.

Nevertheless, I continue to be concerned that the activities of the National Endowment for Democracy have not yet been adequately reviewed to allow us to say with any certainty that the taxpayer's dollar is being spent prudently.

Mr. Speaker, in these days of severe budgetary constraints, we must make some difficult choices. In this instance, I believe it simply makes sense to hold funding levels at the President's request, and at the level previously authorized. The need for a 58-percent increase to this program has not been adequately demonstrated. If anything, it would be my inclination to cut last year's authorization by 58 percent, rather than increase it.

Nevertheless, pending the completion of GAO's study, I am willing to give this program the benefit of the doubt and keep it at last year's level and support the President's funding request. If GAO's study finds that to be a successful program and in need of additional funding, we can address that need next year. Frankly, I doubt that this will be GAO's conclusion.

In the meantime, I urge my colleagues to join with me by supporting this amendment to hold the line on funding for the National Endowment for Democracy.

□ 1310

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I support the gentleman's amendment. This was an effort that I also supported in committee to retain existing levels, although we did agree with the chairman's mark to increase the request for the National Endowment for Democracy to $20 million, up from the administration's request of $15.9 million.

However, the committee then made an additional increase in the National Endowment, which brought the overall authorization level up to $25 million. As much as I support the goals and the objectives of the program, I think given the fact that we have to provide for so many increases across the board in all the foreign affairs agencies, we had to hold to current services levels, and that is why I oppose the overall increase.

So I am going to support the gentleman's amendment because I think that is the only way we can go given all the other increases in this legislation, which represents a 15-percent increase over fiscal year 1989 figures.

In additional to that, I did offer language in the subcommittee requesting a General Accounting Office study on the goals and the programs of the National Endowment and to assess the results and the objectives of the program itself. I think we need to have an overall review and evaluation so that we can decide how much we should provide in this program in the future. Certainly I think that objective evaluation would dictate the future course of the National Endowment for Democracy.

Mr. KANJORSKI. Mr. Chairman, I thank the gentlewoman from Maine [Ms. SNOWE] for her support.

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. KANJORSKI] and in support of the decision to allocate $25 million to the National Endowment for Democracy for fiscal years 1990 and 1991.

Since 1983, the National Endowment for Democracy has diligently worked to strengthen democratic values and institutions throughout the world. Through its support of trade unions, business associations, and political parties, many notable institutions of democratic pluralism have received significant benefits.

Mr. Chairman, despite limited resources, during the last 5 years NED has made a difference in such diverse regions of the world as Afghanistan, where the Cultural Council of the Afghan Resistance has undertaken a massive education and publications program which encourages Afghans to consider specific issues that will affect the political future of their country. In Hungary, NED provides support for democratic institutions through the Institute for Democracy in Eastern Europe. The National Endowment for Democracy has, in fact, done so much good in Argentina, Bolivia, Chile, China, Cuba, Guatamala, and in so many places that all of its good works cannot be enumerated in the brief time allotted to me.

Mr. Chairman, all of us are closely examining appropriate areas where we can make budget cuts in an effort to reduce the Federal deficit. However, the work of the National Endowment for Democracy is far too important to reduce its funding during the next 2 fiscal years in the interests of strengthening democratic values and institutions throughout the world.

Accordingly, Mr. Chairman, I urge my colleagues to defeat the Kanjorski amendment.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield.

Mr. GILMAN. I am pleased to yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I compliment the gentleman from New York [Mr. GILMAN] for his studies, and I think the end result of what the National Endowment for Democracy does is laudable. But I think, No. 1, those services probably could be performed by other entities. But, No. 2, how can we possibly justify the fact that this Congress selects the Republican Party, the Democratic Party, the AFL–CIO and the chamber of commerce to take $25 million of the taxpayers' money and disperse it at their will? How can we justify that?

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, in response to the gentleman's point, which was the thrust of his arguments in favor of his amendment, I must remind the Members of the body that hundreds of millions of dollars every year in U.S. taxpayer money goes in our foreign assistance and development assistance program to private organizations that have contracted with the U.S. Government to perform specific development assistance tasks.

The notion that private organizations or nonpublic organizations are promoting goals that we have decided from a congressional point of view are critical for our country's status is, I think, first of all, clearly within the precedents that have been established for much larger sums of money for many, many years.

Second, the argument, I think, should be turned around. These kinds of programs done by these organizations are programs that can be done in furtherance of democratic institutions and principles which our Government's diplomats are sometimes not able to carry out. They do not have the flexibility, because they are officially representing the U.S. Government, to do the kinds of things these people working on a private basis can do in furtherance of democratic ideals that I am sure we all share.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield further?

Mr. GILMAN. I yield further to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, is the gentleman aware of the fact that we are dealing here with the Republican Party, the Democratic Party, the AFL-CIO, and the U.S. Chamber of Commerce? Does the gentleman mean we are allocating and directing contracts to partisan groups in this country to disburse funds?

Mr. GILMAN. Mr. Chairman, in response to the gentleman, I ask, what better organizations than our trade unions could we want to espouse the free trade and free labor movement in other countries? What better organizations than our two major political parties would we want to espouse democratic principles and the principles of political freedom in other lands?

Mr. KANJORSKI. Mr. Chairman, if the gentleman will yield further, one better reason I can give is that this allocation of money represents about 50 percent of the funding of the committees of this House. I sit on the Banking Committee, and because of the failure to have the funds to adequately investigate and oversight the S&L's over the last 3 years, this means that we are going to spend over $100 billion in losses.

So I say that if we are going to be allocating this type of money—and I think it is for a good cause—why do we not start allocating this money so we can save money for the American taxpayers right here at home? And, No. 2, we should take it out of the hands of political parties. I cannot think of a worse precedent than starting to say that there are special parties in America that have a right to allocate America taxpayers' money.

The CHAIRMAN. The time of the gentleman from New York [Mr. GILMAN] has expired.

(By unanimous consent, Mr. GILMAN was allowed to proceed for 1 additional minute.)

Mr. GILMAN. Mr. Chairman, I urge the gentleman from Pennsylvania [Mr. KANJORSKI] to review the RECORD at the time we initially debated this issue at length in creating the National Endowment for Democracy in 1983. It was pointed out then that this distribution of funding would have a far more beneficial effect than having the State Department, for example, dole it out in various areas; that we were utilizing people who are most knowledgeable in various areas, in labor and in politics, in a people-to-people type of program.

It is for that reason that it was crafted in that manner. The NED Program has been doing an outstanding job in so many nations that I do not think we can question its objectivity and its success. It is for these reasons that I urge my colleagues to support NED.

Mr. BERMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment and in support of the authorization level before us in the bill presented by our chairman, the gentleman from California [Mr. DYMALLY].

There are a number of different reasons, I think, to reject this amendment, and the pity is that we are not able, because of the difficult times we are in fiscally, to do more in this area.

In responding initially to a couple of the points that have been made, these are funds that are appropriated to the U.S. Information Agency and are then dispersed to the National Endowment for Democracy, and then to certain institutes, an institute affiliated with but separate and independent from the Democratic Party, with the same situation with the Republican Party, the Chamber of Commerce, and the AFL-CIO.

We have precedents for this around the world at sums 10 times the sum we are talking about now, in terms of what the West Germans do, what the Japanese do, and what other democratic countries do. The idea is to take the fundamental philosophical, institutional framework that binds us all from left to right, from Democrats to Republicans in this country, and to promote this as a whole in institutions around the world. It is something that has been replicated and exceeded by a number of other democratic countries around the world.

When we look at what has been done with this money, it is a small amount of money compared to the $4.9 billion we are talking about for the entire State Department bill. It is a very small amount of money when we look at what happened in Chile. In October 1988, a plebiscite opened the way for a peaceful transition to democracy.

The National Endowment for Democracy and its core grantees played a critical role in this momentous event. They encouraged voter participation. They had programs for lecture-related activities, of democratic workers' organizations, and promarket business groups. NED played a very valuable role, and we will hear more about that from other speakers, in bringing many Chileans into the democratic process.

As a result of the work of NED and with the assistance of members like my colleague, the gentleman from California [Mr. LAGOMARSINO], the country of Panama will be holding elections. NED is working to make sure the groundwork for those elections will be laid so they will be free and fair elections.

In the Philippines, they are to be commended not only for the role they played in the national election several years ago which resulted in the election of the Aquino government but for the work they are doing now with the challenges that are coming in the Philippines both from the far left and the far right. NED is working closely with trade unionists, business leaders, and other groups.

We are getting a tremendous bang for our buck there. When we first created NED, we appropriated $18 million for the first 6 months on top of the $36 million annual appropriation in the bill. Because of all the different fiscal problems we have had, we have moved these funds back to the level of $15 million. They have not been increased significantly in 4 years. They are way below the original contemplated levels of appropriations.

This increase will not even bring us back to what was intended in 1984. It is a very small amount of money for a very important and a very valuable purpose.

Mr. Chairman, the organization and its grantees are doing some great work around the world, and I think we should support it.

□ 1320

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I say to the gentleman from California [Mr. BERMAN] that from his report card it would seem to me that all the successes in foreign policy in the last several years are attributable to this association. If in fact they are, I suggest we cut the CIA and the other areas of the State Department.

All I am saying is that before we increase 58 percent spending in one little area that is not directly controlled or oversighted by this Government, I think we ought to take the time to have the General Accounting Office come back and give us a detailed study and a report card, and, quite frankly, I will be the first to stand up here and support greater appropriations if that report card says this is a very successful organization, but I, too, have read where some of the funds have gone to, and there are particular organizations, sometimes for putting out pamphlets, sometimes for putting out newspapers. I am not at all sure what effects it is having on the long-term success of the foreign policy of this country or whether we should be investigating in that area to begin with, and particularly with the fiscal constraints that we are asking everybody to pull back in this country today.

Mr. BERMAN. Mr. Chairman, I appreciate the thoughts of the gentleman from Pennsylvania [Mr. KANJORSKI], and I respect him. I fundamentally disagree. I think the record is clear.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. Mr. Chairman, I am happy to yield to the chairman of the committee, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I think that the proponent of this amendment ought to read some of the GAO reports that have already been made. I have nothing against another GAO report, but that is no basis for saying, "You've got to cut the funds on an organization which is doing a good job."

Mr. Chairman, I daresay that this organization, since the date of its institution, has been scrutinized, reported upon, audited externally, internally, and otherwise and reviewed by more committees of the Congress than any organization I know of since the day it was approved by the Congress.

The CHAIRMAN. The time of the gentleman from California [Mr. BERMAN] has expired.

(By unnanimous consent, Mr. BERMAN was allowed to proceed for 3 additional minutes.)

Mr. BERMAN. Mr. Chairman, simply to sum up the arguments, in addition to the fact that this is a program that has been audited over and over again and found to be doing its job and meeting the test of accountability that we should all expect, I simply want to point out that once again money going for these purposes, promoting democratic institutions, building up what I think is the core of democracy, the notion of trade union democracy through programs that the AFL-CIO's international wing has been supporting in a number of the newly developing countries around the world and in a number of the countries where authoritarian or totalitarian regimes now rule and in regimes where our political parties can demonstrate to activists and people who want democracy in those countries the techniques for organization and institution building that are necessary, that we should reject this amendment and support the authorization.

Mr. HYDE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I really hope this amendment does not pass, and I say that with admiration and with respect for the gentleman from Pennsylvania [Mr. KANJORSKI] who offered it. He offered it with intelligence and with some good arguments, but, as I look at the National Endowment for Democracy, I think of our foreign aid budget, which is around $15 billion, and what is that for? Mr. Chairman, it is to win friends and influence people, to support allies around the world, to help lesser developed countries improve their economy. It is to enhance and advance the cause of democracy, and we spend $15 billion for that.

And then I think of the defense budget, around $300 billion, and what is that for? Well, it is for many of the same purposes, to extend democracy, to reassure friends, to have access to markets overseas, to keep the peace.

All of these things that make life worth living around the world, whether it is in lesser-developed countries or in the industrial world, depend on human rights, human dignity and democracy, democracy. Where the democracy exists there is no war, there is peace. There is economic development. There is personal growth.

So, Mr. Chairman, anything that advances the cause of democracy in places that are inhospitable to democracy, in places that are not congenial to democracy, is money well spent. This group, the National Endowment for Democracy, can do things no government agency can do. The Government, the CIA, the State Department, none of these organizations can go into a country such as Chile, and help minority parties and say, "You need access to media, you need to buy time on television, you need to get the support of a newspaper, you need to print some handbills, you need to organize, you need an office."

If democracy is to mean anything, Mr. Chairman, they can do that, and, when you get labor and management together, not arguing over the minimum wage, but supporting an important idea like democracy and speaking with one voice, when you get Republicans and Democrats speaking with one voice in favor of human rights, human dignity, peace, democracy, what a wonderful thing that is.

The NED, the National Endowment for Democracy, can do things no government agency can do. It is people to people. It is private organizations dealing with private organizations. And to those of my colleagues like myself who are terribly worried about the future of Nicaragua, the National Endowment for Democracy can focus on the opportunities to have media access, to have meetings, and print handbills and to have the democratic process mean something more than just words for those who run for public office.

So, Mr. Chairman, I suggest to my colleagues for what they have done, for what they are capable of doing and for the job that has to be done, I plead with them to make this expenditure, which, yes, is an increase, and, yes, we should generally not increase, and, yes, the President wants a flexible freeze, but some expenditures are very useful and indeed exceptional. Some expenditures return far more than they cost, and, if we are going to spend $15 billion on foreign aid, let us spend $25 million on private people working quietly, but effectively, to enhance the environment for democracy around the world.

Mr. Chairman, with due respect I hope the amendment of the gentleman from Pennsylvania [Mr. KANJORSKI] is defeated.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, little did I ever think that I would stand here supporting the President's requested funding level while the gentleman from Illinois [Mr. HYDE]——

Mr. HYDE. Mr. Chairman, the gentleman from Pennsylvania [Mr. KANJORSKI] is setting a precedent.

Mr. KANJORSKI. Mr. Chairman, at least it shows that the foreign policy in this country is bipartisan.

Mr. Chairman, I say to the gentleman from Illinois [Mr. HYDE] that I think he makes a commendable argument in terms of the objectives and accomplishments of this organization. The essence of my question really goes to show how this is conceived and put together, and I just wanted to point out before the vote occurs that we are not asking to do away with the Endowment for Democracy. I am merely asking this Congress to go with the President's request since the President is charged with the foreign policy aspect of this country, and he feels that $15.8 million will be enough to fund this program. I think the Congress, and I would urge my colleagues on the Republican side to support their President.

Mr. HYDE. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. KANJORSKI], and his reasoning is utterly flawless, but logic sometimes is not the best way to truth, and I simply say, regardless of the administration's judgment, the job for the National Endowment for Democracy is enlarging. It is increasing especially facing the future in Nicaragua. These are pitifully few dollars to weigh in on the side of democracy against the billions that the Soviets have poured in to the Sandinistas.

Mr. Chairman, they can do the job, it is essential that it be done, and I appreciate the courtesy of the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not take the entire 5 minutes, but allow me to rise to support the amendment of the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. Chairman, I opposed the National Endowment when it was originally proposed. Oh, I think there are some eloquent reasons that the gentleman from Illinois [Mr. HYDE] uses, the gentleman from Florida [Mr. FASCELL] and others, when they speak of this, and I understand that, and I do not diminish their arguments.

I only say this, Mr. Chairman, that I think this country endows democracy across the world every day through the positive ways that it behaves. The greatest endowment for democracy that we could give the world would be to put our house in order and do the right things as a demonstration; foreign policy that works, a foreign aid program with a human face, and a balanced budget. The gentleman from Pennsylvania [Mr. KANJORSKI] just made a point that I want to underscore.

The fact is, Mr. Chairman, when we deregulated the savings and loan industry, the Office of Management and Budget said "No" to the request for additional auditors, and investigators and examiners to make sure what was happening in that industry made sense. OMB said, "No, we don't have enough money. This isn't just nickels and dimes. This is 10 million more dollars, 10 million more dollars," and OMB is saying, "No, we don't have enough money to do the right thing, for example, in having examiners take a look at what's happening with S&Ls." Do my colleagues know what that costs? A hundred billion dollars is what it costs us.

□ 1330

Think of what that would do to endow democracy around the world.

Let me, while I am on my feet make one more point. I think the money that we are going to spend for Television Marti is foolish. We are talking about $32 million in the next 2 years to start up a new television broadcoast to Cuba which may not be feasible, which is probably illegal, and which may provoke undesirable retaliation.

I do not minimize the situation in Cuba. I do not support the Government of Cuba. I have no truck with Mr. Castro. I am not the least impressed by his policies.

However, the fact is the folks in Cuba do not need a lot of information about what is happening here. Many have tried to come already and many more want to come here. The reality is that you have many Cubans who want to come to America. If we would just open the door, thousands would show up. A good many of them would come to America because they already understand the virtues of democracy. They already understand what democracy provides to our citizens and what it demonstrates to the rest of the citizens around the world.

So I just make the point that another $10 million above the budget request for the Endowment for Democracy does not make much sense, given the kinds of budget problems we have. Another $32 million in 2 years through TV Marti does not make much sense either when we know Castro can jam it for one-half of 1 percent of the cost of the TV Marti.

I intend to support the amendment of the gentleman from Pennsylvania [Mr. KANJORSKI] and hope that we would also rethink what we are going to do on Television Marti.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment is a good amendment and I ask the members to support it. The reason I say that is this: One of the speakers before said that you cannot always find your truth by way of logic. Well, if you don't use logic, then what do you use? Emotion?

This amendment cuts back the authorization for the National Endowment for Democracy to $15.8 million—last year's level and a level supported by the administration.

There are many questionable provisions in this bill. The bill increases funding for foreign affairs at the very time when we are cutting back on many of our domestic programs.

Is it not about time we start taking care of our own people and our problems first for a change?

Let us take a look at this particular provision. If we could be sure this is going to promote democracy all over the world and bring democracy to other nations, then I think we would all support it. But if you read the bill, you will find that on one page the bill increases funding for the National Endowment for Democracy by over $9 million, and 8 pages later the bill instructs the GAO to evaluate the effectiveness of the National Endowment for Democracy and report back to Congress in 1 year.

I mean, this is contradictory. It is nutty. In one area we increase spending, and in another area we are going to have a study to see whether the program is effective.

The bill has many contradictions, but none so clear and evident as in this section.

I would like to see the House follow the amendment of the gentleman from Pennsylvania. This would prevent us from wasting $9 million.

Last year we had an instance on this floor where we voted to spend $8 million for a school in France, while at the same time we were cutting back on spending for our domestic programs. One of the Members said, "It is only a lousy $8 million." Well, what is this supposed to be, only a lousy $9 million? Dollars do add up. Our taxpayers have to pay the money Congress spends—there is a limit to the money we can spend, as unorthodox as that may sound to some Members in the Chamber.

I compliment the gentleman from Pennsylvania for this amendment. We have to start speaking up and begin reading the fine print in legislation before us. It is about time that we read the fine print and not vote for the bill just because of its title, National Endowment for Democracy. It sounds great. Who can argue with that? But read the fine print, my friends, read the fine print.

One last point. Democracy, we say, is the best form of Government, and I believe that. We all do. We encourage democracy, but if democracy is such a great form of Government and everybody understands that, then why do we have to spend millions of dollars all over the world to propagandize people to accept democracy? People can do their own thinking. They do not need us to do their thinking for them.

If freedom comes to Nicaragua, it is not going to be because of the National Endowment for Democracy. Go and talk to people in some of these countries where we have spent NED money. They do not say, "Thanks be to the Lord, the Americans are here to help us on our way back to democracy." They will say, "The opposition and present leaders support democracy. Why do the Americans meddle in our internal affairs?" We don't let the Soviets and other foreigners involve themselves in our elections, come into our country and tell us vote for this man for President or that woman for President?

We would resent it, would we not? Other people do, too.

Such intervention is a waste of money. This is not moving toward democracy. It is interfering in other nations' internal affairs. It is an elitist approach; not in harmony with the American way.

I thank the gentleman for offering the amendment. I think he is doing this country and this body a great service by offering it.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to this amendment.

Let me start off by saying that I have not from the very beginning been a fan and a supporter of the National Endowment for Democracy. I think that in the early days of its existence, the NED was looking for things to do and did some silly things, nor should we confuse this particular authorization with either radio or TV Marti or any of the other so-called fine print items, as my friend, the gentleman from Wisconsin, generally talks about, but then does not specify.

I think that the NED can and should be judged on its own merits.

Now, I happen to have been, as many Members of this House on both sides of the aisle, very much involved last year in the effort to help the people of Chile restore democracy. The work that was done in Chile is to the credit of the people of Chile, but I must tell you that after more than a decade of oppression and represssion and dictatorial control, those people needed help with averything from reg-

istration so they could participate in an election, to development of media so that in fact they could bring a message to the people, to having observers present at the elections that were held last October.

I should say also that parliamentarians from around the globe participated in trying to bring morale and support to the people of Chile and especially the political parties which were operating on a prayer and a hope at that time, in demonstrating that in fact there were people not only in the United States, but across the world, who wanted to help the people of Chile in bringing democracy back.

My friend, the gentleman from Wisconsin, did not think very much of those efforts. Most of the Members of this body in fact looked with great favor upon the efforts of the National Endowment for Democracy.

Maybe the people of Chile could have done it anyhow, but I think that the efforts of the NED made it so much more likely that in fact democracy could be restored.

Of course, what has happened is because of the lesson of Chile, because of the good work that was done, there are now political parties and groups in opposition to dictatorships around the globe who are looking to the NED for help, and that is why they need this additional funding. I think it is a small amount of money, extremely well spent on the part of those of us who believe that democracy is indeed the best form of government.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I appreciate the gentleman's remarks, but the gentleman struck something there. He talked about how these funds were used for registration in Chile. May I suggest that here in the United States of America we probably have the lowest registration of most of the democratic voting nations of the world, and perhaps it is because we spend money like this and we lose the faith of the American people in our system.

Mr. WEISS. Mr. Chairman, if I can reclaim my time, I do not understand my friend, the gentleman from Pennsylvania, I truly do not. It seems to me that when we have examples right now in Poland of the people of Poland desperately seeking to have a way of returning to democracy in that country and looking for help, when around the globe democracy seems to be winning, for us not to provide the small morsel of support which would make that possible, I do not understand it.

I would like to think that my friend will rethink his position and next year support us in the work of the NED.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman. I rise in strong opposition to the amendment cutting funding for the National Endowment for Democracy. In the short history of NED, it has proven itself to be a strong, forceful advocate for promotion of democratic principles and democratic institutions around the world.

When critics of U.S. policy claim that too much emphasis has been given to military solutions to problems, support for the National Endowment for Democracy is the perfect response. NED offers political and diplomatic alternatives as it works to strengthen the democratic forces of government.

As Chairman of the National Republican Institute for International Affairs, I take great pride in the work of our own organization, which helps to carry out the programs and objectives envisioned by the National Endowment for Democracy.

The basic tenants of the Endowment state that "the existence of autonomous economic, political, social and cultural institutions is the foundation of the democratic process and the best guarantor of individual rights and freedoms." That philosophy guides the work of the Endowment and its core grantees like the Republican and Democratic institutes and the Free Trade Union Institute and the Center for International Private Enterprise.

The National Endowment for Democracy has supported authentic democratic initiatives in the broadest political spectrum, as Carl Gershman, President of NED pointed out in testimony before the House in March of last year, "In authoritarian systems where the goal is transition to democracy; in developing democracies where the goal is reinforcement of democratic structures and values; in closed societies where the goal is opening the system to independent activity; and in conflict—ridden countries where the goal is sustaining the possibility of democracy when violence subsides." In circumstances like all of these, NED and its core grantees work to promote and strengthen democratic values and institutions.

The work of the National Endowment for Democracy reflects the openness of American society and the vitality of democratic government. It represents the hope for the future for its protection of human rights and civil liberties. It is a program, in existence only a few short years, which has demonstrated the value of devoting time and resources to promoting democratic principles throughout the world.

I urge my colleagues to give their strong endorsement to the work of the National Endowment for Democracy and urge defeat of the amendment.

□ 1340

I think the value of NED and its core grantees is that it reflects the openness of American society, and it is from the fact that these are not Government organizations, they are not Government agencies, that their value comes. It is not the CIA; it is not the DEA. It is not even the State Department. It is the individual things holding forth.

As a matter of fact, the Congress specifically gave money to NED aside from this sort of authorization and appropriation last year specifically in the case of Chile and I think that was money well spent. In addition to that, other money was spent in Chile; for example, the National Republican Institute, the NRI, provided funding for carrying out polling data in Chile that was very helpful to the opposition there as well as to all who were following that process.

Mr. Chairman, this program has been in existence only a few short years, but it has demonstrated the value of devoting time and resources to promoting democratic principles throughout the world.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to extend my compliments to the gentleman from Pennsylvania [Mr. KANJORSKI] for bringing this amendment to the floor, and I must say to my chairman, the gentleman from California [Mr. DYMALLY], that while we usually agree on most issues, no two people always agree on every issue.

The laudatory remarks that I made about this bipartisan foreign policy authorization bill has this one caveat in it, and that is the so-called National Endowment for Democracy.

Mr. Chairman, Congress and the President make foreign policy, according to the Constitution, not small private organizations receiving taxpayer money. Yet we have, in the National Endowment for Democracy, a small private organization that has become a pseudo entity of the U.S. Government.

The NED should more appropriately be known as the Taxpayer Funding for Foreign Elections Act. It has meddled in not one, but several foreign elections, and it continues to engage in political advocacy abroad, often embarrassing our Government.

Taxpayer funding of the NED is not a defensible use of limited Federal funds at any time, but particularly not so in the era of Gramm-Rudman, when we are asking all Americans to make sacrifices to help balance the Federal budget.

The NED, of course, maintains that its activities are necessary to promote democratic institutions abroad and that it does not meddle in our deter-

mine policy. But in fact, the Endowment has secretly supported an organization in France, one of the world's oldest democracies, actively opposing there the governing party. President Mitterand was not informed that the U.S. taxpayer money funded his political opposition and the group had publicized ties to an outlawed terrorist organization.

But perhaps the Endowment's most extraordinary activity was funding an organization advocating support of Contra funding in American newspaper advertisements; taxpayer money to advise 535 Members of Congress to support Contra funding opposed by a majority of Americans. The organization, Prodemca, argued that none of the moneys went to the advertisements. But the arguments were unconvincing most people know that funds are fungible.

Prodemca also appears to have drawn the Endowment into one of the most serious public policy scandals in American history: the Iran-Contra affair. Project Democracy, supported and funded by the Endowment, was identified by the Tower Commission as part of the illegal Contra supply efforts, so the Endowment has repeated again its history of improper involvement in foreign policy affairs, of the execution of policy outside the constraints of accountability and of the decisionmaking process determined by the Constitution.

Other Endowment activities have included support for a military-backed candidate in Panama, the ADN Party in Bolivia, the Conservative Party in Colombia.

Join with us now in the vote to eliminate this abuse of the purse.

The so-called National Endowment for Democracy is an embarrassment that has been appended to foreign policy authorizations for many, many years. While the author of this amendment is being urged to reexamine his thinking on this, I would like to urge my dear brother and colleague from New York to reconsider his thinking on this. We are not here, those who criticize the National Endowment for Democracy, to say that it has never done anything right or that it has never done one thing right.

Mr. Chairman, I was, up until a moment ago, willing to concede that they did something right in Chile. But I do not understand why the United States of America has to go to Chile to provide those citizens with polling data so that they may make a sensible choice in their electoral process? I would yield the floor to anyone for an answer to that question.

Imagine the Government of Chile sending authorities to the United States to evaluate why we poll lower and lower in the electoral process. First of all, they would not be able to do it. Second, we would be outraged if they attempted it.

The examination of the National Endowment for Democracy should not turn on whether or not NED has ever done anything good or right or reasonable. I am perfectly willing to concede that. The question is: Why do we need NED? That is the deeper question. I have been frustrated up until now without ever having an independent audit, which is now in the process of being corrected, but the whole operation is absolutely ghastly. The notion of us breaking off our great labor movement, or great pride in the entrepreneurial sector and the two major American political parties to form a small group that is going to help spread democracy is really an embarrassment on its face, is it not, that the apparatus of a $5 billion State Department is not adequate, that the oversight of the U.S. Congress in their foreign affairs committees, both House and Senate, is not sufficient, that the executive branch and all of its activities with the Secretary of State do not work, but yet this little, effective group is groing to take care of it.

I would suggest to the Members that we really ought to consider whether we need NED, but at the very minimum, let me continue my bipartisan ways with the new administration and agree with the President and his administration that at least we ought not put anymore money into this monstrosity.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I am happy to yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Chairman, I appreciate the gentleman's statement, and I think that he is right on point. Let me give the gentleman an example of what I mean.

I have talked to the opposition leaders in Chile, because as the gentleman knows, Chile is used here as a prima facie example of why this is such an important project.

The opposition leaders felt, and still feel, that we were meddling in their elections in Chile. When the democracy comes and these people take over, are they going to have good feelings toward the U.S. Congress? They are already saying it, and one should ask our Ambassador; even our Ambassador today is saying, "I do not think that was really a good idea, because it left a lot of hard feelings."

Mr. Chairman, that is what I am driving at. I think that is what the gentleman is saying, that a lot of hard feelings develop when these democracies do come to power, these people, and they say, "You were intervening in our elections. Are you going to continue to intervene in elections?"

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I am happy to yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I think that our friend, the gentleman from Wisconsin, is confused.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CONYERS] has expired.

(At the request of Mr. WEISS and by unanimous consent, Mr. CONYERS was allowed to proceed for 2 additional minutes.)

Mr. CONYERS. Mr. Speaker, I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I think the reason for the confusion of my friend, the gentleman from Wisconsin, is that he spent so much time talking to the members of the Pinochet government and the general himself, indeed, felt that the United States was into meddling. The opposition leadership of all the political parties begged us to provide help and support to them.

Mr. CONYERS. Mr. Chairman, if I might conclude my contribution to this decision that we have to make, it just seems to me that whether we did good work in Chile, and I am willing to concede that, what about the rest of this sorry mess? We are embarrassed. I am embarrassed. It is indefensible what we are doing.

I know that I would like to have the labor endorsement, like other Members do, and I know I would like to have my political need the party smile on my congresssional activities, like the gentleman does, wants for his own efforts, and I know I would like to have the business community smile upon my endeavors as a supporter of private enterprise. But, we should not put together a can of worms like the endowment pass it off as a noble work.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I am happy to yield to the gentleman from California.

Mr. DYMALLY. Mr. Chairman, would he accept an amendment to eliminate the four entities and just fund NED directly?

Mr. CONYERS. Would the gentleman repeat that question, please? I am not sure I understood it?

Mr. Chairman, I yield back the balance of my time.

□ 1350

Mr. MILLER of Washington. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I appreciate my colleague from Michigan crystalizing this argument. He said he was embarrassed that we have a National Endowment for Democracy. Presumably he is embarrassed that the National Endowment for Democracy is supporting democratic ideas abroad.

I am not embarrassed. I think we should be proud of our democratic ideals, and I think we have to recognize that many people in this world would like to share those democratic ideals.

My colleague from New York and I served on a caucus related to the challenge of bringing democracy to Chile, and he has talked eloquently about that effort. The opposition parties in Chile, many of the citizens of Chile, having been without elections for years and years, were interested in help, some of it very technical help in terms of registration and polling.

I think through the National Endowment for Democracy that we were able to supply that help and it was a plus, it is a big plus.

My colleague from Illinois talked of the $15 billion in foreign aid and the $300 billion roughly defense budget that we spend in order to enhance our own security, in order to protect democracy around the world. Goodness, we are talking here about $25 million that is going to promote ideas. That is what democracy is about, ideas. We talk in this House about the battle of ideas, and it is not unfortunate that we have so much money going for defense, for military aid and economic aid.

Here it is, the battle of ideas, the battle of public opinion, and we are challenged by the committee to spend $25 million, which is not even as much as the authorization back in 1984. It is the least we can do. We are talking about priorities here, spending priorities, and democratic ideas ought to be enough of a priority for this House that we are willing to spend $25 million.

I yield back the balance of my time.

Mr. DYMALLY. Mr. Chairman, I move to strike the requisite number of words.

Very briefly, Mr. Chairman, I think this debate ought to come to an end and we ought to vote on this issue. But I want to reassure the gentleman from Pennsylvania [Mr. KANJORSKI] that his efforts before the subcommittee were not in vain, because internally the National Endowment for Democracy is looking at some changes.

As a result of his appearance, the committee voted unanimously to have a GAO study. After that study has been completed, we intend to hold hearings and look at some of the recommendations of the committee, look at some of the concerns of the gentleman from Pennsylvania [Mr. KANJORSKI] and other Members.

My particular concern had to do with the funding of unaffiliated independent labor unions. I understand, reliably, that they are going to provide some funds so that independent unions can be funded to spread the word across the world.

So we have two issues here. One is the philosophy, those who are opposed to the philosophy of the National Endowment; and the other one is the funding. I have no problems with the funding. I have some problems with the internal operation, and I believe we are moving in the right direction.

Two months ago, I would have stood with the gentleman from Pennsylvania [Mr. KANJORSKI] and supported his amendment. But after listening to the members of the committee and others from the outside, close friends of mine, I am prepared to give the Endowment an opportunity for some internal reform. I would hope that in the future we could just fund the Endowment directly and do away with the four institutes. That might get me rejected from the AFL-CIO and the Democratic Party, but I think the funding may take care of some of the problems that some of us will have with the AFL-CIO, the Chamber of Commerce and others. I have problems with that structure, but in the meantime I do not think we ought to decrease the funding. We ought to press for internal changes.

Therefore, Mr. Chairman, I ask for a no vote on the amendment.

Mr. HENRY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment for a very, very simple reason. I see the problems associated with NED as it may relate to those countries in which we are seeking to foster the development of active and viable democratic traditions and institutions, although, as has been pointed out, that can be a two-edged sword that can come back to haunt us. But as least there it makes sense.

What disturbs me greatly, however, has been the intrusion of the NED in countries with clearly established democratic traditions. Why in the world, for example, were we several years ago involved in terms of putting American taxpayers' money on behalf of the opposition and/or government parties in the French elections?

Let me give another example, an example of what the NED lists as a program success. Surely, appropriately it lists Afghanistan, Argentina, Bolivia, the Caribbean, Chile, Cuba, China, Czechoslovakia, Haiti, and Hungary. On those issues it is understandable what the role of the NED is appropriately. But on the same list, Costa Rica? "Costa Rica, Project Libro Libre, a Costa Rican based movement of democratic intellectuals has produced a new democratic literature for Central America. This represents," and I quote the NED to give you an idea of the mindset of this, "This represents the first coherent attempt to promote democratic ideas in the region."

Whose democratic ideas? Which party? The government, the opposition? Does the Republican Institute fund one side, the Democratic Institute the other? What is going on?

Some of this stuff, quite frankly, Mr. Chairman, is dangerous. For that reason, I support the wisdom of the administration in seeking to get ahold of this and subject this agency to some greater budget discipline and greater accountability to the Congress.

Mr. MILLER of Washington. Mr. Chairman, will the gentleman yield?

Mr. HENRY. I yield to the gentleman from Washington.

Mr. MILLER of Washington. Mr. Chairman, the gentleman cited the example of Costa Rica. The gentleman was not intending to imply that NED was seeking to support movements in Costa Rica aimed at changing the Costa Rican Government? The gentleman knows that that grant was to a group of intellectuals in Costa Rica preparing ideas to spread throughout Central America where there is a tremendous battle of ideas going on today. Does the gentleman accept that?

Mr. HENRY. I have no idea what the money is being used for. I know in France they were involved in the electoral process itself.

These are things that concern me. I find it a little preposterous, quite frankly, for NED to say in its statement, "This represents the first coherent attempt to promote democratic ideas in the region." Democratic ideas in the region have been around there for as long as they have been vibrant in our country. The issue of the development of democratic institutions and traditions that implement them is another, and I just throw this out as an observation, that we walk in very dangerous and muddy waters when we fail to distinguish among other things the development of institutions in these countries which have lacked these traditions as opposed to those that have a history of such traditions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KANJORSKI].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KANJORSKI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 209, noes 216, not voting 7, as follows:

[Roll No. 21]

AYES—209

Andrews	Bates	Boxer
Applegate	Bennett	Brennan
Archer	Bentley	Brooks
Armey	Bevill	Brown (CO)
Baker	Bilbray	Bruce
Barnard	Bilirakis	Bryant
Barton	Bliley	Buechner
Bateman	Boucher	Byron

Callahan	Hopkins	Robinson
Campbell (CA)	Hubbard	Roe
Campbell (CO)	Hughes	Roth
Carper	Inhofe	Roukema
Carr	Jacobs	Rowland (GA)
Chapman	James	Russo
Clay	Johnson (SD)	Saiki
Clement	Jones (GA)	Sarpalius
Clinger	Jones (NC)	Savage
Coble	Jontz	Saxton
Coelho	Kanjorski	Schaefer
Combest	Kaptur	Schneider
Conyers	Kasich	Schroeder
Costello	Kastenmeier	Schuette
Craig	Kleczka	Sensenbrenner
Crane	Kolbe	Sharp
Crockett	Lancaster	Shaw
Dannemeyer	Laughlin	Shays
Davis	Leach (IA)	Shuster
DeLay	Lewis (FL)	Sisisky
Dingell	Lightfoot	Skeen
Donnelly	Livingston	Skelton
Dorgan (ND)	Lloyd	Slaughter (VA)
Dreier	Luken, Thomas	Smith (NE)
Duncan	Machtley	Smith (TX)
Durbin	Marlenee	Smith (VT)
Dwyer	Martin (IL)	Smith, Denny
Dyson	Martin (NY)	(OR)
Early	Matsui	Smith, Robert
Eckart	McCandless	(NH)
Emerson	McCollum	Snowe
English	McCrery	Solomon
Erdreich	McGrath	Spence
Evans	McMillan (NC)	Staggers
Fawell	Meyers	Stallings
Fields	Miller (CA)	Stearns
Fish	Miller (OH)	Stenholm
Flippo	Moody	Stokes
Florio	Moorhead	Stump
Ford (MI)	Murphy	Sundquist
Frank	Myers	Swift
Frenzel	Neal (NC)	Synar
Frost	Nielson	Tallon
Gallo	Nowak	Tanner
Gekas	Obey	Tauke
Gibbons	Olin	Tauzin
Gillmor	Pallone	Thomas (CA)
Gingrich	Panetta	Thomas (GA)
Glickman	Parris	Upton
Gonzalez	Patterson	Vento
Goodling	Payne (VA)	Visclosky
Gradison	Pease	Volkmer
Grandy	Penny	Vucanovich
Grant	Perkins	Walgren
Gunderson	Pickett	Walker
Hall (TX)	Pursell	Walsh
Hammerschmidt	Quillen	Whittaker
Harris	Rahall	Wyden
Hefley	Ray	Wylie
Hefner	Regula	Yates
Henry	Rhodes	Young (FL)
Hiler	Rinaldo	
Holloway	Roberts	

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Ackerman	Coughlin	Gejdenson
Akaka	Courter	Gephardt
Alexander	Cox	Gilman
Anderson	Coyne	Gordon
Annunzio	Darden	Goss
Aspin	de la Garza	Gray
Atkins	DeFazio	Green
AuCoin	Dellums	Guarini
Ballenger	Derrick	Hall (OH)
Bartlett	DeWine	Hamilton
Bellenson	Dickinson	Hancock
Bereuter	Dicks	Hansen
Berman	Dixon	Hastert
Boehlert	Dornan (CA)	Hatcher
Boggs	Douglas	Hawkins
Bonior	Downey	Hayes (IL)
Borski	Dymally	Hayes (LA)
Bosco	Edwards (CA)	Herger
Broomfield	Edwards (OK)	Hertel
Bunning	Engel	Hoagland
Burton	Espy	Hochbrueckner
Bustamante	Fascell	Horton
Cardin	Fazio	Houghton
Chandler	Feighan	Hoyer
Clarke	Flake	Huckaby
Coleman (MO)	Foglietta	Hutto
Coleman (TX)	Foley	Hyde
Collins	Gallegly	Ireland
Conte	Garcia	Jenkins
Cooper	Gaydos	Johnson (CT)
Johnston	Mollohan	Schiff
Kennedy	Montgomery	Schulze
Kennelly	Morella	Schumer
Kildee	Morrison (CT)	Shumway
Kolter	Morrison (WA)	Sikorski
Kostmayer	Mrazek	Skaggs
Kyl	Murtha	Slattery
LaFalce	Nagle	Slaughter (NY)
Lagomarsino	Natcher	Smith (IA)
Lantos	Neal (MA)	Smith (MS)
Leath (TX)	Nelson	Smith (NJ)
Lehman (CA)	Oakar	Smith, Robert
Lehman (FL)	Oberstar	(OR)
Leland	Ortiz	Solarz
Lent	Owens (NY)	Spratt
Levin (MI)	Owens (UT)	Stangeland
Levine (CA)	Oxley	Stark
Lewis (CA)	Packard	Studds
Lewis (GA)	Parker	Torres
Lipinski	Pashayan	Torricelli
Long	Paxon	Towns
Lowery (CA)	Payne (NJ)	Traficant
Lowey (NY)	Pelosi	Traxler
Lukens, Donald	Petri	Udall
Madigan	Pickle	Unsoeld
Manton	Porter	Valentine
Martinez	Poshard	Vander Jagt
Mavroules	Price	Watkins
Mazzoli	Rangel	Waxman
McCloskey	Ravenel	Weber
McCurdy	Richardson	Weiss
McDade	Ridge	Weldon
McDermott	Ritter	Wheat
McEwen	Rogers	Whitten
McHugh	Rohrabacher	Williams
McMillen (MD)	Rose	Wilson
McNulty	Rostenkowski	Wise
Mfume	Rowland (CT)	Wolf
Michel	Roybal	Wolpe
Miller (WA)	Sabo	Yatron
Mineta	Sangmeister	Young (AK)
Moakley	Sawyer	
Molinari	Scheuer	

NOT VOTING—7

Anthony	Hunter	Smith (FL)
Brown (CA)	Markey	
Ford (TN)	Pepper	

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Messrs. MARTINEZ, KOLTER, GUARINI, NELSON of Florida, HALL of Ohio, PAXON, and GRAY changed their vote from "aye" to "no."

Messrs. FLORIO, HEFNER, BRYANT, WALGREN, and ARCHER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any other amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—VOICE OF AMERICA

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

In addition to the amounts authorized to be appropriated under title II, the following amounts are authorized to be appropriated for the Voice of America for carrying out title V of the United States Information and Educational Exchange Act of 1948 and the Radio Broadcasting to Cuba Act:

(1) SALARIES AND EXPENSES.—For "Salaries and Expenses", $170,235,000 for the fiscal year 1990 and $177,044,000 for the fiscal year 1991.

(2) ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES.—For "Acquisition and Construction of Radio Facilities", $65,000,000 for the fiscal year 1990 and $126,000,000 for the fiscal year 1991.

(3) RADIO BROADCASTING TO CUBA.—For "Radio Broadcasting to Cuba", $12,700,000 for the fiscal year 1990 and $13,208,000 for the fiscal year 1991.

SEC. 302. VOICE OF AMERICA EQUIPMENT ABROAD.

It is the sense of the Congress that the United States Information Agency and the Voice of America shall take every step necessary to ensure that existing Voice of America equipment abroad is properly maintained and enhanced to prevent deterioration.

The CHAIRMAN. Are there any amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—BOARD FOR INTERNATIONAL BROADCASTING

SEC. 401. AUTHORIZATIONS OF APPROPRIATIONS.

(a) AMENDMENT TO BOARD FOR INTERNATIONAL BROADCASTING ACT OF 1973.—Subparagraph (A) of section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)(1)) is amended to read as follows:

"(A) $190,330,000 for the fiscal year 1990 and $197,943,000 for the fiscal year 1991; and".

(b) RADIO TRANSMITTER CONSTRUCTION AND MODERNIZATION.—There is authorized to be appropriated to the Board for International Broadcasting for radio transmitter construction and modernization $27,845,000 for the fiscal year 1990. Amounts appropriated under this subsection are authorized to remain available until expended.

(c) BROADCASTING RELAY STATION IN ISRAEL.—

(1) There is authorized to be appropriated to the Board for International Broadcasting for the costs associated with construction of a relay station in Israel, $194,000,000 for the fiscal year 1990 and $13,000,000 for the fiscal year 1991. Amounts appropriated under this subsection are authorized to remain available until expended.

(2) To the extent not precluded by the international agreement with the host foreign country of June 18, 1987, not less than 10 percent of the amounts which are authorized to be appropriated under paragraph (1), and which are available for contracts with United States contractors, shall be made available only for contracts and subcontracts with economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977).

SEC. 402. PROCUREMENT OF LEGAL SERVICES.

Section 26 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698) is amended in subsection (b) by inserting ", the chairman of the Board for International Broadcasting," after "Communication Agency".

SEC. 403. REQUIREMENT FOR AUTHORIZATION OF APPROPRIATIONS.

(a) LIMITATION ON OBLIGATION AND EXPENDITURE OF FUNDS.—Notwithstanding any other provision of law, for fiscal year 1990 and for each subsequent fiscal year, any funds appropriated for the Board for International Broadcasting shall not be available for obligation or expenditure—

(1) unless such funds are appropriated pursuant to an authorization of appropriations; or

(2) in excess of the authorized level of appropriations.

(b) SUBSEQUENT AUTHORIZATION.—The limitation under subsection (a) shall not apply to the extent that an authorization of appro-

priations is enacted after such funds are appropriated.

(c) APPLICATION.—The provisions of this section—

(1) may not be superseded, except by a provision of law which specifically repeals, modifies, or supersedes the provisions of this section; and

(2) shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts which are authorized by law and administered by the Board for International Broadcasting.

The CHAIRMAN. Are there any amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—ASIA FOUNDATION

SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

Section 404 of The Asia Foundation Act (22 U.S.C. 4403) is amended to read as follows:

"SEC. 404. FUNDING.

"(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of State $16,200,000 for the fiscal year 1990 and $16,848,000 for the fiscal year 1991 for grants to The Asia Foundation pursuant to this title.

"(b) ALLOCATION OF FUNDS.—Of amounts authorized to be appropriated under subsection (a), $2,500,000 for the fiscal year 1990 and $2,500,000 for the fiscal year 1991 shall be available only for the expansion of programs and services (including the establishment of a field office) for Oceania comprised of Polynesia, Micronesia, and Melanesia."

The CHAIRMAN. Are there any amendments to title V?

If not, the Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI—INTERNATIONAL ORGANIZATIONS

SEC. 601. REFORM IN BUDGET DECISIONMAKING PROCEDURES OF THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.

(a) FINDINGS.—The United Nations and its specialized agencies have made progress in the formulation and implementation of budget reforms as called for by section 143 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99-93). Presidential determinations that were required by that and other laws confirm the progress that has been made in this respect.

(b) FINANCIAL RESPONSIBILITY IN BUDGET PROCEDURES.—To assure financial responsibility in preparation of the assessed budgets of the United Nations and its specialized agencies, it is the sense of Congress that the President should continue vigorous efforts to ensure continued implementation by the United Nations and its specialized agencies of decisionmaking procedures on budgetary matters which assure that sufficient attention is paid to the views of the United States and other member states who are major financial contributors to such assessed budgets.

(c) LIMITATION ON ASSESSED CONTRIBUTIONS.—

(1) For assessed contributions authorized to be appropriated by this Act, the President is authorized to withhold not more than 20 percent of funds appropriated for the United States assessed contribution to the United Nations or to any of its specialized agencies for any calendar year if the President determines that the United Nations or any such agency—

(A) has not continued implementation of decisionmaking procedures on budgetary matters referred to in subsection (b);

(B) is not making further progress toward the elimination of the abuse of secondment in the United Nations Secretariat which undermines the independence of the international civil service; or

(C) is not implementing the 15 percent reduction in the staff of the United Nations Secretariat (recommendation 15) of the Group of High Level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations (Group of 18) and that such reduction is not being equitably applied among the nationals on such staff.

(2) The President shall notify the Congress when a determination is made to withhold funding from the United Nations or any of its specialized agencies pursuant to paragraph (1). Congressional notification shall include a justification for any such determination.

(d) LIMITATION ON PAYMENT OF ASSESSED CONTRIBUTIONS FOR PRIOR YEARS.—Of amounts authorized to be appropriated by this Act for fiscal years 1990 and 1991, payment may be made to the United Nations or to any of its specialized agencies for assessed contributions for calendar years prior to 1989 only for purposes jointly agreed to by the President and the United Nations or any of its specialized agencies, as may be appropriate.

SEC. 602. UNITED STATES MEMBERSHIP IN INTERNATIONAL SUGAR ORGANIZATION AND INTERNATIONAL TROPICAL TIMBER ORGANIZATION.

(a) UNITED STATES MEMBERSHIP.—The President is authorized to maintain membership of the United States in the International Sugar Organization and the International Tropical Timber Organization.

(b) PAYMENT OF ASSESSED CONTRIBUTIONS.—For fiscal year 1991 and for each fiscal year thereafter, the United States assessed contributions to such organizations may be paid from funds appropriated for "Contributions to International Organizations".

SEC. 603. CONTRIBUTION TO THE REGULAR BUDGET OF THE INTERNATIONAL COMMITTEE OF THE RED CROSS.

Section 742 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended by striking subsection (a).

SEC. 604. INTERNATIONAL BOUNDARY AND WATER COMMISSION.

(a) AUTHORIZED ACTIVITIES.—Section 103 of the American-Mexican Treaty Act of 1950 (22 U.S.C. 277d-3) is amended by inserting "official entertainment and other representation expenses within the United States for the United States section;" after "guard purposes;".

(b) EXPENDITURES FOR BOUNDARY SANITATION PROBLEMS.—Title I of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1957 (22 U.S.C. 277d-12) is amended under the heading "International Boundary and Water Commission, United States and Mexico" in the fourth paragraph by striking all after "flood control" and inserting "or sanitation works threatened or destroyed by flood waters of the Rio Grande, Colorado, and Tijuana Rivers; and for taking emergency actions to protect against health threatening sanitation problems by repairing or replacing existing capital infrastructure along the United States-Mexico Boundary.".

(c) OTHER BOUNDARY WATER AUTHORITIES.—An Act entitled "An Act providing for a study regarding the equitable use of the waters of the Rio Grande below Fort Quitman, Texas, in cooperation with the United States of Mexico" (22 U.S.C. 277-277f) is amended—

(1) in section 2 (22 U.S.C. 277a) by inserting ", drainage of transboundary storm waters, and" after "stabilization and"; and

(2) in section 3 (22 U.S.C. 277b)—

(A) by inserting "(1)" after "authorized";

(B) by striking out "and (b)" and inserting "(2)";

(C) by inserting before the period "; and (3) to carry out preliminary surveys, operations, and maintenance of the interceptor system constructed to intercept sewage flows from Tijuana and from selected canyon areas"; and

(D) by adding after subsection (a) the following new subsections:

"(b) Expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for such project as provided by the Act approved April 25, 1945 (59 Stat. 89).

"(c) The Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Federal Government of such portions of the dam as are allocated to such purposes by the Secretary of State.".

SEC. 605. SENSE OF CONGRESS CONCERNING THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINIAN REFUGEES IN THE NEAR EAST (UNRWA).

(a) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) international burdensharing of the costs of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) is crucial to the survival of such organization;

(2) the Secretary of State should redouble the efforts of the Department of State to promote international burdensharing of the costs of UNRWA's operations; and

(3) regular and substantial contributions by the Arab states to the budget of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East would reflect the commitment of Arab states to a peaceful political settlement in the Middle East.

(b) REPORT TO CONGRESS.—The Secretary of State shall prepare and submit a report on progress being made to promote international burdensharing of the costs of the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: At the end of title VI, add the following new section:

SEC. 602. CONTRIBUTIONS FOR PEACEKEEPING ACTIVITIES IN SOUTHERN AFRICA.

(a) ASSURANCE THAT ALL CUBAN TROOPS WILL BE WITHDRAWN.—The United States may not, after the date of enactment of this section, expend any funds authorized to be appropriated in this Act for a contribution or any other assistance with respect to implementation of the Tripartite Agreement until the President certifies to the Congress that—

(1) the United States has received explicit and reliable assurances from each of the parties to the Bilateral Agreement that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date; and

(2) the Secretary General of the United Nations has assured the United States that it is his understanding that all Cuban troops will be withdrawn from Angola by July 1, 1991, and that no Cuban troops will remain in Angola after that date.

(b) CONTRIBUTIONS CONDITIONAL ON COMPLIANCE.—The United States may not expend any funds authorized to be appropriated in this Act for a contribution or any other assistance with respect to implementation of the Tripartite Agreement—

(1) if the Government of Cuba fails at any time to comply with any of its obligations under Article 1 of the Bilateral Agreement (relating to the calendar for redeployment and withdrawal of Cuban troops), or

(2) if any Cuban troops remain in Angola after July 1, 1991.

(c) REPORTS TO CONGRESS—

(1) COMPLIANCE WITH OBLIGATIONS.—Not more than 15 days after each scheduled phase of the redeployment northward and withdrawl of Cuban troops pursuant to the Bilateral Agreement, the President shall submit to the committees designated in paragraph (2) a report on whether each of the signatories of the Tripartite Agreement is complying with its obligations under that Agreement. And the President shall report to the committees designated in paragraph (2) whenever he has determined that a material breach of the Tripartite Agreement may have been committed by any of the signatories to that Agreement.

(2) RECIPIENT COMMITTEES.—The reports required by paragraph (1) shall be submitted to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(d) DEFINITIONS.—As used in this section—

(1) the term "Bilateral Agreement" means the Agreement Between the Governments of the People's Republic of Angola and the Republic of Cuba for the Termination of the International Mission of the Cuban Military Contingent, signed at the United Nations on December 22, 1988; and

(2) the term "Tripartite Agreement" means the Agreement Among the People's Republic of Angola, the Republic of Cuba, and the Republic of South Africa, signed at the United Nations on December 22, 1988.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, this amendment is aimed at reinforcing compliance with the tripartite agreement on Southern Africa which was signed in December by South Africa, Angola, and Cuba.

The amendment has three components.

First, it specifies that no funds under authority of this act for fiscal year 1989 can be provided in support of the Tripartite Agreement until the President certifies to Congress that our government has received explicit and reliable assurances from the three countries involved, that all Cuban troops will be withdrawn from Angola by July 1, 1991—as required by the agreement.

The President would also have to certify that the Secretary General of the United Nations has the same understanding about the withdrawal of Cuban troops.

It would also require the President to report to Congress at any time he determines that any of the three countries, who have signed the agreement, commit a material breach of it.

Mr. Chairman, we all hope the tripartite agreement succeeds, but we also have our fingers crossed.

This amendment is aimed at reinforcing the administration in its dealings with South Africa, Angola, and Cuba.

Second, this amendment would cut off United States funds under this bill in support of the agreement at any time Cuba violates the agreement.

Third, this amendment has a reporting requirement.

The tripartite agreement has a series of phased withdrawals and redeployments of Cuban troops.

The President will have to report to Congress within 15 days after every such scheduled benchmark about how the three countries are living up to the agreement.

The United States has to hold their feet to the fire to keep this agreement together.

This amendment gives the administration the clout to do that.

Mr. BROOMFIELD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to express my strong support for the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment has the support of both the majority and the minority and I believe the President and the American people will be well served by its inclusion in the bill.

In December 1988, the Reagan administration concluded nearly 8 years of persistent efforts and fostered an historic agreement between Angola, Cuba, and South Africa. Under the terms of two interconnected accords, South Africa will comply with terms of UN Security Council Resolution 435 by withdrawing from Namibia and permitting UN administrators to oversee an election process leasing to Namibian independence. At the same time, Cuban troops have begun a phased redeployment and withdrawal from Angola scheduled to be completed by July 1, 1991.

I support these agreements and I think the Reagan administration should be commended for its diligent and tireless efforts in bringing the parties to the conflicts together to achieve this important diplomatic breakthrough.

Mr. SOLOMON's amendment requires the President to certify that he has received explicit and reliable assurances from Cuba, Angola and the UN Secretary General that all Cuban troops will be withdrawn from Angola by July 1, 1991. This should not be a difficult task, as long as we are all reading the agreements in the same way.

I think this provision protects the President from any misunderstanding that might arise as to the exact meaning of the provisions of the accords. If all the Cuban troops are not withdrawn from Angola by July 1, 1991, no one will be able to claim that the accords were, nevertheless complied with.

In addition, Mr. SOLOMON's amendment conditions U.S. funding of peacekeeping in southern Africa for fiscal year 1990-91 on Cuban compliance with the scheduled redeployment and withdrawal of Cuban troops from Angola.

I support the diplomatic accomplishments of the Reagan administration in southern Africa, but I share Mr. SOLOMON's concern that the United States not be required to fund implementation of these accords if one of their primary purposes—the total withdrawal of Cuban troops from Angola—is not being achieved.

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Mr. MCEWEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment of the gentleman from New York [Mr. SOLOMON]. Very simply there is not a person in this room that would sign a contract, deliver the money first and then hope that the other party delivers on it. I do not care if we are going to carpet a home or build a wing on our house, let alone have our freedom at risk, without making sure that before the money is released that we get what we agreed to in return.

Mr. Chairman, there has been a commitment made by those in SWAPO and those in Angola that they would meet various deadlines. The first of those was later on this month. They have already violated it. SWAPO has already entered into Namibia with their AK-47's and other Soviet equipment that was in violation of the agreement that they signed. There is reason to believe that before the United States commits this money permanently that there should be some guarantee from the other side that they meet the deadlines in the agreement.

Mr. Chairman, I think that the gentleman has made a commonsense approach to what needs to be done in this area, and I hope that the administration will follow through.

As I read the amendment, however, I see nothing to guarantee that the administration will not release these funds immediately and thereby have no leverage left should the Cuban or Angolan forces renege. That does cause me a concern.

Mr. Chairman, I have an amendment that would say that the money would be escrowed until such time as the elections are held or until such time as all the Cuban troops are withdrawn from Angola in accordance with the agreement. If this amendment is not approved, then I think that that would be the appropriate step to make.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I appreciate the opinion of the gentleman from Ohio [Mr. McEWEN]. The gentleman is a distinguished member of the Permanent Select Committee on Intelligence and certainly one of the most informed Members of this House.

Let me just say, Mr. Chairman, that I have the same concern because under my amendment there is nothing technically to stop the President of the United States from issuing a check in full for all of the appropriated money in advance, however, that is not the legislative intent of this amendment.

As a matter of fact, if I might just read a portion of the amendment, it states that within 15 days after every benchmark on the timetable for Cuban troop redeployments and phased withdrawals the President would have to report to Congress on the status of compliance by South Africa, Angola and Cuba with the terms of the tripart agreement.

Now it goes on then to say, "And the President shall also report to Congress if and when he determines that one of the parties to the agreement has committed a material breach of the agreement."

Then United States funds would be cut off at any time in which Cuba violates the tripart agreement.

Mr. McEWEN. Mr. Chairman, reclaiming my time, it is the intention of the gentleman from New York [Mr. SOLOMON] then that the reason for reporting is to condition additional payment of the obligation that the United States has undertaken and that the United States State Department would not circumvent this amendment by making a premature payment, before elections or complete Cuban troop withdrawal.

Mr. SOLOMON. Mr. Chairman, if the gentleman would yield further, that is exactly the intent of the amendment.

Just, for example, again there is a deadline of November 1989 when 50 percent of the Cuban troops are to be out of Angola. Now then April 1990, which is about 5 months later, two-thirds of them must be out. I just read part of the amendment which states that even between these two periods when the President determines that those troops have not been removed on time or have gone back in across that parallel, then he is authorized to stop payment. He knows that is the intent of that amendment.

Mr. McEWEN. Mr. Chairman, I thank the gentleman from New York [Mr. SOLOMON] for his contribution. I believe he has made an excellent addition to the legislation.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from California.

Mr. DYMALLY. Mr. Chairman, the gentleman from New York [Mr. SOLOMON] spent a great deal of time negotiating this amendment with the committee. We are satisfied it moves in the right direction, and we support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SOLARZ

Mr. SOLARZ. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ: Page 71, after line 4, insert the following new section (and amend the table of contents accordingly):

SEC. 606. ANNUAL REPORT TO CONGRESS ON VOTING PRACTICES AT THE UNITED NATIONS.

(a) IN GENERAL.—Not later than March 31 of each year, the Secretary of State shall transmit to the Speaker of the House of Representatives and the President of the Senate a full and complete annual report which assesses for the prior calendar year, with respect to each foreign country member of the United Nations, the voting practices of the governments of such countries at the United Nations, and evaluates General Assembly and Security Council actions and the responsiveness of those governments to United States policy on issues of special importance to the United States.

(b) INFORMATION ON VOTING PRACTICES IN THE UNITED NATIONS.—Such report shall include, with respect to voting practices and plenary actions in the United Nations during the preceding year, information to be compiled and supplied by the Permanent Representative of the United States to the United Nations, consisting of—

(1) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which member countries supported United States policy objectives at the United Nations;

(2) an analysis and discussion, prepared in consultation with the Secretary of State, of actions taken by the United Nations by consensus;

(3) with respect to plenary votes of the United Nations General Assembly—

(A) a listing of all such votes on issues which directly affected important United States interests and on which the United States lobbied extensively and a brief description of the issues involved in each such vote;

(B) a listing of the votes described in subparagraph (A) which provides a comparison of the vote cast by each member country with the vote cast by the United States;

(C) a country-by-country listing of votes described in subparagraph (A); and

(D) a listing of votes described in subparagraph (A) displayed in terms of United Nations regional caucus groups;

(4) a listing of all plenary votes cast by member countries of the United Nations in the General Assembly which provides a comparison of the vote cast by each member country with the vote cast by the United States;

(5) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which other members supported United States policy objectives in the Security Council and a separate listing of all Security Council votes of each member country in comparison with the United States; and

(6) a side-by-side comparison of agreement on important and overall votes for each member country and the United States.

(c) FORMAT.—Information required pursuant to subsection (b)(3) shall also be submitted, together with an explanation of the statistical methodology, in a format identical to that contained in chapter II of the March 14, 1988, Report to Congress on Voting Practices in the United Nations.

(d) STATEMENT BY THE SECRETARY OF STATE.—Each report under subsection (a) shall contain a statement by the Secretary of State discussing the measures which have been taken to inform United States diplomatic missions of United Nations General Assembly and Security Council activities.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—The following provisions of law are repealed:

(1) The second undesignated paragraph of section 101(b)(1) of the Foreign Assistance and Related Programs Appropriations Act, 1984 (Public Law 98-151; 97 Stat. 967).

(2) Section 529 of the Foreign Assistance and Related Programs Appropriations Act, 1986, as enacted by Public Law 99-190 (99 Stat. 1307).

(3) Section 528 of the Foreign Assistance and Related Programs Appropriations Act, 1987, as enacted by Public Law 99-500 (100 Stat. 1783) and Public Law 99-591 (100 Stat. 3341).

(4) Section 528 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as enacted by Public Law 100-202 (101 Stat. 1329).

(5) Section 527 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, as enacted by Public Law 100-461.

Mr. SOLARZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLARZ. Mr. Chairman, a few years ago we adopted legislation requesting an annual report from the administration on voting practices at the United Nations. That annual report resulted in the submission of an analysis which is publicly available which creates the percentage of times

that every country in the United Nations has voted with the United States on the votes on which we cast ballots ourselves. It also has a section which indicates what we consider to be the top 10 votes or the ten most important votes in the United Nations, and it indicates how each country in the United Nations voted on each of those 10 issues, and then finally there is a provision listing the votes in the Security Council and how the members of the Security Council voted on them.

Mr. Chairman, I think this information has been useful, but, like our Ambassador to the United Nations, Mr. Pickering, like the Department of State and like many Members of both Houses, I have felt for some time now that his information does not go far enough and perhaps provides an implicit misleading impression of how other countries voted in the United Nations. Consequently, in an effort to provide the Congress and the people of our country with a more comprehensive, a more detailed, a more informed analysis of how other countries are voting at the United Nations, my amendment would do the following:

First, Mr. Chairman, it would leave intact the current provision requiring a rank ordering of every country in terms of the percentage of times they voted with us on all recorded votes before the United Nations. However, second, it will provide a new report which would require a presentation of literally every vote cast in the United Nations in terms, not only of the number of times other countries voted with us, but how often they abstained, how often they were absent and how often they voted in the negative. It is important to include information on abstentions and absences because often in the peculiar and bizarre world of the United Nations the fact that a country has abstained or is absent may actually be in the interests of the United States. Third, the amendment would also provide that instead of a report listing how other countries voted on the 10 most important issues before the United Nations, it would substitute a report on how other countries voted on all those issues we deemed important enough to lobby on, which would include undoubtedly the 10 votes which are now listed among those which are most important, but probably an additional 20 or 30 votes that we thought were of sufficient significance to induce our mission to the United Nations to lobby on.

Another section of the amendment, Mr. Chairman, would require a report on consensus voting at the United Nations. Many of the issues which come before the world organization are resolved by consensus, and, if we are going to get a complete picture of how other countries are voting at the United Nations, we need to know not only how they voted on recorded votes, but we also need to know the issues on which a consensus was achieved.

□ 1440

Finally, the report would also require somewhat more extended analysis of the votes in the Security Council and the extent to which other countries in the Security Council voted either with us or against us.

I am pleased to say that this amendment has the support of the administration. It enjoys the support of Senator KASTEN in the other body who initiated I believe with my friend on the other side of the aisle, the gentleman from New York [Mr. SOLOMON], the legislation requiring the reports we now have.

I think the adoption of this amendment, in conclusion, would give us the best of all possible worlds, the information we already have plus some additional information which can flesh out the total picture of how other countries vote in the United Nations.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the distinguished chairman of the subcommittee, my dear friend, the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Chairman, this process refines the whole process in the United Nations, and we support the measure.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield with great pleasure to the gentleman from New York [Mr. SOLOMON], my former colleague on the Foreign Affairs Committee who has gone on to other responsibilities on the Rules Committee, but who clearly remains seized of these great international issues.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for his kind comments.

Let me say I sorely miss the Foreign Affairs Committee, but it is nice to be involved again a little bit.

As the sponsor of that legislation which created the reporting requirements in this House a few years ago, I strongly support the gentleman's amendment. The gentleman's amendment goes further and makes clarifications. I think it is an excellent amendment and it will go a long way I think toward giving us the results that we want, and I commend the gentleman and support his amendment.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for his support, and I want the gentleman to know that we miss him almost as much as he misses us.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my very good friend, the gentlewoman from Maine [Ms. SNOWE], the distinguished ranking minority member of the subcommittee.

Ms. SNOWE. Mr. Chairman, I want to thank the gentleman for his comments and for offering this amendment, because I think in fact it will provide more expanded information on more detailed activities of various countries and their voting patterns in the United Nations and how they apply to the United States. So I want to thank the gentleman for making this contribution and for refining the process.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLARZ.]

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. SOLOMON: Page 65, line 6, insert "(1)" after the dash.

Following page 65, line 12, insert "(2) The Congress remains concerned about the need to make further progress to protect the independence of the international civil service working at the United Nations and urges the President to make vigorous efforts to this end.".

Beginning on page 65, line 25, strike "is authorized to withhold not more than" and insert "shall withhold".

Page 66, line 4, strike "if the President determines" and insert "until after such time as the President determines and reports to Congress".

Page 66, line 6, strike "not".

Page 66, line 8, after the semicolon add "and in the case of the United Nations," followed by a comma.

Page 66, line 9, strike "not".

Page 66, line 12, strike "or" and insert "and".

Page 66, line 13, strike "not".

Page 66, line 19, strike "not".

Page 66, line 21, at the end of the line add "every such".

Page 66, line 22, strike,"a" and place a period after "made". Strike everything beginning with "to" and following through Page 67, line 2, and insert "Such notification shall include an appropriate consultation between the President or his designated representative and the Committee on Foreign Affairs in the House of Representatives, the Committee on Foreign Relations in the Senate, and the appropriations subcommittees of jurisdiction in both Houses of Congress.".

Page 67, line 10, following "appropriate.", insert "Prior to making any such payment, the President or his designated representative shall report to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate and the appropriations subcommittees of jurisdiction in each House of Congress concerning the purposes jointly

agreed to by the President and the United Nations.".

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I will be as brief as possible.

Mr. Chairman, the amendment dealing with arrearages makes a noncontroversial addition to the language already in the bill. The bill provides for the Government to begin paying back past U.S. arrearages to the United Nations with the understanding that the President of the United Nations will come to an agreement about where these payments will be applied.

My amendment would simply require the President prior to making any such payments of these arrearages to report to the relevant committees and subcommittees of Congress about the agreement he has reached with the United Nations where our funds are to go. This is a simple reporting requirement on a matter which is very important to the Congress.

Mr. Chairman, I would like to commend my former chairman of the Subcommittee on International Operations and Human Rights, the gentleman from Pennsylvania [Mr. YATRON] for his part in the negotiations on this amendment.

Let me explain the other amendment, Mr. Chairman, which will take just a little more time, because it is of more importance, I think. This amendment would maintain congressional involvement in the ongoing process of reforming the United Nations, which is in bad need of reform. Four years ago Congress enacted what has become popularly known as the Solomon-Kassebaum amendment. That amendment set in motion a historic public debate which has led to reforms in the United Nations. The initial Solomon-Kassebaum amendment focused on the need to reform the budget process in the United Nations. A serious impasse had developed in which countries primarily from the developing world which had an overwhelming voting majority in the U.N. General Assembly were ramming through budget after budget that were opposed by the United States and other countries which provide an overwhelming lion's share of the U.N. money.

In the fall of 1985, our good colleague from the other side of the aisle, the gentleman from Florida, Mr. Mica, and myself, served as delegates to the U.N. General Assembly. We took the message right to New York that Congress was serious about budgetary reforms.

Now, most people up here did not believe us in the beginning, but we persisted and we put the message across. I can report to the House today that a significant reform in the U.N. budget process in which the view of a donor country like the United States is given proper weight. These have been put in place. The consensus-based budget is now a reality in the U.N. General Assembly and many specialized U.N. agencies, especially the World Health Organization, have enacted similar and important reforms.

Mr. Chairman, there were some subsequent revisions and additions to the original Solomon-Kassebaum amendment that raised other important concerns. These concerns include the need to streamline a bloated U.N. Secretariat bureaucracy and the need to curtail the practice which the Soviet Union abuses with the integrity and independence of the International Civil Service by placing their citizens who are employees of the United Nations on short-term contracts; in other words, a short lease from the KGB to tell them, "You do this or else we bring you right back home."

I wish I could report as much progress on these two issues as I can on the budget; but the fact is that we still have a way to go and there has been some progress, but not nearly enough.

Ambassador Pickering was in my office just last week. He acknowledged that we still have quite a way to go, especially on the issue of Soviet seconded employees.

My amendment keeps these concerns on the congressional front burner and it would require the President or his designated representative to consult with this Congress and the relevant committees of Congress whenever our Government is making its full annual assessed payment to the United Nations.

The guts of this amendment says that 20 percent of that payment would be withheld from the United Nations pending this congressional consultation. The executive branch would have to show us whether or not the budget reform process continues to function well and the executive branch would also have to report on progress in reducing the U.N. Secretariat staff and getting seconded under control.

Mr. Chairman, this is not micromanagement. This bolsters the administration in its efforts to apply pressure to the United Nations. The U.N. reform effort was initiated by this Congress. Congressional involvement has been its driving force ever since. We have to keep at it. We have a long way to go. Let us keep the pressure on them and accept these amendments.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the distinguished chairman of the subcommittee.

Mr. DYMALLY. Mr. Chairman, this is a good amendment and we support it.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the distinguished gentlewoman.

Ms. SNOWE. Mr. Chairman, the gentleman from New York has long been a leader in budgeting administrative reforms at the United Nations. Again, I think the gentleman is expanding our efforts by offering these two amendments here today. I think they are both important because they continue to place pressure on the United Nations to follow through on their budget reform in the budgetary process that was adopted last year because of the Solomon-Kassebaum amendment.

Second, I think it is necessary to have reports on how the arrearages are being used. As is stated in the legislation, it will be for mutually agreed upon purposes. I think it is essential to ensure that they go for items and programs that are necessary and important to the advancement of the United Nations and on issues that we agree with.

Mr. SOLOMON. Mr. Chairman, that was the gentlewoman's legislation that she wrote into the bill and I commend her for it, because it goes a long way I think toward getting the real results that we want, which is a better working United Nations.

□ 1450

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York [Mr. SOLOMON].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 67, line 4, strike "Of" and insert "(1) Subject to paragraph (2), of".

Page 67, after line 10, insert the following:

(2)(A) Except as provided in subparagraph (B), none of the funds made available pursuant to paragraph (1) may be obligated or expended during any period for which any individual, who has been expelled from another country for engaging in activities inconsistent with their diplomatic status, is admitted to the United States and accredited to serve as a representative to the United Nations.

(B) The President may waive the provisions of subparagraph (A) if the President determines, and so notifies the Congress, that such a waiver is in the national security interests of the United States.

Mr. SOLOMON (during the reading). Mr. Chairman I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I will be very brief.

This amendment deals with recent reports in the New York and Washington newspapers that call our attention to this headline which says, "Moscow Pushing To Get New KGB Chief Into the United States." Might I say that the Soviet Union has been trying to get one of their top KGB people into a senior post at the Soviet mission here in the United Nations, and, Mr. Chairman, that is wrong.

Mr. Chairman, what this amendment simply says is that the administration, this President, shall have the right to prevent any foreign agent who has been expelled from a foreign country for spying activities from serving here in the United States and the United Nations. It has a proviso that says that the President may waive this provision of subparagraph (A) if the President determines and so notifies the Congress that such a waiver is in the national security interests of the United States.

I think this is a fair amendment. It will send notice to the Soviet KGB that we do not want spies running around this country.

Mr. Chairman, I yield back the balance of my time.

Mr. DYMALLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to title VI?

If not, the Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—INTER-AMERICAN FOUNDATION

SEC. 701. INTER-AMERICAN FOUNDATION.

Section 401 of the Inter-American Foundation Act (22 U.S.C. 290f) is amended in subsection (s)(2) by striking the first sentence and inserting "There are authorized to be appropriated $16,932,000 for the fiscal year 1990 and $20,000,000 for the fiscal year 1990 and $20,000,000 for the fiscal year 1991 to carry out the purposes of this section.".

The CHAIRMAN. Are there amendments to title VII?

If not, the Clerk will designate title VIII.

The text of title VIII is as follows:

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 801. COMPLIANCE WITH CONGRESSIONAL BUDGET ACT.

(a) Limitation on Spending Authority.—Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this Act shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

(b) Limitation on Contract Authority.—Any authority provided by this Act to enter into contracts shall be effective only—

(1) to the extent that the budget authority for the obligation to make outlays, which is created by the contract, has been provided in advance by an appropriation Act; or

(2) to the extent or in such amounts as are provided in advance in appropriation Acts.

The CHAIRMAN. Are there amendments to title VIII?

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 72, after line 6, insert the following new title:

TITLE IX—BUY-AMERICAN REQUIREMENT

(a) DETERMINATION BY SECRETARY OF STATE.—If the Secretary of State, with the concurrence of the United States Trade Representative and the Secretary of Commerce, determines that the public interest so requires, the Secretary of State is authorized to award to a domestic firm a contract that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 50 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent. In determining under this subsection whether the public interest so requires, the Secretary of State shall take into account United States international obligations and trade relations.

(b) LIMITED APPLICATION.—This section shall not apply to the extent to which—

(1) such applicability would not be in the public interest;

(2) compelling national security considerations require otherwise; or

(3) the United States Trade Representative determines that such an award would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(c) REPORT TO CONGRESS.—The Secretary of State shall report to the Congress on contracts covered under this section and entered into with foreign entities in fiscal years 1990 and 1991 and shall report to the Congress on the number of contracts that meet the requirements of subsection (a) but which are determined by the United States Trade Representative to be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States; and

(2) the term "foreign firm" means a business entity not described in paragraph (1).

(e) This section shall apply only to contracts for which—

(1) amounts are made available by this Act; and

(2) solicitations for bids are issued after the date of the enactment of this Act.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I would like to start out by wishing my very best to the new chairman of the subcommittee. He is known for fairness and hard work, and we are very proud to see him in this leadership role.

Mr. Chairman, my amendment is known to many. In the 4 years I have been here, it is called the Buy America amendment, and I would just like to point out a few brief things and explain my amendment.

Several years back, and I am not here to bash the Japanese, but they announced 60 billion dollars in public works projects to expand their seaports and expand their airports, as they said, so they could expand their trade. What they really meant was so they could ship more goods to America.

Mr. Chairman, a good investigative reporter found out, though, that there was a little quirk to that law. There were some fine lines that said that that 60 billion dollars' worth of contracts could only go to Japanese firms, that is right, even America was excluded.

I would like to remind the Members of Congress that 2 years ago the Pentagon gave a $25 million contract to the Japanese for a computer. Two years ago the Pentagon purchased 5,000 Toyota trucks from the Japanese for American Army personnel, and I would like to remind the Members right here that the Japanese get about 3.5 billion dollars' worth of public works projects in America and, in fact, I think they performed the last stage of the D.C. Metro.

Here is what my Buy America amendment says: It says an American firm competing against a foreign firm for a contract covered under this act would be given a 6-percent weighted advantage if the item is literally made and assembled in America by American hands and at least 50 percent of its contents are American. It further states that the Secretary of State will have to give a report back to Congress as to what effect this particular language had on procurement, how many bids were in fact given and let to foreign firms, how many times the GATT agreement obstructed this amendment from its performance.

Finally, for those particular Members who are concerned about the conflicts it would pose with the GATT agreement and other international agreements, it would be waived in such

event, but, again, the Secretary of State would have to give us a detailed report at the end of the year as to that effect and what implications it has on the procurement as it affects the American workers and the taxpayers' dollars.

Mr. Chairman, I yield to the chairman, the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Chairman, I suspect Members on this floor are opposed to this amendment, and I suspect the State Department may be opposed to it.

Mr. Chairman, I have to tell the Members, as an American, my blood boils when I go down to city hall and see Kawasaki motorcycles instead of Harley-Davidsons. I ask the question: Why is it that a State, city, county, or Federal agency cannot buy American products?

During the Easter recess I traveled in the Atlantic to a conference on South Africa with some Members of Congress. The first thing I saw on that island were foreign cars, and I said to my colleague, "Gee, it really bothers me that we have failed to sell our products overseas on the one hand, but yet we buy all foreign products here."

There are some products to which we are captives, such as video sets, but there are others, automobiles, trucks, motorcycles, computers, which we still continue to excel in, that go to foreign firms. I have got to tell the Members that despite what my colleagues may tell them, I believe that Federal agencies, State, county, city agencies ought to show an example where these products are available. In the case of the gentleman from Ohio [Mr. TRAFICANT], these products are available, and we ought to be buying America.

Mr. Chairman, I support this. It is as American as that flag is behind you, Mr. Chairman. This is a very good amendment, and if this amendment passes in conference committee, I want it known as the Traficant amendment.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I am happy to yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I have reviewed the gentleman's amendment, and I certainly plan to support it. I know he has been a strong advocate for Buy America provisions in various pieces of legislation before the House of Representatives.

In the past when we have worked on the State Department authorizations, we, too, have included Buy America provisions. In fact, in this current legislation we have strengthened those provisions to some degree, so I would welcome the gentleman's input in this legislation.

We always should give priority and preference to American firms and give them access to the ability to submit contracts on various programs abroad.

Mr. TRAFICANT. Mr. Chairman, I welcome the support of the gentlewoman from Maine, and I commend her stand that has been on the domestic side for quite some time since I have been in Congress, and I appreciate that. So it is both sides of the aisle that have bought America.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have not ever supported a Buy-America amendment yet, and I do not intend to support this one, but I do want to start by suggesting that the gentleman from Ohio [Mr. TRAFICANT] has learned a great deal in his service in this body, and he has presented us with an amendment which is far more rational in form than many which have been presented on this subject.

I do want to congratulate the distinguished gentleman [Mr. TRAFICANT] for his approach which is, in my judgment, one that is likely to be less disruptive and more helpful in the cause that he is trying to achieve.

If the gentleman would be willing to comment, I would like to yield to him so that he may tell us if this applies only to manufactured products? Is the gentleman talking about goods? We are not here talking about any service contracts? Is that true?

□ 1500

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, it would be any goods or any contract covered under this act and that does apply to the services as well as it is drafted.

Mr. FRENZEL. If I can reclaim my time for a moment, it looks to me like the gentleman is talking about products, talking about 50 percent of the final product after assembly, and I am not sure how we could make that language square.

Mr. TRAFICANT. If the gentleman will yield further, basically it does deal with that, but the language is all encompassing, but would not really affect the service end of it. But it does delineate goods and products, so that is specific. So in that regard I guess the gentleman's interpretation would be correct.

Mr. FRENZEL. I thank the gentleman for that explanation. The reason I inquire is that the gentleman has required extensive reporting, and I think an exemption of the services will make the reporting requirement considerably less onerous on the Secretary of State.

Mr. TRAFICANT. If the gentleman will yield further, I am very encouraged, and I mean this, to have the gentleman from Minnesota standing here, because he has opposed these and he has opposed them with intelligence and with a rational position. I have tried to tailor these amendments so that they would meet not only the scrutiny of the Congress but the scrutiny of the gentleman from Minnesota, because he has been a leader and I think he has been right. I have tried as much as possible to bring this amendment so that it would not only appeal but can be placed into law, and I am going to ask the gentleman for his support and everybody's support when it goes to conference, and I thank him for his support at this point.

Mr. FRENZEL. I am grateful for the gentleman's comments. I would tell him, however, if I would support his amendment, it would likely fail. So he would probably be better off with my opposing it.

Mr. Chairman, if I may continue, I want to speak of some of the good things about this amendment, and they occur on the second page of the amendment, subparagraph (b), the limitation of application to which the author has already referred. This gives the Secretary the right to waive this Buy-America requirement: First, when it is not in the public interest; second, when there are national security implications; and third, which is most important from my standpoint, when it is in violation of the GATT or any other international agreement to which the United States is a party. I think that is what gives the amendment its saving grace, and probably is going to help ensure its survival.

This is still not the kind of amendment that I want to be supporting, but I do want to support the efforts of my colleague who has gone to such great lengths to produce an amendment that would be acceptable. I congratulate him for his good work, and I can only say that it takes a genuine, purist curmudgeon like me to oppose it.

Mrs. BENTLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment offered by the gentleman from Ohio [Mr. TRAFICANT] and I want to commend him for taking this step to put forth a Buy American clause in one of our agencies. I hope this will spread into other agencies as well.

We need in this country to think about spending the U.S. taxpayer dollars in the United States and not buying goods overseas with U.S. taxpayer dollars. This will put Americans to work. And we need to remind our bureaucrats who make these purchases overseas that the workers in the factories are not paying taxes into the U.S. Treasury which allows the State Department employees and others every month to get their pay-

checks because of these moneys that are going into the U.S. Treasury.

So we need this reminder. We need to make every effort we can to accomplish the Buy American provision.

Mr. TRAFICANT. Mr. Chairman, will the gentlewoman yield?

Mrs. BENTLEY. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I want to commend the gentlewoman from Maryland very much. She has been a leader on that side of the aisle, and like the gentlewomen from Maine [Ms. SNOWE], the ranking minority member, I really want to take my hat off to the gentlewoman from Maryland. She has helped us and she has helped to mitigate some of the opposition we have had. We had put it all together and we have a vehicle here that is sort of acceptable. Now we have to work to keep it in conference.

But I want to thank the gentlewoman personally and let everybody in this House know of her leadership in this area as well.

Mrs. BENTLEY. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. The Clerk will designate title IX.

The text of title IX is as follows:

TITLE IX—EFFECTIVE DATE

SEC. 901. EFFECTIVE DATE.

Except as otherwise provided, this Act shall take effect on the date of its enactment and the amendments made by this Act shall take effect October 1, 1989.

The CHAIRMAN. Are there any amendments to title IX?

Are there any further amendments to the bill?

AMENDMENT OFFERED BY MR. ROTH

Mr. ROTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROTH: Page 72, after line 11, add the following new title:

"TITLE X—LIMITATION ON ESTABLISHMENT OF NEW ORGANIZATIONS IN THE DEPARTMENT OF STATE

"SEC. 1001. LIMITATION ON ESTABLISHMENT OF NEW ORGANIZATIONS IN THE DEPARTMENT OF STATE

"Notwithstanding any other provision of this Act, the Secretary of State may not use any funds authorized to be appropriated by this Act to pay compensation for an additional assistant secretary position or to establish a new bureau within the Department of State."

Mr. ROTH. Mr. Chairman, I appreciate the concerns of those who believe that a region as important as South Asia should have its own bureau at the Department of State.

However, I agree with the Secretary of State that the proposal to create a Bureau of South Asian Affairs is ill-advised. I urge the adoption of this amendment to delete the congressionally mandated South Asian Bureau from the State Department authorization bill.

There are several factors that argue against creating a new Bureau of South Asian Affairs.

Certainly cost is one of the important factors or should be an important factor. It is estimated that the creation of a new bureau would cost several million dollars in salaries, furniture, and equipment. There is no such thing as a free bureau. It is going to cost money.

With these funds, we would be creating the smallest regional bureau within the Department, and probably one with far less influence than its sister bureaus in the Department.

There would also be a duplication of effort. The Bureau of Near East and South Asian Affairs will undoubtedly maintain a South Asia expertise to do their job.

The new bureau will increase support staff equipment supplies and require an independent message center to deliver cable traffic and the like. At a time when resources are limited, I do not believe we need this kind of a bureau. In fact, I think it is wasteful.

Mr. Chairman, during the recent Foreign Affairs Committee's hearing with the Secretary of State, Secretary Baker said that the Department is undergoing a reorganization, and urged that such a Bureau of South Asian Affairs not be created.

To repeat, the State Department is conducting an extensive review of its management system and organizational structure. The goal of this process is to consolidate bureaus and eliminate positions. This is not the time to be creating a new bureau. To do so would be tying Secretary Baker's managerial hands in legislative knots.

I believe it is only fair for the Congress to allow the administration to organize the Department as it sees fit, and to allow the administration appropriate time to address the concerns of those who feel that South Asia has not been receiving adequate attention from the Department of State.

In Secretary Baker's letter to the committee of April 11, the administration specifically expressed concern about the creation of this bureau.

Mr. Chairman, because of the factors of cost and the administration's ongoing management review, I hope my colleagues will support this amendment.

True, the Bureau of Near East Affairs covers a big area of the world, with over a billion people. But, NEA has responsibility for 26 countries, fewer than the number covered by the Bureau of Inter-American Affairs, which is 29. The Bureau of European Affairs covers 38, not 26, but 38, and the Bureau of African Affairs covers 47 nations. We do not split up those bureaus of the State Department. Maybe it would make more sense to split up those bureaus, but that is not what the section is designed to do.

I would also point out that our South Asia policy has been reasonably successful, in fact very successful. The Soviets are out of Afghanistan. Pakistan remains a close ally of ours in spite of the fact that Zia was assassinated. Pakistan has achieved greater democracy. United States-Indian relations have improved.

The proof is in the eating. If it ain't broke, as one man once said, don't fix it. I hope that Members of this body will support this amendment.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am pained at having to oppose the amendment of my very good friend, the gentleman from Wisconsin, Mr. ROTH. I am surprised that a true-blue fiscal Republican conservative like my good friend from Wisconsin would choose to offer an amendment which would literally prohibit the Secretary of State of a conservative Republican administration from reorganizing his own department.

□ 1510

Under the language of the Roth amendment, the Secretary of State is literally prohibited from establishing a new bureau if he chooses to do so within his own department. If the Secretary of State should decide that there is a way to save money by eliminating existing bureaus and consolidating them into one new bureau, the Roth amendment would prohibit him from doing so. If the Secretary of State should decide that by establishing a new bureau with very special responsibilities we may be in a better position either to save money or to more effectively advance American interests in a critical area of the world, under the terms of the Roth amendment the Secretary of State would be prohibited from doing so.

I think this amendment represents a vote of no confidence in Secretary of State Baker less than 2 months after he has been sworn in to his new responsibilities. And I think it would be a very serious mistake to adopt legislation which would literally deny the Secretary of State the administrative flexibility he needs to reorganize the department if he comes to the conclusion that by reorganizing the department he can more effectively promote American interests abroad.

May I point out to my very good friend from Wisconsin and to the other Members of the House it has absolutely nothing to do with saving money because if the Secretary should establish a new bureau it would have to be established within the framework of the resources that are author-

ized and appropriated for the Department of State.

They are getting $1.3 billion. If the Secretary of State decides to establish a new bureau without an appropriation for it, he would have to take the money from other bureaus or other programs within the Department. But if he feels that, on a cost-effective basis, the State Department and our country would be better off by using the resources for a new bureau, I think he should have the right to do so.

Now in reality what my good friend from Wisconsin wants to do is not simply to deny all flexibility to the Secretary of State in reorganizing his own Department, which is what the unintended consequence of the amendment would be, but he does want to prevent us from going forward, as we are in this legislation, with the establishment of a new Bureau for South Asian Affairs.

Why has the subcommittee decided to establish a new bureau for South Asia which would have jurisdiction over such countries as Afghanistan, Pakistan, India, Sri Lanka, Bangladesh, Bhutan, Nepal, and the Maldives?

The reason the committee put this new bureau in the bill is that right now South Asia or the subcontinent is within the jurisdiction of the Bureau on Near Eastern Affairs. That Bureau, otherwise known by the acronym of NEA, covers the Middle East, covers the Persian Gulf, covers North Africa, and also, as an afterthought, covers the subcontinent. The fact of the matter is that the Assistant Secretary of State for Near Eastern Affairs devotes, according to the Assistant Secretary himself, over 85 percent of his time to the Arab-Israeli dispute, to the Persian Gulf, and to north Africa, leaving less than 15 percent of his time for an area of the world, South Asia, with over 1 billion people, where we have vitally important interests at stake. The conflict in Afghanistan, the prospect of a nuclear arms race on the subcontinent, the survival of democracy in the most populous democracy in the entire world, to name a few.

Mr. Chairman, I have been chairman of the Subcommittee on Asian and Pacific Affairs for 9 years.

The CHAIRMAN. The time of the gentleman from New York [Mr. SOLARZ] has expired.

Mr. SOLARZ. Mr. Chairman, during that period of time my subcommittee has had innumerable hearings on issues involving Asia, the Philippines, Korea, Japan, Taiwan, and Vietnam. The Assistant Secretary for Asia always shows up to present the administration's case before our subcommittee.

During the last 9 years we have also had innumerable hearings involving South Asia, Afghanistan, Pakistan, India, and Bangladesh. During that period of time there was only one occasion on which the Assistant Secretary of State who has jurisdiction over that part of the world actually deigned to appear before our subcommittee. And that was when the subcommittee was having a hearing to establish a separate South Asian Bureau, thereby depriving his Bureau of its existing jurisdiction which he came to fight for.

The fact of the matter is, my friends, that our interests in South Asia are so great that we simply need to have greater bureaucratic attention being devoted to it than we are at present.

This Bureau which the amendment by Mr. ROTH would attempt to knock out would not require any additional taxpayers' funds. We intend to provide the $2.2 million the State Department says is necessary to fund the Bureau from the Foreign Aid Program, where we will take it from nonessential Asian regional programs.

But even in the event that the foreign aid bill was not enacted, this would still not cost the taxpayers a single cent because if we do establish a South Asian Bureau the State Department would not find it at all difficult with a budget of $1.3 billion to find $2.2 million in savings elsewhere in the Department to fund the Bureau.

Actually the Department says it would cost $2.2 million. I do not buy it, because the people who are now working on India, Pakistan, Bangladesh, and Afghanistan would simply be moved to a new bureau. It would not require hiring extra people or spending more money.

Finally, Mr. Chairman, may I say that this amendment offered by Mr. ROTH is opposed by the Department of State on whose behalf presumably the amendment is offered, because it would deny them all flexibility in reorganizing the Department.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. I thank my friend the gentleman from New York for yielding.

I think it is true as the gentleman points out that the Secretary of State is in favor of this amendment because when he was before our committee he asked that we do not establish this additional department.

Mr. SOLARZ. In order to set the record straight, let me say to my friend and to my colleagues that while the Secretary of State is opposed to the establishment of a South Asian Bureau, the Department of State is opposed to the gentleman's amendment because the gentleman's amendment goes way beyond eliminating the South Asian Bureau. The gentleman's amendment would deprive the Secretary of State of establishing any new bureau, even if, in order to establish a new bureau, he wanted to eliminate three or four existing bureaus. But this effort to establish a South Asian Bureau, I should tell my friends in the House, is endorsed by former Secretaries of State Cy Vance and Ed Muskie.

In the other body it enjoys such disparate ideological and political support as the backing of Senator MOYNIHAN of New York, the former Ambassador to India, Senator HUMPHREY of New Hampshire who has devoted considerable time to the affairs of the subcontinent.

I think the establishment of a South Asian Bureau would be warmly welcomed by both Pakistan and India, which would be delighted with greater high-level attention being paid to their part of the world.

So, for all these reasons, I respectfully urge the defeat of my very good friend's amendment so we can leave the State Department with the flexibility it needs and we can proceed to the establishment of this modest new Bureau.

Mr. DYMALLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, Mr. SOLARZ has made an eloquent case against this amendment. There is no need for me to make any further comments except to say that the Department of State opposes this amendment because it will tie the hands of the Secretary of State. If he wants, for instance, to open up a new Bureau on antiterrorism, he will not be able to do it if this amendment passes.

Therefore, we oppose this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. ROTH].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROTH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to clause 2, rule XXIII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their name:

[Roll No. 22]

Ackerman	Anthony	AuCoin
Akaka	Applegate	Baker
Alexander	Archer	Ballenger
Anderson	Armey	Barnard
Andrews	Aspin	Bartlett
Annunzio	Atkins	Barton

Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Billey
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Costello
Coughlin
Courter
Cox
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

□ 1540

The CHAIRMAN. Four hundred twenty-three Members have answered to their names, a quorum is present, and the Committee will resume its business.

The pending business is the demand of the gentleman from Wisconsin [Mr. ROTH] for a recorded vote.

Mr. ROTH. Mr. Chairman, I withdraw my demand for a vote and demand a division.

On a division (demanded by Mr. ROTH) there were—ayes 88, noes 168.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILMAN:

Not withstanding any other provision of this Act, the United States Information Agency shall continue to promote scholarships at United States universities for Tibetans living in exile at at least the current level.

□ 1550

Mr. GILMAN. Mr. Chairman, in the fiscal year 1987 State Department Authorization Act 15 scholarships at U.S. universities have been set aside, on an annual basis, for Tibetans living in exile. The program has been administered under the guidance of USIA and is considered a success. This amendment will ensure the continuation of this worthy program.

By assuring the possibilities of advanced education, the United States would help young Tibetans to stay on the refugee settlements, thereby perpetuating the Tibetan community and culture in exile. Currently, their culture is being threatened with extinction in Tibet. Education would help them to survive until they can go back home.

Accordingly, I urge adoption of this amendment.

Mr. DYMALLY. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. DYMALLY. Mr. Chairman, we accept the amendment and ask for an "aye" vote.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I have reviewed the gentleman's amendment and certainly it is acceptable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GILMAN].

The amendment was agreed to.

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I thank you very much for the opportunity to speak today during reauthorization of the State Department programs for fiscal years 1990 and 1991. I rise for the purpose of encouraging expanding the capability of the State Department, through its Foreign Service Institute as well as through its already-existing Office of Language Services, in the important areas of translation and interpretation. I understand that you have had an interest in this area for some time, and I appreciate your interest and support. As you may know, I have long been active in working to better this Nation's foreign language and international education capability.

In this context, as you know, in the past I have introduced legislation that would elevate the Office of Language Services to a Bureau of Language Services within the Department. The purpose of establishing the Bureau would be to expand the translation and interpretation services that the Office now provides for the Department and for the Federal Government as a whole. I understand that at this point, it would be difficult to establish such a Bureau for a number of reasons. Therefore, I am instead proposing that the Department's translation and interpretation capacities be augmented by expanding training programs of the Foreign Service Institute, which trains our diplomatic corps, in close cooperation with the Office of Language Services.

As you know, the availability of competent linguists for translation and interpretation services is necessary for the effective conduct of U.S. foreign policy, and is, moreover, vital to our intelligence and international trade activities. Although some improvements have been made in these areas by the State Department, there is still a major gap between our need for foreign language specialists and their availability. The State Department's Director of Language Services sometimes has difficulty finding translators and interpreters for official functions. He therefore must spend much time searching for linguists to meet the growing

demand for their services, not only at State but in other agencies as well.

There are also numerous instances, some of them well-known, of how our lack of language capability has harmed or embarrassed us in international situations, including at crucial times. For example, when the United States Embassy in Iran was taken over by militants in 1979, there was a crucial shortage of Embassy personnel who spoke Farsi, and this was a major handicap that contributed to the crisis. When Soviet soldiers in Afghanistan sought asylum in the U.S. Embassy in that country, there were no personnel available who spoke Russian. When President Carter made a visit to Poland, an official American interpreter turned a simple pleasant remark into an embarrassing incident by giving the wrong connotation to what the President had said.

While such incidents reflect a general lack of attention to foreign languages in this country that requires a much broader solution, expanding the FSI's capability to complement some of the functions of the Office of Language Services would go far toward filling the shortage in interpretation and translation services. The Office needs support to:

Improve the translation and interpretation services available to the FSI, the State Department, and the President;

Provide a clearinghouse for collecting and dissemination information on translation and interpretation services among all U.S. agencies;

Avoid duplication of work and promoting the use of uniform methods of translation by those agencies engaged in translation activities;

Strengthen our overall foreign language capability by enhancing the role of foreign language specialists in the State Department and the Government as a whole.

The Foreign Service Institute could be an invaluable in-house training facility for these purposes.

Therefore, Mr. Chairman, I strongly urge the Foreign Service Institute to devote serious attention to training translators and interpreters, for the purpose of supporting and expanding the capacity of the Office of Language Services of the State Department, the Department itself, and the entire U.S. Government in this vital area. I deeply appreciate the chairman's and subcommittee's interest and support on this issue, and look forward to working on this matter with you and the committee, as well as with our colleagues in the Senate.

AMENDMENT OFFERED BY MS. SNOWE

Ms. SNOWE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. SNOWE: Page 72, after line 11, insert the following new title (and amend the table of contents accordingly):

TITLE —AGGREGATE LIMIT OF AUTHORIZATIONS OF APPROPRIATIONS

SEC. . AGGREGATE LIMIT OF AUTHORIZATIONS OF APPROPRIATIONS.

Notwithstanding any other provision of this Act, the total of the amounts authorized to be appropriated by this Act (and the amendments made by this Act) for fiscal year 1990, and the total of the amounts authorized to be appropriated by this Act (and the amendments made by this Act) for fiscal year 1991, are each hereby reduced by $125,000,000.

Ms. SNOWE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

Ms. SNOWE. Mr. Chairman, as reported out of committee, this legislation reduces the administration request by $132 million. My amendment would essentially double those savings by cutting an additional $125 million from the overall level in this bill.

Earlier, I was prepared to offer individual cutting amendments for funding in this bill. But I decided that it would be better to offer a single amendment to reduce the overall authorization level.

This amendment simply states that the funding provided in this bill shall be reduced by $125 million. It gives the administration flexibility in deciding how to guide those reductions. I have discussed this cut with the administration. While obviously the State Department would like all the funding requested, the administration will still support passage of this bill if my amendment is enacted.

The State Department's original request for a funding increase of 18 percent is much more reasonable than might first appear. Fully 12 percent of that increase goes to fund built-in United States obligations to pay for full funding of the United Nations, international peacekeeping, implementation of the United States-Israel transmitter agreement, and completion of the RFE/RL Radio Modernization Program.

If not for those major unavoidable increases, this would be the tightest State Department budget request in 6 years. Their existence, however, makes it even more important for us to restrain other increases in this bill.

My amendment would pare back the 15.5-percent increase in this bill to 13.7 percent. This will still be sufficient to fund the four major increases I already discussed, as well as provide full inflation for the State Department. It will, however, require the State Department to make decisions and establish priorities. Given unprecedented fiscal constraints, the Department simply will not be able to move ahead with all of its preferred new initiatives for next year.

There are many ways this cut can be achieved. Delaying completion of the new campus of the Foreign Service Institute can save about $40 million. Delaying the third stage of the renovation of the Bonn Embassy would save another $12 million. Cutting committee add-ons above the administration request can save $50 million.

All the administration has to do, then, is identify $23 million in other cuts from this $4.8 billion bill to achieve the modest reductions contained in my amendment.

I could have offered a much deeper across-the-board cut. But while deficit reduction is vitally important, we also have an obligation to achieve those reductions in a responsible way.

It is important for us to remember that the State Department doesn't run programs. It staffs and maintains embassies abroad and the State Department building here in Washington. A substantial cut beyond what I am proposing would mean widespread firings and shutting down consulates and embassies abroad.

Some may argue against this amendment by saying that every penny of the 15.5-percent growth in the State Department's budget contained in this bill is vitally important. I wonder, however, how many other Federal agencies—particularly domestic agencies—will even receive full inflation in fiscal year 1990, much less enjoy increases of 15.5 percent.

This is an amendment that is both fiscally responsible and programmatically responsible, and I urge its adoption.

AMENDMENT OFFERED BY MR. BERMAN TO THE AMENDMENT OFFERED BY MS. SNOWE

Mr. BERMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BERMAN to the amendment offered by Ms. SNOWE: At the end of the amendment, insert:

SEC. . SENSE OF CONGRESS CONCERNING THE FUNDING OF CERTAIN ACCOUNTS.

It is the sense of the Congress that notwithstanding any aggregate limit on authorizations of appropriations under this Act, certain accounts and programs should be funded to the full extent to which such accounts and programs are authorized to be appropriated under this Act for each of the fiscal years 1990 and 1991, particularly the following:

(1) "Emergencies in the Diplomatic and Consular Office".

(2) "Diplomatic Security Program", including "Salaries and Expenses", and "Protection of Foreign Missions and Officials".

(3) "Contributions to International Organizations".

(4) "Contributions to International Peacekeeping Activities".

(5) "Migration and Refugee Assistance" including the additional authorization of appropriations for 1989 under section 104(c).

(6) Foreign Service Internship Program under chapter 12 of the Foreign Service Act of 1980 (as amended by section 152).

(7) Grants to Students for Study in International Affairs under section 43 of the State Department Basic Authorities Act of 1956 (as amended by section 153).

(8) "National Endowment for Democracy".

(9) Television Marti Service under part B of title II of this Act.

(10) Construction of a Broadcasting Relay Station in Israel as authorized to be appropriated under section 401(c).

Mr. BERMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BERMAN. Mr. Chairman, I will be very brief. This amendment provides the sense of Congress that certain specified programs within the authorization bill that we are now considering not be considered for cuts within the cut. It accepts the premise of the gentlewoman, though I would prefer that we come closer in our figure to the administration's request, but it accepts that premise. It simply indicates that key initiatives, diplomatic security, U.N. peacekeeping, some of the issues we have fought and debated on the House floor here, it is the sense of Congress that those categories be protected when the State Department decides what cuts it wishes to make. It does not impact on the gentlewoman's cuts.

I would ask for support, and I believe the gentlewoman has no objection to this amendment.

Mr. DYMALLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the Berman amendment to the Snowe amendment is a good one. I do, however, want to make note of one portion.

The chairman of the Foreign Affairs Committee noted today that we are down to the bone, barebones on this budget.

The Secretary of State does not like any further cuts, and I just want to make that observation.

With that, I accept the amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BERMAN] to the amendment offered by the gentlewoman from Maine [Ms. SNOWE].

The amendment to the amendment was agreed to.

□ 1600

The CHAIRMAN. The question is on the amendment, offered by the gentlewoman from Maine [Ms. SNOWE], as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Ms. SNOWE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 372, noes 56, not voting 4, as follows:

[Roll No. 23]

AYES—372

Alexander	English	Lewis (FL)
Anderson	Erdreich	Lightfoot
Andrews	Espy	Lipinski
Annunzio	Evans	Livingston
Anthony	Fawell	Lloyd
Applegate	Fazio	Long
Archer	Feighan	Lowery (CA)
Armey	Fields	Lowey (NY)
Aspin	Fish	Luken, Thomas
Baker	Flake	Lukens, Donald
Ballenger	Flippo	Machtley
Barnard	Florio	Madigan
Bartlett	Foglietta	Manton
Barton	Foley	Marlenee
Bateman	Ford (MI)	Martin (IL)
Bates	Ford (TN)	Martin (NY)
Bennett	Frenzel	Martinez
Bentley	Frost	Matsui
Bereuter	Gallegly	Mavroules
Bevill	Gallo	Mazzoli
Bilbray	Garcia	McCandless
Bilirakis	Gaydos	McCloskey
Bliley	Gejdenson	McCollum
Boehlert	Gekas	McCrery
Boggs	Gephardt	McCurdy
Borski	Gillmor	McDade
Bosco	Gilman	McDermott
Boucher	Gingrich	McEwen
Boxer	Glickman	McGrath
Brennan	Goodling	McHugh
Brooks	Gordon	McMillan (NC)
Broomfield	Goss	McMillen (MD)
Brown (CA)	Gradison	McNulty
Brown (CO)	Grandy	Meyers
Bruce	Grant	Michel
Bryant	Gray	Miller (CA)
Buechner	Guarini	Miller (OH)
Bunning	Gunderson	Moakley
Burton	Hall (OH)	Molinari
Bustamante	Hall (TX)	Montgomery
Byron	Hamilton	Moorhead
Callahan	Hammerschmidt	Morrison (CT)
Campbell (CA)	Hancock	Morrison (WA)
Campbell (CO)	Hansen	Mrazek
Cardin	Harris	Murphy
Carper	Hastert	Myers
Carr	Hatcher	Nagle
Chandler	Hayes (LA)	Natcher
Chapman	Hefley	Neal (MA)
Clarke	Hefner	Neal (NC)
Clement	Henry	Nelson
Clinger	Herger	Nielson
Coble	Hiler	Nowak
Coelho	Hoagland	Oakar
Coleman (MO)	Hochbrueckner	Obey
Coleman (TX)	Holloway	Olin
Collins	Hopkins	Ortiz
Combest	Horton	Owens (UT)
Conte	Houghton	Oxley
Conyers	Hubbard	Packard
Cooper	Huckaby	Pallone
Costello	Hughes	Panetta
Coughlin	Hutto	Parker
Cox	Hyde	Parris
Coyne	Inhofe	Pashayan
Craig	Ireland	Patterson
Crane	Jacobs	Paxon
Dannemeyer	James	Payne (NJ)
Darden	Jenkins	Payne (VA)
Davis	Johnson (CT)	Pease
de la Garza	Johnson (SD)	Penny
DeLay	Jones (GA)	Perkins
Derrick	Jones (NC)	Petri
DeWine	Jontz	Pickle
Dickinson	Kanjorski	Poshard
Dicks	Kaptur	Price
Dingell	Kasich	Pursell
Dixon	Kastenmeier	Rahall
Donnelly	Kennelly	Ravenel
Dorgan (ND)	Kleczka	Ray
Dornan (CA)	Kolbe	Regula
Douglas	Kolter	Rhodes
Downey	Kyl	Richardson
Dreier	LaFalce	Ridge
Duncan	Lagomarsino	Rinaldo
Durbin	Lancaster	Ritter
Dwyer	Lantos	Roberts
Dyson	Laughlin	Robinson
Early	Leach (IA)	Roe
Eckart	Leath (TX)	Rogers
Edwards (OK)	Lehman (CA)	Rohrabacher
Emerson	Lent	Rose
Engel	Lewis (CA)	Rostenkowski
Roth	Smith (IA)	Thomas (CA)
Roukema	Smith (MS)	Thomas (GA)
Rowland (CT)	Smith (NE)	Traficant
Rowland (GA)	Smith (NJ)	Traxler
Russo	Smith (TX)	Udall
Sabo	Smith (VT)	Unsoeld
Saiki	Smith, Denny (OR)	Upton
Sangmeister	Smith, Robert (NH)	Valentine
Sarpalius	Smith, Robert (OR)	Vander Jagt
Savage	Snowe	Vento
Sawyer	Solomon	Visclosky
Saxton	Spence	Volkmer
Schaefer	Spratt	Vucanovich
Schiff	Staggers	Walgren
Schneider	Stallings	Walker
Schroeder	Stangeland	Walsh
Schuette	Stark	Watkins
Schulze	Stearns	Weber
Sensenbrenner	Stenholm	Weldon
Sharp	Stokes	Wheat
Shaw	Studds	Whittaker
Shays	Stump	Whitten
Shumway	Sundquist	Williams
Shuster	Swift	Wilson
Sikorski	Synar	Wise
Sisisky	Tallon	Wolf
Skaggs	Tanner	Wyden
Skeen	Tauke	Wylie
Skelton	Tauzin	Yates
Slattery	Thomas (GA)	Yatron
Slaughter (NY)	Traficant	Young (AK)
Slaughter (VA)	Traxler	Young (FL)

NOES—56

Ackerman	Hawkins	Morella
Akaka	Hayes (IL)	Murtha
Atkins	Hertel	Oberstar
AuCoin	Hoyer	Owens (NY)
Bellenson	Johnston	Pelosi
Berman	Kennedy	Porter
Bonior	Kildee	Quillen
Clay	Kostmayer	Rangel
Courter	Lehman (FL)	Roybal
Crockett	Leland	Scheuer
DeFazio	Levin (MI)	Schumer
Dellums	Levine (CA)	Solarz
Dymally	Lewis (GA)	Torres
Edwards (CA)	Markey	Torricelli
Fascell	Mfume	Towns
Frank	Miller (WA)	Waxman
Gibbons	Mineta	Weiss
Gonzalez	Mollohan	Wolpe
Green	Moody	

NOT VOTING—4

Hunter	Pickett
Pepper	Smith (FL)

□ 1620

Messrs. HERTEL, WOLPE, OWENS of New York, and BONIOR changed their vote from "aye" to "no."

Messrs. HOAGLAND, McDERMOTT, and DAVIS changed their vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments to the bill?

The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FOLEY] having assumed the chair, Mr. SWIFT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1487) to authorize appro-

priations for fiscal years 1990 and 1991 for the Department of State, and for other purposes, pursuant to House Resolution 126, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 338, noes 87, not voting 7, as follows:

[Roll No. 24]

AYES—338

Ackerman	Coleman (TX)	Frank
Akaka	Collins	Frenzel
Alexander	Conte	Frost
Anderson	Conyers	Gallegly
Andrews	Cooper	Gallo
Annunzio	Costello	Garcia
Anthony	Courter	Gaydos
Aspin	Cox	Gejdenson
Atkins	Coyne	Gephardt
AuCoin	Crockett	Gibbons
Barnard	Darden	Gillmor
Bateman	Davis	Gilman
Bates	de la Garza	Gingrich
Beilenson	DeFazio	Glickman
Bennett	Dellums	Gonzalez
Bereuter	Derrick	Goodling
Berman	DeWine	Gordon
Bilbray	Dickinson	Goss
Billey	Dicks	Grant
Boehlert	Dingell	Gray
Boggs	Dixon	Green
Bonior	Donnelly	Guarini
Borski	Dorgan (ND)	Gunderson
Bosco	Dornan (CA)	Hall (OH)
Boucher	Downey	Hall (TX)
Boxer	Durbin	Hamilton
Brennan	Dwyer	Hansen
Brooks	Dymally	Harris
Broomfield	Early	Hastert
Brown (CA)	Eckart	Hatcher
Brown (CO)	Edwards (CA)	Hawkins
Bruce	Edwards (OK)	Hayes (IL)
Bryant	Emerson	Hayes (LA)
Buechner	Engel	Hefner
Bustamante	Espy	Henry
Campbell (CO)	Evans	Hertel
Cardin	Fascell	Hiler
Carper	Fazio	Hoagland
Carr	Feighan	Hochbrueckner
Chandler	Fish	Horton
Chapman	Flake	Houghton
Clarke	Flippo	Hoyer
Clay	Florio	Huckaby
Clement	Foglietta	Hughes
Clinger	Foley	Hutto
Coelho	Ford (MI)	Hyde
Coleman (MO)	Ford (TN)	Ireland
James	Mollohan	Schneider
Jenkins	Montgomery	Schuette
Johnson (CT)	Moody	Schumer
Johnson (SD)	Morella	Sharp
Johnston	Morrison (CT)	Shaw
Jones (GA)	Morrison (WA)	Shays
Jontz	Mrazek	Sikorski
Kanjorski	Murtha	Sisisky
Kaptur	Myers	Skaggs
Kasich	Nagle	Skeen
Kastenmeier	Natcher	Skelton
Kennedy	Neal (MA)	Slattery
Kennelly	Neal (NC)	Slaughter (NY)
Kildee	Nelson	Slaughter (VA)
Kolbe	Nowak	Smith (IA)
Kolter	Oakar	Smith (NJ)
Kostmayer	Oberstar	Smith (TX)
LaFalce	Obey	Smith (VT)
Lagomarsino	Olin	Snowe
Lancaster	Ortiz	Solarz
Lantos	Owens (NY)	Spratt
Laughlin	Owens (UT)	Staggers
Leach (IA)	Oxley	Stallings
Leath (TX)	Pallone	Stangeland
Lehman (CA)	Panetta	Stark
Lehman (FL)	Parker	Stearns
Leland	Parris	Stokes
Lent	Pashayan	Studds
Levin (MI)	Payne (NJ)	Swift
Levine (CA)	Payne (VA)	Synar
Lewis (CA)	Pease	Tanner
Lewis (GA)	Pelosi	Tauzin
Lipinski	Penny	Thomas (CA)
Long	Pickle	Thomas (GA)
Lowery (CA)	Porter	Torres
Lowey (NY)	Poshard	Torricelli
Luken, Thomas	Price	Towns
Lukens, Donald	Pursell	Traficant
Madigan	Rahall	Traxler
Manton	Rangel	Udall
Markey	Ravenel	Unsoeld
Martin (NY)	Ray	Upton
Martinez	Regula	Valentine
Matsui	Rhodes	Vander Jagt
Mavroules	Richardson	Vento
Mazzoli	Ridge	Visclosky
McCloskey	Rinaldo	Volkmer
McCrery	Robinson	Walgren
McCurdy	Roe	Walsh
McDade	Rogers	Waxman
McDermott	Rohrabacher	Weber
McEwen	Rose	Weiss
McGrath	Rostenkowski	Weldon
McHugh	Roukema	Wheat
McMillan (NC)	Rowland (CT)	Whitten
McMillen (MD)	Rowland (GA)	Williams
McNulty	Roybal	Wilson
Meyers	Sabo	Wise
Mfume	Saiki	Wolf
Michel	Sangmeister	Wolpe
Miller (CA)	Sarpalius	Wyden
Miller (OH)	Savage	Wylie
Miller (WA)	Sawyer	Yatron
Mineta	Saxton	Young (AK)
Moakley	Scheuer	Young (FL)
Molinari	Schiff	

NOES—87

Applegate	Erdreich	Nielson
Archer	Fawell	Packard
Armey	Fields	Patterson
Baker	Gekas	Paxon
Ballenger	Gradison	Perkins
Bartlett	Grandy	Petri
Barton	Hancock	Quillen
Bentley	Hefley	Ritter
Bevill	Herger	Roberts
Bilirakis	Holloway	Roth
Bunning	Hopkins	Russo
Burton	Hubbard	Schaefer
Byron	Inhofe	Schroeder
Callahan	Jacobs	Schulze
Campbell (CA)	Jones (NC)	Sensenbrenner
Coble	Kyl	Shumway
Combest	Lewis (FL)	Shuster
Coughlin	Lightfoot	Smith (MS)
Craig	Livingston	Smith (NE)
Crane	Lloyd	Smith, Denny (OR)
Dannemeyer	Machtley	Smith, Robert (NH)
DeLay	Marlenee	Smith, Robert (OR)
Douglas	Martin (IL)	Spence
Dreier	McCandless	Stenholm
Duncan	McCollum	Stump
Dyson	Moorhead	Sundquist
English	Murphy	Tallon
		Tauke
		Vucanovich
		Walker
		Watkins
		Whittaker
		Yates

NOT VOTING—7

Hammerschmidt	Pepper	Solomon
Hunter	Pickett	
Kleczka	Smith (FL)	

□ 1639

The Clerk announced the following pair:

On the vote:

Mr. Hammerschmidt for, with Mr. Solomon against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1640

HOUR OF MEETING ON TOMORROW

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. tomorrow.

The SPEAKER pro tempore (Mr. DONNELLY). Is there objection to the request of the gentleman from Washington?

There was no objection.

LEGISLATIVE BUSINESS

(Mr. FOLEY asked and was given permission to address the House for 1 minute.)

Mr. FOLEY. Mr. Speaker, I take this time for the purpose of advising the Members of the House that while the schedule for next week will be announced tomorrow, I think the Members should be aware that we are planning recorded votes for Monday and Tuesday next week, and particularly because of the possibility or the likelihood, or, I might say, the virtual certainty of votes on Monday, Members should be advised to adjust their schedules accordingly.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 1487, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1990 AND 1991

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that in the enrollment of H.R. 1487, the bill just passed, the Clerk be authorized to make the necessary technical and clerical corrections to reflect the action of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1487, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1750, IMPLEMENTING THE BIPARTISAN ACCORD ON CENTRAL AMERICA

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-25) on the resolution (H. Res. 127) providing for the consideration of the bill (H.R. 1750) to implement the Bipartisan Accord on Central America on March 24, 1989, which was referred to the House Calendar and ordered to be printed.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States was communicated to the House by Mr. Kalbaugh, one of his secretaries.

DISAPPROVING RECOMMENDATIONS OF COMMISSION ON BASE REALIGNMENT AND CLOSURE

Mr. ASPIN, Mr. Speaker, under the previous order of the House of April 11, 1989, and pursuant to section 208(d) of Public Law 100-526, I move that the House resolve into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 165) disapproving the recommendations of the Commission on Base Realignment and Closure.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. ASPIN].

The motion was agreed to.

□ 1645

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution, (H.J. Res. 165), with Mr. BRUCE in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, April 11, 1989, the gentleman from Wisconsin [Mr. ASPIN] will be recognized for 4 hours and the gentleman from New Jersey [Mr. COURTER] will be recognized for 4 hours.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Chairman, of my 4 hours I yield 2 hours to the gentleman from New York [Mr. MARTIN], pending which I yield myself such time as I may consume.

Mr. Chairman, today the Committee on Armed Services brings to the floor House Joint Resolution 165, disapproving the recommendations of the Commission on Base Realignment and Closure. The full committee, by a vote 43 to 4, reported the resolution on March 14, 1989, with a recommendation that it not pass (H. Rept. 101-7).

House Joint Resolution 165 was introduced on March 1, 1989, and meets the requirements for a resolution of disapproval as provided for in section 208(a) of Public Law 100-526, the Base Realignment and Closure Act, which passed the House last year with only 31 dissenting votes.

To provide a little background, you will recall that on May 3, 1988, the Secretary of Defense chartered a bipartisan Commission on Base Realignment and Closure to identify unneeded domestic military bases for closure or realignment. The Base Closure and Realignment Act (Public Law 100-526) endorsed the bipartisan Commission and waived or modified certain legal barriers to implementation of its recommendations. The law provided that the Commission's recommendations would be implemented automatically unless Congress, by majority vote of both Chambers, enacted a joint resolution of disapproval within 45 days after March 1, 1989.

Partial implementation of the Commission's recommendations was prohibited by the law; neither the Defense Secretary nor Congress could drop or add bases to the list of recommendations.

On December 29, 1988, the Base Closure Commission reported its recommendations to the Secretary of Defense as required by its charter and the Base Realignment and Closure Act. By accepting the report on January 6, 1989, the Defense Secretary set in motion procedures contained in Public Law 100-526, which will, unless disapproved by Congress, result in the closure of 86 bases, the partial closure of 5, and the realignment of 54. The Commission estimates its recommendations, if implemented, would save about $700 million per year.

House Joint Resolution 165, if adopted, would disapprove the recommendations of the Commission as submitted to the Secretary of Defense on December 29, 1988.

Mr. Chairman, the Subcommittee on Military Installations and Facilities, chaired by PAT SCHROEDER, conducted indepth hearings on the Commission's report and concluded that the Commission did its job responsibly, effectively, and honestly and that the methodology used was reasonable and appropriate.

The committee further believes that the Commission, under the leadership of two very respected former Members of Congress, Senator Abe Ribicoff and Representative Jack Edwards, followed a logical process in its work and produced a fair and balanced base closure list. We now must consider whether to disapprove their recommendations before they go into effect on May 1.

I intend to support the Commission's report, and I urge my colleagues to do likewise. The closing of unneeded military bases is a painful but responsible step toward eliminating waste and supporting good government.

Mr. Chairman, I would like to make one final point. Closing and realigning obsolete bases is a 5-year process under the base closure act, and I have no doubt that during that period, some will try to abort the program by attempting to write an obscure but effective exemption to the base closure law into the statutes. We have to be alert to that threat by keeping a close watch on the appropriations bills—and, in particular, continuing resolutions—to make sure no one tries to sneak through a provision exempting their local base from closure. I'm going to be watching for any such actions and I hope my colleagues, the public, and the press will keep an eye out, too. Savings of $700 million will not balance the budget this year, but it is a positive step in that direction.

Mr. Chairman, I urge my colleagues to defeat this resolution and allow the Commission's recommendations on base closures and realignments to go forward on May 1.

A vote against House Joint Resolution 165, disapproving the recommendations of the Base Closure Commission, is a vote for good government.

Mr. Chairman, I yield 5 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, last fall, I voted "no" on the base closing legislation when it was before the House. The bill reported by the committee required the Commission to look at all American bases, both inside and outside the United States. This provision was wiped out when the House adopted the Armey amendment. Under the bill as amended, only bases in the United States were examined. I voted "no," but the vast majority of my colleagues voted "aye."

I have great sympathy for my colleagues who are having bases closed in their districts. Military bases provide jobs and economic stimulus to communities in which they are present. And, each base contributes something of real value to our national security. It is really difficult to convince citizens living around a base proposed for closure that it makes sense to close the base.

But, we passed a base closing law last year which said loudly that we wanted military bases closed. We relied on a Commission to give us their best judgment on which bases should be closed. And, we established an automatic pilot procedure to make it exceedingly difficult to overturn the Commission's recommendations. To make it more difficult, we established an all-or-nothing disapproval procedure. So, Members of Congress from

New Jersey, Illinois, California, Kentucky, and other States severely impacted are forced to try to convince their colleagues that the Commission's recommendations should be overturned. My heart goes out to them and to their constituents.

As chairwoman of the Subcommittee on Military Installations and Facilities, I have examined the Commission's recommendations very closely. A rigid, comprehensive review of each closure decision will reveal inaccurate information, faulty computations, or bad modeling in many cases. The massive General Accounting Office [GAO] study now going on has and will continue to identify errors in the Commission's work. So, those who insist on every "i" dotted and every "t" crossed will be dissatisfied with the Commission's work.

Frankly, I do not think we can hold the Commission to that standard. By passing the Armey substitute last year, we set the standard for our review. The law gives Congress only 45 days to act and requires us to accept or reject the package as a whole. It is not only inappropriate but also impossible for us to second guess the Commission's decisions. The standard of review set by the statute is that the Commission's recommendations will go into effect unless they are so faulty or so politically-motivated that both Houses of Congress and the President agree they ought to be trashed.

While not perfect, I believe the Commission did its job responsibly and honestly. The methodology used was reasonable and appropriate. It involved selecting bases for further analysis by looking at the military value and capacity of all bases within a category of bases. Where excess capacity within a category existed, the Commission examined the cost savings, environmental cleanup, and socioeconomic impact of closing bases ranked low in military value. If the closing would pay for itself in 6 years, if the environmental cleanup was not of extraordinary difficulty, and if the socioeconomic impact was not extreme, the Commission would recommend closure or realignment. This methodology is not the only one that could have been used: Perhaps the Commission should have looked for duplication between the services. Still, the methodology used was a perfectly reasonable one.

The Commission collected its data from the major commands. It spent considerable efforts attempting to verify the data. The Commission exercised a standard of care which was high. On the other hand, the Commission did not visit each base considered for closure. The Commission decided against base visits because of time and because of the morale impact. I cannot say the Commission erred in this decision. Some of the information relied on proved inaccurate and there were some problems with the model. Still, I believe the Commission exercised the level of care which was needed.

Most importantly, I have seen no evidence that the Commission acted politically in making its decisions. The files and transcripts of the Commission betray no attempt to protect powerful politicians and no attempt to punish disfavored ones. And, frankly, I have far too much respect for the Commission Cochairmen, Senator Abe Ribicoff and Congressman Jack Edwards to suspect them of carrying out a political agenda.

So, I will vote against the disapproval resolution, but not without regret. I regret the fact that the Commission did not look at overseas bases. And, I regret the fact that many of our colleagues and their constitutents are suffering so at the closing of their bases.

□ 1650

So, Mr. Chairman, I am sorry today that we cannot talk about that so we could also explain why we thought it was a better way to go, the way the committee went, but that is all ancient history, too. So I must say to my colleagues today who have had bases closed in their districts, I truly am sorry. I am sorry we have to be here. It was not my idea, but under the parameters of the law I see nothing else we can do but to proceed at this point.

Mr. Chairman, I thank the gentleman for yielding this time to me.

The CHAIRMAN. The gentleman from New York [Mr. MARTIN] is recognized for 2 hours.

Mr. MARTIN of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today in opposition to House Joint Resolution 165, the resolution which disapproves the recommendation of the Commission on Base Realignment and Closure, but, before I speak to that, I would like to speak to the membership who might be listening concerning the allocation of time.

Mr. Chairman, 10 hours of debate on this resolution has been allocated, and, under the rule, 8 hours today and 2 hours on Tuesday. A number of Members have contacted me personally, or my office, asking for time for debate, and we advised them that we had sufficient time. Unfortunately today; perhaps it is because of the scheduling, a number of Members have called back and said that they would not need the time today but would need it Tuesday, and I say to all of those that are interested in discussing this legislation prior to the vote to take the opportunity to participate in the debate today as much as possible because I have a feeling that the time on Tuesday is going to be dear.

This is certainly an extraordinary piece of legislation in almost every respect as the gentlewoman from Colorado [Mrs. SCHROEDER] has pointed out. One of the reasons we came to this procedure through long debate during the 100th Congress was to try to keep political considerations out of any recommendations that would be made by the commission.

I am pleased to point out that two of the ablest legislators I have ever worked with, Senator Ribicoff and former Congressman Jack Edwards of Alabama, were appointed head of this extraordinary Commission. I would say that those two gentlemen have been very successful in keeping political considerations out of the decision making process as I have heard no arguments from anyone, proponent or opponent, suggesting that the recommendations of that Commission are political.

Mr. Chairman, we have had extensive hearings on the recommendations, and, as I am sure the gentlemen from New Jersey, in particular Mr. COURTER, Mr. SAXTON, and others will point out, there are places in the report that one would have to concede that the Commission was in error. But I do not think anyone would suggest they were anything other than that, errors. Certainly there is no reflection on the integrity of membership of the Commission who I will hold to be very, very honorable gentlemen.

Mr. Chairman, this is also extraordinary in that when we passed this legislation in the 100th Congress we wrote all the parameters right into the law and to what was going to be discussed here. It is on a take-it-or-leave-it basis, even being so thorough as to delineate the rules under which this legislation would be debated. And I am sure there will be some spirited debate and ample discussion of many of the bases particularly from the Members who represent the area where the bases are located. Some say that is just parochial interest.

I would like to point out that those Members, if they are doing their job, probably know as much about the bases in their district as many of the people who have served there and many of the people in the Pentagon, so I hope the comments they have are taken to heart as an objective analysis of how this legislation affects those bases.

Tuesday, we will come to the final conclusion, and there is going to be one vote up or down. I would hope that Members would listen carefully to the comments on both sides of the issue, make the decision as to vote aye or to vote nay on this Commission report, knowing this is not a perfect document, but make that decision based on the balance of all the evidence that is before us.

At this time, Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from New York [Mr. MARTIN] has consumed 4 minutes.

Mr. COURTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. COURTER. Mr. Chairman, I was one of those individuals that voted in favor of the resolution that set up the Base Closing Commission, its extraordinary remedy as it is called. I did that in order to make sure that we had a process that was established, that was clear, that was understood by everybody, that was objective, in order to examine all the bases we had in the United States to make sure that, if there were those that were not necessary, they would be closed. If there were bases that were not necessary to the national security posture of this country and that nevertheless would drain our defense dollars, then there was something else we could do with the land and certainly something else we could do with the money.

I rise today, however, in favor of House Joint Resolution 165 to disapprove the recommendation of the Commission on Base Realignment and Closure. As I indicated, I was one of those who voted in favor of setting up the Commission in the first instance. I believed then, as I believe now, that it was the only legitimate way to examine bases objectively. I assumed then, and I assumed up to about 3 or 4 months ago, that their work would be good, that their work would be honest and that their conclusions would be based on the merits.

I have come to the conclusion, however, after examining the base closure report carefully, after talking to people on the Commission, after talking to my colleagues who are aggrieved here today and after talking to people inside the Department of Defense and the Army that the base Commission's report is flawed in a number of areas, and indeed tragically flawed.

Mr. Chairman, a major flaw in the Commission's work is that, contrary to its mandate, it achieves most of its savings by tampering with military end strength. The Commission was to achieve its savings in the allotted period of time without making any recommendations or conclusions on whether the total force structure should be reduced or curtailed in any manner. The Commission stated in their report that they followed the guidelines, that they followed the mandate that there would be no recommendation with regard to end strength, that end strength would not be reduced and that the savings would not come out of reducing the force structure of the Department of Defense. They stated that the Congress and the Commission can decide if our end strenth is adequate, whether it should be reduced, or whether it should be broadened or whether it should be kept at the status quo. One can easily see, however, in examining the cost savings analysis of the Commission that the Commission recommends a reduction in end strength. They recommend something that they pledged they would not recommend. Their cost savings are only justified by recommending a reduction in strength.

In fact, Mr. Chairman, the General Accounting Office testified a few weeks ago in the Committee on Armed Services' Subcommittee on Military Installations and Facilities that 84 percent of the overall savings of the Commission's recommendations would come from reducing personnel, reducing end strength. GAO estimates approximately something under 8,000 civilian and something under 13,000 military positions would be eliminated. This completely undermines the Commission's claim that achieved its large savings without cutting military personnel.

Mr. Chairman, I would like to mention specifically the situation with regard to Fort Dix, and I want to give credit to the Member of Congress from the southern part of the State of New Jersey who has done all or most of the major work in examining and coming up with the flaws in the Commission's report, and it is the gentleman from New Jersey [Mr. SAXTON] who will be speaking momentarily. Fort Dix, as he indicated, is placed in a unique situation, semiactive status.

I remember very well debating the issue of whether we should create this Commission in the first instance. When we did, no one envisioned a category of semiactive status. When we debated this, we did not ever conceive that a base would be mothballed and not be permitted to be used in case it was closed. We just totally assumed then, as we assumed all last year, that the recommendations of the Commission would be to consolidate bases, to eliminate a base if it is not functionally necessary, not a strategic asset to the United States and a waste of taxpayer's money. Then it would be closed, and, if it could be expanded, others would be expanded to take up the slack.

□ 1700

All the other bases, every single one of them, without any exception, every single base that was touched, every single base that was looked at and that a recommendaiton was made on was either expanded or closed. Only Fort Dix was placed in this unique and interesting status, neither open nor shut, semiactive status. If obviously a base is expanded, there is no concern by the Members who live there. If they are closed, totally and completely, I suppose one could make the argument that the land could be used for another important purpose. Perhaps someone could articulate it could be used for a higher purpose, industrial development, industrial park, commercial space or housing; but Fort Dix was placed in a semiactive status, which means it will not be closed. It will not be left open.

New Jersey, the only State touched by this Commission's report, cannot use the land and the Army cannot use it as basic training.

Today the General Accounting Office is testifying before the Armed Services Committee that the Commission on Base Realignment and Closure based its recommendation to reduce Fort Dix to semiactive status on incorrect information and clerical errors.

I will repeat that, incorrect information and clerical errors. The Commission had incorrect information on the condition of facilities at Fort Dix and the amount of training that was accomplished there. These errors resulted in the Commission ranking Fort Dix seventh out of eight bases when judged for the important category of military value, when it should actually, based on accurate information, and no clerical errors, Fort Dix on the issue of military value should have been ranked No. 1. That is clear. It is uncontroverted and the Commissioners have not come back and said that the GAO report is wrong. That is what we have facing the Congress today.

This is a tragic flaw. It is a major error. It is a flaw in the information and it affected Fort Dix in the worst way.

The Commission stated in its executive summary that the military value of a base was the preeminent factor in making its decision. The No. 1 factor was military value, and they assumed that Fort Dix was almost at the bottom, when in fact it was No. 1.

It is obvious that if the Commission had not made this error and instead ranked Fort Dix first in military value, exactly where it belongs, of all eight training bases, it would not have made the recommendation to place Fort Dix on a semiactive basis. That recommendation simply would not have been made, because the facts would not have allowed it to be made.

This decision followed the Commission's criteria which places the highest importance on military value.

The Government Accounting Office has also found that the Commission's cost savings are totally out of line and not justified.

First, the GAO says that the cost of scaling back operations at Fort Dix will be recovered in 3 years, when in fact it will take an additional year.

Second, the annual savings are 22-percent less than the Commission stated.

Third, the personnel cost of maintaining Fort Dix in semiactive status

has not even been analyzed or determined by the U.S. Army.

Also, the Commission's recommendation to put Fort Dix on semiactive status contradicts a June 1988 audit of the U.S. Army's basic training activities drafted in June 1988 and finalized in January 1989. The audit was conducted and written by the Department of the Army's audit agency. It recommends that basic training be expanded, not shrunk, not reduced, not curtailed, but expanded at Fort Dix in order to save money.

When members of the Commission testified before the Armed Services Committee, they had no knowledge whatsoever of the audit. The audit was never shown to them. They labored without complete and total knowledge, without the recommendations of the Army, without the important recommendations in the audit itself.

The audit also recommends that trainees be diverted from Fort Knox and Fort Leonard Wood to Fort Dix because of Fort Dix's superior training facilities. The Commission, however, recommends that trainees be transferred from Fort Dix to Fort Jackson, Fort Leonard Wood, and Fort Knox, despite the $245 million it takes to put up to snuff and modernize those facilities. If the Commission had seen this audit, it would have known, it must have known, that they were making a decision based on wrong information, not information that was complete and obviously information that they were not privy to.

Also, the Commission's savings estimate for Fort Dix includes, among other savings, the elimination of 1,153 military jobs and transferring 900 employees from Walson Hospital. The report, however, does not call for this hospital to be closed. Yet, their savings come in essence from closing it.

In fact, the report states it is not making a decison on the hospital and that the Secretary of Defense should determine the status of the hospital at a later time. Here is a clear case of phantom savings. They cannot justify it and the report is wrong in this instance as well.

We should not as the Congress of the United States put a seal of approval on something that is so flawed, on a report that comes up with conclusions not based on the merits, not based on the facts, and even when those facts could have been determined. Its recommendations are flawed and they do not follow the guidelines established by the Congress of the United States.

As Members of Congress, we should not approve these actions until it is shown they will actually yield the savings that the Commission alleges, yields the savings that they claim.

For these reasons, obviously, Mr. Chairman, I approve of this resolution.

I might specifically quote from an attachment to the GAO testimony. They indicated on page 1 as follows:

> We reviewed the phase I analysis of Fort Dix and found problems with the accuracy of the data used and subsequent scoring of Fort Dix in the area of (1) condition of the facilities and (2) the amount of reserve training accomplished at those facilities. Had correct data been used for these attributes, the relative ranking of Fort Dix would have been changed significantly.

They state:

> Instead of ranking 7th in a category of bases, Fort Dix would have been ranked first.

Based on that information, based on the clear knowledge that there was a flaw in the information, clerical errors, I recommend that this resolution pass.

Mr. Chairman, I yield 28 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, let me begin by saying that I appreciate very much the assistance of the chairwoman of the Military Installations and Facilities Subcommittee, the gentlewoman from Colorado [Mrs. SCHROEDER], who has certainly gone out of her way to make it possible for me to make the points that I have felt have been important and germane during the last several months during which time the subcommittee has considered, I might say in a very fair way and a very thorough way, the Commission's report.

In spite of the fact that we differ on the way in which we view the report and the pending debate and the vote undoubtedly which is to come, I still want to say to the chairwoman that I appreciate very much the fairness with which she has approached this issue.

□ 1710

Mr. Chairman, I would like to say to the gentleman from New Jersey [Mr. COURTER], who has been such a great help during the last several months, how much I appreciate his involvement in this as a member of the Committee on Armed Services. His advice to me, his help to me, the information which he and his staff have provided, have been an invaluable resource in permitting me to learn about this situation, to understand the Commission's report and to, most importantly, understand what its flaws were. I appreciate that very much, and to the gentleman from New York [Mr. MARTIN], the ranking member on the subcommittee, I would like to say just how much I appreciate the contact that we have had. He has acted as the liaison between me and the committee, and he has gone out of his way at each step of the way not only to let me know what was going to happen and to let me know what was going on, but also to be that conduit of information between me and the committee that has been so very helpful.

Let me say at the outset that the last 3 months have not been a particularly easy time for anyone who has looked at this situation and tried to be objective about it, and I emphasize, tried to be objective about it. It was December 29, 1988, at 10:05 in the morning, something I will never forget. I sat in my district office in front of my television with my staff expecting to see a list of bases to be closed or, in some cases, expanded. I had been assured, as had the gentleman from New Jersey [Mr. COURTER] and the gentleman from New Jersey [Mr. SMITH], who is here this afternoon, that Fort Dix was a valuable military resource, that it had a good deal of military value, that, in fact, the Department of the Army had suggested to Congress, and the Congress had agreed, to appropriate over $207 million to be spent at Fort Dix during the past 8 years.

When the gentleman from New Jersey [Mr. COURTER] and the gentleman from New Jersey [Mr. SMITH] and I as well as others contacted the Pentagon and asked what was the possibility that Fort Dix is going to be on this list: "Congressman, do not worry about it. There is no possibility. We have spent too much money. It has too much value to the Army. It is not going to be on the list."

Of course, that was not the Commission. That was people in the Pentagon, people who had been to Fort Dix, in one case someone who had spent a good deal of time at Fort Dix and knew the base very well and knew the other TRADOC bases as well. We had no inkling that it was going to be on the list in any way.

When it was, my reaction, as the Congressman who represents Fort Dix, was to say to the reporters who called me within minutes, was that I wanted to take time to review the recommendation to try and understand why the list included Fort Dix. I said, "I am not going to be against it just because I represent Fort Dix." During the next few days I began to look at the situation involving Fort Dix, and I came to the conclusion before too much time had passed that the committee must have in some way erred.

Mr. Chairman, I would say to the chairwoman of the committee, and I say this because I know that she and I disagree, or I believe we do, that when we had the hearing and the gentlewoman made a statement, and I believe she was sincere when she made it, she said, "I believe the Commission did its job responsibly and honestly. The methodology used was appropriate. The Commission collected information carefully, and I see no evidence that the Commission acted politically in making its decisions."

I think that part of that statement was correct. I think they acted honorably. I do not think they acted in any political fashion, but they sure did not, they did not collect their information carefully. They sure did not come to conclusions in any logical way. This came to my attention first with regard to Fort Dix, and I can point and will point to a number of instances in the report with regard to Fort Dix and with regard to other bases throughout this report which proved to me, and I think to those to whom I have had the opportunity to explain this, that the Commission's report is flawed.

It is flawed in four ways, and I want to talk about that. No. 1, on this floor at this podium in this well when this bill was debated, it was debated and the claim was made that it was going to save money. On this spot, it was claimed that this bill would save $20 to $40 billion. When the Commission issued its report, they said over 20 years, the same period of time, over 20 years this report will save, when enacted, when the recommendations are carried out, this report will save $5.6 billion. It sounds like a lot of money, but in reality it represents one one-hundredth of 1 percent of the defense budget over that period of time, and in point of fact that was a tiny savings. It sounded like a lot, but in comparison it represents a tiny savings.

I am going to show the Members this afternoon that those savings are not even there. Second, it was pointed out by the Commission that in order to effect the savings that they thought they were going to get they were going to have to spend some money to do it.

Mr. Chairman, I am going to show the Members this afternoon that the costs they projected are far less than the actual costs of carrying out these realignments and closures. That is No. 2.

No. 3, there has been a lot of talk about military value. The gentlewoman pointed out in one of her hearings how important the issue of military value was when ranking bases, and I would like to show the Members this afternoon that those rankings are very seriously flawed as well.

Finally, I would like to show the Members that the report is flawed because it does not make efficient use of facilities, and I can show beyond any reasonable doubt as far as I am concerned, and others who have looked at the same material, that those things are true.

When this debate started, the General Accounting Office was asked to come in and testify about the Base Realignment and Closure Commission. The statement of Charles Bowsher from the General Accounting Office goes to point No. 1 and point No. 2. He said, "Over the years we have reviewed and issued reports on planned realignments and closures, and in these reviews we found the computations of costs and savings made by military services or DOD agencies were incorrect, because they were overly optimistic about benefits and failed to fully recognize costs."

The Base Realignment Commission should have listened to Mr. Bowsher, because precisely what they have done is that they failed to follow the logic of those instances. I will not go into the fact that we had to beg for information, and I will not go into the fact that we had to demand information, and I will not even talk about the fact that we had to use the Freedom of Information Act to get the information that we finally got that was kept secret, that it was too classified to let us have, but we have it now, but it was a terrible time getting it. We will not dwell on that.

To begin to make point No. 1 that there is a lack of savings, these charts represent pages out of the Commission's report. This is not information that the gentleman from New Jersey [Mr. COURTER], the gentleman from New Jersey [Mr. SMITH], and I conjured up to make our point. This is information from the pages of the Commission's report. This is called an activity migration list.

The activity migration list shows all of the activities, and this is specifically about Fort Dix but also, I suspect, appropriate to point to other bases that they did the same way. These are the activities that go on at Fort Dix. Up here where it is bracketed in blue are the basic missions at Dix. Those are the basic training missions, basic training, 63 Bravo Unit, 94 Bravo AIT Unit, the Air Base Ground Defense Training System. These are the basic missions at Fort Dix. We will call them, for all practical purposes, the basic training mission.

Down bracketed in red are some activities that go along with the basic training missions that are ancillary to it. They are referred to at Dix as tenant units.

□ 1720

Involved in basic training are somewhere between 13,000 and 14,000 individuals. Involved in the tenant units are somewhere between 1,200 and 1,400 individuals. When the Commission did its computations to see what they were going to be able to save and they came up with a figure of $84.5 million a year, which is faulty, they talked about these two categories of things.

This chart, which they called General Environment, and I am not sure why it is called that, but that is okay, this chart indicates that the losing base would be Fort Dix, NJ, and that basic training and the air based ground defense and the AIT missions part of this chart were going to be transferred to Fort Jackson, Fort Leonard Wood, Fort Lee, and other bases. They would be the gaining bases. The Commission said that by transferring this 13,000- or 14,000-person activity to these other bases that they could see where they could save about $17.5 million a year.

Of that savings, almost 100 percent of it was in personnel. Think about this. In this instance they are going to save about $17 million or $18 million a year in realigning a 13,000- to 14,000-person unit.

Then we go on to the rest of the activities to see where the savings might come from; $17,000 or $18,000 is certainly not $84 million a year.

So we look at another chart. This chart represents savings that would come from transferring the rest of the units at Fort Dix to other locations in the country. This is the part where they have 1,200 to 1,400 individuals. As we look at Fort Dix, NJ, again, this time the gaining bases are known as Base X. It is referred to as Base X because they are not identified. They are actually multiple locations, other bases throughout the country. McGuire Air Force Base was mentioned because it is right next door to Fort Dix, but they called it Base X. The Commission reported that by transferring 1,200 to 1,400 men we are going to arrive at savings of about $59 million a year. I asked 6 weeks ago if somebody could please explain to me how we can move 14,000 people, eliminate some folks and save $17 million or $18 million a year, while at the same time transfer 1,200 or 1,400 individuals and save $59 million a year. It makes no sense.

No one has explained this yet. I asked 6 weeks ago, I asked 4 weeks ago, I asked 2 weeks ago, I asked this morning. No one has explained that. I do not think they have an answer.

So if that is the kind of savings that can be documented, I would suggest that in terms of cost effectiveness this report, at least in the case of Fort Dix, is flawed.

Second, we talked about having to spend some money in order to effect these savings. On the chart I just had up here they had something about one-time expenditure. Again, I hope those of my colleagues from other parts of the country who have other bases will forgive me for continuing to talk about Fort Dix, but that is the one I have studied. With regard to Fort Dix, the Commission's report, as outlined here and as outlined in other documentation, suggests that in order to reap $84 million a year in savings, DOD would have to spend $245 million. Part of the money would be used to transfer people, part of the money would be used to secure the base, part of the money would be used to build

facilities elsewhere. But it was going to cost $245 million.

This chart was given to us in the Armed Services Committee by a gentleman from DOD by the name of Stone. I believe he was an Assistant Secretary. It is a chart that shows the Army's projected costs of moving bases. Fort Dix happens to be No. 1 on the list, and others are listed accordingly.

Remembering that the Commission suggested that it was going to cost a one-time $245 million expenditure to make the move from Fort Dix. We looked at this very carefully, and I believe it was the gentleman from New York, Mr. DAVE MARTIN, who pointed this out to me first during that hearing. We looked at this, and it said Fort Dix. We had already talked why it was going to cost about $245 million. When we looked at this chart and added up the costs for Fort Dix, the figure actually came to $372 million. In that hearing 4 or 5 weeks ago the gentleman from New York, Mr. DAVE MARTIN, asked the question, or I believe it was DAVE, why is it going to cost $372 million when the Commission's estimate was $245 million. Since that day, just as there has been no answer forthcoming with regard to savings, this question has not been answered either.

I believe that the Commission underestimated the numbers shown in this chart. In blue are the Commission's estimates, and in red are the estimates that come from Assistant Secretary of Defense Stone's chart. Here at the bar labeled "Fort Dix," we show a total Army estimated cost of $372 million. This chart shows other bases as well. At George Air Force Base, the Commission estimated $37 million while the Army estimated $148 million. At Norton Air Force Base, the Commission estimated $132 million, the Army estimates $494 million. And so we can keep going on through from the Presidio to Chanute to Mather and across the chart. We could have talked about all of the others as well. The situation was the same.

So with regard to expenditures, at least at Fort Dix and those bases represented on the chart, we can adequately see that the Commission certainly has not done very accurate work.

Let me get to the next point. The gentleman from New Jersey [Mr. COURTER] mentioned this in his testimony. Late on Monday afternoon, about 4 o'clock in the afternoon, I was in my district office and my staff called, all excited, Senator LAUTENBERG had just learned something. The GAO was preparing to give testimony in the Senate, which happened today at 9:30 this morning. The GAO had released a preliminary version of its report. This is where they are today. And part of that report was very revealing.

We have talked about the Commission using military value as a criteria to judge bases, and each time we called the Commission and we would ask why in the world is this base on here, the answer would be, "Well, its military value is low." Why was Fort Dix put on the list? We were told because there were eight bases that were evaluated from TRADOC, and of the eight bases, Fort Dix is on the list because it was No. 7, No. 7. It does not have much military value.

I got the GAO report. Thank goodness one of my staffers reminded me to write to the GAO months ago and ask them to do this report, and I wrote the letter, and we are beginning to find out. The gentleman from New Jersey [Mr. COURTER] referred to this as well. The GAO says this: "We have reviewed two categories of bases, Army training centers and Air Force technical training bases of the Commission's phase 1 process, and we found that in the analysis of Army training centers, which includes Fort Dix, erroneous data was used." The Air Force effected the relative ranking of bases. Had accurate data been used, Fort Dix would have been ranked first of eight bases in the category rather than seventh.

I could not understand for the longest time how this could be when the American taxpayers have just invested $207 million for improvements at Fort Dix. I could not understand how it could be ranked seventh. I could not understand.

I rode through Fort Dix not long ago with one of my staffers. She had never seen it before. We rode by base headquarters, we rode by the gym, we rode by the barracks, saw the hospital, and she said, "I do not believe this."

□ 1730

It looks like a college campus. That is because of the investment that America has made in Fort Dix. And yet the commission made this grievous error and Fort Dix ended up on the top of the list. And if this is getting more unbelievable, wait until you hear the next one.

That has to do with making the most efficient use of facilities. Congressman COURTER mentioned that the Army Audit Agency was asked in the summer of 1988 to do a study of TRADOC bases to try and determine how they might be better and more efficiently used at less cost. What do we do, the question was, to do our basic training, our initial entry training, as efficiently as we possibly can?

So the Army Audit Agency carried out its mission. They went and looked at the training bases and came back with a report. They were doing it at the same time the Commission was meeting. This is a page out of their report. Here is what this page shows. It shows that at Fort Benning the average number of basic trainees trained at any given time is 6,866. They have space for 8,800. That means they have a surplus of spaces of 1,900.

If you look at Fort Dix, they train at any given time, 7,395 troops. While they have a total capacity of 13,748 which means Fort Dix has excess capacity of 6,389.

As you look on down, you come to those bases, the two of them, Fort Knox and Fort Leonard Wood, where Fort Dix basic trainees are to be sent.

If you look over on this side, you see the numbers have little brackets around them. That means that they are short that many spaces. That means there is a deficit. That means they have to build new facilities. presumably to carry out the mission that they have already got.

When the Commission issued its report based on these findings and these numbers, and this is their final report, which I will quote to you from, and here is what they say based on these numbers: "Recruits should be scheduled for basic training at installations where adequate barracks space is available to avoid the cost of additional barracks construction or barracks modernization. Based on fiscal year 1989 through 1993 training program all recruits and trainees attending basic training, AIT," or advanced individual training, "and one station unit training can be housed in adequate barracks if the training workload is decreased at Fort Knox and at Fort Leonard Wood and increased at the six remaining bases."

Then they go on, and please listen to this: "Additional basic training companies could be established at Fort Jackson and Fort Dix, NJ, where there is 10,763 excess barracks spaces."

It is unbelievable how two bodies, a Commission and an audit agency, can study the same facilities, look at the same numbers, come to the same conclusion, "We have excess barracks space, excess training capacity," and then come to such opposite conclusions as to how to solve that problem. Basically what the Commission is saying is spend $245 million or $372 million to fix this problem by building new facilities where they are already inadequate. Meanwhile, the Army Audit Agency is saying, "Why don't you just switch people from where you don't have facilities to Fort Dix, NJ, not spend any money, and solve the problem?"

So you can see this has been a frustrating time for me because I represent the base that we have all worked so hard to make the premier training base in the country, as has been verified by GAO. It is frustrating, especially because I feel like I have grown up with Fort Dix. But it also is frustrating because we stand in this House and try to find ways, as an institution, to use our taxpayers' tax dollars as ef-

ficiently as we can. Then we appoint a Commission and say, "We need to save money," and these are the conclusions that they come to.

I thank all of the people who are here today for listening, and I hope that when this vote is taken that the majority of the Members of this House will hear what I, together with other Members of Congress, who have looked at other bases, have to say and look closely at the results of this Commission's report.

Mrs. SCHROEDER. Mr. Chairman, I yield 8 minutes to the gentleman from New Jersey [Mr. FLORIO].

Mr. FLORIO. Mr. Chairman, I am pleased to rise in support of this resolution to disapprove the recommendations of the Commission on Base Realignment and Closure. As an original cosponsor of this resolution, I urge my colleagues to join me in voting to reject the product of a flawed and unfair process.

As a representative of New Jersey, it is perhaps no wonder that I rise in support of this resolution in light of the fact that Fort Dix is being slated for reduction. But I wanted to underscore that my concerns about the Commission's list go far beyond the individual case of Fort Dix and strike at the very heart of the matter before us—the flawed process that was set by Congress last year.

Mr. Chairman, I was one of a small minority of Members who voted against the base closure law that set up this Commission and this process last year. My reasons for supporting this disapproval resolution are similar to my reasons for having opposed the law that set up this scenario. When Congress approved last year a process where there would be no opportunity to review the merits of each base closure proposal and actually vote on each individual proposal, Congress abdicated a very important responsibility. When Congress approved a process where a Commission not answerable to the voters could develop a list of bases to close, without even being required to turn over the information used to come up with that list, Congress again left the painful decisions to someone else.

I am disturbed by this trend of abdication of responsibility. We saw it when Gramm-Rudman-Hollings was born and some invisible ax fell out of the sky to cut programs that helped keep people off the streets. We saw with the pay raise when some invisible bureaucrats decided to grant Members of Congress a 51 percent windfall. And we see it again here today with the Commission that decided, out of the blue, to reduce or close these bases.

We are told that the Commission used military value as the major factor in deciding which bases to close. We are told that by reducing Fort Dix to semi-active status, the Army will save the U.S. taxpayer over $84 million per year. But we are also told that it will cost the U.S. taxpayer $245 million to save the $84 million and it will take at least 5 years before we begin to see the savings. Only in Washington do you need to spend money in order to save money.

And this was all that we were told. When we asked for explanations, we were given blank pages. When we asked for a meeting with the Defense Department, we got blank stares. Over the last few months, information has been pried out by plyers. Although I appreciate the help Chairman ASPIN and Chairwoman SCHROEDER have provided in getting some of this information, this information has now become irrelevant to what we are doing here today.

Because, you see, Congress set up a process that doesn't allow for any of this information to be considered, base by base. The Commission's list is a package that must either be swallowed whole or refused as a whole.

Information that has been gathered has only borne out my theory that Fort Dix has been on the Defense Department's hit list for the past 10 years. I was here in 1978 when the Defense Department proposed that Fort Dix be phased down. But in the 10 years that have passed, Congress has begun to do business somewhat differently.

In 1979, we saved Fort Dix because there was an open discussion on the merits of reducing this base. We could point to a GAO investigation that showed that the Army had overestimated the savings and underestimated the cost. We could point to an internal memo from the Army Secretary expressing grave concerns about reducing operations at Fort Dix not only because our national military training costs would not be reduced but also because our Nation's military capability would be severely hampered. With Fort Dix in mothballs, it would take at least 30 days to mobilize troops in an emergency. Congress reviewed this information and the questions we had and overwhelmingly rejected the proposal to close Fort Dix.

Today, we have an Army audit that recommends that training activities be diverted to Fort Dix and not away from this base. We have the GAO investigators finding that the wrong ranking information was used by the Commission when they made their decision on Fort Dix. Although they were later provided the correct ranking information, the Commission continued to base its analysis on the original incorrect documents.

Despite this information that the wrong decision was made based on the wrong data, this Commission's list will automatically go through unless we can muster a majority to support this resolution in both Chambers and override a certain Presidential veto. The cards are stacked too high against us.

It is clear to me that Congress is now being asked to sign on the dotted line without reading the fine print. Unlike the majority of my colleagues, I did not support this "look ma, no hands" approach to base closing. But whether or not my colleagues agree with this process, I hope we can agree that the mistakes that are now evident in the selection of Fort Dix raise questions about the credibility of the entire list.

We still can prevent an injustice from continuing by voting against this entire list. I commend my colleague, Mr. BROWN, for his leadership in introducing this legislation and urge my colleagues to join in supporting this resolution and voting down the Commission's list.

Mr. COURTER. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. Mr. Chairman, I rise in support of House Joint Resolution 165, the resolution of disapproval rejecting the recommendations of the Defense Secretary's Commission on Base Realignment and Closure.

Among the installations recommended for closure by the Commission is the Jefferson Proving Ground [JPG] in Madison, IN. Madison, IN, is a small, rural city located in southeastern Indiana. JPG was built there in 1941 to test and evaluate conventional ammunition for the U.S. Army. JPG currently employs 387 civilians and 3 military personnel.

I am opposed to the closure of JPG and the proposed transfer of its activities to Yuma Proving Ground, in Arizona, for the following reasons:

First, the work of JPG is important for our national defense. JPG determines whether conventional ammunition has been manufactured properly, is safe to use, and meets the combat requirements of U.S. forces anywhere in the world. JPG now tests 85 percent of all conventional ammunition purchased by the Army. This work will continue, regardless of the outcome of today's debate. The key issue before us is whether ammunition testing should continue to be performed at JPG, or whether the workload should be dispersed to other facilities. My own view is that U.S. forces are best served by JPG's continued operation.

Second, JPG is the most efficient proving ground in the country. Past DOD studies have shown that, due to the installation's central geographic location and total dedication to produce acceptance testing, JPG can test more ammunition, faster and with greater efficiency, than any other proving ground. JPG is located within 600 miles of 75 percent of all domestic ammunition producers. The shipping distance encountered by the average

ammunition production facility will increase nearly three times if JPG's activities are transferred to Yuma.

JPG underwent a similar cost-benefit analysis during the 1977 Department of the Army realignment action. The 1977 study showed that tests taking 1 hour to execute at JPG would take 1.50 hours at Yuma Proving Ground. Since the 1977 study, the JPG workload has increased steadily, and the Army has made major capital investments at JPG, including $1.6 million to modernize a tank ammunition assembly complex and $1 million to reconstruct JPG's water distribution and sewage disposal systems.

Third, the estimated JPG closing costs are grossly understated. The Commission report initially identified a one-time JPG closing cost of $51.7 million, with annual savings of $6.56 million, and a 7-year payback period. In March 1989 the Commission revised its calculations for JPG, citing a one-time JPG closing cost of $33.8 million, a 4-year payback period, and annual savings at $6.56 million. Yet, it is my understanding that in late October 1988, the U.S. Army Test and Evaluation Command [Tecom] identified a one-time JPG closing cost of $95.7 million, with annual savings of $5.7 million. Based on the Tecom estimates, it would take 17 years to amortize the closing costs, well beyond the Commission's required 6-year payback period. This discrepancy between the Tecom and Commission cost estimates is troubling. Despite several written requests, the Pentagon has declined to provide me with a satisfactory explanation for this.

Fourth, the Commission has underestimated the overwhelming environmental cleanup costs of JPG. In its report, the Commission acknowledged that the JPG closure will "require consideration of 26 buildings with a range of herbicides, metals, explosives, PCB's, and possible asbestos contamination. * * * a serious ordnance problem also exists." The Commission estimates the JPG cleanup cost at $30 million. I have visited JPG many times, and I am convinced that the Commission has seriously understated how difficult and expensive a JPG cleanup would be.

Since 1941, JPG has fired nearly 23 million rounds, including depleted uranium munitions. JPG is located on some 55,000 acres. A total of 51,874 acres, approximately 81 square miles, may be contaminated. There are obvious safety concerns due to live munitions in unknown locations and the possibility of extensive soil and ground water contamination. JPG cleanup cost estimates, based on EPA and Department of Energy requirements for a hazardous waste cleanup, run into the billions of dollars. For a level 1 cleanup, for example, which means cleaning from the surface to a depth of 3 feet, the estimated cleanup cost is $2.67 billion. Under a level 1 cleanup, the land could only be used for grazing, no-till farming and outdoor recreation. No residential or commercial construction would be permitted.

Given the extent of the JPG cleanup problem, I do not understand how the "net cost of closure and relocation will be paid back within 6 years," as stated by the Commission. By comparison, the Commission determined that Fort Monroe should remain open because its cleanup costs were around $900 million. I have asked Pentagon officials whether the Defense Environmental Restoration Program will completely fund the multibillion dollar JPG cleanup within the required 6-year closing period. To date, I have not received a response.

Fifth, the Commission's estimated revenues from the sale of JPG property are wildly optimistic. The Commission set the JPG land value at $25 million. Yet, the Army's 1977 study of JPG estimated the JPG land value at $3.2 million. According to the Commission, then, the JPG land value has increased by 681 percent over the last decade. The Commission is relying heavily on this sale of JPG land for $25 million in order to recoup the costs of closing JPG. How can the Government justify spending what may be several billion dollars to clean up JPG property that would be sold for, at most, $25 million?

Sixth, the Commission's rationale for transferring JPG activities to Yuma is flawed. With Yuma now operating at 100 percent capacity with R&D testing, Yuma does not have the facilities to handle the 1,500 labor intensive tests that JPG conducts annually. The JPG workload is now the greatest in peacetime history, having increased 25 percent since 1984. JPG is currently working overtime at a 10-percent level and is preparing to hire additional mission support contract personnel to help handle the increasing workload.

In shifting JPG activities to Yuma, the Commission estimated construction and relocation costs at $65.9 million. Yet, on March 1, 1989, Deputy Assistant Secretary of Defense Robert Stone, testifying before the House Armed Services Subcommittee on Military Installations and Facilities, projected the JPG-to-Yuma construction and relocation costs at $112 million.

The Army appears to be aware of Yuma's unsuitability for JPG activities. Despite the Commission's specific recommendation to move JPG activities to Yuma, the Army is now considering relocating most of JPG's activities to Dugway Proving Ground in Utah. The current JPG workload requires 300,000 direct labor hours. Under the Army's plans, Dugway would receive approximately 200,000 direct labor hours and Yuma would receive the remaining 100,000 direct labor hours.

To try to absorb the JPG workload, Yuma or Dugway will have to build the ranges, instrumented impact fields, direct support facilities and most of the indirect support facilities already located at JPG. The proposed transfer of JPG activities simply does not make sense.

Under the procedures previously approved by the House for consideration of this resolution of disapproval, Members are permitted only a single up-or-down vote on the entire list of Commission recommendations. There is no opportunity to amend the list or to review individually any of bases recommended for closure. Given these restricted procedures, and my strong opposition to the closure of JPG, I support the resolution of disapproval and urge its adoption.

□ 1750

Mrs. SCHROEDER. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I also rise in support of the resolution of disapproval.

I do not want to repeat the tremendous job that the gentleman from New Jersey [Mr. SAXTON] has put forth in basically setting forth the factual reasons why the Commission's recommendations with regard to Fort Dix are basically flawed. I do not think there is any question that a tremendous investment has been made in the facilities at Fort Dix in recent months and recent years that were not taken into account. That has been shown repeatedly by the documents of the General Accounting Office.

There is no question in my mind that the cost of mothballing Fort Dix is not accounted for sufficiently, and I believe in the long run we would probably end up spending more money mothballing Fort Dix than we would if we kept it operating the way it is currently operating. My main point today is just to say that I am somewhat surprised as a new Member of Congress by the fact that all this information has been brought out with regard to Fort Dix and why it makes sense for it to continue to operate in the fashion it has for many years in the past and at the same time we are forced as Members of Congress to either adopt the recommendations of the Commission as a whole or turn them down.

It seems to me that the whole process of the Commission has been described basically by the gentleman from New Jersey [Mr. FLORIO]. The gentleman from New Jersey stated very succinctly that the basic problem here is the way the Commission operates, and he points out the fact that individual Congressmen such as the gentleman from New Jersey [Mr.

SAXTON] may bring up supporting data to indicate why in this particular case, such as in the case of Fort Dix, it makes no sense to adopt the recommendations of the Commission, and yet we as Congressmen are simply forced to vote up or down on the Commission's recommendations. I make that point because as a new Congressman I think it really points out to me that these types of commissions, with the procedure established whereby outsiders, bureaucrats, people not involved in representive government who do not necessarily represent the people, are the ones who are making recommendations that in many cases are based on inaccurate data. I frankly would say that if a vote were taken today on such a type of commission or on a similar type commission, I would have to vote "no."

Another example where the same inaccuracy has taken place is with regard to Fort Monmouth in New Jersey. The Commission's report also deals with about 200 people at Fort Monmouth, which is in my congressional district, who are members of the Information Systems Commission, called the ISC. It was recommended that this particular command be transferred from Fort Monmouth to Fort Devens in Massachusetts as a part of the nationwide consolidation of the ISC. Once again, the data that I have and that has been provided to me by the ISC and from other information sources indicates that this transfer makes no sense. Basically, it is not a question of efficiency. It would create more inefficiency. It also is something that will cost the Federal Government more money.

So the bottom line is that both in the case of Fort Monmouth and Fort Dix we are being told that even though we have supportive information that indicates that these changes and the closures and downgrading of these operations of the two forts makes no sense, we either have to adopt the report or throw it out. My own opinion is that under those circumstances we have no alternative but to say that if the Commission's recommendations are seriously flawed, even with regard to only those two bases, it makes no sense for the Commission's recommendations to go forward.

Mr. Chairman, I support the resolution of this approval that is before us, and I want to commend my other colleagues from New Jersey for the excellent job they have done in reporting the factual data to back up this resolution of disapproval.

Mrs. SCHROEDER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Idaho [Mr. STALLINGS].

Mr. STALLINGS. Mr. Chairman, I appreciate this opportunity to commend the nonpartisan Commission on Military Base Realignment and Closure on its recommendations.

The consensus of the Armed Services Committee and the GAO has been that the Commission employed a reasonable methodology, a reliable cost-estimating model, and credible data in reaching their recommendations. There has also been no indication of bias on the part of the Commission's members either for or against any particular installation considered.

Until the establishment of this Commission, the consolidation of outdated bases and missions had proven a politically intractable problem. For some communities, possession of a military installation has come to be regarded as an inalienable right, and this is not proper.

Certainly, the symbiosis between a base and its support community can be extensive. And corollary to this is the economic uncertainty which a community faces with the loss of a base. There is, however, no doubt that the move to civilian economy can be successful if the community and the Department of Defense work together in the planning and execution of the transition.

Our primary mission in undertaking this project was to secure a more efficient military. And while this process should, in 1989, start with the defeat of House Joint Resolution 165, it must not end there. First, we must ensure that the provisions of the base closure plan will not be undercut by ad hoc maneuvers during the authorization and appropriation process.

Second, we must make the initial investment in reallocating men and equipment and in environmental cleanup on these bases that will lay the framework for future savings. Past experience indicates that it takes a year or two before cost-savings from base closures are realized. As part of the authorization process, we must also think about the force levels we require after the streamlining has occurred. Obviously, the greatest cost savings are made only when force numbers are actually reduced.

Finally, we must subject our overseas bases to the same tough scrutiny we have given our domestic ones. The INF Treaty, for example, has essentially lowered our base requirements in Western Europe.

As everyone in this room is aware, we have some tough choices ahead of us on the whole gamut of military programs. When worthy programs will go begging for lack of funds, this body must heed the careful and reasoned recommendations of the Commission on Base Realignment and Closure, and vote "no" on House Joint Resolution 165.

Mr. COURTER. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, first of all, let me commend our good friend and colleague, the gentleman from New Jersey [Mr. SAXTON], for the excellent presentation he made earlier in this debate. I think it just parallels and mirrors the work and the fine research he has done during the course of the last 7 months when we have been faced with this crisis. I do want to say for us all to hear that our entire delegation has been following his excellent leadership, and I want to commend him for the work he has done.

Mr. Chairman, I rise in strong support of House Joint Resolution 165, the resolution disapproving the recommendations of the Commission on Base Realignment and Closure. I find it highly disturbing that the General Accounting Office in findings released just today has determined that the Defense Secretary's Commission used faulty and flawed information in its selection of Fort Dix as a base to be downgraded.

□ 1800

Mr. Chairman, if the Commission had not made several errors, the GAO claims, Fort Dix would have been ranked as the basic training base with the highest military value, as was pointed out by my colleague, the gentleman from New Jersey [Mr. COURTER]. The base closing report named Fort Dix as the seventh most valuable base due to some inexcusable statistical errors. Specifically, the GAO has found that Fort Dix was considered only marginal in its relations with Reserve forces while it actually received acceptable, the highest rating given.

Furthermore, Mr. Chairman, the Commission erred when it reported that Fort Dix has facilities that are in great need of repair and maintenance. In fact, the post's facilities are in much better condition than the Commission considered them to be. Construction improvements, which have been undertaken over the recent years, were not considered by the Commission and would have greatly influenced this determination. One can only speculate on what the Commission may have recommended for Fort Dix if it had reviewed accurate information on the base. Perhaps the Commission's errors could be attributed in part to the fact that the commissioners, neither the commissioners nor any of the staff of the Commission, visited Fort Dix during the course of their deliberations, a trip that the GAO knew was necessary to determine the facts, and this is particularly important in ranking the condition of the facilities.

Mr. Chairman, over the last several months the gentleman from New Jersey [Mr. SAXTON], our delegation and I have tried in vain to get more

details on the data and reasoning used by the Commission. We have been frustrated time and time again, and now we find, as a result of the GAO oversight, that serious errors have indeed been made, and when the final report from GAO is issued, I think the probability is very high that even more flaws will be uncovered.

Furthermore, Mr. Chairman, I think it is ironic that rather than reducing Fort Dix to semiactive status, one recent Army report actually recommended expansion. A June 1988, U.S. Army Audit Agency document actually suggested boosting basic training programs at Fort Dix and cites excess barracks capacity as a reason. Members of our delegation have brought this report to the attention of the Commission, yet we have not received any credible rebuttal to that finding. It would appear that the left hand simply does not know what the right hand is doing in this case.

Of additional concern, Mr. Chairman, is the unclear meaning of the term "semiactive status." During a recent visit to the installation I was told by the commanding general that they, too, could only guess what semiactive means or how that status will affect their wartime mobilization mission and other operations at the base.

Finally, Mr. Chairman, in my view Congress supported the enactment of base-closing legislation because of the promise of tremendous savings coupled with a methodology that would be above reproach. I ask my colleagues to examine the advertised savings of the base-closing legislation law, then compare that to the Commission's anticipated savings. The so-called savings are a bitter disappointment, and, more importantly, the data and assumptions upon which the decisions were made are seriously flawed, and many additional costs, Mr. Chairman, associated with the closing of base closing environmental costs, as GAO points out, were not even factored into their final recommendations.

I believe that to support the Commission's recommendations would be a serious mistake. The gentleman from New York [Mr. MARTIN] pointed out a few minutes ago that the good work of the Commission should not be lost. Well, it would not be. If we reject the Commission's findings, we can go back to the drawing table, build on the good things that they discovered during the course of their deliberations and hopefully come up with a methodology that will not be flawed. I believe this resolution of disapproval ought to be supported.

I thank the gentleman from New Jersey [Mr. COURTER] who likewise, like the gentleman from New Jersey [Mr. SAXTON] has been a leader as a member of the Committee on Armed Services in taking this fight to the Congress as well as in committee. The time has come to support this resolution, and I hope my colleagues will see to that request.

Mr. COURTER. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. GALLO.]

Mr. GALLO. Mr. Chairman, I thank the gentleman from New Jersey [Mr. COURTER] for yielding me this time, and, Mr. Chairman, I rise in support of House Resolution 165.

Mr. Chairman, I am pleased to have the opportunity to add my remarks to those made previously by my colleagues on the critical issue of decision-making as it relates to the recommendations of the Base Closing Commission regarding Fort Dix.

As a supporter of the legislation creating this process for evaluating military facilities, I believe that we have created a workable overall mechanism, but one which contains several serious flaws that should be addressed before we move forward.

In particular, I must report that I have two serious concerns with the unintended side effects of the base closing process on Fort Dix, as a facility that has been downgraded in status.

As it is located in my home State, I refer to the actions relating to Fort Dix, because I have firsthand knowledge of this particular example.

Our glass is half empty and half full. By downgrading the status of Fort Dix, the Commission has preserved the facility to accept a future mission—perhaps in conjunction with the United States commitment to develop a military force that can respond quickly to a wide variety of incidents in Europe, the Middle East, and elsewhere.

Fort Dix is literally in a strategic position along the east coast and has great potential for the future.

But, this potential also raises the critical question: What will the people in the surrounding communities do during what may be years of uncertainty?

Communities centered around closed facilities are eligible for help to address the dislocation caused by the closing and there is the potential that some alternate use of the land will provide an opportunity for economic growth in new enterprises.

But, this type of help is not currently available for more temporary actions or partial closures.

We are talking about $207 million spent at Fort Dix for housing and other physical improvements.

We are talking about more than $372 million for relocation, according to March 1 DOD figures.

Based on these and other figures and documentation, I question the Commission finding that a 6-year phase-down process will be less costly than continued operations at present levels, given the great future potential of Fort Dix.

We must also address the potential economic devastation faced by surrounding communities.

These communities have spent $16.8 million to build a school that may never be occupied. They have built roads that will no longer be needed.

In short, they have invested in the future and now there is serious doubt among the people.

We owe it to the people who live and work near Fort Dix and other downgraded facilities to address this serious shortcoming in the base closure process.

I do not believe that we intended to create an economic limbo with this law.

It is a flaw in the original language and I urge support of all of my colleagues in our efforts to correct this flaw and address this injustice.

I would like to commend the hard work and diligence of my colleagues, JIM SAXTON and JIM COURTER, to bring the facts of this case to public attention.

In particular, Mr. SAXTON's strong stand on behalf of the people living on or near the Fort Dix facility deserves our recognition and our thanks.

Because of the considerable difficulties created at the Fort Dix facility and the surrounding communities as a result of this high level of uncertainty, I consider this flaw in the base closing procedure to be sufficiently damaging to prompt my support of House Joint Resolution 165.

Mr. COURTER. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from New Jersey [Mr. COURTER], my colleague, and I rise reluctantly in support of this resolution of disapproval.

Mr. Chairman, as an original cosponsor of the Armey legislation, which I might remind my colleagues, passed the House by a vote of 370 to 31, I firmly believed that the goal of base closing and realignment was correct. We clearly needed to reduce defense spending. And, we clearly have obsolete and unnecessary bases and facilities in our military system.

In voting for the original bill, I argued that the potential savings of $5 billion which would be generated by the bill was too good a deal to pass over and that the bases recommended for closure or reduction would truly not be needed by the Defense Department.

□ 1810

When the Congress approved the legislation, however, we all agreed that the nonpartisan Commission approach was the most appropriate way to reach this ultimate decision and to avoid the

sticky political issues of whose bases to eliminate.

I certainly did understand and appreciated the feelings of my colleagues whose congressional districts were in danger of losing bases. But the possibility that each one of us could lose a military base was a real possibility. We all knew this when we supported the creation of the Commission.

We also believed all the bases would be objectively evaluated and assessed. That was our clear understanding.

Having said all that, Mr. Chairman, I must again say that I support this resolution of disapproval. And I do so solely because of the new revelations regarding the process which ultimately resulted in Fort Dix being placed on the recommendation list.

It is now evident that Fort Dix was unequally evaluated. The data was incomplete, insufficient, and incorrect.

When the Commission report revealed that Fort Dix had been included in the recommendations, the New Jersey delegation, led by our colleague, the gentleman from New Jersey [MR. SAXTON], immediately mobilized an effort to challenge the Commission's findings. We were confident that Fort Dix was a critically needed training facility and that something in the Commission's analysis must have been faulty. It turned out that the gentleman from New Jersey [Mr. SAXTON] was indeed correct, as was the rest of the delegation.

We knew that, in fact, the Army has over the last 10 years invested millions of dollars in Fort Dix to make that facility a top-notch Army training center. In fact, at the very time the Commission was analyzing the military base system, the Army was conducting an internal audit which concluded that Fort Dix needed to be expanded in order to meet the Army's training needs in the 1990's.

Knowing this, the Commission concluded that Fort Dix should not be completely closed but should be reduced to a "caretaker" status. In fact, the Commission acknowledged that absolute closure of Fort Dix was not only impractical, but given the mission of Fort Dix, was virtually impossible.

Now, added to that, just yesterday, we were informed that an analysis conducted by the General Accounting Office, which was requested by the delegation, had found that the Commission's conclusions on Fort Dix were faulty and in fact the result of old data, inaccurate and insufficient and incomplete—I repeat.

The GAO stated that on the issue of cost savings attributed to a reduction in Fort Dix the GAO found that the Commission's estimates were 20 percent higher than the GAO's analysis. That is a significant number.

On a second issue, the GAO concluded that the Army provided faulty data on the status of the physical plant at Fort Dix and overstated the cost of annual maintenance at the facility.

These are significant omissions of factual statistical analysis.

Finally, the GAO found—believe this—that a clerical error in the Commission's evaluation of Fort Dix's relation to Reserve forces actually accorded Fort Dix a lower point total than should have been given—another statistical anomaly.

So today, or next week, we will vote on a relatively good Commission report on base closings whose intentions were good in terms of its savings for the Defense Department, but since we cannot take Fort Dix off the list, we were on the horns of the proverbial dilemma, or trying to cut the Gordian knot. We cannot do that in this bill. We cannot take Fort Dix, which has been admittedly unequally treated by the Commission, we cannot take it off the list before we vote, and therefore we have to vote down the whole resolution.

It is my hope that we will be able to sort this problem out in the Appropriations Committee and perhaps review this matter in the Armed Services Committee, but the Appropriations Committee is where the battle will now shift.

Mr. SAXTON. Mr. Chairman, the gentleman from New Jersey [Mr. COURTER] has asked that I handle the time on this side, and with the permission of the Chair, I yield 20 minutes to the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Chairman, I rise to speak in favor of the motion to disapprove the recommendations of the Base Closure and Realignment Commission.

The Commission's report and recommendations are flawed. In the debate today, you will hear Member after Member proving that the recommendations of the Commission are wrong, that they are based on inaccurate information, and that they will not achieve the alleged cost savings. These errors are too substantial for the concerns expressed here today to be dismissed as simply parochial interests. Individual members of the Commission, the various branches of the military and the General Accounting Office have all stated that there are major errors in the recommendations. In addition, as proven by the Commission's own transcripts, their ratings process was altered to substantiate claims that facilities were inadequate. In the case of Chanute Air Force Base, this base was rated differently from the other bases in its category. It was shortchanged points that the other bases were given.

Let me speak for just a moment about the transcripts. Here are some examples of the things the Commissioners said about their own work.

Quote:

I think anybody that would look at this exercise and say this is the way to manage your base structure is out of his gourd. I think it's terrible public policy. I think the notion that we're going to perpetuate and do this every ten years is nutty.

Another quote:

But let's don't admit we have done a lousy job * * * our ability to operate was circumscribed and that illustrates that this is at best a gerry rigged and temporary procedure.

Still another quote:

This says that we evaluated all bases against five factors. We didn't do that. As a matter of fact, there were 2,000 bases we didn't look at against any factors.

About Chanute Air Force Base and I quote:

We're right on the margin here on payback * * * the construction costs (at the receiving bases) are quite high * * * on the margin here, we're right on the margin with this one * * * I think that we may be making this cut too quick, without having validated the capacity information and at least taken a first cut look at what the costs are going to be.

Quote:

We invented the property value.

And again a quote about Fort Sheridan:

If we add Fort Sheridan, which everybody says has got to be closed, it's been in every piece I've ever read, that Fort Sheridan is doomed. Now if we have that, you will have to testify that it failed the formula, but that we added it because our gut said that it ought to be added.

Could a base be closed that did not meet the savings test?

Quote:

I think we have some room to do that because what we do is we change the way. We go back into the arrays. This may sound complicated to you, but you go back in and you change things. But you'd be changing the formula. No. You'd be changing the scores.

This is, at best, a slipshod way of making major decisions, which not only affect the host communities, but our national defense structure.

The General Accounting Office has stated that savings can only be realized if there is a reduction in personnel, which the military says they are either unable or unwilling to make.

I have concluded from this evidence that this entire process has been a public relations farce, which will result only in a negative economic impact on the communities hosting these bases.

Furthermore, there will be a negative effect on the quality of life standards for our military men and women. The GAO has told me that the cost of new construction at bases receiving forces transferred from closed bases will be insufficient to maintain the military's quality of life standards. In fact, the military states that they will have to double, triple, or quadruple the number of people assigned to any given building in order to implement

the Base Closure Commission recommendations. The hundreds of millions spent by the military over the last decade to improve the quality of life for our military has really been money down the drain if these recommendations are approved.

There are major errors in the Commission's report on Chanute. No member of the Commission or its staff visited Chanute or contacted Chanute officials by telephone or letter. This, no doubt, contributed to their erroneous findings.

Chanute Air Force Base is a technical training center providing training in missile and aircraft mechanics. Individual and military technical training is provided for officer and airmen of the Air Force, Air Force Reserve, Air National Guard, Air Force civilian employees, and other Department of Defense agencies. Officers and airmen from 25 allied countries are trained at Chanute. Chanute graduates 24,000 students each year from 168 resident courses.

Chanute is designed as the central Defense Department fire protection and rescue training center and the primary MX missile maintenance training center. All Department of Defense and Coast Guard weather specialists receive their training at Chanute. It also provides principal training courses in the maintenance of intercontinental ballistic, air and ground launched cruise, and attack missile systems. There are 53 courses taught at Chanute that are not taught anywhere else. The quality of its work is well known throughout the Air Force, and Chanute has a record of achieving top results.

Although Chanute is the third oldest installation and the oldest technical training center in the Air Force, it has been continuously changing to meet the needs of modern day life and technology. With a younger population of students, Chanute has been exceptionally sensitive to quality of life conditions. In the last decade, $150 million has been spent building new facilities.

Chanute has not been a mediocre or marginal base. It has been a high caliber base which has consistently earned top honors Air Force-wide. In 1988 alone, Chanute earned 44 of the 80 awards given by ATC. Please note that Chanute has won many awards in areas where the Commission has stated the base is deficient.

I would like to point out that Chanute is the only base which teaches the Minuteman system maintenance program and the only base with inactive silos for training purposes. I think it is very important to keep training and readiness separate. The Air Force estimates that the closing of Chanute and the moving of equipment can result in a 6-month period when these training courses will not be taught since they are base specific, hands-on courses and the training equipment necessary for instruction in these courses doesn't exist at any other facility. I think this is unacceptable for our national security.

The Commission report states that Chanute has "a shortage of buildings for training and administration purposes, maintenance, and warehousing * * * amenities, and medical and dental facilities." These statements are blatantly untrue. The Air Force disagrees with these findings. Without a doubt the most outrageous statement by the Commission is that "This closure will have moderate impact on local employment." The impact on this rural area of Illinois will be devastating.

It is clear from the very brief discussion on Chanute in the transcripts that the Commissioners had not visited Chanute and did not have current accurate information about this base.

I would like to point by point refute the Commission's recommendations.

The Commission claims a shortage of buildings at Chanute for administration. Before the Pentagon was built, White Hall at Chanute was the largest administration building in the military. It is now the second largest. Inside you will find over 10 acres of space. The Commission also claims there is a shortage of maintenance and warehousing buildings. The alleged shortage of maintenance space is the size of a small apartment. Chanute has adequate warehousing for its needs and has never reached a point where it has been necessary to request additional facilities.

The Commission has erroneously categorized the new $7.5 million fire training school as maintenance, and not training.

The Commission states there is a shortage of family housing units and bachelor housing. Since fiscal year 1982, $30 million has been spent to upgrade and maintain Chanute's housing. The base has 1,346 family housing units and 95 mobile home spaces. There is an excess 1,000-bed modern dormitory at the base that is not being used at this time. Chanute has a total dormitory capacity of 5,900 beds. One modern 100-room bachelor officers quarters is in use. A new 100-room bachelor officers quarters is over half complete. In the nearby community of Rantoul, there is a 7-percent excess of available rental units.

A letter I have received from the Air Force states that contrary to the Commission's report, recreational facilities at Chanute are indeed adequate. Many of these facilities are new.

The Commission also stated there is a shortage of medical and dental facilities. There is an underutilized hospital at Chanute. The Commission report on the hospital size is incorrect. The hospital currently uses 35 inpatient beds. It has medical/surgical, obstetrics/gynecology, and special care nursing unit capability. The hospital enjoys a good reputation for meeting the varied medical needs of both the younger active duty personnel and the large number of retired military who live in the community. It has an excellent emergency room. With the third floor in use, this hospital can expand to a 130-bed facility.

Across the street from the hospital, there is a modern dental clinic. Outpatient care is available by appointment, and there is an active duty clinic in the late afternoons to accommodate those with training schedules. Comprehensive dental services are offered. Emergency care is provided around the clock.

The Commission declares that closing Chanute would only have a "moderate impact on local employment." Gen. Bryce Poe, a member of the Commission, has publicly stated the report is wrong on the economic impact. This has been verified in a study by the University of Illinois.

Chanute is the second largest employer in Champaign County. This alone would indicate a major impact.

However, there are other economic factors which were never considered.

There are 4,614 military retirees residing in the 50-mile radius, and military retirement pay received totals $45,509,688.

As can be expected, the local real estate market in the immediate area surrounding the base is suffering. Only one house has been sold since the proposed closure was announced in late December, and that was due to a family being burned out. Property values have dropped, owners have lost equity and there will be a major negative impact on area savings and loan institutions which hold these mortgages. Even now, the Air Force and the Army Corps of Engineers are trying to estimate how many homes will be required to be purchased and what the cost will be. Because these additional costs are not yet known, they could not have been included in the Commission's study.

Approximately one-third of the homes in Rantoul are owned by base-related personnel. The General Accounting Office has estimated that home values will decline $30,000. These are homes having an average value of $70,000. Again, this will have a tremendous impact on the viability of local financial institutions.

Particularly hard hit by a closure would be the local school system in the immediate area of the base. Rantoul City Schools will be forced to close 4 of its 6 schools; 65 percent of the elementary school teachers and 43 percent of the high school teachers will be released. This is not a moderate impact.

Because of the average age of local teaching faculties and the economic pressures on all schools in Illinois, over half of the tenured teachers who will be released will have too much experience to be reemployed as teachers in Illinois. These are teachers with more than 10 years experience. With the Illinois Teacher Retirement System requiring 20 years of credit to receive significant benefits, all of these career teachers are facing an extraordinarily difficult future.

The Commission report cites an $8 million savings by closing the Willard Airport in Champaign/Urbana and moving this civilian airport to Chanute. I would like to point out that there are no facilities—no tower, lights, or radar—at Chanute. The airport they would close is fully operational with ILS, radar, a 10,000-foot runway, where $88 million has been spent in the past 5 years. It has an existing passenger terminal, and a new terminal is under construction. None of these facilities and equipment exists at Chanute. Obviously, this is also badly in error.

The Commission states that closing Chanute will save $68.7 million annually. That equals the amount needed to operate and maintain the base each year plus the cost of family housing. But, what will it really cost to close Chanute?

Chanute would be the second costliest base to close. Initial estimates of new construction costs at the receiving bases range from $186.4 to $240 million. The Air Force has acknowledged that expenditures at that level will not maintain quality of life standards for airmen.

There are other factors that will incur great cost. There is a joint military-civilian regional sewage treatment agreement betweeen Chanute and the village of Rantoul.

The Air Force has contracted with the Sun Law Energy Corp. through the year 2017 for steam heat.

How much will the Department of Defense have to pay under the home buyout program? The GAO says this will be $30,000 for each house. There are 1,100 homes owned by Chanute personnel. This total of $33 million was not included anywhere in the Commission's deliberations.

The Air Force itself refutes the Commission's recommendation. The Commission condemns Chanute for having excess capacity. However, the Air Force requirement submitted to the Commission is based on a projected surge in students during the 1992-94 timeframe. The Air Force expects this surge to be so great that Chanute's current facilities would have to be expanded.

How do you close a training center when an increase in demand is expected?

GAO questions the methodology used by the Commission. Chanute was evaluated differently from the other bases considered in its category.

Chanute was rated differently from the other bases considered in its category. It was shortchanged on its possible points. Under quality of life, the evaluation factors were family housing, bachelor housing, recreation-amenities and medical/dental. The difference comes in the bachelor housing and recreation/amenities categories. Except for Chanute, the bases were rated as follows:

For bachelor housing, the unit of measure is dorms. For recreation/amenities, there are three units of measure: dining halls, public service, and recreational. Four separate point values were assigned to these categories.

However, Chanute was shortchanged on these point values. Under bachelor housing, the unit of measure is dorms/dining halls. Under recreation/amenities, there are only two units of measure; public service and recreational. Chanute received point values for only three categories whereas the other bases received points in four categories.

Ironically, Chanute was shortchanged in a category in which it has won best in the Air Force awards for the past 3 years.

There are serious errors. Is it justified to follow through on a closure recommendation that was based on wrong information?

The base closure law was enacted because Congress was told that cost savings could be achieved. I think you and other concerned Members are very much aware that the Commission's recommendations are not going to save very much money, if any savings are realized at all.

I think it is clear that there will not be any cost savings achieved in the event Chanute AFB is indeed closed. GAO will state that savings come only from a reduction in force—something that base closings cannot guarantee.

In fact, I firmly believe that the base closure account is never going to be self-sustaining because the savings simply are not there. If Congress follows through with these closure recommendations, then the money is going to have to come from somewhere. The defense budget has already been cut and is subject to further cuts. I do not believe Congress expected to fund a base closure process which is not going to save any money. In these times of increasing budgetary pressures, we may very well find that we cannot afford the alleged savings recommended by the Base Closure Commission.

The decision of this House to adopt governance by commission is not courageous, nor is it in keeping with the great history of this Chamber, or the wise and resolute character of so many of our best who have served here.

Now we are faced with yet another sour decision. The Commission has not done its work well nor, as the Commission's internal transcripts have shown, with the best of intentions. And we must choose, really, whether we will accept responsibility now for a double error—both the mistakes of the Commission, as well as of the Congress which created it.

No Member in this Chamber serves against their will. No Member was elected to delegate his or her responsibility. I urge the adoption of this resolution and the rejection of this badly flawed recommendation.

□ 1830

Mr. SAXTON. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I would like to ask the gentleman from Illinois a question. In the charter which the Defense Secretary's Commission on Base Realignment and Closure was given by then Secretary of Defense Frank Carlucci, it required or appears to me to require, and I want to know if the gentleman from Illinois agrees, it appears to me that the Commission was charged with the responsibility of carrying out its duties and arriving at its objective, and included in the criteria it used it says the criteria for realigning and closing bases would include at least nine items, the sixth of which was the economic impact on the community in which the base to be closed or realigned is located.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from Illinois.

Mr. MADIGAN. The gentleman is correct.

Mr. SAXTON. The GAO testimony says the Commission's methodology excluded some potential closure or realignment costs. The Commission, it says, was required to consider the economic impact on the community where a base was recommended for realignment or closure. However, the Commission decided not to consider certain DOD and other Federal Government costs associated with socioeconomic impact of the closures.

Is the gentleman from Illinois suggesting that is what happened at Chanute?

Mr. MADIGAN. If the gentleman will yield, I do not know what the Commission did in this regard. They reported that the economic impact of closing Chanute would be minimal.

The population of that community is 20,700 people, and 8,000 of those 20,700 people in that community work on Chanute Air Force Base. More than a third of the population of the community works on that base. A third of all of the homes owned in the commu-

nity are owned and occupied by people who work on that base. Over half of the school kids are children of people who work on that base.

I do not see how we can look at those statistics and possibly conclude that the economic impact would be minimal. I do not know how they did that.

Mr. SAXTON. I would suggest that the conclusion the gentleman comes to is very much in line with the apparent conclusion that the GAO comes to here as indicated in a statement by Mr. Conahan who indicates very much the same result of their study as the gentleman has indicated as a result of his observation at Chanute.

Mr. MADIGAN. If the gentleman will just yield briefly for 10 seconds, I am told that when the General Accounting Office people arrived at Chanute and looked around, just at their initial look around they said there is something wrong here, there is something wrong here, this cannot be the base that is referred to in this Commission report.

I thank the gentleman for yielding.

□ 1840

Mrs. SCHROEDER. Mr. Chairman, I yield 20 minutes to the distinguished gentleman from Illinois [Mr. BRUCE].

Mr. BRUCE. Mr. Chairman, I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I would like to thank Members for the opportunity to speak in favor of the resolution to disapprove the Base Closure Commission's report.

I strongly agree with the statement of one of the Commission members in this base closing plan:

I think anybody that would look at this exercise and say this is the way to manage your base structure is out of his gourd. I think it's terrible public policy. I think the notion that we're going to perpetuate and do this ever ten years is nutty.

Closing and realigning obsolete military bases was one of the cost-savings recommendations of the Grace Commission and an initiative proposed by the congressional Grace Caucus, of which I am a cochair.

The act's intention was honorable: To save the taxpayers billions of dollars and to make better use of our Nation's defense resources.

For the past 11 years, no obsolete military bases had been closed. The Department of Defense under the Reagan administration had not officially proposed a single closure in nearly 8 years. This lack of action put a strain on an already bloated defense budget, tainted by the procurement scandals.

By enacting the Base Closure and Realignment Act, the administration and many Members of Congress thought that depoliticizing the process by taking the decisions out of the hands of the Department of Defense and the Congress would result in fair and honest base closing recommendations.

I opposed this example of "Congress by Commission" and voted against the authorization of the Commission under the act. I agreed with the bill's cost-saving intentions but I believed that its mandate was too narrow and the time frame to evaluate the bases was too short. More importantly, I was concerned about the sweeping delegation of legislative and executive branch authority to an outside agency without allowing full oversight.

The enactment of the bill left too great a margin for error. What if national defense were weakened by proposed closures? What if no significant cost-savings were achieved? What if mistakes had been made by the Commission?

Since the release of the base closure report, it is my observation that mistakes have indeed been made by the Commission, and many are grave mistakes. What happened to the legislations's intended savings estimated at $2 to $5 billion a year and the Commission's proposal which projected a savings of $700 million? The Commission seemed to cast aside its mandate of cost reduction, which was the foundation of its charter.

The Commission's purported cost savings relied heavily upon major national defense policy changes. The Commission estimated that its base realignment and closure recommendations should lead to an annual savings of $694 million. It's important to note that 84 percent of this savings, a full $583 million, is primarily hinged upon reduction of military and civilian personnel. GAO estimates that the implementation of the Commission's decisions would result in the reduction of 7,748 civilian and 12,889 military positions. The GAO admitted at the Armed Services hearing that the DOD would "not actually achieve the savings unless there is a corresponding reduction in authorized personnel ceilings." Decisions affecting the reduction of personnel should be made by the Secretary of Defense and the Congress.

I know you will be interested in what the Commission members and their staff said about specific bases and the base closure process in general, and I plan to introduce a few of their remarks today. I would suggest that Members and their staff go through the Commission's transcripts for a little light reading; they're over 2,000 pages long. I gathered information from these 2,000 pages with the help of my staff and what I will reveal is the Commission's doubt in its own ability to judge which bases should be closed. Many decisions on base closure were made in only a moment without looking at other bases in the same category, on the advice of staff and Department of Defense officials. Yet the discussion on whether to keep these transcripts secret went on for about a half-hour.

After looking through the comments of the Commissioners and staff members, it became obvious that they were extremely disappointed with the quality of their work. Of course, much of this is not the fault of the Commission itself. The mandate they were given was fatally flawed and overblown in its expectations. The Commission was told to save $2 to $5 billion, but found early on that its mission was impossible to accomplish. The following comments reflect some of their feelings:

I think we believe in our own recommendations. My point is we were sent out on the course with an 8-iron and a wedge and a putter.

But let's don't admit we have done a lousy job.

We've done very well within the ground rules we were given, but in effect our ability to operate was circumscribed and that illustrates that this is at best a gerry rigged and temporary procedure.

This says that we evaluated all bases against five factors. We didn't do that. As a matter of fact, there were 2,000 bases we didn't look at against any factors. It says the next step was to evaluate the potential relocation of activities on a base identified for closure.

We didn't do that anywhere except what the Air Force gave us. We didn't do that at all with the Army and Navy.

I think we have put out way too much information that is going to come back to haunt us.

You know, we are rapidly concluding that, notwithstanding the Grace Commission and all of this, there are no birds on the ground out there, that there are very few birds just sitting on the ground. This means that you are going to have to induce some discomfort in order to get savings. The question is do you want to do that.

Now we have shied away from that, it seems to me. * * * I'm not ready to concede that we don't want to induce to some pain.

Well we might miss some possibilities. But you've got to look at the size of the job and the length of time available, and we have to take a chance on missing some possibilities.

Despite knowing that they could not achieve the cost savings of $2 to $5 billion, the Commission decided they would find ways to close as many bases as possible, even if that meant changing national defense policy. The cost savings it came up with may be too expensive, in many ways, for us to implement—Re: Commission discussions with GSA:

They are telling us that in the five-year timeframe that we have to implement, the likelihood of realizing proceeds from the sale of this land is not good,

But when you sub-optimize down to what happens to the DOD budget, we have the real ability to not be able to afford to do what we recommend.

To the extent we can sell property that doesn't have any use, then that's good money. To the extent we have to move something and build a lot someplace else,

we keep adding that MILCON bill to the department.

The issue of affordability, however, breaks down to how much of the defense budget has to be taken away from other things, like buying airplanes, in order to build property, build constructions that we need to do our analysis.

If I understand what you're proposing, $218 million, give or take, would be to construct facilities at the receiving bases.

And to move the people.

I think the concept here was to move those existing training facilities into a base that had similar facilities, and similar programs and just enlarge those, rather than reinvent the wheel at a particular base. That was the concept.

The Commission members and staff speak for themselves on the illusory or uncertain nature of claimed cost savings. In fact, a "gut" feeling was clearly used to determine the future of one base:

If we add Fort Sheridan, which everybody says has go to be closed, it's been in every piece I've ever read, that Fort Sheridan is doomed. Now, if we have that, you will have to testify that it failed the formula, but that we added it because our gut said that it ought to be added.

Could a base be closed that did not meet the savings test?

I think we have some room to do that because what we do is we change the way. We go back into the arrays. This may sound complicated to you, but you go back in and you change things."

But you'd be changing the formulas.

No. You'd be changing the scores.

What formulas were used to assign property values?

We invented the property value.

. . . this is the way the Commission has determined to do it: to take the full market value for the highest and best use of the property, regardless of whether we know it's going to revert to a park, et cetera.

Department of Defense knows it's not going to get $555 million for the Presido.

The following comment illustrates further illusory savings. They are counting savings by cutting projects which have neither been authorized, nor appropriated:

In other words, if you're proposing to close a base which houses a function, which function needs to be performed in any event, then the function has a cost associated with it and you're not going to save that cost by simply moving the function somewhere else.

Sir, we have not counted that savings. The cost-avoidance, the main cost avoidance we've counted is planned MILCON at the bases we would close.

Did you have—I'm assuming, do you go out and get real estate appraisers?

No, sir. What we used was the real estate experts within the Service to value those properties.

Real Estate experts?

We did not go out to the private sector. The main reason was we couldn't give them the names of the places we needed the values of early enough for them to get an answer back to us.

Applying those assumptions (GSA rules), they went through and evaluated those properties the best they could given an arm's length distance. They couldn't go down there and give a real estate appraisal.

You see, one of the rubrics that we have worked under here is we have to have cost effectiveness and payback and so forth for the other installations.

Now we know on the other installations that we looked at, for example, what pays for itself and what payback is.

Now, if we want to trade off on some of that, what I am saying is I think what you are saying is we need to think that one again.

If you want me to phrase that differently, that's our best guess of what we might get out of this. And it's only that it's a guess based on the information we have to date. It's just to give a focus on essentially how much winnowing was gone on through phase one.

The process requires expert advice from the services in such things as what is important for military values, what constitutes excess capacity, what is meaningful excess capacity, and also in developing options for relocating activities.

The Commission thought they could get away with this shoddy job. In regard to a specific base not slated for closure, they said:

I think this is one that's going to try our credibility any way you do it, and people are going to look at the things that were closed in their district and say, they did this and they didn't touch this place.

You've got to close it. I mean, you've got to sell it. I mean, even though its the last piece of American property (———), you've got to sell it. It's worth a zillion dollars.

To the extent that we can go out and look at these facilities, our report will be enhanced, and our work will be better supported. And so, any of you who have a day or two that you can devote to go and see, to visit, I think, come next March or April, when we are sitting before the Senate, it will enhance the report that we have for the Senators.

They even tried to railroad the GAO.

Did we resolve the GAO briefing issue? Were you going to do that (———)?

Yes, I have a call in. I'm going to try to see (———) this week, I suspect, and see if I can't get an opportunity to go over and see him and try to design a get-together, so that we lay out our process that we have here under some ground rules that we are comfortable with.

I've got my brother (———) to assist with this task. I feel if we're going to railroad the GAO, I couldn't find a better man to do it. [Laughter.]

I hope we can clean that up in the record.

Psychologically, I would add the unaffected states because a guy is going to be looking through here trying to find his home town and if it's good news, it's another vote in favor of what we do.

In the case of closing Chanute Air Force Base, in central Illinois, only one of five Air Force technical training centers was even evaluated for closure, even though there was question as to the savings that could be realized from closing other bases. The discussion on whether to close Chanute encompassed nine double-spaced pages. The discussion on whether to keep these transcripts secret went twice as long.

With Chanute, there is also a decision made by the Commission that the Air Force's expectations for expansion should be ignored, and that personnel should be reduced:

If you go straight south, you have a place for some bloodletting. We have an empty Air Force Base, Chanute.

Let me ask one thing that bothers me. This is based on not having validated any other data with respect to capacity.

We have validated some data, if you will.

In this case, have you validated the capacity.

No, we still have some work to do to double-check numbers, to find another way to check numbers.

During discussion of moving the Fourth Army Command (Champagne is Champaign, IL):

The (———) has transportation, but it has no infrastructure to support the move, while Chanute, of course, is a fully operating air base and could handle it. Again, it is in the middle of the State. And, again, a poor transportation area.

Where is Chanute.

Chanute is right in the middle of the State, sir. It is an Air Force Base, and we have tentatively scheduled to close it.

I think it is near Champagne.

It is 15 minutes northeast of Champagne.

Why is that such a bad transportation area?

Sir, when I travelled to the construction, engineering and research lab from Fort Monroe, Virginia, I spend all day long travelling to Champagne—through Indianapolis, to Chicago and back down. It is not a major transportation hub.

I have sent my own employees to Champagne for other reasons and its just a mess.

From where?

From Washington.

It is one of the reasons why the (———) says it is a place to close.

Chanute has always been sort of falling down. Grass is growing through the old runway.

When you give speeches over there, you used to have to rent an Air Cub airplane to fly in. And I'm not sure the Air Force really wants to get rid of any of these, but they are working on the margin.

I think this is—within the process. This is a good candidate for closure.

When asked if the staff looked at analysis for any other bases in that category:

We only asked for the analysis of Chanute because it was the (———) rated.

Of all the bases in this particular category, Chanute presents the opportunity because it is more or less a single mission type of operation, not as complex as the other facilities within the category. And so this offered us—with the existing capacity, it gave us the opportunity perhaps to close one in that particular category.

We are cutting it pretty close then if you decide to close that, but we can still maintain it because of the realignments that you see here. But that would be using up excess capacity.

Did you look at (———)?

No, sir, we didn't. (———) is a multipurpose operation, pretty complex, and probably not worth it. We could obviously look at it if you like.

No. I was just thinking that the cost of construction is so high at Chanute. I wonder if there was another opportunity.

The next category is the Air Force Technical Training bases, of which there are five * * * Chanute AFB was rated the (——) because the availability and quality of the facilities detracted from mission accomplishment. It's a small base, et cetera. And we could find a good location for others.

This was, of the (——) closure candidates, we're right on the margin here on payback. The land is farm land in Illinois. It's not worth hardly anything. The construction costs are quite high and the steady state savings is not great, which is reflected in the payback.

And so on the margin here, we're right on the margin with this one. This has a big bill to pay because the land value is not worth much and the steady state is not as high.

The next state is Illinois, a state of concern. The impact is about minus 10 percent in presence defense in that state, and the impact, if you will, in socio-economic impact of about three percent of employment in the region around Chanute Air Force Base.

These are no access.

Would Chanute have gone anyway?

Chanute was a consolidation that the Air Force would have wanted to do, but would have been prevented from by politics. It is a pure example of what the Commission * * *

So we are to totally get all the credit and all the blame for that one?

Yes.

I guarantee you that folks are going to come right out of Chanute, down there in the southern part of the state, and they are going to ask about it. The same congressmen and the same senators, they are going to ask about it in California and other places like that.

I don't think the answers you have given us are going to be sufficient for what you gentlemen will have to put up with.

The Fourth Army is the regional command for the Midwest, and is currently located at Fort Sheridan. After the "gut" decision to close Fort Sheridan was made, the Commission decided to consider alternatives:

But you know, admitting all of the benefits for Fort Sheridan, why does it have to be located on land that is worth probably the better part of $2 billion.

If they go to South Chicago, we could give them combat pay.

Is there any other place that you can drill in the State of Illinois?

Not to our knowledge—Well Chanute.

Chanute.

The closed Air Force Base at Chanute. But that would then cut into the savings achieved at Chanute.

What is in East St. Louis?

That is one of the most poverty stricken areas of the world. It is a tragedy:

* * *

It needs every job it can get. But I know economics is out of this.

Is there an installation in East St. Louis?

On moving the midwest command within Illinois:

I would rather not tie them too tightly. I'd rather have them come back with the best alternative, even if it's down in Georgia?

——?

Oh no.

I'm just teasing you.

We don't have any high-rise buildings in —— * * * Give some positive thought to Illinois, then for some obvious reasons.

I agree with that, but I think the Army ought to be told to at least look at Chanute. I mean if this property is as valuable, at Sheridan, as we are all saying it is, then whatever you might have to save at Chanute might not be that important.

I think we have taken an action on Fort Sheridan that says, presumptively, that we are going to close that sucker.

* * * I didn't have the sense that we had done any of this with finality.

What we did was say go back, staff, and look at where you can put the flag of the Fourth Army.

Do we have to decide what they are going to do with it? Can't we in this case say that obviously there is a better place than a $2 billion site and let them decide.

On placement of the Fourth Army Command at Fort Sheridan:

It was kind of used to hold down Sheridan, which nobody wanted to lose, and it was also a good place to put it in those early, rugged days of the all volunteer force, so that the people from Washington, a bunch of politicians, couldn't get out there and screw it up.

The whole tone of the process is based on fudging the dollar figures, fudging the ratings system. GAO stressed that point when its panel appeared before the Armed Services Committee. In fact, at Fort Sheridan, another Illinois base slated for closure, the Commission members said that:

If we add Fort Sheridan, which everybody says has got to be closed, it's been in every piece I've ever read, that Fort Sheridan is doomed. Now, if we have that, you will have to testify that it failed the formula, but that we added it because our gut said that it ought to be added.

Congressman MADIGAN noted that the ratings process was significantly altered again in the case of Chanute, to back up a claim that the facilities were inadequate.

I doubt the credibility of the information we have received from the Commission. In fact, the Commission urged members to go out and visit these bases if they had a day or two before testifying to Congress to back up their recommendations.

One person said that he "hated to be a cover-your-ass type of operator, but what we're going to have to do at the end is explain why."

The Commissioners and their staff are probably very happy with themselves right now. They have said:

Ultimately, we're swapping politics for the dynamics of the railroad train. And the notion here is, if you hook up all these cars and get that sucker going down the track, no one group is going to be big enough to wreck that train.

It's funny, but I have a feeling that this will be one of the most expensive rides Congress has ever taken.

□ 1900

Mrs. SCHROEDER. Mr. Chairman, I yield 3 minutes to the very distinguished gentlewoman from Maryland [Mrs. BYRON], a member of our committee.

Mrs. BYRON. Mr. Chairman, I rise in opposition to House Joint Resolution 165, to disapprove the recommendations of the Commission on Base Realignment and Closure.

As a member of the House Armed Services Committee and chairman of the Subcommittee on Military Personnel and Compensation, I strongly believe that there are several bases in this country and abroad that need to be closed. Overall, in my estimation, the Base Closure Commission has done an adequate job in analyzing and selecting these installations for closure or realignment.

Although I support the Commission's recommendations, I believe that the Commission and the Services should reevaluate some of the realignments. For instance, I am one of a few Members who would profit from the Commission's recommendations. Fort Detrick's Army Medical Research and Development Command, which is in my district in Frederick, MD, is recommended to receive around 100 military and 86 civilian personnel from the Letterman Army Institute of Research in San Francisco. The proposal is for Fort Detrick's Medical Command to help support programs in animal care, pathology, drug screening, toxicology, blood research, and environmental physiology.

In order to facilitate this realignment, Fort Detrick would have to construct new facilities, replace expensive equipment, and move personnel.

I visited Letterman Army Institute of Research in California last week and have examined Fort Detrick's analysis of the realignment and I am having trouble justifying the costs involved to the American taxpayers. I think it is wonderful that my district can pick up 186 jobs but I have grave concern that it would cost almost $100 million for the realignment. Mr. Chairman, it is my understanding that this bill's intent was to save money and I do not see that occurring in this realignment proposal. We should look at this more closely.

Mr. Chairman, I will vote in opposition to this resolution, disapproving the recommendations of the Commission on Base Realignment and Closure. However, it is my hope that the Commission and the Services give serious consideration to the studies that have been performed by the GAO, chambers of commerce, local organizations, and even the installations themselves before implementing this plan.

Mrs. SCHROEDER. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Chairman, the Commission on Base Closure and Realignment was given a mission to close unnecessary bases and save several bil-

lion dollars that could be put to better use. I have to say that the Commission has failed its mission.

When the Commission was created, it was expected to produce unbiased and objective decisions on the value of domestic bases. But now we are told its recommendations are unreliable. It was assumed the Commission would save between $2 and $5 billion annually by closing supposedly unneeded military bases. But we are being told by a number of parties that the Commission underestimated the costs and overestimated the savings of its recommendations.

The Commission ignored the billions of dollars which must be spent to clean up the bases during the next 6 years. With a savings and loan crisis and nuclear energy cleanup adding to our deficit problems, we cannot afford to add more costs to our Federal ledger. But that is what the realignment and closure recommendations will do.

When the legislation proposing the Commission was before us, I opposed it. I did it because I believe decisions which affect citizens and their national defense should be decided by the people who are elected by them. I opposed the legislation because nowhere is there any consideration of closing a foreign base. Yet we are building new bases in Europe while others stand vacant. I don't think citizens should pay for those gifts, especially if it costs their jobs and livelihoods. I opposed this legislation because the Commission membership failed to reflect a geographic balance. I believed a balance was necessary to ensure that the decisions of the Commission are not biased by birthplace. Yet, Illinois, a State that already ranks near the bottom in defense spending shouldered a greater burden and lost more than just about any other State.

The Commission not only failed its mission, it missed its target. It cannot be expected that human decisions are perfect. But when decisions are reached without justification and are final, there is cause to not only complain but seek another hearing.

The Commission's decisions were not unbiased or objective. As my colleagues TERRY BRUCE and ED MADIGAN have shown through Commission transcripts, the decision to close Chanute Air Force Base was the result of "inventions" and "gut feelings." During a discussion of bases that had appeared on previous closure lists, a Commission member described Chanute as "an empty Air Force Base." As someone who has visited Chanute, I can tell you that statement is way off base.

Chanute is a top-flight facility with a $7.5 million weather training station in its final phase of construction and a new regional wastewater treatment plant among other improvements. Statements that the base has a shortage of recreational, medical, and warehousing facilities have been contradicted. It was ticketed for closure without an on-site visit or evaluation of four competing technical training centers.

Earlier today, the Assistant Comptroller General of the GAO in testimony before the Senate Armed Services Subcommittee on Readiness, Sustainability and Support said there were errors in the data used by the Commission and weaknesses in the methodology. The effect of these errors and weaknesses may mean that Chanute should not have been ticketed for closure. But if the Commission's recommendations are not overturned, there will be no way to test that or overturn its decisions.

Like past Commissions established to produce objective evaluations, the panel's decisions are unreliable. What is particularly unreliable is the predicted savings of the closures. On one hand, the Commission said the land Chanute occupies is "worth hardly anything." But on the other hand, it placed a market value on the land that it admitted was illusory and inflated.

The Commission made errors. Its decisions will have far-reaching impact on our national and economic security and affect thousands of citizens. The closure of a base cannot be divorced from other national defense decisions made by Congress. Citizens deserve a chance to be heard on these decisions. Like any other situation, there should be a right to redress a wrong.

Chanute Air Force Base and the citizens who serve it, both military and civilian, are as much a part of our national security as anything in our arsenal. If we allow a false decision to pierce part of that armor, we have injured ourselves. They deserve a right to be heard and challenge errors of judgment. And the decisions of this Commission must also be subjected to the same review. That too is a part of our national defense.

I ask you to overturn its recommendations so we can begin work on the task of saving money and improving and strengthening our national defense.

Mr. SAXTON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want to take this time just to remark on what was brought up by the gentleman from Illinois [Mr. BRUCE] and also the gentleman from Illinois [Mr. EVANS]. The gentleman from Illinois [Mr. BRUCE] indicated that mistakes had been made, and that unfortunately in this process there is no way to correct them. Mr. EVANS indicated that this could very well be a taxing event in terms of our deficit to tax our deficit even further.

I would suggest to both gentlemen and to all the Members of the House that there is a way to correct these mistakes and there is a way to avoid further deficit damage because of this flawed procedure, and that procedure is in the appropriations process in which we are currently engaged. I would recommend to all Members who share our concerns, as I know many in this Chamber do, that we let our feelings be made known to the members of the Committee on Appropriations in order that these mistakes can be corrected and further damage to the deficit avoided.

Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. KOLBE].

□ 1910

Mr. KOLBE. Mr. Chairman, this evening and next week we are going to be debating and voting on House Joint Resolution 165, a resolution which would disapprove the recommendations of the Commission on Base Closing and Realignments. There are many in this House who support these recommendations, just as last summer they supported the legislation which established this process, the bill of the gentleman from Texas [Mr. ARMEY]. But there are some of us who supported that legislation last year who now question some of the decisions that were made by the Commission.

Mr. Chairman, I would suggest that before our opinions are dismissed as individuals with self-interests, Members looking after bases in their own particular districts, the Members of this body might want to consider the reasons for our concerns. Members who have bases affected have taken a very close look at the issues involved. I hope this body will look very closely at the recommendations and the process used to reach those recommendations.

All of what we have heard here this evening shows a thread that runs through it, a thread of a flawed process.

Mr. Chairman, I will be honest with my colleagues. I started looking at the recommendations as a whole package because I looked closely at the ones which affected my district. The Commission recommended two major realignments in my area, one at Davis-Monthan Air Force Base in Tucson and one at Fort Huachuca in Sierra Vista. Both of them are going to remove a large number of civilians and military personnel. One is Air Force, and the other is Army.

Therein lies part of the difference. The Davis-Monthan realignment makes strategic sense. It seems to be cost effective, and for that reason I do not argue with it, though I would obviously prefer not to lose people and missions from that base.

However, Mr. Chairman, it was in the process of examining the other realignment that I found some rather astonishing things. I made some dis-

coveries about how the decisions were made and how some of these savings were derived, discoveries I have made, that others have made, that have been brought out in the hearing process and have been pointed out here on the floor this evening.

The General Accounting Office is involved in a thorough review of the work of the Commission, but unfortunately a final report is not going to be available until the end of this year. That is long after we are required to vote on a motion of disapproval. In March, during the hearings before the committee, the General Accounting Office testified on what they had discovered so far. The points they made and some of those contained in the report deserve attention. Let me mention just four of them:

First of all, 84 percent of the annual cost savings estimated for the Air Force would come from personnel reductions.

Second, the entire package of recommendations would result in eliminating 7,748 civilian and 12,889 military positions, but only Congress can reduce authorized personnel ceilings and reduce military end strength.

In other words, Mr. Chairman, the whole package relies on savings that will only be achieved if Congress takes steps to replace force strengths, to reduce the numbers of personnel. These decisions, which would be unpopular to many are by no means assured, even if the base closings and realignments proceed. We have not decided if we are going to shift those personnel someplace else, or if those slots are needed someplace else.

Third, the computer model software contains errors discovered by the General Accounting Office that underestimate savings for closing Air Force facilities and overestimate savings for closing Army facilities.

Fourth, the Commission did not consider Federal Government costs such as community adjustment assistance, unemployment compensation, mortgage assistance and, of course, environmental issues.

In the case of my particular base, Fort Huachuca, the headquarters of the Army's Information Systems Command, the command believes the Commission underestimated the relocation costs by 81 percent. The command goes even further. They have estimated that rather than an $18 million annual savings that there is actually a $31 million recurring annual cost in making this move.

I realize the Commission had very little time to process huge amounts of information. As a result, part of what they did seems to have been done without using the information in the best possible way.

Mr. Chairman, I am concerned about what these underestimates of cost in the case of one Army command might say about other recommendations of the Commission. The only reason I discovered these inconsistencies is because I had bases that were adversely affected by the recommendations. Frankly, if that has not been the case, I doubt I would have looked into it as deeply as I have. The initial information suggested serious deficiencies in the Commission's methodology and its results. Mr. Chairman, until the GAO has a chance to complete its full study of the recommendations, this body should seriously consider delaying a decision on a course that makes neither good budget sense nor is wise budget strategy.

Mr. SAXTON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would just like to pick up on the point that the gentleman from Arizona [Mr. KOLBE] made, that this vote that is pending for next week should be put off until after the GAO completes this report.

Mr. Chairman, some of us, including the gentleman from Arizona [Mr. KOLBE], have been saying that for a long time. As a matter of fact, there is a bill which we have introduced, which is H.R. 1108, which changes this procedure to permit more time for the GAO, which appears to be finding mistakes, I would like to say daily; that this is an exaggeration, but which is finding serious mistakes such as the one we referred to earlier regarding Fort Dix and some which the gentleman from Arizona [Mr. KOLBE] has referred to.

Feeling very simple is that we ought to do whatever we need to do to get the most information given the circumstances, given the fact that GAO is not yet ready to make its report, and given the fact that it has found serious errors and given the fact that it says it has not got enough information yet to make its report. We ought to wait. We ought to pass whatever bill we have to pass. We ought to do whatever we can do to give ourselves the benefit of the doubt of getting as much information as we can, and the GAO is a source of that information.

Mrs. SCHROEDER. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I rise today in support of House Joint Resolution 165, the resolution of disapproval rejecting the recommendations of the Commission on Base Realignment and Closure. The position in which we find ourselves today is both awkward and unbecoming. We are once again voting on the recommendations of a Commission chartered to do what we are supposed to do ourselves. I supported the legislation establishing the Commission so I am not in the best position to criticize the process now. However, in light of the flaws in the Commission's work, I must say that I am not pleased with the constraints we now face. As I will explain in greater detail in a moment, we are being asked to accept an imperfect package—to take the good with the bad. In an institution where compromise reigns, this is far from unusual, or even undesirable, for that matter. The problem is that the imperfections the majority of this House is likely to support are not of its own making. They are also clearly unnecessary, since a better base closure list could, and should, have been produced.

My interest in the Commission's recommendations stem, quite obviously, from the fact that my district will be adversely affected. The Commission has recommended the closure of Norton Air Force Base in my district, as well as nearby George Air Force Base. The loss of these two bases would severely affect the region's economy, despite the Commission's assertion that the impact would be minimal. For those who are wondering, yes, my opposition to the Commission's recommendations does stem, in part, from the effect they would have on my district. I will neither deny this fact, nor will I apologize for it. The Founding Fathers did, after all, define my role so that I am answerable to a geographically and numerically limited constituency. I cannot, in good conscience, ignore my constituent's interests nor their opinions. For those who feel I should, I would suggest you take issue with the Constitution, and not with me.

However, it is precisely because of my so-called parochial interests that I have come to such a firm understanding of the Commission's recommendations. In fact, probably no other single issue in recent memory has so engaged my attention and that of my staff. For this reason I am probably better qualified than most to discuss the merits of the Commission's report. I sincerely doubt, for example, that the Members unaffected by the base closures have invested much time and energy reviewing the Commission's work. Ironically, Members who are supposedly most biased on this issue are, most likely, the best informed. Thus, for those who would criticize me for opposing the base closures, I ask: Have you read the report? Have you read the thousands of pages of data and transcripts which reveal how the Commission arrived at its recommendations? Have you reviewed the costs of implementing the base closures? And have you studied the reports from the General Accounting Office, the Congressional Budget Office, and the Senate Appropriations Subcommittee on Military Construction? If you have not, then your support for the Commission's work is no less reflexive than my opposition.

I have naturally been most concerned with the Commission's recommendation that Norton Air Force Base close. Although George Air Force Base affects on my district, I will defer to my colleague, JERRY LEWIS, to examine the rationale given for its closure. The flaws associated with the Commission's recommendation that Norton close serve well as a metaphor for problems which undermine the Commission's work overall. The Commission failed in three ways: It too often relied on inaccurate or inappropriate information; several of its recommendations would undermine the military value of our base structure; and finally, the costs associated with its recommendations would be so excessive that the savings for the American taxpayer would be next to nothing.

The Commission recommended closing Norton partly because of air traffic congestion in the area. Both the Federal Aviation Administration and the base have contradicted this reasoning. In fact, prior to the release of the Commission's report, the Air Force and the FAA had granted approval for a joint use proposal which would have increased air traffic at Norton. Moreover, the Commission's own documentation states that another Military Airlift Command unit is expected to assume control of the routes formerly occupied by Norton's units. As a result, the Commission admits that "airspace is therefore expected to remain unchanged." The Commission also targeted Norton for closure due to an alleged lack of ammunition storage facilities. Again, its own data shows this deficiency not to exceed 4 percent in any category—hardly a deficiency warranting the closure of an entire base.

Ironically, the Commission's recommendation that Norton's units be transferred 15 miles south to March Air Force Base would actually worsen air traffic congestion in the region. A report from the Senate Appropriations Subcommittee on Military Construction found that the air space surrounding March is already severely overcrowded and will be saturated if Norton's aircraft are moved to the base. The report also found that March's one runway is already used to capacity even without the added burden of Norton's aircraft. Thus, Norton's closure would not only dangerously increase air traffic congestion, it would reduce the military value of March Air Force Base by overburdening its limited facilities.

My biggest concern with the recommendation to close Norton, however, relates to the cost of doing so. Air Force estimates released in January predicted that over $316 million in military construction would be needed to accommodate Norton's units at other bases. By March 1, the total had grown to $384 million. Finally, the Senate report I just mentioned found that the most current estimates being used at March Air Force Base predict that the total construction costs resulting from Norton's closure could exceed $570 million. When you add other costs, such as economic assistance and environmental cleanup, the price tag for Norton's closure could be nearly twice the $322 million which the Commission predicts would be saved over 20 years from closing the base. Rather than spending over a half billion dollars to close Norton and build brand new facilities 15 miles away, the Senate report estimated that the base could be modernized and kept open for as little as $200 million. The thought of spending a half billion dollars to move a base literally down the street would be downright comical if this were not such a serious issue.

The flawed rationale for Norton's closure and the costs it would entail are not isolated problems with Commission's work. The costs are equally excessive, and the rationale just as flawed, for several other bases recommended for closure. For example, my colleagues BARBARA BOXER and NANCY PELOSI have documented that closing the Presidio in San Francisco would actually cost the American taxpayers $26 million more a year than keeping the base open. Once again, the Commissioned acted on flawed information: it conveniently forgot about legislation requiring that the Presidio revert to the Interior Department as a national park rather than being sold.

Only yesterday the General Accounting Office revealed that the Commission made an enormous error in its utility rating for Fort Dix. GAO found that the Commission's very own methodology ranks Fort Dix highest in its category. Relying on flawed information, however, the Commission recommended Fort Dix for closure. There are numerous other examples in this regard which my colleagues will discuss in detail. At least one Commissioner recognized the dubious nature of much of their analysis, stating during a meeting that "I think we have put out way too much information that is going to come back and haunt us".

While the Commission has clearly erred in several of the specific base closures it recommended, its most serious flaw is the net cost of its recommendations. The Department of Defense already predicts that the overall military construction costs associated with the base closures will exceed $1.8 billion. The Senate Appropriations Subcommittee on Military Construction found, however, that the Commission's cost-estimating model "may be severely flawed." The Senate report concludes that the construction costs of the base closures could reach $2.7 billion. If we add the $1 billion the Pentagon estimates it would cost to implement the closures, plus another $200 or $300 million for other costs, then you have to wonder if we are going to save any money at all. The Commission's claim that we would save $5.6 billion over 20 years sounds great until you realize that we will have to spend over $4 billion to achieve these savings.

This is not the end of the story. The high cost of the base closures would be further compounded by the Commission's overestimation of the revenues that would accrue from the sale of base property. The Commission's report states that land values were calculated on the basis of fair market value. Transcripts of the Commission's meetings show once again the "know-nothing" attitude of the Commission. In its own words, the Commission "determined to take the full market value for the highest and best use of the property, regardless of whether we know it's going to revert to a park, etcetera." The inaccuracy of the property value estimates is best reflected in the statement of one Commissioner that "we invented the property value."

It is extremely unlikely that the Armed Services would receive anywhere near fair market value from the sale of base properties. The Federal Property Act allows communities to obtain surplus Federal property free or at less than fair market value if they plan to use the land for a public purpose, such as municipal airport or a park. Most communities will do precisely this. In fact, my community plans to demand that a large portion of the base be returned for free because it was donated to the Government during the 1940's I can assure you that I will give this proposal my full support. The Commission knew it was overestimating property values and did so anyway. The Commission was informed by the General Services Administration that "in the 5-year time frame the likelihood of realizing proceeds from the sale of this land is not good." The Congressional Budget Office review of base closings during the 1970's supports this view, concluding that "revenues from the sales of property at the closed bases were only a fraction of the total value of the bases."

One last point should be made about the savings which the Commission predicts would result from the base closures. To the extent that there would be any savings whatsoever from the closures, they would come primarily from reductions in military personnel. GAO has found that nearly half of the projected savings depend on eliminating nearly 13,000 military personnel. This finding is supported by the Congressional Budget Office, which found that "most savings from base closings and realignments stem

from reduced personnel costs." Thus, the Commission achieved the majority of its savings by doing precisely what it was not chartered to do: reduce the size of our Armed Forces. It should be a concern of everyone in this body that the Base Closing Commission went beyond its authority in recommending a reduction in U.S. military personnel. If you are unwilling to support these reductions, then you should not bother supporting the Commission's recommendations.

The truth is: these base closures would simply cost too much. Unless we are prepared to seriously reduce our force structure, there is little to be gained by shuffling units around from one base to another. Yet this is exactly what many of the Commission's recommendations amount to. At least one Commissioner acknowledged this, admitting during a meeting that "what we found is for the most part bases are heavily utilized." Moreover, we should question whether the Pentagon can really afford the costs of these base closures. With the Defense budget likely to remain flat, or even decline, it seems safe to assume that other Defense programs will have to be cut to fund the closures. I'm not sure how the other Members of this body feel, but this was certainly not my intention in supporting this process.

Mr. Chairman, the Commission's report is fatally flawed. It would not result in significant savings for the American taxpayer, and it would not improve our defense posture. For better or worse, I can safely say that the parochial concerns which initially motivated my interest in the Commission's work are wholly consistent with our broader national interests. I am confident that others would reach this conclusion if they only took the time to seriously examine the Commission's work. Several Members unaffected by the Commission's recommendations have, in fact, come to this view. The Senate report to which I have referred concludes quite bluntly that "the taxpayers may fail to realize the savings assumed by the Base Closure Commission's report." Even the chairman of the House Appropriations Military Construction Subcommittee has stated that "we don't believe there will be a tremendous amount of savings from these closures." Parochial interests did not lead to these conclusions.

Let me conclude by saying that I support the closure of unneeded and obsolete military bases. I supported the original base closing legislation for precisely this reason, and I recognize that the Commission's report does include some bases which should be closed. Overall, however, the flaws in the Commission's recommendations outweigh its merits. By saying this I do not mean to question the honesty and integrity of the Commission members or their staff. They clearly had a difficult job to do, and not enough time in which to do it.

I do mean, however, to question the wisdom of accepting the Commission's recommendations. It is simply not a good report. What happened, for example, to the $2 to $5 billion annual savings which the Grace Commission estimated would result from the closure of unneeded military bases? Not only will we fail to realize these savings, we probably won't end up with any savings whatsoever. I am disappointed with the results of the Commission's work because I feel Congress expected and deserved so much more. If you do not believe me, then you should consider the opinion of one Commission member who said: "we have done a lousy job." We do not have to accept a "lousy job," and indeed we should not. Congress should accept nothing less than a base closure report which truly saves money and improves our defense posture. I urge that this report be rejected, that we send the report back to where it came from and insist on a better document.

I would remind my colleagues that just because an outside commission has given us its recommendations, does not mean that we should treat such recommendations as the definitive word on an issue. Congress is not in the habit of blindly accepting outside recommendations. We need only recall our recent rejection of the recommendations of the Commission of Federal pay levels to understand this point. Unfortunately, the Base Closure Commission's work has not been afforded the same scrutiny shown to the work of other commissions. It is my view, quite frankly, that the only purpose that would be served by approving the Commission's recommendations would be to show our ability and willingness to close military bases. This would be a failure, my friends, and a failure I will not be a party to. The American people expect more out of their Government. I urge my colleagues to support the resolution of disapproval and reject the base closure recommendations.

□ 1920

Mr. SAXTON. Mr. Chairman, I yield 10 minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I thank the gentleman for yielding me this time. It is a very important issue to me. I do intend to vote against this base closure report, and not because there are three bases in the San Francisco Bay area that are on the list. As a matter of fact, I do not have any problem with two out of the three, but the one that I have a problem with, the Presidio of San Francisco, is such a disastrous proposition that will actually cost so much money to close that it would pay to keep it open.

The gentlewoman from California [Ms. PELOSI] and I have spent a lot of time on this issue. She and I share the representation of San Francisco. The base is actually in my congressional district, but many of the people, I would say most of the people associated with it live in hers; so we are going to share this presentation this evening.

I am going to concentrate on the one-time costs associated with this closure and she will concentrate on the annual costs of closure.

Mr. Chairman, the whole point of the Base Closure Commission was to save the taxpayers money, but as we look at the Presidio, it has a very unique situation. Unlike any other base on the closure list, it will automatically revert to another Federal agency for operations and maintenance, to the Department of the Interior.

As a matter of fact, Mr. Chairman, it will become the biggest park in this country, bigger than Yellowstone.

I would say to my colleagues who are watching this from the Interior Appropriations Committee that they are going to be faced with enormous sums of money to keep up this park, money that we really do not have.

The Presidio, Mr. Chairman, must become a park if it is closed by law, by Federal law, and it must become a park because it is in fact an historic and environmental jewel. To do otherwise with it would just not be acceptable to the people of this country and the people of my district.

So frankly, I think that our experience with the Presidio is so alarming as we delve into the Commission's recommendations that we realize, the gentlewoman from California [Ms. PELOSI] and I, that the Commission simply did not know what it was talking about.

We already see that the dollars that are supposed to be saved by these closures is shrinking by the hour and by the day.

The fact of the matter is, Mr. Chairman, environmental cleanup costs are not even figured into any of these closures, and I will discuss that more in a moment. When you add on environmental cleanup costs to all these bases that have to be closed and cleaned up, I submit to you that there will be no savings at all from this Base Closure Act. What we will have is disruption. We will have unemployment in certain areas. We will not have the funds to do economic readjustment.

We do not really have many missions, if any, being phased out. Again, there is no money for environmental restoration.

The bottom line, it seems to me, is that a few politicians can get up and say they did something good because

it looks good, but the benefits simply are not there.

I would hope when we have this vote that Members will realize it is easy to cast a vote and to paint it any way you want, but you had better know, it seems to me, that you are not really reaping any benefits for the Federal taxpayers.

I am going to touch briefly on these one-time costs. What are they doing with the Army's mission at the Presidio? Are they phasing it out?

□ 1930

No; they are moving it into the district of the gentlewoman from Colorado [Mrs. SCHROEDER] in Colorado. What will they have to do there at Fort Carson? They are going to have to spend almost $300 million to prepare for the arrival of the 6th Army, and to us it is incredible from a military standpoint.

I am on leave from the Committee on Armed Services; I miss very much, I say to my colleague, the gentlewoman from Colorado [Mrs. SCHROEDER], serving with her right now. I will be back in another year or so.

The fact of the matter is they are moving the 6th Army to Colorado when only 12 percent of the Army Reserve is located in Colorado and over 40 percent is located in California. We do not even see any military reason to do this.

Mr. Chairman, they are leaving behind an incredible array of benefits for the military people, and I know my colleagues on the Committee on Armed Services, the gentlewoman from Maryland [Mrs. BYRON], the gentlewoman from Colorado [Mrs. SCHROEDER], the gentleman from California [Mr. DELLUMS], and others have always been interested, the gentleman from New York [Mr. MARTIN], in quality-of-life issues. They are leaving behind a brandnew commissary. It is not even finished yet. It is almost finished. They are leaving behind a magnificent day-care center. They are leaving behind a beautiful bowling center. They are abandoning housing that makes this base a joy for the people who serve there.

Mr. Chairman, we can hardly even put a cost on those facilities, and they have to rebuild them in Colorado at a great cost. They are not phasing anything out. We have a very important medical facility at the Presidio. The gentlewoman from California [Ms. PELOSI] is going to go into that in great detail.

I will only say that from an economic standpoint those 200 Bay Area families will need to be served elsewhere. Either there will have to be a new hospital at enormous cost or CHAMPUS will take over at enormous cost, and Medicare will have to take over at enormous cost.

Mr. SAXTON. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I am happy to yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, do I understand from the gentlewoman, from what she is saying and from perhaps what I may have heard previously that when the Commission issued this report they did not realize that perhaps the Presidio could not be sold and they thought it could be sold and that the profit from selling it would be considered a savings pursuant to the recommendations in this report?

Mrs. BOXER. When we got the Commission report under the Freedom of Information Act, as the gentleman knows, it was not easy, and we looked to see if they knew. There was hardly any mention of it at all. They were really silent on it. We believe they knew, because the gentlewoman from California [Ms. PELOSI] and I had informed them. We had written to them, and we had told them, in fact, it would go to the Department of the Interior, but yet they acted.

There were 36 acres that could be sold out of 1,400 acres, and I guess they think that that is going to bring in enormous sums of money, but I have news for them: There are so many public agencies that would love to get that 36 acres for $1, they are not going to get any funds at all.

Mr. SAXTON. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I am happy to yield to the gentleman.

Mr. SAXTON. Mr. Chairman, It was my impression that when the report was issued that there was a belief, and I could be wrong on this, but there was a belief on the part of the Commissioners or of the Commission generally that savings were going to be reaped and that those savings were considered as part of the total savings assumed by the Commission.

Mrs. BOXER. Again, I will say to the gentleman that we were informed prior to the list being prepared that the Department of the Interior would automatically get operations and maintenance. We assumed the Commissioners saw that, although I would say for the record not one Commissioner, not one staff from the Commission ever set foot on the Presidio, never spoke to one military person on the Presidio. I would have to say to the gentleman that the gentlewoman from California [Ms. PELOSI] and I informed them before the decision. We would have to assume they understood it, and we were shocked when the Presidio was on the list to tell the truth, because of that reason.

As we figure out the CHAMPUS costs and we figure out the Medicare costs, as I say, the gentlewoman from California [Ms. PELOSI] will go into this again, this is the money-loser for the taxpayers without question.

The Army mission is not being transferred. Closing down the hospital is a money-loser. Turning this over to the Department of the Interior is going to create a new Yellowstone Park.

The environmental cleanup, and I would like to spend a minute on this one, is unbelievable. The Army estimates it is going to cost $82 million to clean up the Presidio. There is no money in this bill for that cleanup, and they tell us we will have to get in line for BARA funds.

I say to the Members, this is the main reason I voted against the bill originally; I am stuck with an Air Force base, Hamilton Air Force Base, for 10 years, because the Army did not have any money to clean it up. Finally I was able to get appropriated funds to clean it up, and we know that when we change a use, we trigger this cleanup. There is no money in here for that. It is going to mean going back again to appropriations to get those funds.

Again, it looks great to vote against this; it looks swell; it sells back home. But when we dig into it, we find out there is not going to be any saving, and if the Presidio is any example, and I think some of my colleagues find similar examples in certain aspects, there will be no saving.

Let me say to the Members that the total one-time cost of closing the Presidio comes to $391 million. I say to the Members that there is $500 million available. The Presidio is going to take $391 million to close down, and I can only hope, because I know the wheels are greased here, and we are not going to win this vote next week unless people really dig into this and have a change of heart.

The appropriators are going to hear about this, because they are the ones who are going to have to dig into this amount of money, over $300 million, to close this facility, and as far as I am concerned, Mr. Chairman, it makes no economic sense at all to the taxpayers.

At this point I would like to conclude by urging the Members to take another look at this situation. Let us just not cast a vote to look good at home when we know the substance is not there. A few politicians can say they did something, but really we are not doing anything in the case of the Presidio.

We are going to cost the taxpayers more money than we save.

Mr. SAXTON. Mr. Chairman, I yield 10 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the resolution to disapprove the recommendations of the Commission on Base Realignment and Closure. I oppose the Commission report today as I opposed the bill when it was debated last year.

As a member of the Committee on Government Operations, I participated in the debate on government operations requiring the Commission to conduct environmental impact studies before making final recommendations.

My colleague, the gentlewoman from California [Mrs. BOXER] mentioned at some length the economic and environmental impact of the base closure of the Presidio at San Francisco. She has mentioned that between the two of us we have three base closures in our districts, between us, and two of them have astronomical environmental cleanup costs. We do not want to be faced with the same situation with the Presidio.

As the gentlewoman from California [Mrs. BOXER] mentioned, the cost of the Presidio, the one-time base-closure costs are well, well, well over $300 million. In my discussion this evening, I will be talking about the annual cost. The proposal is that it is supposed to maintain that the cost of closure will be recouped in a few years, and I maintain that not only will the cost not be recouped in a few years but, in fact, will be an additional cost to the taxpayers and will only continue and continue to increase in those taxes.

When we first heard the Presidio was on the list, I must admit, and as a person in government, I do not like to admit to surprises, but I was surprised. I was surprised, because as the gentlewoman from California [Mrs. BOXER] mentioned, not one time did the Base Closure Commission ever send a Member of the Commission or even a staff person, who would know probably more about the issue, to the Presidio of San Francisco to look at it, to walk the ground, as the term is.

When we found out it was on the list, it was with very good intentions that we looked into what would be the mitigation for our area. If this base was, indeed, going to be closed, what would be its impact? Would there be environmental cleanup? How would the Federal Government replace the health care that is there for military and retired military members and their families, the retirees and their families? How would the Federal Government propose to pay for the ongoing cost to the Department of the Interior for the maintenance of the Presidio as a national park when it became part of its National Park Service?

As we were putting these figures together with all good intentions of making an orderly transition, it was then that we realized that, indeed, it was not going to save the taxpayers any money at all, but in fact be a cost of around between $25 and $26 million a year. We have subjected our figures to scrutiny constantly, and they still bear up, a low of $25 million, a high of $26 million per year.

Mr. Chairman, I would like to break that down for the Members. As the gentlewoman from California [Mrs. BOXER] said, we have nearly $400 million to recoup. We are never going to, if we go into infinity at a cost of $26 million a year, erase the cost of closure.

Letterman Hospital: I am going to go over the figures now, and I am going to go over them at the end, and I want to elaborate on Letterman Hospital, and I want to go through the hospital; as to Letterman Hospital, it will cost approximately $35 million per year over and above the cost of Letterman Hospital's operations now to replace the health care for retired military personnel and their families.

□ 1940

This cost will be entailed through the use of CHAMPUS grants for the personnel to use private and other hospitals in the area, and Medicare, because many of the people who are serviced at Letterman Hospital are over 65 years old, and they go on Medicare. None of these costs would be removed from the Federal responsibility.

The Golden Gate National Recreation Area, by an estimate that is very defensible, and it could be higher but we will take the lowest figure, would cost $16.5 million a year to maintain. Where is the Department of the Interior, where is the National Park Service going to get $16.5 million a year to maintain the Presidio grounds?

Unit operations, transferred missions, will cost an additional $4.7 million for a total of $56.2 million per year. The anticipated savings of closing the Presidio at San Francisco, the total base operation savings is approximately $30 million. If we subtract the $30 million in savings from the $56.2 million in costs, it comes to $26.2 million per year that it is going to cost the Federal Government. We cannot run away from our responsibilities. We have responsibilities to the military personnel to meet their health needs. We have responsibilities because Public Law 92-589 provides that all lands no longer necessary to the mission of the Defense Department are to be transferred to the Department of the Interior. The entire Presidio is a national historic landmark. It contains over 800 structures, almost half of which are listed on the National Register of Historic Places.

A March 1988 GAO report found a backlog of $1.9 billion in deferred maintenance projects in the national park system. The GGNRA, as we call the Golden Gate National Recreation Area, of which the Presidio will become a part, was one of the 20 parks most affected by deferral of maintenance. This backlog has resulted in the deterioration of assets such as roads, buildings, trails, and cultural and historic resources. Where then are they going to get additional funds to maintain over 1,400 additional acres? The Golden Gate National Recreation Area would become the most expensive park in the national system, as my colleague, the gentlewoman from California [Mrs. BOXER] mentioned, outdistancing the crown of our national parks, Yellowstone.

The GGNRA, like many of the national parks, has suffered from severe underfunding. Estimates by GGNRA officials state that it would cost almost $17 million, so we took a figure of $16.5 million to operate and maintain the 1,400 acres of the Presidio. This figure assumes, and I always say assume nothing, and in this case it may be sadly apt, assumes that all environmental cleanup and seismic repairs would be completed. As my colleagues can see, there do not seem to be any figures in the Commission report for doing this in San Francisco.

It is also based on the assumption that all of the buildings would remain occupied. The GAO also points out that this figure was not considered by the Commission. I repeat, the GAO points out that this figure was not considered by the Commission.

In answer to my colleague who inquired whether the Commission was aware of the fact that the Presidio would revert to another Government agency, the Department of the Interior, the National Park Service, I would say I think they were not thinking. We had informed them. Whether they received the information, I do not know. But it is interesting I think to note, and on point to my colleague's question, that Fort Monroe was excluded. Fort Monroe is in Virginia, and it was excluded from the Commission's list because its land could not be sold. It would revert to the State of Virginia as a State park, and therefore there would be no savings to the Federal Government. The lands at Fort Monroe would revert to the State of Virginia.

How is the Presidio different? It is even more so, because it reverts to the Federal Government. So not only could we not sell it, we have to maintain it. In the case of Fort Monroe, it is up to the State to maintain it. So this was sort of a double whammy, if I may use the slang.

The important issue of Letterman Hospital is so critical to our community that I would like to take a few moments, and may ask for a couple of extra moments to go into it.

The commission or the commissioners stated that if we do not close the hospital there is no need to really close the Presidio, because some have said perhaps we can save the hospital. But 60 percent of the cost of the Presidio is in Letterman Hospital. It is a 380-bed Army teaching hospital with

extensive ties to other Bay Area treatment facilities and teaching hospitals.

For the benefit of my colleagues, we take great pride in the Bay Area in being on the forefront of medical research and treatment and care. People come from all over the world to receive care in the San Francisco Bay Area with Stanford University and the University of California, San Francisco being there. So the Letterman Army Hospital has the benefit of being in this area with these hospitals, and the benefit of all of the intellectual work that is going on. We also have a relationship with the University of California, San Francisco.

This is very important to doctors or people who want to be doctors. Retention of physicians should be, and I know it is, an important issue to the Department of Defense. How do we attract and keep doctors, physicians? Certainly it is not the pay. We all know that it is not the pay for doctors. But it is the opportunity to be trained and to work in a hospital such as the Letterman Hospital in San Francisco.

Mrs. BOXER. Mr. Chairman, will the gentlewoman yield for a minute so that I may correct the Record?

Ms. PELOSI. I yield to the gentlewoman from California.

Mrs. BOXER. Mr. Chairman, I have to correct the RECORD. When I was speaking about the fact that the Army mission would not be phased out, I said it would be instead transferred to the congressional district of the gentlewoman from Colorado [Mrs. SCHROEDER]. That is not true. It will be transferred to her State. However, it will be in the district of the gentleman from Colorado [Mr. HEFLEY], and I did want to correct the RECORD.

I did not mean to interrupt my colleague, who is proceeding to show us that the closure of the Presidio makes no economic sense, so I yield back to her.

Ms. PELOSI. Mr. Chairman, I was about to say that the service area for Letterman Hospital is 400,000 military or retired military personnel and their families, 200,000 in the very immediate Bay Area. It serves 1,500 outpatients a day. It operates at 92 percent capacity on an average day each day.

Letterman is a major participant, as I said, in the military health care command of the Bay Area to provide greater health care at less cost to the Government. Letterman joined in the new health care command with the Navy at the end of last December. Its importance was confirmed by this DOD action.

The Bay Area houses the largest number of retirees between San Antonio and Honolulu. Shifting the medical workload of Letterman to civilian sources would result in an additional cost of up to $35 million a year. It would also increase Medicare costs for those over 65. Twenty-six percent of Letterman patients are in the over 65 category, and will require services under Medicare.

DOD Health Secretary Mayer stated in testimony before the House Armed Services Committee Subcommittee on Military Installations that even this $35 million estimate might be conservative. But in our figures we are using the conservative figures so that our case will be defensible.

A March 1988 DOD study reported that closing Letterman would result in an increase in CHAMPUS and Medicare costs to the Army. Even the preliminary findings of the GAO indicate that the base closing commission failed to consider the higher costs of CHAMPUS.

The commission erroneously stated that it would cost $140 million for the seismic reinforcement of Letterman Hospital. According to a seismic expert with the Army Corps of Engineers, this cost should be closer to $30 million to upgrade Letterman. There are even other estimates that range from $10 million to $40 million.

The technology on seismic upgrade is such that it becomes cheaper as times goes by, one of the rare things it does.

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The point I would like to revisit is the point of Letterman Hospital and medical education.

The 1986 study by the Assistant Secretary of Defense for Health Affairs shows that graduate medical education at a military teaching hospital was $29,000 versus $50,000 for civilian higher education.

Letterman and the San Francisco community have tremendous advantages resulting from these ties, as I mentioned, especially the ties with the medical school at the University of California in San Francisco.

This stong community support saves the Government money and enables the use of world-renowned civilian faculty to augment medical education in the military.

There has been talk about Letterman and the Department of Defense, if they close Letterman Hospital, building another hospital some place else. And that would be a very expensive proposition. Rather than to spend $30 million on seismic upgrade at Letterman they would go build a new hospital some place else. The cost of a hospital has to be over $100 million. But no matter how much they spend, they could never replace the value of Letterman Hospital as a teaching hospital in the bay area.

The loss of Letterman would create a severe hardship for military personnel in the bay area and would contribute to greater costs to the Federal Government.

In addition, from a local standpoint, Letterman supports earthquake monitoring and emergency disaster response. Its personnel is trained specifically for earthquake response measures. This is a significant factor for the earthquake-prone San Francisco area.

As we have noted many other times, this base-closure report, by closing the Presidio in San Francisco does not even save the Department of Defense money. But if it did, it would certainly not be a saving, they are just shifting it to other agencies. If we ever had an earthquake the cost would be very high to the Federal Government. Why not have our first line of defense right there in an earthquake-prone area.

In conclusion, I reiterate that closing the Presidio would cost the taxpayers more than it does to currently operate the Presidio as an active military base. I am not even going to go into the fact that for 200 years the Army and San Francisco have been good neighbors. The sentimental ties between our city and the Navy mean nothing here. We are just talking about money and the mission of the Base Closure Commission. I maintain that in the case of the Presidio at San Francisco they did not meet their mission.

I reiterate: Letterman Hospital $35 million a year, Golden Gate National Recreation Area, to maintain the Presidio, $16.5 million a year, and unit operations $4.7 million a year. It will cost, minus the $30 million in savings, $26 million a year to close the Presidio.

I urge my colleagues to support the resolution of disapproval.

Mr. BROOKS. Mr. Chairman, I rise as a cosponsor and strong supporter of the resolution of disapproval. As you all know by now, the Galveston homeport, under construction in my district, is one of the bases recommended for closure. I have serious questions regarding the criteria on which this recommendation was based, and I have shared those concerns in hearings before the military installations subcommittee.

I will not stand here and say that cuts in our defense budget are not needed, nor will I say that every military installation in this country has and will continue to merit Federal funding as an integral part of our system of national security. However, if cuts are to be made, then Congress, who in many cases played a major role in granting existence to these installations in the first place, should have the courage to make them. The strategic homeport program was not dreamed up and implemented by some nonelected appointee. It was extensively debated by Congress and enjoyed the strong support of both the administration and Department of Defense. It was resolved by these parties, not 40 years ago, but only 4 years ago, that the Strategic Homeport Program was the best method for implementing the militarily sound principles of dispersal, battlegroup integrity, and increasing our Naval presence on our geographic flanks. Belief in these principles was strong enough to garnish

over $28 million in appropriations for the supposedly unnecessary Galveston homeport over the past 2 years. Now, after that entire painstaking approval and implementation process, the Base Closure Commission has stepped in to say Congress, DOD, and the administration were wrong.

Approval of the base closure recommendations sets a very dangerous precedent. In doing so Congress not only surrenders decisionmaking authority involving major national security implications, it sends out a signal to communities, and local and State governments across the United States, that reliance on Government contracts and promises is no longer as justifiable as it once was. I urge my colleagues to seriously reflect upon the future consequences of their vote.

Mr. DARDEN. Mr. Chairman, The recommendations of the Commission on Base Realignment and Closure provide us with the first legitimate opportunity to close unneeded military facilities. Disapproval of this resolution is one more important step along the path to saving the American taxpayer almost $700 million each year. We cannot allow this opportunity to pass us by.

Yet, we must not take the issue of closing military facilities lightly. Our first criteria should be the need for the facility in meeting the threat presented by our adversaries. If it is proven that the closing of a particular base will not weaken our military posture, now or in the future, we should then look at the savings associated with closing the base, balanced against the economic effect that closing will have on the community. When all these criteria are adequately addressed, we can then be assured that the closings are in the best interest of providing an adequate return on investment for our defense dollars. Mr. Chairman, as a member of the Armed Services Committee, I have closely reviewed the recommendations of the Commission, and there is no question in my mind that these criteria have been met.

We are all familiar with the Department of Defense's periodical list of bases which, in its judgment, have outlived their usefulness and should be closed. However, this list has historically been filled with recommendations based primarily on political criteria, with the actual cost savings, or effect on our national security, not weighing heavily in the recommendations.

The legislation we passed during the last Congress, the Defense Savings Act, H.R. 4481, depoliticized this process, and forced the Department of Defense to produce a legitimate list for closing unneeded bases. They have done what we told them to do, now we must live up to our commitment.

Mr. Chairman, in closing, I believe we should disapprove this resolution, and go one step further. Based on the above criteria, we need to continue to review which military bases are underutilized and unneeded, including American military bases on foreign soil, and take the necessary steps to seek their elimination. This important initiative should not be allowed to falter.

Mr. CAMPBELL of Colorado. Mr. Chairman, I rise in support of this resolution of disapproval.

It would not surprise anyone to know that one of the bases recommended for realignment and closure is located in my district, the Pueblo Depot Activity.

But it is through my efforts to get answers concerning the recommendations for Pueblo, and what I have seen and heard from other members during the course of committee hearings that has led me to this point of supporting the resolution.

I agree with the need to close our obsolete military bases. I voted for the legislation establishing the Commission that has made these base closing recommendations.

But I thought the purpose of the base closings was to save billions of dollars.

Instead, we have recommendations before us that, even given the rosy figures on cost savings assumed by the Commission, amount to peanuts in the military budget.

Amounts that do not justify the profound human and economic impact implementation of these recommendations will have, impacts that, from what I have seen and heard, were little understood or considered by the Commission.

It has been suggested that we members who are supporting this resolution are doing so because of sour grapes.

But I feel it is my responsibility to not take the recommendations simply at face value, but to find out on behalf of my constituents whether the Commission acted properly. It is nothing more than what every legislator should do as a representative.

And let me tell you, what I've experienced, and what I've learned, leads me to support this resolution with no hesitation.

First. When the Commission report refers to the Pueblo facility by using a name that has not been in existence for over a decade, I have to question the Commission's actions.

Second. When just last year the Army informed me in person that the Pueblo facility was a critical base for the military, and then the Commission rates it as useless, I have to question the reasoning of the Commission.

Third. When the INF Treaty requires Pueblo, the site for the destruction of our Pershing II missiles, to be available for inspection at least until the year 2002, but the Commission recommends closure in 1997, I have to question what the Commission has done.

Fourth. When the Commission acknowledges that its recommendations for Pueblo take it outside the scope of its and the Defense Department's authority, but includes those recommendations in its all-or-nothing report anyway, I have to stand up and say what is being done is wrong.

Fifth. When the recommendations include transferring a major mission from Pueblo to another facility for cost savings reasons, but it is acknowledged the other facility cannot handle the mission, I have to scratch my head and say, what is going on here.

Sixth. When the cost of realignment and closure of Pueblo is underestimated by what appears to be a minimum of eight times the stated costs, with savings therefore nonexistent, I have to question the recommendations.

Seventh. When the Army plans to spend several hundred million dollars at Pueblo in the next few years to destroy our chemical weapons stockpile, and then it is recommended this brand new facility be abandoned, I have to question what was considered.

Eighth. When the community of Pueblo already suffers unemployment at more than twice the national rate, and there is no mention of the economic impact of losing one of its largest employment centers, despite being required to consider economic impact as a factor in making recommendations, I have to question what occurred.

My belief that the Commission exceeded its carefully defined authority in recommending realignment and closure of Pueblo beyond the time periods established by the legislation is the most important reason why I am supporting this resolution.

Quite simply, the way we are proceeding, Congress is going to approve an action concerning Pueblo that is outside the bounds of our base closing law, and there isn't anything that can be done about it according to the ground rules we established.

Is my experience unique with respect to my other concerns?

Hardly. I sat in the committee hearings and heard horror story after story detailing the wildly absurd assumption and facts utilized in making the recommendations and the continuous frustrations of trying to obtain information to explain to our districts back home.

I myself, after 3 months of trying, received a packet of jumbled information only 2 weeks ago.

No. However, correct we are in trying to close down unneeded military bases, something indeed has gone very wrong in our efforts to do so.

For these reasons and more, I will vote for the resolution of disapproval and urge my colleagues to do the same.

Mr. VENTO. Mr. Chairman, I rise in opposition to House Joint Resolution 165, to disapprove the recommendations of the Commission on Base Realignment and Closure.

Less than a year ago, in July, 1988, the House passed the Defense Savings Act. I supported the passage of that legislation and support the implementation of that law in specifics today. In the past, old and obsolete military bases have been kept open not because of national security considerations, not because of need, but because of well-intentioned political pressures from the constituencies of the service branches and their members. The bottom line has been that not one base has been closed in the past 11 years. National policy cannot continue on the same course in the future. The Federal deficit is undermining our ability to deliver the needed services in housing, health care, and education for example. The deficit poses a broader threat to our Nation's economy. We simply must reduce spending in those areas where it cannot be justified by need.

The Commission on Base Realignment and Closure accepted the mandate of the Congress to set priorities and to tell us which military installations we could afford to close or realign. The Commission, in its report last December, proposed that 87 bases be completely closed, 5 bases be partially closed, and 53 bases be realigned either through increases or decreases in their personnel and activities. There is opposition from some Members who

may represent districts where those facilities are located. I believe that the Commission has engaged in careful deliberations and has acted in good faith in submitting its proposed closing and realignment list to Congress last December. The Federal Government may ultimately save between $2 to $5 billion annually by putting into effect the Commission's recommendations. It would be unfortunate if the House rejected the recommendations by adopting a resolution of disapproval.

Mr. Chairman, as much I applaud the work of the Commission, I would like to reiterate a concern which I expressed last July during the debate on the Defense Savings Act. I am concerned that any savings which result from the implementation of the Commission's closing and realignment proposals be used strictly for deficit reduction efforts. There would be no justification to convert any of those savings into new military spending to satisfy the Pentagon's "wish list" for funding of new weapons systems.

Clearly, our military services have real needs which must be addressed in the essential areas of procurement, personnel, and research and development. But this legislation is not the appropriate vehicle for indirectly satisfying those needs. I have long believed that military spending, like all other Federal spending, must be subject to necessity and especially to prioritization. One of the promises of the Defense Savings Act passed last year is to make the Pentagon more accountable for how our defense dollars are spent. The adoption of House Joint Resolution 165 disapproving the Commission's proposals would work against accountability.

While the Pentagon must be held accountable, so, too, must the political process, the interest groups, the constituencies, and the Congress answer accountability. The fact that this joint resolution is on the floor today is evidence that Congress is responding and responsive in addressing the Commission's recommendations. I support the process and urge my colleagues to vote against the resolution of disapproval.

Mr. FAZIO. Mr. Chairman, I rise today in opposition to a resolution to Disapprove Base Closing Commission's Recommendations (H.J. Res. 165). During the last session of Congress, I supported the establishment of the Base Realignment and Closure Commission. My vote was based upon cost considerations and the need to strategically enhance our Nation's defense by eliminating unnecessary military installations. While I still believe that our Nation can afford to reduce the number of bases we have, I am not convinced that the base closures will result in significant cost savings. Last year, the Department of Defense [DOD] estimated the base closures would yield annual savings of $2 to $5 billion. Today, the figure has been revised to $694 million by the Commission. At the same time, the General Accounting Office [GAO] now states that in order to achieve these savings, the military would need to reduce end strengths by 9,600 military and civilian positions. As military manpower reductions were not under the purview of the Commission, it is unclear where the savings are going to occur. Also, the effect of a few of the base closures on the communities will be substantial: Fort Dix, NJ, will lose over 12,000 personnel, including 7,500 military trainees. In California, the closure of two large Air Force bases east of Los Angeles, Norton AFB, and George AFB, will take 12,000 jobs out of their immediate communities. Closing the Army's Presidio in San Francisco is not going to reduce the Federal deficit as the Presidio, under Federal law, will be transferred to the Department of the Interior. The annual operations and maintenance cost of the Presidio will cost the Department of the Interior $16.5 million a year. In addition, the closure of the Presidio would result in the termination of 5,290 jobs.

I am perhaps fortunate that the base at which many of my constituents work, Mather AFB, is in the heart of Sacramento. The Sacramento region is experiencing rapid growth and a low unemployment rate. Many of the individuals currently employed at Mather AFB will be able to work at nearby Beale AFB or McClellan AFB. However, I have a number of concerns regarding the closure.

Mather AFB contributes over $300 million annually to the local economy, employs 6,500 civilian and military workers, and provides medical care to over 43,000 active duty and retired military personnel. Closing of this base and its facilities will require a great deal of adjustment for the community. Presently, the Sacramento Area Commission on Base Closing is charged with developing a comprehensive plan of converting the base.

My concerns about the closure center on three issues: First, the ramifications of closing Mather AFB's hospital; second, the clean-up of the toxic waste located on the base and; third, divesture of the land.

Earlier this year, I received a response to a letter I'd written to Lt. Gen. Monte Miller, Surgeon General of the Air Force, pertaining to the closure of Mather AFB's hospital. General Miller stated, "If keeping USAF Hospital Mather open can be shown to be cost-effective, and if this is not in violation of the Commission's report, we would support the continued operation of the hospital at Mather AFB if the necessary resources are provided." I wholeheartedly support this view as General Miller's office also determined that: "If USAF Hospital Mather closes, the demand for care at [the David Grant Medical Center at Travis AFB] will increase significantly as beneficiaries from McClellan and Beale AFB's seek health care at Travis AFB. This will increase the competition for access to DGMC for all retirees and their dependents locally and from the Sacramento area."

As Surgeon General Miller has stated, unless Mather AFB hospital remains open, the closest full-scale hospital, David Grant Medical Center, will experience overcrowding and provide inefficient health care for our retirees. A GAO report has verified this assessment. GAO stated that the medical costs of closing the hospital were greatly underestimated by the Commission. As the congressional representative for Travis AFB, I am extremely concerned about the impact the closure of Mather AFB's hospital will have on the Sacramento region and hope that a solution can be reached with the Air Force that will satisfy all parties involved.

Second, I would like to mention the cost of the hazardous waste cleanup. Under the base closure bill passed by Congress last session, environmental cleanup costs were excluded from the cost-savings formula established by the Commission. However, as a military installation cannot be transferred to another authority until clean-up of the land is completed, there is an excellent possibility that a base could lie fallow for years after it is closed. I have been assured by DOD and the Air Force that they are committed to cleaning up all of the bases on the closure list that have hazardous waste. Yet, there is little doubt that the cost of the clean-up at Mather AFB—estimated at $30 million—will reduce the savings being sought by DOD.

In 1987, EPA testified before the Environmental Restoration Panel of the House Armed Services Subcommittee on Readiness that its DERA funding model projected funding levels of $585 million in fiscal year 1990 and $737 million in fiscal year 1991 to carry out cleanups of DOD hazardous waste sites costing in excess of $20 billion over 25 years. It was projected at that time that a sustainable level of funding for the program should be roughly $1 billion a year, beginning in fiscal year 1992. These costs were estimated for previously identified toxic waste sites. In recent months, EPA has proposed more DOD sites for inclusion on the NPL and whose cleanup costs have not been accounted for in DERA's fiscal year 1990 funding. Therefore, the competition for scarce cleanup dollars is likely to grow even more intense, thus leading to even greater delays in the cleanup of installations like Mather AFB.

The final issue I would like to bring to your attention is the question of divestiture of the land. Communities have been forming coalitions designed to aid the region when the base closes. However, I am unsure as to how conflicts between Federal, State, and local agencies regarding disposal of the land will be solved. As the local community does not have priority regarding land disposal, the control of growth and job creation is lost. Also, the revolving fund designed to fund the initial closure costs depends on quickly closing and selling the land at a profitable price. If the community is unable to dispose of the land as desired, the revolving fund will experience severe shortages.

As a member of the Appropriations Subcommittee on Military Construction, it will be my responsibility, and those of my Chairman, Congressman BILL HEFNER and my colleagues, to address these issues. I am not just concerned for Mather AFB but for all the bases on the closure list. Medical care, hazardous waste cleanup and land disposal are not unique to Mather but rather mirror the problems of other closed bases. While we should not be shortsighted and expect savings to be realized immediately, we should also not close our eyes to the enormous political and economic problems the closures will bring to this body.

Mr. KENNEDY. Mr. Chairman, last year, I voted for the base closure legislation that passed the House 370 to 31. I voted for that bill because I feel it is essential for our national military security and our national economic security to close obsolete bases. If shutting a base will save money and if shutting that base

will not hinder our efforts to defend our Nation, then that base should be shut down—whether it is in my district, my State, or anywhere else.

I am concerned, however, that shutting some of those bases slated for closure by the Commisson serves neither our military interests nor our economic interests.

I realize that in any undertaking of this size mistakes will be made. It would be impossible to reach unanimous agreement on the methodology and all of the subjective issues. Every figure does not have to be correct and every aspect of the methodology and every subjective measure does not have to be unchallengeable in order for the Commission's report to be valid.

But with respect to the Army Materials Technology Laboratory in Watertown, MA, I think the flaws in the Commission's study cannot be overlooked.

I think it is relevant to examine the history of AMTL. AMTL was slated for closure when I first arrived in Congress. At that time I set out criteria that I thought were valid for determining the fate of AMTL—criteria that are still valid today. I said that we had to examine what was best for our national security, what was best for the U.S. taxpayer and what was best for the community—in that order. I made it clear at that time that if closing AMTL made sense from a national security perspective and from a budget perspective, then I would support closing the facility. But I had concerns then that the recommendation to close AMTL was based on questionable calculations and data. So I met with then Undersecretary of the Army James Ambrose, and he agreed to examine the AMTL situation from the same three-sided prism of national security, budget considerations, and community interests.

After an exhaustive study, the Army determined that not only was the AMTL facility essential to America's national security interest but also that it should receive a $30 million upgrade. So I am naturally very concerned that the Commission's recommendations are at direct odds with the Army's more exhaustive and focused study.

On page 22 of its report, the Commission conceded that "the numerous laboratory activities of the Department of Defense are important to maintaining necessary technological competence" and admitted that it did not have time to review the entire complex subject of the military laboratories. Nonetheless, the Commission recommended closure of one, AMTL, and recommended that a task force study the rest.

Several statements by Army personnel and an OTA study made after the exhaustive study of AMTL all indicated that material R&D work is a unique and essential mission that deserves a proper facility. The Army itself dismissed the idea of dividing up the work among other installations as a false economy and as inconsistent with the interdisciplinary nature of the work. The current work comprises about seven disciplines and six special functions; how can the Commission divide the current work into only two disciplines and one function?

Finally, these bases must be cleaned up over the next 6 years. But the Commission disregarded the cost of cleaning up the bases—a cost that will be measured in the billions of dollars.

As I said earlier, the Commission's report should not be expected to be perfect, but it should be expected to be sound. But what I have heard today from my colleagues about other bases makes me worried that AMTL is not an isolated case. I suspect there are several other "AMTL's" contained in the Commission's report. Given my knowledge of the AMTL situation and what I have heard about other bases from my colleagues, I must question the soundness of the Commission's report. I am concerned that these particular recommendations for base closings do not serve America's national security or economic interests. I must, then, vote in favor of the motion of disapproval.

Mrs. BENTLEY. Mr. Chairman, last year, I originally supported the base closing bill. We received information that the Department of Defense would save $2 billion per year. This figure was dropped first to $600 million per year and, then, to a total savings of $5 billion over 20 years.

A retired major general came to my office and demonstrated how even these savings are probably nonexistent. Unless the Army terminates a mission, there are no real savings. Transferring a mission from one installation to another is merely a paper shuffle.

Any possible savings must come from the operation and maintenance of the facility, a cost that would be transplanted to the new facility.

The second reason I support disapproval is concern for the future use of the property. Although the enabling statute provides that other government agencies would have an opportunity to use the property—in reality—is there any plan in place for them to move on acquisition and utilization of these properties?

What is going to be done with prime real estate in San Francisco or in Prince George's County, MD? This land is worth many, many millions of dollars. Are we going to sell this land, and then, 5 years from now have to repurchase the same land for 5 to 10 times the cost?

NSA could use the land at Fort Meade, and I am sure any number of agencies could use the land at the Presidio. Are Federal agencies ready to take advantage of this land, and, perhaps, more importantly, is there the money in the budget to do so?

The last reason I support this resolution is that this is not the proper vehicle for the Army National Guard to use in its effort to close up its operation at Aberdeen Proving Ground.

For several years, the Maryland delegation has been asking the Army National Guard to prove its case, which has not been done. It makes no sense for the military to put all of its operations in the greater DC metropolitan area. What happens if there is ever a disaster? With all our eggs in the DC basket, there would be some kind of omelet.

Even defense strategists have stated that functions should be spread over several locations.

Upon further review of this matter, I find savings would be gained if DOD looked in other places first to save money—such as burdensharing by our allies. The annual price tag to defend our allies—as stated in Defense News—is $180 billion per year. Those that gain the benefit should be willing to foot more of the bill.

That's how we should begin saving money by curtailing the expenditures overseas.

Let's start there.

Mr. PORTER. Mr. Chairman, documents and transcripts now available show beyond doubt that the recommendations of the Base Closing Commission should be rejected.

After 4 weeks of waiting for their release and 4 more for them to be declassified, the 2,000-page Base Closing Commission transcripts were finally made public 2 weeks ago. The contents of these transcripts and the process they describe are the final injustice in what has apparently been a shoddy process from the beginning.

Listen to these excerpts from the 2,000-page transcript:

On the sale of land: "We invented the property value."

On the military utility standards: "Change the scores."

On closing Fort Sheridan: If we add Fort Sheridan, which everybody says has got to be closed, its been in every piece I've ever read, that Fort Sheridan is doomed. Now, if we have that, you will have to testify that it failed the formula, but that we added it because our gut said that it ought to be added."

Finally, on the Commissioner's opinion of their work: "let's don't admit we have done a lousy job."

The information in the transcripts is shocking—phony numbers, altering military utility scores to change results, derogatory and inflammatory remarks about urban plight, and clear evidence that the commissioners gutlessly succumbed to an uninformed public media. This subjective, shallow approach by the Commission is what we intended to avoid.

These revelations raise this debate to a new level. The vote on the Commission's recommendations is no longer about budget deficits or base closings. It is now about good government. This House is not bound by the recommendations of a commission it created, and should reject this Commission's work as lacking the courage, integrity, and the thoughtful, equitable and honest approach Congress was seeking.

Mr. ROWLAND of Connecticut. Mr. Chairman, I rise in support of the committee's position on this issue. As such, I oppose House Joint Resolution 165 which disapproves the recommendations of the Commission on Base Realignment and Closure.

At the outset, I will say that the Commission's recommendations impact on my district. Indeed, several dozen units of stand-alone family housing located in Shelton, CT, are slated to be closed. I mention this because it appears the opposition to the Commission's report comes from Members whose districts are impacted by the closures. My district is so impacted—but for many reasons I feel the House must carry out the Commission's recommendations.

Very simply, there are a number of reasons why I am supportive of the Commission's conclusions and believe that the base closure and realignment process should move forward as quickly as possible.

On a general basis, it makes no sense for us to continue to pour money into military facilities that have little or no practical use. In these days of no growth defense budgets, our decisions as to force structure and military infrastructure must be scrutinized carefully with an eye toward finding cost savings.

The Commission has identified 86 installations for closure together with an additional number whose missions should be realigned. Altogether, implementation of these recommendations will save approximately $694 million a year in operating costs—clearly not an insignificant amount.

There has been much criticism of the procedures utilized by the Commission. I do not share such a belief. In fact, it is my view that the Commission did an extraordinary job in view of the time constraints involved. In particular, I am very proud of the fact that one of the chairmen of this Commission is the distinguished former Governor and Senator from Connecticut, the Honorable Abraham Ribicoff.

Some individuals are afraid of the economic impact these base closures will have on local economies. I am also concerned about this. But I am also very confident that the Defense Department and other Federal agencies will afford all possible assistance to localities as the process of transition begins.

I believe we have an opportunity here. Why not take some of these obsolete bases and use them to take the pressure off our overloaded criminal justice system? In fact, a number of installations would be ideally suited to house those persons convicted of such crimes as drug trafficking. Some bases could be used as "stop gap" homeless shelters. The range of possibilities is enormous and I would urge that these options be given serious consideration in the future.

In sum, I urge rejection of the resolution and urge a swift and complete implementation of the Commission's base closing plan as soon as practical.

Mrs. SCHROEDER. Mr. Chairman, I have no further requests for time at this point. I would like to make an inquiry of the gentleman from New York [Mr. MARTIN] and the gentleman from New Jersey [Mr. SAXTON] whether or not they have additional requests and whether we should yield back or not.

Mr. MARTIN of New York. Mr. Chairman, I do not know at this time of any further requests that I might have. It concerns me a little bit because I think we might be really strapped for time on Tuesday. But because of other commitments I do not appear to have any other requests for time at the present time.

Mr. Chairman, I yield back the balance of my time.

Mr. SAXTON. Mr. Chairman, we have been through our list here tonight as well. At this time we have no other speakers.

Mr. Chairman, I yield back the balance of my time.

Mrs. SCHROEDER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. LIPINSKI). Pursuant to the order of the House of Tuesday, April 11, 1989, the Committee now rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. BRUCE] having assumed the chair, Mr. LIPINSKI, Chairman pro tempore of the Committee on the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 165), disapproving the recommendations of the Commission on Base Realignment and Closure, had come to no resolution thereon.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on House Joint Resolution 165, the joint resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

GOVERNMENTWIDE ETHICS ACT OF 1989—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-45)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary, the Committee on Post Office and Civil Service, the Committee on House Administration, the Committee on Ways and Means, the Committee on Armed Services, and the Committee on Rules, and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, April 12, 1989.)

JUDICIAL SALARY ACT OF 1989—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-46)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service and the Committee on the Judiciary and ordered to be printed.

(For message, see proceedings of the Senate of today, Wednesday, April 12, 1989.)

RULES OF THE COMMITTEE ON SMALL BUSINESS FOR THE 101ST CONGRESS

(Mr. LAFALCE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LAFALCE. Mr. Speaker, pursuant to clause 2(a) of House rule XI, I submit for printing in the CONGRESSIONAL RECORD the Rules of the Committee on Small Business for the 101st Congress as adopted at the committee's organizational meeting on April 12, 1989:

RULES OF PROCEDURES OF THE COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, 101ST CONGRESS

1. GENERAL PROVISIONS

The Rules of the House, and in particular the committee rules enumerated in clause 2 of rule XI, are the rules of the Committee on Small Business to the extent applicable and by this reference are incorporated, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable motions of high privilege in committees and subcommittees. Each subcommittee of the Committee on Small Business (hereinafter referred to as the "committee") is a part of the committee and is subject to the authority and direction of the committee, and to its rules to the extent applicable.

2. REFERRAL OF BILLS BY CHAIRMAN

Unless retained for consideration by the full committee, all legislation and other matters referred to the committee shall be referred by the chairman to the subcommittee of appropriate jurisdiction within 2 weeks. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdictions, the chairman shall refer the matter as he may deem advisable. Bills, resolutions, and other matters referred to subcommittees may be reassigned by the chairman when, in his judgment, the subcommittee is not able to complete its work or cannot reach agreement thereon.

3. DATE OF MEETING

The regular meeting date of the Committee on Small Business shall be the first Tuesday of every month when the House is in session. Additional meetings may be called by the chairman as he may deem necessary or at the request of a majority of the members of the committee in accordance with clause 2(c) of rule XI of the House of Representatives.

At least three days' notice of such additional meeting shall be given unless the chairman determines that there is good cause to call the meeting on less notice.

The determination of the business to be considered at each meeting shall be made by the chairman subject to clause 2(c) of rule XI of the House of Representatives.

A regularly scheduled meeting need not be held if there is no business to be considered or, upon at least three days' notice, it may be set for a different date.

4. ANNOUNCEMENT OF HEARINGS

Unless the chairman, or the committee by majority vote, determines that there is good cause to begin a hearing at an earlier date, public announcement shall be made of the date, place, and subject matter of any hearing to be conducted by the committee at

least one week before the commencement of that hearing.

5. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(A) Meetings

Each meeting for the transaction of business, including the markup of legislation, of the committee or its subcommittees, shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public.

This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

(B) Hearings

Each hearing conducted by the committee or its subcommittees shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearings.

No member may be excluded from nonparticipatory attendance at any hearing of the committee or any subcommittee, unless the House of Representatives shall by majority vote authorize the committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedures designated for closing hearings to the public.

6. WITNESSES

(A) Interrogation of witness

The right to interrogate witnesses before the committee or any of its subcommittees shall alternate between the majority members and the minority members. In recognizing members to question witnesses, the chairman may take into consideration the ratio of majority and minority party members present and may recognize two majority party members for each minority party member recognized. Each member shall be limited to 5 minutes in the interrogation of witnesses until such time as each member of the committee who so desires has had an opportunity to question the witness.

(B) Statement of witnesses

Each witness shall file with the committee, 48 hours in advance of his appearance, 100 copies of his proposed testimony and shall make a brief oral summary of his views.

7. SUBPEONAS

A subpeona may be authorized and issued by the chairman of the committee in the conduct of any investigation or series of investigations or activities to require the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents as he deems necessary. The ranking minority member shall be promptly notified of the issuance of such a subpeona.

Such a subpeona may be authorized and issued by the chairman of a subcommittee with the approval of a majority of the members of the subcommittee and the approval of the chairman of the committee or a majority of the members of the committee.

8. QUORUM

No measure or recommendation shall be reported unless a majority of the committee is actually present; for purposes of taking testimony or receiving evidence, two members shall constitute a quorum; and for all other purposes one-third of the members shall constitute a quorum.

9. AMENDMENTS DURING COMMITTEE MARKUP

Any amendment offered to any pending legislation before the committee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the chairman shall allow an appropriate period of time for the provision thereof.

10. PROXIES

A vote by any member of the committee or any of its subcommittees by proxy is permitted, provided that such proxy shall be in writing, and delivered to the clerk of the committee, shall assert that the member so voting by proxy is absent on official business or is otherwise unable to be present at the meeting of the committee or its subcommittee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. Each proxy shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

11. NUMBER AND JURISDICTION OF SUBCOMMITTEES

There will be six subcommittees as follows:

—SBA, the General Economy, and Minority Enterprise Development (eleven Democrats and seven Republicans).

—Procurement, Tourism, and Rural Development (ten Democrats and six Republicans).

—Regulation, Business Opportunities, and Energy (five Democrats and three Republicans).

—Antitrust, Impact of Deregulation and Privatization (five Democrats and three Republicans).

—Exports, Tax Policy, and Special Problems (seven Democrats and four Republicans).

—Environment and Labor (five Democrats and three Republicans).

During the 101st Congress, the chairman and ranking minority member shall be *ex officio* members of all subcommittees, without vote, and the full committee shall conduct oversight of all areas of the committee's jurisdiction.

In addition to conducting oversight in the area of their respective jurisdiction, each subcommittee shall have the following jurisdiction:

SBA, the General Economy, and Minority Enterprise Development

SBA program authorization.
General economic problems.
Access to capital.
Programs to promote minority enterprise development.
Promotion of women-owned business.
Job creation.

Procurement, Tourism, and Rural Development

Participation of small business in Federal procurement, generally.
Small Business Innovation Development Act.
Travel and tourism.
Telecommunications.
Agriculture and rural development.

Regulation, Business Opportunities, and Energy

Responsibility for, and investigative authority over, the regulatory policies of Federal departments and agencies.
General promotion of business opportunities.
Energy issues in general.

Antitrust, Impact of Deregulation and Privatization

Anticompetitive and unfair activities affecting small business.
Antitrust and monopolies.
Impact of deregulation of common carriers and other industries.
Proposals to privatize Federal assistance.
Securities, acquisitions, and mergers.

Exports, Tax Policy, and Special Problems

Export opportunities.
Foreign business practices.
Impact of tax policies.
Special problems not elsewhere assigned.

Environment and Labor

Environmental and hazardous waste.
Labor issues in general.

12. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the chairman of the full committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible. Meetings of subcommittees shall not be scheduled to occur simultaneously with meetings of the full committee.

13. SUBCOMMITTEE REPORTS ON INVESTIGATIVE HEARINGS

The report of any subcommittee on a matter which was the topic of a study or investigation shall include a statement concerning the subject of the study or investigation, the findings and conclusions, and recommendations for corrective action, if any, together with such other material as the subcommittee deems appropriate.

Such proposed report shall first be approved by a majority of the subcommittee members. After such approval has been secured, the proposed report shall be sent to each member of the full committee for his supplemental, minority or additional views.

Any such views shall be in writing and signed by the member and filed with the clerk of the committee within 5 calendar days (excluding Saturdays, Sundays, and legal holidays) from the date of the transmittal of the proposed report to the members.

After the expiration of such 5 calendar days, the report may be filed as a House report.

14. COMMITTEE STAFF

The staff of the Committee on Small Business shall be as follows:

(A) The professional and clerical employees of the committee, except those assigned to the minority or to a subcommittee chairman or ranking minority members as provided below, shall be appointed and assigned, and may be removed, by the chairman. Their remuneration shall be fixed by the chairman, and they shall be under the general supervision and direction of the chairman.

(B) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined as the minority members of the committee shall determine; *Provided, however,* That no minority staff person shall be compensated at a rate which exceeds that paid his or her majority staff counterpart. Such staff shall be under the general supervision and direction of the minority members of the committee who may delegate such authority as they deem appropriate.

(C) Each subcommittee chairperson and each ranking minority member on not more than six subcommittees shall have the right to appoint and assign one person to work on subcommittee business at a salary commensurate with the responsibilities prescribed but at a rate not to exceed 75 percent of the maximum established rate for the employees on the professional staff of the committee. Such staff members shall perform services in facilities assigned to the committee and to the extent that they are not occupied during regular working hours with tasks assigned by the subcommittee chairperson or ranking minority member who appointed them, they shall perform other tasks as assigned by the chairman or the appropriate staff director.

15. RECORDS

The committee shall keep a complete record of all actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each subcommittee rollcall vote, together with a description of the matter voted upon, shall be promptly made available to the full committee and such votes shall be available for inspection by the public at reasonable times in the offices of the committee.

The records of the committee at the National Archives and Records Administration shall be made available in accordance with rule XXXVI of the rules of the House, except that the committee authorizes use of any record to which clause 3(b)(4) would otherwise apply after such record has been in existence for 20 years. The chairman shall notify the ranking minority member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the rule, to withhold a record otherwise available, and the matter shall be presented to the committee for a determination on the written request of any member of the committee.

16. ACCESS TO CLASSIFIED OR SENSITIVE INFORMATION

Access to classified information supplied to the committee and attendance at closed sessions of the committee or its subcommittees shall be limited to members, and to members of the committee staff and stenographic reporters who have appropriate security clearance when the chairman determines that such access or such attendance is essential to the functioning of the committee.

The procedure to be followed in granting access to those hearings, records, data, charts, and files of the committee which involve classified intelligence information or information deemed by a subcommittee to be sensitive shall be as follows:

(a) Only Members of the House of Representatives may have access to such information.

(b) Members who desire to read materials that are in the possession of the committee should notify the clerk of the committee or the subcommittee possessing the materials.

(c) The clerk will maintain an accurate access log which identifies without revealing the material examined, the staff member involved, and the time of arrival and departure of all members having access to the information.

(d) If the material desired is material which the committee or subcommittee deems to be sensitive enough to require special handling, before receiving access to such information, Members of the House will be required to identify the information they desire to read and sign an access information sheet acknowledging such access and that the Member has read these procedures.

(e) Such material shall not be removed from the room.

(f) A staff representative shall insure that the documents used by the Member are returned to the proper custodian or to original safekeeping as appropriate.

(g) No notes, reproductions or recordings may be made of any portion of such information.

(h) The contents of such information shall not be divulged to any person in any way, form, shape, or manner and shall not be discussed with any person who has not received the information in an authorized manner either under these rules or the laws or rules in effect for officials and employees of the executive branch.

(i) When not being examined in the manner described herein, such information will be kept in secure safes in the committee rooms.

(j) These procedures only address access to information the committee or a subcommittee deems to be sensitive enough to require special treatment.

(k) If a Member believes the material should not be classified or considered restricted as to dissemination or use, the Member may ask the committee or subcommittee to so rule; however, as far as materials and information in the custody of the Small Business Committee is concerned, the classification of materials as determined by the executive branch shall prevail unless affirmatively changed by the committee or the subcommittee involved, after consultation with the appropriate executive agencies.

(l) Other materials in the possession of the committee are to be handled in accordance with the normal practices and traditions of the committee and its subcommittees.

17. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

Upon approval by the committee or its subcommittees, all committee and subcommittee hearings which are open to the public may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography or by any such methods of coverage.

The chairman of the full committee or the chairmen of the subcommittees are authorized to determine on behalf of the full committee or its subcommittees, respectively, whether hearings which are open may be broadcast, unless the committee or its subcommittees respectively by majority vote determine otherwise.

Permission for such coverage shall be granted only under the following conditions:

(1) Live coverage by radio or television shall be without commercial sponsorship.

(2) No witness served with a subpeona by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Each committee or subcommittee chairman shall determine, in his discretion, the number of television and still cameras to be permitted in the room. The allocation among the television media of the positions of television cameras permitted by a committee or subcommittee chairman in the room shall be in accordance with fair and equitable procedures as devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall operate from fixed positions but shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Television and radio media equipment shall not be installed in, or removed from, the room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used, except that the television media may install additional lighting in the room, without cost to the Government, in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage at the then current state of the art.

(8) In the allocation of the number of still photographers permitted by a committee or subcommittee chairman in a hearing or meeting room, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If requests are made by more of the media than will be permitted by a committee or subcommittee chairman for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage by the other media.

(11) Television and radio media personnel shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Still photography personnel shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and

their coverage activities in an orderly and unobtrusive manner.

18. OTHER PROCEDURES AND REGULATIONS

The chairman of the full committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

The committee may not be committed to any expense whatever without the prior approval of the chairman of the full committee.

19. AMENDMENTS TO COMMITTEE RULES

The rules of the committee may be modified, amended, or repealed by a majority vote of its members, but only if written notice of the proposed change has been provided to each such member at least 48 hours before the time of the meeting at which the vote on the change occurs.

APPENDIX

RULE XI

RULES OF PROCEDURE FOR COMMITTEES

In general

1. (a)(1) The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable motions of high privilege in committees and subcommittees.

(2) Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules so far as applicable.

(b) Each committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X, and (subject to the adoption of expense resolutions as required by clause 5) to incur expenses (including travel expenses) in connection therewith.

(c) Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of a committee shall be paid from the contingent fund of the House.

(d) Each committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of that committee under this rule and Rule X during the Congress ending at noon on January 3 of such year.

Committee rules

Adoption of written rules

2. (a) Each standing committee of the House shall adopt written rules governing its procedure. Such rules—

(1) shall be adopted in a meeting which is open to the public unless the committee in open session and with a quorum present, determined by rollcall vote that all or part of the meeting on that day is to be closed to the public;

(2) shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House; and

(3) shall in any event incorporate all of the succeeding provisions of this clause to the extent applicable.

Each committee's rules specifying its regular meeting days, and any other rules of a committee which are in addition to the provisions of this clause, shall be published in the Congressional Record not later than thirty days after the Congress convenes in each odd-numbered year. Each select or joint committee shall comply with the provisions of this paragraph unless specifically prohibited by law.

Regular meeting days

(b) Each standing committee of the House shall adopt regular meeting days, which shall be not less frequent than monthly, for the conduct of its business. Each such committee shall meet, for the consideration of any bill or resolution pending before the committee or for the transaction of other committee business, on all regular meeting days fixed by the committee, unless otherwise provided by written rule adopted by the committee.

Additional and special meetings

(c)(1) The Chairman of each standing committee may call and convene, as he or she considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to the call of the chairman.

(2) If at least three members of any standing committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within three calendar days after the filing of the request, the chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

Ranking majority member to preside in absence of chairman

(d) If the chairman of any standing committee is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

Committee records

(e)(1) Each committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(2) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto, except that in the case of records in the Committee on Standards of Official Conduct respecting the conduct of any Member, officer, or employee of the House, no Member of the House (other than a member of such committee) shall have access thereto without the specific, prior approval of the committee.

(3) Each committee shall include in its rules standards for availability of records of the committee delivered to the Archivist of the United States under rule XXXVI. Such standards shall specify procedures for orders of the committee under clause 3(b)(3) and clause 4(b) of rule XXXVI, including a requirement that nonavailability of a record for a period longer than the period otherwise applicable under that rule shall be approved by vote of the committee.

Proxies

(f) No vote by any member of any committee or subcommittee with respect to any measure or matter may be cast by proxy unless such committee, by written rule adopted by the committee, permits voting by proxy and requires that the proxy authorization shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Open meetings and hearings.

(g)(1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by each committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the re-

quirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause 2(k)(5) of rule XI; or

(B) may vote to close the hearing, as provided in clause 2(k)(5) of rule XI. No Member may be excluded from nonparticipatory attendance at any hearing of any committee or subcommittee, with the exception of the Committee on Standards of Official Conduct, unless the House of Representatives shall by a majority vote authorize a particular committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subparagraph for closing hearings to the public: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing except that the Committee on Appropriations, the Committee on Armed Services, and the Permanent Select Committee on Intelligence and the subcommittees therein may, by the same procedure, vote to close up to five additional consecutive days of hearings.

(3) Each committee of the House (except the Committee on Rules) shall make public announcement of the date, place, and subject matter of any committee hearing at least one week before the commencement of the hearing. If the committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest and promptly entered into the committee scheduling service of the House Information Systems.

(4) Each committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

(5) No point of order shall lie with respect to any measure reported by any committee on the ground that hearings on such measure were not conducted in accordance with the provisions of this clause; except that a point of order on that ground may be made by any member of the committee which reported the measure if, in the committee, such point of order was (A) timely made and (B) improperly overruled or not properly considered.

(6) The preceding provisions of this paragraph do not apply to the committee hearings which are provided for by clause 4(a)(1) of Rule X.

Quorum for taking testimony and certain other action

(h)(1) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence which shall be not less than two.

(2) Each committee (except the Committee on Appropriations, the Committee on the Budget, and the Committee on Ways and Means) may fix the number of its members to constitute a quorum for taking any action other than the reporting of a measure or recommendation which shall be not less than one-third of the members.

Prohibition against committee meetings during five-minute rule and during joint sessions and joint meetings

(i)(1) No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on Rules, the Committee on Standards of Official Conduct, and the Committee on Ways and Means) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule. For purposes of this subparagraph, special leave will be granted unless 10 or more Members object.

(2) No committee of the House may sit during a joint session of the House and Senate or during a recess when a joint meeting of the House and Senate is in progress.

Calling and interrogation of witnesses

(j)(1) Whenever any hearing is conducted by any committee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

(2) Each committee shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each member of the committee who so desires has had an opportunity to question each witness.

Investigative hearing procedures

(k)(1) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpeona additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpeona additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

Committee procedures for reporting bills and resolutions

(l)(1)(A) It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring a matter to a vote.

(B) In any event, the report of any committee on a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request. This subdivision does not apply to the reporting of a regular appropriation bill by the Committee on Appropriations prior to compliance with subdivision (C) and does not apply to a report of the Committee on Rules with respect to the rules, joint rules, or order of business of the House or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(2)(A) No measure or recommendation shall be reported from any committee unless a majority of the committee was actually present.

(B) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(3) The report of any committee on a measure which has been approved by the committee (A) shall include the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X separately set out and clearly identified; (B) the statement required by section 308(a)(1) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2) of such Act, new credit authority, or an increase or decrease in revenues or tax expenditures; (C) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and (D) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X separately set out and clearly identified whenever such findings and recommenda-

tions have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(4) Each report of a committee on each bill or joint resolution of a public character reported by such committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(5) If, at the time of approval of any measure or matter by any committee, other than the Committee on Rules, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(A) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(B) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of subparagraph (3)) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a committee report unless timely requests for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(ii) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(6) A measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business), shall not be considered in the House until the third calendar day (or the tenth calendar day in the case of a concurrent resolution on the budget), excluding Saturdays, Sundays, and legal holidays, on which the report of that committee upon that measure or matter has been available to the Members of the House. Nor shall it be in order to consider any measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business, or any other committee in the case of a privileged resolution), unless copies of such report and the reported measure or matter have been available to the Members for at least three calendar days, excluding Saturdays, Sundays, and legal holidays during which the House is not in session before the beginning of such consideration: *Provided, however,* That it shall always be in order to call up for consideration, notwithstanding the provisions of clause 4(b), Rule XI, a report from the Committee on Rules specifically providing for the consideration of a reported measure or matter notwithstanding this restriction. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter, shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(B) any decision, determination, or action by a Government agency which would become or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

For the purposes of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

(7) If, within seven calendar days after a measure has, by resolution, been made in order for consideration by the House, no motion has been offered that the House consider that measure, any member of the committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if that committee has duly authorized that member to offer that motion.

Power to sit and act; subpoena power

(m)(1) For the purpose of carrying out any of its functions and duties under this rule and Rule X (including any matters referred to it under clause 5 of Rule X), any committee, or any subcommittee thereof, is authorized (subject to subparagraph (2)(A) of this paragraph)—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) to require, by subpoena—or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents

as it deems necessary. The chairman of the committee, or any member designated by such chairman, may administer oaths to any witness.

(2)(A) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (1)(B) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (1)(B) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(B) Compliance with any subpoena issued by a committee or subcommittee under subparagraph (1)(B) may be enforced only as authorized or directed by the House.

Use of committee funds for travel

(n)(1) Funds authorized for a committee under clause 5 are for expenses incurred in the committee's activities: however, local currencies owned by the United States shall be made available to the committee and its employees engaged in carrying out their official duties outside the United States, its territories or possessions. No appropriated funds, including those authorized under clause 5, shall be expended for the purpose of defraying expenses of members of the committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(A) No member or employee of the committee shall receive or expend local currencies for subsistence in any country for any day at a rate in excess of the maximum per diem set forth in applicable Federal law, or if the Member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred by the member or employee during that day.

(B) Each member or employee of the committee shall make to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than sixty days following the completion of travel with the chairman of the committee for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(2) In carrying out the committee's activities outside of the United States in any country where local currencies are unavailable, a member or employee of the committee may not receive reimbursement for expenses (other than for transportation) in excess of the maximum per diem set forth in applicable Federal law, or if the member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual unreimbursed expenses (other than for transportation) incurred, by the member or employee during any day.

(3) A member or employee of a committee may not receive reimbursement for the cost of any transportation in connection with travel outside of the United States unless the member or employee has actually paid for the transportation.

(4) The restrictions respecting travel outside of the United States set forth in subparagraphs (2) and (3) shall also apply to travel outside of the United States by Members, officers, and employees of the House authorized under clause 8 of Rule I, clause 1(b) of this rule, or any other provision of these Rules of the House of Representatives.

(5) No local currencies owned by the United States may be made available under this paragraph for the use outside of the United States for defraying the expenses of a member of any committee after—

(A) the date of the general election of Members in which the Member has not been elected to the succeeding Congress; or

(B) in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

Broadcasting of Committee Hearings

3. (a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broad-

cast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any Member or bring the House, the committee, or any Member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause: *Provided, however,* Each committee or subcommittee chairman shall determine, in his discretion, the number of television and still cameras permitted in a hearing or meeting room.

(f) The written rules which may be adopted by a committee under paragraph (e) of this clause shall contain provisions to the following effect:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of this rule, relating to the protection of the rights of witnesses.

(3) The allocation among the television media of the positions of the number of television cameras permitted by a committee or subcommittee chairman in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall operate from fixed positions but shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) In the allocation of the number of still photographers permitted by a committee or subcommittee chairman in a hearing or meeting room, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If requests are made by more of the media than will be permitted by a committee or subcommittee chairman for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Privileged Reports and Amendments

4. (a) The following committees shall have leave to report at any time on the matters herein stated, namely: The Committee on Appropriations—on general appropriation bills and on joint resolutions continuing appropriations for a fiscal year if reported after September 15 preceding the beginning of such fiscal year; the Committee on the Budget—on the matters required to be reported by such committee under Titles III and IV of the Congressional Budget Act of 1974; the Committee on House Administration—on enrolled bills, contested election, and all matters referred to it of printing for the use of the House or the two Houses, and on all matters of expenditure of the contingent fund of the House and on all matters relating to preservation and availability of noncurrent records of the House under Rule XXXVI; the Committee on Rules—on rules, joint rules, and the order of business; and the Committee on Standards of Official Conduct—on resolutions recommending action by the House of Representatives with respect to an individual Member, officer, or employee of the House of Representatives as a result of any investigation by the committee relating to the official conduct of such Member, officer, or employee of the House of Representatives.

(b) It shall always be in order to call up for consideration a report from the Committee on Rules on a rule, joint rule, or the order of business (except it shall not be called up for consideration on the same day it is presented to the House, unless so determined by a vote of not less than two-thirds of the Members voting, but this provision shall not apply during the last three days of the session), and, pending the consideration thereof, the Speaker may entertain one motion that the House adjourn; but after the result is announced the Speaker shall not entertain any other dilatory motion until the report shall have been fully disposed of. The Committee on Rules shall not report any rule or order which provides that business under clause 7 of Rule XXIV shall be set aside by a vote of less than two-thirds of the Members present; nor shall it report any rule or order which would prevent the motion to recommit from being made as provided in clause 4 of Rule XVI.

(c) The Committee on Rules shall present to the House reports concerning rules, joint rules, and order of business, within three legislative days of the time when the bill or resolution involved is ordered reported by the committee. If any such rule or order is not considered immediately, it shall be referred to the calendar and, if not called up by the Member making the report within seven legislative days thereafter, any member of the Rules Committee may call it up as a question of privilege (but only on the day after the calendar day on which such Member announces to the House his intention to do so) and the Speaker shall recognize any member of the Rules Committee seeking recognition for that purpose. If the Committee on Rules makes an adverse report on any resolution pending before the committee, providing for an order of business for the consideration by the House of any public bill or joint resolution, on days when it shall be in order to call up motions to discharge committees it shall be in order for any Member of the House to call up for consideration by the House such adverse report, and it shall be in order to move the adoption by the House of such resolution adversely reported notwith-

standing the adverse report of the Committee on Rules, and the Speaker shall recognize the Member seeking recognition for that purpose as a question of the highest privilege.

(d) Whenever the Committee on Rules reports a resolution repealing or amending any of the Rules of the House of Representatives or part thereof it shall include in its report or in an accompanying document—

(1) the text of any part of the Rules of the House of Representatives which is proposed to be repealed; and

(2) a comparative print of any part of the resolution making such an amendment and any part of the Rules of the House of Representatives to be amended, showing by an appropriate typographical device the omissions and insertions proposed to be made.

Committee expenses

5. (a) Whenever any committee, commission or other entity (except the Committee on Appropriations and the Committee on the Budget) is to be granted authorization for the payment, from the contingent fund of the House, of its expenses in any year, other than those expenses to be paid from appropriations provided by statute, such authorization initially shall be procured by one primary expense resolution for the committee, commission or other entity providing funds for the payment of the expenses of the committee, commission or other entity for that year from the contingent fund of the House. Any such primary expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been made available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House—

(1) state the total amount of the funds to be provided to the committee, commission or other entity under the primary expense resolution for all anticipated activities and programs of the committee, commission or other entity; and

(2) to the extent practicable, contain such general statements regarding the estimated foreseeable expenditures for the respective anticipated activities and programs of the committee, commission or other entity as may be appropriate to provide the House with basic estimates with respect to the expenditure generally of the funds to be provided to the committee, commission or other entity under the primary expense resolution.

(b) After the date of adoption by the House of any such primary expense resolution for any such committee, commission or other entity for any year, authorization for the payment from the contingent fund of additional expenses of such committee, commission or other entity in that year, other than those expenses to be paid from appropriations provided by statute, may be procured by one or more supplemental expense resolutions for that committee, commission or other entity as necessary. Any such supplemental expense resolution reported to the House shall not be considered in the House unless a printed report on that resolution has been made available to the Members of the House for at least one calendar day prior to the consideration of that resolution in the House. Such report shall, for the information of the House–

(1) state the total amount of additional funds to be provided to the committee, commission or other entity under the supplemental expense resolution and the purpose or purposes for which those additional funds are to be used by the committee, commission or other entity; and

(2) state the reason or reasons for the failure to procure the additional funds for the committee, commission or other entity by means of the primary expense resolution.

(c) The preceding provisions of this clause do not apply to—

(1) any resolution providing for the payment from the contingent fund of the House of sums necessary to pay compensation for staff services performed for, or to pay other expenses of, any committee, commission or other entity at any time from and after the beginning of any year and before the date of adoption by the House of the primary expense resolution providing funds to pay the expenses of that committee, commission or other entity for that year; or

(2) any resolution providing in any Congress, for all of the standing committees of the House, additional office equipment, airmail and special delivery postage stamps, supplies, staff personnel, or any other specific item for the operation of the standing committees, and containing an authorization for the payment from the contingent fund of the House of the expenses of any of the foregoing items provided by that resolution, subject to and until enactment of the provisions of the resolution as permanent law.

(d) From the funds provided for the appointment of committee staff pursuant to primary and additional expense resolutions—

(1) the chairman of each standing subcommittee of a standing committee of the House is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) the ranking minority party member of each standing subcommittee on each standing committee of the House is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) the staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 or (B) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(4) for the purpose of this paragraph, (A) there shall be no more than six standing subcommittees of each standing committee of the House, except for the Committee on Appropriations, and (B) no member shall appoint more than one person pursuant to the above provisions.

(5) the staff positions made available to the subcommittee chairman and ranking minority party members pursuant to subparagraphs (1) and (2) of this paragraph shall be made available from the staff positions provided under clause 6 of Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(e) No primary expense resolution or additional expense resolution of a committee may provide for the payment or reimbursement of expenses incurred by any member of the committee for travel by the member after the date of the general election of Members in which the Member is not elected to the succeeding Congress, or in the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

(f)(1) For continuance of necessary investigations and studies by—

(A) each standing committee and select committee established by these rules; and

(B) except as provided in subparagraph (2), each select committee established by resolution;

there shall be paid out of the contingent fund of the House such amounts as may be necessary for the period beginning at noon on January 3 and ending at midnight on March 31 of each year.

(2) In the case of the first session of a Congress, amounts shall be made available under this paragraph for a select committee established by resolution in the preceding Congress only if—

(A) a reestablishing resolution for such select committee is introduced in the present Congress; and

(B) no resolution of the preceding Congress provided for termination of funding of investigations and studies by such select committee at or before the end of the preceding Congress.

(3) Each committee receiving amounts under this paragraph shall be entitled, for each month in the period specified in subparagraph (1), to 9 per centum (or such lesser per centum as may be determined by the Committee on House Administration) of the total annualized amount made available under expense resolutions for such committee in the preceding session of Congress.

(4) Payments under this paragraph shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, except as provided in subparagraph (5), and approved by the Committee on House Administration.

(5) Notwithstanding any provision of law, rule of the House, or other authority, from noon on January 3 of the first session of a Congress, until the election by the House of the committee involved in that Congress, payments under this paragraph shall be made on vouchers signed by—

(A) the chairman of such committee as constituted at the close of the preceding Congress; or

(B) if such chairman is not a Member in the present Congress, the ranking majority party member of such committee as constituted at the close of the preceding Congress who is a Member in the present Congress.

(6)(A) The authority of a committee to incur expenses under this paragraph shall expire upon agreement by the House to a primary expense resolution for such committee.

(B) Amounts made available under this paragraph shall be expended in accordance with regulations prescribed by the Committee on House Administration.

(C) The provisions of this paragraph shall be effective only insofar as not inconsistent with any resolution, reported by the Committee on House Administration and adopted after the date of adoption of these rules.

Committee staffs

6. (a)(1) Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause, each standing committee may appoint, by majority vote of the committee, not more than eighteen professional staff members. Each professional staff member appointed under this subparagraph shall be assigned to the chairman and the ranking minority party member of such committee, as the committee considers advisable.

(2) Subject to paragraph (f) of this clause, whenever a majority of the minority party members of a standing committee (except the Committee on Standards of Official Conduct and the Permanent Select Committee on Intelligence) so request, not more than six persons may be selected, by majority vote of the minority party members, for appointment by the committee as professional staff members from among the number authorized by subparagraph (1) of this paragraph. The committee shall appoint any persons so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members may select other persons for appointment by the committee to the professional staff until such appointment is made. Each professional staff member appointed under this subparagraph shall be assigned to such committee business as the minority party members of the committee consider advisable.

(3) The professional staff members of each standing committee—

(A) shall be appointed on a permanent basis, without regard to race, creed, sex, or age, and solely on the basis of fitness to perform the duties of their respective positions;

(B) shall not engage in any work other than committee business; and

(C) shall not be assigned any duties other than those pertaining to committee business.

(4) Services of the professional staff members of each standing committee may be terminated by majority vote of the committee.

(5) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and to the Committee on the Budget and the provisions of subparagraphs (3) (B) and (C) do not apply to the Committee on Rules.

(b)(1) The clerical staff of each standing committee shall consist of not more than twelve clerks, to be attached to the office of the chairman, to the ranking minority party members, and to the professional staff, as the committee considers advisable. Subject to subparagraph (2) of this paragraph and paragraph (f) of this clause, the clerical staff shall be appointed by majority vote of the committee, without regard to race, creed, sex, or age. Except as provided by subparagraph (2) of this paragraph the clerical staff shall handle committee correspondence and stenographic work both for the committee staff and for the chairman and the ranking minority party member on matters related to committee work.

(2) Subject to paragraph (f) of this clause, whenever a majority of the minority party members of a standing committee (except the Committee on Standards of Official Conduct and the Permanent Select Committee on Intelligence) so request, four persons may be selected, by majority vote of the minority party members, for appointment by the committee to positions on the clerical staff from among the number of clerks authorized by subparagraph (1) of this paragraph. The committee shall appoint to those positions any person so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of any person so selected are unacceptable to the committee, a majority of the minority party members, may select other persons for appointment by the committee to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this subparagraph shall handle committee correspondence and stenographic work for the minority party members of the committee and for any members of the professional staff appointed under subparagraph (2) of paragraph (a) of this clause on matters related to committee work.

(3) Services of the clerical staff members of each standing committee may be terminated by majority vote of the committee.

(4) The foregoing provisions of this paragraph do not apply to the Committee on Appropriations and the Committee on the Budget.

(c) Each employee on the professional, clerical and investigating staff of each standing committee shall be entitled to pay at a single gross per annum rate, to be fixed by the chairman which does not exceed the maximum rate of pay, as in effect from time to time, under applicable provisions of law.

(d) Subject to appropriations hereby authorized, the Committee on Appropriations and the Committee on the Budget may appoint such staff, in addition to the clerk thereof and assistants for the minority, as it determines by majority vote to be necessary, such personnel, other than minority assistants, to possess such qualifications as the committee may prescribe.

(e) No committee shall appoint to its staff any experts or other personnel detailed or assigned from any department or agency of the Government, except with the written permission of the Committee on House Administration.

(f) If a request for the appointment of a minority professional staff member under paragraph (a), or a minority clerical staff member under paragraph (b), is made when no vacancy exists to which that appointment may be made, the committee nevertheless shall appoint, under paragraph (a) or paragraph (b), as applicable, the person selected by the minority and acceptable to the committee. The person so appointed shall serve as an additional member of the professional staff or the clerical staff, as the case may be, of the committee, and shall be paid from the contingent fund, until such a vacancy (other than a vacancy in the position of head of the professional staff, by whatever title designated) occurs, at which time that person shall be deemed to have been appointed to that vacancy. If such vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party members shall designate which of those persons shall fill that vacancy.

(g) Each staff member appointed pursuant to a request by minority party members under paragraph (a) or (b) of this clause, and each staff member appointed to assist minority party members of a committee pursuant to an expense resolution described in paragraph (a) or (b) of clause 5, shall be accorded equitable treatment with respect to the fixing of his or her rate of pay, the assignment to him or her of work facilities, and the accessibility to him or her of committee records.

(h) Paragraphs (a) and (b) of this clause shall not be construed to authorize the appointment of additional professional or clerical staff members of a committee pursuant to a request under either of such paragraphs by the minority party members of that committee if six or more professional staff members or four or more clerical staff members, provided for in paragraph (a)(1) or paragraph (b)(1) of this clause, as the case may be, who are satisfactory to a majority of the minority party members, are otherwise assigned to assist the minority party members.

(i) Notwithstanding paragraphs (a)(2) and (b)(2), a committee may employ nonpartisan staff, in lieu of or in addition to committee staff designated exclusively for the majority or minority party, upon an affirmative vote of a majority of the members of the majority party and a majority of the members of the minority party.

□ 2000

IN HONOR OF NICK PERRINO

The SPEAKER pro tempore (Mr. BRUCE). Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, "Only in America" is an often used phrase, but one that has never been more appropriate than it is today. On May 2, 1989, the Chicago Police Department will honor Mr. Nick Perrino, owner of Home Run Inn Pizza in Chicago, with the "Mayor Richard J. Daley Police Medal of Honor" for his outstanding accomplishments and his enormous contributions to the city of Chicago.

Mr. Perrino is truly a Horatio Algers. He is a man who has lived the American dream. He came to this land of liberty as a 16-year-old, not being able to speak a word of English, with his only assets being a capacity for hard work and a love of freedom. His qualities of character are blind faith in America, a dedication to the free enterprise system, and an enormous ability for hard work. His imagination and initiative, traits of the American culture, underlie a belief in his own ideas and plans and a dedication to his community, city, State, and country. His countless humanitarian, civic, and charitable endeavors have served to help mankind and make his neighborhood and his Nation a better place to live.

Yes, truly, this man being honored by the Chicago Police Department on May 2 with the Mayor Richard J. Daley Award, has given as much to his country as his country has given to him.

Nick Perrino is a classic American success story and epitomizes what is right with America. Coming to the United States from Italy, Nick quickly made himself a part of America by proudly serving in the Army during World War II, from 1941 to 1946.

Nick was initially assigned to the food service section as a cook. During his military stint, Nick rose rapidly from the rank of private to mess hall sergeant. In 1943, he was promoted to master sergeant and placed in charge of all mess halls on his post.

As post mess hall master sergeant, he had the experience of being in-

spected by Gen. George Patton. In the course of that inspection, General Patton asked Mr. Perrino why he was serving cold chocolate and not hot chocolate, which the nationwide Army menu called for that day. Nick answered that since the camp was in Florida, and it was the middle of August, he believed it was more appropriate to serve cold chocolate. General Patton responded by saying: "Sergeant Perrino, the United States Army should have more men like you."

With the knowledge gained from his service experience, Nick founded his own business in 1947. In addition to the restaurant trade, Nick has established a thriving frozen pizza business.

Over the years, Nick Perrino has not forgotten his past and has been an active participant in numerous charitable activities. He has been honored by the Chicago Boys Club of America as Man of the Year, and he actively helps other organizations in Chicago, such as United Cerebral Palsy, American Cancer Society, Multiple Sclerosis Foundation, and countless other organizations dedicated to the needy. Mr. Perrino and his wife, Laura, are very active in their church, the Good Shepherd, and donated the altar used there today.

Nick and Laura continually open their establishment to senior citizen groups, youth sports teams and the mentally and physically handicapped. A particularly special group to the Perrinos are the children of Misericordia Home.

Clearly, this highly successful businessman has never forgotten his community and the citizens of Chicago, always remembers what his mother taught him: "It is better to have 100 friends than a million dollars."

My wife, Rose Maria and I along with all the citizens of the Fifth Congressional District salute Mr. Perrino for his countless acts of positive America.

PERMANENT DUTY SUSPENSION FOR IMPORTED HOT PEPPER MASH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana [Mrs. BOGGS] is recognized for 5 minutes.

Mrs. BOGGS. Mr. Speaker, today I am introducing legislation to make permanent the duty-free entry of certain mixtures of hot red peppers and salt. The duty on imports of this hot pepper mash was first suspended in 1978 by Public Law 95–508. I have introduced legislation to make permanent this duty suspension in the last two Congresses. Last year the Omnibus Trade and Competitiveness Act—Public Law 100–418—extended the temporary suspensions until the end of 1990. After more than a decade of temporary suspension, with no adverse effect on any domestic agricultural interests, I believe the time has come to make this suspension of duty permanent.

Mr. Speaker, one of Louisiana's most famous products is its hot sauce which is used to enliven a wide variety of foods and beverages. The most widely recognized Louisiana hot sauce is the Tabasco pepper sauce manufactured from a century-old recipe by the McIlhenny family of Avery Island, LA.

I do not pretend to be a connoisseur of the many fine name brands of Louisiana hot pepper sauce, but certainly Tabasco has a worldwide reputation. There is hardly a place on Earth where you won't find the familiar little red and green Tabasco bottle. I use it with many dishes. I understand there are some who feel it even adds to the taste of fried pork rinds, though I must confess to never having sampled that particular delicacy.

The closely guarded secret recipe for Tabasco sauce was invented by Edmund McIlhenny, at the time of the Civil War, using a special kind of Mexican pepper. After much experimentation, he developed a manufacturing technique to produce the world's first liquid pepper. His first commercial production was in 1868 and the first international sales of Tabasco occurred in 1872.

The intrinsic quality of Tabasco results from the fine peppers used in its manufacture and the meticulous manner in which it is processed. In many ways it parallels the methods of the world's great winemakers. Key to this quality is the personal involvement and avid attention of the fifth generation of the McIlhenny family of pepper sauce purveyors. The sauce is not labeled Tabasco brand until it is judged by a member of the McIlhenny Co. family to be properly mellowed and cured.

Some of the peppers used in the manufacture of this sauce are grown at Avery Island but the great majority are imported from Venezuela, Colombia, Honduras, and Mexico. These peppers are a special select quality which is grown only by the McIlhenny Co. and is not for purchase from any other sources. Because of the cost of domestic production, the company began growing its special variety of peppers in Mexico some 25 years ago and then expanded its production into other Latin American countries thereafter. I should point out that the McIlhenny Co. enjoys excellent relationships with the governments and people of the host countries.

The McIlhenny Co. imports about 9,000 barrels of pepper mash annually, a minuscule amount compared to the domestic fresh pepper market. Most of this pepper mash is imported into the United States duty free because it is grown in countries which qualify for preferential duty exclusion as less developed countries. However, pepper mash imported from Mexico would be subject to duty but for the temporary suspension first enacted in 1978.

Inasmuch as there is not a domestic source of sufficient supply of this very specialized product, a duty is unnecessary. Since Congress has agreed and seen fit to temporarily suspend the duty on this hot pepper mash since 1978, the time has come to make the duty suspension permanent. This is what my legislation does.

I urge the Trade Subcommittee to give this proposal favorable consideration. The text of my legislation follows:

H.R. —

A bill to provide permanent duty-free entry for certain mixtures of hot red peppers and salt

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 9 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading with the article description having the same degree of indentation as the article description for subheading 0904.20.40:

"0904.20.50	Mixtures of mashed or macerated hot red peppers and salt.	Free	17.6¢/kg".

(b) Subheading 9902.09.04 of such Schedule is repealed.

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LIPINSKI) to revise and extend their remarks and include extraneous material:)

Mrs. BOGGS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SLATTERY, for 15 minutes, today.

Mr. JONTZ, for 60 minutes, on April 13.

Mr. OWENS of New York, for 60 minutes, on April 13.

Mr. LELAND, for 60 minutes, on April 13.

Mr. OWENS of New York, for 60 minutes, each day on April 17, 18, 19 and 20.

(The following Members (at the request of Mr. MARTIN of New York) to revise and extend their remarks and include extraneous material:)

Mrs. BENTLEY, for 5 minutes, on April 13.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROOMFIELD, and to include extraneous matter, on H.R. 1487, in the Committee of the Whole today.

Mr. LEWIS of California, after Mr. KOLBE, in the Committee of the Whole on Kanjorski amendment, on H.R. 1487, today.

(The following Members (at the request of Mr. MARTIN of New York) and to include extraneous matter:)

Mr. CLINGER.

Mr. SCHUETTE.

Mr. PURSELL.
Mr. GEKAS.
Mr. TAUKE.
Mr. CRANE.
Mr. HANSEN of Utah.
Mr. FISH.
Mr. LAGOMARSINO.
Mr. COBLE.
Mr. HORTON.
Mr. BLAZ.
Mr. COUGHLIN.
Mr. CONTE.
Mr. WALSH.
Mr. MCEWEN.

(The following Members (at the request of Mr. LIPINSKI) and to include extraneous matter:)

Mr. MARKEY in two instances.
Mr. BRUCE.
Mr. MFUME.
Mr. BEVILL.
Mr. LEVINE of California.
Mr. FOGLIETTA.
Mr. FAUNTROY.
Mr. HOCHBRUECKNER.
Mr. DOWNEY.
Mr. LANTOS.
Mr. BATES.
Mr. LELAND.
Mr. ROWLAND of Connecticut.
Mr. LAUGHLIN.
Mr. BUSTAMANTE.
Mr. SAWYER.
Mr. FASCELL in three instances.
Mr. MOODY.
Mr. DONNELLY.
Mr. ROE.
Mr. MURPHY.
Mr. BERMAN in three instances.
Mr. GUARINI in two instances.
Mr. RAHALL.
Mr. TRAXLER.
Mr. HAMILTON.
Mr. PENNY.
Mr. FLORIO in three instances.
Mr. LIPINSKI.
Mr. FRANK.
Mr. MINETA.
Mrs. COLLINS.
Mr. HOYER.
Mr. ACKERMAN.
Mr. TORRES.
Mr. STARK in two instances.
Mr. MILLER of California.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 248. An act to amend title 18 of the United States Code to provide increased penalties for certain major frauds against the United States; to the Committee on the Judiciary.

S.J. Res. 61. Joint resolution to designate April 1989 as "National Recycling Month"; to the Committee on Post Office and Civil Service.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, joint resolutions of the House of the following titles:

H.J. Res. 102. Joint resolution to designate April 1989 as "National Recycling Month";

H.J. Res. 173. Joint resolution to designate April 16, 1989 and April 6, 1990, as "Education Day, U.S.A."; and

H.J. Res. 112. Joint resolution designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as "National Organ and Tissue Donor Awareness Week".

ADJOURNMENT

Mr. LIPINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 15 minutes p.m.) under its previous order, the House adjourned until tomorrow, Thursday, April 13, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

965. A letter from the Secretary of Education, transmitting a copy of final regulations for the Pell Grant Program—expected contributions for students with special conditions, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

966. A letter from the Secretary of Education, transmitting a draft of proposed legislation to improve the operation of vocational education programs under the Carl D. Perkins Vocational Education Act by promoting accountability, making the act more flexible, reducing administrative burden, and fostering economic development and the improvement of vocational education personnel; and for other purposes; to the Committee on Education and Labor.

967. A letter from the President, African Development Foundation, transmitting a draft of proposed legislation to extend the authority of the African Development Foundation, and for other purposes; to the Committee on Foreign Affairs.

968. A letter from the Chairman, Christopher Columbus Quincentenary Jubilee Commission, transmitting a report of the Commission's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

969. A letter from the Assistant Attorney General, U.S. Department of Justice, transmitting the annual report, Office of Justice Programs, 1988, pursuant to 42 U.S.C. 3712(b); to the Committee on the Judiciary.

970. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a draft of proposed legislation to amend the North Pacific Fisheries Act of 1954 to facilitate the orderly conduct of Japanese salmon fisheries within the exclusive economic zone of the United States, and for other purposes; to the Committee on Merchant Marines and Fisheries.

971. A letter from the Secretary of the Army, transmitting notification of the waiver of the monetary set-aside for technology transfers and the reasons therefor, pursuant to 15 U.S.C. 3710(b); to the Committee on Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H.R. 1750. A bill to implement the Bipartisan Accord on Central America of March 24, 1989; with amendments (Rept. 101-23, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. GAYDOS: Committee on House Administration. House Resolution 118. Resolution providing amounts from the contingent fund of the House for further expenses of investigations and studies by the Committee on Standards of Official Conduct in the first session of One Hundred First Congress (Rept. 101-24). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 127. Resolution providing for the consideration of H.R. 1750, a bill to implement the Bipartisan Accord on Central America of March 24, 1989 (Rept. 101-26). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GEPHARDT:

H.R. 1804. A bill to direct the Administrator of the Environmental Protection Agency to require certain studies and programs to encourage the implementation of municipal solid waste reduction practices and to establish a clearinghouse and other programs to educate the public about municipal solid waste reduction; to the Committee on energy and Commerce.

By Mr. ACKERMAN (for himself and Mr. MYERS of Indiana):

H.R. 1805. A bill to amend title 5, United States Code, to allow Federal annuitants to make contributions for health benefits through direct payments rather than through annuity withholdings if the annuity is insufficient to cover the required withholdings; to eliminate the reinsurance requirement under the Federal employees' life insurance program; and to make a technical correction relating to the life insurance program; to the Committee on Post Office and Civil Service.

By Mr. BILIRAKIS:

H.R. 1806. A bill to amend title II of the Social Security Act to provide increases in primary insurance amounts to account for depressed replacement rates; to the Committee on Ways and Means.

By Mrs. BOXER (for herself, Mr. KENNEDY, Mr. WEISS, Mr. ATKINS, Mr. ACKERMAN, Mr. DYMALLY, and Mr. LELAND):

H.R. 1807. A bill to request the President to conclude agreements with the appropriate representative of the Government of the

Soviet Union to create the United States-Soviet Peace Corps; to the Committee on Foreign Affairs.

By Mr. CARDIN:

H.R. 1808. A bill to amend the Internal Revenue Code of 1986 to increase excise taxes on tobacco products and reduce the supplemental Medicare premium, and to amend title XVIII of the Social Security Act to use the revenue raised by such an increase to reduce premiums imposed under the Medicare Catastrophic Coverage Act of 1988; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 1809. A bill to amend the Internal Revenue Code of 1986 and title XVIII of the Social Security Act to permit certain disabled individuals and spouses of Federal Government employees to elect not to receive benefits to which such individuals are intitled as a result of the enactment of the Medicare Catastrophic Coverage Act of 1988 and not to pay premiums assessed pursuant to such act; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mrs. COLLINS (for herself, Mr. SCHEUER, Mr. HAWKINS, Ms. SCHNEIDER, Mr. FOGLIETTA, Mr. DYMALLY, Mr. FUSTER, Mr. MINETA, Mr. DAVIS, Mr. DIXON, Mr. LIPINSKI, Mr. OWENS of Utah, Mr. DOWNEY, Mr. GARCIA, and Mr. DE LUGO):

H.R. 1810. A bill to amend the Solid Waste Disposal Act to promote recycling activities and the use of recycled goods, to facilitate recycling efforts by States and municipalities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DERRICK (for himself and Mr. BOEHLERT):

H.R. 1811. A bill to amend the Social Security Act to repeal the Medicare participating physician and maximum allowable actual charge [MAAC] programs, and to eliminate carrier actions to require physicians to refund amounts collected for services deemed not reasonable and necessary; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DONNELLY:

H.R. 1812. A bill to amend title XVII of the Social Security Act to extend for 2 additional years automatic reductions in payments to hospitals for capital-related costs of inpatient hospital services, to provide further reductions in such payments for low-occupancy hospitals, and to exempt hospitals treating a heavily disproportionate share of indigent patients from such reductions in such payments; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 1813. A bill to direct the Secretary of the Interior to repair and resurface a segment of the Foothills Parkway in Great Smoky Mountains National Park; to the Committee on Interior and Insular Affairs.

By Mr. GRADISON:

H.R. 1814. A bill to suspend temporarily the duty on Teicoplanin; to the Committee on Ways and Means.

H.R. 1815. A bill to suspend temporarily the duty on Ornithine; to the Committee on Ways and Means.

By Mr. GUARINI (for himself, Mrs. SCHROEDER, Mr. PEPPER, Mr. MURPHY, Mr. RANGEL, Mr. CLAY, Mr. DOWNEY, Mr. FLORIO, Mr. DWYER of New Jersey, Mrs. ROUKEMA, Mr. GIBBONS, Mrs. BOGGS, Mr. MATSUI, Mr. DONNELLY, Mr. FISH, Mr. SYNAR, Ms. OAKAR, Mr. WALGREN, Mr. VENTO, Mr. GUNDERSON, Mrs. BOXER, Mr. ORTIZ, Mr. TORRES, Ms. KAPTUR, Mr. CROCKETT, Mr. KENNEDY, Ms. PELOSI, Mr. ERDREICH, Mr. ACKERMAN, Mrs. COLLINS, Mr. GORDON, Mr. ATKINS, Mr. CLINGER, Mr. FOGLIETTA, Mr. JOHNSON of South Dakota, Mr. TOWNS, Mr. LANCASTER, and Mrs. MARTIN of Illinois):

H.R. 1816. A bill to amend the Older Americans Community Service Employment Act to authorize grants for the employment of older Americans in providing child care for families with low income; to the Committee on Education and Labor.

By Mr. McMILLAN of North Carolina:

H.R. 1817. A bill to suspend temporarily the duty on chemical light activator blend; to the Committee on Ways and Means.

By Mr. MORRISON of Connecticut:

H.R. 1818. A bill to suspend temporarily the duty on 2,4-Diamino-6-phenyl-1,3,5-triazine; to the Committee on Ways and Means.

By Mr. RAHALL:

H.R. 1819. A bill to amend the Carl D. Perkins Vocational Education Act to require certain procedures with respect to the issuance of regulations under such act; to the Committee on Education and Labor.

By Mr. RAHALL (for himself and Mr. PERKINS):

H.R. 1820. A bill to amend the Carl D. Perkins Vocational Education Act to clarify certain provisions relating to consumer and homemaking education grants; to the Committee on Education and Labor.

By Mr. RAVENEL:

H.R. 1821. A bill to provide duty-free treatment for certain menthol feedstocks, to the Committee on Ways and Means.

H.R. 1822. A bill to suspend temporarily the duty on anthraquinone (AQ); to the Committee on Ways and Means.

By Mr. RAY:

H.R. 1823. A bill to amend title 38, United States Code, to require that burials be permitted in national cemeteries on weekends and holidays under certain conditions, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SCHULZE:

H.R. 1824. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on dinocap and on mixtures of dinocap with application adjuvants; to the Committee on Ways and Means.

H.R. 1825. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on triethyleneglycol dichloride; to the Committee on Ways and Means.

H.R. 1826. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on mixtures of maneb, zineb, mancozeb and metiram; to the Committee on Ways and Means.

H.R. 1827. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on methylene blue; to the Committee on Ways and Means.

H.R. 1828. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on 2-n-octyl-4-isothiazolin-3-one, and on mixtures of 2-n-octyl-4-isothiazolin-3-one and application adjuvants; to the Committee on Ways and Means.

H.R. 1829. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on 3-amino-3-methyl-1-butyne; to the Committee on Ways and Means.

H.R. 1830. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on m-Hydroxybenzoic acid; to the Committee on Ways and Means.

H.R. 1831. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on 1,1-bis(4-chloropheny1)-2,2,2-trichloroethanol (dicofol), and on mixtures of dicofol and application adjuvant; to the Committee on Ways and Means.

H.R. 1832. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride and stabilizers, whether or not containing application adjuvants; to the Committee on Ways and Means.

H.R. 1833. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on crosslinked polyvinylbenzyltrimethylammonium chloride (Cholestyramine resin USP); to the Committee on Ways and Means.

H.R. 1834. A bill to extend until December 31, 1994, the existing temporary suspension of the duty on mixture of mancozeb and dinocap; to the Committee on Ways and Means.

By Mr. SHARP (for himself, Mr. BRYANT, Mr. UDALL, Mr. GEJDENSON and Mr. MILLER of California):

H.R. 1835. A bill to require an Office of Investigations within the Nuclear Regulatory Commission; to the Committee on Interior and Insular Affairs.

By Mr. SHARP (for himself, Mr. STUDDS, Mr. BATES, and Mr. OWENS of New York):

H.R. 1836. A bill to amend the Atomic Energy Act of 1954, with regard to Department of Energy nuclear facilities, and for other purposes; jointly, to the Committees on Energy and Commerce and Armed Services.

By Mr. SKAGGS:

H.R. 1837. A bill to amend the Harmonized Tariff Schedule of the United States to suspend the duties on certain infant nursery monitors and intercoms; to the Committee on Ways and Means.

By Mr. SKAGGS (for himself and Mr. CAMPBELL of California):

H.R. 1838. A bill to extend the temporary suspension of duty on d-6-Methoxy-a-methyl-2-naphthaleneacetic acid and its sodium salt; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 1839. A bill to extend the Motor Vehicle Information and Cost Savings Act to repeal the authority of the Secretary of Transportation to reduce passenger automobile fuel economy standards below the level set by such act and for other purposes; to the Committee on Energy and Commerce.

By Mr. TAUKE (for himself, Mrs. JOHNSON of Connecticut, Mr. HUNTER, Mr. GINGRICH, Mr. BARTLETT, Mr. HILER, Mr. GUNDERSON, Mr. BEREUTER, Mr. RINALDO, Mr. GRANDY, Mr. STANGELAND, Mr. SMITH of Vermont, Mr. BROOMFIELD, Mr. LAGOMARSINO, Mrs. SAIKI, Mr. HOUGHTON, Mr. BALLENGER, Mr. SKEEN, Mr. MILLER of Washington, Mr. CLINGER, and Mr. JAMES):

H.R. 1840. A bill to provide Federal assistance in developing adequate child care for the Nation's children, and for the other purposes; jointly, to the Committees on Ways and Means and Education and Labor.

By Mrs. VUCANOVICH (for herself and Mr. SHUMWAY):

H.R. 1841. A bill to grant the consent of the Congress to the Tahoe Regional Planning Compact, as amended by the State of Nevada and California; to the Committee on the Judiciary.

By Mrs. BOGGS:

H.R. 1842. A bill to provide permanent duty-free entry for certain mixtures of hot red peppers and salt; to the Committee on Ways and Means.

By Mr. BUSTAMANTE:

H.R. 1843. A bill to provide a separate tariff classification for, and to suspend temporarily the duty on, certain opal borosilicate glassware imported in sets; to the Committee on Ways and Means.

By Mr. COYNE (for himself and Mr. WALGREN):

H.R. 1844. A bill to suspend temporarily the duty on 1,5 napthalene diisocyanate; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself, Mr. CLAY, Mr. HAWKINS, Mr. LELAND, and Mr. MURPHY):

H.R. 1845. A bill to amend the Public Health Service Act, the Fair Labor Standards Act of 1938, and title XIX of the Social Security Act, to provide basic health benefit for all Americans; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. CLAY (for himself, Mr. HAWKINS, Mr. MURPHY, and Mr. WAXMAN):

H.R. 1846. A bill to amend the Internal Revenue Code of 1986 to simplify rules governing the inclusion in gross income of benefits provided under discriminatory group health plans, and to increase the deduction allowable for health insurance costs of self-employed individuals; to the Committee on Ways and Means.

By Mr. DOWNEY:

H.R. 1847. A bill to provide a special statute of limitations for certain refund claims; to the Committee on Ways and Means.

H.R. 1848. A bill to provide duty-free treatment for operatic sets, scenery, and properties imported by certain nonprofit, cultural organizations; to the Committee on Ways and Means.

By Mr. EMERSON:

H.R. 1849. A bill to extend the retroactive period during which farm insolvency transactions are exempt from the prior law alternative minimum tax; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 1850. A bill to provide for the temporary suspension of the duty on certain Christmas ornaments; to the Committee on Ways and Means.

H.R. 1851. A bill to suspend temporarily the duty on ceramic mugs not in sets; to the Committee on Ways and Means.

By Mr. KENNEDY (for himself, Mr. GONZALEZ, Mr. STARK, Ms. PELOSI, Mr. GORDON, Mr. BUSTAMANTE, Mr. KOSTMAYER, Mr. CLAY, Mr. MRAZEK, Mr. TORRES, Mr. DYMALLY, Mr. KANJORSKI, Ms. OAKAR, Mr. ACKERMAN, Mr. HENRY, Mr. DE LUGO, Mr. ESPY, Mr. CROCKETT, Mr. SIKORSKI, Mr. FLAKE, Mr. DEFAZIO, Mr. FUSTER, Mr. FOGLIETTA, Mrs. COLLINS, Mr. OWENS of New York, Mr. RANGEL, Mrs. MORELLA, Mr. OBERSTAR, Mrs. BOXER, Mr. FLORIO, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. NEAL of North Carolina, Mr. DELLUMS, Mr. GLICKMAN, Mr. LEWIS of Georgia, Mr. BONIOR, Mr. BEREUTER, Mr. EVANS, Mr. LEVINE of California, Mr. GARCIA, Mr. MINETA, Mr. FAZIO, Mr. ROE, Mr. VENTO, Mr. FAUNTROY, Mr. MCDERMOTT, Mr. FRANK, Mr. LEHMAN of California, Mr. MFUME, Mr. SCHUMER, Mr. KLECZKA, Mr. MCMILLEN of Maryland, Mr. NEAL of Massachusetts, Mr. MARKEY, Mr. MOAKLEY, and Mr. MORRISON of Connecticut):

H.R. 1852. A bill to authorize the Secretary of Housing and Urban Development to carry out a cost-effective community-based program for housing rehabilitation and development to serve low- and moderate-income families; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. LELAND (for himself, Mr. TORRICELLI, Mr. WEISS, and Mr. CROCKETT):

H.R. 1853. A bill to make an exception to the United States embargo on trade with Cuba for the export of medicines or medical supplies, instruments, or equipment; to the Committee on Foreign Affairs.

By Mr. LELAND (for himself, Mr. DELLUMS, and Mr. FUSTER):

H.R. 1854. A bill to require that the Superconducting Super Collider project be carried out with substantial participation by socially and economically disadvantaged individuals; to the Committee on Science, Space, and Technology.

By Mr. MCEWEN (for himself, Mr. CHANDLER, and Mr. MILLER of Washington):

H.R. 1855. A bill to amend the Harmonized Tariff Schedule of the United States to suspend the duties on certain bicycle parts, and for other purposes; to the Committee on Ways and Means.

By Mr. MCGRATH:

H.R. 1856. A bill to correct certain tariff inequities created by the implementation of the Harmonized Tariff Schedule of the United States; to the Committee on Ways and Means.

By Mr. MORRISON of Connecticut:

H.R. 1857. A bill to suspend temporarily the duty on Ciprofloxacin Hydrochloride; to the Committee on Ways and Means.

By Mrs. PATTERSON:

H.R. 1858. A bill to suspend temporarily the duty on MDBS and HPBA; to the Committee on Ways and Means.

By Mr. ROSE:

H.R. 1859. A bill to suspend temporarily the duty on thiothiamine hydrochloride; to the Committee on Ways and Means.

By Mr. SAWYER (for himself, Mr. RIDGE, and Mr. CHANDLER):

H.R. 1860. A bill to provide that a Federal annuitant or former member of a uniformed service who returns to Government service, under a temporary appointment, to assist in carrying out the 1990 decennial census of population shall be exempt from certain provisions of title 5, United States Code, relating to offsets from pay and other benefits; to the Committee on Post Office and Civil Service.

By Mrs. SCHROEDER (for herself, Mr. PENNY, Ms. OAKAR, Mrs. COLLINS, Mr. DYMALLY, Mr. AUCOIN, Mr. FASCELL, Mr. FAUNTROY, Mr. LELAND, Mr. STARK, Mr. TRAXLER, Mr. GARCIA, Mr. RAHALL, Mr. CAMPBELL of Colorado, Mr. RANGEL, Mr. OWENS of Utah, Mr. BRYANT, Mr. ESPY, Mr. YATES, Mr. WOLPE, Mr. EVANS, Mr. HUGHES, Mr. BATES, Mr. BENNETT, Mr. HAYES of Illinois, Mr. SIKORSKI, Mr. WISE, Mr. SMITH of Florida, Mr. MARTINEZ, Mr. CLINGER, Mr. KLECZKA, Mr. GLICKMAN, Mrs. BOXER, Mr. LIPINSKI, and Mr. TORRES):

H.R. 1861. A bill to provide to employees of Government contractors protection against reprisal for disclosure to an appropriate Government official of information which the employee reasonably believes evidences misconduct relating to the contract with the Government; to the Committee on Education and Labor.

By Mr. MILLER of California (for himself, Mr. UDALL, and Mr. DE LUGO):

H. Con. Res. 90. Concurrent resolution expressing the sense of the Congress regarding the habitability of Rongelap Atoll; jointly, to the Committees on Interior and Insular Affairs and Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. TOWNS introduced a bill (H.R. 1862) for the relief of Merrill L. Johnson-Lannen; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. KILDEE, Mr. HAYES of Louisiana, and Mr. BUSTAMANTE.

H.R. 8: Mr. ERDREICH, Mr. PAYNE of New Jersey, Mr. WISE, Mr. HUCKABY, Mr. SMITH of Vermont, Mr. MACHTLEY, Mr. PAXON, Mr. GILMAN, Mr. WALGREN, Mr. BLAZ, Mr. PURSELL, Mr. GALLO, Mr. MARTINEZ and Mr. WELDON.

H.R. 20: Mr. BURTON of Indiana and Ms. LONG.

H.R. 22: Mr. SKAGGS and Mr. SCHUETTE.

H.R. 24: Mr. AUCOIN, Mr. GORDON, Mr. FROST, Mr. BRENNAN, Mr. MARKEY, Mr. KASTENMEIER, Mr. KILDEE, Mr. FEIGHAN, and Mr. PENNY.

H.R. 29: Mr. GLICKMAN.

H.R. 30: Mr. ANTHONY, Mr. BATES, Mr. BORSKI, Mr. BRENNAN, Mr. CLAY, Mr. CONYERS, Mr. DELLUMS, Mr. DIXON, Mr. FASCELL, Mr. FEIGHAN, Mr. FOGLIETTA, Mr. GARCIA, Mrs. KENNELLY, Mr. KOLTER, Mr. LELAND, Mr. MCHUGH, Mr. MANTON, Mr. MURPHY, Mr. OBERSTAR, Mr. OWENS of New York, Mr. PERKINS, Mr. RICHARDSON, Mr. SABO, Mr. SAVAGE, Mr. SIKORSKI, Mr. SOLARZ, Mr. TRAXLER, Mr. WISE, Mr. YATES, Mr. VENTO, Mr. ROE, Mr. SCHUMER and Mr. SAWYER.

H.R. 45: Mr. REGULA, Mr. MORRISON of Connecticut, Mr. FRANK, Mr. CONTE, Mr. UDALL, Mr. WHEAT, Mr. COOPER, Mr. BERMAN, Ms. PELOSI, Mr. MOODY, Mr. MARKEY, Mr. STUDDS, Mr. MRAZEK, Mr. GORDON, Mr. GONZALEZ, Mr. OWENS of New York, Mr. GEJDENSON, Mr. MCHUGH, Mrs. MORELLA, Mr. AUCOIN, Mr. FEIGHAN, Mr. STARK, Mr. NEAL of Massachusetts, Mr. FAUNTROY, Mr. CLINGER, Mr. EDWARDS of California, Mr. DELLUMS, Mr. MINETA, Ms. KAPTUR, Mrs. COLLINS, Mr. BROWN of California, Mr. HALL of Ohio, Mr. HOCHBRUECKNER, Mr. BATES, Mr. MANTON, Mr. SMITH of Florida, Mr. FOGLIETTA, Mr. DYMALLY, Mr. KENNEDY, Mrs. BOXER, Mr. TORRES, Mr. CROCKETT, Mr. LEVIN of Michigan, Mr. BUSTAMANTE, Mr. DIXON, Mr. FUSTER, Mr. JONTZ, Mr. DWYER of New Jersey, Mr. PENNY, Mr. ATKINS, Mr. WEISS, Mr. KOSTMAYER, Mr. DORGAN of North Dakota, Mr. MARTINEZ, Mr. THOMAS A. LUKEN, Mr. FAZIO, Mr. SOLARZ, Mr. SHAYS, Mr. MCDERMOTT, Mr. ENGEL, Mr. KASTENMEIER, Mr. GARCIA, Mr. MAVROULES, Mrs. LOWEY of New York, Mr. DICKS, Mr. NAGLE, Mr. CLAY, Mr. EVANS, Mr. CONYERS, Mr. LEVINE of California, Mr. RANGEL, Mr. NEAL of North Carolina, and Mrs. SCHROEDER.

H.R. 48: Mr. STARK, Mr. SIKORSKI, and Mr. FAUNTROY.

H.R. 102: Mr. CAMPBELL of Colorado, Mr. WOLPE, Mr. RAHALL, Mr. WAXMAN, Mr. ECKART, and Mr. GORDON.

H.R. 110: Mr. JOHNSON of South Dakota, and Mr. PAYNE of Virginia.

H.R. 162: Mr. LIVINGSTON and Mr. HYDE.

H.R. 192: Mr. TORRES, Mr. MCNULTY, Mr. BOEHLERT, Mr. FIELDS, Mr. MCMILLEN of Maryland, Mr. DEFAZIO, Mr. BUSTAMANTE, and Mr. BLILEY.

H.R. 210: Mr. SABO.

H.R. 211: Mr. FAWELL and Mr. SABO.

H.R. 215: Mr. SANGMEISTER.

H.R. 222: Mr. ECKART, Mr. FLORIO, Mr. WILSON, and Mr. FAUNTROY.

H.R. 223: Mr. DYMALLY.

H.R. 243: Mr. GUNDERSON.

H.R. 275: Mr. PACKARD.

H.R. 290: Mr. DEFAZIO, Mr. MARTINEZ, Mr. FAZIO, Mr. PAYNE of New Jersey, Mr. FRANK, Mr. GEPHARDT, Mr. RAHALL, Mr. CONYERS, Mrs. UNSOELD, Mr. LEVIN of Michigan, Mr. LELAND, and Mr. WILLIAMS.

H.R. 311: Mr. FISH, Mr. LAGOMARSINO, Mr. GUNDERSON, Mr. HERGER, Mr. LIVINGSTON, and Mr. STANGELAND.

H.R. 369: Mr. STALLINGS, Mr. MCEWEN, Mr. LIGHTFOOT, and Mr. CRAIG.

H.R. 371: Mr. MADIGAN, Mr. LEATH of Texas, and Mr. STANGELAND.

H.R. 446: Mr. CRAIG, Mr. SCHAEFER, Mr. BUNNING, Mr. TRAXLER, Mr. DANNEMEYER, Mr. DORNAN of California, Mr. MARTIN of New York, Mr. DORGAN of North Dakota, Mr. PAXON, Mr. DYMALLY, Mr. IRELAND, Mr. COBLE, Mr. SCHUETTE, Mr. PENNY, and Mr. ROWLAND of Connecticut.

H.R. 467: Mr. BATES, Mr. AKAKA, Mr. MANTON, and Mr. MILLER of California.

H.R. 500: Mr. FORD of Tennessee, Mr. HEFNER, Mr. BILBRAY, and Mr. GIBBONS.

H.R. 560: Mr. PAYNE of New Jersey, Mr. YOUNG of Florida, Mr. SAXTON, Mr. GUARINI, Ms. SCHNEIDER, Mrs. COLLINS, Mr. ATKINS, and Mr. SIKORSKI.

H.R. 561: Mr. YOUNG of Florida, Mr. MRAZEK, and Mr. MORRISON of Connecticut.

H.R. 563: Mr. JAMES, Mr. GUNDERSON, Mr. MCDERMOTT, Mr. DIXON, and Mr. EDWARDS of California.

H.R. 581: Mr. GARCIA, Mr. DOWNEY, Mr. SAVAGE, Mr. FAUNTROY, Mr. PETRI, Mr. NEAL of Massachusetts, Mr. MARTINEZ, Mr. WHEAT, and Mr. UPTON.

H.R. 594: Mr. SABO, Mr. CAMPBELL of California, Mr. GIBBONS, Mr. KOSTMAYER, and Mr. TOWNS.

H.R. 638: Mr. DEFAZIO, Mr. TOWNS, and Mr. BOSCO.

H.R. 658: Mr. COLEMAN of Texas and Mr. SLATTERY.

H.R. 669: Mr. LEVIN of Michigan.

H.R. 711: Mr. MARKEY, Mr. FAUNTROY, Mr. KENNEDY, Mr. LAGOMARSINO, Mr. ATKINS, Mr. FAZIO, Ms. KAPTUR, Ms. SCHNEIDER, Mr. LIPINSKI, Mr. FRANK, Mr. OWENS of Utah, Mr. BATES, Mr. DE LUGO, Mr. ECKART, Mr. BRENNAN, and Mr. WILLIAMS.

H.R. 730: Ms. PELOSI, Mr. ROE, Mr. DYMALLY, Mr. EDWARDS of California, Mr. MCCURDY, Mr. HORTON, Mr. FISH, Mr. FOGLIETTA, Mr. DE LUGO, Mr. FAZIO, Mr. WILLIAMS, Mr. DELLUMS, Mrs. BOXER, and Mr. NEAL of North Carolina.

H.R. 742: Mr. MCCURDY, Mr. BUSTAMANTE, Mr. JONTZ, Mr. FAZIO, Mr. BURTON of Indiana, Mr. HASTERT, Mr. YOUNG of Florida, Mr. BUECHNER, Mr. STAGGERS, and Mr. ESPY.

H.R. 770: Mr. SMITH of New Jersey, Mr. STAGGERS, and Mr. SANGMEISTER.

H.R. 774: Mr. WILLIAMS, Mr. WATKINS, and Mr. ROSE.

H.R. 800: Ms. KAPTUR and Mr. ATKINS.

H.R. 844: Mr. STUMP.

H.R. 866: Mr. MCDERMOTT, Mr. FAZIO, Mr. EDWARDS of California, Mr. KILDEE, Mr. COSTELLO, Mr. ACKERMAN, Mr. FRANK, Mr. FAUNTROY, Mr. WOLPE, Mr. FORD of Tennessee, Mr. CHAPMAN, Mr. TORRES, Mr. LEWIS of Georgia, Mr. PAYNE of New Jersey, Mr. STUDDS, Mr. LAFALCE, Mr. CONYERS, Mr. GONZALEZ, and Mr. TOWNS.

H.R. 867: Mr. MCDERMOTT, Mr. FAZIO, Mr. EDWARDS of California, Mr. KILDEE, Mr. COSTELLO, Mr. ACKERMAN, Mr. FRANK, Mr. FAUNTROY, Mr. WOLPE, Mr. FORD of Tennessee, Mr. CHAPMAN, Mr. TORRES, Mr. LEWIS of Georgia, Mr. PAYNE of New Jersey, Mr. STUDDS, Mr. LAFALCE, Mr. CONYERS, Mr. GONZALEZ, and Mr. TOWNS.

H.R. 868: Mr. MCDERMOTT, Mr. FAZIO, Mr. EDWARDS of California, Mr. KILDEE, Mr. COSTELLO, Mr. ACKERMAN, Mr. FRANK, Mr. FAUNTROY, Mr. WOLPE, Mr. FORD of Tennessee, Mr. CHAPMAN, Mr. TORRES, Mr. LEWIS of Georgia, Mr. PAYNE of New Jersey, Mr. STUDDS, Mr. LAFALCE, Mr. CONYERS, Mr. GONZALEZ, and Mr. TOWNS.

H.R. 874: Mr. ESPY.

H.R. 895: Mr. PURSELL.

H.R. 900: Mr. PAYNE of New Jersey.

H.R. 919: Mr. BARTLETT.

H.R. 921: Mr. BARTLETT.

H.R. 923: Mr. HAYES of Louisiana.

H.R. 965: Mr. WOLPE, Ms. SLAUGHTER of New York, Mr. RAHALL, Mr. LEWIS of Georgia, Mr. WAXMAN, Mr. NEAL of North Carolina, Mr. ECKART, and Mr. LELAND.

H.R. 966: Mr. DELLUMS, Mr. WOLPE, Mr. COYNE, Mr. SMITH of Florida, Mr. EVANS, Mr. BATES, Mr. ATKINS, Mr. DYMALLY, Mr. ACKERMAN, Mr. KASTENMEIER, Mr. FRANK, Mr. WHEAT, Mr. FAUNTROY, Mr. OWENS of New York, and Mr. MORRISON of Connecticut.

H.R. 974: Mr. MARKEY and Mrs. BOXER.

H.R. 982: Mr. SHUSTER, Mr. EDWARDS of California, Mrs. LLOYD, Mr. ANDERSON, Mr. FAWELL, Mr. MCCRERY, Mrs. MARTIN of Illinois, Mr. SCHUETTE, Mr. SARPALIUS, Mr. JOHNSTON of Florida, Mr. ANDREWS, Mr. SOLARZ, Mr. MILLER of Ohio, Mr. TANNER, and Mr. BERMAN.

H.R. 995: Mrs. PATTERSON and Mr. CHAPMAN.

H.R. 1006: Mr. ESPY.

H.R. 1008: Mr. CONYERS, Mr. MATSUI, Mr. HOCHBRUECKNER, Mr. MARTINEZ, Mrs. PATTERSON, Mrs. UNSOELD, Mr. SMITH of Florida, Mr. OWENS of Utah, Mr. SAVAGE, Mr. ESPY, and Mr. WOLPE.

H.R. 1047: Mr. ENGEL, Mr. JONTZ, Mr. ROE, Mr. HERTEL, Mr. TRAXLER, Mr. MATSUI, Mr. LANCASTER, Mr. ROBERTS, Mr. AUCOIN, Mr. FASCELL, Mr. BATES, Mr. HORTON, Mr. HAYES of Louisiana, Mr. MCCURDY, Mr. JACOBS, Mr. TORRES, Mr. BARNARD, Mrs. BOXER, Mr. HARRIS, Mr. HASTERT, Ms. KAPTUR, Mr. BORSKI, Mr. LAGOMARSINO, Mr. BROWN of California, Mr. FAZIO, Mr. BRYANT, Mr. SKEEN, Mr. ERDREICH, Mr. LEHMAN of California, Mr. VOLKMER, Mr. EMERSON, Mr. DE LA GARZA, Mr. LEVIN of Michigan, Mr. SHUMWAY, Mr. CAMPBELL of Colorado, Mr. DYSON, Mr. CONYERS, and Mr. MINETA.

H.R. 1059: Mr. FISH, Ms. OAKAR, Mr. DYSON, Mr. OBERSTAR, Mr. MILLER of Ohio, Mr. KOSTMAYER, and Mr. SABO.

H.R. 1074: Mr. DIXON and Mr. GLICKMAN.

H.R. 1079: Mr. PACKARD, Mr. STANGELAND, Mrs. BENTLEY, and Mr. MACHTLEY.

H.R. 1095: Mr. BUECHNER, Mr. DUNCAN, Mr. HAMMERSCHMIDT, Mr. PASHAYAN, Mr. PERKINS, Mr. ROGERS, Mr. WHITTAKER, and Mr. WISE.

H.R. 1117: Ms. KAPTUR.

H.R. 1128: Mr. CLAY, Mr. DORGAN of North Dakota, Mr. BUSTAMANTE, Mr. PENNY, and Mr. SARPALIUS.

H.R. 1129: Mr. BERMAN, Mr. BATES, Mr. WEISS, Mr. FROST, Mr. ATKINS, Mr. DONNELLY, Mr. FRANK, Mr. NEAL of North Carolina, and Mr. LAGOMARSINO.

H.R. 1135: Mr. YOUNG of Alaska, Mr. OXLEY, Mr. DANNEMEYER, and Mr. MCEWEN.

H.R. 1154: Mr. RUSSO and Mr. TOWNS.

H.R. 1165: Mr. PAYNE of New Jersey, Mr. SCHAEFER, Mr. KILDEE, Mr. PARRIS, Mr. GUNDERSON, Mr. RIDGE, Mr. STALLINGS, Mr. MILLER of Ohio, Mr. TOWNS, Mr. FROST, and Mr. MORRISON of Washington.

H.R. 1174: Mr. LEVINE of California and Mr. FAZIO.

H.R. 1190: Mr. GARCIA, Mr. STUDDS, and Mr. TOWNS.

H.R. 1199: Mr. SMITH of Florida, Mr. OBERSTAR, and Mr. BEREUTER.

H.R. 1215: Mr. HASTERT.

H.R. 1216: Mr. STALLINGS, Mr. BATES, Mr. SKEEN, Mr. SKAGGS, Mr. MARKEY, Mr. LEWIS of Georgia, Mr. NOWAK, Mr. FAZIO, Mr. KOLBE, Mr. DELLUMS, Mr. CONYERS, Mr. CARPER, Mrs. COLLINS, Mrs. SAIKI, Ms. KAPTUR, Mr. ECKART, and Mr. FASCELL.

H.R. 1217: Mr. PAYNE of New Jersey, Mr. SCHUETTE, Mr. GARCIA, Mr. ECKART, Mr. TOWNS, and Ms. SCHNEIDER.

H.R. 1221: Mr. GILLMOR, Mr. PENNY, Mr. GUNDERSON, Mr. ECKART, and Mr. ENGLISH.

H.R. 1233: Mr. GREEN.

H.R. 1248: Mr. CHANDLER and Mr. MILLER of Washington.

H.R. 1276: Mr. GARCIA.

H.R. 1277: Mr. BUSTAMANTE, Mr. HERTEL, Mr. DYMALLY, Mr. SAVAGE, Mr. MAVROULES, Mr. BERMAN, and Mr. ENGEL.

H.R. 1281: Mr. WOLPE, Mr. GORDON, Mr. FRANK, Mr. GARCIA, Mr. ECKART, Mr. HENRY, Mr. RAVENEL, Mr. MARTINEZ, Mr. BUECHNER, Mr. ACKERMAN, Mr. PURSELL, Mr. MATSUI, Mr. ATKINS, Mr. MILLER of California, Mrs. SAIKI, and Mr. MINETA.

H.R. 1286: Mr. DYMALLY, Mrs. BENTLEY, and Mr. LEVIN of Michigan.

H.R. 1287: Mr. LEATH of Texas, Mr. DORNAN of California, and Mr. BARTON of Texas.

H.R. 1292: Mr. WEISS and Mr. GARCIA.

H.R. 1317: Mr. STUMP.

H.R. 1358: Mr. JOHNSON of South Dakota.

H.R. 1376: Mr. VENTO and Mr. LAGOMARSINO.

H.R. 1382: Mr. MCDERMOTT and Mr. WEISS.

H.R. 1383: Mr. PEPPER, Mr. WEISS, Mr. JONTZ, Mr. FROST, and Mr. AUCOIN.

H.R. 1396: Mr. OXLEY and Mr. FIELDS.

H.R. 1406: Mr. PASHAYAN, Mrs. COLLINS, Mr. ERDREICH, Mr. HILER, Mr. DANNEMEYER, Mr. CRANE, and Mr. LENT.

H.R. 1436: Mr. HORTON, Mr. DANNEMEYER, Mr. FAUNTROY, Mr. ROE, Mr. DYMALLY, and Mr. LIPINSKI.

H.R. 1450: Mr. HENRY, Mr. LAGOMARSINO, Mr. LEWIS of Florida, Mr. PETRI, Mrs. BOXER, Mr. STALLINGS, Mr. LANCASTER, Mr. FORD of Michigan, Mrs. BENTLEY, Mr. DAVIS, Mr. SAXTON, Mr. HYDE, Mr. JOHNSON of South Dakota, Mr. THOMAS of Georgia, and Mr. PURSELL.

H.R. 1494: Mr. SCHEUER.

H.R. 1499: Mr. LAGOMARSINO, Mr. PASHAYAN, Mr. LEWIS of California, Mr. HANSEN, Mr. DONALD E. LUKENS, Mr. GARCIA, Mr. NIELSON of Utah, and Mr. YATRON.

H.R. 1505: Mr. MCEWEN and Mr. DYSON.

H.R. 1516: Mr. SCHEUER, Mr. VALENTINE, Mr. PEASE, Mr. GUARINI, Mr. LANTOS, Mr. DYMALLY, Mr. HOCHBRUECKNER, Mr. FUSTER, Mr. GAYDOS, and Mr. HUGHES.

H.R. 1561: Mr. RICHARDSON.

H.R. 1573: Mr. ACKERMAN, Mr. AKAKA, Mr. DOWNEY, Mr. JOHNSON of South Dakota,

Mr. MATSUI, Mr. OBERSTAR, Mr. RANGEL, Mr. STARK, Mr. TORRES, Mr. WILLIAMS, Mr. ATKINS, Mr. DYMALLY, and Mr. LIPINSKI.

H.R. 1589: Mr. HATCHER, Mr. JONTZ, Mr. WILLIAMS, Mr. BOEHLERT, and Mr. WATKINS.

H.R. 1614: Mr. COLEMAN of Texas, Mr. BONIOR, Mr. KOSTMAYER, Mr. SCHEUER, Mr. CONYERS, Mr. DYMALLY, Mr. OBERSTAR, Mr. MRAZEK, Mr. ECKART, Mr. TOWNS, Mr. DAVIS, Mr. CLAY, Mr. WEISS, Mr. FROST, and Mr. ATKINS.

H.R. 1618: Mr. CLINGER.

H.R. 1623: Mr. NIELSON of Utah.

H.R. 1627: Mr. KILDEE, Mr. SHUMWAY, Mr. ERDREICH, Mr. LEWIS of Florida, Mr. VENTO, Mr. MCEWEN, Mr. MCDERMOTT, and Mr. SHAYS.

H.R. 1628: Mr. BATES, Mr. CONYERS, Mr. DINGELL, Mr. HAYES of Illinois, Mr. LELAND, Mr. PAYNE of New Jersey, Mr. SAWYER, Mr. TOWNS, Mr. UDALL, Mr. ROSE, and Mr. FRANK.

H.R. 1643: Mr. DWYER of New Jersey and Mr. RICHARDSON.

H.R. 1645: Mr. HERGER, Mr. CRAIG, and Mr. GUNDERSON.

H.R. 1652: Mr. DAVIS.

H.R. 1654: Mr. HARRIS, Mr. RANGEL, Mr. COELHO, Mr. MARLENEE, Mr. MCCURDY, Mr. FAUNTROY, Mr. YATES, Mr. STARK, and Mr. MANTON.

H.R. 1676: Mr. MORRISON of Connecticut, Mr. CONYERS, Mr. HAWKINS, Mr. WEISS, Ms. SCHNEIDER, Mr. RUSSO, and Mr. TOWNS.

H.R. 1762: Mr. ROWLAND of Georgia.

H.J. Res. 32: Mr. LAGOMARSINO.

H.J. Res. 45: Mr. SCHUETTE.

H.J. Res. 48: Mr. SHUMWAY.

H.J. Res. 67: Mr. COURTER, Mr. WYDEN, Mr. KANJORSKI, Mr. GORDON, Mr. SCHUETTE, Mr. FRENZEL, Mr. GRAY, Mr. HENRY, Mr. CARDIN, Mr. NOWAK, Mr. KLECZKA, Mr. SPRATT, Mr. NEAL of North Carolina, Mr. PARKER, Mr. RUSSO, Mr. BARTLETT, Mr. BROOMFIELD, Mr. BILIRAKIS, Mr. TALLON, Mr. GARCIA, Mrs. PATTERSON, Mr. JACOBS, Mr. TAUKE, Mr. MCDADE, and Mr. SISISKY.

H.J. Res. 81: Mr. EMERSON, Mr. BEVILL, Mr. LEWIS of California, and Mr. LIPINSKI.

H.J. Res. 94: Mr. MCMILLEN of Maryland, Mr. BARTLETT, and Mr. DELAY.

H.J. Res. 98: Mr. FISH, Mr. WYLIE, and Mr. MCDADE.

H.J. Res. 103: Mr. HASTERT.

H.J. Res. 121: Mr. FAZIO, Mr. FISH, Mr. FROST, Mr. FOGLIETTA, and Mr. KILDEE.

H.J. Res. 127: Mr. JONES of North Carolina and Mr. BALLENGER.

H.J. Res. 132: Mr. PAYNE of New Jersey, Mr. YOUNG of Florida, Mr. ANDERSON, Mr. MARTIN of New York, Mr. ROWLAND of Georgia, and Mr. FRENZEL.

H.J. Res. 135: Mr. DYSON, Mr. DIXON, Mr. HUGHES, Mr. HENRY, Mr. INHOFE, Mr. EVANS, Mr. WILSON, Mr. DARDEN, Mr. PURSELL, Mr. HAWKINS, Mr. STARK, Mr. KOLTER, Mr. AKAKA, Mr. SKELTON, Mr. HOCHBRUECKNER, Mr. MATSUI, Mr. FORD of Michigan, Mr. SAVAGE, Mr. BATES, Mr. HUBBARD, Mr. BOSCO, Mrs. PATTERSON, Mr. MAZZOLI, and Mr. VANDER JAGT.

H.J. Res. 174: Mr. MOODY, Mr. PEPPER, Mr. SMITH of Florida, Mr. ESPY, Mr. PICKLE, Mr. GREEN, Mr. MOLINARI, Mr. AUCOIN, Mr. LEVINE of California, Mrs. PATTERSON, Ms. SNOWE, Mr. MONTGOMERY, Mr. DEWINE, Mr. ACKERMAN, Mr. DUNCAN, Mr. THOMAS of Georgia, Mr. HATCHER, Mr. GUARINI, Mr. JONES of Georgia, Mr. SHARP, Mr. FLORIO, Mr. RINALDO, Mr. SYNAR, Mr. BUSTAMANTE, Mr. DAVIS, Mr. MURTHA, Mr. CONYERS, Mr. ROBERTS, Mr. BLAZ, Mrs. MARTIN of Illinois, Mr. DELLUMS, Mr. PARRIS, Mr. RANGEL, Mr. YOUNG of Alaska, and Mr. JENKINS.

H.J. Res. 189: Mr. BUNNING, Mr. HERGER, Mr. WILSON, and Mr. CRAIG.

H.J. Res. 195: Mr. ACKERMAN, Mr. ATKINS, Mrs. BENTLEY, Mr. BLAZ, Mr. BOSCO, Mr. BOUCHER, Mr. BROWN of Colorado, Mr. BRUCE, Mr. CAMPBELL of Colorado, Mr. COELHO, Mrs. COLLINS, Mr. CONYERS, Mr. COSTELLO, Mr. CROCKETT, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. FAWELL, Mr. FOGLIETTA, Mr. GALLEGLY, Mr. GILMAN, Mr. GRAY, Mr. GUARINI, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HAYES of Louisiana, Ms. KAPTUR, Mr. KASTENMEIER, Mr. LAGOMARSINO, Mr. KOLTER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LEHMAN of Florida, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. MANTON, Mr. SPRATT, Mr. SMITH of Vermont, Mr. TALLON, Mr. TRAXLER, Mr. TOWNS, Mr. WALSH, Mr. WOLPE, Mr. MARKEY, Mr. MCDADE, Mr. MCEWEN, Mr. MCMILLEN of Maryland, Mr. MFUME, Mr. MOAKLEY, Mr. MORRISON of Washington, Mr. MURPHY, Ms. OAKAR, Mr. ORTIZ, Mr. OWENS of Utah, Mr. PANETTA, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Mr. PERKINS, Mr. RICHARDSON, Mr. ROE, Mr. ROWLAND of Connecticut, Mr. SABO, and Mr. SCHUETTE.

H.J. Res. 209: Mr. MATSUI, Mr. BLILEY, Mr. BEVILL, Mr. FAWELL, Mr. YOUNG of Alaska, Mr. BERMAN, Mr. MAZZOLI, Mr. OWENS of New York, Mr. KOLTER, and Mr. COYNE.

H.J. Res. 210: Mr. BERMAN, Mr. MATSUI, Mr. BLILEY, Mr. PAYNE of New Jersey, Mr. BEVILL, Mr. WATKINS, Mr. WOLF, Mr. HEFNER, Mr. PASHAYAN, Mr. KASTENMEIER, Mr. LEWIS of Florida, Mr. TAUKE, Mr. LANCASTER, Mr. DYSON, Mr. DE LUGO, Mr. HAYES of Illinois, Mr. DYMALLY, Mr. LEHMAN of Florida, Mr. SYNAR, Mr. HAYES of Louisiana, Mr. FAWELL, Mr. MOAKLEY, Mr. RITTER, Mr. COLEMAN of Texas, Mr. DWYER of New Jersey, Mr. FROST, Mr. SAWYER, Mr. CROCKETT, Mr. NIELSON of Utah, Mrs. BOXER, Mr. BLAZ, Mr. LELAND, Mr. ENGLISH, Mr. ERDREICH, Mr. FAZIO, Mr. RANGEL, Mr. MCGRATH, Mr. FASCELL, Mr. HUGHES, Mr. HATCHER, Mr. LEVIN of Michigan, Mr. KOLTER, Mr. OWENS of Utah, Mr. SCHUETTE, and Mr. ACKERMAN.

H.J. Res. 221: Mr. STUMP, Mr. WATKINS, Mr. COSTELLO, Mr. MOAKLEY, Mr. TOWNS, Mr. FAWELL, Mr. HUNTER, Mr. SMITH of Florida, Mr. BEVILL, Mr. BENNETT, and Mr. WILSON.

H. Con. Res. 1: Mr. MARTINEZ, Mr. FLORIO, Mr. SHAYS, and Ms. KAPTUR.

H. Con. Res. 6: Mr. CONYERS.

H. Con. Res. 12: Mr. WHITTAKER, Mr. FISH, Mr. DEFAZIO, Mr. UPTON, Mr. CONYERS, Mr. EMERSON, and Mrs. BENTLEY.

H. Con. Res. 13: Mr. YATRON.

H. Con. Res. 30: Mr. SHAW.

H. Con. Res. 35: Mr. HUNTER, Mr. KASICH, Mr. SKELTON, Mr. HENRY, Mr. HANSEN, Mr. ROBINSON, Mr. WATKINS, Mr. MCGRATH, Mr. HASTERT, Mr. LENT, and Mr. PURSELL.

H. Con. Res. 39: Mr. BLAZ, Mr. LEWIS of Florida, Mrs. VUCANOVICH, Mr. LANCASTER, Mrs. BENTLEY, Mr. DEFAZIO, Mr. OWENS of Utah, Mr. BALLENGER, Mr. CLARKE, Mr. DEWINE, Mr. BROOKS, Mr. JOHNSON of South Dakota, Mr. JONES of North Carolina, Mr. GARCIA, Mr. BRYANT, Mrs. MEYERS of Kansas, Mr. WOLPE, Mr. INHOFE, Mr. HEFLEY, Mr. MCEWEN, and Mr. MYERS of Indiana.

H. Con. Res. 48: Mr. PAYNE of New Jersey, Mr. DWYER of New Jersey, Mr. ROE, Mr. KLECZKA, Mr. BRENNAN, Mr. ECKART, and Mr. HERTEL.

H. Con. Res. 73: Mr. SLATTERY, Mr. FROST, Mrs. MORELLA, Mr. HOCHBRUECKNER, Mr. FAZIO, Mr. SOLARZ, and Mr. CARR.

H. Res. 121: Mr. LIVINGSTON.

H. Res. 122: Mr. HUGHES and Mr. DERRICK.

H. Res. 125: Mr. FLORIO.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1067: Mr. TORRES.

EXTENSIONS OF REMARKS

NARCO-TERRORISM AND THE CUBAN CONNECTION

HON. ROBERT J. LAGOMARSINO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues a booklet published by the Cuban American National Foundation entitled "Narco-Terrorism and the Cuban Connection," written by Rachel Ehrenfeld. This booklet contains an analysis of the network of drug trafficking it alleges is centered in Cuba. This essay is particularly relevant now since General Secretary Gorbachev has recently finished a meeting with Castro. The booklet examines several elements in the drug trade which should be considered as we evaluate possible policy directions to be taken in our future relations with the Soviet Union and Cuba. Of particular relevance is the author's claim that narcotics have become the strategic weapon of the Communist regimes in the Western Hemisphere. I am providing a number of excerpts I thought best summarized her essay.

[There is] compelling evidence that Noriega is merely one mercenary within a network which, in the Western Hemisphere at least, has its main command center in Havana, Cuba. At stake here is the identification of not only the principal source but also the central motive behind the offensive against the United States—the motive not merely of greed (Noriega) but of strategic-ideological warfare (Fidel Castro).

Even before conclusive evidence began to accumulate in recent years, logic should have dictated that the convergence of terrorism and the narcotics trade is as natural and compelling a phenomenon as, historically, the union of the steel and coal industries.

Terrorism and the drug trade are parallel "industries" that interact synergistically. Both rely on international infrastructures that extend largely underground and can be shared to achieve mutual benefits.

Whether the motivation is profit or ideology, or some combination of both, the end product is societal disruption through the violence that knows no national borders and that functions, by definition, outside the norms of international diplomacy and war.

By far the largest beneficiaries of the convergence of the two international "industries" are its "silent partners": the sponsoring states. For them, narco-terrorism is a weapon system that can be aimed, either with precision or with random effect, upon target societies. It serves to terrorize, to disrupt, to subvert, to destabilize and to undermine the very foundations of those target societies.

The most recent evidence for Cuba's involvement in drug trafficking came in three indictments handed down between October 1987 and March 1988 by the aforementioned grand jury in Miami. All three indictments involved the connections between drug rings and Cuban officials in the routine use of Cuban ports for trans-shipment of Colombian cocaine destined for the United States. In one case the prosecutor played a tape-recording of a defendant stating that "the money went in Fidel's drawer." The indictments implicated Noriega in drug-trafficking with the Medellin Cartel in Colombia, Fidel Castro in Cuba and Daniel Ortega in Nicaragua.

There is abundant evidence as well that the Castro regime lost little time after the consolidation of the Sandinista regime in Managua to harness its Nicaraguan allies to the narcotics operations. Antonio Farach, a former minister in the post-revolution Nicaraguan Government, testified that he first learned of Nicaragua's involvement in drug-trafficking to the United States on the occasion of a visit by Raúl Castro to Managua in 1981. According to Farach, a purpose of the Cuban Defense Minister's visit was to establish a narcotics infrastructure "for the Nicaraguan Revolution" with Cuba's help. When he questioned this, Farach was told by Nicaraguan officials of two moral and political justifications for their state-sponsored drug-trafficking:

In the first place, drugs did not remain in Nicaragua; the drugs were destined for the United States. Our youth would not be harmed, but rather the youth of our enemies. Therefore, the drugs were used as a political weapon, because in that way we were delivering a blow to our principal enemy. In addition to a political weapon against the United States, the drug trafficking produced a very good economic benefit which we needed for our revolution. We wanted to provide food to our people with the suffering and death of the youth of the United States.

Today, the Sandinistas continue to use the drug-and-arms traffic not only to obtain badly needed foreign currency, but also to cut inroads of undermining influence into neighboring Central American countries. Their principal method is that of providing cocaine at discount-value as payment for support and services rendered to the Sandinistas.

It is hardly a coincidence those countries in the Western Hemisphere most deeply involved in the narcotics-flows to the United States are also principal hosts and sponsors of the funding, arming and training of terrorist organizations. Nor can it be considered a coincidence that those countries also enjoy close ties with Cuba and/or the Soviet Union. A State Department and Department of Defense report in 1985 on Soviet influence in Central America and the Caribbean warned of an "emerging alliance between drug smugglers and arms dealers in support of terrorists and guerrillas." It is inconceivable that Cuba will pursue the international drug-trafficking policy without tacit approval from the Kremlin.

Not only have the Soviets acknowledged the use of terrorism and the promotion of drug abuse as legitimate weapons in the "battle against imperialism," but they have officially linked the two forms of warfare. The 1979 edition of the Soviet Military Encyclopedia provided a list of measures to be used in peacetime in order to promote Soviet foreign policy objectives. These measures are contained in the definition of *razvedkas:* the literal English translation of that term is "reconnaissance," but it embraces more broadly all functions of intelligence and the clandestine operations associated with it. The *Encyclopedia* gave the definition as follows: "reconnaissance [is] carried out with the aim of supervision of the political, economic, military and moral potential of actual or possible enemies; basic tasks within special reconnaissance include the organization of sabotage and diversionary terrorist acts and the conduct of hostile propaganda for these purposes." It followed with the recommendation of the use of "biological weapons, narcotics, terrorist activities, poisons" and other methods.

In significant respects, the strategic linkage between Moscow and Havana have been strengthened by Gorbachev's "new thinking" in foreign policy, which was codified at the 27th Soviet Communist Party Congress in February 1986. Essentially, in keeping with the priority domestic objective of restructuring and bolstering the Soviet economy, the "new thinking" calls for sustaining the "march of socialism" at lower cost—of avoiding the creation of client regimes, particularly in the Third World, that would impose chafing burdens on Soviet treasure and resources. Cuba, which has been such a burden over the years and which is forever sensitive to a further dwindling of Soviet assistance to Havana, can well sympathize with this imperative. The joint agenda of Soviet-Cuban strategy in the Hemisphere thus reads: preservation and expansion of Marxist-Leninist regimes with minimum economic support, and the further estrangement of the United States from Latin America, in large part by moving the Organization of American States (minus the United States) toward the ranks of the global "nonaligned movement."

The flows of narcotics, arms and terrorism fit ideally into that agenda of a strategy that has the added advantage, especially from Moscow's vantagepoint, of being economically self-sustaining. It is this strategy that forms the background for the spectacle that has unfolded in Panama. Thus Blandón has described how Castro acted as a mediator among Noriega, the Medellin Cartel and the M-19 Movement in order to keep the flows of drugs and money-laundering activities in place, and how he, Blandón, was sent by Noriega to Havana to arrange for Castro's intervention in the latter's behalf. He found Castro eager to cooperate: "* * * Fidel feared that Noriega would be replaced in Panama. * * * His [Castro's] interests were political, they were economic and they were interests linked to the war which was being waged with the U.S." Blandón continued: "Fidel Castro made Panama a window, or as an opportunity for business, in order to get Western technology and in order to export some of his goods from Cuba. * * *"

The evidence is thus compelling that narcotics, more than "simply" a plague spawned by festering forces in modern "post-industrial" society, have been shaped into a powerful, "strategic" weapons system. It is a weapons system which wreaks its direct damage in lethal and disabling addic-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

tion, and its "collateral damage" in the corruption and other socially enervating criminal activities that flourish around the drug trade, as well as in the more general undermining of the target society.

A QUICK NO-COST SOLUTION TO THE LONG-TERM HEALTH CARE FINANCING PROBLEM

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. GUARINI. Mr. Speaker, I would like to take this opportunity to share with my colleagues some thoughts of Mr. Donald C. Evans, Jr. on resolving the long-term care issue. I believe Mr. Evans has some valid ideas with regard to financing long-term care for the elderly.

A QUICK NO-COST SOLUTION TO THE LONG-TERM HEALTH CARE FINANCING PROBLEM

(By Donald C. Evans, Jr.)

There is no denying the fact that a serious problem exists for any American involved with long-term health care, be it a nursing home or other facility. Too often paying for this care results in the total exhaustion of all savings and other assets painstakingly accumulated over a lifetime of hard work. This becomes a problem for the next generation as well because their children find themselves trying to find money to make sure their parents are cared for with dignity. National leaders declare this to be a problem which must be addressed. It has been called the most pressing issue of the elderly, even more so than the catastrophic health issue. Some in Congress have called on their colleagues to immediately address this problem. The major stumbling block arises when the question of financing is discussed.

Dr. Otis Bowen, as President Reagan's Secretary of Health and Human Services, attempted to meet this problem by suggesting that Congress adopt a new income tax deduction for contributions into an individual medical account, a system of savings similar to the present IRA accounts used for retirement. One problem with the Bowen approach is timing. It requires years for the accumulation of enough capital in these accounts to make a significant dent in solving an urgent present day problem. Those who can avail themselves of this approach will more likely be middle and upper income workers whose discretionary income is greater than that of the working poor and lower middle class. Secondly, the Bowen plan results in an immediate loss of significant amounts of revenue to the Federal Government at a time when the Budget deficit is a primary concern to all Americans.

Others have proposed putting another Federal spending program in place to solve the problem, perhaps by expanding Medicare. Even with pay-as-you-go growing in popularity among politicans in Washington, the American people don't seem to be inclined to support a major tax increase to pay for a new spending program, even one as worthy as this. Budget constraints have caused leading politicans in our country to sense an up-hill fight for a solution to the long-term health care problem in the next two years.

However, there is a plan Congress can adopt today which will protect against disastrous long-term health care costs. And it won't cost the Federal Government one nickel nor increase the Federal deficit. Antidiscrimination provisions already in the law make the same coverage immediately available to workers of all income levels at the same affordable cost. It is equally available to the young person just entering the work force and the older worker approaching retirement. The plan works through the private sector without spending more money for government bureaucracy to administer another Federal program.

I propose to allow the use of private pension funds for the purchase of long-term care insurance policies. Presently, the tax law requires a pension plan to invest in assets that will grow in value or produce income that will fund the retirement benefits of the workers covered by the plan. An exception to this is where a worker can choose to have some of the plan assets attributable to his own account used to pay the premium on a life insurance policy on his life. The rationale for this exception is that the pension assets, which will include the insurance proceeds at his death, will be used for a recognized retirement goal—to support the worker's beneficiaries, usually the spouse and children, after the worker's death. To allow the use of these pension assets to purchase individual and group long-term care policies in order to protect the assets of the worker against total dissipation due to long-term care costs is just as retirement oriented a goal as that which is already allowed by the law—it protects the worker and his family during a time after he is unable to work.

Nearly half the civilian work force is presently covered by pension plans. Presently, there are only about 18,000 group long-term care policies out of the more than 500,000 existing policies (the rest are held by individuals). This plan will immediately open coverage to millions of workers. Congress only needs to authorize the pension plans to move ahead and we will take a giant step toward solving this national problem. Let's act now!

TRIBUTE TO MS. ESTHER SARITZKY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BERMAN. Mr. Speaker, I take great pleasure today in asking my colleagues to join me in saluting a respected member of the community, Ms. Esther Saritzky, who will be honored by the Sisterhood of Temple Ahavat Shalom for her many years of dedicated service to the Jewish community and the entire community at large.

Esther is the child of committed Zionist Polish Chassidic immigrants. She learned at an early age about serving the community from her mother who led a number of Jewish groups in Detroit.

Throughout her life, Esther Saritzky has always shown a willingness and desire to give freely of her valuable time to aid organizations and causes important to the community. Her exemplary leadership in humanitarian endeavors have been characterized by a deep commitment and strong sense of idealism. Her religious dedication, visionary judgment, and personal effort have contributed greatly to the stature of Temple Ahavat Shalom. The numerous awards and honors earned by Esther are a testimony to the untold number of people whose lives were touched and improved by her generosity and dedication.

Esther Saritzky's seemingly infinite energy has improved the quality of life for all those with whom she comes in contact. At present, she is vice president of the Los Angeles Bureau of Jewish Education and Pacific Southwest Council, Union of American Hebrew Congregations. She is also a national board member of the Union of American Hebrew Congregations and the National Federation of Temple Sisterhood. She is a member of the National Commission on Jewish Education and also has served as chairperson and cochairperson on several committees. Esther has a lifelong reputation of service to the Jewish and secular communities and her accomplishments include a full spectrum of triumphs in matters of Jewish life.

Esther received a degree in music education from UCLA and worked as a religious teacher, Hebrew teacher, and principal in several major religious schools in Los Angeles and the San Fernando Valley. Esther has been married for more than 30 years to Harvey Saritzky. They are the proud parents of two children, Marlene and Ron.

I am proud to recognize Esther Saritzky, and I invite my colleagues to share in this expression of admiration and gratitude.

DOE NUCLEAR FACILITIES SAFETY BOARD

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. SHARP. Mr. Speaker, today I am introducing a bill to ensure the effectiveness of the Department of Energy Defense Facilities Oversight Board, which was established as part of the Defense Authorization Act of 1988.

I'm sure that my colleagues are aware of the pressing need to improve the safety of DOE's nuclear facilities, many of which play key roles in our weapons production system. Many of these facilities are currently closed due to safety concerns, threatening our defense capability as well as highlighting questions about health and environmental protection.

The Oversight Board is intended to restore to DOE the sort of independent technical peer review that is the norm in the commercial nuclear industry, and which existed prior to 1973 when the weapons complex was under the Atomic Energy Commission.

A seminal report by the National Academy of Sciences in 1987 attributed many of the problems dogging the DOE nuclear complex to this lack of independent oversight. The General Accounting Office joined the academy in recommending the restoration of an independent and advisory oversight body, and Secretary Watkins has commended the concept.

While I was heartened by Congress' action in establishing the Safety Oversight Board last

year, I am introducing legislation today to fill in certain gaps in the Board's jurisdiction that were omitted by the bill finally enacted last year. Specifically:

The bill narrowed the range of facilities subject to Board oversight solely to DOE nuclear plants involved in defense activities.

However, the final bill arbitrarily excluded certain defense facilities, such as the Pantex plant in Texas and the Nevada Test Site. Both of these facilities are on a 1988 list compiled by the Department of plants requiring priority environmental cleanup;

The bill flatly excluded all DOE nuclear facilities not directly involved in defense work, such as certain research labs.

Thus, despite its good points, the final version of last year's bill perpetuated an orphan class of nuclear facilities which will not be subject to independent safety oversight without further legislative action.

No such exceptions were present when the Atomic Energy Commission ran these facilities with the technical assistance and advice of the Advisory Committee on Reactor Safeguards. There was no reason for gaps in nuclear oversight then, and there is none now.

Much progress has been made toward turning the DOE complex around, but failing to address the need for independent safety oversight of all of the Department's nuclear facilities would be a critical lapse on the part of Congress. I urge my colleagues to help me finish the job we started last year, and welcome your cosponsorship of this legislation.

RESOLUTION CONCERNING THE HABITABILITY OF RONGELAP ATOLL

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. MILLER of California. Mr. Speaker, I am introducing a resolution urging a comprehensive and independent study to determine the habitability of Rongelap Atoll. My colleagues, Congressman DE LUGO and Congressman UDALL join me in this effort.

This resolution was introduced in the closing days of the 100th Congress, but we did not have time to complete action. It is my intent that we move forward with this resolution this year.

The resolution is an important first step toward addressing the serious concerns the people of Rongelap have about their home. The resolution urges that a comprehensive, independent study be taken to determine if the Rongelap Atoll is safe for human habitation.

The question of whether or not Rongelap is safe to live on has plagued its inhabitants for some 30 years—since the United States exploded a nuclear device on Bikini Atoll in 1954 and Rongelap was covered with radioactive dust. It is time that these were given an answer to that question—an answer that they can believe and trust.

I am pleased that Congressman DE LUGO, chairman of the Insular and International Affairs Subcommittee of the Interior Committee has agreed to hold hearings on the Rongelap issue in the near future. These hearings will provide a much needed public forum to examine the health and other issues concerning Rongelap.

In the meantime, Mr. Speaker, it is important that an independent study be undertaken to determine if the residents of Rongelap can safely live there and if their children can safely live there. The request of the people of Rongelap for a study is a reasonable one. It is one which Congress should support.

THE LESSON OF THE ALASKAN OIL SPILL

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. MARKEY. Mr. Speaker, today I rise to reflect on a kind of environmental death that came to North America on Good Friday 1989, in the form of the worst oil spill in U.S. history. In the cold teeming waters of Prince William Sound, North America's insatiable energy appetite collided head-on with our environment consciousness. A single-bottom tanker and submerged reef near the port of Valdez in Alaska forced us to confront the environmental consequences of our profligate energy consumption—a reef which a child could have avoided, according to the Coast Guard.

Mr. Speaker, is there a lesson here for our country? Is there a metaphorical reef lurking, so obvious that a child would have sense enough to avoid it? Is our energy policy, or lack thereof, steering us toward the slightly submerged crisis? Is there an overreliance upon fossil fuels with no attentiveness to environmentally benign alternatives? Is the administration alert to dire environmental situation at hand?

Energy usage has become inextricably intertwined with a myriad of environmental problems. As a result of our energy addiction, we continue to deny the reality of global warming, ozone depletion, and acid rain. Continued ignorance of the need for improved energy efficiency and environmentally benign energy sources will find us stuck on the reef.

The Bush administration has shown no sign of heeding the warning of this disaster. There is no indication that the Department of Energy will veer from the bankrupt energy policies of the Reagan era. Energy sources that are both environmentally benign and cost effective still sink to the bottom of DOE's priorities.

The President commented after the spill that he will still press to open the Arctic National Wildlife Refuge for drilling, insisting that there was "no connection." Is there also no connection between this disaster and an 87 percent cut in energy conservation funding in the last 9 years?

Human error made TMI a household word and now 10 years later human error gives us the oil slick in PWS. But environmental catastrophies such as oil spills and nuclear near-meltdowns do not always strike like a bolt of lightning. The sinister encroachment of acid rain, ozone depletion, and global warming caused by human negligence imperceptibly strangles. Mountains of radioactive, toxic, and solid waste continue to pile up for years seemingly unnoticed.

We cannot have healthy humans on a sick planet. The new energy paradigm that must rise from the Good Friday disaster should be based upon efficient use of our energy resources and reliance upon renewable, environmentally benign, least cost energy sources. We must rehabilitate ourselves knowing full well that we will always be recovering energy addicts.

TO THE MEMORY OF SARA B. TIEDE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. FLORIO. Mr. Speaker, it is with great sorrow that I note the passing of Sara B. Tiede, who served as teacher/librarian at the Charles W. Lewis School, Gloucester Township, NJ. Sara Tiede was a very dear friend and I, along with the many others whose lives she touched and influenced, mourn our loss.

Sara was a dedicated teacher who worked well with children and instilled in them an appreciation of history. Her greatest skill was making her students aware of the past so that they may better understand the present and prepare for the future. She accomplished this with great skill and cheerfulness and kept in contact with former students over the years. In 1986, Sara received the Governor's Teacher of the Year Award in recognition of her committment to teaching.

Sara was very involved in the community. She was a hard-working member of the PTA, the New Jersey Librarian's Association and was president of the Historical and Scenic Preservation Committee of Gloucester Township.

I fondly remember the many conversations we had on her interests. She was fascinated by the rich history of Gloucester County and served as Gloucester Township historian. She was also deeply concerned about the role of education and sought ways to better prepare our children for the complex world around them.

Though Sara is no longer with us, her spirit lives on in the thousands of students she taught and the many others privileged to know her. She embodies the shining light of education that is essential to the development of a free society.

I extend my deepest sympathies to Sara's family and would like to share with my colleagues the following article on Sara Tiede.

SARA B. TIEDE, 66 HISTORIAN, WINNER OF TEACHING AWARD

BLACKWOOD.—Sara B. Tiede, who was a Gloucester Township historian and a recipient of the Governor's Teacher of the Year award, will be remembered for teaching her students the importance of history.

Mrs. Tiede died Friday at the Underwood Memorial Hosptial, Woodbury. She was 66.

The 1986 recipient of the Governor's Teacher of the Year award, Mrs. Tiede was a graduate of Glassboro State College and served as a teacher/librarian at the Charles W. Lewis Schook Gloucester Township for

25 years. She had currently been out on sick leave.

Actively involved in the school system, she was a member of the PTA and a member of the N.J. Librarian's Association.

According to her family, Mrs. Tiede's favorite part about teaching was the interaction with the children.

"She loved the children and they seemed to love her too," said her daughter, Sally L. Tiede-Pool of Blackwood.

"Many of her former students still wrote letters to her and came back to see her."

Tiede-Pool said that one of her mother's former students, who is in the medical program at the University of Pennsylvania, came back to see Mrs. Tiede in the hospital before she died.

During her librarian years, Mrs. Tiede shared her love of history with her students, teaching them the importance of history.

A Blackwood resident for over 40 years, Mrs. Tiede served as town historian and the president of the Historical and Scenic Preservation Committee of Gloucester Township.

"Having a sense of continuity was important to her," said Tiede-Pool. "She felt it was important to understand the relationship between the present and the past."

Mrs. Tiede was the wife of the late Louis J.

She is also survived by another daughter, Carol R. Tiede-Loy of Lookout Mountain, Tenn.

Friends may call after 7 p.m. today at the Gardner Funeral Home, 126 S. Black Horse Pike, Runnemede. Services will be at 10 a.m. tomorrow at St. John's Episcopal Church, 1704 Old Black Horse Pike, Chews Landing. Interment will be private.

Memorial contributions may be made to St. John's Episcopal Church, 1704 Old Black Horse Pike, Chews Landing, N.J. 08030.

CONGRATULATIONS TO GEORGE T. HAWKS

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. TANNER. Mr. Speaker, I rise today to have included in the CONGRESSIONAL RECORD the 1989 Voice of Democracy Contest winner from the State of Tennessee. These remarks were written by Mr. George T. Hawks, my constituent from Humboldt, TN.

The Veterans of Foreign Wars have sponsored the Voice of Democracy Scholarship Program for 28 years and through those years many deserving students who otherwise would not have been able to afford to go to college have been able to attend.

I am pleased to enter into the RECORD this excellent speech written by my young constituent. I am sure my colleagues will find it as interesting and inspiring as I have.

Once there was a wise old hermit who lived on a hillside. He was well known for his insight and knowledge. One day some boys from a neighboring village decided to play a trick on the hermit to test his wisdom. They caught a bird and proceeded to the hermit's cave. One of the boys cupped the bird in his hands and called to the hermit. "Say, old man, what is it I have in my hands?" Hearing the chirping and noise, the hermit said it was a bird. "Yes, but is it dead or alive?" asked the boy. If the hermit said, it was alive, the boy would crush it in his hands. If the hermit said the bird was dead, the boy would open his hands and let the bird fly free. The hermit thought a moment and then replied, "It is, what you make it."

The hermit's response to the boy serves as a challenge to all Americans in regard to our country's future because our future will truly be what we as citizens make it.

In our preparations we must be very prudent, deliberate and considerate of the fact that our present actions will affect many generations to come. We hold in our hands a strong responsibility to our descendants. We must prepare for them as strong a heritage as our fathers have provided for us.

When a carpenter prepares to build a house he must take great care to plan out his work step by step. Each part of the building process contributes to the strength of the finished product. As citizens our country is our house and we are involved in a building process of sorts. Our house, however, already has a strong foundation. Our heritage is our foundation and it was built by the wars, struggles and sacrifices of our forefathers. A stronger foundation would be hard to find. Americans are currently building a wall for our house and the bricks in our wall must be strong and secure, for we have an extremely important roof to cover our house. That roof is our future.

It might be interesting for us to label some of the bricks that we will be putting into our wall.

One of the bricks would undoubtedly have to signify patriotism for a commitment to one's country is one of the most important qualities of any citizens. Americans' love of country has been passed to us from our forefathers and it is up to us keep this torch lit.

Let's place another brick into the wall, and we can label this one values. In order for our country to remain strong we must hold on to our values, for they set the guidelines by which we should live. A country with a moral, ethical and humane population is a country to be admired. Yes, this is an important part of our wall.

The third brick in our wall we will label as economic stability. Our greatest asset is our people and the economy is the thread that holds everything together. We need to make sure that the thread does not break.

The next brick is international relations. We cannot take for granted that we will always be on top. To do so requires strength and diplomacy. We face stiff competition from other countries, but these countries can also be our friends. We should be ready to assist other nations in their times of need and to work with other nations in times of crisis.

The fifth brick shall be dedicated to the conservation of our natural resources. Our lands and forests are beautiful and some of the richest on earth. We must nurture these resources and maintain them for our children and our children's children.

Now we are ready to place our last brick. It is certainly just as important as the others. We shall label it education. We, as Americans, must understand the magnitude of education in our lives. We have founded our greatness upon it. We are always striving to improve, always searching for answers to our questions and pondering over our future. We must be careful not to neglect an education to any child so that each one may make a contribution to the country.

And just like the bird in the cupped hands of the boy, our country's future is in the hands of each American.

HUMANITARIAN LEGISLATION DEALING WITH SOME VITAL EXPORTS TO CUBA

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. LELAND. Mr. Speaker, today I introduce legislation which would lift the United States embargo on trade with Cuba for the export of medicines, medical supplies, instruments and equipment. Since 1962, this country has prohibited trade relations with Cuba with few exceptions. The legislation which I am offering would exempt specific items vital to the health and well-being of the people of Cuba.

The advent of glasnost has broadened the opportunities to extend humanitarian aid previously impossible due to existing tensions between the superpowers. We must realize that Cuba has a population of over 10 million, yet only 500,000 Cubans are registered members of the Communist Party. This legislation is designed to assist the men, women, and children who were born in a nation lacking the technological advantages and resources that we, as Americans, take for granted. United States has traditionally extended humanitarian assistance to countries in need regardless of the ideologies of their leaders. This has not been the case with Cuba.

Currently, the United States is engaged in the trade of medical equipment and supplies with many Soviet bloc nations. This measure would place Cuba on a level playing field with these countries. In opening this avenue of trade, we would join other industrialized nations such as Japan, Canada, the United Kingdom, France, and West Germany, who are currently engaged in trade relations with Cuba.

Mr. Speaker, I am well aware that many of my colleagues will be concerned that opening trade with Cuba could have serious national security implications. Consequently, I have included provisions which specifically prohibit the exchange of any information or technology which could potentially endanger U.S. national security.

I ask my colleagues to join me in supporting this humanitarian legislation.

HONORING THE SESQUICENTENNIAL OF PHOTOGRAPHY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. MINETA. Mr. Speaker, I rise today to invite the attention of my colleagues to an important anniversary in world history. Born 150 years ago this year was the daguerrotype, the first process which was able to permanently fix a literal reproduction of a still image. The daguerrotype became the precursor to what

we have since come to know as modern photography.

The daguerrotype was named in honor of its creator, the French painter and inventor Louis Jacques Mande Daguerre, born in 1787. On Monday, April 10, 1989, a statue honoring Daguerre was unvailed in our Nations' capital. The statue, originally dedicated here in 1890 by an organization which was to become the Professional Photographers of America, has stood in storage for the last 20 years, awaiting a site befitting the legacy of Daguerre. It now has that home on the grounds of the National Portrait Gallery of the Smithsonian Institution.

At the rededication ceremony, the president of the Professional Photographers of America, Morton A. Sobin, spoke of Daguerre and his legacy in terms which gave true meaning and perspective to the role of photography in world history. As a regent of the Smithsonian Institution, I would invite my colleagues in the House and all Americans to visit the National Portrait Gallery and appreciate the Daguerre statue as well as the many fine exhibits in the museum itself. I would also invite my colleagues to read President Sobin's remarks and consider how the seemingly modest process of capturing an image on a silver or silver-covered copper plate came to change our world in the last 150 years.

DAGUERRE STATUE UNVEILING, THE NATIONAL PORTRAIT GALLERY OF THE SMITHSONIAN INSTITUTION, WASHINGTON, DC

(By Morton A. Sobin)

Until 1839, the world was blind.

Those wishing to learn had to depend on descriptions or artistic renderings. Both methods shaped reality to the creators' prejudices. Then came the announcement from the Academy in Paris: "* * * copper covered with polished silver * * * mercury fumes * * *", and here we are.

Directly after the announcement, our own American renaissance man, Samuel F. B. Morse, brought the process to the United States.

He then preceded us all in becoming a photographer, in addition to his other lives as scientist, inventor, and teacher and even painter of one of the murals in our Capitol building.

The original daguerreotypes required long exposure and instant processing. We are grateful to have reached the technology of today.

It has been said that photography is the most literal of the arts. This is indeed fortunate for those wishing to learn about our world. However, this no longer is its only virtue.

In the hands of a master, photography transcends the simple recording of people and places to become an art. Photographs can have aesthetic subtlety and power that matches or surpasses any of the other fine arts.

Beyond its undeniable value as personal keepsake or artistic expression, photography has a commanding role in shaping our society. Science, medicine, industry, space exploration and communication are directly affected and sometimes even guided by image makers.

We are beginning to realize the strength that lies in the photographer's mind: power greater than a king's, reaching beyond a man's own death day into the tomorrow of the world. Its core is the truth in man and in his relationship to the world he knows and to the universe beyond. At its deepest level, photography is concerned with the harmony, the measure, the rhythm out of which all things were created and by which they must be governed.

This great art of photography must be used properly. It should never be profaned. The great Lord gave us light and gave us intelligence. We must use these with wisdom, grace, discernment and respect.

As many of you know, this monument to Daguerre first was dedicated by our association almost 100 years ago. At that time, we placed an inscription on the base that compared the importance of photography to the inventions of the telegraph and steam engine.

Those words are even more appropriate today as photography continues to improve our lives and expand our minds. This year of 1989 marks the sesquicentennial of Daguerre's monumental invention. The Professional Photographers of America/An International Association is proud to take part, once again, in honoring this great man.

NEW "ONE-WORLDERS" ARE CONSERVATIVES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. TRAXLER. Mr. Speaker, the Wall Street Journal recently printed a particularly insightful article regarding today's meaning of the term "one-worlder."

As the article points out, the wealthy conservatives of yesterdays who used the phrase one-worlder as an insult, now fondly embrace the term because, once modified, it serves their economic and political self interest.

I call upon my colleagues to consider the points raised in the following article written by Mr. Walter S. Mosseberg.

THE OUTLOOK—NEW "ONE-WORLDERS" ARE CONSERVATIVES

WASHINGTON.—The "one-worlders" are back.

Once upon a time, it was fashionable to label as "one-worlders" radical socialists who believed that national governments were an anachronism and that the peoples of the world would one day unite under a single workers' state. Those folks aren't very numerous anymore. Even in the Soviet Union, the concept is in disrepute.

But some new "One-worlders" have emerged—conservatives, this time.

They are the economists and academics who believe that in a global economy, with goods and especially capital surging across political borders, the economic fortunes of individual countries aren't important anymore. The U.S. trade deficit and other statistics, they argue, are only artificial figures in what has become a multinational corporate economy in which political distinctions matter little. It's all one big market, they contend, so why worry about it?

These experts see the world economy almost solely in financial terms and dispute the idea that relative economic flows can have real long-term effects on national security or geopolitical power. When it comes to whether the U.S. remains a world leader if its junior allies are its senior creditors, their motto is, "Don't worry, be happy."

The U.S. trade deficits with Japan and Hong Kong don't matter any more than a deficit Kansas might run with Montana, they argue. After all, it's all one system—one world. Or, there's this variation, from a U.S. government economist: "It doesn't matter if Hong Kong fixes its currency to the dollar; they're just operating like a part of the Federal Reserve System."

But, unlike Kansas and Montana, Japan and Hong Kong aren't part of our political union. Their citizens don't pay taxes to support American schools and public health, and their sons and daughters don't enlist in the U.S. military. They are economic partners and strategic allies, but they are not—nor do they wish to be—part of the American nation. And so, they do have economic interests and characteristics distinct from our own.

Just last month, a top Japanese thinker and management consultant, Kenichi Ohmae, startled a Washington audience by insisting that multinational corporations, not countries, matter. He dismissed the U.S. trade deficit as a fiction, saying that so long as U.S. multinationals were content to make products in Japan, the U.S. shouldn't care if fewer American goods are exported.

"National borders are disappearing," he said. "Money is transmitted electronically." He tried to define away one commodity that isn't easily transmitted across borders: labor. The potential loss of U.S. jobs, he asserted, isn't a worry because many of the jobless are minority youths, and "most of these guys don't vote."

Even Herbert Stein, a distinguished economist and strong advocate of U.S. military strength, has gotten into the act: "I had a trade deficit in 1986 because I took a vacation in France. I didn't worry about it. I enjoyed it." He adds: "Knowledge and capital move around the world with increasing ease. . . . We will have to get used to living in a world in which we are no longer No. 1 in that sense—or at least not No. 1 by much. . . . There must be something more serious to worry about."

But there is something to worry about. The more the U.S. depends on foreign capital, the more it becomes subtly dependent on other governments to keep that capital flowing. And, for the political and military leader of the non-Communist world, that means trouble. It doesn't spell certain doom or drastic decline, but it is more than a matter of financial record-keeping.

"Whether America can protect its security interests around the world . . . and remains a great power will depend in large measure on whether it can maintain prosperity at home and resolve global economic problems," says Robert Hormats, former assistant secretary of state and now a top official of Goldman Sachs.

C. Fred Bergsten, a former assistant Treasury secretary who heads the Institute for International Economics, says the trade deficit raises "unprecedented geopolitical questions. . . . Can the United States continue to lead its alliance systems as it goes increasingly into debt to the countries that are supposed to be its followers?"

Some of the "one-world" punditry can be seen as a reaction to the protectionist arguments of the other extreme—that the emerging global economy should be frustrated with trade barriers and capital controls to protect illusory national political interests. The U.S. will get weaker, not stronger, if it tries to resist economic globalization.

But the idea that the genuine and legitimate political interests among nations can be wished away with visions of an all-encompassing, mutually beneficial world economy sounds just as dreamy. The truth surely

must lie somewhere between naked nationalism and naive one-worldism.

INTRODUCTION OF THE RECYCLING ACT

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mrs. COLLINS. Mr. Speaker, today I am introducing the Recycling Act, a bill aimed at delivering us from the dark ages of the waste crisis into the hands of an effective, well-conceived waste management policy. As we enter the 1990's, we must offer contemporary responses to contemporary problems, and face the reality of where we are and in what direction we must go to avert a national catastrophe.

No longer just an environmental issue, although its impact in an environmental context cannot be understated, recycling offers benefits across the board.

First, it offers American businesses a large and reliable source of raw materials which can be used in the production of finished products as well as packaging. Recovered goods are easily reprocessed into useful materials without sacrificing quality standards. As the Office of Technology Assessment has indicated, glass, as well as metals such as aluminum, can be reprocessed innumerable times without losing their properties; wood and paper fibers, which do lose some strength with each recycling, are nevertheless able to be reutilized several times without sacrificing quality. Even plastics can now be remanufactured rather easily, in some cases into new versions of the same products or into different products altogether. Furthermore, reusing materials that would otherwise become waste can also provide tremendous energy savings. For example, manufacturing soda cans from recycled aluminum requires 95 percent less energy than making the same can from virgin ore. And reducing energy needs reduces business expenses for complying with environmental emissions regulations associated with acid rain and the "greenhouse effect" of global warming.

Second, since recycling is still relatively new and ostensibly the waive of the future, it can give the United States a badly needed competitive advantage in the world market. Japan and certain European countries have already jumped to an early lead in this area. But, there still remains much fertile ground in the development of technologies for the reprocessing of recovered materials, and even greater untapped possibilities in the development of their uses. As the United States searches for means to increase its international competitiveness, we must not overlook the obvious: using this voluminous and often inexpensive resource.

Third, it makes great economic sense for local governments. Landfilling, in addition to its many other drawbacks, carries steep monetary costs, as the costs of land, transportation, and environmental compliance continue to rise. Disposal fees at many landfills have doubled and even tripled within the last 2 years. With recycling, not only are these costs avoided, but revenue is created too, as local governments are able to receive proceeds from the sale of recovered materials.

Fourth, and most importantly, we must avert the impending disaster posed by America's annual 160 million tons of "trash." Presently, about 83 percent of our Nation's waste is stuffed into landfills. The EPA has estimated, however, that about half of our 6,000 landfills will be full within 5 years, following the trend of the 3,500 which have closed since 1979. Recycling can preserve landfill space; every ton of paper that is manufactured with recovered materials saves 3 cubic yards of landfill capacity. In Chicago, for example, estimates are that landfills—which bury large amounts of Indiana's trash, too—will be filled before 1991, and soon thereafter for Illinois as a whole. Similar examples can be found all across the Nation.

Thus, any effective national waste management solution must, as one of its fundamental aspects, feature a strong recycling policy. Source reduction is, of course, another essential element toward reducing the quantity of waste; waste-to-energy plants are still necessary for the incineration of waste which is unable to be recycled. But widespread recycling—with participation from offices, factories, residences, and other generators of waste—is critical if America is to salvage its future.

My bill addresses both the supply of, and the demand for, recovered materials, giving special attention to market development and helping local governments toward success in managing their waste. Many of the measures are based on State and local initiatives which have already proven successful.

The bill would: First, institute a preference for recycled paper in Federal Government procurement; second, institute a similar preference in Federal construction contracts; third, establish a Federal office wastepaper recovery program; fourth, require States and municipalities to institute effective programs before receiving Federal assistance and require that waste management plans address certain particularly problematic products; fifth, offer loans, loan guarantees, technical assistance, and educational grants; sixth, require that paper products other than writing and printing paper contain the minimum percentage of recovered materials specified by the EPA; seventh, direct governmental involvement in the development of domestic and international markets for recovered materials and products made therefrom; eighth, require that the various types of plastics be coded to facilitate recycling, and prohibit plastics which utilize chlorofluorocarbons; and ninth, direct the inspector general of the EPA to report annually on these efforts.

Mr. Speaker, we must dispose of the barriers which have prevented effective utilization and reprocessing of our resources. Recycling will never account for all of our municipal solid waste. But modern techniques and demands are ready, willing, and able to handle a very significant percentage. It is now time for the Federal Government to convincingly encourage such activities, and help our towns, cities, and States avoid the crisis of having nowhere to put our trash.

LATIN AMERICAN DEBT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 12, 1989 into the CONGRESSIONAL RECORD:

LATIN AMERICAN DEBT

Consensus is emerging in Washington and internationally on a new strategy to deal with debt and promote economic growth in Latin America. Since the debt crisis broke, the debt of Brazil, Mexico, Argentina, and other Latin American nations has increased to $420 billion—60% of their total annual output. Latin America remains trapped by debt, stagnation, and instability. Lack of growth prolongs the crisis, damaging both debtors and creditors.

The debt crisis erupted in 1982. After a decade of borrowing and rapid economic growth, recession hit, interest rates soared, and debtors ran out of dollars to pay interest on their massive debt. Since then, debtors have paid interest most of the time by spending less on consumption, investment, and imports, while rescheduling payment of principal. But transfers of over $140 billion to industrial countries have prevented growth in Latin America.

It is in the U.S. interest to tackle the twin problems of debt and growth for several reasons. First, our farmers and manufacturers have lost jobs and markets because debtors must cut imports and boost exports to earn more dollars. The loss of $18 billion in U.S. exports to developing countries between 1980 and 1983 cost thousands of U.S. jobs and worsened our trade deficit. Latin American export drives, for example, in wheat and soybeans, have eroded our markets elsewhere.

Second, democracy is at risk in Latin America. Democratic governments cannot squeeze their economies indefinitely to pay creditors. Support for opposition parties that "talk tough" on the debt rose dramatically in elections in Mexico, Brazil, and Ecuador last year. Military coup attempts in Argentina and recent Venezuelan riots in which over 300 died, illustrate the political instability that economic austerity creates. In such fragile democracies economic discipline, democracy, or both, are at risk.

Third, by fueling nationalism and resentment towards the U.S., the debt burden undermines our diplomatic relations. We are portrayed as intransigent creditors, insensitive to crises elsewhere. Increasingly militant governments may be elected, just when the U.S. is seeking greater cooperation on immigration, narcotics control, and environmental protection.

Finally, the human cost of the crisis is unacceptable. As incomes, jobs, social services, and essential imports have been cut, poverty, malnutrition, and infant mortality have risen. Each year, poverty and its related problems cause the deaths of one million children under the age of five in Latin America.

So what should we do? The key is to revitalize the economies of Latin America. Yet that requires new funds for investment. In Mexico, for example, investment per worker is at half its 1980 level, but with wages and government spending also halved, oil revenues falling, and a third of export earnings

used for debt payments, there are few domestic resources for investment. The Baker Plan, proposed in 1985 by then Treasury Secretary James Baker, aimed to boost investment and growth through large new loans to countries undertaking appropriate economic reforms. But commercial banks remained reluctant lenders, and the new funds never came.

Consensus is now emerging to release funds for investment by reducing debt payments. Writing down the debt and accepting that the full amount can never be repaid is not as drastic and imprudent as it may sound: banks are already selling off Latin American debts at discounts—around 50 cents a dollar of Mexican debt and up to 95 cents on Bolivian debt—based on their own estimates of eventual repayment. Discounted debts are repurchased by debtors, or sold to investors who swap them for local currency. But these deals affect only a fraction of the total debt.

To promote more comprehensive debt reduction, Treasury Secretary Nicholas Brady recently proposed that the International Monetary Fund (IMF) and World Bank guarantee payments on loans which are reduced. This would encourage banks to swap existing risky loans for bonds of lower value because reduced loans would be more secure. Debtors would gain from lower payments. The 151 member countries of the IMF and World Bank have agreed to back the plan in principle. If negotiators with individual banks and countries get underway, countries such as Mexico and Venezuela that have made necessary economic changes could see benefits this summer. Over the next few years, total Latin American debt could shrink by up to 20% according to Treasury estimates.

This plan comes at the right time: a new strategy is evidently necessary; banks have built up reserves to cover write-downs; debt reduction has already begun but lacks coordination; and Japan is offering to supplement IMF funds for debt guarantees.

However, the plan's implications remain vague and the high expectations it has created may not be met. Debt reduction alone will not spur growth. Even a 30% cut would leave Latin America as indebted as in 1982, and still in need of foreign loans for investment. This means international institutions must step up new lending as well as guarantee reduced loans held by commercial banks. Commercial banks must be sufficiently confident of renewed growth that they will provide new loans even while writing down old ones.

Debt reduction will only boost growth if Latin American governments intensify, not abandon, market-oriented reform efforts. Even though this can mean hard choices, such as cutting subsidies or privatizing industry, it is the only way to restore the confidence of their voters, of foreign bankers, and of wealthy Latin Americans who are keeping billions of dollars in safe havens abroad rather than investing at home.

There are no easy solutions to the debt crisis. Complex debt reduction negotiations between banks and debtors will take time. While encouraging the process, international institutions must avoid excessive use of public funds. But the economic, political, and human costs of the current debt situation are unacceptable. With nine Latin American elections in the next year, this is the time for action.

COMMUNITY DEVELOPMENT BLOCK PROGRAM

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. FRANK. Mr. Speaker, the Community Development Block Grant Program gives the Federal Government as good of a turn on its dollars as any other that we have. It is a program that people don't read or hear about much, because good news doesn't get a great deal of publicity. And the Community Development Block Grant Program has been remarkably free of scandal. But it would be a mistake only to flatter it only in such negative terms. Cities all across the country have used Community Development Block Grant funds in constructive ways to improve the quality of lives for their citizens. In my own congressional district, in the entitlement cities of Fall River, Newton, and the town of Brookline, Community Development Block Grant funds are very well used. I congratulate the mayors of Fall River and Attleboro and the selectmen of Brookline for the excellent way in which they use these funds.

A reminder of the good work which this CDBG Program does came to me last week in a letter from Mayor Carlton Viveiros, who has used CDBG funds in Fall River in an exemplary fashion for the benefit of the citizens of that city. Writing to me on behalf of the five mayors of the cities in southeastern Massachusetts, he expressed his own strong support for CDBG and forwarded to me a resolution from the Southeast Massachusetts Partnership, which embodies these five cities and some supporting institutions, to express their strong support for CDBG. I insert the letter for the RECORD.

JOINT PROCLAMATION: NATIONAL COMMUNITY DEVELOPMENT

Whereas: The Community Development Block Grant Program has operated since 1974 to provide local government with resources required to meet the needs of persons of low and moderate income; and,

Whereas: Community Development Block Grant Funds are used by neighborhood-based nonprofit organizations in the cities of Attleboro, Brockton, Fall River, New Bedford, and Taunton and throughout the Nation to address pressing neighborhood and human services needs; and,

Whereas: The Community Development Block Grant Program is one of the few remaining federal programs to address a variety of needs in the homes, in the families, and throughout the neighborhoods of the Nation; and,

Whereas: The Community Development Block Grant Program has provided the cities of Attleboro, Brockton, Fall River, New Bedford, and Taunton with important and flexible assistance to help meet the needs of our low and moderate income residents in funding neighborhood revitalization, housing rehabilitation, public improvements, economic development and social service programs; and

Whereas: The importance of the Community Development Block Grant Program is reflected through the positive contributions and significant impact on the organizations and projects which rely on its funds for support; and,

Whereas: The week of March 24-31, 1989 has been reserved for recognition and appreciation of the Community Development Block Grant Program;

Now, therefore, be it resolved that we, the Mayors of the Southeastern Massachusetts Partnership, Proclaim National Community Development Week and call upon all citizens of the cities of Attleboro, Brockton, Fall River, New Bedford, and Taunton to participate in ceremonies and activities celebrating the Community Development Block Grant Program.

THE OLDER AMERICAN CHILD CARE EMPLOYMENT AMENDMENTS OF 1989

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. GUARINI. Mr. Speaker, today I join with the gentlewoman of Colorado, Mrs. SCHROEDER and 37 of my distinguished colleagues, in reintroducing the Older American Child Care Employment Amendments of 1989. This legislation addresses two pressing issues we face in our country today: The need for quality day care and the need for many senior citizens to find gainful employment.

Changes in the economy, family structure, and career goals of women have resulted in a sharp increase in the number of mothers of small children entering the work force. In 1971, the employment of women with children under 6 years old equaled 27 percent. By 1980, the number had increased to 40 percent and by 1990 it is expected that approximately 75 percent of women with preschool age children will have entered the work force. The need for affordable, quality day care far exceeds the availability of services. This problem will only worsen. We must take steps now to meet these growing demands.

We have an untapped labor pool with the ability to alleviate the chronic shortage of child care providers. Current projections suggest that those over the age of 65 will increase from 11.7 percent to 22 percent by the year 2030. People are living longer healthier lives today than in the past. They are also better educated. The abilities of, and the contributions to society that the elderly population can provide must be recognized and utilized.

Unfortunately, the elderly are often relegated to having no role at all in our society. This problem is heightened by the income reductions people face after retirement. Meaningful employment opportunities are often limited for the elderly. As living costs rise, retirement jobs are becoming increasingly attractive and we are witnessing a growing number of elderly people who are seeking to reenter the labor force. This bill will help create additional jobs and outside income for seniors.

Children, too, will greatly benefit from this program. Both gerontologists and child development specialists believe that linking the old and the young offers benefits for both, at a time when mobility has isolated millions of children from grandparents and other older relatives. Families with grandparents living at home declined in the 20th century from 30

percent in 1900 to 4 percent in 1980. There is little contact today between children and the eldest members of society. In addition, elderly people seldom come in contact with children in their housing projects, senior centers, or nutrition sites. This only perpetuates the negative stereotype children may have of seniors, because children have few opportunities to interact with active senior citizens.

My bill does not attempt to replace the many excellent day care bills which have been introduced. It does, however, propose an original concept in the search for a workable solution to our day care dilemma. By linking these two generations in a child care setting we will advance communication between the generations, help to supplement the incomes of the elderly, and provide working families with a much needed service.

I am sure we are all aware of the difficulties families face today. I am also cognizant of the budget constraints with which we are confronted. However, through these demonstration projects, we will be able to develop a system which will assist the young, the old, and the family simultaneously. I hope you will join me in this endeavor.

TRIBUTE TO JANE POSTERNAK

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BERMAN. Mr. Speaker, I rise today to pay tribuate to an outstanding member of the community who will be recognized by the Encino Lodge of B'nai B'rith on the special occasion of its 20th Annual David Award Dinner. Ms. Jane Posternak is the recipient of the prestigious David Award, an honor presented in acknowledgement for outstanding charitable service to the community and mankind.

Jane Posternak is a woman of tremendous talent and dedication. Her leadership has brought her great success in the business world as well as recognition for her countless hours of work for charitable organizations.

Jane Posternak is an active supporter of the Make a Wish Foundation, the Committee to Support Soviet Jewry, and the Cancer Screening Clinic of Hollywood Presbyterian Medical Center, as well as many other community and charitable organizations.

It is my pleasure and honor to ask my colleagues to join me in saluting Jane Posternak, a dedicated businesswoman and an invaluable member of the community.

OFFICE OF INVESTIGATIONS

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. SHARP. Mr. Speaker, today I am introducing a bill to establish a statutory Office of Investigations within the Nuclear Regulatory Commission. Last year, the House passed an identical bill, and the Senate passed similar legislation.

The NRC created the Office of Investigations in 1982, in response to Congressional criticism of the Commission's investigative capability. The office investigates charges of misconduct by utilities and other NRC licensees.

For 6 years, the Office of Investigations, known as OI, reported directly to the five NRC Commissioners. This provided high visibility to its investigations, and made it independent of the NRC staff. There was no possibility of conflict between OI and the NRC staff in investigations potentially involving staff.

However, in 1988 the Commission compromised OI's historical independence by placing it under the NRC staff. This action was taken in response to nonbinding conference report language in the continuing resolution for fiscal year 1988. While the NRC has told Congress that it would prefer that OI report directly to the Commissioners, it also has indicated that it will abide by the report language until Congress expresses a clear preference for the former arrangement.

This bill restores the Office of Investigations to its prior status, and in so doing will help insure the independence and credibility of its work. Investigations currently underway concerning possible harassment of OI personnel by NRC staff illustrate the practical need for this legislation. The public cannot be expected to have confidence in Commission investigations if OI is not permitted to make its recommendations to the Commission in an atmosphere untainted by the suggestion of influence by NRC staff.

I urge my colleagues to support this legislation, and welcome your cosponsorship of the bill.

ALASKA OILSPILL

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. MILLER of California. Mr. Speaker, I have just returned from Prince William Sound, AK, a spectacular marine environment now fouled by the largest oilspill in our Nation's history.

Despite the tireless and heroic cleanup efforts of fishermen, local residents and the State of Alaska, I am sad to report that the spill is out of control. Over 1,000 miles of beaches, the equivalent of California's coast, have been soiled by toxic crude. One of the top fisheries in the country is ruined. People's lives are in shambles.

Mr. Speaker, this is no simple accident. It is not just the story of the drunken sailor. Instead, this disaster is the product of a systematic dismantling of environmental safeguards associated with the Trans-Alaska pipeline system. The industry has reneged on its assurances to this Congress and the people of Alaska.

As chairman of the House Subcommittee on Water, Power and Offshore Energy Resources, which has jurisdiction over Alaska oil and gas issues, I have concluded that it would be irresponsible to proceed to open the Arctic National Wildlife Refuge to development under the current, discredited system.

Today, I have received authority from the Interior Committee to issue subpoenas in the course of a complete subcommittee investigation of the *Exxon Valdez* spill and its implications for a safe and environmentally sound distribution system for Alaska oil.

No subpoenas have been issued by the Interior Committee in my 15 years as a member. However, this is an environmental disaster of the highest order. Our committee has an obligation to provide both the Congress and the public with a full accounting of the reasons why this tragedy occurred, who is responsible, and how to prevent a repetition of this tragedy.

JOSEPH E. TRODELLA: AN OUTSTANDING CITIZEN

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. MARKEY. Mr. Speaker, I rise today to honor an outstanding citizen, Joseph E. Trodella of Lexington, MA, for his substantial work within the community.

Joe Trodella is a special person who volunteers his time so that others can enjoy life just a little more. As a prominent entrepreneur and avid pilot and sportsman, loving husband and father of two daughters, Joe knows well how enjoyable life can be for those who are fortunate. Now he dedicates much of his time to the Handi Kids Programs, thereby helping children who are physically challenged to enjoy life as well.

For over 3 years, Joe has served on the Handi Kids Board of Directors. He has sponsored the Handi Kids Summer Camp Program, which provides kids with disabilities the opportunity to swim, sail, and ride horses. Through Handi Kids programs, these children are given the opportunity to share fully in the learning, love, and fun of life.

In addition to his meaningful work with Handi Kids, Joe is an active member of the New England Home for Little Wanderers, St. Bridget's Parish in Lexington, MA, and St. Matthew's Parish in neighboring New Hampshire.

Mr. Speaker, the work of Joe Trodella deserves commendation in this Chamber. His work should motivate and inspire other citizens of this country to volunteer their time for the betterment of the lives of other, less fortunate American youths.

FLORIO PAYS TRIBUTE TO NEW JERSEY UNION LEADER SAM KINSORA

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. FLORIO. Mr. Speaker, on Saturday, April 29, 1989, the president of United Food & Commercial Workers Local 1262, Mr. Samuel F. Kinsora, will be honored by his friends, family, and colleagues upon the occasion of

his retirement. It is my pleasure to join in this tribute to a man who has devoted more than 40 years of dynamic leadership to the American labor movement.

Since 1967, Sam has been the president of New Jersey's largest local with a membership of 29,000 people. Under his guidance, the local has grown to meet the new and diverse challenges facing its members by maintaining and improving the health and welfare, pension, and educational benefits. It is through the steady, thoughtful stewardship of Sam Kinsora that local 1262 has continually responded to the needs of its members and succeeded in forging a respected presence in the entire State of New Jersey.

A graduate of the University of Michigan, with a degree in labor economics, and the Detroit College of Law, Sam was uniquely qualified to assume a leadership role within the union. Over the years, he acquired a broad experience in labor-management relations and, coupled with his outstanding educational background, has performed an invaluable service for the membership and their families. In fact, knowing of the importance of a quality education, Sam was instrumental in the founding of the Scholarship Awards Program which has assisted in furthering the education of more than 400 individuals.

Mr. Speaker, Sam's dedication to the American work force was especially evident over the past 8 years as we have observed a systematic effort to weaken the voice of our Nation's working men and women. During this time, Sam and I have worked together to combat these hostile efforts and maintain the vitality of organized labor. It is indeed apparent that through the tireless efforts of Sam Kinsora, the United Food & Commercial Workers has excelled and will continue to do so in the years to come.

Accordingly, throughout my tenure as a Member of Congress, I have taken great pride in a successful working relationship with New Jersey's labor unions and, particularly, with the men and women of local 1262. As I continue in public service, I look forward to utilizing the advantage of having known Sam and will undoubtedly benefit from that friendship.

As I applaud Sam, I also applaud the support that his family, including his wife, Kathy, and their children, Michael and Peggy, have given him throughout the years. I respectfully request that my colleagues join with me in saluting Sam and wishing him much success and happiness in the years to come.

TRIBUTE TO ED JONES

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. TANNER. Mr. Speaker, it is truly an honor for me to rise today to pay tribute to my predecessor Ed Jones, who has many friends still serving in this body. Mr. Ed's retirement in 1988 provided me the opportunity to pursue the unselfish example and high standards of public service that he set.

Today is a rather unique day for Mr. Ed. This evening, he is being inducted into the Cooperative Hall of Fame with a special dinner and ceremony honoring his many contributions to the cooperative movement in this country. There is no question that his untiring work on behalf of cooperatives in his 20 years in the House, as well as his work prior to service in the Congress, is deserving of this honor.

Ed Jones is a man with rural roots so pervasive that upon his retirement, he returned to the rural community in Yorkville, TN, where he was raised and that he always called home. As always, he continues to voice his ever present concerns for rural communities. He is still serving them as Tennessee's Commissioner on the Mississippi Delta Economic Development Commission. The point is that Ed Jones has always supported cooperatives because he recognized the enormous economic benefit they have on rural Americans.

This will be Mr. Ed's first trip back to Washington since his retirement. I can't think of a better reason for him to come back, and I congratulate him for this special recognition of the many years of work he devoted to cooperatives.

I look forward to visiting with him while he is here, and I am sure he will try to see as many of his former colleagues as he can during his brief visit to Washington.

THE 23D ANNIVERSARY OF THE CAROLINA PEACEMAKER

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. COBLE. Mr. Speaker, the Sixth District in North Carolina is known as the birthplace of former First Lady Dolley Madison; former Speaker of the House Joseph Gurney ("Uncle Joe") Cannon; broadcast journalist Edward R. Murrow, the founder of the underground railroad; Quaker activist, Levi Coffin; and short story writer, O. Henry. It is also known as the home to great schools where people such as the late *Challenger* astronaut, Ron McNair; former White House adviser, Robert J. Brown; the late jazz saxophonist, John Coltrane; Rev. Jesse Jackson; Ambassador Jack Matlock, Brooklyn, NY; Congressman ED TOWNS; and assistant chief clerk in the House office of official reporters of debates, George Russell received some of their early and higher education.

There are hundreds of thousands of people over the years who quietly made lesser known contributions to our Nation, but who deserve our gratitude and admiration. All too seldom do we take the time to honor these men and women who make up our country's strength in community organizations, business and industry, government, and in homes, churches, and schools.

Later this month, two persons, a religious leader and a businessman, will be honored. For many years, these civic leaders have given much of themselves as community points of light as President Bush has termed America's dedicated volunteers. For their contributions to the betterment of Greensboro, NC, Rabbi Arnold Task and Dr. W.C. (Will) Parker will receive the Carolina Peacemaker Award for Humanitarian Contributions from the Carolina Peacemaker, a weekly newspaper in Greensboro.

I join the Peacemaker in saluting Will Parker and Rabbi Task, who during the past two decades, have worked hard to build the city's good record in human relations and community involvement. Since 1972, the newspaper has recognized eight other Greensboro residents, including N.C. Supreme Court Justice Henry Frye; the late Greensboro city councilman Jimmie I. Barber; former N.C. State Senator NcNeil; writer, H.A. Sieber; former N.C. A&T State University Chancellor Lewis Dowdy; attorney, Walter Johnson; Rev. Otis Hairston; and dentist, Dr. George Simkins. As a group, they have participated in hundreds of civic projects and organizational efforts, involving and benefiting hundreds of thousands of citizens. I know the kind of devotion to the community these people have demonstrated, the kind of lasting good they have accomplished, each in his own way.

The Carolina Peacemaker is beginning its 23d year of publication this week. Founded by Dr. John Marshall Kilimanjaro, its publisher and editor, the newspaper has taken some editorial stances over the years with which I have not agreed, but I respect its deep commitment to community betterment—not just for the African-American community it primarily serves, but also for the entire city, county, and district. I want to congratulate Dr. Kilimanjaro's newspaper on its anniversary, and on its selection of Rabbi Task and Will Parker as the peacemakers which they have been.

TARIFF LEGISLATION FOR OPAL BOROSILICATE GLASSWARE

HON. ALBERT G. BUSTAMANTE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BUSTAMANTE. Mr. Speaker, today I am introducing legislation which addresses an inequity which currently exists between the United States and Mexico. This bill addresses the issue of a low-cost consumer product—opal borosilicate glassware, including ovenware and dinnerware—which is no longer produced in this country in large quantities. The product, made in Mexico, is distributed nationwide by Crisa Corp. in Laredo, TX, which I have the privilege of representing. The Crisa Corp. has grown from a small distribution operation to one of the leading employers in Laredo.

I strongly urge the Committee on Ways and Means to approve this measure to provide for a separate tariff classification and a temporary duty suspension on opal borosilicate glassware imported in sets.

Opal borosilicate glassware is a special type of ovenware and kitchenware which, because of its particular manufacturing process, is able

to withstand thermal shock greater than ordinary glass, or even tempered glass. However, the price of opal borosilicate glassware to U.S. consumers is artificially inflated by a 30 percent import duty. The measure I am proposing would permanently reduce the duty to 7.2 percent and temporarily suspend the duty entirely.

Other kinds of glass and glass-ceramic ovenware and kitchenware products are made in the United States. In fact, U.S. producers' share of high quality, increasingly sophisticated products of this type, with well-established household brand names, dominate the market for these products. In a market estimated to be hundreds of millions of dollars, annual imports of opal borosilicate glassware are less than $5 million.

Because of the unique heat resistant properties, opal borosilicate glassware comprises a distinct product category—which is not made in the United States. Its unique heat resistant properties are attained through the manufacturing process itself, rather than after the manufacturing process. It is also distinct from U.S. manufacturers' products in terms of distribution channels. U.S. producers' glass and glass-ceramic products dominate the shelves of mass merchandisers, major retailers and even grocery chains. Opal borosilicate glassware is sold almost exclusively door-to-door, in order to better reach the low- to moderate-income consumer who provides the demand for the product.

While U.S. producers manufactured opal borosilicate glassware in the past, they abandoned this product in favor of newer, higher technology—and higher priced—products. The result has been a void in the low end of the market. This bill I am introducing today would allow this void to be filled, to the benefit of U.S. consumers—and without detriment to U.S. manufacturers who have stopped making this product in favor of higher priced, higher profit items.

Over the past 3 years, Mexico has taken significant steps to pen up its markets to United States products. Mexico has liberalized its trade regime by joining the GATT, eliminating many nontariff barriers which had been in place for years, and significantly reducing import tariffs. In fact, Mr. Speaker, Mexico's highest prevailing tariff rate is 20 percent ad valorem. In contrast, the United States currently imposes a 30 percent ad valorem duty on opal borosilicate glassware. This extremely high rate of duty—even by U.S. standards—continues to be imposed even though this product is no longer produced in the United States.

Last year, we entered into a historic agreement with our neighbors to the north by ratifying the United States-Canada Free-Trade Agreement. Now policymakers are looking southward for opportunities to make smaller but significant improvements in trade relations between the United States and Mexico. The legislation I offer today is such a small step, and will be materially beneficial to the Texas and Mexican border area by encouraging both employment and economic stability.

INTRODUCTION OF THE GOVERNMENT CONTRACTOR WHISTLERBLOWER PROTECTION ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mrs. SCHROEDER. Mr. Speaker, President Bush recently signed the Whistleblower Protection Act of 1989. For the first time in 10 years Government whistleblowers can feel secure about exposing costly waste, fraud, and mismanagement.

By passing the Whistleblower Protection Act, we sent a clear message to the American people: We will not tolerate waste and corruption in the Government. We must now send another message to the American people: We will not tolerate waste and corruption by Government contractors.

We constantly hear about contractors ripping off Uncle Sam. One contractor billed the Pentagon for the cost of boarding his dog, another charged $600 for a claw hammer, and still another billed the Government $600 for a toilet seat cover. The Government is presently suing a contractor to recoup $25 million they may have improperly charged to the Pentagon. Even Michael Milken would be impressed by the amount of money the Government has lost to contractors.

That is why I am introducing the Government Contractor Whistleblower Protection Act. Under the act, an employee who believes they have been discriminated against because of a disclosure can file a complaint with the Secretary of Labor. The Secretary is authorized, after an investigation, to order the contractor to take action to remedy the situation, including reinstatement or compensation.

We must continue to fight corruption and waste and provide legitimate safeguards for whistleblowers who often risk their careers for the public good.

I encourage my colleagues to join me in saving taxpayer dollars by cosponsoring the Government Contractor Whistleblower Protection Act.

CHILD CARE ASSISTANCE ACT OF 1989

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. TAUKE. Mr. Speaker, today I am introducing the Child Care Assistance Act of 1989, a comprehensive legislative response to the vital issue of child care. Joining me in the introduction of this bill are 20 Members of the House. Also today, Senator PETE DOMENICI of New Mexico is introducing the identical bill in the other body.

The Child Care Assistance Act represents the culmination of the efforts of the House Republican Research Committee's Child Care Task Force, combined with the ideas and insights of our colleagues in the Senate.

Child care is a priority issue for the American public. As we develop policy in response to this growing need, it is imperative that we empower parents to make choices, not make choices for them. Good public policy requires that we enhance the parents' role in meeting their child care needs, rather than vest child care decisionmaking authority and responsibility in the hands of Government bureaucrats.

In particular, child care choices for parents should be maximized by our policy, not limited to Government-selected programs. Moreover, Federal policies should not discriminate against families which choose to forgo income in order to have one parent remain home to raise their own children.

Further, Government child care assistance should be targeted to those families with the greatest needs—those with young children and the lowest incomes.

These principles are the same as those set forth by President Bush. This approach to child care differs markedly from other proposals that emphasize assistance to child care providers, rather than to parents, and that require Government approval of a provider prior to assistance being granted to the family.

The Child Care Assistance Act provides a new, refundable tax credit to low- and modest-income families with preschool-age children. The credit is available to families regardless of the child care choices they make, whether they prefer parental care, religiously affiliated care, care by friends or relatives, or center-based care.

In addition, the bill facilitates the expansion of child care and helps keep child care affordable by providing a tax credit to employers who establish child care assistance plans, by authorizing funds for revolving loan funds for family day care providers and for liability risk pools for providers.

Finally, the bill expands the existing State Dependent Care Block Grants Act to provide more funds to States to improve child care services through parent education programs, training of providers, resource and referral, and a variety of other related activities. A detailed summary of the bill follows my remarks.

The Child Care Assistance Act of 1989 offers a package that responds to the growing need for child care without usurping parental authority and responsibility for the care of children. I urge your support for this important legislation.

CHILD CARE ASSISTANCE ACT OF 1989

Tax Credit for Families With Young Children:

Provides a new, refundable child care tax credit targeted to low- and moderate-income families with young children, to supplement family income as does the current Earned Income Tax Credit.

Limits the maximum credit to $1,000 for the first child under age five, and $500 each for up to two additional children under age five.

The credit is determined as 12 percent of earnings in the case of one child, 18 percent in the case of two children, and 24 percent in the case of three or more children, up to a maximum credit of $1,000, $1,500 and $2,000 respectively.

The credit phases out for families with incomes exceeding $10,000, so that in the case of one child, the credit phases-out $10,000 and $20,000; in the case of two children, between $10,000 and $25,000; and in the case

of three or more children, between $10,000 and $30,000.

Advanced payment would be available as for EITC. Families eligible for both this new credit and the current dependent care tax credit could choose either credit, but not both.

State Block Grant for Child Care Activities: Expands the Dependent Care Block Grants Act to increase the authorization to $300 million annually and add greater flexibility for uses of funds, such as resource and referral, training, parent education, school-based programs and other child care activities.

Incentives for Employer Provided Child Care: Offers employers a 10 percent tax credit for expenditures on dependent care assistance programs provided to employees.

Eliminating Liability Barriers: Authorizes $75 million to assist states in establishing liability insurance pools of which any accredited child care provider may be a member.

Revolving Loan Fund: Authorizes $25 million to assist states in establishing revolving loan funds from which family-based providers may borrow to make capital improvements required to meet accreditation or licensing standards.

SALUTING CARECEN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BERMAN. Mr. Speaker, I rise today to recognize Carecen, the Central American Refugee Center, which for the past 5 years has been at the forefront of the movement to provide a safe haven for Central American refugees.

This organization has a longstanding commitment to human rights. Since opening its doors in 1983, the center has grown from a volunteer organization to a full service community center for Central American refugees who have come to the United States fleeing violence and oppression in their homelands. Carecen provides vitally needed services which include legal representation at deportation hearings, medical and housing referrals, food distribution programs, and educational classes to teach English as a second language. Approximately 1,800 refugees are currently served by Carecen each month.

I am proud to salute Carecen, whose humanitarian mission is an inspiration to all of us dedicated to a just peace in Central America.

It is my distinct honor to ask my colleagues to join with me in saluting the Central American Refugee Center—an organization dedicated to educating the North American community about regional human rights abuses and empowering all victims of poverty and oppression who enter our country.

RETHINKING OUR MILITARY FORCE STRUCTURE

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BATES. Mr. Speaker, I would like to draw the attention of my colleagues to the following article by former Navy Secretary John Lehman, which outlines an innovative strategy to promote savings and efficiency in our armed services.

According to Mr. Lehman, the Department of Defense should shift as much as a third of our full-time regular forces to the Ready Reserve. This strategy is both militarily feasible and economically essential, due to a reduced Soviet threat and the need to reduce Federal budget expenditures. Such a shift of forces from active duty to reserve status would cut defense costs by as much as $45 billion annually.

Expanding our Reserve Force in this way would require a restructuring of Reserve training and operations. Mr. Lehman argues that Reserve Forces must be better trained with the most modern equipment, and must receive higher salaries. The costs of such improvements would be easily outweighed by the savings from a streamlined active duty force.

As we in Congress contemplate funding levels for Federal programs, the proposals by Mr. Lehman offer an innovative way to reduce costs while enhancing military efficiency and effectiveness.

[From the International Herald Tribune, Mar. 27, 1989]

THE SAVING OF THE U.S. MILITARY: RESERVISTS

(By John Lehman)

NEW YORK—The new U.S. secretary of defense, Dick Cheney, has hardly settled into his seat and already the civilian and uniformed sachems of the military tribe are leaping about him with their hair on fire, urging immediate decisions. He should refuse—until he has made his most important choice.

And that choice is this: Should the United States accept a military of roughly the same proportions as today's, but drastically compromised in effectiveness by cuts in operations, maintenance, training and modernization? Or, should it create a fundamentally different military establishment that has fewer but more effective active forces and greatly expanded reserves, which could be quickly mobilized? The second alternative won't appear in the bureaucrats' options papers, but it's the only logical choice.

Two facts argue for a new approach. First, the immediate Soviet threat is much diminished. Mikhail Gorbachev's realism, Soviet economic decline, ethnic strife and the very success of the Reagan military buildup have turned the Soviets away from an unwinnable arms race. Is it tactical retreat or strategic change? We don't yet know. For the foreseeable future, however, the Soviets will invade neither the oil producers of the Gulf nor the allies of NATO.

Whatever the reality, Western perception of the Soviet threat, especially in Europe, has dissipated. That leads to the second reality, which is the certainty of deep cuts below current Pentagon plans.

If the Bush administration chooses to continue down the road of orthodoxy—the only road the bureaucracy will present as a choice—then the peacetime collapse of the U.S. military in the '70s, or even the '30s, will be repeated. In the arms industries, competition will disappear, economies of scale will be lost and unit costs will explode. Morale in the armed forces will collapse. A few big-ticket weapons will be canceled, but herds of cripples will be continued. Moreover, since land troops outnumber seamen by 4 to 1, the sea services will suffer disproportionately.

The alternative, which will horrify the 90,000 defense bureaucrats, is to shift perhaps a third of the structure from full-time regulars to the ready reserve. By my calculations, this plan would cut overall military costs by 10 to 15 percent, or $30 billion to $45 billion. The only loss of capability would be the need for additional weeks or even months to mobilize fully for all-out war.

It's not hard to see where the savings—as much as 40 percent for each unit transferred from active to reserve status—would come from. Active soldiers are paid between $1,000 and $1,500 a month; reservists, about $100.

Just as important, active personnel pile up retirement and family medical benefits that are paid out of the military budget; reserves have far lower retirement benefits, no family medical coverage and have medical coverage for themselves only during the two to three weeks a year that they're on active duty. The military also would save on the enormous expense of maintaining housing, recreational facilities, commissaries, etc., worldwide.

How might U.S. forces be restructured? There now are 18 active and 10 reserve Army divisions (five active and two reserve divisions were added after 1975 to defend the Gulf). Where could such an enormous active force possibly be needed without mobilizing the reserves? The ratio should be 10 regular and 18 reserve divisions.

The Air Force has roughly two-thirds of its wings active and one-third in reserve (with the reserves often beating the regulars in bombing and fighter competitions). It should be shifted to half and half. When could 36 wings, each with 70 fighters, possibly be needed without mobilizing the reserves?

The 600-ship Navy, currently planned for 550 active and 50 reserve ships, should instead consist of 450 active and 150 reserve ships. In the event of conflict, all of 250 frigates, destroyers and cruisers would be needed for antiair and antisubmarine warfare. But all do not need to be deployed abroad in peacetime. They can train better at home with half of their crew made up of reservists, at half the operating costs.

The Marines currently have three active divisions and one in reserve. The proper ratio is 2 and 2. The active corps today is the size of the entire Army in 1941. (Today's Army is four times as big as 1941's).

The career brass of the regular forces would undoubtedly raise fierce cries against this plan. They would do studies "proving" that it would require precipitous withdrawal from Europe, South Korea and the Gulf. They would say that the United States doesn't fill existing reserve billets today and could not draw recruits to fill expanded needs.

In fact, they would be right—if the reserves were to continue to be operated as they are today. Instead, the United States should adopt the European style. Drop the

wasted weekends reading comics in armories. Train reserves for several weeks a year on the most modern equipment at the best training ranges. About half of the manning for these new, ready reserves should be regular, active-duty personnel. Many Soviet units are maintained in such a cadre status, but the Pentagon counts those as active. If that pleases the U.S. bureaucracy, the United States could do the same.

To fill the expanded reserves, reservists must be paid more, especially at the lower ranks. Even if current pay is doubled, the average cost of a reserve soldier would still be about one-eighth that of a regular. Since the costs of active manpower now eat up about half of the military budget, the cuts that are almost certainly coming could easily be absorbed without reducing forces or falling behind in military technology—if this path is chosen. The United States would not have to withdraw forces from Europe or South Korea, and the Navy could still keep its battle groups forward.

The tradition of the United States is the citizen soldier and sailor, not the large, professional standing force. American privateers captured nearly 100 times more British ships in the War of Independence than the Continental Navy, and the ratio of reservists to regulars in World War II was about 70 to 1. A virtue should be made of budget necessity and global relaxation, and the military shifted back toward that tradition.

IMPROVING OPERATIONS FOR THE 1990 CENSUS

HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. SAWYER. Mr. Speaker, today I am introducing legislation which will improve the ability of the Census Bureau to conduct an accurate and cost-efficient census in 1990. I am honored to be joined in this effort by Congressman TOM RIDGE, ranking minority member of the Subcommittee on Census and Population, which I chair, and by Congressman ROD CHANDLER, also a subcommittee member.

In less than 1 year, our Nation will conduct its 21st decennial census. This enormous and complex undertaking will require a temporary work force of 480,000 employees, with over 300,000 actually working during peak operations. As with previous censuses, one of the greatest challenges for the Census Bureau will be the recruitment and retention of qualified, temporary employees who can get the job done in a timely and skillful manner.

A large portion of the temporary work force needed for the census will serve as enumerators. Most enumerators will be assigned to visit housing units from which a census questionnaire has not been returned by mail. This followup work is critical because it is estimated that approximately 25 percent of the 106 million households nationwide will not mail back their census forms, thus requiring a personal visit from an enumerator to collect the information.

The work of a census enumerator is far from easy. Often, more than one visit to a housing unit is necessary before the enumerator finds someone at home who can provide the required information. The residents may not be receptive to the enumerator and may be unwilling to answer some or all of the questions. Some enumerators may be assigned to unfamiliar neighborhoods or to high crime areas.

Most census enumerator positions are of short duration, lasting from only a few weeks to a few months. As temporary Federal employees, these workers will not receive any benefits—such as health insurance—or accrue any leave time. According to current Census Bureau plans, enumerators will be paid $5.50 per hour; in urban areas, they will receive $6 per hour. Crew leaders and supervisors will earn slightly more.

The relatively low rates of pay, combined with often demanding working conditions, make it difficult for the Census Bureau to retain a sufficient number of qualified enumerators to carry out the necessary fieldwork. Problems with attracting a quality work force for the census are not new. In 1980, the Bureau was unable to fill 30 percent of its enumerator positions during peak operations.

In the March 1988 dress rehearsal for the 1990 census, the Bureau experienced a turnover rate in St. Louis, MO, of 83 percent. During prelist activities in suburban and rural areas, the turnover rate was 60 percent, twice as high as the Bureau had anticipated. Enumerator pay had to be increased in six east coast areas from $5.50 to $8 per hour in order to complete the prelist operations.

The Census Bureau estimates that it will experience a turnover rate of 100 percent in New York City and other large urban areas. Overall, the Bureau will need to recruit at least 1.6 million applicants in order to ensure sufficient staffing levels to complete the census.

Mr. Speaker, the decennial census is a field-oriented, grassroots operation, involving personal contact by Government employees with millions of Americans across the country. The accuracy and quality of census data will depend, to a great extent, upon the ability of the Census Bureau to retain a qualified workforce to carry out field activities after the census forms have been mailed. The predicted staff shortages may lead to increased training and recruitment costs, and contribute to delays in completing activities, thus jeopardizing the quality of the census.

Therefore, it is clearly in our best interests to ensure that the Bureau can attract applicants for temporary positions from the largest pool of qualified labor possible. I believe we can expand and retain a better pool of qualified census workers by making temporary census positions more attractive to retired Federal and postal employees and retired military officers.

There are approximately 1.58 million Federal annuitants and 457,000 retired military officers nationwide who represent a potentially valuable resource to the Census Bureau in overcoming its staffing problems. Many such retirees are likely to have free time, to understand the importance of the census, to have access to an automobile, and to know their neighbors and communities well. In addition, as former public servants, Federal and military retirees are familiar with agency procedures and regulations.

Unfortunately, provisions of title 5, United States Code, relating to reemployed annuitants, prevent many Federal and military annuitants from considering reemployment with the Federal Government. Sections 8331 and 8401 provide that reemployed Federal annuitants must forfeit an amount equal to their annuity. Section 5532 requires a reduction in the annuity of reemployed retired military officers equal to one-half of the annual retired pay after the first $2,000 received.

My legislation provides an exemption from the offset provisions of title 5 for retired Federal or military personnel who become employed in temporary positions (as defined by the Secretary of Commerce) for the purpose of carrying out the 1990 decennial census, for a period not to exceed 180 days. Thus, the exemption is focused strictly on short-term positions lasting no more than 6 months. A Federal or military retiree who is employed for a longer period would be subject to the currently applicable pay or pension offsets after the expiration of 180 days.

In recent testimony before the Subcommittee on Census and Population, the General Accounting Office endorsed legislative efforts to expand the pool of labor for the census by making temporary positions more attractive to Federal and military retirees.

The legislation I am proposing should have no impact on the Federal budget. The Census Bureau will not hire an increased number of employees as a result of this proposal, but simply will have a more qualified pool of applicants from which to hire the number of temporary workers it needs.

We cannot allow the quality of the 1990 census to be jeopardized by staff shortages and high turnover rates when several million Americans, with previous Government service, may be willing and able to help carry out the census if certain financial disincentives are removed. I urge my colleagues to support this legislation and I welcome their cosponsorship.

AMENDING THE VOCATIONAL EDUCATION ACT

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. RAHALL. Mr. Speaker, this week I am introducing two bills to amend the Carl Perkins Vocational Education Act. The Subcommittee on Elementary, Secondary, and Vocational Education, of which I am a member, is about to mark H.R. 7, reauthorizing the Act.

The first bill will impose what is known as a negotiated rulemaking process across all programs authorized in the bill, H.R. 7, to reauthorize the Perkins Vocational Education Act.

The negotiated rulemaking process was demonstrated successfully in the past year, after it was authorized under the Hawkins-Stafford School Improvement Act to require State and Federal Departments of Education to bring together, prior to issuance of either State or Federal regulations to implement the act, concerned State and local school officials, as well as parents, to provide input into the regulations required for implementation.

After consultation with State, local, and regional representatives of the education community, regulations governing the conduct of Federal educational assistance programs are issued. The involvement in the regulatory process of those intimately involved in delivering Federal educational assistance results in less paperwork and fewer legal and financial burdens once Federal auditors begin to track the expenditure of Federal funds under the law. Those who have the responsibility for the day to day conduct of these federally funded educational programs feel more comfortable in the knowledge that they are in compliance with the law, because they were involved in the development of the compliance criteria contained in the Federal and State regulations.

The second bill I am introducing today, Mr. Speaker, for myself and my good friend and colleague, Representative CARL C. PERKINS of Kentucky, is a bill amending the Consumer and Homemaking Education Program contained in the current Perkins Vocational Education Act.

Mr. Speaker, I am deeply committed to protecting and preserving the integrity of the Consumer and Homemaking Education Act. I strongly believe it retains the same great value placed on it many years ago when it was first made a part of the Federal commitment to the quality of family life in America. What we are doing in the current reauthorization process is to continue to nourish a long-held Federal concern and commitment to consumer-homemaking.

Regrettably, Mr. Speaker, too many people denigrate consumer-homemaking education courses today. To those who believe that it has outlived its usefulness, and that it no longer is fitting to keep authorizing it as part of the Vocational Education Act because it has no so-called technological application, let me ask how many of them care if Judy and Jim learn to read from cookbooks, as long as they learn how to read? Teaching literacy skills is but one of the major achievements of consumer and homemaking courses in our schools.

The amendments I propose to the act are conforming amendments to codify in law the new mission and responsibilities consumer-homemaking has acquired and responded to since its last reauthorization in 1984. Those new responsibilities are: Dealing with teenage pregnancies, potential dropouts, early childhood development, child abuse—and its prevention and treatment—family violence, improving the health and well-being of children and adults through sound nutrition education and practices, providing support services for the aged and the handicapped and, finally working with homeless families and tending to the human as well as the educational needs of their school-age children.

My amendments acknowledge that in consumer-homemaking both teachers and administrators are doing far more within schools and communities than the statute has previously required of them. Consumer and homemaking education enables teachers to reach out to, and to recruit and retain in school, such at-risk groups as teen mothers and homeless children, and to provide other support services they may need—including transportation, child care, referral to family intervention services when violence is found in the home, normal home visits, and if indicated, referral of student and families to other assistance programs.

Consumer and homemaking education, in 1984, was reauthorized as a separate program, at which time it became entirely dependent upon the appropriations process for its funding. That was a voluntary and courageous decision made by the consumer and homemaking education community, and they took such action in order not to have their funding come off the top of State basic grants for vocational education, thus diluting the availability of adequate financial assistance for other programs.

Yet they have remained stable with regard to funding since 1984. H.R. 7, sets the fiscal year 1990 spending authority at $40 million.

These few remarks, Mr. Speaker, merely scratch the surface of the history of ways in which the Consumer and homemaking education programs literally build into our young women and men the life skills they need for long term human development, and it assuredly prepares them for successful careers as well-both inside and outside of the home.

Consumer and homemaking education programs have been a part of the Vocational Education Act for many years, and is considered to be an integral part of the act. It provides the kinds of family-oriented education opportunities that, I know, many parents in my State and district welcome for their daughters as well as their sons—whether they are college-bound or work-bound after high school graduation. And I might add, males make up nearly 40 percent of consumer and homemaking education classes.

The students served by consumer and homemaking education courses are important strong threads in the tapestry of life, for they are the parents of future generations.

In reauthorizing the Consumer and Homemaking Education Act, we are showing that we care enough to teach the young about their duty to themselves as young adults and as human beings, and to instill in them the duty also to make meaningful contributions to their familes, communities, and to society as a whole.

THE RETIREMENT OF GERALD J. GRADY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to Mr. Gerald J. Grady, who, after 30 years of service at the University of Massachusetts, is retiring from his position as the coordinator of community relations. I am proud to say that Gerry Grady has exemplified the ideals of commitment and dedication throughout his 30 years at the university.

Before his post as coordinator of community relations, Gerry was assistant director of the UMass Bureau of Government Research and spent 10 years as the UMass business manager. Gerry is a humble man. In his own words he says, "my accomplishments are not great, like establishing a new academic department or getting a breakthrough in polymers, but I feel I did a reasonably good job in a number of different things." These words, Mr. Speaker, come from a man who since 1978 has organized and chaperoned the UMass lobbying group, Students Advocating Financial Aid.

It was Gerry Grady, Mr. Speaker, who helped students mobilize when the administration proposed budget cuts that would have decimated student financial aid. These mobilization efforts included visits to Capitol Hill every year during the budget season to lobby Members of congress from all States, not just Massachusetts. Gerry's colleague, James Langley, aptly summed up Gerry's work with SAFA: "He just doesn't bring them down there to Washington, he gets them revved up and then unleashes them on the Capitol."

I have always supported SAFA and admired Gery Grady for the tremendous amount of work it took to coordinate each trip to Capitol Hill. It seems that Gerry thrives on hard work and pioneering projects in all areas. An avid music lover, Gerry started an Oompah Band which plays at university events and also is coleader of the Amherst Community Band which he founded in the early 1980's.

His involvement at the university doesn't end on campus. Gerry has been an Amherst Town meeting member since 1970 and is on the board of directors of the Amherst Chamber of Commerce. He is also a member of the Amherst Rotary Club and the Town Democratic Committee.

Mr. Speaker, I salute Gerry Grady, a man who has contributed so much to the University of Massachusetts and his community. His accomplishments which were spurred by his love and dedication, not only for education for humanity are limitless. His absence will be a great loss to all who have benefited from his hard work and kind efforts. I wish him a long and happy retirement with his wife, four children, and eight grandchildren. A retirement which is well deserved.

DECLARATION OF HUMAN RIGHTS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. HOYER. Mr. Speaker, article 19 of the Universal Declaration of Human Rights holds that "everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive, and impart information and ideas through any media regardless of frontiers." This historic human rights text was adopted by the General Assembly of the United Nations on December 10, 1948, and ultimately served as inspiration for the Helsinki Final Act.

On April 18 the 35 participating States of the Conference on Security and Cooperation in Europe will gather at the London Information Forum to discuss the free flow of information and ideas within and between states. The

information forum as mandated by the recently concluded Vienna follow-up meeting is about human rights: It is about freedom of expression, belief, and association; the right of national minorities to disseminate, have access to, and exchange information in their mother tongue; the right of all individuals to freely choose their sources of information; unimpeded postal and telephone communication; the right of individual believers and communities of believers to acquire, possess, and use sacred books and religious publications in the language of their choice; the right of religious faiths, institutions, and organizations to produce, import, and disseminate religious publications and materials; the right of citizens to contribute actively, individually or in association with others, to the promotion and protection of human rights and fundamental freedoms; and the right of journalists not to be expelled or penalized based on the content of their reporting. The forum which will be attended by experts in the field of information will also focus on encouraging cooperation in the information field and on practical problems faced by journalists.

Freedom of expression, belief, and association is undergirded by the free flow of information and ideas. Access to and the right to impart diverse ideas are central to a functioning democracy. Yet, that ardently sought freedom has been blatantly and at times brutally denied in varying degrees and in many forms by a number of CSCE participating states.

The policy of glasnost in the Soviet Union is a striking recognition of the central role that information plays in achieving social, economic, and political progress. Yet despite encouraging signs, dissent is not tolerated in a number of CSCE states. Czechoslovak writer Vaclav Havel has complained about police confiscation of books and other printed matter and the irreparable loss that results because such materials are never returned. In an "Open Letter to the CSCE Vienna Review Meeting" dated November 28, 1987, Havel summarized the state of cultural affairs in Czechoslovakia, where many of the country's most gifted people are engaged in a struggle with the authorities for the soul of their troubled land. Havel stated, "I see this as a long-standing war of vandalism against Czech and Slovak culture. War with national cultural is, in many words, a war with the very spiritual identity of a nation. Many people may not realize that—and that is the reason why this inconspicuous war is the more dangerous." Today Havel is serving an 8 month sentence for committing an offense against public order, for attempting to mark the death 20 years ago of Jan Palach.

Jiri Wolf, a charter 77 signatory, has been imprisoned since May 1983, for writing an exposé of prison conditions in Czechoslovakia and attempting to send materials abroad through the Austrian Embassy. Moreover, he has been held in prison under conditions which independent physicians believe may threaten his very life.

In Bulgaria the human rights group, Discussion Club, whose main focus is the promotion of free, open-ended public discussion of economic, political, environmental, demographic and cultural problems facing Bulgaria, has met with repression since its November 1988 founding. Strict controls on the use of copying machines prevent the club from distributing its founding declaration and other materials.

The Government of Romania continues to prohibit the importation or printing of Bibles for Protestants or in minority languages. Three journalists with Romania Libera, Petre Mihai Bacanu, Anton Uncu and Mihai Creanga were arrested, along with typesetters and printers, in January 1989, for allegedly producing a mass-demonstration leaflet critical of the Ceausescu regime. Their whereabouts are unknown and requests for information have been rebuffed by the Romanian Government.

In the Soviet Union, many promising reforms regarding the free flow of information have been under discussion, but have yet to be institutionalized. As human rights activist Lev Timofeyev has noted, independent and unofficial publications have never had—and still do not have—legal status in the Soviet Union. Today, Soviet citizens are emboldened to speak out only by their own courage.

The Vienna Concluding Document, agreed to only 3 months ago, marks a significant step forward in terms of the commitments it sets for the 35 participating States. One of the most laudable of those commitments is contained in the section on principles. It states, in part, that the participating States will "remove, where they exist, legal and administrative impediments inconsistent with the CSCE provisions." This section makes clear that countries may not point to their own domestic law as an excuse for violating the provisions of the Final Act and subsequently adopted documents.

The London Information Forum, coming so closely on the heels of the Vienna follow-up meeting, offers all of the participating States not only the opportunity to review implementation in this critical human rights area, but also the timely task of assessing those laws, regulations and practices that are inconsistent with the commitments so fervently desired by our citizens and so freely agreed to by our governments.

MONTGOMERY COUNTY SENIOR ADULTS CONTRIBUTE THROUGH RSVP

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. COUGHLIN. Mr. Speaker, today is RSVP Day, one of the special components in the ongoing celebration of National Volunteer Week. RSVP represents Retired Senior Volunteer Program and I would like to take a moment to explain what it is and what it means, at least, to this Member and his constituents.

RSVP provides opportunities for retired persons, 60 years and older, to participate fully in their own communities through meaningful volunteer service. RSVP matches the skills of retired senior volunteers—healthy, active older adults as well as the isolated, homebound and disabled—to the diverse needs of many organizations and institutions in the community.

I am proud to say that one of the most active, productive and service-minded RSVP's serves much of my congressional district.

RSVP of Montgomery County, PA, has been in existence since 1973. In the 16 years since its inception, RSVP of Montgomery County has grown from 40 volunteers to over 1,000, working from 6 offices in the county, of which 4 are in the 13th Congressional District. In the past year, the volunteers contributed over 176,000 hours of service to 225 organizations—hospitals, nursing homes, libraries, schools, and the like.

RSVP supports my own Income Tax Preparation Assistance Program for senior citizens, and has for many years. That contribution is deeply appreciated by me, my staff and the hundreds of older constituents whose tax forms are prepared by the volunteers.

RSVP's programs are as wide ranging as the needs of the community. For frail elderly, transportation is provided for doctor visits, meals are delivered and companionship is offered. For young children who come home from school to an empty house there is the Talk to Me Program. Every school afternoon, 60 volunteers call their young telephone friends to make sure everything is okay. The program was nominated last year for the President's Volunteer Action Award. For nursing home patients, Cassette Pal is offered where tapes are exchanged between the older adults and schoolchildren on a regular basis. There is an adult literacy program for prison inmates, recovering substance addicts and others needing tutoring help. The services go on and on.

But just as important, the volunteers themselves acquire new interests, meet new friends and enjoy the satisfaction of community service.

The value of these volunteer services cannot be equated with dollars and cents, although for government or private industry to match these programs would cost plenty. No, the value of RSVP and volunteer service, in general, is measured by the spread of goodwill, the warmth of the friendships, the personal fulfillment of helping another human being.

Mr. Speaker, President Bush has indicated that one of the hallmarks of his administration will be the call to volunteer service. The President is expected to outline his initiatives in the days ahead. Well, RSVP is setting an extraordinary example and I would respectfully suggest that as the White House sets its program, it need look no further than RSVP of Montgomery County for guidance.

MINORITY INVOLVEMENT IN THE SUPERCONDUCTING SUPER COLLIDER, H.R. 1854

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. LELAND. Mr. Speaker, today Congressmen FUSTER, DELLUMS, and I are introducing legislation to enhance minority involvement in the design, construction, operation, and management of the superconducting super collider [SSC].

Traditionally, minority-owned firms have not had entree to projects of this magnitude. As a result, we are faced with a situation amounting to de facto exclusion of qualified contractors from such projects. To remedy this predicament, our proposal directs that the Secretary of Energy, to the fullest extent possible, ensure that minority-owned firms participate in the SSC.

Furthermore, if this country is to maintain its technological edge and remain competitive in an increasingly sophisticated world, we must fully utilize all our human resources. As an increasing segment of society, minorities will have to take a more active role in technologically specialized fields such as high energy physics and computer sciences. Given that the number of minorities entering technical fields is discouragingly low, efforts to reverse this trend must be implemented. Our proposal directs the Secretary to ensure significant participation in the SSC by minority individuals.

Minority communities have endured countless problems in education, small business development, and other areas. By actively facilitating the participation of minority-owned firms and minority educational institutions, we can begin to ensure minority involvement in key industries.

Mr. Speaker, a chain is only as strong as its weakest link. We know that minority communities can provide the expertise needed for the SSC. We hope that we can act to strengthen involvement in areas where minorities, heretofore, have not actively participated.

RELIEF FOR TAXPAYERS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. DOWNEY. Mr. Speaker, I rise today to introduce legislation to remedy a serious inequity in the Internal Revenue Code affecting the rights of 1.5 million taxpayers.

During a meeting in Memphis, my friend and colleague Senator GORE learned that the Internal Revenue Service had a policy of not letting taxpayers know that they had valid claims for withholding on past tax returns. IRS examiners explained to Senator GORE that as a matter of IRS policy, they were barred from adjusting a taxpayer's withholding or giving a taxpayer credit for past withholding.

In these times of high Federal deficits the IRS sometimes gets a mixed message from the Congress on its role as the collector of Federal taxes. On the one hand the mission of the Service is to maximize collection of Federal tax receipts as a means of reducing the deficit. However, we have also made it clear that we do not want the Service to proceed blindly, ignoring the decency and respectfulness that Americans expect from their Government agencies. Without this type of balance in the mission of the Service, the confidence we need the American people to have in our Tax Code will evaporate.

Thankfully, the IRS has said that it will revise its return-matching system to make sure it credits people for withheld tax they neglect to claim. The Service has said it will reexamine its matching for 1987 and thereafter and is advising taxpayers to check their 1985–86 returns for mistakes.

However, Senator GORE and I are concerned that because the statute of limitations for taxpayers to revise old returns is 3 years, many taxpayers will not have enough time to check and amend their returns by April 17 of this year. The legislation Senator GORE and I are introducing will provide taxpayers with a 1-year window in which to refile their 1985 returns and receive the credit to which they are entitled for earlier withholding of which they were not aware. An estimated 1.5 million taxpayers across the country could be affected. We need to give them time to check their returns and amend them if they have not claimed credit on withholding.

I urge my colleagues to join me in this effort to provide needed relief to the 1.5 million Americans who may be owed money by their Government but for whom the current law may deny them relief.

TRIBUTE TO MR. BARRY DUGAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. GUARINI. Mr. Speaker, Irish music is heard all year round in the Dugan home, but Barry Dugan, grand marshal of the 1989 Bayonne St. Patrick's Day Parade, says it will never sound so sweet as when he leads the eighth annual parade March 19 up Broadway. Dugan, active in many Irish-American and civic organizations since the late 1970's, was honored on Sunday, February 26, 1989, at a special brunch in the Venice Restaurant, at which he received the traditional sash and shillelagh from Parade Committee Chairman John Hurley and Past Grand Marshal Frank Golden.

Dugan is only the second American-born grand marshal of the parade, but he is not only fond of Irish music but also deeply immersed in Irish culture. "I tease people who come from Ireland," he said, "that I've seen and know more of their country than they have and I've only been there three times."

"That's because I made a point to drive all over, to see as much as I can see, north and south. Having a lot of relatives over there helps, but, I must have put in 2,000 or 3,000 miles on each trip."

Dugan, a first generation American offspring of a mother from County Mayo and a father from County Donegal who both spoke Gaelic, says it wasn't until he was in his late teens that he gained an appreciation of Irish culture. "When I did ask to learn Gaelic, they'd tell me, 'You're an American, you only need to learn English.' So I guess I only had a passing interest in Irish culture, but I do remember liking the Irish records my father used to play."

His wife, Fran, said, "We hear Irish music all the time. And it's now rubbing off on our children, Sean, Barry, Jr., Tara, and Erin, who range—in age—from 19 to 24. One of our daughters even makes Irish tapes for her friends."

That's just what Dugan likes to see. Since he's become involved with five Irish-American groups in Bayonne, he has tried to encourage young people to gain a better appreciation for the rich Celtic heritage. "When I first got out of the Marine Corps"—in which he served for 3 years—"my uncle, Jim Gannon, would always take me to Irish dances in Jersey City and he'd always encourage me to join the Irish-American League in Bayonne."

"I'd go to the dances, but I'd always put off club membership. Then, one day he just decided to drag me." While that involved him in Irish organizations, it was when his son, Sean, attended St. Peter's Prep that his deep involvement in Irish culture began. When the school rejuvenated its Irish Culture Club, Dugan helped out.

His friend, Brother Joe Griffin, taught Irish dancing, first to teenage boys, then also to girls from St. Aloysius and St. Dominic Academies. When the interest of the youngsters waned, Dugan convinced Griffin to offer the dance lessons for adults, and at its peak, 200 people were attending. The classes were offered for the Irish-American League in Bayonne, and then to groups in Staten Island and Elizabeth. The Dugan's would accompany Griffin and be introduced by him as dance teachers.

"Today, you go to an Irish dance in Bayonne and you see a lot of people doing Irish dances they never did before," Dugan said. "I truly believe these lessons had something to do with it."

"What's really amazing," said Fran Dugan, "is that Barry could never dance. I used to threaten to take him to Arthur Murray. Now he dances better than I do."

Dugan served for 3 years as president of the Irish-American League. He is also active with the County Donegal Association, Ireland's "32," the New Jersey Irish Festival Committee, and the United Irish of Bayonne. This last group raises money for project children, which funds vacations in America for children of Northern Ireland.

In 1981 he was one of the driving forces behind reviving the Bayonne St. Patrick's Parade after a 71-year absence from the city's streets. "It started off with a half-serious suggestion," he recalls, "and before you knew it there was talk of meetings and a fundraiser. But it wasn't all that easy; the night of the fundraiser, a snowstorm struck the city. Only 100 people showed up and we didn't raise much money. But with the help of the Blizzard Club, which lived up to its hearty name that night, we persevered."

"That first year, we had an overwhelming response. Just about every group, club and school marched, but again weather threatened. That morning it rained heavily, so Frank Golden—the parade chairman—and I talked about the possibility of canceling the parade, but every sponsoring organization we talked to left it up to Frank and myself. We decided to start a tradition of holding the parade rain or shine and we have been blessed with good weather, thank God, ever since."

In 1989 Dugan started several first-time events associated with the parade. On March 11, Broadway was renamed St. Patrick's Way. A green-and-white street sign with Barry's

name inscribed along with the title of grand marshal and the date March 1989 was presented to Barry by Mayor Dennis P. Collins at the annual flag raising ceremony at city hall. The aides to the grand marshal were Kevin McGlynn from the Irish-American League, Cornelius O'Sullivan from the County Corkmen's Association, Bridget McGlynn from the County Donegal Association, and Brian Braden from Ireland's "32" Civic League. The parade also had the largest contingent of pipe bands ever seen in any Bayonne parade. The pipe bands included the Staten Island Pipers Association, Saffron Kilts Irish Pipe Band, County Corkmen's Pipe Band of New York, Inis Fada Gaelic Pipe Band, Port Authority Emerald Society Pipe Band, Manhattan College Pipe Band, Narraghmore Pipe Band from Company Kildare, Ireland, Trinity Pipe Band, and Sean McGonigle Memorial Pipe Band.

Over 1,000 people packed Marist High School to view the piping in of Grand Marshal Barry Dugan and his aides. This parade brought another first. At the mass celebrated in St. Vincent's De Paul Church, the mass celebrant was Bishop John M. Smith, Auxiliary Bishop to the Most Reverend Theodore E. McCarrick, Archbishop of Newark, and Vicar General of the Archdiocese.

Dugan is a manager of accounting and budgets for AT&T Corporate Headquarters and has his office in Morristown, NJ.

INTRODUCTION OF THE BASIC HEALTH BENEFITS FOR ALL AMERICANS ACT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. WAXMAN. Mr. Speaker, it gives me great pleasure to join with my distinguished colleagues, Representatives CLAY, HAWKINS, MURPHY, and LELAND to introduce H.R. 1846, the "Basic Health Benefits for All Americans Act."

Today the United States stands alone with South Africa as the only industrialized country in the world without a comprehensive health insurance system. Nearly a quarter of a century ago we enacted Medicare to fill in the gap after people left their employment and lost their insurance, and Medicaid to help the neediest. Over 15 years have elapsed since President Nixon declared a crisis in health care and proposed a national plan. A decade ago President Carter was pressing for comprehensive health care reforms.

In spite of all these warnings, no national programs have been enacted. The time for preventive action came years ago. Now we must deal with the consequences of inaction. Those consequences are, sadly, that the situation has gotten worse, not better.

This legislation is no less than a challenge to all of us to face up to the difficult and tragic problems our Nation now faces in health care:

Some 37 million Americans have no health insurance. All too often, they are denied basic health care. In plain and simple terms, this is a national disgrace.

Forty years of progress in expanding health insurance coverage through employment-related insurance, Medicare, and Medicaid has now been reversed. During the 1980's, the number of uninsured grew by 1 million each year. This is intolerable and it must end now.

Even more ominous, public confidence in our private health insurance system is being undermined by the practices of many insurance companies and self-insured plans. Over and over, people with insurance are now discovering that the health insurance they have paid for and counted on may very well not be there when they get sick and need it. If private health insurance is to survive, this must stop.

After years and years of staggering increases in health care spending we still have desperate problems with infant mortality and AIDS, we still have inadequate levels of prenatal care and immunizations, we have less and less access to emergency and trauma care, and we have prescription drugs and medical technologies that are so expensive we hear talk about rationing care for those who cannot afford to pay.

People are sick and tired. Sick of our health care system, and tired of dealing with its complexity. Unprecedented numbers of Americans are now calling for fundamental changes in our health care system. Over the last year or so, we have seen a new wave of concern—not just here in the Congress—but among businesses and health care providers and community leaders. The cries are coming from all sectors—from the general public, from workers, from big business, from health care providers.

The Harris poll tells us that 89 percent of Americans believe our system requires fundamental change or complete rebuilding.

The Wall Street Journal just 1 week ago headlines "National Health Plan Wins Unlikely Backer: Business."

Private citizens plead for relief from the Congress as more and more insurance companies deny payment for people who thought they were covered.

As the Subcommittee on Health and the Environment has looked into these growing crises, we have heard directly from citizens who have suffered:

A mother testified about the illnesses her children have endured because they had no insurance.

Another woman who has been almost continually employed described her agony and terror as she faced life-threatening illnesses without insurance coverage.

A woman sought legal help when her employer kept her from returning to work after an illness until she was considered a new employee with a preexisting condition that is now excluded from coverage.

A worker was healthy and covered by insurance but got seriously ill and when the insurance ran out discovered that she is now uninsurable for the rest of her life.

A family with good jobs and health insurance had a sick child and the insurance company eventually squeezed them out of coverage by quadrupling their employer's premiums

No wonder the cries for relief are increasing. We have inadequate coverage for those who we thought would be covered by private insurance. Others are without health care coverage at all. Businesses are caught between insurers and providers who raise rates over and over, and workers who pay more and more out of pocket.

When uninsured people get sick and manage to get health care, somebody ends up paying the bill. Public hospitals and public programs are drained. Private hospitals and doctors must charge people with good insurance more to make up for what they don't collect from people with inadequate coverage. That runs up the health care bills for companies that provide health benefits for their own workers.

This situation is not fair. It's not fair to taxpayers, and it's not fair to businesses that are good citizens and provide health benefits.

These are problems that are not new. But they are getting worse. A common recognition of the problem can lead to the consensus we need—as a society—to act.

What we need to do is spread the cost of covering workers across all employers, and spread the risk of illness fairly among insurance companies.

This legislation forces us to face the fact that if we're going to have an employment-based system of health care coverage in this country, we have to make sure that all employers pay their fair share. And, if we're going to rely on private health insurance companies, we have to make sure that they charge fair rates and provide adequate coverage when people need it.

This legislation forces us to ask what is fair to expect of employers.

It's one thing to ask the public to pay for covering those who are outside of the employment-based system. But it's another thing to ask the public to bear the burden for businesses that don't provide health insurance to their workers when they could.

This legislation also forces us to face the task of defining and providing for a public program to cover everyone who is left without insurance after employers have all done what is fair.

Last year we joined with Senator KENNEDY in introducing the "Minimum Health Benefits for All Workers Act." That bill would have required all employers to provide insurance for their workers. I always viewed that legislation as one piece of our efforts to assure decent health care for all Americans. We learned a lot from our hearings on that proposal. But the debate over that bill focused only on its potential impact on employers, and to some degree we lost sight of the bigger picture.

Today we propose a comprehensive solution to these pressing problems. It is our expectation that we can achieve the necessary consensus and legislation can be enacted during this Congress. These problems are too serious, and affect too many people's lives, to wait longer for solution. I urge all Members to join with us in finding a solution to these troubling issues. Mr. Speaker, a brief summary of the bill follows:

BRIEF SUMMARY: "BASIC HEALTH BENEFITS FOR ALL AMERICANS ACT"

EMPLOYERS ARE REQUIRED TO OFFER HEALTH INSURANCE

Regardless of their size, employers must offer either the minimum plan specified in the bill or a plan that is the actuarial equivalent.

Employers who currently provide health insurance may be affected by the benefit requirements, but should be able to meet the cost-sharing requirements through the actuarial equivalence provision.

Since small businesses account for about one-half of uninsured workers, there are special provisions to phase in their requirements slowly and to assist companies who would experience unusual financial stresses.

FULL-TIME WORKERS MUST ACCEPT INSURANCE COVERAGE

Nearly all workers and their families would be covered.

Full-time workers (25 hours/week) *must* accept coverage for themselves; they can refuse coverage for spouse and children who are covered by another employer plan, but their primary insurance must be through their own workplace.

Part-time workers (17.5–25 hours/week) may refuse coverage, but can be eligible for the public plan based on their incomes.

BENEFITS

Basic package: medically necessary hospital care, physician services, prenatal care, well-baby care, laboratory and x-ray; a typical package of mental health benefits is also included.

Current exclusions: prescription drugs, preventive care, long-term care.

No pre-existing condition exclusions will be allowed.

State mandates on insurance policies under ERISA are overridden.

COST AND COST-SHARING

Estimated premium is $1,619/year, averaging individual ($883) and family ($2,241) rates.

Employer pays 80 percent of premium (average, $1,295), except that employers must pay 100 percent of premium for lowest-paid workers, those earning up to 125% of minimum wage.

Employee must pay 20% of premium, meet a deductible of $250 for individual and $500 for family, and pay 20% of expenses up to $3,000; above $3,000, plan provides 100% catastrophic coverage.

Prenatal and well-baby care are first-dollar coverage, with no deductible or copayment.

INSURANCE MECHANISM

Country divided into 6–8 regions.

All insurers who wish to sell plans in each region must meet criteria established by the Secretary of the Department of Health and Human Services.

Each insurer must offer a basic plan that meets standards of bill, and a more comprehensive package; plans are to be offered in both indemnity and managed-care options.

Within each region, each carrier must community-rate all plans so that all employers will be treated alike by a given plan; some inter-state variation or community rate is permitted.

Insurers can form networks with other insurers or HMOs or other carriers.

PUBLIC PROGRAM

Three stage phase-in for coverage of those who are not full-time employees:

January 1, 1991: Everyone below poverty is covered; States may cover those between 100 and 185% of poverty.

January 1, 1996: States must cover everyone below 185% of poverty.

January 1, 1999: States must cover everyone.

Benefits: Same as for employer public program. Exception—EPSDT mandatory, prescription drugs optional.

Reimbursement: Raised to Medicare levels for both new program and all existing Medicaid beneficiaries

January 1, 1991: Physician services raised to Medicare.

January 1, 1996: All other services raised to Medicare.

Financing: Same as current Medicaid.

THE BASIC HEALTH BENEFITS FOR ALL AMERICANS ACT OF 1989

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. CLAY. Mr. Speaker, today I am pleased to join my distinguished colleagues, Congressmen HENRY WAXMAN, AUGUSTUS HAWKINS, and AUSTIN MURPHY, as an original cosponsor of H.R. 1846, the Basic Health Benefits for All Americans Act of 1989. This comprehensive legislative package is designed to assure that, by the year 2000, all Americans will enjoy access to health insurance either through an employer-sponsored health benefit plan or a government-sponsored public program. I want to commend our colleague, Senator TED KENNEDY, who today introduced an identical measure in the Senate, for his leadership and cooperation in developing this legislative package.

The Subcommittee on Labor-Management Relations, which I chair, has already begun to lay the groundwork for a bipartisan comprehensive and long-term look at our health care delivery system and the critical role played by employer-sponsored health plans.

In 1987, we asked the Congressional Research Service [CRS] to undertake a major research project on the uninsured. This three-part study was recently completed and released. It contains not only a primer on health insurance and current law as it affects the delivery of health care services, but also a comprehensive and objective examination of the variety of options that Congress might consider to broaden access to health insurance. Finally, the report contains a detailed analysis of the costs and effects of extending coverage under several different approaches. I particularly want to commend the term of analysts from the Education and Public Welfare Division of CRS for their work in producing this extremely useful study. The portions of the study focusing on the various options and their costs and effects were particularly helpful in shaping our legislative proposals.

In the last Congress, we held oversight hearings on access to health care. We examined several approaches to solving the problem of how best to expand our health care system to cover the uninsured. Each of our witnesses pointed out that reliance on employer-sponsored plans could not by itself solve the problem. As a result of their urging, we have expanded the legislation we introduced in the last Congress to establish a limited Government program to complement the health insurance coverage provided for employers for the poor and near-poor.

The Basic Health Benefits for All Americans Act of 1989 is an ambitious, yet necessary, proposal designed to forge a strong partnership between the private sector and Government to meet the challenge of extending health coverage to the 437 million Americans who today lack health insurance.

Building on the already existing coverage provided by most employers, our legislation combines the requirement that all employers provide basic health insurance for employees and their families with the recognition that for low-income families, particularly those in which no family member is employed, the Government has a critical role to play in providing a mechanism to assure access to health care. The benefit package required under both the private and public plans would be generally the same; no employer would be required to provide a benefit to its employees that was not also required under the Government-sponsored program.

We have already heard a good deal of debate about what is the appropriate minimum benefit package that all employers should be required to provide. The bill takes one approach—obviously there are other types of packages that could be developed. As the discussion unfolds, we should not lose sight of the fact that this is a package that is supposed to be "barebones"—just the basic coverages. Although employers are strongly encouraged to provide more than the minimum and today many do, if Congress mandates that every employer provide a plan, the cost of that plan must be reasonable and cannot cover every benefit that might be desirable.

In designing this legislative package, we have carefully focused on several issues of particular concern to small employers.

First, our legislation recognizes that one of the major obstacles preventing some small employers from offering health insurance is cost. Currently employer-sponsored health insurance is simply not affordable for many small businesses. Many small businesses are marginal: they have a short lifespan and low profitability. Insurance cost small businesses anywhere from 20 to 40 percent more than large businesses. These costs frequently reflect administrative charges for overhead, marketing, and medical underwriting.

In addition, small businesses must buy insurance; it is neither feasible nor prudent for them to self-insure. The insurance contracts they buy are subject to State mandated benefit laws that also add to the cost. Moreover, some small businesses cannot buy insurance if their group contains one or more high-risk individuals. At our hearing in June 1988, a witness representing the insurance industry conceded that, depending on State law, insurance companies would either refuse to offer coverage to the whole group or offer coverage to all but the high-risk individuals. In either case, small employers who want to provide coverage may be thwarted in their efforts to do so as a result of medical underwriting and other screening processes.

Second, at the same time that the bill imposes a requirement on all employers to provide a health benefit plan, in order to keep the cost of this requirement down for small employers, the bill would authorize a series of regional insurers. Under these regional insurance arrangements, health insurers who meet

certain Federal requirements would be permitted to offer packages meeting the Federal minimum benefit requirement as well as more generous packages. Small businesses could buy insurance from these regional insurers at a lower cost than is currently available because, among other things, administrative savings could be realized, the size of the pool would make it feasible to negotiate substantial provider discounts, State mandates would not apply to the plans, and no medical underwriting would be allowed.

In addition to the regional insurers proposed in the bill, several alternative approaches are being discussed to assure that small employers in fact have access to insurance that is more affordable than is available today in the marketplace. We would like comment on how best to structure the regional insurance arrangements in order to assure the most efficient and effective system while at the same time keeping the cost of the plan as low as possible.

Third, the legislation provides a modest subsidy for certain small business if the cost of compliance with the requirements of the bill would be particularly burdensome. If the cost of compliance exceeds 5 percent of the employer's gross revenues in a particular year, the subsidy would be equal to 75 percent of the excess.

Another issue of great concern to us is how best to extend coverage to uninsured part-time, seasonal, and temporary workers. Of the 37 million Americans without health insurance coverage in 1984, nearly 30 million were workers or spouses and dependents of workers. Two-thirds of these families had at least one person in the family working 17.5 hours or more for the same employer.

Although the provisions of the bill as written will go a long way toward closing the insurance gap for the working uninsured, part-time workers may still face a substantial financial burden to secure coverage since the portion of the premium required to be paid by the employer will be less than what a full-time worker would receive. A number of approaches have been discussed to deal with this question, as well as how to structure rules that make sense for seasonal and temporary workers. In crafting these rules, we must carefully balance the need to assure access to affordable health insurance with a recognition that the attachment to the work force generally and to a particular employer may not be great enough to justify requiring an employer to cover and/or subsidize all of these categories of employees. We would appreciate any input on how best to structure rules that provide the necessary access for workers but limits the burden for employers.

Since the overall goal of the bill is to broaden access to affordable health care, we do not want to disrupt unduly the existing plans of employers, provided that the plans are in fact delivering good medical coverage. Therefore, the bill permits the use of the concept of actuarial equivalence to demonstrate that the minimum package is being provided. Frankly, I realize there are problems in trying to define an actuarially equivalent plan. It will be difficult for actuaries to establish the necessary procedures to demonstrate actuarial equivalence. We would like more information as to how this can be done and whether there are any other approaches we might consider to reach our goal of broad coverage without seriously disturbing existing health plans.

The Basic Benefits for all Americans Act of 1989 establishes a new public program under the current Medicaid system. Under this program, poor and near-poor workers and their families would generally continue to receive health benefits under employer-sponsored plans, but, depending on family income, some or all of their premiums and certain other out-of-pocket expenses would be paid for them by the Government-sponsored public program. Unemployed poor and near-poor individuals and their families would qualify for coverage under the Government-sponsored public program, which is phased-in over a period of years.

In the first phase, beginning in 1991, States must cover all individuals and families below 100 percent of poverty and may cover those between 100 percent and 185 percent of poverty. In the second phase, beginning in 1996, individuals and families between 100 percent and 185 percent of poverty would be eligible for the program and, depending on their income level, would be expected to pay a portion of the cost. In the final phase, beginning in 1999, States must permit all individuals and families above 185 percent of poverty and not covered under a health benefit plan of an employer to buy into the program at full actuarial cost.

Finally, in companion legislation that I am introducing today, H.R. 1846, the Internal Revenue Code would be amended in two important ways.

First, self-employed individuals would be permitted to deduct 100 percent of the premiums they pay for health insurance. Under current law, until the end of 1989, self-employed individuals may deduct only 25 percent of their premium cost. This amendment would provide permanent parity for self-employed individuals with their corporate counterparts.

Second, the current nondiscrimination rules applicable to group health plans under section 89 would be substantially simplified, effective on the date that the employer becomes subject to the requirements imposed by the Basic Health Benefits for All Americans Act of 1989. Once employers are required to provide basic health insurance for all their workers and their families, a simple rule designed to assure that the benefits offered to highly compensated workers are comparable to those offered to nonhighly compensated workers can be substituted for the current complexity of the section 89 nondiscrimination tests.

Under the bill, highly compensated employees would be subject to taxation on any excess benefits provided under discriminatory health plans. Since all employers would be required to provide a health benefit plan covering basic benefits under the Basic Health Benefits for All Americans Act of 1989, the test as to whether a plan is discriminatory or not would be applied only with respect to the benefits under the plan that exceed basic benefits.

A plan would be discriminatory if it failed to meet both of the following tests. First, the most costly employer-provided benefit available to any highly compensated employee could not cost more than 120 percent of the least costly employer-provided benefit available to any nonhighly compensated employee. In addition, the employer could not require any employee to pay more than 20 percent of the total premium cost of the plan. Second, the plan could not discriminate in favor of the highly compensated on the basis of eligibility, benefit structure, or any other basis.

We did not attempt in this bill to undertake a systematic or comprehensive simplification of section 89 as it is currently written. That clearly is a necessary step. Because we believe that simplification is essential even before the Basic Health Benefits for All Americans Act of 1989 is enacted, we want to work with the business community to come up with simplification that is meaningful but does not compromise the fundamental concept that benefits be delivered in a nondiscriminatory way.

Many of the new and redrafted provisions of this legislative package are a direct result of the input and cooperation that we have received from many in the business community, insurance industry, organized labor, provider community, and health care delivery sector. Despite some disagreements over the methods to achieve our goals, I appreciate the willingness of those in the private sector to engage in dialog about these critical issues and I hope that it will continue.

Moreover, even though the legislative package before us today does not address the issue of employer-sponsored retiree health plans, we must begin to explore solutions to the growing crisis involving these plans. It is only after the nature and extent of the promise made to retirees has been clarified that we can work together to assure that a tax-favored funding mechansim exists so that the promised benefits will be paid.

The legislative package we are introducing today clearly signifies the starting point for congressional discussion and debate. We intend to work closely with the Subcommittee on Labor Standards, chaired by my distinguished colleague from Pennsylvania, Congressman AUSTIN MURPHY. We will continue to coordinate our efforts with our distinguished full Education and Labor Committee Chairman AUGUSTUS HAWKINS, as well as Congressman WAXMAN and Senator KENNEDY, to make the enactment of this legislative package a high priority in this Congress.

I look forward to working with all interested parties to refine and improve our approach as we move the legislation forward this year.

THE GEORGIA CHILDHOOD AUTISM DIAGNOSTIC AND EDUCATIONAL FOUNDATION

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. ROWLAND of Georgia. Mr. Speaker, the Oscar-winning film, "Rain Man," has heightened public awareness of autism, a lifelong neurological disorder affecting over 350,000 individuals in this country including more than 6,000 people in the State of Georgia. Autism

severely affects the individual's ability to communicate, impairing social skills, and behavior. Autistic individuals tend to live in a private world, often withdrawn and seemingly unemotional.

For many years, government agencies and private institutions have sought policy and medical solutions to the needs of autistic persons. However, I want to bring to the attention of the House the outstanding efforts of Georgia's Childhood Autism Diagnostic and Educational Foundation [CADEF], a community-based organization dedicated to increasing the quality and availability of treatment for this difficult disorder.

As honorary chairman, I recently attended CADEF's annual fundraising dinner and received a progress report on the organization's activities. In conjunction with Emory University in Atlanta, CADEF is working to establish a center for the diagnosis and treatment of autism and the training of all persons involved in the care of autistic children. In addition, CADEF's activities will spur program development for autistic persons throughout Georgia, utilizing existing systems when possible and developing new initiatives when necessary.

With proper diagnosis and training, autistic persons can learn to participate in the community and achieve a level of semi-independence. I want to congratulate the community leaders who have worked hard to promote this cause and wish CADEF, and the people it serves, a very bright future.

OUR NATION'S SENIOR CITIZENS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. HORTON. Mr. Speaker, over the past few years we have imposed a number of burdens on our Nation's older men and women. We have eliminated legitimate Social Security benefits, we have passed a catastrophic illness bill and on and on.

One of my constituents, Mr. Delbert Patterson of Rochester, NY—a senior citizen—wrote to me about the impact of these policies and this trend. He states his position, which are positions with which I am in total agreement, sharply and eloquently. I think they deserve thoughtful consideration from all of us.

With this in mind, I respectfully request, Mr. Speaker, that Mr. Patterson's letter be included in today's CONGRESSIONAL RECORD:

ROCHESTER, NY,
February 24, 1989.

Hon. FRANK HORTON,
U.S. House of Representatives,
Washington, DC

DEAR MR. HORTON: With your permission, let's sit back and take a look at what Congress has done to the current and future Senior Citizens of this country . . . those who struggled through a Depression, risked their lives and gave up several years of their life in a World War and then worked diligently to build a financial reserve for a well earned retirement in spite of these obstacles.

First, Congress developed a plan whereby those born from 1917 to 1921 would receive a smaller amount of Social Security for the same earnings (approximately $100 a month less) than those born prior to or after those dates . . . a just reward for serving your country in World War II. This reduction doubles if both husband and wife fall in this age bracket as in my case.

Then, Congress put a tax on 50% of the Social Security for those who worked hard to develop an income of $25,000 Single or $32,000 Married; and to arrive at these figures legal non-taxable must be included . . . an unprecedented tax provision not leveled against any other segment of the population.

Next, Congress did the Seniors a big favor by passing a Catastrophic Health Bill without informing them of the pros and cons. Anxious to make "Political Hay", they made public only carefully worded pluses and none of the overwhelming negatives.

Did they publicize that the cost will be borne by about 60% of the Seniors and the other 40% will be receiving "Welfare Benefits" at no cost to them?

Did they face up to the fact that because of the "Welfare" impact, the cost should be borne by the general public like any other "Welfare Program and not just 60% of the Senior Citizens?

Did they publicize that only a very small percentage ever reach the catastrophic provisions?

Did they publicize that the cost to a Senior Couple will rise from the initial $1600 a year to $8,000 a year in 2005 . . . this estimate from the Treasury Department?

The answers are "No" and the reason is because they had an election coming up and any Catastrophic Health Bill without publicizing the negatives would get them votes . . . because the public trusted them.

Now let's go one step further and look at what the results are on Seniors ONLY:

1. In taxing Social Security, for every $100 over $25,000 Single or $32,000 Married in the 28% bracket would result in a tax of $42 (28% x $100 plus 28% x $50 Social Security). That is a tax of 42%.

2. The new Medicare tax for the Catastrophic Health Bill (which is a tax on tax even though Congress attempts to "Hoodwink" the Seniors by calling it a "Surtax" and not an income tax) results in an increase in the 15% bracket to 17.25% and the 28% bracket to 32.2%.

3. Taking both of the above into consideration, the overall rate is 48.3% for Seniors only as opposed to 28% to the rest of the population . . . including Congress.

Needless to say, I am angry with Congress who either did not know what the Catatrophic Health Bill contained or who did not bother to understand it.

Congress should:

1. Repeal the law immediately.

2. Hold public hearings to hear what the Senior Citizens really want and need.

3. Explain in detail the projected costs and benefits.

4. Spread the cost over the entire population who will all benefit some day the same way they do under Social Security.

Thank you for your indulgence.

Sincerely,

DELBERT G. PATTERSON.

SUMMARY OF 1988 TAX RETURN DATA

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. DOWNEY. Mr. Speaker, I am once again making a summary of tax return public because I believe that Federal officeholders should be forthcoming about the sources of their income. Therefore, I ask that the following summary be printed in the official RECORD of the day's proceedings:

Hon. Thomas J. Downey, Summary of 1988 Tax Return Data

Salary—U.S. House of Representatives	$89,500
Less: Contributions to sec. 401(k) plan	(4,475)
Salary—U.S. Senate Disbursing Office (Mrs. Downey)	16,333
Interest income	305
Dividend income	1,150
New York State tax refund	872
Rental and partnership losses (after application of passive loss limitations)	(8,332)
Business income—Honoraria (Gross)	34,100
Total income	129,453
Less: Contributions to Keogh retirement plan	(4,448)
Adjusted gross income	125,005
Itemized deductions:	
Taxes	10,356
Interest expense	17,589
Contributions	10,566
Miscellaneous deductions (after 2 percent AGI limitation)	3,987
Total itemized deductions	42,498
Total	82,507
Less: Personal exemptions	7,800
1988 taxable income	74,707
Federal income tax	17,191
New York State income tax	6,514
Colorado income tax	52

INTRODUCTION OF LEGISLATION REFORMING MEDICARE CAPITAL PAYMENT SYSTEM

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today to reform the system used under the Medicare Program to reimburse hospitals for capital expenditures. The current system, in my view, encourages inefficiency and under-utilization, and fails to provide hospitals which accept their responsibility to the poor with sufficient incentives to provide uncompensated care.

As the ranking Democrat on the Subcommittee on Health, I become concerned when I hear of hospitals with low occupancy—espe-

cially at a time when our subcommittee is faced with the potential of cutting $5 billion out of the Medicare Program. To the extent that the current system of reimbursement for capital costs encourages over-building, that system needs to be reformed.

President Bush's proposal in the area of capital reimbursement does not, in my view, squarely address the need for reform of the system. In many ways, the proposal is more revenue driven than policy driven. Nonetheless, if the Subcommittee on Health is unable to resolve the very serious policy questions concerning capital reimbursement, I am prepared to support the President's recommendation.

In general, States which have lax or no certificate of need processes tend to have hospitals with the lowest rates of occupancy. Some estimates show that there are 300,000 staffed but unused beds in the country. This translates into a 60 percent occupancy rate nationwide. There is clearly too much excess capacity—especially at a time when the Federal Government will spend $4.5 billion on capital reimbursement in fiscal year 1989. If States are not able to limit hospital overbuilding, the Federal Government should not be writing a blank check to hospitals. My bill imposes an additional level of control on hospital capital reimbursement to discourage overbuilding and to encourage hospitals to address their true mission: caring for sick people.

A description of present law, and my bill, follows:

PRESENT LAW

Medicare reimburses hospitals on the basis of a prospective payment system (PPS). The major exception to this general rule is reimbursement for capital expenditures, which are generally reimbursed on a reasonable cost (i.e., passthrough) basis.

When the prospective payment system was created in 1983, Congress agreed to incorporate capital reimbursement into the prospective payment system in 1986. Under such a system, a portion of a hospital's payment per case would reflect that hospital's capital expenditures. However, Congress has twice delayed the effective date of linking capital reimbursement to PPS; thus, under current law, capital payments are reimbursed on a reasonable cost basis through October 1, 1991.

Under present law, capital payments to hospitals are reduced by 15% in fiscal year 1989. Beginning October 1, 1989, there will be no reduction in capital payments. Reimbursable capital expenditures include depreciation, interest, and return on equity capital of proprietary hospitals.

The prospective payment system also contains a disproportionate share adjustment, which is an attempt to measure the amount of care provided to low income individuals. In general, a hospital receives an increase in its PPS payment when 15% or more of its patients are low income. The percentage of low income patients is determined by adding two fractions. The first fraction compares Medicare beneficiaries who also receive a SSI benefit to total Medicare patient days. The second fraction compares Medicaid patient days to total patient days.

EXPLANATION OF PROVISION

The bill generally extends the 15 percent payment reduction, scheduled to expire on October 1, 1989, for two additional years, through October 1, 1991. Thus, capital expenditures will continue to be reimbursed on a passthrough basis, less than 15 percent, to the beginning of FY '92.

The legislation also imposes an additional payment reduction for hospitals with low occupancy. The reduction would apply for urban hospitals with 100 or more beds when the beds were less than 75 percent occupied. For urban hospitals with less than 100 beds, the occupancy target is 65 percent. For rural hospitals, the target is 60 percent.

The payment reduction would be calculated by multiplying allowable capital expenditures (after applying the 15 percent reduction, discussed above) by a fraction, the numerator of which is the hospital's actual occupancy, and the denominator of which is the target occupancy (as explained above). A hospital's actual occupancy is the percentage of licensed beds which are occupied. (Beds used to provide administratively necessary days would not be counted toward the target).

For example, if an urban hospital with 200 beds had an occupancy rate of 50 percent, and $100 of reimbursable capital expenditures, the actual reimbursed expenditures would be $57 (.85×100×50/75).

Under the bill, neither the 15 percent payment reduction nor the occupancy reduction would apply in the case of hospitals with a disproportionate share adjustment greater than 10 percent.

EFFECTIVE DATE

The bill would be effective for hospital cost reporting periods or discharges occurring on or after October 1, 1989.

TRIBUTE TO RUTGERS UNIVERSITY ON ITS INVITATION TO JOIN ASSOCIATION OF AMERICAN UNIVERSITIES

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. ROE. Mr. Speaker, as dean of my State's congressional delegation, it is with great pride that I rise today on behalf of my New Jersey colleagues to pay tribute to our outstanding State University, Rutgers, on the occasion of a true milestone in the great institution's history.

Recently, Mr. Speaker, Rutgers University, which has become a world leader in the eduction it provides and in the groundbreaking research it conducts, was invited to join the prestigious Association of American Universities. This is an unparalleled honor of which not only those associated with Rutgers, but all of those in the State of New Jersey can be extremely proud.

The Association of American Universities is a select group consisting of just 58 institutions of higher learning and is widely acknowledged as the most prestigious organization of research and graduate education universities in the United States and Canada. That Rutgers has been invited to join this elite group is a great tribute to University President Edward J. Bloustein and the strong hand with which he has guided this outstanding institution over the years.

For the record, Mr. Speaker, I would like to insert an article that appeared in the February 7, 1989 edition of the Star-Ledger, detailing this great moment in Rutgers University history:

ONE OF THE ELITE—RUTGERS INVITED TO JOIN PRESTIGIOUS UNIVERSITY ASSOCIATION

(By Kathleen Casey)

Rutgers University has been invited to join the Association of American Universities, a group of the leading universities in this country and Canada.

The association now consists of 58 universities and institutes with strong programs in research and graduate and professional education. The only other New Jersey member is Princeton University.

Rutgers President Edward J. Bloustein announced the invitation yesterday and said it is a measure of the state university's success in achieving its goal of becoming a top school.

"The selection of Rutgers as a member of the association validates the confidence the citizens of New Jersey, the Governor and the Legislature have shown in us," Bloustein said during a press conference in his office in New Brunswick.

He noted that the university has been working for about nine years to upgrade its education and research programs to the ranks of the best in the country. A great deal of financial support has been gained from Trenton and from state residents, who in recent years have approved two major higher education bond issues, he noted.

Bloustein said he telephoned Gov. Thomas Kean after receiving the call Thursday night inviting Rutgers to join the association.

"You could just about see him jumping up and down over the telephone," Bloustein said of the Governor, a former teacher who has achieved a national reputation for his support of education in New Jersey.

"We have not arrived, but we have taken a major step forward" by achieving membership in the association, Bloustein said.

Other than the satisfaction of being recognized, there are "no immediate tangible benefits" to membership, he said.

Rutgers and the State University of New York at Buffalo are the two newest members of the association.

The association was founded in 1900. Invitations are issued once every three years and each requires the assent of three-quarters of the association's membership. Over the past 25 years, only 17 universities have been invited to join.

The association is based in Washington, D.C., and is the only forum on the national scene made up exclusively of university presidents, a Rutgers official said.

Bloustein said the association's most important work on a national level pertains to the issues of declining student population and deteriorating physical plants at colleges and universities.

"We are running out of the supporting infrastructure that made American higher education, research and graduate education the best in the world," he said. "In those areas, we are still considered the best in the world. It won't be that way in 10 years unless something is done."

Fellowship stipends are too low to attract enough good graduate students, Bloustein said. Libraries, equipment and the buildings and grounds of the colleges and universities also need heavy investment, he said.

Catharine R. Stimpson, dean of the Graduate School at Rutgers, also expressed a "sense of gratitude" to state officials and residents who helped the university attain

the distinction of membership. She said the exchange of ideas with the other association members will be very important to Rutgers.

David Mechanic, director of the Rutgers Institute for Health, Health Care Policy and Aging Research, noted that many of the other institutions in the association have had 100 or more years of strong state support. It is essential for the state to continue its strong support if Rutgers is to achieve and maintain distinction, he said.

Rutgers, chartered in 1766, became the state university through legislative acts in 1945 and 1956.

Mr. Speaker, it is with great pride, then, that I and my colleagues in the New Jersey delegation ask you and our colleagues in the House to join us in saluting one of our Nation's great institutions of higher learning, Rutgers, the State University of New Jersey, on being invited to join the prestigious Association of American Universities, and President Edward J. Bloustein for helping guide the university to this auspicious moment.

MORALITY VERSUS MORALISM: IN DEFENSE OF POLITICS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. WOLF. Mr. Speaker, I want to share with my colleagues an excerpt of a thought-provoking speech delivered recently by our colleague PAUL HENRY at Pepperdine University. For those interested in the entire text, you may contact Congressman HENRY's office.

MORALITY VERSUS MORALISM: IN DEFENSE OF POLITICS BY CONGRESSMAN PAUL B. HENRY

With the inauguration of George Bush as our nation's 41st President, we have begun the third century in America's experiment in representative government. One of the reasons for the success of our experiment over the years has been the wisdom of those who drafted our basic Constitutional document, and the assessment they made of the human condition. Alexander Hamilton, in particular, expounded, in his Federalist Papers, on the lessons of past failures in brief and fleeting attempts at the republican form of government.

The first point he makes over and over again is that "men are not angels." There is no claim as to the innate "goodness of man," but rather an admission that man has capacity for good and evil. Government is instituted not just to allow the potential for goodness, but also to restrain his capacity for evil. It is not a government by angels for angels—but a government of men for men. Thus, the justification for the elaborate sets of checks and balances and limitations on the exercise of power in our form of government—limitations which would be even further expanded in the first ten Amendments to the Constitution.

To the extent we can learn from the past and refine those checks and balances, and to the extent we can augment our basic document with practical legislation—be it sunshine laws, conflict-of-interest legislation, or whatever—so much the better. But, the danger occurs when we romanticize the past saga of human history, or utopianize the future, in such a way as to tear down the very institutions we have developed over time in response to the lessons which history has taught us about the human condition.

And we do this whenever we assume that laws, in and of themselves, will somehow "make better men," rather than admitting to a more limited vision of laws checking the evil impulses of men. The question of politics is not the elimination of the reality of evil in the human condition which reflects itself in politics, but in seeking practical means whereby to contain it. The problem is not new. The struggle to address it is not new. And the officials who yield power are qualitatively neither better nor worse than previous generations. A bit of humility in the face of history and the human condition will do much to inject realism into the current political debate—a humility which moves us closer to genuine moral critique of the political process, and away from political moralism.

The Judeo-Christian worldview has consistently fought the modernist heresy that men are essentially shaped by their environment, and that better laws ipso facto make better men. But at the behavioral level, I have found things quite different. Preachers in the pulpit decry the "heresy" that "mankind is inherently good and perfectible." But when they enter the political arena, they are tempted to pitch the battle in terms of men vs. angels, and refuse to admit that all political actors—including themselves—are still affected by the human condition.

The ancient prophet exhorts us to seek justice, love mercy, and walk humbly with our God. Somehow, we have all been tempted to lose sight of the last of those injunctions—that of humility. The religious community is not particularly different from the secular community in the temptations to speak in political absolutes and certitude. But anyone who claims to speak in the name of God runs the risk of using God's name in vain as opposed to speaking in humility, admitting the fallenness and limitations of human nature to which our own religious teachings attest. When the religious community does this, it becomes secularized, and loses the very salt whereby it can savor the political arena to which it seeks to speak.

Second, we must not lose sight of the legitimacy of politics. The religious community, as well as the secular community, has tended to romanticize and optimize its assessments as to the "nature of man." It has also tended to romanticize and optimize its assessments as to what the political process itself involves.

Politics involves resolving conflicts between competing demands within society. Not just competing demands in the abstract, but competing demands as to how society's goods are going to be "allocated"—allocated in such a way that there are always "winners" and "losers."

Altogether too often, religious communities fall into the trap of endorsing one set of values and demands without recognizing the legitimacy of competing sets of values and demands. Political justice involves allocations on behalf of both rich and poor, black and white, producer and consumer. Politics involves mediating the differences between competing demands—and such mediation seldom involves situations where political virtue is exclusively on just one side of the equation.

Christianity does not condemn the advocacy of interest, per se. Rather, it tells us to elevate our neighbor's interest to a degree of intensity with which we are prone to defend our own. Disdain for "interest group politics" or "special interests" reflects a lack of understanding pertaining to the inherent nature of the political process itself. To eliminate all organized political advocacy, for example, or to eliminate all PAC Committees, for example, would not change the fundamental nature of the political process. It would simply change the way in which demands are mediated.

Too often, religious groups enter the political arena with inherent disdain not only for the political process, but in opposition to the concept of politics, itself. And once again, it reflects a yielding to the temptation to secularize the eschaton in the name of the Kingdom of God.

That is why I have titled this paper "Morality and Moralism: In Defense of Politics." For whatever transpires in our subsequent proceedings, my sincerest hope is that it takes place within the context of a Christian view of the human condition which avoids the temptation merely to invoke God's name as an "add on" to secular understandings of the human condition, and a moralistic attempt to "reform" the political order by decrying its very existence.

NEW YORK TIMES EDITORIAL CRITICIZES SERBIA'S INFLAMING OF ETHNIC HATRED AGAINST ALBANIANS IN YUGOSLAVIA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. LANTOS. Mr. Speaker, in recent weeks we have witnessed a tragic inflammation of ethnic animosity in Yugoslavia. The Albanian population in the autonomous province of Kosovo last month suffered a significant and symbolically important diminution in its autonomy at the hands of the government of the Serbian Republic. The tragic result—as my colleagues here know only too well—was the most serious outbreak of violence in Yugoslavia in decades and this tragic unrest resulted in scores of deaths and injuries.

Mr. Speaker, ethnic unrest in East Central Europe was the immediate cause of the outbreak of World War I in the summer of 1914 and World War II in September 1939. The revival of such ethnic tensions is a very, very serious matter for all of us.

Mr. Speaker, the New York Times commented on this tragic situation in Yugoslavia in a recent editorial entitled "Bullying in the Balkans." I urge my colleagues in the Congress to give careful attention to this thoughtful editorial, and I ask that it be placed in the CONGRESSIONAL RECORD.

The article follows:

[From the New York Times, Apr. 10, 1989]

BULLYING IN THE BALKANS

Only a cynical demagogue would recklessly inflame ancient hatreds for the sake of his own political ambitions. Slobodan Milosevic, Serbia's Communist Party chief and thus the leader of Yugoslavia's largest component republic, has done just that.

Most recently he magnified his dangerous mischief. Backed by troops and armed

police, he suppressed local resistance to his drive against the legal autonomy of Kosovo, an ethnic Albanian enclave within Serbia. At least 24 people, including two policemen, were killed.

Yugoslavia's survival as a federal republic depends on the peaceful coexistence of historically hostile ethnic groups. The quarrelsome collection of mini-states that preceded modern Yugoslavia made "Balkanization" synonymous with chronic division and conflict. Their feuds also became a flashpoint for wider European war.

Mr. Milosevic, 47 years old, started out as an industrial and financial executive and only became Serbia's Communist Party Boss in 1987. Since then he has pressed a relentless political campaign, complete with mass rallies, fiery rhetoric and bureaucratic purges, all aimed at making Serbia and its party leader, supreme in a reshaped Yugoslavia.

Already he has forced changes in the leadership of Kosovo and Vojvodina, another autonomous province within Serbia, and in the neighboring republic of Montenegro. But thus far Mr. Milosevic's efforts to impose his will at the national level have been rebuffed.

His willingness to play to ethnic and sectarian feelings has caused considerable uneasiness in Yugoslavia's Roman Catholic republics, Croatia and Slovenia. The latter is also the country's most economically advanced and politically enlightened region.

Critics fear that Mr. Milosevic and his allies could build a bloc combining Serbia, Kosovo, Vojivodina and the two other Orthodox Christian republics, Montenegro and Macedonia, and then, with backing from the armed forces, become Yugoslavia's unchallenged master.

Past reports of Yugoslavia's imminent breakdown have proved premature. The forces now arrayed against Mr. Milosevic's pretensions are themselves considerable. Yet his course is worrisome, for Yugoslavia and for its neighbors—none of whom are eager to see the Balkans turned into *the Balkans* once again.

A CONGRESSIONAL TRIBUTE TO HON. JULIAN C. DIXON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to bring to my colleagues attention a column which appears on page A23 of this morning's Washington Post. Columnist David S. Broder brings to light the record of accomplishment and integrity of the Honorable JULIAN C. DIXON, Representative from the 28th District of our home State of California. Our friend and colleague Mr. DIXON has the unenviable challenge of chairing the House Committee on Standards of Official Conduct. We all know what responsibilities this entails.

I am submitting for the RECORD a copy of the article, and encourage my fellow colleagues to read it, to reflect upon the upstanding reputation this gentleman from California enjoys.

BRIDGE-BUILDER IN CONGRESS

Julian C. Dixon is about to become a national figure—despite himself. As chairman of the House Committee on Standards of Official Conduct—the so-called Ethics Committee—the Los Angeles congressman is in the hot seat as the investigation of House Speaker Jim Wright (D-Texas) nears its climax.

Dixon, a six-term Democrat, has shunned television interview programs and press conferences, so it will come as a surprise to most Americans to discover—as they soon will—that the man in charge of this supremely sensitive political assignment is black. Within the House, however, it's no mystery why Dixon is where he is. Though relatively light in seniority, he is one of the most trusted and widely admired members of the House, among people of both parties and both races.

Dixon is a fascinating example of the emerging alternative style of black leadership—a person who makes his way not by the militancy of his advocacy of civil rights or other racially-linked issues, but on the basis of personal and intellectual qualities which cross racial and ideological divisions in the society and make him an effective bridge-builder.

Other examples that come readily to mind include Gen. Colin L. Powell, the last head of the National Security Council in the Reagan Administration, Los Angeles Mayor Tom Bradley, Ronald H. Brown, the new chairman of the Democratic National Committee, and Rep. William H. Gray III of Philadelphia, the chairman of the House Democratic caucus.

The emergence of these men in roles traditionally reserved for whites is significant in itself as a sign of the maturation of American politics. But it is particularly important at a time when so much attention is focused on examples of the continuing racial polarization of our society.

The accounts of last week's Chicago mayoral election all emphasized the racial split in the voting. Exit polls showed the winner, Cook County state's attorney Richard M. Daley, received 90 percent of the white vote, while his main opponent, black Alderman Timothy C. Evans, won 95 percent of the black vote.

Jesse L. Jackson, the chief supporter of Evans, cited the results as further proof of his contention that the principle of racial reciprocity is mostly honored in the breach in this society. There's certainly a kernel of truth in that observation, uncomfortable as it may be to acknowledge it. But it's not the whole truth, as the careers of men like Dixon remind us. For all the shortcomings, American society and its political system have evolved to the point that members of the minority race are accepted and indeed welcomed in positions of exceptional sensitivity and significance on a color-blind basis.

No one reaches a position like Dixon's entirely by accident. The community from which he comes, the district he represented first in the California Assembly and now in Congress, is itself a rare example of integrated diversity.

On the west side of Los Angeles, between the Coliseum and the airport, it is a stable mixture of whites, blacks, Asians and Hispanics. When I interviewed Dixon 10 years ago for a book on emerging young political leaders, one of the first things he said was that his "is a district where they really believe good neighbors come in all colors. They are very proud of their integration pattern."

Coming from that kind of community, Dixon has never played purely "black" politics, though he has headed the Congressional Black Caucus. An ally of the "Waxman-Berman" machine, headed by two Jewish congressmen and their partners in Los Angeles and Sacramento, his politics have always bridged racial lines.

Beyond the bent his district gives, Dixon has personal qualities that make him ideal for sensitive assignments like the investigation of Wright. Although at age 50 he is clearly a member of the television generation of politicians, he avoids the limelight as assiduously as most of his contemporaries seek it.

He has a reputation for being conscientious in his workmanship, calm in demeanor and committed to fairness in process. The Ethics Committee is unique in being equally balanced between the parties. On one crucial question—the decision that it will release the full investigative report on Wright's activities—Dixon already has demonstrated his independence from partisan pressures and his ability to forge a consensus among his members.

This is not the first time he's been handed a hot potato. In 1984, on the eve of a Democratic convention where Jackson was threatening a major rules challenge, then-Democratic national Chairman Charles T. Manatt asked Dixon to head the convention rules committee. He did so in a way that defused the fireworks, left Jackson without a divisive issue and spared nominee Walter F. Mondale from a costly choice between capitulation and confrontation.

The Wright case will be infinitely tougher to finesse, but the trust in Dixon expressed by both the speaker's defenders and his most ardent critics speaks volumes about Dixon's character and reputation.

It's a healthy antidote to all the angry rhetoric—and the sad evidence—of continuing racial polarization in the United States.

BEEPER ABUSE PREVENTION ACT OF 1989

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. MFUME. Mr. Speaker, I have introduced the Beeper Abuse Prevention Act, H.R. 1504 to curtail the prevalent use of pagers, sometimes called beepers, by many young people who engaged in drug-dealing activity and to discourage them and other youths from getting involved in the business of trafficking drugs and guns. This legislation would amend the Communications Act of 1934, requiring the Federal Communication Commission [FCC] to prescribe regulations which would prevent the possession and use of paging devices by persons under 21 years of age. I thank the 25 Members who have joined me as cosponsors of this much needed legislation.

I am concerned by the fact that approximately 70 tons of cocaine, 1,400 pounds of heroin, and 2.2 million pounds of marijuana entered the United States in 1987 and that more drugs than ever are crossing our borders. These and other illicit drugs are being channeled to our young adults and children in their schools.

Drug trafficking has reached an alarming level in every part of the United States despite the efforts of our law enforcement agencies. More and more young people are getting in-

volved with selling and/or distributing drugs—even on school grounds. Furthermore, many schools across the Nation have indicated that problems persist with pagers being activated in classrooms and drug dealers frequenting school yards.

Mr. Speaker, the drug business has evolved into a sophisticated organization that has turned toward the advances of technology to promote the trade. We simply cannot allow those who violate the laws of this country to have the benefit of using the latest advances of science and technology.

Drug dealers are using pagers in creative ways. An example cited by law enforcement officers details how dealers and suppliers send coded messages via beepers: A number such as 777-7777 is received on a beeper and would translate into "Meet me at our regular meeting place at 7:00 with the drugs." Also, individuals involved in drug trafficking are using 800 numbers now available with regional paging services. As a supplier, one could actually conduct a transaction in the District of Columbia from as far away as Miami, FL. Youths also use beepers to carry out transactions for automatic firearms and other weapons that have been too often associated with drug-related murders.

We can no longer sit idly by and permit such blatant abuse of paging devices and services. I am confident that this proposed legislation will discourage young people from entering the drug trafficking business.

Specifically, Mr. Speaker, H.R. 1504 would require any person engaged in sales or rental of paging devices to verify the indentification and age of each person to whom the device is sold or rented. Parents or guardians who intend to permit their children to use beepers, or legitimate business enterprises who intend to permit their employees under the age of 21 to use such devices for business purposes would have to state that intention with an affidavit at the time of purchase. This bill would encourage businesses and parents to take a more active role in their employees' or child's well-being, especially with an increasing number of young adults getting involved with drugs and drug-related activities.

I am aware of the possibility that pagers could be distributed to minors for the purpose of conducting illicit drug deals by people 21 and older. However, my bill would provide stringent penalties of up to 3 years imprisonment and fines of not more than $250,000 for individuals and up to $500,000 for businesses who employ minors in drug trafficking. These fines will be doubled in cases where a profit was made. Those adults who actively recruit minors to carry out drug transactions, simply because minors are subject to more lenient juvenile laws, cannot be allowed to continue and must be punished.

Additionally, the provisions in this bill would make it unlawful for a person who knowingly and willfully rent, sell, or use paging devices in violations of rules prescribed by the Commission. These individuals may be subjected to fines and confiscation of the devices by law enforcement officials.

Mr. Speaker, there are legitimate uses of paging devices by persons under the age of 21. Many businesses rely on paging devices to keep in communication with their employees, and by working parents who wish to keep in touch with latch key children after school. The bill I am proposing would not interfere with legitimate users. Parents and businesses would simply be required to indicate that the devices will be used by their children or employees at the time of purchase. Unfortunately, pagers and beepers are the preferred devices by young people dealing drugs. H.R. 1504 will attempt to take the pagers out of the hands of young people who have no other use except conducting illegal activity.

I would like to make it clear that I am not suggesting that beepers are a menace to society. The devices have proven to be very useful for many people on a daily basis. Hospitals, couriers, and a number of companies use these devices to better facilitate the delivery of their services. However, paging devices in the hands of teenagers have proven to often lead to misuse, abuse, and possibly even drug-related deaths. My aim is to discourage minors from participation in drug distribution by restricting the use of paging devices and increasing the chances of their getting caught. I am optimistic that this approach will be an additional deterrent for minors who seek the profits of trafficking illicit drugs.

We can no longer stand by and watch drugs flow across our borders and into our neighborhoods. Although the legislation I am proposing will not solve the drug crisis confronting our Nation, it certainly is a step in the right direction. We all need to encourage further dialog and search for additional solutions of how we can proceed to get drugs out of our communities. Just last Congress, we reaffirmed our commitment with the American people to continue our fight against drugs. This initiative will build on that commitment and augment existing laws.

I urge Members to support this bill, and assure the American people that we will continue to fight illicit drugs from entering our communities and school yards.

TRIBUTE TO THE MICHIGAN BASKETBALL TEAM

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. FORD of Michigan. Mr. Speaker, on a pleasant spring evening in April 1898, John Philip Sousa, the immortal march king, conducted a band concert in Ann Arbor, MI. He introduced a new march he later was to proclaim as the finest of all college marches and one of the five greatest marches ever composed. It was, of course, the matchless composition of the late Louis Elbel, a graduate of the University of Michigan, and he called it simply "The Victors." Its stirring words and spirited notes proclaiming the Wolverines the "champions of the west" have been fulfilled many times since, and surely never more gloriously than in Seattle, WA, on Monday, April 3, 1989, when the Michigan Wolverines thrilled the entire basketball world with an overtime victory by a single point over the valiant Pirates of Seton Hall to claim the NCAA basketball championship for 1989.

Let other chroniclers tell the oft told tales of this team, the coaches, and their avid followers. We proudly note that a stalwart middle America community in the 15th Congressional District of Michigan is the hometown of a key member of this exemplary combination of round ball talent. Terry Mills from Romulus, MI, now joins with his peerless associates in being ushered into that special arena we reserve for our sports heroes who fight on and finally triumph under unusual and remarkable circumstances.

The Michigan basketball team and all associated with it have now added further luster to a long and noble tradition which combines in a unique manner both academic and athletic excellence passed on from generation to generation. The State of Michigan and our entire Nation reap benefits of an infinite variety from the University of Michigan where education, research, public service, and athletic superiority and integrity are provided for all in great abundance.

As the music of Michigan's famous fight song swells and swirls around us during the many celebrations of their newest national championship we join in saluting the "victors valiant" and thank all concerned for giving us another example of the special satisfaction which comes from a task superbly accomplished in a society designed to bring out the best we have to offer.

FOUR YEAR TERM LEGISLATION—HOUSE JOINT RESOLUTION 188

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. HANSEN. Mr. Speaker, I recently ran across a comment by Jack London where he stated "I shall not waste my days by trying to prolong them." What an appropriate motto for anyone serving in the House of Representatives.

It does not take much time for the dust to settle after a campaign before sights are set on the next election. When a candidacy is announced a few months after the culmination of an election, any glow that may have remained from a political victory is quickly snuffed out. Running for office can now affect almost half of each term a Representative is in office.

This is not to say that campaigns, per se, are detrimental to the health of the legislative process. In fact, free elections are vital to the survival of democracy. However, when this 2-year cycle renders legislative and oversight activity during an election year far less than what it should be, it is time for a change. For this reason, I have introduced legislation that would extend the terms of office for Members of the U.S. House of Representatives from 2 to 4 years. Elections would coincide with Presidential elections.

It is often difficult to recognize when change is warranted, but I believe it is time to extend the term of U.S. Representatives. As the global community becomes increasingly interdependent, it is vital that Members of Congress have the time to acquire the expertise needed to make informed decisions. Freshmen Members of this body must have the time and the opportunity to be more effective their first term of office. Citizens must gain a reprieve from what must seem like a constant bombardment of campaign rhetoric. Alexander Hamilton agreed with that premise when he stated, "frequency of elections tend to make the people listless to them * * *"

Many equate elections with the Government's responsiveness to the electorate. However, in this age when the public can communicate their approval or disapproval almost immediately, responsiveness has more to do with solving the problems the people of this country want addressed than with the frequency of elections.

It's been said that most people are in favor of progress—it's the changes they don't like. Congress has been responsible for many changes in this country in the last 200 years and it has been that capacity to switch policies with changing times and problems that has enabled the United States to endure and become the symbol of government by the people and for the people.

In the first Congress, 143 bills were introduced in the House and 24 in the Senate. Today Congress handles 50 times as many House bills and 170 times more Senate bills. In the 100th Congress, there were approximately 13,000 pieces of legislation that were introduced. When the Founding Fathers penned their names to the Constitution of the United States, each Member of Congress represented approximately 30,000 people. Today, we represent an average of 540,000 and it is expected that in 1990, that average will have increased to 550,000. The citizen legislator who stayed in a Washington, DC, hotel while conducting legislative business is a far cry from the politician of today who maintains two households, their principle residence being inside the beltway.

In spite of these changes, this body, made up of elected Representatives from around this great land, has met the challenge of Benjamin Franklin to keep the Republic. As an institution, Congress has done this through world war, prosperity, and economic disaster.

We continue to face threats to the health of this Republic. Yet, at this time when Members of Congress must consider more legislation, spend more time in oversight, represent more people than at any other time in our history, it is ironic that it is the election process that detracts from this responsibility. We would do well to continue to follow Mr. Franklin's admonition to not only keep the Republic but to keep it well. The people's demand for greater accountability and the world's need for effective, well-informed decisionmakers must be answered with better job performance—and the time to do it. I believe 4 years is a reasonable timeframe.

THE 44TH ANNIVERSARY OF THE DOWNING OF THE U.S.S. "PRINGLE"

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, I rise to invite special tribute to a group of individuals who will gather on April 16, 1989, to commemorate the 44th anniversary of the downing of the U.S.S. *Pringle*. These survivors of that fateful day, April 16, 1945, will come together to remember their part in the noble history of the U.S.S. *Pringle*, and that of those who did not survive the sinking of the ship. In particular, I would like to recognize a constituent of mine, Mr. Charlie Bubnis of Setauket, NY, a survivor of the U.S.S. *Pringle* who, with his wife Marjorie, will host this important gathering to remember of the U.S.S. *Pringle* and her crew.

The U.S.S. *Pringle* was built in Charleston, SC, and launched on May 2, 1942. As a unit of the *Fletcher* class, the *Pringle* measured 375 feet overall, 39 feet across the beam, with a displacement of 2,050 tons. Its main battery consisted of 5-inch 38 caliber single-mount guns and ten 21-inch torpedo tubes. The U.S.S. *Pringle* was named for the late Vice Adm. Joel Robert Poinsett Pringle and was launched by Mrs. Pringle.

With a distinguished record at war in the Pacific, the *Pringle* was responsible for sinking a trio of Japanese destroyers, a Japanese submarine, and nine enemy planes. In addition, the *Pringle* assisted in the destruction of countless other planes and several Japanese submarines. The U.S.S. *Pringle* was also credited with heavy destruction of enemy land installations.

The U.S.S. *Pringle* was awarded 10 battle stars for its role in many operations: the consolidation of the Solomon Islands, antisubmarine assessment, the Luzon operation, the Iwo Jima operation, the Okinawa operation, the New Georgia group operation, the Bismarck Archipelago operation, the Treasury Bougainville operation, the Marianas operation, and the Tinian capture and occupation.

On April, 16, 1945, a kamikaze pilot sunk the U.S.S. *Pringle*, leaving 69 men dead and many wounded. A group of the ship's survivors has gathered each year in the fall to remember the *Pringle* and the 3 dangerous years they spent in the Pacific theater. In the fall of 1989 the group plans to gather in San Diego.

More than 15 survivors are expected to attend the reunion party, coming from as far away as Canada, Massachusetts, Pennsylvania, Maryland, and Virginia. Relatives of men who died aboard the *Pringle* have asked to come so they may hear stories and remembrances about their loved ones.

The bond the survivors of the U.S.S. *Pringle* have formed and renewed over 44 years is remarkable and deserves our recognition. In light of their loyal service to their country and their continuing remembrance of the vessel and crew which so nobly served in the Pacific, I ask that my colleagues join me in saluting Mr. Charlie Bubnis and the other survivors of the U.S.S. *Pringle*.

BILATERAL TRADE AGREEMENTS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. CRANE. Mr. Speaker, before Congress went into Easter recess the International Trade Commission released a report requested by the Senate Finance Committee entitled: "Pros and Cons of Entering into Negotiations on Free Trade Area Agreements with Taiwan, Korea, and ASEAN, or the Pacific Rim Region in General." The publication does a fine job of presenting the numerous arguments both for and against such proposals. I am encouraged by the findings of the ITC and as a result I have introduced three separate pieces of legislation authorizing the negotiation of bilateral free trade agreements with Taiwan, South Korea, and the Association of Southeast Asian Nations [ASEAN], whose member countries include Brunei, Daru'l Salam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Many critics of bilateral agreements are fond of saying that bilateral agreements place multilateral trade negotiations in jeopardy. Quite frankly, I disagree. Thus far, we have negotiated two successful FTA's with Israel and Canada, both of which include precedent setting provisions in areas yet to be addressed in the General Agreements on Tariffs and Trade [GATT]. However, even if FTA's did place multilateral negotiations at risk, enough bilateral agreements, without new barriers being raised, would result in worldwide free trade. If we wait for 2 years to determine whether the efforts in the Uruguay round are successful, Americans will be the ones placed in jeopardy.

In 1987, U.S. trade with Asia was an astounding $240.8 billion, while our trade with Europe amounted to only $169.6 billion. According to the Presidential Commission on Industrial Competitiveness, U.S. trans-Pacific trade will be twice that of its trans-Atlantic trade by the mid-1990's. Keeping in mind that the Pacific Rim countries are economically and politically stable, have well-developed infrastructures, and an ever-increasing per capita consumption rate, it is abundantly clear that improving our trade relationship through bilateral agreements will provide vast market opportunities for American exporters.

Taiwan, whose small island encompasses more than 20 million people, represents incredible market opportunities for many United States businesses. Some sceptics are worried that Taiwanese exports to the United States will increase considerably if we were to enter into an FTA with Taiwan, thus adding to our trade imbalance. However, for the most part, Taiwanese industry is operating at full capacity, whereas their own market remains largely unexplored by American exporters. Why then has Taiwan expressed an interest in negotiating an FTA with the United States? I believe

that Taiwan is interested in an FTA as a means of escaping United States protectionism resulting from the recently passed trade bill in addition to escaping future restrictive textile legislation.

Korea's economic success over the past several years is indeed outstanding and deserves our admiration. However, at the same time, we cannot ignore the fact that it has cost the United States some of our own economic security. Korea has adopted a number of programs designed to lessen our trade imbalance by encouraging domestic growth and consumption, and sponsoring United States buying missions. However, the Korean Government must also concentrate on reforming its agricultural system, as difficult as that may be. An FTA with deadlines for quota elimination, will allow each of our countries to meet our long-term objectives.

Admittedly, there are difficulties involved in negotiating a collective trade agreement between the United States and the members of ASEAN. Diverse economic interests as well as levels of development must be taken into account as new rules are established. However, some of the more difficult groundwork has already been laid out through ASEAN's economic cooperation. The potential growth of their markets will increasingly lead to improved trade between ASEAN and the United States, as well as within the ASEAN region itself. An FTA will undoubtedly allow trade liberalization to take place more completely and develop more rapidly than if no agreement existed.

In addition to strengthening the economies of the countries party to the agreement, FTA's also offer strategic and political benefits. Since World War II, the United States has placed most of its emphasis on promoting good relations with Western nations. However, because of the ever-changing character of the world situation, it is critical that we concentrate on enhancing our friendships with free nations throughout the world.

I urge my colleagues to review the ITC report on bilateral agreements with East Asian countries. If you reach the same conclusions I have, I would welcome your cosponsorship of my legislative proposals.

"VALDEZ" OILSPILL

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Ms. PELOSI. Mr. Speaker, we have seen daily images of the destruction to wildlife in Prince William Sound from the largest tanker spill in U.S. history. The overall damage to natural resources and the resulting loss to the economy of this area are staggering.

There has been a longstanding debate concerning offshore energy development along the California coast. President Bush made an important gesture toward seeking a final resolution of this controversy when he announced that two California lease sales would be delayed pending review by a special task force. Lease sale 119, which extends from my district of San Francisco north to the Sonoma/Mendocino County border was not included in the President's list. The events of the *Valdez* tragedy make it essential to include lease sale 119 in the President's review.

The region of lease sale 119 adjoins the Farallon Islands National Wildlife Refuge. This wildlife refuge is the largest and most diverse seabird and marine mammal habitat in the United States. Hydrocarbon development has also been recommended by the Department of Interior within the boundary of the nearby proposed Cordell Banks National Marine Sanctuary.

The final environmental impact statement of the minerals management service for the central California region estimates that four oilspills of over 1,000 barrels have a 98-percent probability of impacting these environmentally sensitive areas. A 1984 oilspill killed almost 9,000 birds near the Farallones. Even a small spill can have a devastating impact on wildlife populations and change forever the environmental character of these sanctuary areas.

The 1984 spill made it apparent that recovery efforts were inadequate, particularly in the rough waters of the North Pacific coast. In light of the recent accident in Prince William Sound, lease sale 119 should be included as part of the President's review of lease sale activities in offshore California.

This is particularly important as a result of the revelation last week that information on the probability of a major oilspill off northern California's coast was suppressed by agencies of the Government. This new information, previously withheld, calls into serious question the future of all California lease sales.

Rather than apply a Band-Aid to an oilspill, I would encourage the administration to devote greater attention to the research, development, and funding of alternative energy sources and energy conservation programs, including fuel efficiency.

In the absence of this necessary commitment, the administration must, at least, be prepared to provide the proper and immediate antidote to a deadly oilspill. I urge President Bush to honor his campaign pledge at Boston Harbor and become the "environmental" President.

MUNICIPAL SOLID WASTE REDUCTION ACT OF 1989

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. GEPHARDT. Mr. Speaker, today I am introducing the Municipal Solid Waste Reduction Act of 1989. This bill establishes, among other things, a national policy of waste reduction wherever possible.

This Nation produces an enormous amount of trash, over 400,000 tons every day, and the amount increases by 2 to 4 percent every year. Eighty-two percent of this garbage is landfilled, but the days of cheap and plentiful land are over. It is estimated that, in the next 10 years, close to half of the States will run out of landfill capacity. Consequently, the garbage bill for the average American family may rise in the next 10 years from $100 a year to $500 to $1,000 a year.

As we encourage American productivity and competitiveness abroad, we must not ignore simmering environmental problems and let them destroy our gains. Indeed, our efforts to increase the standard of living in America in the next decade may well be swamped by the cost to our economy of dealing with our trash.

Finding new landfills to replace the old ones will not take up the shortfall. Many communities are not able to site new landfills and, even if a site can be found, the permit process currently requires an average of 10 years.

Waste treatment options other than landfilling also have their problems. Incineration produces air and ash emissions that are potentially hazardous to human health. And, even though recycling is the most desirable treatment option for much of the solid waste stream, it can often involve many of the treatment processes that went into the original product, of which some are hazardous if the proper precautions are not taken.

Imagine a possible scenario for the future: Barges filled to the brim with garbage, regularly searching for a place to dump their cargo, but circling the oceans for weeks on end. Garbage piled up on the streets as local capacities are met. And, demonstration after demonstration as communities fight the siting of treatment facilities in their neighborhoods.

There is no escaping the bottom line: we must reduce the amount of garbage that we produce.

Almost all consumers and business trends increase the amount of garbage that we produce, everywhere from microwave dinners to disposable diapers. However, Europe produces half of the trash that the United States does per capita. In England, most families have refrigerators that fit under the counter and no microwaves. Their milk is delivered every day in reusable bottles and they often shop for fresh food three or more times a week.

Japan recycles 50 percent of its trash, converts 23 percent of it to energy and landfills only 27 percent. West Germany recycles 15 percent. Converts 30 percent to energy and landfills 55 percent. Comparatively, we recycle 10 percent, convert only 5 percent to energy, and landfill 85 percent. Our trading partners therefore will not be hampered nearly as much in the future by the rising costs of fresh disposal.

Although we cannot, nor should not, change our style of living to mimic those abroad, we can learn some lessons. Many countries encourage products that do not take as heavy a toll on the waste stream. The Government of West Germany awards a "Blue Angle" seal to products that are environmentally sound. Ideas such as these could be implemented in the United States to aid consumers in their choices of products.

Only when consumers take into account waste reduction when they buy a product, or bag up their yard waste, will we see a significant decrease in the amount of trash generated in this country. Yet, consumers must also have a choice in the marketplace of products that produce less trash.

However, if the price of trash-disposal in America were to double today, the market would be unprepared and a consumer could

not reduce their trash without buying less, thereby hurting the market directly. For example, when we go to the toy store, do we have the option not to buy a Teenage Mutant Ninja Turtle figurine—or almost and other for that matter—that is not in a package that is twice its size?

Many products and packages are not such obvious waste producers and consumers need a labeling system to indicate the waste produced by a product and its packaging, before they buy the product. For example, when products come in boxes, it is hard to tell how much product you are getting for the size of the container.

Yet it is hard to design such a label. Should it include a product to packaging ratio? Should it include information about how toxic some components of the product/packaging are or how easy the product is to dispose of through the available treatment methods: recycling, incineration or landfilling?

But products and their packaging are not the whole story. Another large section of the waste stream is yard waste. Much yard waste can be composted, yet it now takes up 30 to 40 percent of the waste stream. The public must also be made aware of methods to handle parts of the waste stream that are not "bought." Paper products also contribute to a large portion of the waste stream. Perhaps it is time to rethink some of the helpful hints that we heard as children, like "Use both sides of the paper".

Communities, businesses and the public also need to have access to all of the studies and management plans that have been tried with waste reduction. They could be collected and disseminated at a "Clearinghouse of Waste Reduction" at the Environmental Protection Agency. This clearinghouse should be open to all members of the public.

Many questions about solid waste have to be answered. Perhaps most important for waste reduction, the most toxic portions and volumetrically significant portions of the waste stream should be studied for possible reduction strategies, management options and substitution alternatives.

The Federal Government should also exhibit its commitment to waste reduction through changing its Federal procurement strategies.

Waste reduction will not happen overnight, but we must begin to work toward a less wasteful society as soon as possible. I have introduced this bill to provide incentives, in a nonpunitive manner, to encourage the implementation of waste reduction strategies. I urge that my colleagues support the "Municipal Solid Waste Reduction Act of 1989" to put the Nation on the track toward waste reduction.

KEEPING THE DUKE'S LEGACY ALIVE: MERCER ELLINGTON AND THE DUKE ELLINGTON ORCHESTRA

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. CONYERS. Mr. Speaker, I rise on behalf of the Congressional Black Caucus to bring to our colleagues' attention that on Saturday, April 29, 1989, at Washington, DC's Departmental Auditorium, the Charlin Jazz Society will host "Duke's Night," a gala to honor an American legend, Edward Kennedy "Duke" Ellington. This event will mark the 90th birthday of the Duke and will feature a musical performance by Mercer Ellington and the Duke Ellington Orchestra. Since Duke Ellington's passing in 1975, the orchestra, under the leadership of Duke's son, Mercer, has continued as one of the world's leading orchestral aggregations.

Throughout the past 15 years, the Duke Ellington Orchestra has maintained the level of excellence created by its founder. In its repertoire are scores of skillfully recreated Ellington orchestrations which retain commendable authenticity. This ever-impressive musical organization has also moved in new directions, creating superbly fresh arrangements, always preserving the collective tonal essence of the Ellington sound.

These accomplishments highlight the talent, artistry, and experience of this well-seasoned orchestra. They also reflect the unique musicianship and organizational skills of the inheritor of the Duke Ellington mantle, Mercer Ellington.

It is clear that Duke Ellington would be proud of Mercer's performance, not only as leader of the orchestra bequeathed to him, but as a composer and arranger in his own right. The Grammy Award-winning recording, "Digital Duke," was a fine example of Mercer's own talent as a producer of exemplary orchestral performance. His beautiful composition, "Danish Eyes," has also received wide acclaim. The orchestra's most recent recording, "Music is my Mistress," is a tour de force which showcases Mercer's talent as composer and arranger. This five-part suite is his most ambitious, splendidly crafted work to date. It is Mercer's first extended work for the orchestra and it has contributed to his increasing renown as another uniquely endowed Ellington.

The multitudes who enjoy musical artistry are indebted to Mercer Ellington and the Duke Ellington Orchestra for ably carrying on the Duke's legacy.

LAUHOFF WINS SUPPLIER AWARD

HON. TERRY L. BRUCE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BRUCE. Mr. Speaker, on Wednesday, April 19, a company in my district will receive a "Partners in Excellence" Award from the Miller Brewing Co.

For the first time, the Miller Brewing Co. will honor 7 of their 19,000 suppliers and Lauhoff Grain Co. of Danville, IL, is indeed honored to be one of those seven "Partners in Excellence." Lauhoff President Richard Pittelkow credits labor-management cooperation with the success of operations in Danville. Having seen the quality of work produced throughout the 19th District, including many plants in Danville, I am not surprised.

It is interesting to note that the building which houses Lauhoff Grain Co. was a family owned brewery from 1903 to 1939. The Fecker Brothers produced Fecker beer there and sold it in clear, glass bottles similar to those used today by the Miller Brewing Co.

In 1942, Lauhoff moved to its present Danville location and expanded to become the largest dry corn mill in the United States. Ten years later, Lauhoff added a soybean crushing/oil extraction facility which has also expanded to become one of the largest soybean processing plants in the world.

Although family owned for decades, Lauhoff now operates as a wholly owned subsidiary of the Bunge Corp. Historically Lauhoff has played a lead role in advancing modern milling technology and developing new uses for cereal grains. They have also played an important role in U.S. programs aimed at fighting worldwide hunger.

Lauhoff has been a world leader because they have made a commitment to quality. The recognition by Miller Brewing Co. shows that Lauhoff grain employees do more than strive for excellence, they achieve it. I would like to congratulate everyone associated with Lauhoff's Danville operations for their remarkable success.

CHILD CARE ASSISTANCE ACT OF 1989

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. CLINGER. Mr. Speaker, this body has long recognized the clear need to develop a comprehensive child care package. Our failure to enact such a package stems not from our intent, but rather from our differing perceptions about how the Federal Government should best approach this issue.

Yesterday, Representative TOM TAUKE, together with Senator PETE DOMENICI introduced a bill, The Child Care Assistance Act, which offers a comprehensive legislative response to the ever-critical issue of child care. I am an original cosponsor of the legislation and will work hard to ensure its final passage because I believe its engineers, the women and men who serve on the House Republican Child Care Task Force, have taken the time and effort, through months of study, research, and deliberation to define a good, practical, solution to the problem.

This bill is based on the principle that the appropriate Federal role is to empower parents and families to make decisions with regard to their child care needs, rather than to place child care decisionmaking authority and responsibility in the hands of Government bureaucrats. It will serve millions of low- to moderate-income children nationwide, while keeping the role of the Federal Government to a minimum, and making all types of providers eligible for funding. By providing a tax credit to employers who develop child care assistance plans, authorizing States to establish revolving loan funds for family day care providers and setting up liability risk pools for providers it affords our day care structure the opportunity to

become more competitive and makes it easier for it to expand.

I strongly believe the success of developing a solid national day care structure relies on our ability to achieve these things.

These are the same principles set forth by President Bush and are essential to any worthwhile child care legislation.

It is clear, the Child Care Assistance Act is the type of bill we need and certainly one that can attract consensus support.

AMERICA DEMANDS SAFE AND PRUDENT ENERGY DEVELOPMENT

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. FASCELL. Mr. Speaker, I rise to join our colleagues in expressing my concern for the environment in the aftermath of the tragedy of the Alaskan oilspill. While it is imperative that we concentrate our efforts on what the Federal Government can do to alleviate the crisis in the Prince William Sound, we must also ensure that something like this will never happen again. The precious natural treasures sprinkled throughout our national landscape are important to many localities for a variety of reasons. For cultural, historic, and economic reasons, we will not be doing our jobs if we continue to allow the splendor of our environment to be recklessly developed and, at the same time, be left so unprotected.

Unfortunately, it is too late for the people of Valdez, AK, and the Prince William Sound to prevent this tragedy, but it is not too late for south Florida. At this time, the waters north of the Florida Keys and east of the Everglades National Park are slated for the Department of the Interior's offshore oil and gas development program. This area, which is currently protected by a congressionally imposed moratorium, is the home of a living coral reef, two national marine sanctuaries, the only national park of its kind, and serves as the habitat for a number of threatened species. If anything is to be learned from this needless tragedy, it is that we must avoid placing equally unique ecosystems in a position of potential risk from an environmental nightmare. We should be protecting the waters adjacent to the Florida Keys and the Everglades National Park for all time, not creating the possibility of a similar catastrophic disaster.

ST. STANISLAUS DAY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. LIPINSKI. Mr. Speaker, as cochairman of the Democratic Council on Ethnic Americans, I rise to mark the commemoration of the martyrdom of the patron Saint of Poland.

Saint Stanislaus was born in Szczepanowski, Poland, in 1030. As a priest, he took charge of a parish near Krakow and was elected bishop of Krakow in 1072, after being nominated by Pope Alexander II.

Stanislaus' real fame came not because he was a bishop, but because he was not afraid to criticize officials for promoting injustice and corruption. His outspoken attacks on sin, in both low and high places, earned him the respect of the people and the hatred of the King of Poland, Boleslaw II. In 1079, Boleslaw ordered Stanislaus killed, but the guards who had been charged with the slaying were unable to do so. Their great respect and admiration for Stanislaus interfered. Instead, King Boleslaw slew Stanislaus himself and immediately fled Poland for fear of revenge.

The story of Stanislaus is very relevant today. Just as Stanislaus was unafraid to stand up for the rights of the people in 1079, the Polish people and the Solidarity union are unafraid to do so today. Solidarity and the Polish people have stood up to the Communist government in Poland, and now, while Poland is on the threshold of monumental reform, we must not allow the struggle of the Polish people to slip down on our lists of priorities. Nowhere in Eastern Europe, over the last 40 years, has there been a clearer opportunity for the United States to turn the tide against communism in favor of democracy, pluralism, and personal freedom. We must guarantee that the legalization of Solidarity, the proposed new chamber of Parliament, and free elections are irreversible steps toward democracy, not temporary concessions by the Communist government. Today, while we should remember the bravery of Saint Stanislaus, we must not forget the continued heroics of Solidarity and the Polish people in their continuing struggle against totalitarian dictatorship.

A TRIBUTE TO ANTHONY A. CONSTANTINO

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. FISH. Mr. Speaker, I take this opportunity to pay tribute to Tony Constantino for his wonderful achievements in a lifetime of dedicated public service. Tony has received the accolades of fellow townsmen on his well-earned retirement as the town clerk in Philipstown, Putnam County, NY.

Tony's record of public service and achievement is exemplary. Over 50 years ago, in 1939, he started his career at the local level as aide to the Hon. D. Mallory Stephens, chairman of the New York State Assembly's Ways and Means Committee. From there, he went on to a series of fiduciary and public service posts over the years.

He has served as the Putnam County coroner, trustee of the Village of Cold Spring, as well as secretary to the Cold Spring Zoning Board of Appeals. Earlier, he served as the chairman of the Philipstown Republican Committee, occupying that position with great distinction. Tony also has served as the tax map supervisor for Putnam County.

It should be said that not the least of Tony's contributions have been as a volunteer participant in a host of community activities. He is a Grand Knight of the Knights of Columbus, a 4th Degree Member. He served as Putnam County Commander and Commander of American Legion Post 257, an Officer of VFW Post 2362. Tony maintains his interest in a number of other community organizations, including the Julia Butterfield Hospital in Cold Spring.

Tony is a World War II veteran, having risen to the rank of Master Sergeant. He also served with the U.S. Army Reserves. Tony continues his interest in real estate and insurance.

It needs to be said that the reward for these many laudable activities is that Tony Constantino is loved and honored by the citizens of his community. He is truly "Mr. Philipstown." As one who has known and served with him, I am proud to offer this tribute to him on his outstanding record created over a lifetime. His dedication to public service and the attention he has given to civic responsibilities have earned him our respect and appreciation.

H.R. 1760

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. SCHUETTE. Mr. Speaker, on Monday of this week I was joined by my colleague from Michigan, Congressman VANDER JAGT, in introducing H.R. 1760 to amend the Harmonized Tariff Schedule to correct an inadvertent error in the customs classification of certain imports of chipper knife steel.

Chipper knife steel is a special alloy tool steel that is imported by American industrial knife companies to manufacture wood chipping knives for the wood, pulp, and paper industries. In 1984, after finding that chipper knife steel was not available from domestic sources, Congress permanently eliminated all import duties on chipper knife steel bars.

On January 1, 1989, a new import classification system, known as the Harmonized Tariff Schedule, took effect. The Harmonized Tariff Schedule also prescribes duty-free treatment for chipper knife steel bars. Unfortunately, however, the new Harmonized Tariff Schedule adopted a new definition of "bars" that covers a narrower range of steel products than had been considered bars in 1984, when Congress eliminated import duties on chipper knife steel bars.

As a result of this unexpected change in the definition of steel "bars," approximately one-third of all chipper knife steel imports are now being classified by the Customs Service as flat-rolled products for which the applicable duty rate is 11.6 percent ad valorem. Assessment of this high rate of duty on imported chipper knife steel imposes unnecessarily high costs upon American industrial knife manufacturers, who must compete against inexpensive imported knives that are subject to a much lower rate of duty.

Imposition of duty burdens on American chipper knife manufacturers is contrary to the intent which Congress had in 1984, when all duties on chipper knife steel imports were eliminated. Assessment of duties on certain

imports of chipper knife steel, solely as the result of an inadvertent mistake in the Harmonized Tariff Schedule, undoes more than a decade of effort by the Congress and the executive branch to eliminate barriers to the importation of chipper knife steel.

H.R. 1760 would correct this mistake by making a technical adjustment to the Harmonized Tariff Schedule that would assure duty-free treatment for all chipper knife steel imports. Since the current aseessment of duties on chipper knife steel imports was the result of a Government error, H.R. 1760 would operate retroactively to assure that any duties collected on chipper knife steel since January 1, 1989, would be refunded.

LI'L ABNER IS A TRUE AMERICAN CLASSIC

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. LEVINE of California. Mr. Speaker, folklore is part of the American tradition, and no one captured the essence of hillbilly humor better than satirist Al Capp. He stylized and extracted from the loyal and comical dwellers of Dogpatch, a certain brand of hilarity which, beneath the homespun banter, reflected the everyday fabric of life. Li'l Abner is a true American classic.

Mammy and Pappy Yokum were a solid family unit, and Li'l Abner and Daisy Mae the role models of physical perfection.

Capp's imagination created dozens of memorable characters such as Hairless Joe and Lonesome Polecat, the gorgeous Moonbeam McSwine and the homeliest gal alive, Sadie Hawkins—whose father created a special day for all homely gals to catch a mate and be led by the ear or nudged by the gun into the presence of Marryin' Sam. And when the confines of Dogpatch constricted Capp's imagination, he created a comic book hero for Li'l Abner—Fearless Fosdick—a send-up of Dick Tracy who took on a life of his own.

Li'l Abner has returned to the pages of America's press, now syndicated to over 600 NEA newspapers, ready to start the day in the life of its readers with a certain bemused smile. The strip is also being developed by Ruly-Spears Enterprises, Inc. into an animated series.

Polka dots, corncob pipes, and elixirs are back. Welcome, Li'l Abner. We need the levity you provide, as any fool can plainly see. Ah sees it.

HONORING MARY JANE CHOATE, PRESIDENT OF MICHIGAN AMERICAN LEGION AUXILIARY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. PURSELL. Mr. Speaker, I wish to take this opportunity to recognize a friend and constituent of mine who is serving as the president of the Michigan American Legion Auxiliary, Mary Jane Choate.

Mary Jane, who hails from the village of Brooklyn, MI, will be honored by her colleagues and friends at a dinner planned for Saturday, April 15.

As the Representative for Michigan's Second District, I have known Mary Jane for a good number of years, and know her dedication to her country, State, and community. She isn't one to sit on the sidelines and watch. Instead, Mary Jane leads by example.

Mary Jane joined the auxiliary on October 16, 1945, through her husband Neal's eligibility. They are members of the Wilbur Bartlet Post Unit 315.

Throughout her years in the American Legion Auxiliary, Mary Jane has served in most offices and chairmanships at both the unit and district levels. At the State level she has served as membership chair and Americanism chair, historian, chaplain, second vice president, first vice president and now, president. She also is the president of the Jackson County honorary society of the Legion Auxiliary.

In addition to her Legion work, Mary Jane is a member of the Brooklyn Presbyterian Church and is president of the Scout Cabin Association.

Mr. Speaker, I ask my colleagues in this House to join with me in congratulating this outstanding woman, Mary Jane Choate, on her continuing involvement in community service, and to commend her spirit and willingness to make a contribution.

TRIBUTE TO JOHN ARNONE

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. FOGLIETTA. Mr. Speaker, I rise to pay tribute to John Arnone, a constituent of mine from Philadelphia and a fine union leader. The International Union of Operating Engineers [UNICO], Local 542 and the Association for Retarded Citizens, will honor John on April 29, at their Salute to Labor Banquet, and I applaud him as well.

A native of Wilkes-Barre, PA, John is a 26-year member of his local union, which has jurisdiction covering counties in the eastern half of Pennsylvania and the State of Delaware. He joined the Engineers in 1962, after serving 4 years active duty in the U.S. Navy Air Intelligence. In 1972, he was appointed business agent for the Union in 1972, and within 5 years had become district agent for the entire Wilkes-Barre area. This experience prepared him well for his current elected position as business manager of Local 542. While serving in this capacity, John's list of accomplishments has been impressive, including returning the union to full employment.

A skilled negotiator and consensus builder, John also has a keen interest in civic and political affairs. In 1978, he was elected State Constable of Luzerne County, and later served as president of the Luzerne County Constables Association. His remarkable leadership has resulted in co-founding the Pennsylvania State Conference of Operating Engineers, representing over 15,000 operating and stationary engineers. In August 1988, he was elected conference president. John also serves as cochairman of trustees for five local union benefit funds.

John's leadership abilities and commitment extend to leadership positions on several State and national boards including, the IUOE Northeast Conference, which represents the interest of 70,000 engineers, and the State AFL-CIO, where he serves as vice-president.

Mr. Speaker, John Arnone's dedication and commitment to his union and community is to be respected. On April 29, John will be honored by his friends and colleagues for his distinguished leadership record and his many contributions to humanity. My colleagues in the House of Representatives and I join them in proudly saluting John Arnone.

TRIBUTE TO DAN BURTON

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. PENNY. Mr. Speaker, during March it was my privilege to have Daniel F. Burton of Mankato, MN working in my Washington office. During the month, Dan assisted me and my staff with various legislative projects and committee hearings. This is the third consecutive year that Dan has worked with me in Washington.

Mr. Speaker and colleagues, Dan Burton has a long history of service to my State of Minnesota. A professor of biology at Mankato State University for many years, Dan had a reputation as an outstanding teacher and scholar. Later in his career, Dan served as president of the Minnesota State Board of Education, where he championed the cause of quality education for all school children, regardless of their social class or geographic location. Wherever Dan Burton has served he has served with distinction.

Mr. Speaker, Dan Burton is a model citizen. Dan and his wife Ronnie have my very best wishes, and thanks for their service to the citizens of my State.

A BILL TO REQUIRE THE DEPARTMENT OF VETERANS' AFFAIRS TO PROVIDE FOR WEEKEND FUNERALS IN NATIONAL CEMETERIES

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. RAY. Mr. Speaker, I am introducing legislation today which will require the Department of Veterans' Affairs to provide for the burial of deceased veterans in national cemeteries on weekends if the veteran's family pays the cost of such burial. In addition, this bill will require the Department to implement a system to allow families to plan on weekends for a funeral on a following weekday.

Under current law, the families of our Nation's veterans are unable to arrange for burial in VA cemeteries on weekends. This inconveniences those family members and friends who must travel long distances to be at the funeral. Often, these families opt for burial in private cemeteries when they would prefer burial in one of our Nation's cemeteries for veterans. Unfortunately, this frustration with VA cemetery hours comes during a very traumatic time: the death of a loved one.

My bill will require the Department of Veterans' Affairs to provide for weekend burials if the individuals arranging for such burials agree to pay the costs involved. By allowing families to have this option, we are giving them the freedom to arrange an appropriate funeral and burial. However, since they will be responsible for the costs incurred for weekend burials, it will not be an expensive change in the law. In addition, the Department is instructed to implement a system which will permit individuals to discuss procedures and make arrangements, on weekends and holidays, for burials in national cemeteries on weekdays.

Mr. Speaker, let's treat our Nation's deceased veterans with the same dignity which they gave to our country through their service in our Nation's defense. I encourage my colleagues to support this important legislation.

TRIBUTE TO JOSEPH SOBANSKY

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. MURPHY. Mr. Speaker, I rise today to pay tribute to a young man from the 22d Congressional District of Pennsylvania.

In a time when many Americans have become disillusioned with the youth of today, in a period when many of our young people have fallen victim to the drugs and violence that seem to overwhelm our Nation's streets, I am glad to say there still lies hope. Several weeks ago a young man by the name of Joseph Sobansky, of Washington, PA, was driving down a city street when he spotted an apartment house consumed by smoke and flames. As he approached the fire, onlookers screamed that there were people trapped inside the house.

Joseph Sobansky stopped his vehicle and immediately went into action. For the downstairs residents, he banged and knocked on windows to alert them of the fire. In addition, without ever thinking of his own safety, he ran into the burning apartment building and up the stairs. He found a young lady, recovering from recent hip surgery, who was unable to get out on her own. Mr. Sobansky carried her down the stairs and out of the building to safety.

Mr. Joseph Sobansky was acting on human instinct. A person who acts unselfishly to protect another human life, even if it means endangering oneself, should be commended. I salute Mr. Sobansky in his gallant act of bravery and know that my fellow Members will join me in paying tribute to this outstanding young American.

TAXATION OF FOREIGN BANK DEPOSITS

HON. GREG H. LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. LAUGHLIN. Mr. Speaker, I rise today to bring attention to a provision in the current savings and loan bailout bill which discriminates against small domestic banks while favoring large international banks.

While I support President Bush's desire to have an early solution to the savings and loan crisis, we should not penalize small community banks by giving favorable treatment to large banks. As H.R. 1278 currently stands the plan does not levy an FDIC insurance premium on big banks' $250 billion in foreigners' deposits. Instead, smaller banks like those in the 14th Congressional District of Texas are being asked to pay much higher premiums at a time when they are fighting to keep the doors open. It is time to end the free ride for the big banks' foreign deposits.

I support amending the S&L bailout bill to require banks to pay deposit insurance premiums on foreign deposits. I will also note that the Independent Bankers Association of America also seeks such an amendment. The IBAA has calculated that such an amendment would permit Congress to hold the deposit insurance premium at 12 cents per $100 rather than 15 cents as recommended by the administration.

While small banks pay the FDIC premium on 88 percent of liabilities, the giant banks pay premiums on only about 40 percent. By including foreign deposits in the insurance premium the Wall Street Journal estimates that the FDIC income would rise by $473 million a year.

In addition to restoring the soundness of the FDIC on a more timely basis, I stress fairness as an important policy goal. Too often the policymakers in Washington have opted for solutions that put a greater burden on rural America and smaller sized businesses while protecting big banking and big business. We cannot continue to permit our farmers, independent energy producers, and now the smalltown bankers to carry more than their share of the load.

HONORING AL AND LEE SWARD

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding couple, Al and Lee Sward. They both are being honored on May 12, 1989, by the Friends of St. Mary's Hospital, in Bayside, NY, where they will be the recipients of the Ninth Annual Community Service Award. This award is presented to individuals in recognition of their efforts on behalf of the chronically ill, handicapped, and terminally ill children of St. Mary's Hospital for Children.

Local businesses and individuals, including public officials, will gather on May 12 to salute Al and Lee Sward for their tireless volunteer initiatives on behalf of St. Mary's Hospital and for the children of Queens County. Their generosity truly represents the brotherhood and leadership that makes New York City and the United States great.

The Friends of St. Mary's Hospital are proud to be part of a century-old tradition of pediatric care established in New York City by the Sisters of St. Mary in 1870. In addition to quality care and rehabilitation services provided by St. Mary's inpatient, home-care, and outpatient programs, the hospital houses this country's first full-service palliative care unit for terminally ill children and their families.

On top of the many hours Al Sward donates to St. Mary's Hospital, he is also president of Service Systems Inc., located in Flushing, Queens County, NY. Al's lovely wife, Lee, works as a paraprofessional at St. Mills School in Flushing, NY. They have two beautiful daughters, Lori Ann and Kristine, and together they reside in Flushing.

Some of the activities that Al takes part in at St. Mary's include organizing parties for children at the hospital, donning costumes for various holidays, and helping with fundraising. He also serves as chairman of the board for the Friends of St. Mary's Hospital for Children. Lee is a member of the Fashion Show Committee and also volunteers at the foundation office.

Mr. Speaker, I am sure that all of my colleagues would agree that Al and Lee Sward exemplify the spirit of volunteerism which is an invaluable part of American life. I would like to salute their efforts at St. Mary's and encourage them to keep up the good work.

NINETIETH ANNIVERSARY OF THE PROCLAMATION OF THE TREATY OF PARIS OF 1898

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BLAZ. Mr. Speaker, I rise to bring to my colleagues' attention an event of great importance to my constituents. I am speaking of the 90th anniversary of the proclamation of the Treaty of Paris of 1898. On April 11, 1899, the treaty of peace between our country and the Kingdom of Spain entered into force. Signed at Paris on December 10, 1898, this treaty ceded Guam to the United States. In this jubilee year it is I who have the distinct honor to represent the people of Guam in this august body.

On April 11, 1899, in Washington, DC, the 25th President of the United States, the Honorable William McKinley, and representatives of Her Majesty, Maria Cristina, Queen Regent of Spain, exchanged their governments' ratifications of the Treaty of Paris of 1898. President McKinley proclaimed,

(B)e it known that I * * * have caused the said Convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled

with good faith by the United States and the citizens thereof.

That last phrase has been sacred to the people of Guam. We have trusted in the words of our "first" President. It has been with considerable pride that the people of Guam have served our country for decades. Their numbers in the U.S. Armed Forces have proportionately far exceeded any other jurisdiction under the Stars and Stripes.

In this 90th year of American sovereignty over the island of my birth, I have had the humbling privilege of reintroducing legislation to establish a new political status for Guam. Aptly numbered H.R. 98, the Guam Commonwealth bill "recognizes the long-cherished aspiration of the people of Guam to direct the course of their own destiny." H.R. 98, section 2(a). It "reflects the will of the people of Guam to attain a greater measure of self-government in concert with the United States of America." H.R. 98, section 2(b).

For 90 years the people of Guam have consistently striven to develop a closer and more meaningful relationship with the United States. We hold dear the same truths as do our fellow citizens and nationals wherever our flag flies. In this anniversary year the Guam Commonwealth bill stands as a testament to the ties which bind the lawmakers of Capitol Hill to 131,000 members of the American family 10,000 miles away.

BICYCLE PART DUTY SUSPENSION BILL

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. McEWEN. Mr. Speaker, I am pleased today once again to offer legislation providing for the suspension of the regular U.S. Customs duties on certain bicycle parts. The regular duties on a variety of bicycle parts not manufactured in the United States have been suspended since 1971. This prior legislation, and the measure I am introducing today, recognize that the suspension of the regular customs duties on bicycle parts not manufactured in commercial quantities in the United States is critical to maintaining the international competitiveness of U.S. bicycle manufacturers.

As Mr. Speaker is well aware, the Subcommittee on Trade of the Committee on Ways and Means would like to report an omnibus miscellaneous trade and tariff bill in the first session of this Congress. During the 100th Congress I introduced H.R. 4313 to suspend the duties on a number of bicycle components. While this measure was reported favorably to the House Ways and Means Committee, it was not included in the final omnibus trade bill. However, while last year's trade bill was pending, domestic sources of supply for a number of additional bicycle components were eliminated. These components include certain aluminum alloy bicycle handlebar stems and stem rotor assemblies. In addition, there is no domestic source for the wheelbuilding, wheeltruing, rim punching, tire fitting, and similar machines used in the manufacture of wheels for bicycles. The purpose of the bill I am introducing today is to provide for the suspension of the regular customs duties applicable to these components through the end of 1996. Handlebar stems and stem rotor assemblies are normally dutied at 10 percent ad valorem.

Mr. Speaker, the pending trade bill makes only too clear the differences of opinion that exist within the Congress on how best to assist the competitiveness of U.S. manufacturing industries. I believe we can all agree, however, that the competitiveness of our domestic industries is only damaged when we continue to impose import duties on materials and components that are not produced in the United States, but are essential to the manufacturing operations of U.S. industries. The legislation I am introducing today is consistent with this fundamental tenet of a sound national trade policy. I urge my colleagues to support this legislation.

RISING GASOLINE PRICES, DECLINING U.S. PRODUCTION—THE ONLY GOOD ALTERNATIVE IS CONSERVATION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. STARK. Mr. Speaker, today I am introducing legislation to repeal the administration's authority to lower the corporate average fuel economy standard and return it to the 27.5 mpg as was required by the Motor Vehicle and Cost Savings Act.

Over the past several years, the administration has whittled away at the corporate auto fuel economy [CAFE] standard, one of the Nation's few successful energy conservation policies. My legislation will reverse DOT's ruling on the CAFE standard and eliminate its authority to lower it again.

The CAFE standard was established in the midseventies as a response to the Arab oil embargoes and the resulting energy crisis. It was created for a better national energy conservation policy and to ease the United States dependence on foreign oil.

Unfortunately, the memory of the oil shortage has faded from the minds of the public. The big auto manufacturers have persuaded the administration to roll back the CAFE standards in response to the public demand for bigger, faster cars. Is this a wise choice in a time when we now import over 42 percent of our oil? Is this a wise choice when oil consumption in the United States continues to increase while production continues to decline? Is this a wise choice when two-thirds of the oil consumed in the United States is used for transportation and we have few alternative fuel sources? Is this a wise choice when there is so much concern about oil spills and the environment? I don't think so.

In the past week, gasoline prices have risen as much as 6 cents a gallon on the west coast and Exxon Corp. has announced that it cannot fulfill contractual obligations on Alaskan oil. Exxon expects April deliveries to be cut as much as 20 percent as a result of the Valdez oil spill. As we all know, when supply is cut and demand remains the same, prices rise. Is this a time to continue to relax our fuel standards?

The CAFE standard is a good, smart law. After it was enacted, consumers saved a total of $50 billion in fuel costs between 1975 and 1985. The tightening of the CAFE standard will go a long way in helping us achieve three goals—strengthening the national energy conservation policy, and easing the country's dependence on foreign oil, and spewing fewer pollutants into the environment. Why continue to weaken a law that has been tried and has been successful. As they say, "Why fix it if it ain't broke."

BLUE LIGHT NIGHT FOR FIREFIGHTERS

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. WALSH. Mr. Speaker, I ask my colleagues to join me in honoring the brave men and women who risk their lives as volunteer firefighters. These individuals perform an invaluable service, yet receive little or no recognition for their efforts.

I propose launching a new tradition called Blue Light Night to honor the efforts of volunteer firefighters. On Blue Light Night all citizens would be asked to replace their normal porch lights with blue lights. As you probably know, volunteer firefighters display a blue light on their vehicles when responding to alarms.

I propose that Blue Light Night be the third Saturday of May each year and that some form of opening ceremony be initiated. This would be a small token of our appreciation for the fine work of our volunteer firefighters.

COMMENDING CARL ELLIOTT

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. BEVILL. Mr. Speaker, I rise today to give special recognition to former Alabama Congressman Carl Elliott, who along with the late Alabama Senator Lister Hill, played a major role in the passage of important Federal library legislation in the 1950's and 1960's.

This week, as we observe National Library Week, I would like to commend Carl Elliott, who resides in my hometown of Jasper. He was a guiding light in the passage of the Library Services and Construction Act, as well as the National Defense Education Act of 1958; the National Medical Library and related medical library legislation.

Carl Elliott and Lister Hill helped to shape the Federal role in aid to education and libraries. Their foresight has meant a great deal to our Nation's libraries which serve all segments of our society.

All of us who use libraries owe a great deal of thanks to these two fine Alabamians. We appreciate their dedication and hard work in improving the quality of life for so many people across our great Nation.

THE 95TH ANNIVERSARY OF THE UKRAINIAN NATIONAL ASSOCIATION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 12, 1989

Mr. GEKAS. Mr. Speaker, this year marks the 95th anniversary of the Ukrainian National Association, the oldest and largest Ukrainian organization in the free world. During the year of 1984 members of the growing Ukrainian immigrant community realized the need for a financial organization sensitive to the interests of Ukrainians, and from this realization the Ukrainian National Association was born.

From its humble beginnings in Shamokin, PA, the Ukrainian National Association has grown to 77,000 members with 240 branches—or lodges—in the United States and Canada. This close-knit Ukrainian American group has provided its members with life insurance and a wide range of educational, cultural, and social benefits throughout its illustrious history. It is with great admiration I acknowledge the 95th anniversary of the Ukrainian National Association.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 13, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 14

9:00 a.m.
Armed Services
To hold hearings in open and closed session on developments in the international security environment and their implications for U.S. security requirements.
SR-222

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy).
SD-116

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

Environment and Public Works
To hold hearings on the nomination of William G. Rosenberg, of Michigan, to be Assistant Administrator for Air and Radiation, Environmental Protection Agency.
SD-406

Select on Indian Affairs
To hold oversight hearings on Indian participation in government procurement contracting.
SR-485

10:00 a.m.
Foreign Relations
To hold hearings on the nominations of Paul D. Coverdell, of Georgia, to be Director of the Peace Corps and Terence A. Todman, of the Virgin Islands, to be Ambassador to Argentina.
SD-419

APRIL 17

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on the crime and drug crisis in the District of Columbia.
SD-192

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on significant price increases in petroleum products since the Valdez oil spill.
SD-366

Judiciary
Technology and the Law Subcommittee
To hold hearings on computer viruses.
SD-226

1:00 p.m.
Foreign Relations
To hold hearings on the nominations of Reginald Bartholomew, of Virginia, to be Under Secretary of State for Coordinating Security Assistance Programs, and Ivan Selin, of the District of Columbia, to be Under Secretary of State for Management.
S-116, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-138

2:00 p.m.
Energy and Natural Resources
To hold hearings on S. 388, to provide for five-year, staggered terms for members of the Federal Energy Regulatory Commission, and S. 389, to establish the position of Assistant Secretary for Natural Gas.
SD-366

APRIL 18

9:00 a.m.
Armed Services
To hold hearings on the military strategy and operational requirements for NATO defense and rapid reinforcement.
SR-222

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Serivces, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116

Environment and Public Works
Business meeting, to consider the nomination of William G. Rosenberg, of Michigan, to be Assistant Adminstrator for the Environmental Protection Agency.
SH-216

Judiciary
To hold hearings on S. 719, to limit the Federal antitrust exemption of the business of insurance, to reaffirm the continued State regulation of the business of insurance.
SD-226

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, and Soil conservation Service.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-192

Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 through 1992 for the Securities and Exchange Commission, S. 646, to facilitate cooperation between the United States and foreign countries in securities law enforcement, S. 647, Se-

curities Law Enforcement Remedies Act of 1989, S. 648 Market Reform Act of 1989, S. 649, Shareholder Communications Improvement Act of 1989, and S. 651, Trust Indenture Reform Act of 1989.
SD-538

Commerce, Science, and Transportation
Business meeting, to consider pending committee business.
SR-253

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

Finance
To hold hearings to review and evaluate certain child care proposals.
SD-215

Foreign Relations
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for foreign assistance programs and the Department of State.
SD-419

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the World Bank, International Development Association, International Finance Corporation, International Monetary Fund, and the Multilateral Investment Guaranty Agency.
SD-138

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on motor carrier safety.
SR-253

Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To hold hearings on treaties relating to mutual legal assistance in criminal matters.
SD-419

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

2:30 p.m.
Joint Economic
To hold hearings on inflation matters.
2322 Rayburn Building

APRIL 19

9:00 a.m.
Armed Services
To hold hearings on the military strategy and operational requirements of the maritime oriented unified commands and U.S. Forces, Korea.
SR-222

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the recent oil spill in Prince William Sound, and to review the adequacy of efforts to prevent air and water pollution at the Trans-Alaska Pipeline's Valdez terminal.
SH-216

Veterans Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of AMVETS, Vietnam Veterans of America, Veterans of World War I, and the Non-Commissioned Officers Association.
334 Cannon Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on proposed legislation to improve agricultural programs.
SR-332

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116

Finance
To continue hearings to review and evaluate certain child care proposals.
SD-215

Foreign Relations
To hold hearings on UNESCO.
SD-419

1:00 p.m.
Foreign Relations
To resume hearings on the future of U.S.-Soviet relations.
SD-419

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 198, the Copyright Act to protect certain computer programs.
SD-226

APRIL 20

8:30 a.m.
Armed Services
To hold hearings on the military strategy and operational requirements of the unified commands oriented to Third World defense and unconventional warfare.
SD-222

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on global climate change and efforts to predict greenhouse warming.
SR-253

Rules and Administration
To resume hearings on S. 7, S. 56, S. 137, S. 242, S. 326, S. 330, S. 332, S. 359, and S. 597, bills to provide for spending limits and public financing for Federal elections.
SR-301

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S.83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Finance
Medicare and Long-Term Care Subcommittee
To resume hearings on physician payment reforms under the Medicare Program.
SD-215

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

APRIL 21

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings on independent agency status for the Social Security Administration.
SD-215

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on global warming and Corporate Average Fuel Economy (CAFE) standards.
SR-253
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138
Finance
To hold hearings on the European Community's (EC) program to complete its internal market by 1992.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan, and Afghanistan.
SD-138
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

MAY 3

9:30 a.m.
Approporiations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Army Corps of Engineers.
SD-192
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on risk retention.
SRD-253

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116
Energy and Natural Resources
To hold hearings on S. 694, to extend the authority for the Strategic Petroleum Reserve.
SD-366

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138
Finance
To hold hearings on Medicare reimbursement of rural hospitals.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Reclamation, Department of the Interior.
SD-192

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 9

10:00 a.m.
Finance
To hold hearings on the impact of Section 89 nondiscrimination rules applicable to employer-provided fringe benefits.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics.
SD-192

MAY 10

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-192

MAY 11

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To hold hearings on rural development.
SR-332
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the De-

partment of Housing and Urban Development.
SD-138

MAY 16

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To resume hearings on rural development.
SR-332

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-116

MAY 18

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
S-126, Capitol
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

JUNE 1

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on refugees and migration.
SD-138

JUNE 6

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 7

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253
Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

JUNE 8

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

JUNE 13

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

CANCELLATIONS

APRIL 13

9:30 a.m.
Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

APRIL 19

9:30 a.m.
Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

POSTPONEMENTS

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space transportation budget and policy.
SR-253

HOUSE OF REPRESENTATIVES—*Thursday, April 13, 1989*

The House met at 10 a.m.

The Reverend Kenneth Rodgers, St. John Cantius Catholic Church, Sobieski, WI, offered the following prayer:

Almighty God, please hear us this day as we come before You acknowledging Your supremacy over all the universe.

We thank You for America the beautiful, with its splendorous mountains, fertile lands and plains, its watery wonders: the great oceans, the thousands of lakes and rivers, the teeming cities and towns, and most of all for the millions of people with roots from all over the globe, with different customs, religions, races, languages, and viewpoints, all summarized in the national motto "E Pluribus Unum, one though many."

We humbly beg of You, Lord, to bless this Congress, and especially each one of the honorable Congressmen that they may vote legislation conscientiously and justly for the benefit of our country and its people. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Michigan [Mr. UPTON] kindly lead us in the Pledge of Allegiance.

Mr. UPTON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

FATHER KENNETH RODGERS

(Mr. ROTH asked and was given permission to address the House for 1 minute.)

Mr. ROTH. Mr. Speaker, Father Kenneth Rodgers, who just gave us that moving opening prayer, is the pastor at St. John Cantius Catholic Church in Sobieski, WI. There, and at the nearby parish of Chase, Father Rodgers has tended to 350 families who live north of Green Bay, WI.

Originally from Denmark, WI, and later Green Bay, Father Rodgers has been an inspiration to the people throughout northeast Wisconsin.

Having graduated from St. Norbert High School and St. Norbert College, he completed his studies at Kenrich Seminary in St. Louis, MO.

Father Rodgers is more than a theologian, he is also worldly wise—having worked his way through school as a successful cattle dealer.

Before entering the priesthood, Father Rodgers earned a commission as an officer in the U.S. Army. In 1961, he was in charge of raising the funds to construct a new Catholic high school—Xavier High School—in Appleton, WI.

In the last 45 years, Father Rodgers has dedicated his life to caring for the souls entrusted to him. He is considered a "special friend" by all the people who know him and who are in his spiritual care.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will limit the number of 1-minute speeches today, and seeing the number of those desiring to make speeches finds it not undesirable from the standpoint of the Members. In view of the importance of the legislation to come before us today and the time frame in which it is related, the Chair will arbitrarily limit the number of 1-minute speeches prior to legislative business to no more than three to each side, three Democrats and three Republicans.

COMMENDING SPEAKER WRIGHT FOR PROMOTING NEGOTIATIONS LEADING TO SIGNING OF ESQUIPULAS II AGREEMENTS

(Mr. McNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McNULTY. Mr. Speaker, I rise today to express my strong support for the bipartisan accord which was agreed to on March 24 between the administration and Congress, regarding U.S. policy in Central America.

I would also like to take this opportunity to commend you, Mr. Speaker, for your part in promoting the negotiations which led to the signing of the Esquipulas II agreements.

Chief Deputy Whip DAVID BONIOR likewise deserves credit for his steady and determined efforts over the years regarding peace in Central America.

His influence, knowledge, and dedication throughout this protracted, divisive, and difficult process is apparent in the final accord and the optimism it brings.

The administration, too, deserves credit for recognizing our need to work in a truly bipartisan manner in determining policy for Central America.

President Bush has demonstrated a willingness to allow for a fresh approach to an old problem. It is my hope that we have continued and lasting cooperation in this matter.

In closing, I wish to once again thank you, Mr. Speaker, for your efforts in crafting the approach that is bringing peace to this region. Our national interest is intact, our word is once again credible, and many young men and women are alive today, due in large part to the spirit of hope and conciliation you initiated less than 2 years ago. I thank you, Mr. Speaker, and I know the Nation does, too.

FAILURE OF HOME RULE IN DISTRICT OF COLUMBIA

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, it is my privilege to have been born and raised in a small town in southern Ohio called Hillsboro, OH. Two nights ago, two good friends of mine, Ernie and Rita Blankenship, who are on the board of directors of a savings and loan that is a member of a national cooperative bank came here for a convention. Having checked into their hotel, they hired a cab to see the sights that is the U.S. Capitol.

During the course of just a few minutes of driving in a cab, they encountered two dead bodies on the streets of our Nation's Capital covered with blankets, surrounded by police.

Mr. Speaker, today I have taken time for a special order to discuss the humiliation, the embarrassment to the free world and to the United States of America: That is home rule in Washington, DC. It is time that we recognize this experiment has not only been a failure, it has been a disaster. The time has come for the Congress to reassert itself, as our Founding Fathers asserted in the Constitution, to maintain some semblance of responsibility in the government of the District of Columbia.

THE LEADERSHIP OF SPEAKER WRIGHT

(Mr. BONIOR asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. BONIOR. Mr. Speaker, today as we consider bipartisan legislation putting U.S. policy squarely behind the peace process in Central America, I believe it is important that we recognize the tremendous leadership of Speaker JIM WRIGHT.

In a very real sense it is the Speaker's leadership that has helped make the peace process in Central America a reality. In August 1987, it was Speaker WRIGHT who courageously stepped forward to insist that U.S. policy respect the views of the leaders in the region.

The Central American Presidents credited the Speaker with supplying the key missing ingredient that enabled them to complete the Esquipulas accord, for which President Arias of Costa Rica received the Nobel Prize.

During the past year and a half, there have been many ups and downs in the peace process.

Yet, through it all, Speaker WRIGHT has been steadfast in his insistence that our policy respect the right of the people of Central America to choose their own destiny.

For this, our Nation, the people of Central America, and all freedom-loving people, owe the Speaker their gratitude.

□ 1010

NATIONAL LIBRARY WEEK

(Mr. HOPKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOPKINS. Mr. Speaker, I rise this morning in honor of National Library Week, which this year is April 9 through 15, and we celebrate the opening of a new library in Lexington, KY.

As the demands of this age of information practically explode before our very eyes, it is appropriate that we take a minute to recognize those who help us manage access to information.

Libraries are doing and offering more than ever before: literacy programs, audio and video cassettes, print and electronic media—all handled expertly by school and community librarians across our land.

When a child wants to know the capital of Yugoslavia, or a foundation board wants to know which Federal agency handles grant applications for foster-care programs, they can turn to their libraries and librarians to get answers.

The slogan for this year's National Library Week could not be more appropriate: "Ask a professional. Ask a librarian."

So to the ladies and gentleman in the field of library science—thank you for being there with the answers.

SUPPORT FOR SPEAKER WRIGHT'S INVOLVEMENT IN BIPARTISAN CENTRAL AMERICAN ACCORD

(Mr. NAGLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NAGLE. Mr. Speaker, a historic event took place on March 24 involving two branches of Government which have been at odds for the last 8 years on the direction of United States policy in Central America. The bipartisan agreement forged between Secretary of State James Baker and the Democratic majority in the House represents the culmination of a successful effort led by Speaker WRIGHT and other committed leaders in the House and Senate in negotiating a diplomatic rather than militaristic solution to the war in Central America.

For 8 long years, we have watched in horror as more than 200,000 lives have been lost in Central America. Now finally, after years of bitter struggle between the executive and legislative branches we have arrived at a foreign policy aimed at peaceful negotiations among the factions. On March 24, Speaker WRIGHT and a handful of other committed leaders, unveiled a bipartisan agreement which will set historic foreign policy guidelines. This agreement represents a radical departure from a policy which supported armed insurgency against the Government of Nicaragua, and pitted Congress against the administration.

In 1987, Speaker WRIGHT moved this body one step closer to the bipartisan agreement before us with an initiative that reafirmed once again our commitment to diplomacy and open discussion as a means of a resolution to the war in Central America. Through many bitter struggles that divided not only the Democrat and Republican parties against each other, but also divided us from within, we have finally reached, what I believe, is an important step toward realizing peace and democracy in Central America.

This achievement could not have been made possible without the support, guidance, and leadership of Speaker WRIGHT. Through his past diplomatic initiatives, Speaker WRIGHT moved this body closer to the bipartisan agreement we have before us. He has reaffirmed once again our commitment to diplomacy and open discussion as a means to ending the war in Central America.

We stand here today as witnesses to the destruction and death that has plagued Central America over the past several years. We stand here in the hopes that a regional negotiated solution, supported from the beginning by Speaker WRIGHT, will come to fruition.

IMPLEMENTING THE BIPARTISAN ACCORD ON CENTRAL AMERICA

Mr. BONIOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 127 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 127

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1750) to implement the Bipartisan Accord on Central America on March 24, 1989, and the first reading of the bill shall be dispensed with. All points of order against the bill and against its consideration are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed four hours, to be equally divided and controlled by Representative Foley of Washington and Representative Michel of Illinois, or their designees, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except the amendments recommended by the Committee on Appropriations, which may be offered en bloc and shall be considered as having been read, which shall be debatable for not to exceed ten minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, or their designees, and which shall not be amendable or divisible in the House or in the Committee of the Whole. All points of order against the amendments are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions, only if offered by Representative Michel of Illinois, or his designee, and said motion shall be debatable for not to exceed twenty minutes.

The SPEAKER pro tempore (Mr. MINETA). The gentleman from Michigan [Mr. BONIOR] is recognized for 1 hour.

Mr. BONIOR. The Speaker, before I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON] for purposes of debate and reserve the time for myself, I yield for purposes of debate only to my colleague, the gentleman from Hawaii [Mr. AKAKA], who wishes to make a statement with regard to a matter of concern to him.

I yield 1 minute to my friend, the gentleman from Hawaii [Mr. AKAKA].

(By unanimous consent, Mr. AKAKA was allowed to speak out of order.)

TRIBUTE TO FATHER DAMIEN

Mr. AKAKA. Mr. Speaker, on Saturday, April 15, the people of Hawaii and Belgium will commemorate the centennial of the death of one of the

greathearted humanitarians of all time.

The Blessed Reverend Joseph Damien Deveuster, in 1873, made a voluntary sojourn to live among the lepers at Kalaupapa on the island of Molokai.

Father Damien, who we commemorate in the Capitol's Statuary Hall, was the rarest kind of man. To the amazement of his bishop and his peers, he could not walk away from the apathy, and rotting flesh that he found in Kalaupapa, a place that was called a "living graveyard."

Instead, Father Damien established the Philomena Church. For 16 years he ministered to the physical and spiritual needs of Hansen's disease victims until he succumbed to the disease at age 49.

Those afflicted with Hansen's disease were banished from the conscience of society, yet Father Damien opened his heart, his eyes and his arms to their needs and sufferings. By living among them and restoring their dignity he also uplifted mankind's dignity.

It gives me joy that we continue to revere Father Damien 100 years after his death.

Mr. BONIOR. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 127 is a closed rule providing for consideration of H.R. 1750, the legislation to implement the bipartisan accord on Central America of March 24, 1989.

The rule provides for 4 hours of general debate to be equally divided and controlled by the majority leader, Mr. FOLEY and the minority leader, Mr. MICHEL or their designees. After general debate, the bill shall be considered as having been read for amendment under the 5-minute rule.

The rule waives all points of order against the bill and against its consideration.

No amendments are made in order under this rule except the amendments recommended by the Committee on Appropriations which shall be offered en bloc. These are technical amendments which are necessary to ensure that the budgetary impact of this legislation will be neutral.

The en bloc amendments shall be debatable for no more than 10 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations or their designees. These amendments shall not be divisible in the House or in the Committee of the Whole, and all points of order are waived against them.

Finally, the rule makes in order one motion to recommit, with or without instructions, if offered by Mr. MICHEL or his designee. This motion to recommit shall be debatable for up to 20 minutes.

Mr. Speaker, on March 24, the Democratic and Republican leadership of both the House and Senate joined President Bush in signing a bipartisan agreement on Central America.

The agreement, I believe, signals a major change in U.S. policy toward the region. For the first time in over 7 years of war, the administration has expressed its full support for the Central American peace process.

The administration has acknowledged that the military approach has failed and has actively embraced the diplomatic approach to the region's problems. With this agreement, the administration has foresworn military aid for the Contras and has, instead, stated that it is the goal of United States policy to reintegrate them into the democratic process inside Nicaragua. For the first time, the administration expresses support for the voluntary reintegration and regional relocation of the Contras in a manner consistent with the Central American peace accords.

The bipartisan accord calls for a continuation of the cessation of hostilities now in effect between the Contras and the Nicaraguan Government. Secretary of State Baker has assured the House leadership that the United States will provide no assistance to any member of the resistance who is engaged in offensive military actions or who is involved in human rights abuses. The Secretary of State and I have discussed this issue at great length, and I have been assured that a letter affirming these commitments will be forthcoming.

This bipartisan agreement has wide support among the leaders in central America. President Oscar Arias, of Costa Rica, has hailed the agreement. Of this agreement, Arias has said: "Realism and pragmatism have prevailed. Now I feel a sincere support for the peace plan, something I never found in the past." Arias went on to underscore the point: "For a very long time we have been insisting to the world that dialog has to replace the military path. We're seeing an end to a warlike policy and support for the peace plan * * * ."

The legislation we have before us today has been crafted pursuant to this bipartisan agreement. It has the support of the leadership on both sides of the aisle. It provides for a simple extension of nonlethal assistance to the Contras at the current rate, and in current form from March 31, 1989, until February 28, 1990.

The only addition in the definition of "humanitarian assistance" from last year is the stipulation that funds may be provided for voluntary reintegration and regional relocation of the Contras. The delivery of this assistance will be arranged solely by AID in a manner that is consistent with the bipartisan accord. That accord makes it clear that, when the Central American Presidents develop their plan for reintegration and relocation of the Contras, these funds will be available to support such reintegration and regional relocation.

This legislation explicitly repeals all expedited procedures as well as every other reference to the provision of military aid. It does contain, however, a clear prohibition on the provision of military assistance, on the delivery of military assistance, and on the provision of any additional assistance not explicitly authorized by law.

Finally, in a side agreement, the administration has agreed that, no funds can be spent after November 30, 1989, without the written approval of the House and Senate authorizing and appropriations committees. This provision, which will be spelled out in a letter from Secretary Baker to the Congress, will allow the relevant committees to review the administration's implementation of the bipartisan accord and the extent of its support for the peace process in Central America.

Mr. Speaker, I believe the bipartisan agreement represents an important step forward in the effort to achieve peace and democracy in Central America.

It sends a clear signal to the leaders of Central America that we are willing to support the peace agreements that they have so carefully worked out. And it sends a clear signal to the Contras that it is time to begin the process of peacefully reintegrating themselves into the democratic process in Central America.

I hope this body will join in the effort to forge a policy for the United States that is, at long last, supportive of the peace process in Central America.

Mr. Speaker, I urge adoption of the rule and H.R. 1750.

□ 1020

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, this is the second time this week I have come before the House to urge support, particularly from my side of the aisle, for a proposed rule.

Yes, it is true that we have before us today a modified closed rule; and as the Members know, I and other Republicans are usually critical of this kind of rule. But the House will be considering today an extraordinary piece of legislation, which is the product of extraordinary negotiations between the White House and a biparti-

san group of leaders from both Houses of Congress.

The leadership of both parties in the House have requested this specific rule. H.R. 1750 is a very delicately balanced bill. And the leadership of both parties, considering the unusual and intense negotiations which wrote the bill, have thought it wise to preserve the bill against amendment.

The gentleman from Michigan [Mr. BONIOR] has accurately described this rule, but I would just now reiterate a couple of points in the rule.

First, it provides for 4 hours of general debate. That should be enough time to allow all concerned Members to be heard. And certainly there is no intention under this rule, despite its closed nature, to deny any Member the right to be heard.

Second, the rule provides the minority; namely, the minority leader or his designee, the right to offer a motion to recommit with or without instructions.

Under the unusual circumstances attending H.R. 1750, this is an appropriate rule—at this point I will not take the time to argue the merits of the Contra aid package but I will be strongly supporting the Contra package later in the debate.

I urge all Members to support this rule.

Mr. Speaker, I reserve the balance of my time.

Mr. BONIOR. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Speaker, I rise today in opposition to the rule and I also oppose the bill.

First, I would like to say I believe that the bipartisan accord represents a significant achievement on the part of the leadership of this body. I would especially like to note the great work of the gentleman from Michigan, Mr. DAVID BONIOR, the gentleman from Wisconsin, Mr. DAVID OBEY, the gentleman from Washington, our leader, Mr. TOM FOLEY, and Speaker JIM WRIGHT in bringing this bipartisan agreement on Nicaragua. I would like very much to be able to support this legislation. However, I cannot and will not support the bill as it now stands.

This legislation would allow the United States, or could allow the United States to be a positive force in this war torn region, but only if it specifically states that these funds be used to reintegrate the Contras into Nicaraguan society.

□ 1030

As it stands now, reintegration is listed as No. 6 of a maybe voluntary six possible uses for the money in H.R. 1750.

Yesterday I sought the opportunity to introduce an amendment to this bill mandating that at least 20 percent of these funds be used for resettlement and repatriation of the Contras. There is a consensus in this Congress and among the Presidents of the Central American nations that continuing to support the Contras as a military force would derail the peace process.

Maintaining a standing army in Honduras is dangerous and destabilizing. It is not in the spirit of this bipartisan accord. However, as this legislation stands now, I fear we may be doing just that, keeping the Contras in place and intact for another year.

This bill does not say that 1 cent of the money must be used for resettlement. This bill does not say that the ultimate goal of this legislation is the reintegration of the Contras back into the political process in Nicaragua. This bill does not say that United States money cannot go to armed bands of Contras still inside of Nicaragua.

Thus, this accord hinges on winks, nods, and handshakes.

I would like to say, I really would like to say that I can trust this new administration, the Bush administration to implement a program of resettlement of Contras. But how can I? How can I when I read on the front pages of the newspaper just today that the then-Vice President Bush played a significant role in providing covert aid to the Contras after denying vehemently that he played such a role?

My colleagues today my strong desire would be to vote for this bill, for a bill, for reintegration and for peace, but not for a bill full of maybes.

I urge my colleagues to join me in voting against this rule and against H.R. 1750.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering passage of an agreement between the leadership of this Congress and President Bush that I greatly hope will keep the possibility of a democratic Nicaragua alive. In seeking an end to the repression brought about by the Sandinista party, supporters of democracy inside and outside Nicaragua have always faced a difficult choice—either pursue the means to overthrow their oppressors by force or trust the Sandinistas to actually allow democracy in that country. Through passage of this agreement today, we will choose the second route and will again take Sandinista promises at face value. This bipartisan agreement in fact has its very roots in the Sandinistas so called commitments to democratization under the Central American Peace Plan and in their recent commitment to at last hold truly free elections.

I will support this agreement today, despite serious reservations I have over its structure, because it provides the men and women of the resistance with the means they vitally need to remain an organized force pending fulfillment of these latest Sandinista promises. If I am skeptical of the Sandinistas' intentions, however, I believe I simply share the outlook of a great many Nicaraguans—Nicaraguans who in many cases have already participated in an election of sorts by voting with their feet and escaping from Nicaragua by bus, car, boat, and plane. We might, in fact, ask ourselves here today whether the present Nicaraguan regime might win free elections in that country next year simply because so many Nicaraguans who would have voted against them had already fled.

My reading of the press reports out of Nicaragua over the course of the last year leave me with the impression that there remains little belief among the Nicaraguan people that life under the Sandinistas will ever really change.

For one thing, the Sandinistas' economic policies have made life in Nicaragua almost intolerable for the average working Nicaraguan. But it is not just the economy that is driving Nicaraguans to give up hope of meaningful change in their country—it is a broad range of actions taken by the Sandinistas last year while most of us here focused on their talk of peace.

For the sake of the Nicaraguan people's future, I think it is right and proper that we today take a long look at these Sandinista actions. First of all, let's not overlook some mysterious murders that were carried out in Nicaragua last year. What were the real circumstances surrounding the murders of Conservative Party official Eliazar Herrera and Independent Liberal Party official Francisco Aguilera? And what about the several dozen reports of Sandinista political assassinations of alleged resistance supporters throughout the countryside, some of which the Americas Watch organization stated were: "numerous enough to suggest tolerance or complicity by higher authorities."

Do we here really believe that the Nicaraguan people's hope in Sandinista promises of democracy were encouraged by Sandinista mob attacks on political gatherings? Sandinista harassment, arrests, and firings of striking trade unionists and similar job attacks on their meetings certainly didn't contribute to that hope.

Over the last year, we have witnessed numerous Sandinista closings of private radio stations, which are supposed to have uncensored operations under the peace plan. And why is it still impossible for Nicaraguans to be allowed to watch a privately owned television station? Nearby El Salvador, despite its on-going war, not only has four private TV stations, but Salvadorans watch hours of broadcast interviews with armed Salvadoran guerrillas. And why is it still so difficult for the last remaining opposition newspaper, "La Prensa," to get newsprint?

Is this continuing censorship, inflicted at whim by the Sandinista commandantes, supposed to encourage our belief in their democratic intentions? If there is true freedom of expression under the Sandinistas, why did they harass Catholic priests who dared last year to raise the subject of hunger in their sermons?

We recently saw the release of Nicaraguan national guardsmen held in prison these last 10 years. We have to ask, however, what has become of the many Nicaraguans sentenced to prison by political courts since 1979? Where are they? Have they been freed? And what has been the fate of those Nicaraguan civilians reportedly arrested last year in areas from which the resistance was forced to withdraw?

The Sandinistas continue to conscript young Nicaraguan boys into their party's army, often cordoning off entire neighborhoods and dragging the young men off. This continues despite the many demonstrations and protests against it and despite last year's truce. Why is such forced conscription necessary if there is to be peace? In fact, why is the Nicaraguan army run by one political party and not by the Nicaraguan people?

Mr. Speaker, this is just a short list of such actions taken by the Sandinista last year. I urge my colleagues to consider these facts and questions today as we consider this bill. Let's truly hold the Sandinistas to their promises for democracy this time!

Mr. Speaker, I reserve the balance of my time.

□ 1040

Mr. BONIOR. Mr. Speaker, I yield 4 minutes to my distinguished colleague on the Committee on Rules, the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Speaker, well, here we are. We have been here dealing with this issue I do not know how long. If I stay in Congress another 10 years, we will still be dealing with it, I guarantee it, and the argument will be basically the same that I hear this morning.

What has happened here is that the Democrats here in Washington have looked deep through the eyes into the soul of Secretary Baker and President Bush and have found in their wisdom that they want to end the hostilities in Nicaragua. They want to end them. And as all inside-the-Beltway settlements, it is done at taxpayers' expense. This is not a settlement in Nicaragua. This is a political settlement here in Washington.

I have heard and I have heard, I remember one time, I think it was back in 1985, that we voted humanitarian aid to send down to the Contras. As I recall, sometime after that we asked for an accounting and we found a substantial portion of that money in banks in Switzerland, banks in Miami. I suggest to Members that if we are so foolish as to send $68 million or $50 million or whatever it comes out to down there, a large part of this will once again end up in the banks of Switzerland, the banks of Miami.

When are we going to learn as a Nation about Central and South America? We have certainly had enough lessons over the years. The problem down there is a low standard of living and we can send this kind of money down there for the next 50 years. We can send military aid or whatever, and we are going to still be faced with the same problem that we are faced today. No one truly believes that this is humanitarian aid in the strict sense of the word. This money is sent to Nicaragua to keep afloat a group of desperadoes that have found a way to live way above the average standard of the average Nicaraguan family in Nicaragua, which the average per capita income, I think for the region is around $900, and at least for the Contra family income this comes out to around $4,800 or $900.

Sure, I could tell Members that we could setup one of those things here in the United States and get all sorts of volunteers. When are we going to learn that we cannot throw money at problems like this and walk away? That is exactly what we intend to do. We think here inside the Beltway that we can save our conscience by sending $50 million down, and we are going to be able to turn around and walk away, but let me say that we are going to be here next year and next year and next year. We have spent $360 million down there. If we send this money, what has it done except to bring disgrace and shame upon this great country of ours?

I ask Members to vote against the legislation. I ask Members to vote for the rule, however. I think that the rule is well structured, and it will get a fair opportunity for everyone in the House with 4 hours of general debate and a couple of amendments to address themselves on that issue, but as far as the legislation is concerned, please let us think about this thing very, very strongly before we send another $50 million down there. Who will benefit, if Members are so strong against the Sandinistas, whose economy do Members think this money is going in? They are having all these problems down there, but what Members are really doing is helping the Sandinistas. That is going right into that economy, a large part of it, that part that does not end up in Miami and Switzerland.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

The previous speaker in the well talks about the moneys in this bill as being foreign aid. The gentleman, I think, may or may not know that in the 11 years I have been in this Congress I have voted against the foreign aid package bill 10 out of the 11 years. I do not know how I happened to make a mistake in one of the years.

Nevertheless, Members have to look at what has been happening around the world. I mentioned earlier that communism has never been thrown out of a country by election. But when we look around the world it is what is happening today, and look at Mr. Gorbachev and look at the glasnost and look at perestroika and Members have to ask, what is happening out there? Is Mr. Gorbachev really sincere? Is he really truly about peace?

Well, I just did a study looking at the Soviet economy over the last 20 years and Members can really see what is happening there. Communism is a failed philosophy which will not work. The Soviet economy 7 years ago was racing along at about 3½ percent growth rate. Just in the last couple of years, it dropped to 1½ percent, and this last year, the Soviet economy growth rate is down to one-half of 1 percent. Does that tell Members something? Does that tell Members why Mr. Gorbachev is now running around the world telling Angola and telling Cuba and telling Nicaragua and other countries that we cannot afford to keep giving all these arms and tanks and planes? The reason is, communism does not work. It is failing in all of the countries over there behind the Iron Curtain. We can see it in Hungary, we can see it in Georgia, the Ukraine, and yes, now is the time for Members to push democracy across this world and especially right here in Nicaragua.

The ranking Republican member of the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD], he and his staff and his committee have done an exhausting study, and I wish Members would take the time, we do not have the time, I know, as individual Members, but in this committee report there is a 10-year exhaustive study of what has been happening down there. Now is the time for Members to act, to pass this bill, because this is not foreign aid for foreign countries. This is aid for American democracy. It is protecting our democracy.

Mr. Speaker, I yield such time as he may consume to a member of the Committee on Foreign Affairs, the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I look across the aisle at my colleagues and I see disdain, I guess, because once again we are debating an issue with which of course they disagree with this side. But I think this time, today, most of them who have been supportive of the Sandinista government in Nicaragua and opposing

the Contras feel like they have won a victory.

It is unfortunate that the gentleman from South Carolina, spoke of the Contras calling them a bunch of rogues, bandits, and a number of other things. At the same time I noticed he not once mentioned that the Sandinistas are Communists. He did not mention once that there is severe repression in Nicaragua, that the people do not want it. He did not mention once that there is 30,000 percent inflation and the people that used to have a fairly decent standard of living have no standard of living at all anymore because of the Communist Sandinista government. He did not mention once the Communist threat to the neighbors of Nicaragua.

I was in Chalatenango Province in El Salvador and talked to captured guerrillas that showed us weapons that they said came through Nicaragua.

□ 1050

They told us their training camps were just outside Managua in Nicaragua. But that was not mentioned once. He did not mention once the freedoms that have been lost in Nicaragua that were promised in Esquipulas, at Sapoa, and in 1979 to the OAS. Freedoms that were promised by the Sandinistas to the people of that country that have not been realized.

The Communists have broken promise after promise after promise, but that was not mentioned. There is no freedom of the press, there is no freedom of religion—there is no freedom of assembly. There are no true political parties that can participate in free elections. They talk about free elections, but we all know that is a ruse, used to confuse and divide us.

He did not mention the political torture that takes place in the prisons. He did not mention the people that have been incarcerated without trial or due process, many of whom are still there. He did not mention the beatings that have taken place.

When I was down there, I went to Leon and spoke to about 4,000 people in that little town who came out in spite of the Sandinista threats, to tell us of their problems and how they abhorred the Communists that have taken over that country. They told us of the beatings that have taken place and the torture that has been perpetrated upon people who took issue with that government. I talked to wives of political prisoners who had been promised that they would see their husbands or their sons, and told that they would be released, but they were not released. One woman who complained with others in a demonstration had her clothes torn off of her in public, and she was beaten. I brought her clothing back to the well of the House and showed it to the Members of this body. It did not have much of an impact. But those stories are not told by Members on the other side of the aisle.

They talk about the terrible Contras. What are the Contras? Most of them are campesinos who have gone to the hills with their families and are living in squalor and who want to fight for freedom down there. But they cannot do it with sticks, and they cannot do it with rocks, and you know that. Time and again you have cut off the military assistance they need to fight the Communist Sandinistas; those who have an expansionist policy and who want to expand their revolution throughout Central America and up into Mexico.

We know that in Afghanistan the Mujaheddin have driven out the Soviets. They have driven out one of the greatest military forces in the world. We know how and why they drove them out. They drove them out because the United States of America gave them military assistance. We gave them stingers, surface-to-air missiles to shoot down Hind helicopters, and because of that the Soviets left with their tail between their legs.

The same thing would happen in Central America. They could drive the last vestiges of communism out of our hemisphere if you guys had the same guts you showed when we gave support to the Afghan freedom fighters. But you do not have that. You want those people fighting for freedom in Nicaragua to use sticks and rocks. They cannot win that way, and you know it.

So I think the facade should be cut away. The fact of the matter is that you support the Sandinista government; you do not want them driven out of power, and because of that you are indirectly supporting a Communist movement that threatens the very existence of those other democracies and ultimately that of the United States as well. There is peace in Nicaragua today, but there is no freedom, and one thing that should be said clearly time and again is that peace without freedom is not peace, it is slavery. Peace without freedom is slavery, and because we are not helping those people who want freedom in Nicaragua, we are signing on to a slave state.

Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Speaker, we have had many visions for the Contras here in the Congress and from time to time we get together to mold them in whatever form suits our political needs at the time.

There have been times in this room when we envisioned the Contras as a fighting force. We've given them the wherewithal to shoot down helicopters, take over villages, perhaps topple the Sandinista government of Nicaragua. And there have been other times when we've wanted them to go away altogether and we have left them stranded in the jungles without guns or butter. Today we have a compromise between these two visions—neither a fighting force nor a thing of the past—the Contras will be sent to summer camp—spending their days drinking beer and playing volleyball in the jungles of Honduras. Standing neither vertical as soldiers nor horizontal as vanquished they will be suspended at a 45 degree compromise angle—the beneficiaries of bipartisan accord.

During the hearing at the Foreign Affairs Committee, I asked Deputy Secretary Eagleburger what the Contras actually do on an average day. Although Mr. Eagleburger didn't know for sure himself, another witness said they "remained remarkably cohesive and did exercises." There are some 10,000 of them with their families, whiling away the time in Honduras. Abandoned by their leaders, there are peasants, campesinos, most of them young. Remaining cohesive isn't hard to figure out—the stipend of the equivalent of $4,000 or $5,000 each from United States taxpayers is far more than their countrymen make, either in Nicaragua or elsewhere in Central America. While the legislation envisions the possibility of relocation, one would have difficulty finding a rationale for any of these poor peasants to get off the U.S. gravy train.

Blessed are the peacemakers, and all of us are sincerely grateful for the hard work of the Speaker and Mr. BONIOR and others who put this compromise together. It does mark that historic moment when the Contras go from being a fighting force supposedly "the equivalent of our own Founding Fathers" to being yet another American Entitlement Program. This metamorphosis effectively ends a sad and misguided chapter of United States foreign policy, but I think we would be wiser today to close the book and let these poor people make their way home without perpetuating the myth that they will play a role in the peace process initiated by the people of Central America themselves.

Mr. SOLOMON. Mr. Speaker, I reserve the balance of my time.

Mr. BONIOR. Mr. Speaker, I yield 6 minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, I thank my friend, the gentleman from Michigan, for his generosity of spirit and time.

Mr. Speaker, I rise against this rule because it does not allow for amendment to the bill, amendments which could cut its costs or put further restrictions on the Contras, or move us more quickly toward peace, amend-

ments such as Mr. FOGLIETTA had asked to be made in order.

So I shall vote against this rule and I do appreciate being given time by Mr. BONIOR and by Mr. FOLEY during the general debate, to speak against the bill.

I would like to use this time to state why I will be voting and working against this compromise and in doing so set the stage for those who will speak in opposition to Contra aid during the general debate.

Yesterday I met two of the world's most innocent victims—Dora Lopez, 22, and Eric Lopez, her son, age 4. Last year, during the time when there was no military aid or lethal aid allowed by Congress to the Contras, Dora was taking her infant son to the hospital.

The truck was attacked by the Contras; 12 people were killed, among them Dora's infant son. Dora lost her leg and sight in one eye. Four-year-old Eric suffered permanent damage to his face and an AK-47 blew open his shoulder.

This my colleagues during the period of nonmilitary or humanitarian aid.

This picture is worth a thousand words and Dora sits outside this House Chamber praying that we vote this compromise down.

How many others faced the same fate as Dora and her familiy since so-called humanitarian aid has been in place?

According to Witness for Peace from June 1988 until March 1989 about 600 civilian killings, woundings, and kidnapings have taken place. And that is only a report of those verified by this very reputable organization.

So don't kid yourself, you can call it by any other name, nonlethal, nonmilitary, defensive military, humanitarian, call it anything but it's still murder, kidnap and maiming.

Now we have a lot of problems in our country today.

Our Secretary of Housing Jack Kemp is trying as hard as he can to bring basketball into housing projects.

Maybe he should rename these housing projects Contra villages, Contra villages have volleyball, here's a picture that shows it. There's volleyball and other sports, there's food and housing, it's not luxury by any means but it is sustenance, unfortunately more sustenance than many of our American families have today. Here's a photo of a homeless family, mother and son, more and more the faces of the homeless look like this. This mother would like food and shelter and volleyball for her son. His mother would stand in line to get the $5,000 per year each Contra will be receiving; $5,000 per Contra, in an area where the average income is $900 a year.

I have no question of the motivation of many of my colleagues who will support this package. Many feel it is a step toward peace. But what do the Contras say?

On March 26, before they got the PR line on how this would be sold they said and I quote.

This is a major step forward. It will keep us together as a fighting force.

I ask my colleagues to stand up and be counted on this issue again today. Let us not have to witness any more Doras or Erics. Let's not lavish millions on a failed policy.

Let us vote "no" on this plan and allow the peace process to continue.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California [Mr. HUNTER], a real freedom fighter in his own right.

Mr. HUNTER. My colleagues, I was going to talk about the fact that I am also going to vote no on this package for very different reasons than the gentlewoman from California [Mrs. BOXER]. I am going to vote no because I think that the hope for freedom is lost in Nicaragua. The Contras as a fighting force have been effectively destroyed by the vote that was made by the Congress on February 2 of last year. We are really giving the American people false hopes in making them think that somehow, having lost the only leverage that we have really had to achieve any part of movement on the part of the Sandinistas, and that is the military force of Contras, somehow hardcore Marxists like Bayardo Arce and Tomas Borge, the head of the secret police in Nicargua, and other hard-core Marxists are going to watch C-SPAN to pick up the niceties of democracy and are going to voluntarily turn over power if they are voted out of office.

However let me, having had the gentlewoman from California [Mrs. BOXER] precede me, let me just make one comment about her remarks that I think needs to be addressed by the American people. We have a State Department report that was put out reviewing the statements and the interviews of a man named Baldazon. Baldazon was one of the top lieutenants of Tomas Borge when Tomas Borge was head of the secret police, and Baldazon gave us indepth interviews on the inside of the communist Sandinista operations.

One thing that he talked about was deceiving visiting international delegations, and he mentioned that Borge read the Bible regularly even though he was a hardcore Marxist, so that, when church groups came in, he could quote the Bible to them.

He precedes this by telling about times in which Tomas Borge ordered executions and personally stood by while innocent people in Nicaragua were machinegunned.

So, Mr. Speaker, we are talking about a very hard, very brutal head of the Sandinista gestapo, Tomas Borge, and yet he knew that propaganda is important. He knew that giving a good image to these well-thinking Americans coming down on these tours was important, so he read the Bible, and he would quote Bible phrases to them. He would have biblical pictures in his office.

In one incident that Baldazon mentioned particularly, Borge would ask Baldazon and others to have him in the act of doing nice things for poor people when these visiting delegations walked in, and maybe he would be giving a prosthetic device to a peasant that he called in off the street, and then they would shoo him out after the visiting delegation left.

One time he even asked to get an accordion for an old man who liked to play the accordion, and he was in this process of playing this accordion for the peace delegation. Of course, as soon as the delegation left, they took the accordion away from the old man and kicked him back in the street.

Mr. Speaker, I think that it is unfortunate that Americans have not read between the lines, have not really looked in great depth at the enormous propaganda that comes out through the Sandinista government.

Mr. Borge also sent what he called his chance-encounter teams out when these peace groups would tour the country, and he would have people that were dressed up like peasants just happen to bump into the American peace delegation, and they, of course, would report to him that the Contras had participated in great atrocities, and the peace delegation would come back and hold a press conference in the United States and basically carry that information, and Mr. Borge considered those operations to be very, very successful.

Mr. Speaker, let me go to the bottom line for the gentlewoman from California [Mrs. BOXER]. The Soviet Union has pumped over $500 million worth of weapons, and ammunition, and arms, and killing machines into Nicaragua in the last year for their side, the Sandinistas, after we in the House of Representatives cut off our side without any bullets. We said, "You can fight for freedom, but you can't have bullets."

In this ensuing package that we are going to talk about we are going to take away their opportunities to even engage in battles, albeit unequal battles.

I have heard very few speakers from the other side associate those killing machines like the Hind helicopters that can fire 6,000 rounds per minute, the tanks, all of the Kalashnikov rifles, and the millions of rounds of ammunition. I have heard from very few people who are anti-Contra comment on the relationship between those Russian killing machines and people who lose their legs or lose their limbs.

Let me simply assure my colleagues that I have gone into the United Nations refugee camps unannounced, unescorted and not telling anybody whether I was a Democrat, Republican, liberal or conservative. The last time I was there I had about 100 people come up to me.

I said to the first man, "Why are you here?"

He said, "The Sandinistas cut my throat," and he pulled down the bandage around his neck, and he had a bayonet mark all the way around his throat.

The next man said, "The Sandinistas killed my brother and hung him on a coffee bush," and this was in the Jacaleapa United Nations camp in Honduras.

The next person said, "They hooked up electrodes to my head and to my legs."

Mrs. BOXER. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. Mr. Speaker, I will try to yield at the end, but I have some things I want to say, and I would appreciate the gentlewoman from California [Mrs. BOXER] suffering me.

The point is that everybody that I talked to with that camera, out of those hundreds of people picked randomly, all talked about Sandinista atrocities.

Now 2 weeks ago I was down at Brownsville, TX, where Nicaraguans are streaming across the border. I might note that Nicaraguans are streaming across the border after we cut off aid to the Contras. Now theoretically everything was going to be fine after we cut off aid, but it has not been. Every one of them talked ill of the Sandinistas.

The Miami Herald reporter who was given great respect by people who read that particular publication, who took the trip all the way from Nicaragua up here with a band of refugees coming north, said, "Nobody in their private conversations said anything good about the Sandinistas."

□ 1110

Mrs. BOXER. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I cannot yield on that point, because I only have about a minute left.

The point that I want to make is this. I think we are fooling the American people. I think that we are putting off the real moment of truth, because the Sandinistas, the same Sandinistas who machinegun their enemies, who killed George Salazar, who was the one person who could have been a president of a free Nicaragua in 1981, are not going to voluntarily turn over the reins of power with absolutely no mechanism or lever for enforcement.

We are giving up, and we gave up in February of 1988, that only mechanism of enforcement that we had, and that was the Contras, the Democratic Resistance.

The last point I want to make to the gentlewoman from California is this. There are not 8 or 10,000 men down there that the gentlewoman points to. There are about 40,000 family members. There are old women. There are old men. There are amputees. There are children. The Contra force, in fact, are people who have been dispossessed by Nicaragua, created by the brutality of the Sandinistas, not created by the United States.

Mrs. BOXER. Mr. Speaker, will the gentleman yield for just half a second?

Mr. HUNTER. I am happy to yield to the gentlewoman from California.

Mrs. BOXER. Mr. Speaker, I agree with the gentleman that violence from the left and violence from the right must be condemned. What we want is to stop the violence from all sides.

I thank the gentleman for yielding.

Mr. HUNTER. Mr. Speaker, I thank the gentlewoman. I wish she could come up with a blueprint for keeping the $500 million worth of military aid that the Soviet Union is stuffing into Nicaragua to their side over the next year, because without stopping that we are going to see continued oppression by the Sandinistas, and I hope that I have more than rhetorical support from the gentlewoman for that.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. SOLOMON. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. HUNTER. Mr. Speaker, this problem is not going to be resolved until the American people get involved.

I have the same feeling that I had when we had the S&L crisis come up the first time. We said we were going to vote a $5 billion package and everything is going to be fine, and people forgot about it and it became a catastrophic crisis and one that we had to deal with on a much higher level.

There is a catastrophe in Central America. Nicaragua is lost. Freedom is gone and there is no chance of having free and fair elections where you have the requirement of giving up power by people who have told us they will not give up power.

Mr. Gorbachev stated in Cuba that he is not going to cease the aid that we appealed him to cease before he visited Castro a few weeks ago.

We need military aid, and that is why I am voting no when the substantive question comes up.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield to me?

Mr. HUNTER. I am happy to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, the gentleman's point about violence is an appropriate one. Let me just observe that when the Sandinistas commit violence against innocent victims, they are probably committing that violence with Soviet weapons. When the Contras commit violence against innocent victims, and indeed they do, unfortunately they do it with bullets paid for by us, and that is what we object to.

Mr. HUNTER. The difference is that we punish the people who commit violence on our side, just as we court martial our soldiers. The Sandinista state condones the machinegunning of individuals by the head of the Secret Police and the Secretary of the Interior, Tomas Borge.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I rise today to support the rule and allow the debate, but to oppose and will oppose the Democrat compromise.

The simple truth is, in my opinion, we spend too much time worrying about Central America and not enough about Uncle Sam.

For those of you who may not realize this, there were 20,000 murders in this country last year; 55,000 people killed on our highways; street crime is exploding, and we are going to vote for the 70th time to send new humanitarian aid to Nicaragua.

I say today it is time to vote on humanitarian aid for America, for Cleveland, for Detroit, for Chicago, for Pittsburgh, for Philadelphia, for Youngstown, for Los Angeles.

You know, one thing the Iran Contra scam should have taught us, what Robert Owens said in that private memo, he said that sending money to Nicaragua is like pouring it down a sinkhole. We do not want to send it. We want to push it down there by Federal Express now. We have not had enough.

In the 8 years they have been there, these Contras do not control one crossroad, have not had one major military accomplishment.

Let us face facts. We are here today worried about the Soviets and Castro, and that is valid, but I think it is time for our President, Mr. Bush, to say, "Read my lips. Get out."

What we are saying is, "Read my pocketbook. There is a problem and we are going to cure it. We will give you some money."

Look here. We have a $300 billion defense budget shoved down our throats every year, and I do not like it. We have F-16's. We have tanks.

Mr. Speaker, it is time to tell these Communists that we do not fund this $300 billion defense budget to go toward a neighborhood crime watch. It is time to tell these Communists to get out. It is time for President Bush to say, "Read my lips."

The greatest freedom fight going on today is not in Central America. It is

in America with frustrated citizens who cannot own a piece of the rock, and God forbid when they get a chance they have to import it from Mount Fuji.

I am tired of having here in the House the 70th vote on this issue.

I am not taking issue with any Republican. I believe you mean well, but I believe the people in Indianapolis need more aid than the people in Central America.

We are not going to buy respect, folks. They are still saying, "Uncle Sam, Yankee go home, get out. Quit meddling."

I am not going to yield. I lost 55,000 jobs in my district. I want a Democrat compromise that says we are going to help you with those jobs. When we do some work on jobs and stop talking about the Sandinistas, start talking about soybeans, stop talking about Contras and campesinos, start talking about jobs, America will be safer because our greatest threat is not a missile. It is not the Sandinistas. It is this economy where the American citizens are frustrated and some of our cities are literally out of control.

I want some help for jobs in my area. That is what I am talking about today. I want help for jobs in Youngstown and Warren, OH.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding this time to me. I did not plan to say more in this particular part of the debate on the rule, but since my honorable colleague, the gentleman from Ohio, mentioned my particular city and me—I would ask the gentleman not to leave yet—I thought I ought to respond.

We are all concerned about jobs and we think that the first priority of this Congress ought to be the people of the United States of America. I agree with that; but there is one other thing that I think ought to be taken into consideration, and that is why we have debated this time and again and again. Many of us believe there is a Communist threat, not only to Nicaragua, but to all of Central America and ultimately Mexico. If we do not help those people who are fighting for freedom down there, as we did the Mujahideen in Afghanistan, then what we fear is that one day the Communist sphere of influence will spread all the way up into Mexico and we will have to send our boys down there to spill their blood in a needless war.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. SOLOMON. Mr. Speaker, I yield 1 additional minute to the gentleman from Indiana.

Mr. TRAFICANT. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Speaker, I would like to say this, that we had a lot of valiant American soldiers die in Vietnam, supposedly fighting communism. The soldiers fought, Congress did not. We have too much rhetoric here.

I do not disagree, I am not questioning the gentleman's integrity. I believe the gentleman means well and he might be right, but I would like to see us start worrying about America.

Mr. BURTON of Indiana. Mr. Speaker, reclaiming my time, the fact of the matter is that many of us feel there is a threat down the road that is very real and if we do not help those people who are fighting for freedom down there right now, we are going to reap the whirlwind.

I think it is improper for people to come to this body then to say that we do not care about American jobs, that we do not care about our districts, because that is our No. 1 priority; but I am also concerned about the future of this Nation and the possibility of young men and women having to spill their blood in a needless war in Central America because we do not do what is necessary today by helping the freedom fighters in Nicaragua.

Mr. SOLOMON. Mr. Speaker, just in closing in the 1 minute remaining, I just point out to the gentleman from Washington, and I do not question his integrity, either, he is a fine Member of this body; but you know, when communism takes over a country, as it always has, you always have 15 percent of those people fleeing from that Nation. In the past when they came from Vietnam, they came by boat.

□ 1120

If they fall in Central America and we get 3, 4, 5, 6, 7 million aliens coming into this country, legal and illegal, just think what that is going to do to this economy.

We are a humane nation. We are a democratic people. We love our neighbors. We love people all over the world. But how much can we do for them, and what kind of a strain would that place on us?

I would just remind the gentleman from Youngstown, OH, that I have some unemployment and factory shutdowns in my district, too. I am concerned about it, and I do not want the situation to get worse. I want it to get better around the world. That is why I am reluctantly supporting this package. I am not satisfied with it either, but I think it is the only thing we have, and I am going to support it.

Mr. Speaker, I would appreciate it if everybody else would support the rule.

Mr. BONIOR. Mr. Speaker, I yield myself 1 minute, the remainder of my time.

Mr. Speaker, I believe the accord in this legislation signals a major change in U.S. policy toward the region.

For the first time in over 7 years of war the administration has fully expressed its support for the Central American peace process. They have acknowledged publicly that the military approach of the past has failed. They have actively embraced the diplomatic approach to the region's problems.

They have, indeed, before us in the committees and the legislation forsworn military aid and, instead, have stated that it is the goal of United States policy to reintegrate the Contras into the democratic process within Nicaragua.

Mr. Speaker, this is a dramatic change. It behooves all of us, I think, to look at it in light of the fact that it is, indeed, a change.

This agreement and the legislation has been hailed by literally every Latin American leader. I would hope we could work together on this issue and hopefully within the next 10 months we will see progress on the democratic side in Nicaragua; that we will see a cessation or, at least, a beginning of a cessation of arms flows from the Soviet Union into Cuba, and we will, indeed, see the reintegration of the Contras back into the normal flow of Nicaraguan life.

Mr. Speaker, with that, I end my remarks.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MINETA). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 127 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1750.

□ 1125

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1750) to implement the Bipartisan Accord on Central America of March 24, 1989, with Mr. MCCLOSKEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Washington [Mr. FOLEY] will be recognized for 2 hours, and the gentleman from Illinois [Mr. MICHEL] will be recognized for 2 hours.

The Chair recognizes the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I yield, for purposes of debate only, 37½ minutes to the chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL]; following that, I yield 37½ minutes to the chairman of the Subcommittee of the Committee on Appropriations, the gentleman from Wisconsin [Mr. OBEY]; and following that, I yield 45 minutes to the gentlewoman from California [Mrs. BOXER].

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Chairman, I have a parliamentary inquiry.

Mr. Chairman, it is our understanding that there are 4 hours of debate, 2 hours to this side, 2 hours to that side, and that 1 hour of the minority time was going to be yielded to the ranking minority member of the Committee on Foreign Affairs and 1 hour to the Appropriations ranking minority member. I do not now quite understand what they are doing over there. How does that affect our time?

Mr. FOLEY. Mr. Chairman, if I may be heard, I assume that the Chair is following its usual practice of alternating recognition back and forth among those who are controlling time on each side of the aisle. What I was proposing to do and doing was to yield the control of the debate of the 2 hours on our side to the three Members en bloc that I mentioned in my statement: the gentleman from Florida [Mr. FASCELL], the gentleman from Wisconsin [Mr. OBEY], and the gentlewoman from California [Mrs. BOXER]. Obviously, their time is subject to the usual alternate recognition between each side.

Mr. SOLOMON. Mr. Chairman, as a further parliamentary inquiry, we assume that the chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL], is going to lead off with how much time?

The CHAIRMAN. The Chair might say that the Chair will alternate recognition from side to side in the appropriate way.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield further, it is typical in our debates that the Chair will recognize, I assume, the gentleman from Florida [Mr. FASCELL], who will either speak or yield time for so many minutes, and then the Chair will recognize the gentleman from Michigan [Mr. BROOMFIELD], I assume, or the distinguished leader, the gentleman from Illinois [Mr. MICHEL], to speak or recognize for a certain number of minutes on their side, and back and forth and back and forth.

After the gentleman from Florida [Mr. FASCELL] has controlled his full 37½ minutes of time, the transfer will be made to the gentleman from Wisconsin [Mr. OBEY], who will then control 37½ minutes of time on our side, again, alternately with Republican recognition and, finally, the gentlewoman from California [Mrs. BOXER] will control 45 minutes of time under her direction, alternately with Members on the Republican side.

Mr. SOLOMON. Mr. Chairman, I assume that is the intention of the Chair. Just for our own benefit, over on this side of the aisle, the gentleman from Michigan [Mr. BROOMFIELD] was prepared to carry the first hour, but the gentleman is going to be shifting it to his Appropriations Committee after 37½ minutes, so I guess that the gentleman from Massachusetts [Mr. CONTE] had better be prepared after 37½ minutes to be around here so we can just keep things together.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield further, that is the judgment, I might say, for the Republican leadership to make.

Mr. SOLOMON. We have no objection.

Mr. MICHEL. Mr. Chairman, might I be recognized?

The CHAIRMAN. The Chair recognizes the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I apologize, first, to the Chair and to my distinguished colleague for my tardy entrance to the floor, feeling that there was probably going to be a vote on the rule.

It is my understanding that the distinguished majority leader has laid out how the debate would unfold on his side. On our side the time would be divided equally between the distinguished minority member of the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD], and the distinguished member of our Appropriations subcommittee, the gentleman from Oklahoma [Mr. EDWARDS].

I would expect, if the distinguished majority leader is going to lead off the debate on his side, that I would probably then request of my distinguished colleague permission to do likewise on our side so that we might have the two positions laid out quite clearly at the front of the debate, and then let it flow from there.

I thank the Chair for its indulgence.

Mr. FOLEY. Mr. Chairman, in answer to the gentleman, I intend to make a very, very brief statement stating my support for this resolution and then yield the time as I have indicated.

□ 1130

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a most important bill which comes to the floor after what may well be an historic agreement between the leadership of Congress on both sides of the aisle and the President of the United States acting through the Secretary of State. It has been the most contentious and difficult, in some ways the most devisive issue that has reached the Congress in many years, and it has, more than any other, with the possible exception of disagreements over policy toward South Africa, been an item of dispute between the majority of our two parties on each side.

I hope this bill which brings together the policy on a common basis for the first time in many years will attract a majority of support on both sides so that we can have a strong majority of the whole House for this legislation.

Mr. BROOMFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL], the minority leader.

Mr. MICHEL. Mr. Chairman, on March 24, 1989, the President of the United States and the bipartisan, bicameral leadership of Congress joined in announcing the bipartisan accord on Central America.

Today we debate the legislation that will, among other provisions:

Continue the authority to provide assistance at prior authorized levels until February 28, 1990.

Authorize the transfer of $49,750,000 in DOD funds to AID for humanitarian assistance, as well as $4,166,000 for the Medical Program and $5,000,000 for AID operating expenses.

This legislation is intended to unite Americans in, and I quote from the accord: "* * * support of democracy, peace and security in Central America * * *."

When we say democracy, we mean real democracy,—not just a facade of democratization behind which lurks the armed power of a brutal totalitarian state.

When we say peace, we mean real peace—not the peace of the grave, or the peace where military power can be brought into play by only one party.

When we say security, we mean real security—not some temporary arrangement to protect human rights that can be withdrawn when it pleases the Sandinistas.

The accord states:

To be successful the Central American peace process cannot be based on promises alone. It must be based on credible standards of compliance, strict timetables for enforcement, and effective, ongoing means to verify both the democratic and security requirements of those agreements. We support the use of incentives and disincentives to achieve these U.S. policy objectives.

The accord says the funds provided must "also be available to support voluntary reintegration or voluntary regional relocation by the Nicaraguan Resistance."

The key word is "voluntary". That means without coercion, without even the semblence of pressure from any quarter.

As part of this process Secretary Baker sent a letter to the chairman of

House and Senate Authorization and Appropriations Committees, and the Senate and House leadership.

The letter says that the assistance will not be obligated beyond November 30, 1989, except in consultation with the appropriate House and Senate leaders and committee chairmen. In order for aid to continue past that date, there must be a letter of affirmation from all of those same leaders.

The letter goes on to state:

This bipartisan accord on Central America represents a unique agreement between the Executive and the Legislative Branches. Thus, it is the intention of the parties that this agreement in no way establishes any precedent for the Executive or the Legislative Branch regarding the authorization and appropriation process.

That is about as clear as you can get. In no way does this letter set any kind of precedent concerning the future ability, the limits or the right of the President to conduct foreign policy in line with his constitutional rights, prerogatives and obligations.

Mr. Chairman, Secretary of State Jim Baker deserves great credit for putting together this legislation.

He spent 40 hours on the Hill, talking face to face with the bipartisan leadership. He was candid in letting us know exactly what is at stake, what he believes is needed and how far the administration was willing to go to get an agreement they could in all good conscience live with.

To those on my side of the aisle who have reservations about this legislation, I say: "President Bush didn't create the conditions in which this legislation was forged."

I wish he had been given a better hand to play. I wish we could do more for the Nicaraguan resistance. But you know as well as I do that the question here is not one of military aid versus humanitarian aid. It is a question of supporting the democratic resistance now or for all practical purposes abandoning them now.

Let me now speak to the four entities affected by this legislation:

To the leaders of the democracies of Central America I say: This legislation will not conflict with the Esquipulas accord. The peace, freedom and very survival of your nations depend upon your willingness to hold the Sandinistas to their sworn agreements.

The time for pious platitudes from the region is past. The time for insistence on "credible standards of compliance, strict timetables for enforcement, and effective, ongoing means to verify" Sandinista compliance has arrived.

To the Nicaraguan resistance I say: I wish from the bottom of my heart that we could help you more than we can in this bill. But this is the best we can do at the present—and I believe it will help you to continue to work for real democracy in your country.

To the Sandinistas I say: Don't think for one moment that you can get by with gestures, media events, and rhetoric. This legislation demands results, not gestures. No more destabilization and subversion of neighbors. No more "Potemkin Village" reforms.

The accord states:

The United States need not spell out in advance the nature or type of action that would be undertaken in response to threats to U.S. national security interests. Rather it should be sufficient to simply make clear that such threats will be met by any appropriate constitutional means.

Let the Sandinistas heed those words. They are not mere rhetoric. They are a bipartisan pledge by the United States to act in ways it deems appropriate against any kind of threat to national security that might arise from the situation in Central America—any kind.

To my colleagues I say: I hope there will be big majorities on both sides of the aisle in support of this legislation. What it lacks in perfection, it makes up in real, effective help for the cause of democracy, justice, and progress in Nicaragua and in Central America.

As I said, I wish we could do better. But as legislators, it is not given to us to act only when conditions are perfect. We must do all that is possible within the framework of the limitations imposed upon us by the makeup of our two Houses of Congress.

What we have done, if its principles are put into practice, can, I believe, help the cause of democracy in Nicaragua and Central America.

Mr. Chairman, I thank the gentleman from Michigan [Mr. BROOMFIELD] for yielding me this time at the outset of the debate. I appreciate it.

The CHAIRMAN. The gentleman from Florida [Mr. FASCELL] is recognized for 37½ minutes.

□ 1140

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 1750. At the outset I would like to commend the gentleman from Michigan [Mr. BONIOR] as well as the majority leader, the gentleman from Washington [Mr. FOLEY], the Speaker, and other members of the leadership both of the majority and the minority, who have devoted untold time and effort to addressing the difficult issue of United States policy toward Nicaragua.

I would also like to thank my ranking Republican, the gentleman from Michigan [Mr. BROOMFIELD]. In committee we moved expeditiously, but thoroughly, with considerable discussion and debate on the issue. We had a strong bipartisan vote in the Committee on Foreign Affairs in support of this bill, 6 negative votes and 32 affirmative. It is obvious that there is a broad base of support at long last in the Congress with regard to a consensus policy on Nicaragua.

Now, I am not speaking here to try to convince anybody. I have better sense than that. I just want to relate basically what has happened and why I think it is important for us to support this bill.

The issue, and the resolution of the issue, has evaded us the last decade. There obviously are strong differences of opinion, honestly and sincerely held, that give rise to tremendous emotions with regard to the solution of the problem or what the solution should be.

All of that is good in a democratic society, but we have seen the adverse effect that a division has, even though it is honestly and sincerely and strongly held, on the implementation of a policy. It does no good, in my judgment, and this is one man's opinion, to go back and point fingers about what we should have done or did not do.

I think that there are lessons to be learned. One of the major lessons as far as I am concerned as chairman of the Committee on Foreign Affairs, one which I have reiterated over and over again not only on this issue but on other major foreign policy issues in which the United States has played an important part, and that is that no President, no Government, can or should commit the sovereignty and the power of the United States on a narrow, split, weak division among the American people and the American Congress.

You just cannot do that. It is no victory for a policy decision to be based on a margin of a few votes, and to raise the issue constantly time and time again with the same result.

I would hope that we—the American people, the Congress and all administrations—would never forget that lesson. No foreign policy can be maintained or implemented successfully unless the American people thoroughly understand and support it. This must be a matter of very careful consideration for us in the Congress as well as for any President.

This is the major lesson as far as I am concerned. And I say again I am not trying to convince anybody. I think the time has long since passed to argue the merits or the demerits of past policy, or to point the finger, although I am sure that is a lot of fun for a lot of people and it will continue in this body of ours since this is a democratic institution and everybody has their own ideas of what they think should be done, what ought to be done, and what ought to be said. But at last we have what seems to be more than a narrowly based majority on trying to deal with the issue.

It also appears to me that, while some people will say the administra-

tion has won a great victory, I do not think that is the issue either, whether the administration has won a great victory or lost, although that is certainly a fair measuring stick for anybody who wants to measure something here.

The point is that we have had a change in policy which has been agreed upon, albeit reluctantly by some on both sides. Whether you are on the right or on the left or in the middle, we have to admit there has been a change which holds out a hope.

Now that is an important factor. The other factor that we ought to recognize is that at long last the leaders of the area, themselves, have undertaken the responsibility for dealing with the problem. What they have been looking for, for a long time has been the support of the United States in their efforts, and they now have that. That is the reason they support the concepts of this legislation which gives them the further opportunity to move forward. There is no assurance it is going to solve all the problems. What it indicates, however, is the political support of the U.S. Government to the efforts of the Presidents of Central America who have stepped out on their own to see if they could deal with the difficult problems of the turbulence—political, military, economic—that exist in Central America.

That is why I believe it is very important to support this legislation, to give substance to the efforts of the negotiators.

I certainly want to pay my respects to the Secretary of State and others who worked very, very hard with the leadership both in the other body and in this body, in order to forge a broad base consensus which is supportable, both on the Republican side of the aisle and on the Democratic side of the aisle.

The support it does not have to be unanimous, Mr. Chairman; I realize that. There is no way that it could be, unfortunately.

But it is certainly a policy which is better based, has a better foundation, because of the fact that it was not narrowly arrived at. That is the important thing.

Yes, we can debate it, and there will be strong debate here, and, yes, there will be strong differences of opinion. But what we need is a strong vote on my side of the aisle and on the other side of the aisle so that we can demonstrate that the administration and the Congress have a broad consensus to try to bring stability and peace to this tragic area. We can then go on to other steps that are absolutely essential to give people political opportunity where they do not have the opportunity to participate politically. Regardless of our position on this issue, we are all strong believers—are we not—in the process of self-determination. I would hope that most people could support the concept that people have the right to determine the political rationale of their own government and that participatory democracy is far better than a dictatorship, regardless of the color of the dictatorship, whether it is red, blue, pink, left, or right. Having talked to every single member of the Sandinista Directorate over a long period of time, I would opt for something different myself, I do not have any illusions. However, I would say that if the other leaders in Central America can bring about a change in that torn country, a policy which the United States now can support, I think it is a major step forward and well worthy of support.

□ 1150

As I say, I not only talked to the director, I talked to the original junta and a lot of leaders in that government, and I do not have any doubt about what they would do if they were left to their own devices. They would simply consolidate their power. However, because the other Central American leaders have gotten together and made it possible to pull in the leadership of the Sandinista government, there appears to me, at least, to be a better opportunity now to deal with those problems.

I remind Members, this Congress has not been blind to the underlying problems that exist in Central America. We have supported economic change. We have supported political change. When the Kissinger report came in with a recommendation of $8 million in additional economic, educational, and health assistance to the countries of Central America, the Committee on Foreign Affairs, with a broad spectrum of political opinion, quickly authorized that money, $8 billion over a period of 5 years.

We approved that and the Committee on Appropriations under the distinguished chairman of the subcommittee, Mr. OBEY, provided the money. So while there is a lot to be criticized, I just wanted to be sure that we get in the RECORD the fact that we have in the past and even now are not blind to the underlying root causes of the difficulties in the region.

I can sum it up by saying that when there is 70 or 80 percent of the people of any country who are illiterate, who are ill-fed, who are ill-housed, who are ill-clothed, and who have no future in terms of participating in their country, you have got an underlying problem, and it does not make any difference what the political ideology is at the top.

We in the United States have taken the position, and I think rightfully so and we ought not to be ashamed, although we can argue about it, that we will support the efforts of people for self-determination. We will try to provide assistance where it is appropriate. Not only that, we will try to foster, encourage, and inculcate, if necessary, those concepts that we hold dear that deal with human dignity.

The last paradox, if you will, Mr. Chairman: we have on occasion been known to fight for what we believe in, and therefore, while it is easy to take potshots at other people, I find it sometimes a little awkward, myself, to do that. I think people have a right to fight for their ideals, and so I am not ready to castigate folks who want to do that. I think Members have to be very careful, very selective, Mr. Chairman. I think this bill represents an important change in policy. It has broad based support. It is an agreement between the Congress and the President to allow the people in Central America to move forward along their own concepts, not ours.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for 10 years now, the Sandinistas have had an unwitting accomplice in their efforts to eliminate political opposition and secure their own dictatorship. That accomplice has been a divided American Government.

With full acceptance of this bipartisan accord, the American Government is saying with one voice that it will no longer tolerate Stalinist rule in Central America.

I am sure there are very few Members on this floor who don't have at least a few reservations about the accord. That is in the nature of compromise.

The important thing is that we now have a policy that has the support of those on both sides of the issue. Hopefully, the policy will enjoy the broad support of the American people.

Yet it would be a mistake to agree on a policy simply because it promotes domestic political harmony. If the accord is to truly deserve all of the praise that accompanied its announcement last month, it must achieve real changes in Nicaragua.

It must put Daniel Ortega on notice that the United States Government is serious about political reform in Nicaragua and that we fully intend to ensure that such reform is implemented.

Secretary Baker wisely included incentives and performance standards in the plan to encourage the Sandinistas to make the necessary reforms and to judge their success or failure. This plan is policymaking at its best.

I hope that Congress will have the good sense and strength of purpose to see it through to a successful resolution of the whole Central America issue.

President Bush and Secretary Baker have achieved an important breakthrough. I sincerely hope that the ma-

jority party allows this policy accord an opportunity to work. No President can sustain a foreign policy initiative, no matter how sound, in the face of unrelenting criticism.

I am, in fact, more hopeful than in several years, that with this accord we have started down the path of true bipartisanship which will lead us to our ultimate objective of bringing peace, democracy, and security to Central America.

I must say that I remain deeply concerned that the Sandinistas will live up to their side of the deal.

Since 1979, the Sandinistas have repeatedly made commitments to implement democratic and political reforms. They have made these commitments to the OAS, the Contadora nations, the other Central American countries, the Nicaraguan resistance, and implicitly, to the United States.

In actual deeds, however, the Sandinistas, while partially complying with the provisions of Esquipulas II, have left a trail strewn with broken promises, unfulfilled commitments, and, at times, outright deceit.

In that vein, I would urge every Member to read the additional views of the committee on this bill which include an exhaustive study analyzing the record of the Sandinistas in fulfilling their commitments in all of the agreements they have entered into over the past 10 years.

We should strongly support the bipartisan accord which implements a policy emphasizing diplomatic initiatives through which a negotiated, political settlement in Nicaragua and in the region can be achieved. However, we should never lose sight that progress toward our goals and objectives in the region depends primarily on future Sandinista behavior.

The Sandinistas should fully understand that we will proceed with the carrot offered, but they should always know that, if necessary, the stick can and will be used.

Several of my colleagues have registered concern over the nature of the agreement we are discussing today. I share their concern. Yet, I can never recall in my 33 years in Congress a foreign policy situation that is as difficult, as divisive as the legislative standoff on the issue of continuing funding for the Nicaraguan democratic resistance. This legislative impasse has created a necessity for an unusual, unique form of compromise. I believe Secretary Baker has made the best of the truly impossible situation.

There is no question that I am concerned about the proposed side letters that were read into the record at Tuesday's markup at the Foreign Affairs Committee. I am not sure about the status they have in the mind of members; certainly they have little or no legal standing. Yesterday in the Rules Committee hearing similar concerns were expressed. Yet I do understand that they were necessary to bring about the accord.

I would like to draw the attention of my fellow Members to the proposed draft letter from Secretary of State Baker to the chairmen of the House and Senate Authorization and Appropriation Committees and Senate and House leadership. It states in part:

This bipartisan accord on Central America represents a unique agreement between the Executive and the Legislative Branches. Thus, it is the intention of the parties that this agreement in no way establishes any precedent for the Executive or the Legislative Branch regarding the authorization and appropriation process.

I believe any reasonable person reading the last paragraph of this letter would understand the meaning of the Secretary of State's statement.

We are in a difficult situation that calls for some creative diplomacy between the executive and legislative branches. I believe the Baker plan is not just the best, but it is the only solution possible at this time.

□ 1200

Mr. OBEY. Mr. Chairman, I yield myself 11 minutes.

Mr. Chairman, I have opposed our Contra program ever since it began, and when the Speaker some weeks ago showed me the original compromise which had been worked out between the Senate and the administration, I opposed it. But I am supporting this compromise today, and I would like to explain why.

I am supporting it for a couple of very simple reasons. No. 1, I think this compromise essentially ends the Contra war. Second, it expressly provides that this Government is going to, for the first time in this whole sorry business, have a unified policy here at home.

I think this compromise today is much less directed to what is happening in Nicaragua and much more directed to the question of how this country ought to proceed with respect to any foreign policy.

Mr. Chairman, my views on the Sandinistas, I think, are well known. I have minimum high regard, to put it politely, for the intentions, the techniques of governance, or any other techniques associated with the Sandinistas. But I think that the Sandinistas are a very visable manifestation of the failure of American policy in this hemisphere for the last 60 or 70 years. Because in my judgment, had the United States been sufficiently identified with the needs of the working classes in Central and Latin America, had we been sufficiently attentive to the rights of those classes, the Sandinistas would not have come to power in the first place. The Sandinistas came to power because we backed for too long a discredited Somoza regime, and moderate forces left the country because they gave up hope of being able to work out a decent relationship with Somoza or to forestall the coming to power of the Marxists.

So I do not like the fact that the Sandinistas are in Nicaragua. I do not like the Sandinista government, but neither do I think that it makes sense for the United States to go to war with every government we do not like, even if it is a proxy war. It seems to me, however, that the best way for America to defend our legitimate interests in this hemisphere and the best way for us to limit the opportunities that Marxism or any other foreign ideology has in the region is to support the aspirations, the legitimate aspirations of the vast majority of people in that part of the globe. I think our Contra policy got in the way of that, if for no other reason than the fact that many of the leaders involved in the Contra operation were so hopelessly tarred with their past association with the Somoza regime and the national guard that enforced its existence, that in fact that the Contras were never a credible alternative.

I think the virtue of this package is that it recognizes two realities: No. 1, we have anywhere beween 55,000 and 65,000 Contras and their dependents who are being fed and clothed by U.S. resources at this point. And whether we like the policy or not which led to our moral obligation to these people, we do have a moral obligation to see to it that those people do continue to have adequate food and adequate clothing while the process by which they may be reintegrated into the Nicaraguan society is still being worked out.

The second reality that I think this package recognizes is that the Contras have no remaining military utility. I think this proposal today recognizes that reality. The virtue of this package is that it, for the first time in my view, puts the United States Government and the United States administration specifically on record in support of, rather than in opposition to—as was the case in the past—the efforts at negotiation being engaged in by the Central American Presidents. And that means that it is going to be a force for both peace in the region and for democratization throughout the region, hopefully including Nicaragua. It recognizes in my judgment that the best way for us to do that is through economic and diplomatic rather than military pressure.

People will say, "Well, why should you trust this administration when you didn't trust the last one?" I have hearing records of my subcommittee at this table, and if anyone cares to look at them, they will see that it is obvious that my committee was lied to by representatives of the previous administration when it came to Contra

policy. Newspaper reports in the last 2 weeks make that quite clear. But the fact is that I do believe that Secretary Baker and the others with whom we have talked are on the level in their intention to be supportive of that Central American peace process.

Now, we could be wrong. If we are, we have a safety valve, because we have that much maligned side agreement which Secretary Baker and a number of us negotiated, under which we will simply have the opportunity to review the manner in which the administration is expending this money. And if we conclude that the administration is performing in a manner inconsistent with the assurances given the Congress, then we have an ability to cut off that money at the end of November. I do not expect that that is going to happen because I think we have achieved a clear understanding of how the administration is going to proceed.

But to those who suggest that that agreement represents an effort on the part of the Congress to unfairly invade the administrative prerogative of the executive branch, I would simply say that that is not correct. I think, given the bleak record of the previous administration in terms of providing the truth to this Congress, we have a fiduciary responsibility to the taxpayer to maintain a short leash until it can be demonstrated with certainty that the administration is in fact abiding by the understandings which have led to the appropriation of this money in the first place. So I made absolutely no apology for that side agreement because it is what has enabled us to move forward. And I would follow up on what the chairman of the Foreign Affairs Committee said. We all have widely different views about how we ought to proceed in Central America, and as I said, I do not believe one whit in providing aid to the Contras, but the one thing that I kept hearing from every major source in Central America as I traveled down there was this: They would say, "Look, what matters to us is not so much what your policy is; what matters to us is that you have a policy that we can understand and follow, and that America has a policy which is supported by a majority of both parties so that it can be sustained through a series of administrations and so that it does not constantly lurch from one extreme to another."

□ 1210

"We would like to be able to find you where we left you"; that is what they said to me. And I think the virtue of this policy, in addition to effectively ending the war, is that that is what this agreement is going to do today. And I think it is terribly important in this and all other future foreign policy endeavors, that we truly do have a bipartisan majority and support of whatever initiatives are taken in all regions of the world. That is the only way that we can institutionally, over a long period of time, sustain needed administration foreign policies whether they be popular or not.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. LAGOMARSINO], the vice chairman of the Subcommittee on the Western Hemisphere of the Committee on Foreign Affairs.

POINT OF ORDER

Mrs. BOXER. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentlewoman will state her point of order.

Mrs. BOXER. Mr. Chairman, could it be explained to me when our people will get called for the time to oppose? We have 45 minutes. In what rotation will we be called?

The CHAIRMAN. The Chair's understanding is to alternate. Both sides are tracking the time. If and when the gentlewoman from California [Mrs. BOXER] wants to be recognized in a proper order, please stand.

Mrs. BOXER. Could I say to the Chairman that that is not the way it was explained to me by the gentleman from Washington [Mr. FOLEY], that it was going to be alternated, and I would like to be recognized at this time because we have 45 minutes, and we have not even had our first.

The CHAIRMAN. The Chair would say to the gentlewoman from California [Mrs. BOXER], that the last speaker was on the Democratic side.

It is true that the parameters changed a little bit since the beginning of the debate, but, the Chair will recognize the gentleman from Michigan [Mr. BROOMFIELD] now, and the gentlewoman from California [Mrs. BOXER] will duly be recognized next.

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong support of H.R. 1750, legislation implementing the bipartisan accord on Central America and while it does what I would prefer if it were not for the agreement remained in strong opposition to the Dornan motion to recommit.

The fact that House and Senate Democrats and Republicans have been able to agree on a common stategy to work toward solving the crisis in Central America is a significant step toward peace in the region. It reflects the strong commitment of the Bush administration to work cooperatively with the Congress in developing effective foreign policies which protect and promote U.S. national security interests. It also reflects a commitment by the Congress to meet responsibly the challenges and threats to United States interests in Central America represented by forces opposed to democracy—and it helps and encourages our allies in the area.

The bipartisan agreement reflects the imperative for the Sandinista regime in Nicaragua to make irrevocable progress toward instituting democratic reforms as called for in the peace agreement signed by the Central American Presidents in El Salvador on February 14, 1989. The great benefit of this bipartisan accord is the fact that it represents an agreement among the congressional leaders, both Democratic and Republican, on the requirement for the Sandinistas to move toward democracy. If the Sandinistas do not make the necessary reforms to make their government a democracy, they should no longer have leaders in this Congress ignoring their own promises. The Sandinistas won't be able to count on American legislators to make excuses for them in their failure to live up to their commitments to make Nicaragua a democracy.

When I spoke with Costa Rican President Oscar Arias when he was in town last week, I asked him about his view on the need for the Sandinistas to make democratic reforms. He told me he was concerned not only about the process but also about the results in Nicaragua. He truly wants to see democracy in Nicaragua. I also asked President Arias his views on continuing humanitarian aid for the Contras, and he told me directly that he supported continued humanitarian aid, as provided for in this bipartisan accord and that it is in compliance with the Tesoro agreement.

I am sure each of us would offer some differing provisions in this agreement which we feel would enhance U.S. interests. But, I do not believe we could arrive at an agreement in a different form which would represent the kind of bipartisan consensus we have achieved with this accord.

I strongly urge my colleagues to resist the impulse to support the motion to recommit with instructions. I know most of us on this side would like to see those changes, but to approve them would be to kill the bipartisan agreement and we would be worse off than before. The administration opposes the motion to recommit, and I urge my colleagues to reject it. To approve it would give at least the impression of bad faith and would undermine the authority of the President.

I believe President Bush and Secretary of State Baker deserve high praise for their commitment in seeking a policy that the majority in the Congress can support and which finally offers the promise of achieving peace in Central America.

I urge my colleagues to give their strong support to this legislation and to the bipartisan accord on Central America.

Mrs. BOXER. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, this morning, a Federal court is hearing a crucial case on national security. There is a case in the Federal courthouse not too far from here that deals with years of deception and lying to Congress about policies in Central America.

Recent newspapers have suggested that the head of the new administration was involved in one way or another with respect to some of the deception that may have gone on with the U.S. Congress. That is the backdrop in which we debate Central American policy.

The new Secretary of State and the new administration come to us and say, "We have a new policy. Trust us."

Some of us say, "Show us."

They say, "We have got a new policy," and some of us say, "Well, it's not really very new at all."

If my colleagues were to refinish furniture, they will start stripping layers, and they will strip some varnish and paint, and all my colleagues understand that. I say to my colleagues, "What do you have when you get done? You have the same core, the same wood."

Mr. Chairman, I think the policy here is pretty much the same policy, once the rhetoric and embellishments are stripped away. What did the administration want when it started? Money to fund the Contra soldiers. What does it get under this agreement? Money to fund the Contra soldiers, who have committed untold numbers of crimes against the civilian population.

Now it is a given that we do not like the Sandinistas. Look, all of us in this Chamber think the Sandinistas behave badly.

The question is not whether we like the Sandinistas or the Contras. The question is: What kind of interest does this country have in the region, and how do we develop policies that further our interests?

Mr. Chairman, we have a legitimate disagreement on that. How do we craft something that furthers this country's interest in the region and especially helps the people of that region? How do we do that?

I think in that region, those of us who have been there, and that is most of us, have found people who are desperately poor, hungry, and sick. We ought to send food and medicine to that region. I am a big supporter of sending the right things that help people in that region reclaim hope and rebuild their economies.

Mr. Chairman, last year I thought we were kind of turning the corner. We enacted a children's survival fund with funding equal to Contra aid. Two hundred young people now have arms and legs because we helped them. These are people who lost their arms and legs in the fighting between the Contras and Sandinistas. We were starting to do the right thing.

But once again almost all of our help today is not for people, but for armies, and that is the wrong direction.

Let me mention also some other policies that I am concerned about. The Contras are the evidence of failed policies. They are not the real refugees in the region. This administration has not changed its policy with respect to refugees from Salvador. If someone is a refugee from Nicaragua, it is, "Come on in. You get asylum; just apply for it." For Salvador, it is, "Sorry, no dice."

Mr. Chairman, I told this story before, but I am going to tell it again. There was a young woman picked up in this country by the Immigration Service, thrown in jail in Prince Georges County. She had two young children, young boys under 5, and she was nursing a third, a 6-week-old baby, breast-feeding a 6-week-old baby with a viral infection, and they threw her in Prince Georges County jail.

I helped get her out, and sad to say that she is not getting asylum here. She is a Salvadoran, raped in front of her family as a young woman, afraid to go back. Canada fortunately has taken that family because this administration's policies prevent that.

Mr. Chairman, those are the policies we ought to be talking about on this floor. We ought to be changing those policies and helping the people through a strategy that sends money to procure shelter, medicine, and food to help the people of Central America recover from years of war.

□ 1220

Mrs. BOXER. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, 20 years ago in the midst of the Vietnam folly, Senator George Aiken recommended that we declare victory and go home.

Today, in the midst of the Central American policy, a policy which the administration admits has not worked, we are asked to declare failure, and spend another $67 million.

My friends, George Aiken was right, and this bill is wrong. This bill is not designed to save the Contras. Clearly, the Bush administration obviously has decided to jettison them. This bill is designed to supposedly save the credibility of this administration. It represents an acknowledgement that the policy of subverting the Sandinistas through the Contra war is an utter failure.

At least in the past they have come to the Congress and sought Contra aid on the fallacious assumption that the policy was working. It never was and it never will. Now they come to us, admitting failure, admitting that the Contras cannot win, that the Contras are not a threat to the Sandinistas, that the underlying policy is a failure, admitting that the killing and the economic destruction in Nicaragua was futile. But what did they want? They want another $67 million to take care of the care and the feeding of the Contras in Honduras.

How often have we heard on the floor of this House and in the Budget Committee of this House and in the Appropriations Committee of this House that we have got to make tough choices because of the unprecedented problems of our national deficit? Every year we tell Americans, older Americans, working Americans, students, the homeless, infants, and the disabled, that we have to cut back essential policies to take care of them, that we cannot even afford to invest in successful programs that help the elderly and the young of this Nation because we are short on money.

So while we are trying to figure out how to help these individuals in this country, along comes Secretary of State Jim Baker and asks for a $67 million gift for a policy which he has admitted time and again is a failure.

If we are choosing priorities, I think we could do much better. I think we could do much more good for the American people than to spend this $67 million for the Contras. Instead, we are told that the best interests of our Nation lie in bankrolling the failure of the Contras.

I, for one, will remember this debate very well when we bring to the floor important legislation later this year on child care, on education, on nutrition, and when we debate these programs, which are not failures, but which are successes, which save lives, which educate our children, which improve the health of the elderly, I will remember that when those programs are not able to meet the needs of our constituents, the needs of our citizens, I will remember that the Congress voted to send $67 million down to a group of people who are there because of illegal acts of this Government, who are there in violation of the charters and the treaties to which we are signatories.

I will remember when we tell the elderly that we cannot afford their health care and when we tell working parents that we cannot afford to help them out with child care that we could afford the care of the Contras, and so should you. So should all Americans, because this is no longer about some viable policy to free Nicaragua from communisim. This is about how does George Bush get off stage, because he recognizes that the Contras have failed. Do we really have to pay $67 million for the President to say what his Secretary of State has already

said, the policy is a failure and should not be continued.

The CHAIRMAN. Does the gentleman from Illinois [Mr. HYDE] stand in the place of the gentleman from Michigan [Mr. BROOMFIELD] for the purpose of yielding time?

Mr. HYDE. In his absence, Mr. Chairman, I am going to try to fill his shoes, and I yield myself 5½ minutes.

Mr. Chairman, I am certainly going to support this legislation. I think it has several desirable aspects, but the bottom line is it is like chemotherapy. It makes you sick to take it, but it just might save your life.

What we are doing is we are fighting for time. The gentleman from California may well have this analyzed properly. It does keep the Contras surviving.

Jesse Jackson, a great Democratic leader from whom we shall hear more in the next election I am sure, coined a phrase, "Keep hope alive."

Well, it is a wonderful phrase. I think the $47 million, I did not know it was $67 million, but I will accede to the gentleman's higher number, will keep the Contras surviving, keep them not in bullets, God knows we have cut them off in February of 1988 from any military assistance in the naive credulous hope that if we cut them off, that would demilitarize the contest and there would be no more shooting, no more killing, and perhaps we could negotiate our way toward freedom. Unfortunately, the Soviet Union, which is an important player in this entire equation, poured in 500 million dollars' worth of military aid, plus $400 million in economic aid during the year. We put an antiseptic immunization on giving any military assistance to the Contras; so the playing field got more unlevel and more tilted but we are here today not asking for money to arm the Contras, although the armed Contras are the reasons the Sandinistas came to the bargaining table in the first place; but like an alcoholic fighting for the next half hour of sobriety, we are fighting for the next 7 months, the next 9 months, to keep the Contras alive, body and soul together, people who trusted us as the leader of the free world, to support them in their struggle for freedom; so we will keep them together, hopefully, and not forcibly repatriate them as we did to Soviet refugees after World War II in Operation Keelhaul, one of the darkest chapters in this country's history; but the Contras can go back home with assistance, if indeed democracy, utopia, Valhalla, Camelot ever develops inside Nicaragua.

Now, I frankly am skeptical that Leninists, and that is what the Sandinistas are, they are not Socialists in a hurry, which some of you may think they are, they are Sandinista Communists on the Cuban model, I am very skeptical that free and fair elections can never be had in a country where the army belongs to a political party, where the media belongs to the same political party.

How would you like to go into your town and vote with the Republican army on each street corner, the police being Republicans, access to the media having to go through the Republicans? Control of the newsprint by the government?

How do you have elections without a free press, without access to the media?

Well, we hope that is going to happen. We hope we will have a fair supreme court. We hope we will have a supreme electoral commission that is fair.

You know, this country and the Democratic Party takes justifiable pride in the Voting Rights Act of 1975. It is a marvelous act and it shows a sensitivity to people's right to vote.

Let me tell you, I hope we have one-tenth as much concern about the people's right to vote in Nicaragua as we continue to isolate the Contras and move them toward refugee status.

President Ortega said 2 months ago that the changes brought by the revolution are irreversible; so the notion, as I say, of free elections in the next few months is a triumph of credulity over experience.

The trail of broken promises by the Sandinistas is from here to San Francisco. The OAS agreement in 1979, the Contradora agreements of 1983, the Esquipulas I and II, the Sapoa agreement of 1988, and soon the Tesoro Beach agreements of 1989 join a litany of shame.

But keep hope alive. I believe in redemption. Who would have thought the ethnic uprisings in the Soviet Union would occur but yet they are occurring? A year ago one would never expect to see the Estonians marching with their national flag, but they are marching.

□ 1230

Change can happen. I believe in redemption. I believe as we keep the Contras alive, as we keep them together, they will serve as an option. They will serve as therapy for the Sandinistas as they continue in their magnificent con game of promising the world free and fair elections, and so I support this bill on the theory "If you cannot get dinner, take a sandwich, and yes, keep hope alive."

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, a critical turning point has been reached in the conduct of American foreign policy in Latin America. Today we bury the past, 8 years of bitter partisan effort that ultimately left us divided, Democrats from Republicans, legislative branch from executive, and Americans from Latin Americans.

Mr. Chairman, here today we are considering a bill to implement the bipartisan accord on Central America agreed to by the President and congressional leaders on March 24. It is a new beginning, a bipartisan approach toward dealing with the problems of Central America.

Make no mistake about it, a bipartisan approach is an indispensable requirement for the conduct of successful foreign policy. America must speak with one voice on foreign affairs.

While the Bush administration was off to a slow start in addressing the problems of Central America, the agreement of March 24 is a good one. However, it is only a first step in an effort to put together a comprehensive policy toward not just Central America but toward all of Latin America itself. The first part of the policy includes a good-faith effort on the part of the Bush administration to make the Arias peace plan work, the Esquipulas accords, the Sapoa agreements, and the latest agreements by the Central American Presidents on February 14 in El Salvador. That is why there will be no request for military aid this year.

Mr. Chairman, a good-faith effort is not enough. A well-formulated plan is also indispensable, one that has the support of the various players in the administration, the support of Congress and, equally important, the support of our friends in Latin America.

The key elements of a well-formulated plan include humanitarian assistance to the Contras, encouragement of democratic elements inside and outside Nicaragua to get ready for the elections next February, and a genuine United States support of the efforts of Latin American countries to resolve the problems of their regions.

A fourth and critical element of such a well-formulated plan must call for getting the Soviets to cut military aid to Nicaragua. This is important. We must make the point that U.S. assistance with perestroika, in terms of credits and trade, is tied to Soviet support of the peace process in this hemisphere.

Let it be known that the spotlight of this hemisphere will be on the Soviets and their actions. Now that we have the absence of military conflict in Nicaragua, the effort will be to promote a genuine democratic opening, using the diplomatic and political tools provided by the various agreements.

Mr. Chairman, last year the Congress voted for peace in Central America. Today we are voting for democracy. Woodrow Wilson once talked of making the world safe for democracy. That was a grand vision that proved to be illusory, but making the Western Hemisphere safe for democracy is a

goal within our reach. If we are to promote both peace and prosperity and, most of all, democracy in this region, we must do these things. We must pass this bill.

Mr. BROOMFIELD. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, the gentleman from Wisconsin [Mr. OBEY] said earlier today this will end the Contra war. It probably will. It is intended to end the Contras, that is for sure, and relocate or repatriate them, and it probably will.

Members of the liberal side of the aisle, on the left, are to be congratulated. They put us in a real trick bag. If we do not vote for this package, the freedom fighters die now. If we do vote for it, they die in 7 months. Why do I say 7 months? Because the letter of agreement that was signed by the President and the people who concocted this idea mandate that all nine of the leaders and the committee chairman involved have to send a letter in 7 months OK'ing the additional aid for the last 3 months between November and the end of February when the elections take place, and many of those leaders have never ever voted for Contra aid.

Mr. Chairman, what is to lead us to believe they are going to vote for Contra aid by sending this letter in November? I do not believe they will. The Contras will die as a force in all probability, as I said, in the next 7 months, and they will for sure if the aid is cut off after that.

What can the other Central American leaders do besides talk about this? Their combined armies, the combined armies of El Salvador, Guatemala, Honduras, and Costa Rica, are smaller than the Communist Sandinista army. All they can do is talk. This does not even take into consideration that those armies, if they were as big as the Sandinistas', cannot meet them in firepower, because the Soviets have sent literally billions of dollars of weaponry in there over the last several years, $1.5 billion in the last 18 months, which amounts to thousands of tons of war materials.

The Sandinistas have said time and again that they will never give up power that they have gained out of the barrel of a gun even though there is an election process. They are not going to give it up to the election process. They told us that. The elections will be a farce.

The Sandinistas constitution says that even if there are elections, they will still retain control over the military. If they have control over that military, any election is a farce, because they will still retain power. They will not give up.

Major Miranda, who was one of the top leaders down there as assistant to one of the comandantes, defected to the United States. He told us that they were building a 600,000-man army; that was their goal. I talked to Bayardo Arce, one of the nine comandantes, at the Managua airport, and he told me that was absolutely correct. This little country of 3 million people is going to build a 600,000-man army. Does that sound like they want peace? Does that sound like they want democracy?

They continue to export revolution to El Salvador and the surrounding countries. The Soviets continue to pour in military assistance.

We cannot give the freedom fighters military assistance like we gave the Afghan freedom fighters, who drove the Soviets out of Afghanistan with their tails between their legs, but the Soviets can continue to give military assistance to the Communists.

Mr. Chairman, the gentleman from Florida [Mr. FASCELL] said that it makes no difference who is in charge if there is poverty, people cannot have homes or jobs or education, but it does make a difference, because when they are under the shackles or held by the shackles of communism, there is no hope. It is so repressive that the people cannot throw off the chains of communism. People in other countries have overthrown totalitarian governments, but we do not see Communist regimes overthrown, because the Soviets and her surrogates make sure it does not happen.

We cannot expect the freedom fighters to have been successful, because we cut off their aid time and again. We did not cut off the aid to the mujahidin in Afghanistan. We did cut off the aid to the freedom fighters down there, and it was that side of the aisle that did it time and again.

They cannot whip a Soviet helicopter with a stick. They cannot beat a gun with a rock.

Mr. Chairman, I want to end up by just asking a few questions. First of all, is it wise or is it constitutional to allow nine Members of these two bodies to have the ability to cut off aid that is granted today? That is exactly what is going to happen in November. The last 3 months before the elections, the aid will be cut off, because they will not all sign that letter, and every one of them has to.

Mr. Chairman, what is to keep the Sandinistas on track, if they were going to anyhow, if there is no Contra force the last 3 months before the election?

Our Secretary of State has indicated we would use the carrot-and-stick approach to get compliance from the Sandinistas.

□ 1240

I see a carrot to the Sandinistas. The aid is going to be cut off in November, and there will be no viable opposition, in my view, after that to the Communists down there. But what is the stick? I see no stick, and it concerns me.

For those who agree to the voluntary repatriation, I would like to put that in quotes, voluntary repatriation provision, need to tell us what that means. Does that mean that they will be encouraged to return to Nicaragua even if the Sandinistas once again do not keep their commitment, like they did not in 1979 and they did not in Esquipulas and in Sapoa? Or will they be brought to the United States of America? It is clear the other Central American leaders do not want to be left holding the bag without United States military support for the Contras. So does voluntary repatriation really mean forced relocation back into Nicaragua, into the Soviet-style gulags, or does it mean we are going to bring them to the good old United States, another 25,000 people who want to stay in their own country and fight for freedom?

Many say give peace a chance. What about giving freedom a chance? What about giving freedom a chance?

I hope everybody in this body will remember one statement: Peace without freedom is not peace, it is slavery. Peace without freedom is not peace, it is slavery.

Mrs. BOXER. Mr. Chairman, I yield 3½ minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, what is wrong with this legislation and the so-called bipartisan compact is underscored by the fact that the gentleman from Indiana [Mr. BURTON] and I have both concluded that it ought not be approved, and the gentleman from Illinois [Mr. HYDE] and the gentleman from Wisconsin [Mr. OBEY] have both concluded that it ought to be approved. Why? How can people who have been on diametrically opposite sides during the long tragic history of this issue suddenly find themselves on the same side? Because this compact was drafted deliberately to give different impressions to different people; to be able to be interpreted differently and by different people.

It is the view of the gentleman from Indiana [Mr. BURTON] that this legislation means the demise of the Contras. It is my view and interpretation that this legislation means the continuation and the survival of the Contras. Mr. OBEY believes that the agreement terminates the Contras as a military force, Mr. HYDE believes it keeps them alive. The Bush administration likes this confusion. It wants each of us to believe exactly as we do, because that puts them in a position where 6 months from now, 8 months from now or 9 months from now, they can do as they please—terminate or reinvigorate the Contras.

We have had a policy, up to this point at least, where the policy of the Reagan administration and the policy of the gentleman from Indiana [Mr. BURTON] was to support the Contras in their efforts to undermine and overthrow the Nicaraguan Government. Most of the Democrats opposed that policy, believing that it was not the appropriate role of the United States to create and fund a military force to overthrow another sovereign government. Now in the name of so-called bipartisanship we have joined together to do that which nobody really understands. It is wrong to be in this kind of position.

I do not question the motivation of the Democratic leadership. They see it as a way of bringing the war in Central America to an end. But whatever the good intentions of those who drafted the legislation, it preempts and stifles the efforts of the Central American Presidents to bring peace to that war-torn region.

The Central American Presidents provided in an agreement that there would be a plan to voluntarily repatriate and demobilize the Contras. We asked at the hearing of the Foreign Affairs Committee why that language was not tracked in this legislation, and we were told that the administration would not go along with it. So what we have is so-called voluntary reintegration and regional reintegration.

What does that mean? Does that mean that Honduras is going to have to continue to allow the Contras to subsist on its soil indefinitely?

This is a terrible agreement, because it is so wide open it confuses everybody as to what it is about.

We had a remarkable hearing in the Subcommittee on Western Hemisphere Affairs earlier today. The distinguished gentleman from Michigan [Mr. CROCKETT], chairman of the committee, had four people from Nicaragua participate, two representing the opposition parties and two from the Government itself. The remarkable thing was that all of them agreed that the economic embargo ought to be brought to an end because it was destroying Nicaragua. But by the terms of this agreement the embargo continues. We ought to be working with the Central American Presidents to bring peace to that strife-torn area, not keeping the situation to argue that the Contras can be revived to start the war up all over again.

I urge a no vote on this package.

Mr. Chairman, I ask myself why we once again are immersed in debating a policy which has clearly been a total failure. A new administration was supposed to bring a new and more reasonable approach to the problems of Central America. The measure before us today is not a new approach—it is merely a continuation of the immoral and ineffective policy of aiding the Nicaraguan Contras.

There is no question that the Democratic leadership genuinely believes that this Contra aid package is a necessary step that will ultimately bring an end to the United States-sponsored Contra war against Nicaragua. Perhaps even President Bush and Secretary Baker see this as a prerequisite to pursuing a truly diplomatic approach in Central America.

However, whatever the good intentions of those who drafted the legislation, it preempts and stifles the efforts of the Central American Presidents to bring peace to that war-torn region.

The package blatantly disregards the intentions of the five Central America Presidents when they met in El Salvador in February. They agreed to develop a plan for the "demobilization, voluntary repatriation and regional relocation" of the Contras in Honduras in exchange for democratization in Nicaragua.

Unfortunately, the legislation does not contain strictly resettlement aid. It provides up to $66 million in so-called humanitarian aid for six purposes, the last of which is for "reintegration of and regional relocation by the Nicaraguan resistance." During questioning by the Foreign Affairs Committee, it was admitted that the administration refused to track the wording of the Central American Presidents—hardly a vigorous endorsement of regional efforts for peace.

In addition, the package authorizes aid for such blatantly nonhumanitarian items as batteries for communications equipment—items which have never been considered humanitarian aid by anyone. The continuation of such aid sends a signal that the real intention of the administration is to maintain the Contras together as a fighting force. The Contras will remain poised to disrupt the desperately needed process of national reconciliation in Nicaragua, ready at a moment's notice to restart the bloody war against the Nicaraguan people.

The restrictions and provisions in this legislation are so vague that ultimately all we have to rely on are promises from the administration. Congress will supposedly receive a letter—which does not have the force of law—from Secretary Baker assuring us that aid will not be used for military operations or be provided to groups which engage in violations of human rights. But it is clear from testimony before the congressional committees that the administration simply adjusts its explanation of what the bipartisan accord and gentleman's agreements truly mean, depending on which group it is trying to placate. These are the shifting sands upon which our new policy toward Nicaragua is being constructed.

That is not the new approach which is so desperately needed in Central America. The timing and the content of this Contra aid package undermines, not reinforces, efforts to bring peace of the region. I will not endorse such an approach, and I urge my colleagues to vote against H.R. 1750.

Mrs. BOXER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, for 8 years many in this House have argued with conviction that the Reagan-Contra strategy was wrong. We have argued that the future of the region should not be tied to the whims of the superpowers, but rather to the aspirations of those who live in Central America.

We have condemned the violence and the barbarism of the Contras, and we have wept openly for the innocent children who have been maimed and murdered by the failed strategy of the Reagan administration. These principles which have guided many of us in opposing the Reagan Contra strategy have been endorsed by the overwhelming majority of the American people we represent.

Now, today, even George Bush knows the American people are right about Central America. President Bush knows the Reagan Contra strategy has failed. He wants out, but he has asked the Democrats for $67 million to save face, $67 million to bankroll the Contras for just 1 more year.

This agreement is a significant departure for the Republicans, but it is also a significant departure for the Democrats. Our goal today, simply stated, is bipartisanship. Bipartisanship in foreign policy is valuable, but it should never be our only goal. bipartisanship should be the natural outgrowth of consensus on principles we share, principles that rise above party.

Unfortunately, the goal of bipartisanship, the goal of face-saving, today overshadows the many principles we have stood and fought for for years. Today, putting an end to the violence of the Contras is secondary to ending the divisive political debate in Washington over Nicaragua. Finding a tenuous middle ground for U.S. political leaders is valuable. Today it is valued more highly than fully supporting the negotiations of our allies.

This aid package may provide protection for American politicians, but not for the peasants living in Nicaragua, caught in the cross-fire of a United States-sponsored civil war. Thanks to our millions of dollars, the Contra forces stand poised and ready to attack, and attack they will.

Those who argue that we are disarming the Contras by merely giving humanitarian assistance should have met Dora Lopez, a Nicaraguan peasant who came to Washington, a few days ago with her 4-year old son still maimed by a Contra attack, and told us of losing a 10-month old son, a baby in her womb, and her left leg to a Contra attack. Keeping the Contras in the field with their record of bloody violence may temporarily solve our problems at home, but it will not bring peace to Dora Lopez and the other helpless victims of Contra atrocities.

In Washington we will bury the hatchet, but in Nicaragua they will continue to bury their children.

Mrs. BOXER. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Chairman, although I respect deeply many of those involved in negotiating the accord this legislation today will implement, I will vote "No" on this bill.

I will do so, first, because we are considering a plan whose announced purpose is to support democracy under procedures which, by the standards of this House, are fundamentally undemocratic.

We have held no hearings on this proposal. We have established virtually no legislative record. We have not been allowed to offer amendments. And we have been asked to take on faith a series of supplementary commitments by the administration that are either vague or unwritten or both.

Second, this bill does not establish a new policy towards Nicaragua. It freezes in place the old one. All the rhetoric aside, the central principle embodied in this bill is still that we, here in the United States, have the right to cosponsor a counterrevolution against Nicaragua if Nicaragua's domestic political system is not to our liking.

That is not a right we would extend, in analogous circumstances, to the Soviet Union, to Iran, to Libya, or to any other country. And it is not a right we can legally or morally assume for ourselves.

Third, according to State Department testimony, a significant portion of the money in this agreement will be used to provide cash payments to as many as 3,000 armed Contras inside Nicaraguan territory. These payments will not contribute to peace; they will not be subject to any meaningful controls; and they cannot be reconciled with the Central American peace agreement this legislation is intended to advance.

Fourth, we have no assurance that any of the money in this bill will be used to demobilize, repatriate or relocate the Contras. Those purposes are at the heart of the Central American peace plan, but they are given equal weight in this bill with the need to replace old Contra radio batteries.

Fifth, the bipartisan accord being celebrated today would never have been reached if not for the so-called gentlemen's agreement that will allow Congress to review actions taken under this bill next November. But there is nothing in this bill that would prevent every dime we appropriate from being spent before that review even begins.

Sixth, and last, the total price tag of this proposal is $66 million. I, for one, would rather use that money to help build housing or provide health care or build schools for Americans, than to prolong the life of a Contra force whose very existence we owe to one of the most wrong-headed and immoral foreign policy mistakes of my lifetime.

Finally, let me say that although I oppose this bill, I also share many of the sentiments that have been expressed by those who support it. The new administration has done more in 3 months to promote a genuine spirit of bipartisanship in foreign policy than the previous administration did in 8 years. It has expressed its desire to win the support of Central American leaders—not by bribing or coercing them—but by working with them. It has promised to use real diplomacy, not gunboat diplomacy, to promote democracy in Central America.

If those words are backed up by actions; if those promises are kept; the new era in foreign policy so many already claim to see will indeed have arrived, and no one will be more relieved, more grateful, or more astonished than I.

□ 1250

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Chairman, I rise in support of this agreement because it offers a glimmer of hope, and I underline the word "glimmer," for peace and democracy in Nicaragua. There is a sad history of broken promises by the Nicaraguan Sandinista regime, broken promises about press freedom, labor freedom and elections, promises that have been broken despite diplomatic agreements. But this agreement offers a glimmer of hope.

For the first time we have bipartisan support for a strategy that combines diplomacy with at least the possibility, the threat of military as well as economic measures.

We have an agreement that will keep the democratic resistance in Nicaragua alive until those elections are held. We have an agreement that implies that if those elections are not held, that democratic resistance force will be there to try to make the Sandinistas live up to their promises.

I support this agreement because we cannot abandon the democratic resistance of Nicaragua until there is democracy in Nicaragua.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS].

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, the dictatorial Marxist-Sandinista government of Nicaragua is at the bargaining table today because of one reason: force and the threatened use of force by the Contra freedom fighters. The Marxist Sandinistas are at the bargain table because they fear losing their dictatorial Communist power.

Mr. Chairman, throughout history people have been willing to fight and if necessary, die for their freedom and the freedom of their country. We are living in a time where freedom is on the march throughout the world.

Freedom from Marxist tyranny cannot be negotiated from a position of weakness. It must be negotiated from a position of strength. We supported the Mujahidin freedom fighters in Afghanistan until the Soviet Marxists were forced to negotiate a withdrawal of their oppressive forces from Afghanistan. We supported UNITA in Angola to assist the freedom fighters there against imported Marxist-Cuban troops and forced a negotiated withdrawal.

The Marxist-Sandinistas in Nicaragua came to the negotiating table as a result of our support of the Nicaraguan resistance. But now is not the time to abandon the resistance freedom fighters. Now is the time to renew our resolve to support them in the face of Marxist-Sandinista oppression and violation of past agreements.

The Marxist-Sandinistas have signed numerous agreements. These agreements appear, however, only to have been made in order to buy themselves time to consolidate both their economic and military positions. Daniel Ortega in this matter as in others has followed Lenin's strategy of "two steps forward, one step back" perfectly I don't want to see us playing the role of Lenin's useful idiots in the Marxist-Sandinista's struggle to permanently establish a dictatorial Communist state in Nicaragua.

From the moment the Marxist-Sandinistas took power in 1979 through to the present they have broken agreements: In their letter to the Organization of American States in 1979; as signatories to the Contadora peace plan; as signatories to Esquipulas II; and in the Sapoa cease-fire agreement, the Marxist-Sandinistas pledged their commitment to implement freedom for the press, freedom of religion, freedom of union organization, free elections, the end of support to external subversion, a halt to illegal arms trafficking, reduction of armament and troop levels, cessation of aid to all guerrilla groups and to allow unrestricted freedom of expression. The Marxist-Sandinistas have broken every one of these promises. Now, in the so-called peace accord of February 14, 1989, the Marxist-Sandinistas have promised pluralism, democracy, national reconciliation, freedom of the press for the opposition, release of political prisoners, an end to aiding guerrilla movements, et cetera—and we are supposed to believe that they will follow through with these promises.

The British Lord Acton once said "Power corrupts and absolute power corrupts absolutely." The Marxist-Sandinistas are in power and they are corrupt. I believe that without the

threat of the Contra forces the Marxist-Sandinistas will not relinquish any of their powers and will continue to be a growing cancer in our hemisphere.

The Marxist-Sandinistas have talked much about democracy and have promised to implement democratic reforms. They have failed to follow up on their promises. Mr. Speaker, the Marxist-Sandinistas lied before they ever achieved power in Nicaragua, they have lied to their own people, they have lied to our Government, they have lied to the OAS, they have lied to other Central American nations. And now we are supposed to believe that they are acting in all sincerity.

Mr. Chairman, I along with many others pray that the Marxists will finally fulfill their promises and follow through on holding free democratic elections. But, I don't believe this will happen without our support of the Contras. I do not want to see this country taken for a ride down the street of Marxist-Sandinista broken promises once again.

I believe that the only way that the Marxist-Sandinistas will respond and follow through with their promises is by our ensuring that the only true instrument to ensure change, the Contras, remains a viable freedom fighting force. This cannot be accomplished by leaving the Contras hanging, waiting dependently week by week to see which way the winds are blowing in the U.S. Congress. This is an extremely demoralizing situation, not only for the freedom loving members of the Resistance but to freedom loving people across the globe who look toward our great Nation as the leading light of freedom in our age.

Mr. OBEY. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. McHUGH], a member of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of this bill. As many of my colleagues know, I have opposed providing aid to the Contras in the past.

I did so because I believed that aid was being provided to support a policy of the Reagan administration that emphasized a military solution to the problems in Central America, and in Nicaragua in particular.

I also opposed such aid because it was a costly policy, not only in monetary terms, but it was costly in terms of human suffering and death. These terrible costs were justified on the grounds that this war would ultimately bring peace and democracy to Nicaragua. From the very beginning, however, it was a policy that had no reasonable prospect of achieving its goals.

It deeply divided our people and our Government. In a democracy like ours, no foreign policy can be sustained if it does not enjoy the understanding and support of the American people.

It was also a policy that deeply divided the people and governments in Central America. Indeed, it was a policy that was inconsistent with the express terms of the agreements reached by the Central American Presidents themselves.

Under these circumstances, it was a mistake to think that the war could be effectively waged or sustained.

Moreover, while the Reagan administration's policy certainly put pressure on the Sandinistas and imposed hardship on the Nicaraguan people, it was unlikely to ever result in meaningful democratic reforms in that country. In fact, the state of siege gave the Sandinistas a plausible excuse not to open up the political process and implement real democratic reforms.

It was for these reasons that the Central American Presidents called for an end to the Contra military effort and for a refocusing of policy on peaceful change.

Given all of these reasons for opposing Contra aid in the past, one can certainly ask, why is it now reasonable to support this bill? I think these are several reasons.

First, because this aid supports a fundamentally new policy, one that emphasizes not a military solution but has as its centerpiece the principle of peaceful change, as laid out and agreed to by the Central American Presidents.

This new policy recognizes that the Contra war is over, and I commend President Bush and Secretary Baker for accepting this reality and seeking to build a new bipartisan policy.

Unlike past assistance to the Contras, this aid is truly nonlethal in nature and will not be used to promote war. Much of our previous assistance was administered by the Central Intelligence Agency. This aid will be administered by the Agency for International Development.

Unlike past assistance, the funding in this bill can be used for voluntary repatriation and resettlement; in passing this bill, we encourage the Contras to return home to Nicaragua to take part in the elections scheduled for February.

Unlike past assistance, an extraordinary side agreement between the administration and the congressional leadership permits any one of a number of congressional committees to terminate this aid prematurely if it is not being used for peaceful purposes.

In short, this aid is different because it recognizes and facilitates the end of the Contra war in Central America.

It is for this reason that Central American Presidents, such as President Arias of Costa Rica, support it. It is for this reason that the Sandinista government, while registering public objection, is nonetheless moving ahead with the release of prisoners and says it will implement the democratic reforms it long resisted while the war was on.

Finally, Mr. Chairman, this aid is different for one other, important reason. For the first time in 8 years, it enjoys the bipartisan support of both the administration and a large majority in Congress, of both Republicans and Democrats. This is no mean accomplishment.

While bipartisanship for the mere sake of bipartisanship is hollow, bipartisanship in support of a sound, constructive American policy is a real service to our Nation.

I support this new bipartisan policy because it will not only facilitate a final end to the Contra war and send a clear signal to our neighbors in Central America that we once again speak with one voice on this issue, but because this agreement offers the realistic hope that we can work together on other aspects of our policy in Central America, so that together we can more effectively promote the goals we all seek there: peace, justice and democracy.

I know that some of my colleagues have genuine reservations about this bill, as do some of our constituents, but I urge a yes vote. It is the best opportunity we have had in a long time to start afresh in Central America, and to begin reconstructing a more positive, effective policy for ourselves and our neighbors to the south.

□ 1300

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Chairman, I want to thank my colleague, the gentlewoman from California [Mrs. BOXER] for yielding time to me.

Mr. Chairman, I rise to speak for peace and an end to the violence and killing in Central America.

You can call it what you may, humanitarian aid, or nonmilitary assistance. But, with this so-called bipartisan accord—under this broad umbrella, we would still be supporting and assisting the Contras.

We don't have a moral or legal obligation to send $67 million to keep this rag-tag bunch together. We do have a moral obligation to help our people here at home.

My people in Georgia need money for education, money for child care, money for affordable housing, and money to improve access to health care. We need money to stop the flow of illegal drugs into our communities.

Here in Congress, we must work to redirect the priorities and the tremen-

dous resources of this Nation, not to oppress, but to uplift; not to divide, but to bring together; and not to enslave, but to set free.

This one Member, with one vote, is not willing to send one penny in support of the Contras.

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to my friend and colleague, the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I, too, would like to commend my colleague, the gentlewoman from California [Mrs. BOXER] for taking out this time for Members, both those who want to speak out for further aid to the Contras and those Members who want to speak out against continuing the failed policy of the previous administration in continuing aid to the Contras.

I rise in opposition to H.R. 1750 which provides $67 million through next February for aid to the Contras. The previous speaker, the gentleman from Georgia [Mr. LEWIS], mentioned no matter what it is called, it is still aid to the Contras. I oppose it because it does not put enough emphasis on where we are supposed to be at this stage on the resettlement. I think that all the money in this legislation should go for resettlement. Resettlement is just included. It is permissive, but it is not mandated.

The Central American Presidents have agreed that the Contras should be disbanded. This does not disband the Contras. One of our colleagues, the gentleman from Illinios [Mr. HYDE], mentioned earlier, "keep hope alive." That is exactly what we do not want to do with the Contras, to keep hope alive for a military victory in Nicaragua. What we are trying to do is have measures for peace in Central America.

Many Members in this Chamber and in this body have visited Central America. We have seen the suffering that our own policy and our Federal dollars, Federal dollars much needed for our own domestic needs and programs, our own Federal dollars have brought. I promised myself when I was there, and the children that I saw, that I would do everything I could to end the suffering. After I was elected a Member of Congress, I promised my constituents I would do everything I could to end the suffering in Central America and in Nicaragua. Voting for this legislation will not end the suffering. It will continue casualties. We are not passing a measure for peace in Nicaragua. We are passing a measure for peace with an administration.

I urge my colleagues not be worn down. I urge my colleagues to vote against this legislation.

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentlewoman. I want to first commend those who have put the package of peace together. Those both in this Chamber and throughout Central America who have worked to bring peace to this war-torn country and war-torn area are to be commended and I do so.

This war in human terms is tragic, and in my opinion it was politically goofy. It is over now, and Members are glad of that. I support the measures, but I want to oppose this particular proposal, this particular amount of money, and in doing so ask this question. How long do the American taxpayers have to keep paying for our military adventures? Whether they are good wars or bad wars, whether we win them or lose them, how long does the American taxpayers have to keep the fiscal hose connected to these countries and rush their dollars through?

Everyone remembers Grenada. Well, the Grenada military action is ended, but in 1987 the taxpayers tapped in $15 million of their scarce dollars for Grenada. Fiscal year 1988, another $9 million. This year, another $4 million for Grenada. So far, to the Contras, Central America, we have given $472 million. Now they want $50 million more tax dollars. That is $5,700 an hour of tax money. Do we have an obligation to the Contras? Well, I do not think so. I respect those Members who do think so, but I want to ask Members this. Do we have an obligation to America's poor young children who want to get in Head Start and cannot get in? Eighty percent who want in Head Start cannot get in. If we have $5,700 extra to spend, I suggest we spend it on 18,769 additional young people and put them in Head Start this year. If we have $5,700 an hour to spend, I suggest we take 2,893 young Americans out of the ghettos and put them into Job Corps. If we have this kind of money to spend, some of us have other places to spend it.

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to my good friend the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentlewoman from California for her leadership on this, and I, too, will vote "no" on this package.

Let me just build a bit on what the gentleman from Montana was saying. Here we are thinking that we are supposed to take care of every single person in the world, when they are fighting for their own freedom. I do not get that. Nevertheless, people who are American citizens, they are shortchanged every day shrugging shoulders every day and saying, "Oh, there is a deficit." This really does not make sense.

Second, as we send money to all these people, whether we call them Contras, freedom fighters or whether we call them guerrilla movements, we, then, become copartners with them.

□ 1310

It is amazing how many times they trample all over the human rights that we are telling the taxpayer they are fighting to preserve. One of the things that troubles me about the Contras is the large number of people who have been kidnaped by them in the name of humanitarianism and equal rights. They have been kidnaped by them, and we cannot find any information about it. I am going to put the names of five different people in the RECORD on this subject. Most of them were doctors or farmers, and one of them was running an association founded by the Swedes. They were kidnaped by the Contras, and the Contras will not tell anyone of their whereabouts or they will not release them. These are the names of these five people:

Maria De Los Angeles Gonzalez Herrera, Age 16; worked at home, barefoot doctor assistant.

Jorge Dolores Rodriguez Garcia, Age 45; farmer; community organizer; barefoot doctor for over 7 years.

Martine Chavarria, Age 16; peasant farmer.

Felipe Artola Mendex, middle aged; UNAG—Farmers and Ranchers Association storekeeper (funded by Swedish Government).

Rafael Artola Mendez, Age 15 (son of Felipe); farm boy.

If we start funding the Contras or continue to fund the Contras, we are coconspirators in this. How can we also say that is a fight for freedom. We cannot say the ends justify the means. Yet this keeps happening, and at the same time the dreams that so many Americans have are being put on hold, as the gentleman from Montana pointed out. They are being put on hold, because we say, "We are really sorry, but we can't give you those opportunities."

Mr. Chairman, I think we have got to back off and really think about this. This is an important area of the world, and we must make sure real freedom comes and not something else.

Mrs. BOXER. Mr. Chairman, I thank the gentlewoman from Colorado [Mrs. SCHROEDER].

Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I am opposed to Contra aid, particularly in the form represented in this legislation, because it fundamentally means a continuation of the armed conflict in war-torn Nicaragua and Central America. This $66 million-plus will in fact sustain the

contras as a military fighting force, and that will only extend the violence and the violations of human rights in Central America.

If this money were committed only to relocation and repatriation of the contras under some broad-based peace plan approved by the Central American presidents, I could approve such aid. But this plan subverts the Arias peace process and, compounding the misery, takes funds away from many other domestic and foreign programs and humanitarian and economic needs where our money could be so much better invested.

Mr. Chairman, we would do well to vote this plan down and support real peace in Central America by ending the Contra threat.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I rise in support of this package, but first I want to talk about something else.

This package really is not enough. It is only one side of the coin, and we have to look at the other side. I would propose that we put together a bipartisan program in which a Republican and a Democratic Member on every weekend, beginning in May, would go to Nicaragua to emphasize to the Sandinistas that free elections must be held. We could call this program Operation Democracy. We would visit Nicaragua to encourage the democratic loyal opposition and to advise how to run a democratic election.

Mr. Chairman, there has not been democracy in Nicaragua for years. There was not democracy under Somoza, and there is not democracy under the Sandinistas. If we as Republicans and Democrats, could go there, we could encourage the Democratic opposition. We could meet with Cardinal Obando y Bravo and let him know there are people in the United States who care. We could meet with Violetta Chamorro, the editor of the newspaper La Prensa, and we could encourage her efforts; we could pressure the Sandinistas.

Mr. Chairman, we could perhaps even bring with us election registrars from our States and counties to meet with the Democratic opposition to instruct on how we run elections in our country.

Mr. Chairman, in our weekend trips we could pressure the Sandinistas on human rights issues and make sure the rights of every Nicaraguan are respected. We could join hands with the Democratic opposition with Members of both sides of the aisle in our group. We could walk through the barrios and the marketplaces and shake hands and let people know there is caring and concern on the part of the United States.

I would even think it would be appropriate if the committee chairman, the gentleman from Florida [Mr. FASCELL], the distinguished gentleman from Wisconsin [Mr. OBEY], the gentleman from Michigan [Mr. BROOMFIELD], and the gentleman from Oklahoma [Mr. EDWARDS] could lead a delegation to Nicaragua. We have all read the articles about the Nicaraguan situation in the newspaper, but I have visited there two times, and when you see it first hands, it is a totally different story.

Both times when I was there, the opposition said:

We want you to come down. We are glad you are here. We want you to come and see what is going on. We appreciate the fact that someone cares.

Mr. Chairman, I have sent a letter to Secretary Baker about this proposal and I would hope that this Congress on a bipartisan basis could put together such a program. This is the letter I wrote to the Secretary:

HOUSE OF REPRESENTATIVES,
Washington, DC, March 16, 1989.

Hon. JAMES A. BAKER III,
Secretary of State,
Washington, DC.

DEAR JIM: I appreciate your efforts to secure peace and democracy in Central America. Having been to Nicaragua twice and El Salvador three times I am aware of the challenges that region presents.

I'd like to share with you an idea that I have been informally discussing with my House colleagues which I believe could help secure democracy in Nicaragua and ensure that the basic human and political rights of the people of Nicaragua are respected.

The idea simply is to have at least one member of Congress and his or her staff visit Nicaragua each weekend. Members could be accompanied by representatives of their local press and the national press as well. The purpose of the visits would be to send a strong message to the democratic opposition in Nicaragua that we in the United States care very deeply about democracy, freedom and fair and free elections and that we have not forgotten them.

The visits would also be designed to help ensure that elections are carried out in a fair and effective manner and are free of corruption. To assist in the election process, members might bring their local Board of Elections registrar or other election officials who could offer advice and assistance to the democratic opposition about how to run an election campaign and how to function as an opposition party. The people of Nicaragua have never in modern times lived in a society that operated under a democratic system and such assistance will be necessary to ensure the election process works.

During these visits, members would meet with Sandinista officials and officials of the opposition as well as church groups and human rights groups. These repeated visits would help to stress the high level of importance the United States places on basic freedoms. The visits would also serve as a human rights enforcement mechanism as such violations would receive widespread attention because of the presence of the member and the press.

Most importantly, this program would let the Nicaraguan opposition know that the American people are concerned, interested and supportive. They would see not just a U.S. congressional delegation every few months, but instead a visit every weekend.

A State Department employee could set up the necessary appointments so that when the members arrive in Nicaragua on Friday evening an itinerary would be set and time would be effectively used. When the congressional delegation left on Sunday, the State Department employee would begin arranging appointments for the next week and would follow up on issues that had been previously raised.

There would be many benefits from this program. More members would be visiting Nicaragua and would be able to experience the situation there first hand. It is one thing to read or see a news report. It's another thing to meet with opposition leaders such as Mrs. Violetta Chamora and to hear the details of Sandinista repression. This is an eye opening experience.

Such a program, perhaps called "Operation Democracy," could be successful in demonstrating deep concern and encouraging the opposition as well as putting the U.S. on record as seeking democracy. To work, it is essential that this be a bipartisan effort in Congress.

Again Jim, I appreciate your efforts in Central America. I would appreciate your consideration of this idea.

With best regards.

Sincerely,

FRANK R. WOLF,
Member of Congress.

This would offer encouragement to the democratic opposition. They would know we care. It would also put pressure on the Sandinista government.

Best wishes.

Mr. Chairman, we should not just talk about what is going on in Nicaragua. We should not just stay here. Let us go down there and see what is happening. We would all learn from it, and become educated about it. Then, Mr. Chairman, when we had to deal with this problem again come February, we would all have been there. We could all say, "I have talked with Cardinal Obando y Bravo, I have talked to the Sandinistas, I have talked to Violetta Chamorro, I have talked to the opposition," and then, Mr. Chairman, we could put pressure on Nicaragua to assure that we could have a free and democratic election there.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, while almost everyone is trying to put the best possible face on it, the agreement which underlies this resolution does not represent a victory for democracy in Nicaragua. It was premised on three assumptions. First, that a majority in Congress would not support any military assistance to the Contras. Second, because the Central American Presidents had created a "peace process," the administration needed time to determine how to try to regain some degree of control or influence over the situation—including pressuring the Soviets to curtail their $1 billion-a-year aid to the Sandinistas government of Nicaragua. Third, Secretary of State

Baker believed we would have greater success with all parties if our Government presented a united front, rather than the division that has characterized our previous policy.

The administration's idea of the plan was to keep the Contras alive and well in Honduras, not to disband them, because of the possibility that they would have to fight another day if the Sandinistas again failed to keep their promise. At the same time, the Sandinistas would have an opportunity to provide that they could keep their promises to permit freedom and establish democracy in Nicaragua, including elections next year.

One of the fundamental problems with this agreement is that there is no clear meeting of the minds—a prerequisite for any really meaningful agreement. The liberal Members of this body hope to use the plan to disband the Contras by repatriation to Nicaragua. Under no circumstances do they ever see the Contras as a fighting force again, regardless of whether the Sandinista government complies with its promises or not.

I am skeptical about what this plan, and, therefore, this resolution can accomplish; and am dubious that it was, as asserted by the administration, the best we could do.

There is no reason whatsoever to believe that the Sandinistas intend to keep this latest round of promises. They haven't kept their many promises up to now; they have every incentive to cheat as they have done each time before—no Marxist government has ever voluntarily relinquished power; indeed, the only force which ever had any effect in persuading the Sandinistas to loosen their grip on power was the Contras, who are now precluded from fighting.

The bottom line is that this plan is a one-way street: there are no sanctions whatsoever if the Sandinistas go back on their promises. There is no back-up plan, no method of applying any pressure that could force them to comply. We are again relegated to relying strictly on the good will of a ruling junta which has never shown any good will in its 10-year history.

President Ortega, in 1987, promised Costa Rican President Oscar Arias that he would grant freedom and create democracy in Nicaragua in a grand gesture that won the Nobel Peace Prize for Arias. After a few superficial publicity stunts, everything returned to its previous status.

Then in February 1988, Congress with cries of "give peace a chance," voted to end military aid on the explicit assurances of Ortega, to you, Mr. Speaker, that this time he meant it—real democracy and freedom, soon. We wait nearly 2 years later, for signs that Ortega really intends to take his chances at the ballot box. To be sure, some political prisoners have been released after 10 years of what we would call in this country false imprisonment, but according to the Nicaraguan Association for Human Rights, around 7,000 remain behind bars. There is no other indication that Ortega intends to create the free and open society that must exist for valid elections to occur. Harassment of all opposition continues apace.

The administration sells this plan to conservatives by arguing that if the election scheduled for February 1990 is not valid, we might somehow muster the indignation to finally resume military support for the Contras. I'm still waiting for the outcry of world opinion that Nobel laureate Oscar Arias said would come if the Sandinistas did not comply with the Central American peace accords. The plan is sold to liberals on the basis that it finishes the Contras as a fighting force. I seriously doubt that the majority leadership in this body considers rearming the Contras even a remote possibility.

It is more likely that the combination of a hopeful Congress and a biased media will find some way to dub the election a good start and continue to rationalize the continuing failures of the Sandinistas. It is hard to imagine a set of circumstances that would cause us to resume support for the only kind of pressure that has ever worked with the Sandinistas—providing military help to Nicaraguans willing to fight for their own freedom. If Ortega's broken promises, murders, rapings, silencing of dissent, attacks on the churches and synagogues, support for Marxist guerrillas in neighboring countries, and other depredations have failed to move us, what makes us think a rigged election will do so?

These criticisms do not even touch the details of the plan itself, which relegates undue veto power to four separate committees of Congress over any aid after November of this year.

There are other criticisms, but what is the alternative? There will never be adequate support for the democratic resistance of Nicaragua unless the American people and Congress understand the rationale and need for it. And that understanding will never come about if there is no debate; if rather, differences are merely papered over in the name of bipartisanship. That is why I reluctantly speak out today, in honest criticism of my President's plan. Bipartisan support for a plan which is nothing more than a Band-aid over extreme differences is nothing more than a recipe for mediocrity and eventually, failure. Moreover, if, as it appears in this case, the bipartisan accord is a one-way street, it is bipartisan only because one side gave in to the other. And, finally, the Sandinistas are not stupid—they know that deep divisions still exist and the accord would disintegrate in a minute if President Bush really pushes them for real democratic results or even requested military support for the Contras in the event they fail to produce those democratic results.

A better approach would have been to present a short-term humanitarian aid package to sustain the Contras. Such a plan would have had plenty of support and would provide aid almost as long as the unconditional aid under the resolution, which, after all, is only good for 7 months. It would be obvious in 3 or 4 months whether the Sandinistas were serious about freedom and elections, and it is doubtful the Contras would have been abandoned just before the time the elections are supposed to be held.

If the Sandinistas failed to fulfill their promises and the administration and others were really serious about that failure, the President could then have requested military support. Can anyone doubt that would get the attention of Daniel Ortega?

Mr. Chairman, it is time for a plan which puts the burden on the Sandinistas to democratize Nicaragua, and fixes responsibility and consequences when they again refuse freedom.

In the meantime, the President and others should explain what is at stake; why the Sandinistas are not likely ever to give up power unless forced to do so; and that only the threat of the Contras—coupled with a cut-off of Soviet aid—can create the conditions for a true democratic and pluralistic society in Nicaragua. Coincidentally, while it could not pass Congress today, a new round of military aid for the Contras might have convinced the Soviets that they are backing a losing cause—today, they have no direct incentive to cut their considerable aid. It totally defies logic that the Soviets have a right to pump $1 billion in aid to the Government in Nicaragua, every year, much of it military aid, while we have to sell our soul to get approval from this Congress to send just $40 million to Nicaraguans living in Honduras—just to stay alive.

Freedom will never be won in Nicaragua if its Marxist government continues to be propped up by the Soviets while our hands are tied. Unless the issues surrounding this controversy are debated and unless the President uses the moral force of his office to influence that debate, the unfortunate people of Nicaragua will never know the freedoms we enjoy in the United States.

The bipartisan accord is reminiscent of the attempt to negotiate "peace with honor" in Vietnam. One hopes the plan will somehow work, but it is impossible not to be highly skeptical.

To support my President, I will vote "aye" on the resolution; but I will also support a motion to recommit the resolution for further work by this body.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Chairman, I thank the gentleman for yielding this time to me. Mr. Chairman, the President of Honduras, Mr. Azcona, said, "Ladies and gentlemen, there will never be development in Central America until there is democracy in Nicaragua."

People will not invest and put people to work and establish a factory as long as the Soviet Government is spending hundreds of millions of dollars giving the greatest killing machines in the history of mankind, Soviet Hind helicopters, along with bombing supplies and other destabilizing military equipment, to attack anyone who would hope to put the people of Central America to work.

We have heard here today those references to Southeast Asia, to Grenada, and to other locations where America stood for freedom in asking the question: How long must we rescue these people? There are Members, Mr. Chairman, who are willing to laugh and scoff at families who are drowning in leaking boats, trying to escape 1 more day of Communist tyranny in Southeast Asia. There are those who laugh at the killing fields of Cambodia and who close their eyes to the Marxist starvation in Ethiopia. Yet I say to the Members of the House that we can no longer just close our eyes to what the Soviets are doing on our doorstep in Central America.

□ 1320

In Central America, if we do not care, we will have to hold our ears just as those who hear the cries for help of a mugging victim in the street will turn up the TV set, and pull down the shades and hope that the screams will go away because they do not care and refuse to help. Under this legislation we ask merely for an eyedropper of aid, a mere token, to establish America's position in support of freedom.

Mr. Chairman, we have received one more cry for help today from Violetta Chamorro, the general director of the newspaper La Prensa, in which he says in today's letter:

The situation is serious and most urgent. The other official newspapers circulating in the country count on donations received from socialists countries, tax exemptions, subsidies and preferences which allowed them to operate with 14 pages and supplements. In addition to government ads and those of state-owned enterprises, to which the Sandinista government has prohibited ad publications in La Prensa, placing us in precarious situation and evident disadvantage.

Our last and only appeal is an international campaign asking governments and democratic institutions for donations of news printing paper for La Prensa, and acknowledging your vocation for a peaceful solution in Nicaragua, in which La Prensa plays a very important role. It is our belief that your great international prestige could help us in this campaign to save La Prensa and with it the democratic process for Nicaragua.

My colleagues, the time has come for America to recognize the privilege that it has as a spokesman of the free world. For those who do not care, for those who care not, if one more nation, be it Cuba, be it North Korea, be it Nicaragua, be it Ethiopia, be it some nation that the people are crushed once again below the steamroller of tyranny; for those who do not care, they can vote no. But for those who care about freedom, who care about the hope of democracy, that want to give freedom a chance, they can vote aye.

Mr. MCHUGH. Mr. Chairman, on behalf of the gentleman from Florida [Mr. FASCELL] I yield 2½ minutes to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, I rise in support of the bipartisan compromise on Central America. Today the United States speaks with one voice. We support the Central American diplomacy. We support peace. We support democracy. We stand with our friends in the region, and we shall stand together, Democrats and Republicans, the President, and Congress. That is what we are voting for today.

Mr. Chairman, I want to applaud two people who have made this new policy possible, Secretary of State Jim Baker who has invested his time, his energy, his talent and his credibility for a new policy based on new thinking. Hopefully we can build on his efforts and forge a broad bipartisan policy on the great foreign policy issues facing our country today, and I applaud also our Speaker, the gentleman from Texas [Mr. WRIGHT].

Mr. Chairman, JIM WRIGHT is a true friend of Latin democracy. JIM WRIGHT is a courageous advocate of human rights, democracy, and peace throughout Latin America.

Finally I warn the Sandinistas: Take this policy seriously. Negotiate in good faith. Act in good faith. Comply.

Mr. Chairman, as we debate, the Sandinistas and the political opposition are negotiating a new law on democratization. To the Sandinistas I say this: Congress is watching. The President is watching. Latin America is watching. The democratic world is watching. Seize this historic opportunity, and do not make this historic mistake of acting in bad faith once again.

Having said that, Mr. Chairman, I urge support of the bipartisan accord and for a new day in American policy toward Latin America.

Mr. MCHUGH. Mr. Chairman, on behalf of the gentleman from Florida [Mr. FASCELL], I yield 5 minutes to the gentleman from Michigan [Mr. CROCKETT].

Mr. CROCKETT. Mr. Chairman, I am going to vote against this legislation. There are too many significant questions to which we do not and cannot know the answers in this rush to judgment that we are engaged in this week.

This legislation was ordered reported out of committee on Tuesday, less than 24 hours after it was introduced, and here it is on the floor. What is the necessity for this 3-day rush? I suspect there are enough earmarked funds in the pipeline to take care of the Contras until the end of the 90-day period provided in the El Salvador agreement worked out by the Central American presidents. If there is not, we could pass another month's worth of money. Why the rush to preempt the peace process?

This procedure leaves no time for hearings. Many Members—and the public, too—would like us to hold hearings on this matter. Honduras has turned completely around since it signed the El Salvador agreement—from a position of insisting on Contra removal and resettlement, to one of acquiescing in the Contras' indefinite presence. Why? Apparently because we sent Under Secretary of State Kimmit down there to make a deal. The Subcommittee on Western Hemisphere Affairs, which I have the honor to chair, has requested Mr. Kimmit's testimony. He has declined to appear. Why? Shouldn't we look into this?

According to the press, many Nicaraguan opposition figures feel the continued existence of the Contra army will hinder their ability to effectively challenge the Sandinistas in next year's election. Some of them feel that, by maintaining the Contras, the United States is maintaining a force that has an interest in the collapse of the electoral process, in hopes that such a collapse will bring renewed military aid. As one opposition leader has said, "Everyone knows that our loss is the Contras' gain." Shouldn't we explore these questions in public hearings before we act?

What happens if, at the end of this aid program, the Contras still don't want to go back to Nicaragua? Do they come to the United States? The Ambassador of Honduras told me last week that it was his government's understanding that the term regional resettlement could include resettlement in the United States. He said if the Contras don't want to return to Nicaragua and no one else in Central America will take them, then the United States will have to take them. I assume this disturbs my colleagues, many of whom I know hope the Contras will end up in someone else's State. If we had time for hearings, I would want to know the administration's views on this.

What happens if the situation in Nicaragua is not settled to everyone's satisfaction by the end of this program, as is extremely likely? What do we do then? Continue this program indefinitely? Is that part of the deal with Honduras? Or do we go back to war and military aid? Is there is any understanding on that?

In fact, what are the side agreements that were made by the small, ad-hoc group that negotiated this deal, but were not written down? What is the real agreement—as opposed to the published agreement, which says nothing?

Press accounts say Secretary Baker showed the leadership a list of illustrative steps—both positive and negative—that the United States might be prepared to take in response to various possible Nicaraguan actions. As we act today, how many of us know what those steps are? Shouldn't we know before we act?

For all these reasons, Mr. Chairman, I believe that this highly unusual procedure we are following is both unwarranted and unwise. I urge the House to defeat this measure; then let us deal with this issue through our normal processes.

□ 1330

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Chairman, I rise today in support of H.R. 1750, the Bipartisan Accord on Central America Act of 1989.

This important legislation will provide over $49 million in humanitarian assistance to the Nicaraguan resistance through February 28, 1990. This means that the resistance will be able to receive much needed clothing, food, shelter, medical services, medical supplies, replacement batteries for existing communications equipment, and nonmilitary training for health and sanitation.

This is truly a bipartisan effort. I have visited Central America several times in the last few years, and it is very clear to me that these basic necessities are desperately needed. To me, Nicaragua is a very poor country, with enormous problems. The assistance that we can provide today will enable the Nicaraguans to overcome these terrible deficiencies. This country as divided as it is, is still Nicaraguans.

This bill also provides additional economic assistance to the democratic countries of Central America, to promote the economic stability, expand educational opportunities, foster progress in human rights, bolster democratic institutions and strengthen institutions of justice.

Mr. Chairman, we have urged the democratic process. We have urged the peace process. We have urged security in Central America, and today I urge my colleagues to support democracy, to support peace, to support security in Central America, and vote for this proposal.

Mr. OBEY. Mr. Chairman, at this point I am simply representing the gentleman from Florida [Mr. FASCELL], who wanted to yield time to the gentleman from Mississippi [Mr. MONTGOMERY]; so I yield 2½ minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this agreement because I think we have an obligation to the Contras. We created them, and provided both humanitarian and military aid in the past as they fought to overthrow the Sandinistas. I do not think we can desert them now.

In early March, of this year, I led a congressional delegation to Honduras to meet with the Contras and their leaders in their base camps along the Nicaraguan border. When they had military equipment, and were engaged in the fighting, the Contras had control of about 75 percent of the country.

Since there is no military aid now, the Contras with whom we spoke were not optimistic about returning to Nicaragua as long as the Sandinistas are in power.

I hope the peace process works, and that Nicaragua can have fair and open elections, as well as restoration of other basic human rights. But most of the Contras we saw in those base camps were displaced farmers. Their land was taken away by the Sandinistas. They want the land back and they want assurances that they can return to their farms without fear of government interference. They do not trust the Sandinistas.

I think this humanitarian aid package is the very least we can do to support the freedom fighters. Our congressional delegation discussed several options with regard to the future of the Contras. Some of them are not very appealing.

We could bring them to the United States. That would include about 60,000 men, women and children. And probably 60,000 more would say they, too, were Contras to have the chance to get to the United States. Another option would be to abandon the Contras and let them fend for themselves in Honduras or back in Nicaragua. Neither of those options is desirable, in my opinion.

We could restore military aid and support efforts to regain control of Nicaragua. I favor providing military aid, but I recognize that this humanitarian aid package is the best we can get at this time.

I hope the peace agreements can lead to more freedom and democracy in Nicaragua. But I would again point out that we created the Contras and I think we have an obligation to continue to provide aid to them. I support this resolution.

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, this is bad legislation at the worst possible time. What is bad is that we are about to endow the corrupt leadership of the Contras with a gift of $54 million of our hard-earned tax dollars.

What is worse is that we give this $54 million without any accounting of past aid, the missing millions stashed in bank accounts in the Bahamas. We give this money with less restrictions than last year. It may be used for relocation. Maybe not. It may be used for defensive military purposes.

Are the bullets and mines that have torn the limbs of thousands of innocent children or Ben Linder from Oregon, are those offensive or defensive bullets and mines? It made no difference to the dead, dying and maimed. They have suffered enough.

Make no mistake, aid to an army in the field is military aid in support of this disastrous war.

The ultimate travesty and the one for which we should be called to account is that the highest priority of the 101st Congress of the United States and the new President is aid to the Contras. Before we fund education for our youth, shelter for the homeless, medical care for our seniors, before the Congress votes on a single program to meet the needs of the American people, we are going to dump another $54 million in the laps of the Contras so they can continue to subvert the peace process agreed to by all the Presidents in this region.

Mr. Chairman, it is time to just say no.

Mrs. BOXER. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I thank the gentlewoman for yielding me this time and commend her for her leadership here.

Mr. Chairman, I am opposed to this package, but I think my colleague, the gentleman from Oregon, was a little bit too harsh when he said the President was doing this instead of helping the homeless. The President said he would help the homeless, and he is. I am pleased to see him following through. I had not expected the largest federally funded homeless shelter to be in Honduras. Perhaps the President having decided to shelter the homeless in Honduras, which costs about $60 million, will think the principle might be extended to the United States.

I believe that this is a concession of defeat on the part of those who would continue to fund the war by proxy.

The gentleman from Illinois [Mr. HYDE], a very distinguished Member of this House, said before that if he could not eat a meal, he would eat a sandwich. I think, to be honest, that the administration is eating a sandwich here. It is a crow sandwich. My problem is that the price of crow has gone up, $65 million at a time when fundamental needs are being denied is too much.

I understand the need for comity, a word that only Members of this body use, private citizens never use it.

□ 1340

I understand trying to let things down easily, but we are paying too much here to allow the architects of a disastrous Contra policy to save face. No one genuinely believes that the Contras will again be a military force, nor should they be.

I must say there is one substantive problem I have with the resolution, and that is it argues that we would have a right, if we did not like the internal democracy quotient of Nicaragua, to finance a war against them. I believe we ought to be very tough on people who are undemocratic. I wish this administration, as with the previous one, showed a little more concern about the repression in the People's Republic of China. This administration too often looks the other way when people are repressive. I do not think we have a right to send guns in there. I am not for arming the African National Congress, and I am not for arming the Tibetans, and I am not for arming people who are victims of a lack of democracy internally. I am for providing them moral support. I think there is an inconsistency here with an administration that often looks the other way with regard to this sort of thing.

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Chairman, I will be very brief. I recall last year the gentleman said that it was his surmise that there was not a Member in this House who was opposed to sending over $650 million a year to the seven Mujahidin groups fighting in Afghanistan. So that is the one exception where the gentleman believes violence is proper for freedom?

Mr. FRANK. Right, because in Afghanistan, and I was responding to what seemed to me to be a preposterous notion that there were 100 Members secretly opposing that when the record did not support it.

I appreciate the gentleman keeping track of what I say. I sometimes forget what I say, and it is nice to know that I can get the gentleman from California to keep track for me.

In that case we had clear-cut aggression across international borders. The march of the Russian Army into Afghanistan made this different than the repression that we get in the People's Republic of China and elsewhere. I think there is a clear difference there.

Mr. Chairman, I admire, in general, the work the leadership of this House did, the Speaker of this House and others, in getting this administration to admit defeat. I regret the fact that it is costing us $60 million to extricate themselves.

Mr. Chairman, I did particularly want to give attention to one important aspect here, and that is the device, that I believe the gentleman from Wisconsin get some credit for this, and he deserves a lot, whereby letters will have to be sent to keep this going.

Mr. Chairman, we have had the far right trying to make constitutional theory into the form of rigid theology with which they are most at home, and they have tried very hard to say that there should not be flexibility in relations between the executive and legislative branches, and thanks to some very thoughtful work by the gentleman from Wisconsin backed up by our leadership, we have gotten around that rigidity. We have a situation here where the administration acknowledges it will need the support of committees of this House to keep going.

Mr. Chairman, I think that is a good precedent.

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, I thank my colleague, the gentlewoman from California, for yielding me this time.

Mr. Chairman, it rolls off the tongue so easily: "This is a bipartisan agreement." But what are we really being asked to do? To throw money at a failed policy.

I urge my colleagues to vote no. We should not be spending millions and millions of dollars to keep the Contras together as a fighting force. We should honor the plan of the Central American Presidents to dismantle the Contras.

What does this package mean? About $400 a month for each Contra. Do the Members know how that compares to other wages in that country, in Nicaragua? Doctors receive about $70 a month, teachers $25 a month, and we are going to pay about $400 a month. Are we encouraging impoverished individuals to become Contras, to become mercenaries? Are we making these people dependent on a standard of living they cannot hope to achieve in their own country?

This Nation is not so wealthy that we can squander our taxpayers' dollars on a failed policy. We should vote no today.

The CHAIRMAN. The gentlewoman from California [Mrs. BOXER] has 13½ minutes remaining.

Mrs. BOXER. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, for 5 years, while the Contras have been assaulting farms, schools, and clinics in Nicaragua, their supporters here in Washington have been assaulting the English language.

Contra supporters call them the democratic resistance. But the Contras were never elected to anything, except by the CIA.

Contra supporters call them freedom fighters. But no one has ever explained why freedom fighters have millions of dollars worth of remedial training in human rights.

Contra supporters say the Contras have applied military pressure to the Sandinistas. But no one has bothered to explain what military pressure really means. So let me tell you.

Six months ago a woman named Dora Lopez hitched a ride on a coffee truck to take her sick infant son to the doctor. The Contras ambushed the coffee truck—a coffee truck—killed her child and severely wounded Dora and another son, Erick.

I guess if one gets humanitarian aid instead of military aid, that means one does not attack military targets, they attack coffee trucks?

Just once in my life I would like to see those who talk about military pressure, those who understand this lofty concept and all the nuances of political science that it represents, just once I would like to see those sit down and explain their concept of military pressure to a woman who has held a bullet-ridden child in her arms.

Well my friends, we have that chance today, because Dora Lopez and her son Erick are with us here today, watching this debate.

Mr. Chairman, this aid package may be bipartisan, but that does not make it wise, and it does not make it just. I urge my colleagues to defeat this bill.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Chairman, come on, now, the folks talking against this bread, water, and aspirin bill for the Contras, they know as well as I do that Danny Ortega and gang are not any bunch of downtrodden farmers. They are old-fashioned rule-the-world Communists, and they would not be talking peace today if there were no Contras.

Maintaining them and their families with humanitarian aid is the care vote that encourages a lasting peace in Central America. If Members really

are for peace in that region, be for this bill.

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, Nicaragua is lost. Hope of freedom is gone. The dark curtain of the Sandinista Gestapo has fallen over Nicaragua. At this point only force of arms will unseat the Sandinistas, precisely because the Sandinistas have been installed and maintained by the Soviet Union as a military regime.

Mr. Chairman, I am voting against this accord because it gives false hopes to the American people.

After this debate, 10-second sound bites are going to go out from this hall to television sets across the country in which we will hear words like hope, peace, democracy, and elections, but, in fact, the only mechanism that was capable of ensuring those good things, the military forces of the Contras, has already been doomed to destruction by the Democrat leadership of this House in February 1988.

□ 1350

The people of the United States have the right to know certain facts about the desperate situation in Nicaragua, and it is a very desperate situation. These are the facts that the American people have a right to know about.

No. 1, there is no freedom in Nicaragua. Nobody on the other side has gotten up to argue that there is freedom under the Sandinistas in Nicaragua.

No. 2, the Nicaraguan economy is in desperate straits, at least as bad as Cuba.

No. 3, since we cut off military aid to the Contras in February 1988, since then thousands of Nicaraguans have streamed across our border and are continuing to come north.

No. 4, the Soviets will not take their guns out of Nicaragua, and they have told us so as recently as 2 weeks ago.

No. 5, the Sandinistas are unpopular. They have told us they will not give up political power no matter who wins these elections.

No. 6, by votes of Democrats in this Congress, we have cut off the ammunition to our side. The Soviet Union has put in $500 million worth of military power, and we have cut off the ammunition to our side.

All of the great words I hear, hopeful statements from my colleagues, who I very greatly respect, about the possibility for democracy in Nicaragua, depends on one thing happening: The Sandinistas peacefully relinquishing power in the same way that Jose Duarte is relinquishing power peacefully to the opposition in El Salvador. That means that Tomas Borge, head of the secret police, who oversees machinegun executions, is going to relinquish power peacefully. Mr. Borge is as unpopular as Mr. Somoza was. He probably cannot win without the full weight of the police state protecting him. He is not going to relinquish power. He is a hard core Marxist.

Commander Juan Jose Ubeda, who organized the assassination of the one person who could have been president and could have beaten the Sandinistas in 1981, Jorge Salazar, will have to bow to electoral opinion and step from power. He will not do that.

Nobody who promotes this plan can show us one mechanism or one lever whereby we can ensure that these Sandinistas, these very hard people will step from power, and that is the problem. The problem is that the Sandinista regime is a military regime. It is installed and it is maintained by the Soviet Union, by military might, and only by force of arms are we going to be able to move the Sandinistas out of Nicaragua, which incidentally, for the lady who has been mentioned several times who comes from Nicaragua, is the request, the almost unanimous request of every Nicaraguan refugee whom I have met in the Red Cross camp in Brownsville, TX. Nobody coming from Nicaragua says anything good about the Sandinistas, except the people that they promote by this chance encounter group that has been put together by Tomas Borge of tell untruths.

I think, my colleagues, we are evading the major question. The major question is how can we move the Sandinistas out of power when they refuse to move out of power peacefully and will only do so under force of arms. We are evading that question. The American people are going to have to face it. The contest of wills between us and the Soviet Politburo has been won by the Soviet Union, and the American people have a right to take us to task for that loss.

I thank the gentleman for yielding time to me.

Mr. BROOMFIELD. Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would simply like to say in response to the comments of the last speaker that I think that he has finally got it right. The fact is that I agree with him, that it is highly unlikely that the Sandinistas are ever going to be removed from power by any force except military.

The question is whether or not the U.S. Congress ought to feel an obligation to conduct military operations against every government that we want to see out of power. That is where the difference really lies. Some of us over here feel that is not what we ought to do, whether we do it directly or by proxy.

So I would simply suggest that I fully share the gentleman's evaluation of the Sandinistas. I have as much disregard for them as he has. It simply seems to me that the question is how we best effect their conduct. And it seems to me that the Bush administration has now correctly seen that the best way to do that is in concert with, rather than in opposition to, other democratic forces in the region, using political, diplomatic, and economic pressure, which is fully legitimate, if the Sandinistas do not do what they ought to do. This has never really been, I think, a question that is divided between people who are in favor of the Sandinistas and people who are not. It has been a question which has divided people on the basis of whether they are a realist or a hopeless, naive optimist.

Mr. Chairman, I yield 2½ minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I am rising to express my support for the Central American peace process and my endorsement of H.R. 1750 providing continued humanitarian assistance to the Nicaraguan freedom fighters.

This legislation is extremely significant because it sends a crystal clear message to the Sandinistas that the United States of America is truly united on several key principles. First and foremost, America believes that there can be no real peace without democracy. The Central American Presidents have recognized the linkage between these two concepts and have set up a series of deadlines for democracy in their most recent communique to help assure the achievement of peace.

For my colleague's reference, I am submitting for inclusion in the RECORD a "Dear Colleague" letter I coauthored along with my colleagues, Congressmen SKELTON, SPRATT, STALLINGS, RICHARDSON and LANCASTER. This document contains a translation of the communique along with a summary of the deadlines for democracy contained in the agreement.

The Sandinistas must understand that we are united as a nation, Democrat and Republican, Congress and executive branch, in support of this agreement and will be closely monitoring compliance with all deadlines. It is both fitting and symbolic that we are voting today, Thomas Jefferson's birthday, on legislation which will contribute significantly to the nuturing of democracy in Nicaragua. Jefferson understood well that freedom cannot tolerate the continuation of tyranny. The Sandinistas must understand that our vote today is putting them under intense observation by the Congress and the entire free world in which their compliance with the Central American agreements will be closely monitored and will neither be ignored or forgotten.

This legislation sends another message which is every bit as important. The United States of America does not and will not abandon its friends. It continues our support for the freedom fighters who have been in the forefront of the fight for democracy in Nicaragua. We are standing by our friends in maintaining the Contras as a viable force and making it clear to the Sandinistas that failure to comply with the deadlines for democracy which they have agreed to will have real costs.

Finally, the Soviet Union must understand that continued military assistance to the Sandinistas is unacceptable. Soviet aid threatens to doom the peace accords and the chance for democracy in the region by encouraging Sandinista intransigence and is viewed by the entire Congress as a direct threat to our national interests. Overall United States-Soviet relations cannot improve as long as this aid continues.

In conclusion, I urge my colleagues to support democracy, to support peace, to stand by our friends and defend American security by voting for this legislation.

The letter referred to follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 29, 1989.

DEADLINES, DOS AND DON'TS

FEBRUARY 14TH JOINT DECLARATION OF CENTRAL AMERICAN PRESIDENTS

DEAR COLLEAGUE: The communique issued by the 5 Central American Presidents on February 14th following the conclusion of their summit contains a framework for the achievement of regional peace. The communique revitalized the Arias peace process by setting a timetable for democratization which is essential for peace in the region. The communique must be viewed as a composite whole which builds upon and includes the Esquipulas and Sapoa Agreements. It can only succeed if there is compliance with all deadlines and conditions, not a select few. The key dates and conditions are listed below along with relevant quotations from the communique.

Sincerely,

RICHARD H. STALLINGS.
BILL RICHARDSON.
JOHN M. SPRATT, JR.
CHARLES W. STENHOLM.
H. MARTIN LANCASTER.
IKE SKELTON.

February 14th—Communique issued by 5 Central American Presidents (translation on reverse side).

April 25th—Does require implementation of all reforms guaranteeing individual and political rights and equality prior to this date.

Does commence 4 month period of political preparation, organization and mobilization.

("Once reforms have been made in electoral legislation and laws regulating expression, information and public opinion in such a way as to guarantee political organization and action in the broadest sense for political parties. Then an initial four month period for preparation, organization, mobilization of the parties will be opened.")

May 15th—Does require formulation of plan for voluntary demobilization, repatriation or relocation of Contras.

Does Not set deadline for implementation of "demobilization" plan.

Does implictly link implementation of any "demobilization" plan with deadlines for democratization of Nicaragua.

("the Central American Presidents commit themselves to formulate, within a period of no more than 90 days, a joint plan for the voluntary demobilization, repatriation or relocation in Nicaragua and in third countries of Nicaraguan resistance members and their families.")

August 25th—Does begin 6 month campaign period in Nicaragua.

Does Not permit Sandinistas to reverse any of earlier required reforms.

("Immediately following the expiration of the said period (four month period for preparation, organization and mobilization of the parties), a new six month period of political activity will begin.")

February 25th—Does require democratic elections in Nicaragua no later than this date.

("At the end of this six month period, elections for President, Vice President and representatives to the National Assembly, municipalities, and Central American Parliament will be held. Elections should take place no later than Feb. 25, 1990, unless the Government and opposition political parties mutually agree that they should be held on another date.")

Mr. FASCELL. Mr. Chairman, I will reserve the balance of my time to yield to the Speaker of the House to close debate at the appropriate time.

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. Mr. Chairman, to be successful, a U.S. accord seeking to assist and promote the Central American peace process must be based on several essential requirements. Any plausible agreement must provide for a credible standard of compliance, strict timetables for enforcement, and an effective on-going means to verify both the democratic and security requirements of the people in the region.

To this end, the proposal being offered today does not include the necessary ingredients for furthering the peace process. It does not include a reliable mechanism by which to track the nearly $60 million that will be made available to the Contras. Ironically, the package undermines the Central American peace process by keeping the Contras in place as a military unit for another year.

Additionally, I find it most troubling that the measure permits the continuation of programs to provide cash to the Contra fighters in Nicaragua and to Contra leaders and their families in the United States, Honduras, and Costa Rica. Although the bill prohibits aid from being used for military operations, there is no guarantee that these cash payments will not be used for the purchase of arms.

Furthermore, the bill does not contain one requirement for diplomatic initiatives and no fund to address the serious economic and health needs of Central America. At a time when serious attention is needed to focus on human rights and the economic development of the region, any possible legislative remedy for a long term peaceful solution to Central America must, at the very least, address and assist in the promotion of these fundamental principles. The absence of these principles compels me to register a "nay" vote during today's consideration of the package.

Mrs. BOXER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Chairman, I rise in opposition to a wolf in sheep's clothing—humanitarian aid.

Mr. Chairman, in the 7 years I have been here, I have heard justification after justification for the continued support of the killing machine known as the Contras. What it really boils down to is a tremendous fear of communism that drives some beyond any point of understanding the mentality of those seeking power in countries where government is not stable.

In stable democracies such as ours, there is an exchange of power in an orderly manner. In unstable government, it's usually done by force. That is the reality and history of South and Central America. That is the situation in Nicaragua. The Contras are not freedom fighters—the leaders are cutthroats and gangsters. Unlike the young compasinos who are there because there is nothing else to do or they are idealistic or perhaps to them the risk of death is not as great as the pangs of hunger.

What these young people don't understand is that the Contras want power for the wealth it can bring to the leadership. Like the Sandinistas, the Contras are interested in power for what it can do for the few not the many. And it's only the blind who believe these thugs are patriots. The real patriots are inside the country trying to change the attitude and direction of the country. They and the innocent victims of the Sandinistas and Contras should get the humanitarian aid—but the Sandinistas refuse to allow the aid until the United States stops its support of the Contras.

And so the Contras get the aid and they continue to kill their countrymen, women, and children. And we call that humanitarian aid. I ask how can we call that humanitarian aid? And I also ask, "Why waste the money on such a futile effort when we have great need right here at home?" There are the poor, the homeless, and hungry right here at home who need humanitarian aid. What happened to the great dream of a kinder, gentler America?

Mrs. BOXER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. APPLEGATE].

Prior to yielding, Mr. Chairman, I would make this inquiry of the Chair: I believe I would have 4 minutes left after the gentleman from Ohio [Mr. APPLEGATE] is through so would it be possible for me to reserve that time until the gentleman from Oklahoma [Mr. EDWARDS] has finished his time and the gentleman from Michigan [Mr. BROOMFIELD] has concluded and before the Speaker concludes?

The CHAIRMAN. The gentlewoman is correct, she may reserve her time.

Mrs. BOXER. I thank the Chairman.

Mr. APPLEGATE. I thank the gentleman for yielding this time to me.

I have just a moment here. Mr. Chairman, I do not know anybody could take a look at this package and vote for this waste of money. They talk about democracy in Nicaragua. Certainly it is not based on our track record down there. The United States has been involved in Nicaragua since 1915. We went along and we have killed and we stole everything until 1935. We have put the Somoza family in and we thought that we would clean up the act. He has been in ever since then. He went out in 1979. He killed more and stole more.

So what do we gain by it? Is this how Nicaraguans look upon democracy?

I have other reasons, too, because I think this is a fallacy. I think we ought to take a look at our own human rights problems that we have in this country, our own economic problems. I believe that charity begins at home.

What about the homeless and the hungry, which I have heard people talk about?

I am just saying let us vote against this bill.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from New Hampshire [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. Chairman, I rise today because I am speaking in support and hope that you will support a motion to recommit this bill to the committee.

When you look at the bill on page 2 it has an appropriation. That appropriation says it will remain available until February 28, 1990. That is a lie because there is a side agreement. There is a gentleman's agreement that will be written by the Secretary of State after we leave here today and it says that that money will not be obligated beyond November 30 of this year unless certain Members of this body write a letter to the Secretary of State.

Mr. Chairman, I rise in opposition to that deal because I think it violates article I of the Constitution. The letter that Secretary Baker intends to send to the chairman of the House and Senate authorizing an appropriations committee and to the House leadership indicates that any one of nine individuals in the House and the Senate has the power to stop a line item in a bill that we will be voting on.

Now that is supposed to help keep the aid flowing after November. We are supposed to trust that these 9 individuals who each represent 500,000 people, the same number of people that I represent, are somehow given this extraordinary power to determine when an appropriation by the Congress of the United States will end.

I think that is clearly unconstitutional. Back in 1986 MIKE SYNAR and certain other Members of this House challenged the Gramm-Rudman law. The Supreme Court of the United States in that opinion said that the Constitution does not "contemplate an active role for Congress in the supervision of officers charged with the execution of the laws it enacts."

If Congress chooses to enact legislation that will provide discretionary funds to the President, it can do so. If we want to terminate those funds in November, we can do so. But we have to do it in accordance with article I.

That means a vote in this body, yes or no, and then a vote in the Senate. That is what our Constitution is meant to control. This type of arrangement was struck down in the case of Bowsher versus Synar. That was based on the opinion in Immigration and Naturalization Service in Chadha case 3 years earlier, and I will quote from that case. "Once Congress makes its choice in enacting legislation, its participation ends." The Supreme Court went on to say, "Congress can thereafter control the execution of its enactment only indirectly—by passing new legislation."

Now the executive branch cannot give away nor empower to others its power of veto and its power to execute the laws. Some will say this is not really a legislative veto because it is not part of the legislation. Well, it is part of the deal. We have the draft letter. Everyone in this body knows what the deal is. And it is obvious it is unconstitutional. The separation of powers is being frustrated by giving a certain select group in this body a vote in November that I will not have. The people of my State elected me. New Hampshire in November will not be voting on whether Contra aid continues because neither of New Hampshire's Congressmen happen to be part of this little gang of seven who will be voting in November by writing a letter.

I think it is an outrage, it is wrong for this body to be involved making a deal like this. I think it is wrong for the executive branch, and I urge that we recommit with instructions that that appropriation that is stated right in this bill on page 2 that we are going to be voting for, means exactly what it says, that that money is available through February 28 of 1990. I cannot agree to have this bill voted on without a recommittal.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman, I am the designee of the minority side of the aisle to offer the motion to recommit at the end of this long debate today.

□ 1410

I will not take this valuable 3 minutes to explain what is in the motion to recommit, however, because the prior speaker, the distinguished gentleman from New Hampshire, who at one time was the youngest State supreme court justice in the United States, a topnotch constitutional lawyer, Mr. Chuck Douglas, has already done an excellent job of laying that out.

What I would like to try and cover, and it is almost impossible so I may ask for more time, are just 5 points.

One, that no investment or true peace, and I repeat, no investment or true peace will truly go down to this part of North America, whose geographic name is Central America, north of the Panama Canal, fellow North Americans, Norte Americanos down there, will not have jobs, growth or economic prosperity, and this has been told to me by all four of the elected Central American presidents, plus the free people that are struggling against Noriega in Panama, plus the people in the small former British colony of Belize know that there will be no investment by the United States or Europe until the Communist thugs are out of Nicaragua. That is a fact.

Two, the elections. The first free elections we will see coming up, after the free election in El Salvador, is the one coming up in Honduras on November 26, 4 days before any 1 of 9 Members of Congress by an act of omission, can cut off the aid to the Contras, during the last 3 months before the election in Nicaragua which is supposed to take place on February 25 of next year. There is not a guarantee that the Nicaraguan elections will not be canceled completely, postponed or corrupted during that process because there will be no force in being, to excise restraint upon the nine Communist thugs in the directorate down there.

Human rights, there is no time in this debate, today, to go over the major human rights violations in this hemisphere of our time. There are thousands of innocent people, political prisoners, with no judicial rights whatsoever, distributed through 16 major camps, spread all over Nicaragua.

Prison camps are the major growth industry in that country. In fact, most of the Cuban and Russian economic aid has gone in the building up of these prison camps. Zona Franca has several thousand political prisoners all by itself.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DORNAN of California. I yield to the gentleman from Indiana 20 seconds.

Mr. BURTON of Indiana. How many prisons were there before the Sandinistas took Congress?

Mr. DORNAN of California. Mr. Chairman, two. One small one before Somoza ran the operation, and one of these large prisons that has been expanded five times in size, and more than five times in the number of prisoners.

Let me come back to those elections again. The elections that are taking place with single-term, truly elected Presidents in Costa Rica, is a 1 term for 4 years; in Honduras, 1 term 4 years; Guatemala, 1 term 5 years; and in El Salvador, 1 term 5 years. All of these people will be new by November 1990, a year from this November. But if Noriega's candidate wins a stolen, fraudulent, corrupted election, he will be there for another 6 years of tyranny and another 6 years after that, because if Members look at the elections coming up in Panama, May 4, and take the time to really study what this drug-running thug Noriega is doing, they will realize how fraudulent Panamanian elections have become. For example, Noriega thugs rented every car in the country this week and locked them in parking lots so the press, the world press, could not even travel around and validate the election. All of that will take place in Nicaragua and more with the extra muscle of Communist tyranny. Without Southern Command forces in the Canal Zone, Noriega and the Sandinistas will have a field day.

The true human rights violations are right under our nose. The policy of President Reagan did not fail. It was a handful of radicals in this Congress who drove the liberals, moderates and conservatives crazy with their dedication, inexplicable as it is, to the Communist thugs in Managua. I will go to my grave never understanding why Congressmen and women got up in this House and made the case for communism for 8 years with all of the results of human rights abuses.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. WEBER].

Mr. WEBER. Mr. Chairman, I rise today in genuinely sad and very reluctant but rather determined opposition to the proposal that is before us today, and I say sad and reluctant sincerely, because I have always supported the Contras. I believe that their cause is a just cost, and I believe that their policies have served America's foreign policy interests and would in the future, if we were allowed to get them adequate support.

Many of my colleagues have and will continue to express themselves on that point of view that the Contras are valuable to America's foreign interests, so the cause is just. I believe that. I would support adequate aid to the Contras. I have no problem with that whatsoever.

I am not going to address myself further to that, though, because despite the fact that I share those views, I come to a different conclusion than many of my best friends on the Republican side in that I do not believe this agreement permits our ultimate support.

I will not take a lot of time because I know there are others who want to speak, but basically I have two overriding concerns that I would like to express. First of all, I do believe we are seriously weakening the President in his ability to conduct foreign policy through the side agreement that has been put together through which 6 individuals, individuals, have the ability basically to abrogate this bipartisan understanding. This is not, my friends, a simple reprogramming. This is not a routine conferring with the Congress. There is a fundamental foreign policy vital to America's interests, and we are giving unprecedented, in my view, veto power to certain individuals in the Congress over that vital and important foreign policy. I do not blame the administration. They think that this is the best deal they can get. But let me say, I blame Members in the Congress. We are to blame for a serious long-term weakening of America's ability to conduct foreign policy and the implementations of that long-term weakening we can foresee today.

Many of my colleagues have expressed themselves on how it could affect directly in Central America. I understand that, but concern beyond that for the years to come that once this body has injected itself into the foreign policy decision-making process as it did in this agreement, there is no turning back, and we will do ourselves great damage as a country, and it is our fault, the fault of the Congress, not the fault of the administration.

Second of all, I must say that I disagree with the statement that we have achieved a bipartisan policy toward Central America. None of our Membership wants anything other than that. We do not have a bipartisan policy. I say to my friend, oh, we have an agreement, all right, but I have listened to my leaders on the Committee on Appropriations and elsewhere and the Democratic and the Republican Parties, express themselves in support of this agreement. I have listened to my leader, the gentleman from Wisconsin [Mr. OBEY], express himself in support of an agreement which he believes facilitates the end of the Contras, and I have listened to my friend and leader, the gentleman from Oklahoma [Mr. EDWARDS], express himself in support of the agreement, precisely because it presents the end of the Contras and maintains them as a military option in Central America.

Friends, if we have a bipartisan policy, it means that somewhere along the line the proponents of this policy would agree on the objectives. Let us not fool ourselves. This is not a bipartisan policy. We are covering over those deep divisions that existed and continue to exist today, and in the long term that will not work.

Like all my colleagues, I deplore the lack of a bipartisan consensus on Central America. I agree it hurt our country, and I would like Members to come up with an agreement that genuinely forms consensus in our approach to that troubled region of the world, but this is not that agreement, and in the absence of that kind of agreement, the least we can do is protect the prerogatives of the President to conduct American policy and communicate honestly to the American people about the unwillingness of this Congress to support him in doing so.

□ 1420

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I completely endorse the remarks of the last speaker. I think the gentleman from Minnesota [Mr. WEBER] had some very important points and some important truths that this Congress is going to have to face up to very shortly.

Let me say to my friends that a number of Members have said to me on the floor and on other occasions, "We realize the Sandinistas are bad. They are bad for this hemisphere, and they are bad for American security, but we want to use means other than military means to get rid of them."

Let me simply say this: That is a nonstarter, because the Sandinista regime is a military regime. It enforces its power through the barrels of its guns. We cannot force politicians to step down as a result of public pressure when they do not read the newspaper. The Sandinistas do not read the newspaper to see if they are popular. They count the number of rounds on their bandoliers to see if they are powerful. That is what they care about. That is what this Congress is failing to confront and failing to face.

Nobody disagrees now with the fact that the Sandinistas are in fact spreading terrorism throughout Central America. We have enormous evi-

dence now that the FMLN, which has assassinated now nine mayors in El Salvador, is supplied through the Sandinistas. The Sandinistas have seen the completion of the bomber base at Punta Huete built by the Soviet Union. The Soviet Union does not build bomber bases that it does not intend to ever use.

The Soviet Union has engaged itself in a match of wills with the United States Congress, with this body right here, on two fronts: One in Afghanistan. There we faced them and we did what was necessary. We gave weapons to our side, not words but weapons, and we won the match of wills and the Soviet Union has left Afghanistan.

We faced the Soviet Union in a match of wills in our own hemisphere, interestingly, and we lost because we went to $100 million, they went to $400 million in aid to their side, we went to $25 million, they went to $400 million, and we went to nothing and they went to $500 million. They want to win. They want power, and there is nothing in this package that will act to take that power away from them.

To my friends who say that this is the best we could get and it was necessary to do these things to get a few months sustenance for the Contras, let me simply say this: That is like a doctor saying, "The only way I could give the patient survival through September 30 or November 30 was by giving control of the plug to his respirator to five of his worst enemies and giving them the power to pull the plug on November 30."

Mr. Chairman, I cannot accept that as a proposition. I do not think that the Democratic membership of this House would starve the Contras regardless of conditions.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Chairman, our old friend, "bipartisan," is getting a real workout here this afternoon. I think this is a very remarkable sort of agreement that we are discussing here. I think it is remarkable for many reasons.

About 18 months ago President Arias was asked, "What will you do if the Sandinistas don't live up to their promises?"

He said, "I don't have to do anything. The white hot glare of world opinion will focus on the Sandinistas and force them to act." We have seen what the white hot glare of world opinion means to the Sandinistas. It means nothing to them; they do not care.

Here today we have heard it said that this agreement will show the Sandinistas that the U.S. Congress is watching them, that the President is watching them, that the people of this country are watching them, and that freedom-loving people all over the world are watching them. Those entities have been watching them for a long time. They have done nothing. They do not care.

The Contras are also watching them, and they do care about the Contras watching them. The Contras have been continually the one force in this world that has in fact been able to get, keep, and hold the attention of the Sandinista regime in Nicaragua.

What is remarkable about this agreement? It is bipartisan. It is remarkable because the majority of the Members in this House who supported aid to the Contras in the past have reluctantly—and I include myself in that reluctance—concluded in fact that this for the time being is the best we can do for the Contras. But the one remarkable thing, perhaps the most remarkable thing implicit in this agreement, is, I think, recognition by the leadership of the Democrats in this House who have consistently opposed aid to the Contras of the fact that the continued existence of the Contra force in Central America is in fact the one thing that can make the white hot glare of public opinion on the Sandinistas effective. The combination of that white hot glare and our implicit agreement that the Contras will remain as a force and the implicit threat that if the Sandinistas do not observe that white hot glare of world opinion, we will continue and perhaps even expand that support, is the remarkable thing about this agreement. That is the remarkable message that it sends to Managua, that this Congress not only is watching but is prepared to back up its resolve with its money, its will, and its courage.

That is what is remarkable about this. That is why I and, I think, many of my colleagues on the Republican side are going to support the President, the leadership on both sides, and the people in Central America and Nicaragua.

Mr. EDWARDS of Oklahoma. Mr. Chairman, before I yield further time, let me say that it is my hope that after I yield time to perhaps one or two more speakers, the other side of the aisle will begin to use its time so we are able then to exchange speakers as we go along.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Well, Mr. Chairman, here we are. Once again we will have another vote on the Contras, on Nicaragua and Central America, and I am totally frustrated. I am not happy today. I am not happy because I am so frustrated, frustrated when I remember the first time that we lost a vote on this floor the day after I got back from Managua and a grandfather with tears in his eyes begged us not to forget his grandchildren.

I am frustrated when I remember and think about the oppression that I have seen in Nicaragua, not just the radio and television and the lack of ability to print a newspaper, but real oppression, with the thousands that are in prisons, not prisons like our prisons but with people living and eating in their excrement, with hundreds living in cells that were designed for 20 or 30. I am frustrated by an inflation rate that has essentially made useless in a country that has the elite shopping in a dollar store for any and all kinds of American articles while the people they have oppressed cannot even buy food off the streets. I am frustrated when I think about people living in that squalor while the Sandinistas have stolen everything of value in that country.

I am frustrated when I think about the time I was with the gentleman from South Carolina [Mr. TALLON] and saw people having their heads bashed in and thrown into trucks and taken off to jail.

But what are the cards that are dealt us? What are our options? We could stand here, as some have, and deplore the violence on both sides, we could wish that it would go away, but no amount of speaking in this well can make the violence go away. We can make these wonderful glowing speeches about peace, but speeches do not create peace.

We could have a vote for military aid, but I say to the Members on my side that we do not have the votes. We could spend our time debating about legislative veto and constitutional law and all that kind of stuff, and we could demand military assistance after February of next year, but those are not the cards that are dealt us.

The options that are before us are laid out in this accord. The option is to once again believe in the promises of the Sandinistas who have been lying to the Congress for 10 years. OK, so be it. We will believe in them for another year. The accord makes the United States a player in these negotiations. OK, I can go along with that. We can maintain a force there, the only leverage that could give us any chance of success or of peace in the region. I could go along with that. But I say, especially to the Members on the right with whom I claim to have a membership, that the choice to me is a very simple one. The choice is this: Do I want to participate in the destruction of support for those brave men and families who are fighting to return to a country where all they want to do is just farm their little piece of land, raise their families, and worship their God? Those who are sitting there today in Honduras and in other countries tell us that is all they want. They have seen their families killed, they have been run off their land, and they

have been drafted into an army they do not want to serve in. But that is the choice.

□ 1430

I cannot subscribe to the idea that, if we make it bad enough in Central America, the American people will wake up. I am from Texas. I am on that border. It is closer to Managua from Houston than it is from Houston to Washington, DC. I cannot afford to make it bad enough in Central America so that the American people will wake up. The only option I have today is to vote for this accord. The only option I have today is to vote for the Contras, to keep them as a viable force in Honduras, as leverage against the Sandinistas, because, my colleagues, if we vote this accord down today and they start dispersing the Contras tomorrow, what do my colleagues think the Sandinistas will do? We will have that holocaust which my colleagues are talking about that they want in order to wake up the American people.

Mr. Chairman, we cannot afford that. What we can afford is to swallow our pride, swallow our frustration. We can swallow that gut feeling that is way down deep inside of us about what is happening down there and vote for the accord.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Chairman, I have before me a chronology of what has taken place in this Chamber and down the hall since November 16, 1981. There are 62 separate legislative initiatives that have been passed into law dealing with Nicaragua. It is an amazing chronology to take a look at how this Congress has ebbed and flowed in its support for democracy, and, if one were to accumulate the speeches that have been given, the pages on pages, the thousands, maybe even millions of words that have been spoken, we are brought to this juncture today to decide whether or not democracy and freedom are the same thing as peace.

I have been in Nicaragua. I took part in a demonstration for the domestic resistance, not the Contras, but men and women who live in the city of Managua who wanted to have the opportunity to have a free press, to have free religion, to be able to do the things that people in a democracy are supposed to be able to do, to be able to do the things that the Sandinistas pledged they would allow them to do. The young woman that marched alongside of me, who has since been in prison twice, fainted. She did not faint from the Sun. She did not faint from a lack of water or food. She fainted from injuries that she sustained while kneeling in front of a church when disturbance Sandinista terrorist gangs attacked her, and I carried her for a few blocks until we could get to the shade.

I wonder today what she thinks about the accord and about this debate. I wonder if she is cynical. I wonder if the young men and women that are in the jungles, I wonder if they are cynical.

We say, and I support what we are doing today, that this is the only chance that we have to give them an opportunity to stay together, to keep the pressure on the Sandinistas. I believe what the administration is doing is the only thing left to do, but I wonder what they are thinking in Honduras and Nicaragua. I wonder what the message is.

Sixty-two different actions. This Congress has changed, and we are changing again today. But the message that we send to the world is a mixed message. What we are getting out of this agreement is better than what we have, and for us in politics that is the best thing we can do. It is compromise. It is facilitation. But do my colleagues realize that it is a sad message because we have let those people down? We let them down many times within those 62 resolutions, and today, hopefully, what we are saying is that this is the best deal we can make.

However to those soldiers, to those believers in democracy, I know that they are on their knees praying that what we are doing today is not the best that can happen because the best thing that can happen is for the Sandinistas to be pressured into doing what they said they will do, what Oscar Arias and the other Presidents have said they want them to do, and that is to guarantee a modicum of democracy, not a full democracy, not a freely elected Congress like we have here today, not one in which the people can come, and sit, and watch and believe in truth and freedom, but just the bare, bare bones of a democracy. Simple things.

So what we are going to do, and I ask that we do it, and I will vote for it, is to approve the 63d change. May God be our judge that we are doing the right thing and that it will go beyond this because, if it is simply another piece of legislation coming from the U.S. Congress sending another mixed message, then we will have done some of the most dangerous things that a democratic body can do, and that is to deny hope.

We have denied hope, but they have overcome it with their prayers, and their dedication and their belief in freedom and justice. Maybe to a point beyond what this body does, beyond what we who come from the freest place in the Earth have promised, we have denied them, and we have denied them hope, but this agreement is better than what exists right now because there is no hope with what exists now.

Mr. OBEY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. LEVINE] for the purposes of a colloquy.

Mr. LEVINE of California. Mr. Chairman, I thank the gentleman from Wisconsin [Mr. OBEY] for yielding time. I do have some questions that I would like to ask him, and I will be interested in his response.

It is my understanding that the administration will withhold funds to any Contras engaged in military attacks. Does the gentleman agree?

Mr. OBEY. Mr. Chairman, if the gentleman will yield, yes, the gentleman from California [Mr. LEVINE] is correct. This issue was discussed at length in our meetings with the Secretary of State. The bipartisan agreement of March 24, 1989 between the President and Congress states that it is United States policy to encourage the Government of Nicaragua and the Nicaraguan resistance to continue the cessation of hostilities currently in effect.

Section 7(a) of H.R. 1750 states that no funds will be provided to the Nicaraguan resistance to support military or paramilitary operations in Nicaragua.

In addition, Secretary Baker has agreed to submit a letter to the leadership of the House and Senate stating clearly that no funds will be used to support any individuals engaged in offensive military operations.

Mr. LEVINE of California. Would the gentleman from Wisconsin [Mr. OBEY] agree that a Contra attack on a civilian community or cooperative, resulting in the killing, wounding and kidnaping of civilians constitutes an "offensive military operation?"

Mr. OBEY. Yes, I would.

Mr. LEVINE of California. What assurances are provided in this legislation to prevent Contra forces from engaging in human rights abuses?

Mr. OBEY. Section 7(b) of H.R. 1750 states that no assistance under this act may be provided to any group that retains in its ranks any individual who has been found to engage in either gross violations of internationally recognized human rights or drug smuggling or significant misuse of public or private funds.

This matter is also treated in the letter from Secretary Baker which states that no funds will be used to support any member of the resistance judged to be a violator of human rights.

Mr. LEVINE of California. Would you consider the killing of civilians and the kidnaping of civilians by Contra forces inside Nicaragua or in Honduras to a "gross violation of internationally recognized human rights?"

Mr. OBEY. Most certainly.

Mr. LEVINE of California. Is it the gentleman's understanding that any funds, including the cash-for-food program for members of the resistance inside Nicaragua, would be terminated to any Contra forces committing such acts against Nicaraguan civilians?

Mr. OBEY. Yes, that is my understanding of section 7(b) of this legislation.

□ 1440

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, the colloquy that we just heard points out all the reasons why aid in November can be cut off to the Contras. The question was not asked what do we do if the Soviets continue to send thousands of tons of war material into Nicaragua, if the Communists in Nicaragua continue to violate human rights, if they continue not to live up to the commitments they made at Esquipulas, at Sapoa, and at the OAS in 1979, nothing was said about that, because the fact of the matter is the Communists can do anything they darn well please, but the people who went to the mountains who are fighting for freedom down there are hamstrung. The people on this side of the aisle, the nine people who are going to be signing that letter that has to be sent to the President in order for aid to continue beyond November, any one of them can stop that aid from continuing between November and when the elections are supposed to take place in February. That colloquy indicates that there is going to be a myriad of reasons or allegations that could be raised to cut off that aid.

I fully expect one of them, any one of them, to say, "Hey, wait a minute. I'm not going to send anymore aid to those people."

So there will be a 3-month hiatus when there will be no aid for the freedom fighters. They will die on the vine and the Communists will be able once again to take steps to solidify their position in Nicaragua, thus enabling them to expand their revolution beyond their borders, as they promised, into the surrounding countries, those fledgling democracies that cannot and will not be able to defend themselves against the tremendous military power that the Communist Sandinistas have that has been given to them by the Soviet Union.

The Sandinistas will not live up to free and fair elections. They have said time and time again they will not give up power that they gained out of the barrel of a gun, and the constitution they have in that country says very specifically that even if they were to lose an election, they would keep control of the military apparatus, and with a 125,000- to 150,000-man active army, what elected official would argue with them?

In El Salvador the Communist guerrillas have said to many elected officials, "You got 48 hours to get out of town," elected officials, and if they do not get out of town, they kill them, but we do not hear much about that. So how would an elected official who opposes the Sandinistas, even if he were to win, stand up to them?

The Contras must be cut off in November, as I said, 3 months before free elections. Even though the Communists will not live up to their free election commitment, there should be some way to put pressure on them. If the aid is stopped in November, there will be no opposition left at the end of February, when the Communists are likely once again to show their true colors.

This agreement talks about voluntary repatriation. What is voluntary repatriation? Nobody has talked about that. Voluntary repatriation could mean you send them back to Nicaragua, even if there are not free and fair elections, and if they do not want to do that, the Contras will have no place to go except the United States, because without support from the United States those fledgling democracies are not going to keep the Contras in their country.

We need to remember that the Nicaraguans want that revolution to expand. The problem will not go away. The Communists will just not go away. They are committed to exporting revolution throughout that region and up into Mexico. Everywhere the Communists take power, at least 15 percent of the population leaves that country and goes to a free country or some other country.

It is estimated that if the Communists make good their commitment to spread their revolution throughout that region and up into Mexico, we will get between 5 and 20 million refugees. That means we would have an increase in unemployment in this country of between 5 and 7 percent. For each 1 percent of unemployment, it costs the taxpayers of this country $35 billion. So put a pencil to that and you see hundreds of billions of dollars of additional deficits we would have to face if we let this get out of control. So we have an economic problem to face as well.

The border between us and Mexico, which I call the soft underbelly of America, is 1,980 miles long. Make no mistake about it, if the Communists do spread that revolution, as they have promised they are going to do to Ronald Reagan and others, then we will have to defend that soft underbelly of America and it will cost a lot of money and it will cost a lot of American lives.

The Communists down there use the text that every Communist nation has used to train their young people. For 10 years they have been teaching their young people to add and subtract using imperialist body counts, machineguns and handgrenades.

This is a first grade textbook that I am holding, coming out of Nicaragua. Our kids are taught to add and subtract using apples and oranges. They use AK-47 machineguns and handgrenades.

These things, these facts need to be told to the American people. A lot of people say, "Why should we be involved in another country, a banana republic?"

Well, nobody wants to do that. Nobody wants to spend our money doing that, but the fact of the matter is, this is not halfway around the world. It is on our front door. If we do not help people fighting for freedom in Nicaragua, as we did in Afghanistan with the Mujahidin, who drove the Soviets out, if we are not willing to do that here, we will reap the whirlwind. At some point in the future, our kids will be down there defending freedom in our hemisphere, and we must think about that.

We can either pay now by helping people fight for their own freedom, or we can pay later, and yet these people up here want to sell them outright now and are doing it.

We have no choice but to support this today. We have got to keep the Contras alive, so we will support this.

This problem is not going to go away. We need to keep the Communist Sandinistas' feet to the fire, to make them live up to their commitments of freedom in that country. If we do not do it now, we are going to pay the price later.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Chairman, I have been a longtime opponent of the Contra war in Nicaragua. I am horrified by the bloodshed, violence, and suffering that has resulted from this war. I have always believed that this conflict must be resolved by diplomatic rather than military means.

It is for these reasons that I have continually expressed support for the peacemaking efforts of President Arias of Costa Rica, in conjunction with other Central American Presidents, to achieve peace in the region through negotiated agreements.

In a meeting in El Salvador in February, the five Central American Presidents reached a new agreement to resolve the conflict in Nicaragua. As part of this agreement, the Presidents agreed to develop a plan by mid-May for the voluntary demobilization and repatriation of the Contras now in camps in Honduras. In return, the Nicaraguan Government

agreed to substantial political reforms, including new press freedoms and new elections in 1990.

I support the February agreement of the Central American Presidents, and I do not believe that any action of the U.S. Government should undermine or thwart the purposes of this agreement.

In my view, the peace plan of the Central American Presidents provides the context in which to assess the recent bipartisan agreement between President Bush and congressional leaders regarding humanitarian aid to the Contras.

There are two fundamental questions that must be answered concerning the bipartisan agreement, which is embodied in the bill we are considering today. First, will it contribute to an end to the bloody Contra war? Second, does it conflict in any way with the February peace plan agreed to by the Central American Presidents, who are seeking a negotiated settlement to the Contra war?

I have reviewed the bipartisan agreement carefully with these questions in mind, and after much deliberation, I have come to the conclusion that the agreement represents a dramatic departure from previous U.S. policy and warrants approval.

The agreement represents the first real indication that the United States Government is abandoning its support of military action against the Nicaraguan Government and has adopted an approach to resolving the conflict in that country that relies on diplomatic initiatives. That shift is long overdue.

The plan makes funds available for the relocation and repatriation of Contra forces. This represents a fundamental acknowledgment by the administration of the futility of continued military action. This plan will bring the United States Government formally into the process of reintegrating the Contras into Nicaraguan life.

In addition, Secretary of State Baker has promised to send a letter to Congress specifying that the Bush administration will cut off aid after November 30 unless four separate congressional committees recommend a continuation of that aid. The bill itself contains prohibitions against the use of aid for military purposes or to assist groups that engage in human rights abuses. Secretary Baker has promised to send a second letter elaborating on these prohibitions.

I am aware that similar assurances have been offered in the past. However, an arrangement in which any one of four congressional committees can bring about an end to the aid is unprecedented and gives the Congress a strong hand in seeing that those assurances are honored. If the committees believe that the agreement is not being implemented in good faith by the Bush administration—or if they have reason to believe that the funds included in the plan are being used for prohibited purposes—they have made clear that they will not hesitate to cut off the aid.

The plan would also appropriate $4.2 million for medical assistance for Nicaraguan civilians who have been victims of this horrible war. When this sum is added to an existing, unused pool of funds devoted to the same purpose, there will be a total of $9.2 million available for medical aid.

Further, the bill we are voting on today, which embodies the bipartisan Contra aid agreement, urges the President to submit proposals for increased bilateral and multilateral economic aid to Central America. Therein lies the real solution to the conflicts of the Central American region. Most of these conflicts find their origins in the desperate economic conditions that confront so many of its nations. The only long-term solution to these conflicts lies in improving the region's economic situation.

Therefore, I applaud the statements of Secretary Baker regarding the Bush administration's desire to bring about increased cooperation with all the nations of Central America in order to spur economic development and stop the flow of illegal drugs that is wreaking havoc both in Central America and here in the United States.

There are a series of common challenges that we face in Central America—the need to support democracy, the need to spur economic development, the need to deal with the serious crisis of foreign debt, and the need to eliminate a flourishing drug trade. An essential precondition for addressing these serious problems is to forge stronger diplomatic and economic ties between the United States and Central American nations.

Specifically, I am encouraged by Secretary Baker's willingness to consider lifting the current economic embargo against Nicaragua in response to implementation of promised democratic reforms. The Nicaraguan Government must also play an active role in forging closer ties. It must act promptly and faithfully in implementing specific internal reforms, including new press freedoms, broadened participation of the opposition in the electoral process, and free elections in February 1990. If these reforms are implemented faithfully by the Nicaraguan Government, the United States Government should respond by significantly improving ties with that nation.

The specific elements of the Contra aid package are indicative of a new reliance on diplomacy by the United States in its relations with Nicaragua. They are a welcome and long overdue departure from previous policy, which stressed military aid, even when Congress had specifically forbidden it. However, we must also be certain that the bipartisan plan will not conflict in any way with the ongoing peace initiatives of the Central American presidents.

In this regard, I honestly must say that I was convinced that this package should be approved by the statement of President Arias in support of it. According to President Arias, the plan for continued humanitarian aid does not conflict in any way with the ongoing peace efforts of the Central American presidents. In making this statement, Arias stressed the fact that the plan makes available funds for the demobilization of the Contra rebels—a goal that is fully consistent with the February agreement.

President Arias has not hesitated in the past to criticize Contra aid packages that were supported by President Reagan and approved by Congress. Therefore, it is particularly significant that he has firmly endorsed this plan. "Realism and pragmatism have prevailed," President Arias said of the bipartisan agreement. "Now I feel sincere support (from the United States) for the peace plan, something I never found in the past." It is difficult to argue that the Contra aid package we are voting on today will interfere with regional peace efforts when the chief architect of those efforts has stated unequivocally that this is not the case.

Mr. Chairman, I did not come to this position easily. I find aid of any kind to the Contras difficult to justify at a time when so many essential needs are going unmet, both here and in Central America. However, the most urgent task that we face in Nicaragua is bringing about an end to the long and bloody Contra war. It is my best judgment that the plan we have before us today moves us decidedly in that direction. It also provides the U.S. leverage in the region to assure that our concerns and priorities are reflected in the region's future.

Mr. Chairman, I will vote in favor of this plan because it promises to contribute to a lasting solution to the conflict in Nicaragua. It is my hope that the Bush administration will justify my confidence in this key foreign policy initiative by strictly adhering to the agreement's strictures against any form of military aid and by conducting its foreign policy in a manner that is fully consistent with the Central American peace accords. Any evidence that the administration is doing otherwise will force me to abandon this position and to work strenuously for an immediate cutoff of aid.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5½ minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I rise today to express to my colleagues the same frustration that you have heard expressed over and over. We have come together today to discuss our support and some limited opposition to a bipartisan accord which is an effort to take one last step on behalf of freedom in Central America.

This agreement between the President, between Democrats and Republicans alike, is an agreement that was not written by the President. Indeed, it was not written by the Republicans in this House. It is an agreement that I have come to the floor to reluctantly support, because it is so full of holes that it forces me to support it with very little faith.

Indeed, today we are faced with a circumstance where there is a last gasp effort to promote democracy and freedom in Central America, namely, in Nicaragua. We in this House forget so easily, so quickly, what history has to teach. In the last 10 years, how many times have we come to this floor to discuss the same subject?

I remember one of my first experiences when I arrived in 1979 was to sit here on the floor and watch Members of the House involved in an intensive debate regarding Nicaragua. That debate related to our need to back freedom and hope in Central America. The debate suggested that it was time

for America to get in line and put their money and their energy where their mouths and their faith was. Our debate centered around the suggestion that we ought to oust the then Dictator Somoza from Nicaragua. It was suggested that there were freedom fighters in Nicaragua who would take his place, who would promote the opportunity for democracy, for free speech, for a free press in Central America once again.

□ 1450

How quickly, how quickly we forget. Indeed, America decided to make that change. We pressured Somoza to leave. The Sandinista took over the Government of Nicaragua. Shortly, those of great faith became Nicaraguan citizens of little hope. Business people, coffee plantation workers found their freedoms eliminated. Their press was destroyed. A dictatorship of another form was established, and those people who had hoped found their faith and their friends departing to the hillside.

How many times do we have to listen to this story? During the last Congress we spent our time, our energy with debate swirling around the Arias agreement, the accord that caused the democracies in the region to come together and suggest there was a new chance for freedom in Nicaragua. The Sandinista Government was about to come to the table.

I am here today to comment once again on another failure. The Sandinistas took us into their spider web, and we fell for their trap. It was not long, Members, before the Sandinistas once again were violating their word, their agreement, their commitment to freedom.

The democrats of Central America did not hold that firm line that they said they would hold against the Sandinistas. Instead, they kind of walked away and rolled over and said, "We ought to hope again," and we find ourselves here today once again with an ever stronger Communist establishment in Nicaragua that is controlling the lives and the futures of their people in a fashion that is unacceptable in our hemisphere.

I am here to support this last-gasp effort only for this reason: It is time that at least once again we get the President of the United States back into the foreign-policy business in Central America. Since early 1988 when the democrats ended our efforts in Central America, America has not been involved in foreign policy in that region. The Sandinista has been dominating the policy. This agreement is a wish and a promise that we can pressure this regime once again to move down a path toward free elections, another chance for democracy, we say.

Mr. Chairman, I am supporting this agreement with very, little faith. We have drawn some lines that call for a credible standard of compliance, suggesting that some way, somehow, the Sandinista may comply to the words of this agreement. We talk of voluntary repatriation. I would suggest that we should pay very careful attention to the word voluntary, for, indeed, if those people who have been on the hillsides are forced to go back to their home country in hope for election and for freedom and for democracy, clearly their lives could be at stake: voluntary relocation.

In turn, let us remember that the real reason for supporting this agreement at this point is that far-out, very slim line of possible hope, a chance for freedom. If nothing else, the least that we have done is give the President a chance to carry on a foreign policy in Central America once again. I hold for President Bush great praise and prayers.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Chairman, again, I briefly rise in support of this legislation for all of the reasons that those who support democracy, those who are democrats, believe that something should be done for the cause of freedom.

As Mr. Ortega, the man who hijacked the revolution of the Sandinistas some years ago, was speaking recently of economic and social problems in Nicaragua, he said:

> We will not renounce our ideology. We are not renouncing any programs for socialist orientation. This is the way to continue building socialism in Latin America. We, Sandinistas, we, as Marxists, as Marxist-Leninists, we as anything else you want to add, understand that we are applying this revolutionary program.

How are they doing it? By hundreds of millions of dollars of Soviet aid within 3 hours of my hometown. The Soviet Union is involved in oppressing the poor people of Central America. There are those who approve of that, those that think that is good, those that want to close their eyes and hold their ears and allow them to do it. There are those on the other hand, who are democrats, those who believe in democracy, those who believe in freedom, those who believe that our governments should be elected by the people and not imposed upon them by Soviets and Soviet surrogates in Havana. Those who believe in that option will want to support the possibility that maybe these dear, poor people who are subjected to the mercies of the Soviet Hind helicopters and Soviet troops and Cuban troops and advisers and hundreds of millions of dollars of Soviet aid, that just perhaps they will have an opportunity for election.

If that is the possibility, let us not miss this opportunity, this chance to make it work.

A colloquy was held moments ago that causes me concern. I would ask if the ranking member on the Committee on Foreign Affairs, Mr. BROOMFIELD, would be willing to assist me in clarification of a question that I have before voting for this legislation. It is my understanding that this bill before us does not change any existing authorities, that it provides for continued humanitarian aid for the 7 to 10 months under the same restrictions that are contained in the current humanitarian aid program enacted in title IX of the Department of Defense Appropriations Act for fiscal 1989 in the 100th Congress; in other words, there is nothing in this bill that supersedes or prevents the continuing program that is currently in existence for the Agency for International Development as well as title IX of the Defense Appropriations Act?

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. MCEWEN. I am happy to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, that is my understanding.

Mr. MCEWEN. Mr. Chairman, I thank the gentleman from Michigan for that clarification to make sure that all of us who want to give peace a chance, all of us who want to give freedom a chance, those of us who after 10 years are refusing to close our eyes and refuse to face reality, to understand that as President Azcona said, of Honduras, there can never be opportunity, there can never be the destruction of poverty in Central America until there is the restoration of democracy in Nicaragua, that as long as the Soviet Union will destroy any chance of anyone to invest, to put people to work, to build a hotel, to put in a water system, as long as the Soviets will finance their destruction, then those people will continue to live not only in poverty but also in slavery.

Mr. Chairman, some approve of that; some rejoice. Some will stand on their chairs and applaud if that is allowed to continue, but hopefully today we will draw a curtain on that period of our brief history, the period that began in February of last year.

We can have a bipartisan effort to say that America stands for democracy. America stands for elections. America stands for freedom of the press. America stands for freedom of speech. American stands for freedom of assembly, and whether it be here or whether it be in Iran or whether it be in Central America or anywhere else, that America does stand for something.

We will support those who stand with us, and so I encourage the Members to join us in support of this glim-

mer of hope that freedom will have a chance in Central America.

Mr. SMITH of Florida. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, as a firm believer and supporter of charity begins at home, I state for the RECORD my opposition to this piece of legislation.

Charity begins at home, Mr. Chairman. I watched my colleague, the gentlewoman from California [Mrs. BOXER] earlier in this debate when she held up a photo of some of the beleaguered Contras playing volleyball. She also held up a copy of the publication, "Homeless in America," which had a picture of a homeless family on the cover.

I also listened with interest to my colleague from Ohio [Mr. TRAFICANT] when he mentioned the fact that he would like to have aid for the thousands of jobless people in his economically depressed district.

Charity does begin at home, Mr. Chairman, and as my colleagues so vividly pointed out, millions of our constituents are waiting for it to start.

I realize we do not live in a vacuum as far as the world community is concerned. I realize very well how important it is for the United States to guide the free world by the example of democracy we practice here, especially in our own hemisphere. Adhering to that philosophy should not cause us to be blind to history. We should learn by our history and work to improve upon it.

Unfortunately, today, we are debating a measure that must have been drafted with blinders on. There is no justifiable reason why we should even be thinking about, let alone considering on this floor, legislation to extend more aid to the Contras when we do not even know what happened to the money we have already given to them. At this very moment not too far from the Capitol, Colonel North is sitting on trial for his involvement with the Contras. I recall the mention of $10 million that he was involved with that nobody seems to know what happened to. Although it is fairly obvious that that money was illegally obtained, can anyone in this Chamber tell me where the money went? Can anyone in this Chamber tell me how the other Contra aid we sent down to Nicaragua was spent? Can anyone in this Chamber tell me how the funds in this measure will be spent or accounted for?

I can certainly tell you where the money went that was intended to improve the quality of life for my constituents. It was cut by the Reagan/Bush hit squad. Mr. Chairman, how can we justifiably approve any more funding for the Contras when Mr. Education President Bush presents us with an education budget that cuts education funding for our Nation's schoolchildren? How can we send American tax dollars down to the Contras to improve their quality of life when right here, right outside this very Chamber, men and women are living on the street with no quality of life whatsoever?

The answer to my questions is that the only way we can send more money to the Contras is if we think their well-being, their quality of life, is more important than the quality of life of our homeless, our unemployed, or our senior citizens, and our children. I have said it before and it needs to be said again, my district, the south side of Chicago, is begging for some Chicago aid. My constituents—who populate the unemployment lines, who fill the welfare offices, who lack adequate child care, affordable housing, and access to health care—deserve to be considered before one more dime is sent to the so-called freedom fighters in Nicaragua.

With the agreement reached by the five Central American Presidents to demobilize and repatriate the Contras, and the steps Nicaragua has taken to implement that agreement, there is no need for additional aid for the Contras. If we truly want to help them, we do not need to prolong their continued disincentive to rejoin their country. The history of this method is clear. We stopped their military assistance and now we are closer to peace in Nicaragua than we have been in years. Let's keep going down that path and support the peace effort in Central America. I urge my colleagues to join me in voting this measure down.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Chairman, throughout this decade we have seen our friends on the other side of the aisle say that Ronald Reagan and the Republicans were doing nothing but putting M-16's into the hands of 16-year-olds in Nicaragua. Frankly, we have throughout this decade pursued the diplomatic process, believe it or not. We have pursued diplomacy through the Contadora process, and I remember who walked away from the table there. It wasn't the United States. We have pursued the diplomatic process with the Esquipulas agreements. We pursued the diplomatic process with the Sapoa agreement and, unfortunately, we have not seen a great deal of success with diplomacy.

Mr. Chairman, we have now gotten to the point where virtually everyone agrees that we are continuing to pursue the diplomatic process, and I cannot help but think, Mr. Chairman, of the statement that former President Reagan made time and time again, "Name one totalitarian Communist regime which has ever negotiated itself out of existence."

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But, Mr. Chairman, we are all sitting here, Republicans and Democrats alike, holding out that little bit of hope that this will be the first time that we see that happen.

Nevertheless, I am very concerned because I will never forget on December 13, 1987, when Daniel Ortega said:

If by chance we were to see the Sandinistas lose an election we would give up the government, but we would never give up power.

I am going to vote in support of this package, and I am pleased that we are using every means possible to try and convince the Soviets that they must extricate themselves from this Isthmus in Central America. But it is going to be a struggle. It is going to be difficult.

I look for that little silver lining in the dark cloud that hangs over us in Central America, and that silver lining to me is the prospect of elections, the prospect of free and fair elections. That is what the people were promised back in July 1979 by the Sandinistas, free and fair elections, an end to human rights violations, a nonaligned foreign policy and political pluralism. Those are the four promises that the Sandinistas made to the people of Nicaragua and to the Organization of American States. Tragically, we know that they have been violated.

On March 19, I was privileged to go to El Salvador to witness the historic election there where we saw for the first time in the history of El Salvador the transition of one democratically elected government to another democratically elected government. Mr. Chairman, I hope and pray that we will see the same kind of election take place in Nicaragua on February 25 of next year. I hope very much that that will be the case.

The people of El Salvador made a great sacrifice to exercise that right to vote. The people of El Salvador in the tiny town of Neuvo Concepcion were told that if they voted the FMLN Communist guerrillas would kill them. They were told that if they voted and they were found to have that little black spot of ink on their finger, that their finger would be cut off. Yet people walked 15, 20, 25, 30 kilometers to exercise that precious right to vote. And Mr. Chairman, in El Salvador on March 19, with that kind of threat posed on the people of El Salvador, they had a greater voter turnout than we in the United States of America had in last November's election.

I believe that the people of Nicaragua want to do the same thing between now and February of next year, and I hope and pray that this bipartisan package which has been put together will bring that about because, as I said, Mr. Chairman, I continue to hold out that little bit of hope that even though no totalitarian Communist regime has ever negotiated itself out of existence, that this will, in fact, be the first one.

I thank the gentleman for yielding time to me.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the administration has gone more than halfway to meet the concerns of Congress—in particular, the majority leadership—to bring

about a bipartisan accord that advances democracy in Central America.

President Bush and Secretary Baker are to be commended for their determination to cauterize the gaping, rift that has plagued the national debate on policy toward Nicaragua.

As we reassess our policy, let's hope, and indeed insist, that the Soviets will do the same.

The Soviets should terminate all military aid to the Sandinista regime, and their support for guerrilla insurgencies in the region, and demand a halt to the export of revolution.

As President Arias stated last week, we have entered a new era for democracy in Central America and Castro and Daniel Ortega are living in the past. Their policies are not the future of Central America.

The Soviets have no legitimate security interests in the Western Hemisphere. I disagree with those who acknowledge a Soviet right to project any military influence in this hemisphere.

The people of Central America do not want communism—they want democracy. That is our ultimate objective as well. Peace, democracy, security for all in Central America.

Finally, I would like to acknowledge the bipartisan leadership effort that made this accord possible.

Speaker WRIGHT, my Republican leader, BOB MICHEL—working in conjunction with Majority Leader TOM FOLEY and the leaders of the Senate—Senator DOLE and Majority Leader MITCHELL, who had the courage to attempt this effort to embark upon a new course of bipartisanship in Central America are all to be highly commended.

Let's hope that together with the administration we can maintain this commitment to advance democracy in this hemisphere.

The CHAIRMAN. The gentleman from Michigan [Mr. BROOMFIELD] has consumed 2 minutes.

Mr. BROOMFIELD. Mr. Chairman, I yield back the balance of the time alloted to me.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I appreciate the gentleman yielding time to me.

Mr. Chairman, I have been involved in not only voting on this issue but obviously in dealing with the issue for quite some time now. It seems to me that over the course of the last 6 years we have had a significant number of alternatives presented to us at different times, and we have tried to take advantage each time of the best possible interests of the United States, and at the same time try to serve the best possible interests of the people of Nicaragua, not the government of Nicaragua, but the people of Nicaragua.

Each time somehow we have fallen short of the mark. Each time somehow we have been unable to effectively deal with the problems that existed in that country, or effectively deal with the government of that country.

The previous speakers have mentioned Sapoa and Esquipulas and Contadora and all of the other initiatives that have gone on. None have laid out, of course, any of the individual items in each of those, but it is clear that over the course of the last few years the Sandinista government has agreed to a number of items in those particular agreements that were reached. They have signed some of those accords only later to back away from them.

There are those in this House on both sides who while bemoaning the fact that we should be placed in a position of having a force like the Contras being supported by us, being somewhat created by us, by the same token they are extremely, those Members and myself, concerned about what would happen if there were no such pressure. And when ultimately the agreements are reached and then breached, we are concerned that we cannot seem to get to the bottom of it or find a way to get a key to unlock the door.

The Sandinistas breached agreements that they made, representations that they made in 1979 when the United States recognized them, and at one time, I do not know it this has been mentioned in the debate, the Sandinista government was the recipient of more foreign aid per capita than any other country in the world from the United States, in the hopes that the revolution was in fact going to bring democracy.

They made representations to the United States, to the OAS, and their own people. They breached them. They clamped down harder. They took away more rights than had been taken away previously, and the bottom line was the people suffered.

When they signed their agreement, Contadora, they did not live up to it. They closed down the radios, they closed down the press, they debilitated the opposition to the point where it could not exist. There was no pluralism, there was no right of free assembly. The church complained. The Cardinal himself was the subject of scathing attacks by the government.

They made another set of agreements, most of which they breached. Now we are here today, we are looking at mercifully probably the closest thing to a bipartisan approach we have really had on this issue to date, and thank goodness.

But the problem remains what resolve do we have and what resolve do the Presidents of the five Latin American countries have if this fails as well? Are we going to let ourselves go to the brink again and then, when the Sandinistas refuse to do what is expected of them, are we just going to sit by and cluck our tongues and wring our hands and say, "Oh, well, we failed again"? Because if we are, the Sandinistas are going to somehow sense that beforehand and doom is written into this resolution, failure is going to be an inevitable byproduct.

I believe we should make ourselves clear now as this policy is enunciated on a bipartisan basis and on the basis that it is something shared in common between this country and the other countries in the region that are concerned; we should make clear now that we will no longer allow them to wiggle out, that it in fact they do not comport themselves as a nation allowing human rights, allowing free suffrage, allowing free and fair elections, allowing freedom of the press, public assembly, and the like, they will be pinned to the wall for it and there will be retribution.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. I thank the gentleman for yielding further.

The only way this agreement is going to work is if the United States and the countries involved, Honduras, Guatemala, and certainly Costa Rica, and Mr. Arias and the others will say that now they are prepared to sanction Nicaragua to the extent necessary if they do not hold up their end of what is otherwise a significant opening for them to join the normal family of nations.

We all have our doubts, we are all skeptics, but we have to back up what we say in this bipartisan agreement with a policy that will once and for all put the Sandinistas on notice, they either do right or suffer the consequences.

Up to now I do not believe they believed that we will do that. If we do it now, maybe this agreement will work.

Mr. BROOMFIELD. Mr. Chairman, I respectfully ask unanimous consent to reclaim the time that I just recently returned.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, I yield the balance of that time to the gentleman from Oklahoma [Mr. EDWARDS].

The CHAIRMAN. It is the Chair's understanding that the gentleman from Oklahoma [Mr. EDWARDS] has 14 minutes remaining.

Mrs. BOXER. Mr. Chairman, might I inquire of the Chair are we about to begin the close of this debate for each

of the four parties here? Let me ask: How much time is left for each party?

The CHAIRMAN. The Chair advises that the gentleman from Oklahoma [Mr. EDWARDS], as the Chair just stated, has 14 minutes remaining; the gentlewoman from California [Mrs. BOXER] has 5½ minutes remaining; the gentleman from Florida [Mr. FASCELL] has 8½ minutes remaining; and the gentleman from Wisconsin [Mr. OBEY] has 13 minutes remaining.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute to explain the situation.

Mr. Chairman, if I could have the attention of the Members from California: I have one speaker left on my time, the gentleman from Florida [Mr. FASCELL] has one speaker left, the Speaker of the House; the gentleman from Oklahoma [Mr. EDWARDS] has one speaker left, himself, and the gentlewoman from California [Mrs. BOXER], as I understand it, is the only remaining speaker.

So all of the time that we have will not be used.

Mrs. BOXER. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois [Mrs. COLLINS]; then I will take the remainder of the time.

Mrs. COLLINS. Mr. Chairman, I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I rise today to voice my vehement disapproval and dissent with the current Contra aid agreement. As this agreement now stands, the Contras will receive $50 million in humanitarian aid over the next 10 months. Unfortunately, aid that has been labeled as humanitarian has ended up in the hands of some groups in Nicaragua who have used this money for hostile, violent purposes.

I have been consistent when it comes to Contra aid, and I shall not waver now. This Contra currency is money that could be used here in the United States—to supplement better child care facilities, begin more drug rehabilitation clinics, or at the very least, reduce our Federal deficit. We have unfortunately been the unwilling victims of a babbling, incoherent Central American policy that began with Ronald Reagan and seems to be on the same course with George Bush. Why don't we, dear colleagues, give peace a chance? This money will only allow more killing to once again become the norm, while providing a real disincentive to peaceful negotiations.

Now is not the time for the craven, the weak, nor for the vacillator unwilling to take a stand. Now is the time for the ethical, the moral, the righteous to take a stand for peace, justice, equality, and harmony in Central America. That stand is to vote against any and all further Contra aid and to encourage peaceful negotiations. Further aid to the Contras in any size, shape or form is not conducive to harmony in Nicaragua. Paraphrasing Winston Churchill, sometimes it is not enough for us to do our best; sometimes we need to do what needs to be done. Mr. Chairman, I urge my colleagues to do what is so desperately needed for Central America and vote no to all Contra aid.

Mrs. BOXER. Mr. Chairman, I want to thank the leadership again for the generosity of time that they did give me to speak and to organize the Democratic Members who are in opposition to this compromise.

Once more, in closing this debate I want to show you the images of this debate. I did this this morning when I debated the rule, and I would like to do it again.

The first image, the wounded civilians, the mothers, the fathers, the babies that have been hurt by the Contras. Hundreds and hundreds of these innocents that have gotten hurt under the banner of so-called humanitarian aid. You can call it what you will, you can call it nonlethal, you can call it humanitarian aid, but it has resulted in this little Eric Lopez getting his shoulder blown off and his face disfigured for life and his mother, Dora, at 22 years old, with one leg and without an eye.

Mr. MILLER of California. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I yield to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. I thank the gentlewoman for yielding.

As I listened to the debate today already we are starting a revisionist hearing of the role of the Contras in this struggle. It has been suggested today that we are doing nothing more than terminating or maintaining the freedom fighters against the Sandinista government in Nicaragua.

In fact, let us remember what the record of these individuals is. They have gone through the Nicaraguan countryside, shooting civilians, shooting children, blowing up trucks with farm workers on their way to work, on their way to market, they destroyed coffee pickers and coffee plantations, they have burned civilian targets all in the name of so-called freedom fighters. I do not think that is the kind of people that the U.S. Government ought to be supporting.

Today as we speak of them as freedom fighters, they hold hundreds of individuals that they have kidnaped from the Nicaraguan countryside, they continue to terrorize Honduran villagers and citizens of Honduras where they have occupied those lands; they continue raids against Honduran coffee growers, they continue raids against Honduran families, they do engage in kidnaping, in molesting of women. These are the people that we are sending $67 million to in the name of humanitarian assistance. Something is terribly wrong with this debate if my colleagues on the Republican side of the aisle believe that these rapists and these murderers and these molesters are humanitarian and deserve U.S. taxpayer dollars.

Mrs. BOXER. Let me just say to the gentleman that I am glad that he brought this debate back to reality. It is not a pleasant reality, but it is one that we have to face, disguise it though we will with nice words.

I want to show the other image of this debate that many of the colleagues on my side of the aisle have brought up today. The faces of the homeless, the homeless children, the needs of the people in our own country who would give a lot to get $5,000 in 1 year. They need health care.

The gentleman from California [Mr. MILLER] founded the Select Committee on Children, Youth, and Families, and we know what is happening out there. We understand the needs that are out there. We should not be sending $67 million to the Contras.

Last, the picture of the Contras playing volleyball at a time in our history when Jack Kemp, the Secretary of HUD, has to fight to get basketball nets in housing projects.

So those are the images of this debate.

I do not question my colleagues who feel again that this is a step toward peace. But I felt it was very important in this debate to give voice to those of us who are once again standing up and being counted and saying, "No more."

Mr. MILLER of California. Mr. Chairman, will the gentlewoman yield again?

Mrs. BOXER. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, we have come to the end of the portion of our time. I just want to on behalf of many of us who have fought this policy for many, many years, and I hope this is the last time we will be engaged in this kind of debate, I want to thank the gentlewoman for her efforts to organize this debate today, to give voice to our concerns about this policy and hopefully, whether we win or lose, this will start the diminishment of the violence and the terror in Central America.

I want to thank the gentlewoman from California for all of her support throughout these many agonizing years as we have tried to defeat this horrible policy of the Reagan administration and now this last hangover from the Bush administration.

□ 1520

She made amazing contributions with her energy and with her convictions to this debate and to the rest of the Members who have tried to work against this policy, and I just want to

thank the gentlewoman for her efforts.

Mrs. BOXER. Mr. Chairman, I yield back the balance of my time.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in support of H.R. 1750, the Implementation of the Bipartisan Accord on Central America Act of 1989. The spirit of bipartisanship exhibited in this legislation sets a constructive tone for the myriad foreign policy issues which remain on the international agenda.

The issue of appropriate, effective foreign policy toward Central America, and particularly for Nicaragua has been a focal point of contention between the legislative and executive branches for nearly a decade.

This legislation is significant because it represents two positive developments:

First, it demonstrates the firm commitment of the Bush administration toward congressional consultation on important foreign policy initiatives.

Second, it reflects the recognition of the President and Congress that diplomatic initiatives are the most appropriate avenue through which a negotiated political settlement in Nicaragua can be achieved.

This legislation underscores the importance of Sandinista compliance with the provisions in Esquipulas II, Sapoa, as well as the latest peace accord signed by the Central America nations in El Salvador on February 14, 1989.

Accordingly, Mr. Chairman, I am in strong support of this legislation.

Mr. OBEY. Mr. Chairman, I yield myself 7 minutes.

I rise to make a number of points in closing. First of all, I would like to address the question of cost. The fact is that there is absolutely no cost to the taxpayer today from this legislation, because every dollar which is being expended under this bill is being financed by a reduction in funds in the military budget. We are, in fact, transferring and rescinding enough appropriations for the Defense Department to fully pay for every dollar expended under this bill, so the bill is budget neutral.

Second, I would simply like to say, as one who has opposed the Contra policy with every ounce of energy at my command since the day that policy commenced, because I thought it was misguided and not in the best traditions of our country, I am supporting this agreement today because I think it effectively does end the war. It ends the killing which has been referred to by a good many Members on this side of the aisle. I, frankly, do not mind at all that a good many Democrats are indicating their continued unhappiness with this proposition. I think that sends a proper message to the administration that this package is being supported with the greatest tenuousness, and I think it makes quite clear that any departure from the understandings that were arrived at would put in jeopardy any further cooperation on this issue, which would be a tragedy.

This legislation simply ties down the fact that the war is over. The question is, What do we do now? Well, the first thing that is supposed to happen is that the President of Honduras and the President of Nicaragua are supposed to negotiate or supposed to finish negotiating by May 15, the process by which the Contras may be reintegrated into their own country. That is No. 1.

It is supposed to be focusing our understanding on the fact that American policy from now on will be focused upon diplomatic and economic tools to achieve stability in the region, and, we hope, move toward democratization within Nicaragua itself.

I hope it also leads to a newfound focus in this country on the true causes of political instability in this hemisphere. I hope it does focus on the fact that unless we put our great weight and great prestige on the side of efforts to deal with health and education and social misery in this hemisphere, we will not be making much progress. Most of all, it will require that we pay attention to the real threat to the United States' security interests in the Western Hemisphere, most especially what is happening in Mexico, most especially the economic conditions, and the Third World debt pressures which are putting great negative pressures on democracies throughout the continent.

The last thing I would like to do is simply to congratulate a number of people for having helped to bring everyone to this moment. First of all, to the distinguished Democratic deputy whip, the gentleman from Michigan [Mr. BONIOR], who has held countless meetings to try to work this process through to a successful conclusion. I think he has performed an immense service on the part of the taxpayers and anyone who believes in peace. Second, I would like to congratulate President Arias, because it was his gutsiness and his leadership that enabled the Central American Presidents to get together in an effort to take responsibility for what happens in Central America on the shoulders of Central Americans. Third, I would like to congratulate Secretary Baker. As one Member of the majority side of the House who has on a number of occasions seen his own patriotism questioned every time we have opposed the specific policy being followed by the administration, it is a pleasure to see that we have as Secretary of State, someone who understands that there are good, solid patriots on both sides of this question, and that the only question at issue here is how we best defend the interests of the United States and the values which we all hold dear. I congratulate the Secretary for also recognizing that if we are to have a foreign policy that works, it has to be one which is supported by a majority of both parties, not 100 percent of one party and 10 percent of the other. That is not bipartisanship. That is by definition, a policy based on a politically unstable situation, and that kind of policy cannot last. I think that this kind of policy today can last.

Fourth, I would like to congratulate the Speaker of the House. I remember when he was first invited by the White House to participate in a new effort to try to bring peace to the area. I think the previous administration underestimated how seriously the Speaker took his responsibilities, and I think all Members recognize that if the Speaker had not been so steadfast in his support of the Arias peace efforts, we would not be at this point today. I think this country owes the Speaker a tremendous debt of gratitude, and I think the cause of peace will be forever in his debt.

Lastly, I would like to congratulate every Member in this House who has given any thought at all to this issue over the last 8 years. One of the great things about the House of Representatives is that, eventually, no matter how personally we sometimes take those arguments, and no matter how passionately we disagree, eventually most people in the House come to recognize that when we do disagree we are doing it out of firm conviction and not because we are trying to do in each other politically or because we are trying to gain a political edge.

□ 1530

Mr. Chairman, this is by definition a House of conflict, but in the end it also has to be a House of consensus, and hopefully we are building one today.

Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Mr. Chairman, I appreciate the gentleman yielding this time to me.

Mr. Chairman, I rise in support of the bipartisan package we are considering today. This package of humanitarian assistance to the Nicaraguan resistance represents the best opportunity in years for Congress and the executive branch to establish a bipartisan consensus on an issue that, for too long, has divided this country. I commend the Democratic leadership in the House and the administration, specifically Senator Baker, for their efforts to assemble this important agreement. In particular, I hope my colleagues will recognize the critical role

Speaker WRIGHT played in crafting this legislation. His leadership was a significant factor in making it possible for the negotiations, which resulted in this agreement, to be conducted in a bipartisan atmosphere.

Regrettably, there are still a number of Members in this body on both ends of the spectrum who seem intent on disrupting the potential this agreement holds for American foreign policy in Central America. There are those who cling to the contentious policy of the previous administration, which repudiated diplomacy and opted, instead, for a military solution. There are also those who want only to drive a stake through the Contras, while refusing to acknowledge the repressive nature of the Sandinista regime.

Both of these views have been at the center of the paralysis that characterized our Central American policy throughout the Reagan administration. They have dominated the headlines at the expense of American credibility and stability in the region. But perhaps most importantly, both have undermined the fundamental objective of our policy toward Nicaragua, which should be the establishment of a government based on democratic principles.

Today, however, we have an opportunity to depart from the partisan rancor of the past. This package will allow the United States to work with our neighbors in the region, and to speak with one, clear voice.

By adopting this bill, the resistance will be sustained in their camps in Honduras while the Nicaraguan Government prepares for free elections next February as promised. The Sandinistas have long complained that the military threat posed by the Contras has prevented them from democratizing their country. This bill prohibits the use of United States funds by the resistance for the purpose of carrying out military activities against the Nicaraguan Government. There should be no reason for the Sandinistas to renege on their promises for free and fair elections next February, at which point the resistance can be fully reintegrated into the social and political life of Nicaragua.

Mr. Chairman, throughout the debates about United States policy toward Nicaragua that have taken place in this body, I have supported humanitarian aid to the resistance as one source of pressure on the Sandinistas to reach a negotiated settlement acceptable to all parties to the conflict in that country. But while we fought over how much or how little military aid the Contras should receive, prospects for serious negotiations for democracy in Nicaragua were ignored, and the regional problems facing other countries in Central America were left unattended.

By adopting this bill today, we can refocus our attention on Central America. We must continue to push for a free and democratic government in Nicaragua, for as Costa Rican President, Oscar Arias, has so persuasively argued, "Without democracy, there can be no peace in Central America." but the rest of Central America deserves our attention and our support.

Mr. Chairman, I urge my colleagues to avoid the misguided arguments that so often have dominated this issue and to support this important piece of legislation.

Mr. BROWN of California. Mr. Chairman, I rise today in opposition to H.R. 1750, the Bipartisan Accord on Central America. Although this measure, and the discussions which produced it, indicate that our Nation's approach to Central America is moving in a positive direction, H.R. 1750 would, in effect, perpetuate a failed policy which threatens further progress in the region. Gone is the overblown rhetoric of freedom fighters battling against an alleged Soviet beachhead in Nicaragua. Gone is the hope of overthrowing the Sandinistas. And gone is the caustic and bitter debate which has divided this body for the past 8 years. The themes which dominate today's debate indicate a more mature and realistic effort to promote peace and democracy in Central America. In a significant break from its predecessor, the Bush Administration states that its goal is to engage the Contras on the political battlefield inside Nicaragua. Indeed, we are told this accord is consistent with the accords recently agreed to by the presidents of the Central American nations.

Unfortunately, H.R. 1750 would continue precisely that policy which has so degraded the moral and political foundation of our Nation's Central American policy. As its central objective, this accord would maintain the Contras as a military force for at least an additional year. No amount of polite bipartisanship can disguise this fact. Moreover, the accord is accompanied by an explicit threat of reinitiating the Contra's military operations if the Nicaraguan government does not adhere to the White House's standards. Only yesterday, Secretary of State James A. Baker stated quite bluntly that "this bipartisan accord keeps the resistance intact and in existence for possible use down the line." I hope this comment will give pause to those who believe we have made a clean break with the past on this issue.

This accord continues a policy which I have never supported, and which, I add, has never accomplished anything positive, either for the United States or for Nicaragua. It is, essentially, a "big stick" policy. I remind my colleagues that the threat of violence is itself a violent act. While I recognize and support the positive aspects of this accord, I cannot abide by its acceptance of military coercion as a legitimate foreign policy tool.

I recognize that this accord has wide support and will most likely be approved. Given its positive aspects, I will not question those who find it worthy of their support. Indeed, to the extent that the accord provides for the reintegration of the Contras into the social and political life of Nicaragua, I support it myself. This is exactly where the Contras belong, and where they can most effectively promote democratic reform and social pluralism. The Contras have apparently come to this conclusion as well. Only yesterday it was reported that the Contras and Nicaragua's internal opposition have agreed to form a united front to challenge the Sandinistas politically. The United States should actively support this strategy. By encouraging the Contras to remain in Honduras, however, I am afraid this accord will undermine efforts to promote a viable political opposition in Managua.

In summary, I will vote against the bipartisan accord for two reasons. First, I oppose the last vestiges of a failed and immoral policy of military coercion in Central America. That this policy should manifest itself under the alluring guise of bipartisanship should alarm those who have consistently opposed using the Contras as our "big stick" against Nicaragua.

Second, I believe that the time has come to send the Contras into Nicaragua as politicians, and not as guerrillas. To the extent that this accord has this effect, I will support it fully. With our backing, and that of our allies in Central America, the Contras can do more good as a political force in Managua than they ever could as a military force in Honduras. This is a strategy whose time has clearly come.

I regret that I cannot support this bipartisan accord, and I hope that my vote will not imply a lack of appreciation for the value of cooperation between the President and Congress. Although I will vote against this accord today, I will support the President in his efforts to promote peace and democracy in Nicaragua, and elsewhere throughout the world.

Mr. FEIGHAN. Mr. Chairman, the Contra aid package developed by Congress and the administration is a serious attempt to bridge the gap between those who want to give military aid to the Contras and those who want to see Contras disbanded. I want to commend my colleagues in the leadership and the Secretary of State in making every effort to bridge that gap.

While I think every Member of Congress appreciates the spirit of bipartisanship that led to this agreement, we can't let it fog our glasses. The packaging may be better—the product is still bad. The Contras are still the Contras. And the policy is still premised on the idea that increased Contra aid will somehow bring democracy to Nicaragua. That premise is as flawed today as it was 8 years ago.

This aid will preserve the Contras as a military force in their Honduran base camps. The package continues to permit the cash-for-food program that puts money in the hands of armed Contra forces within Nicaragua. We have no ability to cut off the Contras should they launch renewed attacks in Nicaragua. And finally, rather than encouraging the Contras to return to Nicaragua to participate in the democratic process, the plan gives them an incentive to stay in the field.

Over the next year, I hope the administration will work with the Congress to come up with a truly new approach to the region—one that focuses on the economic and social problems that plague these countries. At the same time, we possess a range of policies—short of

maintaining an army of Contras—to keep pressure on the Nicaraguan government to honor its commitment to the peace accord and keep its pledge to the Nicaraguan people.

Mr. HALL of Ohio. Mr. Chairman, I rise in opposition to H.R. 1750, the bill to implement the agreement between the administration and the congressional leadership regarding further aid to the Nicaraguan Contras.

Many of my colleagues are supporting this legislation in the hope that it will help to finally wind down the Contra war. However, I do not view the package this way. I believe that it is basically a continuation of the kind of aid which I opposed last year.

At that time, it was argued that the funding would contribute to ending the war. If that was true, then why are we now considering the approval of another 67 million, including $57.5 million for non-lethal aid to the Contras and transportation of the aid?

This aid will keep the Contras together as a military unit through February 1990. I believe arming and supporting the Contras is a policy that has failed. I see no reason to keep this policy alive for another year.

Some have argued that the Contras are through as a military force. If this is correct, it does not make sense to keep them intact with the option held open for future military action.

This aid package encourages the Contras to remain where they are, rather than to disband and be relocated or repatriated. It maintains the inconclusive current situation, which fails to advance peace and the resolution of the problems facing the Nicaraguan people.

I do not see anything in this aid package that requires negotiations or diplomatic initiatives. Indeed, its principal purpose of providing aid to the Contras undermines both the Arias Peace Accord and the Tesoro Beach Accord signed by the Central American presidents.

I would like to think that this is the last funding which Congress will have to approve for the Contras. But I am not confident that the policy of supporting the Contras will be terminated with this vote. I have consistently opposed Contra aid, and I see nothing in this $67 million measure that justifies a vote for it now.

The Contras do not merit this kind of support from the American taxpayer. We have nothing positive to show from the funding we already have provided. This extension of funding amounts to throwing good money after bad.

I do not believe this plan will contribute to freedom and democracy for the people of Nicaragua. Instead, it only promises to prolong the killing and suffering.

I would urge my colleagues to join me in voting down this latest Contra aid proposal.%

Ms. SCHNEIDER. Mr. Speaker, the vote today is a difficult one for me. I have consistently opposed support for the Nicaraguan Contras since the very first vote on Contra aid was taken. The vote today, however, differs in some dramatic ways from those taken in the past. The major difference is that the agreement being voted on today is the result of a bipartisan approach to ending the war in Nicaragua. The President and the Secretary of State have shown their willingness to compromise on assistance to the Contras, as have the Democratic and Republican leaders in the House and Senate. Most important, President Arias of Costa Rica has indicated his support of this compromise and has stated that it is consistent with his regional peace plan.

In the past decade, Nicaragua has undergone the ravages of civil war, natural disaster, and economic collapse. The Nicaraguan people have suffered at the hands of their countrymen in a war that has affected every nation in the region. Yet there is hope today that a peaceful accord is possible and that a reconciliation between the Contras and the Sandinista government can be reached.

We are viewing a change in American policy toward Nicaragua. The Bush administration has indicated that it seeks national reconciliation in the form of open elections in Nicaragua. I share this desire to end the war as quickly as possible. I would prefer that this could be accomplished without additional United States involvement in Nicaragua. I recognize a legitimate role in providing for relocation and repatriation of the Contras. This proposal is the first step our Government has taken to end military support of the Contras, and I support such a step.

Mr. Speaker, I cannot imagine that there is one Member in the House who wishes to see a continuation of the war in Nicaragua. Each of us desires peace, prosperity, and a pluralistic democracy in Nicaragua. The package before us is one that is not totally satisfactory to either the supporters of the Contras or their opponents. I set aside my own reservations in the hope that this is the last vote that Congress will ever have to take on aid to the Contras and that it will be the first step in ending the civil war in Nicaragua.

Mr. LAUGHLIN. Mr. Chairman, today truly marks an important moment in history when our country speaks with one united voice to the people of Central America. The message that America is sending to them and the rest of the world is that America supports the peace process and acknowledges the right of the people of Nicaragua and neighboring countries to solve their own regional conflicts.

This issue alone has been the most divisive foreign policy issue within the last 10 years, causing division within both Democratic and Republican ranks as well as creating tension between the executive branch and the legislative branch, but now we are assured that our desire to see democracy prevail in that region may soon be realized. Hopefully, the goal of peace in Central America that once seemed beyond our dreams is now within our grasp.

As Secretary of State James Baker said yesterday before the Senate Appropriations Subcommittee, this bipartisan aid proposal for Nicaragua's Contra rebels has the full backing of President Bush, and will put the United States back in the ballgame in Central America.

Mr. Chairman, this bipartisan aid package that we are offering is a sign that America is a good and trustworthy team player. This measure will undoubtedly act as a test for the Sandanistas to prove their willingness to hold honest elections in Nicaragua. Therefore, it gives me great pride to be a part of this momentous occasion in America's history and I urge that all my colleagues wholeheartedly support this bipartisan bill.

Mr. GALLO. Mr. Chairman, today I express my support for H.R. 1750, Implementation Of The Bipartisan Accord On Central America Act of 1989.

In February the five Central American countries reached an agreement for Central America that promises both peace and democracy for all nations in the region. In a joint communique, Daniel Ortega promised to reform Nicaragua's electoral laws and allow free elections by February 25, 1990, in line with that plan.

We could fill books with the broken promises of Daniel Ortega and the Sandinistas.

Over the years, Mr. Ortega has consistently defaulted on promises to introduce democracy in Nicaragua. As soon as the pressure is removed, he makes a mockery of his words.

Therefore it is imperative that we support this bipartisan accord and continue to fund the Contras. It is only through a carrot-and-stick approach that we can pressure the Sandinistas into accepting democracy.

On March 24, the administration, with bipartisan support unveiled this accord calling for $49.7 million in humanitarian aid to the freedom fighters through February 28, 1990.

We must keep diplomatic pressure on the Sandinistas, and we must keep our goals clearly in focus—freedom and democracy. This plan will allow our Government to support these efforts by rewarding positive Sandinista actions and punishing the Sandinistas for breaking their promises.

I strongly believe that a two-pronged approach, humanitarian assistance and diplomatic initiatives, will set in place a mechanism that has the potential of achieving both peace and democracy in Nicaragua. I see no realistic alternative.

For this reason, I support the bipartisan agreement, but I will strongly oppose using force to disband the freedom fighters. The bipartisan agreement, expressed in H.R. 1750, explicitly states that reintegration and relocation of the Nicaraguan Resistance will be on a strictly voluntary basis.

As a member of the Foreign Operations Subcommittee of the House Appropriations Committee I commend Chairman DAVID OBEY and Congressman MICKEY EDWARDS for their leadership and hard work. Both men were extremely influential in crafting this agreement.

Secretary of State James Baker also deserves special recognition. Without his dogged persistence and dedication, the accord would not be before us today.

In closing, I again urge my colleagues to support H.R. 1750 in its current form. Congress and the administration must demonstrate solidarity and our unshakeable resolve that the Sandinistas take tangible steps toward democracy.

Mr. BRENNAN. Mr. Chairman, I rise in opposition to H.R. 1750.

Last year I voted for humanitarian assistance to the Contras. I did so because I was encouraged by the cease-fire agreement reached by the Contras and the Nicaraguan Government. I felt that humanitarian assistance would further the cause of peace.

In addition, we had an obligation not to immediately cut off all aid to the Contras, after our Government had encouraged them to

leave their country and take up arms against the Nicaraguan Government.

However, it is time to cut the cord. We cannot continue to maintain this fighting force in limbo. To continue this assistance program initiated last year simply prolongs the conflict.

I am also bothered by the arrangement under which aid will be continued by letters from a couple of committees. As a former Governor, legislating with letters strikes me as congressional intrusion of the first order.

I understand that the intent of this agreement is to support the peace process that has been initiated by the Central American Presidents, and I genuinely welcome the attempts of the administration to reach a bipartisan understanding.

But I do not believe that this package truly supports the Central American peace process. In February, the Central American Presidents agreed to prepare a plan for repatriating or relocating the Contras. We should wait for them to prepare that plan, review it, and then decide what action to take.

For these reasons, Mr. Chairman, I oppose this bill, and I urge my colleagues to vote against it.

Mr. WOLPE. Mr. Chairman, I rise today, albeit with serious reservations, to support this bill which implements the bipartisan agreement on Central America signed on March 24, 1989, by President Bush and congressional leaders. I welcome this good faith effort by President Bush to dramatically shift U.S. policy in Central America away from the Reagan administration's fixation on U.S. military involvement toward a serious diplomatic approach. Apparently, President Bush recognizes the destructive mistakes of the Reagan era and has learned from them. I certainly hope so. While this bill will not address every concern of every Member of this body—including this Member—it does deserve a reasonable chance to bring peace, democracy, and security to people who have suffered through the miseries of war for so long.

This measure continues the current level of nonlethal Contra aid until Nicaragua's Presidential and legislative elections are held. The agreement stipulates that aid will be cut off if at any time during the 11-month period it is demonstrated that the recipients have taken part in offensive military operations or human rights abuses. The significance and potential importance of this agreement lies in the ways it differs from previous nonmilitary assistance to the Contras—not in its similarities. This bipartisan proposal contains several elements which never appeared in President Reagan's Contra aid requests.

Mr. Chairman, for the first time, we have an aid package before us that provides funds for the voluntary reintegration or relocation of the Contras. The fact that this bill makes no provision for a future congressional vote on military aid for the Contras is also unprecedented. Moreover, the accord finally commits the executive branch's full support to the Central American peace process. It provides a clear framework for our State Department to work with our allies in the region to achieve the goals set forth in the Central American peace agreements.

President Arias of Costa Rica, the architect of the Central American peace plan, strongly endorsed this accord and recently made the following statements in reference to the agreement:

Realism and pragmatism have prevailed. Now I feel a sincere support [from the United States] for the peace plan, something I never found in the past.

For a very long time we have been insisting to the world that dialogue has to replace the military path. We're seeing an end to a warlike policy and support for the peace plan, as I proposed to [the U.S.] Congress.

By signing this agreement, President Bush has embraced the diplomatic course to the region's problems and, by doing so, has acknowledged that U.S. military intervention has failed. Moreover, Secretary Baker has assured the Congress that this administration, unlike its predecessor, will strictly enforce laws barring U.S. aid to any group that retains in its ranks an individual found to be engaging in gross violations of human rights, offensive military operations, or drug smuggling. Congress now must aggressively carry out its oversight role to ensure that this provision is executed.

I can certainly understand those in this body who do not have a great deal of confidence in this agreement. Indeed, I have my own strong reservations. We have gone through many years of bitter disagreements with the White House over United States policy in Nicaragua and, frankly, we have been deceived and lied to many times. It is frankly difficult to now cooperate with a branch of Government which for several years has worked behind our backs, sometimes above the law and counter to our national interests in this region of the world. Moreover, it is only natural to have a gross distaste for providing humanitarian aid to a fighting force responsible for so many deaths and violations of fundamental human rights.

This Member is willing to trust the Bush administration's expressed commitment to carry out this agreement. But, I am not willing to do so blindly. If I might paraphrase a former President, Congress may trust the new administration, but experience teaches that we must also verify.

I am not voting for this bill to sustain the Contras as a fighting force. In this regard, the President's true commitment to the peace process in Central America will be tested shortly. The region's Presidents will soon release their plan to disband or demobilize the Contras through relocation and repatriation. The extent of the Bush administration's willingness to use the assistance in this bill to facilitate the demobilization of the Contras will be a good yardstick for judging the President's willingness to faithfully implement the bipartisan accord we have entered into with the administration.

The administration has made some commitments, not spelled out in the bill, that Congress must also rigorously monitor for compliance. The primary one is contained in Secretary Baker's letter to Congress where he lays out the administration's commitment to cut off aid after November 30, 1989 unless four congressional committees recommend a continuation.

With this agreement, President Bush has forsaken the previous administration's goal of overthrowing the Government of Nicaragua through support of an armed rebellion. Instead, the accord commits the Bush administration to a clear diplomatic path that has as its central objective the reintegration of the Contras, contingent upon the establishment of electoral democracy in Nicaragua.

The time has come for the Congress and the White House to put aside their differences and work closely together to promote democracy and peace in a region torn by years of killing and bloodshed. Enactment of this bill could be an important step in that direction. At this time, the best hope for ending the killing is to give this accord a chance to work in accordance with the Central American peace movement. As a member of the House Foreign Affairs Committee, I will do all I can to see that this agreement is faithfully carried out by the executive branch. I urge my colleagues to support this bill.

Mr. BATES. Mr. Chairman, I request permission to revise and extend my remarks.

Mr. Chairman, I rise in opposition to H.R. 1750 and further conflict in Central America. In light of recent diplomatic initiatives in the region, this legislation could promote instability and endanger progress toward a lasting peace. For this reason, I will oppose this new Contra aid package.

The latest meeting of Central American leaders demonstrated that further aid to the Contras is not a viable policy at this time. On February 14th, the Presidents of Honduras, Costa Rica, Nicaragua, Guatemala, and El Salvador signed an agreement which committed the five countries to negotiate cease-fires with rebel groups within their borders; to stop aiding guerrilla forces in other countries; to guarantee a free press, free elections, and amnesty for political offenses; to assure respect for human rights; and to ensure that dissident groups may operate openly.

Of major significance for our Government's policy toward the region was the agreement upon a democratization process for Nicaragua in preparation for nationwide elections. Under the agreement, the Nicaraguan Government consented to a 4-month period during which opposition parties would organize, followed by a 6-month campaign culminating in Presidential, legislative, and municipal elections on February 25, 1990. It also agreed to allow all political parties full access to the media, and to release approximately 1,600 political prisoners. These concessions are of great importance because until now, the Nicaraguan Government had stated that it would consider many of these reforms only after national elections.

The five nations also agreed to formulate a plan, in consultation with the United Nations, to close Nicaraguan rebel bases in Honduras and relocate the Contras. This plan conforms with the specific terms of the overall agreement.

Given this move toward peace by the leaders of the region, further U.S. assistance to the Contras is not practical. Such a proposal at this time is detrimental to a possible end to hostilities in the region and the simultaneous process of democratization in Nicaragua. It is also an unrealistic and poor allocation of foreign assistance funds, since the Contras do not represent a viable force in the region.

Rather than support additional Contra aid, we should be encouraging positive political and economic change in Nicaragua, including the termination of economic sanctions.

In conclusion, I have opposed and will continue to oppose our Government's support of the Nicaraguan Contras. We must not hinder the prospects of peace, but rather promote them in the interest of all nations involved.

Mr. OWENS of New York. Mr. Chairman, I rise in opposition to the waste of $67 million. We say we are trying to stop the fighting in Nicaragua. Instead, $67 million of any kind of aid will only result in perpetuating the actions of this band of ruthless mercenaries who are known for torching villages, destroying schools and health clinics, and cold-bloodedly slaughtering women, children, and elders.

We need this money here in our own communities. Instead of fostering this violence, this money could be put to extraordinary use in any number of our own funded programs.

Head Start, which serves only 20 percent of children who are eligible, could serve 28,000 more preschoolers.

Less than half of the eligible women and children are being served through WIC food programs. With this Contra money we could serve 167,500 more of these women and their babies.

We could serve 42,620 more students in bilingual education.

Less than half of children eligible for chapter 1 programs are being served; we could serve 111,667 more students; 44,667 more students could receive Pell grants; 13,400 more low-income youth could enter Job Corps programs.

Only 5 percent of those eligible are receiving JTPA training; 33,500 more unemployed people could be trained under JTPA.

Homelessness is running rampant in our cities, but with Contra funds we could help 20,303 more families find homes with section 8 housing assistance.

Instead, some of us want to give the Contras more than $5,000 each for the coming year. That's more than $400 each month. We only give $126 each month for each person on AFDC. How can we justify this?

If we absolutely must send to Nicaragua, we could send it to Nicaragua's Atlantic coast community of Bluefields. This town of 44,000 indigenous and Indian people was decimated by Hurricane Joan last October. People were killed, wounded, left homeless and without medical care through the destruction of their homes and their one hospital. Red Cross officials there explain that conditions have not improved in the 7 months since the hurricane. They desperately need food, medicine, clothing, and construction materials. The Bush administration has refused to help Bluefields overcome their emergency situation.

Bluefields is where true humanitarian aid is needed in Nicaragua. One-tenth of the Contra money would do wonders for their community. Instead of throwing the money away on the Contras, let's put it where it is really needed. In proven domestic programs which are grossly underfunded, or to true humanitarian aid, to help decimated communities to survive.

I urge all of my colleagues to remember the deficit and vote to save the taxpayers money. Vote no. Vote against Contra aid.

Mr. HOYER. Mr. Chairman, I rise today in support of the legislation before us today which reflects the historic agreement crafted between the Bush administration and the leaders of the Congress.

For 8 long years we had intransigence from an administration which would only support military endeavors. Finally, those of us in the Congress who were opposed to a military strategy in Central America and instead worked for a regional solution have prevailed.

A military effort in Central America would not have succeeded without the ultimate commitment of United States troops. The Contras could not have won without them. The fact is, however, the American people did not want to send their sons to die.

My friends, the leaders of the Congress listened to the American people. Back in August 1987, the Speaker of the House began to move us toward peace and toward an end to the war and the killing. Under his leadership, prospects became brighter for peace and democracy in Central America. The bipartisan accord, reached in March between the Congress and the administration, would not have been possible without the dedication and the vision of Speaker WRIGHT.

This agreement includes a firm commitment from the administration to support diplomatic and political solutions, rather than military efforts, against the Sandinistas. For the first time, the administration is on record in strong support of the Central American Presidents and the February peace accords.

The Sandinistas have agreed to hold elections by next February. The aid contained in this package can be used for the relocation and repatriation of the Contras. We are providing the Contras the means to participate in the political process, rather than the military process. In fact, no aid provided under this legislation can be used for offensive military purposes. If the Congress finds that the administration is not fully supporting the Central American President's agreement, or the Contras are engaging in military actions, we have a commitment from the President and Secretary of State Baker, that the aid will end. Furthermore, the legislation also includes medical assistance to Nicaraguan civilians.

This bipartisan accord represents a new era in the United States' approach to Central America. Rather than looking at that region through the sights of a rifle, the United States will finally be seeing it through the eyes of the Central American people and in support of their agreements.

Mr. Chairman, I urge my colleagues to join me in supporting the agreement. It is time for us to come together and work together to bring peace and democracy to a region which has suffered for far to long. Let us not add to the suffering any longer, but instead aid the cause of peace.

Mr. VENTO. Mr. Chairman, I rise in opposition to the legislation before us today to provide further assistance to the Nicaraguan Contras.

While I observe many positive aspects of the bipartisan accord, I do not believe this agreement is the best way to bring about resolution, stability and recovery to Central America. The first step on the long road to peace is stopping the war, and this package may well maintain the viability of the Contras as a fighting force and prolong the day when peace will finally come to Nicaragua.

I welcome the apparent shift in emphasis of President Bush and his administration from a military solution toward a diplomatic solution in the region and for its endorsement of the Central American peace process. I commend the congressional and administration leaders who negotiated this accord. This attempt is a refreshing change from the division and acrimony of the past 8 years. But bipartisanship in and of itself does not guarantee wise policy, and this package, all well intentioned, is a prop to a failed policy.

Where are we after 7 years and billions of U.S. taxpayer dollars of support direct and indirect for the Nicaragua Contras? The Contras have no territorial presence in Nicaragua and can claim no significant military victories. They have lost the war, but the real losers are the over 29,000 dead, 11,000 injured and 16,000 orphaned children. With U.S. assistance, they have killed health workers and teachers and attacked farm cooperatives and health clinics. When will we finally recognize the failure of Contras and the failure of our own policy and move on?

The agreement before us today will provide $49 million in so called nonlethal aid to the Contras until February 1990. I would like to point out to my colleagues that nonlethal aid does not mean an end to lethal events. Since the cessation of military aid last year, hundreds of attacks on civilians have been confirmed including many on innocent children. Another 10 months of nonlethal aid will keep the Contras viable and active in the field and remove incentives for them to reintegrate into Nicaraguan society and participate in the political process. While I don't like the Sandinista government or the Soviet aid to that government, my dislike does not give policy justification to our Government and therefore the right to overthrow or undermine the government of a sovereign nation. By continuing to back the Contras, we continue misguided support of a military force with little backing inside Nicaragua.

This legislation doesn't merit my support because it contradicts the spirit and letter of agreements reached by Central American leaders. Logistical support for the Contras violates both the Arias peace accord and February 13–14 summit agreement of the Central American Presidents in El Salvador. Esquipulas II calls for the cessation of "Military, logistical, financial or propaganda aid in manpower, armaments, munitions and equipment to irregular forces or insurrectionist movements.* * *" The only aid allowed under both Esquipulas II and the Central American Presidents agreement is for repatriation and reintegration. While I agree that the bipartisan accord allows funds to be used for repatriation and voluntary reintegration, the accord does not guarantee that a single cent will be used for this purpose. Thus the bipartisan accord falls short of the wishes of the Central American Presidents in two regards: It provides logistical aid to the Contras and it does not require this aid to be used for repatriation purposes.

I am also opposed to this accord because it spends over $67 million on a failed policy when many successful domestic programs go unfunded and underfunded. How can we justify giving $4.5 million a month in food, medicine, clothing, and radio batteries for several thousand Contras while turning our backs on millions of homeless Americans sleeping on the streets who lack even the most basic human needs of food and shelter. Every day we are confronted with pressing problems which demand a greater Federal response—the scourge of drugs, illiteracy, infant mortality, the lack of affordable housing. In this time of enormous budget deficits, we cannot afford to bet money on a failed policy when it is so desperately needed in other programs.

Mr. Chairman, while I am also anxious to see my Government speak with one voice on this issue, I am more concerned with the wisdom of the choice of our Government than unity of our voice. We all want peace and democracy in Central America, yet we disagree on the best way to achieve it. I urge my colleagues to reject the package before us today and work toward a more diplomatic solution to the crisis more in line with what the Central American Presidents have asked of us, which will bring us closer to the stability, peace, and security we all are seeking.

Mr. SMITH of New Hampshire. Mr. Chairman, since I was sworn into Congress in 1985, I have always supported and voted for aid to the Nicaraguan freedom fighters.

I cannot, however, bring myself to vote for the legislation before us today because I question exactly what assistance we are providing the freedom fighters.

Are we providing the freedom fighters with any aid that will enhance their position to bring about change in Nicaragua? No. As Pat Buchanan wrote in a recent editorial, the only thing this agreement does is round the Contras up and lock them in their base camps, all in the vain hope that the Sandinistas will finally agree to real and meaningful democratic reform.

Mr. Chairman, when are we going to learn? For 10 years, the Sandinistas have failed to live up to their promises of democracy and reform, and let's face it, nothing will change between now and February of next year. Are the Sandinistas going to use this time to release political prisoners and to establish freedom of speech or the press? No one in this body should for a minute believe it. The Sandinistas are going to use this time to achieve the two goals they have long sought—to further consolidate their power over Nicaragua and to spread their revolution beyond their borders.

And what will we in Congress do at that time, when it once again becomes obvious that we have been hoodwinked by the Sandinistas? Well, I can hear it now. Opponents of Contra aid will say that military aid is useless, because the Contras cannot win. Unfortunately, they will be right. But we will only have ourselves to blame because we have once again failed to provide the Contras with any meaningful support, while the Soviets will continue to pour hundreds of millions of dollars in military aid into Nicaragua.

Mr. Chairman, in recent years, we have heard a lot of talk from Members on the other side of the aisle about the need to establish a level playing field with our democratic trading partners, but apparently they are not concerned about establishing a level playing field with the enemies of freedom. They are content with the Soviets having the upper hand, even if it is in our own backyard.

To my conservative colleagues who support this agreement all I can say is listen to those on the other side of the aisle who have consistently opposed Contra aid but support this package. Speaker after speaker has said that this agreemnent means the end to the Contras. For once, these opponents of Contra aid are right about something.

Like my colleague and friend from New Hampshire, Republican DOUGLAS, I also have serious problems with giving a select few Members of the Congress the sole power to stop this aid. This is a democracy and all of us were elected to make the tough decisions on Central America or any other issue. But this agreement defranchises over 400 Members of Congress and the constituents they represent.

Mr. Chairman, in closing, the opponents of Contra aid have succeeded in disarming the freedom fighters and are now trying to finish the job by locking them up in a corral along the Honduran border. We have robbed the Contras of their arms, their pride, their dignity, and now we are intent upon robbing them of their freedom. I do not wish to be part of it.

Mr. CARDIN. Mr. Chairman, I support this package of nonlethal Contra aid because I believe this represents for the first time a policy on which the administration and Congress are in agreement and speaking with one voice. For months the leaders of the Central American nations have been asking us for some clear indication of what our policy is. I believe this package provides this sorely needed message.

We are sending the strong message to the Contras that they will no longer get military aid and that a military solution is no longer viable. The Sandinistas have stated they are willing to take meaningful and important steps to democratize and have demonstrated this commitment through the release of hundreds of political prisoners.

Members from all sides of the political spectrum would agree that we want democracy in Nicaragua. The continuation of the Contras as a fighting force is not the way of achieving this goal, however. We are giving the Contras the tools to reintegrate into Nicaraguan society. And we are stating clearly that a military solution is unacceptable. We are giving the Contras every incentive to achieve democracy through the political process.

This package includes unique controls and oversight on its implementation. For the first time we have stipulated that aid will be revoked for anyone engaging in human rights abuses or offensive activity. And in November members of the appropriate committees must sign off on the release of the remaining 3 months worth of aid.

Finally, I would like to comment on how we arrived at this bipartisan compromise. It is certainly a welcome change that this administration has departed from some of the failed methods of its predecessor. By coming to Capitol Hill and hammering out a compromise that is acceptable to the majority of Members of Congress, the administration is expressing its realization that we are at an important turning point in our policy in Nicaragua. The success of our opposition to Contra aid has gotten us to this position today—of being able to get bipartisan support from a majority of Members of Congress and to finally put to an end the United States sponsored war in Nicaragua.

Mr. KASTENMEIER: Mr. Chairman, at the outset, I want to compliment the congressional leadership and the Bush administration for their spirit of cooperation in trying to reach an agreement which, they believe, will help bring an end to the long Contra war against the people of Nicaragua.

However, I will vote against this agreement because it still provides funds for the Contras, thus continuing an unwarranted intervention by the United States in the affairs of Central America. I fail to see how the continuation of so-called humanitarian aid to the Contras, some $49.8 million, helps to either further our foreign policy goals or bring peace to Nicaragua. Regardless of what President Arias may say today about this Contra aid agreement, I believe it violates the Central American peace process and the Tesoro Beach agreement which called for a demobilization plan for the Contras by providing assistance to permit the Contras to remain intact as a functioning military force.

Mr. Chairman, the simple fact is that the Reagan policy of creating and promoting the Contra cause has failed. We all know this to be true and we, as a great nation, should admit this failure.

From the beginning, the Contras had no chance of success. The Nicaraguan people had no intention of rallying to their cause. The Contra war has brought only death and destruction to the Nicaraguan people, violations of United States and international law, and ultimately a scandal of major proportions involving the White House.

If we want peace, then all aid to the Contras should cease and they should be disbanded. The embargo imposed on nicaragua should be lifted, and the Central American presidents should be allowed to continue with their peace plans without interference from Washington.

Mr. HOUGHTON. Mr. Chairman, I rise in support of H.R. 1750. Briefly, I'd like to tell you and my colleagues why.

First of all, the United States ought by now to get its act together vis-a-vis Nicaragua. Far too many mixed signals from our shores have been beamed out to the Sandanista government. After more than 7 years of farily rough internal divisiveness, I believe this agreement makes a fundamental change in U.S. policy toward the region by moving closer to the bright promises which President Arias and other leaders hammered into concrete terms at the recent Central American summit.

Second, this legislation now permits the main participants in the Central American saga to do their own thing—with a commitment from the United States to work in good faith along side the democratic leaders of every Central and Latin American country.

The real action is yet to take place, meaning the unfolding of the Sandanista's real plans. Will this dictatorship do as it promises—or will it go back on its word as it has in the past? We'll just have to wait and see. In the meantime, these funds are a decent and considerate way to help bridge the lives of those who have staked much over the years in pursuit of democratic freedom.

Mr. PENNY. Mr. Chairman, I will vote for the bipartisan accord on Central America, but I want to state, for the record, my concern about the agreement.

As someone who has consistently opposed military aid to the contras, I am obviously concerned that the intent of this "humanitarian aid" package could be circumvented. This funding should be understood to be transitional funding with an expectation that the Contra forces resettle within Nicaragua. It is based on this understanding that Oscar Arias has indicated his support for the aid package. Any use of these moneys to support continued military activity would be a violation of this understanding and the Arias peace plan.

The cease-fire, which has been in effect these past several months, must continue. The peace process must proceed. Reforms and free elections within Nicaragua must occur. We expect that Contra members will join with other opposition groups to peacefully compete with the Sandinistas in the electoral process. If these understandings are not fulfilled, there should be no further Contra aid—of any sort—provided.

I trust that in the coming months the Bush administration will use every effort to support the Central American peace process and to confront the Soviet Union directly about an end to military aid for Nicaragua as we end our aid to the contra forces.

The Reagan doctrine in Central America, which never received strong bipartisan support was, for that reason, a failure. President Bush and Secretary of State Baker have agreed that military aid will not be authorized by this plan. That is a positive step. The manner in which the present accord was reached, that is, in consultation with the bipartisan leadership of the Congress, is another step in the right direction. I feel that given these circumstances surrounding the Bush policy in Central America, Congress should give the President a chance to put this new policy to work. It just might lead to the goals we all seek for the region—greater stability, an end to the bloodshed, improved human rights, and increased democracy.

Mr. GUNDERSON. Mr. Chairman, over the course of the last decade the existence of legitimate American interests in Central America has demanded that we continue our efforts in the region to encourage increased economic growth, the development of strong and free democratic institutions, and an ever-greater respect for human rights. At the same time I have felt that we must voice our opposition to hostile Communist movements and regimes that are determined to subvert these principles and efforts.

Today I rise in support of the bipartisan agreement on Central America between the administration and Congress. This agreement would implement the March 24 accord by extending humanitarian aid to the Contras in Nicaragua by making $49.75 million available through February 28, 1990. This renewed assistance to the Contras is essential to ensure that the only real voice for democracy in Nicaragua remains intact at the negotiating table.

The basic premise of this compromise package is to keep the Contras alive, albeit, in a nonmilitary sense, as an insurance policy until the elections occur. Based on the Sandinistas' past record of abiding by their promises, which is abysmal, I remain skeptical of these promises.

But in my view, any agreement that publicly and explicitly holds the Sandinistas accountable to democratic principles is a positive and welcome development. Time and time again, it has been charged in the past that the United States has only been serious about pursuing an agreement guaranteeing that the military option become the only option. This has for too long been an excuse for the deterrence of democracy in Nicaragua.

Well, Mr. Chairman, this bipartisan package, with the absence of any military aid, will at the very least measure the record of the Sandinistas compliance, or lack of, and the burden proof will clearly rest on the Sandinistas shoulders. It is not a question of whether the United States will give peace a chance, but whether the Sandinistas will give the principles of democracy a chance.

The challenge before us now is where U.S. policy should proceed. Certainly we should be steadfast in our support for democratization and economic development, and in our pressure to reduce the Soviet presence in Nicaragua, which includes about $1 billion a year in economic and military aid.

Mr. MACHTLEY. Mr. Chairman, today, in this already historic 101st Congress, we consider a bill (H.R. 1750) which represents the cumulative efforts of the administration, the State Department, both Houses of Congress, and most importantly—both parties, Republican and Democratic.

This bipartisan effort is important, and deserves comment.

In past discussions regarding congressional action in Central America and other foreign policy matters, a lack of bipartisan support for U.S. action has resulted.

Party differences, personality conflicts, competition between House and Senate, one committee and another, one branch of Government and its counterpart, and sometimes just plain singlemindedness, have landed us without a comprehensive approach on foreign policy.

We have often acted disjointedly, and sometimes contradictorily.

The concerted efforts which have resulted in today's bipartisan effort are an opportunity to take an entirely new approach toward the formulation of our policy in Central America.

Now is the time to see that all of the concerns that have guided U.S. opinion in the past on Central America have a place in our view of the region. Not just one, but all of them.

We must approach a policy in Central America which embraces not only a desire to extricate ourselves from East-West tensions—not only the promotion of democracy and a respect for human rights—not only the promotion of self-determination and of regional solutions.

Instead, we must assert a policy which acknowledges the importance of all of these goals for a comprehensive policy toward Nicaragua and toward all of Central America.

Now is the beginning of a new era in our approach toward Central America.

It is time to move away from the policies directed toward Nicaragua during the past 8 years. Whether or not there is a consensus on our past policies in Nicaragua, and certainly there is not, we can agree that we have a responsibility to follow up on our past actions.

Whatever past differences, we can agree that we have a duty to help those parties with whom we have been principally involved for the past 8 odd years, reintegrate and resettle themselves after we have told them to lay down their arms.

Whether or not you believe the Reagan administration policies were successful in advancing political opening in Nicaragua, we can agree that we must make an effort to advance the democratization of the region.

The legislation that we consider today is a statement in favor of a parallel process of democratization and disbandment of the armed resistance.

While negotiations regarding procedures for political opening continue among the Central American nations, U.S. financial support provides the Contras, their families, and supporters with the opportunity to participate in the pre-election process in Nicaragua. This humanitarian aid thus has the potential to further democratic pluralism in that region.

This is not to say this bipartisan approach regarding Nicaragua is without peril. The issue of U.S. involvement in Nicaragua is one that has left behind its remnants of misgivings and distrust. We cannot merely disregard the concern of some individuals that the intention behind this legislation, the resettlement of the armed resistance will be transformed into something very different from its stated purpose.

In order to make certain the valid and appropriate use of the humanitarian aid, we must oversee the use of these funds. We must have compliance and enforcement policies which are carried out, and reported upon not only by the administration, or by the Congress, but by independent observers as well. We must give ourselves time to rebuild a feeling of trust and confidence amongst those who are interested in U.S. involvement in Central America.

So, perhaps it can be seen that if today is a historic day in the House of Representatives it is so not because of what we have accomplished, but for what we have begun. In its incipient stages, a bipartisan approach on Central American policy asserts that compromise on a divisive issue doesn't have to mean defeat.

It is my hope that bipartisanship will not end today, but that good conscience and trust between those policymakers holding different opinions will continue, and that the policies which will grow from future concerted efforts will help to bring us closer to the ideals we can all agree upon, those of peace and freedom for the people of any land.

Mr. ATKINS. Mr. Speaker, I rise today to cast my vote in favor of the bipartisan accord on Central America. This is not an easy vote for me. I have never supported the cause of the Contras, and I have consistently opposed military aid to the Contras. I will continue to do so. The war in Nicaragua has yielded nothing but misery and hardship for the Nicaraguan people, and it is to America's shame that we have supported such conditions for so long.

But this legislation does not further the war. It does not provide military aid. Instead, it provides funds that will lead to the disbanding of the Contras and their repatriation into Nicaraguan society. It is not intended to preserve the Contras as a fighting force.

More important, it formally and officially acknowledges a change in United States policy in Central America. No longer will the influence of the United States be in conflict with the interests of the leaders of the Central American nations. No longer will Members of Congress have to struggle among themselves and with the executive branch over a policy that the American people do not support.

We have an opportunity today, Mr. Speaker, to lay a foundation for permanent peace in Central America. Rather than destabilizing the political institutions and the economies of the region, we will be a positive influence for national reconciliation and the establishment of democracy.

If the bipartisan accord has its desired effect, tensions in Central America will be greatly reduced, and particularly in Nicaragua, we will begin to see an end to the strife that has haunted the region for so many years. By ending the wars, by finally and firmly placing ourselves on the side of peace, it is hoped that we can help the countries of Central America enjoy economic growth in the future.

This package is the result of long and delicate negotiations between the leaders of the Congress and the administration. It represents the end of President Reagan's misguided war in Nicaragua. In addition, and more significantly, it marks the first time in 9 years that an American President has endorsed a plan that is also supported by the five Central American presidents. To oppose the plan, to reject it after the care that was taken to craft it, would indicate confusion and instability in our policy. Congress and the White House can no longer afford such confusion. We have had too many years of inconsistent policy, and we must show that we are united in our support of peace in Central America.

Still, we are not writing a blank check for either the administration or the Contras. Congress will have opportunities to cut off this aid. In November, the House Foreign Affairs Committee and the Senate Foreign Relations Committee, the House and Senate Foreign Operations Subcommittees of the Appropriations Committees, as well as the leadership of both Houses of Congress have to request that the aid be continued. Inaction by any of these six entities will result in the cessation of aid. If the administration abrogates its commitment to the peace process, aid will be shut off. If the Contras violate the accords, if human rights violations go unpunished, aid will be cut off. And as you know, Mr. Chairman, that we will be watching carefully.

While I will vote for this package, I do so reluctantly. For every compelling reason to support it, there are appealing reasons to oppose it. I am uneasy providing humanitarian aid to a military force. We still do not know how much money each Contra leader receives from the American taxpayers. $67 million is a great deal of money to be sending to the Contras when there are unmet needs in our own country; when we lack the resources to house our own people or to stem the tide of drugs on our city streets.

Nevertheless, there are times when my head tells me to vote one way and my heart says something else. In my heart, I feel disgust and disdain for the corruption, the deception, and the destruction of human lives that America's Contra policy has yielded, and my heart is calling on me to oppose this package. Yet I truly believe that to defeat the package, to oppose the legislation before us today, would only extend the corruption and add to the misery of the Nicaraguan people, postponing the day when true and lasting peace will come to Central America.

Mr. MARLENEE. Mr. Chairman, I rise in support of the bipartisan accord on Central America, which will provide $49.75 million in humanitarian aid to the Nicaraguan freedom fighters through February 28, 1990. As the least evil of the bad choices open to me, I will vote in favor of this humanitarian aid package. I would prefer to support military and humanitarian aid—just as we have done in Afghanistan, Angola, and Cambodia—but it appears that political realities do not pemit this option.

While the agreement is not perfect in all aspects, I salute the action of our Secretary of State, James Baker, in his efforts to rebuild a consensus with Congress on the grave issues facing the United States in Central America. Many Members distrusted the motives of the previous administration in Central America. I am confident that Secretary Baker will avoid the mistakes that plagued the Reagan administration's Central American policy, which could have succeeded if Congress did not time and again undercut the ability of the President to conduct his own foreign policy.

This package would provide $4.5 million each month in humanitarian aid for the next 7 months. In November, Congress will revisit this issue to recertify aid to the Nicaraguan Contras. If this provision was not attached, it was doubtful that any Contra aid request would have been approved. In short, this was the best compromise the Bush administration could have reached during the intense negotiations with Members of Congress.

Because we've got a new team at the State Department that Congress trusts, I do not believe that Contra aid will be disrupted in November. If anything, I anticipate that the Marxist Sandinistas will once again violate their promises for democracy, and by keeping the contras intact, the freedom fighters will provide the United States with additional leverage over the Sandinistas. We must remember that the only reason why the Sandinistas have made concessions for democracy is because of the impact of the Contra forces.

To those who say that this is new spending, taking away money from the homeless and the elderly, I would call to the attention of my colleagues that this $50 million package comes from previously appropriated funds in the Defense Department. What we are doing today is simply directing the Defense Department to send $50 million for humanitarian aid to the Contras.

Mr. Chairman, the least we can do to help those brave freedom fighters in Nicaragua is to support this humanitarian aid package. They are our only insurance policy against growing Sandinista and East bloc subversion of Central America. I am amazed time and time again how we must remind ourselves of the repressive nature of communist societies. When will we learn that freedom and democracy cannot flourish in totalitarian states? I hope we learn this lesson before all of Central America falls into the Soviet empire.

Mr. Chairman, I urge my colleagues to support the bipartisan accord, and vote for H.R. 1750.

Mr. LEVINE of California. Mr. Chairman, for much of the past decade, the executive branch of the U.S. government has sought a military solution to the complex political and economic problems in Central America. This misguided effort has resulted in untold human suffering among the people of that region, and the corruption of the goals of U.S. foreign policy.

I have not supported that policy, and I have not been and am not now, a supporter of Contra aid. I am convinced, however, that this bipartisan agreement marks a new direction in U.S. policy toward Central America. The new administration is looking for a way out of a failed policy, and I believe Congress needs to assist them in that effort.

This agreement makes it abundantly clear that the Congressional opponents of the war in Central America have won a great victory. For the first time, the administration has explicitly stated its support for the peace efforts of the Central American Presidents and the Esquipulas Accords, and has vowed to support future efforts by the presidents to bring an end to the conflict. In doing so, the Bush administration has rejected a military solution.

Also, for the first time, funds will be available for the resettlement and repatriation of the Contras, in accordance with the Central American Presidents' plan to disband the Contras.

Perhaps most importantly, no funds, including humanitarian funds, will go forward to any group or individual who has engaged in military attacks or human rights abuses, and Congress has made clear that the recipients of humanitarian assistance will be held to the strictest possible standards in this regard.

President Arias of Costa Rica has expressed his very strong support of this agreement. Our efforts under the bipartisan plan will help the leaders of Central America to achieve results in their negotiation of the peace process. They agree that U.S. Central American policy has embarked on a new course, and it is one that they endorse.

The acrimonious debate and struggle between the executive branch and the Congress on U.S. policy in Central America must not continue. While neither Contra aid supporters nor Contra aid opponents have gotten all they wanted in this agreement, it is important that we work together constructively to forge a

peace settlement in Nicaragua. For the first time, we stand united in support of democracy and peace.

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 1750, a bill to implement the accord on U.S. policy in Central America agreed to by the President and the bipartisan congressional leadership on March 24.

The bipartisan accord offers us the best possible opportunity in years to help end the war in Nicaragua and protect and promote our important security objectives in Central America.

H.R. 1750 deserves our support for several reasons.

First, the bipartisan accord represents a fundamental reorientation of U.S. strategy in Central America and provides a fresh start in our policies toward Nicaragua.

Under the accord, the United States makes an unambiguous commitment to support the regional diplomatic process in Central America. This commitment to diplomacy marks a clear departure from previous unsuccessful military strategies.

The United States will strive to do several things as part of this new strategy: We will actively support the efforts of the Central American Presidents, led by President Arias of Costa Rica, to implement the regional security and domestic reform provisions of the regional accords those Presidents have signed; we will use diplomatic incentives and disincentives to encourage the Sandinista government to comply with its obligations under the accords; and we will take steps to ensure that none of our nonlethal assistance to the Contras is used for offensive military action inside Nicaragua or is received by Contra personnel who violate human rights.

To achieve this agreement on a new diplomatic strategy in Central America, both the President and the Congress have made several important commitments.

The administration has acknowledged that securing U.S objections in Central America does not require the military overthrow of the Sandinistas; that the Contras' reintegration into Nicaraguan politics through elections can now be contemplated; that, as the President put it in March, the United States cannot "claim the right to order the politics of Nicaragua"; and that Congress plays an indispensable role in evaluating the goals and status of U.S. policy in Central America.

For its part, Congress has stressed its support for the goals of "democracy, peace, and security" in Central America; declared its concern about the role played by Soviet and Cuban military assistance in Central America's conflicts; and acknowledged that it is the administration's responsibility to conduct U.S. diplomacy.

The diplomatic strategy embodied in the bipartisan accord has received the endorsement of all the Central American Presidents, apart from Nicaragua's Daniel Ortega, and from many other Latin American leaders. President Arias said last week that the bipartisan agreement was consistent with the February 1989 Central American summit agreement calling for democratic reforms in Nicaragua in exchange for the demobilization of the Contras.

Second, the bipartisan agreement could end years of divisive debate on policy toward Nicaragua.

These debates have diverted valuable energy and attention from problems that pose major threats to Latin American democracy and stability, including debt, drug trafficking, and insurgency. When we are able to speak with one voice on a concerted diplomatic strategy in Central America, we will be much more likely to bring an end to the region's conflicts.

Furthermore, if this agreement launches an effective bipartisan policy, it could help restore much of the collaborative spirit and mutual trust that were casualties of the Contra debates and the Iran-Contra affair. This would strengthen our policies in other areas.

Third, by providing nonlethal assistance to the Contras for another 11 months, we do not preclude the possibility that their demobilization might begin before next February. The status of the Contra forces during the next year will depend upon the course of regional diplomacy.

The Central American Presidents expect to produce by May 15 a plan for the relocation of the Contras. In the event that the presidents decide to begin relocating the Contras before next February, this proposed legislation includes language authorizing the use of some of our assistance for the voluntary repatriation and regional integration of the Nicaraguan resistance.

Fourth, Nicaraguan officials have indicated that continued U.S. economic assistance for the Contras will not affect their understanding of their own obligations under the regional accords. I believe that the continuing presence of the Contras can advance diplomacy by encouraging the Sandinistas to comply with their commitments.

Mr. Chairman, members are well aware of the historic importance of this agreement our leaders have hammered out. Members are also aware that some questions remain and that other components of our policies in Central America remain unresolved: Some question how well Congress will be able to evaluate in November the quality of the administration's efforts on behalf of regional diplomacy or the Contras' compliance with the bipartisan agreement's understandings on offensive restraint and human rights; some think that the diplomatic incentives the administration proposes to offer, and the Sandinista actions that would call them into play, have not been clearly articulated; others argue that the conditions under which our humanitarian assistance will be converted into relocation assistance have also not been specified; and finally, many of us in Congress would like to see the United States commit itself to begin direct bilateral discussions with the Sandinistas on our mutual security concerns.

These are all important considerations. Each of these should be pursued further during the coming weeks.

But I submit that even though we all have some questions and we all have particular oversight concerns, we have a common interest in furthering this important bipartisan agreement and the collaborative framework it creates, within which we can address these outstanding policy concerns.

I urge adoption of H.R. 1750.

Mrs. LLOYD. Mr. Chairman, I rise today in support of H.R. 1750, the bipartisan accord on Central America. I have been a strong and consistent supporter of the Contras for several years and believe that the Sandinistas constitute a serious threat to peace and democracy in Central America. The United States needs to address this threat effectively, and in my opinion a policy designed to support the Contras does just this.

Unfortunately, the debate over United States policy toward Nicaragua has hampered effective implementation of that policy. Little progress has been made in achieving United States objectives in Central America, broadly defined as peace and democracy, because there has been little agreement on how to best achieve those objectives. The United States Central American policy has been characterized by division rather than consensus, allowing our adversaries, the Sandinistas, to exploit the cracks in United States policy and prevent meaningful movement toward democracy in Nicaragua.

By passing the legislation before us today we will be advancing a historic bipartisan effort to support peace and democracy in Central America. For the first time in 3 years the full weight of the United States foreign policy apparatus will be pressuring the Sandinistas to initiate the democratic changes in Nicaragua they have promised but so far have failed to produce. The instrument of this bipartisan U.S. policy will be a viable Contra force ready to resume military operations should the Sandinistas renege on the promises they made at El Tersoro, El Salvador, last February.

For those who criticize the humanitarian aid provided to the Contras in this legislation and argue that by keeping the Contras alive, rather than disbanding them, the United States is undermining the Central American peace process, I wish to remind then of Costa Rican President Oscar Arias' comment on the United States new bipartisan approach to Central America. Commenting on the Humanitarian aid package before us today President Arias stated that "now I feel a sincere support from the United States for the Peace Plan."

It is in the United States best interests for peace and democracy to be the guiding principles of Central American politics. These principles need to be reestablished in Nicaragua and I believe this legislation furthers this goal. By providing the Contras with humanitarian aid until free and fair elections can be held in Nicaragua the United States can keep the pressure on the Sandinistas to initiate the changes they have promised and, at the same time, support the Central American peace process.

I urge my colleagues to join me in supporting this critical bill.

Mr. MAVROULES. Mr. Chairman, I rise today to express my support for H.R. 1750, the bipartisan accord on Central America. The bill provides $67 million in nonlethal aid through next February, principally for relocation assistance to the Contras.

In my judgment, this package represents the first time that the administration has taken the lead in crafting a program that actually ap-

pears that it will improve the chances of an end to the 8-year-old war. I applaud the efforts of the House leadership—in particular, my good friend JIM WRIGHT. Without the hard work of our Speaker, this compromise package might never have been possible. The Republican leadership—particularly BOB MICHEL—also deserves praise for their supportive efforts. Finally, the Bush administration's cooperative approach to Congress and decision to place greater emphasis on supporting the initiatives of the Central American leaders should not be overlooked. Today's vote will be recorded as a credit to bipartisanship.

The Central American Presidents agreed in February that the Contras should be disbanded and that further democratization should occur in Nicaragua. To its credit, the Nicaraguan Government has taken several measures to promote democracy and has promised to hold free elections early next year.

U.S. economic assistance will facilitate the goals of the Central American Presidents. President Arias of Costa Rica, the chief architect of the Central American peace plan, has articulated his support for the United States accord. The accord stipulates that the reintegration and relocation of the Contras occur in a manner supportive of the original Arias plan.

The broad support that this accord enjoys among Central American and United States leaders is truly remarkable. We have come a long way since the contentious partisan blood baths shed over Contra aid. It is my hope and the hope of many of my colleagues that the bipartisan accord provide the catalyst to end the guerrilla war, to foster greater democratization in Nicaragua, and to place the administration and the Congress on the same side in formulating our country's policy toward Central America.

Ms. SNOWE. Mr. Chairman, I rise in support of this legislation, to enact the bipartisan agreement between the President and Congress on policy toward Nicaragua by providing a further $49.8 million in nonlethal assistance to the Nicaraguan resistance.

On February 14, the leaders of the five Central American countries signed an agreement in Tesoro Beach, El Salvador. This agreement reaffirmed their commitment to the August 1987 Guatemala accord providing for democracy and peaceful political dialog throughout the region. The new agreement also called specifically for Nicaragua to lift the restrictions it has imposed on civil rights and to hold completely free and fair elections no later than February 25, 1990, in exchange for which the five countries would meet again to form a plan by May 1989 for the permanent resettlement of the Nicaraguan Contras now in Honduras.

Mr. Chairman, this legislation is entirely consistent with the latest agreement by Central American leaders, and it has been endorsed by all of them except Daniel Ortega of Nicaragua. It would only provide nonlethal U.S. assistance at the same rate as currently until the end of February 1990, subject to congressional review in November 1989, on the condition that the Contras continue to refrain from carrying out military activity against the Sandinista regime in Nicaragua and do not engage in drug trafficking or human rights abuses.

The Bush administration also stated that it will carry out a concerted diplomatic effort for the rest of 1989 to pressure the Sandinistas to live up to their many commitments to democratize Nicaragua, while encouraging the Contras to return to Nicaragua and to participate in a more open political process, and the administration has announced that it is now reducing its funds in support of Contra political activities outside Nicaragua.

I support the agreement reached by the President and congressional leaders, because I believe it is vital for the United States to maintain the Contras as a cohesive force until the Sandinistas have fully and credibly complied with their repeated commitments to open Nicaragua up to a democratic and pluralistic political system, in which the Sandinistas' many political opponents are free to participate fully and safely.

At the same time, I believe it is equally important for the United States to support the efforts of the Central American governments to ensure a peaceful political settlement of the Nicaraguan conflict and to engage in an active diplomatic effort to that end.

Mr. SWIFT. Mr. Chairman, I'm happy to say that we're finally seeing an acknowledgment from the White House that the policy pursued by the executive branch over the past 8 years was clearly wrong headed. The administration is finally saying now what we've known all along: That giving guns to a group or mercenaries working out of the jungle isn't going to solve anything. In 8 years we have witnessed the spending of millions of dollars, major commitments of time and training, and the tragedy of war perpetrated on civilians. But the administration finally sees the same thing we see in Central America: The Contras aren't accomplishing anything for anybody in Nicaragua; if they were, they wouldn't be camped across the border, unwelcome in their own home.

This senseless waste could all come to an end. While I am sincerely pleased that we seem to be backing away from a policy that has cast a pall over inter-American relations in the 1980's, it seems to me that we could make a stronger, clearer statement to the Central American leaders—and indeed to the world—by making a clean end to our involvement with the Contras. At the same time, we must unequivocally state our commitment and support to the democratic course now being steered by President Arias of Costa Rica and his democratic colleagues.

We are all encouraged that the administration states in this legislation that it truly wishes to support the Arias peace plan, which calls for the disbanding of the Contras. If this is the case then, it should give up its efforts—proven ineffective by the previous administration—to hold them together. The Central American Presidents are currently drafting a plan to demobilize the Contras. It seems to me the proper course for America is to consider new, Central American ideas before imposing our own. We should put our resources to work along with those of the Central American governments to develop the area peacefully; to end poverty; to end the causes of war and subversion; to reflect the true; benevolent nature of American democracy.

Mr. DELAY. Well, Mr. Chairman, here we are. Once again, we will have another vote on the Contras of Nicaragua and I am completely frustrated. I am so frustrated when I remember the first time that we lost a vote on this floor the day after I got back from Managua—after I spoke with a grandfather who, with tear-filled eyes, begged us not to forget his grandchildren.

I am frustrated when I remember and think about the oppression that I have seen over and over in Nicaragua. And I do not refer solely to the obvious controls on freedom of expression—radio, television, and newspaper—but also to the deep oppression and horror that thousands of Nicaraguans live with every day. I speak of the thousands of political prisoners festering in dank, dark prisons. Unlike our own prisons, the Sandinista prisons have people living and eating in their excrement—hundreds crammed in cells that were designed for 20 or 30, lacking adequate medical and health care. The economy has been mismanaged to such a great extent that it is completely out of control. Inflation soars daily. While the elite shop in a dollar store filled with American products vis-a-vis Panama, the people they have oppressed cannot even pick food off the streets. I am frustrated when I think about people living in squalor while the Sandinistas have stolen and destroyed everything of value in the country—a country that could once feed practically the entire region.

I am frustrated when I think of the time I was with the gentleman from South Carolina [Mr. TALLON] in Nandaime and saw law-abiding demonstrators having their heads bashed in, thrown into trucks, and taken off to jail.

But let's look at the hand of cards we have been dealt. What are our options today? We could stand here, as some have, and deplore the violence on both sides and vehemently wish that it would go away, but no amount of speaking in this well can make the violence go away. We can make these wonderful glowing speeches about peace, but speeches do not create peace.

We could have a vote for military aid, but the Members on my side know we do not have the votes to win. We could spend our time debating about legislative veto and constitutional law. We can demand a vote on military aid next February. But where does that leave us today?

The option that is before us is laid out in this accord. The option is to once again believe in the promises of the Sandinistas who have been lying to the Congress for 10 years. OK; so be it. We will believe in them for another year because we must. The accord makes the United States a player in these negotiations. We can maintain some presence in Nicaragua and keep hoping for a chance for peace. I can go along with that.

But I say, especially to my Members on the right, that the choice to me is a very simple one. The choice is this: Do I want to participate in the destruction of support for those brave men, women, and families who are fighting to return to a country where all they want to do is just farm their piece of land, raise their families, and worship their God? The Contras and their families who are waiting in Honduras and in other countries tell us that is all they want. They have seen their families killed, they have been run off their land, and

they have been drafted into an army in which they did not want to serve. This is the choice.

I cannot subscribe to the idea that, if the situation gets bad enough in Central America, the American people will wake up. I am from Texas. It is closer to Managua from Houston than it is from Houston to Washington, DC. I cannot afford to make it bad enough in Central America so that the American people will wake up—my State is already suffering. The only option I have today is to vote for this accord. The only option I have today is to vote for the Contras, to keep them as a viable force in Honduras as leverage against the Sandinistas; because, my colleagues, if we vote this accord down today and they start dispersing the Contras tomorrow, what do my colleagues think the Sandinistas will do? We will have a terrible Holocaust.

Mr. Chairman, we cannot afford that. What we can afford is to swallow our pride and swallow our frustration. We can swallow that painful gut feeling that is way down deep inside us about what is happening in Nicaragua and vote for the accord.

Mr. KOSTMAYER. Mr. Chairman, today we in the House will vote on the latest package of aid for the Nicaraguan Contras.

The context of the vote is unique. For the first time in nearly a decade of debate on United States policy toward Nicaragua, Democratic and Republican leaders of the Congress, and the administration have joined together to reach a compromise position on further United States funding for the Contras. The Bipartisan Accord on Central America, given the deep divisions and rancor that have characterized this issue, is a remarkable achievement.

But we have not been asked to vote for or against bipartisanship. We are here to vote for or against giving $66 million to 10,000 Contras over the next 9 months. And while I support the bipartisan process that led to this proposal I regret I cannot in good conscience support the proposal itself.

Let me state clearly why I do not support this aid package.

First, the package provides for the distribution of cash to armed Contras within Nicaragua. The administration estimates that there are as many as 3,000 armed Contras in Nicaragua. Providing them with cash is both risky and unnecessary. I fail to see how these cash payments contribute to a peaceful solution to the conflict or the Central American Presidents' Plan, and I shall oppose them.

Second, although the agreement seeks to enforce a cease-fire by allowing for the cutoff of aid to the Contras if members of the resistance engage in offensive actions and human rights abuses, I see nothing in this agreement or in the administration's statements which suggests that this provision can actually be enforced. Thus is it likely that these acts, which have continued in the last year, will be perpetuated—with U.S. financial support.

Third, I believe the bill undermines the peace initiative of the five Central American Presidents. For one thing, it comes too soon. Next month the Central American Presidents will present the Contra reintegraton program called for in their El Tesoro agreement. U.S. aid should be designed to support that proposal, since a regionally devised and supported plan has a far greater chance of achieving peace and stability in Central America than one imposed by Washington. This bill jumps the gun, and offers the Contras a remarkable wage to sit on the Honduran border. As such, the bill may well do more to encourage the Contras to remain in Honduras than to encourage their reintegration into Nicaragua's political life.

Fourth, I believe the aid provided by this bill is excessive. This is not a minimum wage bill. At $66 million, it's been estimated that this bill provides the Contras and their families with four times the average per capita annual income in Central America. The United States has some moral obligation to the Contras, after all, we put them there. But the obligation should fall within reasonable levels. The Agency for International Development testified that it is currently meeting the Contras humanitarian needs with $3.5 million per month. Yet this bill provides $4.5 million per month. In short, this package provides more money than the Contras need.

These concerns and others are the basis of my opposition to this bill. I thank the leadership of the House, the Senate, and the administration for the hard work they devoted to this compromise. I recognize that it was not easy. But I must follow my conscience on this matter and vote against the Contra bill before us.

Mr. DENNY SMITH. Mr. Chairman, I rise today to express both my support and my admiration for the brave young men and women fighting for freedom and democracy in Nicaragua against the repressive Soviet-backed Sandinista regime. I have consistently voted in favor of military and humanitarian aid to the freedom fighters to assist them in the struggle for democracy.

Consistent with this previous support, I stand in favor of passage of H.R. 1750, although I harbor grave doubts about the wisdom of many of the provisions contained therein.

Principally, I question both the advisability and the constitutionality of the gentlemen's agreement negotiated between Secretary Baker and congressional leaders of the Democratic Party. Several constitutional scholars, including Judge Robert Bork, contend that it is indeed unconstitutional, a violation of separation of powers. The agreement clearly sets a bad precedent for future legislative branch/executive branch foreign policy debates.

Furthermore, of the designated committee chairmen and Democratic leaders whose written approval is required in order for aid to the freedom fighters to continue after November 30, several have failed, throughout the entire history of the Nicaraguan conflict, to vote a single dime of aid money for the Nicaraguan resistance. What reasonable promise do we now have that this will possibly change by November? I believe that by granting powers to a few individual Members of Congress, powers traditionally belonging either solely to the President or solely to the whole Congress, this agreement circumvents the proper role of Congress in the legislative process, and diminishes the powers of the President.

Nevertheless, given little alternative, I support this measure of continued humanitarian aid to the freedom fighters, which will ensure their survival as a military force. This, in turn, is the only possible way to ensure that the Sandinistas honor their promises and treaty commitments. The future of democracy in Central America depends upon a fair vote next February. Let us help make sure this happens.

Because of the above stated reservations, however, let the record show that I favor Mr. DORNAN's motion to recommit H.R. 1750 with instructions to report the bill with two amendments. These amendments solidify the President's power to conduct foreign policy and clarify the intent of the legislation to rearm the Nicaraguan freedom fighters in the event the Sandinistas fail to hold free and fair elections in February 1990. In the light of repeated Sandinista failures to keep promises in the past, this provision seems not only warranted, but indeed quite wise. Let us hope that we in Congress someday learn to listen to wisdom when given the chance.

Mr. OBEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently, a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 25]

Ackerman	Clement	Flake
Akaka	Clinger	Flippo
Alexander	Coble	Florio
Anderson	Coelho	Foglietta
Andrews	Coleman (MO)	Foley
Annunzio	Coleman (TX)	Frenzel
Anthony	Collins	Frost
Applegate	Combest	Gallegly
Armey	Conte	Gallo
Atkins	Cooper	Garcia
AuCoin	Costello	Gaydos
Baker	Coughlin	Gejdenson
Ballenger	Cox	Gekas
Barnard	Coyne	Gibbons
Bartlett	Craig	Gillmor
Barton	Crane	Gilman
Bateman	Dannemeyer	Gingrich
Bennett	Darden	Glickman
Bentley	Davis	Gonzalez
Bereuter	de la Garza	Goodling
Berman	DeFazio	Gordon
Bevill	DeLay	Goss
Bilbray	Dellums	Gradison
Bilirakis	Derrick	Grandy
Bliley	DeWine	Grant
Boehlert	Dickinson	Gray
Boggs	Dicks	Green
Bonior	Dingell	Guarini
Borski	Donnelly	Gunderson
Bosco	Dorgan (ND)	Hall (OH)
Boucher	Dornan (CA)	Hall (TX)
Boxer	Douglas	Hamilton
Brennan	Downey	Hammerschmidt
Broomfield	Dreier	Hancock
Brown (CA)	Duncan	Hansen
Brown (CO)	Durbin	Harris
Bruce	Dwyer	Hastert
Bryant	Dymally	Hatcher
Buechner	Dyson	Hawkins
Bunning	Early	Hayes (IL)
Burton	Eckart	Hayes (LA)
Bustamante	Edwards (CA)	Hefley
Byron	Edwards (OK)	Hefner
Callahan	Emerson	Henry
Campbell (CA)	Engel	Herger
Campbell (CO)	Erdreich	Hertel
Cardin	Evans	Hiler
Carper	Fascell	Hoagland
Chandler	Fawell	Hochbrueckner
Clarke	Feighan	Hopkins
Clay	Fields	Horton

Houghton	Miller (WA)	Schulze
Hoyer	Mineta	Schumer
Hubbard	Moakley	Sensenbrenner
Huckaby	Molinari	Sharp
Hughes	Mollohan	Shaw
Hunter	Montgomery	Shays
Hutto	Moody	Shumway
Hyde	Moorhead	Sikorski
Inhofe	Morella	Sisisky
Ireland	Morrison (CT)	Skaggs
Jacobs	Morrison (WA)	Skeen
James	Mrazek	Skelton
Jenkins	Murphy	Slattery
Johnson (CT)	Murtha	Slaughter (NY)
Johnson (SD)	Nagle	Slaughter (VA)
Johnston	Natcher	Smith (FL)
Jones (GA)	Neal (MA)	Smith (IA)
Jones (NC)	Neal (NC)	Smith (MS)
Jontz	Nielson	Smith (NE)
Kanjorski	Oakar	Smith (NJ)
Kaptur	Oberstar	Smith (TX)
Kasich	Obey	Smith (VT)
Kastenmeier	Olin	Smith, Denny (OR)
Kennedy	Ortiz	Smith, Robert (NH)
Kennelly	Owens (UT)	Smith, Robert (OR)
Kildee	Oxley	Snowe
Kleczka	Packard	Solarz
Kolbe	Pallone	Solomon
Kolter	Panetta	Spence
Kostmayer	Parker	Spratt
Kyl	Parris	Staggers
Lagomarsino	Pashayan	Stallings
Lancaster	Patterson	Stangeland
Lantos	Paxon	Stearns
Leach (IA)	Payne (NJ)	Stenholm
Leath (TX)	Payne (VA)	Stokes
Lehman (CA)	Pease	Studds
Leland	Pelosi	Stump
Lent	Penny	Sundquist
Levin (MI)	Perkins	Swift
Levine (CA)	Petri	Synar
Lewis (CA)	Pickett	Tallon
Lewis (FL)	Pickle	Tanner
Lewis (GA)	Porter	Tauke
Lightfoot	Poshard	Tauzin
Lipinski	Price	Thomas (CA)
Livingston	Pursell	Thomas (GA)
Lloyd	Quillen	Torres
Long	Rahall	Torricelli
Lowery (CA)	Ravenel	Traficant
Lowey (NY)	Ray	Udall
Luken, Thomas	Regula	Unsoeld
Lukens, Donald	Rhodes	Upton
Machtley	Richardson	Valentine
Madigan	Ridge	Vander Jagt
Manton	Ritter	Vento
Markey	Roberts	Visclosky
Marlenee	Robinson	Volkmer
Martin (IL)	Roe	Vucanovich
Martin (NY)	Rogers	Walgren
Martinez	Rohrabacher	Walker
Matsui	Rose	Walsh
Mavroules	Rostenkowski	Watkins
Mazzoli	Roth	Weber
McCandless	Roukema	Weiss
McCloskey	Rowland (CT)	Weldon
McCollum	Rowland (GA)	Wheat
McCrery	Roybal	Whittaker
McCurdy	Russo	Whitten
McDade	Sabo	Wilson
McDermott	Saiki	Wise
McEwen	Sangmeister	Wolf
McGrath	Sarpalius	Wolpe
McHugh	Savage	Wyden
McMillan (NC)	Sawyer	Wylie
McMillen (MD)	Saxton	Yates
McNulty	Schaefer	Yatron
Meyers	Scheuer	Young (AK)
Mfume	Schiff	Young (FL)
Michel	Schneider	
Miller (CA)	Schroeder	
Miller (OH)	Schuette	

□ 1558

The CHAIRMAN. Three hundred ninety-six Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair recognizes the gentleman from Oklahoma [Mr. EDWARDS].

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I rise to express my support for the bipartisan package to aid the Nicaraguan resistance that we are considering today.

As we look around the world today, we see significant evidence of the success of U.S. policy—policy that was the product of the Reagan-Bush administration. While the situations are still fluid, we see evidence of this success in Afghanistan. We see evidence of it in Cambodia. We see evidence of it in Angola. And with this package, we increase the chances of seeing it in Central America.

Mr. Chairman, there are lessons to be learned here. First, the best formula for the successful development of a nation requires true democracy, coupled with a free market economy. Even the Soviets and their East European allies have come to realize this in recent days.

Second, the United States must be willing to stand up for freedom and for those who are willing to struggle to achieve it.

The legislation before us today holds out hope for those who wish to support democracy and freedom in Nicaragua. It provides the Sandinista leadership with a necessary incentive to stick by plans to hold elections next year, and puts them on notice that the United States expects these elections to be free and fair. Coupled with remarks by Secretary of State Baker regarding the possibility of lifting current United States diplomatic and economic sanctions if the Nicaraguan Government carries out meaningful reforms, we provide Ortega and his cohorts with a clear choice.

It is also worth noting that President Arias of Costa Rica, who has been so active in working to forge a peace plan for Central America, has expressed his support for this bipartisan plan. "We have always agreed with humanitarian aid to the Contras because these people need some support," Arias said on April 4. "[D]emocratization of Nicaragua and relocation and repatriation of the Contras should be a simultaneous move because you cannot persuade the Contras to go back to Nicaragua if you have nothing to offer them."

Mr. Chairman, aside from the clear humanitarian reasons for continuing aid to those who have struggled for freedom and democracy in Nicaragua and the need to reject the abandonment of yet another group of allies, the package we are considering today offers the best guarantee for honest elections in Nicaragua next year.

Mr. EDWARDS of Oklahoma. Mr. Chairman, to conclude the debate on our side, I yield myself such time as I may consume.

Mr. Chairman, today at last, at long, long last, the Congress and the President, Republicans and Democrats, speak with one voice in support of democracy and security in Central America. If there is any hope that this will lead to democracy in Nicaragua, if there is any hope for an end to Sandinista subversion and the destabilization of Nicaragua's neighboring democracies, if there is hope for an end to the Soviet bloc's military support of Nicaragua and its threats to its neighbors, then none of this, none of it could have been possible without our support for the Nicaraguan resistance.

Try to think back to the time when the Contra forces had grown to nearly 20,000 men and women who operated freely in over half of Nicaragua and when Nicaraguans took to the streets of Managua to protest against the Sandinista regime. It was the Contras who helped to bring the Sandinistas to the bargaining table with their Central American neighbors, and later to meet with the resistance leaders themselves face to face at Sapoa. It was the Contras who had made it more difficult for the Sandinistas to arm and train Communist guerrillas in El Salvador and in Guatemala.

Today by supporting this bipartisan accord on Central America, we are keeping the Contras as a part of the solution.

□ 1600

I repeat to my friends, the Members on this side of the aisle, by supporting this bipartisan accord, we are keeping the Contras as a part of the solution. We are signaling to the world that we are not abandoning these brave men and women who have fought for freedom and democracy in their country, and we are signaling that we are committed to seeing to it that if the Contras choose to return home they will return to a safe, a peaceful, and a democratic Nicaragua.

Mr. Chairman, let me speak to those on my side who have doubts about this agreement. I cannot stand here today and tell them that I have much faith in the peace process. The track record of the Sandinistas has been abysmal, one broken promise after another. Offers of United States economic aid in 1979 did not stop the Sandinistas from supporting Marxist insurgencies; and economic embargo and denial of multilateral bank loans did not prompt Nicaragua to hold free elections or to allow greater political expression. Our support for fragile democracies in Central America has not slowed the flow of Cuban, Soviet, and East European arms and advisers into Nicaragua.

For this new attempt to be successful, the Central American peace process must be based on more than simple promises. It must be based on credible standards of compliance, strict timetables for enforcement, effective means to verify both the democratization process and the security requirements of these agreements, and it must require that the Contras be in place.

We have a collective obligation to push for progress toward election of civilian leadership, that the defense of human rights, maintaining the rule of law, effective judicial systems, and a free, open, safe political process in

which all groups and individuals can fairly compete for political leadership.

Let me present to the Members a short possible scenario: It is now February 1990; the Sandinistas, having broken their word yet once more, have failed to hold elections. There has been no electoral reform, no real democracy. All of this has happened because the Contras have not received one penny of American aid since April 1989. Then who will have abandoned the Contras? Then who will have eliminated the best and perhaps the only option for bringing democracy to Central America? It will be those people in this Chamber, including those who consider themselves friends and supporters of the Contras, who because they cannot give the Contras everything, choose to give them nothing at all, who, afraid that the Contras may be abandoned in the 7 months or 10 months, choose to abandon them now.

Do not be the ones who because they are afraid that later the plug will be pulled on the Contras, do not be the ones to pull the plug on them today. We have the opportunity today to turn the spotlight on, not away from, Nicaragua, and those who choose to vote against this bill will be voting to kill our chances for democracy in Nicaragua. Those who vote against this bill had better understand this: Tyranny and repression are the true sources of bloodshed in Central America. The Contras did not create the bloodshed. The Contras are fighting for freedom. Tyranny and repression are the reasons that there is war in Central America.

Mr. Chairman, I will say to my colleagues that any who have been to Central America and who have seen the young men and women who risk their lives for freedom would not consider this a moment for idle chatter.

To bring peace and democracy to Central America, our unified voice is vital, and at last we have at least a unified voice. I urge every Member to vote for this bipartisan agreement to keep the Contras alive.

Mr. Chairman, I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield the balance of my time, 8½ minutes, to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, the goal of U.S. foreign policy for the last 45 years has been generally bipartisan. In most areas of the world the Congress and the administration have worked together. We have done what the late Senator Arthur Vandenberg suggested, and that is to unite our voice at the water's edge.

Even during these last few years of bitter, divisive quarrel about Nicaragua, over most of the rest of the world we have been united—in the Middle East, in the Philippines, in the Persian Gulf.

I and other members of my party have stood and spoken for such initiatives of the Reagan administration as the Caribbean Basin Initiative.

□ 1610

Even in the terrible debacle of Lebanon, nobody on my side of the aisle rose to take advantage in any partisan way because the loss was a national loss. It was not a partisan issue and should not ever be.

Arthur Vandenberg also said something which I think is applicable in this instance. He said to then-President Harry Truman, "if you want us with you on the landing, you need to have us with you on the take-off."

I want to express my personal appreciation to Secretary of State Jim Baker and to the administration of President George Bush. They have been at some pains to try to help create an atmosphere conducive to bipartisanship in Central America. And Members on my side have tried very earnestly to assist in this endeavor.

As I say, throughout the world with only two exceptions, foreign policy has been bipartisan, or, if you please, nonpartisan. Those two exceptions have been South Africa and Nicaragua, not Central America but just Nicaragua.

Many of us on this side of the aisle have joined in a bipartisan effort to show our support for local, non-violent self-determination as we agreed to support the Rio Treaty in the case of El Salvador. I think in this bipartisan way we are trying to achieve the objectives that all of us truly desire.

I think everybody, Democrat and Republican, the administration and Congress, all reasonable people, really do want peace in Central America. We would like for this process which has been set in motion by the Central American presidents themselves to succeed. And I think all of us, Democrats and Republicans alike, really do want democracy to occur in all of the countries of Central America, including Nicaragua, and also including Panama, Chile and Paraguay.

This bill tries to set in motion a united, single voice policy that has a chance to achieve both of those objectives. I do not know if it will work, but I really do believe it is the best that we can do. It ends military involvement in covert efforts to overthrow governments in our hemisphere. By that we are saying, look, we are going to be straightforward, we are going to be upfront, we are going to tell you the truth. We are not going to hide beneath a covert cover. What we are going to do in the arena is what we say we are doing. We are going to say to Nicaragua that we are very earnest about your fulfilling these commitments that you have made to internal democratization. And we hope they will be fulfilled to the end that when your election is held in February 1990, conditions in your country will be free and safe for those who were engaged in this internecine war. They will return and take part in the reconstruction of that battered, damaged country, that cruelly bloody country, and give it a chance.

I do not know who will win the election. I have choices. I will tell my colleagues quite frankly if I had been making a choice in El Salvador I guess I would have wanted the Christian Democratic Party to win because of my great admiration for President Jose Napoleon Duarte and what he has been trying to do. El Salvador had a vote, and so far as I am concerned it was a free vote and a fair vote, and they elected the spokesman for the other party, the Arena Party. And I have to confess that when I and others of us met Alfredo Cristiani, I was very much impressed with his sincerity and with his earnest desire to provide true human rights in his country and to reform the judicia. I think he is sincere.

I come to the point of saying it is not up to me to say whom the Salvadorans should elect. It is up to them, and our position has to be that we support the process of free elections, and we support the results of that election, just as we expect them to support the results of our elections.

Now if that does apply in El Salvador, there is a chance that it may be made to apply in Nicaragua and elsewhere. If we could get this painful era behind us and stop draining off so much of the slender patrimony of those smitten lands for warfare and bloodshed, maybe they could begin the painful, arduous task of reconstruction so essential to creating a framework in which democracy can survive. The tree of individual liberties, I believe, only will thrive when it is planted in the soil of economic growth and watered by the gentle rains of social justice.

The average citizen in Latin America makes an annual income one-fourteenth that of the average citizen of the United States. In other words, the average one of us makes more in a month than the average Latin American makes all year.

Democracy will thrive and survive when it can demonstrate that it is able to address the legitimate social and economic objectives of the people, and do it better than would be done by sacrificing political liberties and following a dictator of either the right or the left. The people in Latin America whom I have talked with, including President Arias whose plan this supports, are delighted that the Congress and the President will be speaking with one voice.

So let us give it a chance. Let us try to unite if we can. Let us try to put to rest all of these charges and countercharges that we have heard and made against one another. Let us give to each, one to the other, the assumption of good faith.

I believe that my Republican colleagues do want peace in Central America, and I think most of them believe that most of my Democratic colleagues do want democracy and personal liberty and human rights observed. So let us try to work together and give substance by our vote today to the hope that we can demonstrate to all of the world that this country of ours can lay aside past disagreements, vitriolic, venomous though they may have been on occasion, and unite on a common course.

I believe that is what we are trying to do today, and I hope that this will pass by a big vote, and each of us can begin to put to rest the old hostilities and the mistrust which has pervaded our own Government and should not do so, just as it has pervaded relations between friends and neighbors in Central America.

Maybe we can begin that day sought by Aristophanes who walked among the ruins of the Greek temples, destroyed by the Peloponnesian Wars, and uttered this prayer:

From the murmur and subtlety of suspicion with which we vex one another, give us rest. Make a new beginning, mingle again among the kindred of the nations with the alchemy of love, and with some finer essence of forbearance temper our minds.

It is a chance for a new beginning, and let us give it a chance.

□ 1620

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule.

The text of H.R. 1750 is as follows:

H.R. 1750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. POLICY.

The purpose of this Act is to implement the Bipartisan Accord on Central America between the President and the Congress signed on March 24, 1989.

SEC. 2. ADDITIONAL HUMANITARIAN ASSISTANCE.

(a) TRANSFER OF FUNDS.—The President may transfer to the Agency for International Development, from unobligated funds from the appropriations accounts specified in section 6—

(1) $49,750,000, to provide humanitarian assistance to the Nicaraguan Resistance, to remain available through February 28, 1990;

(2) such funds as may be necessary to provide transportation in accordance with section 3 for assistance authorized by paragraph (1); and

(3) not to exceed $5,000,000 to "Operating Expenses of the Agency for International Development" to meet the necessary administrative expenses to carry out this Act.

(b) DEFINITION.—For purposes of this section and section 3, the term "humanitarian assistance" means—

(1) food, clothing, and shelter;

(2) medical services, medical supplies, and nonmilitary training for health and sanitation;

(3) nonmilitary training of the recipients with respect to their treatment of civilians and other armed forces personnel, in accordance with internationally accepted standards of human rights;

(4) payment for such items, services, and training;

(5) replacement batteries for existing communications equipment; and

(6) support for voluntary reintegration of and voluntary regional relocation by the Nicaraguan Resistance.

SEC. 3. TRANSPORTATION OF HUMANITARIAN ASSISTANCE.

(a) IN GENERAL.—The transportation of humanitarian assistance on or after the date of enactment of this Act which, before such date, was specifically authorized by law to be provided to the Nicaraguan Resistance, or which is authorized to be provided by section 2, shall be arranged solely by the Agency for International Development in a manner consistent with the Bipartisan Accord on Central America between the President and the Congress signed on March 24, 1989.

(b) PROHIBITION ON MIXED LOADS.—Transportation of any military assistance, or of any assistance other than that specified in 2(b), is prohibited.

SEC. 4. MEDICAL ASSISTANCE.

The President may transfer to the Administrator of the Agency for International Development from unobligated funds from appropriations accounts specified in section 6, $4,166,000, to be used only for the provision of medical assistance for the civilian victims of the Nicaraguan civil strife to be transported and administered by the Catholic Church in Nicaragua.

SEC. 5. UNITED STATES POLICY CONCERNING ECONOMIC ASSISTANCE FOR CENTRAL AMERICA.

As part of an effort to promote democracy and address on a long-term basis the economic causes of regional and political instability in Central America—

(1) in recognition of the recommendations of groups such as the National Bipartisan Commission on Central America, the Inter-American Dialogue, and the Sanford Commission;

(2) to assist in the implementation of these economic plans and to encourage other countries in other parts of the world to join in extending assistance to Central America; and

(3) in the context of an agreement to end military conflict in the region;

the Congress encourages the President to submit proposals for bilateral and multilateral action—

(A) to provide additional economic assistance to the democratic countries of Central America to promote economic stability, expand educational opportunity, foster progress in human rights, bolster democratic institutions, and strengthen institutions of justice;

(B) to facilitate the ability of Central American economies to grow through the development of their infrastructure, expansion of exports, and the strengthening of increased investment opportunities;

(C) to provide a more realistic plan to assist Central American countries in managing their foreign debt; and

(D) to develop these initiatives in concert with Western Europe, Japan, and other democratic allies.

SEC. 6. SOURCE OF FUNDS; DEFERRAL OF APPROPRIATIONS.

(a) SOURCE OF FUNDS.—The appropriations accounts from which funds may be transferred pursuant to sections 2 and 4 are the following accounts in amounts not to exceed the following:

(1) Missile Procurement, Army 1988, $3,500,000.

(2) Procurement of Weapons and Tracked Combat Vehicles, Army 1987, $12,739,000.

(3) Other Procurement, Army 1988, $761,000.

(4) Aircraft Procurement, Air Force 1987, $3,408,000.

(5) Missile Procurement, Air Force 1987, $4,515,000.

(6) Missile Procurement, Air Force 1988, $9,975,000.

(7) Research, Development, Test and Evaluation, Air Force, 1988, $1,902,000.

(8) Weapons Procurement, Navy 1989, $2,000,000.

(9) Research, Development, Test and Evaluation, Navy, 1989, $24,000,000.

(10) Research, Development, Test and Evaluation, Air Force, 1989, $3,816,000.

(b) DEFERRAL.—The following appropriations shall not be available for obligation or expenditure until October 1, 1989, in amounts as follows:

(1) Other Procurement, Army, 1988, $7,320,000.

(2) Other Procurement, Navy, 1988, $5,735,000.

(3) Missile Procurement, Air Force, 1988, $12,350,000.

SEC. 7. PROHIBITION ON THE USE OF CERTAIN FUNDS.

(a) MILITARY OPERATIONS.—No funds available to any agency or entity of the United States Government under this Act may be obligated or expended pursuant to section 502(a)(2) of the National Security Act of 1947 for the purpose of providing funds, materiel, or other assistance to the Nicaraguan Resistance to support military or paramilitary operations in Nicaragua.

(b) HUMAN RIGHTS AND OTHER VIOLATIONS.—No assistance under this Act may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502(B)(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

SEC. 8. STANDARDS, PROCEDURES, CONTROLS, AND OVERSIGHT.

(a) ACCOUNTABILITY STANDARDS, PROCEDURES, AND CONTROL.—In implementing this Act, the Agency for International Development, and any other agency of the United States Government authorized to carry out activities under this Act, shall adopt the standards, procedures, and controls for the accountability of funds comparable to those applicable with respect to the assistance for the Nicaraguan Resistance provided under section 111 of the joint resolution making further continuing appropriations for the fiscal year 1988 (Public Law 100-202) and title IX of Public Law 100-463. Any changes in such standards, procedures, and controls shall be developed and adopted in consultation with the committees designated in subsection (b).

(b) CONGRESSIONAL OVERSIGHT.—Congressional oversight within the House of Representatives and the Senate with respect to assistance provided by this Act shall be within the jurisdiction of the Committees on Appropriations of the House of Representatives and Senate, the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, the Permanent Select Committee on Intelligence of the House of Representatives, and the Select Committee on Intelligence of the Senate.

(c) EXTENSION OF PREVIOUS PROVISIONS.—The provisions of the Act of April 1, 1988 (Public Law 100-276), contained in subsections (b), (d), and (e) of section 4 and in section 5 shall apply to the provision of assistance under this Act except that section 4(d) shall not apply to the Intelligence Community.

SEC. 9. PROHIBITION.

Except as provided in this Act, no additional assistance may be provided to the Nicaraguan Resistance, unless the Congress enacts a law specifically authorizing such assistance.

SEC. 10. REPEAL.

Title IX of Public Law 100-463 is hereby repealed.

SEC. 11. REPORTING REQUIREMENTS.

The Secretary of State shall consult regularly with and report to the Congress on progress in meeting the goals of the peace and democratization process, including the use of assistance provided in this Act.

The CHAIRMAN. No amendments to the bill are in order except amendments offered by the Committee on Appropriations, which may be offered en bloc and shall be considered as having been read. Said amendments are debatable for 10 minutes, equally divided and controlled by the chairman and ranking minority members of the Committee on Appropriations, or their designees, and are not amendable or divisible.

APPROPRIATION COMMITTEE AMENDMENTS EN BLOC

The CHAIRMAN. The Clerk will designate the Appropriations Committee amendments en bloc.

The text of the Appropriations Committee amendments en bloc is as follows:

Amendments offered by the Committee on Appropriations:

1. In Sec. 2.(a)(1) immediately before "49,750,000" insert the following: "up to"

2. In Sec. 2(a)(3), immediately after the word "Act", insert the following: ", to remain available through March 31, 1990"

3. In Sec. 4. immediately after the word "transfer" insert the following: ", in addition to funds transferred prior to March 31, 1989,"

4. Further amend Sec. 4. by inserting immediately after the words "section 6," the following: "up to"

5. Strike Sec. 6 and insert the following:

"SEC. 6. SOURCE OF FUNDS; AND RESCISSION.

"(Including Transfers and Rescission)

"(a) SOURCE OF FUNDS.—The appropriations accounts from which funds may be transferred pursuant to sections 2 and 4 are the following accounts in amounts not to exceed the following:

"(1) Missile Procurement, Army 1988, $3,500,000.

"(2) Procurement of Weapons and Tracked Combat Vehicles, Army 1987, $12,739,000.

"(3) Other Procurement, Army, 1988, $761,000.

"(4) Research, Development, Test and Evaluation, Air Force, 1988, $1,902,000.

"(5) Weapons Procurement, Navy 1989, $2,000,000.

"(6) Research, Development, Test and Evaluation, Navy, 1989, $13,400,000.

"(7) Other Procurement, Air Force, 1987, $32,300,000.

"(b) RESCISSION.—Of the funds available for Research, Development, Test and Evaluation, Navy, 1989, $10,600,000 is hereby rescinded.".

The CHAIRMAN. Pursuant to the rule, the gentleman from Wisconsin [Mr. OBEY] will be recognized for 5 minutes and the gentleman from Oklahoma [Mr. EDWARDS] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there is no need to take the 5 minutes. Let me simply say this amendment does two simple things: It clarifies the effective dates, and it simply guarantees that this bill is going to be budget neutral.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have a 20-minute speech on this, but it is noncontroversial and it is fine with us.

The CHAIRMAN. The question is on the Appropriations Committee amendments, en bloc.

The Appropriations Committee amendments en bloc were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCLOSKEY, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1750) to implement the bipartisan accord on Central America of March 24, 1989, pursuant to House Resolution 127, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Under the rule, the Chair will put the question on the committee amendments en gros.

The question is on the Committee amendments en gros.

The committee amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DORNAN OF CALIFORNIA

Mr. DORNAN of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DORNAN of California. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DORNAN of California moves to recommit the bill H.R. 1750 to the Committee on Appropriations with instructions to report the same to the House forthwith with the following amendment:

At the end of the bill, add the following:

SEC. 12. REQUIREMENTS FOR TERMINATION OF ASSISTANCE.

Subject to section 7(b) of this Act, humanitarian assistance for the Nicaraguan Resistance pursuant to section 2(a) of this Act shall continue through February 28, 1990, unless a law enacted after the enactment of this Act expressly requires the termination of such assistance.

SEC. 13. CONSIDERATION OF REQUEST FOR MILITARY ASSISTANCE IF FREE AND FAIR ELECTIONS NOT HELD IN NICARAGUA AS SCHEDULED.

(a) PRESIDENTIAL CERTIFICATION AND REQUEST FOR ADDITIONAL ASSISTANCE.—If the President certifies to the Congress either—

(1) that the elections scheduled by the Government of Nicaragua for February 25, 1990, have been cancelled or postponed, or

(2) that those elections were not free, fair, and in accordance with all agreements entered into by the Government of Nicaragua, that certification may include a request for budget and other authority to provide military or other assistance for the Nicaraguan Resistance.

(b) SOURCES OF TRANSFERRED FUNDS TO BE SPECIFIED.—If a request of the President under subsection (a) proposes the transfer of funds, the request shall specify the accounts from which the funds are proposed to be transferred.

(c) ADDITIONAL ASSISTANCE AUTHORIZED IF JOINT RESOLUTION ENACTED.—The President shall be granted the budget and other authority requested pursuant to subsection (a) if the Congress enacts a joint resolution approving such authority.

(d) DEFINITION OF JOINT RESOLUTION.—For purposes of this section, the term "joint resolution" means only a joint resolution introduced on the first day on which the respective House of Congress is in session after the date on which the Congress receives the request submitted by the President pursuant to subsection (a)—

(1) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Nicaraguan Resistance that the President requested pursuant to the Act entitled 'An Act to implement the Bipartisan Accord on Central America of March 24, 1989'.";

(2) which does not have a preamble; and

(3) the title of which is as follows: "Joint resolution to authorize additional assistance for the Nicaraguan Resistance.".

(e) HOUSE PROCEDURES.—(1) This subsection applies with respect to the consideration of joint resolutions in the House of Representatives.

(2) Any joint resolution shall, upon introduction, be referred to the appropriate committee or committees.

(3) If all of the committees to which the first joint resolution introduced has been referred have not reported such joint resolution by the end of the 10-day period beginning on the date on which that joint resolution was introduced, any committee which has not reported such joint resolution shall be discharged from further consideration of that joint resolution, and such joint resolution shall be placed on the appropriate calendar of the House.

(4) On any day after a joint resolution has been placed on the calendar in the House of Representatives, it is in order for any Member of the House of Representatives (after consultation with the Speaker as to the most appropriate time for consideration) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution.

(5) The motion that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of a joint resolution is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution and against its consideration are waived. If the motion is agreed to, the joint resolution shall remain the unfinished business of the House until disposed of.

(6) Debate on the joint resolution shall not exceed 10 hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(7) An amendment to the joint resolution is not in order.

(8) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(f) SENATE PROCEDURES.—(1) This subsection applies with respect to the consideration of joint resolutions in the Senate.

(2) A joint resolution introduced in the Senate shall be referred to the appropriate committee of the Senate.

(3) If the committee to which a joint resolution is referred has not reported such a joint resolution at the end of the 10-day period beginning on the date on which the joint resolution was introduced, that committee shall be discharged from further consideration of such joint resolution.

(4) When the committee to which a joint resolution is referred has reported, or has been discharged (under paragraph (3)) from further consideration of, a joint resolution, it is in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) for any Member of the Senate to move to proceed to the consideration of the joint resolution, notwithstanding any rule or precedent of the Senate, including Rule 22. All points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is not debatable. The motion is not subject to a motion to postpone. A yea and nay vote shall occur on the motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

(5) Debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between the majority and the minority leaders or their designees. A motion further to limit debate is in order and not debatable. An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to is not in order.

(6) Immediately following the conclusion of debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on passage of the joint resolution shall occur.

(7) Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a joint resolution shall be decided without debate.

(8) If, before the passage by the Senate of a joint resolution of the Senate, the Senate receives from the House of Representatives a joint resolution, then the following procedures shall apply:

(A) The joint resolution of the House of Representatives shall not be referred to a committee.

(B) With respect to a joint resolution in the Senate—

(i) the procedure in the Senate shall be the same as if no joint resolution had been received from the House; but

(ii) the vote on passage shall be on the joint resolution of the House.

(C) Upon disposition of the joint resolution received from the House, it shall no longer be in order to consider the joint resolution originated in the Senate.

(9) If the Senate receives from the House of Representatives a joint resolution after the Senate has disposed of a Senate originated joint resolution, the action of the Senate with regard to the disposition of the Senate originated joint resolution shall be deemed to be the action of the Senate with regard to the House originated joint resolution.

(g) RULEMAKING POWERS OF CONGRESS.—Subsections (e) and (f) are enacted—

(1) as an exercise in the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the rules of the House and the rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

Mr. DORNAN of California (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The gentleman from California [Mr. DORNAN] will be recognized for 10 minutes, and the gentleman from Wisconsin [Mr. OBEY] will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, I yield myself 9½ minutes, reserving 30 seconds for closing.

Mr. Speaker, in the interest of your President Harry Truman's quote about being in at the landing and considering this as our umpteenth beginning, the landing may be a hard one after the election in Nicaragua of February 25, if in fact it does take place, is not canceled or postponed, and the landing may be a hard one because all the odds are, given the conduct of the Communist in Managua over the last decade, that they will corrupt the election process as surely as the drug-running thug Noriega is corrupting the process of the election that is supposed to take place May 4 in the nation of Panama.

My motion to recommit, Mr. Speaker, with instructions is divided into two parts, which address what I believe are the two most glaring problems with H.R. 1750 and the related side agreements.

I repeat there are two parts, part A, the side agreement, the letter exchange, the so-called gentleman's agreement which does not go into effect until after we vote, it enables any one of nine Members, yourself included, Mr. Speaker, to terminate this humanitarian aid that we are voting on today to the Nicaraguan resistance, the so-called Contras. It enables any one of nine Members of this body and the other Chamber 87 days before the election that we are all hoping for, to cut off the Contras and to begin their starvation process. In other words, this agreement allows a pocket veto by any one of nine Members by simply not sending a letter of affirmation.

Nine select Members of Congress must take a positive step to write a letter that will be on the President's desk before November 30, saying that they believe the aid, $4.5 million a month for the remaining 87 days up through the election, will stay in effect.

And three of these Members, the distinguished majority leader on the other side, the distinguished head of the Appropriations Committee on the other side and the distinguished head of the Committee on Foreign Relations in the other body, have never so much as voted a nickel of aid to any young freedom fighter in Central America. A change of heart by these three in November is a lot to hope for.

Part B, there exists in what we are doing today, this bipartisan accord, no insurance policy whatsoever in the

case of Sandinista Communists do not comply with their commitments to democracy through a free and fair election. And, of course, the Sandinista Communists have not conformed with a single commitment that they have made over the last 10 years, at least nothing beyond a few days for some good press stories only to later undo their relaxation against the Catholic radio station, the free press, free religion, and for the right to assemble.

□ 1630

Why should we trust the Sandinistas now? I ask my colleagues, all men and women of honor, why? Why are we allowing this bipartisan accord to pass without an insurance policy?

Now the crafters of this bipartisan accord on Central America, and Mr. Speaker, I would advise Members that a vote on this motion to recommit with instructions enabling Members to vote for the bipartisan accord a few minutes later, with assurance, with political cover in the best sense of those words, that if the Sandinistas stick Members in the eyes again, in February, Members will be able to stand proudly at a townhall meeting and say we were ready for this eventuality.

This is why some of the newer Members coming on the floor are telling me that the White House people themselves, in the halls, are saying they have no objections to these instructions on my motion which would solidify Presidential powers under the Constitution. After all, as an aside here, let me ask Members, is the gentleman's agreement accompanying this bill at least constitutionally dubious? Is it not true that this letter exchange circumvents a legislative process? If the gentleman's agreement that will be enacted this afternoon were put in the body of the language of this bipartisan accord that we are about to vote on, it would be blatantly and shamelessly unconstitutional.

I charitably use the word dubious, even though it is a written gentleman's agreement, a gentleman's agreement agreed to as an afterthought. We need to ask ourselves if we really want to set us a precedent, not just for this President, in the first of what I hope will be 8 years for this courageous man, but whether we want future relations between any executive branch and the Congress to be clouding this case law precedent.

Now my motion to recommit with instructions challenging these two fatal flaws in the bipartisan accord, does the following: First, it makes any cutoff in humanitarian aid to the Contras before February 28 impossible unless a law is enacted to do so. In other words, unless we vote in November, and that is what we are paid to do here, we have only had one other significant vote this year and it was not a vote for freedom, it was a vote for remuneration for the Members of both Chambers, Federal workers and Federal judges. This is the most significant vote on liberty this session of the 101st Congress, and it falls on the birthday of Thomas Jefferson, no less.

A vote on a military aid package, if the President certifies it, is the other thing we are requesting. That does mean he gets it. It means, again, we do what we are paid to do, come and vote next March if the Sandinistas are laughing in the face of all the nations of the free world that they have pulled off a second 6-year term, for the Ortega brothers and the other seven Communists on that directorate, we will be able to at least, by promise, give the President a vote.

If our President determines those elections have been totally corrupted by police tactics, and we will get to see the model of how that is done again next May in Panama, as it was done in 1984 in Nicaragua, then we will come back, debate this more fully, and I hope with a little more passion than the debate today, with the exception of a few Members on each side of the aisle, and that is what we are elected to do.

Why is my motion to recommit with instructions a reasonable request? In the first place, I am assured that those Members of Congress with extraordinary powers that in my 12 years around here I have never seen before, to cut off aid, I am assured they will not do this in November. I am told the only reason we have this agreement is because the Democratic leadership of Congress does not trust the new administration. This is absurd on its face. If the Members of the respective committees and the leadership on both sides involved in this letter exchange have verbally committed themselves not to cut off humanitarian aid for 87 days prior to the Nicaraguan elections, then why do they then insist on the right to do so? This November review makes no sense unless one of the nine intended to deliver, the coup de grace to the Campesino peasants who have tried to fight for their freedom. This will take place while the Soviet Union, of course, pumps in another $2,745,000,000 of direct military aid over the last decade, through the next decade.

I do pray, Mr. Speaker, that I am wrong.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. DORNAN of California. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding, and I very strongly support this motion to recommit for the simple reason that the Sandinistas are a military regime. They are empowered by the weapons that the Soviets send them and by their own military. In the past when they had political opponents they have simply killed those opponents, executed them, executed a member that many liberals they have liked, Jorge Salazar, in 1981, because he threatened to be a leader who would threaten, their political ambitions.

I think we have to have a military stick, and because of that I very strongly support this motion to recommit.

Mr. DORNAN of California. Mr. Speaker, to talk about relocation of the Contras, prior to democratization, is obviously putting the proverbial cart before the horse. My motion is a plan to ensure peace, peace which every one of us wants, with democracy. That is the whole object of this exercise here by honorable men and women. Peace with democracy. We are not fighting for the peace like death that descended over Cambodia's killing fields, or the execution of 68,000 people in Vietnam by slow execution, two and three, village to village, all over the four corners of Vietnam. Why were they killed? Because they had befriended Americans and trusted in this great leading Nation of the free world.

My motion to recommit is an effort to diminish our reliance on the good will of the Soviet Union and Gorbomania, and the Cubans, and to stop the Cubanization of Nicaragua, if we do not have these insurance instructions embodied in my motion to recommit.

My motion to recommit, in closing, Mr. Speaker, will point out the discrepancies between administration's interpretations of the bipartisan accords and the interpretation by House and Senate liberals. The administration assures us that H.R. 1750 keeps the Contras intact as a viable option to be used when the Sandinistas do not comply with their commitment to democracy, and we know they will not.

The SPEAKER. The gentleman from California [Mr. DORNAN] has one-half minute remaining.

The gentleman from Wisconsin [Mr. OBEY] is recognized for 10 minutes.

Mr. OBEY. Mr. Speaker, I will not take the 10 minutes, but I do think it is important that we understand the content of the recommittal motion. It is a relatively minor recommittal motion. All it does is gut the agreement before Members this afternoon.

It does this in two ways. First of all, it restores the expedited procedures for the purpose of again resurrecting military assistance. I find it interesting that the minority usually expresses a great deal of fealty to the regular procedures of the House, and I find this an interesting exception.

Second, it eliminates the abilities of the Congress to assure that the dollars appropriated under this act will be expended in accordance with the understandings which produced the congressional appropriation in the first place

by eliminating the ability of Congress to review how this money is being used and the policies in support of which it is being used, before the end of November.

□ 1640

The gentleman who offered the motion is correct in describing what that side agreement does. It does in fact mean that if any one of the committees cited in that letter declines to send the letter that is required to allow the obligation of funds after the end of November, in fact the funds will not then be obligated. That is correct. What is not correct is to suggest that that is an impingement upon executive power. It is a device to insure than Congress retains the ability to protect the taxpayer against the improper expenditure of taxpayers' money. It is similar to the widely used reprogramming process which is used a hundred times a session by a great number of committees.

The alternative of that procedure would not be greater administration power; it would be less, because we would not have an agreement to extend the aid past this fiscal year. I think it is important for Members to understand that.

Mr. Speaker, I am happy now to yield to the minority leader for whatever remarks he chooses to make.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, it may seem strange for me to rise in opposition to the motion to recommit. As the Members know, during the course of my tenure as leader over here, I have always tenaciously fought for the preservation of the motion to recommit for the minority. I have always instructed the folks who act in my behalf in my absence to never, never give away that motion to recommit as a Member of the minority party. That is our last bit of protection.

When the rule was constructed, there was some supposition that maybe there would be an amendment made in order; for lack of any better terminology, it would have been an amendment from this side and an amendment from the other side, and one would maybe be more liberal and one would maybe be more conservative, for lack of any better definition than that. But it was concluded that maybe we did not have to go through that procedure, and quite frankly, if it were not for the fact that Members wanted to speak for some measurable period of time, we could have considered the bill under suspension of the rules, which would require a two-thirds majority. But since we have an agreement between the two parties and the two Houses and the administration and since we want to give to our neighbors to the south a demonstration of bipartisan support of what we have agreed to, nevertheless we agreed to have the time to talk, as we have done this afternoon.

And, of course, the rule provided that, at the designation of the leader, the leader could make the motion to recommit at his choice. The gentleman from California was chosen to offer that amendment on our side. He makes a very good compelling case for his point of view and for that of his colleagues, and it is a point of view that ought to be expressed in this body.

But having said that, as the gentleman from Wisconsin has said, it does considerable violence to what was agreed to in those painstaking negotiations that went on for a considerable period of time between the distinguished Secretary of State, his colleagues, and the Members of both Houses and of both parties.

So I would make the point here today that while I respect the gentleman's point of view and the point of view of those who will follow him in voting for the motion to recommit, I personally hope that there will be a good measure of those on my side who perhaps for the first time would vote against a motion to recommit. But even for those who do support the gentleman's motion to recommit on my side, after having their day supposedly in court for this very limited period of time, I would hope they would see the merit and the value of this bill and if it is within their conscious to do so, I would ask them to help us pass this ultimate bill with a good majority on this side and on that side to give a clear message to our neighbors to the south that this is truly a bipartisan agreement.

Mr. OBEY. Mr. Speaker, I thank the gentleman from Illinois [Mr. MICHEL], and I simply would like to make one other point.

The reason this agreement is here is because as chairman of the Subcommittee on the Committee on Appropriations responsible for the overseeing of money which we appropriate, I feel a particular responsibility to protect the institution of the Congress. The newspaper reports of the last 2 weeks will make clear to anyone who cares to read this report that the Congress has in the past been consistently lied to in terms of this policy. This device of this so-called sidebar agreement is simply a device by which we assure that this will not happen again. We have listened to President Reagan, who has told us, "trust, but verify."

The SPEAKER. The gentleman from California [Mr. DORNAN] has 30 seconds remaining.

Mr. DORNAN of California. Mr. Speaker, let me say that the gentleman from Illinois [Mr. MICHEL] is truly a parliamentary scholar, a gentleman, and a good friend.

Our good friend, the gentleman from Michigan [Mr. BONIOR] has said quite simply that this is an admission by the administration that the military opposition has failed. My good friend, the gentleman from Michigan, sees this is a relocation package, and he will determine its success by the degree to which the administration has successfully stuffed the young freedom fighters back into a decaying Nicaragua.

There is a fundamental compatability of goals between voting for the motion to recommit with instructions and for the bipartisan accord.

Mr. Speaker, I yield back 10 seconds, and I move the previous question on the motion to recommit.

The SPEAKER. The gentleman's time has expired, and actually the gentleman from Wisconsin [Mr. OBEY] has 3 minutes remaining.

Mr. OBEY. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER. Without objection, the previous is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. DORNAN of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of the passage of the bill.

The vote was taken by electronic device, and there were—ayes 94, noes 329, not voting 9, as follows:

[Roll No. 26]

AYES—94

Archer	Grant	Pashayan
Armey	Hall (TX)	Paxon
Baker	Hancock	Porter
Ballenger	Hansen	Ritter
Bartlett	Hefley	Rohrabacher
Barton	Herger	Roth
Bateman	Hiler	Schaefer
Bentley	Holloway	Schiff
Bilirakis	Hopkins	Schuette
Bliley	Hubbard	Schulze
Bunning	Hunter	Shaw
Burton	Hyde	Shumway
Coble	Inhofe	Shuster
Combest	Kasich	Skeen
Cox	Kolbe	Slaughter (VA)
Craig	Kyl	Smith (MS)
Crane	Lewis (CA)	Smith (NJ)
Crockett	Lewis (FL)	Smith (TX)
Dannemeyer	Livingston	Smith, Robert (NH)
DeLay	Lowery (CA)	
DeWine	Lukens, Donald	Solomon
Dornan (CA)	McCandless	Spence
Douglas	McCollum	Stangeland
Dreier	McEwen	Stearns
Duncan	Miller (OH)	Stump
Emerson	Miller (WA)	Thomas (CA)
Fawell	Molinari	Vander Jagt
Fields	Moorhead	Vucanovich
Gekas	Nielson	Weber
Gillmor	Oxley	Wolf
Goss	Packard	Young (FL)
Gradison	Parris	

NOES—329

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bates
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Costello
Coughlin
Coyne
Darden
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grandy
Gray
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Horton
Houghton
Hoyer
Huckaby
Hughes
Hutto
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowey (NY)
Luken, Thomas
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schumer
Sensenbrenner
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (VT)
Smith, Robert (OR)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (GA)
Torres
Torricelli
Traficant
Udall
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Walgren
Walker
Walsh
Watkins
Waxman
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)

NOT VOTING—9

Courter
Davis
LaFalce
Lehman (FL)
Pepper
Rinaldo
Smith, Denny (OR)
Towns
Traxler

□ 1705

The Clerk announced the following pairs:

On the vote:

Mr. Denny Smith of Oregon for, with Mr. LaFalce against.

Mr. Courter for, with Mr. Towns against.

Mr. CHAPMAN changed his vote from "aye" to "no."

Mr. OXLEY changed his vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Chair reminds members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 309, nays 110, not voting 13, as follows:

[Roll No. 27]

YEAS—309

Ackerman
Akaka
Anderson
Andrews
Anthony
Archer
Aspin
Atkins
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bellenson
Bennett
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Brooks
Broomfield
Brown (CO)
Bryant
Buechner
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Cardin
Carper
Chandler
Chapman
Clarke
Clement
Clinger
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Cooper
Coughlin
Cox
Coyne
Craig
Crane
Dannemeyer
Darden
de la Garza
DeLay
DeWine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dreier
Duncan
Dwyer
Dyson
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Fascell
Fawell
Fazio
Fields
Fish
Flippo
Foley
Frenzel
Frost
Gallegly
Gallo
Gejdenson
Gekas
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Guarini
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Johnston
Jones (GA)
Kanjorski
Kaptur
Kasich
Kildee
Kolbe
Kolter
Kyl
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Lukens, Donald
Machtley
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Mavroules
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Neal (MA)
Nelson
Nielson
Nowak
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Pallone
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Penny
Petri
Pickett
Pickle
Porter
Price
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Sabo
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (FL)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Stallings
Stangeland
Stearns
Stenholm
Sundquist
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torricelli
Udall
Upton
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Waxman
Weldon
Whittaker
Whitten
Wilson
Wise
Wolf
Wolpe
Wylie
Yatron
Young (AK)
Young (FL)

NAYS—110

Alexander
Applegate
Armey
AuCoin
Bates
Bosco
Boucher
Boxer
Brennan
Brown (CA)
Bruce
Bunning
Campbell (CO)
Carr
Clay
Collins
Conte
Conyers
Costello
Crockett
DeFazio
Dellums
Derrick
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Durbin
Dymally
Early
Eckart
Edwards (CA)
Evans
Feighan
Flake
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Garcia
Gaydos
Gephardt
Gonzalez
Green
Hall (OH)
Hawkins
Hayes (IL)
Holloway
Hunter
Jacobs
Johnson (SD)
Jones (NC)
Jontz
Kastenmeier
Kennedy
Kennelly
Kleczka
Kostmayer
Lehman (CA)
Leland
Lewis (GA)
Markey

Martinez	Pease	Stark
Matsui	Pelosi	Stokes
McCloskey	Perkins	Studds
McDermott	Poshard	Stump
Miller (CA)	Rangel	Swift
Mineta	Roybal	Torres
Moody	Russo	Traficant
Morrison (CT)	Savage	Unsoeld
Murphy	Schroeder	Valentine
Natcher	Schumer	Vento
Neal (NC)	Sikorski	Weber
Oakar	Slaughter (NY)	Weiss
Oberstar	Smith (IA)	Wheat
Owens (NY)	Smith, Robert (NH)	Williams
Panetta	Staggers	Wyden
Payne (NJ)		Yates

NOT VOTING—13

Annunzio	LaFalce	Smith, Denny (OR)
Bereuter	Lehman (FL)	Towns
Courter	Luken, Thomas	Traxler
Davis	Pepper	
Hefley	Rinaldo	

□ 1714

The Clerk announced the following pair:

On the vote:

Mr. LaFalce for, with Mr. Towns against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection on the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. BEREUTER. Mr. Speaker, official business caused my absence when the most recent vote was taken on final passage of H.R. 1750.

Had I been present, I would have voted aye.

PERSONAL EXPLANATION

Mr. THOMAS A. LUKEN. Mr. Speaker, I was present in the House today during final passage of H.R. 1750, regarding humanitarian assistance for peace and democracy in Central America. However, because of confusion over the 5-minute vote, my vote was not recorded. Had I been recorded, I would have voted "aye" in support of final passage.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time that I might inquire of the distinguished majority leader, the gentleman from Washington [Mr. FOLEY], the program for the balance of this week and next week.

Mr. FOLEY. Mr. Speaker, will the distinguished minority leader yield?

Mr. MICHEL. I am happy to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I thank the distinguished Republican leader for yielding.

Mr. Speaker, we have concluded business for today and for this week.

The House will meet at noon on Monday and will consider the Consent Calendar and three bills under suspension of the rules: H.R. 20, the Federal Employees' Political Activities Act, otherwise known as the Hatch Act amendments; H.R. 1385, the Martin Luther King, Jr., Federal Holiday Commission Act extension; and H.R. 1722, the Natural Gas Decontrol Act of 1989.

I want to advise Members that although we will postpone recorded votes until after the conclusion of debate on all suspensions, it is virtually certain that recorded votes will occur on Monday. I repeat, it is virtually certain that recorded votes will occur on Monday, and Members should be prepared for those votes occurring any time after noon, after the meeting hour of noon.

Tuesday, April 18, the House will meet at noon and consider the Private Calendar and House Resolution 165, to disapprove the recommendations of the Commission on Base Realignment and Closure, completing consideration.

On Wednesday, Thursday, and Friday, April 19, 20, and 21, it is our intention that the House not be in session, in observance of Passover. We will make an announcement next week about the schedule for the following week.

Obviously conference reports, if any, may be brought up at any time, and a further program may be announced later.

Mr. MICHEL. Then the House will be in recess following next week, or will there be an adjournment resolution?

Mr. FOLEY. There will be an adjournment resolution. We will not be in session Wednesday, Thursday, or Friday, or on Saturday or Sunday next week, and what our schedule will be for Monday, April 24, we will advise the Members next week.

ADJOURNMENT TO MONDAY, APRIL 17, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at noon on Monday next.

The SPEAKER pro tempore (Mr. JONTZ). Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1720

VACATION OF SPECIAL ORDER AND REQUEST FOR SPECIAL ORDER

Mr. JAMES. Mr. Speaker, I ask unanimous consent that the 60-minute special order previously entered into for the gentleman from California [Mr. DREIER] be vacated, and that he be permitted a 5-minute special order in lieu thereof.

The SPEAKER pro tempore (Mr. JONTZ). Is there objection to the request of the gentleman from Florida?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 230

Mr. MCMILLAN of North Carolina. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of House Joint Resolution 230.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PUBLIC HOUSING TENANTS PROTECTION ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Mr. Speaker, today I am introducing, along with 25 of my colleagues, the Public Housing Tenants Protection Act of 1989, H.R. 1870. This legislation is intended to speed the eviction process for public housing tenants involved in the sale or distribution of drugs.

The legislation is entitled the Public Housing Tenants Protection Act because our objective is to permanently rid the Nation's public housing projects of drug dealers.

To give you an example of how ineffective our Federal eviction laws are, it is no easier to evict a drug kingpin from a public housing project than it is to evict a tenant with a loud stereo. Our well intentioned tenant protection laws are harming the very people whose rights and safety we seek to protect. Children are most vulnerable to terrorism by drug dealers, as are the elderly, who make up about half of our Nation's public housing tenants.

Our legislation will speed the eviction process for individuals involved in the distribution or sale of drugs. It will reduce the redtape built into the public housing eviction process, which often takes up to 2 years when a tenant has been convicted on a drug charge.

Most public housing tenants support strong actions to evict drug dealers. They are tired of being the victims of the drug trade, where they are constantly exposed to murder, violence

and other forms of crime. We are here to support public housing tenants who want to stand up to drug pushers.

This is a terrible problem, and I applaud the strong actions taken by Secretary Kemp to drive drug dealers out of public housing. Our legislation is designed to support that effort. It contains four specific provisions.

First, it provides sole discretion to the Secretary of Housing to determine whether States have sufficient due process protection. Under the U.S. Housing Act of 1937, the HUD Secretary has the authority to waive Federal grievance procedures concerning an eviction or termination of tenancy in any jurisdiction which requires that, prior to eviction, a tenant be given a hearing in court which the Secretary determines provides the basic elements of due process. As you know, Secretary Kemp made such a determination for the State of Virginia following the tragic death of a police officer in Alexandria last month. Our objective is to put teeth behind the Secretary's authority, which may currently be subject to challenge in a court of law.

The second provision prohibits those evicted from public housing for drug-related offenses from receiving new assistance in the form of public housing, section 8 certificates or vouchers. Currently, public housing authorities do not have the resources to determine whether an applicant has been evicted from another jurisdiction, or has a conviction record. Drug conviction information does not show up on a tenant's credit report.

Third, it requires that the HUD Secretary respond, within 30 days, to requests from local housing agencies to waive Federal administrative grievance procedures for eviction of tenants engaged in drug-related activities. While we have every confidence that Secretary Kemp will respond expeditiously, this provision will provide assurances to housing authorities as they plan their antidrug programs.

Finally, the bill makes an addition to last year's omnibus drug bill. Under the drug bill as it now stands, if a public housing tenant, members of the tenant's household, a guest or other person under the tenant's control engage in criminal activity, including drug-related criminal activity, on or near public housing premises, while the tenant is a tenant in public housing, such criminal activity shall be cause for termination of tenancy. Our bill broadens the definition of "cause for termination" by including "drug-related criminal activity at any place."

The problem is that, presently, drug dealers cannot be evicted from public housing so long as they are not engaged in illegal drug-related activity on or near the premise. For example, if a drug dealer living in a Washington, DC, public housing project is arrested and convicted of a drug-related offense in northern Virginia, Washington, DC, housing authorities cannot evict him for that crime.

Let me point out that this bill is limited to evictions involving drug-related activity only. It would insure adequate due process rights at the State level if the HUD Secretary so determines. But more important, it will protect the rights and safety of public housing residents, particularly the children who are most vulnerable, and I hope the rest of our colleagues in Congress will support us in this effort.

□ 1730

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. JAMES] is recognized for 5 minutes.

Mr. JAMES. Mr. Speaker, 9 months ago I decided to enter the political arena because I perceived grave problems in Congress. The legislative branch of Government, Members of the House and Senate, which the Founding Fathers had created to serve as a uniquely representative body of the American people, had in fact lost touch with the people.

Rather than being a cross-section of our society, representing every facet of our very being, Congress is inhabited by career politicians.

Men and women who, as talented and committed as they may be, have legislated our Nation deeper and deeper into a bureaucratic black hole, burdened by trillions of dollars of debt, suffocating Government regulations, and paralyzing policies.

Congress has become a career. And the Members seek to climb the career ladder. When faced with difficult issues, many among us ignore the facts, ignore what best serves the public good, and instead they serve the private political gain.

Rather than asking, how will this policy we are poised to adopt help the hard working businessman, the dedicated teacher, the ambitious student, the struggling worker, the committed police officer, many instead ask, how will my political position on this issue help me on election day?

We must change the self-serving attitudes of our Congress. We must demand responsive, representative Members of Congress. Until we have that, we will continue to have bad Government.

Today, I introduce legislation that seeks to restore the measure of representation that has been missing from this Congress for so many years. My legislation will increase the length of term for Members of the House of Representative from 2 to 4 years. Members of the House will be limited to two 4-year terms. My colleagues in the Senate will likewise be limited, to two 6-year terms.

Congress was never meant to be a profession. Election to Congress was never designed to be a lifetime appointment. The framers of our Constitution envisioned this body as a place where the most dutiful and patriotic Americans could come to serve our Nation, to share thoughts and ideas, expertise, and insight and join in the effort to create a better America.

Our tenure was to be relatively brief, as to allow the best and brightest among us their opportunity to share their ideas and expertise also.

But, we have failed that charter. We have instead created a closed society, which serves itself.

We have allowed a stagnated forum to flourish. Old ideas and old solutions prevent new and dynamic proposals and plans from ever even seeing the light of day.

No single Member of Congress has a monopoly on ideas, and no Member of this body should have the ability to establish a monopoly on policy.

We must change the system that demands 20 years of time and repeated back room deals before credibility and influence is bestowed.

We must open the doors to new ideas and new policies, to new people. We must invite the best and brightest among us to the table.

The Congress must cease to be an impenetrable castle and instead become a revolving door, where patriotic Americans enter to serve our Nation and then depart 8 or 12 years later, to be followed by the next generation of leaders.

To those who have served with dignity, we should offer our respect and thanks. And to those who care to serve we must offer an opportunity.

I believe my legislation will create a Congress of innovation and new ideas, of responsibility and accountability. And this we must have.

For, with very few exceptions, the career politician has not served our Nation's best interests. I believe this legislation will help ensure that the generations of leaders to follow, will.

RECOGNITION OF DR. JIM WILLIAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. PARKER] is recognized for 5 minutes.

Mr. PARKER. Mr. Speaker, today I stand in the Halls of Congress, in the people's Chamber, to speak in honor of a great citizen of our country, Dr. Jim Williams. Dr. Williams exemplifies the characteristics that each of us as Members of Congress would welcome the opportunity to share.

Dr. Jim Williams has served the people of Brookhaven and Lincoln County, MS for the past 37 years as a beloved member of the medical com-

munity. He has served the most cherished of our community, our children. As a pediatrician, Dr. Williams has become a part of all the families he has served over the past four decades. On a more personal note, Dr. Williams has served my family and my children for some 11 years. His concern for the well-being of my children has never been equalled by any other professional. Dr. Williams has always gone the extra mile in taking care of our most precious possessions. To say that Dr. Williams has gone beyond the call of duty would be understating his commitment to the community.

On more than one occasion, Dr. Williams has been known to visit children in their homes when he felt it was not advisable to bring the children out into the weather, or if the doctor felt that the child would be more comfortable if treated in familiar surroundings. This concern has assured Dr. Williams a special place in the hearts of many children and parents. Due to his extended service to the community, Dr. Williams has served two, and in some instances, three generations of a family.

Since he became a pediatrician in 1950, Dr. Jim Williams has had a primary commitment of service. The cost of that service was always secondary, since he saw so many people that he knew would never be able to pay for the services rendered. When asked why he continued his unrelenting schedule, Dr. Williams would always respond that he worked so hard because he loved children so much.

In his 37 years of service, Dr. Williams has seen many changes and advances in the medical profession. However, his concern for children has never changed. Therefore, it is pleasure to commend my constituent, my pediatrician, but most importantly, my friend, Dr. Jim Williams, on his retirement from service to the people of southwest Mississippi.

WESTCHESTER COUNTY REMEMBERS THE HOLOCAUST

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY of New York. Mr. Speaker, I rise to call attention to an event in my district that I consider to be of the utmost importance. This is the 12th Annual Countywide Holocaust Remembrance, to be held at the Free Synagogue of Westchester in Mount Vernon, NY, on April 16.

This event, sponsored by the Westchester Jewish Conference and cosponsored by the Westchester Board of Rabbis and the Jewish Council of Mount Vernon, recalls the horrors of the Holocaust and fulfills the admonition of Holocaust survivors to never forget. It includes not only a remembrance of Yom Hashoa—Holocaust Day—but also a commemoration of the Warsaw Ghetto Uprising, in which the courageous Jews of the Warsaw Ghetto fought back against their Nazi oppressors.

This year, the principal speaker will be Hyman Bookbinder, a member of the U.S. Holocaust Memorial Council and a former Washington representative of the American Jewish Committee. He has also served as Washington chairman of the Ad Hoc Committee on the Genocide Treaty.

In addition, the program includes performances by Mina Bern, a Yiddish actress, and the Junior Choir of the Solomon Schechter School.

Finally, the program includes a tribute to Holocaust survivors. Westchester survivors, second generation members and their children will participate in the "Pledge of Acceptance of the Second Generation." This testament was read at the Western Wall in Jerusalem during the World Gathering of Holocaust Survivors in June 1981 and at the American Gathering in Washington, DC, in April 1983.

Mr. Speaker, I commend the sponsors of this extraordinarily important event for their diligence in working to ensure that the lessons of the Holocaust are never forgotten.

It was from the survivors of the Nazi death camps, where anti-Semitism in its most extreme and virulent form was transformed into a mechanized process of mass murder, that we learned the all-important cry, "Never forget."

We must heed this admonition. We must never forget the 6 million innocent men, women, and children who were victims of history's most brutal and horrific genocide. That is why events such as the Holocaust Remembrance are so important not only to the future of Judaism, but to the future of civilization itself.

Once again, Mr. Speaker, I commend the organizers and the participants in the Holocaust Remembrance, and I join them in pledging to ensure that the memory of the Holocaust is never lost—in our generation or at any time in the future.

RADIOACTIVE WASTE POLICY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. COLEMAN] is recognized for 5 minutes.

Mr. COLEMAN of Texas. Mr. Speaker, today Representatives TIM JOHNSON of South Dakota, JOHN BRYANT of Texas and myself are introducing companion legislation to Senator TOM DASCHLE's bill to assure fair consideration of the interests of States likely to be affected by the establishment of low-level radioactive waste disposal facilities. In our bill we have expanded the scope to include the interest of nations with adjacent borders to the United States as well.

In 1980, the Members of this body passed the Radioactive Waste Policy Act, essentially establishing a Federal policy which holds each State responsible for the disposal of its own radioactive waste. The law also authorized and encouraged States to enter into compacts for the disposal of low-level waste generated within their borders. This landmark legislation is an important first step in dealing with the safe management and disposal of radioactive waste. Where it falls short is in the definition of who is and who is not affected by the disposal of radioactive waste.

It is our contention stored waste is the business of all people whose environment is affected by it. State lines and national boundaries are artificial concepts, they have nothing to do with complex geological structures that exist hundreds of feet below the earth's surface. The Hueco Bolson Acquifer misses out on Customs inspection at the border; it is Texas and Mexico at the same time. The High Plains Acquifer doesn't stop for the State highway patrol and it can't pay fines for carrying contaminants. These precious sources of ground water are the circulatory system of the lands they lie under. As we have seen so tragically elsewhere, a single point of contamination can affect the health of everything that depends on that water for survival.

I am not opposed to the safe disposal of nuclear waste and I think that the Radioactive Waste Policy Act is a good beginning. I do object to the idea that a State can install a low-level nuclear waste disposal site in a border area without notifying neighboring States or nations or allowing them the opportunity for comment. Acquifers, seismic faults, weather and radiation have one thing in common in that they are all noticably apolitical and show little concern for the will of Congress. We must therefore provide for the notification of all those who stand to be affected by the installation of a low-level radioactive waste disposal site.

Our legislation would simply require if a low-level waste site is proposed for a location within 60 miles of a State or National border, the State proposing to construct the site must give adjacent States and nations the opportunity to participate in the siting process.

Specifically, the legislation requires the compact or host State to:

Send affected States and nations written notice of its proposal;

Provide the bordering State or nation copies of documents and studies which support or advise against the construction of a facility at that site rather than an alternative site;

Allow the bordering State or nation to submit questions and comments of the proposal;

Demonstrate that the proposed site will not have any adverse effect on the environment, economy or population of the bordering State or nation;

Demonstrate that the border site is clearly superior to all alternative sites and that it will have the least likelihood of contaminating the environment;

Select a site that would result in less waste being transported through the bordering State or nation, except in cases of emergency or when that would increase the transport distance by 50 miles or more; and

Give the representatives of the bordering State or nation the opportunity to submit written comments at each stage of the proceedings for approval of a license to construct and operate a disposal facility at a border site.

These simple provisions will go a long way toward ensuring that the disposal of low-level radioactive waste is equitable across our

State and National borders rather than simply within a given State or compact.

VACATING AND RESCHEDULING OF SPECIAL ORDER

Mr. McEWEN. Mr. Speaker, I ask unanimous consent that my special order which was requested for today be laid over until Monday.

The SPEAKER pro tempore. Is there objection to the request from the gentleman from Ohio?

There was no objection.

OUR NATION'S EDUCATION BUDGET

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana, [Mr. JONTZ] is recognized for 60 minutes.

Mr. JONTZ. Mr. Speaker, the members of the Committee on Education and Labor under the leadership of the distinguished gentleman from California, the chairman of the committee, AUGUSTUS HAWKINS, have been conducting a series of hearings around the country on the subject of our Nation's education budget, and I am joined this evening by a number of my colleagues who have participated in these hearings to speak to the issues involved with the Federal budget and to relay some concerns that we have which we have heard in these hearings about the proposals that the President has made for fiscal year 1990 in the area of education spending.

The first of the hearings that the committee conducted was in Indianapolis, IN, followed by a hearing in Columbus, OH. Other hearings the committee has conducted have occurred in Los Angeles, New York, and in Montana.

Mr. Speaker, I would like at this time to yield to the gentlewoman from the State of Washington [Mrs. UNSOELD], who is an able member of the Committee on Education and Labor and who participated in the hearing which was conducted in Montana.

□ 1540

(Mrs. UNSOELD asked and was given permission to revise and extend her remarks.)

Mrs. UNSOELD. Mr. Speaker, the education budget hearings held recently in various parts of the country were a real eye opener on how local education programs would be hurt if the Bush budget were to become law.

Chapter 1, the largest and most successful Federal education program would be cut 46 percent under this budget. Vocational and adult education would suffer a 43-percent cut. That is half as much as is now available and our current programs are inadequate. The handicapped would see cuts of about 41 percent in their programs.

Frankly, it is hard to understand how the President could justify calling himself the education President, or how he plans to bring about a kinder and a gentler America with a budget proposal like this one. We should have learned by now that education is a good investment. When we educate our children well, we will reap social and economic benefits for generations to come.

Mr. JONTZ. Mr. Speaker, I thank the gentlewoman from Washington for her contribution this afternoon, and I certainly want to thank her for her service on the Committee on Education and Labor as an advocate for education.

Mr. Speaker, another very distinguished member of our Committee on Education and Labor, chairman of the Subcommittee on Select Education, the gentleman from New York [Mr. OWENS], who has participated in the hearings both in New York and Montana, and I yield such time as he may consume to the gentleman from New York.

Mr. OWENS of New York. Mr. Speaker, I had the pleasure of participating in two of the regional hearings held by the Committee on Education and Labor to receive responses from the American people on the President's declared initiatives in education and on a proposed initiative also by the gentleman from California [Mr. HAWKINS]. In the Hawkins initiative, he proposed a kind of spending that was necessary in order for Members to move education forward despite the fact that our incoming President, as he did when he was a candidate, has indicated that he wants to be known as the education President, we see nothing in the proposed initiatives by the President which indicates that he understands what it means to be an education President in the year 1989. His initiatives are quite meager indeed. Instead of the paltry initiatives of the President, the gentleman from California [Mr. HAWKINS] has proposed an expenditure of more than $5 billion, $5 billion in new expenditures for education, but no new programs.

The Hawkins initiative is really built around the fact that we have over the years had some very successful programs and those programs have been sort of certified by all the people in the education profession. The educators, administrators, social workers, everyone has reached the conclusion, and there are various thorough studies to document the fact that programs like Head Start, for example, they work.

Head Start has been in existence for more than 25 years. Head Start has had long studies, longitudinal studies conducted, demonstrating that children that went into Head Start programs 25 years ago are performing in a much different way than their counterparts in the same kinds of circumstances. Head Start, all our Members recognize as a great successful program, and yet only a small percentage of the children who are eligible to be served by the Head Start are presently being served because we do not have the money. So one of the items in the Hawkins initiative as opposed to the President's initiative is to fund the Head Start Program so that many of the youngsters who are eligible would be able to participate in the Head Start Program.

The Hawkins initiative also does the same thing for the Chapter 1 Program. The Remedial Reading Program which also has been documented by numerous studies and accepted as being one of the building blocks to improvements in education, where we needed it most. In our poorest areas where youngsters were having the most difficult time with school performance, especially with the reading, the chapter 1 program has made a great deal of difference. All Members agree on this. The gentleman from California [Mr. HAWKINS] wants to fund the chapter 1 program so that many more youngsters would be able to participate.

There are several other sorts of certified programs, women/infant and children's programs, for pregnant women and for infants. That program serves only about half the women in America who are eligible for it. If we were to serve all the women and the children who are eligible, a large amount of money would be saved in terms of health care costs later on. We would prevent the expenditure of large amounts of money for care for young babies who are born who do not weigh enough at birth to be able to sustain themselves, and various other diseases they pick up because their mothers did not have proper prenatal care. Also care for those youngsters at an earlier age, guaranteeing them the proper kind of food and care, means they might have certain other problems as they grow older, and we will not have that burden in terms of Medicaid.

The basic philosophy behind the Hawkins initiative is irrefutable. I commend the gentleman from Indiana [Mr. JONTZ] for holding this special order today to say to the American people as a whole what we found in those hearings. We found that people responded very positively to the Hawkins initiative. People responded very positively and came in with testimony which ran parallel to the kinds of things that the gentleman from California [Mr. HAWKINS] is proposing. They call on the Federal Government to come to the aid of the education community. We realize that education is primarily a local responsibility. It is also a State responsibility. We think,

however, that thinking of the present President by thinking of the past President, is obsolete. The belief that education, since it is primarily a State and local responsibility, the Federal Government should participate less and less, is a misguided belief.

I think that this administration is boasting about the fact that the Federal Government only has 6 percent of the responsibility for the expenditures in education at this particular time. That of all the money spent on education, at the State and the local levels, we only have a 6-percent share of the total expenditure, and they cite that as being an example of a noble partnership between the Federal Government and the State and local government. I do not think spending 6 percent, which incidentally is less than the 8 percent that we were spending a few years ago, we have reduced the Federal share of the education expenditure from 8 to 6 percent, and we are boasting about it. We are still clinging to the notion that the primary responsibility of the Federal Government is the defense of the Nation and the security of the Nation. I agree wholeheartedly.

The primary business of the Federal Government is the defense of the Nation, the security of the Nation. It is in the definition of how Members get that security that we differ from the present administration. I believe that education is at the heart of our readiness. Our preparedness must begin with an educated population. In every arena, whether it is concerns about the commercial competition and the fact we are falling behind in that arena; in the military arena, the weapons systems do not work, the B-1's are falling out of the sky, Trident missiles don't work, space programs are having more and more difficulty, all due to the fact that we do not have enough technicians, mechanics, scientists, theorists. All the people needed to make those systems go are not in the pipeline. Our education system has not been refilling those pipelines. That is at the heart of our problems, and as we move along, without making a greater investment in education, these kinds of problems will get much worse.

I want to close by saying that I participated in two of these regional hearings, one was in Missoula, MT, under the leadership of the chairman of the Subcommittee on Postsecondary Education, the gentleman from Montana [Mr. WILLIAMS]. At that hearing in Missoula, MT, I heard very much what I heard at the second hearing that I participated in in New York City. The people who came in from the higher education sector, from the public schools, elementary and secondary sector, and from the general world, concerned with literacy and other problems in nonformal schooling, they all had the same thing to say. That is, that they understood what it seems our administration cannot understand, is that education is at the heart of whatever kinds of activities this modern society requires. We must move forward, revamp and invest more in our education system. They understood also, that the squeeze is on the local government. The squeeze is on the State government.

□ 1750

Montana makes it quite clear that they are a State which is losing population. They have less than 800,000 people now. They are losing revenue. They are in a tight financial squeeze. But the arguments I heard in Montana were not so different than the arguments I heard in New York, where everybody recognizes we are in a great financial squeeze because already the expected revenues, the anticipated revenues for the present fiscal year are running way behind what was expected, and the budget will have to be reduced as a result at the State level and at the city level, as the State reduces its budget, the city finds itself in more of a squeeze. There is less money for education.

The one place where relief could be found, the one place where the investment in education could be increased is at the Federal level. The Federal level has the money. We are spending enormous amounts of money in ways that are really a great waste. We can afford, with the kind of base we have at the Federal level, to solve the deficit problem and at the same time invest more money in education. We can afford it by first of all cutting out wasteful weapons systems, weapons systems that do not work. We can afford it by cutting back on the tremendous amount of money we spend on overseas bases. Some of those bases are in Japan, and some are in Germany. They have quite prosperous economies, and they should be able to support their own defense without our help at this point.

We could save money in a number of ways. We could also save money by refusing to have anything to do with the coming proposal of the President which is now being converted into a bill which will soon reach the floor to spend $157 billion bailing out the savings and loan associations over the next 10 years. Some of that money will have to be put in this year's budget.

We can invest money in education because we have the money at the Federal level if we would choose to spend the money more wisely. What I heard at the hearings confirms my opinion of the common sense of the American people who see nothing wrong with increasing the money we spend on education. Let us move from 6 percent to 10 percent over the next 4 years. We are told that the percentage of the amount of money, the total expenditure for education, should be 10 percent 4 years from now instead of the present 6 percent. By the year 2000 the Federal Government ought to be spending more than 25 percent of its total expenditures on education.

This is common sense for the people out in the field. They understand this. I do not understand why we cannot see that here in Washington. Our security, our military preparedness, everything, depends on education. These hearings have only reinforced my belief that the American people are much wiser than the decisionmakers in the Office of Management and Budget or the decisionmakers in the White House or the Members of Congress who continue to vote for these nonsensical budgets which set up the wrong priorities and are sending our money in the wrong direction.

Mr. Speaker, I thank the gentleman from Indiana [Mr. JONTZ] for this special order, and I thank him for giving me the time to speak.

Mr. JONTZ. Mr. Speaker, I thank the gentleman from New York [Mr. OWENS] for his very helpful comments this afternoon and for his leadership on the Committee on Education and Labor.

I might add that what we heard in Indianapolis and Columbus, OH on the subject of education and the budget from the educators who testified at those hearings was identical to what was said in Montana and in New York. Educators like the existing programs because they are effective. Chapter 1, vocational education, handicapped education—these are proven programs, and educators said without exception that "We believe the money is being well spent, and we would not want to see cuts in these programs for the President's initiatives."

My good friend and colleague, the gentleman from Ohio [Mr. SAWYER], and I, as we conducted the hearings, asked a number of educators as they testified before our committee, "If you had to choose between funds for the President's initiatives and proper funding for present initiatives, what would be your preference?" And again without exception, the opinion that we heard from educators was that proper funding of existing programs should take priority over new programs if that decision has to be made.

I would add further that as I travel through the Fifth Congressional District of Indiana and visit with educators in the elementary and secondary schools in my district, I hear a great deal of approval from local educators about the various Federal programs. It is delightful to hear people speak so positively of expenditures by the Federal Government. Sometimes I hear

that perhaps a little more could be spent on chapter 1, and perhaps we could do a little better job in handicapped education and in some of the other programs.

But these programs are well received by educators. They are doing good in communities across this country in places as diverse as New York City and Missoula, MT, and it is very disappointing that the President's budget would not properly fund these programs.

Since 1980, Federal education programs have sustained very, very considerable cutbacks. During this decade, 500,000 children have been dropped from chapter 1 compensatory education programs. Supplemental Educational Opportunity Grants have been cut by 18 percent, College Work Study by 23 percent, and Perkins Loans by 53 percent. Pell grants, which used to cover 50 percent of college expenses in 1979, today cover only 29 percent of college expenses.

And as my distinguished colleague, the gentleman from New York [Mr. OWENS], mentioned, Head Start continues to serve less than 20 percent of eligible students.

Education spending overall in 1980 constituted 2.5 percent of the total Federal budget. Today it accounts for only 1.8 percent of the Federal budget. If we had continued our education spending at the same commitment we had in 1980 at the 2.5 percent level, today our educational budget would be $31 billion instead of the current $22 billion.

Increasingly, the jobs in our economy which provide an adequate standard of living require workers with additional skills and training. By the mid-1990's, in fact an estimated 75 percent of the jobs in our work force will require some sort of postsecondary education. An educated, productive work force is essential if the United States is to remain competitive in the world marketplace.

Given the increasing importance of education in our economic competitiveness, it is difficult to understand why the Federal Government is doing less to help education than what we did in 1980. Regrettably, President Bush's proposed education budget for the coming fiscal year does nothing to correct this deficiency. Indeed the proposed Bush administration budget could result in large cuts in several important education programs, setting us back even further.

I was very impressed when I heard the President's speech, his State of the Union Address in this Hall, about his feelings about the importance of education and how he believed that we needed to make progress in this country in educating our young people. The President proposed some $441 million be authorized for initiatives dealing with merit schools, teacher excellence, magnet schools, drug-free schools, and other programs.

Unfortunately, as we learned more about the proposal that the President made to fund the education programs, it was obvious that there was some difference between the President's rhetoric and the actual commitment to education that was included in the budget. The President and his budget spokesmen have not been very clear about the funding source for his education initiatives except to say that the proposals would be paid for by reducing Federal funding of education programs which are already in place. That is why we put this question before the educators who testified before our committee in Indianapolis and Columbus.

The President has proposed specific funding levels for several important education programs. Regrettably, though, most Federal education programs would be included in what is called the "black box" portion of his budget. Specific requests are not made for these programs, but, rather, the President is calling for overall spending for black box programs for fiscal year 1990 to equal current spending. The costs of new initiatives would have to be absorbed within this existing spending level, which could drain funding from currently successful programs like compensatory education and handicapped education.

Initially, when one considers the idea of an outlay freeze which keeps spending programs at their current levels, that has a certain attraction to it. However, there are some very serious shortcomings to the outlay freeze approach which I would like to speak to for a few minutes this evening. The first shortcoming is that the identical level of dollars spent in fiscal year 1980 in essence purchases less education than it did in fiscal year 1989 because of an increase in cost. In other words, inflation eats up the value of the education dollar so that in effect the outlay freeze has the impact of cutting education spending for fiscal year 1989 levels.

A good example, to illustrate this, is that an increase in chapter 1 funding of $188 million for fiscal year 1990 would be necessary if we were to keep pace with inflation in the coming year. The President's budget requests a $152 million increase, so in essence for this very important program whose value has been proven time after time, again we would be falling behind.

For both of the past 2 years, education is one of the few areas in the Federal budget where there are actual increases in spending above the inflation rate, resulting in real increases in education spending. I think that was the result of a consensus in this body between Republican and Democratic Members, Members from all portions of the country, that education is one of the best investments we can make with Federal dollars.

In the context of the increases that have occurred during the last 2 years, the Bush outlay freeze is not a particularly impressive proposal. However, what is much more troubling than the impact of the Bush education freeze on fiscal year 1990 expenditures is the impact the outlay freeze would have in the years beyond 1990.

For a variety of reasons, various Federal programs do not spend their entire appropriation in 1 year.

□ 1800

Some Federal programs do "spend out" at 100 percent, which is to say, the entire appropriation is spent in the same fiscal year. But most education programs "spend out" slowly because the Congress forward funds such programs to provide school districts with knowledge about Federal funding a year in advance.

Mr. Speaker, I think my colleagues can appreciate how important this is to the school districts that are involved at the local level because they have to make plans. They have to know how many teachers to hire. They have to know what sort of classroom space they have, they need to plan for. They have to know how many hours the children can be in various programs, and so it is important that these programs be forward funded.

According to the Congressional Budget Office, the chapter 1 program and many other education programs spend out according to a pattern something like this: the first year, 12 percent of the funds are expended; in the second year, 68 percent; in the third and fourth year, a total of 20 percent.

Because education programs are forward funded and have low first-year outlays, a large amount of budget authority—appropriations—must be cut to have a significant impact on outlays. For example, to hold outlays for compensatory education at the fiscal year 1989 level, fiscal year 1990 appropriations would have to be reduced by $2.2 billion.

Thus, limiting Federal outlays for discretionary programs to the same dollar level as they totaled last year has significant implications for programs with slow spend-out rates because the budget authority for these programs has to be reduced a great deal to reach the outlay freeze target.

For specific education programs, the outlay freeze would require a cut in budget authority of the following levels: for chapter 1 a cut of 46 percent in budget authority; for handicapped education programs, a cut of 41 percent; for vocational adult education programs, a cut of 43 percent; for student aid programs, a cut of 14 percent,

and for funding for libraries, a cut of 22 percent.

So what does this mean for programs, education programs, that are so important to our country for fiscal year 1991, 1992 and future years? The answer we have received from educators in hearings is:

It means a lot of chaos and a lot of difficulty. To maintain outlays at the fiscal year 1990 levels considerably greater budget authority would have to be provided in fiscal year 1991 given that the budget authority provided in fiscal year 1990 was enough only to bring outlays in that year to their fiscal year 1989 amounts.

In other words, there would be no forward funding, so, when we got to the appropriation for fiscal year 1991, we would have to appropriate the whole thing, the whole spending level, or else we would see very large cuts in the program, and that is very disturbing to education officials. It would take away their authority to plan effectively for these programs.

Budget authority any less than such an increase would mean serious damage to the programs, and under any circumstances the advantage to local schools of forward funding from the standpoint of predictability would be lost. The concept of an outlay freeze in which the Government decides not to spend any more this year than last year has superficial appeal because it appears to be so simple, but in fact it is very complex because of the way the Federal funds leave the Treasury, and I think it would cause a great deal of problems for our education programs as they are implemented on the local level.

In comparison to the Bush proposal our Committee on Education and Labor chairman, the gentleman from California [Mr. HAWKINS] has proposed an education investment budget which my colleague, the gentleman from New York [Mr. OWENS] spoke about earlier which would fund education at $27.3 billion rather than the $22.4 billion as President Bush proposes.

I want to review just briefly the individual provisions of the Hawkins investment budget because I think it is important to see how the additional funds would be spent. For early childhood health, education and development, that would be $2.9 billion, for WIC comprehensive child development, even Head Start and child care. The investment we make in children in the early years is so critical to their future, to their development and future educational successes that investment in these programs is of very great importance, and the Hawkins plan would recognize that by increasing funding by over $2.9 billion.

Compensatory education for at-risk students, $785 million. This would be chapter 1 math/science programs, magnet schools and handicapped. Fighting dropouts and drugs; here we would be talking about $405 million of additional spending for basic skills improvement, Job Corps and summer youth employment, gang intervention and community youth activity program, all very important programs. For enhancing competitiveness, $425 million, workplace literacy and English literacy, vocational adult education, title 3 JTPA, dislocated worker program, and title 2 JTPA bloc grant programs, and bilingual education, and, finally, programs for strengthening higher education: sum of $900 million. These would be to enhance student aid, to expand opportunity for minority students, teacher training and international education for a total of $5.465 billion. That would be the Hawkins initiative.

In fact, Mr. Speaker, this initiative would only begin to make up the ground we have lost in the last 10 years and lay a foundation for the future. Full funding of the Hawkins plan would use only 6.6 percent of the $81.5 billion new revenues anticipated by the Commission for the coming fiscal year. This investment would address the nutrition education development needs of at-risk youth, strengthen basic skills, attack the prodigious problems of drugs and dropouts, train and retrain American workers and strengthen American higher education.

I want to take a minute at this point to discuss the higher education budget needs of our country in a little bit of detail because it is particularly critical that we provide help to middle-income families in this country so that their young people can afford the cost of higher education.

If my colleagues look at what is happening to young adults today, they will see that many of them are working, but they are actually earning less, putting off starting a family or buying a house. They are living at home with mom and dad longer, and they are looking forward to a lower standard of living than their parents. Young men graduating from high school today will on the average earn 25 percent less than the young people who graduated with me from high school in 1970.

The reason for the declining fortunes of young people today of course is that changes in economy have occurred, and there are fewer good jobs where people can earn a decent living and afford to take on the responsibilities of adult life without additional education. In fact, young adults with college education have not seen a decline in their earning power. The brunt of the impact of the changing economy has been absorbed by the forgotten half of America's young adults who have no postsecondary education or, worse, who have no high school diploma. Too many of the jobs, the new jobs that have been created in the 1980's, provide an adequate wage, too few of the new jobs created in the 1980's provide an adequate wage for young people to climb the economic ladder through their own hard work, and increasingly the jobs that are there do require additional education, some sort of postsecondary education.

Unfortunately the changes we have seen in our student aid programs to assist young people to get this postsecondary education that they need have not been positive changes. The cost of higher education is going up. Tuition basically doubled since 1980, but student aid programs have increased in real dollars by only 75 percent, so we are seeing a gap between the cost of education and the help from the Federal Government that is available to assist young people. Fortunately, postsecondary education institutions have been able to do more themselves in helping young people with the cost of education, but there is still a very considerable and a widening gap between the resources that young people have and their families to help them afford college education and the cost of a college education today. Only half as many students proportionately are receiving Pell grants today or participating in the work study program and were able to receive such assistance in 1980. The average Pell grant today covers only 29 percent of tuition costs compared to 40 percent of those costs in 1980.

How are students making up the difference? Partly by the additional assistance from colleges and other institutions of postsecondary education, but also by borrowing. Students are borrowing much more. Since 1980 students indebtedness is up 60 percent. Today loans equal 66 percent in student aid compared to only 21 percent in 1976.

In essence we are creating a class of indentured students. Students are taking out their first mortgage with their college student loans, and meanwhile the cost of the guaranteed student loan program has gone up quite a bit. Unfortunately the total Federal aid package that is available to students today is not meeting the needs. Eight billion dollars is not enough, and the shift in the program away from grants toward loans is having some very serious adverse impacts. Many young people are being frightened away from pursuing higher education because of the indebtedness which can occur. The proportion of working class students in college today is down one-fifth over what it was in 1980.

Take a look at the proportion of black high school graduates. These are young black students with a high school diploma who are going on to

any kind of higher education. That is down from 34 percent of high school, black high school, graduates to 25 percent. Look at the proportion of Hispanic high school graduates who are going on to postsecondary education. That is down from 36 percent to 27 percent, and those are young students again that have a high school diploma.

So, when my colleagues look at how good a job we are doing with our student aid programs to meet these additional needs, they will see that we are falling far short from the goal, and, if they look at the President's proposal and see the cut in budget authority for our student aid programs, they will wonder how these young people are supposed to get the education that they need to be productive in our changing economy.

□ 1810

Mr. Speaker, Federal funding is not by itself going to solve our nation's education problems, but I am convinced by my visits to schools in Indiana's Fifth Congressional District and by the testimony that we heard at our hearings in Indianapolis and in Columbus, OH., that Federal programs do serve very important needs and allow our schools to do a lot that would otherwise not be done.

We asked educators whether they would be able to continue programs like compensatory education if Federal spending was not there. It is true that the total proportion of dollars that come to local schools from the Federal Government is small. For elementary and secondary education, it used to be 8.7 percent. It is now 6.1 percent; but that money goes for very important programs. In several cases educators told us they would not be able to continue the programs from local sources or State sources of dollars if Federal dollars were cut off.

I polled my constituents in Indiana's Fifth Congressional District and asked them where would they like to see more spending and where would they like to see less spending.

I must say that my constituents expressed very much the same viewpoint as we heard from the gentleman from New York [Mr. OWENS], even though his district is quite different than mine. The people in my district say education is one of the best investments that we can make. These are dollars that will repay themselves many times.

They say we can make some cuts in foreign aid, we can make some cuts in star wars, they say we can make some cuts in the military budget; but they say education is one of the few areas in our budget where we should be spending more. I think that is true of citizens throughout our country.

Surely we can do better than the Bush budget in meeting the critical education needs of our nation.

Again I want to thank my colleagues, the gentlewoman from Washington [Mrs. UNSOELD] and the gentleman from New York [Mr. OWENS] for participating with me this afternoon in this special order to relay some of the concerns we heard at the hearings that the Education and Labor Committee is conducting across this country, and also to commend the chairman of the committee, the gentleman from California [Mr. HAWKINS] for his leadership in this committee.

I do think we can do better than the Bush budget. I am very hopeful that the budget agreement which we hope to hear about soon will properly fund education programs and I hope it is near the Hawkins initiative which will help us to make up some of the lost ground.

Mr. WILLIAMS. Mr. Speaker, I rise today to join my colleagues in discussing the education budget of President George Bush and the impact it will have on students and schools in this country.

On March 31, 1989, the Subcommittee on Postsecondary Education, which I chair, held a joint hearing on the President's education budget with the Subcommittee on Elementary, Secondary, and Vocational Education in Missoula, MT. We heard from State school superintendents from the States of Washington and Montana, from college officials, and from school principals. And the message we heard from these witnesses without exception is that the President's education budget is not a good one.

Here are some of the comments we received at the hearing. From the school superintendent from the State of Washington, Judy Billings:

If the President's budget were adopted, "in the education area alone we will sustain at least the following losses:

"Chapter I programs will be cut by 46 percent;

"Handicapped programs will be cut by 42 percent;

"Vocational and adult education will be cut by 44 percent;

"Bilingual and immigrant education will be reduced 21 percent;

"Library programs will sustain a 22 percent reduction; and

"Student financial aid will fall another 15 percent."

These are reductions in proven, existing education efforts. They provide services to millions of Americans. Earlier this week we were visited by hundreds of librarians stressing the importance of Federal support for libraries. President Bush would cut this support by 22 percent. If the cuts outlined by Ms. Billings were ever agreed to by the Congress, the impact on this Nation would be devastating.

From the financial aid director at the University of Montana, Mick Hanson, we heard the following. If the President's student aid proposals were adopted, the University of Montana would lose "$200,000 in State student incentive grant monies." These are grants to needy students, low-income students. The University of Montana would have $200,000 less in grant money to give to these needy students. Mr. Hanson, stated that "300 less" students would be eligible for Perkins loans. These are low-interest loans to low-income students that are desperately needed by these students to finance college. Three hundred students at the University of Montana would not be able to get these loans under the Bush proposal.

From William Lannan, the director of the Montana Guaranteed Student Loan Program:

"We believe that increasing lender risk by accepting the administration's guaranteed loan recommendations will curtail student access to student loans." Last year, almost 15,000 Montanas received guaranteed loans. Under the Bush proposals, these loans no longer will be available.

I think one of our witnesses, Larry Schulz, the principal of the Linderman School in Kalispell, MT, summed up the hearing best when he said of the Bush education budget that "what he's proposing is a charade."

Mr. Speaker, the Bush education budget is indeed a charade. It promises much, but delivers very little. I had hoped it would be different, because I wanted to serve with a President who truly wanted to support education. For we have a lot to make up for the Presidential indifference that has existed toward education over the past 8 years. In real terms, Federal spending for education has decreased by 4.1 percent over the past decade. To keep elementary and secondary education funding at a level that would provide identical services to those provided in 1980 would require an additional $4.4 billion that is not included in the Bush budget. Federal funding for job training programs has been reduced by 57 percent since 1980. And in 1980 a Pell Grant award covered 46 percent of the average college costs; today it covers only 28 percent.

I had hoped that the Bush education budget would help us reverse this course. I wanted him to be the education President. Yet although the jury is still out on whether he will keep his campaign commitment, the early evidence from his first budget, and from the witnesses we have heard concerning it's impact, is extremely discouraging.

THE IMPORTANCE OF THE DEBATE TODAY ON CENTRAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

Mr. DORNAN of California. Mr. Speaker, may I say to the gentleman from Indiana [Mr. JONTZ] I liked the gentleman giving us some of the hard facts on education.

Mr. Speaker, you may not know this, but today is the birthday of Thomas Jefferson. Let me see, he was born in 1743, so here we are. There is going to be a big celebration around here in 4 years when we get to 1993, the 250th anniversary of Thomas Jefferson's birthday.

This father of liberty, the father of your party, but I consider him the

father of my party, I waited until today to speak for the first time on the floor in the 101st Congress. As unbelievable as that may seem, Mr. Speaker, I took no 1 minutes during these off-again, on-again spurts in the slowest starting Congress maybe in two centuries.

I have not availed myself of this great privilege to address this empty Chamber, but will all our fellow colleagues hanging on our every word at their private television sets in their offices in the Longworth, the Cannon, and the Rayburn Buildings, I have not taken a 60-minute special order at the end of the day, but the vote today on extending a pittance of humanitarian aid only, $4.5 million to the young freedom fighters waiting in their camps or in hiding somewhere in the hills of Nicaragua, those people of the Democratic Resistance who have relied on the United States to fund their fight for freedom, while the Soviet Union has stuffed $2,745,000,000 of indirect and direct military aid into that small little godforsaken country of Nicaragua—I should not say godforsaken, God forsakes nothing. Let us say free-world forsaken country of Nicaragua.

This debate was so important today that I had to take this time so that Members may turn on their VCR's and record if they are too tired to pay attention to what I am going to say, record my words tonight.

I truly hope, all kidding aside, that people will listen to some things that I want to point out that I was unable to do, given the limited time in this large body of 435 Americans. We cannot exercise the luxury that our brothers and sisters in the other Chamber on the north side of this great Capitol Building do where they have more time to express their thoughts in a fulsome way.

First of all, I would like to thank my leader, the gentleman from Illinois, BOB MICHEL, for giving me the opportunity to preserve the minority's rights in that motion to recommit the bill in this House, because of the closed and restrictive rules that come out of the Rules Committee on the third floor east front here, coming at us with more and more restrictions upon the rights of the minority. I would like to quote a House Speaker, a Republican Speaker in his first year as Speaker, and he went on to serve as Speaker for 6 years earlier in this century, the great Frederick H. Gillette. The Republicans were in the majority then. Referring to the Democratic minority, he said:

> A motion to recommit is intended to give the minority one chance to express fully their views so long as they are germane. The whole purpose of the motion to recommit is to provide a record vote on the program of the minority.

Well, in this case because of the great respect held for our new President, George Bush, and his friend of longstanding, the excellent Secretary of State, James Baker, out of respect for those two gentlemen and some confusion over the peculiar gentleman's agreement that is supposed to be crafted at this very moment, although it is already drawn up, after the vote, because of that respect I did not win the full support of my Republican minority vote on this side of the aisle.

However, even with the excellent articulated remarks of the Republican leader speaking against the motion to recommit that he allowed me to present for the conservatives in this Chamber, I nevertheless was able to achieve 94 votes, 91 of them Republican, against 79 Republican votes against the motion to recommit.

I have to point out, Mr. Speaker, that I will go with the 91 that I achieved, rather than the 79 who I believe are exercising a certain naivete, to think that of the 9 people who have the right to cut off all aid to the freedom fighters, the Democratic Resistance, those in the Honduran camps and in the hills of Nicaragua, with only one person not doing anything out of that 9, out of the 9 one is the Republican leader in the Senate, Senator DOLE. Of course, he is not going to write a letter to cut off the aid to the Contra freedom fighters in the 87 days preceding the Nicaraguan election, which is supposed to take place on February 25 of next year, not that many months away.

Of course, on our side, our great leader, BOB MICHEL, is not going to sit around and by omission cut off the aid. He will not write the letter, as Mr. DOLE will, telling the President, yes, the process is fine, go ahead and continue the aid to the Contras through the so-called failure and free elections that the Communists are claiming they are going to give their nation in February.

I am not worried about the two Republicans, and among the seven Members of the majority party in both the House and the Senate I am not worried about our great majority leader here, the gentleman from Washington [Mr. FOLEY]. He has given me his word of honor that there are not massive human rights violations, offensive operations by the freedom fighters against their promise for a cease-fire through the election, that he will be glad to write the letter.

I am sure after the words of the gentleman from Wisconsin [Mr. OBEY], the head of an important Appropriations Subcommittee, the Subcommittee on Foreign Operations, he is not going to disrupt the aid by failing to write his letter.

I have every faith that the gentleman from Florida [Mr. FASCELL], my chairman for 6 years while I was on the Foreign Affairs Committee before I transferred, quite happily, to the Armed Services Committee, the gentleman from Florida [Mr. FASCELL] has too many Nicaraguans who have sought asylum in Florida at this moment. He has literally hundreds of thousands of excellent Americans of Cuban birth, Cuban Americans, who are reminding him constantly not to allow the Cubanization of Nicaragua. I have no problem, the gentleman from Florida [Mr. FASCELL] will certainly write a letter to let the aid continue. But will the other gentlemen in the other body?

□ 1820

The chairman of the Committee on Foreign Relations, the chairman of the Committee on Appropriations who used to be the leader over there, both minority and majority leader, will those two gentlemen, will the new majority leader who attained that office just a few months ago, the gentleman from the State of Maine, will they when they have never put up a nickel of aid to the freedom fighters, and we do not know if we have recorded votes on helping the Mujahidin groups in Afghanistan, we do not know how these gentlemen would have voted on that. Did these gentlemen take a position for or against President Reagan when he liberated Grenada?

Mr. Speaker, I guess the record will show that they all stood and spoke against the liberation of Grenada.

Did these gentlemen take a public position when the President had the courage to bomb the terrorist training camps in Libya after American children and pregnant women and senior citizens were being murdered by terrorists all around the Mediterranean and other parts of Europe? Did these three take a stand in support of the President's move sending the U.S. Air Force and the U.S. Navy to rattle Qadhafi's brains and to get him out of the terrorism business at least for 2½ years? Because the jury is still out on whether Qadhafi played a role with the Syrians in the blowing up of the American Pan American flight 103 over Lockerbie, Scotland; we do not know the public position of some of them, but some of them did criticize President Reagan, and on these and every other act the President took which was strong use of force in the name of freedom around the world.

No, there are also one or two people among the nine that include some House Members that all they have to do, and I cannot emphasize this strongly enough, and it was confirmed by everybody on that side of the aisle, that all one of these nine has to do is nothing, just refuse to write a letter to the President saying, "Go ahead, under our gentlemen's agreement,

here it is in writing, my letter of affirmation that you can give the final $13.5 million spread out over 87 days to the freedom fighters in the Honduran camps; go ahead and do it."

Do the Members know how easy it would be for one of these Members of the other body, one of these Senators who have never voted a nickel, to say to the press about mid-November, just a few months away, "Ladies and gentlemen of the press, in good conscience, having never voted a nickel to these bloodthirsty cutthroats of the CIA who are hurting the process of democratization with our good friends the Sandinistas down there, in good conscience I just cannot bring myself to write this letter." That refusal by one of the nine cuts off all aid to the Contras.

Mr. Speaker, I rushed through some pictures earlier of the major human rights violation in our hemisphere, and that is the camps filled with thousands of innocent political prisoners in Nicaragua.

First, a few choice quotes from Daniel Ortega supplied to me by the good Tom Smeeton of Mr. HENRY HYDE'S staff here, and here are some public statements by the Sandinistas on their commitment to reform and their opinions of the bipartisan accord; here is Daniel Ortega just a few weeks back at the end of January: "We do not renounce our ideology." He is talking about Communist ideology. "We are not renouncing our program of socialist orientation. This is the way to continue building socialism in our Latin American reality. We, as Sandinistas, as Marxist-Leninists, or anything else you want to add or call us, we understand in that in applying the revolutionary program, this is the reality of Nicaragua. We must respect the characteristics of our society," and, of course, he goes on to say that those characteristics lend themselves well to Leninism. Here is a statement by Ortega on December 5: "I am convinced that armed struggles are still the only feasible way to achieve deep transformation in unjust Latin regimes," he said, "but Mexico's diverse political forces do not necessarily agree with them." In other words, he is saying there should be a revolution in Mexico someday.

Here is another response of Ortega as to violence on the riots in Venezuela: "If the people become disenchanted, they will loot and destroy the properties of the rightwingers." He said that in La Prensa just last month on March 3. Is that by way of a threat to what is left of the pitiful private sector in Nicaragua?

Here are these prison camps. In a sense I almost missed the passion of the debate over the last 8 years; because of the so-called bipartisan nature today, the left, even in their remarks about the desperados that we are supporting down there in Nicaragua, lost a bit of their passion, but I am ashamed that on my side of the aisle, myself included, we seemed to have backed off as a voice for the thousands of political prisoners down in Nicaragua.

Here are pictures of the prisons down there. These are all declassified. When we first began to debate this issue right up through 1986, these were all stamped "Top Secret; No Foreign Intelligence." Nobody outside of a Member who asked to see them could be shown these prison-camp pictures.

Here is the Zona Franca prison, and I will admit I was shocked when Ortega released over 1,000 of the Guardia Nacional, those who were teenagers, 17, 18, 19 when he violated his promises to the Red Cross, took these people away from the Red Cross, and any one of them who had ever so much as slapped a women or a man, let alone committed real atrocities, was executed. They executed over 300 of the Guardia soldiers after July 1979. The thousands of other kids who Somoza dragooned into service, he locked them up.

I am surprised that almost after 9 years of imprisonment he released some of them. But there are still hundreds of them left in prison, and at least 5,000 to 7,000 political prisoners he has put in jail under the slimmest of evidence that they might have helped the boys, the muchachos, the commandos in the hills, who were fighting for freedom, and the reinstatement of the betrayed Sandinista promises when they kicked out the corrupt oligarch, dictator, Somoza.

Zona Franca prison is five times bigger than it was under Somoza. They have put new additions of dozens of acres onto this prison camp as late as March 1987.

Here is the Puerto Cabezas prison in the same city of that name in Nicaragua. This, as I said during the debate today, is the only real building and construction that has gone on. The Club Hipico, hardly an American Express retreat or a club med. That is in Matagalpa, Nicaragua, and I drove past there in one of my six trips to Nicaragua, always asking if we could be allowed to inspect the camps, always being told no.

This is El Chipote, and that is only one of the two prisons that Somoza had. This is where Somoza tortured people, and screams could be heard across the volcanic lake right behind here, but it never held more than 12 people at any one time, those that the corrupt Somoza had singled out and tortured, and in some cases murdered, and now it is being used by the Communists to treat the very people they claimed to have liberated in the same ugly way that Somoza treated them.

This is the prison and Interior Ministry facility at the second largest city in Nicaragua, Granada. It can be noticed that when somebody has been down there more than twice, they never say "Nicaragua"; they say Nicaragua. I guess that is a sign of one-upsmanship.

This is La Barranca prison in Esteli in Nicaragua. There is a brand-new camp created by the Communists to lock up the people in that area of Esteli. Esteli is where they had a big Cuban military operation fighting the Contras back in August 1987. It was the night before we broke around here, and it is now declassified, that the Cubans flying Hind helicopters were called to the rescue of the Cuban battalion that was surrounded by Contras, and with these Russian helicopters flown by Cubans strafing the Nicaraguans on their own Nicaraguan soil, they managed to rescue this battalion, but that means nothing to the liberals in this House that Cubans and Russians are fighting in combat in Nicaragua to kill Nicaraguans who are trying to free their country.

Here is the La Palmera prison also on the other side of Granada from the prison I just showed. Here is the prison, another prison facility, in Esteli.

Here is the big Carcel Modelo prison in Tipitapa, a massive, massive prison; I mean, it looks like a General Motors construction site, acres and acres of prison facilities. This is the infamous prison that was expanded the last time in March 1986 that has hot boxes in the ground where they can put the prisoners in an area where they cannot stand up, where they cannot really lie down, and it is under the ground, and the heat of most of the year down there, they suffer grievously in these little hot-box facilities.

This is the Chinandega prison in the same city of that name, right buried within the city limits next to the baseball field where the prisoners can hear people playing baseball, where they are accused of betraying the revolution because they may have given a loaf of bread to some of the muchachos in the hills fighting for freedom.

Here is a second prison at Matagalpa, and that is the penal prison. Here is the La Perrera prison and mint facility on yet a third side of Matagalpa.

Here is the Asuncion prison at Juigalpa, brand new, all built on the Cuban model, built by Cubans in many cases.

□ 1830

The prison and Ministry of the Interior facility. You see, the Ministry of the Interior down there is not national parks as in the United States. The Ministry of Interior there is in the European model where the police functions, all justice department, law en-

forcement functions are under the Ministry of the Interior, or in the German Nazi model of the Gestapo. That is what they have down there, a Gestapo unit, brown shirts called turbas divinas.

This is in Leon, a beautiful city that I visited last year, and the people were whispering, saying when is the United States going to bring us our freedom, by force if you want, but if you do not have the stomach for it because of Vietnam, please give our men and women the right to fight by supplying them with weapons.

This is another view of Juigalpa Prison, also Palo Alto Prison, another one built because of the overflow from Modelo Prison, and another one outside Managua, and it goes on and on, 16 prison facilities.

At this point, Mr. Speaker, I submit for the RECORD the Republican Study Committee position paper, which committee I have the honor to chair, on what is wrong with the Bipartisan Accord on Central America.

The document referred to follows:

WHAT'S WRONG, WITH THE BIPARTISAN ACCORD ON CENTRAL AMERICA?

Status On April 10, the legislation implementing the Bipartism Accord on Central America was introduced in the House. Following mark up in the House Foreign Affairs Committee on April 11, and then before the Foreign Operations Subcommittee of Appropriations that same day, the bill was sent to the Rules Committee. Under the rule granted, the minority will be allowed to offer one Motion to Recommit with or without instructions.

The bill is essentially a continuation of the last year's program (DOD Appropriations Act, 1989, Public Law 100-463), which expired on March 31. The Resistance will receive $49.75 million in humanitarian assistance, plus $4.1 million will be allocated for medical care for civilian victims of the conflict. The Agency for International Development (AID) will administer the program, with DOD transferred funds. An additional $5 million will be provided for AID administrative costs, with an unspecified amount allowed for transportation costs. However, there are significant problems with the Accord and the "gentleman's agreement" reached with the Congressional leadership.

Problems with the package: 1) Unprecedented Abdication of Executive Branch Authority—Four congressional committee chairman, (Foreign Affairs of the House and Senate, Pell 0% pro-contra record, Fascell 100% pro-contra record, and Appropriations of House and Senate, Whitten 20% pro-contra record, and Byrd 0% pro-contra record) must each sign a letter saying that they do not object to the release of further humanitarian aid to the resistance after November 30, 1989. If even one chairman decides not to send a letter supporting continued assistance, funding for the resistance is terminated.

Judge Robert Bork and other constitutional scholars, White House Council C. Boyden Gray, have warned that giving veto power over presidential authority to four individuals in the legislative branch risks undermining the President's constitutional authority over foreign policy. Even though the so-called "gentlemen's agreement" will not be written into the legislation the constitutional problem is still real, since the President is allowing four Democrats to informally veto his Central American policy.

2) Congressional Micromanagement of Battlefield Operations—Any break in the cease fire can result in a cut-off of humanitarian aid to the Nicaraguan Democratic Resistance if the Chairman of either the House or Senate Appropriations or House or Senate Foreign Affairs committees decides that the Resistance was at fault. The burden of proof is on the Resistance to prove that they are fighting in self-defense—particularly those still inside Nicaragua.

3) White House and State Department Acknowledge Pushing Contras to Reintegrate into Nicaragua—On Wednesday, March 29, White House spokesman Marlin Fitzwater, said that that Administration ". . . would like to see the leadership integrated back into political society there." This statement, together with the State Department's reduction of "U.S. funding of resistance activities" in the last year, seriously undermines Administration rhetoric that they want to keep the Resistance intact as a viable fighting force.

4) No Agreement or Definition of What To Expect From the Sandinistas—As in years past, Democrats will interpret even incomplete compliance toward democratization as being enough to merit a cut-off of further humanitarian assistance following November 30, 1989. Furthermore, the criteria by which the liberals of the House have said they will judge the success of this plan is the degree to which the Administration has facilitated the relocation of the Contras back inside Nicaragua.

The only way to increase the odds of the Sandinistas actually complying with the provisions of the Tesoro Declaration reached in El Salvador in February is to threaten them with a resumption of military assistance to the Contras. The Sandinistas have had ten years to live up to their original promises of democracy they made to the Organization of American States in 1979. It is apparent from the last ten years of experience, that without combined military and diplomatic pressure, they will never allow the Nicaraguan people to be free.

Conclusion: On April 6, Secretary of State James A. Baker III met with RSC Members to head off a possible rejection of the Accord. He emphasized that this agreement was the best the Administration could do, and that this was a victory of bipartisanship. The Accord was described as a ten month plan, with cancellation after seven months. However, Secretary Baker did say that "seven months is better than two."

The publicity around the plan emphasizes the "carrots" which the United States will offer the Sandinistas if they live up to their promise to hold elections next February, and neglects any "sticks" to force their compliance. The absence of any expedited procedure for the consideration of future assistance to the Contras if the elections next February prove to be unfair is a glaring fault. The Accord sends mixed signal to the Sandinistas and supporters of the Contras alike. Although its supporters claim to have achieved a bipartisan consensus on Central America, the fact is that both sides have only agreed upon a procedure, not a consensus policy.

JAMES P. GALLAGHER,
Foreign Affairs Policy Analyst.

By the way, I will put the vote into the RECORD so that people do not have to look it up. The vote on final passage, and most of the votes against it were I must say liberal votes who did not even want to see a nickel go to the Contras through November 30, the vote was 309 to 110. There were five Democrats that were off, hopefully not in the hospital, and four Republicans who were not here and, of course, Speaker WRIGHT does not have to vote unless it is a tie vote.

I also submit for the RECORD my dear colleague letter of last night with a correction. I had put in that there were seven that could disrupt the process by not writing a letter telling the President he can go ahead, and actually I left out our leader in the Senate, Mr. ROBERT DOLE of Kansas, and our leader in this House, Mr. BOB MICHEL. So I will change that one thing to nine and say that the letter clearly indicates that any one of these nine has the power to stop previously authorized humanitarian aid to the Contras by simply doing absolutely nothing.

The letter referred to follows:

WASHINGTON, DC, *Apr. 12, 1989.*

CONTRA AID SIDE AGREEMENT VIOLATES CONSTITUTION

DEAR COLLEAGUE: We are concerned that many of our colleagues really do not understand the so-called "gentlemen's agreement" in the Bipartisan Accord on Central America. We believe that it is a clear violation of Article I of the Constitution.

On the back is a copy of a draft letter that Secretary Baker intends to send, if the aid package passes, to the Chairmen of House and Senate Authorization and Appropriation Committees and Senate and House Leadership (9 in all). As you can see, the letter clearly indicates that any one of these nine has the power to stop previously authorized humanitarian aid to the Contras simply by doing nothing. Letters of approval are supposed to be sent to Secretary Baker to keep the aid flowing. If even one of these nine members does not send a letter of approval, the aid is terminated. This is a sort of super legislative veto, and is unconstitutional. In *Bowsher v. Synar,* the Supreme Court stated in 1986, "The Constitution does not contemplate an active role for Congress in the supervision of officers charged with the execution of the law it enacts."

If Congress chooses to enact legislation which will provide discretionary funds to the president it clearly may do so. It could then pass legislation terminating those funds if it felt so inclined. The arrangement proposed by the Secretary of State, however, is obviously intended to circumvent our bicameral legislative process.

The Supreme Court has rejected this type of arrangement in both the *Bowsher v. Synar* and *Immigration and Naturalization Service v. Chadha* cases. According to the Court in *Synar,* "Once Congress makes its choice in enacting legislation, its participation ends. Congress can thereafter control the execution of its enactment only indirectly—by passing new legislation."

The executive branch is not authorized to delegate its authority to officers of the legislative branch.

Some will argue that because this delegation of authority is not actually part of the legislation authorizing the President discretionary funds for the Contras that the arrangement is constitutional. Don't believe it. Indeed, such noted constitutional scholars as Judge Robert Bork and William Hyland have indicated that when challenged, it will not pass constitutional muster. And really, the only reason this subterfuge was necessary is because such a "gentlemen's agreement" embodied in legislation clearly would be unconstitutional.

The separation of powers was put into the Constitution by the Framers for a purpose. We should not do anything to frustrate that purpose.

We therefore ask you to join us in recommitting this bill with instructions that would bar this unconstitutional side agreement. All of us were elected to make these tough, critical decisions—not just a handful of us.

Best regards,

ROBERT K. DORNAN.
DAN BURTON.
CHUCK DOUGLAS.
HENRY HYDE.

DRAFT LETTER FROM SECRETARY OF STATE TO CHAIRMEN OF HOUSE AND SENATE AUTHORIZATION AND APPROPRIATION COMMITTEES AND SENATE AND HOUSE LEADERSHIP

DEAR MR. CHAIRMAN: Pursuant to the bipartisan agreement on Central America between the Executive and the Congress, the Congress has now voted to extend the current humanitarian assistance at current levels to the Nicaraguan resistance through February 28, 1990. This assistance has been authorized and appropriated but will not be obligated beyond November 30, 1989, except in the context of consultation among the Executive, the Senate Majority and Minority leaders, the Speaker of the House of Representatives and the Minority leader, and the relevant authorization and appropriation committees and only if affirmed via letters from the Bipartisan leadership of Congress and relevant House and Senate authorization committees and appropriation subcommittees.

This bipartisan accord on Central America represents a unique agreement between the Executive and the Legislative Branches. Thus, it is the intention of the parties that this agreement in no way establishes any precedent for the Executive or the Legislative Branch regarding the authorization and appropriation process.

Mr. Speaker, I will close here by using a statement and changing the tenses, because my motion to recommit did not pass, by reading a statement that I did not have time to read during the course of the debate today.

But before I do that, I will flesh out the remarks that I could not get to in my 3 minutes. I reemphasize what I said in my opening remarks during the debate today, that no investment is going to go to the nations of Central America. No investment will go down there, particularly from any decision made in a closed board meeting in the private sector of America, as long as there is no true peace.

As President Cerezo has told me, and he will be leaving office in November 1990, when we will have a newly elected president and it will be a fair and a true election in Guatemala. He has told me there will be no true peace and, therefore, no investment in Guatemala as long as Communist thugs run the government in Managua.

In Costa Rica, Mr. Arias has said this over and over, and he just said it again up here in the United States, that the hot white flare of world opinion is going to expose the Sandinistas for the Leninists, Stalinists they are if they do not have a fair election on February 25 next year. He also believes that there will not be proper investment in his country of Costa Rica, a nation he loves, to rebuild as long as there is a Communist government in power in Managua causing that poor, forsaken country to decay.

Honduras, many times President Jose Azcona has told me personally that there will never be true peace in Central America until the Sandinista Communists are gone from Managua, that instability will deny financial investment to the whole area.

The same was told to me by my friend, President Jose Duarte, and the newly elected President, who I am also impressed with, as you said here today, Mr. Speaker, you were impressed with, with Alfredo Cristiani coming up to do what I call the Duarte dance, and begs the Senators and the U.S. Congressmen and women not to cut off aid to El Salvador in its hour of need, all of the nations in that hour of need, including the small former British Honduras, now the nation of Belize, just changing presidents again, that small nation which only has about 180,000 people. They cannot get investment because people cannot understand that they are not an adjoining nation to Nicaragua but are separated by the nation of Honduras.

All of these elections are coming up within the next year and 7 months and will replace the four elected single-term presidents: Honduras, 4 years; Costa Rica, single 4-year term; Guatemala and El Salvador single 5-year terms; and we will have to get to learn all of these new presidents. In Honduras, Señor Callejas will probably replace President Azcona in that election next year. A front runner has not really emerged in Costa Rica. Their election is February 4. Their election is going to take place to replace Señor Oscar Arias, President Arias on February 4. Three weeks to the day before the Nicaraguans promised to have an election we will have to get to know a new president in Costa Rica. And then later in the year it is Guatemala, next year, 1990. So all of these people will be replaced, but with probably a corrupted, rigged election, or Ortega gets reelected for a second 6-year term, and then of course 6 years later if we Cubanize Nicaragua he will get a third term. Then he will laugh at Castro who has never had an election in 3 generations and say why not have an election because it cons the liberals in the U.S. Senate and the U.S. House of Representatives.

The second point I made was the Sandinista human rights violations, the 16 camps. Since the lost desperados in Argentina where thousands of people were lost in what they call their dirty war, we have not had human rights violations of the enormity of what the Sandinista Communists have perpetrated in Nicaragua over the last 8 years.

Soviet aid, I just want to hit that figure again. Since Esquipulas II there has been almost a billion dollars of Soviet military aid going to Nicaragua and Esquipulas II, I remember vividly because my colleagues, the gentleman from California, Mr. DUNCAN HUNTER, the gentleman from Utah, Mr. HOWARD NIELSON, the gentleman from California, Mr. DAVID DREIER and I were sitting in the Oval Office with President Reagan, then Vice President George Bush, then Chief of Staff Howard Baker, a full corps press at the executive level to receive four Congressmen who just had come back from Nicaragua, Honduras, El Salvador with a report to the President. We begged him not to join in any kind of a plan where he would be crippled with his executive authority to try and shape foreign policy there, and at that moment, as the President was trying to tell us why he joined together with the Speaker of the House, JIM WRIGHT, in a plan crafted by the Communist Ambassador, Carlo Tunnerman. At that moment, out of distrust of where we were going, and a loss of faith in the U.S. House of Representatives, the Senate voted for aid right up through the Reagan years, humanitarian and lethal military aid to the freedom fighters, but out of distrust to the House, the four duly elected democratic Presidents signed an accord with the Communist, Ortega, in Guatemala City. They called it Esquipulas II because it was in the little religious city on the Honduras border where the Blessed Mother was supposed to have appeared and that is believed by all religious Central Americans, that is where the first agreement was reached, Esquipulas I, so they went to Guatemala City and signed in August 1987 Esquipulas II. And it has been downhill for the freedom fighters ever since.

Now we are told they shot two Russian-made Hind helicopters out of the air. Now we hear of the two crashes killing four Cuban pilots. Now we have one that defected with a Hind helicopter from Nicaragua to Tegucigalpa, Honduras in December, and the pilots are being debriefed, or it was a single pilot, the pilot who brought it out by himself. I hope he is not assassinated

the way the Contras managed to murder one of the defectors in Los Angeles in a Nicaraguan restaurant, they poisoned him to death, a man who spoke to maybe 50 or 100 Members of this House and Members in the other Chamber telling about how bad things were, and how Tomas Borge, who he worked for, was accumulating all of the cocaine and the drugs to himself when they were confiscated, how there were secret bank accounts in Switzerland, and all of those arguments that we hear but we did not have time to get into all of them in the 2 hours of debate on our side. It probably would not have influenced any votes anyway, except maybe for freshmen Members who just got here.

The Soviet aid continues. Mr. Gorbachev, for all his promises and his visit to Cuba a few days ago, he has not cut one ruble of aid. He keeps adding to this figure of $2.745 billion of aid that he is stuffing into this forsaken country.

□ 1840

The Contra campesinos and Nicaraguans who suffer in general, let me say a word about them. The liberal networks all this week, ABC, whether it is Nightline or their Evening News or the CBS Evening News or the morning news show, NBC, all of the network shows that have had such a bias against the Reagan Central American policy, they all, in one form or another, have admitted in the last weeks that the Contras are generally, in the main, over 90 percent, campesinos, peasants, coffee farmers who love their country and want to go back to Nicaragua to grow their crops. They are not desperados who are enjoying volleyball as Mr. Bosco said, hanging out in a summer camp making so much money that they probably do not want to go anywhere else, but spend the rest of their lives there, all in a bachelor environment while their families live in terrible conditions which I witnessed in places like Teupasenti. What an incredible statement that they are enjoying summer camp.

The fifth point: The elections I have already covered.

Let me go through it again. Panama, next month, May 4, it is going to be corrupted by this drug-running thug Noriega. He will teach Sandinista buddies just north of him by one country how to do it.

Honduras, November 26, we hope we are going to get a democratic, small d, President, no matter what.

It will probably be Mr. Callejas who won the popular vote against my friend, Jose Azcona. But because, popular vote notwithstanding, there were more party members elected from the other party. Mr. Azcona was sworn in under their parliamentary process. They roll that Government over every 4 years in the Costa Rican manner.

Costa Rica, February 4, as has been their wont since 1946, the Second World War, every election with one exception, the party on the outs comes in and the party that is in goes out and they switch about 5,000 civil service jobs right down to every policeman in the country. Fascinating arrangement. By the way, I was at the inauguration as a guest of Vice President Bush 3 years ago, on May 8, when Mr. Arias was sworn in. We got a standing ovation. Senator LUGAR representing the Senate, myself representing the House, and the Vice President representing President Reagan, as we entered the stadium, a pounding, standing ovation for 10 minutes. When the Nicaraguan delegation came in—and this is at Oscar Arias' inauguration—they all started whistling, and I said "Well, it is not as good as a standing ovation, but I guess they like them."

It was pointed out to me, "Oh, no, whistling is their form of hissing and booing."

So much for the love for the Sandinistas in the immediate countries of the south, that is in Costa Rica.

My sixth point was the post-election fallout of a corrupted election. If it is the intent of some people in this administration, and I hope there is not one that feels that way, that they want to get this accord finished and get it out of the way, just to get rid of Nicaragua, just to get rid of a thorn in the side of the new administration and let them to their own way, but we will seal them and cut them off with trade embargos the way we have Cuba, if we are thinking of the Cubanization of Nicaragua. Thirty years at least, and Castro is still going strong. He is now into the Presidency of George Bush, the eighth American President since John F. Kennedy backed off and agreed with the Soviets if they took out their missiles that he would never lay a finger on Cuba. Hence the Cubanization of Cuba, the communization of Cuba, the isolation, the sanitizing of a vicious regime so that people like Armando Villadorjes rot in prison for almost 25 years while Castro does what he wants against his own people. He gets thousands of his own young boys, baptized as Christians in secret, dying, shooting at young black men and women, fighting with Jonas Savimbi in Angola. Hell of a way for Cubans to end up in Africa. And those who have brought AIDS back to Cuba, do you know what happens to them? There is a former ranch which now looks like a motel called the Rancho Las Vegas on the outskirts of Cuba, every single person who tests positive for the HIV virus, you do not have to have any manifestations of AIDS, just be a carrier of the HIV virus, and you are locked up in this camp for the rest of your life. Thank God there are only 179 victims of AIDS who have to live in imprisonment for the rest of their lives like Typhoid Mary. But that is the rule of a dictator when you completely are left to your own devices for three decades.

Is this the plan we have for Nicaragua, just isolate them? That would be fine if Nicaragua was not filled with real live flesh-and-blood suffering human beings in all the cities. And, yes, the compesinos in the hills who have their sons in the Honduran camps. There are at least 2,500 to 3,000 people still inside Nicaragua who get their food down the trails from the Honduran camps or get the cash in Nicaraguan currency which is hardly worth a plugged nickel. It is getting to be like the Weimar Republic, the Nazi currency where you go with a wheelbarrow full of paper money to get a loaf of bread.

But those people have promised a ceasefire until the election on February 25. Let us see if we cut them off as we did Alpha 66, and the other Cuban fighting groups and start arresting them if they even dare to stage anywhere around the United States to try to fight for freedom in Nicaragua.

I will now close, Mr. Speaker, with some of my remarks on that motion to recommit and change some of the tenses here.

I think this meager Contra aid package, Mr. Speaker, was a big mistake. If it had been up to me and, I guess, 90 other Republicans and several Democrats, our Government would be supporting, by whatever means possible, the Nicaraguan democratic resistance in their battle to throw off the yoke of Communist oppression.

I recognize that such an option may be unrealistic, given the vote we have just had, but I came here today in the spirit of bipartisanship to offer my motion to change this bill in just two ways, to change H.R. 1750.

That humanitarian aid to the Contras would continue through February 27, unless the reverse of the process we have, where instead of 9 people, all 433—and if we fill our 2 vacant seats, the full complement of 435 of us, which is what they are going to get to do over in the other Chamber in the Senate. That a law would have to be enacted—that is what we are sent here for, to vote—before we cutoff that aid that has been authorized, appropriated and obligated.

Now it is not costing the taxpayers anything; we are taking it out of our defense budget.

Second, my motion to recommit would have committed us to a vote, not saying how the vote would have come out, but the right of a vote for the President for military aid request up or down if the Sandinistas laugh in our faces, corrupt the election, postpone it back to the end of November 1990, which was the end of Ortega's stolen 6-year term, or if they cancel

the election, what are we going to do during that 87-day period when the Contras are starving to death? And what they will probably do is beg for asylum to come to the United States.

Now I know of some liberals in this body who have already gone on record saying we do not want them here because they are going to register as Republicans just as the Hungarians, the Czechoslovakians did, the Cubans did, the Cambodians did, the Vietnamese did, the Laotians did, anybody who lost their country to communism. Yes, unfortunately because of recent history they see the Republican Party as the party of liberty, freedom, liberation, and they see because of the leadership in the Democratic Party that that is a party that caused some of the agonies in their own country by inaction, that caused their country to fall under the Communist yoke of totalitarianism.

I did say that the gentleman's agreement accompanying the bill, the way it was written is constitutionally dubious. I am being generous there because the truth is, and I have never had contradiction on this, if that so-called gentleman's agreement had been written into the legislation, it would have been blatantly unconstitutional.

I ask my colleagues to ask themselves before this vote if we really want to set a precedent. Well, now we have to set it. Now let us see if it comes back to haunt my hero George Bush.

Second, and I thought this was more important beyond the constitutional question, was the practical effect, a termination of that humanitarian assistance 87 days before that Communist-promised election.

Under the gentleman's agreement, I repeat for the umpteenth time, any one of these nine Members of Congress, leadership in both Houses and the two Appropriations and Foreign Relations committees chairmen, all they have to do is nothing. I just think that is a terrible precedent that we have set.

And if they do cutoff the aid, if anyone gives them the coup de grace to the Contras during the 87 days leading up to the election, you will see that the Contras will begin to scatter to the winds and beg for asylum.

Many of us are going to find them coming to our districts. Those of us in southern California, certainly, my colleagues in Texas, the booming State of Florida, where there are over 100,000 Nicaraguans, they are going to come here. We used to call them land people. They are not land people.

As I told somebody who has followed this debate carefully, a gentleman who now lives in Arizona, born and raised in Ohio, Mr. James Grogan, with that Irish commonsense logic, he said, "What is going to happen to these feet people. If the boat people will put up with sharks and typhoons in the South China Sea, starvation, walking across the mine fields and the killing fields, landscaped and littered with skulls to come across Cambodia toward freedom and Thailand and ask to go to the United States, won't these people simply walk through Guatemala and Mexico to get here?" I called them feet people for debate purposes in this House for years. Guess what? I have just been down to Brownsville, TX, Mr. Speaker; they are not feet people, as Linda knows; they are bus people, 5-day bus trip from Nicaragua. They take every broken down old school bus that ever ran, tune up the engine, get it going, and all it has to do is reach Vera Cruz, Tampico, and Matamoros, right across the border from Brownsville. Eighty-seven percent of the 2,000 to 3,000 Nicaraguans who present themselves at our border every week, 87 percent of them got there by bus within 5 days.

□ 1850

You know what they do? They turn themselves, once they get across the border, into something called Romero House, named after the martyred, murdered Oscar Romero, the Archbishop of El Salvador. They turn themselves into Romero House where all the paperwork is filled out for them, given cab fare to go to Port Isabel, which used to be the border guard training camp right outside of Brownsville, TX, and they arrive by cab. I witnessed this, and they go into a consultation with our State Department people. Talk about a country with a heart. The State Department people come for an hour or two, explain all their rights for asylum as people flowing from the decay that communism oppression brings on a country. It is incredible.

I learned down there, again, and I do not think I will ever have to be reminded of this again, I wish every American would memorize this simple fact, the United States of America, the country that we love and those Members in the Chamber serve, takes in more immigrants every year legally than every other nation of the world added together. The other 156 nations in the United Nations, keeping in mind that the Ukraine and Belorussia are not separate nations making up of the 159 that vote in the Assembly, but taking the Soviet Union as one nation and reducing that number to 157, the United States takes in more than the other 16 put together, and the 10 nations that are not in the United Nations, nations like Taiwan, which is truly a nation state, North and South Korea, the ministates like Andorra, Lichtenstein, Monaco, San Marino, and Switzerland, which is not in the United Nations by its own choice of the voters so they can maintain their neutrality, and their Red Cross neutrality which is headquartered in Geneva. Also Namibia, which will be a nation soon. Take all of these 10 not in the United Nations and the 157 that are and add some of the island states of Eniweto, Nauru, and Kiribati, all the nations medium or large in the world, all of them together, do not equal the immigration that we legally welcome to our bosom in the United States.

Truly, the promise of the Statue of Liberty and Emma Lazarus' words are respected, "Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shores," like Nicaragua, "Send these, the homeless, tempest-tossed to me, I lift my lamp beside the golden door." The golden door is not just the harbor of New York where I was born, New York City. It is also the Golden State of California, our border, and the Arizona border, the New Mexico border. As formidable as they are, a few stagger across those borders and many die trying to cross, but the Texas border at Brownsville and the California border, that is easy. Once across, if they get asylum and they can get situated down there, they get on buses and go right through the Southern States around into Florida, the Nicaraguans do, to join a burgeoning Nicaraguan community there that I said is already over 100,000. About 150 some people by estimate.

Mr. Speaker, if anyone of these nine people cut off aid, 87 days before the election, this is one of the reasons I took this special order, to establish a little legislative record, and some heat on these nine people, that we expect them to write a letter. If there is no substantiated human rights violations and the Contra freedom fighters have not violated their imposed cease-fire because of the Sapoa Beach agreement, Esquipulas II Esquipulas I, all have been violated by the Communists, but I think they are honorable and we will have a cease-fire. If any one of the nine does not write a letter to keep aid going, it will be a sad day.

If we are fully committed to keeping peace and freedom, peace and democracy in Nicaragua, we will allow the aid to continue right up to the election. Actually 3 days beyond, to February 28. At that time, then we can make a decision on whether we need a military option in November, if it is voted down by this House, so be it.

More than once I told Lt. Col. Oliver North, who I admired in many areas, I remember in Speaker MICHEL's conference room, H. 227, saying, "Ollie, we are three votes away from victory; I know there is a question about the constitutional battle between the House and the executive branch, but please, you are living up to the letter of the law, right, we are going to even-

tually force Speaker Tip O'Neill to give us a vote and we will win this vote. I know my count is valid," and we did win that eventually, but Colonel North decided, later he told me that day, I do not know what the day was and whether it was true, but he said, "Honestly, we are following it to the letter of the law. So there will not be any other options like that available."

If the House wants to vote the Contras out, then the battle will start whether we receive into the United States. I for one would welcome any young Campesino who laid his life on the line on the altar of freedom to come up to this country and be as good a citizen as the Vietnamese-Americans in my community.

After 10 trips to Vietnam, it is ironic when I was gerrymandered out of my west Los Angeles County district and made a comeback in Orange County, without knowing it until I was declared in my election comeback, I was the Congressman to represent more Vietnamese-Americans than any 1 of the other 434 districts. They are dynamic citizens and in this period of history it will change as they realize that they should have more power in both of our great power, but right now, the 95.9 percent of them or more are registered as Republicans because they remember the Watergate, or the class of Watergate babies elected in 1974, and the Communist forces rolled down like Atilla the Hun from the north, wrapping up one city after another, and had relatives among the 68,000 murdered, a scientific survey, because they worked with Americans and had some admiration for Americans.

Now a majority of Members decided today, 311 to 110, that they wanted to give up some of their rights, 7 months from now, when no one has the faintest idea what the conditions will be in Central America. We will see what happens in the month of November of this year. We are going to be around. We are not going to adjourn in October because of this historical slow start over the last 3½ months. I hoped we would have an insurance policy to the selection.

The gentleman for California [Mr. DERIER] today stated it is a slim hope, but hope springs eternal. We will see. At least the 91 Republicans and 3 Democrats, that are 19 Democrats that are going to come to the well in March of next year and try not to be smug when they said, "We told you so, the Communists have done what they usually do, lied and corrupted the election. What do we do?"

In the form we passed today, H.R. 750, all carrot, no stick, no penalties if the Sandinistas do not make good on any of their promises about yet another election. I don't know how we will increase the odds of the Sandinistas actually complying with the peace plan. There is nothing we can threaten them with now. If we shut down the Contras on November 30, this policy of we will cross that bridge when we come to it, I do not think that is any policy at all. It is shameful inaction. We should influence events as the leading nation of the free world, not reacting to them. Who around this Chamber wants to be called reactionary? My Dornan motion, to recommit, with two valid sets of instructions was modest. It was reasonable. I stand by it and I believe history will vindicate me. My proposals were in the spirit with the harmony in the letter of the Constitution. It would have enhanced the President's authority to conduct Central American policy with checks and balances in this great Chamber. In the U.S. Senate, the proposals were not partisan, not as far as I was concerned, and I am glad it was a bipartisan vote, small though the bipartisan aspect was, but I think that my two proposals, my instructions on that recommit motion, complemented the peace process, and I thank those of my colleagues that supported me, and I say here with all the sincerity I can muster, I hope I am wrong. I hope that all nine will vigorously say yes, even though the liberals of conscience that have never voted a nickel for the freedom fighter, I hope they will say yes, we let it continue for 87 days until the election, and 3 days beyond that, and then I hope that the Communists write history the way Mr. Gorbachev is writing some unusual history since the terrible tragedy of the stolen revolution of Kerenski in 1917, I hope that Daniel Ortega writes a new chapter in history and pulls off an election, and if he wins under a fair election, that will also be an historical happenstance, and I will tip my hat to him if he can pull that off.

Even Allende who goes down in history as a Marxist, a benign Marxist of sorts, who won an election, won with about the same percentage that Adolf Hitler pulled off the coup of the century, about 34.5 some percent, with 14 different competing groups down there, if Ortega ran a fair election he would probably get elected if they do not unify behind one candidate in the private sector down there in Nicaragua.

□ 1900

It is sad to see Americans north of the Panama Canal, our fellow brothers and sisters right here on North American soil, suffer the way these people suffer in Nicaragua. But that the way of it in this complex, still dangerous world, still with nuclear clouds over us and with the killing rate at the local level from sheer shrapnel, torture devices, automatic weapons fire, and terrorist bombs being exploded, they make this world every bit as dangerous as it was in 1933.

I just thank God and my constituents that I am here to participate in the history of this House. Today was my first session as a newly appointed member of the Permanent Select Committee on Intelligence, and when I read those classified reports and got those briefings from around the world today, I realized again that we Americans should wake up every morning of our lives thanking God. In spite of the crime wave we have across this country, in spite of child pornography, in spite of 4,400 abortions today, we do not know the relative security we live in. Compared to every other continent on the planet and every other epoch of history, we are truly lucky that we were born as American citizens or have been naturalized as American citizens.

Mr. Speaker, I thank the Chair, and I apologize to the good staff who are truly my friends who record our words here for posterity. They got a breather from DORNAN'S remarks from October 22 until April 13. May that long a period never happen again before I speak about the events of the day before us.

REAUTHORIZATION OF THE LIBRARY SERVICES AND CONSTRUCTION ACT—CELEBRATION OF NATIONAL LIBRARY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS of New York. Mr. Speaker, each year during National Library Week for the past few years I have taken out this special order in order to highlight the work of the nation's libraries, in order to remind our citizens that what we take for granted needs to be supported in much greater amounts as far as the Federal Treasury is concerned.

This year is a special historic year for libraries because we are reauthorizing the Library Services and Construction Act. The Library Services and Construction Act is the major piece of Federal legislation which provides aid to libraries all across the Nation. The Library Services and Construction Act is more than 25 years old now. It is a good example of a piece of bipartisan legislation. All parts of the country supported it. Both parties supported it when it was orginally enacted. Names like Representative Carl Elliott of Alabama and Senator Lister Hill of Alabama stand out, along with the names of numerous Congressmen from the Northeast and the far east.

That act also was on the floor on the day that John F. Kennedy was assassinated. It was later passed partially in

tribute to the memory of John F. Kennedy.

So we go forward this year to reauthorize the Library Services and Construction Act. That is a very important piece of legislation in terms of keeping the momentum of our libraries going throughout the Nation. We have some of the best libraries in the world. We would like to keep them that way.

This is also an historic year in that the preparations for the next White House Conference on Libraries are also moving forward.

Two days ago the first meeting of the National Advisory Commission for the White House Conference on Libraries was held here at the Library of Congress. That process will go forward. There will be a White House Conference on Libraries.

There is a great need to recognize that to start the process the Appropriations Committee needs to release or needs to act on the authorization for $6 million in cost for the National Commission on Libraries in order to plan for the White House Conference on Libraries; $6 million is a very small amount of money. We would like for that money not to get lost in the deliberations of the Appropriations Committee. We think it is very important for that act to take place as soon as possible in the actions relating to the supplemental appropriation, and we would not like to have it delayed. It must go forward.

As we speak during this National Library Week and during this special order, I would like to take note of the fact that the President has sent his message to the sponsors of the National Library Week, and he starts his letter by stating: "Barbara and I are delighted to send greetings and congratulations to all those celebrating this 32nd annual observance 'National Library Week.' "

He goes on further to say this:

An educated citizenry is the lifeblood of a free and democratic government. Our nation thus owes a tremendous debt of gratitude to those who devote their time and energy to education * * *

Working in an environment that encourages reading stirs the imagination, and expedites the search for answers, the librarian plays a key role in guiding our pursuit of knowledge. I am also pleased and proud to recognize the contributions librarians make to our nation's fight against illiteracy.

The President goes on to say that he and his wife commend all librarians for the outstanding service they give to the American people.

Mr. Speaker, under my unanimous-consent request to include extraneous matter, I submit the letter in its entirety for the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC.

NATIONAL LIBRARY WEEK, APRIL 9-15, 1989

Barbara and I are delighted to send greetings and congratulations to all those celebrating this 32nd annual observance of "National Library Week."

An educated citizenry is the lifeblood of a free and democratic government. Our nation thus owes a tremendous debt of gratitude to those who devote their time and energy to education. This year's Library Week theme is indeed well-chosen: "Ask A Professional. Ask Your Librarian." Librarians are not only invaluable managers of information but also excellent teachers. By teaching us how to find and use information, they make knowledge accessible to people of all ages.

Working in an environment that encourages reading, stirs the imagination, and expedites the search for answers, the librarian plays a key role in guiding our pursuit of knowledge. I am also pleased and proud to recognize the contributions librarians make to our Nation's fight against illiteracy.

Barbara and I want to commend all librarians for their outstanding service to the American people. You have our heartfelt best wishes and support.

GEORGE BUSH.

Mr. Speaker, I would also note the fact that in our history numerous great philosophers and leaders have indicated that libraries occupy a very key place in our society. Civilization is often measured by the degree to which accumulated records and books and the respect they have received are accorded in the process of librarianship. Whether they understood it or not, they engaged in the process of collecting records and collecting knowledge, and often the quality of a civilization is judged by the kinds of actions that were taken. So we have that recognition among great men, among rich men, among great governmental leaders, among great philosophers, among great historians, and among great industrialists.

Thomas Carlyle said that "The true university of these days is a collection of books." Malcom X said: "My alma matter was a good library."

Barbara Tuchman said: "Nothing sickens me more than the closed door of a library."

The great Andrew Carnegie, who gave numerous amounts of dollars for libraries, said: "It was from my own early experience that I decided there was no use to which money could be applied so productive of good to boys and girls who have good within their ability and ambition to develop it as the founding of a public library."

Of course, Thomas Jefferson, Franklin Delano Roosevelt, and John F. Kennedy have all sung the praises of libraries and recognized their special role in our civilization and our education infrastructure. It is important to remind ourselves that libraries do play a role in the education process, because when the Federal Government chooses to deliberate on the general problems of education, too often libraries are left out, and the President's educational initiatives, although I have already criticized those as being far too meager and inadequate, like many other Federal initiatives in the past, have completely left libraries out.

Libraries are institutions that give us the greatest value for our money, the best bang for the buck. They are institutions which are opened to all people. They are resources that are available to everybody, and as such they give a value for every dollar spent that we cannot find anywhere else in the education world.

Libraries are also institutions which are available. They are available for educational purposes from the cradle to the grave. Pre-schoolchildren use libraries, senior citizens use libraries, and everybody in between uses libraries. In the formal education system, with colleges, universities, business schools, and elementary and secondary schools, if we put them all together, that comprises about 20 years of formal schooling that a person who gets a Ph.D gets exposed to. But for an entire lifetime, people who want to use libraries have an exposure to libraries. So we get a great value for our libraries, and we should stop taking it for granted. We should be upset by the fact that this year again the administration has put zero in the budget for libraries.

□ 1910

It is not quite as bad as previous administrations because this administration has its own proposal to replace the Library Services and Construction Act so, whereas it has zero in the budget for the Library Services and Construction Act, it also has its own bill. It is often called a national library improvement act. Needless to say that the amount proposed for the national library improvement act is far less than the amount presently authorized for the Library Services and Construction Act. The difference is between $181 million and $132 million, which is a great difference, but even if we were to appropriate the full amount of the authorization for the Library Services and Construction Act, it is important to note that that total amount of Federal commitment for libraries under the Library Services and Construction Act would be less than one B1B bomber; less than one B1B bomber we are talking about in terms of a full authorization for the Library Services and Construction Act.

I would like to note at this point that numerous colleagues have joined in this special order, and I would like to have their statements entered into the RECORD. All of them have submitted statements that I would like entered into the RECORD.

Just briefly I would like to highlight some of the problems faced by libraries as they seek funding at the Federal level. We of course have library concerns at every level. The Library of Congress that serves this Congress is

very much in need of full funding in order to have a full staff. It is our national library. What happens to the Library of Congress impacts on libraries throughout the Nation.

The National Agricultural Library, which is one of the greatest in the world of its kind, also needs full funding and lost $1 million as a result of a clerical error, and we would like to take note of that an urge the people responsible to correct the clerical error and restore the $1 million lost by the National Agricultural Library.

The School Improvement Act, the act which is known as part of the Hawkins-Stafford bill, had newly reauthorized block grants in it, and it included at a 3-percent increase for libraries, for the total acting libraries were included, and we would like to have that full amount funded, and of course I mentioned the Library Services and Construction Act.

The White House Conference on Libraries, $6 million. I mentioned that need for funding.

The postal revenue forgone, which often seems to have no connection with libraries, is important because, unless we have special postal rates for the shipment of books, the budgets of libraries will be greatly weakened for the fact that they have to pay the full cost of shipping books.

The Government Printing Office is recommended for funding which will only be the same as it was in the previous budget year. We would like to have that funding increased because the GPO has numerous connections with libraries, provides numerous services, and there is a need for some more pilot projects in the GPO's electronic formats, electronic formats in depository library programs related to the CD-run products. There is a need for more funding and a wider range of testing in that area.

Of greatest importance, of course, is the Library Services and Construction Act. Its small amount of money spreads throughout every State, and every small community gets some portion of these funds.

I would like to just briefly run down some of the kinds of things that the Library Services and Construction Act does.

In the construction portion of the act, which the President has proposed to eliminate entirely, funds are provided for the renovation of libraries as well as the construction of new libraries. Grants totaling $6.8 million over the last 5 years from 1985 to 1989 were spent, for example, in New York State. These grants helped in the construction and remodeling of 98 public library facilities. Sixty-four percent of this $6.8 million was used for projects which improved access for handicapped people in order to allow them to get into and out of libraries better. Some 260 public libraries mostly located in small communities and serving a population of fewer than 15,000 are still inaccessible to handicapped persons. One point three million dollars of LSCA title 2 funds annually in recent years has, however, meant greater access for all persons, and I have a listing of some of the communities that have been affected in New York State by this full funding of Library Services and Construction Act construction part. The present administration makes a great mistake when they propose to take out the construction part altogether.

We also have a statement here of the kinds of recommendations made by the American Library Association for appropriations for library services in the Library Services and Construction Act and also in the Higher Education Act which the current administration is threatening also to fund with zero funding. A Higher Education Act has been funded to provide college library resources, training and research, research libraries, resources to provide special technology. All of these items will be cut out at a time when our libraries are struggling in our universities and colleges. They would be receiving no funds if the present proposal of the administration is accepted. The ALA recommends that they be kept at their present appropriation which slightly increases in order to keep up with the cost of living.

In the special libraries area a set of recommendations are also made which I would like to submit ranging from the encouragement of enactment for all education which advances library and education services in the private, as well as the public, sectors. The encouragement of the enactment of legislation which will foster the uses of new information technology is a very important item. New information technologies are again an area where we get great value for our money. Information technology which permits the revamping of catalog systems allows them to through electronic data bases place catalogs throughout an entire State listing the resources of that State and giving access to the resources in that State library or the central library in that area to people in rural areas, people in small towns. Everybody would have an opportunity to know what is in the catalog and through the electronic format be able to retrieve that kind of information. These modern systems cost a little more money than the old systems, but they also provide a tremendous amount of additional service to many more people.

The Special Library Association also would like to encourage the enactment of legislation which will foster the international exchange of information regardless of the format to this information. The Special Library Association would also like to have greater monitoring of legislative and executive branch activities which would insure that the Government documents and the Government information are more easily accessible and readily available to the special library community, and they have some other recommendations which I also would submit.

I would like to also highlight the fact that the chief librarian of the New York Public Library, Vartan Gregorian, who is leaving the New York Public Library to assume a position at Brown University as the President of Brown University, has again made a great appeal to the Congress to follow through on what has already been started in terms of our funding for the preservation of products for projects which are directed to the preservation of our records, our books and our publications in greater amounts. I am not going to read the entire letter, but he would like to discuss, or he would like to urge, the support of resolutions which will help to prevent the further deterioration of the future heritage of this country. The New York Public Library has been a leader in this preservation program. The New York Public Library was pleased to organize an effort on March 7, 1989, when nearly 100 distinguished authors and major publishing figures pledged their commitment to using acid-free paper for all first printing of quality hard-cover trade books. This will greatly eliminate the problem or help the problem in the future, but the present problem of having acid paper means that many of our collections are deteriorating before our very eyes, and we will be unable to replace them without some special effort by the Federal Government. This commitment greatly enhances the library's ability in the future to cope with the problem of brittle books.

The second policy that Mr. Gregorian urges us to remember is that the Office of Management and Budget in its proposed circular A-130, Dissemination of Government Information; we believe that these proposed OMB policies will continue to reduce the ability of government agencies to fulfill their public service information obligations, obligations that will negatively affect the flow of government information.

□ 1920

Most importantly, because of these proposed policies, which would specifically require that Government agencies avoid disseminating value-added electronic information products and set user fees to recover the full cost of dissemination, the public will find it increasingly difficult to have access to information about its own government. I urge you to support efforts to revise OMB's proposals for circular A-130.

In past years we have criticized the Reagan administration for its efforts to save money in the wrong places within the information sector by

charging libraries for all information in electronic formats; at the same time more and more of the information that Government agencies produce is available only in electronic formats.

I would like to reiterate the plea to this administration that was made to the last administration to cease pricing valuable information available only from our Government out of the range of libraries where it would be available to all persons.

Again, the American Library Association has made a chart which indicates state by state the amount of money that each State would be losing, that its library services would not have if the present proposal by the administration to put zero in the budget for the Library Services and Construction Act is allowed to go through. If Congress does not again come to the aid of libraries, it has a state by state listing of what will be lost in terms of library services, what would be lost in terms of the inability to continue library construction and renovation and what would be lost in terms of interlibrary loans and cooperation with libraries.

Also, I would like to note that the information which contains the preamble to the law which sets forth the authorization for the White House conference on library and information services should be carefully reviewed. Our goals for the coming conference on libraries are to wake up decisionmakers at every level of Government, beginning in Washington, to the fact that you cannot have an educational process go forward unless libraries occupy a key role. They occupy a key role whether we admit it or not, whether we understand it or not. They are at the center of all learning and the failure to recognize this means that we will spend great amounts of money and get less and less value for our education.

Each day the Nation's nearly 9,000 public libraries circulate about 2.7 million books, periodicals, and other materials. They answer about 1.4 million reference questions from the public. They do all that for about $3 billion a year, less than 3 cents per person per day, and that $3 billion figure, of course, is not the Federal Government's contribution, that is the contribution of State and local governments mostly. The Federal Government only contributes less than $200 million.

Since 1980, the Federal funding support for public libraries has dropped 13 percent. During this period the price of hard cover books has increased by 80 percent and the cost of periodical subscriptions by more than 150 percent. At the same time, more and more book titles are being published every year, making it harder and harder for libraries to keep up with the material that is being published.

Education and research conducted over the last 20 years has consistently demonstrated that students who attend schools with quality school libraries and certified librarians perform better on academic tests than those who do not. School libraries are particularly important to the development of higher order critical thinking skills.

In one study one group of high school science students were taught just using a classroom textbook and another was taught just using the resources of the school library. Tests showed that both groups learned and retained the same material in terms of content, but that the library students scored better in critical thinking and writing skills, and on and on. There are numerous examples of what it means to have a first-rate up-to-date modern library media center in each school.

I think that it is important to conclude by just reemphasizing the fact that a civilization's sophistication and its dedication to education is often measured by the way its libraries are treated.

Unfortunately, I had the experience when I went to Missoula, MT, to conduct a hearing, to be a part of a hearing on the President's education initiatives. I had the experience of visiting the Missoula, MT, Public Library. The Missoula library was an unusually well-appointed library. It had a beautiful physical setting, a beautiful building. It had a rich collection of books. On a Friday afternoon it was filled with people. It was a librarian's dream in that it was being used and it had resources. It had a special counter which listed all the donations and the kinds of things that the citizens of Missoula and the surrounding area had donated over the year to the library. Their citizens had stepped in in many situations and raised money to keep services going when the State and the local government could not do it. They had raised money recently for a bookmobile to allow the bookmobile to continue operation when the money ran out from the Government. They had raised money for numerous other improvements in the library, but they had reached the end of the rope.

While we were there an announcement was made that the Missoula Public Library would be closing down for 2 weeks during the summer. Everybody on the staff, including the chief librarian, would have to be laid off, go on unemployment in order to balance their budget. I think it was an unfortunate commentary on our civilization that such a magnificent library obviously occupying such a special place in the lives of the people there, also very much being used by its citizens, would have to reach the point where it had to be closed down and everybody go on unemployment for 2 weeks in order to keep it operating. But that situation is not common to the Missoula Public Library. It may be a little more dramatic. They have done it in a little more dramatic way, but in numerous other libraries, even with the Federal funding, even with the current level of funding through the Library Services and Construction Act, hours have been cut back, days of operation have been cut back and numerous branch libraries in New York City, the hours are now about half what they used to be. The hours the libraries are open are about half what they used to be just 10 years ago. Services that were available before in terms of children's librarians, young adult librarians, librarians who were there to serve adults, all those various specialists are not there present in those libraries anymore.

At a time when education is understood to be of great importance, at a time when we have a President who wants to be called the Education President, there is no relief on the horizon for these institutions.

I hope that we will come to our senses. I hope that our priorities will be reordered and the one great benefit of National Library Week is that it makes us pause for a few minutes and reconsider the kind of systematized madness that takes place in our decisionmaking when we are willing to appropriate on and on more and more money for B-1 bombers that keep falling out of the sky, they do not work; Trident missiles that keep exploding, they do not work; MX missiles that we understand are dangerous because they have nearly exploded on the launching pads, and on and on. We spend enormous amounts of money, while we put zero in the budget for vital items like libraries.

Our educated citizenry is after all our most important resource. Whether we are considering military defense or considering national security or our ability to compete in the commercial arena, education is the first bulwark, and it is going to become more so as we move on. Any consideration of improvement in education must also consider improvements in our libraries at every level, our public libraries, our academic libraries and our special libraries, all are at the heart of any learning process. They are at the heart of any ability to maintain research and development at levels that are competitive in the international global marketplace.

Mr. RANGEL. Mr. Speaker, I rise to celebrate National Library Week and to pay tribute to the libraries and the librarians across our Nation who devote their services for the betterment and enrichment of the spirit and mind of our citizens young and old. This is the 32nd annual observance of National Library Week. Our President has made education a cornerstone of his administration and our Nations li-

braries have always been a part of the foundation upon which our education systems was built.

Today we live in an information age where information needs have never been more important. Our international competitiveness depends upon it. Our newest immigrants and our senior citizens, business people, farmers, new parents, and scientists depend on it. In todays information society libraries help thousands of people of all ages and circumstances to get information that they need.

Our libraries are the depository of almost every field of recorded knowledge. They play a critical role in the social, educational, and cultural life of the American people and many of our most extensive collections are free and open to the public. They contain indispensible sources of material that is used for pleasure, enjoyment, research, cultural enrichment. I ask my colleagues to support the various pieces of legislation that will be presented that impacts on the funding for our library services.

Finally I want to commend my colleague the Honorable MAJOR OWENS for managing this special order again this year.

Mr. MOAKLEY. Mr. Speaker, I am pleased to join my colleagues in paying tribute to National Library Week and to thank my colleague Mr. OWENS of New York, for his leadership in sponsoring this special order.

Our Nation's libraries offer many vital and innovative programs to all segments of the community. Young children can gather in the children's area to listen to stories being read to them. Students can use the library to research information for school reports. Every individual can go to the library to borrow books for their own reading pleasure or to further their pursuit for knowledge. The educational services and opportunities to learn are unlimited.

The responsibility for libraries is primarily a State and local issue. However, Federal support through the Library Services and Construction Act is vital to ensure that the programs for the elderly, the disadvantaged, the disabled, and all other segments of the population continue to be available. I would like to reaffirm my commitment for a sufficient level of funding for the Library Services and Construction Act. Libraries play an important role in enriching the lives of Americans and are crucial to our Nation's future.

Additionally, I would like to praise librarians throughout the country for their dedication to education. Librarians provide invaluable assistance to citizens and are extremely helpful in sharing the wealth of information that is available. I reiterate my full support for these national treasures.

Mr. WILLIAMS. Mr. Speaker, I rise today to join my colleagues in recognizing the importance of libraries in this Nation and to address an issue that is vital to the continued availability of library services to the American public.

Yesterday, the House Subcommittee on Postsecondary Education and the Senate Subcommittee on Education, Arts, and the Humanities held a hearing on the reauthorization of the Library Services and Construction Act. Enacted in 1956, this legislation has been carefully modified through the reauthorization process to reflect the changing needs of libraries. At our hearing yesterday, we learned about some of the new challenges facing libraries that need to be addressed in the upcoming reauthorization.

It is now widely recognized that we are facing a crisis in preserving our historic, cultural, and scientific records due to the type of paper used to print most books and publications for more than 100 years. With normal usage, this acidic-based paper self-destructs. For public libraries who pride themselves on providing access to materials and actively participate in resource sharing programs, the process of deterioration is accelerated.

It will cost hundreds and millions of dollars from Federal, State and local governments and private institutions to salvage what can still be saved of deteriorating books and other materials through the process of deacidification or by microfilming. The Congress has already appropriated more than $100 million for a salvage operation in the Library of Congress, other Federal libraries, and research libraries. However, under current law, none of these funds can be used at public libraries.

Fortunately, we do not have to face this problem into the indefinite future. The root of this problem has been determined and it is now possible to produce nonacid papers which will last several hundred years. More than 30 paper mills in this country are already doing so at costs comparable to those for acidic paper. Most university presses and many private publishers are using nonacid papers, but the majority of books and scientific and professional journals are still printed on acid papers. Even those publishers who are using nonacid papers are not generally indicating that fact in the publications themselves. Thus librarians and archivists often do not know what they are receiving.

On March 23, 1989, I introduced a resolution to establish a national policy on the use of permanant papers for publications and records of enduring value. The purpose of this resolution is to draw further attention to this issue and I urge you to join me in supporting House Joint Resolution 226.

Public libraries are important to this presevation effort. In addition to their holdings of books and publications, many public libraries maintain historic materials for their local communities. I believed that the Library Services and Construction Act would be the appropriate vehicle to support our public libraries in this effort. Witnesses testifying at the joint hearing recommended that title III of the LSCA be amended to include funding for preservation activities. This would allow State library agencies to educate local libraries on basic preservation techniques as well as provide limited dollars for the preservation of certain materials. This recommendation should be given careful consideration by the Congress.

Mr. OBERSTAR. Mr. Speaker, this week we celebrate a national treasure: our public libraries.

Throughout this vast country, in cities and towns and neighborhoods public libraries quietly furnish America with the key to the world of information.

Libraries are where children first explore the secrets of the written word; they keep the daily record of life in our world. Libraries are where our dreams begin. They are places where we find answers to our questions.

In Minnesota, there are 339 library buildings and 23 mobile units serving nearly 4 million people. In addition, over 700,000 students are served by the 1,500 library media centers in the public schools. Academic, technical and specialized libraries serve thousands more readers daily.

Minnesota's public and academic libraries have more than 37 million items of information resources. With a single library card, Minnesotans can have access to the resources of public, school, college and university libraries throughout the State through the inter-library loan system.

More and more, Minnesotans are realizing the value of their libraries. Between 1980 and 1981, the number of items checked out of Minnesota libraries increased 39 percent. Over $68 million was spent on library services in Minnesota in 1987; that is only $17.14 per person for a year of reading, learning, and getting our questions answered.

Local taxes fund the bulk of public library expenditures, but Federal dollars play an important role in library operations. The Library Services and Construction Act provides money for the inter-library loan program, bookmobiles, and specialized services for the blind, disabled and institutionalized persons. Titles II-A, II-B, and II-C of the Higher Education Act provide Federal support for college and research libraries.

These programs demonstrates the strong commitment the Federal Government has made to our Nation's libraries. Besides supporting important services, the Federal dollars also act as a catalyst for further State and local funding.

This week we celebrate National Library Week. It is a time to reflect on what our libraries mean to our community, State and Nation. Libraries are both a local asset and a national treasure. They are the storehouses of our knowlege, and the keepers of our dreams.

Mr. QUILLEN. Mr. Speaker, today we in the House of Representatives have set aside this time to take note of the important role that our libraries play in our communities and in our Nation. Libraries make available, through books, films, and other media knowledge that has been accumulated throughout the history of mankind.

Our community libraries open a window to the world for every American, both young and old. They supplement our school libraries and are continually expanding their resources to accommodate the hearing impaired, the blind, the deaf and the illiterate.

They are an important part of our educational system. Both teachers and students use library material in the instruction and learning process. The quality of the education that a school is able to offer depends in part on quick access to adequate library facilities. The Higher Education Act provides funds to enhance college library collections and to promote training in library science.

Mr. Speaker, libraries also play a major role in preserving our cultural heritage and passing knowledge from one generation to the next. Some libraries have special collections of such items as rare books, or author's original

manuscripts. Some former elected officials have turned their papers over to libraries so that future generations may benefit from them.

The Federal Government has played in increasing role in assisting libraries in recent years. Through the Library Services and Construction Act, the Federal Government supports the extension of services to rural communities which do not have any library or have only an inadequate library. In addition, the Library Services Construction Act helps to provide facilities to make libraries accessible to disabled Americans. The Federal Government also helps to support libraries by providing lower postal rates for libraries and special free mail for programs which assist the blind.

Mr. Speaker, one of the best examples of congressional interest in libraries is right across the street from where we are now. Namely the Library of Congress. This is probably the largest library in the world. It contains more than 75 million items, including books, journals, music, films, photographs and maps.

The Library of Congress serves not only the needs of Congress, it serves our constituents as well. Its cataloging distribution service provides libraries around the country with cataloging and classification information they use to organize their own collections. The Library of Congress is the Nation's lending library of last resort, and can make available materials which otherwise would be almost impossible to locate.

Mr. Speaker, our Nation's libraries are a vital part of our system of storing and passing on knowledge. We should all support them.

Mr. FRENZEL. I am delighted to join the distinguished gentleman from New York [Mr. OWENS] and other colleagues today in observing National Library Week.

Our recognition of the library system takes on a special significance in 1989, because this is the Year of the Young Reader. The coupling of these two congressional commemorative designations bodes well both for the young generations of Americans and also for the United States citizenry at-large.

During this week and this year, many Young Americans will enter their local libraries to check out the Nation's perennial favorites. Once past the doors, though, they will be exposed to a myriad of other library resources, many of which did not exist when their parents were their ages. As their needs develop, these young Americans will find that the library system accommodates their personal, educational and professional needs, and will continue to do, whatever their ages. It is a tribute to our library systems that they can entice both the young library patron and the veteran with its offerings.

Our Nation's libraries have evolved from simple book-lending institutions to great storehouses of multimedia information. Guided by skilled library staff, library patrons have practically unlimited access to information.

In my State of Minnesota, many libraries have access to computer systems and data bases. With these resources, the libraries are able to conduct basic searches for general and specialized information of almost infinite variety. These searches may assist library patrons in such diverse endeavors as establishing small businesses, exploring careers, or reviewing patent information. Such services add to the economic and social development and the vitality of the State.

Minnesota has exceptionally fine library systems which are staffed by outstanding professionals. Library personnel in my district never cease to impress me. Young readers and all library users are enriched by their enthusiasm and competence.

It is my hope that young Minnesotans will take advantage of our State's 339 public library buildings, 23 mobile libraries, and 1,500 public school library media centers during this week, and this year. And I hope that all States will join their Minnesota cohorts in this week's celebration of National Library Week. In becoming familiar with the library and developing into regular patrons, our youth may start one rewarding habit that never need be broken—frequent library usage.

Mrs. COLLINS. Mr. Speaker, if knowledge is power then libraries are fortresses.

In many countries, access to libraries and their books is restricted. In those countries, libraries are seen as shrines of influence. But American libraries are often taken for granted. Often they are unused. Other times, they simply do not get the attention and funds that they deserve.

Libraries in America contain information on a seemingly endless scope of topics. From environmental sciences to civil rights and from military strategy to carpentry, their books teach the workings of the world. Libraries help in every activity from startng a new occupation to satisfying curiosity. In this way, libraries offer our people self-advancement. The benefits they offer directly reflect the amount of effort put forth.

State and local governments are the main forces behind libraries. But, Federal involvement is also necessary to ensure that all Americans have equal access to them. As libraries are a channel toward influence, we must be sure that no group is underserved. Rich or poor, "good" neighborhood of "bad", access to knowledge must be provided to all.

Additionally, the Federal Government must help ensure that the information in libraries is current. This is especially true of governmental information which is directly within the control of the Government. The value of information is severely undercut if it is stale; these days, with many subjects, 10-year-old information is more of an antiquity than an answer. Now that the "Information Age" is in full thrust and computers are used everywhere, there is no excuse for our libraries to lack fresh knowledge resources.

Mr. Speaker, books are the key to personal growth and the participation of our people in America's affairs. So, it is essential that libraries be accessible, updated, appreciated and utilized.

Mr. SPENCE. Mr. Speaker, statistics have shown that a significant portion of America's adult population suffers from illiteracy. This concerns me, especially as we develop into a more technological society where education will be the key to the future.

I am proud to say that in the State of South Carolina libraries are providing a vital link between the illiterate and improvement of their reading skills. Libraries are working with local and statewide volunteer organizations to increase the numbers of tutors and students and often provided space in the libraries for tutor sessions. Workplace literacy is gaining acceptance as employers realize that some of their work force is either uneducated or undereducated. A highly successful literacy program is being conducted in prisons. Librarian have often taken leadership roles in these community-based programs.

Libraries in the Second District, which I have the honor to represent, are very active in library literacy programs. Some of their activities include using computers to help students in Calhoun County; an intergenerational program in Orangeburg County designed to encourage newly literate parents to read to their children; provision of space for private tutoring in Richland County; and collections of new reading materials in Lexington County. All libraries provide access to videotape training programs for tutors wishing to learn how to help someone learn to read and for literacy councils wishing to improve their organizations. Funding from the Library Services and Construction Act has been helpful in making these programs possible.

Mr. Speaker, I have been pleased to participate in this special order today to commend the dedicated library personnel and many volunteers who work so diligently to educate and improve their communities. These fine men and women provide a vital service to this country and I wholeheartedly congratulate them on a job well done.

Mr. RAVENEL. Mr. Speaker, one of the most pressing problems facing America's archives, libraries, and museums is that by the year 2010, as much as 75 percent of the books and manuscripts housed in them will have crumbled to dust or become too brittle to handle. You are probably already aware of the work being done by the Library of Congress to slow down the deterioration of or copy the information from, items in their collections. South Carolina's archives, libraries, and museums—and your State's too—are faced with some of the same problems as the Library of Congress. Most of South Carolina's books and manuscripts are being consumed by the acids in their pages, by exposure to too much light, by wide swings in temperature and humidity, by excessive or improper handling, and by the insects and fungi with which South Carolina is so abundantly endowed. These are not the only problems to be faced in South Carolina and across the country. One of our highest problems is that our institutions do not now have either the expertise or the resources to deal with the challenge posed by these new problems. Our professional training is entirely inadequate.

In South Carolina PALM COP—or the Palmetto Archives, Libraries, and Museums Council—has been organized and partially funded by the Library Services and Construction Act title III grants. This broad-based group, organized for the express purpose of coordinating book and paper preservation activities in South Carolina, has cosponsored workshops, conducted needs assessments, begun regional training sessions, et cetera.

The job is so great and time so short that it is imperative that we continue to have the help of LSCA funds to assist with this tremendous problem. If we don't save our past, we

will have no heritage to pass on to future generations.

Mr. HORTON. Mr. Speaker, I join my colleagues today in commemorating National Library Week. I would also take this time to show my appreciation for our dedicated librarians, as 1989 is "The Year of the Librarian".

It has been 5,500 years since people first inscribed written records of their ideas, relations with others and the world around them. They have kept their records on a variety of materials from the early stages of inscriptions on bone and clay, to the modern technology of the compact disc. Ever since the birth of recorded information, people have collected these materials in libraries.

In 1954, Norman Cousins stated: "The library is not a shrine for the worship of books. It is not a temple where literary incense must be burned or where one's devotion to the bound book is expressed in ritual. A library, to modify the famous metaphor of Socrates, should be the delivery for the birth of ideas—a place where history comes to life." This birth—a place where history comes to life is being celebrated this week, April 9–15, 1989, as National Library Week.

The entire month of April is dedicated to the celebration of school libraries. Libraries—all types of libraries—public, school, college and university, special, and institutional, are all coping to meet the information needs of their clients. With information doubling every 5 years, more and more libraries are joining together into multitype networks to share resources. With Federal, State, and local assistance, libraries can continue to be a source of quality and up-to-date information. With new technology and advancements, libraries can continue to be accessible to all, enrich lives, and allow for an informed citizenry.

Today, I pay tribute to all those librarians who work selflessly to ensure that all the information gets into the hands of the people. "Libraries just don't happen, librarians make them happen." I would also like to acknowledge the work of the New York Library Association [NYLA], the Society of School Librarians International [SSLI], the American Library Association [ALA], and many other public and school library associations for their work to foster and promote library needs. Their work enables Members of Congress to fully represent their constituency and work to promote quality education. In my district, there are many fine libraries in the cities as well as the rural areas. They play a vital role in providing services to area corporations, government agencies and to all the citizens of the 29th Congressional District.

Mr. Speaker, libraries and education go hand-in-hand. Without the librarian and the library, the educational process collapses. Without education, our country collapses. This week, National Library Week, signifies the need to help develop and promote libraries throughout the Nation.

Mr. DWYER of New Jersey. Mr. Speaker, I am pleased to join with you today to honor our Nation's libraries. It is only fitting that we pay tribute to the work of this country's libraries during National Library Week.

Although public libraries are primarily the responsibility of State and local governments, I believe that the Federal Government has an important role to pay to ensure the continued survival of libraries as growing, vital institutions and to guarantee that all Americans have access to a library.

As you well know, our Nation is facing a crisis regarding illiteracy. The statistics documenting the number of functionally illiterate children and adults are staggering, and growing worse. I believe that libraries should and do play an important role in our fight against illiteracy. Many libraries offer reading incentive programs to encourage children and adults to read.

Curbing the growing tide of illiteracy is not a fight we should expect libraries to wage alone. I believe that the Federal Government must provide libraries with assistance by supporting such programs as the Library Services and Construction Act [LSCA]. While not a large program, LSCA is a very flexible one. LSCA has allowed libraries to provide programs to service the elderly and disadvantaged, construct and renovate facilities, and update computer software and hardware. Truly, the LSCA is vital if we wish our libraries to continue to play a pivotal role in educating our citizens.

Mr. SIKORSKI. Mr. Speaker, I rise today to reemphasize the great importance of public libraries in the United States. Public libraries play a critical role in the learning process to people of all ages. They provide access to materials, books, technical assistance, and a variety of other programs to people throughout the United States.

It is extremely important for Congress to reauthorize the Library Services and Construction Act. The Library Services and Construction Act [LSCA] provides Federal funds for public libraries, for library services such as bookmobile services, improving communication services for the blind, and technical assistance in public library automation. The LSCA also provides funds for public library construction and interlibrary cooperation and networking. Without this funding, libraries throughout Minnesota and the United States would be unable to expand existing programs or be able to afford new and innovative programs for public libraries.

In Minnesota, Federal funds from LSCA have been matched by State and local funds to enable libraries to provide innovative services that connect urban, suburban, and rural libraries together. Through interlibrary cooperation and networking, LSCA funds have benefited over 750 postsecondary libraries, public libraries, school library media centers, and special libraries such as government, health, law, and corporate libraries in Minnesota alone.

In addition, Federal funds matched by State funds allow the public libraries to promote cooperation between the library, the school, various organizations, and the community. Minnesota Libraries have been at the forefront of exploring opportunities to expand cooperation in their communities and with continued funding. I know they will continue their excellent efforts.

Mr. GOODLING. Mr. Speaker, I am pleased to have the opportunity to commend and recognize the importance of our Nation's libraries and librarians during National Library Week.

This week provides us with a chance to reflect on and appreciate the services libraries provide with seemingly effortless efficiency—although we are ultimately aware of the hard work performed by librarians which the public never sees.

Libraries are, and have always been, a vital part of the community. Though they continue to provide books for research or pleasure reading, this is no longer a library's only important function. Films, periodicals, and music are now also provided at many libraries. The awareness that such materials are readily available is both encouraging and reassuring to all members of the community.

In addition to providing these materials free of charge, libraries are also a source of a variety of programs which are beneficial to the community—some on their own initiative and some "by chance." For instance, many "latchkey" children come to libraries after school instead of returning to an empty home. Many libraries, aware that they are now a type of "day care provider," have started programs which benefit young children. Some even use volunteers to help these children with their homework.

Even preschool children benefit from library programs. Many attend story telling groups at the library. Such programs provide an early start in the fight against illiteracy, especially when they use combined parent/child sessions and encourage parents to read to their children. Children whose parents read to them, read more and this helps them become more successful students.

Older individuals who cannot read can often find a tutor at their local library and discover the wonderful world of reading. Senior citizens can also find programs designed especially for them. The Cumberland County library system in my congressional district has initiated a STAR Program. The "Service to Adult Readers" is an outreach program which provides materials and services to older adults and their families as well as organizations and agencies working with them. The STAR Homebound Program brings regular and large print books and books on cassette to the homes of older adults who are unable to come to their public library. STAR volunteers personally deliver books and library materials to county residents over age 60 who are confined to their home due to age, illness, disability or lack of transportation, and the service is free. In my view, this type of service is beneficial to community unity and the well-being of its citizens.

Federal funding, of course, plays an important role in the continuation of these programs. The money received from the Federal Government is used to extend the reach of libraries into more rural areas, improve library facilities, and found or improve literacy and other educational programs.

Pennsylvania State Librarian Sara A. Parker appeared before the Subcommittee on Postsecondary Education on April 11. In her remarks, she recognized the importance of Federal funding. As a Representative from the Commonwealth of Pennsylvania, I was proud to have her appear before the subcommittee in support of title VI of the Library Services and Construction Act, which allocates Federal funds to libraries.

Mr. Speaker, I am pleased to salute our libraries and to recognize their importance during this special week. However, libraries are not just important this week; they are important every week. I encourage everyone to visit their local library, and I encourage my colleagues to continue to give their support to libraries so they can continue to carry out their indispensable programs.

Mrs. PATTERSON. Mr. Speaker, today, I am pleased to join many of my colleagues in observing "National Library Week."

Our libraries are not just places to find books and conduct research, they are the repositories of civilization. They hold the records of all that humanity has experienced or accomplished for thousands of years.

Libraries across the nation serve millions of individuals from all age groups. They serve our older citizens in special ways by devising programs and adapting material for easier use. Large print books and cassette tapes are just a few examples of the special service our libraries provide for our senior citizens.

The Library Services and Construction Act Amendments of 1984 recognized older citizens as a special segment of our society in need of special library programs. In my State of South Carolina, the 1990 census is expected to indicate that 11 percent of its population will be over 65 years of age.

Public libraries have used Library Services and Construction Act funds to develop new programs for the elderly. These programs range from providing materials in formats easily used by senior citizens to outreach programs designed to bring library activities to nursing homes.

This week is the perfect time to urge the continuation of appropriate funds to the Library Services and Construction Act in order to meet the informational needs of this fast growing segment of our society.

Mr. Speaker, I am pleased to have an opportunity to join the gentleman from New York in recognizing the contributions of our Nation's libraries.

Mr. SPRATT. Mr. Speaker, I am pleased to participate in the special orders today in honor of "National Library Week". This is the time we pay tribute to the many services that public libraries provide.

In a recent survey, South Carolina public libraries indicated the need for over 1 million square feet of new building space. This need expresses itself not only in terms of new construction but also in the expansion and remodeling of existing buildings and the adaptation of present facilities to accommodate new technologies.

With the help of Library Services and Construction Act [LSCA] title II funds, South Carolina libraries are tackling the space problems. Just this past January, I had the pleasure of speaking at a ceremony dedicating a community room which had been added to a branch library in Great Falls, a small town in Chester County which had weathered hard times, but which has continued to grow even after suffering setbacks of a textile closing a few years ago. The new addition symbolizes the spirit and determination of this community to keep going, never to give in. Space shortage is an especially severe problem in those areas of the state which have experienced tremendous growth in population. For example, a new branch library in my native York County is under construction in Lake Wylie, one of the fastest growing areas of the county and a community with a strong sense of what good library service is.

Another county in my district of which I am particularly proud is Laurens County where a new 23,000 square foot library facility is being built. This new library, with more space for books and programs and greater access to the handicapped, will offer greatly enhanced services to all age groups in the county. I look forward to attending the dedication of the building this fall. This building was funded by $800,000 from the county and an LSCA grant of $150,000 plus a general fund raising to bring the grand total to $1.5 million.

The size of the LSCA title II grants from the three projects I just mentioned, as well as others in South Carolina, are small in comparison to the total fund package. Though small, these grants have proved to be the carrot needed to encourage local funding activity. I hope we can continue to fund LSCA title II at an adequate level in order to encourage communities to meet public library space needs and to help reduce that million square feet deficit South Carolina faces.

I strongly support our public libraries, and I am pleased to have been able to speak on the vital role these institutions play in our communities and the importance of the Library Services and Construction Act in assisting libraries in meeting these needs.

Mr. DERRICK. Mr. Speaker, in today's fast paced society, libraries continue to reach out to meet the needs of all of their patrons. Libraries have traditionally shared their materials with each other in a system known as interlibrary loan. Interlibrary loan is used by the best financed libraries and those with limited resources since no library can be expected to meet all of the demands made of them.

I strongly support the concept of cooperation because it is the only way a library patron in Walhalla—located in the northwest corner of the State—can have access to the same resources as the reader in Charleston—located on South Carolina's east coast. Geography should not be a barrier to accessing the information found in South Carolina libraries.

The South Carolina State Library operates the South Carolina Library Network, a statewide library and information network. The long-range goal is to enable local library users to have access to the State's total library resources. At present, the South Carolina State Library provides interlibrary loan service to supplement the resources of public, academic, special and school libraries and provides information and research services to State government. Through the use of automation and telecommunications technology, the network promotes interlibrary cooperation and resource sharing. The Library Services and Construction Act funding has played a significant role in the network's development.

Last year, 108 libraries and State agencies had access to the South Carolina Library Network. The State library loaned 31,026 items in response to the requests of these libraries. We have experienced an 18-percent growth rate the past few years. This is indicative of the need we have for information today. Therefore, there is a need to continue funding the LSCA to enable libraries to continue sharing their resources.

Mr. Speaker, I would like to thank my colleague, Mr. OWENS of New York, for calling this Special Order on Libraries. It gives all of us a chance to focus on those library programs and services that are so important to the communities in our districts.

Mr. MAZZOLI. Mr. Speaker, a community bereft of a solid, functioning, and accessible library system is a community in danger of having its light of knowledge, cultural awareness, and career improvement extinguished.

I freely confess that my personal experiences with the public library in my home district—the Louisville Free Public Library—color and influence my feelings about the public library systems of America.

I recall with undiminished pleasure the splendid times I spent as a youth browsing the book shelves at the Louisville Free Public Library's Highland Branch.

I visited exotic and mysterious foreign lands. I rode balloons around the world, I survived many a shipwreck at sea—all without leaving the safe confines of my chair at the Highland Library.

And, in a slightly different context, the library system has been a positive influence on my two children.

Michael and Andrea—now talented young adults and college graduates—recall to this day with pleasure and warmth their visits to the main branch of the Louisville Library to listen, wide-eyed, to the stories told by Mrs. Barbara Miller, whom we fondly called "the storytelling lady."

How much of our children's intellectual formation, literacy, and solid value system is attributable to Mrs. Miller and how much to Helen and me—their parents—may be debatable. What is not debatable, though, is that Michael and Andrea were, at Mrs. Miller's knee, exposed early in their lives to the beauty, mystery, charm, and wisdom of the printed and spoken word. Future generations of Michaels and Andreas will not have these same opportunities unless America's library system remains strong and vibrant.

In another way, the library has played a pivotal role in my family's life. My late father, who came to this country and to Louisville from Italy in 1914, did not have a chance to receive much formal education. He completed about 7 grades of school and then went to work as a tile and marble worker.

Dad received the rest of his education from the public library in Louisville and in libraries located in the many cities of his adopted country in which he lived and worked.

I reflected on dad and the Louisville public library system in comments which I prepared in 1979 for the book by Whitney North Seymour, entitled, For the People, Fighting for Public Libraries:

"Many times over the years, dad told me that, in his judgment, he was 'Americanized' by the free public library system in the city of Louisville. What dad meant by this, of course, was that the libraries enabled him to gain the knowledge and the appreciation of things around him which he was unable to acquire in the formal setting of a classroom.

The free public library enabled him—a man of few means—to grow socially and intellectually.

The free public library system also gave my father the necessary business background to open and run successfully, with my mother's devoted help, a small tile, terrazzo and marble company, to send his children to reputable schools and to become a respected, productive citizen of his community.

It is evident from the personal experiences I have described here that, simply stated, I love libraries and I deeply appreciate the opportunities they afforded me—and to my children and family—to grow intellectually and socially.

And, so, as we observe the 32d anniversary of "National Library Week," it is appropriate to speak of the important contributions libraries have made to each of us, over our lifetime and to pledge that the generations to come will be permitted to share these same experiences.

Libraries are the intellectual, the social, and the economic underpinnings of any community entitled to be called a community. And, even in this most stern of budgetary times, we must provide generously for our public library system.

Mr. WEISS. Mr. Speaker, it is with pleasure that I participate in this special order on libraries, and I want to thank my friend and colleague from New York, Congressman MAJOR OWENS, for organizing this special order. As Congressman OWENS is himself a professional librarian, it is particularly appropriate that he lead us in this activity.

We all appreciate the vital role that libraries play in our communities, schools, and colleges. They are a place to congregate, to learn, and to exchange ideas and information. In today's information-rich society, libraries are all the more crucial. People from every walk of life, from business people to scientists to new immigrants, depend upon libraries to increase our international competitiveness, develop new technologies, or simply cope with the demands of everyday life.

Libraries provide access to learning for young children and senior citizens alike. They organize and provide meaningful and constructive afterschool activities for older children. There literacy and language programs represent a vital service to nonreaders and non-English speakers. Their resources are an invaluable asset to university students and scholars. And, perhaps most importantly, because most libraries are public, they are available to all.

While much of Government support for libraries comes from the State or local level, Federal funding is nevertheless crucial for expanding the capacity, availability, and scope of library services. It is imperative that we continue to uphold that Federal commitment.

Chief among Federal programs serving libraries is the Library Services and Construction Act [LSCA]. Unfortunately, the Reagan administration requested no funds for this program for the last 7 years, and President Bush continued this disappointing trend in his budget request for fiscal year 1990. Despite these misguided proposals, Congress has continued and even increased appropriations for the LSCA during that time. This important program, which is helpful to so many people, represents only a miniscule portion of the Federal budget. The LSCA is up for reauthorization this year, and I am hopeful that Congress will again maintain the LSCA at the highest possible funding level.

In my home district in New York, the New York Public Library uses LSCA funds to support vital programs and services for special populations. Included among these are outreach to the unemployed and the homeless, purchase of materials for the blind and physically handicapped, writing workshops for those in literacy training, and funding for construction and renovation projects to increase access to library facilities for people with physical limitations. Funding for these activities is an investment in American progress and success which will be returned many times over, and which must be continued.

Whereas libraries bring people together, they themselves are linked through extensive networks of shared resources. Vital to that service is the Postal Service's Revenue Foregone Program. Without the reduced postal rates which enable libraries to send books and materials to other libraries, funds that could otherwise be used for more important programs would have to be spent on postage. Less money would be available for acquisition and maintenance of materials and for provision of important community services. The Bush administration has continued the regrettable trend set by its predecessor of recommending to limit the postal revenue foregone subsidy, but such a limitation would create a serious threat to libraries and must be avoided.

Also of concern is the Office of Management and Budget [OMB] proposed Circular A–130, which deals with dissemination of Government information. The proposed OMB policy would reduce the ability of Government agencies to fulfill their public service information obligations, negatively affecting the flow of Government information. By adopting user fees for dissemination of information, these proposed policies would limit the public's access to information about its own Government. I hope that a revision of these policies will soon be considered.

Finally, I was pleased last year to cosponsor and help pass legislation authorizing a second White House Conference on Library and Information Services to be held before 1991. I look forward to an early appropriation of funds to implement this conference as soon as possible.

Mr. Speaker, I am pleased to join with my colleagues in supporting libraries and library services during this National Library Week. I would like to extend my congratulations and thanks to our Nation's librarians for their invaluable services to our country.

GENERAL LEAVE

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. CARR). Is there objection to the request of the gentleman from New York?

There was no objection.

H.R. 1864, SIMPLIFICATION OF SECTION 89, INTERNAL REVENUE CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 15 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, today I am introducing, along with Hon. THOMAS FOLEY, majority leader of the House, and 28 members of the Committee on Ways and Means, legislation, H.R. 1864, to significantly simplify section 89 of the Code. Section 89 was enacted as part of the Tax Reform Internal Revenue Act of 1986 and became effective on January 1 of this year. The statute imposes nondiscrimination and qualification rules with respect to certain employer-provided fringe benefit plans. This legislation is designed to address the legitimate concerns of employers about the complexity and administrative burdens that section 89 imposes on employers while retaining the fundamental policy objectives that led to the enactment of section 89.

Some people, Mr. Speaker, have argued that section 89 should be repealed. I strongly reject that notion because repeal would send an absolutely wrong message to the American people. Repeal of section 89 would tell the American people that, in this era of uncontrolled budget deficits, the Congress is unconcerned about the $30–$40 billion per year in tax expenditures for employer-provided health benefits. Repeal would tell the American people that the Congress doesn't care that the average American's tax dollars subsidize the cost of health plans maintained for executives of businesses. And repeal would tell the American people that the Congress is not committed to the delicate compromise that brought them reduced tax rates in the 1986 Tax Reform Act. I believe strongly that this is not the message that we should be sending to the American people.

The tax-favored treatment of employer-provided fringe benefits represents a significant reduction in the Federal income tax base. This reduction is justified only if the tax benefits further important social policy objectives. Nondiscrimination rules of the type contained in section 89 are a necessary adjunct to this public policy rationale because they permit the exclusion of fringe benefits only if the benefits are provided to a broad cross-section of employees. Nontaxable fringe benefits that favor key or highly compensated employees do not serve public policy objectives, but are instead a form of tax-preferred compensation for a limited class of employees.

Mr. Speaker, section 89 was the subject of significant public scrutiny during the consideration of the Tax Reform Act of 1986. Section 89 was an initiative originated by President Reagan in his official tax reform proposals submitted to Congress in May 1985. Employers had many opportunities for well over a year prior to the enactment of the Tax Reform Act to offer constructive suggestions with re-

spect to the structure of section 89 during the extensive public hearings held by the committee. When such suggestions were provided, they were taken into account by the Ways and Means Committee. Other suggestions were made to the Senate Finance Committee during their markup, and then to the House-Senate conferees in the summer of 1986. This process of public scrutiny continued with the consideration of the Technical and Miscellaneous Revenue Act of 1988, during which substantial input was received from the business community, health care providers, and other interested parties. Much of present law is the direct result of this private sector input and a desire on the part of the Congress to allow employers flexibility in determining both the level of benefits offered to employees and the methods by which such benefits are provided.

Unfortunately, much of the current complexity of section 89 is the result of the attention the Congress has paid to the problems that employers have encountered with section 89. In our efforts to address the legitimate concerns expressed by employers, we have adopted numerous exceptions and safe harbors to the section 89 rules. These exceptions have only increased the complexity of section 89.

I believe it is appropriate for us to address adequately the real complexities and administrative burdens presented by section 89 without significantly undermining its underlying policy objectives. That is the goal of the bill I am introducing today. This bill will not help employers who provide benefits primarily to highly compensated employees and have used arguments of complexity as a smokescreen to hide discriminatory practices.

In introducing this bill, it is my hope that recordkeeping and data collection requirements of employers, particularly small employers, will be significantly reduced. I am strongly and firmly committed to nondiscrimination requirements for employee benefit plans. However, these requirements should not be so administratively burdensome on small or large employers that they discourage the establishment and maintenance of fringe benefit programs for broad classes of employees.

As I have said, the bill I am introducing today is designed to answer continuing concerns on the part of the business community relating to the complexity of section 89. Rather than further modifying the already complicated structure of section 89, this bill completely replaces existing section 89 with a streamlined nondiscrimination requirement that eliminates the major data collection problems presented by present law. So as not to disadvantage those employers who have expended significant time and money to comply with section 89, the bill allows an employer to satisfy either existing section 89 or the new nondiscrimination rules for 1989.

The introduced bill will significantly simplify testing and compliance with section 89. The requirements of the bill may be met through the design of the employer's health program. This means that individual employee elections of health coverage need not be monitored continuously throughout the plan year. If an employer does not design its health program to meet automatically the requirements of the bill, significantly less data is required to be collected than is required under present law. Data must be collected only with respect to a small segment of employees, those who are highly compensated. Further, there is no need for the employer to determine the family status of each employee or whether the employee has other coverage. Therefore, under the bill, no sworn statements are required to be obtained and maintained by an employer. As under present law, if an employer does not meet the requirements of the bill, there is no adverse tax consequence to nonhighly compensated employees.

Mr. Speaker, in developing this simplification bill, several alternative formulations were considered. First, it was necessary to determine whether the desired simplification could be achieved through changes to the existing section 89 rules, for example, through the addition of new safe harbors and technical changes. Our experience last year with the technical corrections legislation tells us that this approach would not lead to meaningful simplification and would not satisfy many in the employer community. Moreover, any single safe harbor generally only benefits a small segment of the business community. Mr. Speaker, I believe we should be looking for simplified rules that are available to all employers, not just to a limited class of employers. For these reasons, it was determined that complete revision of the present section 89 rules is necessary.

Several different ways of rewriting section 89 were considered. For example, consideration was given to returning to the nondiscrimination requirements contained in the House version of the 1986 Tax Reform Act. The House version of Tax Reform was considered by many to be too inflexible for employers and to result in inappropriate failures by employers to meet the requirements because employees declined to participate due to their family status or because employees had coverage from other sources—for example the employer of a spouse provided the employee with coverage. I do not now recommend returning to the House version of Tax Reform because issues surrounding the tests as contained in that bill would continue to necessitate a burdensome level of complexity.

Another approach considered in the development of this bill was a cap on the amount of tax-favored health coverage that an individual can exclude from income as considered by the Committee on Ways and Means during our tax reform deliberations. Such a cap would limit the tax-favored status of health coverage above a level deemed to warrant the exclusion from income. However, it was determined that a cap on the exclusion of health coverage would not sufficiently encourage the expansion of coverage to lower income employees.

Also considered in formulating the bill was the use of the existing nondiscrimination rules relating to qualified pension plans contained in sections 410(b) and 401(a)(4) of the Internal Revenue Code. These pension nondiscrimination rules have been in place for many years. Following the pension rules has the advantage that many employers maintain qualified pension plans for their employees and thus are familiar with the rules.

Use of the pension rules also has disadvantages. For example, while familiar to many employers, these rules are not familiar to those employers who do not maintain qualified pension plans for their employees. In addition, many issues arise in the health area that are not relevant in the retirement plan area—for example, dependent benefits and coverage from another employer. Finally, the rules were not seen as significantly reducing the complexity of testing for compliance. For these reasons, this approach also was rejected.

I have heard a great deal about the costs that employers must bear to determine whether the requirements of section 89 are satisfied. I am concerned about the effects these costs will have on employers. That is why the legislation I am introducing today creates a streamlined structure that can be satisfied through plan design and minimal data collection. In effect, the bill creates a prototype plan that any employer can elect to use to satisfy the rules. If complexity and administrative costs are the primary problems with section 89, then the adoption of this new structure can help cure these problems. If, however, employers are using arguments of complexity to hide the fact that their health plans are primarily benefiting highly compensated employees, then this legislation will not make them happy. With the Federal Government subsidizing health insurance by over $33 billion a year, it is only right to require that rank-and-file workers participate in this essential subsidy.

Mr. Speaker, a revenue estimate on the bill I am introducing has not yet been prepared by the staff of the Joint Committee on Taxation. However, the revenue consequences of this legislation will ultimately have to be considered as the bill moves through the legislative process. In this regard, I have received a letter from the Honorable LEON PANETTA, chairman of the House Budget Committee, warning that this bill might exacerbate the budget deficit, thereby complicating efforts to avoid sequestration this fall. Furthermore, Chairman PANETTA urges the Committee on Ways and Means only to report legislation to the House that is deficit neutral. I fully agree with Chairman PANETTA, and am committed to this end.

Mr. Speaker, I hope that employers will view this legislation as a positive step in simplification of section 89. I am open to additional suggestions from employers on ways to simplify the compliance with employee benefit nondiscrimination requirements. This bill addresses the main problems that have been voiced to date—problems with part-time employees, leased employees, plans maintained pursuant to collective-bargaining agreements, et cetera.

On Tuesday, May 2, the Committee on Ways and Means will conduct a hearing on the bill that I am introducing today. Employers will have an opportunity at that hearing to offer constructive suggestions for simplification, rather than repeal of these essential nondiscrimination rules.

A technical description of this legislation follows:

DESCRIPTION OF H.R. 1864

NEW SECTION 89 TEST: IN GENERAL

The bill replaces the current section 89 nondiscrimination rules for health plans with a single simplified test. In general, an employer's health plan passes the bill's test if the plan is not discriminatory on its face and:

(1) at least one plan or a group of plans providing primarily core health coverage is available to at least 90 percent of the employer's nonhighly compensated employees at an employee cost of no more than $10.00 per week in the case of individual coverage, or $25.00 per week in the case of family coverage, and

(2) the maximum amount of employer-paid premium that may be excluded from the income of any highly compensated employee is not more than 133 percent of the employer-paid premium made available to 90 percent of the nonhighly compensated employees.

The first part of the test is referred to below as the eligibility test, and the second part is referred to as the benefits test.

ELIGIBILITY TEST

Under the bill, the eligibility test is satisfied if the plan is not discriminatory on its face and affordable core (or primarily core) health coverage is available to 90 percent of the nonhighly compensated employees of the employer. This 90 percent test may be met by looking at all plans maintained by the employer that provide health coverage and that meet certain limits on the amount that may be charged to the employee for coverage. This test does not require that the employer only offer health plans meeting the employee contribution requirements. Rather, the employer can offer a full array of plans as long as the availability test is met by at least one (or a group of) plans. If the employer fails to meet this new eligibility test, then the value of all health coverage provided to highly compensated employees is includible in the taxable income of the highly compensated employees.

The eligibility test under the bill does not mandate a particular level of coverage that must be provided to nonhighly compensated employees. Instead, in order for all or a portion of the coverage provided to highly compensated employees to be provided on a tax-favored basis, some affordable health coverage must be available to a broad segment of employees. The limit on employee cost is intended to ensure that coverage is, in fact, available to employees. Without such a limitation, an expensive plan could meet the eligibility requirements of the bill and yet fail to meaningfully expand the availability of coverage because of the unrealistic financial burden electing such coverage would place on nonhighly compensated employees.

For purposes of what plans may be considered available for the eligibility test, the bill limits mandatory employee contributions to $10.00 per week for employee-only coverage and $25.00 per week for coverage for the employee and the employee's family. These dollar amounts are indexed for wage growth. This indexing permits appropriate increases in the mandatory premium, while continuing to ensure that the plan is affordable. For purposes of this rule, amounts paid through salary reduction are treated as an employee contribution, because salary reduction represents a cost to the employee.

The following examples illustrate this rule.

Example 1.—An employer maintains several health plans for its employees. Among these plans there is a plan providing core health coverage that is available to all nonhighly compensated employees at a cost of $8.00 per week for employee-only coverage and $15.00 per week for family coverage. This plan is a qualified core health plan and the employer meets this eligibility test.

Example 2.—An employer maintains two plans providing core health coverage. One plan is an indemnity plan and is available to employees at a cost of $5.00 per week for employee-only coverage, and $20.00 per week for coverage of the employee and the employee's family. This plan is available to 40 percent of the nonhighly compensated employees of the employer. The other plan is an HMO requiring no employee contribution and is available to 70 percent of the employer's nonhighly compensated employees. Both plans are qualified core health plans and may be considered for the eligibility test because the cost to employees under both plans is within the mandatory contribution range and both plans primarily provide core health coverage. If 90 percent of the nonhighly compensated employees can participate in one of the two plans, then the employer meets this eligibility test.

BENEFITS TEST

The purpose of the benefits test contained in the bill is to ensure that highly compensated employees do not receive a disproportionately higher level of employer premium than the level of employer premium that is available to the nonhighly compensated employees. Under the bill, the maximum tax-favored benefit that a highly compensated employee may receive is generally 133 percent of the smallest employer premium for the employee-only coverage that is taken into account in applying the 90 percent test. However, if a highly compensated employee elects family coverage, and if the employer maintains a plan that provides family coverage that meets the requirements under the bill for the 90 percent test, then the maximum tax-favored premium is increased to 133 percent of the smallest employer-paid family premium taken into account in applying the 90 percent test. Any employer-paid premium received by a highly compensated employee in excess of the level of employer-premium that meets the benefits requirement is includible in the taxable income of such employee.

For purposes of determining the employer premium received by highly compensated employees under the benefits test, the bill treats salary reduction as employer contributions. This rule relating to salary reduction recognizes that such amounts are afforded tax-preferred treatment under the Internal Revenue Code. In addition, if all salary reduction was considered as employee contributions to a plan, the employer could evade the benefits test by providing all or a substantial amount of health coverage to highly compensated employees through salary reduction.

In determining the employer-provided premium for purposes of the benefits test, the bill retains present law, including the rules enacted as part of technical corrections. Thus, for example, an employer may use premium cost as determined under the health care continuation rules, or can use any reasonable valuation method in lieu of employer premiums.

The benefits test is illustrated by the following examples.

Example 1.—An employer maintains only two health plans: an indemnity plan and an HMO. Both plans are available at no cost to over 90 percent of the nonhighly compensated employees. An employee may choose either plan. Under this example, there can be no failure of the benefits test because the highly compensated employees can only receive an employer-paid premium equal in value to the employer-paid premium available to nonhighly compensated employees.

Example 2.—An employer maintains two health plans: an indemnity plan providing core health coverage that is available to all employees, and a dental plan available only to a limited class of employees (including both highly and nonhighly compensated employees). Neither plan requires employee contributions. The employer cost for the indemnity plan is $1,400 as determined under the health care continuation coverage rules. The cost for the dental plan is $500. Under the bill, if a highly compensated employee participates under both plans, then the taxable portion of the premium to such employee is $38 ($1,900 less (1.33 x $1,400)).

Example 3.—An employer maintains several health plans. Three plans are core health plans. Each core plan is available to over 90 percent of the nonhighly compensated employees. The employer cost of each of the three core plans is $500, $1,000 and $1,500 respectively. The maximum excludable benefit that may be received by any nonhighly compensated employee is $1,995 ($1,500 x 1.33). Thus, any highly compensated employee would have taxable income to the extent that the employee receives over $1,995 in health coverage.

ELECTION NOT TO TEST

Under the bill, an employer may elect to forego testing and instead include the employer premium for health coverage as taxable income on the W-2 of highly compensated employees.

PART-TIME EMPLOYEES

Under the bill, employees who normally work less than 25 hours a week are disregarded for purposes of the nondiscrimination tests (compared with 17.5 hours under present law). In addition, the employee premium and the employer-provided coverage are proportionately adjusted for less than full-time employee, even though the part-time employee pays more for the same coverage and so receives a lower employer-paid benefit.

LEASED EMPLOYEES

The bill creates a safe-harbor that allows an employer to disregard leased employees if certain requirements are met. The rule is similar to the leased employee rules applicable to qualified pension plans. Under the bill, an employer may disregard a leased employee if the leasing company certifies that such employee has available a core health plan meeting the limitations on mandatory employee contributions of the eligibility test. This rule, like the rule in the pension plan area, is only available if leased employees do not constitute more than 20 percent of the employer's nonhighly compensated work force.

UNION EMPLOYEES

The bill provides that plans maintained pursuant to collective bargaining agreements are tested separately.

FORMER EMPLOYEES

As under present law, the nondiscrimination tests are applied separately to former employees of the employer. The bill delays the application of section 89 to former employees for one year, to 1990.

DEFINITION OF HIGHLY COMPENSATED EMPLOYEES

The bill amends the definition of who constitutes a highly compensated employee for purposes of section 89. Under present law, an employer will always have at least one highly compensated officer regardless of that officer's compensation. Under the bill, only officers with compensation in excess of $45,000 must be considered highly compensated employees. This rule will benefit employers who, but for the present-law rule, would have no highly compensated employees. These employers include many municipalities and tax-exempt organizations.

GROUP TERM LIFE INSURANCE

Under present law, group term life insurance plans are subject to the section 89 rules. To further simplify section 89, the bill generally provides that the nondiscrimination rules in effect prior to the Tax Reform Act apply to group term life insurance.

FAILURE TO COMPLY WITH QUALIFICATION RULES

An employer's fringe benefit plans are required to meet certain minimum standards, for example, that the plan be in writing, that employees be notified of plan provisions, and that the plan be maintained for the exclusive benefit of employees. This exclusive benefit requirement is satisfied if the number of individuals with no service nexus to the employer who participate in the plan is de minimis. Under present law, if an employer's plan does not satisfy these requirements, then all employees must include in income the value of benefits (e.g., reimbursements for health care) received under the plan. This sanction is unfair because it penalizes employees who have not control over the failure to satisfy the rules. Thus, the bill replaces the present-law sanction with an excise tax on the employer.

EFFECTIVE DATE

The proposal is effective for 1990. However, the employer may use either present law or the new rules for 1989. This will allow employers flexibility in the design of their program and is fair to those employers who have already attempted to comply with present law.

RULES OF THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL FOR THE 101ST CONGRESS

(Mr. RANGEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANGEL. Mr. Speaker, pursuant to and in accordance with House rule XI, clause 2(a), I submit for publication in the CONGRESSIONAL RECORD a copy of the rules of the Select Committee on Narcotics Abuse and Control for the One Hundred First Congress as approved by the committee at its organizational meeting on April 12, 1989.

RULES OF THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

RULE 1. GENERAL

The Rules of the House of Representatives, to the extent they apply, together with the following rules, shall be the rules of the Committee.

RULE 2. MEETINGS

(a) The regular meeting day of the Committee for the conduct of its business shall be on the second Thursday of each month while the Congress is in session.

(b) Additional meetings may be called by the Chairman and a regular meeting of the Committee may be dispensed with when, in the judgment of the Chairman, there is no need therefor.

(c) Special meetings may be convened as provided for by clause 2(c)(2) of Rule XI of the Rules of the House.

(d) At least 3 days (excluding Saturdays, Sundays, and legal public holidays) before each scheduled Committee meeting, each member of the Committee shall be furnished a list of the subjects to be considered or acted upon at such meeting.

RULE 3. HEARINGS

(a) Members of the Committee shall be advised and a public announcement shall be made of the time, date, place, and subject matter of any hearing to be conducted by the Committee at least one week before the commencement of such hearing, unless the Chairman determines that there is good cause to begin such hearing at an earlier date, in which event the Chairman shall advise Committee members and make the public announcement at the earliest possible date. Any announcement made under this paragraph shall be promptly published in the Daily Digest and promptly entered into the committee scheduling service of the House Information Systems.

(b) Unless authorized by the Chairman, a witness shall not be permitted to testify or present evidence at a hearing of the Committee, and such testimony or evidence may not be included in the Committee hearing record, unless 50 copies thereof have been delivered to the Committee at least 48 hours prior to such hearing.

(c) A Committee member may question a witness only when recognized by the Chairman for such purpose. In accordance with clause 2(j)(2) of Rule XI of the Rules of the House, each Committee member shall be allowed 5 minutes to question a witness until each member who so desires has had such opportunity. The Chairman shall, insofar as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the discretion of the Chairman.

(d) At any hearing the minority party members of the Committee shall be entitled, upon request to the Chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to the subject matter of such hearing during at least one day of hearing thereon.

(e)(1) The Chairman at an investigative hearing of the Comittee shall announce in the opening statement the subject of the investigation.

(2) A copy of the Rules of the Committee and clause 2 of Rule XI of the Rules of the House shall be made available to each witness.

(3) Witnesses at an investigative hearing may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearing; and the Committee may cite the offender to the House for contempt.

(f) Any witness may obtain a transcript copy of his or her testimony given at a public session or, if given at an executive session, when authorized by a majority of the members voting, a majority being present.

RULE 4. COMMITTEE PROCEDURE

(a)(1) Unless otherwise required or permitted by these rules, one-third of the members of the Committee shall constitute a quorum for the transaction of Committee business. Any Committee member present at Committee meeting may make a point of order that a quorum is not present, but a quorum shall be deemed present unless a member who is present objects.

(2) Two members shall constitute a quorum for the purposes of taking testimony and receiving evidence.

(b) Meetings for the transaction of business and hearings of the Committee shall be open to the public or closed, in accordance with clauses 2(g)(1), 2(g)(2), or 2(k)(5) of Rule XI of the Rules of the House. No evidence or testimony taken in executive session may be released or used in public session unless authorized by a majority of members voting, a majority being present.

(c) A vote by any member of the Committee with respect to any matter being considered by the Committee may be cast by proxy if the proxy authorization is in writing, asserts that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the member of the Committee who is to execute the proxy authorization, and is limited to a specific matter and any amendments or motions pertaining thereto (except that a member may authorize a general proxy for motions to recess or adjourn, or for other procedural matters). Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. No proxy may be counted for the purpose of constituting a quorum.

(d) Every motion made to the Committee and entertained by the Chairman shall be reduced to writing upon the demand of any member, and a copy made available to each member present.

(e) In the absence of the Chairman at any meeting or hearing of the Committee, the ranking member of the majority party on the Committee who is present shall preside at such meeting or hearing.

(f) A complete record of all Committee action, including a record of all votes on any question on which a rollcall vote is demanded, shall be maintained by the Committee. The result of each such rollcall vote shall be available to the public for inspection at the offices of the Committee during normal working hours.

(g) Any member of the Committee may demand and the Chairman shall order a rollcall vote on any matter considered by the Committee.

RULE 5. COMMITTEE REPORTS

(a)(1) Except as provided in paragraph (b), any Committee report shall be approved by a majority of the members voting at a meeting at which a majority is present.

(2) A proposed report shall not be considered in a Committee meeting unless a copy of the proposed report is provided to each member of the Committee at least 5 days (excluding Saturdays, Sundays, and legal public holidays) prior to the meeting.

(b) The Chairman is empowered to obtain the approval of any report in any appropriate manner, including by polling the members of the Committee in writing. In such cases, a copy of the proposed report shall be

made available to each Committee member for at least 5 calendar days (excluding Saturdays, Sundays, and legal public holidays) and the approval of a majority of the Committee is required. The Chairman shall promptly notify Committee members in writing of the approval or disapproval of the proposed report.

(c) Supplemental, minority, or additional views may be filed in accordance with clause 2(1)(5) of Rule XI of the Rules of the House. The time allowed for filing such views shall be 3 calendar days (excluding Saturdays, Sundays, and legal public holidays) after approval of a proposed report in a meeting of the Committee or after the Chairman issues a notification of approval pursuant to paragraph (b).

(d) If hearings have been held on the subject matter of the proposed report, every reasonable effort shall be made to have such hearings available to the members of the Committee before seeking approval of the proposed report.

RULE 6. POWERS AND DUTIES OF COMMITTEE

(a) For the purpose of carrying out any of its functions and duties, the Committee is authorized to sit and act at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned.

(b)(1) The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials, as it deems necessary.

(2) A subpoena may be authorized and issued by the Committee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present.

(3) Notwithstanding subparagraph (b)(2) of this rule, a subpoena may be authorized and issued in the conduct of any investigation or series of investigations or activities by the Chairman upon the concurrence of the ranking minority member on the Committee.

(4) Authorized subpoenas shall be signed by the Chairman or by any member designated by the Committee, and may be served by any person designated by the Chairman or such member.

(c) The Chairman, or any member of the Committee designated from time to time by him, shall report on the meetings, hearings or other activities of the Committee to any other committee of the House which has subject matter jurisdiction therein.

RULE 7. BROADCASTING

(a) Whenever any hearing or meeting conducted by the Committee is open to the public, the Committee may permit such hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, under the rules established by paragraph (b) of this rule: *Provided, however,* That the Chairman shall determine, in his discretion, the number of television and still cameras permitted in a hearing or meeting room.

(b)(1) If television or radio coverage of any hearing or meeting of the Committee is to be presented to the public as live coverage, such coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or meeting or to give evidence or testimony while the broadcasting of such hearing or meeting, by radio, or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) The allocation among the television media of the positions of the number of television cameras permitted by the Chairman shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee, or the visibility of such witness and such members to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) In the allocation of the number of still photographers permitted by the Chairman to cover a hearing or meeting, preference shall be given to photographers from Associated Press and United Press International Newspictures. If requests are made by more of the media than will be permitted by the Chairman, for coverage of a hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves at any time during the course of the hearing or meeting between the witness table and the members of the Committee.

(10) Photographers shall not place themselves in position which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

RULE 8. COMMITTEE RECORDS

The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with rule XXXVI of the Rules of the House of Representatives. The Chairman shall notify the Ranking Minority Member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on the written request of any member of the Committee.

RULE 9. AMENDMENT OF RULES

The Rules of the Committee may be modified, amended, or replaced, by a majority of the members voting at a meeting at which a majority is present. Written notice of any proposed change shall be provided to each member of the Committee not less than 3 calendar days (excluding Saturdays, Sundays, and legal public holidays) before the meeting date on which such change is to be considered.

RULES OF THE SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES FOR THE 101ST CONGRESS

(Mr. MILLER of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER of California. Mr. Speaker, pursuant to rule XI, clause 2(a), I am herein submitting the Rules of the Select Committee on Children, Youth, and Families, adopted April 11, 1989, for printing in the CONGRESSIONAL RECORD.

RULES OF THE SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

(Adopted April 11, 1989)

RULE 1.—MEETINGS

The regular meetings of the committee shall be held on the third Thursday of each month at 9:45 a.m., except when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2(c)(2). Every member of the committee, unless prevented by unusual circumstances, shall be provided with a memorandum at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority may request.

RULE 2.—QUORUMS

A majority of the members of the committee shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

RULE 3.—COMMITTEE REPORTS

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(1)(5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays)

unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in committee unless the proposed report has been available to the members of the committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in the committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the committee prior to the consideration of the proposed report in the committee.

RULE 4.—PROXY VOTES

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present; shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, shall apply to any amendments or motions pertaining to the measure or matter.

RULE 5.—ROLLCALLS

A rollcall of the members may be had upon the request of any member.

RULE 6.—RECORD OF COMMITTEE ACTIONS

(a) The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

(b) The records of the committee at the National Archives and Records Administration shall be made available for public use in accordance with rule XXXVI of the Rules of the House of Representatives. The chairman shall notify the ranking minority member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the rule, to withhold a record otherwise available, and the matter shall be presented to the committee for a determination on the written request of any member of the committee.

RULE 7.—TASK FORCES

There shall be no more than three temporary task forces of the committee; the jurisdiction of each shall be established by the chairman of the committee. Each task force shall have eleven members, divided between majority and minority party members in the ratio of seven to four. The chairman and ranking minority member of the committee shall serve ex officio on each task force.

Members of the majority party shall have the right to bid for task force chairs in order of full committee seniority. No member elected as a task force chairperson may choose a second task force position before all other members of the majority party have selected one task force assignment in order of full committee seniority. After each member of the majority party has selected one task force assignment, each may bid, in order of full committee seniority, for a second task force assignment. No member may serve on more than two task forces.

The chairperson of each task force is authorized to appoint one staff member who shall serve at the pleasure of such chairperson, and to be approved by the chairman of the full committee. Such staff members shall be paid from funds provided for the appointment of committee staff pursuant to primary and additional expense resolutions.

RULE 8.—HEARING DATES AND WITNESSES

The chairman of the committee, after consultation with the ranking minority member of the committee, shall announce the date, place, and subject matter of all hearings at least one week prior to the commencement of any hearings, unless he, after consultation with that member, determines that there is good cause to begin such hearings at an earlier date. The minority members shall supply the names of witnesses they intend to call to the chairman of the committee at the earliest possible date. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 24 hours in advance of their appearance.

RULE 9.—OPEN MEETINGS

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

RULE 10.—FIVE-MINUTE RULE

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

RULE 11.—INVESTIGATIVE HEARINGS; PROCEDURE

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

RULE 12.—STENOGRAPHIC RECORD

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

RULE 13.—TV, RADIO, AND PHOTOGRAPHS

When approved by a majority vote, an open meeting or hearing of the committee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, by any of such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment or discontinuance of coverage as he determines necessary.

RULE 14.—STAFF

The chairman shall have the authority to hire and discharge majority staff. The ranking minority member shall have the authority to hire and discharge minority staff. The authorization for the creation of new majority staff positions, subject to the budget, shall rest with the chairman, and the ranking minority member shall have the same authority with respect to minority staff.

RULE 15.—STAFF DIRECTION

The majority staff shall be subject to the direction of the chairman of the committee and shall perform such duties as he may assign. The ranking minority member shall have the same authority with respect to minority staff.

RULE 16.—AUTHORIZATION FOR TRAVEL

Travel to be paid from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

RULE 17.—ADDITIONAL DUTIES OF CHAIRMAN

The chairman of the committee shall:

(1) make available to other committees the findings and recommendations resulting from the investigations of the committee as appropriate;

(2) prepare a budget for the committee and present such budget to the committee for its approval; and

(3) authorize and issue subpoenas as provided in House Rule XI, 2(m)(1), in the conduct of any investigation or activity or series of investigations of activities within the jurisdiction of the committee.

RULE 18.—AMENDMENT OF RULES

These rules may be modified, amended, or repealed by a majority vote of the committee, if at least two legislative days' written notice of the proposed change has been provided each member of the committee prior to the meeting date on which such changes are to be discussed and voted upon.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JAMES) to revise and extend their remarks and include extraneous material:)

Mr. MCEWEN, for 60 minutes, today.

Mr. JAMES, for 5 minutes, today.

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Mr. OBERSTAR, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PARKER, for 5 minutes, today.
Mrs. LOWEY of New York, for 5 minutes, today.
Mr. COLEMAN of Texas, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 15 minutes, today.
Mr. OWENS of Utah, for 60 minutes, on April 17.
Mr. MCDERMOTT, for 60 minutes, on May 9.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KASTENMEIER, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $6,776.

Mr. DYMALLY, to extend his remarks, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,541.

(The following Members (at the request of Mr. JAMES) and to include extraneous matter:)

Mr. BROOMFIELD in two instances.
Mr. SOLOMON in three instances.
Mr. INHOFE.
Mr. BILIRAKIS.
Mr. BURTON of Indiana in two instances.
Mr. ROWLAND of Connecticut.
Ms. SNOWE.
Mr. FISH.
Mr. IRELAND.
Mr. JAMES.
Ms. SCHNEIDER.
Mr. SCHUETTE.
Mr. FIELDS in two instances.
Mr. PORTER.
Mr. GOODLING.
Mr. MARLENEE.
Mr. MILLER of Washington.
Mr. GILMAN.
Mr. LOWERY of California.
Mr. YOUNG of Alaska in two instances.
Mr. FRENZEL.
Mr. MACHTLEY in two instances.
Mr. KOLBE.
Mrs. MORELLA.
Mr. BUECHNER.
Mr. GUNDERSON.

(The following Members (at the request of Mr. MCNULTY) and to include extraneous matter:)

Mr. MCMILLEN of Maryland.
Mr. MONTGOMERY.
Mr. TORRES.
Mr. STARK.
Mr. RAHALL.
Mr. BONIOR.
Mr. TORRICELLI.
Mr. PENNY.
Mr. WEISS.
Mrs. KENNELLY.
Mr. APPLEGATE.
Mr. KOSTMAYER.
Mr. LAUGHLIN.
Mr. DYSON.
Mr. TRAFICANT.
Mr. MARKEY.
Mr. ERDREICH.
Mr. SMITH of Iowa in two instances.
Mr. ACKERMAN.
Mr. LEVIN of Michigan.
Mr. YATRON.
Mr. SKAGGS.
Mr. COLEMAN of Texas.
Mr. LAFALCE.
Mr. RANGEL.
Mr. DIXON.
Mr. CROCKETT.
Mr. DE LA GARZA.
Mr. BRYANT.
Mr. BRENNAN.

ADJOURNMENT

Mr. OWENS of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 30 minutes p.m.), under its previous order, the House adjourned until Monday, April 17, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

972. A letter from the Administrator, Environmental Protection Agency, transmitting the current report, "Progress in the Prevention and Control of Air Pollution in 1987," pursuant to 42 U.S.C. 7613; to the Committee on Energy and Commerce.

973. A letter from the Acting Administrator, General Services Administration; transmitting the annual report of the agency's activities under the Freedom of Information Act for calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

974. A letter from the Executive Director, Federal Retirement Thrift Investment Board, transmitting a draft of proposed legislation to amend the Federal Employee's Retirement System Act of 1986 [FERSA]; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 1385. A bill to make permanent the Martin Luther King, Jr., Federal Holiday Commission (Rept. 101-26). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 20. A bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes, with amendments (Rept. 101-27). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. HAWKINS: Committee on Education and Labor. H.R. 770. A bill to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave; with an amendment, referred to the Committee on House Administration for a period ending not later than May 1, 1989, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(k), rule X (Rept. No. 101-28, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of South Dakota (for himself, Mr. COLEMAN of Texas, and Mr. BRYANT):

H.R. 1863. A bill to assure fair consideration of the interests of States or nations likely to be affected by the establishment of low-level radioactive waste disposal facilities; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. ROSTENKOWSKI (for himself, Mr. FOLEY, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. JACOBS, Mr. FORD of Tennessee, Mr. JENKINS, Mr. GEPHARDT, Mr. DOWNEY, Mr. GUARINI, Mr. RUSSO, Mr. PEASE, Mr. MATSUI, Mr. ANTHONY, Mr. FLIPPO, Mr. DORGAN of North Dakota, Mrs. KENNELLY, Mr. DONNELLY, Mr. COYNE, Mr. ANDREWS, Mr. LEVIN of Michigan, Mr. MOODY, Mr. VANDER JAGT, Mr. SCHULZE, Mr. GRADISON, Mr. THOMAS of California, Mr. MCGRATH, Mr. CHANDLER, and Mr. WOLPE):

H.R. 1864. A bill to amend the Internal Revenue Code of 1986 to simplify the antidiscrimination rules applicable to certain employee benefit plans; to the Committee on Ways and Means.

By Mr. CHANDLER (for himself, Mr. FLIPPO, Mr. ARCHER, Mr. DONNELLY, Mr. FRENZEL, Mr. ANTHONY, Mr. GRADISON, and Mr. GUARINI):

H.R. 1865. A bill to amend the Internal Revenue Code of 1986 to expand the postretirement health care and long-term care benefits which may be provided by pension plans; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. CHANDLER (for himself and Mr. FLIPPO):

H.R. 1866. A bill to amend the Internal Revenue Code of 1986 to expand the postretirement health care and long-term care benefits which may be provided by pension plans, to require certain employers to offer their employees simplified employee pensions funded by salary reduction arrangements, and for other purposes; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. ANDERSON (for himself, Mr. HAMMERSCHMIDT, Mr. SAVAGE, Mr. MCEWEN, Mr. ROE, Mr. SHUSTER, Mr. MINETA, Mr. STANGELAND, Mr. OBERSTAR, Mr. CLINGER, Mr. NOWAK, Mr. BOEHLERT, Mr. RAHALL, Mr. LIGHTFOOT, Mr. APPLEGATE, Mr. INHOFE, Mr. DE LUGO, Mr. UPTON, Mr. BOSCO, Mr. DUNCAN, Mr. KOLTER, Mr. VALENTINE, Mr. TOWNS, Mr. LIPINSKI, Mr. TRAFICANT, Ms. SLAUGHTER of New York, Mr. LEWIS of Georgia, Mr. DEFAZIO, Mr. CARDIN, Mr. SKAGGS, Mr. HAYES of Louisiana, Mr. PAYNE of Virginia, Mr. COSTELLO, Mr. JONES of Georgia, Mr. PARKER, Mr. LAUGHLIN, and Mr. PERKINS):

H.R. 1867. A bill to require the Secretary of Commerce to study local financing practices for public work projects, and to provide more lenient treatment for small issuers of tax-exempt bonds with respect to the arbitrage rebate rules and the private activity bond rules; jointly, to the Committees on Public Works and Transportation and Ways and Means.

By Mr. ANDREWS:

H.R. 1868. A bill to suspend temporarily the duty on a certain speciality thermoset resin; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 1869. A bill relating to the tariff treatment of certain entries of digital processing units; to the Committee on Ways and Means.

By Mr. DREIER of California (for himself, Mr. SCHULZE, Mr. PAXON, Mr. DUNCAN, Mr. MACHTLEY, Mr. SAXTON, Mr. MCCOLLUM, Mr. BARTON of Texas, Mr. BURTON of Indiana, Mr. GUNDERSON, Mr. HUNTER, Mr. GINGRICH, Mr. HILER, Mr. RIDGE, Mr. PARRIS, Mr. LAGOMARSINO, Mr. EMERSON, Mrs. MARTIN of Illinois, Mrs. MORELLA, Mr. CAMPBELL of California, Mr. BUECHNER, Mrs. ROUKEMA, Mrs. SAIKI, and Mr. DORNAN of California):

H.R. 1870. A bill to amend the United States Housing Act of 1937 to improve the procedures for preventing drug-related criminal activity in certain federally assisted housing; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ARCHER:

H.R. 1871. A bill relating to the procedures applied in determining drawback with respect to fungible products commingled in storage; to the Committee on Ways and Means.

H.R. 1872. A bill to temporarily reduce and to suspend the duty for 1,6-hexamethylene diisocyanate; to the Committee on Ways and Means.

By Mr. BAKER:

H.R. 1873. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of, and the deduction of contributions to, education savings accounts; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 1874. A bill to amend title 10, United States Code, to require that the Secretary of Defense direct the Armed Forces to conduct, to the maximum extent practicable and consistent with other military missions, military training exercises in areas in which the smuggling of drugs into the United States occurs and to require the Secretary to report to Congress on possible means and costs of expanding such efforts; to the Committee on Armed Services.

H.R. 1875. A bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of members of the National Guard or Reserve units of the Armed Forces will be allowable in computing adjusted gross income; to the Committee on Ways and Means.

By Mrs. BENTLEY:

H.R. 1876. A bill to restore Memorial Day to its original date; to the Committee on Post Office and Civil Service.

By Mrs. BENTLEY (for herself, Mrs. COLLINS, and Mr. KOLTER):

H.R. 1877. A bill to amend title 5, United States Code, to establish an optional early retirement program for Federal Government employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. BENTLEY (for herself, Mr. HENRY, and Mr. BENNETT):

H.R. 1878. A bill to require the posting of a surety bond with respect to products manufactured in foreign countries or customs unions; to the Committee on Ways and Means.

By Mr. BILIRAKIS:

H.R. 1879. A bill to amend the Older Americans Act of 1965 to require that the number of individuals who are 85 years of age and older be taken into consideration by States for purposes of designating planning and service areas and of distributing funds under such act; to the Committee on Education and Labor.

By Mr. BROWN of California (for himself, Mr. DE LA GARZA, and Mr. ROBERTS):

H.R. 1880. A bill to authorize a National Agricultural Weather Information System, to establish an Office of Agricultural Weather and Climatology in the U.S. Department of Agriculture, and for other purposes; jointly, to the Committees on Agriculture and Science, Space, and Technology.

By Mr. BUECHNER (for himself, Mr. GEPHARDT, Mr. EMERSON, Mr. CLAY, Mr. SKELTON, Mr. WHEAT, Mr. HANCOCK, Mr. VOLKMER, and Mr. COLEMAN of Missouri):

H.R. 1881. A bill to increase temporarily the duty on mattress springs that are the product of Mexico; to the Committee on Ways and Means.

By Mr. BUSTAMANTE:

H.R. 1882. A bill to amend title XVIII of the Social Security Act to permit individuals, who are entitled to Medicare benefits because of the receipt of child's insurance benefits but who would otherwise lose such entitlement due only to marriage, to purchase Medicare coverage; to the Committee on Ways and Means.

By Mr. CAMPBELL of California (for himself and Mr. LANTOS):

H.R. 1883. A bill to amend the Outer Continental Shelf Lands Act to allow State disapproval of Federal offshore leasing decisions; to the Committee on Interior and Insular Affairs.

By Mr. CARPER:

H.R. 1884. A bill to suspend temporarily the duty on quizalofop-ethyl; to the Committee on Ways and Means.

H.R. 1885. A bill to suspend temporarily the duty on tefluthrin; to the Committee on Ways and Means.

H.R. 1886. A bill relating to the tariff reclassification of agglomerate marble floor tiles; to the Committee on Ways and Means.

By Mr. COUGHLIN:

H.R. 1887. A bill to suspend for a three-year period the duty on L-alanyl—L-proline, also known as Ala Pro; to the Committee on Ways and Means.

By Mr. COURTER:

H.R. 1888. A bill to suspend temporarily the duty on mono- and dibenzyl toluenes; to the Committee on Ways and Means.

H.R. 1889. A bill to suspend temporarily the duty on hexychlorobutadiene; to the Committee on Ways and Means.

H.R. 1890. A bill to suspend temporarily the duty on 2,2,6,6-Tetramethyl-4-piperidinon and amino hydroxy- and imido derivatives; to the Committee on Ways and Means.

H.R. 1891. A bill to suspend temporarily the duty on p-Toluic acid; to the Committee on Ways and Means.

H.R. 1892. A bill to suspend temporarily the duty on Tertiary-Butylchloride; to the Committee on Ways and Means.

H.R. 1893. A bill to suspend temporarily the duty on hexychloride; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 1894 A bill to suspend temporarily the duty on parts of generators for use on aircraft; to the Committee on Ways and Means.

H.R. 1895. A bill to suspend temporarily the duty on parts of speed changers for hydromechanical transmissions for use on aircraft; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 1896. A bill to provide separate subheadings in the Harmonized Tariff Schedules of the United States for certain gloves, mittens and mitts, specially designed for use in sports; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 1897. A bill to extend the temporary suspension of duty on fresh cantaloupes imported between January 1 and May 15 of each year; to the Committee on Ways and Means.

By Mr. DEFAZIO:

H.R. 1898. A bill to suspend temporarily the duty on garments specially designed for handicapped persons who are not ambulatory; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 1899. A bill to establish conditions on United States assistance for Zaire; to the Committee on Foreign Affairs.

By Mr. DOWNEY:

H.R. 1900. A bill to add an additional U.S. note to chapter 42 of the Harmonized Tariff Schedule of the United States; to the Committee on Ways and Means.

H.R. 1901. A bill to eliminate customs user fees on goods originating in the State of Israel; to the Committee on Ways and Means.

By Mr. DOWNEY (for himself and Mr. MCGRATH):

H.R. 1902. A bill relating to the tariff treatment of woven fabrics of carded wool or carded fine animal hair, of woven fabrics of combed wool or combed fine animal hair, and of certain gauzes; to the Committee on Ways and Means.

By Mr. DURBIN (for himself, Mr. DORGAN of North Dakota, and Mr. AKAKA):

H.R. 1903. A bill to extend to ethyl tertiary butyl ether the same tariff treatment provided to ethanol; to the Committee on Ways and Means.

By Mr. DWYER of New Jersey:

H.R. 1904. A bill to suspend for a 3-year period the duty on amiloride hydrochloride; to the Committee on Ways and Means.

H.R. 1905. A bill to suspend for a 3-year period the duty on D-carboxamide; to the Committee on Ways and Means.

H.R. 1906. A bill to suspend for a 3-year period the duty on Norfloxacin; to the Committee on Ways and Means.

By Mr. DWYER of New Jersey (for himself and Mr. GUARINI):

H.R. 1907. A bill to suspend temporarily the duty on Iopamidol; to the Committee on Ways and Means.

By Mr. FLIPPO:

H.R. 1908. A bill to amend the Internal Revenue Code of 1986 to clarify the tax treatment of educational benefits provided under certain prepaid college education contracts; to the Committee on Ways and Means.

By Mr. FRANK:

H.R. 1909. A bill to amend title II of the Social Security Act to exempt certain public school teachers and other public school employees who work full-time on academic schedules of less than a full year from reductions in benefits by reason of State or local government pension benefits based on such service; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 1910. A bill to suspend temporarily duty on (6R-(6a,7B(Z)))-7-(((2-Amino-4-thiazolyl) ((carboxymethoxy) imino) acetyl) amino)-3-ethenyl-8-oxo-5-thia-1-azabicyclo (4.2.0) oct-2-ene-2-carboxylic acid; to the Committee on Ways and Means.

H.R. 1911. A bill to suspend temporarily the duty on 7-Acetyl-1,1,3,4,4,6-hexamethyltetrahydronaphthalene; to the Committee on Ways and Means.

H.R. 1912. A bill to suspend temporarily the duty on N-(4-(((2-Amino-5-formyl-1,4,-5,6,7,8-hexahydro-4-oxo-6-pteridinyl)methyl)amino)benzoyl)-L-glutomic acid; to the Committee on Ways and Means.

By Mr. GOODLING (for himself, Mr. RAHALL, and Mrs. LOWEY of New York):

H.R. 1913. A bill to amend the Carl D. Perkins Vocational Education Act to expand the program of industry-education partnerships, and for other purposes; to the Committee on Education and Labor.

By Mr. GRANDY:

H.R. 1914. A bill to suspend temporarily the duty on mercuric oxide; to the Committee on Ways and Means.

By Mr. GRANT:

H.R. 1915. A bill to require State assurances under section 104(c)(9) of Superfund to include plans and funding for emergency response teams, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. GREEN:

H.R. 1916. A bill to amend the Harmonized Tariff Schedule of the United States to provide duty-free treatment for certain electronic reading products; to the Committee on Ways and Means.

H.R. 1917. A bill to amend the Harmonized Tariff Schedule of the United States to provide duty-free treatment for certain electronic reading products; to the Committee on Ways and Means.

By Mr. ANDERSON (for himself, Mr. PERKINS, Mr. KOLTER, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. SAXTON, Ms KAPTUR, Mr. HUTTO, Mr. STOKES, Mrs. BOXER, Mr. RANGEL, Mrs. COLLINS, Mr. WOLF, Mr. GONZALEZ, Mr. ROE, Mr. BATES, Mr. ACKERMAN, Mr. FAZIO, Mr. LAGOMARSINO, Mr. MCCANDLESS, Mr. MARTINEZ, Mr. HUGHES, Mr. LEHMAN of Florida, and Mr. HORTON):

H.R. 1918. A bill to amend title 38, United States Code, to provide a service pension of $150 per month for veterans of World War I and a pension of $100 per month for certain surviving spouses of such veterans; to the Committee on Veterans' Affairs.

By Mr. GREEN:

H.R. 1919. A bill to suspend temporarily the duty on wicker products; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 1920. A bill to extend for 5 years the existing suspension of duty on stuffed dolls, certain toy figures, and the skins thereof; to the Committee on Ways and Means.

By Mr. GUARINI (for himself, Mr. ROE, Mrs. KENNELLY, Mr. RINALDO, Mr. FLORIO, Mr. GEJDENSON, Mr. TORRICELLI, Mr. SHAYS, Mr. COURTER, Mr. HUGHES, Mr. DWYER of New Jersey, Mrs. ROUKEMA, Mr. SMITH of New Jersey, Mr. MORRISON of Connecticut, Mrs. JOHNSON of Connecticut, Mr. SAXTON, Mr. ROWLAND of Connecticut, Mr. GALLO, Mr. PALLONE, and Mr. PAYNE of New Jersey):

H.R. 1921. A bill to provide for a moratorium on, and study regarding, certain State tax laws; to the Committee on the Judiciary.

By Mr. HENRY:

H.R. 1922. A bill to amend titles 10 and 14, United States Code, to make references to members of the Armed Forces who are eligible to receive a Medal of Honor gender neutral; to the Committee on Armed Services.

By Mr. HOLLOWAY:

H.R. 1923. A bill to suspend temporarily the duty on 2-Ethylanthraquinone; to the Committee on Ways and Means.

By Mr. HUNTER (for himself and Mr. BATES):

H.R. 1924. A bill to provide for a temporary reduction in duty on imported fresh, chilled, or frozen brussels sprouts; to the Committee on Ways and Means.

By Mr. JENKINS (for himself, Mr. VANDER JAGT, Mr. CRANE, and Mr. DOWNEY):

H.R. 1925. A bill to restore previous exemption for edible molasses containing more than 6 percent nonsugar solids; to the Committee on Ways and Means.

By Mrs. JOHNSON of Connecticut (by request):

H.R. 1926. A bill to suspend temporarily the duty on N-[[4-chlorophenyl-amino] carbonyl]-2, 6-diflourobemzamide; to the Committee on Ways and Means.

H.R. 1927. A bill to suspend temporarily the duty on 2,6-dichlorobenzonitrile; to the Committee on Ways and Means.

H.R. 1928. A bill to suspend temporarily the duty on 1[1-((4-chloro-2-(triflouromethyl)phenyl)imino)-2-propoxethyl)-1H-imadazole; to the Committee on Ways and Means.

By Mr. KANJORSKI:

H.R. 1929. A bill to amend title VII of the Defense Production Act of 1950 to prohibit the codevelopment of F-16C (FSX) fighter aircraft with the Japanese government and/or any Japanese-owned proprietorship, partnership, or corporation; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. KASTENMEIER (for himself and Mr. MOORHEAD):

H.R. 1930. A bill to amend section 371 of title 28, United States Code, to provide that justices and judges in senior status, in order to receive certain salary increases, be certified as having performed a certain amount of work each year; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. BILIRAKIS, and Mr. ROWLAND of Georgia):

H.R. 1931. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to provide certain procreative services, and reimbursement of certain adoption expenses, for married veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. LANTOS:

H.R. 1932. A bill to amend title 10, United States Code, to provide that certain individuals who would otherwise be eligible for military retired pay for nonregular service but who did not serve on active duty during a period of conflict may be paid such retired pay if they served in the United States merchant marine during or immediately after World War II; to the Committee on Armed Services.

By Mr. LEVIN of Michigan:

H.R. 1933. A bill to restore duty-free treatment to certain motor vehicle parts entered under the Automotive Products Trade Act; to the Committee on Ways and Means.

By Mr. LEVINE of California:

H.R. 1934. A bill to suspend temporarily the duty on certain machined electronic connector contact parts; to the Committee on Ways and Means.

By Mr. LIPINSKI (for himself and Mr. MRAZEK):

H.R. 1935. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substance cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes; jointly, to the Committees on Ways and Means, Public Works and Transportation, and Energy and Commerce.

By Mr. MCGRATH (for himself and Mr. GILMAN):

H.R. 1936. A bill to reduce temporarily the column 2 rate of duty on certain machine tools for planning, gear cutting, gear grinding, or gear finishing; to the Committee on Ways and Means.

H.R. 1937. A bill to reduce temporarily the column 2 rate of duty on certain machine tools for grinding or honing; to the Committee on Ways and Means.

H.R. 1938. A bill to reduce temporarily the column 2 rate of duty on certain machine tools for drilling, boring, milling, threading, or tapping by removing metal; to the Committee on Ways and Means.

By Mr. MCMILLAN of North Carolina:

H.R. 1939. A bill to amend the Harmonized Tariff Schedule of the United States to correct the classification of gripping narrow fabrics of man-made fibers; to the Committee on Ways and Means.

By Mr. MANTON:

H.R. 1940. A bill to extend the existing suspension of duty on certain knitting machines designed for sweater strip or garment length knitting; to the Committee on Ways and Means.

By Mr. MARKEY (for himself, Mr. DONNELLY, Mr. ATKINS, Mr. CONTE,

Mr. FRANK, Mr. KENNEDY, Mr. MAVROULES, Mr. MOAKLEY, Mr. NEAL of Massachusetts, and Mr. STUDDS):

H.R. 1941. A bill to extend for 1 additional year the case-managed medical care for nursing home patients demonstration project; to the Committee on Energy and Commerce.

By Mr. MINETA:

H.R. 1942. A bill to extend to protective sports articles the same rate of duty that applied in such goods before January 1, 1989; to the Committee on Ways and Means.

By Mr. MOLLOHAN:

H.R. 1943. A bill to suspend temporarily the duty on MBEP; to the Committee on Ways and Means.

H.R. 1944. A bill to suspend temporarily the duty on BPIP; to the Committee on Ways and Means.

By Mr. MONTGOMERY (by request):

H.R. 1945. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans' Affairs to establish and conduct, for 5 years, a leave-sharing program for medical emergencies of employees of the Department of Veterans' Affairs who are subject to section 4108 of title 38, United States Code; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (by request):

H.R. 1946. A bill to amend title 38, United States Code, and other provisions of law, to extend the authority of the Department of Veterans' Affairs [VA] to continue the State home grant and respite care programs and to revise VA authority to furnish outpatient dental care; to the Committee on Veterans' Affairs.

By Mr. OWENS of New York:

H.R. 1947. A bill to amend the Domestic Volunteer Service Act of 1973 to establish a program of grants for the expansion of opportunities for youths to provide community service; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 1948. A bill to amend the Black Lung Benefits Act to prohibit the reduction of disability benefits under the Social Security Act; to the Committee on Education and Labor.

By Mr. PERKINS (for himself and Mr. RAHALL):

H.R. 1949. A bill to amend the Carl D. Perkins Vocational Education Act to establish a program of grants to economically depressed areas for purposes of improving facilities and equipment needed to carry out vocational education programs under such Act; to the Committee on Education and Labor.

By Mr. PICKLE:

H.R. 1950. A bill to treat tobacco grown in the United States and processed in a designated Caribbean basin country as eligible for duty-free entry; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 1951. A bill to establish a foundation to operate a program of voluntary part time national service, to provide enhanced benefits under the Education Assistance Program for volunteers in the Armed Forces, and to provide for the preparation of a plan to implement a national service program; jointly, to the Committees on Education and Labor, Armed Services, and Veterans' Affairs.

By Mr. PRICE:

H.R. 1952. A bill to restore the tariff treatment accorded to hand cast string drawn fishing nets before implementation of the Harmonized Tariff Schedule; to the Committee on Ways and Means.

By Mr. ROBINSON:

H.R. 1953. A bill to amend title 28, United States Code, to set certain limitations on habeas corpus cases involving the death penalty; to the Committee on the Judiciary.

By Mr. ROSE:

H.R. 1954. A bill to suspend until December 31, 1992, the duty on a herbicide intermediate; to the Committee on Ways and Means.

By Ms. SCHNEIDER:

H.R. 1955. A bill to amend the Internal Revenue Code of 1986 to permit pension and annuity plans to make distributions to participants for purposes of acquiring a principal residence; to the Committee on Ways and Means.

H.R. 1956. A bill to suspend temporarily the duty on K-Acid; to the Committee on Ways and Means.

By Mr. SCHUETTE (for himself, Mr. FRENZEL, Mr. MICHEL, Mr. PENNY, and Mr. STENHOLM):

H.R. 1957. A bill to reform the budget process; jointly, to the Committees on Government Operations, Rules, and Appropriations.

By Mr. SCHULZE:

H.R. 1958. A bill to suspend temporarily the duty on ceftazidime tertiary butyl ester; to the Committee on Ways and Means.

By Mr. SCHULZE (for himself and Mr. YATRON):

H.R. 1959. A bill to suspend temporarily the duty on 4 amino acetanilide; to the Committee on Ways and Means.

H.R. 1960. A bill to suspend temporarily the duty on 6 amino-2-napthene sulfonic acid; to the Committee on Ways and Means.

H.R. 1961. A bill to suspend temporarily the duty on 8 amino-2-napthene sulfonic acid; to the Committee on Ways and Means.

H.R. 1962. A bill to suspend temporarily the duty on 5 (and 8) amino-2 napthalene sulfonic acid; to the Committee on Ways and Means.

H.R. 1963. A bill to suspend temporarily the duty on 5 amino 2 napthalene sulfonic acid; to the Committee on Ways and Means.

H.R. 1964. A bill to suspend temporarily the duty on 1-napthylamine; to the Committee on Ways and Means.

H.R. 1965. A bill to suspend temporarily the duty on 4-amino-1-napthalene sulfonic acid, sodium salt; to the Committee on Ways and Means.

H.R. 1966. A bill to suspend temporarily the duty on 1,4 dihydroxyanthraquinone; to the Committee on Ways and Means.

H.R. 1967. A bill to suspend temporarily the duty on 7 Nitro napth (1,2) oxadiazole 5-sulfonic; to the Committee on Ways and Means.

H.R. 1968. A bill to suspend temporarily the duty on 4-chloro-a-a-a-trifluoro-o-toluidine; to the Committee on Ways and Means.

H.R. 1969. A bill to suspend temporarily the duty on 7-amino-1,3-napthalene sulfonic acid mono potassium salt; to the Committee on Ways and Means.

H.R. 1970. A bill to suspend temporarily the duty on 2-amino-4-chlorophenol; to the Committee on Ways and Means.

H.R. 1971. A bill to suspend temporarily the duty on 2,4-diamino benzene sulfonic acid; to the Committee on Ways and Means.

H.R. 1972. A bill to suspend temporarily the duty on 2,5 dichloro-4-(3-methyl-5-oxo-2 pyrazolin-l-yl) benzene sulfonic acid; to the Committee on Ways and Means.

H.R. 1973. A bill to suspend temporarily the duty on 7-hydroxy 1,3-napthalene disulfonic acid-dipotassium salt; to the Committee on Ways and Means.

H.R. 1974. A bill to suspend temporarily the duty on O-Anisidine; to the Committee on Ways and Means.

H.R. 1975. A bill to suspend temporarily the duty on 1-Amino-2-Bromo-4-Hydroxyanthraquinone; to the Committee on Ways and Means.

H.R. 1976. A bill to suspend temporarily the duty on 2-chloro-4-nitroaniline; to the Committee on Ways and Means.

H.R. 1977. A bill to suspend temporarily the duty on (1,2,3 trimethyl-indoline-2-ylidene) acetaldehyde; to the Committee on Ways and Means.

H.R. 1978. A bill to suspend temporarily the duty on 2,3 dihydro 1,3,3 trimethyl-2-methylene 1H-indele; to the Committee on Ways and Means.

H.R. 1979. A bill to suspend temporarily the duty on 2 [(4 aminophenyl) sulfonyl] ethanel hydrogen sulfate ester; to the Committee on Ways and Means.

H.R. 1980. A bill to suspend temporarily the duty on 7-anilino-4-hydroxy-2 napthalene sulfontic acid; to the Committee on Ways and Means.

By Mr. SENSENBRENNER:

H.R. 1981. A bill to amend the Harmonized Tariff Schedule of the United States to correct the classification of 26-inch bicycles; to the Committee on Ways and Means.

H.R. 1982. A bill to correct the tariff classification of timing apparatus with optoelectronic display only; to the Committee on Ways and Means.

By Mr. SHAYS:

H.R. 1983. A bill to suspend temporarily the duty on 6-t-butyl 2,4 xylenol; to the Committee on Ways and Means.

By Mr. SKAGGS:

H.R. 1984. A bill to relating to the tariff classification of protective ski racing apparel; to the Committee on Ways and Means.

H.R. 1985. A bill relating to the tariff treatment of sporting gloves not of leather; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 1986. A bill to suspend temporarily the duty on certain acid black powder and presscake; to the Committee on Ways and Means.

H.R. 1987. A bill to suspend the duty on rhodamine 2C base, polymin P and polymin P hydrochloride, and polymin SNA 60; to the Committee on Ways and Means.

By Mr. STOKES (for himself and Mr. GRADISON):

H.R. 1988. A bill to temporarily suspend the duty on mixed ortho/para toluene sulfonomide; to the Committee on Ways and Means.

By Mr. TORRICELLI:

H.R. 1989. A bill to suspend temporarily the duty on certain unstuffed dolls; to the Committee on Ways and Means.

H.R. 1990. A bill to suspend temporarily the duty on certain unstuffed toys; to the Committee on Ways and Means.

H.R. 1991. A bill relating to the tariff treatment of certain disposable garments; to the Committee on Ways and Means.

By Mr. BARNARD (for himself, Mr. FRANK, Mr. DRIER of California, Mr. ROTH, Mr. SHUMWAY, Mr. LA FALCE, Mr. FAUNTROY, and Mr. BARTLETT)

H.R. 1992. A bill to enhance competition in the financial services sector, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Energy and Commerce, and the Judiciary.

By Mr. WALGREN (for himself, Mr. THOMAS A. LUKEN, and Mr. MURPHY):

H.R. 1993. A bill to amend the provisions of the Solid Waste Disposal Act regarding

the regulation of storage tanks containing hazardous substances; to the Committee on Energy and Commerce.

By Mr. WALGREN (for himself, Mr. TAUKE, Mr. ACKERMAN, Mr. BROWN of California, Mr. DELLUMS, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FRANK, Mr. HAYES of Illinois, Mr. JACOBS, Mr. KASTENMEIER, Mr. KOLTER, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. MOODY, Mr. MURPHY, Mr. OBERSTAR, Mrs. SCHROEDER, Mr. TOWNS, Mr. WEISS, and Mr. FAUNTROY):

H.R. 1994. A bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes; to create the U.S. Peace Tax Fund to receive such tax payments; to establish a U.S. Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 1995. A bill to prohibit the disposal of solid waste in any State other than the State in which the waste was generated; to the Committee on Energy and Commerce.

By Mr. SCHULZE (for himself and Mr. YATRON):

H.R. 1996. A bill to suspend temporarily the duty on 1,4-diamino-2,3-dihydroanthraquinone; to the Committee on Ways and Means.

By Mr. WHITTEN (for himself, Mr. ANTHONY, Mr. CONTE, Mr. DERRICK, Mr. FRENZEL, Mr. GINGRICH, Mr. KASTENMEIER, Mr. KLECZKA, Mr. MOODY, Mr. PETRI, Mr. RAY, Mr. ROTH, Mr. SCHULZE, Mr. SOLOMON, Mr. SPENCE, and Mr. STANGELAND):

H.R. 1997. A bill to amend the Tariff Schedule of the United States to make permanent the existing temporary tariff treatment of certain disposable surgical gowns and drapes; to the Committee on Ways and Means.

By Mr. VALENTINE:

H.R. 2001. A bill to suspend for a 3-year period the duty on Tfa Lys Pro in free base and tosyl salt forms; to the Committee on Ways and Means.

By Mr. FOLEY:

H.J. Res. 237. Joint resolution to invite the houses of worship of the Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989; to the Committee on Post Office and Civil Service.

By Mrs. BENTLEY:

H.J. Res. 238. Joint resolution designating the week of September 24, 1989, as "Religious Freedom Week"; to the Committee on Post Office and Civil Service.

By Mr. JAMES:

H.J. Res. 239. Joint resolution proposing an amendment to the Constitution of the United States to provide for a 4-year term for Members of the Houses of Representatives and to provide that a Member of the Senate or the House of Representatives may not serve more than two terms; to the Committee on the Judiciary.

By Mr. LANTOS (for himself, Mr. PORTER, Mr. ACKERMAN, Mr. ASPIN, Mr. AUCOIN, Mr. BERMAN, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BOEHLERT, Mr. BONIOR, Mr. BOSCO, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. CLARKE, Mr. COELHO, Mrs. COLLINS, Mr. CONYERS, Mr. DELLUMS, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDWARDS of California, Mr. ERDREICH, Mr. FASCELL, Mr. FAUNTROY, Mr. FAWELL, Mr. FAZIO, Mr. FEIGHAN, Mr. FIELDS, Mr. FOLEY, Mr. FRANK, Mr. FROST, Mr. FUSTER, Mr. GEPHARDT, Mr. GILMAN, Mr. GORDON, Mr. HORTON, Mr. HOYER, Mr. HUGHES, Mr. HUNTER, Mr. KENNEDY, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEHMAN of Florida, Mr. LENT, Mr. LEVINE of Michigan, Mr. LEVIN of California, Mr. LIPINSKI, Mr. LOWERY of California, Mr. MANTON, Mr. MARTINEZ, Mr. MCDADE, Mr. MCEWEN, Mr. MCGRATH, Mr. MFUME, Mr. MILLER of Washington, Mrs. MORELLA, Mr. NIELSON of Utah, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. ROE, Mr. ROSE, Mr. ROYBAL, Mr. SAXTON, Mr. SCHUMER, Mr. TOWNS, Mr. VANDER JAGT, Mr. WAXMAN, Mr. WEBER, Mr. WOLF, Mr. WOLPE, and Mr. YATES):

H.J. Res. 240. Joint resolution authorizing the Raoul Wallenberg Tribute Committee to establish a work to honor Raoul Wallenberg on Federal land in the District of Columbia or its environs; to the Committee on House Administration.

By Mr. TRAFICANT (for himself, Mr. DYMALLY, Mr. BATES, Mr. RAHALL, Mr. TOWNS, Mr. FAUNTROY, and Mr. BONIOR):

H.J. Res. 241. Joint resolution designating October 25, 1989, as "National Arab-American Day"; to the Committee on Post Office and Civil Service.

By Mr. YATRON:

H.J. Res. 242. Joint resolution designating the week of September 17, 1989, through September 23, 1989, as "National Critical Care Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. BEREUTER:

H. Con. Res. 91. Concurrent resolution expressing the sense of the Congress with regard to supporting increased donations of commodities for international hunger alleviation purposes through purchases of agricultural commodities from the United States and developing countries financed by the Government of Japan; jointly, to the Committees on Agriculture, Foreign Affairs, and Ways and Means.

By Mr. BROWN of Colorado:

H. Con. Res. 92. Concurrent resolution expressing the sense of the Congress regarding the need to fully account for Americans still missing in Southeast Asia and to negotiate the return of Americans still held captive in Southeast Asia; to the Committee on Foreign Affairs.

By Mr. LEVINE of California (for himself, Mr. SOLARZ, and Mr. LEACH of Iowa):

H. Con. Res. 93. Concurrent resolution expressing the sense of the Congress that the United States should pursue the establishment of a Pacific Basin forum for the discussion of economic, diplomatic, and other issues unique to the region, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MORRISON of Connecticut (for himself, Mr. BEREUTER, Mr. BUSTAMANTE, Mr. OWENS of New York, Mr. HALL of Ohio, Mr. FRANK, Mr. FAUNTROY, Mr. WEISS, Mr. AUCOIN, Mr. RICHARDSON, Mr. SCHUETTE, Mr. APPLEGATE, Mr. EDWARDS of California, Mr. KENNEDY, Mrs. MORELLA, Mr. FAZIO, Mr. ATKINS, Mr. BROWN of California, and Mr. COYNE):

H. Con. Res. 94. Concurrent resolution expressing the support of the Congress for the efforts of Paraguay to respect basic human rights and civil liberties and support full and genuine democracy; to the Committee on Foreign Affairs.

By Ms. SNOWE (for herself, Mrs. MARTIN of Illinois, Mrs. SCHROEDER, Ms. SCHNEIDER, Mr. GREEN, Mr. LEWIS of California, Mrs. COLLINS, Mrs. MORELLA, and Mr. DICKS):

H. Con. Res. 95. Concurrent resolution establishing a commission to study compensation and other personnel policies and practices in the legislative branch; to the Committee on House Administration.

By Mr. FEIGHAN:

H. Res. 128. Resolution expressing the sense of the House regarding the situation in Lebanon; to the Committee on Foreign Affairs.

By Mrs. KENNELLY (for herself, Mr. RANGEL, Mr. COSTELLO, Mr. HARRIS, Mr. MANTON, Mr. NEAL of Massachusetts, Mr. SMITH of New Jersey, Mr. BENNETT, Mr. SOLARZ, Mr. ACKERMAN, Mr. ROE, and Mr. ERDREICH):

H. Res. 129. Resolution expressing the sense of the House of Representatives that efforts to combat drug trafficking and drug abuse should be funded for fiscal year 1990 at the levels authorized in the Anti-Drug Abuse Act of 1988; jointly, to the Committees on the Judiciary and Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FRENZEL:

H.R. 1998. A bill to enable the filing of a protest relating to certain customs entries; to the Committee on Ways and Means.

By Mr. HAMILTON:

H.R. 1999. A bill for the relief of Charles Kemker; to the Committee on the Judiciary.

By Ms. SCHNEIDER:

H.R. 2000. A bill for the relief of Vincent Ricci; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1: Mr. PAYNE of New Jersey.

H.R. 8: Mr. MRAZEK, Mr. GLICKMAN, Mr. SPRATT, Mr. NEAL of Massachusetts, Mr. BOUCHER, Mr. BUSTAMANTE, Mr. DIXON, Mr. AKAKA, and Mr. VALENTINE.

H.R. 21: Mr. LANTOS.

H.R. 22: Mr. TOWNS, Mr. MFUME, Mr. MAVROULES, Mr. TRAXLER, and Mr. BILBRAY.

H.R. 39: Mr. MCMILLEN of Maryland, Mr. KOSTMAYER, Mrs. SCHROEDER, Mr. BOEHLERT, Mr. ROYBAL, Mr. OWENS of New York, Mr. LEHMAN of Florida, and Mr. GIBBONS.

H.R. 74: Mr. ECKART.

H.R. 77: Mr. OWENS of Utah and Mr. NEAL of North Carolina.

H.R. 82: Mr. BEVILL, Mr. GORDON, Mr. HAMILTON, Mr. DWYER of New Jersey, and Mr. TOWNS.

H.R. 84: Mr. DEFAZIO, Mr. DWYER of New Jersey, Mrs. MORELLA, Mr. PAYNE of Virginia, Mr. WEISS, Mr. YATES, and Mr. DIXON.

H.R. 88: Mr. OBERSTAR and Mr. RIDGE.

H.R. 89: Mr. BONIOR, Mr. FRANK, Mr. KILDEE, Mr. TORRES, and Mr. WOLPE.

H.R. 118: Mr. BILBRAY.

H.R. 169: Mr. WEBER, Mr. JAMES, Mr. SMITH of Florida, Mrs. VUCANOVICH, and Mr. HYDE.

H.R. 181: Mrs. BENTLEY and Mr. HUBBARD.

H.R. 211: Mr. ENGEL.

H.R. 215: Mr. KOSTMAYER.

H.R. 237: Mr. COYNE.

H.R. 403: Mr. RIDGE.

H.R. 461: Mr. WHITTAKER and Mr. PAXON.

H.R. 464: Mr. MARLENEE.

H.R. 518: Mr. GARCIA.

H.R. 543: Mr. CAMPBELL of California and Mr. LEHMAN of California.

H.R. 587: Mr. FOGLIETTA, Mr. PAYNE of Virginia, Mr. GARCIA, Mr. BRYANT, and Mr. NEAL of North Carolina.

H.R. 634: Mr. ESPY, Mr. NATCHER, Mr. MCDERMOTT, Mr. APPLEGATE, Mr. WHITTEN, Mr. GEKAS, Mr. GUNDERSON, Mr. MCHUGH, Mr. HOYER, Mr. FROST, Ms. KAPTUR, Mr. PARRIS, Mr. MOLLOHAN, and Mr. LANTOS.

H.R. 680: Mr. SMITH of Mississippi, Mr. NAGLE, Mr. CAMPBELL of Colorado, Mr. ALEXANDER, Mrs. SMITH of Nebraska, Mr. LEHMAN of California, Mr. WISE, Mr. BAKER, Mr. MOLLOHAN, Mr. MARLENEE, Mr. CLARKE, Mr. KANJORSKI, and Mr. MCDADE.

H.R. 683: Mr. BURTON of Indiana, Mr. ECKART, Mr. GILLMOR, and Mr. SIKORSKI.

H.R. 705: Mr. KENNEDY, Mr. BORSKI, Mr. HAYES of Illinois, Mr. WEISS, Mrs. KENNELLY, and Mr. BRENNAN.

H.R. 725: Mr. EDWARDS of California, Mr. MCDERMOTT, and Mr. VENTO.

H.R. 747: Mr. LEVINE of California, Mr. STEARNS, Mr. JONES of Georgia, Mr. DURBIN, Mr. OBERSTAR, Mr. BUECHNER, Mr. GLICKMAN, Mr. FIELDS, Ms. SLAUGHTER of New York, Mr. BOUCHER, Mr. MCDERMOTT, and Mr. SCHIFF.

H.R. 762: Mr. SMITH of Vermont, Mr. EMERSON, Mr. MCEWEN, and Mr. COMBEST.

H.R. 777: Mr. EVANS, Mr. FISH, Mrs. LLOYD, Mr. MARTINEZ, Mr. MAVROULES, Mr. OBERSTAR, Mr. PARRIS, and Mr. PAYNE of New Jersey.

H.R. 786: Mr. PAYNE of Virginia, Mr. MACHTLEY, and Mr. OLIN.

H.R. 809: Mr. DE LUGO, Mr. DYMALLY, Mr. FROST, Mr. BLILEY, Mr. GORDON, Mr. FOLEY, Mr. PEPPER, and Mr. MANTON.

H.R. 812: Mr. MACHTLEY, Mr. MCMILLAN of North Carolina, Mr. MINETA, Mr. HARRIS, Mr. ROBINSON, Mr. BILBRAY, Mr. BRENNAN, Mr. BRYANT, Mr. DE LUGO, Mr. SHAYS, Mr. BROWN of California, Mr. KOLTER, Mr. OWENS of Utah, and Mr. FUSTER.

H.R. 844: Mr. CRAIG.

H.R. 855: Mr. OWENS of New York.

H.R. 876: Mr. HERTEL, Mrs. SCHROEDER, Mr. LELAND, Mr. BILBRAY, and Mr. SKAGGS.

H.R. 900: Mr. KOLTER.

H.R. 933: Mr. BORSKI, Mr. MCCOLLUM, Mr. WALGREN, Mr. RICHARDSON, Mr. FAUNTROY, Mr. KOLTER, Mr. MCCANDLESS, Mr. CLAY, Mr. CLINGER, Mr. DEFAZIO, Mr. JONTZ, Mr. ATKINS, Mr. SWIFT, Mr. STUDDS, Mr. KOSTMAYER, Mr. SIKORSKI, Mr. OWENS of New York, and Mr. TOWNS.

H.R. 952: Mr. YOUNG of Alaska and Mr. NAGLE.

H.R. 970: Mr. MAVROULES, Mr. ROSE, Mr. WEISS, and Mr. HAYES of Illinois.

H.R. 989: Mr. AKAKA, Mr. DYMALLY, Mr. SAVAGE, Mrs. JOHNSON of Connecticut, Mr. ACKERMAN, Mr. BATES, Mr. SMITH of Florida, Mr. LIPINSKI, Mr. MARTINEZ, Mr. MORRISON of Connecticut, and Mr. BOEHLERT.

H.R. 1000: Mr. BOUCHER.

H.R. 1023: Mr. MORRISON of Connecticut.

H.R. 1028: Mr. GORDON, Mr. SKEEN, Mr. ROE, Mr. LIPINSKI, and Mr. FAZIO.

H.R. 1060: Mrs. PATTERSON and Mr. KASTENMEIER.

H.R. 1074: Mr. VENTO.

H.R. 1078: Mr. MOODY, Mr. NEAL of North Carolina, Mr. MAVROULES, Mr. WILSON, Mr. SKAGGS, and Mr. MRAZEK.

H.R. 1090: Mr. LAGOMARSINO.

H.R. 1095: Mr. GLICKMAN, Mr. LIGHTFOOT, Mr. ROBERTS, and Mr. VOLKMER.

H.R. 1100: Mr. NIELSON of Utah.

H.R. 1112: Mr. SAVAGE.

H.R. 1180: Mr. PAYNE of New Jersey.

H.R. 1190: Mr. HAWKINS and Mr. TORRES.

H.R. 1196: Mr. CHAPMAN and Mr. SAVAGE.

H.R. 1243: Mr. FLIPPO, Mr. TRAXLER, Mr. TRAFICANT, Mrs. COLLINS, Mr. BEVILL, Mr. LIPINSKI, Mr. WILSON, Mr. DYMALLY, Mr. PAYNE of Virginia, Mr. ROE, Mr. GEPHARDT, Mr. JONES of Georgia, and Mr. KOLTER.

H.R. 1292: Mr. SLAUGHTER of Virginia.

H.R. 1381: Mrs. BENTLEY, Mr. JONES of Georgia, Mr. MARTINEZ, Mr. OWENS of Utah, Mr. PAYNE of New Jersey, and Mr. BUECHNER.

H.R. 1383: Mr. SABO.

H.R. 1417: Ms. SLAUGHTER of New York, Mr. STARK, Mr. LIPINSKI, Mrs. BENTLEY, Mr. DE LUGO, Mr. LANCASTER, Mr. ECKART, Mr. SMITH of Florida, Mr. BUSTAMANTE, Mr. FAZIO, Mr. CHAPMAN, and Mr. STUDDS.

H.R. 1419: Mr. ECKART.

H.R. 1468: Mr. HANCOCK, Mr. BURTON of Indiana, Mr. FRENZEL, Mr. GRANDY, Mrs. VUCANOVICH, Mr. OXLEY, and Mr. BATEMAN.

H.R. 1490: Mr. OWENS of New York, Mr. KOLTER, Mr. HERTEL, Mr. CHAPMAN, Mr. LELAND, Mr. ATKINS, Mr. JOHNSON of South Dakota, Mr. FRANK, Mr. FAZIO, Mr. WOLPE, Mrs. BOXER, Mr. MCDERMOTT, and Mr. GEJDENSON.

H.R. 1493: Mr. LEVINE of California, Mr. SCHEUER, Mr. DURBIN, Mr. DORGAN of North Dakota, Mr. OWENS of Utah, and Mr. HATCHER.

H.R. 1507: Mr. FAUNTROY, Mr. PAYNE of New Jersey, Mrs. BENTLEY, Mr. DE LUGO, and Ms. PELOSI.

H.R. 1515: Mr. LAUGHLIN, Mr. NEAL of North Carolina, and Mr. MAVROULES.

H.R. 1541: Mr. WEBER and Mr. MCEWEN.

H.R. 1563: Mr. TAUZIN.

H.R. 1574: Mr. MAVROULES and Mr. ENGEL.

H.R. 1584: Mr. STUDDS, Mr. CALLAHAN, Mr. WISE, and Mr. WILLIAMS.

H.R. 1586: Mr. WISE, Mr. BOEHLERT, Mr. WATKINS, Mr. DORGAN of North Dakota, Mr. DONALD E. LUKENS, and Mr. COMBEST.

H.R. 1587: Mr. WISE, Mr. BOEHLERT, Mr. WATKINS, Mr. DORGAN of North Dakota, Mr. DONALD E. LUKENS, Mr. LEACH of Iowa, Mr. COMBEST, and Mr. COSTELLO.

H.R. 1605: Mr. MAVROULES, Mr. HUNTER, Mr. RINALDO, Ms. SCHNEIDER, Mr. TORRICELLI, Mr. MOAKLEY, Mr. DWYER of New Jersey, Mr. DREIER of California, Mr. LIPINSKI, Mr. KOSTMAYER, Mr. FEIGHAN, Mr. PALLONE, and Mr. DOWNEY.

H.R. 1618: Mr. BOEHLERT.

H.R. 1643: Mr. ATKINS.

H.R. 1654: Mr. AUCOIN, Mr. SMITH of Vermont, Mr. ACKERMAN, Mr. ESPY, and Mr. LIPINSKI.

H.R. 1660: Mr. TOWNS.

H.R. 1669: Mr. FLORIO, Mr. HYDE, Mr. HORTON, Mr. LAGOMARSINO, Mr. SAVAGE, Mr. BLILEY, Mr. NIELSON of Utah, Mr. SCHUETTE, Mrs. PATTERSON, and Mr. TOWNS.

H.R. 1674: Mr. WALGREN, Mr. GUNDERSON, Mr. SAVAGE, Mr. CHAPMAN, Mr. LEWIS of Florida, Mr. FAUNTROY, and Mr. KOLTER.

H.R. 1675: Mr. RIDGE, Mr. MARLENEE, Mr. SOLOMON, Mr. YOUNG of Alaska, Mr. COLEMAN of Missouri, Mr. LENT, Mr. HYDE, and Mr. MILLER of Ohio.

H.R. 1682: Mr. CRAIG.

H.R. 1693: Mr. YATES, Mr. ROSE, Mr. DYMALLY, Mr. KLECZKA, Mr. BEILENSON, Mr. SHAYS, Mr. FAWELL, Mr. MORRISON of Connecticut, Mr. RAVENEL, Mr. MAVROULES, Mr. OWENS of New York, Ms. PELOSI, Mr. TOWNS, Mr. MRAZEK, and Mr. COYNE.

H.J. Res. 19: Mr. PAYNE of New Jersey, Mr. GILLMOR, and Mr. DEWINE.

H.J. Res. 81: Mr. GALLO, and Mr. KYL.

H.J. Res. 82: Mr. PAYNE of New Jersey, Mr. TOWNS, Mr. BLAZ, Mr. TRAXLER, Mr. GRAY, and Mr. BILBRAY.

H.J. Res. 136: Mr. MILLER of Washington, Mr. PARRIS, Mr. GOODLING, Mr. CLINGER, and Mr. SMITH of Vermont.

H.J. Res. 140: Mr. MCEWEN, and Mr. ESPY.

H.J. Res. 141: Mr. ASPIN, Mr. HAYES of Louisiana, Mr. KOLTER, Mr. MRAZEK, Mr. RANGEL, Mr. VOLKMER, Mr. PAYNE of New Jersey, Mr. KLECZKA, Mr. CALLAHAN, Mr. GOODLING, Mr. KOSTMAYER, Mr. MORRISON of Washington, Mr. HAWKINS, Mr. CHANDLER, Mr. CLARKE, Mr. RAHALL, Mr. DAVIS, Mr. LIVINGSTON, Mr. SABO, Mr. VENTO, and Mr. SPRATT.

H.J. Res. 150: Mr. TALLON, Mr. MARLENEE, Mr. PASHAYAN, Mr. MARTINEZ, Mr. PAYNE of Virginia, Mrs. PATTERSON, Mr. SMITH of Mississippi, Mr. PACKARD, Mr. NEAL of Massachusetts, Mr. OWENS of New York, Mr. MAZZOLI, Mr. MCMILLEN of Maryland, Mr. FRENZEL, Mr. WHITTEN, Mrs. BENTLEY, Mr. MCCOLLUM, Mr. MANTON, Mr. PORTER, Mr. CARPER, Mrs. MORELLA, Mrs. MARTIN of Illinois, Mr. MATSUI, Mrs. MEYERS of Kansas, Mr. MILLER of Ohio, Mr. MOAKLEY, Mr. PICKLE, Mr. WHEAT, Mr. PARKER, Mr. OLIN, and Mr. MARTIN of New York.

H.J. Res. 153: Mr. HORTON, Mr. VALENTINE, Mr. DYMALLY, Mrs. MARTIN of Illinois, Mr. NEAL of North Carolina, Mr. LAGOMARSINO, Mr. LEVIN of Michigan, Mr. GREEN, Mr. FAZIO, Mr. MARTINEZ, Mr. THOMAS A. LUKEN, Mr. COBLE, Mr. ROSE, Mr. BUNNING, Mr. TORRES, Mr. BROWN of California, Ms. PELOSI, Mr. MANTON, and Mr. PACKARD.

H.J. Res. 163: Mr. RAHALL, Mr. AUCOIN, Mr. JONES of Georgia, Mr. BEVILL, Mr. MCDADE, Mr. KASTENMEIER, Mr. FROST, Mrs. BOXER, Mrs. COLLINS, Mr. GUARINI, Mr. LEHMAN of Florida, Mr. VENTO, Mr. FORD of Tennessee, Mr. LANCASTER, Mr. GILMAN, Mr. DE LUGO, Mr. NELSON of Florida, Mr. RAVENEL, Mr. RICHARDSON, Mr. CHANDLER, Mr. MRAZEK, Mr. CLARKE, Mr. HUTTO, Mr. FAZIO, Mr. BILBRAY, Mr. BROWN of California, Mr. ERDREICH, Mr. HUGHES, Mr. FASCELL, Ms. PELOSI, Mr. QUILLEN, Mr. DYSON, Mr. EVANS, Mr. RANGEL, Mr. JENKINS, Mr. SMITH of Florida, Mr. HORTON, Mr. MATSUI, Mrs. SAIKI, Mr. LAFALCE, Mrs. PATTERSON, Mr. BOSCO, Mr. GREEN, Mr. MARTINEZ, AND Mr. KOLTER.

H.J. Res. 168: Mr. LEVIN of Michigan, Mr. LEHMAN of Florida, Mr. THOMAS of Georgia, and Mr. DYMALLY.

H.J. Res. 174: Mr. BILIRAKIS, Mr. BOUCHER, Mr. DERRICK, Mr. ENGLISH, Mr. FORD of Michigan, Mr. FRENZEL, Mr. MARKEY, Mr. PRICE, Mrs. SAIKI, Mr. SCHUETTE, Mr. SPRATT, Mr. VANDER JAGT, Mr. WEISS, Mr. ALEXANDER, Mr. DORNAN of California, Mr. LOWERY of California, Mr. YOUNG of Florida, Mr. IRELAND, Mr. MYERS of Indiana, Mr. LIVINGSTON, Mr. BOEHLERT, Mr. FRANK, Mr. GALLO, Mr. GILMAN, Mr. MAVROULES, Mr. SPENCE, and Mr. WILLIAMS.

H.J. Res. 208: Mr. COX, Mr. MCDERMOTT, Mrs. PATTERSON, Mr. VENTO, Mr. GALLO, Mr. NOWAK, Mr. MARTINEZ, and Mr. BALLENGER.

H.J. Res. 215: Mr. HUGHES, Mr. FAZIO, Mr. RANGEL, Mr. ATKINS, Mr. MATSUI, Mr. OWENS of Utah, Mr. SCHUETTE, Mr. LIPINSKI, Mr. EVANS, Mr. TOWNS, and Mr. MRAZEK.

H. Con. Res. 47: Mr. SLAUGHTER of Virginia.

H. Con. Res. 51: Mr. HAYES of Illinois, Mr. TOWNS, and Mr. GARCIA.

H. Con. Res. 84: Mr. RANGEL, Mr. GILMAN, Mr. HUGHES, Mr. LIPINSKI, and Mr. LEVINE of California.

H. Res. 120: Mr. SMITH of New Jersey, Mr. GILMAN, Mr. FUSTER, Mr. KOSTMAYER, Mr. HOUGHTON, Mr. WILSON, Mr. ESPY, Mr. PENNY, Mr. DORGAN of North Dakota, and Mr. PORTER.

H. Res. 122: Mr. MARTIN of New York, Mr. LAGOMARSINO, and Mr. BLILEY.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.J. Res. 230: Mr. MCMILLAN of North Carolina.

PETITIONS, ETC.

Under clause 1 of rule XXII.

31. The SPEAKER presented a petition of Mr. Bruce L. Mikesell, Silver Spring, MD, relative to public hearings on the operation and enforcement of the Foreign Agents Registration Act of 1938, as amended; which was referred to the Committee on the Judiciary.

SENATE—*Thursday, April 13, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the Honorable CHARLES S. ROBB, a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

This is the day which the Lord hath made; we will rejoice and be glad in it.—Psalm 118:24.

Gracious Father in heaven, thank Thee for this beautiful day, for all the reminders of Your love, Your care, Your provision, Your creative power. Thank Thee for friends, for the privilege of serving and being served in this place, for the tireless devotion of so many who labor behind the scenes, unheralded in their productive service.

And especially we remember Dick Shewbridge of the Superintendent's Department who is ill, in intensive care.

Lord of the universe, Ruler of the nations, in a sense the world is in this room every day. Hundreds of millions of constituents, thousands of counties and cities, 50 States, the Nation, the world, with all of their problems, burdens, and demands, converge in this room. Grant to the Senators and their staff the wisdom to deal with this avalanche of human need.

Thank Thee for our beautiful city. Help us, Lord, to resist the forces that would destroy it. Make truth, justice, and love prevail. We pray in the name of Him who incarnates all virtue. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 13, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHARLES S. ROBB, a Senator from the State of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. ROBB thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders this morning, there will be a period for morning business not to extend beyond 11 a.m. with Senators permitted to speak therein for up to 5 minutes each.

RESERVATION OF LEADERSHIP TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my time and ask unanimous consent that the remainder of the distinguished Republican leader's time be reserved as well.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

The Chair recognizes the Senator from North Carolina [Mr. SANFORD].

THE FEDERAL BUDGET'S CLEVER BOOKKEEPING

Mr. SANFORD. Mr. President, my comments are prompted by a breakfast I had a couple of weeks ago with six or eight vice presidents of American corporations here in Washington, Government representatives. One of them in the course of the conversation said to the others and to me, "My boss was coming to town last week to have dinner at the White House with the President, and in the course of briefing him he asked me, 'If the President says, "Everyone who is in favor of a tax increase to reduce the debt raise your hand," what's your advice?' " He said, "I told him not to raise his hand." And all the other vice presidents for governmental relations agreed that they would advise "Don't raise your hand." Then they all quickly agreed that there is not any way to reduce the massive debt this Nation is now carrying unless there will be some new taxes for that purpose.

So I want to talk a minute, Mr. President, as we examine the Federal budget process we are now going through and raise the question of whether or not we want to do something about this massive debt that is going up at the rate of about one-quarter of a trillion dollars a year. Each citizen can answer that question for himself or herself, but I know my answer.

The budget for fiscal year 1990, the Reagan budget sent over and adjusted by President Bush, which came to Congress on February 9, is projected to give us an additional deficit of about $240 billion. The White House has announced that the deficit for fiscal year 1990, this budget, will be about $100 billion. Well, the question is, how do we account for that?

The Gramm-Rudman-Hollings descending deficit path indicates that our deficit is getting lower and lower and will reach zero in 1993, yet if you look at the increase in the national debt, which is the indicator of the true deficit, we see that it is going up all of the time. By 1993, under the most favorable projections, including 7-percent interest, the deficit will not be zero; it will be $200 billion. By a more realistic measure, the deficit that year will be $300 billion. So it is not going down. It is going up.

What accounts for these sizable differences? The answer is "clever bookkeeping."

Suppose a corporate CEO turned his losses into profit by clever bookkeeping. Suppose a CEO, getting ready for his annual report, realized that he would be in the red and says to his controller, "Go get our retirement funds and put them over here on the bottom line and then we will show a profit."

Well, the Wall Street Journal would be outraged, the SEC would start rattling the keys to the penitentiary, and no American corporate executive would engage in that kind of deceit to his stockholders. Yet, that is exactly what we have been doing, deceiving the American citizens about the true size of the deficit using creative ac-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

counting. Creative accounting is when we bring Social Security and other retirement funds on to the bottom line and treat them as a profit, as operating money that can be used, when we know very well it cannot be. That money is in a trust; it is dedicated to the beneficiaries and the trustee is obligated to keep it intact.

There is another little creative accounting device that I learned as I studied the budget. I could not quite understand "net interest" because knowing what the interest rates have been, knowing what the gross national debt was, I did not see how we could possibly be paying only $150 billion or $155 billion in interest. Well, the creative accounting there is even more clever, because Treasury pays interest on all Government securities, be they bonds or notes, or any other kinds of securities. When Treasury pays out interest to Chase Manhattan Bank for example, as trustee for a retirement fund, that money is gone. That interest is gone and we cannot get it back.

The same is true of the interest that is paid to the Social Security trust fund. When we pay that interest, though we pay it in notes and securities, it adds to the national debt as it should. That money is gone beyond recall. We cannot get it back. It is paid, just as if it were paid to a private investor. But how do we go about accounting for it in our budget? Do we not treat it as an outlay? We treat that interest paid to retirement funds, notably Social Security, as a receipt, and we deduct it from the interest we pay when we carry net interest to our budget. So when we see net interest, we do not really see the true picture. It is usually about $75 billion more.

That kind of accounting and that kind of bookkeeping covers up the deficit. That is what we have to put a stop to, Mr. President. I do not want to continue agreeing to a budget that is deceitful. Even more important, I do not want the public to continue to be fooled into thinking we are reducing the deficit when all you have to do is examine the budget documents. All one would really need to do is to look at the final figure, the bottom line, the increase in the national debt for that year, to find out what the true and honest deficit is.

I think it is time for us to insist on an honest budget. If we had an honest budget, we would see where we could cut.

I have introduced legislation, S. 101, that proposes honest budgeting. S. 101 is not a complicated piece of legislation. It would lay out, for all to see, the true state of the budget, the true amount of the deficit.

S. 101 would take Social Security and other retirement funds, set them off in a separate account, put a firewall, so to speak, to prevent us from using that money for operating purposes. It would then take the interest, the true interest, which is over $200 billion in the current budget, and place it in a debt deficit and interest account.

The advantage of doing this is that it allows us to see, at a glance, the stark truth about the deficit. The true deficit cannot be concealed by the use of net interest. This exposes, the true size of the deficit, the naked truth, that the current budget does not begin to report. The deficit is mounting at $250 billion a year.

The third account, the operating budget includes defense, all of the governmental activities and programs, such as the farm program, welfare programs—the programs that we use to set the priorities of the Nation.

That particular part of the budget could be balanced from now until eternity. This also would lay out, for the public to see, what programs can be cut. It exposes this fiction that we can balance the budget with spending reductions.

Finally, S. 101 includes this additional point. It lays out a schedule for the reduction of the national debt, year by year. It provides the mechanism to use a dedicated tax for no other purpose except for debt reduction. It puts the challenge directly to the President: Do you want to see this debt increased by another $1 trillion during your administration? Or, do you want to propose a dedicated tax to start reducing the debt which is endangering our economy and places an unfair burden on our children and grandchildren?

Mr. President, I thank you.

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair.

(The remarks of Mr. BOND pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PATTY McSWAIN HARRELL

Mr. ARMSTRONG. Mr. President, I am very sad to advise my colleagues and members of the staff of the Senate of the untimely passing of a dear friend and a member of the Senate family, Patty McSwain Harrell Ash.

Patty came to the Senate on the same day I did, as a member of my staff. She soon became my personal secretary and over the years I came to depend on her more than I would have imagined possible. After several years, she returned to Colorado as the director of my State offices and in that capacity she helped and served literally thousands of Coloradans.

Senators and other friends in the Senate will remember Patty for her unfailing enthusiasm, personal magnetism and vitality and a special, unique, visible, tangible zest for life. She was the kind of person whose presence brightened a room when she entered it. She was the kind of person who just made you feel better because she was there.

Many of us will also recall Patty as a woman of faith, who loved the Lord, studied the Scripture, and in a thousand instances, large and small, put the interests and concerns and needs of others ahead of her own.

With the passage of time, Ellen and I came to love Patty very much and we will miss her greatly as will her many friends. But we will always recall her with great appreciation and with the realization that she enriched our lives and the lives of others by being among us. She was a rare person, a remarkable woman who was a blessing to many.

Patty leaves behind a devoted husband, Ken Ash, and three small children, Megan, Tucker, and Taylor.

Patty's family and friends are comforted by knowing that she is now in heaven and in the presence of the Lord Jesus who loves her even as we do.

Mr. President, I thank the Chair for the opportunity to share this sadness with my colleagues.

Mr. President, I yield the floor.

Unless other Senators seek recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AID TO THE CONTRAS

Mr. DOLE. Mr. President, I believe the majority leader may soon—at least I know he hopes to—have an agreement on the so-called aid package to the Contras.

I just wish to indicate to my colleagues on this side, through their staffs who are listening in their offices, that it is our hope to not have any amendments, but if there are to be amendments I hope they can be combined in one or two.

We are getting all kinds of reports now that there may be five, six, seven, eight, or nine amendments, and one objection to a time agreement. I would

just indicate to my colleagues that the President, the Republican leader and the Democratic leader in the Senate, and the Republican leader and the Democratic leader in the House agreed on this package, and a deal is a deal.

I will join efforts to defeat any amendment from either side. I have just discussed that with the President twice this morning. That is his wish.

I have no quarrel with those who have different views on how we deal with this issue. I do not wish to foreclose anyone from amendments, but I do believe that if amendments are offered and receive a very few votes, it is going to be bad news for those Contras and Contra leaders and others and it may be perceived by some as foreclosing options in the future in the event that Daniel Ortega does as he has in the past, and that is to ignore any efforts to democratize Nicaragua.

So I hope my Republican colleagues would not offer amendments. Having said that, I know that there may be some amendments, in any event. I hope that they might combine their efforts and agree on a reasonable time limit so that we could pass this legislation.

As I understand it, as of Saturday, unless there is additional money authorized and appropriated, the Contras will be on half-rations. So there is some reason to act expeditiously, obviously without cutting off anyone's right to debate.

I believe the majority leader and the Republican leader would like to complete action on this bill by early evening.

So I would again remind my colleagues on this side of the aisle that President Bush supports this agreement. He is opposed to any amendments and has authorized me to say so and authorized the majority leader to say so. A deal is a deal. A deal has been made.

I know there are some on the other side who have different views who do not like the arrangement either. So I would hope we could move expeditiously and hopefully get an agreement between now and 12 o'clock.

So I alert anyone on the Republican side, if you have an amendment, you should be alert because we are going to get an agreement and we hope that we will have no objection to the time agreement to be proposed later by the majority leader.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET PROCESS

Mr. KOHL. Mr. President, I have indicated on several occasions in the recent past that I am very concerned about the budget process that is going on. I am very concerned about the package that may be consumated today between congressional leadership and the White House. I am particularly concerned about the economic assumptions that underlie this package.

I heard Senator SANFORD speak this morning and I agree with everything he said and I share his concerns. I want to make it known that I have written a letter to the CBO this morning and I have asked them to analyze the budget package based on their economic assumptions as contrasted with the economic assumptions being used by the congressional leaders and the White House. I think they are going to indicate some very dramatic differences, differences that the American people should be made very much aware of, differences that I and other leaders in Congress are very concerned about.

I wanted to make it known that we are undergoing that process and we will release that information when it is given to us in the very near future.

Thank you, Mr. President.

THE 1988 WORLD REFUGEE SURVEY

Mr. KENNEDY. Mr. President, each year the U.S. Committee for Refugees produces its World Refugee Survey. Over the past three decades, this annual survey has been noted throughout the world for its thorough and thoughtful analysis of global refugee needs and trends.

This year's edition, "World Refugee Survey: 1988 in Review," is certainly consistent with the survey's fine tradition of factual reporting on refugees around the world. And the survey also contains a series of analytical articles on some of the key issues now confronting us in this field. These cover such diverse and challenging subjects as the continuing needs of Vietnamese "boat people," the hurdles to repatriation for Afghan refugees in Pakistan, and the manmade emergency in Sudan.

While the survey is filled with valuable facts and figures, the U.S. Committee for Refugee's director, Roger Winter, reminds us that "these are not numbers. They are people. Each one of these 14.4 million—refugees—represents an individual human tragedy."

I would also like to take this opportunity to commend Mr. Winter for his extraordinary work in bringing the current tragedy in southern Sudan to the attention of the United States and the world community. He was among the first to expose the use of food as a weapon in the ongoing civil war there and played a major role in mobilizing the response of the American Government and voluntary agency community to the massive and needless loss of life in that country. We should all be grateful for his efforts.

Mr. President, once again I commend the World Refugee Survey to my colleagues, and ask unanimous consent that the U.S. Committee for Refugees' announcement of the publication be included at this point in the RECORD.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

REFUGEE NUMBERS GROW, PROTECTION MECHANISMS FALTER: THE U.S. COMMITTEE FOR REFUGEES ISSUES ITS ANNUAL SURVEY OF REFUGEE PROTECTION

With its release of the World Refugee Survey: 1988 in Review, the U.S. Committee for Refugees today announced that the total number of the world's refugees outside their countries continued to climb—from 13.3 million in 1987 to 14.4 million in 1989. That many or more remain internally displaced within their countries, unable to escape.

This increase, according to the U.S. Committee for Refugees, reflects two overriding realities:

Refugees did not go home during the year, and

Massive new displacements continue to take place.

The largest new influxes of refugees into neighboring countries in 1988 occurred in Africa:

335,000 civilians fled violence in northern Somalia, arriving in massive numbers this summer in Ethiopia. There, in camps ill-prepared to serve them, many are suffering unnecessarily from severe malnourishment and disease. There are a total of 350,000 Somalians now in Ethiopia. [Approximately 600,000 are still displaced within Somalia.]

Almost a quarter-of-a-million Mozambicans fled into neighboring countries in 1988, making a total of 1,147,000 Mozambicans now refugees outside the ravaged country. [As many as 2 million civilians remain violently uprooted in Mozambique, displaced primarily because of brutal treatment by RENAMO insurgents.]

More than 150,000 southern Sudanese refugees—mostly seriously malnourished young boys—fled that country for Ethiopia in 1988, bringing the number of Sudanese refugees in that country to 350,000. [Two million Sudanese are displaced within the Sudan.] Up to 500,000 civilians—mostly of the Dinka ethnic group—lost their lives to starvation inflicted by both sides in the civil war there.

Significant numbers of refugees also fled from Iraq, Iran, Afghanistan, Cambodia, and Vietnam during the year.

In presenting these statistics, Roger P. Winter, director of the U.S. Committee for Refugees, said, "These are not numbers. They are people. Each one of these 14.4 million represents an individual human tragedy."

"Refugees and displaced people are victims," said Winter. "A few are controversial. But the bulk are regular people caught up in persecution and violence. As a nation and as individuals, we have increasingly made the very tragic error of believing that refu-

gees are one of our problems, rather than their becoming one of our causes."

Winter, who just returned from the southern Sudan, where he has been investigating the massive unfolding refugee crisis there, wrote in his introductory review of the year for the Survey, "It is hard to believe that a humanitarian tragedy of this dimension, fully known to governments including our own, could materialize with nary a murmur." Winter asked, "Where was the UN? Where was the Organization of African Unity? Where was the world's humanitarian machinery in such a case?"

Such questions are the unfortunate refrain in case after case. While ultimate responsibility lies with those governments who have caused their citizens to flee, the major focus of the World Refugee Survey is with conditions in the countries of asylum. Some of the greatest burdens for asylum countries were found in Africa, the continent involving the most new refugee upheavals during the year.

Tiny Malawi—with serious economic problems of its own—has taken the brunt of the outpouring of refugees from Mozambique. "Malawi has a refugee burden in many ways outmatched by any in the world," said Winter. "The refugee influx is approaching a twelfth of the nation's population."

Safe asylum for refugees from Indochina loomed as a major question in 1988. One of the most distressing new developments in the region, Winter pointed out, was that "inaction by Thailand and the international community permitted the dread Khmer Rouge to force back thousands of refugees into Cambodia." Hmong attempting to cross into Thailand have also continued to be pushed back into Laos. A serious breakdown in asylum occurred in early 1988 after Thailand began interdicting and pushing off Vietnamese refugee boats. Pushbacks continued in Indonesia; Hong Kong rushed to implement a new screening program to deter new arrivals; and Malaysia announced that it would close its major refugee camp.

A Survey article, "Sins of Omission: The New Vietnamese Refugee Crisis in Southeast Asia," searches for a basis for a new international consensus to avoid a continued breakdown in refugee protection. "Piracy and pushbacks may have added tens of thousands to the death toll, but the boat journey itself is an inherently dangerous one," writes USCR staff analyst Court Robinson. "This is what must stop, not through pushbacks or other harsh deterrent measures, but through a real diversion of the outflow into orderly migration channels."

The asylum situation for Central American refugees was similarly uncertain. Most are not recognized as refugees by governments in many countries in the region or in Canada and the United States. Life for Salvadoran refugees in Honduran refugee camps has been harsh, leading thousands to return home to a still dangerous and unsettled environment. During the year, hundreds of Nicaraguan asylum seekers were turned away by Honduras, and Costa Rica was considering measures that would give border authorities greater discretion in turning away potential asylum seekers.

Prospects initially looked encouraging for the world's largest refugee population, nearly six million Afghan refugees in Pakistan and Iran, as the Soviet Union began its withdrawal from Afghanistan. As the year drew to a close, however, the war was escalating, causing fresh groups of refugees to flee. And those looking for a safe return found instead an unsettled political situation, a devastated infrastructure, and the presence of millions of mines.

The end of the Gulf War also seemed to herald the return of hundreds of thousands of Iraqi and Iranian refugees. But hopes were dashed after the cease fire, as both sides turned their guns—and, in the case of Iraq, chemical weapons—on dissident segments within their own populations, causing thousands more refugees to flee.

Another Survey article, "Refugees: A Barometer of Genocide," shows how a close examination of refugees can reveal to the outside world otherwise hidden information about the human rights conditions in their homelands. USCR policy analyst Bill Frelick writes, "The scarred and blistered skin of Kurdish women and children or the emaciated bodies of starving Dinkas tell us most clearly that lives are in danger." Frelick says that when refugee stories fit a pattern showing an intent to destroy the group in question it is warranted to use the term "genocide" to describe the threat.

Most of the world's refugees have been languishing in camps or homeless for years. Older Palestinians saw the 40th anniversary of their lives being uprooted. Many of their children and grandchildren have lived their entire lives in refugee camps. In the West Bank and Gaza Strip, a year-long uprising created havoc and hardship. Refugee youth were in the forefront of the uprising, and comprised the bulk of its casualties.

In Lebanon, the refugee camps of Beirut were reduced to ruin and the surviving civilians forced, once again, to flee. The World Refugee Survey described the destruction of the Shatila and Burj el-Barajneh camps in the summer of 1989. "Hardly an undamaged structure stood in either camp. The Haifa Hospital, made famous as a safe haven for refugees through years of bombardments, massacres, and street fighting, was destroyed and empty."

The U.S. Committee for Refugees, a project of the American Council for Nationalities Service, was established in 1958 to inform the American public about world refugee issues and to work for the protection of all refugees, asylum seekers, and displaced persons worldwide irrespective of their race, religion, nationality, or political opinions. USCR is a private, nonprofit organization. It receives major funding from the Ford Foundation, the John D. and Catherine T. MacArthur Foundation, the Joyce Mertz-Gilmore Foundation, the Henry Goldman Foundation, and the Sunflower Foundation. USCR also receives tax-free contributions from many concerned individuals.

SECTION 89 OF THE INTERNAL REVENUE CODE OF 1986

Mr. KERRY. Mr. President, yesterday the Senate, in response to an overwhelming outcry from the small business community, unanimously expressed its sense that section 89 of the Internal Revenue Code of 1986 "imposes an intolerable and unjustified burden of compliance upon employers". In addition, we requested that the House immediately adopt and send to the Senate for consideration a bill to "repeal or to modify substantially" section 89.

I supported this measure because section 89, if implemented in its current form, would not produce the results for which it was intended—that being the fair and equitable distribution of employee health benefits. In fact, the law as enacted in the 1986 Tax Reform Act, might actually offer small business owners little choice other than to cut back the benefits which they offer their employees. It is clear then that requiring businesses to conform to section 89, in its current form, is a bad idea.

However, the spirit and intent behind section 89 is a good idea. I do not believe that the Federal Government should allow businesses a deduction for the expense of providing benefits unless those benefits are extended in a nondiscriminatory fashion.

We on Capitol Hill are often reminded, rather loudly, when our policies are going to cost business money. I think that businesses should remain acutely aware that tax-favored treatment for employer provided benefits costs the Government money. And that Congress explicitly justified that cost if "such benefits fulfill important social objectives, such as increasing health insurance coverage among taxpayers who are not highly compensated and who otherwise would not purchase or could nor afford such coverage."

Mr. President, it is my hope that through testimony being offered today in the Senate Small Business Committee, and testimony to be offered at hearings scheduled by other committees in the future, we in Congress might gain a more thorough understanding of how to implement the spirit and intent of section 89, without imposing an excessive administrative burden on small businesses.

CONGRATULATIONS TO THE CITY OF ROCKFORD, IL

Mr. DIXON. Mr. President, I rise today to highlight the results of the April 4, 1989, mayoral election in Rockford, in our great State of Illinois.

The people of this great city elected one of their own as mayor, Charles E. Box. He was born and reared in Rockford. He practiced law for 5 years in Rockford. Additionally, Mayor Box served as city legal director and city administrator.

What is unique about this election, Mr. President, is that Mayor Box was elected the first black mayor in the history of the city of Rockford. Although the city has only a 15-percent black population, Mayor Box received 63-percent of the vote. He won in all 14 wards in this second largest city in the State of Illinois, and I am proud of that.

Mr. President, I highlight the results of this mayoral election because it exemplifies what I believe to be a cornerstone of the American dream—an

America where all persons are judged on their abilities and character, and not on the color of their skin.

All too frequently we read about racial disharmony in this country. Because of the harmony emanating from Rockford, IL, in early April, I believe it is most appropriate for this body to recognize and congratulate Mayor Box and the citizens of the city of Rockford for the fairness and reasoned approach they demonstrated during their citywide election.

THE "SECRET" CLASSIFICATION

Mr. DIXON. Mr. President, during the last few weeks, the Senate Armed Services Subcommittee on Readiness, Sustainability and Support, which I chair, has held hearings on the recommendations of the Military Base Closure Commission.

During the course of those hearings, I had requested transcripts of the Commission's meetings to help me understand the reasoning of those who were making such pivotal decisions. This Senator was appalled to discover how broadly the classification of "Secret" had been applied by the Pentagon, not to protect national security, but simply to prevent the disclosure of potentially embarrassing information.

The Bloomington Pantagraph, a widely respected daily newspaper in Illinois, has written an excellent editorial on this subject—one that I ask unanimous consent to have printed in the RECORD in full and one that I would encourage every Member to read.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHO'S THE ENEMY, SENATE OR SOVIETS?

No clearer example of the misuse of the "secret" stamp has emerged than the one provided this week by former Defense Secretary Frank Carlucci.

At a hearing on proposed military base closings, Sen. Alan Dixon, D-Ill., questioned the secrecy surrounding the base-closing commission. With two facilities targeted in Illinois—Chanute Air Force Base in Rantoul and Fort Sheridan, north of Chicago—Dixon wants to know the reasoning behind the choices. But that has been a problem.

A transcript of the commission's meetings provided to Dixon was stamped "secret" and the names of people who spoke were obliterated with black lines.

Dixon, understandably, wants to know those names. How else can he judge the reliability of the decisions that were made?

But Carlucci said "the staff of the commission should be protected from political abuse."

Hold on here. Classifications such as "secret" are supposed to protect national security. The military is supposed to be concerned about Moscow finding out how our missiles work, not Congress finding out how our commissions work.

This is an example of how the classification system is abused and material is kept from the public with the primary purpose being prevention of political embarrassment—or "abuse"—instead of protection of vital secrets.

There may be good reasons for keeping details about a base's mission secret, to deprive the Soviet Union, terrorists or other enemies of the United States of useful information.

But there is no good reason for depriving our elected senators and representatives of basic information about the base-closing commission's work.

DRUG WAR HAS BEEN ALL TALK, NO ACTION

Mr. DIXON. Mr. President, you and I are both great admirers of the fine columnist for the Chicago Tribune, Mike Royko, who writes, in a very delightful and humorous fashion, a lot of old-fashioned common sense.

Yesterday, he wrote a column entitled, "Drug War Has Been All Talk, No Action."

Last night here on the floor my friend, the distinguished senior Senator from Tennessee, JIM SASSER, and I agreed that the column deserves the attention of this body.

And so, Mr. President, I ask unanimous consent that the Royko column from the Chicago Tribune be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DRUG WAR HAS BEEN ALL TALK, NO ACTION

(By Mike Royko)

Earlier this year, a woman was walking on a main thoroughfare in Evanston. She was going to meet her husband for dinner.

She and her husband have been friends of mine for 30 years. They are two of the most civilized people I've ever known. I never heard either of them say a cruel word about anyone.

The woman didn't reach the restaurant. She was found near an alley, bleeding from severe head wounds. Someone had apparently struck her with a blunt instrument.

She died a few weeks later. Because she never regained consciousness, we can't be certain what happened. But it isn't hard to figure.

Someone probably grabbed for her purse. Out of shock or instinct, she may have resisted. The thief or thieves hit her. It happens often in and around the big cities.

Something else isn't hard to figure. She was walking a short distance from a neighborhood where gangs and drugs are reality.

So the odds are that the blows came from a dopehead needing money for a fix. Few professional criminals ply their trade so stupidly.

A few weeks ago, the wife of another friend of mine was leaving her home in the Hyde Park neighborhood of Chicago.

The next thing she remembers, she was in a hospital. Someone had hit her head, apparently with a baseball bat. She suffered terrible injuries but, fortunately, has recovered.

The attack had a profit motive. For clubbing someone, the thug showed a profit of the $8 in the lady's purse.

Once again, the motive isn't hard to figure. My friends live in a part of Hyde Park that is within walking distance of gang and dope territory. It's a typical doper crime. No time for subtlety. Just bash, grab and run. Getting high, losing the shakes, feeling good, are more urgent than someone's life.

It's happening in Chicago, Washington, New York, Cleveland, Detroit, and just about every other middle- to big-size city. It has slopped over from the inner cities to the quieter neighborhoods and out into some suburbs.

And what's being done? Well, in Washington, the center of America's journalistic-governmental hot air industry, they are fighting with words. President Bush's new drug czar is carping at the mayor of Washington for not being cooperative about some vague plan for the feds and the locals to get together in a new drug war. The mayor just as vaguely says that isn't true, he'd be happy to cooperate.

More talk. And in the time it takes for them to exchange empty words, another few tons of cocaine moves as easily into this country as clouds drift across the sky.

Much of it will be converted into crack. And some crack users, unable to work for a living, will go out with a lead pipe or a bat and hit defenseless women, or blow a hole in a convenience store clerk.

That's all we've been getting from Washington during the years the dope industry has grown—blabber, blabber and more blabber.

Queen Nancy urged the nation to "just say no." She could afford so simple-minded a solution. With Secret Service agents front and rear, nobody was going to slap her on the head.

And while Nancy was saying "say no," her husband's administration was playing footsie with the countries that pump the dope into this country. We were giving them financial aid. It's even believed that some of the contra leaders—described by Ron as the moral equivalent of our founding fathers—were in the drug business. Maybe I missed something in history class, but when did George Washington sell cocaine?

Basically, the war on drugs has been, and will continue to be, a fraud. There aren't enough cops in the cities to deal with all the local peddlers and users. There aren't enough jails to house them.

Part of that problem is that the federal government doesn't want to waste money on cities. It can put our billions to better use at the Pentagon. We can blow up the Soviet Union 10 times, but D.C. can't spare a few bucks so a woman can safely meet her husband for dinner.

Part of the problem is that the people in Washington who make foreign policy and look at the big picture don't want to offend our friends, the drug-dealing nations.

I don't wish harm to anyone, but their attitudes might change if a few White House and State Department wives didn't make it to dinner alive.

And part of the problem is the odd notion that we can't use our military against drug merchants.

I'm not suggesting that we have tanks rolling down Dopeville Street, or marines storming crack houses.

But is it unthinkable to have Army troops along the Mexican border? Would it be rude to use the Air Force to chase air drug shipments? Would it be an inconvenience to admirals if the Navy searched out drug boats?

As for the crisis in prison space, I've never understood why prisons have to be more expensive to build than luxury housing.

When there are wars, no-frill prison camps are built, simple and cheap. Barracks surrounded by high barbed-wire fences,

maybe electrified, with armed guard towers, search lights, and mean dogs.

We have vast stretches of useless, remote land in this country, perfectly suitable for prison camps. True, inmates might not learn a useful trade or earn a college degree, and visitors might have a long journey. But life is tradeoffs. The criminals might be unhappy, but nice people will be safer.

So if we are going to have a genuine war on drugs, we need a new drug slogan. Why doesn't everyone out there drop a post card to the White House with this slogan on it? "Say No To Bull - - - - !"

VOLUNTARISM

Mr. GRASSLEY. Mr. President, in his inaugural address, President Bush reminded us that "there is but one just use of power, and it is to serve people." This thought is especially appropriate as we celebrate "National Volunteer Week" from April 9 to April 15.

In Polk County, IA, over 1,000 individuals volunteered 162,000 hours last year to help United Way agencies. The spirit and generosity of these men and women is indicative of the attitude of every American volunteer.

Our recognition of the invaluable contributions of volunteers should extend beyond this week. Last year I sponsored Senate Concurrent Resolution 32, "Volunteers and the Importance of Voluntarism." It called to mind the tremendous importance of volunteers in our local communities and in the job market. More recently, on April 10, 1989, the Washington Times reported that the White House is inspiring a national volunteer movement.

But Government is not alone in this effort.

About 100 major companies in the private sector including Levi Strauss, Union Carbide, Marriott, Coca-Cola, United Airlines, Xerox, AT&T, TRW, and Carnation consider volunteer experience when they hire people for jobs.

The value of recognizing volunteer work experience is embraced by several nonprofit organizations as well. Organizations such as U.S. Chamber of Commerce, the National Association of Manufacturers, the Association of Junior Leagues, the Association for Volunteer Administration, the National School Volunteer Program, the American Association of University Women, and AARP advocate this concept.

Today, I would like to thank the numerous American volunteers, especially those who do so much for the people in my State of Iowa. They provide a standard to which all of us should aspire 365 days a year. They prove, as President Bush so eloquently stated in his inaugural address, that although our problems are large, our heart is larger, and although our challenges are great, our will is greater.

SENATOR DAVID L. BOREN

Mr. COHEN. Mr. President, for the last 2 years, I have had the honor and pleasure of serving with DAVID BOREN in the leadership of the Senate Select Committee on Intelligence. As chairman of the committee, Senator BOREN has demonstrated strong leadership, vision, and judgment. He has taken important steps to ensure that we have the strongest possible oversight capability and has worked hard to protect the security of the sensitive information which our committee deals with every day.

Those of us who serve on the Intelligence Committee consider our service a special trust which has been bestowed on us by our leaders on behalf of all Members of the Senate. We know that our colleagues and the American public depend on us to provide effective oversight in this special area which is necessarily shielded from public view.

Perhaps in no other area is this more important than in the area of covert action. It is particularly critical that the Senate and House Intelligence Committee do all they can in this most secret and sensitive of areas to ensure that decisions being made and actions being taken are in the best interests of our Nation and are consistent with American law.

In the most recent edition of International Review, Senator BOREN has written an article, "Covert Action and American Foreign Policy," which discusses this important issue and makes a number of significant points about the oversight process. He concludes that "simply abolishing the legitimate use of covert activities would not deter those who wish to abuse power and who intentionally avoid these normal channels. Making covert activities illegal and dismantling the oversight process would lessen our ability to independently monitor worldwide activities of representatives of our Government. In the end, such a course of action could easily increase, not decrease, the potential for abuse of power."

I commend the article to the attention of my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COVERT ACTION AND AMERICAN FOREIGN POLICY

(By David L. Boren)

As the debate rages over the suitability of covert activities of government in a democratic society—a debate that has taken on added ferocity in the aftermath of the Iran-contra affair—it is time to focus on the process at the heart of the issue the effectiveness of Congressional oversight of covert activities.

While no one believes more strongly than I that government should be as open as possible and ultimately accountable to the people, there remain certain sensitive activities of government absolutely vital to our national security and to our ability to pursue our stated foreign policy goals this must be kept secret.

At the same time, because these activities are more subject to abuse than more open avenues of action, they must be carried out only under strict observation by Congress. During the part two years as Chairman of the Senate Select Committee on Intelligence—one of Congress' two committees given responsibilty for oversight of these and other intelligence matters—I have worked to put in place a system to reduce the threat of executive abuse of covert activities so that they can be used to pursue legitimate foreign policy goals in situations in which there is no clear alternative mechanism.

THE NATURE OF U.S. COVERT POLICY

There seems to be a general misunderstanding of the scope of this government's current use of covert activities. Although the specific number of our covert undertakings is classified, that number is significantly lower than the current debates would imply. Fewer still are the large paramilitary operations commonly envisioned.

In fact, the great majority of our activities are conducted for intelligence-gathering purposes or are small, targeted programs created to assist friendly governments. Through these relatively small programs, the United States has been able to promote its own interests and the interests of our friends. In most cases, the nations with whom we are cooperating in these programs want to keep them confidential in order to avoid appearing dependent on US assistance. We usually participate in secret not because of self-interest, but at the insistence of those with whom we are cooperating.

The few larger paramilitary assistance programs in which we have participated were carried out in secret for similar reasons. In the recent past, these actions have been extremely effective in promoting what some call the "Reagan Doctrine" of forcing the Soviets to pay very high prices for their activities in other countries. (Afghanistan, Angola-Namibia, and, with obvious limitations, Nicaragua, serve as a few examples.) Our successes, however, have depended upon the cooperation of countries adjacent to targets of Soviet influence. These countries have, almost without exception, demanded that the program be kept secret as a price for their participation, allowing them to avoid a legal state of war with their neighbors.

It is not at all clear that any of our recent successes could have been achieved through more open channels.

PRINCIPLES FOR COVERT ACTION

In order for covert actions to be appropriate as a tool of foreign policy in a democratic nation, and for them to be effective, they must observe several guiding principles.

First, covert actions must never contradict or be viewed as a substitute for our publicly-stated foreign policy. The results of the sale of arms to Iran should serve to demonstrate the point. Not only did discovery of the program cause the Reagan Administration's most serious domestic crisis and further drive a wedge between Congress and the White House, but our duplicity in dealmaking with the Iranians for hostages severly damaged the credibility of our public policy against bargaining with terrorists and reduced our ability to achieve important foreign policy goals in the Middle East.

Second, no matter how appealing the goal, covert activities cannot operate outside of the bounds of basic American values.

The American people have made it clear that, as tools of our foreign policy, the means employed in covert actions are not free from scrutiny. It was in part the reports of CIA assassination plots against unfriendly foreign leaders and concerns about domestic spying activities in the 1970's that resulted in the creation of intelligence operations oversight committees in Congress.

Third, they must have strong bipartisan support—a principle that holds true for our foreign policy programs in general. Foreign policy actions of all kinds must have the support of a united voice at home if they are to be sustained. The lack of continuity in our dealings with Nicaragua in this decade and the resulting confusion in Central America illustrate the inevitable failure of large programs that are undertaken without the foundation of bipartisan consensus.

Presidents must remember that they can initiate a course of action, but they cannot sustain it without broad consensus in support of the policy. Even if the goal is worthy and the action is needed, it is better never to initiate a policy that cannot be sustained. Unpredictable changes in direction only tend to demoralize our allies and embolden our enemies.

Finally, in order to ensure compliance with these principles, our covert activities must be few enough in number and small enough in scope to allow for effective administration by the executive branch and sufficient oversight by Congress. We have only limited resources available for covert operations, and for adequately monitoring them. If we spread our resources too thin, our actions will fail, and the oversight process will also break down. We cannot afford to strike at every target of opportunity: careful selectivity is crucial.

THE ROLE OF THE CONGRESS

Since covert activities are not carried out in full view of the American public, Congress has a special role in ensuring that they operate within these guiding principles. Each of the two intelligence committees in Congress—one in each house—has access by law to all Presidential Findings authorizing covert activities and to complete information concerning ongoing operations.

Because these programs will not be publicly debated, the committee members accept a burden even greater than usual to represent the views of the public. As Chairman of the Senate Intelligence Committee, I view my role to be one of trusteeship, both for the rest of the Senate and for the American people. In reviewing findings for covert action, I ask myself not only whether or not I personally approve of a secret activity, but also whether or not the full Senate and the American people would approve.

In order to ensure scrutiny by as broad a group as possible, Senate leaders have filled the committee with members representing a broad ideological spectrum, including senators from the political left and right. Yet despite this ideological diversity and the controversial nature of the issues we confront, the members have worked hard to reach consensus among ourselves and with the executive. Our sensitivity to our responsibilities as trustees and our work toward consensus has resulted in unanimous or nearly unanimous votes on almost every major committee decision.

When the committee agrees with an Administration program, the approval gives a program the support it must have for success. When the committee disagrees with a program, the President is advised to withdraw it. If necessary, Congress has the ultimate power to freeze or eliminate all spending for an action it deems unwise.

Over the last two years, through hearings and mutual consultation, the President has been persuaded to withdraw some proposals and to modify some existing programs. Furthermore, in rare instances in which a consensus could not be reached, the committee has acted to force the cancellation of activities. To the credit of both branches of government, these actions have remained confidential.

RULES FOR LEGISLATIVE OVERSIGHT

Two years ago, as a result of the Iran-contra scandal, the Senate Intelligence Committee and the President reached a strong agreement—subsequently reflected by appropriate executive branch directives—requiring more stringent reporting by the executive branch to the oversight committees. Specifically, the orders require that:

All Presidential Findings be in writing, except in cases of extreme emergency, in which case oral findings would be reduced to writing and signed by the President within two working days;

No finding should retroactively authorize or sanction a secret action;

All notifications procedures apply to any person or agency, including those outside the CIA or traditional intelligence agencies, directed by the President to conduct covert activities;

The intelligence committees should be informed of participation of any government agencies, private parties, or other countries involved in assisting with covert actions;

In all but the most exceptional circumstances, timely notification to Congress of a Presidential Finding will not be delayed beyond two working days of the initiation of a covert action.

To further help ensure adequate oversight and access to information, the Senate Committee operates under tight in-house procedures.

Since January, 1987, the Committee instituted regular quarterly oversight of all findings in force, replacing the random spot-check approach of the past with systematic and periodic review of even the least active programs. Findings for which the originating purpose has ceased to exist are recommended for cancellation.

This review procedure has not only improved the oversight activities of the committee, but it has also improved the administration of Presidential Findings, since the National Security Council and the Central Intelligence Agency have to conduct their own quarterly reviews in order to prepare for the Senate review.

Second, the members and staff of the committee travel extensively to review personally each of the covert activities being conducted. Access to these field operations is unlimited.

Finally, since the beginning of the year, we have operated an independent audit unit which has access to all information regarding the operations and financial accounts of previously approved covert actions. In the past, the committees have had to rely upon the executive branch for all financial information. The new committee audit group is charged with making certain that the programs are carried out using appropriate means and within the confines of the original intent of the program.

The audit team has already spotted irregularities in a few covert activities, and the committee has stopped or reformed these activities.

ESTABLISHING TRUST

Overall, the oversight process as it exists substantially reduces the potential for abuse. But oversight is most effective when it operates in an atmosphere of trust and cooperation among government leaders.

For our part, the Committee has taken serious steps to show that it can be trusted with highly sensitive information, removing any excuse for the Administration to fail to provide full briefings on all covert activities.

After I became Chairman in January, 1987, the Senate Committee approved a series of procedural changes designed to reduce the possibility of leaks. First, Senator Bill Cohen, Vice Chairman of the Committee, and I made it clear that any staff member who intentionally leaked or handled improperly any classified or committee-sensitive information would be fired immediately. Second, we announced that any senator found to have leaked such information would be asked to leave the committee—a request both the Democratic and Republican leaders assured us they would enforce.

To help prevent unintentional disclosure, the committee adopted procedures forbidding staff or Committee members from removing classified or committee-sensitive materials from the secure Senate hearing room. Senators are not even allowed to take their own notes on classified briefings out of the hearing room; rather, each Senator is given private storage facilities within the secure area, and all materials are read and studied in our own secure space. The Committee staff has also been more highly compartmentalized by subject matter on a need-to-know basis, reducing the number of staff members with knowledge about any particular program.

The Administration has responded to our initiatives by being more forthcoming and complete in their reports to the committee. And, while the increased cooperation between the two branches has by no means lessened the standards demanded by Congress for covert actions, it has created an environment in which the Administration can find the kind of bipartisan support for appropriate actions so necessary for their success. It also allows for candid discussion of policy actions in advance of final Presidential decisions and helps to mold those decisions in such a way as to make them more effective. In short, it helps create a level of trust that enables our government to better pool the talents and insights of both branches of government.

The cooperation and trust that has developed between Congress and the White House in recent months is an important element not only of covert action oversight but also of our foreign policy in general.

Beginning with Vietnam and continuing through Watergate and the Iran-contra affair, the legislative and executive branches of government have been engaged in a self-defeating and escalating cycle of mistrust. As Congress grew increasingly mistrustful of the executive, it attempted to restrict executive action through legislation, worsening the relationship even further as the executive searched for ways to avoid the new restrictions.

The resulting partisanship and infighting have not only heightened concerns of abuses of power, but have resulted in constant shifts in foreign policy, seriously eroding our ability to achieve stated goals.

For this reason, I have been encouraged by the apparent desire of President Bush to work closely with Congress. He has also reacted positively to a bipartisan group of Senators with whom I joined in suggesting regular consultations between members of Congress and the White House in drafting foreign policy initiatives.

A new era of trust and cooperation between the White House and Congress would not only ease concerns of abuse of covert activities, but would also strengthen our ability to achieve all of our foreign policy goals.

CONCLUSION

No system of oversight could possibly be air-tight, regardless of what restraints Congress imposed upon the President. But while there remains the potential for abuse of covert activities pursued outside normal channels of operation—such as the Iran-contra affair—simply abolishing the legitimate use of covert activities would not deter those who wish to abuse power and who intentionally avoid these normal channels.

Making covert activities illegal and dismantling the oversight process would lessen our ability to independently monitor worldwide activities of representatives of our government. In the end, such a course of action would easily increase, not decrease, the potential for abuse of power.

THE BUSH ETHICS PACKAGE AND THE ISSUE OF HONORARIA

Mr. SANFORD. Mr. President, yesterday, President Bush unveiled his ethics package for the three branches of Government.

While I am pleased to see this President take a proactive role in the development of specific ethical standards for the Federal Government, I'm disappointed that he failed to heed one of the most important recommendations of his ethics commission, the banning of honoraria for Senators and Congressmen.

Mr. President, it is time for the Congress to end the practice of taking honoraria. No longer can we afford to have the motives and objectives of Congressmen and Senators stained by the color of money. In the last 5 years, Members of this august body received more than $9 million worth of honoraria for their personal use. In that same period, our colleagues in the House pocketed $15.4 million in honoraria.

Any taxpayer ought to be outraged at those statistics. It suggests that their Representative in Washington may be indebted to moneyed interest. Surely James Madison didn't have honoraria in mind when he wrote about competing factions in the Federalist papers.

Now of course there may be some legitimate instances in which honoraria may be granted. But under the present system the potential for abuse and the appearance of abuse is just too great. Perhaps we could establish an hourly wage—maybe we could tie it to the minimum wage—so that when Senators talk before an interest group they are justly compensated for their time. But let us be sure that compensation is more than just a thinly disguised large monetary reward for little or no work.

Finally, Mr. President I must comment on what I consider the irony of President Bush's ethics report. Last year, the Congress passed a comprehensive ethics bill which would have put a stop to, or at least slowed, Washington's "revolving door." Unfortunately, President Reagan vetoed that package. President Bush's ethics package clearly demonstrates that Mr. Reagan's veto was unjustified and uncalled for. I hope that we can once again address the issue of the revolving door both with Congress and in the administration. I know that my colleague from South Carolina, Senator THURMOND has a bill to do just that, and I am proud to be a cosponsor of that legislation.

So I salute the President for his ethics initiative but I urge him and my colleagues to address the issue of honoraria.

Mr. President, I ask unanimous consent that two articles regarding this issue be submitted for the RECORD, "Mr. Bush's Ethics Plan: Big and Thin" and "Bush Offers Proposals on Ethics, Pay", from the New York Times and the Washington Post respectively.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 13, 1989]

MR. BUSH'S ETHICS PLAN: BIG, AND THIN

President Bush yesterday finally faced up to the Reagan legacy of easy ethical virtue—the sleaze factor—and he blinked. His challenge to Congress to raise ethical standards for all three branches of government calls for more loophole than law. His new ethics bill should, for instance, have pressed Congress to stop the shameful practice of taking honorariums from interest groups. Instead, the bill leaves a gaping hole.

This might be good legislative relations; many in Congress, feeling underpaid, don't want to hear about eliminating inflated speech fees from special interests. But it's not leadership. It's even insulting to Mr. Bush's own ethics commission, appointed with so much hoopla. The panel called for a ban on honorariums; the President says he'll "consult" with the legislators in conjunction with talks about higher pay for Congress.

Mr. Bush is selective in his deference to Congress. He would create an independent counsel to investigate and prosecute its members, paralleling the procedure for prosecuting high executive branch officials. Congress has already rejected the idea, chiefly because it is unneeded.

The special prosecutor law is a safeguard against conflicts of interest. It recognizes the executive's inability to investigate and prosecute itself credibly. The executive has no such problem investigating ethical problems in Congress; this is a remedy without a problem. Even so, the President would gut the existing independent counsel law. He wants the court appointing the independent counsel to choose from a list of 15 prosecutors picked by the Attorney General—the very official whom the law disqualifies from conducting the prosecution.

Congress is disgraced not only by honorariums but by its reliance on a flood of funds from political action committees for hundreds of special interests. Mr. Bush rightly calls for curbs on those PAC millions, yet he gratuitously declares opposition to public funding of Congressional races. That's an odd way to promote the higher standards he says are "central to this Administration."

For all its 99 pages, the President's ethics package discloses no justification for the Reagan veto of Congress's "revolving door" bill. Mr. Bush said he'd come up with improvements. He hasn't.

There are useful ideas in the ethics bill, like a thoroughly sensible tax benefit for new officials who must divest stock holdings quickly to avoid conflicts of interest. The President's new executive order rescinds a Reagan Administration order that permitted Michael Deaver, former deputy White House chief of staff, to lobby White House officials without delay.

But the order waters down the precept of a 1965 directive by President Johnson to avoid even the appearance of impropriety. Henceforth, Mr. Bush's aides must "endeavor" to avoid such appearances.

By and large, the program looks disappointing. The President is quick to praise his own ethical crusade; there's little reason for others to chime in.

BUSH OFFERS PROPOSAL ON ETHICS, PAY—HILL HONORARIA SIDESTEPPED

(By Ann Devroy)

Sidestepping the politically charged issued honoraria for members of Congress, President Bush yesterday unveiled a wide-ranging package of ethics proposals for the three branches of government and called for broad reform in compaign financing laws.

In a speech to the American Society of Newspaper Editors, Bush said the package of legislation and a new code of conduct for the executive branch that he announced yesterday "seek a common end: to raise ethical standards, to avoid conflicts of interest and to ensure that the law is respected, in fact and in appearance."

The proposals do not include a key recommendation of the ethics commission appointed by Bush—a ban on honoraria to members of Congress. Bush said he supports such a ban, but thinks it should be tied to a pay raise for Congress and worked out in later negotiations.

"There is no point, absolutely no point in putting Congess through another traumatic bashing like the one just completed," he said in reference to the massive public outcry that led to rejection of a proposed 51 percent congressional pay raise in February.

Yesterday, the president proposed a 25 percent pay increase for federal judges, tied to a honoraria limit of 15 percent of judicial salaries. He said his consultations with Congress will also include an effort to get salary increases for "certain executive branch positions."

He did not specify which positions, but White House officials have been working for weeks to pinpoint technical, highly specialized jobs and categories of jobs for which they will make a pay increase case. Federal employee groups attacked the proposal as "fatally flawed" because of its failure to support increases for all executive branch employees.

The failure to call for a ban on congressional honoraria drew a rebuke from

Common Cause. The public interest lobby group's president, Fred Wertheimer, called congressional acceptance of large fees for speeches "at the heart of the ethics scandals in Washington." Retreating from that proposal, he said, "undermines the president's credibility on the ethics issue."

White House officials said Bush thinks it would be unfair to propose a ban that would deeply cut the total income of a member of Congress without increasing his or her salary. Wertheimer responded with a list of 226 House members, a majority of that chamber, who stated they support an honoraria ban without a pay raise.

Bush added a campaign finance reform call to his package, telling the editors he has asked his staff for "a comprehensive review of federal campaign finance laws." The president endorsed a ban on all contributions of political action committees (PACs), said he opposes federal funding of congressional campaigns, and said the current law that allows members of Congress elected before 1980 to convert left-over campaign funds to personal use when they retire from public office should be repealed.

Major elements of the package include:

New financial disclosure rules that would make reporting and review requirements uniform for the three branches of government and require more detailed information. More officials would have to file disclosures.

Current federal conflict-of-interest laws would be extended to cover officers and senior employees in Congress and in the judiciary, although not members of Congress themselves. The president could grant a waiver "in the national interest." Congress would only be covered by provisions that affect future employment.

New rules would be promulgated governmentwide for the acceptance of reimbursement of travel expenses, and employees of all branches would be prohibited from accepting gifts from anyone seeking action from their agency, or whose interests could be affected by their area of work.

New restrictions would govern those who leave government service and want to lobby their former agencies. One new provision, aimed at keeping government employees from revealing agency information to future employers, was questioned by the American Civil Liberties Union yesterday as a potential threat to public disclosure of nonclassified information.

The independent counsel statute would be extended to Congress. The counsels would not be appointed by the court but would be selected from a list of 15 approved by the attorney general.

The 15 percent limit on outside earned income that now applies to senior executive officials would be extended to members of Congress and their senior staff but honoraria for congressional officials would not be included in that limit.

The office of government ethics, which oversees the executive branch, would be strengthened, and a similar office to oversee Congress would be created.

CHEMICAL AND BIOLOGICAL WEAPONS CONTROL ACT

Mr. JEFFORDS. Mr. President, recent events have focused attention worldwide on the horror of the use of chemical weapons. Photos of the victims of Iran and Iraq's chemical weapons use, particularly the Kurdish villagers killed by their own government, aroused international indignation. Stories that Libya is trying to join the chemical weapons club, aided by businesses in West Germany, brought home the urgency of action to control the spread of chemical weapons production. A number of Third World nations currently are trying to develop their own chemical weapons capacity.

I am very pleased to be an original cosponsor of Senator DOLE's Chemical and Biological Weapons Control Act, S. 8. Enactment of this legislation would help stem the export of chemical and biological weapons-related technology and materials. Senators PELL and HELMS have also introduced legislation to slow the proliferation of such weapons. I hope that we will see action on chemical weapons legislation in the very near future.

However, in our rush to enact short term limitations on proliferation, we must not lose sight of the longer term goal—the elimination of chemical and biological weapons worldwide. Negotiations on a treaty to rid the world of all chemical weapons have been ongoing in Geneva, Switzerland, for some time.

President Bush has made it clear that a chemical weapons treaty is a major priority of his administration. In his speech to Congress on February 9, the President stated:

Chemical weapons must be banned from the face of the Earth, never to be used again. This won't be easy. Verification will be difficult. But civilization and human decency demand that we try.

I strongly agree with the President's commitment to tackle this complex problem and urge that this be made a high priority.

Several of the Nation's most respected newspapers have joined the call for renewed attention to the Geneva negotiations, acknowledging in each case that many difficulties remain. The Washington Post, the Christian Science Monitor, and the New York Times have recently added their voices to the call for a negotiated ban on chemical weapons. In order that my colleagues may read these texts in full, I ask unanimous consent that the three editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 8, 1989]

STORM OVER CHEMICAL WARFARE

There is a big political storm at the Paris conference on chemical warfare, but it should not confuse anyone's view of what is going on. It was always in the cards that Libya and the other Middle East states that have used chemicals in war, or which easily might, would object to having the spotlight turned on. This explains Libya's effort to depict American concentration on its chemical plant as the result of a Reagan vendetta. It explains the Arabs' campaign to shift the attention of the conference from their chemical work to Israel's nuclear status. The Soviet Union has been unable to keep itself from seeking old-style cheap profit from the attacks on Washington. Some of the industrialized states that are suppliers to Third World miscreants are resisting the supplier label which they have earned.

The United States, however, is being faithful to the purpose of the conference, to its own interest and to the world's interest. Consider the context. Egypt's use of gas in Yemen in the mid-'60s began the unhappy erosion of the 1925 Geneva accord banning chemical use and produced a new Geneva conference to negotiate a more effective ban. Iran's and, especially, Iraq's use of gas in the recent Gulf war shows how much remains to be done. At least six countries (the three users plus Israel, Syria and Libya) have or are nearing a chemical capability. Iraq not only brushed off repeated world condemnations but scored major military and political successes with chemicals: the worst of precedents. The United States concluded, rightly, that the intensity of international concern had to be turned up. This is how everyone got to Paris.

The first line of defense is to raise the costs of further use or spread of these poisons. Publicizing Libya's factory, dramatizing the American concern and embarrassing Libya's German and other suppliers fit in here. Raising international consciousness can slow would-be suppliers and producers alike. The authority of the United Nations at least to investigate poison gas allegations, and if possible also to impose sanctions, can be strengthened.

The best but most difficult line of defense would be to ban not only use but production, but the verification requirements are prodigious. Still, seeing if a safe regime could be developed is well worth trying. President-elect Bush, who has demonstrated his own feeling on this subject, will have the task of bringing the American position on verification up to tougher standards. Expert observers of the "rolling text" under preparation at Geneva report signs of alignment of the Soviet and American governments and—the third key player—the U.S. chemical industry in trying to achieve some kind of ban. There is no magic solution in the campaign against chemical warfare, only hard slogging.

[From the Christian Science Monitor, Jan. 9, 1989]

STOP THE POISON

Chemical weapons have always been seen as abhorrent by most of mankind. That's why their use was largely halted after World War I. But several recent developments make this week's international conference in Paris on the subject crucial.

First, it's getting easier and easier to send poison gas—accurately and stealthily—against unsuspecting victims. Ballistic and cruise missiles capable of carrying chemical warheads are proliferating at an alarming rate. And for shorter range and more focused attacks, "suitcase" chemical bombs with timed detonators could quite easily be carried into public gathering places.

Second, the manufacture of chemical weapons—always relatively low-tech—is getting easier and easier for countries like Libya. This is especially true since companies from developed countries are apparently quite willing (and undeterred by their governments or ethical concerns) to lend them a hand.

And third (and most troubling of all), at least some military and political leaders

have decided that the military advantage of using chemical weapons—including against civilians—is worth the international opprobrium.

An ideal world would see all chemical stockpiles destroyed and verifiable agreement never to build them up again. That will be even harder to achieve than nuclear disarmament, where the weapons are fairly huge and obvious and the arsenals relatively few. Still, the goal should not be abandoned and there are steps that can be taken.

The first to get European and Japanese governments to face the fact that they've been letting some of their companies get away with murder: helping the likes of Muammar Quaddafi and Saddam Hussein add chemical weapons to their arsenals.

The United States and the Soviet Union, with the world's largest chemical arsenals and most advanced research, should open their facilities to regular international inspection. This would put the onus on other countries—and the list is getting longer and longer—to do the same.

French President Francois Mitterrand proposed an international embargo of products and technology against nations using chemical weapons. This, too, would help move the world beyond simply banning the use of such weapons (as provided for under the 1925 Geneva Protocol) to outlawing their manufacture and stockpiling. It won't be easy, but the alternative is unacceptable.

[From the New York Times, Jan. 12, 1989]

NOW, THE HARD PART ON POISON GAS

Ridding the world of chemical weapons, George Bush declared in his campaign for the White House, would be a topmost priority of his Presidency. With two very small steps this week in Paris and in Bonn, the Reagan Administration has pushed matters along. It's now up to Mr. Bush to overcome the still-substantial obstacles to a new and tougher treaty banning the scourge of chemical war.

In Paris, an international conference ended yesterday with a call for accelerated effort to ban production and possession of chemical arms. The 1925 Geneva protocol only banned first use. The Paris resolution, though non-binding, helps focus government's attention on chemical weapons and their spread through the Middle East in the wake of the Iran-Iraw war.

The conference failed, however, to establish tighter export controls on technology and material for chemical arms and sanctions against nations that use them. President Mitterrand of France, the main sponsor, preferred consensus on the overall question of a ban to taking on these tough issues.

But American diplomats have made some headway on these topics in Bonn. The West German Government, which has spent all week denying that its chemical companies helped Colonel Qaddafi build his new chemical weapons plant, announced it would impose new export controls anyway. It may be that the White House's threat of military action against the Libyan plant has helped jolt supplier nations into better policing their chemical companies.

Many hurdles still stand in the way of a new treaty. The United States and the Soviet Union both maintain large stockpiles of chemical weapons. An agreement to ban production and destroy existing stockpiles would have to include stringent means of verification.

This will be an exceedingly difficult task. It is easy to produce chemical weapons in ordinary chemical factories, and to avoid detection of existing bombs and shells containing chemicals. Though necessarily imperfect, it is up to the negotiators to work out adequate means of verification.

A complete ban on these weapons with real risk of detection for violators would be far better than the present situation. As matters now stand, these weapons can be produced with impunity.

Moscow and Washington had already moved much closer in their negotiating positions on chemical arms before the worst horrors of chemical use became evident in the Iran-Iraq war. Though both sides were probably guilty, Iraq in particular used chemicals as routine battlefield weapons. Its lack of remorse for resorting to such savagery was evident in the behavior of its delegate to the Paris conference, who passed the time working his crossword puzzle.

The Paris conference failed to specifically condemn Iraq or other countries that have acquired chemical weapons capability like Libya and Syria. It did reaffirm taboos on this brutal form of warfare. In so doing, it might help Mr. Bush find support from other countries for tough measures on export controls, verification and sanctions against use.

SOVIETS COMMIT NEW ABM TREATY VIOLATION, WHILE ADMITTING THAT KRASNOYARSK IS A VIOLATION

Mr. SYMMS. Mr. President, I ask unanimous consent that the following two documents be printed in the RECORD.

The first is an article from the Washington Times, dated April 13, 1989, by Mr. Bill Gertz, entitled "Soviet Radar Site Remains Treaty Violation, U.S. Says."

The second is a Senate Foreign Relations Committee minority staff analysis entitled "The Key Question In Arms Control Today—Will the Soviets Ever Dismantle Their Krasnoyarsk Radar?"

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Times, Apr. 13, 1989]

SOVIET RADAR SITE REMAINS TREATY VIOLATION, U.S. SAYS

(By Bill Gertz)

Moscow has failed to dismantle adequately a radar system that is in technical violation of the 1972 Anti-Ballistic Missile Treaty, according to a team of U.S. experts who visited the Soviet Union last month.

Bush administration officials, who spoke on condition of anonymity, said senior arms control and foreign policy officials have not decided yet whether to charge the Kremlin with violating an agreement to dismantle the anti-missile radar, dubbed Flat Twin by the Pentagon.

The system is located near an electronics factory at Gomel, Byelorussia, about 340 miles southwest of Moscow.

The concrete foundation of the radar, elevation and rotation devices used to operate it, were supposed to be cut in pieces under an agreement reached last December at the Standing Consultative Commission (SCC), a joint U.S.-Soviet forum that meets regularly in Geneva to examine ABM treaty compliance issues, said officials familiar with the inspection team's report.

Also, photographs taken by the inspectors revealed that mechanical devices used to rotate the radar and raise and lower its array panel had not been cut according to the procedures agreed upon at the SCC, officials said.

U.S. intelligence agencies discovered in March 1987 that the Flat Twin and another radar contained in a van called "Pawn Shop" had been moved from a test facility at Sary Shagan, where it was permitted under the terms of the ABM treaty, to the Gomel electronics plant.

After the discovery of the Gomel radars, the Soviets revealed that a second Pawn Shop radar van was stationed at Vnukovo Airport near Moscow. The three radars were inspected by a U.S. team in 1987.

The ABM treaty prohibits the deployment of such radars outside designated deployment areas or outside test centers. The prohibition was meant to block the establishment of a nationwide ABM defense.

Officials said the systems at Gomel and Vnukovo are not based at permitted test ranges or deployment sites, although there is an ABM system surrounding Moscow.

The Soviets have admitted moving the radars but have denied the systems were ABM components.

They have claimed the systems are under civilian control.

Some defense experts have suggested that the Gomel radar was being used to calibrate and test new mobile radars at an electronics plant that has been linked in the past to the production of ABM equipment.

The officials did not disclose any details contained in the U.S. report on the status of the Pawn Shop radar van at Vnukovo.

Officals said the U.S. technical team inspected the radars at Gomel and Vnukovo during their Mar. 24 and 25 visit at the request of the Soviet government. The purpose of the inspection was to monitor the destruction or dismantlement of ABM radar equipment, they said.

"The team's report, which drew no conclusions, is presently being studied by officials in Washington," one official said.

Another official familiar with the report said some policymakers at the State Department are pressing for the White House to accept Soviet claims that the disputed systems have been dismantled.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

THE KEY QUESTION IN ARMS CONTROL TODAY—WILL THE SOVIETS EVER DISMANTLE THEIR KRASNOYARSK ABM RADAR?

The entire Congress is on record as voting unanimously, in agreement with the President, that the externally completed Soviet Krasnoyarsk ABM radar is a clear violation of the ABM Treaty. The Senate has also voted unanimously, again in agreement with the President, that the Krasnoyarsk violation must be dismantled before any future arms control treaties on strategic arms can be concluded or ratified.

The Soviets have even admitted publicly that Krasnoyarsk violates the ABM Treaty. On February 25, 1989, Soviet political commentator Georgi Arbatov astonished Western observers when he stated on Moscow television:

"* * * many [Soviet] military programs would not have come about if there was simply elementary patience. After all, was it

not clear that the Krasnoyarsk radar station should not be built because it violates the ABM Treaty? It was clear, but, quietly it was done * * * in secret, secretively, and literally only a few people knew about it * * * we could permit ourselves these things at a time when we were immeasurably weaker, and they did not hinder us, they helped us. It was a principled position . . ."

Thus Arbatov was admitting that it was a principled foreign policy position for the Soviet Union to flagrantly violate the ABM Treaty.

The Reagan Administration has repeatedly informed the Soviets that the U.S. can not sign a START Treaty until and unless the Krasnoyarsk violation is unconditionally corrected by dismantlement.

Thus the key question in arms control today is—how important is the Krasnoyarsk radar to the Soviets, and will they ever agree to dismantle it?

Several other recent Soviet statements answer this question. The answer is that the Krasnoyarsk radar is so important to the Soviets that they will never dismantle it.

First, a Soviet General Staff Officer reportedly recently told the U.S. that the purpose of the Krasnoyarsk ABM radar was to provide full battle management coverage for defense against U.S. Trident I and II Submarine Launched Ballistic Missiles. This confirms other evidence that the Soviets deliberately intended and constructed their Krasnoyarsk radar to be a clear violation of the ABM Treaty. The Krasnoyarsk radar closes a key gap in the coverage of Soviet ABM radars, and is designed to protect key Soviet assets—about 33 percent of Soviet ICBM and bomber warheads.

Second, Soviet arms negotiator Victor Karpov reportedly recently admitted to the U.S. that the Krasnoyarsk radar has already cost the Soviets over two billion U.S. dollars to build, and will require another half billion dollars to complete. This is a huge investment, but a worthwhile investment considering the importance to the Soviets of defending a third of their ICBM and bomber warheads.

Third, Karpov admitted to the U.S. that the Krasnoyarsk radar is the most powerful radar in the world—it and each of the 10 others like it will have over 100 times the power of any existing U.S. radar. Karpov revealed that Krasnoyarsk will create about 300 billion watts of power per square meter, compared to only about 25 million watts of power per square meter for the U.S. Pave Paws early warning radar.

Fourth and most significantly, a Soviet military commentator writing in Red Star in September, 1988, stated that "construction at Krasnoyarsk has restarted." Moreover, U.S. NTMs have reportedly noted continuous but unidentifiable activity inside the Krasnoyarsk radar even during the 1987-1988 construction "moratorium" at Krasnoyarsk. This statement is consistent with reported evidence of the recent completion of construction of the apartment complexes housing the military technicians at Krasnoyarsk. Finally, clear evidence of a resumption of actual internal construction at Krasnoyarsk has reportedly also been recently noted by U.S. NTMs, confirming the Soviet military statement. Thus we can expect Krasnoyarsk to be operational by the end of 1989.

Yet Soviet leader Gorbachev stated deceptively in his speech to the United Nations General Assembly on December 7, 1988:

"We have put forward our proposal to establish it [a proposed United Nations international space laboratory] on more than one occasion. We are prepared to incorporate within its system our Krasnoyarsk radar station. A decision has already been taken to place that radar under the authority of the USSR Academy of Sciences. Soviet scientists are prepared to receive their foreign colleagues and discuss with them ways of converting it into an international center for peaceful cooperation by dismantling and refitting certain units and structures, and to provide additional equipment. The entire system could function under the auspices of the United Nations."

But note Gorbachev's use of the word "discuss." While the Soviets were completing the internal construction at Krasnoyarsk, "discussing" is all that the Soviets have been willing to do for the past five years.

U.S. Intelligence program analysis indicates clearly that the Soviets were planning the internetted, integrated 11 LPAR ABM Battle Management radar network, including the illegal Krasnoyarsk radar, at the very moment Soviet leaders signed the ABM Treaty on May 26, 1972. Thus Soviet leaders signed the SALT I ABM Treaty in 1972 fully intending at the outset to violate it by building the illegal Krasnoyarsk radar to cover a key attack corridor leading to key targets.

The Soviets are clearly trying to deceive the U.S. yet again regarding their Krasnoyarsk ABM radar. They have repeatedly refused to propose procedures for dismantling Krasnoyarsk in seemingly endless discussions with the U.S. After five years of fruitless diplomatic and Summit discussions about Krasnoyarsk, the Soviets are clearly still stalling for time in order to complete internal construction of this illegal facility.

President Reagan's Eight Report to Congress of December 2, 1988, on Soviet Noncompliance with Arms Control Agreements states:

"The Soviet Union has not corrected the noncompliant activities cited in the last report [of December 1, 1987]. In this regard, I want to emphasize a particular Soviet failing: the Krasnoyarsk radar is a significant violation of a central element of the ABM Treaty. We have informed the Soviets that the radar calls into question the viability of the ABM Treaty and makes it impossible to conclude future arms control agreements in the START or Defense and Space areas. The violation caused by the Krasnoyarsk radar will continue to raise the issues of material breach and proportionate responses until it is resolved."

The U.S. is finally considering the following proportionate response actions:

1. Declaration of Soviet material breach;
2. SDI testing beyond the "broad interpretation" of the ABM Treaty;
3. Deployment of new and additional penetration aids for U.S. ballistic missiles;
4. Deployment of 100 stockpiled Minuteman III ICBMs;
5. Retention of two Poseidon submarines.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, it had been my hope and intention to proceed to the Central America bipartisan accord legislation at 11 o'clock this morning. Forty minutes have since elapsed, and we are still not ready to proceed.

We are still attempting to obtain an agreement under which we can proceed with a specific time limit and identifying those amendments which are to be offered. As far as I know, no Democrat has expressed an intention to offer an amendment. We are still awaiting word from Republican Senators as to what amendments they wish to offer and for how long they wish to debate them.

For the benefit of all of my colleagues, I would like to say that this legislation is a high priority for the President. President Bush telephoned me this morning, urging me to move the legislation promptly, expressing his wholehearted support for the legislation, making clear his opposition to any amendments to the legislation. So we are in the ironic position in which there now appears to be no undertaking by any Democrat to offer an amendment to the legislation, and I hope that that restraint will continue through the obtaining of an agreement. But we have members of the President's own party who are, at least at this point, not prepared to defend the specific amendments which they wish to offer and the time with respect to which they want to debate those amendments.

I want to make it clear this agreement was negotiated in good faith, and I told the President and the Secretary of State that I would do my utmost to gain approval of the legislation implementing the accord. That is my intention. That is what I am trying to do. I simply ask that the President's urgent request for this legislation be taken into account by the members of his own party in determining what action they wish to take.

I made it clear that I am not asking, nor do I intend to prevent anyone from offering an amendment, to limit the time which such amendments will be debated. I am only asking that if someone has an amendment they want to offer, they step forward and say so and tell me how much time they want to discuss the amendment.

Proceeding to this legislation today is not a surprise to anyone. I announced publicly several days ago that we would do so. The accord itself and the legislation implementing it have been available. The Committee on Appropriations acted on this matter yesterday.

So it is my intention now to recess until 12:30, during which time I hope that those who wish to offer amendments will make their intentions clear. We will attempt to accommodate those wishes. But I emphasize again the President underscored his support for this legislation by telephoning me this morning. I understand he made a similar call to the distinguished Republican leader, Senator DOLE, to reiterate his support. If there is concern for the President's views with regard to this matter, I hope that concern

will manifest itself by Senators coming forward. We are now simply waiting to hear from those Senators who may wish to offer amendments, and we ask only that they identify them and tell us how long they want to debate on them so that we can proceed to take this matter up and enact it today.

RECESS UNTIL 12:30 P.M.

Mr. MITCHELL. Mr. President, the situation being as I have just described it and no Senator is wishing to speak during morning business, I now ask unanimous consent that the Senate stand in recess until 12:30 p.m. this afternoon. I am advised by the staff of the distinguished Republican leader that he has no objection to this unanimous consent request.

There being no objection, the Senate, at 11:44 a.m., recessed until 12:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. KERREY].

The PRESIDING OFFICER. The Chair in its capacity as a Senator from the State of Nebraska will suggest the absence of a quorum and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. SIMON). Without objection it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that today, Thursday, April 13, at 1:15 p.m. the Senate proceed to the consideration of S. 760, the bill to implement the bipartisan accord on Central America of March 24, 1989, and that it be considered under the following agreement: that Senator STEVENS be recognized for 10 minutes for debate only prior to the withdrawal of the third committee amendment; that the chairman of the Appropriations Committee or his designee be recognized to withdraw the third committee reported amendment; that the remaining committee amendments be adopted en bloc, and that the bill, as amended, be considered as original text for the purpose of further amendments; that the following amendments be the only amendments in order under the listed limitations on time for debate: 1 hour total on two amendments by Senator ARMSTRONG to expand the purposes for which the aid to the Contras may be used, equally divided between Senator ARMSTRONG and Senator LEAHY;

One hour equally divided on a relevant amendment by Senator SYMMS; 1 hour equally divided on each of two relevant amendments to be offered by Senator WALLOP; three relevant amendments to be offered by Senator HELMS on which there is no time limit;

Provided, further, that no motions to recommit the bill be in order; that time on the bill be divided and limited as follows: 4 hours on the bill equally divided between Senators LEAHY and KASTEN with 10 minutes of Senator LEAHY's controlled time for Senator HOLLINGS; with 15 minutes of Senator LEAHY's controlled time reserved for his personal use, and 15 minutes each under the control of Senators BYRD and HATFIELD; an additional 1 hour under the control of Senator ARMSTRONG; and an additional 1 hour under the control of Senator HELMS;

And, that the agreement be in the usual form for the control and division of time.

I further ask unanimous consent that it be ordered further that once the Senate bill has been read for the third time the Senate proceed to the immediate consideration of the House companion bill, H.R. 1750 when received from the House, and if that bill is identical to the text of S. 760, as amended, if amended, the Senate proceed to the third reading and final passage of H.R. 1750 without any further action or debate;

Provided, further, that in the event S. 760, as amended, is not identical to H.R. 1750 as passed by the House, that, once the Senate bill has been read for the third time, the Senate proceed to the immediate consideration of H.R. 1750 when received from the House; that all after the enacting clause be stricken, the language of S. 760, as amended, if amended, be inserted in lieu thereof; that without further debate or action of any kind the bill be read the third time and that without any further debate or action of any kind the vote occur on final passage of H.R. 1750.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, and I have no intention of objecting, where the leader has referred to "relevant" amendments, do we understand that those amendments are relevant to the Contra aid only?

Mr. DOLE. Yes. That is the understanding I have.

Mr. MITCHELL. That is my understanding as well.

Mr. BYRD. Very well. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Will the majority leader yield briefly?

Mr. MITCHELL. Yes.

Mr. DOLE. I thank the majority leader. I hope, first, all of the amendments that have been listed will not be offered; second, if they are, we will not use all the time; and, third, if Senator HELMS will give us a time limit on amendments that he intends to offer, if offered. I assume it is the intent of the majority leader, if we cannot finish at a reasonable time today, we will conclude action on this matter tomorrow?

Mr. MITCHELL. Yes. That is correct. We are going to continue with this until we complete action. We have made a good faith agreement with the President to proceed with this as expeditiously as possible. That is what we are going to do.

Mr. DOLE. I further indicate, as I did earlier, that the President supports this compromise. It is not what he would have liked, maybe not what the majority would have liked, the Republican leader, or anybody else. But we made an agreement. Some of us signed a little piece of paper. I am one of those. The majority leader is. We intend to abide by that agreement. I hope Members on this side who support the President will be helpful in defeating any amendment that may be offered.

Mr. MITCHELL. Mr. President, if I might affirm what the distinguished Republican leader has just said to demonstrate his support for this agreement, the President this morning telephoned me, and I understand also telephoned the distinguished Republican leader, and told me that he supports this legislation. He is opposed to any amendments thereto. He thanked me for moving the legislation forward expeditiously. He wants this bill passed.

As Senator DOLE indicated, he and I, along with Members of the House leadership and the President, signed the accord, and it is a test of our good faith to proceed on this matter without amendment.

So we are acting at this point in accordance with the President's wishes. I hope all Senators will keep that in mind.

Mr. LEAHY. Mr. President, will the majority leader yield for a moment to add to that?

Mr. MITCHELL. Yes.

Mr. LEAHY. I note for the distinguished majority leader and the distinguished Republican leader that they have of course both worked very hard in moving this forward. There has been, in all of the discussions that I have had with these Senators, unanimity that the commitment made by the majority leadership and the President would be carried out.

Mr. President, nobody has opposed Contra aid more strongly than I have. I voted against it time and time again. But I share in the commitment to move this package forward, as part, as I see it, of the end of the Contra war.

We had a hearing yesterday. I talked to the majority leader yesterday morning, Secretary Baker, and Senator

BYRD, the distinguished chairman of the committee who had the hearing late yesterday afternoon so we could have the markup, and expedite that as well.

So I urge those who may have amendments—that a lot of us who oppose Contra aid are doing everything possible to move this forward at the request of the administration and the majority leadership.

There has been accommodation on both sides of this issue, those of us who oppose Contra aid like myself, and those who support Contra aid as other Senators have. There has been a lot of accommodation on both sides to move forward at this time.

Mr. MITCHELL. Mr. President, I want to thank the distinguished subcommittee chairman for the expeditious manner in which he has handled this request, as well as the distinguished President pro tempore of the Senate and the chairman of the Senate Appropriations Committee, Senator BYRD, who has moved this forward very rapidly.

We are now acting on legislation that was first introduced by the distinguished Republican leader and myself on Tuesday. So within 48 hours the Appropriations Committee held a hearing, marked the bill up, and has brought it to the Senate floor, an indication of the manner in which we have attempted in good faith to implement this accord.

I might say it is especially significant in view of the fact that many of those involved have misgivings about some portion of this agreement. As Senator DOLE indicated, it is not 100 percent of what the President wanted. It is not 100 percent of what he wanted, and not 100 percent of what I wanted. Certainly the same could be said with respect to Senator LEAHY, Senator BYRD, and others.

So I hope and encourage those who intend to offer amendments—and I note that it is ironic that this is something the President strongly supports, and yet the eight amendments that may be offered are amendments to be offered by Senators of the President's party—I hope that they will listen to the President and take his views and concerns into account, as they determine how to proceed on this matter.

With that, Mr. President, I want to again thank the distinguished Republican leader for his cooperation in this matter, as well.

The PRESIDING OFFICER. The order is, under the unanimous-consent agreement, to go to the bill at 1:15.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIRECTING THE SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTION

Mr. MITCHELL. Mr. President, I send a resolution to the desk and ask unanimous consent that it be immediately considered.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 104) to direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in United States ex rel. Truong v. Northrop Corp. et al.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, three cases currently pending in the U.S. District Court for the Central District of California present questions about the constitutionality of provisions of the False Claims Act, which Congress amended in 1986. At issue are the part of the statute known as qui tam provisions, which authorize private individuals to file civil lawsuits to allege that Government contractors and grantees defrauded the Federal Government and to seek to recover a share of penalties and damages owed to the Government. These provisions originated in legislation enacted during the Civil War to harness efforts of private citizens to assist the Government in stopping fraud by war contractors. In 1985 Senators GRASSLEY, DECONCINI, and LEVIN sponsored amendments to strengthen the incentives for private citizens to report and remedy fraud against the Government, while providing to the Attorney General effective tools to protect any interests of the Government that may be implicated. The Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, which Senator GRASSLEY then chaired, and which Senator METZENBAUM was the ranking member of, held hearings and reported the legislation. The following year the Congress enacted the amendments into law.

Several defense contractors who have been sued by qui tam plaintiffs under the False Claims Act are challenging the constitutionality of the statute, arguing that it infringes upon the executive branch's law enforcement responsibilities. The Department of Justice has not yet made a determination whether it will appear in this litigation to defend the constitutionality of the statute. The qui tam provisions in the False Claims Act are modeled after similar laws that were enacted by the First Congress and many subsequent Congresses and whose constitutionality has long been accepted.

This resolution would authorize the Senate Legal Counsel to appear in these cases as amicus curiae on behalf of the Senate to defend the constitutionality of the statute.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 104) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 104

Whereas, in *United States ex rel. Truong v. Northrop Corp.* No. CV 88-967-MRP, *United States ex rel. Stillwell v. Hughes Helicopters, Inc., et al.*, No. CV 87-1840-WDK, and *United States ex rel. Hyatt v. Northrop Corp.*, No. CV 87-6892-KN, pending in the United States District Court for the Central District of California, the constitutionality of the *qui tam* provisions of the False Claims Act, as amended by the False Claims Amendments Act of 1986, Pub. L. No. 99-562, 100 Stat. 3153 (1986), 31 U.S.C. §§ 3729 *et seq.* (1982 & Supp. IV 1986), have been placed in issue;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288(c), 288e(a), and 288*l*(a)(1982), the Senate may direct its Counsel to appear as amicus curiae in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to appear as amicus curiae in the name of the Senate in *United States ex rel. Truong v. Northrop Corp., United States ex rel. Stillwell v. Hughes Helicopters, Inc., et al.*, and *United States ex rel. Hyatt v. Northrop Corp.*, to defend the constitutionality of the *qui tam* provisions of the False Claims Act.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPLEMEMTATION OF BIPARTISAN ACCORD ON CENTRAL AMERICA

The PRESIDING OFFICER. Under the order the hour of 1:15 having arrived, the Senate will proceed to the

consideration of S. 760 which will be stated by title.

The legislative clerk read as follows:

A bill (S. 760) to implement the bipartisan accord on Central America, of March 24, 1989, reported with amendments.

The Senator proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

S. 760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. POLICY.

The purpose of this Act is to implement the Bipartisan Accord on Central America between the President and the Congress signed on March 24, 1989.

SEC. 2. ADDITIONAL HUMANITARIAN ASSISTANCE.

(a) TRANSFER OF FUNDS.—The President may transfer to the Agency for International Development, from unobligated funds from the appropriations accounts specified in section 6—

(1) up to $49,750,000, to provide humanitarian assistance to the Nicaraguan Resistance, to remain available through February 28, 1990;

(2) such funds as may be necessary to provide transportation in accordance with section 3 for assistance authorized by paragraph (1); and

(3) not to exceed $5,000,000 to "Operating Expenses of the Agency for International Development" to meet the necessary administrative expenses to carry out this Act *to remain available through March 31, 1990.*

(b) DEFINITION.—For purposes of this section and section 3, the term "humanitarian assistance" means—

(1) food, clothing, and shelter;

(2) medical services, medical supplies, and non-military training for health and sanitation;

(3) nonmilitary training of the recipients with respect to their treatment of civilians and other armed forces personnel, in accordance with internationally accepted standards of human rights;

(4) payment for such items, services, and training;

(5) replacement batteries for existing communications equipment; and

(6) support for voluntary reintegration of and voluntary regional relocation by the Nicaraguan Resistance.

SEC. 3. TRANSPORTATION OF HUMANITARIAN ASSISTANCE.

(a) IN GENERAL.—The transportation of humanitarian assistance on or after the date of enactment of this Act which, before such date, was specifically authorized by law to be provided to the Nicaraguan Resistance, or which is authorized to be provided by section 2, shall be arranged solely by the Agency for International Development in a manner consistent with the Bipartisan Accord on Central America between the President and the Congress signed on March 24, 1989.

(b) PROHIBITION OF MIXED LOADS.—Transportation of any military assistance, or of any assistance other than that specified in 2(b), is prohibited.

SEC. 4. MEDICAL ASSISTANCE.

The President may transfer, in addition to funds transferred prior to March 31, 1989, to the Administrator of the Agency for International Development from unobligated funds from appropriations accounts specified in section 6, up to $4,166,000, to be used only for the provision of medical assistance for the civilian victims of the Nicaraguan civil strife to be transported and administered by the Catholic Church in Nicaragua.

SEC. 5. UNITED STATES POLICY CONCERNING ECONOMIC ASSISTANCE FOR CENTRAL AMERICA.

As part of an effort to promote democracy and address on a long-term basis the economic causes of regional and political instability in Central America—

(1) in recognition of the recommendations of groups such as the National Bipartisan Commission on Central America, the Inter-American Dialogue, and the Sanford Commission;

(2) to assist in the implementation of these economic plans and to encourage other countries in other parts of the world to join in extending assistance to Central America; and

(3) in the context of an agreement to end military conflict in the region;

the Congress encourages the President to submit proposals for bilateral and multilateral action—

(A) to provide additional economic assistance to the democratic countries of Central America to promote economic stability, expand educational opportunity, foster progress in human rights, bolster democratic institutions, and strengthen institutions of justice;

(B) to facilitate the ability of Central American economies to grow through the development of their infrastructure, expansion of exports, and the strengthening of increased investment opportunities;

(C) to provide a more realistic plan to assist Central American countries in managing their foreign debt; and

(D) to develop these initiatives in concert with Western Europe, Japan, and other democratic allies.

[SEC. 6. SOURCE OF FUNDS; AND LIMITATION.

[(a) SOURCE OF FUNDS.—The appropriations accounts from which funds shall be transferred pursuant to sections 2 and 4 are the following accounts in amounts not to exceed the following:

[(1) Missile Procurement, Army 1988, $3,500,000.

[(2) Procurement of Weapons and Tracked Combat Vehicles, Army 1987, $12,739,000.

[(3) Other Procurement, Army 1988, $761,000.

[(4) Research, Development, Test, and Evaluation, Air Force, 1989, $1,902,000.

[(5) Weapons Procurement, Navy 1989, $2,000,000.

[(6) Research, Development, Test, and Evaluation, Navy, 1989, $24,000,000.

[(7) Other Procurement, Air Force, 1989, $32,300,000.

[(b) LIMITATION ON OBLIGATIONS.—Of the funds transferred under section 6(a), not more than $66,616,000 may be obligated.]

SEC. 6. SOURCE OF FUNDS; AND RESCISSION.

(INCLUDING TRANSFERS AND RESCISSIONS)

(a) SOURCE OF FUNDS.—The appropriations accounts from which funds may be transferred pursuant to sections 2 and 4 are the following accounts in amounts not to exceed the following:

(1) Missile Procurement, Army 1988, $3,500,000.

(2) Procurement of Weapons and Tracked Combat Vehicles, Army 1987, $12,739,000.

(3) Other Procurement, Army 1988, $761,000.

(4) Research, Development, Test, and Evaluation, Air Force, 1988, $1,902,000.

(5) Weapons Procurement, Navy 1989, $2,000,000.

(6) Research, Development, Test, and Evaluation, Navy, 1989, $13,400,000.

(7) Other Procurement, Air Force, 1987, $32,300,000.

(b) RESCISSION.—Of the funds available for Research, Development, Test, and Evaluation, Navy, 1989, $10,600,000 is hereby rescinded.

SEC. 7. PROHIBITION ON THE USE OF CERTAIN FUNDS.

(a) MILITARY OPERATIONS.—No funds available to any agency or entity of the United States Government under this Act may be obligated or expended pursuant to section 502(a)(2) of the National Security Act of 1947 for the purpose of providing funds, materiel, or other assistance to the Nicaraguan Resistance to support military or paramilitary operations in Nicaragua.

(b) HUMAN RIGHTS AND OTHER VIOLATIONS.—No assistance under this Act may be provided to any group that retains in its ranks any individual who has been found to engage in—

(1) gross violations of internationally recognized human rights (as defined in section 502(B)(d)(1) of the Foreign Assistance Act of 1961); or

(2) drug smuggling or significant misuse of public or private funds.

SEC. 8. STANDARDS, PROCEDURES, CONTROLS, AND OVERSIGHT.

(a) ACCOUNTABILITY STANDARDS, PROCEDURES, AND CONTROL.—In implementing this Act, the Agency for International Development, and any other agency of the United States Government authorized to carry out activities under this Act, shall adopt the standards, procedures, and controls for the accountability of funds comparable to those applicable with respect to the assistance for the Nicaraguan Resistance provided under section 111 of the joint resolution making further continuing appropriations for the fiscal year 1988 (Public Law 100-202) and title IX of Public Law 100-463. Any changes in such standards, procedures, and controls shall be developed and adopted in consultation with the committees designated in subsection (b).

(b) CONGRESSIONAL OVERSIGHT.—Congressional oversight within the House of Representatives and the Senate with respect to assistance provided by this Act shall be within the jurisdiction of the Committees on Appropriations of the House of Representatives and Senate, the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, the Permanent Select Committee on Intelligence of the House of Representatives, and the Select Committee on Intelligence of the Senate.

(c) EXTENSION OF PREVIOUS PROVISIONS.—The provisions of the Act of April 1, 1988 (Public Law 100-276) contained in subsections (b), (d), and (e) of section 4 and in section 5 shall apply to the provision of assistance under this Act except that section 4(d) shall not apply to the intelligence community.

SEC. 9. PROHIBITION.

Except as provided in this Act, no additional assistance may be provided *by the Government of the United States* to the Nicaraguan Resistance, unless the Congress enacts a law specifically authorizing such assistance.

SEC. 10. REPEAL.

Title IX of Public Law 100-463 is hereby repealed.

SEC. 11. REPORTING REQUIREMENTS.

The Secretary of State shall consult regularly with and report to the Congress on progress in meeting the goals of the peace and democratization process, including the use of assistance provided in this Act.

Mr. MITCHELL. Under the previous order, Senator STEVENS was to be recognized for up to 10 minutes of debate on the question of withdrawal of one of the committee amendments. I am advised that Senator STEVENS no longer wishes to be recognized for that purpose, and accordingly, I ask unanimous consent that the chairman of the Appropriations Committee, Senator BYRD, may be immediately recognized at this time for the purpose of withdrawal of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. Senator BYRD.

WITHDRAWAL OF COMMITTEE AMENDMENT NO. 3

Mr. BYRD. Mr. President, I thank the distinguished majority leader. As the chairman of the Appropriations Committee, I conducted a markup of the bill S. 760 yesterday afternoon, at which time the chairman of the Subcommittee on Foreign Affairs presented to the committee legislation. During that markup an amendment was offered, which appears on page 9, section 9, line 9 of the bill, the language being as follows:

By the Government of the United States.

Mr. President, at the request of the administration, at the request of the two leaders, and with the approval of the author of that amendment, and having polled the Members on my side of the aisle, and having contacted the distinguished ranking member of the Appropriations Committee, Mr. HATFIELD, who likewise polled the Members on his side of the aisle, the polling in this instance being an approved procedure under the rules of the Senate, I am prepared now to withdraw this amendment.

Having the approval of 10 Members on my side of the aisle and 11 Members on the other side of the aisle, and by Mr. HATFIELD, who wishes to join in this action, I now am authorized, by the authority of the full committee, to withdraw the language of that amendment, which was added on yesterday: "By the Government of the United States." So that section 9 will read as follows:

Except as provided in this act, no additional assistance may be provided to the Nicaraguan resistance, unless the Congress enacts a law specifically authorizing such assistance.

I do withdraw the amendment.

The PRESIDING OFFICER. Committee amendment No. 3 is withdrawn, and by unanimous consent the first two committee amendments are agreed to en bloc.

Committee amendments numbered 1 and 2 agreed to en bloc.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, as I understand it, under the unanimous-consent agreement, there are 4 hours on the bill, equally divided between myself and Senator KASTEN; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Ten minutes of my time is to be reserved for Senator HOLLINGS, and 15 minutes of my time is reserved for my own use?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. And an additional 15 minutes each under the control of Senators BYRD and HATFIELD?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. That is not part of the 4 hours?

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. Mr. President, I am taking time from the overall time reserved on this side and this is not from my personal time, which I will reserve until used specifically.

Mr. President, I concur with the statements made by both the distinguished Democratic leader and the distinguished Republican leader here a few minutes ago. There has been a commitment made by the bipartisan leadership of the Congress along with the President and the Secretary of State to move this negotiated package forward.

It has been stated not only on the floor but in the Congress that there are those who have strongly supported the Contras in the past who do not like this package, and others who have strongly opposed them who do not like the package. The latter, those in opposition, do not like it because they do not want to vote for Contra aid. I count myself in that category.

For those who have supported the Contras in the past who do not like it, perhaps that is because they recognize what all of us know—that this is the end of the Contra war.

No matter how one chooses to describe this package, and it is a package put together very carefully, it does mean the end of the Contra war. Hopefully it means also a new chapter in U.S. relations with Central America, a far more progressive chapter, one that may see the United States working to attack the real enemies in Central America, the enemies of poverty and illiteracy, the enemies of hunger and disease.

Mr. President, the Contra policy began back in 1981. It began secretly. It began as an attempt to substitute a covert action policy for a foreign policy.

Ever since it began secretly in 1981, I have opposed the policy of supporting the Contra insurgency against Nicaragua. Probably more often than most members of the Senate, I have spoken out publicly against that policy.

As I said earlier, I have voted consistently against any Contra aid that I believed was intended to keep the war going, because I believed in 1981, as I do today, that war would not work, the American people would not support it and, in fact, that it was unworthy of the United States. I still feel very strongly that way.

My position regarding the Nicaraguan Government is what it has always been—if it poses a military threat to us or our allies, we should use our own military power to defend ourselves, not a disjointed, discredited rebellion based on the old Samoza National Guard that never had the support of the Nicaraguan people in the first place.

It is beyond question that the United States has important security interests in Central America. We all know what those are: democratic government, economic development, human rights, and an end to Soviet and Cuban influence. Republicans and Democrats alike are united in our commitment to advance those interests.

But the policy toward Nicaragua was its own undoing, as the Reagan administration resorted to illegal arms sales and deception to get around the law and the will of Congress. In fact, our own country became as divided as the fractious Contra leadership, with people of good will and integrity for the Contras and people of good will and integrity against the Contras.

The time has come for the new administration and the Congress to ask what we want in Central America. Do we want continued war through proxy armies, corrupt and subservient governments, dependent economies, and alienated populations? Or peace through negotiated political settlements, security agreements, and cooperation with independent governments?

I believe that with the bipartisan accord, which this bill before us today implements, we may at last be choosing the latter course.

The legislation before the Senate would transfer $49,750,000 in DOD funds to the Agency for International Development for food, clothing, and medical supplies to the Contras, as well as $4,166,000 for medical assistance for civilian victims of the war

through the Nicaraguan Catholic Church, and $5,000,000 to AID for operating expenses of administering the program.

These funds are offset by a mix of transfers from DOD accounts and a rescission, as listed in section 6 of the bill.

Yesterday morning, Secretary of State Baker outlined in a hearing before the Foreign Operations Subcommittee the new course on which the administration has embarked in Central America. He made it clear that none of the funds may be used to support Contra military operations or military training. He said the administration's goal is an open and fair election, and Sandinista fulfillment of the Esquipulas II agreement and the San Salvador accord.

While I personally believe the Contras have never served any purpose besides giving the Nicaraguan Government an excuse to strengthen its ties with the Soviet Union and Cuba, I am encouraged that the Secretary also explained that these funds will be used for voluntary reintegration into Nicaragua or regional relocation by any Contras who choose to do so. In the hearing, he said that vocational and literacy training and other assistance to help the Contras return to civilian pursuits would be made available.

The Secretary emphasized that the bipartisan accord provides "an opportunity to put behind us one of the most divisive foreign policy issues in postwar history and embark on a new, more hopeful diplomacy toward Central America."

On this I agree with the Secretary of State. I have always believed that a sound foreign policy must be cooperatively arrived at and broadly supported by both the executive and legislative branches of government. The bipartisan accord means the end of the Contra war, and the first step in building a bipartisan policy in Central America. Yesterday, at the hearing, I said for many of us, both opponents of the Contras such as myself, and their supporters, it is a "leap of faith." The whole approach is based on trust and understanding. In fact, if it is carried out faithfully it could be a model for the future.

But, if the accord is circumvented or exploited, it is going to be an enormous blow to the chances for bipartisan cooperation in a broad range of areas. I believe President Bush and Secretary of State Baker understand that, and I am prepared, despite consistent and longstanding opposition to the whole failed Contra policy, in this instance to work with them.

Secretary Baker deserves great credit for initiating the process which finally brought us together. This bipartisan accord gives the administration an opportunity to rebuild American policy across the board in Central America, and I hope the Secretary and the President will take full advantage of it.

I also hope that the government of Nicaragua, the Contras, and the Soviet Union will have the good sense to take advantage of this opportunity to find a political solution in Central America, as envisioned by the Esquipulas II agreement.

Mr. President, one very important reason I am prepared to support this accord is because of the urging of President Oscar Arias. A few days ago I talked to him by phone. We had a lengthy conversation, about a half an hour. His Central American peace plan was a real catalyst for ending the Contra war. President Arias told me he believes this legislation will enhance the prospects for peace in the region and he urged me to support it.

From today forward, we should formulate a broadly supported, clear policy toward Nicaragua: an end to the Soviet-Cuban military connection; a binding commitment to the nonintroduction of Soviet or Cuban forces, bases or offensive weapons; binding commitments to leave their neighbors alone.

As the President has already suggested, we should offer incentives for compliance and progress toward pluralism and democracy, including lifting the trade embargo, significant American and international economic assistance, participation in the Caribbean Basin Initiative, enhanced trade and investment and other positive measures. In the hearing yesterday, Secretary Baker reiterated the administration's willingness to offer these kinds of incentives.

It has been a divisive, difficult period for oursleves and the Central Americans. Many innocent lives on both sides have been lost. Our own Constitution has taken a beating. But I am encouraged by the administration's approach, and hopeful about the future.

Mr. President, when you look at the map you have to realize that we and the Central Americans share a hemisphere of great contrasts and inequities, yet we face many of the same challenges—fighting drugs, controlling migration, saving tropical forests, promoting trade. These are serious problems which can only be solved by working together.

Mr. President, the United States is the longest existing democracy not just because of our military strength but because of the force of our ideals and what we stand for. If we continue to deal with each other openly and honestly, if we remain united on a course that is faithful to those ideals, we can have a policy worthy of all the Americas and all the Americans in all those countries.

Mr. President, we will have a debate this afternoon. We will hear from people who support the Contras and those who oppose them. But I think, as I discussed with President Arias and he also pointed out, that the leaders of the governments in Central America want to feel that they control their own destiny.

He said to me that a united United States, united between our legislative branch and the executive, between the two greatest parties of this country, would give the leaders of the other Central American countries a far better chance to work together toward peace.

I am willing to meet President Bush half-way on that, and I think all of us should. We do have a chance, with a new administration and a new policy, to rectify what has happened in the past and, even more importantly, to work in a positive way to help Central America develop as we come into the next century.

If a way to do that is to show unity within our own Government and to show bipartisan accord within our own Government, then I think it is a step that Democrats and Republicans ought to be willing to take.

Mr. President, I reserve the remainder of my time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KASTEN. Mr. President, it has been correctly observed that politics is the art of the possible. Nowhere can we see this truth more clearly than in the discussions we have been having about the proposed bipartisan accord on aid to the Nicaraguan resistance.

President Bush and Secretary of State James Baker share an important goal with the members of this body—the goal of establishing freedom, democracy, and pluralism throughout Central America. Throughout the past decade, we in this body have been divided as to the means toward this end. The bipartisan agreement which we are considering today has been proposed as a solution to this impasse.

Since the inception of NATO 40 years ago, our most important foreign policy accomplishments have occurred because of sustained bipartisan support. We hopefully will tie that bipartisanship with the gains made recently.

Over the past 12 years, 10 countries in Central and South America have become democracies. The region has made great strides toward a stability based on popular choice.

But Nicaragua remains a notable exception. The Sandinistas continue to export their revolution. Unless this threat is adequately dealt with, the result will certainly be a hostile and destabilized Central America. This is an unacceptable threat to such American interests as the Panama Canal and the Caribbean sealanes—both of which provide essential links between America and her allies.

Clearly, everyone in this hemisphere has an interest in the success of the policy we are discussing today. We are counting on this policy to stop: First, the armed subversion into the countries neighboring Nicaragua;

To stop Soviet-bloc aid to Nicaragua; and

Third, eventually to lead to the establishment of an open and representative government in Nicaragua.

The Soviet Union has no legitimate security interest in this region. We have many. As President Bush has very appropriately said: "We reject any doctrine of equivalence of interest in this region."

The Sandinistas have two faces, one pragmatic and the other totalitarian. Because they know they will not be able to rely on the U.S.S.R.'s payments for much longer, they are going to put a premium on their pragmatic face in the near future.

Mr. President, the bipartisan agreement cannot succeed unless all of us—Republicans and Democrats alike—agree to hold the Sandinistas accountable for their actions.

The watchwords—throughout—must be compliance, enforcement, and verification. This agreement marks not the end of the struggle for a free Central America, but a possible new beginning.

That is where we are in geopolitical terms. But there is another dimension of this problem which is too often ignored by our policy debates on Central America, and that is the economic dimension. We have to be talking more about what we can do—and what the Central Americans must do—to advance economic growth in the region.

I have made a proposal in the most recent issue of Policy Review which I believe makes a contribution in this regard. As I explained in my article, I think that the United States can help relieve the economic distress in the region—and improve the prospects for political stability as well—by forging a new political and economic contract with the four democracies of Central America.

The elements of the contract I am proposing are as follows.

The United States should:

First, open up its markets to goods from the region by negotiating a free trade agreement—like the ones we have reached with Israel and Canada—with a revitalized Central American Common Market;

Second, provide security guarantees against Sandinista military aggression; and

Third, continue the kinds of development aid that have proven effective in the past.

In return, the Central American democracies would undertake the market-oriented economic reforms that are necessary to putting them back on the path to prosperity. In promoting economic growth in these democracies, we would be holding out an example—and a torch of hope—to the people of Nicaragua.

Mr. President, I am confident that if we put much more focus on the economic dimension of our Central American policy than we are currently doing, our efforts for peace in the region would reap substantial benefit.

And a durable peace is the goal we share. I believe that this proposal for humanitarian aid is a beginning. If the measures we take fail to democratize Nicaragua, we will have to look at the problem again—and continue to try and uphold the right of the Nicaraguan people to be free.

Mr. President, I urge my colleagues to give this peace initiative the chance it deserves—and vote "aye" on the bipartisan agreement.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado is recognized and has 1 hour allotted under the agreement for his two amendments.

Mr. ARMSTRONG. Mr. President, it is my understanding that I am allotted 1 hour to speak on the bill and, in addition, that I am allotted up to 1 hour to speak on up to two amendments that I may offer.

The PRESIDING OFFICER. That is correct.

Mr. ARMSTRONG. Mr. President, George Washington recommended to his countrymen, "Let us raise a standard to which the wise and just may repair. The outcome is in the hands of God."

It would be very, very difficult for any Senator to argue that the United States has raised in Central America a standard to which the wise and just may repair. The standard we have raised in Central America is a wavering, weak, pusillanimous policy, a policy of which we can scarcely be proud, an off-again-on-again policy of which this bill before us is just the latest, saddest, sorriest manifestation.

It is the kind of policy that causes those whom we encourage to fight for freedom in Central America to now look upon us with wounded eyes, like people who have been betrayed because they think they have been betrayed and, I say to my colleagues, that is exactly what has happened to them. We have sold them down the river. That is what they think, and that is what history will record. It is the kind of policy that causes the Central American Presidents, yes, even the Communist government in power in Nicaragua, to look upon us with contempt, and justifiably so.

Mr. President, we have blustered; we have harangued; we have mined the harbor; we have sent arms; we have turned the aid on and off. We have in turn acted as if we were prepared to fight and then portrayed ourselves as being absolutely unwilling to do anything. We have pursued a policy which has been so difficult for the world to comprehend that, in fact, much of the world has actually lost interest in what our policy is.

So, Mr. President, we come today to take up a bill which is recommended to us as a bipartisan accord that, in some sense, is the policy on which we now depend to bring order out of the horrible chaos that we have created or at least in which we have participated in creating in Central America.

As this tragedy staggers on to a conclusion, I just want it on the record that I think we are making a huge mistake. The mistake is not the passage of this bill, which really is an afterthought or sort of a grace note in a series of tragic events that have already taken place. The tragedy is that we have let ourselves be led into this trap in the first place and then, while pledging our faith and honor, have betrayed those who had every reason to expect better of us.

Mr. President, I would like to begin by putting into perspective how I see the United States interest in Central America. First, may I point out that though it is no longer fashionable to speak of it, I believe our country has a great strategic interest in that region of the world. The countries of Central America, including Nicaragua, are our neighbors. They are physically very close to us. What happens there in a military, as well as a diplomatic and economic sense, has impact on what happens in our own country.

It is trite to say so, but let me note it again for the RECORD, that Managua is closer to many cities of the southern United States than is Washington, DC. It is important to us whether or not

there is an adversarial government in power there permanently that can provide military bases for those who intend us harm.

I am well aware of the fact that there is a warming of the cold war, and I applaud the actions that lead people to conclude that the Soviet Union no longer has hostile intentions toward us. I hope in due course, perhaps over a period of years, that the spirit of glasnost and perestroika will, in fact, be fully validated. For my own part, I would like to reserve a degree of skepticism.

The Soviet Union and its allies have for decades made it their policy to export revolution, to say quite openly that it is their intention to impose their system of government on other countries, including the United States, and they have not just threatened this but, in fact, they have done it over and over again, including in Cuba and in Nicaragua.

And so the thought of naval installations in Central America, of airfields in Central America that have the capability of being a permanent home to weapons which can strike our country with ease is not something I take lightly, nor do I take lightly the strategic threat to the Panama Canal and to other military and political interests of the United States in Central America.

Second, I do not take lightly, and I wish that many of my colleagues would take more seriously, the prospect of a permanent Communist government in Nicaragua which will continue to export violence and revolution and terror unimpeded. We have apparently never focused seriously upon, or my colleagues can see no hope to change or simply do not care, the fact that in Nicaragua is the headquarters of many terrorist organizations, not just Communist organizations, but all kinds of terrorist organizations which use Nicaragua as a place from which to launch their missions throughout Central America and the world.

I do not have the list in front of me, but consulting recently a list of the organizations which operate more or less openly in Nicaragua and which smuggle propaganda and weapons and people across the borders into adjacent countries, I noted the names of just about every terrorist organization I had ever heard of, and a lot of them I never did hear of, about three dozen in all.

This, it seems to me, is the source of very great concern in purely practical, self-interest terms for any American.

Third, Mr. President, I believe that the United States has a basic, fundamental, primary interest in human freedom, whether it is in Nicaragua or Honduras or Guatemala or Afghanistan or Angola or the Soviet Union or Poland or anyplace else. Where there are brave men and women who want to stand up and be counted for freedom in the election process and if necessary in guerrilla war, I believe that the United States has an interest in freedom.

That is not a point of view that you hear expressed too often in this Chamber any more. I judge that it is becoming less fashionable rather than more. There was a time when most of us just took it for granted when people stood up to be counted for freedom, the United States would support them. I guess most of Asia might be living under conditions far less than completely free if it were not for the response of the United States during World War II. I suppose that if the United States had not intervened in Europe, Hitler would have prevailed. I think that is the lesson of history. I judge that the same motive that prompted us to want to oppose the dictatorship of Hitler and the militarists of Japan ought to prompt us to want to oppose the dictatorship of a Communist regime in Central America or Angola or Afghanistan.

That is not a self-interest. That is not something that we do because it directly is good for the United States. We do it because it is consistent with what this country stands for, because it is a part of our tradition, because when we cease to stand up for those who fight for freedom in a very real sense, we cease to be Americans.

Mr. President, the freedom fighters, call them Contras or the democratic resistance in Nicaragua or whatever you want to call them, think we have sold them out. I believe that they have every reason to think exactly that. There may be a more diplomatic way to put it, but there is a certain point at which the simple expression is best and this is what we have done, not today, not in this bill. I do not regard this bill as a sellout. We have sold these gallant people down the river on a number of occasions, and presently I intend to be quite specific about when and where and how I think that happened. But the extent to which Congress has betrayed the democratic resistance in Nicaragua and has undermined even the notion of principled resistance to a Communist government in Central America is illustrated by this so-called bipartisan accord which comes before us today which appears in several different kinds of documents only one of which is actually before us.

The bill to implement the bipartisan accord on Central America, of March 24, 1989, is really kind of like a balance sheet that an accountant might prepare. What we are doing is moving funds from one part of last year's defense spending bill to another. We have a little here, we move a little there, and the upshot is that we make available $49.7 million in humanitarian aid to the freedom fighters of Nicaragua. The funds are available until the end of February 1990, at which time the Communist government of Nicaragua promises to hold elections.

The creators of the bipartisan accord must be, I assume that they must be, the last people on the face of the Earth who still believe the promises of the Communist government of Nicaragua. If that is not true—perhaps there are others that I am not aware of, but if it is not true, then they must be the most cynical people on the face of this Earth to bring us a document which suggests that as a result of this accord and the other things that go with it, after breaking every promise in the book, suddenly the Communist government is going to have a free and fair election.

It is interesting to me to note, by the way, that the date which they have picked for an end to the so-called humanitarian aid is a date well in advance of the date expected for an election but more on that in a moment.

The only other item of substance so far as I am aware in this bill—not the accompanying documents which Senators will not get a chance to vote on, which we could not amend even if we had the votes to do so because they are not before us—is some new language allowing the humanitarian aid funds to be used for what we termed voluntary reintegration of and voluntary regional relocation by the Nicaraguan resistance.

The translation in English or Spanish is the same—sellout. The freedom fighters have been and in my view remain the principal reason that the Nicaraguan Communist government even pretends to allow domestic political opposition.

For a time we were providing the kind of aid to the democratic resistance that made them a credible force in Central America. Up to 1984, we had various amounts of aid going to the freedom fighters. It was classified at the time. I do not know whether or not that number has been publicly announced, but it was various amounts.

In October 1984, Congress passed a continuing resolution which included a prohibition against further aid to the freedom fighters. In August 1985, we provided $27 million in humanitarian aid to be provided by March 1986. In October 1986 we passed $100 million including military aid to the freedom fighters; $40 million of the first $100 million was not releasable until another vote in February 1987. In March 1987, the House of Representatives passed a resolution not to release these funds, but as my colleagues will remember the Senate defeated that resolution and so the money was released. In February 1988, the Senate passed $36 million in aid, including $3.6 million in military aid, but the

House defeated the package by a vote of 211 to 219.

In many respects, I view that as the killer vote. That was in many respects the crucial turning point because, although the amounts were small, in this and the earlier votes were funds that could be used to deliver military supplies within Nicaragua. After this the next aid packages had no allowances for delivery, and so that vote by a margin of 7 or 8 votes—a change of 4 would have made the difference, but by that vote we killed both the small military aid package that was contained in the appropriation and the moneys for delivering the aid which had already been approved.

In March 1988 Congress passed $17 million in humanitarian aid. In August 1988, the Senate defeated an amendment for $27.14 million in military aid plus the release of $16.3 million in military aid which had been previously appropriated.

That proposal was tabled on a vote of 57 to 39. That is when we did it. That, Mr. President, in my view is the moment at which the outcome was really settled. We are just mopping up the details now. That was the moment at which it became clear to anyone who was paying attention in this Chamber or elsewhere that this country was not ready to bear what John Kennedy said we would always be ready to bear, the price of defending freedom.

Now, the people who were struggling for freedom in the jungles and highlands of Central America were not asking that we send American troops, and we should not do that. They were asking only that while they struggled in Nicaragua to bring about the things that the Sandinista Communist government had promised, and continues to promise—free elections, freedom of worship, a mixed economy, labor rights, the right of newspapers to publish, and so on—we would furnish the supplies, the radios, the military supplies, the weapons, the ammunition necessary to keep them alive in the field.

By a vote of 57 to 38 the Senate decided that that was over, that that phase of American involvement in Central America was over, and that in my opinion was the moment when the doom of this effort really became clear.

Congress now refuses to support a policy that would help the people of Nicaragua get rid of the Communist government, and we will not even acknowledge that that is what we have done. We are going to pass here shortly a resolution sending some more humanitarian aid which in itself is worthwhile, but we are not going to acknowledge the consequences of our action.

Mr. President, the Congress has decided we are prepared to accept, permanently if need be, a Communist government on the mainland of North America. So the charade continues, worn a little more thin by this resolution and by the use of such shameful language as "regional relocation." I do not know what that means exactly. I guess regional relocation does not mean the United States.

I guess it does not necessarily mean that someone who has been fighting for freedom in Nicaragua with the encouragement both official and unofficial of the U.S. Government and who now finds that fight has been ended, to the supplies have been withdrawn, but I guess we are saying by regional relocation that if they happen to show up at our border that we are not going to let them in here.

In fact, Mr. President, the current shameful United States policy is to arrest and detain refugees from Nicaragua who escape the Communists and reach our border.

Even worse, the bill to implement the so-called bipartisan accord provides that the aid funds will be available until the end of February 1990. But there is another part to the agreement, a part that is not before us in this bill which calls upon the Secretary of State to promise by letter that he will not spend aid money past November of this year unless a handful of Members of Congress tell him it is OK to do so.

According to the language in a draft of this letter the Secretary of State would spend the dollars approved by all of Congress "only if affirmed by a letter from the bipartisan leadership of Congress and relevant House and Senate authorization committees and appropriation subcommittees." Exactly what this word "affirm" means is not very clear. Presumably, what it means is sometime before November this handful of Senators and Representatives will sniff the air to see if there is some kind of a new breeze blowing in Central America. I guess we probably know the outcome in advance but that is what is expected to happen.

I presume that this fall sometime the Sandinistas will add to their long list of false promises that the wishful thinkers in Congress including perhaps the four people who have to sign off on this will find new reason for hope even though we have been led down this path over and over again the last 20 years or so. The only thing that will be new in this scenario is that this time other Members of the Congress will not be involved.

If I might digress to just talk about a little family business, this is another step down the road toward making a Senator a spectator. If we want to make being a Senator a spectator sport, that is fine but there is at least one Senator who does not want to do that. I think, by gosh, if we are going to submit things back to people, particularly life-or-death issues—and that is what we are talking about, about whether real live people live or die, if they live, whether or not they live in freedom or with somebody's foot on their neck—I think that is important enough to take the time of the whole Senate. It ought to come back before the whole Senate if indeed it should come back at all which actually I do not think it should.

Another point that concerns me, it is a procedural point, but it illustrates I think the intellectual and moral depravity of what has been the policy of the United States in that region of the world.

Well, this is all on a very fast track. I guess it is almost certainly going to happen. Somebody spotted in the language that has been drafted and presented on a take-it-or-leave-it basis to the Congress some problems about the way the prohibition on aid was drafted. It is my understanding, I have not read it, but I think I have the story correctly, that one of the committees of the Congress—I guess the Appropriations Committee of the Senate—discovered that there was some doubt as to the meaning of the prohibition. As I understood it, the intention of the drafters was to prohibit government aid to the Democratic resistance except what was provided in this bill and on the terms provided in this bill and subject to the letter of agreement and the other side bar agreements that were made.

But then the question came up, does this language inadvertently somehow without intending to prevent the Red Cross from sending aid or private citizens from sending aid? Evidently, the committee thought that was the case because they adopted an amendment to clarify that matter upon the motion I believe of the Senator from Hawaii [Mr. INOUYE].

It is my further understanding, though I was not on the floor when it happened, that that has been taken out or it is expected to be taken out to restore the bill to its original form the reason being this is on such a fast track that the House does not want to take up any more amendments. In fact, I am prepared to be corrected on this if I am mistaken, my understanding is they have not passed the bill in the House yet, that they are going to pass it in the next hour or two, send it over, and then they are going to go home. They are not going to wait for us to amend it. They are not going to take into consideration any notion such as those suggested by the Senator from Hawaii.

So that strikes me as, it seems to me almost a symbol, almost a parabole, of the fix we have gotten ourselves into when we do not want to admit what we are doing, which is to sell these

people out. We want to paper over and act like we are doing something just when in fact we are doing the opposite.

Mr. LEAHY. Mr. President, if the Senator will yield for a quick response.

Mr. ARMSTRONG. Yes.

Mr. LEAHY. I think one of the main reasons the amendment which passed the Appropriations Committee yesterday was withdrawn here, is that it was exactly the same language as what has been in the Contra aid legislation for the past year. In fact, the same language has been voted for by both the Senator raising the question and the Senator proposing the amendment.

Mr. ARMSTRONG. Mr. President, I am having difficulty hearing the Senator. Could he speak into the microphone?

Mr. LEAHY. Surely. I am sorry.

The Senator from Colorado has asked about an amendment added in the Appropriations Committee yesterday. The Senator from Idaho raised questions about a particular section, and the Senator from Hawaii amended it slightly. The amendment was withdrawn here today with the approval of all members of the committee and by unanimous consent.

I think one of the things that was pointed out was that the language that was amended yesterday in the Appropriations Subcommittee was the same language that has been in the bill during the past year in providing humanitarian aid to the Contras, language that the Senator from Hawaii and indeed the Senator from Idaho and others voted for last year. I will also point out to them and to others that there has been no question raised about the language, or my ambiguity in it. Everybody was clear on the language.

I understand the administration requested that language be withdrawn so, along with what the Senator from Colorado says, this matter might move forward.

But I would not want any Senators to think that something new was added to that particular section. It is verbatim of what was there before.

Mr. ARMSTRONG. Mr. President, I am grateful to my friend from Vermont for that explanation. I believe his explanation is in fact a significant reassurance. As the Democratic manager of the bill, I understand his representation to be that this language does not put at risk anyone, any private citizen, or any private organization who wants to provide assistance to the Democratic resistance in Nicaragua or anybody else.

Mr. LEAHY. I would note to my friend from Colorado that the section he is referring to—for the information of my colleagues, is section 9 of S. 760, amended last night, in effect unamended today—will conform to current law. So as it appears before the Senate today right now, it is identical to current law.

It does not apply to the activities of private citizens, PVO's and so on that are not funded by the U.S. Government.

It covers assistance, as that term is used in appropriations laws. That is assistance provided by the U.S. Government: Cash or supplies, transport, medical services, and to make sure that there is no question on this, we double-checked that with the administration.

Of course, the intent of it was to make sure that we are going only through AID, and that we are not using other statutory assistance programs without express congressional approval—like the Foreign Assistance Act or Arms Export Control—other agencies, whose budgets we do not as openly debate on this floor.

Mr. ARMSTRONG. Mr. President, I am grateful to the manager, and I am assured by the explanation, and I appreciate it.

Mr. President, I want to turn my attention to a slightly different perspective on the developments in Central America, and especially make reference to the recent publicity. Indeed, the favorable headlines in the press recently regarding what have been called unprecedented concessions by the Communist government in power in Nicaragua in promising to move scheduled national elections from late 1990 to February 1990.

The quid pro quo of this, as I understand it, and as implemented by this agreement, is the final dissolution of the resistance army, which the Sandinistas would have us believe is really finished anyway. I am not so sure I think that is true, but that is their representation.

Predictably, the latest Sandinista move has been met with suggestions that the resistance should now lose even humanitarian aid, and I am glad that we are offering at least that much support in this resolution.

Mr. President, the idea of cutting a deal of this kind really is not a novel one. We have been down this road over and over again. In 1979 the United States and the Organization of American States cut a deal with the Sandinistas, who promised political pluralism, free elections, a nonaligned foreign policy, and a mixed economy. Despite indications that the Sandinistas had no intention of keeping these promises, many in Congress believed them.

The new Nicaraguan Government defused one House Member in September 1979—this is 10 years ago—has undertaken, and I quote from the RECORD, "a solemn international commitment to respect all fundamental human rights common to all Democratic nations of our hemisphere, freedom of the individual, freedom of the press, and freedom of religion, and all others." This Member continued, "I believe that the commitment to respect human rights that Nicaragua has shown deserves our recognition and support."

Now, Mr. President, I wonder how the Congressman who made that statement 10 years ago feels today. Even at the time it was made, Cuban advisers were already in Managua, hundreds of Nicaraguan children were in Cuba for political training. The FMLN Salvadoran Communists were setting up shop in Managua, and the secret police controlled bloc committees permitted guns to operate.

In August 1981 the Reagan administration was alarmed at the growing Soviet bloc influence and the huge growth of the Sandinista army, and evidences of repression everywhere in Nicaragua and, again, decided it was time to cut a deal. The United States would resume economic aid if Managua would get Cubans out, and stop their military buildup, keep their 1979 promises of democracy, and stop aid to the Communists in El Salvador. The Sandinistas refused, and the United States began a covert buildup of the popular resistance movement.

Another effort to cut a deal was sponsored in 1982, in October, by the seven democratic nations in the region. That was also rebuffed by the Sandinistas.

However, some in Congress continue to have faith in the good intentions of the Sandinista Government. They did not blame the Sandinistas for what was going on, but they blamed those in this country and abroad who expected the Communist government to keep the promises that they had made. Again, if I may quote from what one of the Members of the House said in 1982:

> The administration's support for covert military action has produced a propaganda bonanza for the radical left, an excuse for a military buildup by Managua, and a growing threat of a regional war.

Another warned:

> To maintain any understanding in the international community, Nicaragua must now unequivocally choose the path of freedom, democracy, and nonalignment.

That never happened, Mr. President. That statement was made by a respected Member of Congress in December 1982.

The Communists who have been in power in Nicaragua never did choose what was described by that Member as a path of freedom, democracy, and nonalignment, nor what he termed respect for the basic freedoms of its people. He said, "Nicaragua must change its course," and he thundered, "It must do so now."

That was 8 years ago. The Sandinistas did not change course, but the gullible in Congress remained very under-

standing. While the pressure was on the freedom fighters, while the pressure was on the administration of this country to back off, where was the corresponding pressure on the government in power? Everybody kept saying, "Let us cut a deal." Then there was the January 1983 Contadora plan. Well, that deal did not stand up either.

By the end of 1983, the Sandinistas had received over a half billion dollars in Soviet bloc military aid. But for a lot of people in Congress, the problem still was not the unwillingness of the Sandinistas to keep their promises, but United States support for Nicaraguans, who were insisting that they do so, insisting that the promises of free election, free economy, a free labor movement, freedom of the press, freedom of worship should be honored.

The thought was, on the part of many, that we should end our support for the resistance and that we should cut a deal. One of our colleagues said in April 1985:

> The Sandinistas need to know our patience is not endless. If we stop aid, if we provide a so-called cooling off period, we expect results. Nicaragua's President Ortega has stated that if the United States ends its support for the Contras and reopens negotiations with the Sandinistas, Nicaragua will immediately call for a cease-fire and move toward freedom of the press, political pluralism, and fundamental freedoms. To the Nicaraguans we should say, make good on your promise, stop exporting your revolution and establish human and civil rights within your country.

Well, we tried it. Where is that Senator today, to stand up and say what the outcome was? Congress cut off the Nicaraguan resistance in October 1984 and they received no further official aid until October 1985. However, in that same period of time the Sandinistas pulled in another $370 million in Soviet bloc military aid. And pretty soon even some people here in Congress began to catch on to what was happening.

In August 1985 we voted for $27 million in nonmilitary aid, which compares to approximately 10 times that much in Soviet bloc military aid. About that time somebody said, "Well, it is time to cut a deal." One Senator stood up in March 1986 and said:

> So let us put the Sandinistas to the test. Let us find out if they are serious; let us find out if they have the courage to permit free expression in their country. Let us lay down the challenge to the Nicaraguan Government, and at the same time let us lay down the challenge to our own administration.

Where is he today? What does that Senator have to say today?

Another one pleaded along the following lines:

> Let us send a clear message to the Sandinistas, do not fear freedom for your people, let there be freedom of speech and freedom of press and freedom of association and freedom of religion. Let your people speak freedom and let them be heard.

Well, it never happened, my friends. In August of 1986, said another,

> We should demand bilateral and regional agreements with Nicaragua to constrain the Sandinistas further, rally our local allies and remove Managua's patriotic rationale for its internal controls and repression.

None of this really caught the attention of anybody in Nicaragua, so far as we can tell. At least my observation is that all of this rhetoric here in the Congress, really never made it all the way to Central America. What really got the Sandinistas' attention was the passage in October of 1986 of the first respectable military aid package of $100 million for the democratic resistance, which, by the way, was the last time we voted military aid. In the meantime, the Sandinistas got $550 million in 1986; $500 million in 1987; $515 million in 1988.

Of the 1986 package, some $40 million was not available until another congressional vote, which I referred to earlier, in March of 1987, after still another attempt, by gosh, to cut a deal.

That was the so-called Arias plan born in January.

One Senator said:

> The moratorium on Contra funding would be a signal that the United States is willing at long last to give peace a chance.

Now, my friends, how many times have we heard that—"Let's give peace a chance"?

You know, Mr. President, it is not hard to give peace a chance. We can just let those poor devils who are down there fighting for freedom go down the drain, which is what we are doing, and there will be peace. There will not be any freedom. There will not be any free elections, and sooner or later, I suppose, they will probably close La Prensa down again and close down the last of the remaining religious freedoms, and sooner or later everybody who is strong enough and smart enough to escape that country will have escaped and then a sort of an icy silence will settle over Nicaragua and that will be the last that will be heard of them maybe for a decade or a generation or half-century or maybe longer. It happens in other countries. It could happen in Central America, and maybe it will.

But what happened at that particular moment just as that Senator was calling for giving peace a chance was that the aid was kept flowing when the moratorium vote failed in the Senate, and that is when the Sandinistas really got down to business, that is when at last when it began to appear that the United States might be in this thing seriously and for the long pull and prepared to give support in a military sense, that is when the Sandinistas really began to come to the bargaining table.

The next deal, the Arias plan, was just another benchmark, but it was again a deal that appealed to Congress because when the authorization for the 1986 military package expired in March 1988, aid ended. It has not been renewed, we are told, in order to give peace a chance.

In February of 1988, just about a year ago, one of our colleagues made this observation here in the Senate:

> Lay bare the intention of Sandinistas, lay bare their intentions to the world. They either provide pluralism, democratization and amnesty or they will have invited the unanimous ostracization of North America and Central America alike, as well as our allies in Europe.

Mr. President, they have not done these things. Where is that Senator today? What is he prepared to do about it?

Said another:

> I recognize that the Central America peace process could unravel and the Sandinistas could break their promises. We should provide a fair test of the Sandinistas commitment to the peace initiative rather than by providing them with excuses for failure.

Another said:

> By opposing further aid for the resistance forces we would pose a direct challenge to the comandantes in Managua. "Will you use the path of democracy for your country or will you choose repression?"

The verdict is in, friend. They chose repression not once but every year for the last 10 years.

Mr. President, I am going to send to the desk and ask that there be printed in the RECORD at this point for the benefit of anyone who wants to keep track of such things, a document prepared at my direction by the Republican Policy Committee entitled "Nicaragua and the U.S. Congress: Nine Years of Promises, Peace Plans, and Self-Delusion."

There being no objection, the document was ordered to be printed in the RECORD, as follows:

NICARAGUA AND THE U.S. CONGRESS: NINE YEARS OF PROMISES, PEACE PLANS, AND SELF-DELUSION

INTRODUCTION

August 7, 1988, will mark one year since the signing in Guatemala City of the Arias peace plan, under which the communist Sandinista regime of Nicaragua promised, for the umpteenth time, to institute democracy. The promises contained in the Arias plan prompted the U.S. Congress, earlier this year, to cut off military aid to the democratic resistance. It was felt that continued aid would hurt "the peace process." Congress wanted to "give peace a chance."

Did the American decision to defund the resistance—even as Soviet aid continued to flow into Managua—bring about peace or democracy? Or did the United States—and the people of Nicaragua—simply receive more of the same promises we had received since the Sandinistas took power in 1979?

For an answer, the following is quoted from a letter to former President Jimmy Carter from Mrs. Violeta Chamorro, editor

of La Prensa, the independent newspaper repeatedly closed down by the Sandinistas. Mrs. Chamorro and La Prensa were instrumental in the struggle against the Somoza dictatorship, and she was a member of the Sandinista-dominated government that took over in 1979. Citing the Arias plan commitments she wrote:

"A year has passed and the Sandinistas, following their well-known tactic of deception and delay, have reaffirmed their commitment in San Jose, Costa Rica (January 1988). They signed the Sapoa Agreements (March 1988). They have held four meetings in Managua with the Nicaraguan Resistance (armed rebels) and 25 sessions with the internal political opposition in order to achieve a definitive cease-fire and democratization. They do not comply with what was promised. They only want the unconditional surrender of the rebel forces and a submissive collaboration of the internal political forces without conceding absolutely anything regarding previously mentioned democratic measures."

This cynical use of promise after promise has been the Sandinista modus operandi for nine years, ever since they took power. Each time they renege on one set of promises, they divide and neutralize their adversaries by issuing yet another set of promises. And each time, voices are raised in the United States to "give peace a chance," to see if the Sandinistas will make good—as if all these promises did not have a long history behind them. This paper is a review of that history—a history of nine years of human rights "guarantees," of broken promises, and of one "peace plan" after another.

THE ORIGINAL PROMISES

On June 17, 1979, while Anastasio Somoza was still in power, a Sandinista-dominated Nicaraguan Government of National Reconstruction (GRN) was formed in San Jose, Costa Rica. Of the five GRN members, three of them, including Daniel Ortega, were members of the Sandinista National Liberation Front (FSLN). (The non-Sandinista members were Violeta Chamorro, now editor of the opposition newspaper La Prensa, and Alfonso Robelo, later a member of the seven-man Directorate of the Nicaraguan Resistence—the Contras.)

On June 18, the GRN held a press conference in which they pledged their government's program would be "truly democratic," with respect for "fundamental liberties," including: free expression; freedom of religion; a mixed economy; union rights; an independent non-aligned foreign policy; a minimum permanent military establishment; and other generally accepted principles.

These pledges were instrumental in the action of the Organization of American States (OAS), which, with the support of the United States, adopted a resolution on June 23, 1979, calling for the replacement of the Somoza regime with a democratic government "which reflects the free will of the people of Nicaragua," would guarantee the "human rights of all Nicaraguans without exception," and would hold "free elections as soon as possible," leading to "the establishment of a truly democratic government that guarantees peace, freedom, and justice."

On July 12, after active negotiations with representatives of the Carter Administration and the OAS, the GRN sent a letter to the OAS, citing the OAS June 23 resolution and promising free elections. Attached to the GRN letter were two other documents:

A "Plan to Achieve Peace," which detailed a step-by-step measure for the peaceful resignation of the Somoza government and the takeover by the GRN; and

A formal "Program of the Nicaraguan National Reconstruction Junta," dated July 9, in which the GRN spelled out in specific detail its June 18 pledges.

Taken together, the documents submitted to the OAS on July 12—the letter, the peace plan, and the GRN program—constituted a comprehensive program of democratic guarantees. They included:

The structure of the new government, featuring a 33-member legislative Council of State representing "all the political, economic, and social sectors that helped overthrow the Somoza dictatorship";

A guarantee of full human rights observance as set forth in the United Nations Universal Declaration of Human Rights and in the Charter on Human Rights of the OAS;

Freedom of press, religion, unions, and private enterprise in a mixed economy;

A non-aligned foreign policy;

A new national army with only a "minimum" permanent military establishment;

A guarantee of the lives and rights of members of the National Guard; and

Many others guarantees of fundamental liberties.

On the basis of these comprehensive guarantees, on July 15 the Carter Administration and the OAS approved final transfer of power from Somoza to the GRN. Somoza submitted his resignation to the Nicaraguan Congress on July 16 and left the country the next day. On July 17 the Carter State Department noted the Somoza resignation and announced:

"From the beginning of the violence that has set Nicaraguans against each other, the Organization of American States and its member nations, including the United States, have worked to facilitate a peaceful and democratic solution to the civil strife in Nicaragua . . .

"A caretaker government is in place to begin the process of national reconciliation. A Government of National Reconciliation, formed initially in exile, will assume power . . . It has pledged to avoid reprisals, to provide sanctuary for those in fear, to begin immediately the immense task of national reconstruction, and to respect human rights and hold free elections."

On July 17 and 18 National Guard resistance ended. The Sandinista-led anti-Somoza forces entered Managua on July 19. On July 20 the GRN was installed and had the opportunity to act upon their previous promises and commitments. Particularly astonishing is the speed with which the Sandinistas moved to violate them.

Promise: That the lives of National Guard officers and soldiers would be respected, that they would not be subject to revenge or indiscriminate reprisals. Those guilty of crimes will be dealt with within the legal framework. [from the July 12 GRN promises to the OAS]

Performance: "After the 1979 revolutionary victory hundress of prisoners, mostly members of the National Guard or supporters of the former regime, disappeared after capture and were later found dead. Of the dead, many were found in mass graves, as in the case of the prisoners in La Pólvora, . . . the former headquarters of the National Guard in the town of Granada . . . [O]n October 3, 1979, José Estebán Gonzalez of the CPDH (the independent Permanent Commission on Human Rights), traveled with several witnesses to the site and discovered human bones and remnants of clothing in a covered-over ditch.

"Similar reports led to the discovery of another site in La Arrocera, near Lake Nicaragua, where several more bodies were found. At the bottom of the crater of the Santiago volcano, near Managua, ten to fifteen bodies were sighted. Thirteen more were discovered in a mass grave in Caterine, a small town near Masaya. Approximately two hundred were found in a deep well near Leon.

"How many people were killed in this manner? Estimates based on names of prisoners who were captured and then declared missing or dead vary. The CPDH has documented the disappearance and most likely death of 785 persons who were captured by Sandinista authorities from July 1979 through September 1980 . . ." [Humberto Belli, Breaking Faith, The Puebla Institute, 1985, p. 120]

Promise: After the replacement of the Somoza regime, remnants of the National Guard and of the Sandinista armed forces would be formed into a new, non-political national army. This army would maintain a "minimum" permanent establishment. [From the July 12 GRN promises to the OSA]

Performance: The new national army was never formed. The Sandinista army continued to function as a Party armed force and in September 1979 was officially named the Popular Sandinista Army (EPS). In the so-called "72 Hour Document" of September 1979, a long term program of the top FSLN leadership, the determination was made to create "an army politicized on an unprecedented degree." [From the document text quote in Shirley Christian, Nicaragua, Revolution in the Family, p. 151] Already in October 1979, Interior Minister Comandante Tomas Borge stated the Sandinistas' intention to arm a militia of 300,000 men (other descriptions of Sandinista intentions refer to 200,000). This compares to a July 1979 force of no more than 7,500; Somoza's National Guard had fewer than 15,000, including support troops. During this period there were no Contras, and the United States, under the Carter Administration, was the Sandinistas' biggest aid donor. By the end of 1987, regular Sandinista army forces numbered 80,000, plus some 40,000 militia. According to the revelations of Major Roger Miranda (confirmed by Defense Minister Comandante Humberto Ortega), the Sandinistas planned a total military and paramilitary force of 600,000 by the mid-1990s.

Promise: "An independent, non-aligned foreign policy will be followed which will link our country with all nations that respect self-determination and fair mutually-beneficial economic relations." [From the July 12 GRN promises to the OAS].

Performance: The first Cuban military and security advisers entered Managua within a week of July 19, the day Sandinista forces entered the capital, possibly as early as the first day; by November there were two hundred of them. Assistance from Panama, which had provided major help to the Sandinistas in overthrowing Somoza, was rejected.

On July 21, the day after the GRN was installed, representatives from two Salvadoran communist guerrilla factions were in Managua to discuss military cooperation and assistance; these two factions joined with three others in May 1980, under Cuban and Sandinista auspices, in what became the Farabundo Marti National Liberation Front (FMLN).

On July 25, prominent junta members traveled to Havana to help Castro celebrate the anniversary of the beginning of his revolutionary movement. On July 27, Nicaragua and Cuba reestablished diplomatic relations, and within weeks relations were established with other Soviet bloc countries.

In early August, Comandante Henry Ruiz traveled to the U.S.S.R., Bulgaria, Libya, and Algeria to conclude aid agreements.

By the end of August, hundreds of Nicaraguan children were being sent to Cuba for political indoctrination.

In September 1979, at a speech in Havana, Comandante Daniel Ortega gave a speech condemning U.S. "imperialism" and joining the Soviet Union in support for Vietnam, the Vietnamese puppet regime in Cambodia, other Marxist countries and political movements and the Palestine Liberation Organization (PLO).

In early 1980, Nicaragua abstained from a United Nations General Assembly vote condemning the Soviet invasion of Afghanistan, even though the vast majority of officially "non-aligned" nations voted for the resolution.

In March 1980, the Sandinistas established Party-to-Party ties with the Communist Party of the Soviet Union. In mid-1981, Defense Minister Comandante Humberto Ortega declared "Marxism-Leninism" the "scientific doctrine" that guides the Sandinista revolution; as of 1984, eight of the nine Sandinista comandantes had directly acknowledged their Marxist-Leninist convictions (the ninth, Henry Ruiz, was sent, on a Cuban passport, to Moscow's Patrice Lumumba University as a youth cadre of the Moscow-line Nicaraguan Socialist Party in 1966 but was obliged to leave due to his excessive views in favor of guerrilla warfare in Latin America).

In late 1981, Sandinista-controlled media were told to take a line against the "counterrevolutionary" Solidarity movement in Poland and only to report "facts" confirmed by the Soviet and Cuban press agencies.

When Leonid Brezhnev died in 1982, Sandinista media praised him and the Soviet Union for their "peace" policies.

The Sandinistas abstained from a U.N. vote in 1982 demanding Soviet withdrawal from Afghanistan and abstained from a 1983 vote condemning the shooting down of Korean Airlines 007 by the Soviets. By 1986, the Sandinistas' voting record in the United Nations was more anti-American than the voting records of Iran, the U.S.S.R., and all of the East European countries with the sole exception of Albania. Judged by U.N. voting records, the Warsaw Pact is more pro-American than Nicaragua is.

Promise: The legislative Council of State established by the GRN would have 33 members representing the broad spectrum of Nicaraguan society, such as political parties (including the Sandinistas), labor unions, business groups, the national university, and the national clergymens' association. [from the July 9 Program of the GRN]

Performance: In mid-April 1980, the Sandinistas issued a decree enlarging the Council of State from 33 to 47 members, with a structure guaranteeing the FSLN and FSLN-controlled organizations a majority. The two non-communist members of the GRN, Violeta Chamorro and Alfonso Robelo, resigned on protest.

Promise: Guarantees of free expression, religion, association, unions, press, private enterprise, etc. [from July 12 GRN promises to the OAS]

Performance: Within a week of taking power, the Sandinistas nationalized banking and foreign trade; this meant that producers of major export commodities like coffee, sugar, cotton, etc. would have to sell to the government, giving the Sandinistas great control over hard currency and reinvestment in Nicaragua. Insurance and mining were nationalized in October and November 1979.

Businesses labeled "Somocista" were widely confiscated in the first weeks after July 19 with loose regard to whether the former owners had been close to Somoza or not; these included about one-fourth of cultivated land, about 130 industries and businesses, houses, estates, and vehicles.

A new Sandinista-controlled labor federation was created, which also seized many businesses; the Sandinista labor federation also attacked the non-Marxist unions as "counter-revolutionaries, thieves, and imperalists" and attacked their organizers. Strikes were banned throughout the country on September 9, 1981.

In late July 1979 the Sandinistas confiscated one of the country's two daily newspapers (the other being La Prensa; a pro-Sandinista third newspaper began operation later) plus all television stations and most radio stations.

In December 1979 a private entrepreneur with a strong anti-Somoza record was refused permission to open a new, independent television station by Daniel Ortega, who stated that television in Nicaragua would belong to the people, not to "millionaries of the bourgeoisie."

In April 1980, a radio newsman was sentenced to six months imprisonment for broadcasts "detrimental to the revolution," though no law making this a crime yet existed.

After anti-Cuban and anti-Sandinista demonstrations in the Atlantic Coast region in September 1980, La Prensa was ordered to not print any news from that region without government approval.

On September 10, 1980, the Sandinistas issued Decrees 511 and 512 making it a crime to publish any information that (in the opinion of Comandante Tomas Borge's Interior Ministry) "jeopardizes the internal security of the country," including information on shortages in staple products or information which might bring about price speculation. Temporary closings of La Prensa began on July 8, 1981; full prior censorship was instituted in March 1982.

On July 31, 1979, the Nicaraguan Catholic bishops issued a pastoral letter welcoming the overthrow of Somoza and praising the new "spirit of freedom." Another pastoral letter on November 17, commented favorably on socialism if it were to be "an economic system planned with national interests in mind that is in solidarity with and provides for increased participation of the people." [Belli, Breaking Faith, pp. 149-150] Despite the positive attitude of religious leaders, however, in mid-1980 the Sandinistas, under the leadership of Interior Minister Tomas Borge, began to attack the bishops as "the church of the rich." "The campaign escalated from initially mild criticism (the bishops are too conservative, too fearful of opening themselves up to collaboration with Marxism') to a full fledged attack ('the bishops are the voice of the bourgeoisie, have fallen into the hands of Reagan's policies, are vain, authoritarian and counterrevolutionaries: enemies of the people')." [Beli, Christians Under Fire, p. 40]

Meanwhile, the Sandinistas promoted the Liberation Theology-oriented "Peoples Church," giving it a virtual monopoly of religious programming on the increasingly Sandinista-controlled media.

Overt repression began in July 1981, when the Sandinistas banned broadcast of the mass of the Archbishop of Managua. Restrictions were placed on broadcasting by the Church's "Radio Catolica" and on La Prensa's coverage of Church activities. Physical attacks on churchmen began in November 1981 with an attack on Bishop Pablo Vega by a Sandinista mob.

Concurrent with the suppression of independent social activity, the Sandinistas began to build their party-controlled social apparatus. In July and August 1979, the Sandinistas created the Sandinista Defense Committees (CDS's), modelled on Cuba's "Block Committees," as a means of social surveillance and control.

The CDS's work closely with the Interior Ministry's security police, which began to function in late 1979 with unofficial detention centers.

The FSLN also founded new women's, peasants, and youth organizations, and even an organization for small children called the "Carlitos" (after FSLN founder Carlos Fonseca) patterned after the Soviet Union's "Young Pioneers"; other FSLN politicized associations were founded for artists and writers, teachers, newsmen, etc.

Finally, in February 1981, the first Sandinista-controlled mobs (turbas divinas, "divine mobs"), used by the Interior Ministry to attack Sandinista opponents, made their appearance.

Promise: The July 12 GRN promises to the OAS included a pledge to hold democratic elections. The OAS resolution of June 23, 1979, specifies that these be held "as soon as possible."

Performance: For over a year the Sandinistas stalled democratic elements in the GRN with the excuse that elections were not a "priority" compared to the literacy campaign, housing, health care, etc. Finally, in August 1980 Defense Minister Comandante Humberto Ortega announced that elections would be held in 1985, with the electorial process not to begin before January 1984. In addition, Ortega pointed out that in the FSLN's view "elections shall be to strengthen revolutionary power, not to raffle it off, for power is in the hands of the people through its vanguard, the Sandinista National Liberation Front and its national directorate [i.e., the nine comandantes]."

"Elections" were finally held in November 1984 (earlier than the announced 1985 date), with most democratic parties boycotting rigged procedures and campaign restrictions. Of the seven parties participating in the elections, four, including the FSLN, were Marxist-Leninist; of the other three, one tried to withdraw but was not permitted to get its name off the ballot; the other two represented pro-Sandinista splinters of parties boycotting the elections. Fidel Castro was the only head of state to attend Daniel Ortega's inauguration in early 1985.

That the Sandinistas failed to live up to their initial round of promises should come as little surprise, with some Congressmen even in August, 1979 warning of the Sandinistas' communist orientation. But most in Congress seemed willing to close their eyes and hope for the best, while approving the first installment of aid ($75 million requested in November 1979, in addition to the $24.6 million already in the pipeline). And throughout this early period while the Sandinistas were busily abandoning their July 1979 promises, they were also making new

ones, promising the same rights and freedoms.

MORE PROMISES

On August 21, 1979, the Sandinistas formally enacted (Decree 52) their Statute on the Rights and Guarantees of Nicaraguans, a "Bill of Rights," covering the standard internationally-accepted individual, civil, political, economic, cultural, social, and other rights.

On September 25, 1979, the Sandinistas ratified the American Convention on Human Rights.

SELF-DELUSION IN CONGRESS

At least one House member found the Sandinistas' adoption of the American Convention on Human Rights especially convincing:

A House Member, September 1979: "(I)n a ceremony September 25 at the headquarters of the Organization of American States here in Washington, the new Government of Nicaragua formally deposited its ratification of the American Convention on Human Rights, also known as the Pact of San Jose. By this act the new Government of Nicaragua undertook a solemn international commitment to respect all fundamental human rights common to the democratic nations of our hemisphere: freedom of the individual, of the press, of religion, and of all others. Equally important, Nicaragua's ratification of the American Human Rights Convention appears in keeping with other actions of the new Government. For a regime that came to power after prolonged and violent revolution, its treatment of former opponents has been unusually humane. There has been no policy of generalized revenge or retribution against the officials of the former regime, such as we have seen in other countries. The Nicaraguan Government has also issued a decree guaranteeing individual rights and has allowed an independent press and radio. As the Miami Herald stated in a recent editorial: 'So far, the new provisional government seems to be stepping carefully toward a more open society than many observers thought possible in that war-torn nation. The direction Nicaragua's new Government will take over the long run in its domestic and foreign policy is not yet clear. But I believe the commitment to respect human rights that Nicaragua has shown deserves our recognition and support." [Congressional Record, page H-26881, September 28, 1979]

AMERICAN AID SENT TO MANAGUA

American aid on: By the end of 1979, a total of $48 million in U.S. aid had been provided to the Sandinistas, who rejected offers of U.S. teachers, military trainers, and a large-scale Peace Corps contingent. Before the final aid suspension in April 1981, the U.S. had obligated $129 million in aid to the Sandinistas, of which $94.3 million was delivered. The United States also supported $1.6 billion in loans from other governments and international lending institutions.

MORE PROMISES

On March 12, 1980, the Sandinistas ratified the United Nations International Covenant on Civil and Political Rights, along with its Optional Protocol.

MORE SELF-DELUSION IN CONGRESS

Congressmen wanted to believe the Sandinistas' promises:

A House Member, June 1980: "First, we find that the direction of the new Government in Nicaragua is still to be determined. Most of the leaders are young and groping for direction and while there are Marxist elements present, there also are strong democratic elements which emphatically have not given up their effort to create a free society in Nicaragua. Our second conclusion was that we clearly have done the right thing in approving financial loans to Nicaragua. Every element of Nicaraguan society—including spokesmen for the church, the press, businessmen, and the political parties which oppose the Sandinistas—told us that the $75 million loan from the United States is the single most important contribution which anyone can make toward the establishment of political liberty in Nicaragua and toward improving relations between Nicaragua and the United States. Finally, we would like to report the conclusion that most people in Nicaragua do not want to be dependent upon Cuba. They do want to live in a free society, and we are convinced that—in spite of unfortunate incidents in the history of the bilateral relations between our two countries—there still exists an underlying friendship for the United States." [Congressional Record, page H-14609, June 13, 1980]

A CHANGE IN U.S. AID POLICY

American aid off: In October 1980, the Carter Administration warned the Sandinistas privately that continued support for Salvadoran guerrillas jeopardized continued U.S. aid. Obligation of new aid was cut off, though delivery continued.

Soviet aid on: By the end of 1980, the Sandinistas had received an estimated $20 million in Soviet-bloc military aid.

ANOTHER CHANGE IN U.S. AID POLICY

American aid on and off: In January 1981, the new Reagan Administration resumed obligation of aid funds as a goodwill gesture. But then, in April, aid was again cut off because of Sandinista support for communist guerrillas in El Salvador.

THE FIRST PEACE PLAN

Next, in August 1981, in an effort to reverse the direction of Sandinista repression and deteriorating U.S./Nicaraguan relations, the Reagan Administration made a peace offer, the first in a series of "peace plans":

THE AUGUST 1981 ENDERS PEACE PLAN

In August 1981, Assistant Secretary of State Thomas Enders travelled to Managua and presented the Sandinistas with an offer that the U.S. would resume U.S. economic assistance to Nicaragua and refrain from supporting the anti-Sandinista insurgent forces that were beginning to cooperate about that time if the Sandinistas would meet four conditions:

Stop supplying weapons to the communist guerrillas in El Salvador;

Reduce the rapid build-up of their own military forces;

Proceed with political reforms as spelled out in their 1979 promises to the OAS; and

Reduce their close ties with the Soviet Union and Cuba.

The Sandinistas rejected the Enders proposal.

PROMISED RIGHTS SUSPENDED

Aside from the unofficial violations of rights guarantees that started at the beginning of Sandinista rule, the FSLN had also officially suspended many of these guarantees.

The first major abridgement (Decree 812) was the "Law of State of Economic and Social Emergency," issued September 9, 1981, before any significant Contra activity. The effective period was to be one year.

Following the first major Contra action on March 14, 1982, the Sandinistas enacted (Decree 996) "The National Emergency Law" on March 15. This suspended virtually all rights specified in Decree 52 (the "Bill of Rights" of August 1979). The effective period was to have been one month but was repeatedly extended.

During the 1984 "elections," many of the restrictions under the 1982 State of Emergency were technically lifted (but key provisions, such as those relating to censorship, remained in force). But on October 15, 1985, Daniel Ortega ordered a new and expanded state of emergency reimposing many of the 1982 rights suspensions.

U.S. AID TO RESISTANCE BEGINS

American aid on: Following the Sandinistas' rejection of the Enders offer, the Reagan Administration then began covert funding, reportedly in November, of anti-Sandinista groups that had begun to operate in northern Nicaragua several months before.

Soviet aid on: In 1981, the Sandinistas received an estimated $25 million in Soviet-bloc military aid.

MORE PROMISES

All of the facts cited so far show that the Sandinistas made very extensive promises at the beginning of their rule as a means to achieve power and then they set about abandoning each and every promise as quickly as possible.

But the Sandinistas did not stop there. Incredibly, in the years that followed, they continued to make many of the same promises over and over again.

Three years after the 1979 promises for a mixed economy had been made and then broken, President Daniel Ortega was promising greater freedom for businessmen in Nicaragua. On February 15, 1982, Comandante Daniel Ortega promised his government would increase benefits available to businessmen who would work in the Sandinista drive to reinvigorate their recession ridden economy. Comandante Ortega confirmed reports that the government released three businessmen, jailed the previous fall after signing a communique by a business council charging the leftist Sandinista government with a "definite Marxist-Leninist tendency." The Sandinistas commuted the sentences of Superior Business Council President Enrique Dreyfus, Gilberto Cuadra of the National Confederation of Professionals, and Benjamin Lanza, president of the Nicaraguan Construction Council. [UPI, 2/15/82]

ANOTHER PEACE PLAN

Then, another "peace plan" took shape:

THE OCTOBER 1982 SAN JOSE PEACE PLAN

In October, seven democratic countries (the United States, Belize, Colombia, Costa Rica, El Salvador, Honduras, and Jamaica) issued an offer to the Sandinistas for a regional peace settlement based on four basic principles:

Removal of all foreign military advisers from the region;

End to support for insurrection in neighboring countries;

Ban importation of heavy weapons into the region; and

Establishment of democratic institutions in each country.

In retrospect, the San Jose plan contained the same key principles as the 1987-88 Arias plan, notably non-aggression against neighbors and democratization. In addition, three of the San Jose signatories (Costa Rica, El

Salvador and Honduras) are also Arias plan signatories; the fourth democratic Arias plan signatory, Guatemala, was not a democracy at the time the San Jose plan was issued. Nonetheless, the Sandinistas not only refused to respond to the offered peace plan but would not even receive the Costa Rican foreign minister as the group's emissary.

MORE SELF-DELUSION IN CONGRESS

The San Jose plan rejection and the Sandinistas' efforts to consolidate a communist order caused some Congressmen to express skepticism—but no willingness to take action. Sandinista "errors" were dismissed or blamed on U.S. support for the resistance, despite the fact that repression began before covert aid did. Nonetheless, critics offered no positive alternative:

A House Member, December 1982: "It is not the government which I would choose, nor is it one under which I would like to live. However, the Sandinista government is totally lacking in the bloodthirstiness characteristic of the military regime in El Salvador." [Congressional Record, page H-9150, December 8, 1982]

A House Member, December 1982: "They may not be run in a way that we would like but then this administration is not run in a way that people in this country like. The Carter administration, Democratic administrations are not always run in a manner that Republicans like. But that is just the way of life." [Congressional Record, page H-9152, December 8, 1982]

A House Member, December 1982: "The Administration's support for covert military action against Nicaragua has produced a propaganda bonanza for the radical left, an excuse for a military build-up by Managua, and a growing threat of regional war. It has also shifted the focus of world attention from Nicaragua's errors in policy to ours, and contributed to a political atmosphere inside that country within which moderate and democratic elements may not long survive." [Congressional Record, page E-5033, December 9, 1982]

A House Member, December 1982: "In an attempt to be constructive, for 2 years I have practiced quiet diplomacy, muting my criticisms of the direction of the Nicaraguan revolution out of fear that they would be used by Nicaragua's enemies. I have traveled to Nicaragua, received Nicaraguan officials in my office, and engaged in private correspondence with Nicaraguan leaders, all with the objective of making the same points in private to the Nicaraguan Government. . . . That to maintain any understanding in the international community, Nicaragua must now, unequivocally, choose the path of freedom, democracy, nonalinement [sic], and respect of basic freedoms for its people. Most recently on September 29 I joined six other Members of the House in addressing a private letter stating these concerns to the Nicaraguan junta and directorate. That letter has not been answered. I must now say to the leaders of Nicaragua: What do we have to show for our efforts? What do we have to show for our forbearance? How much longer do you expect us to remain silent in the face of what seems to be the slow but inexorable destruction of the ideals of your revolution? I make this statement with the full knowledge that it will be used by those who wish Nicaragua ill. But the seriousness of the situation demands it.

Nicaragua must change its course and it must do so now. If it does not, it will achieve by its own actions the very isolation, the very ostracism by the democratic world, that some outside of Nicaragua are now trying to impose on it." [Congressional Record, page E-5369, December 21, 1982]

ANOTHER CHANGE IN U.S. AID POLICY

American aid off and on: In December 1982, Congress passed a prohibition of aid to groups trying to overthrow the Sandinistas or trying to provoke hostilities between Honduras and Nicaragua. Covert funds were not cut off due to President Reagan's claim that the Contras were funded for the purpose of interdicting arms flow from Nicaragua to El Salvador; reportedly, a classified provision appropriated $19 million for the Contras.

Soviet aid on: In 1982, the Sandinistas received an estimated $75 million in Soviet-bloc military assistance.

ANOTHER PEACE PLAN

Then, in 1983, yet another "peace plan" was launched:

THE JANUARY 1983 CONTADORA PEACE PLAN

In January 1983, the foreign ministers of Colombia, Mexico, Venezuela, and Panama met on Panama's Contadora Island and issued a declaration proposing dialogue and negotiation and instruments for a peaceful settlement of the Central American problem. The declaration contained the following major points:

Democratic pluralism, social justice, civil rights, and elections in all the Central American countries;

Non-intervention, peaceful settlement of disputes, cessation of support to subversion in neighboring countries, and elimination of foreign military bases and advisers for the region;

Humanitarian aid for refugees and measures to promote the economic welfare of the region; and

Measures to ensure international cooperation and verification.

THE "PEACE PROCESS" DRAGS ON

The Contadora effort had a long and complicated history. There were many follow-up meetings and developments involving a number of countries, including, among many others:

A follow-up meeting in April 1983 between the nine Contadora and Central American foreign ministers;

A July 1983 Sandinista offer of a regional nonaggression pact (but not democratization, arms limitation, or banning foreign advisers);

The acceptance of the Contadora principles by the nine Contadora and Central American governments in September 1983;

Acceptance by the Sandinistas in September 1984 of a Contadora draft treaty that would end outside support for guerrillas and prohibit regional military maneuvers while leaving arms reductions and withdrawal of advisers until an October meeting; at the October meeting the Sandinistas refused to accept modifications of the September draft proposed by Honduras, Costa Rica, Guatemala, and El Salvador;

Formation in July 1985 of a "Contadora Support Group" consisting of Argentina, Brazil, Peru, and Uruguay;

A meeting in November 1985 in Luxembourg between the foreign ministers of the nine Contadora and Central American countries, plus the foreign ministers of the ten European community countries, Spain, and Portugal; and

Many other meetings involving some or all of the above: in Venezuela in January 1986 between the eight Contadora and Contadora Support Group foreign ministers; in Panama in February 1986 (Contadora and Central American foreign ministers); in Uruguay in February 1986 (Support Group); in Panama in March 1986; in Panama in May 1986; in Panama in June 1986; in New York in September and October 1986; in Guatemala in November 1986; in Rio de Janeiro in December 1986; in Mexico City in January 1987; in Guatemala in February 1987; in Argentina in April 1987; and others.

Despite all the Contadora meetings, declarations, and consultations, there were no concrete, verifiable arrangement results. The Contadora "process" (which has not formally ended) tended to be long on principles and short on specifics.

U.S. AID CONTINUES

American aid on: In December 1983, Congress provided covert aid for the Contras in FY 1984, limited to $24 million.

Soviet aid on: In 1983, the Sandinistas received an estimated $100 million in Soviet-bloc military aid.

MORE PROMISES

As the "Contadora process" dragged on, so did the Sandinista promises.

Five years after the 1979 promises to respect freedom of expression, Daniel Ortega (on July 19, 1984) was again promising that political parties would be allowed to hold meetings and that freedom of expression would be guaranteed. However, speaking at a rally in Managua marking the revolution's fifth anniversary, Mr. Ortega reaffirmed that there will continue to be precensorship of any report "that affects our country's defenses against American military power." [The Economist, 7/28/84]

Five years after the 1979 promises of civil liberties, press freedoms, and free unions, Daniel Ortega was again promising (on August 7, 1984) to relax press censorship, restore the right to strike, and allow people to petition the courts for release from jail. The Sandinistas' announcement came the same day that the opposition newspaper La Prensa did not publish because the government censors rejected stories about political violence and other events related to the pending presidential elections held November 4. [Christian Science Monitor, 8/8/84]

ANOTHER CHANGE IN U.S. AID POLICY

American aid off: In October 1984, Congress prohibited further U.S. aid to the armed resistance. They received no further official U.S. aid until October 1985.

Soviet aid on: In 1984, the Sandinistas received an estimated $250 million in Soviet-bloc military aid.

MORE PROMISES

Five years after the 1979 promises for freedom of religion, a mixed economy, and free unions, Daniel Ortega was promising (in early November of 1984) to have a national dialogue with the regime's critics in the Roman Catholic church, the private sector, and the non-Sandinista trade unions. Such an exchange of views would allow all sides to help work out a constitution which the newly-elected assembly was to draft by 1987. [The Economist, 11/10/84]

Six years after the 1979 promises for a mixed economy and political freedoms, on January 27, 1985, Nicaraguan Ambassador Carlos Tunnermann said the perception by Democrats in the U.S. of a worsening situation in his country was not correct. Ambassador Tunnermann explained that President Daniel Ortega had promised a broad amnesty program, continued mixed economy, and political pluralism in a recent

speech. The ambassador added that reports of draft resistance and monetary speculation were isolated cases. [The Washington Post, 1/28/85]

Six years after the 1979 promises to follow an independent, non-aligned foreign policy—promises which were ignored from day one—on February 28, 1985, the Sandinistas promised to send home 100 Cuban military advisers, and to refrain for an indefinite period from acquiring new weapons systems, including sophisticated interceptor aircraft. [The Washington Post, 3/1/85]

MORE SELF-DELUSION IN CONGRESS

But many Congressmen, concerned that Sandinista misbehavior was caused by previous U.S. support for the Nicaraguan resistance, called for an end to that support and with it, the excuse they believed it provided:

A Senator, April 1985: "The Sandanistas need to know that our patience is not endless. If we stop the air, if we provide a so-called cooling off period, we expect results . . . Nicaragua's President Ortega has stated that if the United States ends its support for the Contras and reopens negotiations with the Sandinistas, Nicaragua will immediately call for a cease fire and move toward freedom of the press, political pluralism, and fundamental freedoms. To the Nicaraguans, we should say: Make good your promise. Stop exporting your revolution and establish human and civil rights within your country." [Congressional Record, page S-4606, April 23, 1985]

A House Member, April 1985: "I think that peace plan which calls for elections, an amnesty, a cease fire, and a return to democratic principles and many other sound points is a sound way to start. I believe we should take the Contra [sic: should be 'Contadora'] peace plan seriously—the Sandinistas should respond. It is important that we and the Contra group [sic: 'Contadora'] get the Sandinistas and the Contras to the bargaining table. The Sandinistas should be held accountable if they disapprove." [Congressional Record, page H-2335, April 23, 1985]

A House Member, April 1985: "But here is the point I am trying to make: If we would take off the military support, he [i.e., Daniel Ortega] cannot have us as the whipping boys over there, and then those people, with their empty stomachs, those people who are upset with living conditions where poverty is so rampant, will attempt to overthrow any government, and the process from within is the one we must attempt to manifest now." [Congressional Record, page H-2345, April 23, 1985]

MORE PROMISES

Six years after the 1979 promises of political pluralism and civil liberties, on April 20, 1985, Brooklyn Rivera, a leader of the Miskito Indian rebels, said that during six months of talks with Nicaraguan officials, President Ortega had expressed eagerness to end the conflict with Miskitos; had promised to release 50 Indians jailed in Nicaragua; and had pledged land and a broad degree of political autonomy for the Miskitos. [The New York Times, 4/21/85]

YET ANOTHER CHANGE IN U.S. AID POLICY

American aid on: In August 1985, U.S. policy again flip-flopped, with Congress providing $27 million in humanitarian aid to the Contras to be obligated by March 1986.

Soviet aid on: In 1985, the Sandinistas received an estimated $100 million in Soviet-bloc military aid.

MORE PROMISES

Five years after the 1979 promises for religious freedom, Nicaraguan church spokesman Msgr. Bismarck Carballo said that President Ortega had promised in December 1984 to exempt seminarians from the draft. However, at a meeting of church and government representatives in October 1985, government officials argued that the students were not actually seminarians and would be eligible for military service. [Los Angeles Times, 10/6/85]

MORE SELF-DELUSION IN CONGRESS

A Senator, March 1986: "It is time to cast a vote for peace in Central America. But as we do so, let us send a clear message to the Sandinistas. Do not embrace the enemies of freedom any longer. Do not, in your anger at your North American neighbors, become beguiled by those who would use your country for their own ideological purposes. Send them away. Do not fear freedom for your people. Let there be freedom of speech and freedom of press and freedom of association and freedom of religion in your land. Let the voices of dissent and disapproval be read, so that the dreams of your revolution for self-expression and self-improvement become a reality. Let your people speak freely and let them be heard. Do not let your people become prisoners of war by locking them into a garrison gate or by chaining them into a siege mentality. Let the soldiers come home to be with their families. Let your people turn their attention to the task of building a better country for all the citizens of Nicaragua. Get rid of weapons of war and return once again to the battle against poverty, disease and despair among your people. And in response to this vote for peace by the American Congress, do not be arrogant or self-righteous or recriminatory. Now is the time to bring your people together. Now is the time to heal wounds and to mend the fabric of your society which has been so terribly torn. Give your political prisoners their freedom, and let your adversaries return to their homeland without fear of retribution." [Congressional Record, page S-3567, March 27, 1986]

A Senator, March 1986: "The Sandinistas have to agree to a cease fire. They have to end the state of emergency that has deprived the Nicaraguan people of basic civil and human rights, and they have to effectively open up their political system to internal opposition. . . So let us put the Sandinistas to the test. Let us find out if they are serious. Let us find out if they do have the courage to prevent [sic] free expression in their country. Let us lay down this challenge to the Nicaraguan government and, at the same time, let us lay down the challenge to our own administration." [Congressional Record, page S-3587, March 27, 1986]

A Senator, August 1986: "We should demand bilateral and regional agreements with Nicaragua to constrain the Sandinistas further, rally our local allies and remove Managua's patriotic rationale for its internal controls and repressions. These actions can block the establishment of foreign military bases in Central America, end the arms race there, prevent cross-border subversions, and encourage internal negotiations among Nicaraguan political groups. Without question, we have the means to verify any such agreements. If Nicaragua were to violate them the United States would still have the power—and much wider domestic and regional supprt—for decisive action. It is dangerous to imagine the Sandinistas have good intentions . . . Our diplomatic, political, and economic strength—and that of our friends and allies—is much more effective. Indeed, a policy of military force without diplomatic skill is like the difference between a fire raging out of control and one harnessed to produce energy for a city. But if negotiations fail, there is a progression of steps we can take to gradually increase pressure on Managua." [Congressional Record, page S-11514, August 13, 1986]

ANOTHER CHANGE IN U.S AID POLICY

American aid on: Congress, in October, 1986, passed $100 million in aid to the Contras (of which $30 million was limited to humanitarian purposes). Deliveries begin in November 1986. Of the $70 million presumably slated for military purposes, $40 million was not available until after February 15, 1987.

Soviet aid on: In 1986, the Sandinistas received an estimated $600 million in Soviet-bloc military aid.

MORE PROMISES

Eight years after the 1979 promised to respect fundamental liberties, on January 9, 1987, the Sandinistas enacted a new constitution containing all of the usual rights and guarantees, including right to strike, to privacy and so forth. Several hours later, Daniel Ortega issued a new state of emergency suspending almost all the rights guarantees in the new constitution. [Washington Post, 1/10/87]

MORE SELF-DELUSION IN CONGRESS

Still, many in Congress wanted to believe the Sandinistas would reform. In February 1987, President Oscar Arias of Costa Rica unveiled a regional peace plan that won final ratification in August of that year (see below). The Arias Plan entailed all the usual promises. It fit perfectly with the hopes of many Congressmen:

A Senator, March 1987: "A moratorium on Contra funding would be a signal to all parties in conflict that the United States is willing at long last to give peace a chance in that very troubled region . . . Many of us have read the draft of the Arias proposal. Look at what it calls for: It calls for a cease fire. Who could disagree with that? It calls for free elections, something we all favor. It calls for a suspension of military aid, ceasing putting the method of destruction into that war-torn region. It calls for no use of territory for attacks of other states. It calls for a reduction of armament. Last, it calls for international supervision of the agreement . . . The question we must ask is, Will the Arias initiative succeed? We do not know. We pray it will. But one thing is certain: It will not succeed until the United States is willing to halt the funding of the Contra war . . . The Contra policy has failed . . . It is time to replace it with a policy of peace." [Congressional Record, page S-3074, March 12, 1987]

ANOTHER CHANGE IN U.S. AID POLICY

American aid on: The House of Representatives voted in March 1987 for a six-month moratorium on further Contra aid, but the moratorium failed in the Senate, releasing the $40 million from the 1986 aid package.

ANOTHER PEACE PLAN

But as that last $40 million was expended into the summer, the Administration sought to address Congressional desires for a diplomatic approach. Thus was born yet another "peace plan":

THE AUGUST 1987 REAGAN-WRIGHT PEACE PLAN

Issued by President Reagan and House Speaker James Wright on August 5, the Reagan-Wright plan, which was immediate-

ly overtaken by the Arias plan signing on August 7, had the following key points:

Cease-fire in Nicaragua, lifting of state of emergency, restoration of civil rights, and elections;

Withdrawal of foreign military advisers;

Negotiations on military reductions and security issues; and

National reconciliation and dialogue in Nicaragua and resumption of U.S. aid.

YET ANOTHER PEACE PLAN

However, the Reagan-Wright "peace plan" lasted just two days. It was quickly superceded by the "peace plan" that had been unveiled in February:

THE AUGUST 1987 ARIAS-GUATEMALA CITY PEACE PLAN

On August 7, 1987, in Guatemala City, Comandante Daniel Ortega joined the presidents of the four Central American democracies (Costa Rica, El Salvador, Guatemala, and Honduras) in signing the peace plan authored by Costa Rican President Oscar Arias. The peace plan committed each country to institute democratic reforms—and Nicaragua was the only signatory country that was not already a democracy. The peace plan commitments, to have been achieved by November 5, 1987, included these important elements:

Amnesty for political opponents and dialogue with unarmed political opposition;

A cease-fire with "irregular and insurgent groups" (in the Nicaraguan context, this meant a cease-fire between the Sandinistas and the Contras);

Democratization, including: (a) complete freedom for television, radio, and the press; (b) rights of political parties to have access to media, to associate, and to proselytize; and (c) lifting states of emergency; and

Cessation of aid to irregular and insurgent forces in the other Central American countries and non-use of national territory by such forces (for the Sandinistas, this means primarily ceasing support for the communist FMLN guerrillas in El Salvador and not permitting them to continue to be headquartered in Nicaragua).

MORE SELF-DELUSION IN CONGRESS

As usual, some in Congress accepted these promises at face value:

A Senator, September 1987: "President Arias has asked that we first give peace a chance before voting on further Contra military aid. He has been joined in this sentiment by Presidents Cerezo of Guatemala and Duarte of El Salvador. I believe we should heed this request by these distinguished democratic Central American leaders. They have agreed on a bold and far-reaching plan seeking to find a just peace for their people. They deserve an unencumbered chance to fully pursue this courageous effort to bring peace to Central America." [Congressional Record, page S-12295, September 17, 1987]

A House Member, October 1987: "(T)he Arias peace plan seems to be working, so far. The Sandinistas are complying, not because they are genuinely democrats, they are not; but because they know compliance is their only hope of stopping the Contra war. The Arias plan is now forcing a modest democratic opening in Nicaragua, whether the Sandinistas want it or not. That opening will become increasingly difficult for the Sandinistas to close. If they do, they risk the wrath of President Arias and those Western European social democrats, some of whom have been supporting them." [Congressional Record, page H-8243, October 7, 1987]

ANOTHER CHANGE IN U.S. AID POLICY

American aid off and on: In the aftermath of the Arias-Guatemala City peace plan, also known as Esquipulas II, the Administration refrained from seeking military aid to the Contras while Congress provided two small packages of humanitarian aid ($3.5 million in September and $3.2 million in November). In December, Congress provided $8.1 million in humanitarian aid, plus about $6 million for transportation.

Soviet aid on: In 1987, the Sandinistas received an estimated $500 million in Soviet-bloc military aid.

MORE PROMISES

Still, the Sandinistas had taken almost no action to comply with any of these provisions in time for the November 5 deadline (even though, for example, Guatemala and El Salvador instituted direct cease-fire negotiations with their guerrilla opponents in early October). As the November 5 deadline passed, Comandante Ortega issued new promises and measures represented as initial compliance with the peace plan terms. These gestures included:

The promise to begin indirect cease-fire talks with the Contras through an intermediary (Ortega had announced a unilateral cease-fire offer, essentially a demand for the Contras to surrender in three, later four, small zones, on September 30) [Christian Science Monitor, 10/2/87]);

The release of approximately 1,000 political prisoners (out of a total of about 8,000 to 10,000; the Sandinistas still insisted they would not declare a general amnesty, as had the other Central American signatory countries); and

The promise to lift the state of emergency and restore civil liberties—just as soon as the United States ceases support for the Contras. (The only measures taken in this area prior to November 5 were the reopening, around October 1, of La Prensa and "Radio Catolica."

AND MORE PROMISES

Again, the Sandinistas exhibited little willingness to meet the terms of the peace plan before the next milestone, the January 15-17 summit meeting originally intended as a final compliance review. Instead, Comandante Ortega began the review summit with a proposal to extend the peace plan deadline to permit the Sandinistas more time to begin implementation of the measures they failed to take by November 5 or even January 15. However, the democratic presidents refused to agree to an extension and demanded immediate Sandinista compliance. Only when faced with the prospect of the peace plan's total collapse (and renewed Contra aid) did Comandante Ortega announce, on January 17, 1988, new steps [Washington Post, 1/18/88]:

A formal lifting of the six-year-old state of emergency;

An agreement to begin direct cease-fire talks with the Contras; and

An amnesty of political prisoners (to take effect upon "the achievement of an effective cease-fire agreement . . . In addition, if no cease-fire agreement is reached, the government will set free all such persons if the government of the United States or any other non-Central American government decides to accept them in its territory. They can return to Nicaragua as soon as the war ends.").

AND MORE SELF-DELUSION IN CONGRESS

And, as could be expected, this last-minute action found believers:

A House Member, February 1988: "I urge my colleagues to give that peace agreement [i.e., the Arias plan] a fighting chance . . . It's true that the Sandinistas might renege on that agreement if aid is terminated, but it's far from certain. They would run some significant risks if they did so. Deprived of the Contras as an excuse for noncompliance, they would be faced with universal opposition in this country and abroad. Their isolation in the region would severely handicap any real chance for economic recovery and stability . . . Therefore, while the Sandinistas might prefer to walk away from the peace agreement and go their own way, there would be substantial costs to their doing so." [Congressional Record, page H-109, February 3, 1988]

A Senator, February 1988: "By opposing further aid for the resistance forces we would pose a direct challenge to the comandantes in Managua—will you choose the path of democracy for your country or will you choose repression?" [Congressional Record, page S-570, February 4, 1988]

A Senator, February 1988: "I say that the better plan is to lay bare the intentions of the Sandinistas, lay bare their intentions to the world. Take away Contra aid and you take away the excuse . . . Take away the Contra aid and I believe you provide the most direct challenge possible to the Sandinistas, and they will know what the choice is. They will either fulfill their promises or they will have exhausted the patience of the most patient. They either provide pluralism, democratization, and amnesty that they talk about, or they will have invited the unanimous ostracization of North America and Central America alike, as well as our allies in Europe, who currently do not support our plan . . . This is the moment. If we were to deny this aid, lay bare their intention, then there cannot be any critics afterward . . . (C)an this policy work without the support of the American people? I respectfully suggest that, unless we give this peace process a chance and exhaust the possibilities, we will not have that support." [Congressional Record, pages S-594-595, February 4, 1988]

A Senator, February 1988: "At this stage of the peace initiative, I believe it is inappropriate for the United States to provide further aid to the Contras—particularly lethal aid. President Reagan's request for more guns, ammunition, planes and jeeps won't bring peace to Nicaragua; it courts the risk of wider war. I recognize that the Central American peace process could unravel—that the Sandinistas could break their promises. We should provide a fair test of the Sandinistas' commitment to the peace initiative—rather than providing them with excuses for failure. I believe the pressure is there—from sources besides the Contras—to keep the peace process alive." [Congressional Record, page S-615, February 4, 1988]

ANOTHER CHANGE IN U.S. AID POLICY

American aid off: In February 1988, the House of Representatives rejected President Reagan's request for $36 million in Contra aid, including $3.6 million for lethal aid available only after March 31.

Soviet aid on: Continuing in 1988 at previous levels.

PROMISES VIOLATED

But while some in Congress had believed the Arias plan promises, the Sandinistas had been acting decisively to repress democratic elements:

On August 15, 1987 one week after the peace plan signing, the director of the inde-

pendent Nicaraguan Permanent Commission on Human Rights, Lino Hernandez, and president of Nicaraguan Bar Association, Alberto Saborio, were arrested and sentenced to 30 days imprisonment during a peaceful demonstration by the coalition of Nicaraguan opposition groups. Sandinista security forces used attack dogs, night sticks, electric cattle prods, and government-organized mobs to suppress the demonstrators. [AP, 1/17/88]

On September 12, two Catholic priests who had been expelled by the government were allowed to return. However, 18 other priests remained outside the country after having been expelled by the Sandinista regime. [New York Times, 9/14/87]

On October 1 and 2, respectively, the Sandinistas allowed La Prensa and "Radio Catolica" to resume operations without censorship. However, censorship decrees were not revoked and licenses were refused for other radio programs and an independent television station. Newspapers, television and radio stations confiscated by the government continued to operate as government or pro-Sandinista organs. [AP, 10/19 and 22/87]

On October 22, members of the January 22 Mothers of Political Prisoners Movement were attacked by a Sandinista group during a peaceful vigil. Sandinista police did nothing to stop the attack. [AP, 10/22/87]

During October 1987, according to Sandinista defector Major Roger Miranda, the Sandinistas provided training to 15 Salvadoran communist FMLN guerrillas in the use of hand-carried surface-to-air missiles, such as the Soviet SA-7 and SA-15 and the U.S. REDEYE. This occurred two months after the Sandinistas had signed the peace plan requiring them to cease support for the FMLN. [State Department]

On November 13, President Ortega announced an 11-point cease-fire proposal which called for the surrender of the Resistance—essentially a reworking of their September 30 unilateral cease-fire offer. The Sandinistas then refused to initiate a direct dialogue with the Resistance in Central America and refused to allow Resistance members to travel to Managua to deliver their cease-fire proposal personally. [Los Angeles Times, 11/13/87]

On November 17, the publisher of Nicaragua's sole opposition newspaper, La Prensa, strongly criticized Managua's Sandinista government and said the paper faced continual threat of closure. Violeta Chamorro, whose newspaper resumed publication in September after a 15-month government-imposed suspension, said President Ortega had broken promises to lift emergency powers that enable him to order the closing of the newspaper at any time. [Reuter's, 11/17/87]

On November 22, 985 political prisoners were released, leaving over 8,000 more in Nicaraguan jails. [Los Angeles Times, 11/23/87]

On December 3, and 4, the Sandinistas rejected a proposal for an interim truce put forward by Miguel Cardinal Obando y Bravo and rejected a Resistance cease-fire proposal. [AP, 12/5/87]

On December 13, in a speech to a labor group, President Ortega said that while the Sandinistas might give up the government, they would never give up power. [Reuter's, 12/15/87; New York Times, 12/14/87]

On December 14, the Sandinistas cancelled the second round of cease-fire talks, which were scheduled to begin that day. [UPI, 12/14/87]

AND MORE PROMISES VIOLATED

On December 15, 1987, the director of the independent Permanent Commission for Human Rights charged that the Sandinistas were flouting the peace plan provisions by continuing to shell civilians using Soviet-built equipment, holding thousands of political prisoners whom the Sandinistas exploit as slave labor, and stepping up mob attacks on the opposition. [Washington Times, 12/16/87]

In December 1987, according to defector Major Roger Miranda, the Sandinistas offered the Salvadoran FMLN guerrillas 10,000 automatic assault rifles (including U.S.-made M-16s, presumably from Vietnam) from Nicaraguan Interior Ministry stocks. [State Department]

On January 5, 1988, fourteen opposition parties issued a joint statement accusing the Sandinistas of intransigence and not entering into dialogue with the opposition, as required by the peace plan. Representatives of other opposition groups criticized the Sandinistas for failing to grant amnesty to political prisoners, not stopping aid to insurgents, and not instituting democratic reforms. [Washington Times, 1/7/88]

On January 15-16, the Sandinista state security police arrested four civilian opposition leaders (representing the Nicaraguan Bar Association, the Conservative Party, the Democratic Coordinating Group of the opposition, and the Social Christian Party) for participating in a public meeting with Contra leaders in Guatemala City earlier that week. The arrests came as Comandante Daniel Ortega was in Guatemala City for the regional peace plan review summit. According to a Sandinista Interior Ministry spokeswoman, Comandante Ortega was aware of the arrests. [Washington Post, 1/17/88]

On January 22 (after the latest promises for peace plan compliance made by Daniel Ortega on January 17), Sandinista mobs attacked the offices of the Democratic Coordinator (a broad umbrella organization of opposition groups) and attacked the January 22 Mothers of Political Prisoners Movement during a peaceful demonstration held as a memorial of a massacre of protesters by the National Guard in 1967. Sandinista police did nothing to stop the attacks. [New York Times, 1/23/88]

STILL MORE PROMISES VIOLATED

The aid cut-off in February 1988—to "give peace a chance"—did not improve Sandinista compliance:

On February 7, 5,000 workers marched in the streets of Managua to protest Sandinista labor policies and declining food supplies. [Miami Herald, 2/8/88] On February 9, a mob of angry mothers, some 1,000 strong, attacked a Sandinista police station and Party headquarters. The attack came in response to a Sandinista police sweep for potential "draft dodgers." The mothers claim that many of the boys taken were well under the 17-year-old age limit. Two official government vehicles were burned and upwards of 20 of the rioters were arrested. [Washington Times, 2/10/88]

On February 20, Comandante Daniel Ortega announced that he had a plan that would "crush the Contras" if the peace talks should fail. During the same address, Ortega warned the opposition newspaper, La Prensa, that "it had better watch its content" or be shut down again. [Washington Times, 2/22/88]

On March 6, 1988, several "turbas divinas" violently disrupted a demonstration by a group of opposition women in Masaya. [Washington Post, 3/7/88]

On March 8, 1988, the Sandinista Interior Ministry announced that two anti-government protesters had been shot and killed by Sandinista soldiers during a rally on March 6. The soldiers, reported the ministry, fired upon the mob of protesters after being assaulted with rocks. Barricada, the government newspaper, praised the action as "a popular insurrection, alive and in color . . . against the local agents of imperialism." [Washington Times, 3/8/88]

On March 11, Comandante Daniel Ortega announced that the Contras had agreed to three days of talks beginning on March 21. Ortega predicted that the Contras would necessarily be working from a position of weakness due to their lack of military funding. The New York Times quoted his comments on the waning Reagan presidency: "If contras don't reach a negotiated solution, they face the prospect of total military and political defeat." [New York Times, 3/12/88]

On March 15, the Sandinistas launched a massive attack, code-named "Triumph or Death," on Contra supply bases inside the Honduran border. State Department reports estimated 12 combat battalions, around 6,000 Sandinista troops, supported by 10 Soviet-supplied Mi-17 helicopter gunships took part. The Washington Times quoted a Sandinista spokesman to the effect that this was intended as a "knockout blow" aimed at the defunded Contras. [Washington Times, 3/17/88]

On March 17, at the request of Honduran president Jose Azcona, President Reagan sent 3,200 U.S. combat troops to Honduras. The action came in response to what President Azcona called "a clear-cut case of aggression by the Sandinistas." [Washington Post, 3/17/88]

Also on March 17, Comandante Daniel Ortega denied that any Sandinista forces had crossed the border into Honduras and said that the Reagan Administration had fabricated such charges to elicit sympathy from the Congressional democratic majority. [New York Times, 3/17/88]

YET ANOTHER PEACE PLAN

Then, with no support being sent to them by the United States, the Nicaraguan Resistance on March 23, 1988, agreed to a cease-fire with the Sandinistas. The cease-fire agreement, signed at the Sapoa border village, became the next "peace plan".

THE SAPOA CEASEFIRE AGREEMENT

Widely greeted as a peaceful resolution to the then seven-year-old civil war, the Sapoa cease-fire agreement was not limited to cessation of hostilities but extended to the political issues the Contras have insisted must be part of any cease-fire arrangement. Key provisions included:

Cease-fire: A halt to "offensive military operations" by both sides for a period of 60 days beginning April 1. During the first 15 days (i.e., before April 15), the Contras would locate to cease-fire zones agreed jointly through a special commission to meet beginning on Monday, March 28; once in the zones, the Contras could receive food and basic supplies (i.e., humanitarian aid) through neutral organizations. (Congress provided $17.7 million in late March, but a means of delivery was never agreed upon.) In addition, Sandinista and Contra negotiators would meet "at the highest level" in Managua beginning April 6 to "continue negotiations on a definitive cease-fire.";

Amnesty: The Sandinistas would decree a "general amnesty for those tried and sentenced for public order and security violations" and for former National Guardsmen, still held since the 1979 civil war. With regard to the former—

The first 100 to be released on Palm Sunday (March 27);

When the Contras have arrived at the cease-fire zones, 50 percent of the prisoners would be released; and

The other 50 percent would be released pursuant to the "definitive cease-fire agreement" to be negotiated beginning April 6;

The National Guardsmen would also be released pursuant to the "definitive cease-fire agreement" under guarantees and guidelines by the Human Rights Commission of the Organization of American States (OAS);

Democratization: The Sandinistas would "guarantee unrestricted freedom of expression as required in the Arias peace plan. Once the Contras are in their cease-fire zones, they would send delegates to a national dialogue, which would address, among other topics, the "topic of military service" (presumably a reference to the draft and the size and structure of the Nicaraguan military establishment). Exiles would be free to return without penalty and participate in the political and electoral processes; and

Verification: The cease-fire agreement provisions would be verified by a commission composed of Miguel Cardinal Obando y Bravo and OAS General Secretary Ambassador Joao Clemente Baena Soares.

ALL THE PROMISES IN REVIEW

As widely noted at the time, the promises made by the Sandinistas in the March 23 ceasefire agreement (free expression, amnesty, political participation, national dialogue, verification) had a familiar ring to them—the Sandinistas have been making and breaking these same "guarantees" since before they took power in July 1979. As documented above, among the previous vehicles for the guarantee of these and other fundamental liberties that the Sandinistas have been violating as quickly as they promise them were:

The July 1979 promises by the Sandinista-dominated Government of National Reconstruction, including genuine political representation, full range of human rights (press, religion, unions, etc.), private enterprise in a mixed economy, nonaligned foreign policy, national army with "minimum" permanent establishment, guarantee of lives and rights of National Guardsmen, and others;

The August 21, 1979, Sandinista "Bill of Rights," (Statute on the Rights and Guarantees of Nicaraguans, Decree 52) covering the standard list of individual, civil, political, economic, cultural, social, and other rights;

The American Convention on Human Rights, which the Sandinistas ratified on September 25, 1979;

The United Nations International Covenant on Civil and Political Rights, along with its Optional Protocol, which the Sandinistas ratified on March 12, 1980;

The Constitution of January 9, 1987, which extended all of the usual rights and guarantees, including the right to strike, to privacy, etc., almost all of which were suspended by a state of emergency issued a few hours after the Constitution was enacted; and

The Arias Peace Plan of August 7, 1987, in which the Sandinistas promised to implement by November 5 the following:

Complete amnesty for political prisoners and dialogue with political opposition;

A negotiated cease-fire;

Democratization, including: (a) complete freedom for television, radio, and the press; (b) rights of political parties to have access to media, to associate, and to proselytize; and (c) lifting states of emergency; and

Ceasing aid to insurgents fighting against the Central American democracies and their use of Nicaraguan territory.

Sandinista compliance with these requirements by January 1988 was limited to little more than reopening La Prensa and "Radio Catolica," formally lifting the six-year-old State of Emergency (with key press restrictions remaining in place), and releasing about 1,000 out of an estimated 8,000 to 10,000 political prisoners. The Sandinistas did not stop aid to Salvadoran communist guerrillas; they refused to even meet with the Contras in direct negotiations until the Arias Plan expired in mid-January; and they stepped up the use of FSLN-controlled mobs ("turbas divinas") against the civic opposition. At the January 15-17 summit of the leaders of Nicaragua, Costa Rica, Honduras, Guatemala, and El Salvador, the democrats refused to extend the then-expired peace plan deadlines and demanded immediate Sandinista compliance.

Against this record, prospects for Sandinista compliance with the March 23 cease-fire guarantees did not look promising—especially in noting that the Sapoa promises were in no way as specific or categorical in their requirements as those the Sandinistas had broken in the past. For example, whereas the Arias Plan called for a total prisoner amnesty, the March 23 cease-fire agreement gave amnesty only to those "tried and sentenced" and would presumably not help those held without charges or awaiting trial and sentence.

In short, like all previous "peace plans," the Sapoa cease-fire agreement appeared on its face to set the stage for the sort of duplicity exhibited by the Sandinistas time and again with respect to previous "guarantees." The likelihood that the Sandinistas would not accede to fundamental changes in the communist order they had been building for nine years was accentuated by the fact that the main elements of Sandinista control were not even addressed in the cease-fire agreement, much less required to be remedied. These elements included:

The continued politization of Nicaragua's military establishment. One of the first promises broken by the Sandinistas was to create in 1979 a new national army composed of Sandinistas and former National Guardsmen. Instead, the Sandinistas summarily executed hundreds of Guardsmen (or reputed Guardsmen) and imprisoned thousands of others—perhaps a portent of how the Contras would be "reintegrated" into Nicaraguan civilian life. To this day there is no Nicaraguan national army. The Sandinista armed forces are Party armed forces, not a national army; the same is true of the police. Sandinista aircraft and military vehicles carry FSLN Party markings, not Nicaraguan national markings. Also, while new military aid to the Contras was ruled out at Sapoa, continuing Soviet-bloc military aid to the Sandinistas was not even an issue;

The entire structure of Interior Minister Tomas Borge's apparatus of repression. Besides the Cuban- and East German-assisted secret police, this encompasses the spectrum of politicized "mass organizations" for youth, small children, students, labor, professions, women, teachers, journalists, etc.—all bearing the name "Sandinista"—that form the web of totalitarian surveillance and social control. This also includes the "Sandinista Defense Committees" (i.e., block committees), the rationing system (which is based on allocation according to acceptable political behavior and participation) and the turbas divinas; and

Continued "public" ownership of press and media and Party control of the means of production. As long as virtually the entire media are owned by the Party or Party-controlled organizations, access for the opposition will continue to be a matter of discretion by the Sandinistas. Likewise, early on the Sandinistas nationalized key economic sectors (banking and foreign trade in July-August 1979, insurance and mining in October-November 1979), giving them almost total control of hard currency and reinvestment.

These were the matters the Resistance sought to make a subject for the "definitive cease-fire" talks that began in April. But as long as these levers remained in the hands of the Sandinistas, it was likely that any concessions to the armed resistance or to the civic opposition would only be partial or temporary. Realizing the strength of their position, the Sandinistas threatened renewed war: when talks ended in stalemate on April 18, Comandante Daniel Ortega was quoted as saying, "We can't negotiate forever. If this doesn't move forward, we have to be prepared to leave the factories, the schools—even the government offices—and go to the fronts of war." [Miami Herald, 4/19/88]

Still, the Resistance insisted on democratization according to the letter of the Sapoa agreement. As one leader stated: "This war will not end until the reasons that provoked the war are eliminated, and those reasons are: lack of freedom, the lack of human rights guarantees, the repression and violations of human rights, and the state of submission into which the Army, party, and government of the Sandinista Front have pushed the Nicaraguan people so that the Front may stay in power." [Managua "Radio Noticias," 4/29/88]. "They are just playing with us," said one rebel official. "They're doing everything in their power to avoid arriving at a full cease-fire." [Washington Times, 4/29/88]

STILL MORE PROMISES VIOLATED

In the wake of Sapoa, despite the ongoing talks, attacks on labor unions, demonstrators, and opposition parties continued:

In late April, 1988, riot police used rubber truncheons to disperse striking workers and their families, and persons distributing leaflets for an opposition party were arrested [Miami Herald, Washington Post, 4/30/88] The Sandinista media branded opposition leaders "instruments of the CIA," and the armed resistance was threatened with an attack if they did not accept a Sandinista surrender ultimatum. [Washington Times, 5/2/88];

The Sandinistas made it clear that they saw the Sapoa ceasefire as a surrender by the resistance and that democratization was not under consideration. As Daniel Ortega spelled it out: "They [i.e., the opposition] think we are willing to discuss whether there is going to be a revolutionary process or a counterrevolutionary process here. That is not up for discussion. What we are discussing is how the mercenary forces, who are already defeated, can lay down their weapons. They should be grateful that we are not offering them the guillotine or the

firing squad, which is what they deserve." [New York Times, 5/2/88]; and

"At this point it is hard to visualize a House so repelled by transgressions by the Sandinistas that it would turn contra aid back on . . . In recent days the Sandinistas have been on an antidemocratic tear, finding openings to gang up on striking workers, detain leaders of the internal political opposition and silence media critics, meanwhile taking a hard line in cease-fire talks with the contras." [Washington Post editorial, 5/2/88]

After more than two months of negotiations toward a "definitive cease-fire agreement" as called for in the Sapoa agreement, talks finally broke off on June 10—with the Sandinistas showing no intention of acting on their latest "guarantees" of democracy. However, what was happening did not go entirely unnoticed:

Columnist Morton Kondracke noted that since Congress cut off the Resistance's funding the Sandinistas have been able to exploit American political divisions to drag out negotiations and preserve their "Leninist dictatorship, a Marxist economy and a menacing, Soviet-financed military force," with reverberations throughout the region. He asked: "Will this country let dictators and death squads rule the region, despite the popular yearning for democracy?" [Washington Times, 6/22/88]

Meanwhile, as resistance forces in the field have been forced to pull back into Honduras, the resistance has also had to shut down many of their political functions and lay off workers. [New York Times, 6/22/88]

A New York Post editorial [6/21/88] says that the Administration should bring up a new aid request:" . . . If members of Congress don't want to aid the democratic resistance in Nicaragua, let them say so. If the Soviets—through the good offices of their Sandinista allies—consolidate their bridgehead in Central America, the American people will know, and history will record, who was responsible for that unhappy and dangerous development."

A Washington Post editorial [6/20/88] warns against the new mood of American withdrawal. "But Central America is not Indochina—it is not remote enough and minor enough in American calculations to permit Washington's effective withdrawal . . . The next error could be a sort of detachment in frustration and disgust costly to the United States and Central America alike. The one could survive. Could the other?"

Without the pressure of the armed resistance, the internal opposition is coming under heavier fire. According to leaders of the opposition (Lino Hernandez and Eduardo Rivas of the Nicaraguan Permanent Human Rights Commission; and Jose Castillo, an independent broadcaster), "the chance to find the path back to peace and democracy is being wasted 3 Laws violating human rights as well as action by both the military authorities and the 'turbas' have been used to close the few political spaces that were open." They cited continued harassment of independent media, conscription, political "tribunals," political prisoners, and arrests of strikers. [Washington Times, 6/20/88]

As the defunded resistance braced for a threatened Sandinista offensive, the United States went out of its way to leave them in the worst possible position. The Miami Herald [6/18/88] cited some 15 Redeye surface-to-air missiles of the type credited with grounding the Sandinistas' best Soviet-made helicopter, the Mi-24 "flying tank," held by the CIA on Honduras' Swan Island. The CIA refused to release them to the resistance, even though the resistance argued that the missiles had already been legally disbursed because they were in Honduran territory. According to the Herald's sources, the CIA's "real motivation [was] a desire to restrain the contras by stripping them of their most sophisticated weapons systems."

On Sunday July 10, in the town of Nandaime, near Managua, a large opposition rally was set upon by Sandinista security forces. The event was reported by the media in Nicaragua and abroad, and foreign observers, including people from the American Embassy, and at least one U.S. Congressman, were there. The Congressman, Mr. Tom DeLay of Texas, noted: "The Sandinistas intended all the time to go in and beat up the crowd, throw tear gas at them, and arrest their leaders. The crowd had done nothing—no rocks, no punches. Somebody may have yelled something, we couldn't hear. But the police grabbed two people, threw them into covered jeeps, and took off with them. They knocked one guy out. Knocked him out cold." [Washington Times, 7/12/88]

"House Democrats pulled the plug on the Contras. Who'll pull the plug on the Sandinistas? Some 10,000 protesters rallied on Sunday in the town of Nandaime, 40 miles south of Managua. Sandinista police moved in on the crowd kicking and smashing the demonstrators with their rifle butts. Foreign cameramen had their film confiscated. 'We cannot continue being tolerant with those who want to take advantage of the (political) space,' said Daniel Ortega. There never really was much political space in Nicaragua to begin with. After this weekend, there's less." [Wall Street Journal editorial, 7/12/88]

In response to the Nandaime event, the Sandinistas again shut down La Prensa (for 15 days) and "Radio Catolica" (indefinitely). In addition, they expelled the American Ambassador, Richard Melton, along with seven key members of his staff, under the accusation that they were engaged in "state terrrorism." The seven staffers included all four politcal officers, both economic officers, and an assistant security officer—all had been present at opposition demonstrations in their efforts to keep the U.S. Government in touch with opposition forces.

La Prensa reopened in the afternoon of July 27, but said the editor, Mrs. Chamorro: "The Sandinistas have already violated all the laws, all the norms, of this country. If they want a pretext to close us, they will find one." [Washington Times, 7/28/88]

CONCLUSION

American policy toward the Sandinista regime since 1979 seems to follow a set pattern:

First, the Sandinistas make promises: of democracy, civil rights, nonalignment, etc.

Second, these promises are used in the United States as a reason to give the Sandinistas benefits (economic aid in the period 1979 to 1981) or to refrain from taking action (support for the armed resistance in recent years). The American desire is to "give peace a chance," or "put the Sandinistas to the test."

Third, invariably, the Sandinistas renege on their promises. The United States is faced with taking the step (cutting off aid to the Sandinistas, or renewing aid to the democratic resistance) it declined to take previously.

Fourth, to forestall this, the Sandinistas make new promises of democracy, civil rights, non-alignment, etc., beginning the cycle again.

For nine years we have seen the Sandinistas make—and violate—promise after promise. For nine years, each failed peace plan is followed by yet another peace plan. And for nine years, many in Congress—against all the evidence—still are deluding themselves about what is going on in Nicaragua.

After nine years of this, no one can doubt what should have been obvious from the beginning: The Sandinistas are communists. They are dedicated to building a totalitarian order in alliance with the Soviet Union and Cuba, and spreading their revolution to neighboring countries. They have absolutely no intention of ever permitting democracy to be established in Nicaragua. All their promises and all their talk of peace is designed to obscure this fact.

The Sandinistas will make concessions to their own people and to their neighbors only when they are forced to—by pressure from the civic opposition and from the armed resistance. It is time for Congress to finally accept the lessons of the past, to make the tough decisions, and give the democratic forces in Nicaragua what they need to do the job.

SOURCES

In addition to the specific news stories cited in this paper, the following additional sources were used:

Breaking Faith; Humberto Belli; The Puebla Institute; 1985.

Broken Promises; State Department Memo; January 25, 1988.

Christians Under Fire; Humberto Belli; The Puebla Institute; 1984.

Human Rights in Nicaragua Under the Sandinistas; U.S. Dept. of State; 1986.

Nicaragua, Revolution in the Family; Shirley Christian; Vintage Books; 1985.

Mr. ARMSTRONG. Mr. President, that brings us just about up to the present time. Here we are a year later. No promise is kept. As a matter of fact, the last I heard the Sandinistas were not even bothering to leave on their list the usual customary promises that they have made in the past. They were not keeping the promises. Now they are even declining to make them anymore.

But the latest push to cut a deal is on, and so our down payment will be stopping even humanitarian aid sometime this fall and lessening our support for the democratic government in El Salvador while demanding that it cut a deal with the FMLN guerrillas so that they can also give peace a chance and if and when the Sandinistas cancel their promised election or when it turns out to be a farce sometime along about next year, I expect that we will hear somebody come to this Chamber and say, "Well, let's give peace a chance, let's cut a deal."

In fact, there are already shameful hints that maybe what we really ought to do is give economic aid to the Communist Government of Nicaragua.

Mr. President, that is the history. That is the record. I would not have felt right to let this issue come and go without making these points. Someone

has said that those who can learn nothing from history are destined to repeat it. I hope we never repeat anything like we have been through the last decade in Central America. I hope we never again encourage somebody to fight for freedom and then withdraw our support at the critical moment, at the moment when the policy was beginning to work.

Mr. President, let us keep the record straight on that. Our policy was working. It was bringing the Sandinistas to the bargaining table. And just as it was working we decided that was too much for us.

Mr. President, I want to now turn my attention to the specifics of this bill. There are about four points I want to make about it, and then I think I will offer an amendment.

First, it is expressed in support of this bill. By the way, I am going to vote for this bill. I do not think this is a sellout. I think the sellout occurred last year. I want to make that clear again. We sold out the freedom fighters when we cut the ground out from under them, cut the legs out from under them last year.

This bill is not much. It is better than nothing. I am going to vote for it.

In support of the bill several things have been advanced.

First, it has been represented to us by the administration that this puts them back in business in Central America. I read that in the paper this morning. It has been expressed to me privately on several occasions.

The point made by the administration is that there were so many staffers of U.S. Senators going to Central America making so many deals with Central American diplomats and Presidents that the official representatives of the U.S. Government, the State Department and the President, those who are charged under our Constitution with the duty of conducting foreign policy, were being pre-empted.

I think there is some validity and truth in that. I do not see how the passage of this measure particularly changes things.

Honestly, I think the President, President Reagan, failed in some instances to adequately protect his own prerogatives, and I regret that.

I think there was a point at which the Speaker of the House and a number of Senators intervened in the diplomatic process in a way that deserved to be severely criticized, and I regret that the President did not more vigorously do so.

I do not think this changes anything. I just note in passing it is an argument in support of the bill.

Second, somebody thinks this is going to give us some leverage with somebody.

It was pointed out to me by one of those who thinks this is a better deal than I think it is that we might have preferred military action, but this is the best we can get. I had to say to him, "Well, how would anybody know we might have preferred military action, how would anybody know that you preferred military action? You never said so."

I said that. I say it today. I think a wiser course would be to send along with this humanitarian aid package a reasonable amount of war materiel, military supplies, ammunition, radios, that kind of thing, so that those who are fighting for freedom in Nicaragua can at least defend themselves if they are fired upon by the Sandinista troops. We are not going to do that.

The question has arisen about the constitutional issues in this bill. It has been questioned that perhaps by agreeing to give four Members of Congress a sort of veto power over part of the expenditures contemplated by this legislation, that we might run afoul of the Supreme Court.

The explanation I have heard in response to that is that this really is not unconstitutional. It would be unconstitutional if we put it in the bill, but since it is not in the bill, but it is just a side agreement, we do not run afoul of any constitutional limitations.

I do not know whether or not that is true. Frankly, I do not much care because I do not think it is a good idea even if it is constitutional.

I do not think it is wise for the administration to bargain with a handful of Members of Congress to cut all the other Members of Congress out of the deal, particularly when those who are left with the last word are basically not those who are the allies of the administration policy in this matter.

I do not think being a Senator ought to be a spectator sport. I think we ought to be involved in the decision to extend this aid if, as, and when that decision is made.

AMENDMENT NO. 43

(Purpose: To help facilitate the purposes of the Act by expanding its definition of "humanitarian assistance")

Mr. ARMSTRONG. Mr. President, with these observations, I now want to suggest a modest amendment to the bill. I am going to send to the desk an amendment which broadens the definition of "humanitarian aid" to include not combat radios, not ammunition, not anything that would permit, though I wish it were so, the freedom fighters to defend themselves if they are fired on, but support for monitoring, verification, collection of information, and other efforts by the Nicaraguan resistance to assess and report on the progress made by the Sandinistas in complying with the promises they themselves have made over the years.

These promises, beginning with those to the Organization of American States in 1979 and ending with the scheduled elections in February 1990, are listed in my amendment.

I think that purpose is pretty clear. The rationale behind the action of the Congress last year in cutting off military assistance to the Resistance forces was that we were going to "give peace a chance." Without the excuse of military pressure, we were told, the Sandinistas would not have any lingering excuse not to institute democracy, as they had falsely promised on so many occasions in the past.

Now, in the current bill, we are asked to give money not only to minimally maintain the resistance fighters and their families, and to provide, in that shameful phrase, for their "voluntary reintegration and relocation."

The idea is that some of them will want to go back to Nicaragua and some will not. And, of course, we are still not prepared to let them come to this country, as seems to me reasonable that we should.

That, by the way, raises another question. If you are a Nicaraguan freedom fighter in a base camp in Honduras or someplace, how do you know whether it is safe to return to Nicaragua? By what standard are people in that situation going to judge the internal reforms and democratization that are expected under the "give peace a chance" policy? Do we really expect, after they are struggling, some of them, for a decade or more, that they are going to blindly walk right back into the hands of the Sandinistas or relocate as exiles without verifying the Sandinista compliance with all their promises?

I do not think that we ought to expect that. And that is the reason for my amendment which I do now send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Colorado [Mr. ARMSTRONG] proposed an amendment numbered 43.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In subsection 2(b) of the Act—

(1) at the end of paragraph (5), strike the word "and";

(2) at the end of paragraph (6), strike the period and insert in lieu thereof "; and"; and

(3) after paragraph (6), insert the following new paragraph:

"(7) Support for monitoring, verification, collection of information, and other efforts by the Nicaraguan resistance to assess and report on the progress made by the Sandinista regime in complying with its promises to the Nicaraguan people, the Organization of American States, the United States, the four Central American democracies, and other countries and international organizations, as specified in—

"(A) The July 12, 1979, promises to the Organization of American States, regarding

democracy, political pluralism, a nonaligned foreign policy, and a mixed economy;

"(B) The 'Bill of Rights' enacted by the Sandinistas on August 21, 1979 (Decree 52), promising respect for Nicaraguans' civil, political, economic, social and other rights;

"(C) The American Convention on Human Rights, ratified by the Sandinistas on September 25, 1979;

"(D) The Constitution enacted on January 9, 1987;

"(E) The United Nations International Covenant on Civil and Political Rights, with its Optional Protocol, ratified by the Sandinistas on March 12, 1980;

"(F) The Guatemala City Peace Plan (also known as Esquipulas II) signed by the Sandinistas on August 7, 1987, guaranteeing the cessation of Sandinista support to communist guerrillas in El Salvador and democratization in Nicaragua, including—

"(i) complete freedom for television, radio, and the press;

"(ii) rights of political parties to have access to media, to associate, and to proselytize; and

"(iii) lifting of the state of emergency provisions then in effect;

"(G) The Sapoa Cease-Fire Agreement of March 23, 1988, with respect to cease-fire, release of political prisoners, democratization, and verification; or

"(H) Provisions for ensuring free and fair elections to be held in February 1990, including those considered essential by the internal democratic opposition, such as—

"(i) Noninterference in electoral activities by opposition parties;

"(ii) Media access for opposition parties and the end of retrictions on independent media;

"(iii) Denial of voting privileges to members of the armed forces and militia while they are controlled by the Sandinista Party;

"(iv) Extension of voting privileges to Nicarguans in exile; and

"(v) Nonpartisan supervision of election procedures.".

Mr. ARMSTRONG. Mr. President, I want to take one more moment to explain the background and purpose of the amendment, and then I would like to yield to my colleague from Pennsylvania to discuss a matter or two of related interest with him.

What this amendment does, it does not add anything to the funding. It just says that, among the purposes for which the money already permitted in this bill may be used are:

Support for monitoring, verification, collection of information, and other efforts by the Nicaraguan resistance to assess and report on the progress made by the Sandinista regime in complying with its promises to the Nicaraguan people, the Organization of American States, the United States, the four Central American democracies, and other countries and international organizations, as specified in—

The July 12, 1979, promises to the Organization of American States * * *.

The "Bill of Rights" enacted by the Sandinistas on August 21, 1979 * * *.

The American Convention on Human Rights * * *.

The Constitution enacted on January 9, 1987;

The United Nations International Convenant on Civil and Political Rights * * *

The Guatemala City Peace Plan * * * signed by the Sandinistas on August 7, 1987 * * *.

Included are such things as freedom for radio, television, and the press; political parties; lifting the state of emergency, and so on, plus compliance with:

The Sapoa Cease-Fire Agreement of March 23, 1988 * * *.

Provisions for ensuring free and fair elections to be held in February 1990, including those considered essential by the internal democratic opposition, such as—

Noninterference in electoral activities by opposition parties;

Media access for opposition parties and the end of restrictions on independent media;

Denial of voting privileges to members of the armed forces and militia while they are controlled by the Sandinista Party;

Extension of voting privileges to Nicaraguans in exile; and

Nonpartisan supervision of election procedures.

Mr. President, this is a modest amendment. It does not go as far as I would like to go, but it is as far as, I judge, there is any reasonable prospect of going on this day. So that is my amendment.

Mr. President, I note that the Senator from Pennsylvania is here. I believe it is his desire to comment rather directly on a matter or two which I had previously raised. With the indulgence of the Chair, I yield to him for that purpose.

Mr. SPECTER. I thank my distinguished colleague from Colorado.

Mr. President, I heard the comments made by the distinguished Senator from Colorado concerning the procedures and I thought it appropriate to come to the floor to raise for general consideration some issues which I brought up yesterday in the hearings before the Foreign Operations Subcommittee of Appropriations where Secretary of State Baker testified. The concerns that I have involve the process which was followed.

At the outset, I commend the Secretary of State and the leadership in the House and the Senate for their very diligent efforts, for their strenuous proceedings here, and for what may turn out to be a reasonable program on the substance. Candidly, I am not sure about that. I want to hear the debate on the substance and have a chance to consider it.

But I have very, very grave reservations about the procedures which were followed in two respects: One involves the substance or the procedure of having the four chairmen of committees or subcommittees issue a letter or letters of disapproval, a subject which I have discussed briefly with the distinguished Senator from Vermont for a few moments in his capacity as chairman of the Foreign Operations Subcommittee of Appropriations, a subcommittee where I serve, and a second, albeit lesser consideration, about the procedures used on having an arrangement come really for ratification to the Congress, something that has been pretty well set forth. Certainly, the Senate, the House, the Congress as a whole has the authority to reject the arrangement which was made.

I asked this question of Secretary of State Baker informally in a caucus on Tuesday. His response was a very appropriate one. There would be hearings. There were hearings yesterday, on Wednesday, very brief hearings and pretty much a pro forma presentation, which we can reject.

But this is not the ordinary course where a bill is introduced, where there are hearings held, where there is a committee markup, where it comes to the floor for discussion, where the administration participates, sponsors, negotiates, and then the matter comes through in the course of regular legislative business.

Secretary Baker responded to my question on this subject yesterday by saying, "Well, we had the 1983 Social Security compromise which had that general format. We had the summit agreement in"—I think he referred to the summit agreement of 1987 which established the parameter to finish the fiscal year 1988 fiscal year which was the skeleton for completing the appropriations work for fiscal year 1989.

But I would suggest, Mr. President, that although there may be some general analogies, some generalized precedents that they may not be persuasive of if they are being followed they perhaps ought not to be followed, that we are circumventing the regular procedures.

And perhaps it is not a rush to judgment, but it is not the kind of careful analysis which arises when a bill is introduced and is studied and referred to a committee and there are hearings on it and we probe through in not a leisurely but certainly not a rushed atmosphere where we are going to conclude it in the course of a few hours yesterday. Then the bill comes to the floor and we have the unanimous-consent agreement for a few hours, perhaps enough time. But usually these legislative matters evolve over a longer period of time, a period of gestation, so to speak, a period where the bill is before the American people, where there are comments in the press, where letters are written, where we have a chance for open house town meetings in our States, where there is a dialog and a much more appropriate consideration of the democratic process than is happening here.

I think that is a very material point of distinction between this bill, say, and the summit budget of 1987 where we had talked about the budget repetitively. From dozens of open house town meetings I know where my constituents stood, where business, labor, professional groups stood on that

issue. Or on Social Security where we had very extended considerations and analysis. We spent a great deal of time in 1981 and 1982. So, the Commission agreement was really not without a lot of deliberation.

But here we have a new type of proposal on dealing with the problem of Nicaragua and the Contras. I raise that question in those terms because the methods used are not the traditional ones and it raises a question as to the quality of the answer which was provided here.

Mr. ARMSTRONG. Mr. President, has the Senator from Pennsylvania, who is certainly one of the most distinguished lawyers in our country today and a scholar and a thoughtful Senator, has the Senator considered the fact that if there were something in the side agreement, in the letter agreement which was an anathema to the Senate, which every Senator for some reason or another, right or wrong, disapproved of, there is not a thing we could do about it? We could not amend that. That is not before us.

The point that the Senator raises, and it seems to me it is a very valid one, is that effectively every Senator who is not one of those who has to give subsequent approval is effectively disenfranchised and the people whom we represent are effectively disenfranchised on this issue.

He is the constitutional scholar and I am not. I do not know whether it is constitutional. It was represented to me that this was set up this way because if it were put in the statute it would be unconstitutional.

So we are accomplishing what is represented to me an unconstitutional purpose in a constitutional manner. But that does not make it right and the point of the Senator is well taken, it seems to me, that this is a very, very poor arrangement.

Nor do I think it has been followed in the past. The reprogramming is not, in my judgment, a very close parallel. And I never thought the reprogramming process was all that great to begin with. But it is certainly not a close parallel to this process.

Mr. SPECTER. If the Senator would yield so I may respond to that inquiry, I was about to come to the second significant procedural deviation, which is present here, and that is the arrangement—and I had talked about it at the outset of my introductory remarks, then speaking albeit briefly on the point about prearrangement and ratification. The other issue is the issue about letters from the subcommittee chairman or from the full committee chairmen. The Senator from Colorado asks an important question: Is this constitutional? I doubt it.

I would not want to say with more definitiveness as to whether or not it is constitutional because it is complicated and because we have yet to explain on this floor what this legislation is all about. I have studied it preliminarily. It has not been before us for very long. And there are very many complex ramifications to it.

But what we have here is the issue of the legislative veto. That has been litigated in the Supreme Court of the United States and we now know that one House cannot have a legislative veto. We know that two Houses cannot have a legislative veto. We know that if a joint resolution is passed jointly it has to be approved by the President. Or, if it is vetoed by the President then it has to be passed by two-thirds.

Now, you have an arrangement where there will be a termination of the proposal by a disapproval by any one of four individual Members of Congress. As I understand it, and this is from a discussion with the chairman of the Foreign Operations Subcommittee, the senior Senator from Vermont; by his disapproval, by the disapproval of the chairman of the Foreign Relations Committee of the Senate, or by the disapproval of their counterparts in the House of Representatives.

That is effectively stopping executive action on far less than a resolution passed by both Houses of Congress. If a resolution is passed by both Houses of Congress and disapproved, and vetoed by the President, then it must obtain, as we all know, two-thirds of the membership.

When the Senator from Colorado asks whether the approach can be constitutional, if it has an unconstitutional purpose, my initial answer to that is no, or at least probably not.

If there is an effort to circumvent or subvert a constitutional provision, then it is immediately suspect and very likely to be unconstitutional. Certainly if that were to be the admitted purpose by the drafters, to achieve an unconstitutional objective, then I think it would be very likely unconstitutional.

It is sometimes difficult to find out what a purpose is. It may be a purpose in the mind of one individual or two individuals but not a joint or collective purpose. But it is highly irregular, if not totally unprecedented, to have the cessation of the executive action turn on the disapproval of any one of four individual Members of the Congress.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. SPECTER. I will be glad to.

Mr. LEAHY. The Senator raises, on the question of separation of powers between the three branches, some very valid and good questions. The Senator is a very knowledgeable lawyer on questions of constitutional law. A number of other people have raised some of those issues.

But I would point out a couple of things. I assume the Senator is not suggesting that the administration and Members of Congress could not enter into negotiations on the direction they want legislation to take. That is acceptable, is it not?

Mr. SPECTER. Well, if that question is put to me I would be glad to respond. I think clearly there are appropriate negotiations between the executive branch and the congressional branch to try to come to an agreement.

What bothers me here is that there is an agreement, there is a course of conduct, and yet it can be stopped by the action of one Member of Congress.

The issue was explained to me, and perhaps it is fair to say how Secretary Baker responded when I raised this issue with him yesterday in the committee. He said that the President, the executive branch, was getting more control under this arrangement than it has at the present time because at the present time there are these negotiations being undertaken by individual Members of Congress and there are many people in the foreign policy area other than the executive. So that whereas they might have gotten a 6-month arrangement and that was all, now they have a 7-month arrangement, which is more, and the arrangement may be extended for 2 additional months with executive control, unless there is an objection raised by one of four Members of Congress.

Mr. LEAHY. If the Senator will yield further on this?

Mr. SPECTER. I will.

Mr. LEAHY. The Senator is not questioning the fact that on the overall package before us. Every Senator and every Member of the other body is, of course, free to vote any way they want, either for or against it. Is that not true?

Mr. SPECTER. I do not think we need agreement on that.

Mr. ARMSTRONG. Mr. President, there is no doubt also that if some Senator thought that instead of a group of four there sought to be a group of five to make subsequent approval, or 17, or any other number, or to specify a different group, we could not change that because that is not before us and therefore is not amendable.

Mr. LEAHY. The Senator is correct.

But the distinguished Senator from Pennsylvania has noted, and quite properly, that under normal procedures you go through various committee hearings and debate within committees and then debate on the floor of the Senate. Here, of course, we have the right of unlimited debate.

But I ask, is it not a fact that any Senator, on either side of the aisle, could have objected to this matter coming up under unanimous consent or could object to any time limit and, in fact could delay if they so chose through unlimited debate, subject, of course, to cloture, the final passage of

the matter before us. Is that not correct, I ask the Senator from Pennsylvania?

(Mr. KOHL assumed the chair.)

Mr. SPECTER. If I may respond, that is a fact, but it certainly would not be the purpose of this Senator to delay consideration of this bill. I think it is a serious problem, and I believe it requires our attention. I believe that we could spend more time on more issues with an expanded schedule. So I have no problem with seeing the matter go through to a vote today.

When this issue was subject to negotiations, and I heard about it 3 weeks ago, there had been discussions for some period of time before then. How long, I do not know, but there had been time, Mr. President, a month ago, to introduce a bill and to have discussion in the media, to get constituents' responses, have commentators make their observations about it, to have hearings 3 weeks ago, to have markup in committee, and to have it come to the floor this week. I do not make the contention that there is not time enough for me to think it through, but I make the contention that there has not been time enough for my constituents to advise me on it.

So perhaps there is an element, as I think it through at the moment, that I would have preferred a less rushed process, but not so much that I am going to use my powers as an individual Senator to make an objection to a unanimous-consent request that the report has not been filed or held over long enough.

Mr. ARMSTRONG. Mr. President, what the Senator is saying in a tactful way is that the fix is in, and he knows it. We could talk about this endlessly. Of course, I do not desire to prevent or delay the passage of this, but that is the fact. An accommodation has been found that permits a lot of people to support a bill for different reasons.

There are some people in this room who did not think we should be in Central America in the first place. So this bill pleases them. There are some people whose hearts hurt because of the desperate circumstances of freedom fighters and this, at least, sends them food. And then there are some people whose sympathies have been with the Sandinista government more than they have been with the freedom fighters to begin with. They are sympathetic to this bill because what it really does is give, more or less, official recognition to the fact that we are prepared to see that government continue down there for quite some time to come.

Here is a bill that is on the fast track. That does not mean it is right. That does not mean it is going to be something we are proud of a year, 2 years or 5 years from now. It just means that it is going to happen.

I did not mean to interrupt the Senator's statement, but the Senator is such a gentleman that I just thought somebody ought to say what the truth is: The fix is in.

Mr. SPECTER. I seldom disagree with the Senator from Colorado, but I will not adopt his determination that the fix is in. I think it capsulates the issue in an interesting way without this appearing in the Washington Post tomorrow morning, but when I talk about the fix being in, I am just talking about an indictable offense when the fix was in when I was a district attorney and somebody went to jail. I would not characterize it quite that way.

When he says fast track, that is closer to what I would say. I would say it is off the track. I would say there is no track which has been followed.

Mr. President, this point I think really ought to be emphasized, and that is the importance of procedures. We establish procedures, we establish procedures, we establish rules of procedure because our experience shows that there are certain ways to do things properly, and where we are deviating, we are likely to make a mistake.

I had commented about the normal process giving time for input from constituents, commentators, hearings, markup, analysis and consideration. When we do not follow that, there is a serious likelihood of having a mistake.

The Constitution is a very delicately balanced instrument. I believe, Mr. President, that the United States of America has become the greatest nation in the history of the world because of the majesty of that document and the brilliance of that document. A key part in the separation of powers, balance of powers and the balance between Congress and the President is very delicate. In foreign policy, it is extremely delicate, as we have seen in our arguments on the War Powers Act and in the appropriations process and none more than in the funding of the Contras.

The legislative veto is a very important consideration, a complex term as to how the Congress overrules the President. We have set a variety of ways to do it, and the Supreme Court has put the brakes on and said you cannot do it unless you comply with the slow mechanism of the Constitution; that is, when the Congress disagrees with the President, two-thirds of the Congress must override the veto.

Let me emphasize procedure. Let me use an analogy which might not be the best, but I think it illustrates the importance of procedure over substance, and that is the criminal law, where I have spent a great deal of time, and the constitutional aspect of criminal law on the fourth amendment of the Constitution, search and seizure.

We have a rule which says that no matter how guilty a criminal may be, if the evidence was not obtained in conformity with the fourth amendment on search and seizure, the evidence is excluded and those who are conclusively guilty are free. If the police stop a car that has 10 pounds of heroin without probable cause, in some cases without a search warrant, but it is plain that the individual is guilty, that case is discharged anyway because the procedure was not followed. Now that is an extreme example of constitutional law on emphasizing procedure over substance.

This business of legislative veto is very, very important, and to authorize a single Member of Congress to stop the Executive action is very probably unconstitutional. I would not go beyond that because it is too complicated to say it with more definitiveness.

The constitutional issues, as we know, are frequently not clear cut. They are litigated over years and then decided after long deliberation and argument 5 to 4. How can it be constitutional for one Member of Congress to stop Executive action if a majority of the Congress as a whole cannot do so? That is what we have in this process.

It may be, Mr. President, as Secretary of State Baker persuasively explained, the administration is getting a good deal here. The executive branch may be getting what it considers a good deal in this circumstance. It may be a very bad deal for constitutional law and a very bad deal for the Government, because the next time, building on this tenuous precedent, someone is going to construct an arrangement where the President can be stopped by one of four signatories, and that, simply stated, is not sound, is not right, and it is very bad precedent which can be expanded.

Mr. ARMSTRONG. Mr. President, a moment ago the Senator declined to let me put the words "the fix is in," in his mouth.

Mr. SPECTER. Disinclined.

Mr. ARMSTRONG. Disinclined. I wonder if he would let me put this pair of words in his mouth: "Imperial Congress?" If it is true—if it is true—as has been represented to us, that this actually strengthens the hand of the executive branch, then does it not demonstrate the extent to which an imperial Congress has encroached upon those prerogatives which have traditionally been reserved for the executive branch? And if it is not correct that if this precedent is followed, that next time there might only be three Members of the Congress who will be specified in this or, in an extreme case, maybe only two Members of Congress would be permitted to exercise this extraordinary veto, or only one and might next time other Members of

Congress not only be cut out of voting on it but of even knowing about it?

Mr. SPECTER. Mr. President, I respond by saying that I would not adopt the term "imperial Congress." I will adopt the term "imperial Senator" or "imperial Congressman" because it only takes one to stop a President. Where the Senator from Colorado has talked about the imperial Congress undercutting Presidential executive authority, this goes much farther because it allows one Congressman to stop the President's authority.

But I would say this respectfully to my colleague from Colorado that the authority does not become greater if you remove it from four to three to two to one. The authority for an individual becomes greater if you elevate it to 4, to 5, to 6, to 7, to 8, to 9, to 10, because then any 1 of 10 Members of Congress can stop the President.

There is a lesser authority if you reduce it to one because then it would have to be that one, but if you would have four, any one of the four could stop the President.

Mr. ARMSTRONG, Mr. President, we are getting far afield, but I cannot resist pointing out to my colleague that that is only true if the only action that this approver or disapprover may take is to say yes or no. As long as such a person with such extraordinary grant of unaccountable power can say yes but only if you do this, that or the other, then to be that one person portrays a lot of power.

In any case, Mr. President, the point is that this is not a process which is in consonance with the tradition of American Government. Whether it is constitutional or not, it is way off the mark.

Mr. SPECTER. I would certainly agree with that. My point is that if any one of four can stop the President, then you are four times as likely to have it stopped and that there is more individual power if any one of four Members of Congress can stop it, so that you have the principle, however many they may be.

Mr. President, I thank my colleague from Colorado for yielding the floor. I did want to express these reservations. I think there is a great deal of explanation which is necessary about this bill so that we can understand it better, and frankly I have not made up my mind as to how I am going to vote on it because the substance may be good. But as I ponder the procedural aspects, my doubts persist and I want to hear the managers and the explanation as this issue evolves because there may be some very fundamental constitutional issues involved and some very bad precedent, which may be set by this legislation.

I thank my colleague from Colorado.

Mr. ARMSTRONG. Mr. President, the Senator from Pennsylvania is known to be a good lawyer and a fine speaker and a scholar, and he has again proven that this afternoon. I thank him for his contribution. May I say, while he may mull over his decision on how to vote on the bill, I hope he will also take into consideration my amendment which is pending, which, so far as I know, would not contravene anything that the Senator is for and in fact would enhance things for which the Senator cares.

I want to take 1 minute to sum up what the pending amendment is and then I am ready to have a vote if other Senators are ready.

My amendment simply says that the money contained herein—and it does not add to the level of appropriation—may be used in support for monitoring, verification of information and other efforts by the Nicaraguan resistance to assess and report on the progress made by the Sandinista regime in complying with its promises to the Nicaraguan people, the Organization of American States, the United States, the four Central American democracies, and other countries and international organizations. And then it lists the occasions on which the Sandinistas have entered into treaties or constitutional undertakings and suggests that these are the activities that could be monitored and verified with funds under this bill.

Mr. President, I am prepared to yield the floor. I do ask for the yeas and nays and reserve the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I ask the Senator from Vermont to yield to me 2 minutes to speak in opposition to the Armstrong amendment.

Mr. LEAHY. I yield such time as the Senator requests.

The PRESIDING OFFICER. The Senator may proceed.

Mr. KASTEN. Mr. President, a number of us find ourselves in a difficult position with regard to this amendment and other amendments that may follow because I, generally speaking, support many of the goals of the Armstrong amendment. I, generally speaking, agree with much of what he has said and is saying. I have made many of those same statements on this floor in the past. However, we find ourselves along with the administration, President Bush, the leadership, both Democratic and Republican, of the House and Senate, with the fact we have made an agreement. Those parties have come together and made an agreement which we have been asked to support and I as manager of this bill will support.

So I will join a motion to table, but I would like to point out one fact that the Senator should know, that there is money available for part at least of the purpose of this amendment. Under previous legislation $10 million was voted for the verification of one of the agreements. Only $2.1 million of that figure has been spent so roughly $8 million of the $10 million that was included in the verification of the Sapoa agreement is remaining. So we have some money that could be used to deal with part at least of the problem aimed at by the Armstrong amendment. I reluctantly though will vote to table the Armstrong amendment and I hope that my colleagues do so as well.

Mr. LEAHY. Mr. President, how much time is remaining to the Senator from Colorado?

The PRESIDING OFFICER. The Senator from Colorado has consumed all of his time on his amendment. He has 10 minutes left on the bill.

Mr. LEAHY. There is no time remaining on the amendment?

The PRESIDING OFFICER. No time, not to the Senator from Colorado.

Mr. LEAHY. If the Senator from Vermont yields back his time, then would a motion to table be in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Mr. President, I would only note, and I must admit as a longtime Contra opponent, I find it hard to be here arguing in favor of money for them, the fact is that this package is, as has been pointed out, on a fairly fast track because the humanitarian aid is going to run out within the next week or two. They are on half rations now. I would note to the Senator from Colorado that in the aid package passed last spring there was a $10-million appropriation to verify the Sapoa accords by Cardinal y Bravo and the Secretary General of the OAS. Eight million dollars of that is still available. So if there is money needed for verification, there is $8 million available.

Mr. ARMSTRONG. Mr. President, will the Senator yield? I think he inadvertently stated something that may not be exactly right. If I understood him correctly, the point was that the earlier appropriation provides $10 million, of which $8 million remains available.

Mr. LEAHY. Right.

Mr. ARMSTRONG. Did the Senator say to whom that money was made available? It was not to the democratic resistance.

Mr. LEAHY. No, it was done to verify the Sapoa accords by Cardinal y Bravo and the Secretary General of the OAS.

Mr. ARMSTRONG. I thank the Senator. That is the distinction between that approach and what is recommended by my amendment.

Mr. LEAHY. I understand. But I would also point out that indicates

there is money there now, perhaps differently than the Senator from Colorado would prefer but there. Should his amendment be agreed to, of course, eventually we would find ourselves either in the next week or two or three in a committee of conference creating the problem that many of the supporters of these funds have tried to avoid.

So, Mr. President, I yield back my remaining time on this amendment. I move to table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Ohio [Mr. GLENN] is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 70, nays 28, as follows:

[Rollcall Vote No. 40 Leg.]

YEAS—70

Adams	Dole	Matsunaga
Baucus	Domenici	Metzenbaum
Bentsen	Durenberger	Mikulski
Biden	Exon	Mitchell
Bingaman	Ford	Moynihan
Boren	Fowler	Nunn
Boschwitz	Graham	Packwood
Bradley	Harkin	Pell
Breaux	Hatfield	Pryor
Bryan	Heinz	Reid
Bumpers	Inouye	Riegle
Burdick	Jeffords	Robb
Byrd	Johnston	Rockefeller
Chafee	Kassebaum	Roth
Cochran	Kasten	Sanford
Cohen	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Cranston	Kerry	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Stevens
Daschle	Leahy	Warner
DeConcini	Levin	Wirth
Dixon	Lieberman	
Dodd	Lugar	

NAYS—28

Armstrong	Helms	Pressler
Bond	Hollings	Rudman
Burns	Humphrey	Shelby
Coats	Lott	Specter
Garn	Mack	Symms
Gorton	McCain	Thurmond
Gramm	McClure	Wallop
Grassley	McConnell	Wilson
Hatch	Murkowski	
Heflin	Nickles	

NOT VOTING—2

Glenn	Gore

So the motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LEAHY. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEAHY. Mr. President, not counting the 15 minutes reserved for the Senator from Vermont, how much time do I have on this side, reserved time, generally, on the bill?

The PRESIDING OFFICER. There are 64 minutes of unpromised time.

Mr. LEAHY. I thank the Chair.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, several Senators have asked me during the last vote about our plans for the remainder of the day with respect to this bill.

It is my hope that we can complete action today. That is my intention. There are seven amendments remaining, with respect to three of which there is no time agreement. There are at least seven amendments which may be offered. If they are, and if we are unable to complete action, we will be in session tomorrow, and we will be in session tomorrow until we complete action on this legislation.

We are going to stay here until we finish this bill, either today or tomorrow. I doubt that it would be necessary to go on Saturday, but if that were necessary, we would do it then.

I made a promise to the President which I intend to keep.

So I encourage my colleagues, those who are considering amendments—I understand with respect to those seven final decisions, have not been made—not to do so.

I repeat what I said earlier today, this legislation is the President's legislation. It is the President who supports this legislation and who has asked that it be expedited.

What we are doing is attempting to accommodate the President here, and we want to do it today. If we cannot, we will do it tomorrow. If we cannot do it tomorrow, we will do it Saturday. We are going to finish this week.

Several Senators addressed the Chair.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. MITCHELL. I yield to the distinguished Republican leader first if I might.

Mr. DOLE. I thank the majority leader. I think he is correct. This is the President's request, and I find myself defending him, against other Republicans, in fact 25 Republicans on the last vote.

The President made an agreement. The majority leader along with the Republican leader in the House, the Republican and Democratic leaders, signed a little agreement with the President, his name was on it too, and we made a deal.

As I told the President this morning, a deal is a deal, and certainly I will try to be helpful in fighting off amendments because if one amendment is adopted, the deal is off.

I do not think it is an agreement I would have put together, and I congratulate Senator ARMSTRONG. I think his was a good amendment, but that is not the point right now.

My view is we are sending precisely the wrong signals to our friends in Central America that we only got 29 votes when actually you probably got a majority.

So I would hope we would not have any more amendments. I know there may be amendments offered. But I have been a strong supporter of the Contras in every instance, offered amendments myself.

But President Bush, working with Democrats and Republicans—and I think one reason, I will say for the problem on this side, is I think the Secretary of State failed to consult many Republicans, but that is not the President's fault, and I will take that up with the Secretary of State, although I assume he reads the record, and maybe next time there will be more consultation with Republican Senators that might avoid a lot of these amendments.

But President Bush has told me this morning he wants no amendments. He said if I would be be willing to try to keep amendments off, and I said, "Yes, because you made the agreement with Congress, with the leadership," and I know that not every Senator was consulted.

So, it is my hope that if there are any amendments offered at least they can be reduced. They will probably be good amendments, probably amendments I would like to vote for, but my responsibility is to support the President of the United States, and I will do the best I can.

I thank the majority leader for his willingness to stay tomorrow if necessary to complete action on this bill.

I hope we do not have to do that, but I think it would be appreciated by the President, because starting April 15 the Contras go on half rations as I understand it, so it is a matter of some urgency.

So I hope that we can expedite the business and continue to table the amendments.

Several Senators addressed the Chair.

Mr. MITCHELL. I still have the floor.

Mr. LEAHY. Will the Senator yield?

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I would like to make two points clear that need re-emphasis. The first is that if we do finish this evening the Senate will not be in session tomorrow. We will then be through until Monday when we take up the FSLIC legislation.

The second is the point that the distinguished Republican leader just made. This was a long, difficult negotiation. Everybody involved made some compromise, and agreement was reached which the Republican leader accurately characterized as not including 100 percent of what any of the parties would have liked to have seen in a Central American policy.

But we did reach an amendment, and a deal is a deal, and if any amendments are adopted there is no deal and there will be no aid for the Contras for a substantial period of time, humanitarian or otherwise, perhaps never.

So, those who are here ostensibly advocating the Contra cause should understand that the immediate consequence of their actions could be the opposite of that which is intended.

I repeat again. We want to finish today. If we do finish today there will be no session tomorrow. If we do not finish today we will be here until we finish whenever that is, tomorrow or Saturday.

I yield to the distinguished manager.

Mr. LEAHY. Mr. President, I thank the majority leader and I thank also the distinguished Republican leader for his comments.

Mr. President, I hope all Senators realize what we have here. The management of this bill has fallen to the distinguished senior Senator from Wisconsin and myself as chairman and ranking member of the Foreign Operations Subcommittee. Probably just even the management of the bill should point out some of the splits that are here in the Senate. The distinguished Senator from Wisconsin has been a supporter of aid to the Contras, and I have been an opponent of aid to the Contras. There are a lot of people who fall in various gradations of that on both sides of the aisle in this body.

Those of us who oppose aid to the Contras would probably be just as happy not to see any Contra package come at all. Those who support aid to the Contras would like to see far more than what is in this package.

The fact is, however, that the President of the United States has made a realistic effort to form actually a change in the policy in Central America, one that allows us to look at a whole lot of other things, a lot of other problems in Central America rather than just to focus on the Contra war as we have in the past. A commitment has been made by the distinguished Democratic and Republican leaders of both the Senate and House to work with them on that.

This is not a package I would have designed. I am sure it is not the package that the Senator from Wisconsin would have designed, but it is a package that can support a commitment to the President of the United States but also a bipartisan voice for this Nation, remove the vision of divisiveness in Central America and allows us to get on not only with the business of the foreign policy of the United States but also allows the countries in Central America to face their own problems and their own duties and problems of poverty, disease, illiteracy, and everything else.

So I urge Senators to work with us on this package and get it through.

None of us like every bit of this package by any means. Some of us do not like very much of this package. But I am prepared, as one of the managers, at such a point as it appears there are no more amendments, to yield back my time when that time comes and seek a finality in this package.

I suspect the Senator from Wisconsin is in the same position.

We are prepared to move as expeditiously as we can, especially as soon as the other body has acted, and get this package down on to the President's desk.

If amendments are added, it is going to be a long time before that can happen just because of the way the legislative session is set up.

So I urge that Senators listen to the distinguished majority leader and the distinguished Republican leader as the only way we are going to get this package out.

Mr. MITCHELL. Mr. President, I yield to the distinguished Senator from Oklahoma.

Mr. BOREN. Mr. President, I thank the distinguished majority leader. I simply want to add my voice to those who have just spoken, the distinguished majority leader, the Republican leader, and the Senator from Vermont, the manager of the bill, and urge my colleagues to refrain from offering additional amendments at this point.

My position on aid to the Contras is not a secret to anyone on this floor. I have probably spoken on this subject as much as anyone on this floor. I do not think there is anyone on either side of the aisle who feels more passionately than I do that the only reason we are seeing any chance of progress toward democracy in Nicaragua is because of the pressure that is brought to bear by the fact that the Contras continue to exist.

If I had been writing an agreement myself and could have written a plan without constraints of having to have the agreement of other people in this body, I would have written a plan that would have allowed for escrowed military aid on which the President could have drawn if we did not have satisfactory progress in keeping the commitments to bring about real democracy and a truly pluralistic society in Nicaragua.

I am not one of those who wants to turn our backs on those who hold our values in that country that are trying to uphold freedom of the press, freedom of discussion, and free assembly.

Mr. President, we have reached a point, however, in which an agreement has been struck, a compromise has been reached. As others have said this is not exactly the agreement that I would have written. There are parts of it with which I do not agree.

If I had been able to write the agreement I would have accepted the words that were just offered by the Senator from Colorado. If it were not for the fact that there had been an agreement with the President of the United States, I would have voted for the amendment offered by the Senator from Colorado.

But we do have an agreement and for that reason I voted against that amendment because I realize that sending this bill back over to the House of Representatives will assuredly cause the agreement to unravel and then we will end up where we have been all along, with a confusion of voices coming from the United States with friends and foe alike not knowing what the American policy is.

I urge my colleagues who have been Contra supporters, as I have been, not to offer amendments, especially when you consider these amendments are very likely to fail because they would undermine the agreement and because many of us who do agree with the Contra cause feel compelled to stay with this agreement at this point.

All in the world we are doing is sending a false signal. I believe the overwhelming majority of people in this body, for example, want to keep the pressure on to make sure the Sandinista government lives up to its commitments on democracy. I believe that many of us would have supported the kind of language offered by the Senator from Colorado. But when it gets only a vote count in the twenties instead of a large majority for an amendment like that, people looking at this vote can misinterpret it.

I think offering more amendments that are going to fail, that are going to fail because we already have an agreement with the President of the United States, because we are trying to hammer out a policy with some certainty upon which people can rely—I think then when amendments are offered that appear to favor the Contra cause and get so few votes—we are simply sending a signal of weakness in terms of our support for holding their

feet to the fire for real democratic reform. We are not sending the message we want to send.

If we want to send a message that we care about the Contras, we want to keep this in being, we are going to carefully eyeball what the Sandinistas are doing and we are prepared to do something else if they do not keep their word, then offering amendments which espouse that cause that only get 20 or 30 votes sends the reverse message, as has been said by the majority leader.

I think we have an agreement. I think we have to stay with that agreement at this point. I think it hurts the Contra cause to have amendments offered that get small numbers of votes and appear to underestimate the sympathy in this body for making sure that the Sandinistas keep their word.

So I hope that we would dispense with further amendments and that we would go ahead and give our support to this package.

If this proposal does not work as time goes along, if conditions change, if the Sandinistas do not keep their commitments, as many of us suspect they will not—they have not kept their word in the past—then there is always the possibility for us to revisit this issue and do something different at that time.

Many of us have felt for a long time that nothing was destroying this country more than our failure to speak with a single voice. I have had leaders in Central American countries speak to me, as I am sure they have spoken to many of my colleagues. They have asked in exasperation: What is the policy of the United States? Do you intend to be involved in the region or do you not? Do you intent to support the Contras or do you not? If we stick our neck out and talk about what the Sandinistas are doing, are you going to back us up or are you not? Or is this, in fact, going to be held against us in terms of economic assistance and other programs.

And none of us has been in a position to tell our friends in the region what our policy is because we voted against almost as many times in one direction as we have voted in exactly the opposite direction.

So, Mr. President, while this is not perfect, let us stay with it. Let us demonstrate that the Congress of the United States and our leadership have the ability to make an agreement with the President of the United States. All such agreements will be imperfect from the point of view of each and every one of us. No agreement is ever going to be exactly as we have written it.

But let us support the President on this matter and support the bipartisan agreement that has been reached. Let us stop sending false signals that support for the Contra cause is weaker in this body than it really is in terms of the true sentiment that exists here.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I would like to yield to the Senator from Massachusetts who has been here waiting. I know a number of other people wish to speak. If nobody is going to object, I thought it would be a good idea if I might yield to someone who wants to speak and then Senator KASTEN could yield to someone who wants to speak so we could go back and forth and we can get this going.

How much time would the Senator from Massachusetts like?

Mr. KENNEDY. Six minutes.

Mr. LEAHY. Mr. President, I yield 6 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, let me begin by commending the leadership of the Congress and Secretary of State James Baker for their tireless efforts in developing the package before us. I also want to thank Senator DODD for his important role in fashioning this proposal.

These individuals devoted many hours over many weeks in developing this sound compromise on one of the most divisive issues Congress has faced over the last decade.

When the package was first proposed to Congress, I had deep reservations over the extension of assistance to the Contras through next February and its inconsistency with the recent plan signed by the five Central American Presidents on February 14 in El Salvador. That agreement called for a winding down of the Contra presence in Honduras and for their reintegration into Nicaragua or relocation to other countries in the region. I believe that any step the United States takes must be consistent with that effort.

After many hours of negotiations, we reached agreement on a package that met these concerns. The assistance to the Contras is guaranteed of flowing only until next November, not through next February as originally proposed, and can be used for relocation of the Contras once the Central American countries devise a plan to do so. It is well designed to encourage the Nicaraguan Government to fulfill its pledges of democratic reforms.

I am particularly pleased with the November, "second look" provided to Congress. That role in effect gives Congress the opportunity to review any aid to the Contras after November and will guarantee close consultation on this issue between the administration and the Congress. As the Iran-Contra trial proceeds just a few blocks away, we are reminded of the importance of such a dialog.

This accord signals a long overdue new approach to the region by the administration. In a dramatic shift, the administration is no longer making military aid to the Contras a high priority but appears at last to have recognized that military aid is a failure, that we must negotiate our differences with Nicaragua, and put the full weight of the United States behind the efforts of the Central Americans to bring peace to their region. I remain opposed to military aid to the Contras. I welcome this new direction in United States policy, and I support this proposal as an important step in ending our failed policy toward Nicaragua.

Now denied the convenient excuse of the Contra war, let us hope the Sandinista government will at long last live up to its commitments to create a democratic society and negotiate a reconciliation with all segments of the population, including the Indians on the east coast of Nicaragua. Let us hope that the elections next February will usher in a new era of freedom and democracy in Nicaragua.

Let us hope that this agreement signals a new era in United States-Central American relations in which our Rambo style politics become a thing of the past. Perhaps we are at last embarking on a path of working with the people of Central America in addressing the real threats to peace and stability in the countries—poverty, economic inequity, and social injustice.

Finally, I would hope this new approach will also enable the administration to devote immediate and high level attention to the crisis in El Salvador. That war-torn nation has paid a heavy price for our 8 years of obsession with Nicaragua. The signs of crisis are everywhere in El Salvador—the economy is in shambles, death squad activity is on the rise and the guerrillas are stepping up their attacks. We must give El Salvador higher priority in our policy toward Central America.

I welcome the compromise before us and I urge my colleagues to support it.

Mr. KASTEN. Mr. President, I yield 5 minutes to the distinguished Senator from the State of Texas.

Mr. GRAMM. Mr. President, let me begin by saying I do not think we are doing the President a great favor in supporting this policy. This is not the President's policy. This simply represents the best the President could do in a Congress that does not support any kind of coordinated activity in Central America.

This policy is basically a kind of kiss-your-sister policy where we decide not to decide. What this policy does is continues to send Band-Aids while the Russians send bullets, trying to buy time until one of two things can happen. One is that after 10 years of lie after lie by the Sandinistas, there is still hope among some that the Sandinistas will institute democratic reform.

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Mr. President, I see no basis for that hope. I think anyone who has been to Nicaragua and met with the petty tyrants there has to recognize that there is little chance that that is going to happen. I hope it does happen.

But in voting for this proposal and supporting the President's compromise, my vote is not based on a support for this as a permanent policy, nor is my vote based on a belief that somehow the Sandinistas are going to change their stripes.

My support is based, really, on a second possibility and that second possibility is that after 10 years of lies and promises not fulfilled, that the Members of the Congress, both Democrats and Republicans, are going to recognize at some point, hopefully not too late or in the too distant future, that the Sandinista Communists want victory and not peace.

Our dear colleague from Massachusetts talked about eliminating the excuse of the war for the Communist Sandinistas. Mr. President, they do not need the excuse of a war in Nicaragua. They have a war that they are supporting in El Salvador and they do not need the excuse of that war. They can fight in Honduras. They can fight in Guatemala. They can support people in Costa Rica.

When I was in Costa Rica, President Arias responded when I asked him, "Well, what are you going to do when they are supporting insurgents in your country? What are you going to do when there is no war in Nicaragua and they bring the war to you?" To which he responded, "Well, we, in Costa Rica, do not have an army. How can they fight a war with us?"

My response is: "It will be a very short war."

Mr. President, I do not believe this is a policy. I do not believe the President believes it is a policy. I believe he believes it is the best we can do to keep freedom and the hope of democracy alive until, in God's good time, either a miracle happens in Nicaragua or until people in the United States Congress awake to a very real threat in Central America.

I hope that day comes soon. I long for it. I believe that with a unified policy to eliminate communism on the mainland of America that we can and will be successful. But until we have that unanimity of purpose, we will not be successful.

This is not a step toward it. This is simply an action that allows us more time for that consensus to form.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I believe the Senator has time anyway?

Mr. HOLLINGS. Whenever.

Mr. LEAHY. If the Senator from South Carolina would forgive me on this, the Senator from Virginia had asked earlier if he might speak for 1 minute or so. I yield 1 minute to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Thank you, Mr. President.

I wanted to add my voice particularly to that of the Senator from Oklahoma, Senator BOREN. I think my position in this particular matter is well known. I have not spent as much time on this floor on the issue, but I have off the floor.

I think it is very clear at this point if we want to advance the cause which prompts some of the frustration by some of my colleagues on the other side of the aisle, the best that we can do, most constructive position that we can take with respect to support for the alternative and democratic resistance in Central America is to support this particular proposal as it exists without amendments.

I like the amendment of the Senator from Colorado and others that I expect would be proposed at this point. I would not want my vote against those amendments or others to be construed erroneously.

I think it is in the long term best interest of the cause that we support as few amendments as possible and to send this back so that we have some action because I think the position the majority leader took is precisely right. If we do not get this, I do not think we provide any aid whatever.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, we are in the process of trying to alternate back and forth, from one side of the aisle to the other.

Mr. LEAHY. If the Senator would yield for a moment, I just discussed this with the distinguished Senator from Wyoming and he was very courteous and agreed to let the Senator from South Carolina have his unanimous-consent time. I will guarantee, if I take it from myself to do it, the Senator from Wyoming is then going to go to his amendment.

Mr. HOLLINGS. Mr. President, I thank both distinguished leaders and our colleague from Wyoming.

It is not by intent to delay. It is my intent to express the frustration that comes from this policymaking environment that is straight out of "Alice in Wonderland."

One Senator gets up, the Republican leader, and says: Please support the President in his policy. And the next man gets up on the Republican side and says: It is not the policy.

It is said that this deal promotes peace. Yet this assertion absolutely defies logic and reason. It is just as if we had not done anything for 10 years.

Yes, our policy on the Contras has been on again off again. Mr. President, for the last 7 years we have appropriated money for the Contras and that was the policy.

We bugged out last year and we said at the time perhaps it was because of the election.

I ask unanimous consent to have printed at this point in the RECORD an editorial from the Washington Times dated September 21 of last year.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington, Times, Sept. 21, 1988]

BETRAYAL

You probably missed it, but the leadership of the Nicaraguan Resistance passed through Washington last week, hoping to build some support for its efforts to liberate Nicaragua. The problem is that the Nicaraguan resistance no longer conducts anything as organized as an "effort." Its uncertain American sponsors have denied it any significant military or humanitarian aid, forcing its fighters to flee across neighboring borders instead of forcing the Sandinistas to bargain in good faith. More than 15,000 resistance forces were making inroads in Nicaragua just 13 months ago, and their successes had forced the junta in Managua to talk with at least mock seriousness about internal reform.

That hopeful episode ended in August, 1987 when the White House unaccountably joined in the short-lived Wright-Reagan peace plan, which in turn gave way to the embarrassingly utopian Arias peace plan. The resistance since has been betrayed, stripped of its credibility, and reduced to bickering about the best way to save face. The Sandinistas in contrast have stiffened internal repressions and begin murdering resistance supporters by the dozens, especially in remote country villages.

Those who support liberal democracy in Central America have reacted to this slaughter with what at best might be called confusion and at worst characterized as hypocrisy. President Reagan has continued to offer rhetorical support for the freedom fighters, but in substantive matters has stopped scratching lines in the sand and begun carving them in water. His recent vow to seek humanitarian aid to the resistance after the present aid package expires at the end of the month would provide enough beans and socks to keep the resistance alive, but not enough ammunition to prevent its members and supporters from being slaughtered by the Sandinista forces. While we would send at most $3 million a month in food and clothing, the Soviets could continue sending the Sandinistas upwards of $100 million a month in military hardware.

The resistance leadership should have made a strong case for some military aid last week. Instead, its members debated about whether to cozy up to the same Congress that put them in their present mess. A plan to rejoin negotiations with the Sandinistas, who haven't abided by a single treaty or settlement since 1979, would allow anti-resistance forces in Congress to argue that the Arias peace process works and that the freedom fighters obviously don't need more arms in order to bring the Sandinistas to the peace table.

The Reagan administration historically has been able to rely on Sandinista miscues to keep its pro-freedom fighter initiatives alive, but it's managed to lose even that reliable gambit. The Sandinistas continue to embarrass their American supporters, but that's old news. People have resigned themselves to tyranny south of our border.

Unless the president himself takes a firm stand soon, and there is no evidence that he will, the end game has begun in Nicaragua and the Sandinistas soon will consolidate a Cuban-style despotism in Nicaragua. If and when such a consolidation occurs, anti-communists in America quite correctly will point fingers at Oscar Arias and the Democratic leadership in the House. But those anti-resistance forces couldn't have achieved their ends without help. The timid, wavering, inconsistent efforts of the White House—and now even of the resistance itself—have made the Sandinista end game possible.

Mr. HOLLINGS. Then, Mr. President, I ask unanimous consent to also have printed in the RECORD a historical record of the abuse of human rights and the broken promises and lies of the Sandinistas going back to 1979 and a Washington Post article dated April 13, 1989.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ABUSE OF HUMAN RIGHTS BY THE SANDINISTAS—THE HISTORY OF LIES AND BROKEN PROMISES

1979

June 18: A Sandinista pledge for a government that would be truly democratic with respect to fundamental liberties including:

Free expression,

Freedom of religion,

A mixed economy,

An independent non-aligned foreign policy,

A minimum permanent military establishment, and

Other generally accepted principles.

These were the promises of the Sandinista-dominated government-in-exile in San Jose, Costa Rica, in June, 1979, one month before Somoza's departure, and they were used to gain OAS and Carter's backing in July 1979.

The OAS resolution of June 23, 1979, backing the Sandinistas specified that elections be held "as soon as possible."

July 20: The Government of National Reconstruction installed as new government of Nicaragua—5 member coalition: Daniel Ortega, Sergio Ramirez and Hassan Morales (Sandinistas) and Alfonso Robelo and Violeta Chamorro representing other groups fighting Somoza.

July 21: Ramirez states that elections would be held within two years.

Aug. 9: U.S. provides $75 million in economic support to Nicaragua.

SANDINISTA ACTIONS

Cuban military and security advisors entered Managua within a week of the overthrow.

The Salvadoran Communist guerrillas were there 2 days later.

By the Fall of 1979, relations were established with all elements of the Soviet Bloc.

Sandinista foreign policy meeting (September 21-23) calls for Nicaragua to assist the struggles of the Latin American peoples against fascist dictatorships.

Interior Minister Borge states Sandinista intention to train a 300,000 troop militia.

1980

SANDINISTA ACTIONS

January 13: School in Cuba opens for Nicaraguan students.

January 14: Nicaragua abstains in U.N. vote against Soviet invasion of Afghanistan.

March: Sandinista leaders travel to Moscow to cement economic and military ties with Soviet Union.

April 20: Violeta Chamorro resigns from the ruling panel.

April 21: Sandinistas increase size of Council of State from 33 to 47 to give it a clear majority.

April 22: Alfonso Robelo resigns from the ruling panel protesting change in government.

May 11-13: Borge and Ortega stated elections would be held in 2 or 3 years.

May 16: Vice President Cardenal resigns because government is becoming a dictatorship of the extreme left.

August 23: Sandinistas announce elections will be held in 1985—4 years after originally promised and 6 years after coming to power.

September 19: Sandinistas enact decrees establishing news censorship.

November 17: Vice President of Superior Council of Private Enterprise—Jorge Salazar—killed by Sandinistas. Representatives of business and other political parties withdraw from Council of State managing the government.

1981

January 29: Former Secretary of State Muskie states Salvadoran communist guerrillas are receiving arms from Nicaragua.

February: Turbas Divinaes Divine Mobs) appear.

March 15: 5 political parties opposing Sandinistas charge that it was imposing a Marxist-Leninist state and violating citizens' rights.

July 10-11: La Prensa closed for the first time because of stories concerning the problems of journalists and radio stations in Nicaragua.

July 19: Ortega announces economic decrees which essentially nationalize economy.

THE ENDERS PEACE PLAN

In August, Assistant Secretary of State Thomas Enders presented the Sandinistas with an offer that the U.S. would resume aid if the Sandinistas abided the major conditions outlined in their 1979 pledge to the OAS—namely (1) proceed with their promised political reforms, (2) reduce close ties with the Soviet Union and Cuba, (3) reduce rapid military build-up, and (4) stop supplying arms to Communist guerrillas in El Salvador.

The Sandinistas rejected the proposal.

August 25: Defense Minister Humberto Ortega (Daniel's brother) tells members of Army that Nicaragua Revolution is guided by principles of Marxism-Leninism.

October 2: La Prensa shut down for 5th time.

October 3: Minister Jaime Wheelock tells La Prensa editors to change their independent policy or be closed permanently.

November 16: President Reagan signs a finding stating a need for covert action against the Cuban presence and the Cuban-Sandinista operation throughout Central America.

1982

January: International Confederation of Free Trade Unions lodges a complaint against Nicaraguan government for violating trade union rights.

February 15: Miskito Indians relocated by Sandinistas.

March 1: Reports that 25-40 Miskito villages burned, 200 killed, and 160 imprisoned during Sandinistas relocation program.

March 15: Sandinistas declare state of emergency.

April 15: Eden Pastora, former Vice Minister of Defense who had left the post in July 1981, surfaced and accused Sandinistas of failure to keep promises for political pluralism and denying civil liberties.

May 12: Alfredo Cesar resigns as Central Bank president charging that the Sandinistas were undercutting the bank's export incentives plan and austerity program.

June 17: The European Parliament terminated financial aid to Nicaragua because Nicaraguans were being deprived of democratic freedom and civil liberties.

August 10: Bishops sent letter to Junta claiming a campaign to discredit the church.

October: The San Jose Peace Plan—

Seven countries (U.S., Belize, Colombia, Costa Rica, El Salvador, Honduras, and Jamaica) issued an offer in October to the Sandinistas for a regional peace plan based on four principles:

Removal of all foreign military advisors,

An end to support of insurrection in neighboring countries,

No importation of heavy weapons into the region, and

The establishment of democratic institutions in each country.

The Sandinistas rejected the proposal.

December: Amnesty International reported a pattern of arbitrary arrests by Sandinistas designed to harass and intimidate legally constituted political opposition.

The Sandinistas abstained a second time in a U.N. vote condemning Soviet invasion of Afghanistan.

1983

January: First meeting of Contadora Group—Colombia, Mexico, Panama, and Venezuela.

January-April: Sandinistas resist meeting in multilateral setting and oppose idea of comprehensive agreement.

March 4: Pope John Paul II visits Nicaragua. Sandinistas disrupt his program.

April 11: Sandinistas create a popular tribunal and appeals court to try people accused of violating national security laws.

July 19: Ortega issues 6-point peace plan and declares Sandinista willingness to negotiate. Proposal failed to address key issues such as foreign advisors, arms limitations, democratization, or national reconciliation. It equated Salvadoran government with communist rebels.

August 18: Nicaragua threatens to obtain MIGs.

September 2: Junta enacts laws regulating political parties.

November 28: La Prensa editor Pedro Chamorro states that censorship is slightly less severe but is still heavy.

1984

January 8: "Norms of Implementation" declaration adopted in Panama by nine Contadora Foreign Ministers establishes three working commissions in security, political and social-economic matters to recommend by April 30 specific measures to implement Document of Objectives.

April 30: Five Central American foreign ministers request Contadora Group to integrate recommendations into single negotiating text.

June 2: Secretary of State Shultz visits Managua to launch bilateral talks in support of reaching a comprehensive Contadora agreement.

June 8-9: Contadora Group presents "Contadora Act for Peace and Cooperation in Central America" to Central American governments, requests comments by mid-July.

June 25-26: First of nine rounds of bilateral talks between U.S. and Nicaragua held at Manzanillo, Mexico. U.S. throughout seeks informal understandings to facilitate Contadora agreement. Nicaragua seeks formal bilateral accords in lieu of Contadora; excludes discussion of democratization and national reconciliation.

August 25-27: Technical Group (vice-ministerial level) of Contadora process meets in Panama to consider oral and written comments on the June 8 draft Act. Nicaragua refuses to accept any feature of the Contadora June draft to which it had not previously agreed.

September 7: Contadora Group submits revised draft of Contadora agreement for Central American comment by mid-October.

Comment: The draft agreement achieved Nicaragua's two principal objectives (cessation of support to democratic resistance and prohibition of manuevers) upon signature while leaving arms reductions and withdrawal of advisers for later negotiation. Verification provisions were weak.

September 21: Nicaragua states it is willing to sign the September 7 draft provided that it is not changed; calls on United States to sign and ratify its Additional Protocol.

Comment: Portrayed by the Sandinistas as a step toward peace, Nicaragua's acceptance was in our view an attempt to freeze the negotiating process at a moment of advantage.

September 25-26: At sixth round of Manzanillo talks, Nicaragua adopts Contadora draft agreement as its negotiating position. U.S. suggests the two sides focus on text of draft agreement but Nicaragua rejects any discussion of possibly modifying the draft.

September 29: EC-Central American Foreign Ministers meeting in Costa Rica call draft agreement "fundamental stage in negotiating process," but refrain from endorsing any text not agreed upon by all participating governments.

October 15: Comments submitted to the Contadora Group by Costa Rica, El Salvador, and Honduras identify verification and need for simultaneous implementation of commitments as areas for modification.

October 19-20: Honduras, Guatemala, El Salvador, and Costa Rica (Nicaragua was invited but did not attend) meet in Tegucigalpa to consider the September 7 draft agreement and draft proposed modifications. Honduras, El Salvador, and Costa Rica endorse modifications and forward it to the Contadora Group and Nicaragua.

November 12-16: Extensive private consultations among the Contadora participants are held on the margins of the Organization of American States General Assembly in Brasilia.

December 10-11: Ninth round of Manzanillo talks. Nicaragua definitively rejects U.S. approach to reach agreement on basis of September draft; reverts to initial position of bilateral accords in lieu of Contadora.

1985

January 18: U.S. informs Nicaragua that it is not scheduling further meetings at Manzanillo pending further evolution of the Contadora process.

February 14: Contadora meeting cancelled over asylum dispute between Nicaragua and Costa Rica.

April 11-12: Contadora meeting of plenipotentiaries reaches agreement in principle on revised verification procedures.

May 14-16: Second meeting of Contadora plenipotentiaries, with inconclusive discussion of security issues.

May 31: Sandinistas border incursions into Costa Rica kill two Costa Rican Civil Guardsmen.

June 7: OAS Permanent Council appoints investigative commission consisting of Contadora Group and OAS Secretary General to report on May 31 and related border incidents.

June 17-19: Nicaragua's refusal to discuss agreed agenda results in abortion of Contadora meeting of plenipotentiaries, four-month hiatus in Contadora negotiations.

June 24-28: Ambassador Shlaudeman visits Guatemala, El Salvador, Costa Rica, Colombia, and Venezuela for consultations on Contadora; reviews conditions under which the United States might resume bilateral talks with Nicaragua.

June 30-July 2: Ambassador Shlaudeman continues consultations in visit to Mexico and Panama.

July 17: Ambassador Shlaudeman concludes consultations in visit to Honduras.

July 22: Contadora Group governments publicly call on the United States to resume bilateral talks with Nicaragua. Communique also announces intentions to hold bilateral meetings with the individual Central American governments in lieu of resuming talks.

July 26: In Mexico City, Secretary Shultz states willingness of United States to resume bilateral talks if that would promote a Church-mediated dialogue in Nicaragua, and reaffirms strong U.S. support for the Contadora process.

July 28: Following consultations with the Contadora Group, the governments of Argentina, Brazil, Peru, and Uruguay form the "Contadora Support Group."

August 1: Costa Rica, Honduras, and El Salvador in joint statement welcome the visit of Contadora ministers but propose resumption of Contadora negotiations.

August 3-8: Contadora Group Vice Ministers visit the five Central American states to consult on outstanding Contadora issues.

August 23-25: The Contadora Group and Support Group, meeting in Cartagena, Colombia, issue communique stating intent to consult regularly on Contadora matters.

August 26: U.S. welcomes formation of Support Group.

September 4: Costa Rica, Honduras, and El Salvador formally reiterate proposal to resume Contadora negotiations.

September 9-13: Ambassador Shlaudeman consults with Support Group governments in visits to Argentina, Uruguay, Brazil and Peru. He explains U.S. view that Support Group could help by working toward a Sandinista dialogue with armed resistance (United Nicaraguan Opposition) and urges Support Group to consult with all the Central American states.

September 8: Costa Rica, Honduras, and El Salvador jointly request a meeting with the Support Group governments on the margins of the September 12-13 meeting of Contadora process foreign ministers in Panama. The request is declined on the grounds that it might interfere with the scheduled meeting.

September 12-13: The Contadora Group tables a third draft of a Contadora agreement. The Central American foreign ministers agree to convene multilateral negotiations on October 7, with the aim of reaching final agreement within 45 days. The agenda for these negotiations is defined narrowly. It is also agreed that events and developments within the region will not interfere with Contadora talks.

October 7-11: The first round of talks are held on Contadora Island, Panama. Costa Rica states it is willing to sign the September 12 draft. El Salvador and Honduras express general support while identifying issues that require further negotiation. Guatemala maintains neutrality on content of draft while pointing to constitutional difficulty of current government to commit Guatemala in view of upcoming elections. Nicaragua states it is not ready to declare its view.

October 17-29: Second round of plenipotentiary negotiations held on Contadora Island. Nicaragua presents extensive objections to September 12 draft.

October 24: President Reagan addresses the UN General Assembly, presenting an initiative on regional conflicts. President states that U.S. support of struggling democratic forces "must and shall continue" until there is progress in negotiatings between the parties to internal conflicts.

October 29-31: Ambassador Shlaudeman and Nicaraguan Ambassador Tunnerman meet in Washington. Shlaudeman says U.S. will resume bilateral talks if Sandinistas accept March 1985 proposal of the Nicaraguan resistance for Church-mediated dialogue, cease-fire, and suspension of the State of Emergency. Tunnerman reports Nicaraguan Government rejection of this offer.

November 11-12: Foreign ministers of the nine Central American and Contadora Group governments meet with the foreign ministers of the EC-10, Spain, and Portugal, in Luxembourg. EC-Central American economic agreement is signed; political communique supports Contadora and stresses democratic pluralism and civil liberties.

November 11: Nicaragua publishes letter to Contadora Group and Support Group presidents detailing objections to the Contadora Group's September 12, 1985 draft of a final agreement. Nicaragua's position, in essence, is to insist on an accommodation with the United States prior to a Contadora agreement.

November 19-21: Third round of negotiations among Contadora "plenipotentiaries" held in Panama. Some progress on verification and related issues is achieved. All delegations recommend extending 45-day deadline for final agreement.

November 22: U.S. Permanent Representative to the United Nations Walters addresses the General Assembly on continued U.S. support of the Contadora process.

December 1: Nicaragua announces that it will not take part in the Contadora meetings to be held on the margins of the OAS General Assembly meeting in Cartagena, Colombia, December 2-5.

December 2: Secretary of State Shultz meets with Contadora Group foreign ministers at the OAS General Assembly in Cartagena.

December 3: Nicaragua submits formal request for suspension of Contadora peace negotiations until May, 1986.

December 6: Contadora Group submits report to OAS Secretary General expressing hope that negotiations will continue.

December 7: Nicaragua reiterates its request for suspension of Contadora talks at a

SELA (Latin American Economic System) meeting in Caracas, Venezuela.

December 11: OAS General Assembly Resolution, opposed by Nicaragua only, urges continuation of Contadora talks.

December 10: Venezuelan officials publicly oppose suspension of talks.

December 17-18: Contadora Group governments consult informally in Montevideo.

January 11-12: The eight Foreign Ministers of the Contadora Group and Support Group governments, meeting in Caraballeda, Venezuela, issue the "Message of Caraballeda." It reiterates basic Contadora principles; urges actions to create climate for negotiations, including resumption of Contadora talks; and offers Contadora's help to "promote new steps of national reconciliation" and renewal of U.S.-Nicaraguan bilateral talks.

January 15: Central American Presidents agree to hold summit in Esquipulas, Guatemala, in May.

March 20: U.S. House of Representatives defeats administration's proposal for assistance to the Nicaraguan resistance.

April 5-7: Nicaragua's d'Escoto refuses to sign joint communique outlining negotiating goals at meeting of 13 Contadora, Support Group, and Central American Foreign Ministers in Panama. Costa Rica, Honduras, and El Salvador propose schedule of intensive negotiations to reach agreement by end of May 1986. Eight Contadora and Support Group ministers issue invitation to renew talks; reach agreement by June 6.

April 19: President Ortega, in public statement, calls Ambassador Habib a "demagogic liar," raising the issue of Sandinista interest in constructive negotiations.

May 24-25: Five Central American Presidents meet at Esquipulas, Guatemala. Communique notes "frankness" of exchanges and profound differences between Nicaragua and its neighbors over meaning of democracy. Presidents reiterate commitment to reach Contadora agreement, omitting June 6 as target date; agree to create Central American Parliament.

May 26: President Ortega presents a list of "14 Points" calling for a reduction of armament levels and other military-related matters.

May 27-28: Contadora meeting in Panama. Nicaragua tables its "14 Points," which if adopted, would have virtually no effect on strength and size of Sandinista arsenal but would have serious impact on the security capability of the other Central American countries. Nicaragua also refuses to negotiate limits on "defensive" weapons. Meeting inconclusive.

1987

January 9: President Ortega signs into law Nicaragua's new "democratic" constitution. Within hours of its promulgation, Ortega issues new emergency decree suspending the rights and liberties of the Nicaraguan people provided for in the new charter, including freedom of speech, press, assembly, right to organize, right to privacy, and others.

February 6: Seven civic opposition parties in Nicaragua issue a "9 Point" peace proposal calling for, among other things, a national dialogue, a National Commission for Peace, a cease-fire, and a general amnesty. The Sandinista Government does not respond to this latest call for peace by opposition parties who are committed to a civic struggle for democracy in Nicaragua.

THE ARIAS PEACE PLAN—ESQUIPULAS II

On August 7 the democratic governments of Costa Rica, Honduras, Guatemala, and El Salvador, joined with Nicaragua in signing this peace plan.

The 5 participants pledged to "promote an authentic democratic, pluralist, and participatory process that includes the promotion of social justice, respect of human rights . . ."

The right to organize, free speech, a free and open media, and free movement are guaranteed political groups.

The major goals were:

Amnesty for political opponents,

Dialogue with unarmed political opposition,

A cease-fire with irregular and insurgent groups (for Nicaragua this meant the Sandinistas and Contras),

Freedom for press, radio, TV,

Freedom of opposition political parties,

Lifting of state of emergency, and

Cessation of aid to insurgent forces.

These commitments were to have been achieved by November 5, 1987.

SANDINISTA ACTIONS

The Sandinistas did not comply with provisions of the Peace Plan.

August 8: 16 members of the Nicaraguan Confederation of Trade Union Unity arrested and imprisoned.

August 15: Police, using electric cattle prods, and "turbas" (mobs led by FSLN activists) break up two opposition attempts to hold peaceful rallies.

The head of the CPDH (Permanent Committee on Human Rights) and the leader of the independent bar association are arrested while observing a peaceful demonstration; they begin a hunger strike to protest their detention.

September 27: Police arrest 18 Social Christian Party (PSC) members prior to a rally in Managua.

PSC members outside of Managua are prevented from obtaining transportation to participate in the commemoration of the PSC's thirtieth anniversary.

October 19: Radio Catolica's first newscast since reopening is cancelled by government officials who claim the radio lacks the proper permits.

October 22: Turbas disrupt a peaceful human rights vigil and attack members of the "January 22 Movement of Mothers of Political Prisoners" in El Calvario church in Managua.

October 25: An estimated 5,000 potential emigrants walking to the Costa Rican border are turned back by Sandinista security forces.

October 26: "Turbas" numbering approximately two thousand surround the headquarters of the Permanent Committee on Human Rights (CPDH) where the "January 22 Movement of Mothers of Political Prisoners" has gathered.

October 31: Nearly 300 Nicaraguans flee to Honduras following a meetng with families at the border.

November 1: Julio Bustamante of the Office Workers Union of El Viejo is taken from his home at 10:00 p.m. and beaten by three men wearing army uniforms.

November 18: President Ortega says he will not approve the request of private businessmen to open an independent television station.

Case comes to light of a Resistance member who on April 30 surrendered under the Sandinista amnesty on April 30 and, the amnesty notwithstanding, was arrested 9 days later and sentenced to 15 years in prison.

November 19: Miguel Salas, machinists union member, is seriously wounded by Sandinista official Wilfred Dominguez who shot him four times.

November 27: Nicaraguan police arrest and beat two youths for distributing anti-government leaflets for the Liberal Independent Party.

December 3: Police detain persons in Jinotega for publicly voicing support for thirteen individuals falsely arrested by the Sandinistas.

December 13: Security forces detain a Social Democratic party leader for 3 days following his organization of a December 13 march in opposition to the government.

December 13: President Ortega tells a labor group that while the Sandinistas might give up the formal trappings of government, they would never yield power.

December 15: Three Supreme Court judges resign to protest Sandinista non-compliance with judicial orders.

December 17: Government imposes a requirement for a 72-hour notice prior to holding political events and makes sponsors responsible for all damage, including that caused by participants in government-backed counter-demonstrations.

December 18: President Oscar Arias denounces Nicaragua's plans for a military buildup as a violation of the Esquipulas Accord.

1988

January 5-14 opposition parties issued a joint statement accusing the Sandinistas of intransigence in responding to the Peace Plan and instituting democratic reform.

January 15 was the next Arias deadline—for a final compliance review.

Ortega asked for extension to give Sandinistas more time to begin implementation. The other four presidents said no.

Ortega then said he will (1) lift 6-year old state of emergency, (2) agree to begin cease-fire talks, and (3) grant amnesty of political prisoners.

SANDINISTA ACTIONS

January 15: President Daniel Ortega threatens to reimpose a state of emergency and censorship of La Presna if new funding for the Resistance is approved.

January 16: Joint communique issued by the five Central American Presidents.

Twelve opposition leaders arrested and interrogated for meeting with the Resistance outside of Nicaragua.

January 19: Strongly worded Sandinista editorial warns oppostion that restoration of civil rights should not be taken as a "blank check."

January 22: A Sandinista "turba" yelling "People Power!" hurl rocks into the headquarters of the Democratic Coordinadora, smashing windows and injuring several.

Commandate Bayardo Arce warns the opposition parties to "return to their holes or we will crush them."

January 31: Sandinista authorities threaten to hang, take away land, and seize ration cards from participants in a Liberal Constitionalist Party rally in San Dionisio, Matagalpa.

Transport Ministry refuses to allow opposition parties to rent buses to transport supporters.

February 6: Sandinista military recruiters round up 300 youths in Matagalpa and herd them into vehicles. Boys as young as thirteen and men as old as fifty are press-ganged into military service. More than two hundred youths later reportedly escape. One youth is seriously injured.

February 8: 200 Sandinista police confront demonstrators in Masaya protesting mili-

tary recruitment. Demonstrators are beaten and arrested.

February 9: Sandinista police briefly detain and confiscate television crews' film of police brutality in Masaya.

February 10: Government newspapers charge independent newspaper La Prensa with supporting the Resistance and threaten to use physical force to close it down.

February 18: Violeta Chamorro, widow of Pedro Joaquin Chamorro, assassinated owner of La Prensa, writes to President Oscar Arias that "the Sandinista regime . . . has entered into a phase of total indifference to the points stipulated in the Esquipulas II Accord."

February 20: Police raid Managua's Eastern Market. Thousands of cordobas worth of merchandise seized from small entrepreneurs.

February 23: President Ortega accuses democratic opposition political parties of having a "perfidious, blackmailing attitude . . . which is treason to the fatherland."

February 25: During a strike by 2,000 restaurant workers in Managua four union leaders are detained and pro-Sandinista mobs threaten strikers.

The International Committee of the Red Cross, while conducting a census of political prisoners, is denied access to security police prisons under the control of Tomas Borge's Interior Ministry.

February 26: Two U.S. Embassy officers are assaulted and harassed by FSLN supporters during a pro-government rally in Managua.

February 27: After being held for 15 days after their February 12 acquittal, five opposition members acquitted of alleged involvement in anti-government bombings in Jinotege are released from jail. They were released only after intervention by an international human rights organization.

February 28: Cardinal Obando y Bravo calls Daniel Ortega's insistance that the Sandinista agenda serve as the basis for the next round of cease-fire talks "a backward movement to zero."

February 29: Sandinista television begins broadcasting spots accusing *La Prensa* owner Violeta Chamorro of war crimes.

March 1: President Ortega closes Ministry of Justice. Tomas Borge's Interior Ministry now oversees control over organizations, associations and other "legal personalities" such as political parties.

Security officials threaten to jail leaders of the Democratic Coordinadora if they proceed with plans for a March 6 rally in Masaya.

March 2: Miguel Cardinal Obando y Bravo is dismissed as cease-fire mediator by President Ortega.

March 3: Several hundred "turbas" break up a meeting of 15 leaders of the Permanent Congress of Workers (CPT). Police watch from a distance as the "turbas" storm the hall where the union leaders are meeting.

A Sandinista-organized, rock-throwing mob officially estimated at 3,000 gathers outside La Prensa offices, shouting anti-La Prensa slogans and burning Mrs. Chamorro in effigy.

Transported to the scene in government trucks, a pro-Sandinista mob storms an opposition labor meeting in Managua.

The secret police (the DGSE) warn three opposition reporters that they are being watched and monitored because of their connection to "counter-revolutionary organs." Two weeks earlier, a reporter is briefly detained while covering an anti-government demonstration by women in Managua's Eastern Market.

March 5: Two labor activists leading a peaceful march of 60 peasants enroute to a rally sponsored by the Labor Unity and Action Central (CAUS) are killed by troops near the village of El Tuma in Matagalpa department.

March 6: 150 Sandinista counter-demonstrators wound seven opposition demonstrators in Masaya protesting military recruitment policies.

Sandinistas employ "turbas" to violently disrupt a peaceful Women's Day march of the "January 22 Movement of Mothers of Political Prisoners." Five hundred peaceful marchers are attacked and beaten by a government mob armed with rocks, chains and iron bars. Over 150 government vehicles reportedly were used to transport city workers and DGSE employees to Masaya for the government-organized countermarch. DGSE agents repeatedly threaten march organizers and their families.

March 9: Police refuse to grant a march permit to the CPT.

March 13: President Ortega warns opposition parties "not to overstep their right to criticize the government." "Everything has its limits," Ortega warns, and "he who sows the wind reaps a storm."

An extraordinary session of the FSLN Assembly warns the opposition against provoking the "ire" of the people.

March 15: Sandinistas invade Honduras—to hit at Contra camps.

Sandinista-organized mobs backed by Nicaraguan police sweep through three Managua markets seizing merchandise from private vendors to enforce new price restrictions.

Seven labor organizers arrested in Masaya.

Labor leaders protest the arrest of Justo Pastor Espinoza in Granada. Pastor, a labor organizer for CAUS (Labor Action and Unity Central), was arrested and later turned over to a mob which beat him in front of police headquarters and stole his megaphones.

March 16: All radio stations required to join a government network three times a day, thus preventing local radio stations from reporting on the Nicarguan incursion into Honduras.

March 17: President Ortega tells opposition leaders the political opening permitted to date would be terminated if they continue to pressure the regime to abandon it revolutionary principles.

March 18: Vice-President Sergio Ramirez again declares that the Sandinistas will not grant a license for a non-government television station.

March 19: Labor march planned for Masaya is cancelled because police refuse to indicate whether permission to march will be granted. Marchers also fear government-organized violence.

SAPOA CEASE-FIRE AGREEMENT—MARCH 23

Conditions:

a cease-fire, Contras to relocate to zones

amnesty, with first 100 of former National Guardsmen to be released on Palm Sunday (March 27)

Democratization, with Sandinista guarantees of unrestricted freedom of expression as required in Arias Peace Plan

Verification, Cardinal Obando and OAS General Secretary Soares to head a special commission

Ensure free participation in municipal, national and Central American parliament elections.

Four meetings held until June with no agreement.

SANDINISTA ACTIONS

March 28: La Prensa suspends publication because of a shortage of newsprint. Sandinistas refuse to permit La Prensa to purchase foreign newsprint.

April 12: Sandinistas officials deny permission for AmeriCares (a private US humanitarian aid organization) to deliver newsprint to La Prensa and medicine and clothing for use by the Catholic church.

April 17: Sandinista authorities deny permission for an opposition rally in San Ramon, Matagalpa province.

April 25: Permanent Congress of Workers (CPT) launch a hunger strike at the Independent General Confederation of Labor (CGT-I) headquarters to protest Sandinista non-compliance with labor promises.

April 26: Fourteen political parties walk out of national dialogue talks with the government in sympathy with striking unions.

April 27: A special police unit, the "Black Berets," attempts to occupy CTG-I union hall and prevent cars driving along road in front of building from stopping to make donations to strike fund collectors.

Approximately 100 Sandinista police beat and arrest four workers from the Labor Action and Unity Central (CAUS) carrying signs supporting the hunger strike. Police attempt to enter the building, but are blocked by a crowd of trade unionists in front of building.

April 29: Interior Minister Tomas Borge orders Radio Corporacion Director Jose Castillo brought in to his office and assaults him there because of the station's coverage of police actions against CPT hunger strikers.

The "Black Berets" forcibly clear protesting workers from the CGT-I parking lot. Several people are arrested, including union leader Antonio Jarquin and Horacio Sanchez, leader of the construction trades union.

Police disperse group of youths from the social democratic and conservative parties who arrive at CGT-I headquarters to support hunger strikers. Some reported arrested.

May 1: 5,000 march in CPT-sponsored May Day rally. The Nicaraguan Workers Central (CTN) May Day rally with 1,500 marchers is disrupted by what appears to be "turba" harassment.

May 3: Antonio Jarquin and Roberto Moreno arrested along with a dozen other people for attempting to hold a press conference at the CGT-I hunger strike headquarters.

All entry and exits from the CGT-I building are blocked by police, Water, electricity and telephones shut off.

Interior Ministry informs Radio Mundial its morning and noon news broadcasts are suspended for one week because of its reporting of the hunger strike.

Unknown persons break into Radio Mundial destroying control console and FM transmitter, breaking tubes and ripping wires. There are no signs of forced entry and nothing is stolen.

The government suspends the following newscasts for eight days: Radio Catolica's "Iglesia," Radio Noticia's "El Pueblo," Radio Mundial's "El Nicaraguense."

Radio Corporacion shut down completely for 24 hours.

May 4: Police detain between 25-30 opposition political leaders as they attempt to visit the trade union hunger strikers. Sandinista police head Doris Tijerino declares

there will be no concessions to workers as long as the hunger strike continues.

May 8: Government refuses permission to the Democratic Coorinadora to hold a march in Jinotepe. Secret police threaten local Coordinadora organizer with imprisonment.

On the morning of a planned demonstration, Sandinista authorities refuse permission for the Liberal Constitutionalist Party (PLC) to hold a peaceful rally in El Corozo, Matagalpa province.

A PLC member reports his supervisor at a state-owned factory seized his PLC membership card and threatened to fire him for joining the party.

May 14: The Interior Ministry orders directors of independent radio news programs not to broadcast reports on forced military recruitment or the economic crisis, and not to or show "lack of respect" for Sandinista officials. They are warned that violators face permanent closure. Tomas Borge's Interior Ministry will enforce the censorship laws.

June 8: Opposition leaders jailed prior to scheduled meeting with Contra leaders in Managua for peace negotiations.

June: Members of the Nicaraguan Permanent Human Righs Commission and an independent broadcaster state that the path to peace and democracy is being wasted—military authorities violate human rights, and the "Turbas" used to close few political spaces open. They cited continued harassment of media, military conscription, political prisoner, and arrests of strikers.

July 10: In Nandaime, a large political opposition rally is destroyed by Sandinista security forces.

La Prensa and Radio Catolica are shut down again.

July 11: U.S. Ambassador Melton and seven key members of his staff expelled.

July 27: La Prensa reopened. Violeta Chamorro said, "The Sandinistas have already violated all the laws, all the norms, of this country. If they want a pretext to close us, they will find one."

1989

THE TESORO BEACH AGREEMENT OF FEBRUARY 14

The same 5 Cental American countries that signed Esquipulas II Accord.

A new Sandinista pledge to liberalize, to allow voluntary repatriation and relocation.

New elections promised no later than 25 February 1990.

SANDINISTA ACTIONS

1,894 former Samoza guards released on March 11.

The secret police are still run by Cuban, Bulgarian, and East German agents.

There is no national army, rather the forces are Sandinista Party armed forces.

The Soviets are still shipping in military goods—and providing economic aid, $90 million in military goods through March—estimates on economic aid not available.

[From the Washington Post, Apr. 13, 1989]

U.S. ECONOMIC AID PROGRAM PLANNED FOR POLAND

(By Don Oberdorfer)

President Bush is on the verge of announcing a major program of economic benefits to encourage Poland in its drive for democracy and is considering a trip to Warsaw in July to dramatize his interest, administration sources said yesterday.

The U.S. program, which may be announced by Bush in a visit scheduled next Monday to a predominantly Polish suburb of Detroit, is likely to include administration support for well over $1 billion in U.S. and multinational economic benefits.

Official sources said some details of the program still are being discussed with the Treasury Department, which has expressed reservations about U.S. backing for an International Monetary Fund (IMF) loan of about $300 million to Poland, long considered an international economic trouble spot.

A potential Bush trip to Poland as well as Hungary—both of which are exploring moves away from one-party communist rule and seeking greater independence from the Soviet Union—is being discussed among administration officials. Such visits could be added to Bush's planned trip to Paris July 14 for the seven-nation economic summit.

In a related development, a senior U.S. official said the administration has rejected a proposal by former secretary of state Henry A. Kissinger for U.S. discussions with the Soviet Union about future political and security arrangements in Eastern Europe.

The official said "there was just no support for that idea" from any quarter during recent internal deliberations that are part of the administration's broad review of U.S. policy toward Europe and the Soviet Union. While many other aspects of future policy remain to be decided by Bush in the coming weeks, the official said, U.S. talks with the Soviet Union about Eastern Europe are "no longer under consideration."

Kissinger, reached by telephone, said U.S.-Soviet discussions about Eastern Europe are "a distortion and an oversimplification of my ideas," which have been presented orally but not in writing to Bush and other senior officials. Kissinger said he has written an article for a number of U.S. newspapers spelling out his proposal in detail.

Kissinger's proposal for a U.S. initiative toward a general political settlement regarding Eastern and Western Europe was presented to Bush, Secretary of State James A. Baker III and other top officials in a Jan. 28 White House meeting, and Baker was reported to be intrigued with the possibilities. Late last month, Baker said in an interview with The New York Times that Kissinger's idea of discussions with Moscow on political arrangements in Eastern Europe is "worthy of consideration because it is a novel approach."

At the same time, however, Baker cited a major objection to Kissinger's proposal: that a U.S.-Soviet arrangement in Eastern Europe would grant Moscow a formalized status in that region at a time when countries such as Poland and Hungary are moving toward greater independence from the Soviet Union and more Western orientation. This argument, plus opposition from several West European countries, led to rejection of the Kissinger plan, sources said.

The package of benefits for Poland from U.S. and international lending organizations, which is being discussed with U.S. European allies and with members of Congress, includes special tariff exemptions for Poland under the "generalized system of preferences" that aids less-developed nations, U.S.-backed loans for private investment, U.S. support for rescheduling of about $700 million of Poland's external debt in Paris Club negotiations and special assistance for Poland in a $250 million World Bank program and a $300 million IMF program.

Rep. Dan Rostenkowski (D-Ill.), chairman of the House Ways and Means Committee and a Polish American, is among several dozen lawmakers who have urged Bush to assist Poland. An aide said Rostenkowski is urging the administration to make its Polish aid program large enough to have a major economic impact.

Mr. HOLLINGS. Mr. President, the bipartisan accord on Central America, agreed to by President Bush and the Democratic and Republican leadership in the Congress, is one more sign of America's weakness and its unwillingness to support the fight for freedom and democracy in Nicaragua and throughout the region. The tragic consequences of the Congress' failure to stand up for human rights and justice in our own hemisphere will be long remembered in the annals of our foreign policy.

Like President Reagan who lost the spirit to fight for such a just cause, President Bush is charting a similar course toward disaster. The cop-out by the President and the see-no-evil Congress in confronting our deficit problem is equally matched by their fearful response to the Communist menace embodied in the Sandinistas. The media and the House of Representatives have been manipulated by the best con job since Barnum and Bailey.

For the 10 years since the Sandinista takeover of Nicaragua, we have seen a trail of broken promises. We see a government operating by lies and deceit without a hint of interest in remotely affording justice to the poor of that nation. Time after time the Sandinistas have come to the table promising reform. Not once have they lived up to their word. The heralded Arias Peace Plan—the Esquipulas II Accord—was signed in August 1987, and we have yet to see any movement on the Sandinistas' part to allow a blink of freedom or justice in Nicaragua. Yet, we are being told again—this is the path to peace. The Arias Peace Plan was nonsense. The sell-out of the Contras, embraced by the bipartisan accord, is nonsense.

The lies of the Sandinistas are best summed up in a letter written in the Summer of 1988 to former President Carter by Violeta Chamorro, editor of La Prensa—and a member of the original five-person ruling coalition of the Nicaraguan Government of National Reconstruction.

A year has passed and the Sandinistas, following their well-known tactic of deception and delay, have reaffirmed their commitment in San Jose, Costa Rica—referring to the Sandinista pledge to abide by the Esquipulas II Accord signed in August 1987. They signed the Sapoa Agreement—March 1988, with the Contras. They have held four meetings in Managua with the Nicaraguan Resistance (armed rebels) and 25 sessions with the internal political opposition in order to achieve a definitive cease-fire and democratization. They do not comply with what was promised. They only want the unconditional surrender of the rebel forces and a submissive collaboration of the internal political forces without conceding abso-

lutely anything regarding previously mentioned democratic measures.

When commenting on the reopening of La Prensa last July, after still another shutdown of the paper by the Sandinistas, Mrs. Chamorro said.

The Sandinistas have already violated all the laws, all the norms, of this country. If they want a pretext to close us, they will find one.

So these are the kind of people we are asked to trust. Why? Has there ever been a single example, one expression, by the Sandinistas that deserves trust? Absolutely not. I have a 10-year history of their deception and lies and ask that it be printed in the RECORD.

The bipartisan accord effectively kills off the Contras as a credible adversary of the Sandinistas. Without lethal aid, morale, discipline, and leadership will diminish. Meanwhile, the Soviets are pouring military assistance into Nicaragua—$2.7 billion during the last 10 years, including $90 million in the last 3 months. We will provide a grand total of $4.5 million a month from now until next February, a total of about $49.75 million. It is all humanitarian assistance. To add insult to injury, or to death in this case, the House insists that this small aid package be reviewed in November to determine whether some of the funds are being spent on reintegration of the Contras into Nicaragua. This is the most incredible and treacherous idea I have heard of. Reintegration into what—repression, slavery? Who among us is willing to live under Ortega's brand of justice?

To further compound this egregious stupidity, the aid is conditional upon the Contras not engaging in human rights violations. Here we have 10 years of no rights within Nicaragua as practiced by the Sandinistas, and we would cut off aid to the only group with the courage to stand up to the Marxist thugs. In other words, we reward those who abuse all rights by taking away aid from those who oppose them. And, of course, we do this to freedom fighters in our hemisphere while we give billions of dollars to allies worldwide who abuse the rights of millions living within their borders. Would not common sense dictate that we have concern about human rights on both sides of the conflict and, if the Sandinistas were found to be in violation, that we have the strength to start sending military aid to the Contras again? If not, who is to stop the Sandinistas?

We are being told that it is good to let the Contras and refugees surrender and reintegrate into repression. The cries of free elections are heard. Over 600,000 people have migrated from Nicaragua including its middle class. Anyone who can read or write and is not in jail has left the country. You cannot have free elections without a middle class. I am reminded of a line from George Eliot's "Felix Holt, the Radical," "An election is coming. Universal peace is declared, and the foxes have a sincere interest in prolonging the lives of the poultry."

Mr. President, I am dismayed at how we reached this point. The fault lies mainly with the Democrats in the House. They have been howling like hyenas for years to give peace a chance—to let the Sandinistas have some breathing room.

What we are witnessing is not peace but failure, and Uncle Sam is the loser no matter how you score this game. It would be foolish for any country or group of fighters willing to risk lives for freedom to take our word as a commitment in the future. The Contras did, and we are abandoning them. Our pledge may be that we are on your side today and perhaps tomorrow—but next week all bets are off—another set of circumstances may demand a revised policy.

What has created this problem is that the debate stopped focusing on the struggle between the Contras and the Sandinistas—between right and wrong—and turned instead into a personal struggle between Speaker WRIGHT and the administration. JIM WRIGHT only got that job by promising liberals running amok that he would help crush the Contras. Regrettably, he succeeded, but the Democrats have lost. The party does not have the wherewithal to stand strong, to be committed, to have backbone. And that is why we continually hand the White House to the Republicans on a silver platter.

I refuse to cast my lot with the likes of Ortega and his Marxist crowd. What single thread of evidence have they offered that we will see personal and political freedom in Nicaragua? Does anyone believe that Violeta Chamorro is free to publish whatever she wishes that is critical of the regime? Will the independent media of Nicaragua be allowed to be independent and critical? Will the political opposition be allowed to organize effectively to contest the Sandinistas when and if elections are held next February? Will the Sandinistas detach themselves as a party from the Armed Forces? Will all political prisoners be freed? Will the Contras be granted amnesty without fear of reprisal? Can anyone answer yes to these questions—can they guarantee any of these things to happen?

The hypocrisy of Arias in Costa Rica and Ortega in Nicaragua is overwhelming. I can understand the Presidents of the other three nations—Cerezo in Guatemala, Azcona in Honduras, and Duarte in El Salvador—going along with the peace proposals. They are threatened by Ortega's export of terrorism throughout Central America. The guerrilla movements in El Salvador and Guatemala are alive today only because of the support coming from the Sandinistas and their Cuban masters. Honduras is flooded with Salvadoran and Nicaraguan refugees, and any peace, whatever the cost, represents the only way for the refugees—numbering well over 100,000—to leave that country. Arias has no army, and no guerrilla prisoners, so he is free to lecture to others. He believes the U.S. Marines will protect Costa Rica. He is only buying time so the future Marxist intervention in his country will occur after he is gone.

Before I leave this subject, I want to make one additional point regarding Guatemala. The Guatemalan Army has the Communist rebels on the run, and they are doing it with no military supplies from the United States. Why, because the Congress has blocked such efforts. It is long past time that we support Guatemala in its fight against the revolutionaries and end that threat now. That small nation is struggling to create a democratic, pluralistic government, and it deserves United States support across-the-board as we do in El Salvador. And we are talking about a lot less money to do it.

We hear big words from Gorbachev about glasnost and the like. But, we see no action by the Soviets—either in Europe or in Latin America. He comes to Cuba and denounces a United States proposal of a paltry $49.75 million in humanitarian aid from April of this year to February of 1990. I remind you, this is humanitarian aid only—and there are strings attached to that by the House. We should examine the Soviet record and understand it in light of the constant Soviet lies to the media that their support of revolutions around the world is a thing of the past. The manipulation goes on and the prey—the world press—is an easy target.

While Gorbachev denounces these small crumbs of humanitarian aid offered by the Congress, his military and economic aid to Nicaragua continues unabated at enormous levels. His public relations act is that the Soviets are phasing out aid. Wrong! In 1988, Soviet bloc military aid to the Sandinistas totaled $500 million—the third successive year that military aid reached that level. From 1980 through 1988, Soviet military aid has totaled over $2.7 billion. It hasn't stopped in 1989. The latest estimate is that military aid has totaled $90 million thus far in the year—placing cumulative military aid at $2.8 billion.

The same trend continues from the Soviet bloc for economic aid. It totaled about $400 million in 1988—pushing the cumulative economic aid figure to nearly $2.9 billion from 1979 through 1988. Estimates for economic aid in 1989 to date are not yet available.

Thus, the total Soviet military and economic aid levels are approximately

$5.7 billion. According to the Congressional Research Service [CRS], comparable U.S. figures are $272 million. The $49.75 million in the bipartisan accord would bring U.S. Contra aid totals to $320 million—evenly split between humanitarian and military aid.

Mr. President, I ask unanimous consent that a table showing comparable United States and Soviet aid levels be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOVIET BLOC AID TO NICARAGUA, CALENDAR YEARS 1979–89

[In millions of dollars]

	1979–85	1986	1987	1988	1989	Total
Military	1,145	590	505	500	[1] 90	2,830
Economic	1,375	580	535	400	NA	2,890

[1] Estimated through March.

U.S. AID TO THE CONTRAS, FISCAL YEARS 1982–89

[In millions of dollars]

1982	1983	1984	1985	1986	1987	1988	1989	Total
19	29	24	27	13	100	33	[1] 27	272

[1] Estimated through March.

Mr. HOLLINGS. The Soviets have spent $5.7 billion to $272 million for the United States, and yet those of us who support the Contras in the struggle to free Nicaragua have been blasted by the liberals as warmongers. It is appalling what this Congress will agree to do in other parts of the world that it retreats from in our own backyard. A perfect example is the Philippines. Since 1987, we have given nearly $1 billion in aid to the Philippines for the purpose of establishing a democracy there. The administration is requesting another $360 million in fiscal year 1990 for a total of $1.35 billion in economic assistance in just 4 years. On top of this amount, the negotiations concluded last year with the Philippines over our Subic Bay Naval Base and Clark Air Force Base provided them the greatest steal in history next to the $24 purchase of Manhattan Island. For each of the next 2 years, we will pay $481 million for base rights—we have been paying $180 million a year. Thus, our fiscal year 1990 funding to the Philippines—for economic aid and base rights—will be $850 million. From 1987 to 1990, it will be $2.6 billion. Yet, we can find but $4.5 million a month in humanitarian aid for democracy in Nicaragua. The shame is overwhelming.

The situation in Afghanistan is not too different. We have rightfully been supporting the Afghan rebels in their fight for freedom from communism. Our military aid to them—according to press reports—is over $1 billion since 1986. Yet, freedom fighters in Central America are worth only $4.5 million a month.

Let us look elsewhere. The Spanish Socialist government—a NATO ally—has kicked us out of our strategic airfield at Torrejon. This follows an earlier removal of forces from our naval facility at Rota. What is our response to this action? We are leaving $800 million in facilities to the Spanish. They toss us out, and we say fine, thank you, here is an $800-million facility for your generosity. What we should do is tear up all the runways and the ramps and bulldoze every building to the ground. It is incredible—$800 million for being rejected but only $4.5 million a month for democracy in Nicaragua.

We have a similar situation in Greece—another NATO ally. Regardless of how the overall negotiations on our presence in Greece turn out—one Greek position is constant. They have steadily maintained that we must abandon our major facility at Hellinikon Air Force Base. And, of course, the Greeks want a guarantee of continued economic support—which is well over $300 million a year. Thus, they want that guarantee plus the facility. It is located in downtown Athens and would be worth $750 million to $1 billion. We should say goodbye, tear up the facility and leave Greece. We can buy additional satellites to handle some of the missions performed by our forces in Greece and move relevant units to Turkey and Italy—where we are welcome!—to cover the remaining missions. You know what we will do. We will pay hundreds of millions in aid and give the Greeks a billion-dollar facility. But for freedom in Nicaragua, we will pay only $4.5 million per month.

And, Mr. President, in probably the most incredible story of aid that I have seen, President Bush intends to initiate a foreign aid program for Poland. It is unbelievable. This administration is making no attempt to handle our deficit problem, is cutting off the Contras, but wants to aid a Warsaw Pact Communist nation.

For over 2 years we have been inundated with media reports of the great conspiracy of the Iran-Contra affair. We established a congressional panel comprised of some of our most distinguished colleagues. I say that with all respect. We did have the finest from the Senate starting with my very capable friends DAN INOUYE and WARREN RUDMAN. So we had our best. I voted against the formation of that committee, and I remain convinced to this day that I was correct. The decision to continue funding the Contras did not start with Ollie North. He was an excellent Marine officer who had had an outstanding career. He was carrying out orders and a policy from higher levels in the administration. The congressional panel for all its work did not show otherwise. What is more, the current trial of Colonel North is very revealing as to how the policy was developed and carried out. The guilt is not with Colonel North. The policy was set at the highest levels of the administration.

The White House made the decision at the time to stand up for freedom. The conspiracy was not there but in the Congress and in its ill-advised belief on how to achieve peace. The bipartisan agreement continues down the same dead-end trail. The Contras were poised in late 1987 and early 1988 to make significant gains against the Sandinistas. The U.S. Congress stopped them—not the Sandinistas with all the Soviet bloc aid at their disposal. It could not have been clearer who was fighting with conviction in Nicaragua. Yet the Secretaries of State in the House of Representatives either ignored or were oblivious to the facts.

In spite of that setback created by the Congress, the Contras have held together. We should not deny them any longer. We would not betray them any longer. And along those lines, Mr. President, I think Enrique Bermudez—the Contra leader—stated it very well. I quote from a news story in yesterday's Washington Post.

"I do not know if it is because of arrogance or incapacity, but the United States does not know how to negotiate," Bermudez said. "To negotiate, the United States pressures its allies and not its enemies. They cut our aid, but allow the Sandinistas to continue to receive more than $500 million a year in Soviet and Cuban aid."

"I think we in the military fulfilled our obligations, but we lost on the political front, where we did not have great capacity," Bermudez said. "We were defeated in Washington, not on the field of battle."

What is particularly dismaying to me is that the problems really started to mount when President Reagan joined in the shenanigans with the House. That was the begnnning of the end. A Washington Times op-ed from September 21, 1988, artfully lays this out.

Democracy and freedom will come to Nicaragua only if the Contras remain a well-armed adversary. Communist rebels and repression will remain in Central America only when well armed by the Sandinistas. The choice is clear when the smoke and mirrors of the new agreement are stripped away. The bright promises of Esquipulas II in reality cast a dark shadow over Central America and prolong the cries for justice and basic human rights.

Mr. President, what happened to our policy in Nicaragua? After the election of President Bush, we on the Democratic side were cautious. Remember that in the campaign, we wanted to be sure to have somebody on the ticket

who supported the Contras, namely the distinguished Senator from Texas [Mr. BENTSEN].

Now, when the Senator from Texas gets up and supports this nonsense, I am aghast. I do not know how to express the feeling that we have and then be blamed at the same time for offering amendments or voting for them.

I agree with the Senator from Colorado and I will no doubt agree with the Senator from Wyoming and the Senator from Idaho, Senator SYMMS, and others, that this momentous issue should not go passing in the night. I am confident that if President Bush had said: Here is a plan for humanitarian aid, Democrats voted in a solid bloc last year for it, without conditions, we would vote for it.

The reason that I do not want to support this agreement is I do not want to assume responsibility for this surrender. And that is what the policy is. Abject surrender whereby we have tried, in a very piddling way over a 10-year period to put in some $272 million in Contra aid, versus $5.7 billion to the Sandinistas by the Soviets. Yet we constantly heard over the last 7-, 8-year period: Give peace a chance; Stop the killing; Give peace a chance; Stop the killing.

Now they even dare to cry, "Stop the Contra war," as if the Contras were the problem and not the Sandinista and Ortega government since 1979. I met with the commandantes in 1979. I was one of the minority that was skeptical of them. I met with them and said, "All right, I don't trust you. But you prove me wrong." And I supported the extra $50 million that increased the $75 million to $125 million appropriated to aid the new Sandinista Government. And all the representations 10 years ago came under the rationale of "Give peace a chance." And, "Let us stop the killing. Let us stop the killing." Like there was not an issue of freedom.

They have actually either killed off or imprisoned, or exiled the middle class in Nicaragua. There cannot be a free election there or anywhere without a middle class. You would be a nut to ask the Contras to be repatriated. Where is our common sense?

How would you like to be repatriated to Sandinista Nicaragua, where they still have 10,000 political prisoners?

We have had Esquipulas I, and Esquipulas II—the Arias plan—and Sapoa. Is it not wonderful, President Arias? With no army, to tell everybody else how to defend themselves. Is it not wonderful, with no prisoners, to tell you what to do with your prisoners. With no guerrillas or violence, to tell you what to do with guerrillas and violence.

I talked to Arias. He said: "Oh, if the Communists came to Costa Rica, we expect the Marines to come." The United States Marines.

Well, we have here today a policy that says forget about the Marines. Yes, we will fight and send aid to Afghanistan, some $1.3 billion over the last 4 years according to the press. It is the same in the Philippines. But in our own hemisphere, absolutely nothing. A policy of vacillation by both the administration and the Congress. Bipartisan vacillation.

We had them on the run 2 years ago until the Speaker in the other House got into the act. We were winning. We really had Ortega willing to allow some freedoms down there.

Once the Speaker intervened, then the Sandinistas reverted to form and closed down La Prensa. You remember they dismissed Cardinal Obando y Bravo. They brought him in ostensibly to monitor their behavior and then they fired him.

I do not see how in the world that we can at this time applaud this notion of relocation, and claim that this agreement keeps the hope of democracy alive and gives a chance for the Sandinistas to fulfill pledges. What kind of pledges? Come on. It is a political charade and cover to save the political hides of the administration and the Congress and the Central American leaders because they are not getting any aid, whether in Honduras or El Salvador, and Guatemala.

They say there is no real U.S. commitment, so they have to cover for themselves. So this agreement is a political copout and, unfortunately, this is going to be the style this year. We are ready to follow this one with another copout on Monday on the budget resolution. I will talk next week about that budget copout, agreeing in the first instance that we are not going to cut defense, we are not going to touch Social Security, we are going to increase it, we are not going to have any new taxes—they are off the table. So you are forced to fabricate.

So the whole effort right now of the leadership in the White House and in both Houses of Congress is to fabricate. In the meantime, we are trying a poor little colonel for lying. This is a shame if I have ever seen it. This is about the worst Government I have ever seen.

As long as we get together in a bipartisan fashion, the media says, "Whoopee bipartisan." Bipartisanship is not the solution. It has been the problem. We "bipartisanly" fowled up our foreign policy and fowled up our domestic and fiscal policy as though there were some inherent virtue in bipartisanship. This a misguided notion. We are bipartisanly in favor of irresponsibility and retreat. That is no virtue.

I appreciate my colleague allowing me the few minutes to express my frustration. I do not think we ought to be blamed for delaying things this afternoon. This agreement was put together when I was out of town, and is a conspiracy, if there ever was one, on both sides of the aisle to come back here with the fait accompli of "a deal is a deal." That is the same thing they are going to do on the budget. They ask, "Why are you holding things up?" "A deal is a deal." Nobody wants to listen to the truth. The truth is that we are not willing to commit ourselves and stand up for democracy in this hemisphere as long as it costs, as long as we are called to sacrifice. We are not willing to sacrifice, certainly we are not willing to sacrifice our political hides.

I thank the distinguished Senator from Vermont for yielding me this time.

The PRESIDING OFFICER (Mr. CONRAD). Who yields time?

AMENDMENT NO. 44

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask for its immediate consideration. It is one of the amendments under the unanimous-consent agreement.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP] proposes an amendment numbered 44.

Mr. WALLOP. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 2, insert the following new subsection to paragraph (a):

(4) *Provided further,* That of the funds appropriated under this heading not less than $1,000,000 shall be made available, notwithstanding any other provision of law, only for the promotion of democratic activities in Nicaragua leading to a transition to democracy: *Provided further,* That funds made available under this heading shall remain available until February 25, 1990.

Mr. WALLOP. Mr. President, it is the understanding of the Senator from Wyoming that there is 1 hour equally divided?

The PRESIDING OFFICER. The Senator is correct.

Mr. WALLOP. Mr. President, I wanted to say to my friend from South Carolina, I feel that this is Alice's Wonderland, too. I am ashamed when I hear people say a deal is a deal and that any amendment means no aid. I am not certain in my own heart that the deal is not a prolongation of the same consequence. In fact, I am certain in my own heart that is precisely why those who used to be so adamant in their opposition to aid to the Contras now seem so strong in their embrace of it. Those of us who used to be their champion have a terrible sense of pending doom.

I would agree with the Senator from Colorado that the real betrayal took place last year, but the continuation of a betrayal is no less a dishonorable procedure than the original act.

One of the reasons I have confidence in saying this, and I say this with my friend from Vermont here on the floor, in his opening remarks, he basically said this deal is the end of the Contras, and former opponents of aid to the Contras in the House have been reflecting the same kind of sentiment all day.

The purpose of my amendment is really very simple. This is the Harkin language that was provided on the Government of Chile, and I think that if we had an interest in democracy in Chile, surely we have an interest in democracy in Nicaragua.

My friend from Oklahoma, [Mr. BOREN], said that these amendments send the wrong message, that they can be interpreted badly. I do not know how it is interpreted if all of us who have been their champions sit quietly by feeling as we do and knowing how they must feel without the smallest expression of a sense of betrayal. Introduction of these amendments that are sending false signals is a pretty absurd argument. False signals indeed. The falsest signal of all is for those of us who feel this is the wrong deal at the wrong time and the wrong sense of commitment to democracy in our hemisphere remain silent. Somehow or another that silence has to be interpreted as well, that we no longer care that we are buying the end of time for the Contras.

The easiest way to get out of a conscience that hurts is to have a few drinks over the next 7 months, and that is precisely what this $40 million is providing. It is a little cocktail for us to suck on for the next 6 months. Maybe we will not even get beyond that time when the four horsemen of the Apocalypse, who have never been very supportive of aid to the Contras, are the ones who can register their go or no-go commitment on the continuation of the deal that is a deal.

Others have said, the Senator from Virginia said, the Senator from Oklahoma said that what we are doing with this deal is keeping the hope of democracy alive. If we are keeping the hope of democracy alive, then I suggest that we do this amendment. This says that we are committed to democracy. It does not add another million dollars or anything else. It says that the Senate of the United States, the Congress of the United States, the President of the United States are interested in the establishment of democracy in Nicaragua and not in the gradual decline of the Contras.

If you replace in my amendment the word "Chile" with "Nicaragua," it is precisely the same language which was proposed and adopted in the continuing resolution passed by this body in the fiscal year 1988 continuing resolution. In the fiscal year 1988 continuing resolution, not some 2 years, we committed funds of the United States to democracy in Chile.

My purpose in proposing the amendment today is one, I would hope, the same as that of Senator HARKIN in proposing it 2 years ago. That is, the purpose is the "promotion of democratic activities in Nicaragua leading to a transition to democracy." Is democracy in Nicaragua, just a few miles south of our border, as important to the Senate as democracy in Chile, thousands of miles away? Can any Member of the Senate challenge the assertion that the Nicaragua of today is less democratic than the Chile of 1988? This is a supposition that is unconfrontable.

For instance, at the time of the adoption of the Harkin language, Chile welcomed the observation and monitoring of its progress for democracy and assistance to that democratization by foreign visitors. Today the loyal opposition in Nicaragua has requested, has asked us for that support and the same kind of support that opposition parties be permitted by the Ortega regime.

This deal that is a deal ignores that request. One has to draw the conclusion that its purpose is not the establishment of democracy or liberalization of the regime in Nicaragua.

Moreover, the process of democratization planned in Chile encompassed promises of specific actions by the Pinochet government to promote that democratization, and Chile has kept those promises consistently and on time. The only thing consistent about the Ortegas has been their violation of promise after promise after promise.

Question again: Is our purpose the establishment of democracy in Nicaragua, or is it the prolongation of the Contras? Can any Senator assert that Chile has ever represented a military threat to the Western Hemisphere that is comparable to that which Nicaragua represents to us today? Or that they have exported arms to undermine the governments of their neighbors? Has anyone ever heard the Chilean Government refer to itself as "a revolution without borders?"

My friends and my colleagues, if democracy is important in Chile, it must also be important, more important for us in Nicaragua, certainly important for the Contras whose support this deal that is a deal purports to offer.

If those Contras have been willing to starve and to die in fighting for their country, which they have proven to be, then surely we owe them our assistance in creating a free country to which to return to now that the fighting is over. A simple proposition, my friends. If democracy is our purpose and not the prolonged death of the Contras, if freedom and democracy in our hemisphere are really the issues, then Senators of good conscience, with this deal that is a deal or without this deal that is a deal, must support this amendment.

I had, in fact, thought of using the Kennedy language that established the Election Commission in the Philippines. This body has a desire to be intrusive into the internal affairs of countries that are allies with us. Make no mistake about it, I have already heard people say a deal is a deal. We have no desire to be intrusive into the affairs of a country that is our declared enemy and our falsely-stated purpose is the establishment of democracy in Nicaragua. I say falsely stated absolutely on purpose, Mr. President, because if this amendment goes down, it will be absolutely clear in detail that our purpose is not democracy but the prolongation of the death of the Contras.

Mr. President, I reserve the remainder of my time.

Mr. LEAHY. Mr. President, I ask what the parliamentary situation is regarding the Wallop amendment. How much time is available to the Senator from Wyoming and how much time to the Senator from Vermont?

The PRESIDING OFFICER. The Senator from Wyoming has 20 minutes remaining; the Senator from Vermont has 30 minutes remaining.

Mr. LEAHY. Mr. President, I yield such time to the Senator from Texas as he desires on the amendment. I am not going to use all my time on that. So it would be from my 30 minutes on the amendment.

Mr. BENTSEN. I thank the distinguished Senator and the floor manager of the legislation.

Mr. President, I am pleased to support this legislation because I believe it offers a new opportunity for bipartisan cooperation on Central America.

For too long our policy toward that important region has been unsettled and uncertain. Congress reflected the deep divisions within the American people. There is no way that you are going to be successful in a foreign policy supporting the Contra effort unless you have the support of the American people to try to accomplish the objective. It is obvious that they did not support that effort.

In addition there has been distrust between the legislative and the executive branches. This led to laws which the President viewed as unduly restrictive of his powers, and which Members of Congress felt were necessary. I was an early and a strong supporter of the Contras but unless you can get that kind of leadership and that kind of support out of the American people, all you are doing is grinding up young people if you continue in that kind of a policy.

Our domestic disagreements had some very unfortunate effects abroad. Both our friends and our adversaries doubted our steadiness of purpose and our commitment. Given that kind of a legacy of acrimony, President Bush and Secretary of State Baker deserve our support for opening a dialog with the congressional leadership seeking a fresh start on a policy which could win broad bipartisan support. This was an act of responsibility, not a sellout, and a demonstration of pragmatic realism, not just putting a fig leaf on failure. Advanced consultation is a prerequisite for a sustainable, bipartisan policy.

The results of that process are a compromise which I am strongly supporting today. I must say I might have preferred some different details. But nevertheless the overall effect I think is one that needs support.

That compromise permits a continuation of assistance to the Nicaraguan resistance, and particularly to those brave soldiers who have been willing to risk their lives in order to bring democracy to their nation. The assistance will sustain them and their families in the months ahead leading to the elections promised by the Sandinistas next February. They have violated those promises before. It is our hope that this time they will carry through.

There may be some additional support forthcoming because of what we have been seeing in the way of the decline of the Russian empire because of the serious economic problems within Russia itself, and their needing to lessen the kind of a burden and commitment, financial commitment and economic commitment and arms commitment that they have had toward Nicaragua.

This legislation is based on the assumption that neither the Contras nor the Sandinistas will resume that military conflict. We will not provide additional weapons of war, and we hope warfare will not be resumed. But neither will be abandon those forces which we have long supported, leaving a huge orphan army to force its way across Central America.

If our assumptions prove faulty, we will obviously have to reexamine the overall policy. But if continued aid can help produce free elections—and that is a big if—and if those elections can give democracy to Nicaragua, then the risk will have been worth the effort.

Under the circumstances, this is the best available means to keep some pressure on the Sandinistas so that they hopefully live up to their promises—their promises to their own people for free elections and their promises to other Central American leaders for peace and reconciliation. This bipartisan approach tells everybody that we support the peace process and we want it to succeed.

This legislation lays the foundation for renewed cooperation on our policy toward Central America, a foundation on which I hope we will build a lasting structure of peace and security in the years ahead.

Mr. President, I am glad to have an opportunity to help join in putting behind us a decade of arguments as we join our forces in support of this agreement.

Mr. President, I yield the remainder of my time to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Texas for his comments, and once again the distinguished Senator's comments point out what has happened here. We have, of course, both proponents and opponents for the Contra aid who looked at this package and realized perhaps the inevitability of some liking it and some not liking it.

Mr. President, the distinguished Senator from Wyoming has raised an amendment, which many might very well accept in a different context. In fact, many of us who were not involved in the bipartisan agreement might well have suggested it or encouraged it.

The fact remains that the distinguished Republican leader and distinguished Democratic leader said earlier on the floor this afternoon that we had amendments, and there is no way it is going to go to the conference. It is not in the near future, the realistic future, not in the time that they in the administration say they need it.

We can add amendments on here, and we can spend the next couple of days adding amendments, and in a week or two we will go to a committee conference and we will get debate back and forth on that; and after some time, weeks, after all the food and humanitarian aid has run out, we will come back to the issue at hand. I hope that is not what we are going to do.

We all want to support democracy in Nicaragua. I do not know a single Senator, Republican, Democrat, whatever political ideology, who does not want democracy in Nicaragua. We have, however—and many feel strongly that if the bipartisan accord holds together, that is our best chance for democracy. The fact is that with amendments, the accord does not hold together.

So, Mr. President, I know the Senator from Wyoming has further time, and I would not want to cut off a chance for anybody to speak, but once the Senator from Wyoming has finished speaking, and if the Senator from Wisconsin does not have anything further to say, I am willing to simply move to table.

I yield first to the Senator from Wisconsin.

Mr. KASTEN. Two minutes?

Mr. LEAHY. Yes.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. I thank the Senator.

Mr. President, a number of us were expressing the problems we have, being put in the position of managing a bill, and whether there is a deal, or whatever Senator WALLOP, from Wyoming, was referring to. But we are in a position where, I think, we have the responsibility to the President, the responsibility to the Secretary of State; and although I would associate myself with the remarks of the Senator from Texas [Mr. GRAMM], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from South Carolina [Mr. HOLLINGS], the fact is, right now we have a responsibility to go forward.

I hope that we can go forward, and I simply repeat what our leader, Senator DOLE, said earlier, that the adoption of any amendment would hurt this agreement, damage this agreement permanently. Therefore, I will reluctantly oppose the amendment of the Senator from Wyoming.

I want to point out that in last year's bill we did part of what the Senator from Wyoming is suggesting right here, in that we allocated not to exceed $2 million. I will read from the bill:

> Funds appropriated under this funding shall be made available, notwithstanding any other provision of law, to the National Endowment for Democracy for the promotion of democracy in Nicaragua.

We went forward with that $2 million. What happened? The Government of Nicaragua has moved to prevent any of that money from being spent in Nicaragua, unlike your other example in the amendment which you reminded us about, along with the Senator from Iowa [Mr. HARKIN]. They allocated the million dollars, and the million dollars in effect was allowed to be spent in Chile, and the election process went on. We do have a parallel, and the fact is that the government in Nicaragua is not allowing even this money to be spent. I am sure if your amendment were to be passed, they would not allow the additional million dollars to be passed either.

So the pressure that we are putting on, and drawing the distinctions between the Government of Chile and Nicaragua, I think is an important one. I reluctantly oppose the amendment, and I will vote to support the motion to table, when it occurs.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, for the information of Senators who may be monitoring this, I am yielding 5 minutes to the Senator from Mississippi [Mr. LOTT], and I will take approximately 5 minutes myself. It is my un-

derstanding that the Senator from Vermont wishes to make a tabling motion.

Mr. LEAHY. The Senator from Wyoming is correct. I will at this time. I want to emphasize to my friend from Wyoming, I do not want to cut off anybody who wants to speak. We will make sure everybody gets a chance.

Mr. WALLOP. Before I yield back the remainder of my time, I want to make certain the remainder of the other side is yielded back.

Mr. LEAHY. I will make sure all Senators are protected on that. At some point I will move to table.

Mr. WALLOP. Mr. President, I yield 5 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 minutes.

Mr. LOTT. I thank the distinguished Senator from Wyoming for yielding at this time.

Mr. President, the accord on Central America, agreed to by President Bush and the bipartisan leadership in the Congress, is seen by many observers as the most important American statement on Central American policy in many years. It has been hailed as an example of traditional American bipartisan cooperation.

The accord states:

With regard to Nicaragua, the United States is united in its goals: democratization; an end to subversion and destabilization of its neighbors; an end to Soviet bloc military ties that threaten U.S. and regional security. Today the Executive and the Congress are united on a policy to achieve those goals.

To be successful the Central American peace process cannot be based on the promises alone. It must be based on credible standards of compliance, strict timetables for enforcement, and effective ongoing means to verify both the democratic and security requirements of those agreements. We support the use of incentives and disincentives to achieve U.S. policy objectives.

That is an eloquent statement of the need for bipartisan foreign policy. It is a forceful statement of the need for strict, verifiable adherence to precisely defined elements of progress toward the goals.

But an agreement to certain principles and to methods of conducting foreign policy is worse than useless unless there is to be bipartisan implementation of the disincentives mentioned in the text of the statement.

We cannot have a carrot-and-stick approach to the Sandinistas if they have good reason to believe that the bipartisan accord offers real carrots but imaginary sticks.

The Democratic leadership is willing to take credit for bipartisan cooperation in agreeing to certain principles. But are they willing to take the responsibilities and risks that implementation of the disincentives necessarily entails? The answer to that question will determine whether the accord is truly bipartisan foreign policy or just rhetoric.

A look at the record offers little hope that the Democrats are willing to support in practice what they proclaim in principle.

From the beginning of the debate over the future of democracy in Nicaragua, the majority leadership, in the House and in the Senate has seen the Contras as the major obstacle to peace and democracy. The Sandinistas have been criticized by the Democratic leadership for human rights violations and various failures to live up to accords, but never with the vehemence, the near frenzy, with which the Contras were criticized.

Those opposed to the freedom fighters have deliberately and systematically done all it can to destroy the effectiveness, the morale, the combat capabilities and, now, even the very existence of the Contras as a cohesive unit with the will and the means to fight.

Now, after 7 years of such conduct, the Democratic leadership has the Contras where they have always wanted them: boxed in, unable to manueuver, short on funds, and with no hope of obtaining military supplies from the United States.

Why then should the Sandinistas believe the Democrats are really going to join the President in applying disincentives if the President believes they are needed?

It is no secret that many anti-Contra Democrats see this accord as the beginning of the end of the Contras as a cohesive force capable of exerting even minimal pressure on the Sandinistas. The accord, seen from this viewpoint, is a one-way ticket to oblivion for the Contras as a unified group.

This is not the view of the administration which sees the accord as a means of achieving democracy through aid to the Contras as a cohesive force. The question is: Which view is correct?

Let me make it clear that I am not questioning the sincerity of the Democrats in signing this accord. To the contrary—I believe they wholeheartedly share the goals and the principles at the heart of the accord, from their point of view.

And that is just the problem—points of view.

There has been such a difference in perception between Republicans and Democrats over the way in which to interpret and act upon the Sandinista abuses in the past that there is no reason to believe there will be sudden agreement now that the accord has been signed.

It is one thing to agree to the principle of disincentives. But it is another thing entirely to agree as to when and how and to what degree such disincentives should be applied.

We can predict with near certainty what will happen: What is perceived by the administration as a good reason to apply a disincentive will be seen by Democrats in a different way. Instead of swift and certain application of disincentives, what we will have are arguments between Congress and the administration over perceptions of actions or lack of actions on the part of the Sandinistas.

These radically differing view points are even more clearly demonstrated in another part of the accord:

The United States Government retains ultimate responsibility to define its national interests and foreign policy, and nothing in this Accord shall be interpreted to infringe on that responsibility. The United States need not spell out in advance the nature or type of action that would be undertaken in response to threats to U.S. national security interests. Rather it should be sufficient to simply make clear that such threats will be met by any appropriate Constitutional means.

Before we can know exactly what that paragraph is meant to convey, fundamental questions have to be answered:

Is the installation of a Communist regime on the Western Hemisphere's mainland seen by all parties to the accord as a threat to national security interests?

Forget for a moment about the possible installation of Soviet missiles aimed at the United States or the introduction of Soviet Mig fighters or any of the other horror-story scenarios of direct threat to American lives and prosperity. Everyone, Democrat and Republican, agrees these constitute a threat.

But what about a Nicaraguan Government and, indeed an entire society directed from top to bottom by an avowed Marxist-Leninist dictatorial group controlling the largest army in the region? Does such a state of affairs constitute a threat to our national security under this accord?

If the answer is "yes"—if the Sandinista refusal to live up to what they have sworn to do is a threat, then what types of action are the Democrats willing to agree to when it can be demonstrated that the Sandinistas refuse to build democracy in Nicaragua?

If this agreement is to mean anything in the real world, then we had better learn right now exactly what is meant by those brave words about our national security interests.

As of the moment, it would appear that there is an irreconcilable difference in perception: the Democrats have a limited view and only see Soviet missile or Mig deployment or a World War II style Sandinista tank attack across the Mexican border as a threat to our interests.

The administration—so far as I am aware—sees the existence of a Marx-

ist-Leninist state with the largest army in Central American history as a threat.

If this is the case—if there are two radically different interpretations of what the words "national security" mean, then what possibly could be meant by that paragraph?

Let me conclude by offering a few items that might serve as checkpoints by which we can measure the value of this accord.

The accord talks of democratization. But the word is never defined. It has no fixed meaning that is relevant to the goals and purposes of the accord.

Stephen S. Rosenfeld of the Washington Post recently put it this way:

> Everyone understands that "democratization" spares a monopoly part the distress of having to fully acknowledge the popular will. It's not necessarily a prelude to democracy; it may be a substitute for it.

Does democratization mean that the Sandinistas can open up one sector of Nicaraguan political or economic life one day—thereby engaging in the democratization process—and then close it the next? Can the Sandinistas take one step forward and then two steps backwards and still be considered to be engaging in democratization?

Unless the process of democratization includes permanent steps—once implemented, they stay in place—the Sandinistas can play a long, drawn-out game of making democratic advance, then withdrawing them, then putting them forward again, in a game of cat-and-mouse with the American Congress.

Democracy must be a reality—in place—not just a process, if the Contras are to be reintegrated into Nicaraguan society, with their civil and human rights respected in practice as well as in principle. The Contras cannot be involuntarily repatriated or sent to other countries. They must not be subject to physical or psychological pressure to disarm or be disbanded from any quarter, including the Congress. They must be given ironclad guarantees by the United States—bipartisan guarantees—that if they come back to Nicaragua under conditions of secure freedom on Monday, they will not see secure freedom snatched away from them on Tuesday when American television cameras are gone.

If the Sandinistas play the game of always being in the process of democratization, and never really setting up permanent democratic structures, the bipartisan group that signed the accord must take the most severe measures in order to show the Sandinistas that the United States of America will not tolerate bad faith on the part of the Sandinistas.

The accord supports the process and the goals of the Esquipulas accord. That is a fine gesture, but, once again, what does that mean? If the United States sees the Sandinistas not living up to the accord and the signatories to the Esquipulas accord disagree with us, does that mean we cannot apply disincentives? In short, does the Esquipulas accord have a veto power over American foreign policy and our own perceptions of what goes on in Central America?

Do the Democrats agree that, in principle at least, the United States has a legitimate right to provide the Contras with military aid if they were attacked by the Sandinistas or, if in the view of the President, such aid was needed to serve as a disincentive?

In politics, we tend to deal with the art of the possible, as the saying goes. Such a view has much to commend it. But there are times when we have to go beyond what can be done and speak of basic principles.

We know there are simply not enough votes in Congress to provide military aid to the Contras at the present time. But this is no reason to ignore the principle at stake.

So even if the accord does not speak of military aid—although (and this is important) nowhere does the accord rule out such aid—we should keep this in mind:

The idea that force is a last resort may sound very humane, but in fact history demonstrates beyond any doubt that diplomacy divorced from the threat or use of force, in dealing with adversarial powers, is a dead letter.

Force might mean economic sanctions severe enough to persuade dictators to think again. It may mean concerted efforts to make the regime an international pariah. It may mean a combination of these. It may mean helping freedom fighters defend themselves. But whatever the case, if diplomacy of this sort is not accompanied by the threat of force—real force with the power to inflict real punishment on dictators—then diplomacy is a mere gesture. Again, the point must be made—real carrots and imaginary sticks do not contribute to diplomatic success.

It has been argued that the domino effect will take place in Central America if the Sandinistas gain control and then consolidate unchallenged power in Nicaragua. El Salvador, already bleeding to death from terrorism of the right and left; Guatemala and Honduras, fledgling democracies with their own internal problems, and finally, all of Central America will come under the sway of the nation with the largest army in Central America—so goes the domino effect argument.

With all due respect to that cliche of modern diplomacy, it seems that what is going on in Central America is not a game of dominoes, but, rather, a very shrewd and thus far successful chess game, being played by masters of the game, the Sandinistas. Through carefully calculated moves, they have managed to stay in power, to disarm the Contras, browbeat—and often physically beat—the democratic opposition into stunned, impotent, anger.

Their signing of the Esquipulas accord was simply another one of their chess moves, setting them in a position from which they can, at their leisure, gradually but irrevocably assume de facto and de jure power over the whole Nicaraguan society.

Why anyone would think that avowed Marxist-Leninists would give up power once they have achieved it or suddenly change into practitioners of democracy is a great mystery. But such seems to be the premise of the argument made by the Democratic leadership from the beginning. And that same premise, like it or not—and I don't—is at the heart of the bipartisan accords. We are all asked to hope that unspecified kinds of disincentives to Sandinista behavior are going to result in a Sandinista conversion from one set of ideological principles to another. Why anyone would believe such an idea is, once again, puzzling. But since that is the idea that we have to deal with, let's examine its implications.

If the Sandinistas become converted to democracy, there will be no need for disincentives. If they do not become converted to democracy, no disincentive short of armed force by the Contras will convince them to make radical changes in their behaviors.

Let's say that the Sandinistas, despite our attempts to apply disincentives—along with incentives—fail to carry out their part of the agreement they have signed with other Central American countries? What then?

We will have a Communist regime in Managua. We will have a bleeding El Salvador, savaged by right wing and Communist terror, its government criticized by the American left, its position weak and growing weaker, especially since Sandinista refusal to bow to pressure will only add prestige to the cause of the Salvadoran Communist guerrillas.

Under such conditions, what would stop the Sandinistas from simply aiding the Salvadoran guerrillas at their leisure? There will be no indigenous Nicaraguan Contras to harass them. The El Salvador military can barely cope with the guerrillas now, let alone deal with a revitalized guerrilla force.

The United States will have absolutely no credibility anywhere in Central America. The right-of-center Salvadoran government, freely elected, will be subjected to more savage criticisms from liberal Democrats in Congress than is directed at the Sandinistas.

In short, the Sandinista victory in Nicaragua will be the first move in a new game to spread the revolution. And there will not be a force in Central America willing or able to stop them.

Hard as it may be for him to believe, the Sandinistas would not even be moved by the eloquent pleas of Nobel Prize-winning Costa Rican President Arias, whose serene belief in his own geopolitical wisdom is not matched by any progress under his plan in the real world of Communist intransigence.

So, as they bid farewell to the Contra force in Nicaragua, those opposed to the Contras should not deceive themselves that by defeating the Contras they have ended the threat in Central America.

The bipartisan accord calls upon the Soviet Union and Cuba to stop aiding the Sandinistas. If we are to judge from Mr. Gorbachev and Fidel Castro's words during Gorbachev's visit to Cuba, the two Communist dictators must have had all they could do from bursting out laughing at such a ridiculous notion. Why should they stop aiding Nicaragua from their point of view? What disincentives will be applied to them if they don't stop? They know that the answer to that question is "None". And so one part of the bipartisan accord has, before the accord's principles have been voted on, been shown to be based on wishful thinking.

We hear the phrase "give diplomacy a chance." But diplomacy isn't a policy—it is one kind of tool to implement a policy. Diplomacy in and of itself has no goal except agreement. But the question is: to what are we agreeing concerning the process of democratization? Is it a one-way street ending inevitably—and irrevocably—to democracy and respect for human rights? Or is the process a labyrinthine way through which the Sandinistas can lead us forward, then backward, while they consolidate their power? What is it we are giving diplomacy a chance to do?

Since the issue in Nicaragua is no longer the Contras—not that I believe it ever was, but others do—will the Democrats turn their energies toward harshly criticizing Sandinistas failures with the same persistence and vehemence they have criticized Contra failures—real or alleged—during the last 7 years?

Let me say that some of my fellow conservatives have been critical of the deal struck by Secretary Baker. While I'm critical of much of the deal, it should be said in fairness that Secretary Baker was presented with a very sick patient—the cause of Nicaraguan democracy—and has done the best he could under the circumstances.

His options were limited by 7 years of battering of the Reagan-Bush Central American policy by the same Democratic leadership who have now signed the accord. I wish the accord were better. But even more so, I wish that the history of the last 7 years had been such that we did not have to come to this sorry state of affairs.

The Democrats applaud bipartisanship. That's fine. But unless they are willing to play economic, political, and other kinds of hardball against the Sandinistas, unless they join with the President in really applying disincentives when needed, this accord will not be the rebirth of bipartisanship in foreign affairs, but a mockery of that great tradition.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WALLOP. Mr. President, I will not take long here, but I would like to point out that since Gorbachev has been in power he has extended $2 billion in military aid to that little country whose economy is in a total state of shambles, $500 million last year, $90 million in military aid since the first of this year—a peace process indeed.

We are told that it would be pragmatic to keep this deal together. I would have to say pragmatic, indeed.

Is it pragmatic to ignore democracy while proclaiming our purpose to be democracy? That is very pragmatic if you are a politician, but it is not so pragmatic if you really believe in democracy.

Is it pragmatic, I would ask my friend from Wisconsin, to say that it is pressure we are putting on when they will not spend the money they have down there and we refuse to make another expression of our desire to have $1 million of this some $66 million in humanitarian aid go to the purpose of establishing a democracy.

My friend from Wisconsin makes my case, that they will not and that we are unwilling to make that minor change in here, and it does not change the amount of money, just as a statement of our purpose. We are unwilling to do that.

So, it is clear now that the purpose of the deal, that is the deal, is not democracy.

Someone said, and I cannot remember which Senator, "What if it does not work, this deal that establishes democracy?"

I would ask the Senator who cares if it does not work if our purpose is not to establish democracy?

I have a couple of quotes from that Chilean time. In October 1986, Senator KENNEDY said:

> For that reason U.S. policy must continue to identify the United States with the democratic opposition and to distance itself from Pinochet. The words and deeds of the United States policymakers must receive enormous attention in the Chilean press but United States policy must take its direction from the democratic leadership inside Chile.

Do you hear those words? "Continue to identify the United States with a democratic opposition."

And here we are saying because a deal is made we will not identify ourselves with a democratic opposition, that we will identify ourselves and not distance ourselves with Ortega.

At the same time, the same day, the Senator from Iowa [Mr. HARKIN] can be quoted:

> Congressional support for the national accords should mark the beginning of a policy both in Congress and in the Reagan administration that strongly, consistently, and publicly demonstrates the United States commitment to democracy in Chile. We should make it clear to Pinochet that we fully support this opportunity for free and open political expression and that we will not be silent if he continues to suppress it. It is imperative for the future of democracy in Chile that we distance ourselves from Pinochet and put ourselves squarely on the side of the Chilean people who see free and fair elections as their way out of their 13-year nightmare.

We cannot say the same thing this afternoon about democracy in Nicaragua because a deal has been made, a deal whose terms cannot be violated.

At that same time Senator KENNEDY quoted the greatest poet of Chile in his immortal poem, "Ask the Question When," and he said at that time "Today we should answer soon, very soon."

I say today the Senate is about to say never, not on our watch, not in our time; democracy is not our purpose.

An easy way to change my view of how that is going to be viewed by those around is to vote for this amendment.

Mr. President, if the Senator from Vermont is prepared to yield back the remainder of his time I am prepared to yield back the remainder of ours.

Mr. LEAHY. I am sorry.

Mr. WALLOP. Mr. President, I will say, since I have the attention of the Senator from Vermont, I have made my statement. The amendment is simple. It does not change the dollar figure. It does not change anything except a clear statement of our purpose to establish democracy.

I am prepared to yield back, if the Senator is, the remainder of our time.

Mr. LEAHY. Mr. President, I would say only very briefly in response to the Senator from Wyoming that he is right. It does not change the dollar amount.

The problem is, however, it changes the procedure to the extent that it would delay considerably the final enactment of this, and so I will, with that, yield back the remainder of my time and as soon as the Senator from Wyoming does, I will move to table and ask for the yeas and nays at that time.

I yield back the remainder of my time.

Mr. WALLOP. Mr. President, I yield back the remainder of my time.

Mr. LEAHY. Mr. President, I move to table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the amendnent of the Senator from Wyoming.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Ohio [Mr. GLENN], is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE], is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 72, nays 26, as follows:

[Rollcall Vote No. 41 Leg.]

YEAS—72

Adams	Domenici	McCain
Baucus	Durenberger	Metzenbaum
Bentsen	Exon	Mikulski
Biden	Ford	Mitchell
Bingaman	Fowler	Moynihan
Boren	Garn	Murkowski
Boschwitz	Graham	Nunn
Bradley	Hatfield	Packwood
Breaux	Heinz	Pell
Bryan	Inouye	Pryor
Bumpers	Jeffords	Reid
Burdick	Johnston	Riegle
Byrd	Kassebaum	Robb
Chafee	Kasten	Rockefeller
Cochran	Kennedy	Roth
Cohen	Kerrey	Rudman
Conrad	Kerry	Sanford
Cranston	Kohl	Sarbanes
Danforth	Lautenberg	Sasser
Daschle	Leahy	Simon
DeConcini	Levin	Specter
Dixon	Lieberman	Stevens
Dodd	Lugar	Thurmond
Dole	Matsunaga	Wirth

NAYS—26

Armstrong	Hatch	Nickles
Bond	Heflin	Pressler
Burns	Helms	Shelby
Coats	Hollings	Simpson
D'Amato	Humphrey	Symms
Gorton	Lott	Wallop
Gramm	Mack	Warner
Grassley	McClure	Wilson
Harkin	McConnell	

NOT VOTING—2

Glenn	Gore

So the motion to lay on the table amendment No. 44 was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I will vote for this legislation, but I have some serious reservations and misgivings about our policy toward Nicaragua. The crux of the whole Contra policy problem has been the lack of consensus between both parties and between the legislative and executive branches of government, and the distinct lack of underlying public support for it. What this country needs most of all in its foreign policies is informed, cooperative bipartisanship based on soundly developed concepts and strategies. I would greatly prefer to vote against any and all further extensions of this program, but I will support my new leader and the new President and our hope for genuine bipartisanship with the White House that this legislation represents.

The compromise before us was crafted by the joint leadership of both Chambers with the new administration foreign policy team, led by Secretary of State James Baker. As a good faith exercise in bipartisanship, it is encouraging to me, indeed, as a veteran of all too many bitter fights with a hostile Reagan White House over the past 8 years, that the agreement has been reached.

The usefulness of the Contra fighters as a lever on the behavior of the Ortega regime has long since ended. For too long, the Contras were the only focal point of American policy, and as that focal point, could not carry the entire burden of that policy. The size and fighting acumen of the Contra army were never enough to seriously challenge the Sandinista forces and threaten the existence of the authority of the Sandinista government.

There was never any real chance for an internal overthrow of that government, stimulated by the actions of the Contra forces.

The Contras could have been useful as one prong in a multifaceted policy which included vigorous U.S. diplomatic activities associated with the Escapoulas process that was begun by the Central American Presidents themselves.

So, today, Mr. President, we celebrate a failed policy by parading in a bipartisan fashion behind a fig leaf costing as much as $77 million over the next 11 months. It is a face-saving way out for a new administration to cut off a loser inherited from the past administration. It is, perhaps, a way for some to ease the feelings of guilt in letting the Contras now twist slowly in the Central American wind.

I do not mean to imply in this characterization that the United States does not owe a debt to the many brave men who constitute the Contra forces. More than any other actor, we are responsible for their creation and for their existence, and we owe them our help in transforming their lives back into productive civilian channels. We have finally come to our senses and realized that the Contras represented a narrow policy of overblown value which was bound to fail. I hope that the 101st Congress will not repeat the experience of the last few Congresses and expend vast amounts of energy arguing over the value of the Contras. Reaching this agreement was the result of countless hours of discussion and debate among the many Senators and House Members and administration people involved in this policy, an effort which I personally can attest, from my own past experience, would try the patience of the Lord himself. I congratulate the majority and minority leaders for their successful efforts in reaching a bipartisan resolution which we nearly had achieved last fall, but which, at the 11th hour, eluded us when the White House backed off an agreement reached after a similar exercise in debate, compromise, patience, and frustration.

The Central American Presidents themselves have recognized the uselessness of the continuation of the Contra presence. In their meeting in February of this year, culminating in the so-called El Salvador accord, they declared that, in essence, it was time for the Contras to be disbanded as a fighting force, and relocated and reintegrated into the Central American region and, to the extent feasible, back into Nicaragua to vie for political power in the elections that are promised and scheduled, under that accord, for February of next year.

The one element that, again, is absent from the mix of carrots and sticks that constitute our Central American policy, which I have always regarded as the fatal flaw in an unbalanced policy, is the lack of a robust American diplomatic track. We can negotiate with the Soviets on many different levels, from regional conflicts, to conventional arms, to intermediate, strategic, and space weaponry, but we have never seemed capable of taking on the Sandinistas directly in a negotiation, calling their bluff on their assertions that they have been prepared to cut their umbilical cord of military aid and advisers with the Soviet Union.

During the 100th Congress, I wrote Secretary of State Shultz three times on this point, and discussed it with him directly on several occasions as well. The excuses for not engaging in such a negotiation were never plausible, and the fear of the Reagan team was that negotiating with Ortega tended to legitimize him. But, Mr. President, it is the security of the United States which is my first priority, and, if a Soviet and Cuban military presence could be eliminated through such talks with the Sandinistas, then why not try? If such diplomacy ended in failure and unmasked Ortega's assertions as a sham, then it might be necessary and possible to use direct American military power to uproot such a basing arrangement, and I

might then have supported such aid. The administration never wanted to try, and so was forced to rely solely on the Contras, and remain uneasily at odds with the attempts of the other Central American nations to move the Nicaraguan Government toward democratic principles and change.

Mr. President, while I laud the efforts of the principals who forged this compromise, it again appears to rely on the Contras to provide some kind of lever on the Sandinistas in the period prior to the promised Nicaraguan elections of February 1990. I think our efforts might be better spent in attempting to reach a security agreement between the United States and Nicaragua, while the peer pressure of the other Central American democracies is used against the Ortega regime to implement its promises of genuine democratic elections. There has been no mention of American diplomacy during the upcoming 11 months, and so our policy remains flawed in that respect. Senators should be concerned that, on the eve of elections next year in Nicaragua, the Contra forces may well be more or less still intact, and then we will be faced with yet another request for humanitarian aid.

It is my hope, instead, that over the course of this agreement, progress can be made internally in Nicaragua, such that the Contra forces can be reintegrated into a more democratic Nicaraguan society.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct. May we have order in the Chamber, please?

Mr. LEAHY. Mr. President, in just 1 minute I am going to yield to the Senator from Wisconsin. I just again would say a number of Senators have indicated a wish to speak. Those wishes will be protected.

A number of Senators have said that they wish to be heard on this matter. Of course, we will make sure that they are heard.

A number of other Senators have amendments under a unanimous-consent agreement and of course, naturally, by those agreements, they will also have a chance to bring them up. Others also have time reserved in the unanimous-consent agreement. Of course, they will be taken care of.

I would only urge all Senators, they might want to keep it as brief as they can. Nobody is going to try to cut off their time. No motion to table is going to be made until Senators have a chance to be heard. But do it, perhaps, as briefly as they can.

I intend, as the Senator from Wisconsin does, if we can wrap everything else up, to yield back whatever time is left to us so we can get on to final passage.

With that, I yield to the Senator from Wisconsin.

Mr. KASTEN. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. We are in the process of trying to go back and forth between the majority and minority side and also keep our groups in some kind of order. In a moment I hope to yield the floor to the Senator from North Carolina for the purpose of offering an amendment. I then hope he will yield the floor for purposes of a brief speech by the Senator from Arizona [Mr. MCCAIN] of 5 or so minutes. Then we will proceed with the amendment of the Senator from North Carolina.

How long does the Senator think he would like, in terms of his amendment? I have several others trying to figure out how long it will be before they would have a chance to be recognized or offer their amendments.

Mr. HELMS. I would say to the Senator I do not intend to take more than 30 minutes, if that long. But I would not want to enter into a time agreement until I hear some of the opposing arguments. I think we will save time by not having a time agreement on it.

Mr. DODD. Will the Senator from Wisconsin yield?

Mr. KASTEN. I no longer have the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, this is a matter of inquiry.

Mr. LEAHY. I will certainly yield to the Senator from Connecticut.

Mr. DODD. I thank my good friend.

As I understand it, and please correct me if I am wrong, there are no amendments on this side. Am I correct in that?

Mr. LEAHY. The Senator is correct. There are no amendments on this side of the aisle. There are unanimous-consent agreements for amendments on the other side of the aisle.

Mr. DODD. So the only amendments pending or remaining are the amendments to be offered by the minority?

Mr. Leahy. That is right.

Mr. DODD. Do we have any idea how many there are?

Mr. LEAHY. I understand the distinguished Senator from North Carolina has one he is about to bring up. I do not know how many others they have.

Under the unanimous-consent agreement there are six more that could be brought up. I am not able to advise the Senator from Connecticut whether those six will be brought up or not.

Mr. DODD. All six of those amendments are amendments to be offered by the minority?

Mr. LEAHY. That is right. There are no amendments to be offered by the minority.

Mr. DODD. I thank the Senator for yielding.

Mr. MCCAIN. Mr. President, I thank my friend for allowing me the few minutes to make some general comments on the agreement we are discussing and debating on the floor at this time.

Mr. President, I agree with many of the reservations voiced by my colleagues on this side of the aisle. I am very concerned about certain aspects of the agreement which I intend to discuss later on. But I also think it is appropriate to discuss some of the strengths of this amendment to emphasize some of the reasons why I believe the majority of this body should and will support this agreement because I believe that there are several important aspects of the realities of the situation which we have to consider as we contemplate whether we should support this bipartisan accord or indeed oppose it.

Mr. President, before the accord, the Sandinistas were proceeding on a fast-track process of demobilizing the resistance without any reference to democratization. The other Central American democracies clearly were unsure of U.S. policy in the region. They had no idea as to whether, if ever, the United States would be able to agree on a coherent bipartisan policy in a region which we have not had for many, many years.

After the San Salvador meeting on February 14, 1989, there were predictions by most experts in Central America that the Contras would soon simply be disbanded. The bipartisan accord has completely changed the dynamics in Central America. The accord clearly links process on democratization with any reintegration of the resistance. It also makes it perfectly clear that reintegration is voluntary. And I repeat, reintegration is voluntary.

The accord provides humanitarian assistance through the Nicaraguan elections in February. This focuses the spotlight of world opinion on Sandinista compliance with democratization requirements.

Before the accord, the Sandinistas had proclaimed the Contras a corpse to a large degree. Unfortunately, in my view, that may have been correct.

The accord relegitimizes the resistance in the political debate by making it clear they have the right to guarantees and safety and full political rights in a democratic Nicaragua. That is a commitment I hope will soon be tested.

The accord allows the United States to speak with one voice on behalf of one policy in Central America, in Europe and to the Soviet Union. That

is already visible in the changed diplomacy in the region.

In San Jose at a meeting of foreign ministers on March 30 and 31, the spotlight was on Nicaraguan compliance, not on dismantling the Contras. The Hondurans called upon the Sandinistas and talked directly with the resistance. The other Central American democracies, along with President Carlos Andres Perez, supported direct talks between the resistance and the Sandinistas.

The accord brings the Esquipulas agreement back into focus in Central America. The Sandinistas have tried to treat the Esquipulas agreement like a Chinese menu. They try to pick the parts they like while ignoring the other obligations under the treaty to stop subverting their neighbors and democratize.

Mr. President, President-elect Cristiani, of El Salvador, praised the accord in meetings with Members of Congress during his recent visit. He says it allows the Government of El Salvador to put back on the table the issue of Sandinista support for the FMLN. The accord also puts the Soviet Union and Cuba on the spot internationally because their support for the FMLN through Nicaragua is in violation of the Esquipulas agreement.

President Arias publicly demanded that the Soviet Union and Cuba stop aid to the FMLN while Gorbachev was in Cuba. Gorbachev's predicted triumphant visit to Cuba was a public setback for Soviet and Cuban diplomacy in Latin America.

Mr. President, the accord makes it clear once and for all that the purpose of our diplomacy is to support democracy, not some false notion of peace without freedom for the people of Nicaragua. As President Arias said, without democracy, there can be no peace in Central America.

Mr. President, I have serious reservations, which I will voice later before we vote on this bill, but I would like to reemphasize that given the situation which faced our country, great credit goes to the efforts of Secretary Baker, his designee, Assistant Secretary for Latin Affairs, Mr. Bernie Aronson, and many others who worked so hard in order to forge a bipartisan agreement which this body and this Congress and this Nation has not seen in many, many years, as regards Central America.

It is generally agreed that without a bipartisan approach to this issue and in this area of the world, we will not have a very good chance of ever succeeding with any policy in the region. This will not be the last time we revisit the issue. The serious problem of continued Russian-Cuba support in the region is one we cannot ignore.

At the same time, I believe that this proposal deserves the support of my colleagues and the American people. I yield the remainder of my time.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, there was some discussion earlier of the amendment adopted by the Appropriations Committee yesterday, and the issues that amendment was intended to address. That amendment, which I guess was instigated by this Senator but was actually offered by the senior Senator from Hawaii, was an attempt to remove ambiguities in the language of section 9 of the bill, which I think needs some definition.

As a member of the Iran-Contra Committee, I think I know as well as anybody here how many problems the Congress has created through unclear, sometimes deliberately unclear, legislative language.

If we are to serve as the lawmakers, I think we have an obligation to make clear the meaning of the laws we make. Otherwise, we create a situation where some people may be deterred from doing things that we do not intend to prohibit them from doing. Or a situation where people get in trouble because they did things which they thought were legal, but which Congress in its wisdom, sometimes its retroactive wisdom, decides it wants to prohibit.

As I read it, section 9 raises a number of questions. "Except as provided in this act, no additional assistance may be provided to the Nicaraguan resistance unless the Congress enacts a law specifically authorizing such assistance."

What does that mean? For example, would it prohibit private groups, such as private voluntary organizations or PVO's, from providing humanitarian relief?

Would it keep the National Catholic Relief Society or the foreign branch of the National Council of Churches or, say, the Methodist Church from providing humanitarian assistance? Would it prevent a U.S. Ambassador from making a phone call to, say, expedite the processing of private aid through customs?

These may seem like hypothetical situations, but over the long history of legislation governing U.S. assistance for the Contras, we have seen that situations like these can and do arise. I think it is important that we make ourselves clear as to what we do mean.

At my request, the State Department's legal office has provided some clarifications, which I would like to include in the RECORD at this point, as part of our legislation intent in adopting this legislation.

I would understand that a portion of this has already been made a part of the RECORD and part of this therefore would be redundant. I thank the manager of the bill for having done so earlier today. But under further questioning of the Office of Legal Counsel, they have somewhat expanded that statement and I believe the matter which I will insert in the RECORD at this point will go a little further than the earlier language.

I have given copies of this to both the majority and minority floor managers of this legislation. So there is nothing in this document that catches anyone by surprise. I want to go through that document because it illustrates both the range and the complexity of the question what is assistance, for example, as prohibited under section 9.

Section 9 of S. 760—Prohibits "additional" assistance to the Resistance unless expressly authorized by law; and

Is identical to Section 9005 of current law (P.L. 100-463).

Current Section 9005 consistently interpreted by Administration as applying only to U.S. Government; new provision would be interpreted in the same manner.

And I stress that because there is a parallel language which is in effect which has been interpreted which is being used.

Administration view on Section 9005 (has never been questioned by Congress.

Section 9 does not apply to private citizens (unless of course their specific activities relating to the Resistance are funded by the U.S.G.).

It does not apply to PVO's except with respect to U.S.G. funded activities related to the Nicaraguan Resistance. This section does not purport to regulate PVO's who provided non-USG funded assistance to the Resistance. This section would also not affect a PVO receiving non-Resistance funds for other authorized AID projects (e.g., in Africa) as long as funds are not diverted for the Resistance.

Covers "assistance" as that term is used in appropriations law: that is, U.S.G. cash, supplies, transport and medical services. (See, for example, the definition of assistance in last year's Nicaragua bill of April 1: "Assistance means only food, clothing, shelter, medical services, medical supplies, and payment for such items or services." Section 3. P.L. 100-276.)

Section 9 does not contain the broad, vague and controversial language contained in the various "Boland" amendments (e.g., funds may not be obligated for the purpose of which would have the effect of "supporting, directly or indirectly," military or paramilitary operations. . . .). A different provision in S. 760 deals with military assistance of the kind referred to in the Boland amendments. That provision (Section 7(a)) is also the same as current law (Section 9012 of P.L. 100-463)).

Section 9 does not prohibit senior U.S. officials from asking third countries to help the Resistance; it only applies to U.S.G. funds (e.g., the use of U.S. funds to transport third country goods).

Section 8 of S. 760 incorporates by reference a provision in existing law that requires all U.S.G. agencies to assist AID in ensuring the orderly, effective direction, management, and delivery of assistance. This includes U.S. Ambassadors, but excludes the CIA. This is an authorized activity. Thus, if a U.S. Ambassador believes that

deliveries to the Resistance must be expedited or facilitated he or she could call AID. Nothing in the Act precludes a member of Congress from doing likewise.

Likewise, nothing in Section 9 precludes U.S. diplomatic missions or Ambassadors from providing PVO's the normal Embassy or State Department services or courtesies accorded to all U.S. citizens (for example, assisting PVO's with local customs officials) or agencies such as the National Weather Service or the Commerce Department from providing information to PVO's on the weather in Nicaragua or on general export licensing requirements.

Real effect: prohibits use of other statutory assistance programs for the Resistance without Congressional approval—e.g., Foreign Assistance Act or Arms Export Control Act.

Mr. President, that concludes the reading of the opinion of the legal section of the Department of State and provides some insight as to what was meant by section 9 as submitted to us by the administration in the legislation pending before us.

I raised this issue and I have taken this time because I do believe we have seen from past history the kinds of questions that have been asked about activities in the past, what is or is not prohibited by law, and I think it is important for us to have some understanding of what is meant by the provisions of section 9.

I have asked the question whether or not if there were a private relief organization that was going to supply funds, they would be covered. The answer is no. I have asked the question of whether or not our government can provide assistance to such PVO in terms of their advice, in terms of trying to expedite clearance through customs, in terms of giving weather reports for a private relief flight if indeed that should take place, and the answer in each instance is no, this language does not prohibit that kind of assistance.

I take it, and I believe it is correct to say, that what I have read into the RECORD is illustrative of the kind of activities that would be prohibited and would not be prohibited and is not an exclusive listing or an exhaustive listing of all such possibilities.

Mr. President, I intend to vote for this package, but I will do so with a heavy heart. I think the administration has worked to get the best deal it thought it could get. The administration approached these negotiations in good faith, with the intention of winning bipartisan support so that, at the very least, the Congress would keep the Contras in existence as a viable fighting force until after the Nicaraguan elections next February.

But after hearing the statements of the distinguished manager of the bill, it seems clear to me that some had something altogether different in mind, namely, the total destruction of the Contras. And though many may proclaim their support for democracy in Nicaragua, it seems clear that the opponents of the Contras do not really care about democracy. If they did, they would not be crowing about the destruction of the one thing that has brought the Sandinistas to the bargaining table, the one thing that has forced the Sandinistas into the grudging and miniscule steps they have taken to comply with the agreements they have signed. And that is the military pressure of the Contras.

And without that pressure, without the prospect that the Contras will remain a viable force, and that the U.S. Congress might eventually provide the Contras with the means to resume fighting, there is no incentive for the Sandinistas to hold truly free and fair elections in February of next year. Or if such elections are held, there is no incentive for the Commandantes to respect the results of the elections.

And before we get too excited about the Sandinistas promises about the elections, let us remember what the Sandinistas have said in the past about elections: "A nuisance," according to Commandante Bayardo Arce.

Elections "will in no way decide who is going to hold power." That gem of democratic good faith is from Commandante Humberto Ortega.

Even after signing the Esquipulas agreement, President Ortega said that, if the Sandinistas were to lose, he would give up "the government, not the power."

These are the people that many in Congress want to trust with the future of democracy in Nicaragua and Central America.

My final concern with this legislation is a procedural one, but a very important procedural concern. Secretary Baker said yesterday, that, based on the side letters accompanyng this bill, he would not feel comfortable releasing aid after November of this year without the consent of eight different Senators and Members of Congress. They are the four committee chairmen, plus the bipartisan leadership of both Houses of Congress. Every one of them has a veto. The Supreme Court, in the Chadha decision, declared a one House veto unconstitutional. Well this is a one-hundredth of one-House veto, or a one-four hundred thirty-fifth of one-House veto.

I know that the unprecedented agreement is not in the legislation so the legislation is not itself unconstitutional. But I am very concerned about the precedent of entering into an agreement such as this, even a part of a so-called side-letter.

The Iran-Contra hearings were the result of an executive versus legislative branch struggle for power. I thought we had put all that behind us. I thought this was a new beginning of trust and comity between these two branches of Government. It suggests to me a lack of good faith on the part of the Democratic leadership in Congress, that they felt they had to insist on this provision.

So much for warm-and-fuzzy feelings, Mr. President. The knives are still out.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I make a parliamentary inquiry. I believe under a unanimous-consent request I have 1 hour reserved to be equally divided with an amendment. Is that not correct?

The PRESIDING OFFICER. If the Senator offers his amendment, there is 1 hour for debate equally divided.

Mr. SYMMS. I ask unanimous consent that the Chair might assign me my 30 minutes of that 1 hour. I will not offer the amendment.

Mr. LEAHY. Reserving the right to object, is there an amendment pending?

The PRESIDING OFFICER. The amendment from the Senator from North Carolina is the pending business.

Mr. LEAHY. The only reason I raise that point, I would not want to interfere with the Senator from North Carolina in bringing his amendment up. I am not sure exactly what it is that the Senator from Idaho wants to use his time for. Naturally, he has the right to speak. He could bring up his amendment.

I also point out the Senator from Oregon, the ranking member of the Appropriations Committee, is also here and has been waiting for some time and has 10 minutes reserved. I would like to finish this.

Mr. HELMS. Will the Senator yield?

Mr. LEAHY. Sure.

Mr. HELMS. So would I. I agree with the Senator. On the other hand, I want to engage in as much comity as I can with my colleagues. So I am going to be patient. But I am ready to go with my amendment any time that the leadership and managers of the bill——

Mr. LEAHY. I have no objection.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. LEAHY. I have no objection.

Mr. SYMMS. If it suits the leadership, I will be happy to yield. How much time does the Senator from Cregon want?

Mr. HATFIELD. I have a unanimous-consent agreement for 15 minutes already. I will accommodate the managers.

Mr. KASTEN. Would the Senator from Idaho yield?

Mr. SYMMS. Yes.

Mr. KASTEN. First of all, I have several hours that are still available. In order that we do not force the Senator to offer his amendment, only by

offering his amendment would he get his hour under the unanimous consent, I suggest I yield to him such time as he may desire, and so therefore he would not have to offer his amendment but could still speak on the bill on my time.

I would ask simply as a matter of courtesy, the Senator from Oregon has been here off and on for most of the afternoon. I would very much prefer if he would be recognized in his own right on his own time, and I be recognized. I will yield to the Senator. Between he and I we will proceed.

Mr. SYMMS. That is fine with me.

Mr. KASTEN. I yield the floor.

Mr. SYMMS. I thank my distinguished colleague.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I express my deep appreciation to the Senator from Idaho, the Senator from Wisconsin, and the Senator from Vermont for making it possible for me to exercise a few moments of the Senate's time.

Ever since the question of United States support for the Nicaraguan Contras first came before this Congress in 1982, I have raised my voice in opposition of it. Whether the proposal was for military assistance or humanitarian assistance, I have cast my vote against it.

Today, for the very first time in 7 years, I plan to cast my vote in favor of assistance—humanitarian assistance—to the Contras. I will not cast this vote easily, and I will do so only after a great deal of thought.

Mr. President, as strange as this may sound to my colleagues, the decisive factor in my decision was a statistic from a recent demographic survey of the Contras now living in Honduras: 85 percent of those men and women are illiterate. As we have debated aid to the Contras over the years, we have talked about them as if they are like us. Supporters of Contra aid have suggested that the Contras are a comparable substitute for the United States military—which they have repeatedly implied will be required to fight in Nicaragua's jungles if we do not send military aid to the Contras. President Ronald Reagan went so far as to compare the Contras to our Founding Fathers.

But what the vast majority of the Contras really are is economically poor and illiterate peasants. And as we here in Washington have indulged in rhetorical battles about their legitimacy, they have been fighting and dying, because when CIA operatives and White House emissaries said "believe in us," they did.

Manipulation and deceit, Mr. President—95 percent of our policy toward Nicaragua has been based on manipulation and deceit.

Surely, the Congress has been manipulated and deceived.

On the eve of the 1984 Presidential election, the National Security Council claimed that Soviet Mig fighters were being shipped to Nicaragua—when the Soviet ship which was said to be carrying them was unloaded, no Mig's were on board.

Before a House vote on Contra aid in 1985, the State Department distributed a supposedly independent report by two Brigham Young University students exonerating the Contras of all human rights abuses—the report, we later learned, was funded by Oliver North's operatives and at that time even the CIA conceded Contra human rights violations.

That same year, Assistant Secretary of State Elliott Abrams claimed before Congress here in Washington that the Contra ranks had grown to 20,000 and were expanding at a rate of 1,000 a month—while U.S. officials in the region were telling reporters that the Contras remained at 10,000 throughout 1985.

And in 1986, prior to a Senate vote, Assistant Secretary Abrams traveled to Honduras to encourage the Government to accuse Nicaragua of an invasion—what had really happened was a Nicaraguan sweep of Contra bases on the Honduran-Nicaraguan border, something they had done many times before. When the Hondurans agreed to protest the action, however, the United States released $20 million in emergency funds to help the Honduran Army counter the "invasion."

The list goes on and on.

But the Congress and the American people are not the only ones who have been manipulated and deceived, Mr. President. Poor, young, and illiterate Nicaraguan men and women—the people who make up the vast majority of what we call the Contras—have been manipulated and deceived too. The manipulation and deceit of these people was far more cruel, far more cynical, than anything that was done to us—we could cast our votes and go home, while the Contras gave up their homes, their families, and some gave up their lives. I am not talking about the Contra leadership, about the former national guardsmen: I am talking about the rank and file, the men and women on the ground.

At the 1944 Republican National Convention, former President Herbert Hoover declared: "Old men declare war, but it is the youth who must fight and die." Four and a half decades later, we have a variation on that theme: "Old men declare war, but it is the poor and hungry of the Third World who must fight and die."

I never supported the Contras, Mr. President, but my Government did. As part of that government, I now believe that we have a moral obligation to the illiterate peasants now left in Honduras—not to the war, but to the human beings.

What began as a bad policy 7 years ago is now ending as a bad policy. The Contras have become a political disaster, an embarrassment. The President and Secretary of State James Baker realize that, and have engaged in some tremendously creative domestic diplomacy to create the agreement now before us.

There are some who will vote against this legislation because they believe we are abandoning the Contras—because they believe that nothing short of military assistance is sufficient. Others will vote, as I have in the past, against this legislation in protest of the entire policy.

For many of us—who have been on both sides of the issue in the past—the temptation is to wash our hands of the Contras. That surely would be easy, politically expedient. But after a great deal of thought, Mr. President, I do not believe it would be right.

Of course, I would have preferred an agreement which would have provided only for regional relocation and reintegration. And of course, it is entirely possible that we will be back here a year from now facing that issue—we will have bought this time for ourselves, but still have no policy in place. But if the choice now before us is between this legislation and complete abandonment, I must choose the legislation—humanitarian assistance to people who made the mistake of believing in an endless parade of American officials who said our guns and our money and our food would continue to flow.

Before I conclude, I feel compelled to make a point that many in the media already have realized. A headline in the April 3 U.S. News & World Report sums it up: "A done deal and an undone deal in Central America." The article is about the agreement we are voting on today—and about current United States policy in El Salvador. For years, Mr. President, there has been only enough room in the headlines for one war in Central America.

When the debate over Contra aid heated up, the civil war in El Salvador and United States policy in that tremendously troubled country became nonissues. Despite the fact the United States spends $1.5 million a day in El Salvador and the civil war that has already claimed at least 60,000 lives continues to rage, the United States Senate has not cast a single vote on our policy for 5 years. Unless we take a serious look at that policy—the administration and the Congress, in a genuinely bipartisan and realistic way—we may simply be shifting from one political fiasco to another.

In the coming months, we will have an opportunity to reevaluate our policy in El Salvador. I hope very much we can take the lessons of this debate—lessons about compromise and honesty and bipartisan cooperation—and apply them to El Salvador.

I shall vote for this legislation.

Mr. DODD. Will the Senator yield?

Mr. HATFIELD. Yes, I yield.

Mr. DODD. I want to commend our colleague for the statement, the one which expresses the views of many of us, including this particular Senator. He has been courageous and consistent on this issue during my term in the Senate.

I commend him for his positions over and over again, and I also thank him for his willingness in this particular case because I think he is absolutely correct in terms of what this package does and what hopefully it will do over the next 10 months. That is to provide the kinds of assistance for relocation and reintegration of these people who have served as the cannon fodder in this conflict.

So I just wanted to rise and tell him how much I appreciated his remarks and I would like to associate myself with him.

Mr. HATFIELD. I am proud to be associated with the Senator from Connecticut. Over a number of years he has been one of our leaders in reevaluating our policy in all of Central America.

I thank him.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I also wish to commend the Senator from Oregon for his strong statement. It comes not only from a sense of knowledge and experience in the area of foreign policy, but I think it also comes from a deep sense of humanity and morality and I must admit it is the latter two that appeal to me the most.

I admire and respect the first, but as a human being it is the humanity and morality that appeal to me. As the Senator from Oregon knows, he and I have sometimes formed a lonely minority on this issue on the floor of the Senate in both of our parties.

But I would hope that the people of this country will listen to what he said, and I would hope that the administration, to whom we are all so many of us extending our hands in bipartisan cooperation here, will listen to what the Senator from Oregon has said.

As I have said over and over again, it is not a military threat that we in the United States, the most powerful, most wealthy Nation in the world, faces from Central America. It is a threat that all of us as human beings face, real enemies, the enemies of hunger and poverty, disease and illiteracy.

Let us hope that soon we can be changing our focus here in this wonderful and good country, the United States of America, that instead of guns and tanks and planes, we can send doctors and nurses, carpenters, farmers and agronomists, teachers, people to teach someone how to drill a well, how to grow food, how to do the basic things that we take for granted.

I have three children, and they get the usual childhood shots. The distinguishd Senator from Wisconsin has a beautiful child, whom I have seen recently, and I am sure he takes this child, as I have mine, and gets polio shots and diphtheria shots and all the things we just take for granted. But they do not in Central America.

Let us start making that available and make education available.

The Senator spoke of the illiteracy of the young men who are there fighting and dying. Let us start teaching them how to read and write, and we should do those things that we as a great and good Nation are so capable of doing when we set our mind to it. That is something we all, Republicans and Democrats, liberals and conservatives, will take to heart and be proud of.

More importantly it appeals to the sense of generosity of this Nation, a sense of generosity that should be tapped for the Central American countries as part of our own hemisphere.

So I applaud the Senator from Oregon for his statement.

Mr. HATFIELD. Mr. President, I thank the Senator from Vermont for eloquently outlining a cornerstone of truly enlightened foreign policy applied to not only Central America but other parts of the Third World.

I thank him for his comments.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, may I ask for some time from the distinguished Senator from Wisconsin?

Mr. KASTEN. Mr. President, first of all let me if I can, for the benefit of our colleagues who are here and some who might be listening, try to outline where we as managers of the bill think we are going over the next hour or so.

It is my intention immediately to yield approximately 20 minutes to the Senator from Idaho on my time.

The Senator from Idaho is not planning then on offering his amendment. He simply wanted to make a statement.

It is my understanding that the Senator from Colorado will not be offering his second amendment. And it is my understanding, also, that the Senator from Wyoming [Mr. WALLOP] will not be offering his second amendment.

After the Senator from Idaho speaks for approximately 20 minutes, it is my intention to ask the Chair to go back and to recognize the Senator from North Carolina [Mr. HELMS]. Senator HELMS expects to speak on that amendment for approximately 30 minutes.

This is not a unanimous consent request and we are not trying to fence anybody in or out here.

Then it is agreed if we are able at that point to get unanimous consent agreements, and I hope we will, to postpone the vote on that amendment for approximately 30 minutes while he introduces the second Helms amendment which is also on the agreement and we would then vote. He would intend to speak on that amendment for approximately 30 minutes.

We would then vote, and I am now taking us to about an hour and 20 or an hour and 25 minutes from this moment. We would then vote on Helms amendment No. 1, immediately followed by the vote on Helms amendment No. 2.

It is the intention of the Senator from Vermont and myself to speak only briefly in opposition to both Helms amendment No. 1 and then again briefly in opposition to Helms amendment No. 2, after which we would expect the normal motion to table on both Helms amendment No. 1 and Helms amendment No. 2. There would be two separate votes occurring. We might even be able to make the second vote a 10-minute vote or work some sort of stacking procedure out. Let us wait to see how we do.

At this point it is my intention to yield, and I would like to yield 20 minutes.

Mr. LEAHY. Mr. President, if the Senator will withhold 1 minute, I am in complete concurrence with that way of proceeding, and I would note again that we could, if we follow such a procedure, finish this bill tonight. The majority leader has stated we would not be in session, at least there will be no rollcall votes, tomorrow if we are able to do that.

I note again, as I have before, there are no amendments that have been offered to the President's proposal here. It is a bipartisan proposal from the majority side. We do not have any amendments. None have been offered. None have surfaced, and nobody intends to bring any up.

So if we are able to have those two amendments plus the speeches he wants, it is conceivable we could finish.

With that, I will finish and yield back to the Senator from Wisconsin.

Mr. KASTEN. Mr. President, let me say to the Senator and the Senate, this is not a unanimous-consent request. I am just trying to set the order for the next hour and 15 minutes or 20 minutes based on an understanding I have reached with the Senator from Idaho and the Senator from North Carolina.

What is important with regard to the overall plan is that as of this time we have had three of the amendments that were scheduled to be offered. The authors have indicated to me they are not going to offer those three amendments, and we hope also a third amendment which the Senator from North Carolina may still offer according to the unanimous-consent request, that that amendment would not be offered.

So we have reduced the number of amendments. It looks to me as we probably have two votes, but let us move forward for the next half-hour or so and then I would think we would know exactly where we are, but I would think we would be voting starting, at least on the first Helms amendment, at something like 7:15 to 7:30.

I yield 20 minutes to the Senator from Idaho.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Idaho.

Mr. SYMMS. Mr. President, I thank my colleagues for the time.

With respect to our good friend and my good neighbor, Senator HATFIELD's remarks, I must call to the attention of my colleagues that since the betrayal of the revolution in Nicaragua, the Soviet Union, since 1980, has pumped nearly $6 billion into that country, and the people are still poor.

Mr. President, as long as the Communist dictators stay in power in Nicaragua, the people of Nicaragua are going to suffer repression, poverty, shortages, a lack of human rights, political prisoners, deceit, and cheating.

We should not delude ourselves about that.

If we want to do a favor to the good people in Central America, the best thing this country could do is export to those people the assistance needed to instill into their society the engine of capitalism.

Capitalism and freedom produces wealth. Communism and oppression produces poverty and oppression.

President Reagan, under the Reagan doctrine, tried to get the Congress to go along with a policy that would give support to people who are striving to achieve their own destiny, freedom, and opportunity in their own country. It took the force of arms, of course, to do that.

But we have removed ourselves from that policy. The reason the Contras have failed is because of the 100th Congress' failure to vote the aid package to them when they were in the process of winning the war. Defeat was snatched from the jaws of victory.

It seems to me as though it is deja vu. Mr. President, I believe this is simply a modern-day Bay of Pigs, although this has taken a lot longer. In the Bay of Pigs, it only took 1 day for the United States to lose its guts to not support the brave men of the 2506th Battalion who would have liberated Cuba.

We still had the opportunity to liberate the Island of Cuba and the reason to do it. The Soviet Union violated the Kennedy-Khrushchev agreements starting on day one. They have violated these so-called agreements for 25 years and we have stood by and watched our friends on the Island of Cuba suffer.

They could have enjoyed freedom and democracy if we had just a little courage in our convictions. It would have saved millions of lives had the United States taken the responsibility as the leader of the free world and liberated the Island of Cuba.

I look back at history. I can remember the debates in the House in the 1970's on "Give peace a chance." Give peace a chance in Cambodia where two out of every seven Cambodians were murdered when the Communists took over. We gave peace a chance in South Vietnam. We would not give the support to the South Vietnamese Army. The Congress jerked the rug out from under them. The Congress of the United States does not have the courage or the political will to stand up and support freedom and support peace and freedom for a long sustained period.

So here we are again. I guess I should not be surprised to see that we have come this far.

I have heard a lot of speeches here. I heard my good colleague from Arizona, Senator MCCAIN, speak. I think he is probably right, Mr. President. This is probably the best deal that President Bush thought he could get from this Congress. I think he might have gotten a better deal, personally, if he had asked for more, as a new President coming in. But he did not.

I have a real problem knowing which is the best way to vote on this. I hate to see the Contras left starving in the fields, but I do think this is not enough. Previously, Congress offered the Contras real hope, real opportunity. Today we offer them defeat without dignity.

As a result of that, Mr. President, on the 5th of April, I introduced legislation which would provide $300 million in military assistance and $85 million in humanitarian assistance to freedom fighters in Nicaragua. In my view, that is what is needed as a minimum for us to be able to achieve victory.

Mr. President, in previous years, the U.S. Government tried to offer hope. I think the leadership in the State Department and in other agencies of the Government that were involved were genuine and sincere in trying to offer hope to the Contras.

I can trace it back to the very first effort when I was engaged in this in 1982 on the Senate floor. I offered the "Cuban" resolution which eventually passed by a large majority in the Senate. The legislation restated the 1962 policy that, by whatever means necessary, including the use of force, the United States would support peace and freedom in Central America and would oppose the Marxist revolution from being exported from Cuba to the mainland of the Americas.

The Senate and the House both voted for that resolution. It became law. The administration, in my view, missed a golden opportunity. They should have used the vote to make a bipartisan policy to achieve peace and freedom in Nicaragua.

Mr. President, I remember the famous line: "It isn't over until the fat lady sings." And it is not over yet. I hope it is not over, but if this is the best we can do, the fat lady may not be singing, but you can hear her clearing her throat. The last gasp for the Contras, I fear, is coming near.

I hope that President Bush and Secretary Baker, with this show of bipartisan cooperation here, will somehow be able to convince Daniel Ortega and Tomas Borge, two very strong avowed revolutionary Marxists who believe that political power comes out of the barrel of a gun, that they should democratize Nicaragua, that they should go for freedom, have free elections, even though one statement after another they do not have any intention to do it.

For example, just as recently as 1984, Tomas Borge made the statement—and I know Tomas Borge. I have talked to Tomas Borge. I have watched him across the table, sit there and blatantly lie to U.S. Senators, when he knows we have intelligence reports about how many political prisoners they have, sit there and blatantly lie to you because he thinks it is OK to lie and to deceive people. That is OK if it means that they can stay in power and further their goals. His exact quote was:

> We are not going to lose at the polls what we have won through the force of arms.

Mr. President, in order to save time, I ask unanimous consent that a series of quotes by the leadership of the Sandinistas be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> "The aim of the elections will not be to decide who holds power in Nicaragua. That question has been settled by history, and the people continually ratify its decision. Elections in our country, at the various levels announced, will take place in order to confirm the people's authority, the representatives of the people's power."—Julio Lopez, Barricada, July 30, 1980.
>
> "Elections, A Fetish of Reactionaries"—Headline, Barricada, August 2, 1980.
>
> "We could hold elections right now but political pluralism would disappear for sure because as a result of the elections we would obtain all the posts."—Thomas Borge, Interview with EFE (Spain) August 10, 1980; For-

eign Broadcast Information Service, August 11, 1980.

"The elections we speak of are very different from the elections desired by the oligarchs and traitors, conservatives and liberals, reactionaries and imperialists . . . Never forget that our elections will be to perfect revolutionary power, not to hold a raffle among those who seek to hold power, because the people hold power through their vanguard—the FSLN and its National Directorate."—Humberto Ortega, Barricada, August 24, 1980.

"In sum, democracy is intervention by the masses in all aspects of social life. We have said this in order to state clearly, as a matter of principle, what the Sandinista National Liberation Front understands by democracy."—Humberto Ortega, ibid.

"These will be our elections. Remember that they are elections to reinforce power, because the people hold the power through their vanguard party, the Sandinista National Liberation Front and its National Directorate."—Humberto Ortega, ibid.

"But elections will be held. We have already set a date. That will be the time to have a contest in the electoral arena. What won't be up for debate is whether or not there is a revolution."—Tomas Borge, Speech to the Inter-American Human Rights Commission; Intercontinental Press, October 10, 1980.

"The elections that took place with the rifles in Nicaragua were the most authentic in all of Latin America."—Sergio Ramirez, Diario de las Americas, December 16, 1980.

"Keep firmly in your minds that these elections are to consolidate revolutionary power, not to place it at stake."—Humberto Ortega, 1981; in Henri Weber, Nicaragua: The Sandinist Revolution (London: Verso Editions, 1981).

"Elections in Nicaragua will not be for the purpose of disputing power, but to fortify the revolution."—Rafael Solis, FSLAN member; in La Presna, December 24, 1981.

"Imperialism in demanding that we hold elections, because they think the revolution can be overthrown through elections. But our first task is to create an irreversible model of people's power. The forms will come later."—Jaime Wheelock, interview with Punto Final (Mexico), May-June-July, 1983.

"Revolutions are not elected, they come into being to stay."—Tomas Borge, interview with COSAS (Chile); Foreign Broadcast Information Service, October 19, 1983.

"The electoral process must basically be aimed at achieving an electoral model and elections that will break completely with the concepts or understanding of democracy that prevail in the various Latin American, European, or North American countries."—Carlos Nunez, September 1983; Contemporary Marxism, No. 8, Spring 1984.

"The electoral process must be one that legitimizes a power that we have attained as a result of a long struggle."—Carlos Nunez, ibid.

"For us, then, the elections, viewed from that perspective, are a nuisance, just as a number of things that make up the reality of our revolution are a nuisance."—Bayardo Arce, Speech before the Political Committee of the Nicaraguan Socialist Party; La Vanguardia (Spain), July 31, 1984.

"We believe that the elections should be used in order to vote for Sandinismo, which is being challenged and stigmatized by imperialism, in order to be able to demonstrate that, in any event, the Nicaraguan people are for that totalitarianism, the Nicaraguan peoples are for Marxism-Leninism."—Bayardo Arce, ibid.

"We are not going to lose at the polls what we have won through arms."—Tomas Borge, Agence France Presse, February 11, 1984.

"The elections are to confirm that the arms today in the hands of the people are also civic votes to authenticate revolutionary power."—Daniel Ortega, in Washington Post, February 22, 1984.

"We couldn't consider any electoral form that would contradict the revolutionary practice during these years."—Sergio Ramirez, in Contemporary Marxism, No. 8, Spring 1984.

"The electoral process must be one that legitimizes a power that we have attained as a result of a long struggle."—Carlos Nunez, ibid.

"The Nicaraguan people will have to choose and vote for one candidate. That candidate is the revolution."—Sergio Ramirez, in New York Tribune, May 30, 1984.

"The rifles of the people guarantee the elections."—Humberto Ortega, Barricada, October 31, 1984.

"The rifles held by the people; the people are holding the rifles; the workers are holding the rifles. The hundreds of thousands of rifles are distributed among the people. If the people do not like this government, they can easily end this government. What better democracy can there be?"—Daniel Ortega, Managua Domestic Service, January 9, 1987; Foreign Broadcast Information Service, January 12, 1987.

"We are an organization whose greatest aspiration is to maintain revolutionary power . . ."—Analysis of the Situation and Tasks of the Sandinista People's Revolution, October 1979.

"There can be no unity with those who do not realize that the revolution is only possible within the framework set by the vanguard of the people, the FSLN."—Tomas Borge, Managua Domestic Service; Foreign Broadcast Information Service, January 11, 1980.

Mr. SYMMS. Mr. President, I just feel in good conscience that I must say these things because I hope that if, in fact, this revolution is further betrayed, I hope that at that point in time this Congress will come in in the same bipartisan effort that they are doing here today and vote for a package that is similar to the one that I introduced on the 5th of April for $300 million in military aid.

When I hear people talking about how we have been wrong in our policy, I just think what has been wrong is that our policy has not been clear enough. It has not sent a clear signal. Not only not clear enough to the Contras, to the surrounding nations in Central America, to the Sandinista government, but to the American people who ultimately have to pay for these foreign policy fiascoes.

Mr. President, I would say also that I do not believe that we in the U.S. Senate or we as Americans should ever be apologetic about having a policy that supports peace and freedom, that supports our friends and opposes our enemies; that supports the opportunities for people who want to achieve their own freedom to be able to overthrow oppressive Communist dictatorships and governments.

I think that is one of the reasons why we are here today in this extended 8-year Bay of Pigs operation. It has taken 8 years instead of just a few days to accomplish because of the fact that the issue was never made clear enough to the American people by either the Members of Congress or the administration of what is at stake in Central America.

Peace and freedom are at stake for those people in Central America, Mr. President. We should not deceive ourselves about that.

But ultimately our peace and freedom are at stake also. If we, the United States of America, the most powerful, the most wealthy, the greatest place on Earth to live cannot provide enough support to our fellow Americans who are literally in our back yard to help them achieve their freedom, I pray for what the ultimate outcome of this may be.

Mr. President, I see the distinguished Senator from North Carolina is back on the floor. I wish to compliment him for his valiant efforts here today and I support the amendments that he is offering.

Mr. President, I would like to have printed in the RECORD just some examples of promises that the Sandinistas have already broken.

The promises on freedom of expression and religion, union rights, press, private enterprise, promises on independent nonaligned foreign policy which they broke—the day they ousted Somoza on July 21, 1979, the Communist guerrilla factions arrive in Managua to discuss military cooperation and assistance.

It has been a string of broken promises by the dictators of Nicaragua. I think short of some miracle, it will probably continue to be the same string of broken promises.

So, in 6 months I would hope that my colleagues who are here today, who are talking about this, will then come back and support what it may take.

I hope I am wrong, Mr. President. I know the Senator from North Carolina hopes I am wrong saying these things. There is nothing that would make me happier to see Ortega and Borge allow free elections and see a free society start evolving and emerging in Nicaragua. But, Mr. President, it is going to be very difficult to accomplish it.

We are very naive in this Chamber if we think we can find Jeffersonian democrats in Third World countries who can achieve what we achieved in this country overnight. It just simply cannot be done.

Senator HATFIELD in his remarks mentioned the problems in El Salvador. It is going to be very difficult.

The Salvadorian people have gone through two free elections, two major free elections. To Napoleon Duarte's everlasting credit he has allowed the opposition party, the free enterprise party, if you will, to take his place when he was running the Socialist party, the Christian Democrats.

They have had those elections. But it is very difficult to establish a civil order when you have a terrorist guerrilla war going on in the countryside, constantly. It is going to be difficult in El Salvador.

Short of the Contra force being effective and working in Nicaragua, it compounds the problems in El Salvador. So for people who think somehow when they go back home and tell people they are saving money for the taxpayers by not being for Contra aid, what they are doing is costing the taxpayers more money with the mass of refugees who are walking and voting with their feet, who are showing up in South Texas and Miami on a daily basis from that region of the world; with the costs that will be thrust upon us to help our friends in El Salvador because the revolution is being exported into El Salvador from Nicaragua.

I could go on and on, but I ask unanimous consent to have these broken promises printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SANDINISTA PROMISES

PROMISE

Freedom of expression, religion, union rights, press, private enterprise;

PERFORMANCE

Within a week of the fall of Somoza, the Sandinistas nationalized banking and foreign trade. The insurance and mining industries were nationalized in October and November 1979.

A new Sandinista controlled laber federation was created, seizing many businesses. The Sandinista labor force attacked the non-Marxist unions. Strikes were banned through the country in September, 1981.

In December 1979, an anti-Somoza private entrepreneur was prohibited from opening a new independent television station by Daniel Ortega. Ortega stated that television in Nicaragua belonged to the people, not the millionaires of the bourgeoisie.

After anti-Cuban and anti-Sandinista demonstrations in the Atlantic Coast region in September, 1980, La Prensa was ordered not to print any news from that region without government approval.

On July 8, 1981, the temporary closings of La Prensa began, with full censorship instituted in March 1982.

The Sandinistas banned the broadcast of the mass of the Archbishop of Managua. Restrictions were placed on broadcasting by the Church's "Radio Catolica" and on La Prensa's coverage of Church activities.

The Sandinista FSLN founded new women's, peasant's, and youth's organization patterned after the Soviet Union's "Young Pioneers."

The first Sandinista controlled mobs, called the "devine mobs" were formed and used by the Interior Ministry to attack Sandinista opponents.

PROMISE

An independent, non-aligned foreign policy

PERFORMANCE

The day Somoza was ousted, Cuban military and security advisors entered Managua.

On July 21, 1979, two Salvadoran communist guerrilla factions arrived in Managua to discuss military cooperation and assistance.

By August, 1979, hundreds of Nicaraguan children were being sent to Cuba for political indoctrination.

In March, 1980, the Sandinistas established Party-to-Party ties with the Communist Party of the Soviet Union. Defense Minister Humberto Ortega declared Marxism-Leninism the "scientific doctrine' that guides the Sandinista revolution.

In 1981, the Sandinista-controlled media were told to take a line against the "counterrevolutionary" Solidarity movement in Poland and only to report "facts" confirmed by the Soviet and Cuban press agencies.

PROMISE

The legislative Council of State would have 33 members representing the broad spectrum of Nicaraguan society, such as political parties, labor unions, business groups, the national university, and the national clergymens' association.

PERFORMANCE

In mid-April, 1980, the Sandinistas issued a decree enlarging the Council of State from 33 to 47 members, with a structure guaranteeing the FSLN and FSLN-controlled organizations a majority.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, let me act as a traffic cop here.

The distinguished Senator from North Carolina has an amendment. He has graciously let different people speak. He has a perfect right to have these amendments up and, in fact, without a time agreement on them, he could stay on them for the next couple of days if he wanted. I realize that is not his intent. He has allowed a number of people to go first.

Numerous people want to speak. As one of the two managers of the bill, I would like to get the amendments voted on, get on to third reading, and then I would be happy to sit here so people could speak—and everybody else can go home—for the next 10 hours, if they want, about the bill.

Might I suggest this? The distinguished Senator from Rhode Island, the distinguished chairman of the Foreign Relations Subcommittee, is here. This is certainly an area of great concern to the Foreign Relations Committee, and quite appropriately so.

I wonder if everybody would be willing—I am not asking this as a unanimous consent, but just as comity—we might let the distinguished chairman speak on this matter. Then go back and let the distinguished Senator from North Carolina get his amendment up; bring it to a vote, or if he has some other plan, if he wishes, to do that.

At some point, I will be moving to table, but as I have told everybody, I am not going to move to table until people have a chance to have their say. Certainly, the proponents of the amendment.

We might do it that way. If we can figure out when the votes are going to occur, get the votes into a package, get the speeches into a package, and perhaps wrap this up.

Does anybody see anything drastically wrong with that?

Mr. DIXON. Mr. President, I would have an objection to this procedure.

Mr. LEAHY. This is not a unanimous-consent request.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. LEAHY. I do not yield the floor. I yield for a question.

Mr. DIXON. My colleague, if the distinguished manager would be kind enough to yield to me, as I understand the arrangement here we will be on the Helms amendment which, under the unanimous-consent agreement, has no time limit.

Mr. LEAHY. That is true.

Mr. DIXON. That is important to this Senator. Because information has just come to me concerning the appropriations side of this legislation that offends me very much.

I have quietly talked to the majority leader concerning my interest in that matter and candidly I must say I am prepared to vote for this package at the appropriate time if my concerns are appropriately answered. But I am not prepared, speaking as this Senator from Illinois, to at this time agree to a unanimous-consent agreement that would further modify the existing agreement, which gives my friend from North Carolina unlimited time on his amendment. Because if I cannot be accommodated I may want to participate in that unlimited time for an unlimited time.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. LEAHY. I hope I have not misled the Senator from Illinois. I am not proposing a unanimous consent agreement. That is No. 1.

No. 2, the distinguished Senator from North Carolina, while he reserved time for his amendments, has not entered into a time agreement.

I wonder if I could have the attention of the distinguished Senator from Illinois.

Mr. DIXON. I apologize.

Mr. LEAHY. To continue, the Senator from North Carolina reserved time for his amendments but does not have a time agreement and has never entered into a time agreement on his amendments.

Under the Senate rules, the subject has unlimited debate unless I or somebody moves to table.

I am not suggesting a unanimous-consent agreement to give everybody unlimited time, nor has that been the request of the Senator from North Carolina. All I am saying is that the amendment of the Senator from North Carolina is to come up. He has a perfect right to speak on it. He will speak on it. At some appropriate time, I will move to table the amendment. All I want is the distinguished chairman of the Foreign Relations Committee to have a chance to speak a few minutes in his capacity as chairman. I would suggest at that point it might make some sense to then go to the Senator from North Carolina, and perhaps we could dispose of his amendment.

I can assure the Senator from Illinois, I have a considerable amount of time on this bill. Whatever amount of time he wants to speak, he is going to get a chance to speak. We are not going to go to final passage until he has a chance to speak.

Mr. DIXON. But I want to say to my distinguished friend, who is managing this bill so ably, that while he has a good deal of time, he has a limit of 4 hours. But my friend from North Carolina has eternity. At this particular point, until my problem is solved, eternity seems more attractive to me.

I need to discuss this with people. I have discussed it privately with the majority leader. I do not want to get out on the floor and cause unusual problems here. But something has been done without my knowledge on this bill which offends me greatly and, I would suggest, is something which would offend every Senator if known to every Senator. I am not going to go public if I am satisfied about what has occurred. But I am very, very troubled about what has occurred in construction of the appropriating side of this bill.

Mr. LEAHY. If I might reclaim the floor, Mr. President, what I might suggest to the Senator from Illinois, at some point he may, during the time when the Senator from North Carolina has his amendment up, speak during that time.

On the time of the Senator from North Carolina, all of us face, I suppose, possible eternity. I do not think the Senator from North Carolina expects to face eternity on this bill, and the Senator from Vermont would probably at some appropriate time, if that seemed to be the direction we were going, to table in any event.

What I am saying to the Senator from Illinois, certainly during the time the amendment is up, he can speak or do whatever he wants. He is not going to be cut off and he can vote for or against as he sees fit.

I wonder if anybody would object if I yield to the Senator from Rhode Island, who wishes to make a short statement on this bill.

Mr. HELMS. Will the Senator yield? Certainly, I have no objection whatsoever. As a matter of fact, I would encourage the distinguished manager of the bill to do that. Senator PELL and I worked very closely, in great comity and friendship.

Lest anybody has a suspicion that I intend to delay this matter, I have been here since 4:15 this afternoon ready to offer amendments. I will say to the distinguished majority leader that there is a lady at my house sitting there patting her foot wondering when I am going to get home. So I will expedite my part of it as soon as I can get to the defense of my amendment.

Mr. LEAHY. Let us yield to the Senator from Rhode Island and move on in the normal course. I yield to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, as a participant in the discussions between Secretary of State Baker and the congressional leadership, I am very glad to speak as a cosponsor of the underlying legislation before us today. This package to continue the Humanitarian Assistance Program for the Contras through February 1989 is based on a bipartisan agreement which in effect finally ends the policy of U.S. military backing for the Contras and, most importantly, represents a genuine commitment by the administration to give its support to the Central American peace plan. If that plan is implemented in all of its aspects, the Contras would be disbanded as a military force and the food, clothing, and medicines that would be furnished under this legislation before us would ease their reintegration into Nicaraguan life or aid in their relocation to other countries in the region. The package specifically prohibits funds for military operations and denies assistance to those within the ranks of the Contras who are guilty of human rights abuse, drug smuggling, or misuse of funds.

At long last, we have a policy that is totally consistent with the Central American peace process. The Tesoro Beach agreement which was signed by the five Central American Presidents this past February envisions external assistance for the purposes of relocating the Contras and ending their existence as a military force. After a meeting with President Bush a few weeks ago, President Arias, the architect of the peace plan, underlined that the bipartisan agreement reached between the administration and the Congress was consistent with the spirit and aims of the peace accord. He affirmed this in a meeting I attended with the Senate leadership.

The Secretary of State, in emphasizing a new spirit of cooperation with the Congress over the difficult issue of aid to the Contras, has pledged to the chairmen of the respective authorization and appropriation committees and the Senate and House leadership that the assistance will not be obligated beyond November 30 of this year until there has been consultation with regard to the situation in Central America. I welcome and support this policy which will go far in enabling the executive and legislative branches to speak as one in support of peace in Central America.

We are at this historic point today because of the unceasing efforts of President Arias and his fellow Presidents in the region. President Ortega has played a constructive role by moving up elections in Nicaragua to February 1990 and taking other steps that will aid the democratization process in his nation. The progress that we are seeing today should enable our Government to move toward resuming a normal relationship with Nicaragua and thereby settling our differences through negotiation and normal diplomatic procedures.

The Central Americans are going to need additional support as they move away from political and military confrontation toward the task of rebuilding their nations for the benefit of their people who have suffered so long. U.S. support for this recovery process is embodied in the legislation before us today. The Congress and the administration should give serious consideration to the recommendations of the bodies mentioned in the legislation such as the Inter-American Dialogue and the Sanford Commission to help our Central American friends achieve economic health and political stability.

In a demonstration of the Senate's support for a new spirit of bipartisan cooperation for the sake of peace in Central America, I urge my colleagues to give a resounding vote in favor of this legislation.

The PRESIDING OFFICER. Who yields time? The Senator from North Carolina.

Mr. HELMS. Mr. President, I believe I have time in my own right, unlimited time, but I will take as little as possible.

AMENDMENT NO. 45

(Purpose: To provide nonlethal assistance to the Nicaraguan democratic resistance)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 45.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(a) Strike sections 1 through 5 and insert in lieu thereof the following:

SECTION 1. POLICY; CONGRESSIONAL FINDINGS.

(a) POLICY.—It is the policy of the United States to advance peace and democracy in Central America and to preserve and protect national security interests in the region.

(b) CONGRESSIONAL FINDINGS.—Pursuant to that policy, the Congress finds that—

(1) the Nicaraguan democratic resistance should be sustained as a means to promote peace and democracy in Central America through the provision of appropriate nonlethal assistance, and

(2) appropriate military assistance should be considered for provision to the Nicaraguan democratic resistance in the event that the President certifies to the Congress that the Sandinistas are not in full compliance with their international commitments.

SEC. 2. PROVISION OF NON-LETHAL ASSISTANCE.

(a) TRANSFER AUTHORITY.—The President is hereby authorized to transfer from unobligated funds from the appropriations accounts specified in section 5 up to $49,750,000 to be used solely for providing non-lethal assistance to the Nicaraguan democratic resistance to remain available through February 28, 1990. Such non-lethal assistance shall include—

(1) professional development and human rights training;

(2) the provision of economic assistance to cover administrative costs of office space, office supplies, telecommunications equipment, transportation costs, and transportation assets;

(3) the provision of gasoline, fuel, and spare parts for aircraft, including helicopters;

(4) not less than 1,500 communication radios with batteries;

(5) clothing and boots suitable for training;

(6) political education programs; and

(7) civic action education programs.

(b) ADMINISTRATIVE EXPENSES.—The President may transfer from unobligated funds from the appropriations accounts specified in section 5 not to exceed $5,00,000 to meet the necessary administrative expenses to carry out this Act.

(c) MEDICAL ASSISTANCE.—The President may transfer to the Administrator of the Agency for International Development from unobligated funds from appropriations accounts specified in section 5, $4,166,000, to be used only for the provision of medical assistance for the civilian victims of the Nicaraguan civil strife to be transported and administered by the Catholic Church in Nicaragua.

(d) REPORT ON OBLIGATIONS.—Every 90 days after the date of enactment of this Act, the President shall cause to be published in the Federal Register a report detailing the obligation of the non-lethal aid specified in subsection (a).

SEC. 3. POLICY TOWARD FUTURE PROVISION OF MILITARY ASSISTANCE.

(a) It is the intention of the Congress that at the appropriate time, the Congress will consider authorizing the President to transfer from the unobligated funds of the Department of Defense not more than $50,000,000 in military assistance for the Nicaraguan democratic resistance.

(b) It is the sense of the Congress that no funds described in section (a) should be obligated or expended—

(1) before February 28, 1990, or

(2) any time after February 28, 1990, if the President has certified to the Congress that the Government of Nicaragua has held free elections that lead to the establishment of a truly democratic government in Nicaragua that guarantees peace, freedom, and justice, and respect for human rights of all Nicaraguans.

SEC. 4. INAPPLICABILITY OF CERTAIN PROHIBITIONS.

Notwithstanding any other provision of law, no restrictions on the delivery of assistance shall apply to any assistance transferred under section 2.

(b) Redesignate section 6 as section 5.

(c) Strike sections 7 through 11.

Mr. HELMS. Mr. President, the pending amendment is a modification of a bill that I introduced on March 16, a bill that was cosponsored by Senators ARMSTRONG, GARN, GRAMM, HATCH, HUMPHREY, LOTT, MACK, MCCAIN, MCCLURE, NICKLES, SHELBY, SYMMS, and WALLOP.

This amendment is fully consistent with the policy articulated in the so-called bipartisan accord in Central America. This amendment provides no military assistance to the freedom fighters. However, it does provide the freedom fighters with the minimum amount of nonlethal assistance necessary to maintain their military forces in readiness for a period of 1 year—during which time the Sandinistas have promised to "democratize."

I confess that all of us know how much a promise by the Sandinistas means. It means absolutely nothing. Nevertheless, we have assumed a measure of good faith when we drafted this amendment. This amendment places the Congress on record as stating that we will consider, and I would emphasize the word consider, further military aid to the freedom fighters if the Sandinistas do not meet their stated commitments by February 1990.

I am talking about the promises made by the Marxist-Sandinistas to the Organization of American States 10 years ago. I have listened to the rhetoric on this floor this afternoon, and it brought back memories, the same sort of rhetoric was made in the 1970's when the Senate made the bad mistake, in my judgment, of giving away the Panama Canal. We heard then about how this was going to buy friends and bring peace and tranquility in abundance and all of the good things in life to the people of Central America. It did not happen.

I have heard this kind of rhetoric—this vain hope that everything will be all right—as recently as this morning when we were discussing the question of decertification of the nation of Mexico in committee. Some Senators said, "Well, we can trust them. We do not need to check on this." In fact, the State Department has not even responded to inquiries about 13 officials that have reportedly been involved in drug trafficking—13 Mexican officials. And again we heard all of the promises and all of the hopes and dreams that everything is going to be hunkydory in Mexico and therefore in Central America.

So we live from hope to hope. In the legislation before us today, we are placing faith in Communists. And I submit, Mr. President, that is a grave mistake.

But I listened with great interest when the administration unveiled this so-called bipartisan accord on Central America last month. The Secretary of State, a good man, a good friend, spent a great deal of personal time in the negotiations to draft this accord. I acknowledge that. I only regret that the final package did not reflect the views of a substantial number of Senators who were not even consulted.

It is also interesting to note that several of the cosponsors of the administration's package have never once voted in favor of aid to the freedom fighters in Nicaragua. And I have heard on this floor the declaration this afternoon that there are no amendments on the other side. Of course, there are not. I repeat: Of course, there are not. This is not a bipartisan accord. It is an accord that suited the other side.

Now, what do the Contras think about this? Less than an hour ago I was in a telephone conversation with Enrique Bermudez, one of the directors on the Directory of the Nicaraguan freedom fighters. I also have talked with Aristides Sanchez, another director. Both of them said the same thing. One, they did not approve the accord. They were not even informed about it until the time of President Bush's news conference when he announced it. Both of them said that. They did not even know about it. They did not know the details of it.

Two, they also said that the Sandinistas know that relocation, as referred to in the accord, means, as the Sandinistas themselves put it, the end of the freedom fighters. This is not JESSE HELMS talking; these are the Sandinistas they are quoting. They say that this is a sellout, and in fact the Sandinistas have said that this accord means the end of the freedom fighters. Yes, Mr. President they are saying, "Hooray" in Managua.

Three, Mr. Bermudez and Mr. Sanchez said there is no incentive in this accord for the Sandinistas to comply unless Congress says it will consider—and that is all my amendment asks—consider authorizing military assistance if the Sandinistas do not comply.

Both of the Nicaraguan freedom fighters said, curiously enough, in dif-

ferent conversations, that this is another Bay of Pigs.

But those issues aside, Mr. President, this accord will not achieve its stated objectives. It will not keep the freedom fighters alive as an incentive to the Sandinistas to clean up their act. This accord constitutes little more than 7 months of beans and Bandaids. It is disappointing that in an effort to reach complete agreement on a policy for Nicaragua the administration, my administration, the American people's administration, has sought the least common denominator.

Furthermore, the administration's package authorizes funding for the "voluntary reintegration and voluntary regional relocation" of the freedom fighters.

What does that mean? Just think about the message this will send to Daniel Ortega. I know he is just dancing with joy. On the one hand, the supporters of the so-called bipartisan accord claim to be telling Ortega that the freedom fighters should remain in the field as an incentive to bring about democracy in Nicaragua and, on the other hand, the supporters of the so-called bipartisan accord want to appropriate money to dismantle "voluntarily" the so-called incentive for democratization.

This clear contradiction has not been lost on the Sandinistas. You can bet your boots on that. They have already hailed the administration package as evidence that the administration is abandoning the freedom fighters, and that is exactly what we are doing.

So, Mr. President, the pending amendment is just a modest effort to correct some of the flaws in this package. It provides the President with the authority to transfer from unobligated funds of the Defense Department not less than $49 million in nonlethal assistance to the Nicaraguan democratic resistance, that is to say, the freedom fighters. My amendment provides for the exact same amount of assistance as the administration package.

Mr. DODD. Will my colleague yield on that point?

Mr. HELMS. However, this amendment does not contain any unconstitutional provisions as does the so-called bipartisan accord. It does not have any unconstitutional understandings that will permit just one committee chairman out of four or more to halt all aid to the Nicaraguan resistance after 7 months. Consistent with the letter of the Bipartisan Accord on Central America, this amendment makes the nonlethal assistance available until February 28, next year, 1990.

Mr. DODD. Will my collegue yield just on a point of correction?

Mr. HELMS. I prefer, unless I will offend the Senator by not yielding, to finish my statement and then yield.

Mr. DODD. Just on an omission in here that I thought he might want to correct.

Mr. HELMS. I cannot understand the Senator.

Mr. DODD. I think there is an omission in his own amendment that he may want to correct. That is all. That is the reason I was asking him to yield, but I will wait.

Mr. HELMS. I appreciate it.

This amendment, my amendment, defines nonlethal assistance as professional development and human rights training, economic assistance, fuel, spare parts, telecommunications, clothing and boots, and appropriate political and civic action programs. None of these categories would allow the freedom fighters to mount military operations against the Sandinistas for the period; but it is unreasonable to expect to maintain military forces and readiness for an indefinite period for up to 1 year without basic, nonlethal supplies. Nobody could oppose these items in good faith, in my judgment, unless he or she believes that we should immediately capitulate to the oppression of the Sandinista regime. These may sound like harsh words but they are true words. Indeed, Mr. President, I believe that readiness for the defense of freedom is itself a humanitarian mission.

What else does the amendment do? The amendment contains an intent of Congress section that after November 1990 the Congress will consider—let me repeat, consider—authorizing the President to transfer not more than $50 million in assistance to the freedom fighters if the Sandinistas do not comply with their 10-year-old commitments to the Organization of American States.

Let me emphasize that this amendment, my amendment, does not include any military assistance, either now or in escrow.

It simply sends a much needed signal to the Sandinistas and to our Democratic friends in the region, that in the likely event that the Sandinistas do not live up to their 10-year-old promises, we will not abandon the freedom fighters. We can say it over and over again for the contents of the amendment pending.

I am aware that there will be an automatic motion to table. There also is an agreement that many Senators, who privately support this amendment as they have supported others, will nevertheless vote to table it. What goes on in the U.S. Senate, Mr. President?

This amendment is based on the very basic premise that the Nicaraguan democratic resistance must be sustained as the lost opportunity to promote peace, progress, and democracy in Nicaragua, and indeed in Central America.

Frankly, it is a little embarrassing to me that while Mikhail Gorbachev and his patron saint, Fidel Castro, send hundreds of millions of dollars in economic and military assistance to their friends, the Communists in Managua, Nicaragua, the United States Senate and the United States House of Representatives sit and quibble over whether radios and gasoline constitute nonlethal assistance. What have we come to in this country?

It must be remembered that the prime obstacle to democratic reform in Nicaragua is not the suppression of political discussion and practice but the total identification of the Sandinista military forces. No democratic system can develop in such an environment, and the only hope of counterbalancing this Marxist despotism supported so strongly by the Soviet Union is to maintain a military option for the resistance and reserve throughout the period allotted for the installation of political reforms.

All right, Mr. President, it is incomprehensible to me that there could be Senators who feel that by disarming the freedom fighters we can somehow promote democracy in Nicaragua. The Communists in Nicaragua will not democratize tomorrow or February 28, 1990, or 10 years from now, or 100 years from now, unless the people who are willing to fight and die for freedom are given a little assistance by the people in the United States who say that they support freedom in the world. But no, the Congress will not go along with that. Why should the Communists set a precedent in the Communist world and hold "free elections" when they have really no incentive to do so? It does not make sense.

Yet, every time another one of these so-called peace plans emerges many Senators want to abandon the freedom fighters and there come the cliches and the rhetoric, "Give peace a chance."

There used to be a little girl in the comic pages who would hear something so often that she would say "I may 'fro up" and that is the way I feel every time I hear that rhetoric which has no substance, except political substance, namely "Give peace a chance."

Mr. President, the truth is that we have given peace a chance time and time and time again. While we are busy giving peace a chance, Daniel Ortega is working overtime to consolidate his grip on Nicaragua. I can just hear the campaign slogans for the promised Sandinista elections: "Let Ortega Be Ortega!"

June 23 will mark the 10th anniversary of the Sandinista commitments to the Organization of American States to hold "free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and jus-

tice." That is what it said 10 years ago. That is what the Communists in Nicaragua promised—10 years the Nicaraguan people have been waiting for a chance to have a little bit of freedom. What suckers we are.

We have had plenty of time to observe how the Sandinistas react once we put an end to military aid to the freedom fighters. Mr. Gorbachev pumped in billions and billions from his side and we quibble over peanuts.

Throughout all of 1988 the Congress did not appropriate one red cent in military aid for the resistance or the freedom fighters. What were the gains for peace and stability in Central America? Zilch. The generosity of the U.S. Congress was rewarded by the expulsion of the U.S. Ambassador, the jailing of hundreds of dissidents, the closing of Radio Catolica, and the increase of Soviet bloc assistance to the Communists in Nicaragua. At least the Communists—and I refer specifically to the Soviet Union—at the top know where they are headed. They know what we are doing. We do not understand what we are doing apparently.

In the second half of 1988 when the Congress appropriated so-called humanitarian aid to the freedom fighters, the Soviet bloc assistance included a pile of military assistance which tripled. In fact, since 1984 the Soviets have sent more than $3 billion in military and economic assistance to the Sandinistas.

At this point, I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks unclassified charts prepared for me by the CIA, and the DIA, the Central Intelligence Agency and the Defense Intelligence Agency, identifying the value of Soviet military assistance to the Sandinistas since 1984.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit No. 1.)

Mr. HELMS. I thank the Chair.

Mr. President, the pending amendment seems to me to be the very least we can do. We ought to be ashamed if we, for any reason, do not at least do this. Most of all, I regret an agreement that apparently has been made by some to table every amendment. Would we table even the Ten Commandments? Notice has been given that no matter what any amendment to this bill says, no matter how good it is, it is going to be tabled. It does not matter how good it is. Table it.

Despite the terrible economic conditions in Nicaragua, and despite the deep discontent among the people, the Sandinistas have one aim—one aim: they are going to finish off the freedom fighters so the freedom fighters will no longer be a threat to the Communist Sandinista power. That is the name of the game in Nicaragua. And the Sandinistas will continue to seek this disintegration by intervention in the United States political process.

Therefore, any plan for aid to the freedom fighters should have as its goal a concerted effort to support and sustain the military forces of the freedom fighters, as a credible power until the Sandinistas have kept their 10-year-old promises for free and fair elections, and a transition to the new government has been made. If the military forces are disbanded, there will be no leverage at all to make certain that the Marxist Communist Sandinistas fulfill their promises. Instead, they will be laughing at us as they are right now.

Mr. President, this amendment allows Senators who have consistently supported the Contras to vote for something more than bipartisan rhetoric. I should remind my Republican colleagues that last year every Republican member voted against a so-called humanitarian aid package that was tougher than the one the administration is proposing today.

So, Mr. President, we have an opportunity right now, this evening, to do something that will substantively further democracy in Central America.

The alternative, I fear, will lead to nothing but fancy press releases tonight and tomorrow morning and talk about how we did so much for the freedom fighters. It will lead to nothing but more oppression for the people of Nicaragua tomorrow and, of course, I hope the consciences of Senators who really want to support the freedom fighters would at least take this modest step and vote against the automatic tabling motion which has been repeatedly promised, prior even to the offering of this amendment.

Mr. President, I asked for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. DIXON). Is there a sufficient second?

There is a sufficient second——

Mr. DODD. If my colleague will yield?

Mr. HELMS. Yes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Just a point, and it may be just an oversight here, but my good friend has suggested that the earlier amendment on humanitarian aid was flawed and lacking in certain provisions. Maybe I have missed it here, but I see no provision whatsoever in my colleague's amendment which would provide any food or shelter for the Contras during the next year.

There is assistance for clothing and helicopters and some office equipment, but I see no aid by which you could feed or house the Contras during that period.

Was that an oversight, or is it missing somehow?

Mr. HELMS. I will say to the Senator, if I understand his question correctly, and I think I do, that this list in my amendment is not exclusive.

It lists some, but not all, nonlethal assistance.

The list, Mr. President, is merely illustrative. It says, "shall include." Of course, other nonlethal aid, such as food, can and obviously would be included. I do not believe there is any oversight at all. I think the amendment——

Mr. DODD. Can I ask my colleague what else might be included in that list, just out of curiosity? What else are we talking about?

Mr. HELMS. I am sorry. The acoustics in the Chamber are not that good. If the Senator will repeat.

Mr. DODD. I wonder, if there is a list, what else would be included in that list, if this is only an illustrative list; what else would be included, in addition to food and shelter?

Mr. HELMS. The Senator will note the words "shall include."

Mr. DODD. Yes.

Mr. HELMS. I think that is very clear. Of course, it would include food, but if the Senator wishes to amend the amendment to list everything that he can think of, but I think it is perfectly clear the way it is.

It says "shall include," but as I say again, it is also clear that it is not an exclusive list.

Mr. DODD. I thank my colleague.

EXHIBIT No. 1

DEFENSE INTELLIGENCE AGENCY ANALYSIS

[Soviet bloc military deliveries to Nicaragua (U)]

	Thousands of metric tons	Millions of U.S. dollars
1988		
1st quarter	3.6	105
2d quarter	2.0	60
3d quarter	7.4	185
4th quarter	6.0	165
Total	19.0	515
1989 [1]		
1st quarter	3.5	80

[1] Preliminary estimate.

CIA ANALYSIS

Soviet bloc military deliveries to Nicaragua

[Million U.S. 1988 constant dollars]

Year	*Annual delivery values*
1984	500
1985	375
1986	600
1987	600
1988	500
1989	90

The PRESIDING OFFICER. Who seeks recognition?

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Does the Senator from Wyoming wish to speak on the amendment?

Mr. WALLOP. Either before or after the Senator from Wisconsin, I will ask the Senator from North Carolina to yield for a few minutes.

Mr. HELMS. I will say to my friend that I will be happy to yield, but there is not time. The Senator will concede the floor in his own right, or I will certainly yield to him, whichever you wish.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, my intention is not to delay any consideration here, but I want to salute and compliment my friend from North Carolina, and I hope, albeit vainly, and I say that with a sense of certainty, because I have heard that this is a deal that is a deal, and that anything that does not fall within the deal is outside it.

Once in a while, the Senate goes on lock horn. It simply is no longer capable of making a judgment, because some have made a judgment on its behalf that feels incapable of making a judgment in its own behalf, individually, collectively, with wisdom or without wisdom, or with passion or without passion, or any other kind of thing, simply will not think this world's deliberative body fails from time to time to even contemplate the meaning of deliberation.

We are not engaged in the deliberation tonight, which is precisely why I will not take a long time to discuss the amendment of my friend from North Carolina. It ought to be discussed. if the Senate was interested in doing its job, which it is not, it would discuss some things; it would consider some things. But that is not to be the case.

Winston Churchill once commented:

I see it said that leaders should keep their ears to the ground. All I can say is that the British nation will find it very hard to look up to the leaders who are detected in that somewhat ungainly position.

More than most people, Winston Churchill recognized that consensus on a given issue was not necessarily a byproduct of strong leadership. It is certainly no substitute for leadership. Rather, the exercise of strong leadership and effective policy often prevents or undermines the building of a consensus. In today's jargon, we often refer to "bipartisan" instead of consensus, but nevertheless, Churchill's observation is no less true today than it was during the period before World War II when his controversial opinions and strong leadership were deemed divisive and counterproductive.

In that judgment, that they were decisive, people forgot to listen to what they said, ignored what they did, and did as the Senate is about to do, spend a judgment in deliberation and march in lockstep toward a single goal.

Mr. President, we are about to do that tonight. I said it earlier, and I have to say that the vote on my amendment was reflective of that, we have said specifically tonight that we are not interested in democracy in Nicaragua, as we were in democracy in Chile.

Despite all the rhetoric to the contrary, Mr. President, there exists no real consensus in this country on the solutions to the conflict in Central America. That is because there exists no consensus on the cause of the conflict. We here in the Senate with or without deliberative process can pass sense of the Senate resolutions denouncing the poverty, strife and suffering in the region. We can hold joint press conferences and profess our willingness to work together to stop the bloodshed and to instill democracy. We can hail the peace process and we can decry the absence of the peace process. We can do all that and more, Mr. President, but it really does not alter or hide the fact that there are two factions in this country—and in Congress—who disagree strongly over what is at stake and who is at fault in Central America.

Mr. President, the issue of assistance to the Contras has been perhaps the most nettlesome single issue to confront Congress in the last decade. I have found no solace, nor have I received any pleasure out of the numerous, often seemingly endless, series of debates and votes on Contra aid. However, I think the frequency and the virulence of the debates are only a symptom—not the cause—of the degree to which both sides differ on the crisis in Central America.

The proponents of effective Contra aid feel the Sandinistas have violated the promises they made when the OAS and the Carter administration ordained them as the legitimate—albeit temporary—voice of the Nicaraguan people. We have been outraged by the billions of dollars—billions of dollars—in advanced high-technology military hardware the Soviet bloc—including Cuba, the U.S.S.R., and other Warsaw Pact nations—has poured into an aggressive country suffering poverty among its own people, caring little of what their lot is, seeking to expand the revolution without borders, and the Brezhnev doctrine in our own hemisphere have proceeded down the road in their own fragile region.

Others of us believe that the military pressure brought to bear intermittently and incompetently on the Sandinistas through the provision of lethal assistance to the Contras has greatly hindered Nicaragua's ability to export revolution. To counter the very real danger posed by this blossoming Soviet-Cuban client state, which the continued aid of the Soviet Union makes threatening even while we speak $9.6 million, Mr. President, this year, all during the time this Congress fusses around and thinks about humanitarian aid and makes deals that are not deals to promote democracy, which is not democracy and fusses and fumes and everything else, $90 million in military aid and that is a real sense of purpose and it is no wonder that the neighboring countries in this region have no confidence in us and have a kind of ambivalence about whether or not aid should continue.

If there is no sense of purpose of the United States, there is a sense of purpose in the Helms amendment. I have no doubts about where it is going to go, Mr. President, but I support it.

We have tried to effectively support a group of Nicaraguans willing to risk their lives to bring freedom and democracy to their impoverished nation.

Nevertheless, the opponents of Contra aid, over the years, have fought tirelessly—bending the rules of each Chamber and usurping constitutionally mandated executive authority—to prevent any effective aid from going to the Contras. When opponents of Contra aid have expressed outrage over the massive shipments of arms to Nicaragua—and that has not been often—they have been unwilling to offer any substantive measures which would result in stemming or halting that flow.

They have ignored or dismissed accusations of Sandinista complicity in the spread of Communist insurgency in Latin American. In short, opponents of Contra aid have seen the Sandinistas as wayward progressives, frightened by Uncle Sam and seeking aid from the most reliable source: Those groups supporting them from the outset, Castro, the Warsaw Pact, and the Soviet Union. Opponents of the Contras have blamed most of the Sandinista's blemishes on an inferiority complex created by so-called U.S. aggression.

However handy those excuses may have been, after almost 10 years of the Sandinistas' oppressive rule and broken pledges, even some of the most vocal critics of Contra aid began to worry about the Sandinistas' unwillingness to democratize their country and protect civil liberties. It is no surprise then, that the opponents of effective Contra aid decided to change the terms of debate in considering future proposals for assistance.

For whatever reason, many of those same individuals that for years so vehemently opposed any aid to the Contras suddenly decided it was prudent to provide them the basic staples of subsistence: Some food, some clothing, some blankets, some medical supplies—but absolutely nothing that could truly assist the Contra forces in their quest to bring democracy to their troubled nation.

Rather, the Contra aid packages Congress has recently approved seemed specifically designed to keep the Contras pacified. Certainly, we have been willing to keep them alive. But we have given them nothing they could use to fight a war, and we have literally blackmailed them into leaving Nicaragua by only providing them supplies from Honduran terroritory.

In fact, Mr. President, I would argue that the opponents of lethal assistance have been willing to use humanitarian assistance as a cruel and cynical tool. They have allowed the provision of humanitarian assistance in exchange for numerous restrictions on resupply and transportation that effectively forced the Contras to leave Nicaraguan soil—and thereby stop the fighting—in order to receive any aid.

When it became clear, Mr. President, that this was their purpose, those of us who had supported the Contras over the years felt the time had come to end this charade. In two votes—one in each Chamber—supporters of the Contras finally believed the time had come to oppose those packages that did not meet the bare minimum of the Contras' real needs.

In March 1988, the Speaker offered a measure which included minimal humanitarian assistance, changed the agency supervising the aid, and allowed the House leadership to control future consideration of aid. The Speaker and his allies succeeded in adopting the amendment without substantial Republican support. Even some Members of his own party—mostly bitter enemies of the Contras—helped Republicans defeat that ineffective package.

Likewise, Mr. President, the Senate, in August 1988, considered what was purported to be a bipartisan Contra aid package. Members of the other side of the aisle were, for the most part, united in their support for this proposal. They were, however, forgetful of one item: bipartisanship necessitates the support of more than one party. We, on this side of the aisle, were presented with their bottom-line proposal and told to either "take it or leave it." We decided, based on the restrictions imposed on delivery of the aid and on the insufficient nature of that aid, that in this instance: no aid was better than defective aid.

What is equally disturbing, Mr. President, is that although the package under current consideration does not really say much, what little it does say is extremely troubling. It places further restrictions on the Contras' use of what little assistance we provide. It places the reigns of ultimate congressional authority in the hands of a few Members of Congress. Finally, the bill also continues the general trend of crippling the President's ability effectively to conduct our Nation's foreign policy.

For these reasons, Mr. President, I will be supporting the "nonlethal aid substitute" amendment to be offered by the senior Senator from North Carolina [Mr. HELMS]. The Helms amendment would improve the so-called bipartisan package in many ways I, and I think other Senators, find it deficient. However, I do emphasize that I believe the Helms substitute does not violate the basic tenets of the Central American accord as espoused by the President. Unfortunately, I am not so naive as to believe that everyone supporting the President's proposal believes it has the same purpose or accomplishes the same goals.

The Helms substitute includes much of the same language as the President's package with a few very important exceptions. The Helms substitute provides that the same amount of funds be appropriated in nonlethal aid, not strictly humanitarian. It does not allow individual Members of Congress to obstruct the will of either House, nor does it unconstitutionally usurp the foreign policy powers inherent in the authority provided the executive branch—something that cannot be said of the current accord.

Mr. President, the Helms substitute should not be terribly controversial. The provisions of this amendment are not that unreasonable if there is truly a consensus on our policy toward Central America. What worries this Senator is that the only people who believe the purpose of the President's package is to maintain the Contras as a viable force are those who have consistently supported Contra aid. Everyone else is quoted as stating the purpose is to implement Esquipulas II—which calls for disbanding of the Contras—or to begin the repatriation and relocation of the Contra forces.

I have to tell my colleagues that, having looked at the various provisions of this accord, I think the other side is correct. This package foresees no utility for the Contra forces, and essentially sets in motion their demise.

We are told by a few of those involved in the crafting of this accord that it is United States policy to maintain the Contras as a viable military force. We believe this is vital in the event the Sandinistas fail to adhere to their commitments under the Esquipulas agreements. If that is a purpose of the accord, it is imperative we provide the type of assistance that meets that criterion. Band-aids and C rations are not sufficient. Radios and vehicles are needed and can hardly be considered as lethal aid. Certainly if our purpose is to outfit the Contras and present the Sandinistas with an effective deterrent, we would be deceiving ourselves, the Central Americans, and the American people by approving an ineffective and paltry aid package.

I have already heard Members of Congress—including many House Members and the manager of the bill for the Democrats, the Senator from Vermont—say that adoption of the President's package means an end to the Contras and an end to the fighting in Central America. I doubt, therefore, that those individuals would support the Helms bill, which provides effective aid.

If the purpose and the effect of the President's proposal is as many Senators—mostly enemies of the Contras—describe, Mr. President, I am afraid we now find ourselves at a crossroad similar to last year. We are told we have to support or oppose—and not amend—a proposal that is not only insufficient, but considerably worse than the proposals Contra-aid proponents voted against last year.

Mr. President, I cannot support a proposal that allows any one of a few Members of Congress to single handedly dictate the terms of American foreign policy. I cannot support a proposal which would have the effect of permanently codifying a vastly expanded version of the Boland amendment. I cannot support legislative language which is purposely vague and about which there are numerous interpretations that may all be accurate. I cannot support a proposal that has the sole purpose of brushing aside an albeit difficult international situation, but one in which our own national security is irrevocably entwined.

That brings me to my final point, Mr. President. It seems quite obvious what the rationale for this accord truly is. This administration is not interested in repeatedly engaging in bitter, partisan battles—especially on an issue as volatile as Contra aid. Apparently, the President and Secretary of State Baker would prefer to pass any legislation that would diffuse political squabbles in our own country and also place the responsibility for pressuring the Sandinistas on the other Central American countries.

While I acknowledge that this particular package may accomplish those goals, I strongly disagree with the efficacy of that approach. It may benefit the President and Secretary Baker in the short run to put this issue on the so-called back burner. However, there exists a grave risk in—for a brief respite from partisan strife—ignoring the continued threat presented by the East bloc's funneling of military assistance to Nicaragua and the Sandinistas' subversion of their neighbors. These activities continue unbated—and, I would argue, increase markedly—while we bicker over what restrictions we place on minimal assistance and which branch of our Government controls future legislative proposals.

As I stated in the outset of my remarks, while bipartisanship is ideal, it is no substitute for the exercise of strong leadership and sound policy.

Politically expedient gestures will only postpone the eventual need to take decisive and forceful action. Strong supporters of the Contras previously have been willing to bargain away the effectiveness of the aid given in order to secure more aid. In this Senator's eyes, the point at which that strategy became counterproductive, and hence, unwise passed a long time ago. I do not enjoy opposing my President, nor do I enjoy voting against further humanitarian aid for the Contras who are in dire need. But this package only exacerbates a worsening situation, one we as a nation have failed to recognize, and consequently, one we have failed to address.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming yields the floor.

Mr. SANFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Mr. President, I came to the floor to speak in behalf of the bill but I could also be considered to be speaking in opposition to the pending amendment since this amendment in effect is a substitute for the President's bill. But be that as it may, Mr. President, the bill we have before us is a proposal that seemed impossible just a year ago.

It is significant not only for what it says, but also for what it means for the future of United States foreign policy toward Central America.

I applaud the President and the Secretary of State for this fresh and hopeful view toward Central America. I applaud their taking the initiative to forge a bipartisan policy and commend our majority leader and the many Members of Congress who worked so hard to reach this consensus.

At long last the administration and the Congress, Democrats and Republicans, will speak with one voice to this troubled region. Furthermore, that one voice will speak for peace, democracy, and development. It will speak in support of the process initiated by President Arias and the other Central American presidents.

This bill provides humanitarian assistance only to the Contras until February of 1990—the date set for the Nicaraguan elections. In the meantime, the money can be used for reintegration and relocation of the Contras and their families and will, therefore, support the peace process rather than work against it. On his recent visit to Washington, President Arias stated that this proposal was consistent with both Esquipulas II and the agreement reached by the five presidents on February 14, 1989, in El Salvador.

However, in my mind the most important element of this legislation is its recognition that the real problems of the region are economic and social, not military. Central America is caught in a vicious cycle in which war thwarts development and the lack of development fuels war. Lasting peace, genuine democracy, and equitable development go hand in hand. In order to achieve a lasting peace, we must once and for all break this vicious cycle.

This bill recognizes the recommendations of groups such as the National Bipartisan Commission on Central America, the Inter-American Dialogue, and the International Commission on Central American Recovery and Development. It states that we will do our part, and will encourage other nations to do their part, to implement these economic development plans.

It encourages economic assistance to: Promote stability, expand educational opportunity, foster progress in human rights, bolster democratic institutions, and strengthen institutions of justice; to facilitate the ability of Central American economies to grow through the development of their infrastructure, expansion of exports and the strengthening of increased investment opportunities; to provide a more realistic plan to assist Central American countries in managing their foreign debt, and to develop these initiatives in concert with Western Europe, Japan, and other democratic allies.

This should be our policy toward Central America. Now, at last, I believe it will be.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, for the information of Senators, and especially the Senator from North Carolina, I am about to propound a unanimous-consent request regarding the pending amendment and the second amendment by the Senator from North Carolina. I understand it has been cleared by all concerned.

Mr. President, I ask unanimous consent that following the conclusion of debate on the pending Helms amendment, No. 45, it be temporarily laid aside, and the Senator from North Carolina be recognized to offer a second amendment; that at 8:15 p.m. this evening, the Senate proceed to vote in relation to amendment No. 45, to be followed immediately by a second vote on or in relation to a second Helms amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, for the benefit of Senators, it is my hope and intention that we will then proceed to final passage, as soon thereafter as is possible, so Senators who wish to speak on the subject, if the debate on the two Helms amendments does not use up the entire approximately 1 hour 5 minutes between now and 8:15, there will be time then for Senators who wish to speak on the bill generally, to do so.

I thank the Senator from North Carolina for his cooperation.

I yield the floor.

Mr. LEAHY. Mr. President, I wonder while the majority leader is still on the floor, am I correct in understanding under the unanimous-consent agreement just entered into that that allows either an up or down vote stacked at the time we discussed or an appropriate tabling motion at that time?

Mr. MITCHELL. That is my understanding.

The PRESIDING OFFICER. Is there further debate on amendment No. 45?

If not the amendment is temporarily laid aside and the Senator from North Carolina is recognized to offer another amendment.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair for his typical thoughtfulness.

AMENDMENT NO. 46

(Purpose: To assure full implementation of the Bipartisan Accord on Central America of March 24, 1989)

Mr. HELMS. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 46.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"SEC. 12. (a) No funds may be obligated for the purposes of this Act beyond November 30, 1989, except in the context of consultation among the Executive, the Senate majority and minority leaders, the Speaker of the House of Representatives and the minority leader, and the relevant authorization and appropriation committees and only if affirmed via letter from the bipartisan leadership of Congress and relevant House and Senate authorization committees and appropriation subcommittees.

(b) This section shall not be deemed to establish any precedent for the executive or the legislative branch regarding the authorization and appropriation process.

Mr. HELMS. I thank the Chair again.

Mr. President, an integral part of this bill, this proposal, even though it does not appear in the text, is the concept that funds authorized and appropriated by Congress will not be obligated by the President unless; "affirmed via letter from the bipartisan leadership of Congress and relevant House and Senate authorization committees and appropriation subcommittees."

Frankly, the meaning of this clause is vague, but the obvious intent of it seems to be to allow one single chairman of a relevant committee or subcommittee to stop humanitarian aid to the freedom fighters.

Mr. President, whether we want to or not, we have to look at the logical consequences of this so-called gentleman's agreement, because whether we like it or not, it is an unconstitutional arrangement. In practical terms, it amounts to a legislative veto and a veto not just by one House, either the Senate or the House of Representatives, but by one committee, even indeed by one subcommittee, and when you come right down to it, by one chairman of one subcommittee.

Mr. President, let me make it clear that I am not aiming my remarks at any of the distinguished chairmen of the committees and/or subcommittees involved, not at all. The proof of that is the fact that it is impossible to tell which committee or subcommittee is in fact relevant.

What does "relevant" mean? Does it mean that the committees of proper jurisdiction are relevant committees? And if so, which are the committees of jurisdiction?

Without even touching on House committee jurisdiction, what committees of the Senate have jurisdiction?

The subject matter properly falls within the jurisdiction of the Committee of Foreign Relations of which I happen to be the ranking minority member. But the funds being transferred are from DOD accounts. Does that mean that the Armed Services Committee is the relevant authorizing committee? If so, why; if not, why?

When the question of referring the legislation arose at the beginning of the week, I was astonished that there was originally no intention to refer it to the Foreign Relations Committee at all, even though the bill clearly contained authorization language. We finally preserved our jurisdiction on a technical basis, but in fact there was no opportunity for the committee to hear witnesses or to mark up this language.

We had to take it or leave it, and the jurisdiction of the Armed Services Committee was not preserved either.

Nevertheless, there are at least two authorization committees that could be considered relevant.

Similarly, what about the Appropriations Committee? Is the full committee relevant? Is the Foreign Operations Subcommittee relevant? Is the defense subcommittee relevant?

Obviously there could be arguments perfectly valid on all sides.

Mr. President, the bottom line is that there are at least five Senate committees and subcommittees that could claim to be "relevant" under this gentleman's agreement.

Furthermore, how does a committee or a subcommittee make the affirmation that is required? For example, the proposed draft letter states that the veto will be exercised "via letter." It does not say "a letter" and it does not say "letters," plural. It just says "via letter.'

I do not know how a committee can make affirmation via letter unless the whole committee signs the letter. Or is a letter from the chairman of the relevant committee or subcommittees sufficient to make the affirmation? Who knows?

On the other hand, is a lack of a letter sufficient to veto the obligation of funds?

Does this mean, for example, that if only one of these distinguished chairmen is not satisfied, the funds will be stopped? Does this mean one of five distinguished chairmen in the Senate acting alone?

The lawyers constantly tell us that legislation must not be vague, it must not be overbroad, and it must be stated in a language that a common person of ordinary intelligence would not fail to understand. If this letter were legislation, it certainly would not meet even one of those standards. The law should operate by means of a rational, reasonable, and constitutional procedure. Mr. President, this proposal fails that test miserably.

The point is, Mr. President, this is not just a side agreement. The question is whether the letter procedure is a means to circumvent the constitutional objections. Because it involves the obligation of funds, it is more than just a side agreement. It goes to the very discretionary powers of the President of the United States. Congress authorizes and appropriates money, but I cannot by law provide for a legislative veto of a discretionary act contemplated by law. This is exactly what the Supreme Court has forbidden in INS versus Chadha, and perhaps in Bowsher versus Synar.

So what we have here is an attempt to accomplish by side agreement what is clearly forbidden by the Constitution. We simply cannot and must not close our eyes to that.

This morning, I received a letter from one of the most distinguished American jurists, one of the most brilliant constitutional analysts and scholars of our time. Yes, I am talking about Judge Robert H. Bork. There was a lot of controversy about his nomination, but there was no controversy about his being brilliant as a constitutional expert.

I think it is worthwhile to read Judge Bork's entire letter which I received just this morning. I called him yesterday and he agreed to provide the letter and he did so early this morning.

Let me read it:

DEAR SENATOR HELMS: At your request, I have reviewed the legislative veto provisions of the recent agreement on Central America between the Executive Branch and the leadership of the Congress. The press reports that this agreement is a concession extracted from the Secretary of State by the congressional leadership.

Congress will appropriate $4.5 million a month for humanitarian aid to the Nicaraguan Contras through February 1990, when the Sandinista dictatorship in Nicaragua has promised to hold elections. The side agreement provides that notwithstanding President Bush's constitutional duty to take care that the laws be faithfully executed, Secretary of State Baker will decline to spend the appropriated funds unless authorized to do so by letter from the four relevant Senate and House authorization and appropriation committees and subcommittees. This contemplates a one committee or potentially even a one subcommittee veto over Contra aid.

Now, bear in mind I am reading the text of a letter I received this morning from Judge Robert Bork. I continue:

In *Immigration and Naturalization Service* v. *Chadha*, 462 U.S. 919 (1983), the Supreme Court of the United States held the one-house veto provision of § 244(c)(2) of the Immigration and Nationality Act unconstitutional. Chief Justice Burger writing for six members of the Court explained that "[t]o accomplish what has been attempted by one House of Congress in this case requires action in conformity with the express procedures of the Constitution's prescription for legislative action: passage by a majority of both Houses and presentment to the President." 462 U.S. at 958.

The side agreement assumes that the President will not carry out current law to expend appropriated funds because of a committee or a subcommittee's failure to act. This is tantamount to an assertion that committee or subcommittee *inaction* can repeal an appropriation approved by both Houses of Congress and signed into law by the President. This type of legislative veto is even more objectionable than the one struck down in *Chadha* since it allows legislation by inaction and requires such inaction of only one out of four committees or subcommittees and not even of one whole House. To the extent that the letters required of the four committees and subcommittees are said to simply constitute "friendly advice" to the President on how to do his job, they intrude on his constitutional power to take care that the laws be faithfully executed. This arrangement also represents another instance of a fairly recent tendency of Congress to prescribe the details of the President's conduct of foreign policy.

Some have defended this arrangement by asserting that, while it would clearly be illegal if written into a statute, it is all right as a gentleman's agreement. That observation in no way alters the fact that constitutional processes are being circumvented. I assume the Administration agreed to this agreement out of desperation to do something for people the United States has supported and is now being forced by Congress to abandon. Be that as it may, the constitutional allocation of powers is crucial and Congress should take care not to intrude on the powers and responsibilities of the Presidency, as it has clearly done here.

Despite the disclaimers in the side agreement, a precedent has now been set. It is to

be hoped that sober reflection will mean that it is a precedent that is not followed.

Sincerely,

ROBERT H. BORK.

As a result of this letter, Mr. President, I have offered an amendment which would add the operative language to the proposed draft letter to the text of the bill. I think every Senator should have an opportunity to vote on the language on this side agreement. If Senators approve of the language of the side agreement, let them vote for my amendment. If they agree with me that the side agreement is unconstitutional and that its inclusion in the bill would make the bill unconstitutional, then let them join me in voting against my own amendment.

I am going to vote against this amendment if there is an up or down vote. I am going to vote to table the amendment if a motion is made to table it.

In either case, this amendment will clarify this issue, at least. If any Senator approves of the side agreement, let him vote or her vote for this language in the open, free and aboveboard. And if any Senator believes the language is unconstitutional, let him or her join me in voting against it.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, let me emphasize that I am going to oppose my own amendment. I want the Senate to speak one way or the other on this constitutional issue.

I yield the floor.

Mr. LEAHY. Mr. President, I want to make sure, while the Senator from North Carolina is still on the floor, of the parliamentary procedure. I understand that we have decided to wait until 8:15 for the vote.

I ask unanimous consent that it be in order at this time to ask for the yeas and nays on anticipated motions to table both of the Helms amendments before us with one show of seconds.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask for the yeas and nays on the motion to table both the Helms amendments, the first one of course being at 8:15 and the second one at such time as occurs after that.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered on both anticipated motions to table.

Mr. DODD. Mr. President, I have an additional potential unanimous-consent request that the second vote be a 5-minute vote to expedite the voting. Senators will be here on the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. I wonder if the Senator from Connecticut might withhold on that. What I would try to do is get a unanimous-consent agreement prior to the time we enter into that that the second vote be a 10-minute vote.

Mr. DODD. Fine.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, we have, I think, a situation where I believe that the only amendments we will be voting on will be those from the distinguished Senator from North Carolina. Nobody else is going to bring an amendment to a vote. I know on our side of the aisle none are up, anyway. I believe there are none others anticipated.

I mention this to Senators for this reason. I would hope that once we have disposed of the amendments by the distinguished Senator from North Carolina that we might go, there being no other amendments in order. I understand the Senator from Idaho has withheld his, which otherwise would have been in order—that we then go to third reading and, under the terms of the unanimous consent agreement wrap this up.

I mention that because we could well be out of here or well be finished on this bill very quickly after the disposal, whichever way they go, of the two motions to table of Senator HELMS' amendments. Because I will speak very, very briefly and I understand the leadership may want to speak very, very briefly. Senator KASTEN, of course, has considerable time, too.

It is going to be the intention of the managers of the bill to yield back our time once we have made sure everybody has been protected and go to a completion of this. I say that, because it is possible well before the hour of 9 o'clock that this matter could be facing a final vote, and I would urge Senators, if there are Senators who feel they should speak on this, and many do, they may want to come to the floor now and give us their speeches. Because we are going to have a rollcall vote at 8:15.

The time between now and 8:15 would be an excellent time to speak, because it will be my intention if there is nobody seeking recognition after those two rollcall votes are through, the first time nobody is seeking recognition, to yield back my time and hopefully the Senator from Wisconsin will do the same and we will wrap this thing up.

If anybody feels the urge to step forward and give testimony?

Mr. BUMPERS. Would the Senator yield?

Mr. LEAHY. I would, of course, yield to one of the greatest of the testifiers in this body.

Mr. BUMPERS. The Senator is always overly generous toward me just because I am a great person and I understand that. What time are we planning to vote on the first Helms amendment? Is there an order?

Mr. LEAHY. We would vote on the first amendment at 8:15. Just prior to voting on it I would ask the second vote which would follow immediately be a 10-minute vote.

Mr. BUMPERS. Is it absolutely imperative? Nobody wishes to speak further on it. Is there any reason we cannot vote on it now?

Mr. LEAHY. We have put in a unanimous-consent agreement for that time. I would tell the Senator from Arkansas the Senator from North Carolina did not have a time agreement on his amendments and could have gone to any length he wished as a result. He entered, for a number of reasons, to an agreement to have those votes beginning at 8:15.

Mr. BUMPERS. Is the Senator from North Carolina averse to voting sooner than that even though there is nobody wanting to speak on it?

Mr. KASTEN. I do not know who has the floor.

Mr. BUMPERS. Here is the Senator from North Carolina. Perhaps he would be willing to answer this.

Mr. KASTEN. We have entered into an agreement to begin votes at 8:15, after the majority leader and the minority leader determined that would be the earliest time at which they could each schedule votes because of different kinds of problems on both sides of the aisle.

That unanimous-consent request has been made and I think we must hold to it because now we have people who are scheduled to be here for an 8:15 vote and would not be able to be here before or after if we were to announce it at this time.

Mr. LEAHY. As I said, if anybody wishes to speak, they should.

I might note, Mr. President, just on my own time, I see the distinguished senior Senator from Connecticut here. I think many would have thought it impossible to reach a bipartisan agreement just a few months ago on matters not only as complex but as divisive and as controversial as this. I note that because an enormous amount of credit must go to the senior Senator from Connecticut for forging this. He has been tireless in his efforts, unceasing in his work with Senators on both sides of the aisle.

He is recognized as the Senate's expert in that region of the world. He is helped not only by this long-time interest from Peace Corps days in that area of the world, but also it is because he has done what many of us in Government say should be done and very few of us do, and that is also learned the language. So he is able to converse

with the people of Central America in their own language.

In the discussions I have had with the leaders of the various countries throughout Central America, I know of the great respect and oftentimes affection that they have for Senator DODD, and I think that, in bringing this agreement together, many of us, especially those of us who have been opposed to aid to the Contras, have relied heavily on the expertise of the Senator from Connecticut and on the value we put to his judgment. It is a judgment that he has proven time and time again to be extremely accurate, extremely good in that area.

This reflects what oftentimes happens. I mention this, Mr. President, not to embarrass the Senator from Connecticut but so many times people wonder just how items come together here.

We have hearings, of course. We take testimony, of course. We have people who write to us, people who debate. But so often matters come together when individual Senators look to other individual Senators for their leadership.

This happens often in Central America, as in other areas, when we look to the leadership of the Senator from Connecticut. Maybe that goes back, really, to the way the Senate used to be and often can be now and should be more in the future. Senators develop expertise and credibility. Other Senators follow. That is the way the Senate should work. That is also the way leaders show their leadership in the Senate and I applaud the Senator from Connecticut for his true leadership in this matter.

I yield the floor.

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from Connecticut.

Mr. DODD. Mr. President, first of all let me express my deep gratitude to my colleague from Vermont for his gracious words. I appreciate it very much. Obviously, it is well known to this body as well that the distinguished Senator from Vermont has had a longstanding interest in the matters of Latin America. He has been an activist, deeply involved in the questions of Central America, specifically El Salvador and Nicaragua, and obviously his chairmanship of the Subcommittee on Foreign Operations of the Senate Appropriations Committee places him in a unique position to have a profound influence, not only today but for the foreseeable future, on these issues and these questions. So I am particularly grateful for his kind remarks about my involvement.

I should quickly add, Mr. President, that like anything else, this is an agreement that involved an awful lot of people. It had the help of Senator BENTSEN and his staff, Senator BOREN, obviously Senator LEAHY, his staff, Senator JOHN KERRY, my colleague from Massachusetts here with us on the floor, Senator BOB GRAHAM, Senator CHUCK ROBB as well—people with whom we have had disagreements in the past about Contra aid as a policy yet who have come together at least on this side as we tried to fashion a position that would bring Democrats together. Their involvement, their participation, their willingness as we all were willing to make some concessions on long-held views made it possible for us to present to the Secretary of State at his request and the President's request a position of an overwhelming majority of Democrats. In fact, it has almost unanimous support on at least the position that is reflected in the legislation we have before us today. It is reflected in the 2-page document that expresses the sentiments and the feelings about what this policy ought to be in Central America for the coming year, for the next 10 months or so.

So I want to take this moment, Mr. President, to thank those individual Members. I want to thank their staffs. As we all know here in this body, it is impossible for us to attend all the meetings every time because of our schedules here. We leave some of that responsibility to our staff people to attend those meetings and report back to us what has occurred. In the case of this particular agreement, because so many hours were involved in trying to put together the language that could unite us and then hopefully as it ultimately did, in a truly bipartisan expression what our policy ought to be has defied solution over the past 7 or 8 years, those staff people played an invaluable role in expressing their Members' strong concerns and feelings and made it possible, I think, for us to arrive at the conclusion we are about to this evening.

Let me also quickly add the appreciation that I feel toward our colleagues in the other body. DAVID BONIOR, Congressman BONIOR, who has been an outspoken leader on the issue of Central America for many years, was tremendously helpful. Congressman DAVE OBEY, who has been deeply involved in these issues, played an invaluable role as well in crafting language here. The Speaker, Congressman JIM WRIGHT, was very constructive and helpful in working on these issues, and certainly TONY COELHO and other members of the Democratic majority who were interested in seeing if we could not craft a bipartisan policy.

On our side again, Mr. President, the new majority leader, GEORGE MITCHELL of Maine, sat in on all of these meetings for as long as he possibly could, and that amounted to about 90 percent of the time. I think he was tremendously helpful, and were the Secretary of State in a position to speak on the floor of this body—of course, he is not—I think he would also say how helpful the majority leader had been in helping to pull this together.

Then, of course, our colleagues on the other side as this process moved forward, and it was a slow process, and the minority leader and my colleague from Arizona, JOHN MCCAIN; of course, Senator KASTEN and other people who had strong views as the process moved forward; the Secretary of State meeting with our colleagues on the other side of the aisle in this body and, of course, the minority on the House side as well.

So it involved an awful lot of people and, of course, the person who was the principal mover in all of this was the Secretary of State.

I just want to express this evening, Mr. President, my appreciation for his efforts. We had some real fights in those meetings. He got angry with me several times. I got upset with the Secretary of State. I say that now in a sense because we were arguing about how we ought to proceed on all of this. But what I admire about him is that he did not give up. He kept talking with us. He would express his views eloquently in terms of how strongly the President felt and others about their support for the Contras.

President Bush did not give up on the Contras, and that is quite clear and reflected in this agreement. The Secretary of State felt adamant that that was something that was not even debatable in terms of trying to reach an agreement on this issue. But he stayed with it. He kept calling back. He kept coming to those meetings and he sat in with us for hours as we tried to reach an agreement that was broad enough to include people who had strongly disagreed over many years.

I happen to believe this kind of an agreement was reachable before this time, quite honestly. But I must say in all candor, Mr. President, that without that effort to reach out to spend time, it was not going to happen. Secretary Baker made that commitment. There were numerous moments during the process when I think the Secretary felt it probably was not going to work. Frankly, there were moments when many of us on this side felt it was not going to work. There were moments, in fact, when it just did not work, and it looked as if it was over, the effort was just not going to produce anything; but because of persistence and goodwill, and I think acceptance by many of us on our side that there was a moment here when we started to have to accept on faith some commitments.

It was a handshake; it was a word; it was a look in the eye. It is not reflected on paper in dotted i's and crossed t's. It is two people looking across the table at each other and deciding whether or not those persons mean

what they say and whether or not they will live up to the commitments they have given.

I am satisfied because in those conversations, the Secretary of State of this country gave his word, and I believe him, and I believe in trusting him and seeing if together we cannot move forward in trying to resolve a problem that has defied resolution over these many years.

I just wanted to express those thoughts, Mr. President. I thank again my colleague from Vermont and colleague from Wisconsin. They are managing this bill on the floor today and we are certainly involved in the process, but as a matter coming out of the Appropriations Committee, they have the duty of managing this legislation on the floor.

It has been said over and over again today, Mr. President, that many of us would not have written the agreement, written this legislation exactly as it is before us. That is the nature of compromise. Although I have only been here 8 or 9 years, I have seen that happen and I heard those same words used on some of our most successful legislative efforts.

On Social Security a few years ago, I remember the words "I would not have written this agreement" repeated over and over and over again, and yet that agreement on Social Security, I think most of us in this body today feel, proved to be very successful, not only as a political document but because it dealt with the people who depend upon that source of income intelligently and fairly and gave security to that fund, as one example that comes to mind. We have seen it on budget summits in the past where we had to come to an agreement and trust one another, and it worked.

This is not an unprecedented example of trying to fashion a document that does not meet the satisfaction of individual Members, particularly those who have been involved in the question for such a long period of time. And, in fact, that may be the best evidence that, in fact, we have crafted a truly bipartisan agreement, but not just an agreement that satisfies the political concerns of individual Members, but which also does two other things.

It commits this country to supporting the Esquipulas agreement and Tesoro Beach agreement reached in El Salvador on February 14. That is unprecedented.

For the first time, we have a commitment that we support that process. And secondly, it makes it possible for the end of this conflict. While democratization hopefully occurs inside Nicaragua, we create the possibility and, in fact, insist the funds to be used for the regional relocation or reintegration of Contra forces into Nicaragua.

Let me express a personal point of view at this juncture, Mr. President. I would sincerely hope that while the Contras develop confidence about the process moving forward in Nicaragua, that they would return to their country. The best way to test the resolve of the Sandinista government in Managua is for the Contra forces to go back to their country and to become involved in the political life of their country. That is the one guarantee I know of that this process may ultimately not only work but that, in fact, an alternative to the present government may emerge. If they stay in Honduras, if they stay in Miami, if they stay in other areas in the region, Costa Rica and the like, then you might also predict the outcome of an absolutely free election in that country.

So I would strongly urge the members of the resistance forces to seriously consider the return to their own country. What we have done with this agreement is to make it possible for them to do that. That is what probably annoys many who have expressed opposition to this particular accord and that it does set out some road map for how you arrive at a successful conclusion of what I think has been a failed policy, and said so for many years, and simultaneously make it possible for us to enhance U.S. interests in the region.

So I think this is a sound agreement. It does set a precedent in the sense that there are some documents here that I know are not the normal way of doing things, but for years we were not able to deal with this issue in normal ways. This is what we have arrived at, but not only is it a key political compromise, it is a substantive one that I think will bear fruit and sound results in a region that has long known the disasters of war. Some 100,000-plus people have lost their lives in 10 years, in an area that involves 20 million people. I am talking now about the deaths both in El Salvador and Nicaragua.

So, Mr. President, I want to again thank all of those people—and there were many involved in this—who played a very constructive role. Again my compliments to the Secretary of State and the President and the people who work in the Office of the Secretary of State. There were a number of people who were involved in the day-to-day dotting of i's and crossing of t's whose names are not well known, but who deserve credit for having labored very hard to produce this result. This reflects that hard work, and I hope does serve as a precedent in this sense.

There are other troublesome areas around the world that have defied solution for many years because we have been unable to get together. I hope that this exercise, which I think has been successful, will encourage the administration and others in Congress to trust one another as we try and fashion some answers that will bring us to a consensus on foreign policy issues, which is where we should be. Again, those are troublesome areas, ones that are going to defy easy solution, but if we bring to those problems the same spirit that was brought to this problem I am convinced you can craft foreign policy that is in the interest of our Nation and that will bear results.

And so this exercise has been far more important than maybe the particular situation which it affects. It could serve to once again restore a situation that all of us I think here are desirous of seeing, and that is a restoration of bipartisan foreign policy and that where the interests of our country, the interests of our allies, the interests of peace, democracy, and economic stability are to be achieved.

So again I commend all of those involved and thank them for their cooperation, their trust, because many colleagues did give me that in an opportunity to try to move forward. I did the best I could to try and craft language that I thought would meet the concerns and needs of all regardless of point of view. I urge a strong vote in support of this agreement.

With all due respect to my colleague from North Carolina, his substitute I think would obviously totally disrupt this effort. I have not spoken, Mr. President, on all the amendments up to date. This is the first time I have taken the floor on this issue but regardless of the merits of the amendments—and I think, frankly, some of them have some good points, but I think the issue is not whether the amendments have some good points or not but whether that particular effort would disrupt this exercise which I have just inadequately tried to discuss which has gone on for a month or so. Tonight we have come to the end of that process, I think a very positive and constructive one for this country and for the people of Central America.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I yield myself enough time to make a unanimous-consent request. I ask unanimous consent that the second Helms vote be a 10-minute vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 5 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. COATS. Mr. President, I approach this debate with a great deal of internal conflict. I have been a supporter of Nicaragua's anti-Communist resistance since the Sandinista tyranny first made the news. I am struck by the lack of passion, the lack of emotionalism over an emotional, passionate subject that has gripped Congress for many, many years. I am not exactly sure what the lack of intensity of feeling and lack of intensity of involvement signifies.

For many years, the Contras have kept alive the fading hope of Nicaraguans for a democratic peace. We owe them more than we have delivered. They owe us nothing but their dismay, distrust, and perhaps even their contempt.

But on the issue of aid, we have become a prisoner of our past. Today we are considering a transfusion of anemic blood into a dying patient. And some Members of this body seem to expect applause for their medical mastery. But they have forgotten the fact that it was they who crippled the patient in the first place—willfully, deliberately, sometimes I think even cynically. They cut the victim's throat and now expect this masking tape of a bill before us to repair the damage. But this aid comes in a trivial sum, trivialized further by oppressive restrictions. It risks something worse than doing nothing at all—it risks the derisive laughter of those who benefit from our failure.

I remember standing on the floor of the House of Representatives just last year and warning my Democratic colleagues that the responsibility for Central American policy vacillation was now their's alone. They are the ones that cut off aid at a time when the Contras still had a fighting chance. They are the ones that held high hopes of winning Sandinista good will through preemptive concessions. Even though I was on the losing end of that battle, I hoped and prayed their approach would work. But the decision was made and could not be undone. The Contras were destroyed in my opinion, as a fighting force and as a factor in Sandinista calculations.

Now we are asked to revisit this issue, as though foreign policy good judgment could be made retroactive by a majority vote. We are asked to apply salve to those fragile consciences bothered in the night by decisive and utterly mistaken actions they took over a year ago.

I for that reason am not going to support the Helms amendments. I did oppose earlier motions to table amendments that would have earmarked some of the funds to do the best we could to ensure that some democratic process might take place in Nicaragua. Those failed. I will not support the Helms amendment because I do not believed that revival of military aid to the Contras at this time offers the hope of a viable alternative to Sandinista rule. The legislation before us is not just too little too late, it is bad policy, bad process, bad politics.

It is bad policy because it does nothing to correct a downward spiral of disastrous misjudgment that has doomed American policy toward both Nicaragua and the rest of the region. For years now we have been feeding the Contras into a meatgrinder, giving them just enough aid to keep them dying in the jungle, but not enough to achieve their freedom. Finally, we abandoned them altogether, mesmerized by the transparent promises of a Communist dictator. This package is not a recognition of that failure. It is a camouflage for our cynicism, or our astounding credulity. This is not foreign policy, it is political maneuvering—aimed at diffusing the criticism that I think we deserve.

It is bad process because it appears to yield to Congress powers that appropriately reside in the President. This legislation is haunted by the ghost of the War Powers Act, giving Congress a veto over foreign policy that violates the separation of powers. Over the last few years Congress has wrested control of Central American policy from the executive and grossly mismanaged it. I did not participate in that power grab in the past. And I will not start today.

It is bad politics because it covers a trail of responsibility that should be emphasized, not disguised. I can already hear the autopen machines all over Capitol Hill warming up to sign letters highlighting concern for the Contras. We are sending them Band Aids and Bufferin, Cheese Whiz, and Volleyballs. But those letters will not mention that we destroyed the Contras long ago. And nothing we do now will repair that damage. It's about time to take the heat for failure.

John Kennedy wrote:

> The Great revolution in the history of man, past, present, and future, is the revolution of those determined to be free.

In Nicaragua we have placed ourselves squarely on the wrong side of that revolution. We have betrayed those willing to sacrifice for their freedom and our security. The deed is done. Now is the time for reckoning.

We have failed. But we have not failed through the limits of our power. We have failed through the limits of our own will. That cannot be excused. And this bill cannot correct it. Last year it might have made all the difference. Today it is the dishonest epitaph of a failed program of congressional meddling. It is the whimper that ends a sorry experiment in congressional micromanagement. And I cannot bring myself to support it.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I yield 6 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I thank the Senator from Vermont.

Mr. President, this really is one of the most important efforts that I think the Senate has engaged in certainly in the brief 4½ years that I have been here.

And I am proud that it is a bipartisan effort finally with respect to the foreign policy of this country. This is the first time in 8 years that there has been a bipartisan policy toward Central America. And from the standpoint of those of us who have opposed aid to the Contras, obviously we recognize there are certain risks associated with this package. But by the same token the exact same thing can be said of those of our colleagues who have supported aid to the Contras and who have joined us in supporting this legislation. I think that is precisely why this legislation is so important and meaningful. It represents consensus, it represents compromise, and it represents the first genuine effort to bring all parties together in an effort to try to guarantee that our policy in Central America will not be one that guarantees chaos, guarantees more turmoil and torment for the people of that region.

Mr. President, I think all of us have been extraordinarily frustrated by the debate which has characterized our policy toward Central America these past years, and I particularly want to pay tribute to those who played the most significant roles in helping to get us where we are today. I think the distinguished majority leader, Mr. MITCHELL; and the minority leader, Senator DOLE; are to be particularly commended. But I also want to commend the chairman of the subcommittee which I serve on, Senator DODD, who chairs the Western Hemisphere Affairs Subcommittee, and who was really the point person for the task force on the Democratic side. I think it was his skill, patience, and understanding of the region which has been fostered through many trips and a great deal of energy expended on his part that was one of the most important ingredients in helping to forge this particular agreement. I think he negotiated it with considerable skill, and I congratulate him for that.

I think it also is appropriate to say that without the President's commitment to this, and without Secretary Baker who, from the day he was nominated, indicated a willingness to try to

reach out, listen, and to try to forge a different policy, we would not be here.

There are legitimate questions as to whether or not this package is consistent with Esquipulas II and with the El Salvador accords that have been agreed on by the Presidents of Central America. But while this measure does not place us on exactly the same timetable as they would like to be on, it does for the first time place us on the same path. That is an end in and of itself so significant that it perhaps dwarfs any of the other differences that may exist with respect to their wishes versus ourselves.

It may well be that somewhere down the road we are going to be back here arguing about military assistance to the Contras. This plan is not a solution. And it is not held out as the solution. But it is certainly held out as the first best alternative that we have been willing to try to pursue since we have been engaged in this policy, and what it does say to us is that for the first time rather than having a guarantee of continued flow of arms and aid, of continued arms buildup, of continued killing and struggle, of continued division and divisiveness, and of continued inability by our country to play a role—for the first time there is at least the possibility that if we continue to work diligently, if we continue to build a bipartisan policy, and if we reach out to our allies, and to others in the region, there may be the hope that all of those things will end, and that we will create stability within the region.

I think it is far better to work with that hope in mind than with the continued inevitability of all those other things happening without hope, and without the possibility of peace.

For that reason, I think this is important. But it is important for more than that, Mr. President. It embraces the recommendations, and says we should carry out those recommendations of the Kissinger Commission, the Inter-American Dialogue, and the Sanford Commission. I would like to pay particular tribute to my colleague from North Carolina whose efforts in creating that Commission may well have provided the real foundation on which long-term stability and peace in the region can be built. That Commission recently issued its final report. It is a unique Commission in which 26 out of the 47 members came from the Central American region itself. It is my hope that that Commission in representing the microcosm of the region will provide the true foundation for the lasting stability we hope for.

Mr. President, again, I think this is the culmination of a difficult process. It requires good faith by all parties but I think it is appropriate that the U.S. Senate and the executive branch summon that good faith in the prosecution of our foreign policy, and that for once we are finally marching in a united effort to try to bring about peace in a region which so desperately deserves it.

Thank you, Mr. President.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 7 minutes to the Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. Mr. President, I thank the distinguished Senator from Wisconsin.

Mr. President, earlier today shortly after the bill was called up, I sought recognition to make a contention that the bill is unconstitutional because it violates the principle of legislative veto as articulated by the Supreme Court of the United States in the Chadha case.

The pending amendment by the distinguished Senator from North Carolina [Mr. HELMS] has squarely posed this issue. When he has added an amendment which incorporates into the statute the letter agreement which is to be sent by Secretary of State Baker obligating the administration after the passage of this bill.

Mr. President, it amazes this Senator that after this constitutional argument has been posed so squarely, quite a number of Senators have taken the floor to speak in favor of this bill but no one has addressed the constitutional issue.

Perhaps no Senator has approached the constitutional issue to argue that the bill is constitutional because that argument simply stated cannot be made.

The whispers on the floor of the U.S. Senate this afternoon and tonight are that the bill is unconstitutional. Mr. President, it does not matter that it is bipartisan and both Democrats and Republicans agree.

Mr. President, it does not matter that both Houses, the Senate and the House of Representatives agree. Mr. President, it does not matter that both the executive and the Congress agree with this bill. It does not matter, Mr. President, as long as the Constitution disagrees, as long as their bill is disagreeable to the Constitution.

Mr. President, there is no doubt that that is so.

The distinguished Senator from North Carolina has spoken at length on the issue. Earlier today the distinguished Senator from Colorado [Mr. ARMSTRONG] spoke on the issue. There is no doubt, Mr. President, that if this provision were to be included in the statute that the statute would be unconstitutional. I suggest that there is little doubt that when the same objective is accomplished by a collateral letter, a collateral agreement between the administration and the Congress, that it is still unconstitutional.

I express reservations this afternoon, Mr. President, expecting the proponents of this bill to take the floor and advance reasons why this bill passed constitutional muster. But that has not happened. Perhaps, obviously, perhaps doubtlessly, because it could not happen.

Mr. President, I would state the issue on constitutionality in this way: I have taken the trouble to write it out. This is the issue. Do the President and congressional leaders have the authority or power to make a binding agreement on the execution of a statute which limits the President's authority under the Constitution? The answer to that is obviously no. The Supreme Court of the United States dealt with this issue specifically in Chadha and the Supreme Court said that one House of Congress could not veto legislation, that if both Houses of Congress could not veto legislation, that if both Houses of Congress disagreed and the President vetoed that enactment, it would take two-thirds to override the veto.

Now, this bill does not provide for a congressional veto, both Houses, or a veto by one House or the other. This bill, this agreement, which is part of the bill, realistically viewed, provides for a veto by one Senator, by one Member of the House. That individual may be a majority leader or minority leader of the Senate. It may be the Speaker or minority leader of the House. It may be the chairman of any one of four committees. The agreement refers to committees, but the practice is, and it has been recognized, that any chairman may decline to sign a letter, decline an affirmative act.

So we do not have a legislative veto. We have a veto of one Senator or one House Member.

Mr. President, as much as we might like the contents of this legislation, and I agree with much of what has been said as to the content, it is unwise, it is unlawful to enact a bill which is so patently unconstitutional.

I yield the floor.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER (Mr. BRYAN). Who yields time?

Mr. KASTEN. Mr. President, I yield 1 minute to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. COATS. My name was inadvertently listed as a cosponsor of S. 760, and I ask unanimous consent that it be removed.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I still have time under my amendment; is that correct?

The PRESIDING OFFICER. The Senator may proceed.

Mr. HELMS. Mr. President, I compliment the senior Senator from Pennsylvania. He has cogently stated the case, and my admiration for him has been great all along, and it is even greater tonight. I thank him for his comments.

C. BOYDEN GRAY'S OBSERVATION

Mr. President, this issue of committee chairman being able to veto, unilaterally, future Contra aid was first raised publicly by the White House counsel, C. Boyden Gray, shortly after the bipartisan accord was announced.

Apparently no one bothered to check Mr. Gray, or other legal experts within the administration, to be certain the deal that was constructed was constitutionally sound. And it is not. As Senator SPECTER has so eloquently stated, it is not constitutionally sound.

While Mr. Gray has been subjected to some criticism, he certainly was doing his job in protecting the prerogatives of the President of the United States.

Essentially, Mr. Gray called attention to the fact that the Emperor has no clothes. There is no real agreement—that is, the agreement—that is, the agreement does not stand up to the light of day. Mr. Gray was honest enough to say so.

He was concerned, and rightly so, about the precedent that this deal represents for the President. While the President, or at least his negotiators, may have struck a bargain, they have done so in a way that endangers the future actions of this President.

Mr. Gray's point is underscored in the letter from Judge Robert Bork which I read into the RECORD.

Probably the most honest assessment came from an anonymous State Department official quoted in the New York Times on March 26:

It—speaking of the side agreement—was the last little blood out of the turnip. It's the price we had to pay to get the job done, to get a deal. It was a tradeoff.

Mr. President, it is always a costly tradeoff when one sacrifices constitutional principles for the expediency of an agreement. This is one of the most troubling aspects of this bipartisan accord.

I ask unanimous consent that the article, "Pact Challenged by Bush Counsel," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 26, 1989]

PACT CHALLENGED BY BUSH COUNSEL—LATIN AGREEMENT SEEN AS TOO EMPOWERING FOR CONGRESS

(By Robert Pear)

WASHINGTON, March 25.—The White House counsel, C. Boyden Gray, today expressed reservations about the Bush Administration's agreement with Congress on Central America that was negotiated by Secretary of State James A. Baker 3d. He said it permits Congress to encroach too far on the constitutional powers of the President.

In addition, a White House official said that Mr. Gray, the chief White House lawyer, was "irritated" because he did not have a chance to review the legal implications of the unusual, bipartisan agreement.

White House lawyers endorse the aims of the agreement, but say it allows Congress to interfere too much with the President's power to conduct foreign affairs and spend money appropriated by Congress.

ADVISERS TO MEET ON ACCORD

President Bush embraced the agreement on Friday and a State Department official said Mr. Bush would not renege on it, but his senior advisers will meet next week to examine whether there is any way to limit the Congressional incursion on Presidential authority.

The agreement provides $4.5 million a month to provide food, clothing, shelter and medical supplies to the Nicaraguan contras through February 1990. But no money will be spent after November unless the President receives letters of approval on the aid from four Congressional committees. Democrats, who control both houses of Congress, expect to give such approval if Mr. Bush keeps his promise to support peace efforts of the Central American presidents.

Mr. Gray said in a telephone interview that "we did not have a chance to review" details of the agreement contained in a secret "side letter" that is to be sent from Mr. Baker to Congress. Mr. Gray said he had learned of the document and asked for a copy only after reading in the press on Friday that Mr. Baker had made a "gentlemen's agreement" making money beyond November subject to Congressional review and veto.

Such a Congressional check on Presidential power would be unconstitutional if it appeared in a law. A State Department official said that Mr. Baker fully intended to keep promises made in that letter even though it was "a political document, not a piece of legislation."

AN UNEASY RELATIONSHIP

It is unusual for a White House official to openly raise questions about an agreement negotiated by the Secretary of State. Mr. Gray's comments suggest that the Bush Administration, after nine weeks in office, is still working out the lines of coordination between the White House and various agencies.

Mr. Baker and Mr. Gray are two of Mr. Bush's closest friends and advisers. But the relationship between them has been somewhat uneasy since it was reported last month that Mr. Gray, as the leader of the President's campaign for higher ethical standards in Government, was pressing Mr. Baker to sell large amounts of stock in a bank holding company. Mr. Baker said he would do so.

White House lawyers support the overall aim of the agreement, which is designed to build a bipartisan consensus for a new United States policy in Central America. But Mr. Gray said, "My office has expressed reservations" about certain details of the arrangement for Congressional review.

A State Department official said Mr. Baker had not asked White House lawyers to review the agreement because "the Secretary was running this himself" and was familiar with the relevant legal principles because he had served as chief of staff to President Ronald Reagan.

BLOOD OUT OF THE TURNIP

Interviews retracing the four-week history of negotiations between Mr. Baker and Congress disclose that the Congressional veto provision was the last element agreed upon.

"It was the last little blood out of the turnip," said a State Department official who took part in the negotiations. "It's the price we had to pay to get the job done, to get a deal. It was a tradeoff. We decided it was time to get our act together so we could do what we need to do on the ground in Central America without being distracted by bureaucratic and political fights up here in Washington."

The official said that "the precedential aspects of this agreement were well and truly understood" by Mr. Baker and other negotiators including Robert B. Zoellick, the State Department counselor, and Michael G. Kozak, the Acting Assistant Secretary of State for Inter-American Affairs. Mr. Baker, Mr. Zoellick and Mr. Kozak are all lawyers.

But the Congressional veto provision struck a raw nerve Friday among lawyers at the White House and the Justice Department, who strive to preserve Presidential power against encroachments by Congress. On March 16, Mr. Bush, Mr. Gray, Attorney General Dick Thornburgh and John H. Sununu, the White House chief of staff, decided to create a working group to combat the "erosion of Presidential authority."

Mr. Gray said the provision requiring Congressional review of contra aid in November was "much more than a gentlemen's agreement" because "it's in writing and becomes a precedent, though not as serious as if it were in legislation."

CONSULTATIONS IN QUESTION

Mr. Baker was evidently consulting more closely with Congressional leaders than with colleagues in the Bush Administration.

Douglas W. Kmiec, the Assistant Attorney General in charge of the Office of Legal Counsel at the Justice Department said Friday that his office was "not asked for its view as to the propriety or appropriateness" of the agreement negotiated by Mr. Baker.

A member of Mr. Baker's negotiating team asked if the State Department legal adviser had been consulted, said, "Not that I know of." Nicholas Rostow, the legal adviser to the National Security Council, declined to say whether he had reviewed the agreement.

The agreement between Mr. Baker and Congress says that the Administration will not make any legally binding commitment to assist the contras beyond Nov. 30 unless it gets letters of approval from the House and Senate Appropriations Committees, the Senate Foreign Relations Committee and the House Foreign Affairs Committee.

NEED FOR AID SEEN AS PARAMOUNT

Lawmakers said that in practice, the decision whether to approve the continuation of such aid to the contras, who are fighting to overthrow the leftist Managua Government, will be made by the Democratic leaders of the House and the Senate.

In striking down the legislative veto mechanism in 1983, the United States Supreme Court noted that 11 Presidents, from Woodrow Wilson to Mr. Reagan "have gone on record at some point to challenge Congressional vetoes as unconstitutional."

State Department officials said that the agreement on contra aid would not have

been any different if it had been reviewed by White House lawyers. The need for a political consensus on Central America was paramount, they said.

Mr. DOLE. Mr. President, I want again to make clear why it is that I am voting to table these amendments, offered by Members of my own party.

Every one of those offered so far has been a good amendment. I would like to see every one of them become law.

The fact is, though, they're not going to become law on this bill. If they are attached to this bill, then this bill is not going to become law, either. The Contras are not going to get any aid—for a good long time, at least; and maybe never again. Those are the facts.

Because this bill—the only bill we're going to pass right now with any Contra aid—will end up on the President's desk only if it emerges from the legislative process in the same form it entered. We talk a lot about killer amendments. Well, in this instance, any amendment is a killer amendment, a deal breaker.

As we have already heard from speakers on both sides of the aisle, a deal is a deal. And a deal has been struck—involving the President of the United States, and the four leaders of the Congress. It is a deal that says: We are going to support this bill, and support the effort to keep it clean. It is a deal struck in good faith, because of a sincere belief on the part of all of us who made the deal that it is the best course, under the existing circumstances, for America.

It is a deal I'm going to keep.

I commend the Senator from Colorado for the amendment he offered. It is a good amendment. It makes sense. It ought to be law. I will support its enactment into law, when a vehicle appears that can carry it to the President's desk.

I can say the same thing about the amendment of the Senator from Wyoming, and the amendment of the Senator from North Carolina.

But this is just not the vehicle. This bill can get to the President's desk; but not if it has to carry amendments that are deal breakers.

Let me also repeat something I said earlier: I know that one reason we're seeing these amendments now is that Republican Senators were just not given a real opportunity to offer these ideas when this package was in the making. Maybe if we'd had a real hearing throughout this process, some of these ideas would already be incorporated in this bill, and we wouldn't be debating and voting on these things now. I've made this point to the Secretary of State already, and I'm going to make it again—I can promise my Republican colleagues that.

One final point: My record on support for the Contras is clear and, I think, strong. I want to continue to support the Contras. But I wonder what kind of message of support we are sending when we offer these amendments—good amendments—but then see them go down to defeat by wide margins—because of circumstances that have nothing to do with their intrinsic merit? Do they understand in Central America? Do they understand in Managua?

Let us send one message: Let's pass this bill, and let Daniel Ortega know that we are not going to abandon the Contras.

And then let us be determined that this is not the end, but only the beginning, of our efforts to keep the heat on Managua. Let us go back to the Armstrong amendment, the Wallop amendment, the Helms amendment—and the many other things that we ought to do, and perhaps can do—with the appropriate legislative vehicle.

Mr. LEVIN. Mr. President, my vote to table this amendment should not be interpreted as oppos ition to it on its substantive merits. I will vote to table this amendment for two reasons. First, the agreement between the President and the bipartisan leadership of the Congress contemplated that there would be no amendments to this legislation. Second, it is unnecessary to modify this legislation with this amendment because it goals are already accomplished by the informal agreement between the President and the bipartisan leadership of the Congress.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. What is the parliamentary situation?

The PRESIDING OFFICER. Amendment No. 46, offered by the Senator from North Carolina, is pending, and in 1 minute a vote will take place. There is a motion to table the amendment offered by the Senator from North Carolina.

Mr. HELMS. Mr. President, may I reiterate that I urge all Senators to join me in voting to table my second amendment, which will follow the immediate forthcoming vote.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. If the Senator yields, this means as a result of the unanimous consent, all time under the two amendments has been used up. We will vote momentarily. I could, on your behalf, yield back the hour that you have on the bill.

Mr. HELMS. That is correct.

Mr. KASTEN. Mr. President, I would like to yield back the time remaining on the bill for the Senator from North Carolina, and on behalf of the Senator from Colorado, Mr. ARMSTRONG, I want to yield back the 10 minutes remaining that he has on the bill.

The result of that, Mr. President, is that now all of the time for all of the amendments on the bill has been yielded back on this side, except for the time under my control. I will not yield back that time at this time, because I have a number of Senators who desire to speak. We want these Senators to speak, if possible, either very quickly after these two votes or after the vote on the final passage. Some of these people could make their statements at that time. I will not yield back the time, and we are ready to proceed to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The time will be yielded back.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in family.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 25, as follows:

[Rollcall Vote No. 42 Leg.]

YEAS—73

Adams	Dole	Metzenbaum
Baucus	Exon	Mikulski
Bentsen	Ford	Mitchell
Biden	Fowler	Moynihan
Bingaman	Glenn	Murkowski
Boren	Gorton	Nunn
Boschwitz	Graham	Packwood
Bradley	Harkin	Pell
Breaux	Hatfield	Pryor
Bryan	Heinz	Reid
Bumpers	Inouye	Riegle
Burdick	Jeffords	Robb
Burns	Johnston	Rockefeller
Byrd	Kassebaum	Roth
Chafee	Kasten	Rudman
Coats	Kennedy	Sanford
Cochran	Kerrey	Sarbanes
Cohen	Kerry	Sasser
Conrad	Kohl	Simon
Cranston	Lautenberg	Simpson
Danforth	Leahy	Specter
Daschle	Levin	Stevens
DeConcini	Lieberman	Wirth
Dixon	Lugar	
Dodd	Matsunaga	

NAYS—25

Armstrong	Helms	Pressler
Bond	Hollings	Shelby
D'Amato	Humphrey	Symms
Domenici	Lott	Thurmond
Garn	Mack	Wallop
Gramm	McCain	Warner
Grassley	McClure	Wilson
Hatch	McConnell	
Heflin	Nickles	

NOT VOTING—2

Durenberger	Gore

So the motion to lay on the table amendment No. 45 was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 46

The PRESIDING OFFICER. Under the previous order, the hour of 8:30 having arrived, the Senate will now vote on the motion to table amendment No. 46 offered by the Senator from North Carolina. Under the subsequent order, the rollcall will be limited to 10 minutes. The yeas and nays having been ordered, the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in family.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas, 98 nays, 0, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—98

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gorton	Mikulski
Bentsen	Graham	Mitchell
Biden	Gramm	Moynihan
Bingaman	Grassley	Murkowski
Bond	Harkin	Nickles
Boren	Hatch	Nunn
Boschwitz	Hatfield	Packwood
Bradley	Heflin	Pell
Breaux	Heinz	Pressler
Bryan	Helms	Pryor
Bumpers	Hollings	Reid
Burdick	Humphrey	Riegle
Burns	Inouye	Robb
Byrd	Jeffords	Rockefeller
Chafee	Johnston	Roth
Coats	Kassebaum	Rudman
Cochran	Kasten	Sanford
Cohen	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Cranston	Kerry	Shelby
D'Amato	Kohl	Simon
Danforth	Lautenberg	Simpson
Daschle	Leahy	Specter
DeConcini	Levin	Stevens
Dixon	Lieberman	Symms
Dodd	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Exon	Matsunaga	Wilson
Ford	McCain	Wirth
Fowler	McClure	

NAYS—0

NOT VOTING—2

Durenberger Gore

So the motion to lay on the table amendment No. 46 was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

SCHEDULE

Mr. MITCHELL. Mr. President, if I may have the attention of Senators to make clear my intentions with regard to the schedule for the remainder of this evening, tomorrow, and Monday.

It is my intention to momentarily ask the managers to yield back the remaining time on the bill, to ask unanimous consent that those Senators wishing to speak on the bill be permitted to do so following final passage. That will be the last rollcall vote this evening.

The Senate will not be in session tomorrow.

The Senate will come in at 2:30 on Monday, and at 3:15 go to the S&L bill. There will be no votes on Monday.

The Senate will be in early Tuesday and it is my hope that any Senator who intends to offer an amendment to the savings and loan bill will express his or her intention to the leadership as early as possible on Monday and those who intend to offer amendments will be prepared to do so on Monday.

There may be votes early Tuesday and, if necessary, there is the possibility of a long day and evening on Tuesday as it is my intention to complete action on that legislation by not later than 4 p.m. on Wednesday. If that occurs, then, as I previously indicated, the Senate will then be in recess and there will be no session on the following Thursday, Friday, or the week thereafter.

I yield to the distinguished Republican leader.

Mr. DOLE. We are prepared now to give consent to go to that bill at 3:15 on Monday, on this side. I would urge my colleagues on this side, if you have amendments, to let us know or let Senator GARN know, hopefully no later than 6 p.m. on Monday, so that we can deal with those amendments.

Mr. LEVIN. Mr. President, I am a cosponsor of this legislation to implement the agreement between the administration and congressional leaders signed March 24, 1989, concerning our Nation's policy toward Central America.

I commend the leadership on both sides. Further, I commend those others in the House of Representatives, the Senate, and the administration who worked so long to achieve both the bipartisan agreement, and this legislation.

Our Nation's policy toward Nicaragua has been bitterly divisive. It is my hope and expectation that the bipartisan agreement and this legislation are both an end and a beginning. I hope this is the end of not only the deeply contentious and repeated legislative debates over the Contras, but also the end to the failed policies of the Reagan administration which sought a military solution to the problems of the region. And, I hope that both the bipartisan agreement and this legislation are the beginning not only to a policy crafted in consultation and bipartisan cooperation, but to the beginning of the successful reintegration of the Contras into Nicaraguan society, the beginning of the true democratization of Nicaragua, and the beginning of the final and successful implementation—with the full support and cooperation of the United States Government—of the agreements crafted by the Presidents of the Central American nations.

Mr. President, I cosponsor this legislation because it supports a negotiated diplomatic settlement to the conflicts which have devastated the region for years. I urge passage of this legislation because it is consistent with, and is supportive of, the agreements reached by the leaders of Central America, most recently in El Salvador on February 14.

I support this legislation also because President Oscar Arias of Costa Rica has stated his support, and said that its passage and implementation will help facilitate the resolution of the intractable problems of the region.

So it is now time for Congress to approve this package of nonmilitary aid, and the administration to fulfill its obligations and commitments it agreed to on March 24.

Mr. SASSER. Mr. President, the Contra aid supplemental will provide $66 million in budget authority for continuation of the Contra program. It is my understanding that outlays for fiscal year 1989 are expected to be $30 million.

The entire fiscal year 1989 cost of the program is being derived from transfers from the Defense budget. I believe that as long as this bill is not amended, it will not add to the deficit.

However, since the Foreign Operations Subcommittee has already exceeded its 302(b) allocation for fiscal year 1989, there is a 302(f) point-of-order against this supplemental.

Furthermore, since this bill provides new budget authority in fiscal year 1990 before the fiscal year 1990 budget resolution has been agreed to, there is also a 303(a) point-of-order against this bill.

Nevertheless, I would like to emphasize that the measure as reported is deficit neutral for fiscal year 1989 and since we will not be adding to the deficit, I hope that no Member will raise these points-of-order.

Mr. BINGAMAN. Mr. President, I rise today to commend the Senate leadership for its part in working out the bipartisan accord on Central America. This contentious and divisive issue has severely strained relations between Congress and the Executive, diminishing the ability of our Government to formulate a policy that would protect our national interest and promote peace and stability in Central America.

I intend to vote for H.R. 1750 because I believe that it is the best chance that we have, in concert with the Central American nations, of bringing democracy to Nicaragua. At

the same time, I would like to urge the administration to ensure that H.R. 1750 is a one time only appropriation by setting aside sufficient funding for the relocation of the Nicaraguan resistance.

The bipartisan accord clearly states that funds appropriated to carry out the purposes of the accord will be used for the voluntary reintegration and relocation of the Nicaraguan resistance. H.R. 1750, also includes reintegration of the resistance as one of the purposes for which these funds may be used. But there is no guarantee that this will be the case, particularly as there are any number of legitimate activities that will require a portion of the United States $49.8 million provided by H.R. 1750.

Mr. President, I would like to ask several questions of the majority leader.

Is it the intent of the leadership that a significant portion of the funds appropriated in H.R. 1750 be available for funding the relocation of the Nicaraguan resistance?

Mr. MITCHELL. Yes the distinguished Senator from New Mexico is correct. The bipartisan agreement which the congressional leadership and the President signed, expresses that intent and this legislation puts that intent into legislative language.

Mr. BINGAMAN. If this is the case, is it the intent of the leadership that Secretary Baker in accordance with section 11 of H.R. 1750 report on the steps being taken by the administration to ensure that funding provided by H.R. 1750 are adequate to cover relocation of the Contras?

Mr. MITCHELL. It is my understanding that Secretary Baker intends to report to the congressional leadership on the steps the administration takes to provide funding for the reintegration and regional relocation of the Contras under the provisions of H.R. 1750.

Mr. BINGAMAN. Finally, is it the intent of the leadership that additional appropriations for this purpose will not be required? For example, what happens in April, when the 11-month period of assistance is at an end, if the Contras have not been resettled? will additional aid be required, will Congress be asked for a new appropriation?

Mr. MITCHELL. It is the intention of the bipartisan agreement that the Central American President's plan for reintegration and regional relocation will allow the Contras to rejoin the political and economic life of Nicaragua. And that this will hopefully obviate the need for further requests for Contra aid.

Mr. DURENBERGER. Mr. President, I rise today as a cosponsor of S. 760, the Implementation of the Bipartisan Accord on Central America Act of 1989.

Today, perhaps for the last time, this body will approve additional assistance for the Nicaraguan resistance—almost $50 million over the next 10 months. As has been the case since last August, the aid will be nonlethal assistance administered by AID. When Congress authorized this aid last year, I voted against it—in both its Democratic and Republican forms. I voted against it because there was not a clear policy goal behind the assistance package. As I said at the time, "It is the challenge for our next President to develop a policy that addresses our security interests and gathers the support of Congress and the American people." In my view, President Bush has done that.

By my calculations, the U.S. Senate has considered aid to the Contras and related issues more than 50 times since 1982. In those years, I have been accused of supporting aid to mercenary murderers, and of selling out freedom fighters. My support of the Contras was an issue in my most recent campaign, while my lack of support has been an issue at party conventions. Emotions run very deep on this issue—in my State and in the home States of all my colleagues. I imagine that my sponsorship of the package before us today will engender more of those strong emotions.

The package before us today is, in many ways, the first major foreign policy accomplishment of the young Bush administration. It is also the culmination of an argument I have tried to make for many years: that Contra aid was, in the words of Secretary Baker, "a failed policy." Today's vote will—I believe—mark a major watershed in our policy toward Central America.

I have reviewed the history of Contra aid on many occasions on this floor. As a former member of the Senate Select Committee on Intelligence, I was present at the creation of the Contra policy. Along with other members that heard that first finding presented in 1981, I raised a number of questions about the policy. We now know that administration officials shared some of the questions at the time; others have since admitted that certain concerns were well placed. There were at least eight major problems with the Contra policy.

First, the means chosen—covert action—was inconsistent with the vehicle—a paramilitary force. It was not realistic to believe that U.S. fingerprints could be kept hidden on such a large scale action. As then Secretary of State Haig pointed out, it would be impossible to keep the U.S. role secret. Of course, the news stories did come out soon after the program began. Members of the Intelligence Committees then faced a dilemma: Though they knew more about the program than their colleagues, Intelligence Committee members were barred by law from discussing it because it was still technically a covert action. Using covert action may have provided short-term gains—less initial publicity—but the long-term costs eventually undermined support for the policy.

Second, the use of the Central Intelligence Agency for operational control of the assistance program made it far more difficult for Senators to receive accurate assessments of the policy. Because the same Agency charged with objectively evaluating events was also directly involved in influencing events, both the analysis and implementation functions suffered. Frank McNiel, former Deputy Assistant Secretary of State for Intelligence and Research, has pointed out eloquently the dangers of commingling intelligence functions: How unrealistic estimates of the Contras capabilities were presented to support—rather than inform—a particular policy preference. When intelligence is shaped and designed to support a particular policy preference rather than impartially assessing a situation, both the intelligence and policy processes are distorted.

Third, the Contra policy suffered from asymmetry between strategic objectives and tactical means—if the stakes were as high as President Reagan consistently argued on national television, why were we relying on a peasant army of Nicaraguans to secure fundamental United States security interests? The Contras represented an attempt to buy security "on the cheap." Ruling out the direct use of American force early in the 1980's sent a signal that we were not truly serious about our security interests in the hemisphere. The text of the 1989 bipartisan accord on Central America states, appropriately, that national security threats will be met by any appropriate constitutional means.

Fourth, the policy of arming a resistance movement in Nicaragua—if it should have taken place at all—began too soon. Even Eliot Abrams—the apostle of Contra aid—has admitted that the United States began its support too soon, before internal opposition to the Sandinistas had developed sufficiently. By supporting armed remnants of Somoza's National Guard before there was significant political opposition to the Sandinistas inside Nicaragua, United States policy ensured that all opposition would be perceived as Somocista and would, therefore, be tainted in the eyes of many Nicaraguans.

Fifth, U.S. policy centered on the military elements of the struggle—detailed operations plans, extensive communication support, and so forth—while neglecting the more important political aspects. The need for strong independent political leadership was never really accepted by the Contra

military leaders. To this day, I do not believe they understand the political nature of any insurgency. The focus on armed resistance slighted the democratic opposition inside Nicaragua. In 1986, I asked the Congressional Research Service to describe and analyze the internal opposition in Nicaragua because I believed these genuine freedom fighters should have received far more attention and support from the United States than they did. Finally, as a result of the Tesoro Beach accord, the internal opposition in Nicaragua will have the chance they deserve to lead the fight for democracy.

Sixth, supporting an armed force gave the Sandinistas a convenient excuse on which to blame anything that went wrong in the country. Once the fighting began, the FSLN could—and did—justify their repression and economic mismanagement as the fault of the Somocistas and their Yankee supporters. One can argue the Sandinistas would have tried the same technique regardless of what actions the United States took, but the fact remains that FSLN claims fell on more receptive ears around the world because of U.S. support for armed insurgents. I have long argued that we needed to remove the excuse for the Sandinistas. Now that we have, the world's democracies will be more receptive to hold the Sandinistas to their various promises. Ending Contra aid also changed the dynamics of the Central American peace process; it was no accident that the Tesoro Summit focussed almost exclusively on democratization in Nicaragua.

Seventh, the Contra policy failed because paramilitary actions are an inherently blunt instrument. I am reminded of William Casey's fascination with such operations stemming from his days in the OSS during World War II. He made fond parallels between "setting Europe ablaze" with resistance forces and supporting the Contras in Nicaragua. Such misplaced historical parallels overlook the vast difference between nations engaged in total "hot" war and the cold war of the last 40 years. Differing U.S. goals—interdicting arms, providing leverage, diverting FSLN attention, inducing democratic change—not only undermined support at home, they were too refined for a peasant-based guerrilla army. From the beginning, the Contras thought they were fighting to get rid of the Sandinistas—but the United States never explicitly stated that overthrow was our goal. Expecting the Contras to lay their lives on the line merely to interdict arms or provide leverage for the United States was not realistic. Human insurgents cannot necessarily be turned on and off for the goals of a superpower.

Finally, we never considered what would happen when the goals of the United States diverged from those we supported. The Contras may want to overthrow the Sandinistas but the United States wanted certain—changing—conditions met. A broad spectrum of American opinion is united in believing those conditions have been met—while the Contras who were repeatedly told they could expect U.S. support until victory must now be told the truth. I have no doubt that officials of our Government raised false expectations among the Nicaraguan resistance. Now we all must deal with the fact that many honorable men and women with legitimate grievances against the Sandinista oppression have no chance of victory in their war. They must either return to Nicaragua to join the political struggle or they must remain in exile. Many are embittered by the changes in U.S. Contra aid policy. I argued many years ago that we had to consider what would eventually happen if our goals diverged from those of insurgents with American training and support. Because we did not, the reality of 1989 is more difficult.

Reciting the reasons our Contra policy failed—and why I have opposed the policy since 1981—does not answer the question of whether to support S. 760. Contra aid has been the most divisive foreign policy issue in our country since the Vietnam war. Annual showdown votes set the Congress against the White House in choreographed debates. Illegal and questionable activities violated executive-legislative trust and ruined careers. The Iran-Contra scandal consumed the Nation for much of 1987. And, the last few weeks have seen the trial of a former Marine officer for his role in supporting the Contras.

With all of this history one could be excused for believing that no resolution of the Contra issue was possible. Even after Tesoro Beach when the Central American democracies joined forces to tell the United States they were tired of waiting for a new policy, it looked like a domestic consensus was lacking. Instead of despair—or continued confrontation—what we got was a Secretary of State who was willing to stake his professional credibility on the issue, who get personally involved, who treated Congress like a partner not an enemy. The result was the bipartisan accord on Central America of March 24, 1989.

Some on the right and the left will no doubt oppose the accord. The majority will vote for it with some reservations. What we should do, however, is congratulate the signers of the accord for putting the national interest ahead of partisan interest.

This accord—by itself—will not solve the crisis in Central America. It is however, a necessary first step to limiting Soviet and Cuban involvement in the isthmus. As long as the United States was internally torn by the Contra policy, Soviet benefits far outweighed their cost of aiding the Sandinistas. Now that there is a consensus—however tenuous—the appeal for Gorbachev has lessened. I was disappointed that the Soviet leader did not take advantage of his trip to Cuba to make concrete proposals on lessening Soviet aid to Nicaragua—aid that is no longer necessary to defend against Contras. Nonetheless, I expect the lower United States profile in Nicaragua will eventually lead to a lower Soviet profile as well.

I believe this accord gives Central Americans exactly what they have been asking for: Breathing space to work a regional solution to a regional problem. The United States has national security interests that may eventually diverge from those of the Central American democracies; if so, we will act appropriately. Now, however, our interests are consistent with the compliance and enforcement of the Esquipulas II accord's provisions on democratization. This legislation does not violate the Tesoro Agreement; as President Arias said last week: "We have always agreed with humanitarian aid to the Contras because these people need some support."

The breathing space for the next 10 months is important. It is important because the United States needs to consider many other elements in our policy toward Latin America: the debt problem; violent threats to democracy; the power of narcotics; environmental damage. As important as Nicaragua is, we also need to look at our policy toward other states; in Panama, for example, our strategic interests may be greater than in the rest of Central America combined yet our policy is adrift.

Long-term economic development remains a distant goal for much of the hemisphere. We have the 1983 Jackson plan that remains unfulfilled. We have the new International Commission for Central America whose detailed recommendations remain unexamined. And we have electoral transitions underway in nearly a dozen hemispheric nations within the next year—elections that will herald new governments with new personnel and new policies.

The significance of today's vote is in facilitating the ability of Congress and the Executive to look beyond the immediate passions of Contra aid to larger issues. I would also hope, Mr. President, that the passions toward El Salvador could also be cooled. Now that the Contra war is over, we should see the end of outside aid to the FMLN. And rather than coming to quick judgments about the govern-

ment of President-elect Christiani, I would hope that the United States would grant a similar breathing space to El Salvador.

Today we have an opportunity to move ahead and develop a coherent policy toward Central America. I hope we all work to take advantage of the opportunity.

Ms. MIKULSKI. Mr. President, as a long-time critic of United States policy toward Nicaragua, I approach the consideration of this legislation with considerable caution. I plan to support the bill but continue to harbor some serious concerns that I hope can be addressed by the administration and the Congress.

We usually have only two options when we vote: "yes" or "no." Today we have a third option: "Yes, but * * *.

Yes, this legislation will be approved. But the Congress will have a chance to cut off all funding if the administration fails to carry out its provisions properly.

A key element of this package—not in the legislation but part of the agreement spelled out in discussions and an exchange of letters—is the cutoff of aid beyond November unless it is approved by the chairman of both appropriations committees, chairmen of both foreign aid authorizing committees and the four top members of the House and Senate leadership.

Given the record of deceit in recent years on Contra aid, I would not normally be inclinded to trust any administration on the implementation of this legislation.

If the administration wants aid to continue past November, however—and I suspect it does—it will have to stick to the letter of this law and fulfill its pledges on human rights, repatriation and the acceptance of agreements forged by the five Central American presidents. This is a very, very strong incentive.

I believe that our goals in Nicaragua should be to underscore those agreements which have been negotiated among the five Central American presidents to end the conflicts in the region, repatriate the Contras and their families, and promote real democracy in Nicaragua and other Central American states. All of the Central American presidents except Ortega have said that this package is in keeping with their efforts.

ENDING THE CONFLICT

Does this legislation address ending the conflict? Yes, this administration has publicly abandoned the Reagan administration's goal of overthrowing the Sandinista government by military force and has begun the process of repatriating Contra fighters and their families. This is a significant and welcome shift.

The legislation states flatly that no funds may be used for offensive military purposes. The bill also prohibits the mixing of military equipment in any shipment of humanitarian goods delivered to Contra families. It clearly defines "humanitarian" goods as food, clothing, shelter, medical services/supplies, nonmilitary training, replacement batteries for communications equipment and support for repatriation and contains an additional appropriation for medical assistance to civilian victims of the conflict, to be delivered by the Catholic Church.

Every penny of this money will continue to be adminstered by the Agency for International Development. In that way we will know just where our goods and cash payments end up and remove opportunities for DOD and the State Department to influence the process.

But, although this bill specifically prohibits any activity by the CIA where these funds are concerned, it may be necessary to tie the CIA's hands further in other legislation.

I am also disturbed by claims that there are currently no hostilities in Nicaragua. Press accounts indicate that this is far from the truth, and we need to approach this problem with our eyes open.

REPATRIATION

Does this bill address the issue of repatriation? Yes, for the first time legislation specifies that this money may be used for the reintegration of Contra fighters and their families in Nicaraguan society. In fact, AID has already shifted its programs in the Contra camps and is providing literacy and vocational training in preparation for a return to Nicaraguan society. In a population with 85 percent illiteracy, I think this is a great idea, which dovetails with my desire for long-term economic improvement for the people of Central America.

But: if the Sandinistas keep their pledge of full civil rights for all citizens and the administration chooses to emphasize keeping the Contras as a counterforce rather than encouraging repatriation, I will strongly support the cutoff of aid.

In an ideal world we would begin full repatriation immediately, but because there are political uncertainties in Nicaragua and because inhabitants of the camps have been cut off from the truth about the situation in Nicaragua, it will be a while before they are ready to go back. Since the United States encouraged the formation of the Contra forces, we have a responsibility to feed and clothe them until they are disbanded. We certainly cannot expect the Hondurans to bear this burden.

DEMOCRATIZATION

Does the administration's new policy encourage a move toward truly democratic policies? Yes, to a degree. Most important, the administration has finally demonstrated its willingness, to accept the results of the February election in Nicaragua, provided it is convinced that the process was free and fair. Who will decide if it was free and fair? In the end, the administration will make its own judgment, but officials have stated that our policy is to support the United Nations and Organization of American States verification procedures and to encourage all possible observer groups to evaluate the elections, including members of Congress, Venezuela, the National Endowment for Democracy and foreign journalists.

But: this promising attitude by the administration must be tested over the next few months to see if administration goals truly match the goals of the Central American presidents.

HUMAN RIGHTS

On numerous occasions—most recently during the Foreign Operations Subcommittee hearing on this bill—I have expressed my deep concern about human rights abuses committed by the Contras. I am pleased that the United States is funding the Nicaraguan Association for the Protection of Human Rights, headed up by Marta Baltadano, a human rights activist with excellent credibility. Today's legislation highlights this concern by stating that "no aid may be provided to any group that retains in its ranks an individual found to engage in gross violations of internationally recognized rights," and I am pleased that six Contras have recently been expelled from their units for human rights violations and U.S. assistance to their families was cut off.

But this number doesn't begin to match the number of human rights violations that have been reported in the press or by visitors to the region. I have received reports on the torture of prisoners, attacks on civilians and most recently on cases of Nicaraguan civilians being kidnaped and held against their will in Contra camps in Honduras. I will ask unanimous consent to include at the end of my remarks an account by two U.S. doctors of their visit to the camps to seek the release of kidnaped persons whom they had trained as community health workers. I have also learned of Contra officials blocking the reunification of families in Nicaragua.

Clearly, the United States needs to step up its efforts on human rights in the region. We need to expand the ability of the ANPDR to investigate incidents inside Nicaragua and to establish its official standing with the Contras so that we can increase the number of cases thoroughly investigated and brought to trial. I believe further that the United States should conduct its own investigation of human rights violations and involve other experienced, credible human rights organizations for monitoring and investigatory purposes.

In sum, I believe that this legislation and related understandings represent a long-awaited shift in the United States policy toward Nicaragua, and I strongly support any movement away from the disastrous doctrine of the past 8 years.

I ask unanimous consent that the material to which I referred to earlier be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONTRAS VIOLATE THEIR OWN CODE OF CONDUCT

Drs. Susan Cookson and Tim Takaro are U.S. physicians who have worked for the past two and a half years in the war zones of Northern Nicaragua. They are graduates of the University of North Carolina Medical School and are returning to the States to continue their careers in internal medicine. Their work in Nicaragua was sponsored by the Unitarian Universalist Service Committee and the Presbyterian Church (U.S.A.). While in Nicaragua, community health promoters whom they trained and relatives of those promoters have been kidnapped by military forces of the Nicaraguan Resistance. After assembling facts about several kidnappings which occurred between December 1987 and January 1989 (see attached list), the doctors received permission from the victim's families to travel to Honduras to locate the missing persons, many of whom were teenagers. This is their statement:

Initially we received the full cooperation of the Honduran and Resistance authorities in trying to secure the release of the missing people. We arrived in heavily guarded Nicaraguan Resistance Headquarters in Capire, Honduras the night of March 1. Resistance legal officer Commandante Johnson escorted us to the camps. He told us that if any of the people we were looking for wished to return to Nicaragua they could leave the camps with us and be turned over to the UN High Commission on Refugees (UNHCR) for protection.

With the cooperation of Resistance officers, on March 2 we were able to interview four of the nine victims on our list: Diego Centeno, Maria Gonzalez, Gema Beverly Velasquez and Lydia Marbali Zeas Mairena. We were informed that three others on our list would be made available for interview: Jose Lopez, Felipe Artola and his son Rafael. One person, Rosalio Lopez was added to our list after being named by Diego Centeno as being from his community, taken in the same incident and wishing to be repatriated. Resistance officers promised to produce him as well.

After a private medical examination and interview that we conducted, Diego Centeno and Maria Gonzalez were told that, if they so desired, UNHCR would repatriate them. Diego and Maria declared their wish to repatriate and signed declarations to that effect.

Surprised, Resistance officials demanded to attend subsequent interviews. In the following interviews, Gema Velasquez expressed her wish to repatriate and Lydia Zeas said she would remain. Zeas gave us a letter for her family.

On the following day, March 3, the three who had declared their wish to repatriate were brought back to Resistance Headquarters and retracted their declarations. A short time later, Diego Centeno reversed his decision again and declared he wished to go to the UNHCR office in Danli.

Following this, we spoke with Commandante Ruben, senior officer at Resistance Headquarters. He refused to issue a pass for Diego to leave the camp, but agreed to allow us in to talk to Diego before we left for Tegucigalpa. His personnel officer informed Commandante Ruben that Jose Lopez was out of communication, part of a patrol that would return at an undetermined time. He informed Ruben that Felipe Artola, Rafael Artola, and Rosalio Lopez were not registered in the Resistance files. Officers who had said that we could interview these three, denied having said so.

Ruben left the camp area. According to an agreement with Commandante Johnson, we prepared and signed a short statement about the results of our visit. Afterwards we were denied permission to see Diego and ordered to leave the camp.

We remained in Tegucigalpa for a week speaking with officials of the International Committee of the Red Cross, UNHCR, the Association Nicaraguense Para Derechos Humanos (ANPDH) and the Resistance. All of the authorities continued to pledge their desire to cooperate, but all stated that they lacked the authority to release the captive youngsters.

Marta Baltadano of ANPDH visited the camps during the middle of March and interviewed seven of the victims from our list. One of these was Martine Chavarria whom we had previously been unable to locate. Four of these reiterated their desire to leave the camps. However, Ms. Baltadano was not permitted to take them.

With the resignation of the top field commander for the Contras in Honduras, Commandante Quiche, we were advised by Ms. Baltadano of the ANPDH that efforts to gain the victims release would be temporarily suspended.

Members of Congress have petitioned the government of Honduras on behalf of the victims. The victims families, previously unaware of the role of the International Committee of the Red Cross (ICRC), have also registered with this organization.

Church leaders in Nicaragua are demanding that the contras abide by their own code of conduct, which states that it is the special obligation of all Resistance members to help humanitarian organizations reunite families dispersed because of the war. A subcommission of the National Reconciliation Commission (NRC) of Nicaragua, chaired by Cardinal Obando y Bravo, recently traveled to Honduras with a list of over 3,500 names of Nicaraguans allegedly kidnapped by the Contras and still missing. The commission was denied access to the camps.

DETENTION OF NICARAGUANS

Mr. SIMPSON. Mr. President, I rise to respectfully disagree with Senator ARMSTRONG's earlier statement that we are arresting and detaining endangered Nicaraguans at our borders. In fact, a Nicaraguan who crosses our southern border and shows that he is fleeing specific persecution from the Sandinistas is released and given political asylum.

The Border Patrol apprehends all aliens who attempt to enter out country without proper documents. Any apprehended alien who asks for political asylum is given a hearing before an INS examiner, whose opinion is then reviewed by a political asylum expert from the State Department. If the apprehended alien—whether Nicaraguan, Salvadoran, or of any other nationality—is determined to have a well-founded fear of persecution, he is granted asylum, work authorization, and is allowed to remain in the United States.

However, if the apprehended alien is determined not to have a well-founded fear of persecution, but wishes to appeal the denial of political asylum, then he is detained under certain conditions: First, if he or she is a single adult (since families are not placed in detention), or second, if he or she cannot pay the bond required for those in deportation proceedings (over 500 persons in south Texas have bonded out since February of this year). It is interesting to note that, of those aliens in south Texas who were released pending a deportation hearing in fiscal year 1988, 70 percent failed to show up for that hearing.

Mr. President, a bipartisan staff team sent by myself and the chairman of the Subcommittee on Immigration and Refugee Affairs recently visited south Texas and determined that most Nicaraguans and Salvadorans do not have convincing claims to political asylum, and thus I believe we are correctly detaining the single adult applicants when they wish to appeal the denial of their asylum applications.

We must apply this policy equally to all persons who enter our country illegally—no matter where they come from, because the opportunity exists for aliens to prove that they are fleeing persecution.

Mr. CHAFEE. Mr. President, I am glad we today are taking up this bipartisan agreement to provide humanitarian assistance to the Nicaraguan Contras.

United States policy in Nicaragua has been a bitterly divisive issue in this country during the past few years. It has been characterized by acrimonious floor debates, lack of communication between the executive branch and the Congress, lack of cooperation with the Central American democracies, and, ultimately, failure.

Today marks a dramatic reversal of that pattern. In a short while, we will vote on a package of humanitarian aid to the Contras that is the product of productive negotiations between the President and Secretary of State and Members of the House and Senate—the product of frank discussions between Republicans and Democrats—the product of proper consultations with the Central American presidents, particularly President Oscar Arias, the architect of the Central American peace plan.

This agreement represents a departure from the view that military force will solve the problems in Nicaragua. At the same time, it recognizes that

there are indeed problems which the United States can and should have a role in solving.

Finally, this legislation commits the United States to supporting the agreement of the Central American leaders.

The package we consider today will provide approximately $45 million to the Contras—who are camped in Honduras—in the form of food, shelter, clothing, and medicine. Part of the money can be used to help those Contras who so desire, to move back to Nicaragua, where they will be able to campaign for elective office and vote.

The aid can continue past November 30, 1989, if the House and Senate bipartisan leadership and the relevant committees allow it.

Mr. President, I have opposed aid to the Contras since February 1985, when it became clear to me that the last administration's goal was to overthrow the Nicaraguan Government. In my view, that was an ill-advised goal. Our objectives, as outlined in the bipartisan accord on Central America, is, and should be, the same as those articulated by the five Central American presidents: peace and democracy. Diplomacy, not violence, will achieve these.

Aid to the Contras was counterproductive, because it solidified the Sandinistas in their position of power. It decreased, rather than increased, the prospects for democratic reform in that country.

Furthermore, United States support for the Contras ignored the fact that the leaders of the Central American democracies—Costa Rica, Honduras, El Salvador, and Guatemala—hoped for a diplomatic solution to the violence and oppression in Nicaragua. In short, our efforts were at cross-purposes.

I have strongly supported the efforts of President Arias as he waged diplomatic battle to bring peace and democracy to his region. Eventually, congressional foes of Contra aid were able to halt the flow of military funds to the Contras. But in Washington we continued to bicker over whether or not to arm the Contra rebels. No coherent policy on Nicaragua emerged to replace Contra aid.

With enactment of this agreement, the United States will speak with one voice. Doing so takes no small amount of courage on the part of many who will vote in favor of this bill today. There are Senators and Congressmen who firmly believe in the Contra rebels. There are Senators and Congressmen who have been staunch opponents of any support for the Contras—I am one such Senator. Each of us are making concessions so the United States will have one agreed-upon policy.

The ultimate object of this bipartisan accord is to support the peace plan signed by Nicaragua, Costa Rica, El Salvador, Honduras, and Guatemala at Tesoro Beach, El Salvador, 2 months ago. This peace plan provides for the eventual dismantling of the Contras and their resettlement in Nicaragua or elsewhere in the region, concurrent with the opening of political freedoms in Nicaragua. The democratic reforms promised by the Sandinistas under this agreement are scheduled to culminate in free, internationally supervised elections next February.

The fact that the Tesoro Beach conference took place without any United States impetus or participation indicates how strongly motivated the Central Americans are to achieve peace in their region. It also demonstrates the intense regional pressures on the Sandinistas to democratize.

I congratulate our new President and his Secretary of State. They have taken the discord that was United States policy in Nicaragua and made harmony of it.

We still have a long road to travel. The problems in Nicaragua will by no means be easy to solve. There is mistrust on many sides, there are strong differences in ideology, and there is a severe economic problem throughout Central America. But for the first time in 7 years, the President and Congress, Republicans and Democrats, the United States and its Central American neighbors, Democrats and Communists are all moving in the same direction. This bodes well for the future.

Mr. DASCHLE. Mr. President, I rise today to express both support for and my reservations concerning S. 760, legislation to implement the March 24, 1989 bipartisan accord on United States policy in Central America.

Mr. President, I have never supported the policy of United States military aid to the Nicaraguan Contras. I believed from the beginning that the policy of the previous administration was a failure, and I still believe that. We should never have funded the Contras in the first place.

The Contras did not have the support of the Nicaraguan people. They did not have the support of the Central American democracies. They did not have the support of the American people. Given those facts, the U.S. Government, with its huge national debt and many needs of its own, had better things to do with its money.

We should never have funded the Contras. But we did fund them, and we funded them year after year. I voted against those proposals, but the majority won, and the Contras have been an unfortunate reality. We created that reality, and now we must deal with it.

At this point, as one who continues to oppose the Contra policy and has seen the divisive nature of congressional debate on this issue, I see the operative question as one of how to build enough support behind a single proposal that has the best chance of ending the war in Nicaragua and bringing true democratic opportunity to the Nicaraguan people. This proposal has been offered in that spirit.

There are many Americans who are deeply concerned about this proposal. They want the United States to end its involvement in Nicaragua, and they are concerned that this proposal may not be the best means to that end. They do not trust the administration's intentions in this situation. Furthermore, they fear that no one is taking their concerns seriously.

For my part, I want those people to know that I do take their concerns seriously. In fact, I share many of their concerns. Had I written the proposal, I would have written it differently. And I must say that it is easy to understand some people's concern about trusting the administration's intentions, given the way the previous administration handled policy in Central America.

One of my biggest concerns about this package is the underlying assumption that the administration will execute the law in a manner consistent with the Central American Presidential agreement signed in El Salvador on February 14, 1989. While that is my hope that the administration will execute the law in good faith, I have become somewhat jaded by past experience. Nevertheless, Secretary of State Baker has assured the majority leader and pledged to the American people that this proposal is intended to support wholeheartedly the February 14 agreement.

Mr. President, while I remain uneasy about what we are doing today, I trust the majority leader, and I trust many of my colleagues who share my longstanding opposition to Contra aid, such as Senator LEAHY, Senator KERRY, Representative OBEY, Representative BONIOR, and many others. These people, who have all been committed to peaceful negotiation in Central America, worked on this proposal and have assured me that it signals the end of the war in Nicaragua. They have assured me that the new President and Secretary of State are negotiating in good faith. It is for these reasons that I will support the agreement.

Our past record on United States policy in Nicaragua is poor, and the new administration will have to prove to this Senator that it is sincere in its statement of support for the peace process in Central America. Were this proposal the product of negotiations with the previous administration, I could not support it. But this is a new administration and, I hope, a new era for our Central American policy, and there is force to the argument that we must give the new administration a chance.

In supporting S. 760, I am giving the new administration the benefit of the doubt. I hope the administration will prove that my concerns are unwarranted, for the lives of many Nicaraguans hang in the balance. If they do act in good faith, we may, for the first time, truly be on the road to peace in Central America. If they do not, this will be a great tragedy that will mark the last time I give the administration that benefit of the doubt.

Senator LEAHY said earlier today that he supports this proposal as an end to the Contra war. I join him in that spirit and pledge to work with him, the majority leader, and many others to ensure that this proposal does, indeed, bring with it the end of the war.

Mr. MITCHELL. Mr. President, for the past 2 years Congress has supported the courageous efforts of the Central American Presidents to reach a diplomatic settlement of the conflict that has so devastated their troubled region.

This effort has met with some success but remains unfinished. Most significantly, the process to date has failed to achieve all the democratic goals so hopefully established by the five Presidents in the August 1987 Esquipulas accord.

We in the Congress are motivated by a desire to help the people of Central America achieve peace, democracy, and economic equality. It is our intention to continue supporting the Central American Presidents as they work to achieve these objectives through the Esquipulas process. I am hopeful that the full and unified support of the administration and Congress will enhance this process and help to ensure its success.

Perhaps no Central Americans have suffered more in pursuit of democracy than the people of Nicaragua. They have struggled for nearly 60 years against dictatorships of both the left and the right.

The cease-fire achieved in the Sapoa negotiations last June raised Nicaraguan hopes for peace and democracy. That cease-fire, although fragile, is still honored by both sides. Thus most of the killing in Nicaragua thankfully has been stopped.

Despite significant disagreement and repeated setbacks, progress toward a peaceful political resolution of the war continues. The Sandinistas and the Contras cannot ignore the unmistakable desire of the Nicaraguan people, indeed all Central Americans, for an end to the war and the beginning of a democratic future in Nicaragua. The two sides cannot escape the larger peace process set in motion by the leaders of Central America.

In March the five Central American Presidents agreed to devise within 90 days a plan for the voluntary repatriation to Nicaragua or regional relocation of Nicaraguan Resistance members and their families.

The Presidents also renewed their request that governments cease supplying aid to insurrectional movements except for humanitarian aid that contributes toward the goals of the agreement.

The Secretary of State has spent many hours meeting with Members of Congress to formulate a bipartisan approach to Central America, a policy of support for the Esquipulas process and the subsequent El Salvador agreement. Specifically, the bipartisan proposal provides humanitarian assistance to the Contras and their families while the Central American Presidents formulate a reintegration and relocation plan. It is my understanding that upon implementation of that plan, the humanitarian assistance shall also be used to facilitate the process of reintegration and regional relocation.

I appreciate the Secretary's hard work. I fully support his effort to establish a bipartisan policy—a policy that supports Central American efforts to resolve the region's conflicts while it protects the security interests of the United States. I also want to commend the Senators and Representatives, Democrat and Republican, who labored to achieve this bipartisan package. I particularly want to commend Senator DODD for his constructive role in this effort.

I am encouraged that the Bush administration clearly sees the value of forging such a bispartisan approach. Working together, the Executive and Congress can speak in a strong and unwavering voice and more effectively pursue those goals that we share.

I believe this approach best serves both the United States and our neighbors in Central America. The policy we have agreed upon today is in the best tradition of American diplomacy. The use of negotiation rather than military force most effectively serves our long-term interests and reflects the principles for which America stands.

I am pleased to have worked with President Bush and Secretary Baker to achieve this bipartisan policy. I am gratified that the United States will wholeheartedly assist the Central American people in their search for peace and democracy. I look forward to continuing our work in support of these essential goals.

Mr. HEINZ. Mr. President, the legislation we will adopt today is a significant, and positive, milestone in United States policy toward the Sandinista government of Nicaragua. Over the last 5 years this body and the American Government as a whole have been torn by a rancorous debate over the issue of Contra aid. We have had innumerable votes, bitter diputes, and even the debacle of the Iran-Contra affair.

This package of humanitarian aid for the Contras, which was crafted as a bipartisan expression of a consensus on United States-Central American policy in the next year, is a much better approach. That consensus is built on several key elements. Let me quote from the bipartisan accord document signed by the President and congressional leadership on March 24, as to what we all expect from Nicaragua's Sandinista leadership: "democratization, an end to subversion and destabilization of its neighbors, an end to Soviet-bloc military ties that threaten United States and regional security."

The funds we make available in this legislation will keep the Contras intact, insofar as that is a question of material sustenance until we have seen whether the Sandinistas have kept their promises. Most importantly, the aid will keep the Contras intact as a reminder of the deep division in Nicaraguan society, a split that can only be bridged by an open, tolerant, and democratic approach to political power.

The Sandinistas have undertaken, in specific and formal terms, to open up their political system. At the El Tesoro meeting of Central American Presidents in February this year, Daniel Ortega pledged to hold national elections by the end of February 1990. Those elections are to be preceded by an opening that lets opposition parties organize and gives them free access to the media to disseminate their message. All these measures are to be witnessed and verified by international observers, including representatives of the United Nations and the Organization of American States.

Should the Sandinistas repeat past performances, and fail to carry out the obligations to open their political system that they have undertaken with the other Central American countries, they will know that the armed resistance remains ready to carry the fight into Nicaragua. There are many in this body and the House who will support further military assistance to the Contras should Managua trample on the El Tesoro accord the way it has trashed past commitments to its own citizens and its neighbors.

This aid package keeps the armed Nicaraguan resistance in place, yet it also provides support for voluntary demobilization by those who have taken up arms against the Sandinistas. It includes a provision that makes money available to those members of the Contra force who want to reintegrate into Nicaraguan society. Most will probably wait until the national elections to do so, but it is important to note that this package provides material aid to any Nicaraguan resistance fighters who for whatever reason want to end their armed struggle now.

In the past, we have heard strong expressions of concern from some that aid to the Contras will torpedo diplomatic initiatives undertaken by the Central Americans themselves. President Oscar Arias of Costa Rica has declared that the aid package we will adopt here is consistent with the El Tesoro declaration. This should be well noted by those who are concerned that American policy may impede regional diplomatic solutions.

Mr. President, this legislation deserves the wide support it is getting in the Senate. It represents a hopeful turn of events, after which American policy in Nicaragua should proceed along one track, supported by a congressional-executive consensus. Central America is a complex, difficult problem for United States diplomacy. We can expect the road ahead to be rough. But if this legislation and the accord it implements are accurate portents, we can also expect that constant reassessment, bitter discord, and confusing signals to our allies and adversaries in the region are things of the past.

I urge my colleagues to support this bill, and commend President Bush, the majority and minority leaders of the Senate, and the House leadership for their statesmanship in crafting this agreement.

Mr. BRADLEY. Mr. President, I commend the administration for recognizing the need for a bipartisan foreign policy on Central America. However, I cannot vote for this resolution. The spirit is correct, but the substance is flawed. The administration and congressional leaders have reached a consensus on a next step in Central America, but the administration has not yet offered us a policy toward the region. We have a bill, but we have no policy.

I can see negative repercussions from the package. The bill provides funds for the Contras, but to what end? The administration says it will keep the Contras as a potential fighting force, encouraging democratic and economic reforms from the Sandinista leadership in Nicaragua. But in reality, everyone—including the administration and the Sandinistas—recognizes that the Contras are no longer a viable military force. Giving them money to remain in their camps will not bring pressure for reforms. On the contrary, it is likely that the continued presence of the Contras on the borders will give the Sandinistas an excuse not to make reforms. The reforms will come if the Sandinistas see them in their interest, or not at all.

The funds do, however, allow the administration to claim that it has not abandoned the Contras. But, if reform does not come in Nicaragua, is the administration then going to request even more funding for the Contras? We have not been told.

Neither do the moneys encourage a disbanding of the Contras. The language is there, the intent may be there, but how would this be accomplished? If the Sandinistas do not reform, the Contras won't want to return. Would we force them to do so against their will? If they don't want to return, where will they go? What country will willingly accept a retired fighting force? The countries in the region are at best leery of them, and accept their presence only at our insistence.

These are not the elements of a policy. Ours is a great Nation. Americans deserve a clearer statement of what the administration wants to do, and why. The fact that we have had so many devisive debates about this issue is not a reason to patch over our differences, especially if we foresee—as I do—that we will have to revisit this issue. A bipartisan accord is not a bipartisan policy, and a bipartisan policy is what we need.

If we have decided that the Contras no longer serve a purpose, then funding should be stopped. To do otherwise is to waste taxpayers' money. We do not have that money to waste. And we certainly don't have that money to waste simply to provide fig leafs for a nonpolicy.

Our aim should be to reduce instability in the region, to try to help resolve the underlying causes of that instability. This bill encourages the administration to come up with policies to accomplish this, but I certainly have seen no indication that they intend to do so. I am not even sure that Congress is really willing to address this issue in a meaningful, tangible way. As a small example, sugar is a key export crop for these countries. But we still maintain quotas that bring some benefit to a few farmers in a few selected areas of America, but far more benefit to the large corporations that produce sweeteners.

Many of my colleagues tonight have stated that this is not a package that they particularly like, but that they will vote for it because it is the best possible compromise. I believe it fails to address the root of the problem.

Without a policy the best possible compromise isn't good enough. Mr. President, I cannot support this resolution.

Mr. KOHL. Mr. President, I want to begin by congratulating President Bush, Secretary of State Baker, Senators MITCHELL and DOLE, Speaker WRIGHT, and Congressman MICHEL, as well as the other Members of the Congress and the administration who worked together to fashion this compromise legislation.

Like all compromises, it contains elements which fail to satisfy anyone; but, like all good compromises, it also holds out the possibility of serving everyone by producing a coherent, consistent, and potentially successful American policy in Nicaragua and Central America.

For over 8 years we have struggled with the problem of Nicaragua. That struggle produced as much division here at home as it did failure and criticism abroad. Looking back, I think that everyone would agree that we did not achieve our goals—in part because those goals were never clearly defined. Our Government was divided between those who wanted to make the Sandinistas "cry uncle" and those who sought to support the peace process initiated by President Arias and other Central American Presidents.

The legislation before us today, while not definitively resolving that dichotomy, puts us more clearly on the path of diplomacy and peace. While this bill will perpetuate the Contras, it also prohibits them from undertaking military action in Nicaragua and it promotes their voluntary reintegration into Nicaraguan society or regional relocation in other states in Central America. The legislation is acceptable to the Central American nations and is not incompatible with the Esquipulas accords.

The approach contained here does not endorse the Sandinistas—nor would I support legislation that did. One can explain the Sandinistas' behavior by pointing to the threat to their economic existence created by our trade embargo and the threat to their physical existence created by our support of the Contras. One can explain their behavior; but one cannot justify it. The Sandinistas have betrayed the ideals of their own revolution and they have denied freedom to their own people.

I don't like the Sandinistas; but they are there. They say that if we would just leave them alone, they would institute democratic reforms; this bill gives them the time and the opportunity to do just that. I hope they take that opportunity. But even if they don't, I would argue that we can't—and shouldn't—overthrow the government by supporting the Contras—only the people of Nicaragua can do that, and they are less likely to move down that path if the Sandinistas can divert their anger to the more tempting target of "Yankee Imperialist Interventionism."

Mr. President, I cannot resist the temptation to make one point which is related more to our budget problem than to the international implications of this agreement. You know, we are funding the Contras by taking almost $50 million out of the defense budget. I am impressed by the fact that even the administration agrees that we can reduce defense spending without threatening our national security. Last year the Congress was told that the DOD budget had already been "cut to

the bone" and that any further reductions would be intolerable. This year we find $50 million in unneeded funds floating around. That is a lesson I hope we will keep in mind as we look at the defense budget this year.

Let me conclude, Mr. President, by making one final point about this agreement. Unfortunately, Mr. President, as the events in the trial of Oliver North demonstrate, there are those who believe that pursuing their chosen path to freedom in Central America is more important than preserving our laws—our Constitution itself. To those people, whether they be supporters or opponents of the Contras, I would simply say that this legislation—whether you agree with every element of it or not—is better reflection of the nature of American democracy than any alternative they might propose. Our society is one of give and take, of negotiation and compromise. The results may not be perfect—but the process is the best that anyone has ever come up with. No policy goal is important enough to jeopardize the values which inhere in our system of government. The legislation, flawed though it may be in some respects, celebrates those values and symbolizes the democratic tradition we all need to cherish.

Mr. GRAHAM. Mr. President, I share the hope of many of my colleagues that the agreement that we are voting on today signals a new era of bipartisanship and cooperation between the executive and congressional branches in foreign policy.

We have reached this point after 8 years of often acrimonious and divisive debate that at times has paralyzed this institution. An even more important casualty has been our ability as a country to speak to our allies and adversaries with one voice.

To the extent that we are able to do so will largely determine whether we are successful in our policy to influence democratic change in Nicaragua and throughout Central and Latin America.

Mr. President, we are voting on a bipartisan accord today largely because the Bush administration made a fundamental decision to reach out to the Congress on this issue.

Secretary of State Baker devoted some 40 hours of his time talking to everyone—and I mean everyone who had any interest in this issue—in an effort to reach compromise. He also presented this package in larger policy context that linked our continuing humanitarian aid for the Contras to the actual fulfillment by the Sandinistas of their many broken promises to democratize Nicaraguan society.

The Congress, in turn, gauged his efforts to be sincere and credible, and responded positively.

For the first time since I came to the Senate 2 years ago, I found myself sitting around the table with both proponents and opponents of Contra, engaging in constructive debate that led to compromise.

What a far cry from times in the past when debate on this issue too often degenerated into destructive finger pointing.

I will be the first to admit that this legislation is not in the form that I would prefer. But that is the nature of compromise. Everyone gives a little.

I am particularly concerned that this agreement allows one of any four committees with jurisdiction to stop further humanitarian assistance come November, well in advance of elections scheduled in Nicaragua in February of next year.

I strongly supported full humanitarian funding through that key election, because I am convinced that support for the Contras is what brought the Sandinistas to the bargaining table in the first place.

However, as we are placing our confidence in the administration to fulfill its responsibilities under this accord, I am prepared to invest the same confidence in our leadership and colleagues.

Indeed, I would have supported continuing military aid to the Contras. But that just wasn't in the political cards. And the Republican administration realized that.

Now, the ball is in the court of those who for so long have argued that the Sandinistas will democratize if we simply stop providing military funding to the Nicaraguan resistance.

We have done that. Now it is time for the Sandinistas to respect their past commitments to democracy, to abide by the provisions of Esquipulas II.

It is time that the Soviets stop funneling billions of dollars of military material to the Sandinistas.

It is time that our friends in Latin America and Western Europe hold the Sandinistas to a stiff and credible standard of democratization.

Mr. President, I am convinced that the majority of members of the Nicaraguan resistance want to return to Nicaragua provided that Nicaragua is a nation committed to democracy and free of Cuban-Soviet intrusion. That is our challenge and I hope we can meet it.

Mr. HARKIN. Mr. President, I rise in opposition to S. 760, a bill to implement the bipartisan accord on Central America.

Last August, I supported the amendment of then Majority Leader BYRD to the 1989 Defense Appropriations bill which provided $27 million in nonlethal or humanitarian aid to the Contras. I voted for the Byrd amendment—in fact, I worked with the majority leader in crafting that package—for two reasons.

First, the package provided humanitarian aid—food, clothing, shelter, and medical assistance—as an alternative to military assistance to the Contras. At the time, the Byrd amendment succeeded in delaying a vote on military aid, giving the Central Americans time to revive the peace process while pressing the Sandinistas to abide by the pledges they made in the Esquipulas II accords.

Second, I believed that with the revival of the peace process, the final end of the military option, and the advent of a new administration in Washington, the Byrd amendment would be the last of the funds that Congress would ever provide for the Contras. It was clear last year, with the defeat of the military option and the departure of the Reagan administration, the Contra war policy was dead, and the funds Congress approved last August should go toward winding down the war and resettling the Contras.

The Contras, even when they received military aid from the United States, never served as leverage on the Sandinistas to force them to commit themselves to democratization and their pledges under Esquipulas. The leverage argument carries even less weight now that the Contras no longer pose any military threat to Nicaragua.

This Contra aid package, while representing a significant difference in approach from the previous Reagan administration, essentially puts the Contras in a deep freeze over the next year. At best, this agreement serves as a face-saving gesture to provide the Bush administration a decent interval for dismantling the Contras and putting to rest once and for all this misguided and failed policy of President Reagan. At worst, it will keep the Contras alive so they could be revived as a military force after next February.

At a time when Congress and the President are looking for billions in budget cuts, American taxpayers cannot afford the $67 million price tag for just a political gesture.

Let me make two points about the costs of this agreement. The $67 million total—which comes from adding up the costs of humanitarian aid, the church's medical program, AID operating expenses, and transportation costs—amounts to more than $6,000 per Contra for the 11,000 Contras now in Honduras. The average annual income for Central Americans is $900.

Couldn't our money be better spent by writing each of the Contras a check for a couple of thousand and let them go where they want to go? It would be cheaper in the long run, because sometime next year, after the Nicaraguan elections are completed, the administration will come to Congress one more time for relocation money for those Contras remaining in Honduras.

I also find objectionable some of the Contra family assistance payments financed by this package. Currently, some 28 Contras in Miami receive a total of $51,600 per month. That comes to $1,843 per person per month—for a grand total of $22,116 a year per person.

In Honduras, 2,200 people receive a total of $498,000 a month. That breaks down to $226 per person for each month—more than three times the per capita income in Honduras. What this so-called humanitarian aid program has created is a huge welfare program for Contras and their dependents in Honduras.

Since the Reagan administration created the Contras 8 years ago, using Argentine trainers, CIA-financed arms, and ex-Somoza National Guardsmen, the United States has invested more than a third of a billion dollars in this failed Contra policy.

That does not count the $48 million raised from other countries by Ollie North's illegal fundraising program for the Contras.

There comes a time when the American people—its taxpayers and its elected representatives—should just say no to the Contras! I believe that time is now.

It's also time to send a message to the internal opposition in Nicaragua that they can no longer rely on the Contras and the prospect of direct United States military intervention to oust the Sandinistas. If the Sandinistas are going to be removed from power, it must be through the ballot box by a united democratic opposition. Furthermore, for the opposition to ever have a chance of winning the Presidency next February, it must derive its strength from its links with the Nicaraguan people, not from its ties to the Central Intelligence Agency.

While the democratic opposition could best help its cause by pursuing a united and nationalistic platform. I do believe the United States could provide constructive assistance—through an overt program focused principally on technical aid. The National Endowment for Democracy's program in Chile, which I helped by adding $1 million to the fiscal year 1988 Foreign Operations Appropriations bill, played a truly constructive role with the democratic opposition during the plebiscite last October. The NED can play an equally positive role in Nicaragua.

The CIA cannot—and it has not in the past. Five years ago, Nicaragua conducted another Presidential election. At the time, according to well-informed sources, the CIA, played a disruptive role in that election.

The agency, along with hardliners in the Reagan administration, worked with far right elements of the Nicaraguan opposition to discourage Arturo Cruz from running as a Presidential candidate.

Don't take my word for it. Listen to Carlos Andres Perez, the current President of Venezuela. In September 1984, Perez tried to strike a deal between the Sandinistas and the opposition that would enable Cruz to run.

Perez's intermediation failed, and he has subsequently said that the "CIA had given instructions, had put pressures against Cruz's candidacy, and therefore it wasn't accepted." The Venezuelan leader went on to say, regarding the CIA, "They just didn't want someone with the prestige of Cruz to enter the elections, because it would validate them. They wanted to demonstrate there was no freedom of elections in Nicaragua."

The same conclusion is echoed by a Reagan administration official who was quoted in a October 21, 1984, New York Times. "The Administration never contemplated letting Cruz stay in the race," that official said, "because then the Sandinistas could justifiably claim that the elections were legitimate, making it much harder for the United States to oppose the Nicaraguan Government."

In 1984, by abandoning the campaign to the Sandinistas, the administration—and Arturo Cruz—missed a rare opportunity to mobilize popular opposition. The Reagan administration, aided by the CIA, succeeded in discrediting the Nicaraguan elections, opening the way for a military option for United States policy.

Let us not repeat that same mistake in February 1990.

The best way to assure against repeating that mistake is to ensure that this time the United States will not sabotage this round of elections in Nicaragua. Keeping the Contras going could lead to that.

In neighboring El Salvador, the Bush administration remained neutral in February's Presidential elections, even though the victor was right-wing ARENA, a party with historic ties to death squads. The United States would have preferred a Christian Democratic victory, but our Embassy refused to support, either through covert or overt channels, Fidel Chavez Mena.

The United States should maintain the same neutrality in next year's elections in Nicaragua.

The best way to promote a fair outcome in Nicaragua is to work with the Central Americans to urge Sandinista compliance with its pledges in the San Salvador accord, to ensure that honest electoral reforms are instituted, to provide technical training to political parties that have never participated in free and fair elections, and to finance international observers for the Presidential campaign and the day of the elections.

For these reasons, I will vote against S. 760. However, I respect the efforts of my colleagues who share a different viewpoint, no less sincere.

I want to commend the majority leader, the Speaker of the House, Senator DODD and the other Senators and Representatives who worked on crafting this bipartisan package. It does represent a bipartisan effort as well as an honest attempt to put aside the rancor that has characterized United States-Nicaragua policy over the past 8 years.

I also commend Secretary Baker for his willingness to consult with Congress on developing this package. Style is one thing, but the policy and how it is implemented is another matter.

Sixty-seven million dollars is a training wage we cannot afford for this administration to work out a sensible Nicaragua policy.

Mr. MITCHELL. Mr. President, I ask unanimous consent that following the vote on the pending legislation, Senators who wish to do so be permitted to speak thereon this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I will ask the managers if they are prepared to yield back the remainder of their time with respect to this bill?

Mr. LEAHY. Mr. President, under the circumstances I yield back all the time remaining on this side to the bill.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. We yield back all time on this side.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to the consideration of H.R. 1750, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 1750) to implement the Bipartisan Accord on Central America of March 24, 1989.

The PRESIDING OFFICER. Under the previous order the question is on the third reading of the bill.

The bill was ordered to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in family.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER] is necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. DURENBERGER] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 89, nays 9, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—89

Armstrong	Glenn	Metzenbaum
Baucus	Gorton	Mikulski
Bentsen	Graham	Mitchell
Biden	Gramm	Moynihan
Bingaman	Hatch	Murkowski
Bond	Hatfield	Nickles
Boren	Heflin	Nunn
Boschwitz	Heinz	Packwood
Breaux	Hollings	Pell
Bryan	Humphrey	Pressler
Bumpers	Inouye	Pryor
Burdick	Jeffords	Reid
Burns	Johnston	Riegle
Byrd	Kassebaum	Robb
Chafee	Kasten	Rockefeller
Cochran	Kennedy	Roth
Cohen	Kerrey	Rudman
Conrad	Kerry	Sanford
D'Amato	Kohl	Sarbanes
Danforth	Lautenberg	Sasser
Daschle	Leahy	Shelby
DeConcini	Levin	Simon
Dixon	Lieberman	Simpson
Dodd	Lott	Stevens
Dole	Lugar	Symms
Domenici	Mack	Thurmond
Exon	Matsunaga	Warner
Ford	McCain	Wilson
Fowler	McClure	Wirth
Garn	McConnell	

NAYS—9

Adams	Cranston	Helms
Bradley	Grassley	Specter
Coats	Harkin	Wallop

NOT VOTING—2

Durenberger	Gore

So the bill (H.R. 1750) was passed.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Mr. SANFORD assumed the chair.)

Mr. MITCHELL. Mr. President, I want to extend my thanks for their cooperation and diligence in advancing the enactment of the legislation just passed to the distinguished Republican leader, without whose cooperation this would not have been possible, and to Secretary Baker and his staff. Secretary Baker, I believe, demonstrated a genuine commitment to meaningful consultation with Congress in this legislation and is to be commended for developing a bipartisan accord that, as has been previously noted several times, is not precisely what any of the participants would want; it represents a compromise that is in the national interest.

I also extend my congratulations to Senator DODD, who led the effort to develop this compromise, and Senator BYRD, who shepherded it through the Appropriations Committee so swiftly and surely, and last but not least Senators LEAHY and KASTEN, who managed the bill with great skill, patience, and resolve on the Senate floor. All concerned are to be commended.

Mr. DOLE. If the majority leader will yield, I second what the majority leader has stated. I certainly want to thank Senator KASTEN on this side for 8 hours of good, hard work in steadfast support of this compromise, and it was a compromise, not one that everybody believed was a good compromise but I think the vote indicated in the final analysis there was support. We will see if it works. If it does not work, we will be back to revise it.

I also thank my friend from Vermont [Mr. LEAHY] for management of the bill and for his efforts during the day and this evening, and of course the majority leader. Had the majority leader not been for the compromise, there would not have been any vote on Contra aid today or probably not for some time.

I would also thank the President of the United States, George Bush. I know some of my colleagues are in disagreement in certain areas, in disagreement with the President, in disagreement with Secretary Baker, but I think in the final analysis they worked out a package and it was probably the best package they could achieve. They agreed to it, and I think we have taken a step in the right direction. We are now going to be an active player in that part of the world and if it does not work, I am certain we can come back and address it again.

Mr. MITCHELL. Mr. President, I understand the distinguished Senator from Vermont would like to be recognized for a moment.

Mr. LEAHY. Very briefly.

Mr. MITCHELL. I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I have spoken this afternoon on the Contra aid package that just passed. I shall not speak further on that issue. I do wish to acknowledge the role of the two distinguished leaders, Senator MITCHELL and Senator DOLE, in helping to craft the first real bipartisan package that we have seen on Contra aid.

I wish to commend the President of the United States and the Secretary of State in that regard. I spoke at length about the leadership of Senator DODD, but I would also like to speak about my good friend, BOB KASTEN. We worked together in expediting the hearing first yesterday and then again getting the matter through in the full Appropriations Committee. I have worked with Senator KASTEN on many issues in the past and it was a delight to work with him on this.

I wish to commend Senator BYRD, the chairman of the full committee, for scheduling a hearing yesterday afternoon and getting this matter through, and Senator HATFIELD, notwithstanding his deep feelings on this issue, working also to keep the package going through.

But lastly, Mr. President, I must say no matter what we do as Senators, I have often joked that we are but constitutional impediments to our staff. We are able to carry out our constitutional duties because of superb staff. I wish to acknowledge especially Eric Newsom, my foreign policy adviser and the chief of staff of the Foreign Operations Subcommittee, not only a good foreign policy adviser but a close friend and confidant. I wish to commend Jim English, from Senator BYRD's staff, for all of his work; Jim Bond, whom I have known for years in different committees and who worked so hard on this matter; and Ed King, from the leader's office. Again, without the tireless, behind-the-scenes work of these brilliant staff members and many others working with them, we would not be in a position where the political leaders on both sides of the aisle would be able to bring the package forward and get it passed and on to the President.

I hope tonight that we have seen the beginning of a foreign policy in Central America that will reflect what is truly the best of the United States of America.

I yield the floor.

Mr. KASTEN. Will the majority leader yield for 1 minute?

I want to thank the leadership on both sides. I particularly want to thank the Senator from Vermont who is the new chairman of our committee. I am pleased and proud that we have been able to continue the basic bipartisan approach within our subcommittee. We were successful tonight, and the final overwhelming vote I think indicates there is a desire for true bipartisanship in foreign policy.

I also would like to mention Jim Bond, Jim English, Eric Newsom, and others of the staff who worked. They did a good job, and did good work, but most importantly, I am hopeful that this demonstrates that this beginning with the first bill coming from the Foreign Operations Subcommittee of the Appropriations Committee in the Senate sets the stage for the kind of legislating that we hope to do over the next 2 years in the bipartisan spirit which we have today at this moment on the floor of the Senate.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, it is my understanding that Senators McCAIN and GRASSLEY now wish to address the Senate on the subject of this legislation. Other than that, neither the Republican leader nor I have any further business and no other Senator, to my knowledge, will seek recognition.

Therefore, I ask unanimous consent that S. 760 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are permitted at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:46 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 310. An act to remove a restriction from a parcel of land located in Roanoke, Virginia, in order for that land to be conveyed to the State of Virginia for use as a veterans nursing home;

H.R. 419. An act to provide for the addition of certain parcels to the Harry S Truman National Historic Site in the State of Missouri;

H.R. 964. An act to correct an error in Private Law 100-29 (relating to certain lands in Lamar County, Alabama); and

H.R. 999. An act to reauthorize the advisory council on Historic Preservation.

At 5:53 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1750. An act to implement the Bipartisan Accord on Central America on March 24, 1989.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 310. An act to remove a restriction from a parcel of land located in Roanoke, Virginia, in order for that land to be conveyed to the State of Virginia for use as a veterans nursing home; to the Committee on Energy and Natural Resources.

H.R. 419. An act to provide for the addition of certain parcels to the Harry S Truman National Historic Site in the State of Missouri; to the Committee on Energy and Natural Resources.

H.R. 964. An act to correct an error in Private Law 100-29 (relating to certain lands in Lamar County, Alabama); to the Committee on Energy and Natural Resources.

H.R. 999. An act to reauthorize the advisory council on Historic Preservation; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate together with accompanying papers, reports, and documents which were referred to as indicated:

EC-923. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report for an extension of time for filing of a report on the reorganization proposal recommended by the National Commission on Agricultural Trade and Export Policy; to the Committee on Agriculture, Nutrition, and Forestry.

EC-924. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to provide for recovery of costs associated with furnishing tobacco statistics or estimates and other marketing information to tobacco growers; to the Committee on Agriculture, Nutrition, and Forestry.

EC-925. A communication from the Chairman of the Securities and Exchange Commission, transmitting a draft of proposed legislation to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1990 through 1992; to the Committee on Banking, Housing, and Urban Affairs.

EC-926. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Deep Seabed Hard Mineral Resources Act, as amended, to authorize appropriations to carry out the provisions of the act for fiscal years 1990, 1991, and 1992; to the Committee on Commerce, Science, and Transportation.

EC-927. A communication from the Secretary of Energy, transmitting pursuant to law, a report on the expansion of the Strategic Petroleum Reserve to one billion barrels; to the Committee on Energy and Natural Resources.

EC-928. A communication from the President of the Inter-American Foundation, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1969 to authorize appropriations for fiscal years 1990 and 1991 for the Inter-American Foundation.

EC-929. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a proposal for a personnel management demonstration project submitted by the Defense Logistics Agency; to the Committee on Governmental Affairs.

EC-930. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend Chapter 35 of title 44, United States Code, to authorize appropriations for the Office of Information and Regulatory Affairs for fiscal years 1990, 1991, and 1992; to the Committee on Governmental Affairs.

EC-931. A communication from the Acting Chairman of the National Endowment for the Arts, transmitting, pursuant to law, the annual report of the Federal Council on the Arts and Humanities on the Arts and Artifacts Indemnity Program for fiscal year 1988; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BURDICK, from the Committee on Environment and Public Works:

Special Report entitled "Report to the Senate on the Activities of the Committee on Environment and Public Works for the One Hundredth Congress (Rept. No. 101-18).

S. 774. An original bill to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes (Rept. No. 101-19).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Richard Thomas McCormack, of Pennsylvania, to be Under Secretary of State for Economic and Agricultural Affairs;

Bruce S. Gelb, of New York, to be Director of the United States Information Agency;

Richard Thomas McCormack, of Pennsylvania, to be U.S. Alternate Governor of the International Bank for Reconstruction and Development for a term of 5 years; United States Alternate Governor of the Inter-American Development Bank for a term of 5 years; U.S. Alternate Governor of the African Development Bank for a term of 5 years; U.S. Alternate Governor of the African Development Fund; and U.S. Alternate Governor of the Asian Development Bank; vice W. Allen Wallis, resigned.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Henry Catto.

Post: United Kingdom.

Contributions, amount, date, and donee:

1. Self

2. Spouse

3. Children and spouses names, Heather Catto Kohont, John Catto, Will Catto, Eliz Catto, Martin Kohont, none.

4. Parents names, Henry and Maurin Catto, none.

5. Grandparents names, John and Lizzie Catto, John and Mary Halsill, none.

6. Brothers and spouses names, none.

7. Sisters and spouses names, none.

Henry E. and Jessica H. Catto.

Political contributions:

1985:

June 6, 1985, Fund for America's Future, $1,000.

July 12, 1985, Fund for America's Future, $1,000.
August 15, 1985, Fund for America's Future, $1,000.
September 9, 1985, Fund for America's Future, $1,000.
October 11, 1985, Fund for America's Future, $1,000.
1986:
May 1, 1986, Fund for America's Future, $5,000.
September 8, 1986, Fund for America's Future, $5,000.
July 16, 1986. Vice President's Exploratory Account, $1,500.
1987:
February 27, 1987, George Bush for President, $500.
1988:
June 15, 1988, Presidents Trust, $10,000.

Henry E. Catto, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

Vernon A. Walters, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

Nominee: Vernon Anthony Walters.
Post: U.S. Ambassador to Germany.
Nominated: January 6, 1989.
Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.
Contributions, amount, date, and donee:
1. Self.
2. Spouse N/A.
Contributions for 1988:
Republican Majority Fund, Jan. 14, 1988, $100.
Republican National Committee, Jan. 20, 1988, $100.
National Right to Life, Jan. 23, 1988, $100.
Ad Hoc Committee in Defense of Life, Jan. 23, 1988, $500.
Republican Majority Fund, Feb. 18, 1988, $150.
Republican National Committee, Feb. 16, 1988, $150.
Republican National Committee, June 20, 1988, $300.
Friends of Orrin Hatch, July 15, 1988, $50.
Republican National Committee, July 15, 1988, $225.
Ad Hoc Committee in Defense of Life, July 25, 1988, $1,000.
Ronald Reagan Republican Center, July 25, 1988, $250.
Republican National Committee, July 25, 1988, $300.
National Right to Life, Sept. 21, 1988, $100.
Republican Congressional Boosters, Sept. 21, 1988, $100.
Ronald Reagan Republican Center, Sept. 21, 1988, $60.
Alan Keyes for U.S. Senate, Oct. 1, 1988, $100.
Republican Majority Fund, Oct. 1, 1988, $75.
Contributions for 1987:
Ad Hoc Committee in Defense of Life, Jan. 31, 1987, $100.
National Right to Life Committee, Jan. 31, 1987, $100.
Republican National Committee, Feb. 14, 1987, $100.
Republican Majority Fund, Mar. 17, 1987, $150.
Human Life Foundation, Mar. 17, 1987, $100.
Ad Hoc Committee in Defense of Human Life, Mar. 17, 1987, $100.
Richard Nixon Presidential Archives Foundation, May 30, 1987, $500.
Ronald Reagan Presidential Foundation, May 27, 1987, $100.
Republican Majority Fund, May 27, 1987, $100.
National Right to Life Committee, May 27, 1987, $300.
Citizens for Reagan, May 27, 1987, $50.
Republican National Committee, Sept. 3, 1987, $100.
Ad Hoc Committee in Defense of Life, Oct. 8, 1987, $500.
Human Life Foundation, Oct. 20, 1987, $250.
Republican Majority Fund, Nov. 3, 1987, $150.
Contributions for 1986:
Republican Majority Fund, Mar. 31, 1986, $100.
National Right to Life, Sept. 13, 1986, $100.
Republican Majority Fund, Sept. 13, 1986, $100.
Ad Hoc Committee in Defense of Life, Sept. 13, 1986, $100.
Republican Congressional Boosters, Sept. 13, 1986, $100.
Republican Majority Fund, Oct. 28, 1986, $100.
Contributions for 1985:
National Right to Life, June 29, 1985, $100.
National Right to Life Committee, Mar. 18, 1985, $200.
Human Life International, Mar. 30, 1985, $50.
National Right to Life Committee, July 15, 1985, $100.
National Right to Life Committee, Jan. 26, 1985, $200.
Contributions for 1984:
Republican Majority Fund, Jan. 18, 1984, $150.
Helms for Senate, Mar. 12, 1984, $200.
National Right to Life, Mar. 26, 1984, $100.
Capital Legal Foundation, Mar. 30, 1984, $100.
Capital Legal Foundation, Apr. 19, 1984, $50.
The National Congressional Club, Apr. 19, 1984, $75.
National Right to Life Committee, Aug. 3, 1984, $100.
The Human Life Foundation, Inc., Aug. 20, 1984, $100.
Republican Majority Fund, Sept. 7, 1984, $100.
Helms for Senate, Sept. 10, 1984, $100.
Helms for Senate, Nov. 19, 1984, $100.
3. Children and spouses names, N/A.
4. Parents names, Frederick Walters (deceased); Laura O'Connor (deceased).
5. Grandparents names, James Walters (deceased), Julie Devenish; James Lynch O'Connor (deceased).
6. Brothers and spouses names, Vincent Walters, none, Sherry Walters, none.
7. Sisters and spouses names, Laureen Walters Masini, none, Gianfranco Masini, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PELL. Mr. President, for the Committee on Foreign Relations, I report favorably four nomination lists in the Foreign Service which were printed in full in the CONGRESSIONAL RECORDS of January 3, February 2, and March 17, 1989, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. BIDEN, from the Committee on the Judiciary:

William Pelham Barr, of Virginia, to be an Assistant Attorney General.

Mr. BIDEN. Mr. President, I submit this statement in connection with the nomination of William Barr to be Assistant Attorney General for the Office of Legal Counsel.

In my view, the Assistant Attorney General for the Office of Legal Counsel is among the most important positions at the Department of Justice. As described in a 1988 article in the New York Times, the Office of Legal Counsel "serves as the executive branch's brain trust on the most fundamental issues of Presidential power."

One need only look at the published opinions of the Office of Legal Counsel to appreciate the breadth and complexity of the issues the office addresses. In recent years, the Office has addressed such questions as the constitutionality of recess appointments; the use of polygraph examinations; the President's authority to control the export of hazardous materials; and the constitutionality of the legislative veto. These issues and the numerous others examined by the Office of Legal Counsel leave no doubt in this Senator's mind that the person who heads the Office must deeply appreciate the importance of scholarship and must have a healthy enthusiaum and admiration for the Constitution.

Perhaps the most important responsibility of the Office of Legal Counsel is to provide legal advice to the Attorney General. The person who heads the Office is, in effect, the Attorney General's lawyer. But like every public official, the person in charge of the Office of Legal Counsel also owes an allegiance to the Constitution and to the law of the land.

In that regard, I asked Mr. Barr about his independence during his hearing before the Judiciary Committee on April 5. Specifically, I asked Mr. Barr to identify the course of action he would take when faced with a conflict between his best legal judgment and a proposed administration policy.

Mr. Barr responded by indicating, first, that the Attorney General had told him that "he wanted someone in the Office of Legal Counsel who would give him intellectually honest, objective advice as to what the law is, without any tilt or spin or wiggle, but to shoot straight and let the chips fall

where they may." When I asked Mr. Barr additional questions on this subject, he responded: "In the situation where the Attorney General was pursuing an illegal act, I would resign my position."

Mr. Barr also stated quite clearly his view of the Office of Legal Counsel. He indicated that he considered the functions of the Office to be "purely legal in nature." He added that under his direction, the Office would "Provide careful legal judgments based on objective conclusions about where the law is, where the law stands today, based on careful research and judicious weighing of all the competing arguments, and then com[e] to the best possible judgment as to what the law is."

I believe that Mr. Barr's answers on this subject provide the necessary assurance of this independence. They indicate that he will be willing and able to say no—that he will be willing and able to inform the Attorney General that no legal basis exists for a course of action, should a conflict arise between his legal judgment and a proposed policy. And Mr. Barr made it clear that he would resign his position should he not be able to continue to perform his duties in good faith.

I also asked Mr. Barr about the separation-of-powers doctrine, which is closely linked to many of the issues considered by the Office of Legal Counsel. Mr. Barr's thoughtful testimony on this subject included the important statement that the purpose of the doctrine "is to protect the liberties of the people, not necessarily to provide the most efficient form of government, but a government that will ultimately protect the liberties of the people."

In response to one of my written questions, Mr. Barr stated that prior to the Supreme Court's decision in *Morrison* v. *Olson*, 108 S. Ct. 2597 (1988), he had "entertained doubts about the constitutionality of the independent counsel statute." I, for one, have strongly believed in the constitutionality of the independent counsel provisions of the Ethics in Government Act. Fortunately, in my view, the Supreme Court reached that same conclusion in Morrison. And Mr. Barr assured us in response to my question that while he had some concerns prior to Morrison, should constitutional issues continue to arise in connection with the independent counsel provisions, he "would attempt to resolve them in a manner consistent with the Morrison rationale."

Overall, I believe that Mr. Barr's answers to my questions during the hearing and to my written questions suggest that he will bring to the Office of Legal Counsel independence, competence and nonpartisanship—all critical attributes for the important position for which he has been nominated. Accordingly, I will vote in favor of the nomination of William Barr to be Assistant Attorney General for the Office of Legal Counsel.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BINGAMAN (for himself, Mr. BRADLEY and Mr. CHAFEE):

S. 769. A bill to amend the Federal Food, Drug and Cosmetic Act to regulate the manufacture, sale, promotion, and distribution of tobacco and other products containing tar, nicotine, additives, carbon monoxide, and other potentially harmful constituents, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN (for himself, Mr. CHAFEE, Mr. BRADLEY, Mr. BOREN, and Mr. KENNEDY):

S. 770. A bill to amend title 10, United States Code, to revise the method for pricing tobacco products for sale in commissaries, exchanges, and ships' stores, and for other purposes; to the Committee on Armed Services.

By Mr. REID:

S. 771. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 772. A bill to provide permanent housing for the homeless by rehabilitating and preserving our existing housing stock; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BOND (for himself, Mr. LUGAR, Mr. GRASSLEY, Mr. MCCLURE, Mr. BURNS, Mr. COCHRAN, Mr. GORE, Mr. MURKOWSKI, and Mr. PRYOR):

S. 773. A bill to direct the Secretary of Agriculture to formulate proposals to reduce paperwork and recordkeeping required of agricultural producers, to study the feasibility of establishing an electronic system or network to facilitate such reduction, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIEGLE:

S. 774. An original bill to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. SHELBY:

S. 775. A bill to require the Secretary of Energy to establish three Centers for Metal Casting Competitiveness Research; to the Committee on Energy and Natural Resources.

By Mr. BRADLEY (for himself, Mr. CHAFEE, Mr. BINGAMAN, and Mr. KENNEDY):

S. 776. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for advertising expenses for tobacco products; to the Committee on Finance.

S. 777. A bill relating to cigarette labeling; to the Committee on Commerce, Science, and Transportation.

S. 778. A bill to amend the Drug Free Schools and Communities Act of 1986 to provide education on the problems associated with the use of tobacco; to the Committee on Labor and Human Resources.

By Mr. PRYOR (for himself, Mr. COCHRAN, Mr. CONRAD, Mr. LEAHY, Mr. LUGAR, Mr. BOREN, Mr. HEFLIN, Mr. RIEGLE, Mr. SANFORD, Mr. MCCONNELL, Mr. LEVIN, Mr. MCCLURE, Mr. BUMPERS, Mr. ROTH, Mr. SYMMS, Mr. GORTON, Mr. BURNS, Mr. HELMS, Mr. HEINZ, Mr. DASCHLE, Mr. BOND, Mr. SHELBY, Mr. HARKIN, Mr. COATS, Mr. EXON, Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. WILSON, Mr. DOLE, and Mr. KERREY):

S. 779. A bill to minimize the impact of agricultural nitrogen on ground water and surface water quality by establishing a nationwide educational program aimed at American farmers, to urge the adoption of agricultural best management practices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JOHNSTON (for himself and Mr. MCCLURE) (by request):

S. 780. A bill to provide for the disposition of excess Federal land located on Guam, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MCCAIN:

S. 781. A bill to establish a foundation to operate a program of voluntary part-time national service, to provide enhanced benefits under the educational assistance program for volunteers in the Armed Forces, and to provide for the preparation of a plan to implement a national service program; to the Committee on Labor and Human Resources.

By Mr. WILSON:

S. 782. A bill to amend the Clean Air Act to provide that the Administrator of the Environmental Protection Agency shall have authority to regulate air pollution on and over the Outer Continental Shelf; to the Committee on Environment and Public Works.

By Mr. JOHNSTON (for himself, Mr. MCCLURE, Mr. NICKLES, Mr. FORD, Mr. BINGAMAN, Mr. WALLOP, Mr. BREAUX, Mr. WIRTH, Mr. BOREN, Mr. SIMPSON, Mr. GARN, Mr. COATS, and Mr. GRAMM):

S. 783. A bill to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and non-price controls on the first sale of natural gas, and to make technical and conforming amendments to such Act; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself and Mr. HARKIN):

S. 784. A bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes; to create the United States Peace Tax Fund to receive such tax payments; to establish a United States Peace Tax Fund of Trustees; and for other purposes; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself, Mr. BRADLEY, Mr. MITCHELL, Mr. SIMON, Mr. PRYOR, Mr. HEINZ, and Mr. RIEGLE):

S. 785. A bill to amend title XIX of the Social Security Act to provide States the option of providing quality home and community care to the elderly under their med-

icaid program; to the Committee on Finance.

By Mr. HEINZ:

S. 786. A bill to continue the temporary suspension of the duty on 3-amino-3-methyl-1-butyne; to the Committee on Finance.

S. 787. A bill to continue the temporary suspension of the duty on triethylene glycol dichloride; to the Committee on Finance.

S. 788. A bill to continue the temporary suspension of the duty on dinocap and on mixtures of dinocap with application adjuvants; to the Committee on Finance.

S. 789. A bill to continue the temporary suspension of the duty on m-Hydroxybenzoic acid; to the Committee on Finance.

S. 790. A bill to continue the temporary suspension of the duty on dicofol and mixtures of dicofol and application adjuvants; to the Committee on Finance.

S. 791. A bill to continue the temporary suspension of the duty on 2-n-octyl-4-isothiazolin-3-one and on mixtures of 2-octyl-4-isothiazolin-3-one and application adjuvants; to the Committee on Finance.

S. 792. A bill to continue the temporary suspension of the duty on methylene blue; to the Committee on Finance.

S. 793. A bill to continue the temporary suspension on the duty on mixtures of mancozeb and dinocap; to the Committee on Finance.

S. 794. A bill to continue the temporary suspension of the duty on mixtures of maneb, zineb, manozeb, and metiram; to the Committee on Finance.

S. 795. A bill to continue the temporary suspension of the duty on crosslinked polyvinylbenzyltrimethylammonium chloride; to the Committee on Finance.

S. 796. A bill to continue the temporary suspension of the duty on mixtures of 5 - chloro - 2 - methyl - 4 -isothiazolin - 3 - one, 2 - meth - yl - 4 - isothiazolin - 3 - one, magnesium chloride, and stabilizers; to the Committee on Finance.

By Mr. INOUYE (for himself, Mr. HOLLINGS, Mr. GORE, Mr. BENTSEN, Mr. BREAUX, and Mr. PRESSLER):

S. 797. A bill to amend the Communications Act of 1934 to improve the education of children by establishing a National Endowment for Children's Educational Television, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 798. A bill to amend title V of the act of December 19, 1980, designating the Chaco Culture Archaeological Protection Sites, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 799. A bill entitled the "Vocational-Technical Education Quality and Equity Act of 1989"; to the Committee on Labor and Human Resources.

By Mr. BRADLEY (for himself, Mr. LAUTENBERG, Mr. DODD, and Mr. LIEBERMAN):

S. 800. A bill to provide for a moratorium on, and study regarding, certain State tax laws; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. BRADLEY, Mr. BINGAMAN, and Mr. KENNEDY):

S. 801. A bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on cigarettes by 22 cents per pack; to the Committee on Finance.

By Mr. THURMOND:

S. 802. A bill to temporarily suspend the duty on dimethylbenzylidene sorbitol; to the Committee on Finance.

S. 803. A bill to temporarily suspend the duty on 4,4'-isopropylidenedicyclohexanol; to the Committee on Finance.

By Mr. D'AMATO:

S.J. Res. 102. Joint resolution designating September 1989 as "National Library Card Sign-Up Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 104. Resolution to direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in United States ex rel. Truong v. Northrop Corp., United States ex rel Stillwell v. Hughes Helicopters, Inc., et al., United States ex rel. Hyatt v. Northrop Corp; considered and agreed to.

S. Res. 105. A resolution reconstituting and reauthorizing the Senate Arms Control Observer Group; considered and agreed to.

S. Res. 106. A resolution to reestablish a Senate Central American Negotiations Observer Group; considered and agreed to.

By Mr. CRANSTON (for himself, Mr. LUGAR, Mr. DODD, Mr. MURKOWSKI, and Mr. BRADLEY):

S. Con. Res. 27. Concurrent resolution relating to the establishment of a Pacific Basin Forum; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN (for himself, Mr. BRADLEY, and Mr. CHAFEE):

S. 769. A bill to amend the Federal Food, Drug, and Cosmetic Act to regulate the manufacture, sale, promotion, and distribution of tobacco and other products containing tar, nicotine, additives, carbon monoxide, and other potentially harmful constituents, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN (for himself, Mr. CHAFEE, Mr. BRADLEY, Mr. BOREN, and Mr. KENNEDY):

S. 770. A bill to amend title 10, United States Code, to revise the method for pricing tobacco products for sale in commissaries, exchanges, and ships' stores, and for other purposes; to the Committee on Armed Services.

REGULATION OF TOBACCO PRODUCTS

Mr. BINGAMAN. Mr. President, today I am proud to introduce the Tobacco and Nicotine Health and Safety Act of 1989. My good friends and colleagues, Senator CHAFEE and Senator BRADLEY, join me in taking this important step toward the final demise of what may be one of the greatest killers of all time: Tobacco.

I urge all of our colleagues to join our effort, but I know that such an expectation is unrealistic. That is a shame because before this day ends, 1,000 people will die from smoking cigarettes or chewing tobacco. Tomorrow another 1,000 will die. A thousand more will die the next day. And they will continue to die until we make a serious commitment to addressing the dangers of tobacco use.

Indeed, the Surgeon General of the United States has named tobacco use the single most preventable cause of death and disability in our country. Every year tobacco products kill more Americans—about 350,000—than does alcohol and drug abuse, accidents, and suicides combined.

But aside from the personal loss of life, the economic and social costs of tobacco use are enormous. Estimates are that tobacco use costs our country more than $60 billion in lost productivity and health care expenses. And every day, more than 3,000 American teenagers—or 60 percent of all new smokers—start smoking.

Yet the manufacture and sale of tobacco products remain virtually unregulated, and tobacco products are largely exempted from the laws we have established to protect the public from unsafe consumer products. All of this despite the fact that we now know without question that cigarettes and other tobacco products containing nicotine are highly addictive.

It is time for a change. It is time for the Federal Government to take an active role in regulating the manufacture and sale of tobacco products. It is time for the Federal Government to provide the American public with the facts they need to make informed decisions about the use of tobacco products.

The Tobacco and Nicotine Health and Safety Act of 1989 will lay the foundation for the type of change we need, and it will lead to a safer, healthier America.

The act will:

Provide the Secretary of the Department of Health and Human Services with the authority to reduce the levels of harmful additives or prohibit the use of those additives entirely;

Provide the Food and Drug Administration with the authority to regulate nontobacco products that contain nicotine, which shall be categorized as drugs;

Require that tobacco manufacturers fully disclose all chemical additives in tobacco products; and

Prohibit the distribution of free samples and coupons for cigarettes.

This is important legislation, and again I urge my colleagues to join our march and support this vitally important legislation.

Today I am also proud to sponsor legislation to end the Federal Government's subsidization of ill-health and early death among active duty and retired military service members and

their families. Joining me are Senators COHEN, who has led this effort for several years, and our colleagues, Senator BRADLEY and Senator COHEN.

This legislation is quite simple. It would raise the price of tobacco products in military commissaries, exchanges, and ships' stores to the local prevailing price, including the cost of State and local taxes. The increased annual revenues, estimated at nearly $200 million, will be used to promote health and fitness of service members and their families.

Without question, smoking hinders military health and readiness, and in 1984 alone, smoking added an estimated $210 million in direct military health care costs. It is time to stop encouraging ill-health. Instead, we should be focusing our efforts on promoting positive lifestyle changes for the benefit of all Americans. This legislation does that, and I urge my colleagues to support it.

Mr. President, the two pieces of legislation aimed at taking us one step further down the road to the elimination of the use of tobacco which is clearly one of the great killers of all time. My good friends and colleagues, Senators BRADLEY and CHAFEE, are joining me in introducing this legislation today. With their support and the support of the members of the coalition on smoking and health, a coalition that is made up of the American Heart Association, the American Cancer Society and the American Lung Association, I believe that our march down this road will be a success.

Sometimes it seems that we have been marching for a long time but I sense that there is a change, and there is an invigorating change taking place. Every day more and more Americans are saying no to tobacco use and saying yes to healthy and longer and happier lives. More and more people, organizations, businesses, and States are joining in this effort. To paraphrase John Kenneth Galbraith, when all the people agree, the politicians cannot be far behind.

With the growing public support for health rather than smoking and tobacco use, I believe that the Members of the Senate and our colleagues in the House are beginning to realize that we can overcome the tobacco industry's political clout, and we can work toward enacting serious legislation in this area.

For a very long time we have had a very long way to go, and I do not believe we have yet really reached the beginning of the end of this effort. But perhaps we have reached the end of the beginning.

That, in itself, is very significant. The legislation I offer today is not entirely new. One piece of legislation is. One piece of legislation that has been introduced previously by me here in the Senate.

Mr. President, first, let me describe what I refer to as the FDA legislation. With the support of Senators BRADLEY and CHAFEE, I am introducing a bill entitled "The Tobacco and Nicotine Health and Safety Act of 1989." It is time, in my view, for the Federal Government to take a role in regulating the sale of tobacco products. It is time for the Federal Government to provide the American public with the fact that they need to make informed decisions about the use of these products.

To repeat, this legislation will lay the foundation for a strong and a constructive Federal role in tobacco regulation and will lead to a safer and healthier America. The act really does four things: First, it provides the Secretary of the Department of Health and Human Services with the authority to reduce the levels of harmful additives to tobacco products or prohibit the use of those additives entirely.

Second, it provides the Food and Drug Administration with the authority to regulate nontobacco products that contain nicotine which shall be categorized as drugs.

Third, it would require that the tobacco manufacturers fully disclose the chemical additives in tobacco products.

Fourth, it would prohibit the distribution of free samples and coupons for cigarettes.

The legislation is meritorious, Mr. President. I commend it to my colleagues.

The second piece of legislation I am introducing today is legislation to bring the price of tobacco products in military commissaries and exchanges and ships' stores to the prevailing price in the local community or the community where the ship is stationed. The increased revenue that we are talking about here exceeds $200 million annually. It would be used to promote the health and fitness programs for service members and their families.

I need to clarify that this legislation does not in any way restrict the sale of tobacco products in commissaries and post exchanges and ships' stores. And it does not require that they be sold at a higher price than civilians are required to pay in that community. But it does try to bring the price in line with the prevailing price in the civilian community.

The legislation is critically important. In 1984 alone, smoking cost the military health care system an estimated $210 million.

Evidence shows clearly that military smokers perform worse on physical fitness tests than nonsmokers, and it is also clear from statistics that the smoking rates among the military far exceed those in the civilian population. In spite of this known danger to individual service members and the high cost of military health care system, cigarettes are sold today at 35 percent cheaper in commissaries, 20 percent cheaper in post exchanges, than in the civilian market, and a full 60 percent cheaper in military stores overseas, than civilians are required to pay.

This makes absolutely no sense, Mr. President. The Government needs to speak with one voice on smoking. It does not make sense to spend millions on antismoking campaigns, while at the same time subsidizing the sale of tobacco products in military stores and allowing for tax deductions for tobacco advertising. The excise tax increased in real terms; yet, a majority of Americans favor increase of that tax as a means of increasing Federal and State revenues.

Smoking costs to society stretch into the billions. The legislation which I am offering today will help decrease these costs and decrease the number of smokers in our country. I commend Senator BRADLEY, Senator CHAFEE, and Senator COHEN for their tireless work on these important initiatives, and I urge my colleagues to join us in enacting this legislation this year.

Mr. President, I ask unanimous consent that the full text of the two pieces of legislation be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Tobacco and Nicotine Health and Safety Act of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

SEC. 2. FINDINGS.

Congress finds that—

(1) cigarette smoking and the use of smokeless tobacco products continue to represent major health hazards to the American public;

(2) cigarette smoking continues to be the single most preventable cause of death and disability in the United States;

(3) tobacco products contain hazardous additives, gases, and other chemical constituents dangerous to health;

(4) the use of tobacco products costs the United States more than $60,000,000,000 in lost productivity and health care costs;

(5) tobacco products contain nicotine, a poisonous addictive drug;

(6) despite the known adverse health effects associated with tobacco, it remains one of the least regulated consumer products;

(7) the tobacco industry spends more than $2,000,000,000 annually to promote and sell its products;

(8) Congress has a major policy-setting role in ensuring that the use of tobacco

products is discouraged to the maximum extent possible; and

(9) the application of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) to tobacco products assures the most effective means of regulating the product without the product being banned.

SEC. 3. DEFINITIONS.

Section 201 (21 U.S.C. 321) is amended by adding at the end thereof the following new paragraphs:

"(bb) The term 'tobacco product' means cigarettes, cigars, little cigars, pipe tobacco, smokeless tobacco, snuff, and chewing tobacco.

"(cc) The term 'tobacco additive' means any substance the intended use of which results or may reasonably be expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristics of any tobacco product.

"(dd) The term 'constituent' means any element of cigarette mainstream or sidestream smoke that is present in quantities that represent a potential health hazard or where the health effect is unknown.

"(ee) The term 'tar' means mainstream Total Articulate Matter minus nicotine and water.".

SEC. 4. ENFORCEMENT.

Section 301 (21 U.S.C. 331) (as amended by section 7(a) of the Prescription Drug Marketing Act of 1987 (Public Law $100-293; 102 Stat. 99)) is amended by adding at the end thereof the following new subsection:

"(u) The sale or distribution of tobacco products in violation of section 1001 and the manufacture, importation, or packaging of tobacco products in violation of section 1005.".

SEC. 5. REGULATION.

(a) CONTROLS.—The Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new chapter:

"CHAPTER X—TOBACCO PRODUCTS

"SEC. 1001. PROHIBITED ACTS.

"It shall be unlawful for a tobacco product intended for use by humans that contains nicotine or additives or, because of its pharmacological and toxicological effects or other potentiality for harmful effects, presents risks to health—

"(1) to be distributed if the product is misbranded as prescribed by section 1002;

"(2) to be distributed if the product is adulterated as prescribed by section 1003; or

"(3) to be distributed as a free sample or to be made available as the result of coupons or other materials that allow for the obtaining of free or discounted tobacco products.

"SEC. 1002. MISBRANDED TOBACCO PRODUCTS.

"(a) IN GENERAL.—A tobacco product shall be deemed to be misbranded—

"(1) if its labeling is false or misleading in any particular;

"(2) if the labeling fails to contain the statements required by section 4 of the Cigarette Labeling and Advertising Act (15 U.S.C. 1333) and the Comprehensive Smokeless Tobacco Health Education Act of 1986 (15 U.S.C. 4401 et seq.);

"(3) if in package form, unless it bears a label containing—

"(A) the name and place of business of the manufacturer, packer, or distributor; and

"(B) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count;

except that under regulations of the Secretary reasonable variations from the requirements of this paragraph shall be permitted and exemptions from such requirements for small packages shall be established;

"(4) if the manufacturer, importer, or packager of the product does not provide the list of additives contained in the product in accordance with section 1004(a);

"(5) if it does not disclose the additives contained in the product as required under section 1004(b);

"(6) if it does not disclose tar, nicotine, carbon monoxide, and other constituents as required under section 1005; or

"(7) if the manufacturer of the product disseminates or causes to be disseminated any false tobacco product advertisement—

"(A) through the use of United States mails or in commerce by any means for the purpose of inducing, or that is likely to induce, directly or indirectly the purchase of tobacco products; and

"(B) by any means for the purpose of inducing, or that is likely to induce, directly or indirectly the purchase of tobacco products.

"(b) ADDITIONAL INFORMATION.—

"(1) REQUIRED BY SECRETARY.—The Secretary may by regulation require that the manufacturer of tobacco products provide consumers of tobacco products with additional information, by way of additional labeling of packages, requiring inserts, or other means about the adverse effects of tobacco products, adequate warnings and directions for use, contraindications, adequate warnings against use in pathological conditions, and any information considered necessary by the Secretary.

"(2) DISCRETION OF MANUFACTURER.—Nothing in this Act or the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333 et seq.) shall prohibit a manufacturer of tobacco products from providing consumers with information concerning the adverse effects of tobacco products in addition to the information the manufacturer is required to provide pursuant to this chapter and the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333 et seq.).

"SEC. 1003. ADULTERATED TOBACCO PRODUCTS.

"A tobacco product shall be deemed to be adulterated—

"(1) if the level of any tobacco additive contained in the product is in violation of a requirement under section 1004(b);

"(2) if the nicotine, tar, carbon monoxide, or other harmful constituent level has not been established under section 1005;

"(3) if it bears or contains any added poisonous or deleterious substance that may render it injurious to health;

"(4) if it contains in whole or in part any filthy, putrid, or decomposed substance;

"(5) if it has been prepared, packed, or held under unsanitary conditions whereby it may have become contaminated with filth or whereby it may have been rendered injurious to health; or

"(6) if its container or packaging is composed in whole or in part of any poisonous or deleterious substance that may render the contents injurious to health.

"SEC. 1004. TOBACCO ADDITIVES.

"(a) LIST OF ADDITIVES.—It shall be unlawful for any person to manufacture, import, or package for sale or distribution within the United States any tobacco product unless such person has provided to the Secretary a complete list of each additive used in the manufacture of such tobacco product and the relative quantity of such additives.

"(b) REGULATIONS.—

"(1) DISCLOSURE REQUIREMENTS.—The Secretary shall by regulation prescribe any disclosure requirements on packages of tobacco products or by any other means to adequately inform the public of the additives contained in tobacco products.

"(2) DETERMINATION BY SECRETARY.—If the Secretary determines that any tobacco additive in a tobacco product, either by itself or in conjunction with any other additive, is unsafe and presents unnecessary increased risks to health, the Secretary may require that such level of the additive in the tobacco product be reduced or that it be prohibited from use.

"(3) ADVICE OF EXPERTS.—The Secretary may make such a determination only with the advice of experts qualified by scientific training and experience to evaluate the safety of tobacco additives.

"SEC. 1005. NICOTINE, TAR, CARBON MONOXIDE, AND OTHER HARMFUL CONSTITUENTS.

"(a) GENERAL RULE.—It shall be unlawful for any person to manufacture, import, or package for sale or distribution within the United States any tobacco product unless such person has provided the Secretary with a complete list of all brands of such tobacco products and until such products have been tested by the Secretary to establish the tar, nicotine, carbon monoxide, and other harmful constituent (as determined by the Secretary) levels for each brand.

"(b) DISCLOSURE REQUIREMENTS.—The Secretary may by regulation prescribe any disclosure requirements on packages of tobacco products or by any other means to adequately inform the public of the quantities and levels of nicotine, tar, carbon monoxide, or other harmful constituents and initiate and carry out any educational activities to adequately inform the public that any reduced levels of nicotine, tar, carbon monoxide, or other constituents do not necessarily constitute a reduced health risk.

"SEC. 1006. NON-TOBACCO NICOTINE CONTAINING PRODUCTS.

"Any product that contains nicotine but does not meet the definition of tobacco products as contained in section 201(bb) shall be considered to be a drug under section 201(g)(1)(C).

"SEC. 1007. REPORTS.

"The Secretary shall report annually to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on—

"(1) the use of additives in tobacco products, including a list of additives that have been prohibited from use in tobacco products;

"(2) the levels of nicotine, tar, carbon monoxide, and other potentially harmful constituents in tobacco products or tobacco smoke and any actions the Secretary has taken to reduce the levels of these constituents; and

"(3) any legislative recommendations that would further reduce the risk to health associated with the use of tobacco products, tobacco product additives, nicotine, tar, or other potentially harmful constituents.".

(b) EFFECTIVE DATE.—Chapter X of the Federal Food, Drug, and Cosmetic Act (as added by subsection (a)) shall be effective 1 year after the date of the enactment of this Act.

S. 770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SALE OF TOBACCO PRODUCTS IN COMMISSARIES, EXCHANGES, AND SHIPS' STORES.

(a) IN GENERAL.—Chapter 147 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2486. Sale of tobacco products in commissaries, exchanges, and ships' stores; use of proceeds

"(a) Tobacco products may be sold in commissary stores, military exchanges, or ships' stores subject to the requirements prescribed in subsections (b) and (c).

"(b)(1) In the case of a commissary store, military exchange, or ship's store located in the United States, the price charged for any tobacco product shall be the prevailing price charged by private commercial businesses for the retail sale of such tobacco product in the retail market area in which the commissary store, military exchange, or ship's store is located.

"(2) In the case of a commissary store, military exchange, or ship's store located outside the United States, the price charged for any tobacco product shall be the average amount charged by private commercial businesses for the retail sale of such product in the United States.

"(3)(A) In determining the prevailing price charged or the average price charged by a commercial business, applicable State and local taxes shall be included.

"(B) The prevailing price or the average price may be determined under an appropriate sampling procedure.

"(c)(1) The Secretary of a military department may use the profits from the sale of tobacco products by commissary stores under the Secretary's jurisdiction to promote the health and fitness of members of the armed forces and their dependents.

"(2) Amounts made available under paragraph (1) shall remain available for obligation without fiscal year limitation.

"(d) The Secretary of Defense shall prescribe regulations to carry out this section.

"(f) In this section:

"(1) The term 'profits' means the amount which represents the difference between the price charged by commissary stores for the sale of tobacco products and the cost incurred by such commissary stores for the purchase and sale of such products (including appropriate amounts for overhead).

"(2) The term 'tobacco product' includes cigarettes, cigars, tobacco processed for cigarette or pipe smoking, and tobacco processed for oral use.

"(3) The term 'United States' includes the Commonwealth of Puerto Rico and the territories and possessions of the United States.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new section:

"2486. Sale of tobacco products in commissaries, exchanges, and ships' stores; use of proceeds.".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall take effect on January 1, 1989.

By Mr. REID:

S. 771. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes; to the Committee on Finance.

OILSPILL LEGISLATION

Mr. REID. Mr. President, last Friday I announced my intention to introduce legislation eliminating the Federal tax deduction for the cost of cleaning up oilspills. Today, 2 days before April 15, I rise to introduce this legislation to protect the American taxpayer.

The American people are paying for the Alaska oilspill three times: One, in the destruction of the environment; two, in higher prices at the gas pump due to the so-called temporary shortages in oil; and three, in the unjustified tax break Exxon is planning to claim for helping the Federal Government clean up the oilspill.

Our Nation has watched with horror the damage the approximately 11 million gallons of oil spilled from the *Exxon Valdez* is doing in Prince William Sound, AK. Thousands of fish, sea mammals, and birds have already been poisoned, many of which have died and thousands more are sure to meet their end before the spill is contained. Some of the world's most beautiful scenery has been despoiled not for a day, a week, a month, a year, but for generations. And the economic survival of entire cities is threatened because of this. Faced with such a catastrophe, you might expect a quick, coordinated response to contain and clean up the spill. But, no, the response of both Exxon Corp. and the Federal Government has been disappointing.

Last summer's record heat had a profound effect upon many Americans. They realized the need for aggressive action to preserve the Earth's environment. The United States, with a relatively good environmental record, was poised to assume a leadership role in global environmental protection efforts. However, the response to the Exxon spill has seriously damaged our credibility environmentally. How can we ask Brazil to stop the deforestation of the Amazon when our Government hesitates to lead efforts to clean up the biggest environmental disaster in United States history? How can we ask developing countries to ban the use of chlorofluorocarbons? How can we ask other nations to reduce auto fuel emissions?

We simply cannot make these requests in good faith. The Federal Government failed to exercise strong leadership on the Exxon spill and lost what I call the environmental high ground.

At the same time, the Federal Government is allowing Exxon to conduct business as usual. In fact, business will not be usual, it will be better than ever. Prices at gas pumps in Nevada—and I wish it were only Nevada, but it is nationwide—have already risen as much as 20 cents a gallon since the spill on March 24; yet there is currently a worldwide oil surplus. These rising gas prices are literally fueling inflation.

While America's consumers hand the oil companies money for gas, America's taxpayers are subsidizing the costs to Exxon of cleaning up its oilspill. Under section 162 of the Internal Revenue Code, the cost of cleaning up the oilspill are deductible to Exxon. The lost tax revenues are made up by the taxes of you, me, in fact every man, woman, and child who pays taxes.

Mr. President, I have already received numerous letters from constituents furious at the increase in gasoline prices. Unfortunately, Congress can do little to stop these price increases. But Congress can stop Exxon from getting a deduction for cleaning up after itself. The responsible parties should not get a tax break; they should pay the price of their negligence.

Therefore, I am introducing the oil spill bill. I am joined in my efforts by Congressman WILLIAM LIPINSKI from Illinois, who is introducing today a companion bill in the House of Representatives. The Reid-Lipinski oil spill bill does several things:

One, it eliminates the deduction to companies for the cost of cleaning up oil and hazardous substances spills if the company does not meet the Federal standard for clean up established in the Clean Water Act or Superfund. This lost deduction cannot be offset by losses carried over from previous years or carried back from future years.

Two, in order for the company to receive the deduction, the EPA or Coast Guard must certify the polluter has met the appropriate Federal clean up standard.

Three, any revenue accruing to the Treasury from the lost deduction will be dedicated to the Clean Water Act Fund and the Superfund.

My bill is not as punitive as it first may seem. It actually offers a very strong incentive to polluters to clean up quickly and thoroughly. If they clean up right the first time, they get the deduction. If they do not, they lose it. It is not unreasonable for the Federal Government to make the receipt of public money contingent upon the performance of a public good. My legislation brings help to the Federal Government: shareholders who want to see their bottom line preserved are also recognized.

As the author of the Taxpayers' Bill of Rights, I am also pleased the Reid-Lipinski oil spill bill protects average taxpayers from paying for the irresponsibility of polluters.

I, therefore, urge my colleagues to join me as cosponsors of this legislation.

Mr. President, I ask unanimous consent that the text of the legislation

and a section-by-section description of my legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 771

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 100. SHORT TITLE.

This title may be cited as the "Oil Spill Bill".

SEC. 101. FINDINGS AND PURPOSES.

(a) FINDINGS.—

(1) Oil and hazardous substance discharges cause environmental damage which can last for many years, affect entire ecosystems, local communities and individual citizens;

(2) Discharges damage publicly-owned and valuable resources, especially in river, wetland, and marine ecosystems;

(3) Between 9,000 and 12,000 oil discharges are reported each year that pollute or threaten to pollute US waters;

(3) Between 9,000 and 12,000 oil discharges are reported each year that pollute or threaten to pollute US waters;

(4) Parties causing discharges often do not clean them up, only partially clean them up, or respond to spills very slowly, causing additional damage; therefore increased incentives are needed for responsible parties to clear up discharges;

(5) When clean up by responsible parties is not satisfactory, public funds and agencies must do the cleanup. Between 1972 and 1987, the Coast Guard recovered only $72 million of the $144 million of public funds spent to clean up discharges;

(6) The cost of oil and hazardous substances discharge clean up are deductible for federal tax purposes. Therefore, ordinary taxpayers subsidize these costs;

(7) Detecting, monitoring, and evaluating discharges are a additional big public expense;

(8) Citizens suffering economic losses from major discharges are unlikely to receive full compensation, particularly for cumulative and long term effects;

(9) Oil spill funds are authorized and maintained at inadequate levels for cleanup and restoration of a major oil discharge; and

(10) The Federal Government has the authority to determine that oil discharges are cleaned up and damage compensated satisfactorily, according to provisions of the National Contingency Plan, Clean Water Act, and Superfund.

(b) PURPOSES.—The purposes of this Act are to establish that:

(1) The public should not pay for discharges of hazardous substances and oil, either directly through cleanup costs or indirectly through federal tax deductions for parties causing discharges;

(2) Those injured economically by oil and hazardous substance discharges be fully compensated for their losses;

(3) All ecological damages, short term and long term, caused by discharges be mitigated, to maintain the integrity and productivity of these ecosystems for all Americans;

(4) Persons and companies paying for clean up and compensation receive a federal tax deduction for the cost of clean up only if their cleanup meets federal standards;

(5) Revenues accruing to the Treasury from deductions due to inadequate cleanup be dedicated to the Clean Water Act Fund for oil discharges and to the Superfund for spills of hazardous substances; and

(6) Responsible agencies will report to Congress annually on cleanup costs and revenues accruing to the Treasury through the provisions of this Act.

SEC. 102. DEFINITIONS.

(a) DEFINITIONS—For purposes of this Act the term—

(1) "discharge" shall have the meaning provided in section 311(a)(1) of the Federal Water Pollution Control Act and the meaning of "release" found in 42 USCS section 9601(22);

(2) "oil" shall have the meaning provided in section 311(a)(1) of the Federal Water Pollution Control Act (33 USC, section 1321(a)(1));

(3) "hazardous substances" shall have the meaning provided in 42 USCS, section 9601(14);

(4) "Secretary" means the Secretary of the Treasury or his delegate;

SEC. 103. DISALLOWANCE OF COSTS FOR CLEANUP OF OIL OR HAZARDOUS SUBSTANCE DISCHARGES.

(a) IN GENERAL—Subtitle A, Chapter 1B, Part IX, is amended by adding at the end thereof the following new section:

SEC. 2801. DISALLOWANCE OF COSTS FOR CLEANUP OF OIL OR HAZARDOUS SUBSTANCE DISCHARGES.

"(a) DISALLOWANCE OF DEDUCTION—Except as otherwise provided in this section, no deduction shall be allowed for any applicable oil or hazardous substances cleanup costs.

"(b) EXCEPTIONS FOR MEETING FEDERAL CLEAN-UP STANDARDS—

(1) Subsection (a) shall not apply if the Secretary receives certification from the Administrator of the Environmental Protection Agency or his delegate, or the Commandant of the Coast Guard or his delegate, whoever is appropriate, that the taxpayer has made a good faith effort to comply with requirements of the following federal laws:

"(A) section 311(b)(4) and section 311(c) of the Clean Water Act for oil discharges;

"(B) section 121 of the Comprehensive Environmental Response, Compensation and Liability Act for hazardous substances discharges.

"(2) Subsection (a) shall not apply if the taxpayer can prove that a discharge was caused solely by (A) an act of God, (B) an act of war, (C) negligence on the part of the United States Government, (D) an act or omission of a third party without regard to whether any such act or omission was or was not negligent, or any combination of the foregoing clauses.

"(c) APPLICABLE OIL OR HAZARDOUS SUBSTANCES CLEANUP COSTS—For purposes of this section—

"(1) IN GENERAL—The term 'applicable oil or hazardous substances cleanup costs' means any costs paid or incurred (whether or not in the taxable year in which the discharge occurs) in connection with the cleanup of any oil or hazardous substances discharged by the taxpayer.

"(2) CERTAIN COSTS INCLUDED—The term 'applicable oil or hazardous substances cleanup costs' includes, but is not limited to—

"(A) any legal expenses arising directly or indirectly from a discharge of oil or hazardous substancs;

"(B) any payments or restitution to any person arising out of such discharge; and

"(C) any costs required by any applicable Federal law or regulation.

"(d) ITEMIZATION OF COSTS—The costs shall be separately stated in such manner as the Secretary may prescribe on a form accompanying the return of tax for the taxable year in which such costs were paid or incurred."

(b) CLERICAL AMENDMENT—The table of sections for Subtitle A, Chapter 1B, Part IX, is amended by adding at the end thereof the following new item:

"Sec. 280I. Disallowance of costs for cleanup of oil and hazardous substance discharges."

SEC. 104. PROHIBITION AGAINST OFFSET BY NET OPERATING LOSS DEDUCTION.

(a) IN GENERAL—Section 172 of the Internal Revenue Code of 1986, is amended by adding at the end thereof the following new subsection.

"(n) PROHIBITION AGAINST OFFSET BY NET OPERATING LOSS DEDUCTION—Deductions lost in Section 280I(a) may not be offset by the provisions of this section."

SEC. 105. DISTRIBUTION OF LOST DEDUCTION TO EXISTING TRUST FUNDS.

(a) IN GENERAL—There is established in the Treasury of the United States an account, consisting of such amounts as may be appropriated to the account as provided in subsection (b).

(b) TRANSFER TO ACCOUNT—There is hereby appropriated to the account for each fiscal year an amount equal to the amount which the Secretary or his delegate determines to be the increase in revenues for such fiscal year by reason of the amendments made by section 103. The amounts appropriated by the preceding sentence shall be transferred to the account from the general fund of the Treasury in the manner provided under section 9601 of the Internal Revenue Code of 1986.

(c) EXPENDITURES FROM ACCOUNT—Amounts in the account established under subsection (a) shall be available, as provided in appropriation Acts, only—

(1) in the case of amounts attributable to any oil discharge, for making expenditures for the purposes described in section 311(k) of the Federal Water Pollution Control Act (33 USC, section 1321(k)), or

(2) in the case of any other amounts, for transfer to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Act of 1986.

SEC. 106. EFFECTIVE DATE.

The provisions of this Act are effective for all discharges occurring after March 23, 1989, in taxable years ending after such date.

SEC. 107. STUDY AND REPORT.

(a) STUDY OF REVENUE LOSS—Not later than six months after the date of enactment of this Act, the Secretary or his delegate shall submit to the House Committee on Ways and Means and the Senate Committee on Finance an estimate of the decrease of Federal revenues during the period beginning January 1, 1970, and ending December 31, 1988, by reason of the allowance of applicable cleanup costs (within the meaning of section 280I of the Internal Revenue Code of 1986).

(b) ANNUAL REPORT TO CONGRESS—The Secretary or his delegate shall make an annual report to the House Committee on Ways and Means and the Senate Committee on Finance a report detailing the amount expended on environmental clean-up costs and the amount accruing to the Treasury under Section 103.

(c) EFFECTIVE DATE—The amendment made by subsection (b) shall take effect 12

months after the study in subsection (a) is submitted to Congress.

SECTION-BY-SECTION DESCRIPTION OF THE OIL SPILL BILL

Section 100. Short Title.—The Oil Spill Bill.

Section 101. Findings and Purposes.

Section 102. Definitions

Section 103. Disallowance of Costs for Clean Up of Oil or Hazardous Substance Discharges.—Establishes a new section of the Internal Revenue Code, 280I, which disallows the deduction of the costs of cleaning up oil and hazardous substance discharges. Such costs are defined in this section and are required to be itemized on corporate tax returns. Deduction will only be allowed if the clean up standard established in the Clean Water Act and/or Superfund is met. This new section contains a good faith exemption for those attempting to meet clean up standards. The loss of the deduction will apply to all years in which cleanup costs are incurred.

Section 104. Prohibition Against Offset by Net Operating Loss Deduction.—Deductions lost in section 103 cannot be offset by net operating losses carried forward or back.

Section 105. Distribution of lost Deduction to Existing Trust Funds.—Revenues accruing to the Treasury from the lost deduction will be dedicated to the Clean Water Act Fund in the case of oil spills and Superfund in the case of hazardous substance spills.

Section 106. Effective Date.—The provisions of this Act are effective for all discharges occurring after March 23, 1989.

Section 107. Study and Report.—The IRS is to prepare a study detailing the revenue lost to the Treasury since 1970 because of the deduction for the costs of clean up. The IRS will also prepare an annual report detailing the amount corporations spend on clean up costs and the amount accruing to the Treasury due to the lost deduction.

By Mr. LIEBERMAN:

S. 772. A bill to provide permanent housing for the homeless by rehabilitating and preserving our existing housing stock; to the Committee on Banking, Housing, and Urban Affairs.

HOMELESSNESS PREVENTION AND HOUSING REHABILITATION ACT

Mr. LIEBERMAN. Mr. President, America has its own Third World. It is a world of poverty, disease, malnutrition, addiction, danger, and hopelessness.

It is a world where people live in dimly lit, squalid structures, infested with insects and vermin, crowded together, cold in winter, hot in summer. And it is a world where some people live nowhere at all.

It is also a world that exists right next door. Out the doors of the Capitol and down a few blocks and you're there in America's Third World. It is our shame, and it is our time to do something about it.

I have cosponsored several bills since I arrived in the Senate on January 3 but today, my 100th day in office, I introduce my own legislation, the Homelessness Prevention and Housing Rehabilitation Act of 1989.

I am proud of this bill, but I am not proud of the reasons it is so necessary. Anywhere between 350,000 and 3 million Americans are homeless, and an increasing percentage of them are children. Many millions more are living in substandard housing, and are themselves in danger of becoming homeless as they struggle to make ends meet, or as their rooms continue to deteriorate.

The homelessness problem is getting worse. Many of the homeless who use emergency shelters end up spending, on average, at least 13 months there. Some may find permanent housing, some move to other shelters, or move in with family members or friends. Too many find themselves back on the streets.

And shelter life itself is no way to exist over the long term. Many there have trouble finding jobs; they have no permanent address. Women may end up in one shelter, and men in another. Some children are separated from their family and put up with friends or relatives. Many homeless children do not attend school because of registration problems; those who do often find themselves shunned by classmates.

The Homelessness Prevention and Housing Rehabilitation Act of 1989 can help place more than 100,000 families in adequate homes, if it is fully and efficiently implemented. I credit the National Coalition for the Homeless for designing much of this act, as they did for similar legislation introduced in the House of Representatives by BRUCE VENTO and PATRICIA SAIKI. Other portions of the act are innovations developed by me as an attempt to target assistance where it is most desperately needed.

The act goes beyond some of the temporary housing measures we have needed and encourages long-term solutions. It does so without the construction of massive new housing projects. It does so by encouraging the preservation of housing where people now live that is in serious disrepair, and by encouraging the rehabilitation of abandoned public housing and other buildings into housing units.

Rebuilding existing housing is far less expensive and can be done much more quickly than trying to build entirely new structures.

The act provides funding for four existing housing rehabilitation programs that have been poorly financed in recent years, or not financed at all. It also directs the Secretary of Housing and Urban Development and State and local governments to give priority consideration to projects that will add housing for: Families of five or more persons, by rehabilitating existing units or by combining units to create larger ones; and persons with disabilities by making rehabilitated housing units more accessible to them.

In specific terms, the act calls for: $250 million in additional section 8 assistance to establish 10-year contracts for private sector rehabilitation projects. It is estimated that this would make 3,400 more units available to the public; $500 million for modernization of vacant public housing units, to create 31,250 homes; $500 million in rental rehabilitation grants to landlords to fix up to 71,400 apartments now uninhabitable; $300 million in additional assistance to State and local governments for the rehabilitation of buildings they own. The governments receiving such grants may sell or lease the properties to nonprofit organizations. Up to 30,000 homes may be created in this manner; and $200 million for a security deposit assistance program, to be operated through State and local governments. Under this program, landlords would receive security deposits and first month's rents for eligible tenants.

That final section of the act is an innovative idea pioneered in the State of Connecticut. There, a security deposit assistance program is operated by the Department of Human Resources, and it helps people make the transition from homelessness or emergency shelters to permanent housing. In its first 2 years of operation, the program enabled 2,133 families and individuals to move into rental housing.

I believe this legislation offers a practical, cost-effective way to put existing programs and buildings to best use. It targets those most in need of assistance, and it aims to solve their housing needs over the long term, not just overnight.

The problems of America's Third World will not end because of one bill, or one Senator, or one Congress alone. But the problems of America's Third World will not end unless we begin somewhere.

That somewhere, I hope, is right here, right now. Very simply put, America's Third World needs a decent place to live.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the legislation was ordered to be printed in the RECORD, as follows:

S. 772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homelessness Prevention and Housing Rehabilitation Act of 1989".

SEC. 2. STATEMENT OF PURPOSE.

The purpose of this act is to provide permanent housing for those who are homeless or at risk of becoming homeless through an urgently needed effort to expand the supply of permanent, affordable and decent housing through rehabilitation and preservation, recognizing—

(1) homelessness in the United States has increased far beyond the ability of the States and local governments to provide families or individuals with housing which is decent and safe without Federal participation;

(2) the number of homeless families is growing at a faster rate than the number of homeless individuals and neither the public nor private sectors have sufficient decent affordable housing for these families;

(3) the homeless population now includes many families of the working poor who can afford to pay a monthly rent but have been unable to save the funds necessary for a security deposit;

(4) the Federal Government must reaffirm its responsibility to ensure that every American has a decent home and a suitable living situation as set forth in the Housing Act of 1949;

(5) the Federal resources provided for in this Act are only one aspect of what must be a nationwide effort to eradicate homelessness.

SEC. 3. HOUSING ASSISTANCE FOR THE HOMELESS.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, to the extent of amounts provided in appropriation Acts, provide financial assistance under the provisions of and amendments made by this Act to expand through rehabilitation and preservation the permanent supply of affordable and decent housing.

(b) ELIGIBLE BENEFICIARIES.—All amounts made available under the provisions of and amendments made by this Act shall be used solely for the benefit of individuals and families—

(1) who are homeless; or

(2) who are at risk of becoming homeless; or

(3) whose incomes do not exceed 50 percent of the median individual or family income for the area, as determined by the Secretary with adjustments for smaller and larger families.

(c) PRIORITY CONSIDERATION.—The Secretary, in conjunction with State and local governments, shall give priority consideration to—

(1) programs which add housing units for families of 5 or more either by rehabilitating existing units or by combining existing units to create larger units; and

(2) programs which add housing units which are to people with disabilities through rehabilitation of existing units.

SEC. 4. ADDITIONAL SECTION 8 ASSISTANCE.

Section 5(c) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)) is amended by adding at the end the following new paragraph:

"(8) ADDITIONAL SECTION 8 ASSISTANCE FOR THE HOMELESS.—

"(A) IN GENERAL.—To increase the number of affordable and decent housing units, the budget authority available under this subsection is authorized to be increased for assistance pursuant to 10-year contracts under section 8(e)(2), by $250,000,000 for each of the fiscal years 1990 and 1991, to be used in accordance with section 3 of the Homelessness Prevention and Housing Rehabilitation Act of 1989.

"(B) ALLOCATION.—The amounts made available under subparagraph (A) shall be allocated by the Secretary on the basis of a national competition to the applicants that best demonstrate a need for the assistance under this subparagraph and the ability to undertake and carry out a program to be assisted under this subparagraph. No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this subparagraph.

"(C) APPLICATIONS.—To be considered for assistance under subparagraph (A), an applicant shall submit to the Secretary a written proposal containing—

"(i) a description of the size and characteristics of the population within the jurisdiction of the applicant that would occupy the assisted dwellings;

"(ii) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

"(iii) an inventory of suitable housing stock to be rehabilitated within such assistance; and

"(iv) a description of the interest that has been expressed by builders, developers, and other persons (including profit and nonprofit organizations) in participating in the program.

"(D) COST LIMITATION.—The Secretary shall establish limits on the total cost of rehabilitation of any unit assisted under subparagraph (A), taking into consideration special local conditions (including high construction costs or stringent fire or building codes).

"(E) CONTRACT REQUIREMENTS.—Each contract for annual contributions entered into with a public housing agency to obligate the authority made available under subparagraph (A) shall—

"(i) commit the Secretary to make such authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period; and

"(ii) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to availability of appropriations.".

SEC. 5. ASSISTANCE FOR MODERNIZATION OF VACANT PUBLIC HOUSING.

Section 5(c) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)) (as amended by section 4 of this Act) is further amended by adding at the end the following new paragraph:

"(9) ADDITIONAL MODERNIZATION ASSISTANCE FOR THE HOMELESS.—In addition to the other amounts authorized in this subsection, there is authorized to be appropriated for assistance under section 14 for the modernization of vacant public housing units $500,000,000 for each of the fiscal years 1990 and 1991, to be used in accordance with section 3 of the Homelessness Prevention and Housing Rehabilitation Act of 1989.".

SEC. 6. RENTAL REHABILITATION GRANTS.

Section 17(a) of the United States Housing Act of 1937 (42 U.S.C. 1437o(a)) is amended by adding at the end the following new paragraph:

"(4) RENTAL REHABILITATION GRANTS TO PREVENT HOMELESSNESS.—In addition to the amounts authorized in paragraph (3), there is authorized to be appropriated for rental rehabilitation under this section $500,000,000 for each of the fiscal years 1990 and 1991, to be used in accordance with section 3 of the Homelessness Prevention and Housing Rehabilitation Act of 1989.".

SEC. 7. FUNDING FOR THE REHABILITATION OF STATE AND LOCAL GOVERNMENT IN REM PROPERTIES.

(a) GENERAL AUTHORITY.—Section 103 of the Housing Community Development Act of 1974 (42 U.S.C. 5303) is amended—

(1) by inserting after the section designation the following: "(a) IN GENERAL.—"; and

(2) by adding at the end the following new subsection:

"(b) ADDITIONAL ASSISTANCE FOR THE HOMELESS.—In addition to the amounts authorized in subsection (a), there is authorized to be appropriated for grants under section 106, $300,000,000 for each of the fiscal years 1990 and 1991. Amounts provided under this subsection may only be used to make grants to States and units of general local government converting in rem properties to provide affordable permanent housing units, to be used in accordance with section 3 of the Homelessness Prevention and Housing Rehabilitation Act of 1989. The total cost of rehabilitation that may be funded by a grant under this subsection shall not exceed $10,000 per unit. The States and units of general local government receiving grants under this subsection may sell or lease the properties to nonprofit organizations and permit such organizations to rehabilitate these properties with funds provided under this subsection.".

(b) REQUIREMENT OF ADOPTION OF ORDINANCES AND PROCEDURES.—Section 104(b) of the Housing Community Development Act of 1974 (42 U.S.C. 5304(b)) is amended—

(1) by striking "and" at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) the grantee has adopted the necessary ordinances and administrative procedures to ensure that vacant properties that are taken through in rem proceedings, held by the grantee, and suitable for housing, are conveyed to public or private nonprofit agencies that—

"(A) serve homeless individuals and families (as defined in section 10 of the Homelessness Prevention and Housing Rehabilitation Act of 1989); and

"(B) can demonstrate a sound plan for rehabilitating (if necessary) and operating such properties for the purpose of providing permanent decent and affordable housing units; and".

SEC. 8. SECURITY DEPOSIT ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary shall, to the extent of amounts appropriated, make grants to States and units of general local government in order to carry out activities designed to encourage the permanent housing of the homeless, and help very low-income families and persons avoid becoming homeless. States and units of general local government shall use the grants under this section to provide assistance with security deposits and the cost of rent for one month for eligible families and individuals.

(b) PARTICIPATING LANDLORD.—If an individual or a family vacates the rental unit, a landlord participating in this program shall return to the State or local grantee any portion of the security deposit (including reasonable interest) against which such landlord does not have a claim.

(c) GUIDELINES.—The Secretary shall establish standards and guidelines to carry out the provisions of this section, including guidelines for—

(1) the selection of eligible individuals and families, and

(2) the selection of eligible landlords.

(d) APPROPRIATIONS.—There is hereby authorized to be appropriated $200,000,000 for each of the fiscal years 1990 and 1991, to be used for the program created by this section.

SEC. 9. ANNUAL REPORT.

Not later than December 31 of each year, the Secretary shall submit an annual report to the Congress. The report shall include—

(1) a comprehensive and detailed description of the activities carried out and accomplishments achieved under the provisions of and amendments made by this Act;

(2) an assessment of the extent and nature of the lack of decent affordable housing for the homeless;

(3) an assessment of the level of Federal assistance needed to fully meet the permanent housing needs of the homeless; and

(4) any recommendations of the Secretary.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) HOMELESS.—

(A) IN GENERAL.—The term "homeless" includes—

(i) an individual or family who lacks a fixed, regular, and adequate nighttime residence;

(ii) an individual or family who has a primary nighttime residence that is—

(I) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing);

(II) an institution that provides a temporary residence for individuals intended to be institutionalized;

(III) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or

(IV) in substandard condition, based on standards established by the Secretary; and

(iii) an individual or family who is on a waiting list for any lower income housing assisted by the Federal Government.

(B) EXCEPTION.—The term "homeless" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.

(2) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(3) TRANSITIONAL HOUSING.—The term "transitional housing" means a project that has as its purpose facilitating the movement of homeless individuals and families to independent living within a reasonable amount of time, as determined by the project sponsor. Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental disabilities and homeless families with children.

SEC. 11. REGULATIONS.

Not later than 60 days after the date of the enactment of this Act, the Secretary shall issue any regulations that are necessary to carry out the provisions of and amendments made by this Act.

SEC. 12. FUNDING AVAILABILITY.

(a) CALCULATION.—The amounts authorized in the provisions of and amendments made by this Act shall be in addition to any amount authorized or appropriated for the programs involved before the date of the enactment of this Act.

(b) AVAILABILITY UNTIL EXPENDED.—Any amount appropriated under an authorization in the provisions of and amendments made by this Act shall remain available until expended.

By Mr. BOND (for himself, Mr. LUGAR, Mr. GRASSLEY, Mr. MCCLURE, Mr. BURNS, Mr. COCHRAN, Mr. GORE, Mr. MURKOWSKI, and Mr. PRYOR):

S. 773. A bill to direct the Secretary of Agriculture to formulate proposals to reduce paperwork and recordkeeping required of agricultural producers, to study the feasibility of establishing an electronic system or network to facilitate such reduction, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL PROGRAM REPORTING, RECORDKEEPING, AND SERVICE CENTER IMPROVEMENT ACT

Mr. BOND. Mr. President, on behalf of Senators LUGAR, GRASSLEY, MCCLURE, PRYOR, BURNS, COCHRAN, GORE, and MURKOWSKI, I rise today to introduce legislation designed to ease the burdensome paperwork requirements which have become synonymous with Federal farm programs. Agricultural producers must now spend many hours each month in order to comply with the ever changing regulations of the various programs administered by the U.S. Department of Agriculture.

Regrettably, this situation seems to be getting only worse. The information, instructions, and applications associated with Farmers Home Administration restructuring programs weigh approximately 1½ pounds. The requirements under existing payment limitation and conservation compliance provisions are equally complex and labor-intensive.

The Agricultural Program Reporting, Recordkeeping, and Service Center Improvement Act of 1989 requires the Secretary of Agriculture to develop specific proposals to: establish a departmentwide computer network in which agencies could share information; examine the feasibility of permitting access to such system by agricultural producers; and consolidating and relocating various agencies and operations of USDA to improve accessibility and efficiency.

Specifically, the Secretary of Agriculture is required to provide this information to the House and Senate Agriculture Committees within 240 days of enactment. The Secretary is encouraged to seek the expertise of at least one privately owned consulting service familiar with computer network design; however, this is not mandatory. Total funding for the project may not exceed $1.5 million.

There are several important benefits of this legislation. First of all, allowing agencies to share information could save valuable USDA staff resources as well as minimize repetitive filings by farmers and ranchers. It is my understanding that over the past decade, the various USDA agencies have acquired over $300 million of computer hardware. However, these purchases have been made on an agency-by-agency basis and the ability to network was not a priority. With several hundred million dollars more allocated for computer hardware purchases through 1992, it is important that we anticipate future needs and utilize current computer technology.

Second, allowing producers to submit information and file applications through their on-farm personal computer could minimize the number of trips to agencies such as the Agricultural Stabilization and Conservation Service [ASCS] and the Soil Conservation Service [SCS]. In other words, let farmers spend their time doing what they know best—producing food and fiber for our Nation and the world.

Finally, we have opened the door for the Secretary to consider a broad spectrum of ideas to make agencies within USDA more convenient and efficient. For instance, maybe we should follow the lead of the Farm Credit System and implement the one-stop shopping concept. Have we considered the benefits and costs associated with bringing these agencies' county offices under one roof?

In my hometown, one has to go to many different places to get all the information and file the reports necessary to deal with agencies that are responsible for dealing with agriculture in my home county.

Mr. President, this is not a complicated piece of legislation. We are merely asking the Secretary to consider utilizing computer technology to improve USDA's efficiency and minimize the paperwork burden associated with Federal farm programs. I should add that very similar legislation has been introduced in the House by Congressman MARLENEE. I commend him for his work on this issue and would hope my Senate colleagues join us in supporting this important legislation.

As farm programs become more complex, we must continue to research, and implement, ways in which paperwork requirements can be minimized.

Mr. President, I ask unanimous consent to have a copy of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Program Reporting, Recordkeeping, and Service Center Improvement Act of 1989".

SEC. 2. REPORT BY THE SECRETARY.

Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that contains specific proposals for—

(1) reducing and simplifying the recordkeeping and other paperwork required of agricultural producers and cooperatives (hereinafter referred to in this Act as "producers") who apply for, or attempt to comply with the requirements of, for participation in—

(A) Federal agricultural price and income support programs administered by the Secretary of Agriculture, including programs under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.);

(B) voluntary or mandatory soil or water conservation programs administered by the Secretary of Agriculture, including programs under the Food Security Act of 1985 (7 U.S.C. 1281 note); and

(C) other agriculturally related programs administered by the Secretary of Agriculture and related agency heads; and

(2) consolidating and relocating various agencies and operations of the Department of Agriculture to provide for more convenient and efficient public access to, and more efficient use of, publicly owned or leased property.

SEC. 3. EVALUATION.

(a) IN GENERAL.—In preparing the report required under section 2, the Secretary of Agriculture shall make a thorough examination of the feasibility of reducing current paperwork and recordkeeping requirements on agricultural producers by allowing such producers access to a computer network or system (existing or to be required in the future) with the capability to—

(1) receive electronic transmissions, from computer terminals on farms or other remote locations of all or a portion of any information required to be provided by such producers;

(2) provide any such producer with updated electronic information and data pertinent to his or her agricultural operation and marketing; and

(3) to provide producers with information-sharing through audio conferencing.

(b) CONSULTING SERVICES.—For purposes of conducting the examination required under subsection (a), the Secretary of Agriculture should retain the consulting services of at least one privately owned business firm having experience and technical expertise with computer network design, function, installation, maintenance, integrated video conferencing, and data base management systems. The Secretary may award a contract for such consulting services on a sole source basis.

(c) COMPUTER FEES AND USER CATEGORIES.—

(1) COMPUTER FEES.—In determining the feasibility and costs of providing costs of providing a computer network or system as described in subsection (a), the Secretary of Agriculture may consider a nominal user fee to be charged to producers and others for access to and use of such a network or system. The level of such fee should be sufficient to partially or entirely defray the costs (after taking into consideration any savings to the Department of Agriculture) associated with the operation, maintenance, and future expansion of such network or system attributable to producer use thereof, but shall not include any reimbursement for existing equipment or equipment capability or for any costs associated with the initial establishment of such network or system.

(20 USER CATEGORIES.—In determining an appropriate level of user fees under paragraph (1), the Secretary of Agriculture shall examine additional categories of users who may be permitted access to the computer network or system, and examine safeguards that would be reasonably necessary to limit file access consistent with the provisions of the Privacy Act of 1974 (5 U.S.C. 552a) and any other relevant statutory or regulatory provisions governing disclosure of individual or proprietary information.

(d) RECOMMENDATIONS.—In the report required under section 2, the Secretary of Agriculture shall include a detailed summary of the examination conducted under this section and recommendations regarding the feasibility of providing producers and other user access to such computer network or system, and the appropriate level of user fees that shall be required for such access and use, if any, and the categories of users who should be granted access to such network or system.

SEC. 4. AUTHORIZATION FOR APPROPRIATIONS.

(a) AUTHORIZATION.—Subject to subsection (c), the Secretary of Agriculture may expend such sums as may be necessary to carry out the provisions of this Act.

(b) USE OF COMMODITY CREDIT CORPORATION FUNDS.—To meet the deadline in section 2(a), pending approval of a request for reprogramming of funds otherwise appropriated to the Department of Agriculture or enactment of an appropriations Act, the Secretary of Agriculture may use funds made available to the Commodity Credit Corporation during fiscal year 1989 in such amounts as may be necessary to carry out the provisions of this Act.

(c) LIMITATION.—The total amount of funds that may be expended by the Secretary of Agriculture to carry out this Act shall not exceed $1,500.00.

By Mr. SHELBY:

S. 775. A bill to require the Secretary of Energy to establish three Centers for Metal Casting Competitiveness Research; to the Committee on Energy.

ESTABLISHING THREE CENTERS FOR METAL CASTING COMPETITIVENESS

● Mr. SHELBY. Mr. President, today I rise to introduce legislation designed to establish three centers for metal casting competitiveness and energy conservation research.

According to the Metal Casting Technology Center at the University of Alabama, the American metal casting industry produces $20 billion worth of products annually and employs approximately 220,000 people. Most of the 3,600 foundries located in the United States are small and medium-sized companies. Only 22 foundries have sales over $100 million each year.

The metal casting industry encompasses a variety of products including automobile parts, medical prostheses, water and sewage systems, and weapon system components. Virtually every manufactured product imported into or exported from the United States contains or is made by machines which contain castings.

Unfortunately, the importance of the metal casting industry is not as well known outside the foundry community as it should be. Therefore, the promotion of means to strengthen the industry has not been vigorously pursued.

However, our foreign competitors have taken a keen interest in their foundry research centers. It has been observed that several countries—Canada, West Germany, Brazil, Italy, France, India, South Africa, and Great Britain—view the foundry industry as high technology. Because of this view, these countries aggressively fund National Foundry Research Centers.

The reduction in the number of U.S. foundries in the United States from 4,360 to 4,006, enhanced international competition, and the disappearance of foundry training in universities illustrates the need for a policy to level the playing field.

The proposal that I am introducing today can improve the industry's competitive stance in the international marketplace. The encouragement and maintenance of a technically advanced U.S. metal casting industry is essential to the competitiveness of all American industry.

The legislation before you today is an exemplary illustration of academia, Government, and the private sector working together for the economic well-being of the country. The creation of a program whose purpose is to promote the performance of research on issues with respect to the technology competitiveness and energy conservation of the U.S. casting industry is an investment that will benefit all American industry.

Mr. President, there is bicameral support for this proposal. My friends and former colleagues, Congressmen BEN ERDREICH and CLAUDE HARRIS have already introduced this proposal in the House of Representatives.

I urge my colleagues to support this legislation.

I ask unanimous consent that the text of the bill be printed in full in the RECORD following completion of this statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds that—

(1) metal castings are a component of all manufactured items imported into or exported from the United States, or are used in the production of such items;

(2) the encouragement and maintenance of a technically advanced United States metal casting industry is essential to the competitiveness of all American industry;

(3) maintaining a viable metal casting industry is vital to the national security and economic well being of the United States; and

(4) the promotion of technology competitiveness and energy conservation in the United States metal casting industry by the Federal Government is necessary to maintain a viable metal casting industry.

SEC. 2. ESTABLISHMENT OF CENTERS.

The Secretary of Energy shall, as a part of the Department's energy conservation programs, establish three Centers for Metal Casting Competitiveness Research for the purpose of performing or promoting the performance of research on issues with respect to the technology competitiveness and energy conservation of the United States metal casting industry.

SEC. 3. LOCATION OF CENTERS.

The Secretary shall establish the centers under section 2 in locations—

(1) where the United States metal casting industry is concentrated; and

(2) if possible where institutions already exist which—

(A) perform the kind of research prescribed in section 2;

(B) have a multidisciplinary group of investigators presently working on metal casting projects; and

(C) possess laboratory facilities capable of duplicating essential metal casting processes.

In locating such centers, the Secretary shall consider distributing them geographically so as to aid in the transfer of technology to the metal casting industry.●

By Mr. BRADLEY (for himself, Mr. CHAFEE, Mr. BINGAMAN, and Mr. KENNEDY):

S. 776. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for advertising expenses for tobacco products; to the Committee on Finance.

S. 777. A bill relating to cigarette labeling; to the Committee on Commerce, Science, and Transportation.

S. 778. A bill to amend the Drug Free Schools and Communities Act of 1986 to provide education on the problems associated with the use of tobacco; to the Committee on Labor and Human Resources.

TOBACCO LEGISLATION

● Mr. BRADLEY. Mr. President, I rise today with my colleagues to introduce a package of legislation to address a Government response to the grave health problems caused by tobacco use.

Mr. President, the Surgeon General has recently stated that tobacco is America's single most important preventable cause of death, responsible for one of every six deaths in the United States. Each year, 390,000 people die because they smoked. In 1985, smoking accounted for 87 percent of the lung cancer deaths, 82 percent of the chronic obstructive pulmonary disease deaths, and 21 percent of the coronary heart disease deaths. More recent evidence documents that cigarette smoking is also a major cause of strokes—the third leading cause of death in the United States. Half of all strokes in people under age 65 stem from smoking. In addition, use of smokeless tobacco is linked to a number of serious health problems including cancer, periodontal bone destruction, tooth abrasion, and gingival recission. The American Cancer Society has estimated that 10 percent of the 9,500 oral cancer deaths in this country are attributable to smokeless tobacco. The World Health Organization concluded in 1986 that there is a direct link between the use of snuff and the development of cancer.

Mr. President, the dollar costs of tobacco use are also unacceptably high. A 1985 Office of Technology Assessment analysis estimated smoking-related health care costs at $22 billion annually. Each year, the Federal Government spends nearly $5 billion on smoking-related health care costs including $4.2 billion in Medicare and Medicaid payments, $210 million through the Department of Defense, and $400 million by the Veterans' Administration. It is clear that tobacco use results not only in preventable deaths, but also in large and preventable health care expenses.

Mr. President, last May, the Surgeon General released his report on nicotine addiction. This report provides conclusive evidence that nicotine is an addictive drug. Many people consider tobacco a habit or a custom. It is more. To be addictive, a drug must cause compulsive use and have altering mood effects as well as rewarding effects that reinforce drug-taking behavior. Nicotine meets these criteria.

I am pleased that the Surgeon General focused attention on the addictive powers of nicotine. Smoking begins primarily during childhood and adolescence. It is terribly important that young people realize that once they begin to use tobacco, they may not be able to stop. In his most recent report, the Surgeon General concluded that the age of initiation to smoking has become younger over time. Smoking among high school seniors leveled off from 1980 through 1987 after previous years of decline. Among males aged 17 to 19, snuff use increased fifteenfold and use of chewing tobacco increased more than fourfold from 1970 to 1986. These findings are cause for deep concern in light of the addictive nature of tobacco, its deadly health effects, and the fact that cigarette smoking has been shown to be a risk factor for later drug or alcohol abuse.

Thirty years ago, the debate was over whether tobacco consumption represented a serious health hazard. Today, everyone agrees—everyone, that is, except the tobacco manufacturers—that tobacco is a killer. The debate has turned to defining the proper Federal role in discouraging tobacco use.

Currently, Mr. President, the Federal Government has conflicting policies:

We spend millions on health research in an effort to help the millions afflicted by tobacco-related diseases, but at the same time we provide subsidies to farmers to grow tobacco.

We place labels on tobacco products warning people of the direct link between use and illness, but at the same time we allow the excise tax on cigarettes to drop in real terms by more than 50 percent.

We spend millions on public health campaigns to warn people of the dangers of tobacco and discourage its use, but at the same time we allow manufacturers to write off billions of dollars in advertising expenses that are aimed at encouraging people to smoke or use smokeless tobacco.

And, last, we know from the Surgeon General's report that tobacco use is addictive, but still we allow tobacco manufacturers to provide free samples and discount coupons to our youngsters to encourage them to try cigarettes.

Mr. President, the Government should speak with one voice on this problem. I believe that voice should unequivocally say, "smoking kills." We need tough Federal laws that send the message loud and clear.

Mr. President, the package of bills being introduced today sends the message in a number of ways.

DISALLOWING ADVERTISING EXPENSE DEDUCTION FOR TOBACCO PRODUCTS

This legislation eliminates the incentive in the current Tax Code that helps tobacco companies promote their products. It eliminates the tax deduction for advertising expenses associated with tobacco products, including smokeless tobacco.

The industry argues that tobacco ads are not intended to recruit new smokers but simply to get people who already smoke to switch brands. This is hogwash. What was the message behind television ads on smokeless tobacco, now prohibited, portraying an athlete enjoying a "pinch between his cheek and gum"? What is the message behind billboards and magazine ads that portray young, successful, athletic, and attractive models?

Americans—particularly young Americans—are bombarded with tobacco ads. In 1985, tobacco was the most heavily advertised product category in outdoor media such as billboards, second in magazines, and third in newspapers. The tobacco industry spends close to $2.4 billion a year advertising and marketing its products and countering tobacco-related health messages. And the taxpayers subsidize that cost through the Tax Code.

Smoking is not glamorous. It does not make you attractive. It will not help you live a long or athletic life. A recent survey commissioned by the Tobacco Institute found that a plurality of Americans, 41 percent, favored ending cigarette advertising altogether. A Washington Post survey found that 49 percent of those surveyed favored a ban on all cigarette advertising. We are not proposing to stop tobacco manufacturers from advertising, but we can at least eliminate the tax-

payer subsidy to ensure that taxpayers no longer pay for these ads through their tax deductions.

TOBACCO WARNING LABELS

Mr. President, the second component of this legislation adds an additional rotating warning label to tobacco advertisements and tobacco products sold in the United States, as recommended by the Surgeon General. The new cigarette warning label reads as follows:

WARNING: Smoking is addictive. Once you start, you may not be able to stop.

For smokeless tobacco, the new warning label would read:

WARNING: Use of this product is addictive. Once you start, you may not be able to stop.

Mr. President, this bill is aimed particularly at our young people. Most smokers take up the "habit"—and become addicted—before they are 14 years old. Surveys of adolescents indicate that many of those who start smoking do not understand the nature of tobacco addiction and are unaware or underestimate the grave health consequences of smoking. We need to do everything we can to inform young Americans about the harmful and addictive qualities of tobacco. If more people realize—through warning labels and education programs—that nicotine is a harmful, addictive drug, fewer young people will use tobacco.

TOBACCO EDUCATION

Mr. President, the third bill, also aimed at preventing young people from beginning to use tobacco, is very simple. It expands the scope of Federal alcohol and drug abuse education programs to include tobacco. Since 1987, the Federal Government has provided roughly $200 million per year for the Drug Free Schools and Communities Act. That amount was recently increased to $355 million. This valuable program provides grants to localities, schools, and community-based organizations for drug prevention and early intervention programs. In transmitting the Surgeon General's 1988 report, then HHS Secretary Bowen said, "Because most cases of nicotine addiction begin during childhood and adolescence, school curricula on the prevention of drug abuse should also include tobacco."

A key finding of the most recent report of the Surgeon General was that one quarter of high school seniors who have ever smoked began by sixth grade—half by eighth grade. The report noted a growing consensus that smoking prevention education needs to begin in elementary school. Since the vast majority of people who smoke started as children, and since tobacco is a "gateway" for alcohol and drug abuse, efforts must be undertaken to dissuade young people from ever using tobacco. Tobacco education is aimed at this end.

PROHIBITION OF FREE SAMPLES AND DISCOUNT COUPONS

Mr. President, this is the third component of the legislative package that is aimed at preventing anyone, but especially children and adolescents, from smoking their first cigarettes or beginning to use other tobacco products. Over the past decade, cigarette marketing expenditures have shifted from traditional print advertising to promotional activities, such as free samples and discount coupons. Although the tobacco industry's voluntary codes prohibit the distribution of cigarette samples to individuals under 21 years of age and distribution of smokeless tobacco to children under the age of 18, the Surgeon General's 1989 report cited evidence of widespread violation of this code. One of the studies cited was a survey of suburban New Jersey high school students. One-third of over 500 current and former smokers had received free cigarette samples before age 16.

Mr. President, this direct solicitation of our youngsters and other citizens and shameless encouragement of dangerous and addictive behavior runs counter to claims by the tobacco industry that they are aiming their promotional efforts solely at those who already use tobacco. It is an outrage which must be stopped.

TOBACCO EXCISE TAX

Mr. President, the next major component of this legislation raises the excise tax on a pack of cigarettes from $0.16 per pack to $0.38 per pack, which raises an additional $19.3 billion in revenue over the next 5 years. Over the years, the special interests have been able to erode the real level of taxation on cigarettes. The $0.16 Federal tax now represents less than 15 percent of the average price of a pack of cigarettes, significantly less than the 42 percent the Federal excise tax represented in 1951. We need to more than double the tax to bring it back to the 1951 level.

Raising the cigarette excise tax will reduce tobacco usage, particularly among the most vulnerable segment of our population—children. Per capita cigarette consumption, which normally remains steady, decreased by 5 percent between 1982 and 1983 due to the 8-cent increase in excise tax on cigarettes.

The experts appear to be in agreement that the increase in the price of cigarettes does indeed bring about a decrease in consumption. The decrease is small among addicted adults, but the reduction is quite large among teenagers who either quit smoking altogether or decide not to start. According to testimony in 1986 before the Finance Committee, if Congress decided to increase the Federal tax by 8 cents, close to 2 million Americans, including 1 million children, would be encouraged to quit smoking or to avoid taking up the habit altogether. Currently, between one and four smokers die from smoking-related illnesses. Therefore, Mr. President, a significant tax increase has major implications for one select group—the million Americans who will avoid premature death if the cigarette excise tax is raised.

FEDERAL REGULATION OF TOBACCO PRODUCTS

Finally, Mr. President, the current package includes a bill that would create a new chapter in the Food, Drug and Cosmetics Act to authorize Federal regulation of the manufacture, sale, promotion, and distribution of tobacco products, constitutents, and additives. Our citizens may well ask why, when the Surgeon General has found that tobacco products are harmful and addictive, these products are not regulated under Federal health and safety statutes. The fact is that if regulated as a food or drug, tobacco products would probably be banned. This legislation takes the alternative approach of regulating tobacco products to ensure that accurate and essential information is provided to the public in order to allow consumers to make informed decisions. This bill is important because Government cannot continue to turn the other way as the tobacco industry continues to peddle dangerous and addictive products in increasingly innovative ways. There is no good reason for regulating all materials marketed for ingestion except for this single, very deadly one.

Before concluding, Mr. President, I would like to quote from a 1972 Philip Morris document that has been brought to my attention. It describes in no uncertain terms that cigarettes are simply packaging for nicotine.

> The cigarette should be conceived not as a product but as a package. The product is nicotine. The cigarette is but one of many package layers. There is the carton, which contains the pack, which contains the cigarette, which contains the smoke. The smoke is the final package. The smoker must strip off all these package layers to get to that which he seeks . . . Think of the cigarette pack as a storage container for a day's support of nicotine . . . Think of the cigarette as a dispenser for a dose unit of nicotine . . . Think of a puff of smoke as the vehicle of nicotine . . . Smoke is beyond question the most optimized vehicle of nicotine and the cigarette the most optimized dispenser of smoke.

Mr. President, tobacco is the vehicle for delivering nicotine to the public. Nicotine kills and nicotine is addictive. It is Government's job to see that fewer and fewer people spend their time trying to receive their "dose unit" of nicotine—and dying as a result.●

By Mr. PRYOR (for himself, Mr. COCHRAN, Mr. CONRAD, Mr. LEAHY, Mr. LUGAR, Mr. BOREN, Mr. HEFLIN, Mr. RIEGLE, Mr. SANFORD, Mr. MCCONNELL, Mr. LEVIN, Mr. MCCLURE, Mr.

BUMPERS, Mr. ROTH, Mr. SYMMS, Mr. GORTON, Mr. BURNS, Mr. HELMS, Mr. HEINZ, Mr. DASCHLE, Mr. BOND, Mr. SHELBY, Mr. HARKIN, Mr. COATS, Mr. EXON, Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. WILSON, Mr. DOLE, and Mr. KERREY):

S. 779. A bill to minimize the impact of agricultural nitrogen on ground water and surface water quality by establishing a nationwide education program aimed at American farmers, to urge the adoption of agricultural best management practices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL NITROGEN EDUCATION AND MANAGEMENT ACT

● Mr. PRYOR. Mr. President, I rise today to introduce legislation entitled the Agricultural Nitrogen Education and Management Act of 1989. This legislation is designed to minimize the impact of agricultural nitrogen on ground water and surface water through improved education, public awareness, and better farm management practices.

In the last session of Congress, we joined many of our colleagues in cosponsoring legislation that established a nationwide educational program for farmers designed to minimize the impact of agricultural nitrogen on ground and surface water. This legislation was incorporated in the ground water research bill that passed the Senate last year—S. 1105—and is incorporated in S. 203, the ground water research bill introduced in this session.

Protection of ground water resources is one of the most important issues facing American agriculture today. We believe through research, increased farmer education, public information, and the adoption of agronomic best management practices for conventional farmers, we can prevent many of our Nation's water quality problems right from the start.

We believe that agronomic best management practices technology is solidly based on research, and encourages good crop management, good soil and water conservation practices, has high input efficiency and provides conventional farmers flexibility to maintain crop production at desired levels at efficient cost.

In the bill we are introducing today, we define agronomic best management practices to include but not be limited to generally recognized farmer management practices designed to reduce or prevent contamination of ground and surface water, erosion, and runoff from cropland, including the use of conversion tillage, no till, ridge planting, strip tillage, crop rotation, irrigation water management, judicious fertilizer application, slow release fertilizer, soil and tissue testing, and vegetative buffer strips.

I am concerned that the Department of Agriculture should increase its efforts in keeping pace with the environmental educational needs of our Nation's conventional agriculture producers. It is also my concern that if USDA fails to fill this void, others will—with costly and onerous regulation of our abundant agricultural producers as a result. I believe our food producers need the Department of Agriculture to provide more practical guidance, more education, and more technology on agronomic best managment practices.

Therefore, this legislation authorizes the Secretary of Agriculture to establish a best management task force with the function of developing agronomic best management practices and transmitting this important and essential technology to our Nation's farmers.

Mr. President, we will seek enactment of this important first step, and will look for creative ways to address this issue in the 1990 farm bill.

Mr. President, I ask unanimous consent that this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agriculture Nitrogen Education and Management Act of 1989".

SEC. 2. AGRICULTURAL NITROGEN BEST MANAGEMENT TASK FORCE.

(a) PURPOSE.—The purpose of this section is to provide authority to the Secretary of Agriculture to develop and promote educational programs on agricultural best management practices to minimize nitrogen losses from all potential agricultural sources and practices.

(b) FINDINGS.—Congress finds that—

(1) efficient plant uptake of nutrients is essential to maximize the return of farmers on investment and to minimize nutrient losses from erosion and leaching;

(2) sound irrigation water management is essential to the environment, as agriculture is the largest single consumer of water in rural areas of the United States, with irrigation used on more than 41,000,000 acres;

(3) careful selection of the proper combination of agricultural best management practices will help farmers reduce the effect of agricultural practices on ground and surface water quality through the judicious use of plant nutrients;

(4) technology and education on soil and tissue testing, in managing both economic and environmental concerns of agriculture, deserve renewed emphasis by the Secretary of Agriculture in view of changing farmer needs;

(5) least-cost production strategies continue to offer the best long-term hope for sustaining agriculture in the United States; and

(6) farmers must be fully informed to ensure that nutrient applications are both agronomically and environmentally sound.

(c) ESTABLISHMENT.—The Secretary of Agriculture shall establish an Agricultural Nitrogen Best Management Practices Task Force consisting of—

(1) the Administrator of the Agricultural Research Service;

(2) the Administrator of the Extension Service;

(3) the Chief of the Soil Conservation Service;

(4) the Administrator of the Agricultural Stabilization and Conservation Service;

(5) the Administrator of the Cooperative State Research Service;

(6) the Manager of the National Fertilizer Development Center, Tennessee Valley Authority;

(7) the Administrator of the Environmental Protection Agency; and

(8) a representative of farmers nationwide, to be selected by the Secretary of Agriculture.

(d) FUNCTIONS.—The task force shall—

(1) develop agricultural best management practices for agricultural nitrogen utilization in crop production;

(2) develop educational and training material, including slide presentations, brochures, and video tapes;

(3) disseminate the educational materials to American farmers through appropriate means, including—

(A) Soil Conservation Services field offices; and

(B) extension agents; and

(4) promote the adoption by American farmers of agricultural best management practices for agricultural nitrogen utilization and crop promotion.

(e) REPORT.—The task force shall report back to Congress 1 year after the date of the enactment of this Act on the progress of the efforts of the task force. The report shall include a description of—

(1) the agricultural best management practices developed, with particular emphasis on practices to minimize the impact of agricultural nitrogen on ground water and surface water quality;

(2) material developed to promote agricultural best management practices;

(3) the strategy for dissemination;

(4) the number of farmers exposed to the information; and

(5) the number of farmers adopting agricultural best management practices.

(f) DEFINITIONS.—For the purpose of this section:

(1) AGRICULTURAL BEST MANAGEMENT PRACTICES.—The term "agricultural best management practices" includes generally recognized farmer management practices designed to reduce or prevent contamination of ground water and surface water, erosion, and runoff from cropland, including the use of conversion tillage, no-till, ridge planting, strip tillage, contour farming, strip cropping, crop rotation, irrigation water management, judicious fertilizer application, slow-release fertilizers, soil and tissue testing, and vegetative buffer strips.

(2) AGRICULTURAL NITROGEN.—The term "agricultural nitrogen" means nitrogen in all forms that may be present and available for crop production (whether natural, physical, man-made, chemical or biological), including nitrogen supplied by leguminous plants (such as soybeans and alfalfa), animal manures, decaying leaves and other vegetation, commercial fertilizers, human and industrial sewage, precipitation, dustfall, soil, and soil bacteria.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the first 5 fiscal years

beginning after the date of the enactment of this Act.

SEC. 3. NONPOINT SOURCE MANAGEMENT PROGRAMS.

(a) STATE REPORTS AND MANAGEMENT PROGRAMS.—Section 319(c) of the Federal Water Pollution Control Act (33 U.S.C. 1329(c)) is amended by adding at the end thereof the following new paragraph:

"(3) CONSULTATION REQUIREMENT.—A report required by subsection (a) and a management program and report required by subsection (b) shall be made available to the Agricultural Nitrogen Best Management Practices Task Force of the Department of Agriculture established by section 2 of the Agricultural Nitrogen Management Act of 1989.".

(b) REPORTS OF THE ADMINISTRATOR OF EPA.—Section 319(m) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) CONSULTATION REQUIREMENT.—In preparing the reports required under this subsection, the Administrator shall consider the report of the Agricultural; Nitrogen Best Management Practices Task Force of the Department of Agriculture established by section 2 of the Agricultural Nitrogen Management Act of 1989.".

● Mr. COCHRAN. Mr. President, I join Senators PRYOR and CONRAD in introducing the Agricultural Nitrogen Education and Management Act of 1989. This bill is designed to minimize the impact of agricultural nitrogen and fertilizers on ground waters and surface quality water by establishing a nationwide educational program for farmers. The goal of the legislation is to encourage the adoption of better management practices.

Protection of ground water resources is one of the most important issues facing American agriculture today. Through improved farmer education, research, public information, and management practices by our farmers, we can prevent many water quality problems right from the start.

At a time when the environmental education needs of our Nation's conventional agricultural producers are increasing, our abundant producers of food need the Department of Agriculture to supply more practical guidance, more education, and more technology on agronomic management practices. In an effort to fill this void, I support enactment of the Agricultural Nitrogen Education and Management Act of 1989. I hope other Senators will join us in this effort by cosponsoring this bill.●

● Mr. CONRAD. Mr. President, today I am pleased to introduce this bill with Mr. PRYOR and Mr. COCHRAN as we did in the 100th Congress. This bill addresses the very real needs of both agriculture and environmental quality by improving and expanding the educational opportunities for farmers in best management practices.

Best management practices involve judicious use of nitrogen fertilizers through soil testing, sound irrigation decisions, proper timing of fertilizer applications, conservation tillage, and adapting different fertilizer application methods available to the specific field conditions at hand in an environmentally sound manner.

At present, sediment pollution from soil erosion is the single largest pollutant of surface waters. Moreover, this sediment frequently carries fertilizers or pesticides that adversely affect our water resources. This bill is an effort to enable farmers to work economically toward a resolution of these problems.

Currently, user information and education programs exist in the Agricultural Research Service, the Cooperative Extension Service, the Soil Conservation Service, and the Agricultural Stabilization and Conservation Service. However, research and technical information is also available through the Environmental Protection Agency, the Cooperative State Research Service, the National Fertilizer Development Center of the Tennessee Valley Authority, and many independent farmer organizations as well.

This act will establish an Agricultural Nitrogen Best Management Practices Task Force to coordinate the activities of all these agencies including the development and dissemination of educational and training materials through those same agencies. This task force will also be required to document the numbers of farmers exposed to this information as well as numbers of farmers adopting best management practices. The task force will also report to Congress 2 years after the date of enactment, thus assuring the fulfillment of these goals.●

● Mr. HARKIN. Mr. President, I am pleased to cosponsor this legislation to establish a national program to help educate farmers about and promote wise management practices in the use of agricultural nitrogen. Careful management of agricultural nitrogen will help farmers achieve greater production efficiency and reduce adverse environmental consequences of losses of agricultural nitrogen.

Farmers want to address the problems associated with losses of agricultural nitrogen. Most farm families depend on ground water for their drinking water and thus want to keep agricultural nitrogen from moving into ground water. I also know that farmers have a genuine commitment to conserving and protecting our natural resources. In my view the most promising approach to environmental concerns associated with farming lies in helping farmers find practical and feasible ways to address those concerns on their individual farms.

With correct information and adequate knowledge farmers can and will adopt farming practices that have demonstrated value in their operations and that address environmental concerns. Owing to new knowledge, some of the earlier expert recommendations for nitrogen management, which farmers followed for years, now need modification. This legislation will help meet the need for information and knowledge by providing for the establishment of an agricultural nitrogen best management practices task force to develop agricultural nitrogen best management practices, to develop educational and training materials and to disseminate the educational materials to farmers.

The task force will report back to Congress within 1 year after the enactment of the legislation. The report will include a description of the agricultural best management practices developed, the material developed to promote agricultural best management practices, the strategy for dissemination of the material, the number of farmers exposed to the information and the number of farmers adopting agricultural best management practices.

Environmental considerations will play a significant role in the upcoming debate on omnibus farm legislation, just as they did in debate on the Food Security Act of 1985. Information of the kind to be included in the task force report required by this legislation will be very useful to us in that debate. I therefore hope that this legislation will be quickly enacted and that the report of the task force will be completed and made available in time to be fully considered as we draft the next farm bill.●

By Mr. JOHNSTON (for himself and Mr. MCCLURE) (by request):

S. 780. A bill to provide for the disposition of excess Federal land located on Guam, and for other purposes; to the Committee on Energy and Natural Resources.

GUAM LANDS ACT

● Mr. JOHNSTON. Mr. President, I am pleased to introduce legislation today, along with Senator MCCLURE and at the request of the distinguished delegate from Guam (Mr. BEN BLAZ), to provide for the disposal of approximately 3,500 acres of excess military land on Guam. Last Congress we introduced similar legislation, S. 1470, at the request of Mr. BLAZ. Since that time, substantial progress has been made in consideration of the bill and Mr. BLAZ has developed a new draft for further consideration in the 101st Congress.

Senator MCCLURE and I share the Congressman's appreciation of the importance of land in Guam and of the need to get surplus Federal lands back into circulation and contributing to the economy of the island.

We are very pleased to see that progress has been made in resolving some very tough issues such as recognizing the interests of previous

owners, establishing a system to judge claims of ownership, providing for fair payment to the Federal Government, and protecting the local community from land alienation.

We look forward to working with the administration, the House of Representatives, and with Mr. BLAZ in continuing this progress and in reaching a final consensus on this legislation.●

By Mr. McCAIN:

S. 781. A bill to establish a foundation to operate a program of voluntary part-time national service, to provide enhanced benefits under the educational assistance program for volunteers in the Armed Forces, and to provide for the preparation of a plan to implement a national service program; to the Committee on Labor and Human Resources.

NATIONAL SERVICE ACT

● Mr. McCAIN. Mr. President, the bill that I am introducing in the Senate today, and which my good friend, Congressman JOHN PORTER is introducing in the House, provides for the authorization of a comprehensive national service program. The short title of this bill is "National Service Act of 1989." The concept of national service has regained popularity in recent years, which is evident by the numerous related bills that have been introduced in recent weeks. For too long, words like duty, honor, country, and civic responsibility have been viewed as jingoistic slogans. As we all know, that is patently untrue. Public opinion polls now indicate that a majority of Americans support national service.

Mr. President, while the legislation I am introducing initially calls for a voluntary national service program, it differs from all other such legislation introduced to date. First of all, the voluntary service component of my legislation builds on the proposal made by President Bush during the Presidential election campaign to create a truly fair and equitable program that will not interfere with existing loans and grants for higher education, or recruiting career personnel for our Armed Forces.

The second major difference in my legislation is that it calls on the President of the United States to submit to the Congress within 3 years of the enactment of this act, a comprehensive proposal for national service for young Americans. I am proposing a true national service program.

Mr. President, the need for a true national service program is the primary reason that I decided to join with Congressman PORTER in introducing this legislation. I believe very strongly that one of the responsibilities of citizenship in a democracy is an obligation to serve the Nation. Traditionally, the concept of service to the Nation has been viewed solely as membership in one of the Armed Forces. I believe that is too narrow a view of national service.

A country that believes that defense of its freedom and serving the civic good are only the responsibility of a small segment of the population, is a country that, in my opinion, has become morally bankrupt. Democracies rarely perish at the hands of a superior aggressor; their death more often is a result of their own apathy and indifference.

Therefore, I am introducing this legislation in an effort to encourage young people to serve the United States by performing military or community service.

While I am driven primarily by philosophic reasons, this legislation will provide tangible benefits to our youth, our States and communities, and our Nation's defense. This bill will help to address some of the pressing social problems of the United States, and will also help us maintain a high quality military force during a time when demographic declines make recruiting difficult.

Mr. President, I would like to briefly describe the sections of this bill. Title I of the bill deals with voluntary community service. The community service component requires volunteers to serve 24 hours per month and 2 weeks during the year. They may perform this service from ages 16 through 26 years. The terms of service for the community service program are 2 to 4 years.

As payment for their community service, each volunteer is eligible to receive $2,000 for each year served. This money can be applied to the cost of an education, for vocational training, or the money can be applied toward the purchase of a first home. The community service aspect of this bill would be administered by a foundation known as the National Service Foundation. Guidelines for the foundation are included in title I.

In an effort to encourage more young people to join the Armed Forces, title II of this bill raises the current Montgomery GI bill benefits from $10,800 to slightly more than $15,000 for persons serving on active duty in the Armed Forces. In addition, title II would authorize service personnel to use the money accrued under the Montgomery GI bill benefit for educational benefits, vocational training, or allow the money to be applied toward the purchase of a first home.

For the first time, Montgomery GI bill benefits would be allowed to be transferred to a legal son or daughter under the age of 23 who is enrolled in a full-time course of study in an institution of higher learning. To be eligible for this transfer authority, an active duty member must have served over 8 years of honorable military service, or must have served 8 years of honorable service and reenlisted for an additional 4 years of active duty service.

Mr. President, title III of this bill is simple and straightforward. Section 301 consists of the following findings: The Congress finds that: First, the principal responsibility of the Federal Government is to provide for the defense of the United States; second, an obligation of citizenship in a democracy is service to the Nation; third, while most citizens of the United States view national service as membership in the Armed Forces, national service also includes community service; fourth, the obligation of national service, whether military or community service, should be shared equally by the citizens of the United States regardless of race, creed, ethnic origin, or socioeconomic status; fifth, the recent high quality of the volunteers for Armed Forces should not be allowed to diminish as a result of demographic declines or economic upturns; and sixth, service in the Active or Reserve components of the Armed Forces or in full-time or part-time community service programs should be considered as necessary to fulfill the national service obligation.

Section 302 requires that the President of the United States submit to the Congress not later than January 1, 1993, a plan to require national service by young people between the ages of 16 and 26. The plan that the President submits to the Congress shall include a military service component and a full-time and part-time community service component. The proposal must be consistent with the findings specified in section 301 of the bill, and should contain such recommendations as necessary for legislation to implement the plan of the President.

Not later than 90 days after the effective date of this act, the President shall inform the Congress of the method by which he will develop the plan required in this legislation.

Mr. President, we all enjoy the great freedoms of living in this country, and we must all share the burden of preserving those freedoms. We must not forget, however, that part of our population does not enjoy as high a standard of living as we enjoy. It is through the community service component of my bill, in coordination with State and local governments, that we can help improve the lives of those less fortunate than ourselves.

I hope that many of my colleagues will join me and support this legislation. Together, we can ensure the high quality of our military forces into the next century, help alleviate some of the social ills in our country, and reinvigorate the sense of public responsibility.

Mr. President, I yield the floor.●

By Mr. JOHNSTON (for himself, Mr. McCLURE, Mr. NICKLES,

Mr. FORD, Mr. BINGAMAN, Mr. WALLOP, Mr. BREAUX, Mr. WIRTH, Mr. BOREN, Mr. SIMPSON, Mr. GARN, Mr. COATS and Mr. GRAMM):

S. 783. A bill to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act; to the Committee on Energy and Natural Resources.

NATURAL GAS WELLHEAD DECONTROL ACT

Mr. JOHNSTON. Mr. President, today I am introducing the Natural Gas Wellhead Decontrol Act of 1989, a bill that would complete the deregulation of wellhead natural gas prices that was begun with the Natural Gas Policy Act of 1978 [NGPA]. This bill would eliminate all remaining wellhead price controls by January 1, 1993. Also, in certain circumstances, remaining wellhead prices would cease to apply earlier than January 1, 1993.

First, natural gas that is under a contract that has expired or been terminated prior the date of enactment will be decontrolled as of the date of enactment. Also, any natural gas covered by a post-enactment contract would not be subject to wellhead price controls.

Second, natural gas covered by a contract that expires or is terminated subsequent to the date of enactment—but prior to January 1, 1993—shall not be subject to price controls as of the date that the contract ceases to apply.

Third, wellhead price controls shall not apply to natural gas that is under a contract renegotiated subsequent to March 23, 1989, where the parties to that contract expressly agree that the gas under the contract shall not be subject to wellhead price controls subsequent to a specified date. However, notwithstanding the terms of the renegotiated contract, wellhead price controls shall not cease to apply to such gas before the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989.

The transitional decontrol provisions that I have just summarized are intended to act as a cushion to protect consumers, pipelines, and producers from any intended consquences of this final phase of decontrol. The period up to January 1, 1993, offers an opportunity for parties to reorder their natural gas supply arrangements to prevent any hardships.

In addition to removing wellhead price controls, this bill would eliminate nonprice controls upon the first sale of subject gas, such that provisions of the Natural Gas Act would not apply to decontrolled gas solely by reason of a first sale of such gas. For example, a party engaged solely in a first sale would not be required to obtain certificate authority under the Natural Gas Act before initiating a first sale and would not be required to obtain abandonment authorization before terminating a first sale.

Mr. President, this is a clean bill. By that I mean that it does not include any special interest provisions that might create a significant advantage for one segment of the natural gas industry at the expense of another. I fully intend that this remain a clean bill.

I wish to emphasize that this bill does not decontrol interstate natural gas pipelines. The Federal Energy Regulatory Commission will continue to fulfill its consumer protection mandate under the Natural Gas Act by regulating interstate transportation and wholesale sales of natural gas by such pipelines.

Our experience over the past decade under the NGPA has proven without a doubt that the decontrol of wellhead natural gas prices is the correct energy policy for natural gas. Partial wellhead decontrol together with the Federal Energy Regulatory Commission's lighter handed regulatory policy under the Natural Gas Act and the NGPA have combined to bring consumers to benefits of lower prices and increased natural gas supplies on the interstate market. Delivered natural gas prices for all classes of natural gas consumers—residential, commercial, industrial, and electric utility consumers alike—have declined significantly since prices hit their peak in December 1984. There is now an active spot market for natural gas that did not exist even 5 years ago and local distribution companies and end-users of natural gas have never before had as many options for arranging natural gas purchases.

According to the Deprtment of Energy's Energy Information Administration, the average wellhead price of domestic natural gas has declined from $1.98 per Mcf in 1981 to $1.71 per Mcf in 1988. Interestingly, the highest average price during this 8-year period was $2.66 per Mcf in 1984, the year immediately preceding the decontrol of 45 percent of domestic natural gas production. Apprehensions that the January 1, 1985, decontrol of a significant portion of domestic production would lead to a dramatic fly up in prices proved unfounded, and I submit that any similar apprehensions in the case of removing the remaining wellhead price controls are likewise unfounded.

The remaining price controls under the NGPA do not serve the purpose of consumer protection. While approximately 40 percent of natural gas sold in the United States remains subject to price controls under title I of the NGPA, the lion's share of this gas is priced at NGPA incentive prices which are far in excess of the prevailing market price. Only a small percentage of price-controlled gas—approximately 6 percent of all flowing gas—remain subject to ceiling prices at or below the prevailing market price. Furthermore, under the Federal Energy Regulatory Commission's Order No. 451, gas subject to ceiling prices below the prevailing market price may be renegotiated up to market prices. In summary, due to the evolution of the market and the regulatory scheme and the depletion of old gas subject to price controls predicated upon pre-NGPA prices, the remaining wellhead price controls do little or nothing to protect the consuming public.

However, remaining price controls can distort the prompt and accurate transmission of market signals from consumers to the producing sector. The chronic oversupply that has characterized the natural gas market for most of the past decade—the so-called natural gas bubble—is now finally close to an end. In conjunction with this, demand for natural gas in predicted to increase significantly over the next decade. The impetus for this increased demand includes environmental constraints that require clean-burning fuels such as natural gas, energy security concerns and the need for domestic energy sources to displace imported oil, and the construction of new electric generating facilities to meet forecasted increases in the demand for electricity.

If we are to meet this demand, price signals must be transmitted promptly and accurately to the producing sector. Wellhead price controls distort the transmission of these market signals. Incentive prices are set at levels far above what the marketplace will validate. Meanwhile, old gas ceiling prices discourage the production of some of our Nation's most affordable natural gas.

In summary, the removal of remaining wellhead price controls will promote increased supplies of affordable natural gas in the near term and the accurate transmission of market signals that is necessary for natural gas supplies to remain adequate in the years to come. This final phaseout of wellhead price controls also frees regulatory authorities, the natural gas industry and ultimately the consuming public from the cost of administering a price control regime that no longer benefits the public interest.

Mr. President, this bill represents a consensus position that can be supported by all segments of the natural gas industry—producers, pipelines, and local distribution companies alike. Such a consensus would have been unthinkable a few short years ago. We must seize this opportunity to do away with the final vestiges of a discredited regulatory policy and to continue the progress that we have made in natural gas policy under the NGPA.

Mr. President, my distinguished colleague in the other Chamber, Repre-

sentative SHARP of Indiana has introduced a substantially similar measure, H.R. 1595, the Natural Gas Decontrol Act of 1989, in the House of Representatives.

Mr. NICKLES. Mr. President, I am pleased to join with the chairman and the ranking Republican of the Committee on Energy and Natural Resources and Senator FORD to introduce the Natural Gas Wellhead Decontrol Act of 1989. This bill is essentially a reintroduction with conforming and technical changes, of S. 625, which Senator FORD and I introduced on March 16 along with Senators WALLOP, GARN, BREAUX, and BOREN. Since introduction, Senators SIMPSON, BINGAMAN, COATS, and GRAMM have also cosponsored the Nickles-Ford bill. The version we are introducing today conforms S. 625 to the natural gas decontrol bill language reported out of the House Committee on Energy and Commerce on Tuesday without adding any substantive provisions that were not included in the Nickles-Ford bill.

There remains only one difference between this bill and the one reported to the House floor this week by the Committee on Energy and Commerce. The House Energy Committee natural gas decontrol bill adds a newly spudded well decontrol provision to the transition period prior to full decontrol on January 1, 1993. Although I have some concerns regarding this provision, I am hopeful and confident that this difference can and will be worked out, assuring the prompt passage of this very important legislation.

Natural gas is the key to Oklahoma's successful future in energy and decontrol that will stimulate the operation of efficient market mechanisms in the natural gas industry. Decontrol of natural gas is needed to help producers meet tomorrow's demands for natural gas by allowing the proper price signals to reach those who explore for and produce new reserves.

Now is an excellent opportunity for the Congress to end its 35-year legacy of controls on natural gas production. Natural gas is the only commodity over which the Federal Government still has price controls at its source. Congress has already decontrolled the majority of the domestic natural gas, and the time is ripe to decontrol the remainder.

Today, less than 40 percent of domestic natural gas remains subject to Federal price ceilings. The vast majority of even the remaining controlled gas is effectively decontrolled, because the wellhead price for that gas is far below the maximum ceiling price.

It is, therefore, easy to see why these Federal price ceilings no longer protect the consumer from prevailing market prices. Irrespective of the presence of these price ceilings, the gas prices consumers pay today are determined by the laws of supply and demand, which includes such factors as the cost of imported gas and energy alternatives such as coal and oil.

If price controls were merely useless and without negative impact, there might not be the need to pass legislation to repeal them. Unfortunately, Federal price controls have been causing enormous economic inefficiencies in the natural gas market. The Congress encouraged the production of higher cost gas as opposed to letting industry select the most cost-effective gas resources to produce.

Maintaining natural gas price controls has an administrative cost as well. Pipelines and producers have to maintain complex tracking procedures to follow the many categories of gas and their ceiling prices. And these costs are also passed on to the gas consumer.

Our Nation's energy security has been adversely affected by the gas price ceilings. The lessons of our experience with oil controls are clear: Industry is better than the Federal Government at efficient allocation of resources.

Removal of Federal controls which interfere with the exploration for and production of natural gas paves the way for a market responsive natural gas industry and is able to quickly and efficiently match supply with demand. As the current excess deliverability begins to decline, there will be an increase in the need for additional gas reserves. Decontrol will allow new supplies of natural gas to be brought forth at prices based on market signals, not faulty guesses made by politicians in Washington, DC.

Clearly, the economy, the Nation's energy security, the natural gas industry, and natural gas consumers, will all be better off by completing the decontrol of natural gas. I hope my colleagues will join in supporting this legislation.

By Mr. HATFIELD (for himself and Mr. HARKIN):

S. 784. A bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes; to create the United States Peace Tax Fund to receive such tax payments; to establish a United States Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Finance.

U.S. PEACE TAX FUND ACT

● Mr. HATFIELD. Mr. President, as my colleagues know, I have spoken on this floor many times in the past 22 years against the continued escalation of nuclear arms race, the unfortunate tendency of several administrations and of this Congress to pursue military solutions to conflict instead of diplomatic solutions, and against the tremendous rise in this country's defense budget. Indeed, as the defense budget has almost tripled in the past decade, I have voted against every defense authorization bill since 1981.

That said, Mr. President, I am not a conscientious objector. I was a naval officer in the Pacific theater during World War II, and believe that there are some threats so grave that going to war against them is legitimate. I must say, however, that my experiences in Hiroshima in September 1945, convinced me that nothing can render the use of nuclear weapons legitimate—I am a conscientious objector to nuclear war. But I am not a conscientious objector.

For those Americans who are conscientious objectors, Mr. President, objections to the arms race, to the militarization of our foreign policy and to the defense budget go beyond floor statements, budget freezes, and build downs. For those among us whose personal faith or convictions prevent them from supporting violence of any kind, the use of their tax money to buy weapons of destruction forces them to make a choice between the laws of our land and the faith in their heart.

Conscientious objectors from all over this country soon will find themselves faced with that choice. On April 15, they will be forced to decide—as they are every year—whether they are willing to risk going to jail for withholding that percentage of their tax money that will be used for military purposes or whether they are willing to betray their conscience. It is time we stopped forcing them to make that choice, time we stopped forcing law abiding citizens to become criminals. We have done it in time of war—conscientious objector status is recognized by the U.S. military. It is time we offer that same status in time of peace.

As I have for more than a decade, I rise today to introduce the World Peace Tax Fund Act. Its purpose is simple: to allow conscientious objectors to obey the law and their conscience. The World Peace Tax Fund Act would create a trust fund into which conscientious objectors could pay their taxes, knowing that by law their money would be used only for peaceful purposes.

Mr. President, I am proud to be joined today by Senator HARKIN, a cosponsor of this legislation since his tenure in the House of Representatives. And I am pleased to report that Congressman DOUG WALGREN is introducing a companion bill in the House of Representatives.

In a column supporting the World Peace Tax Fund 13 years ago, Coleman McCarthy summed up a position I have been advocating since the darkest days of the Vietnam war:

What may be needed is a new definition of national defense. Neither Russia nor China has ever so much as fired a slingshot at America's shores, yet in every city of the country conditions can be found as if a conquering army had just marched through. Slum housing, decaying and overcrowded prisons, unemployment lines, unpoliced streets, malnourished children—the list is endless of domestic needs going unmet because the people's representatives are unwilling or unable to help. America is like a mansion on which the owners choose to spend immense sums on padlocks, burglar alarms, guard dogs, door bolts, surveillance cameras; but, meanwhile, the needs of the inhabitants for food, clothing, heat or repairs are ignored. It would be hard to find an administrator of a social program, whether the head of HEW in Washington or the director of an alcoholic program in the Bowery, who doesn't bemoan the lack of federal money for desperate social needs.

Until that new definition comes, until the leaders of this country realize that national security is more than bombs and bullets, the conscientious objectors among us must be given an alternative. The World Peace Tax Fund is that alternative.●

By Mr. ROCKEFELLER (for himself, Mr. BRADLEY, Mr. MITCHELL, Mr. SIMON, Mr. PRYOR, Mr. HEINZ, and Mr. RIEGLE):

S. 785. A bill to amend title XIX of the Social Security Act to provide States the option of providing quality home and community care to the elderly under their Medicaid programs; to the Committee on Finance.

MEDICAID HOME AND COMMUNITY CARE OPTIONS ACT

● Mr. ROCKEFELLER. Mr. President, I rise today to introduce the Medicaid Home and Community Care Options Act of 1989. I am especially happy that Senators BRADLEY, MITCHELL, SIMON, PRYOR, HEINZ, and RIEGLE have joined me in introducing this important legislation. Each is a true leader in health care, and I am extremely honored that they have joined me in introducing this bill.

The purpose of the Medicaid Home and Community Care Options Act is to take a real step forward in providing desperately needed long-term care services to some of our most deserving elderly citizens. I recognize that it does not provide a comprehensive solution to the tremendous gaps that exist in this area. Rather, I view it as one of the many crucial efforts we must pursue to fill in those gaps and bring about long-term care coverage for all Americans.

My bill builds on a special waiver program originally enacted in 1981. These special Medicaid waivers, for the first time, made it possible for States to pay for home and community care services to help keep frail senior citizens at home—where they want to be—instead of forcing them to enter a nursing home in order to receive assistance.

Thirty-seven States, including my own State of West Virginia, currently have a Federal waiver program. Over 700 senior citizens in West Virginia have been helped to continue living at home through this program. Nationwide, almost 60,000 older Americans have benefited.

Mr. President, I believe my bill would further improve access to long term care services at home and in the community by allowing States, at their option, to offer these services without applying for a restrictive waiver. The home and community-based waiver program has been described as far too burdensome, costly, and difficult in terms of the process of getting approval from the Health Care Financing Administration.

Under my bill, eligibility for home and community care services would be based on need. Low-income seniors who are assessed to be in need of assistance to cope with the basic activities of daily living would be eligible to receive services. Alzheimer's disease victims and their families would also be eligible for home and community care services under my bill.

To limit the cost of this proposal, eligibility is limited to persons receiving Federal cash assistance from the Federal supplemental security income [SSI] program or persons who qualify as medically needy. The current waiver program allows States to provide services to seniors with incomes up to 300 percent of the SSI level.

States that discontinue their waiver program and elect to offer home and community care services as a State option would be allowed to grandfather into the programs those seniors with incomes up to 300 percent of the SSI level that had been receiving services under the waiver program. I should note that I want to do everything possible, in the process of considering this legislation and other proposals, to improve long-term care assistance for all financially needy senior citizens.

Under this legislation, services would be tailored to the needs of the individual, based on an assessment performed by a case manager. States could choose to offer a wide range of services including homemaker, home health, chore services, respite care, and adult day health services.

Mr. President, this legislation also includes basic Federal quality standards. The House and Senate Aging Committees recently held a joint hearing on board and care facilities. Some tragic abuses were highlighted.

The General Accounting Office released a report titled "Board and Care: Insufficient Assurances That Residents' Needs Are Identified and Met." The GAO report cited examples of serious problems including physical abuse, unsanitary conditions, and lack of medical attention.

Board and care facilities, as well as other community-based settings, would be the site for many of the services that would be paid for by the Medicaid Program. I believe we have an obligation to make sure senior citizens are being cared for by qualified personnel in a setting that is safe.

Nothing is more important for a senior citizen then to live in familiar surroundings. Senior citizens have told me repeatedly that they want alternatives to institutionalization.

As a Nation, we spend billions for long-term care, most of which is paid for by the elderly themselves. Yet many, many older Americans are not getting the long-term assistance they desperately need.

The problem is already acute in rural States like West Virginia. The rural elderly face unique problems that limit their access to long term care services, such as poor roads, weather conditions, and isolation. In West Virginia, the burden is growing because many of our youth are leaving rural areas for better economic opportunities. Without an extended family nearby, many elderly are forced to struggle along, sometimes miserably, on their own, or may be forced to enter a nursing home.

The number of citizens over age 85 will double within the next 25 years. As Americans live longer, into their eighties and nineties, more and more will need assistance in coping with their day-to-day needs.

No, Mr. President, this is not a comprehensive long-term care bill. But it is a bill that targets the neediest—poor and functionally disabled seniors who are among the most deserving of more compassion and more assistance.

Comprehensive long-term care legislation carries a huge price tag. This bill does not and that is why I think we can and should act now. The Congressional Budget Office has estimated that Congressman Wyden's companion bill, H.R. 1453, would cost $85 million in fiscal year 1990, $125 million in 1991, $140 million in 1992, $155 million in 1993, and $175 million in 1994.

Congressman WYDEN introduced the legislation that initially established the waiver program in 1981. I applaud him for his leadership in this area and am very pleased to join him in the fight to help our Nation's older Americans.

I am pleased to note that many of the senior groups, including the National Council of Senior Citizens, American Association of Retired Persons, the Villers Advocacy Associates, the Alzheimer's Association, the National Association of Area Agencies on Aging, to name a few, support this legislation.

As a member of the Bipartisan Commission on Comprehensive Health Care, I plan to be an active participant

in this year's debate on long-term care. In the meantime, I hope Congress will take an important step and help truly needy senior citizens.

Mr. President, I ask unanimous consent that the text of the bill and a description of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 785

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicaid Home and Community Care Options Act of 1989".

SEC. 2. HOME AND COMMUNITY CARE AS OPTIONAL, STATEWIDE, SERVICE.

(a) PROVISION AS OPTIONAL, STATEWIDE SERVICE.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) by striking "and" at the end of paragraph (20),

(2) by redesignating paragraph (21) as paragraph (22), and

(3) by inserting after paragraph (20) the following new paragraph:

"(21) community care (as defined in section 1926(a)) for functionally disabled elderly individuals; and".

(b) HOME AND COMMUNITY CARE FOR FUNCTIONALLY DISABLED ELDERLY INDIVIDUALS.—Title XIX of such Act, as amended by section 303(a) of the Family Support Act of 1988 (Public Law 100-485), is amended—

(1) by redesignating section 1926 as section 1928, and

(2) by inserting after section 1925 the following new section:

"HOME AND COMMUNITY CARE FOR FUNCTIONALLY DISABLED ELDERLY INDIVIDUALS

"SEC. 1926. (a) HOME AND COMMUNITY CARE DEFINED.—In this title, the term 'home and community care' means one or more of the following services furnished to an individual who has been determined, after an assessment under subsection (c), to be a functionally disabled elderly individual, furnished in accordance with an individual community care plan (established and periodically reviewed and revised by a qualified community care case manager under subsection (d)):

"(1) Homemaker/home health aide services.

"(2) Chore services.

"(3) Personal care services.

"(4) Nursing care services provided by, or under the supervision of, a registered nurse.

"(5) Respite care.

"(6) Training for family members in managing the individual.

"(7) Adult day health services.

"(8) In the case of an individual with chronic mental illness, day treatment or other partial hospitalization, psychosocial rehabilitation services, and clinic services (whether or not furnished in a facility).

"(9) Such other home and community-based services (other than room and board) as the Secretary may specify.

With respect to services described in paragraphs (1) through (4), the services must be provided in a place of residence used as the individual's home.

"(b) FUNCTIONALLY DISABLED ELDERLY INDIVIDUAL DEFINED.—

"(1) IN GENERAL.—In this title, the term 'functionally disabled elderly individual' means an individual who—

"(A) is 65 years of age or older;

"(B) is determined to be a functionally disabled individual under subsection (c); and

"(C) subject to section 1902(f) (as applied consistent with section 1902(r)(2)), is described in section 1902(a)(10)(A)(i).

"(2) TREATMENT OF CERTAIN INDIVIDUALS PREVIOUSLY COVERED UNDER A WAIVER.—In the case of a State which—

"(A) at the time of its election to provide coverage for home and community care under this section has a waiver approved under section 1915(c) or 1915(d) with respect to individuals 65 years of age or older, and

"(B) subsequently discontinues such waiver,

individuals who were eligible for benefits under the waiver as of the date of its discontinuance and who would, but for income or resources, be eligible for medical assistance for home and community care under the plan shall, notwithstanding any other provision of this title, be deemed a functionally disabled elderly individual for so long as the individual would have remained eligible for medical assistance under such waiver.

"(3) USE OF PROJECTED INCOME.—In applying section 1903(f)(1) in determining the eligibility of an individual (described in section 1902(a)(10)(C)) for medical assistance for home and community care, a State may, at its option, provide for the determination of the individual's anticipated medical expenses (to be deducted from income) over a period of up to 6 months.

"(c) DETERMINATIONS OF FUNCTIONAL DISABILITY.—

"(1) IN GENERAL.—In this section, an individual is 'functionally disabled' if the individual—

"(A) due to physical or cognitive impairment (other than impairment due solely to mental illness), is unable to perform without substantial assistance from another individual at least 2 (or, at the option of the State, 3 or 4) of the following activities of daily living: bathing, dressing, toileting, transferring, and eating; or

"(B) has a primary or secondary diagnosis of Alzheimer's disease.

For purposes of this section, an individual is considered to have a 'mental illness' if the individual has primary or secondary diagnosis of mental disorder (as defined in the Diagnostic and Statistical Manual of Mental Disorders, 3rd edition).

"(2) ASSESSMENTS OF FUNCTIONAL DISABILITY.—

"(A) REQUESTS FOR ASSESSMENTS.—If a State has elected to provide home and community care under this section, upon the request of an individual who is 65 years of age or older and who meets the requirements of subsection (b)(1)(C) (or another person on such individual's behalf), the State shall provide for a comprehensive functional assessment under this subparagraph which—

"(i) is used to determine whether or not the individual is functionally disabled,

"(ii) is based on a uniform minimum data set specified by the Secretary under subparagraph (C)(i), and

"(iii) uses an instrument which has been specified by the State under subparagraph (B).

No fee may be charged for such an assessment.

"(B) SPECIFICATION OF ASSESSMENT INSTRUMENT.—The State shall specify the instrument to be used in the State in complying with the requirement of subparagraph (A)(iii). Such instrument shall be—

"(i) one of the instruments designated under subparagraph (C)(ii), or

"(ii) an instrument which the Secretary has approved as being consistent with the minimum data set of core elements, common definitions, and utilization guidelines specified by the Secretary in subparagraph (C)(i).

"(C) SPECIFICATION OF ASSESSMENT DATA SET AND INSTRUMENTS.—The Secretary shall—

"(i) not later than January 1, 1990—

"(I) specify a minimum data set of core elements and common definitions for use in conducting the assessments required under subparagraph (A), and

"(II) establish guidelines for use of the data set; and

"(ii) by not later than January 1, 1990, designate one or more instruments which are consistent with the specification made under subparagraph (A) and which a State may specify under subparagraph (B) for use in complying with the requirements of subparagraph (A).

"(D) PERIODIC REVIEW.—Each individual who qualifies as a functionally disabled elderly individual shall have the individual's assessment periodically reviewed and revised not less often than once every 12 months.

"(E) CONDUCT OF ASSESSMENT BY INTERDISCIPLINARY TEAMS.—

"(i) IN GENERAL.—An assessment under subparagraph (A) and a review under subparagraph (D) must be conducted by an interdisciplinary team designated by the State.

"(ii) DELEGATION.—The Secretary shall permit a State to provide for assessments and reviews through teams under contracts with nonprofit or public organizations which do not provide home or community care or nursing facility services and do not have a direct or indirect ownership or control interest in, or direct or indirect affiliation or relationship with, an entity that provides, community care or nursing facility services.

"(F) CONTENTS OF ASSESSMENT.—The interdisciplinary team must—

"(i) identify in each such assessment or review each client's functional disabilities and need for home and community care, and

"(ii) based on such assessment or review, determine whether the individual is (or continues to be) functionally disabled.

The results of such an assessment or review shall be used in establishing, reviewing, and revising the individual's ICCP under subsection (d)(1).

"(G) APPEAL PROCEDURES.—Each State which elects to provide home and community care under this section must have in effect an appeals process for individuals adversely affected by determinations under subparagraph (F).

"(d) INDIVIDUAL COMMUNITY CARE PLAN (ICCP).—

"(1) INDIVIDUAL COMMUNITY CARE PLAN DEFINED.—In this section, the terms 'individual community care plan' and 'ICCP' mean, with respect to a functionally disabled elderly individual, a written plan which—

"(A) is established, and is periodically reviewed and revised, by a qualified case manager based upon the most recent comprehensive functional assessment of such individual conducted under subsection (c)(2),

"(B) specifies, within any amount, duration, and scope limitations imposed on community care provided under the State plan, the home and community care to be provided to such individual under the plan, and

"(C) may specify other services required by such individual.

An ICCP may also designate the specific providers (qualified to provide home and community care under the State plan) which will provide the home and community care described in subparagraph (B).

"(2) QUALIFIED CASE MANAGEMENT ENTITY DEFINED.—In this section, the term 'qualified case management entity' means a nonprofit or public agency or organization which—

"(A) has experience or has been trained in establishing, and in periodically reviewing and revising, individual community care plans and in the provision of case management services to the elderly;

"(B) is responsible for assuring that home and community care covered under the State plan and specified in the ICCP is being provided;

"(C) does not provide home and community care or nursing facility services and does not have a direct or indirect ownership or control interest in, or direct or indirect affiliation or relationship with, an entity that provides, home and community care or nursing facility services;

"(D) does not make determinations under subsection (c)(2), and

"(E) meets such other standards, established by the Secretary, as to assure that—

"(i) such a manager is competent to perform case management functions,

"(ii) individuals whose home and community care they manage are not at risk of financial exploitation due to such a manager, and

"(iii) meets such other standards as the State may establish.

"(3) FREE CHOICE.—A functionally disabled elderly individual may select the individual's case manager from among the qualified case managers in the State. A State may assign such an individual to a qualified case manager, but only if—

"(A) such individual has the right, without cause and without notice to the State, to elect another qualified case manager, and

"(B) such individual is notified orally and in writing of such right at the time of the assignment and at least once every 12 months thereafter.

"(e) CEILING ON PAYMENT AMOUNTS AND MAINTENANCE OF EFFORT.—

"(1) CEILING ON PAYMENT AMOUNTS.—Payments may not be made under section 1903(a) to a State for home and community care provided under this section in a quarter to the extent that the medical assistance for such care in the quarter exceeds 50 percent of the product of—

"(A) the average number of individuals in the quarter receiving such care under this section,

"(B) the average per diem rate of payment which the Secretary has determined (before the beginning of the quarter) will be payable under title XVIII (without regard to coinsurance) for extended care services to be provided in the State during such quarter, and

"(C) the number of days in such quarter.

"(2) MAINTENANCE OF EFFORT.—

"(A) ANNUAL REPORTS.—As a condition for the receipt of payment under section 1903(a) with respect to medical assistance provided by a State for home and community care, the State shall report to the Secretary, with respect to each Federal fiscal year (beginning with fiscal year 1989) and in a format developed or approved by the Secretary, the amount of funds obligated by the State (including funds obligated by localities in the State) with respect to the provision of home and community care to the elderly in that fiscal year.

"(B) REDUCTION IN PAYMENT IF FAILURE TO MAINTAIN EFFORT.—If the amount reported under subparagraph (A) by a State with respect to a fiscal year is less than the amount reported under subparagraph (A) with respect to fiscal year 1989, the Secretary shall provide for a reduction in payments to the State under section 1903(a) in an amount equal to the difference between the amounts so reported.

"(f) MINIMUM REQUIREMENTS FOR HOME AND COMMUNITY CARE.—Home and Community care provided under this section must meet such requirements for individuals' rights and quality as are published or developed by the Secretary under subsection (j). Such requirements shall include—

"(1) minimum qualifications for personnel providing such care,

"(2) guidelines for such minimum compensation for personnel as will assure the availability and continuity of qualified personnel to provide such care for functionally disabled individuals who have functional disabilities of varying levels of severity, and

"(3) a specification of individuals' rights, including the rights described in clauses (i) through (vi) and (x) of section 1919(c)(1)(A), to the extent applicable in settings in which home and community care is provided.

"(g) MINIMUM REQUIREMENTS FOR COMMUNITY CARE SETTINGS.—

"(1) COMMUNITY CARE SETTING DEFINED.—In this section, the term 'community care setting' means—

"(A) a nonresidential setting, or

"(B) a residential setting (including a foster home, board-and-care facility, or other group living arrangement, but not including a nursing facility), in which more than 2 unrelated adults reside and in which personal services (other than merely board) are provided in conjunction with residing in the setting,

in which community care under this section is provided.

"(2) MINIMUM REQUIREMENTS.—A community care setting in which community care is provided under this section must—

"(A) meet such requirements as are published or developed by the Secretary under subsection (j);

"(B) meet the requirements of subparagraphs (A), (C), and (D) of paragraph (1), paragraph (3), and paragraph (6) of section 1919(c), to the extent applicable to such a setting;

"(C) inform each individual receiving community care under this section in the setting, orally and in writing at the time the individual first receives community care in the setting, of the individual's legal rights with respect to such a setting and the care provided in the setting; and

"(D) meet the requirements of paragraphs (2) and (3) of section 1919(d) (relating to administration and other matters) in the same manner as such requirements apply to nursing facilities under such section; except that, in applying the requirement of section 1919(d)(2) (relating to life safety code), the Secretary shall provide for the application of such life safety requirements (if any) that are appropriate to the setting.

"(3) DISCLOSURE OF OWNERSHIP AND CONTROL INTERESTS AND EXCLUSION OF REPEATED VIOLATORS.—A community care setting—

"(A) must disclose persons with an ownership or control interest (including such persons as defined in section 1124(a)(3)) in the setting, and

"(B) may not have, as a person with an ownership or control interest in the setting, any individual or person who has been excluded from participation in the program under this title or who has had such an ownership or control interest in one or more community care settings which have been found repeatedly to be substandard or to have failed to meet the requirements of paragraph (2).

"(h) SURVEY AND CERTIFICATION PROCESS.—

"(1) CERTIFICATIONS.—

"(A) RESPONSIBILITIES OF THE STATE.—

"(i) IN GENERAL.—Under each State plan under this title, the State shall be responsible for certifying the compliance of providers of home and community care and community care settings with the applicable requirements of subsections (f) and (g).

"(ii) CONSTRUCTION.—The failure of the Secretary to issue regulations to carry out this subsection shall not relieve a State of its responsibility under this subsection.

"(B) RESPONSIBILITIES OF THE SECRETARY.—The Secretary shall be responsible for certifying the compliance of State providers of home and community care, and of State community care settings in which such care is provided, with the requirements of subsections (f) and (g).

"(C) FREQUENCY OF CERTIFICATIONS.—Certification of providers and settings under this subsection shall occur no less frequently than once every 12 months.

"(2) REVIEWS OF PROVIDERS.—

"(A) IN GENERAL.—The certification under this subsection with respect to a provider of home or community care must be based on a periodic review of the provider's performance in providing the care required under ICPP's in accordance with the requirements of subsection (f).

"(B) SPECIAL REVIEWS OF COMPLIANCE.—Where the Secretary has reason to question the compliance of a provider of home or community care with any of the requirements of subsection (f), the Secretary may conduct a review of the provider and, on the basis of that review, make independent and binding determinations concerning the extent to which the provider meets such requirements.

"(3) SURVEYS OF COMMUNITY CARE SETTINGS.—

"(A) IN GENERAL.—The certification under this subsection with respect to a community care setting must be based on a survey. Such survey for such a setting must be conducted without prior notice to the setting. Any individual who notifies (or causes to be notified) a community care setting of the time or date on which such a survey is scheduled to be conducted is subject to a civil money penalty of not to exceed $2,000. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a). The Secretary shall review each State's procedures for scheduling and conducting such surveys to assure that the State has taken all reasonable steps to avoid giving notice of such a survey through the scheduling procedures and the conduct of the surveys themselves.

"(B) SURVEY PROTOCOL.—Surveys under this paragraph shall be conducted based upon a protocol which the Secretary has provided for under subsection (j).

"(C) PROHIBITION OF CONFLICT OF INTEREST IN SURVEY TEAM MEMBERSHIP.—A State and the Secretary may not use as a member of a survey team under this paragraph an indi-

vidual who is serving (or has served within the previous 2 years) as a member of the staff of, or as a consultant to, the community care setting being surveyed (or the person responsible for such setting) respecting compliance with the requirements of subsection (g) or who has a personal or familial financial interest in the setting being surveyed.

"(D) VALIDATION SURVEYS OF COMMUNITY CARE SETTINGS.—The Secretary shall conduct onsite surveys of a representative sample of community care settings in each State, within 2 months of the date of surveys conducted under subparagraph (A) by the State, in a sufficient number to allow inferences about the adequacies of each State's surveys conducted under subparagraph (A). In conducting such surveys, the Secretary shall use the same survey protocols as the State is required to use under subparagraph (B). If the State has determined that an individual setting meets the requirements of subsection (g), but the Secretary determines that the setting does not meet such requirements, the Secretary's determination as to the setting's noncompliance with such requirements is binding and supersedes that of the State survey.

"(E) SPECIAL SURVEYS OF COMPLIANCE.—Where the Secretary has reason to question the compliance of a community care setting with any of the requirements of subsection (g), the Secretary may conduct a survey of the setting and, on the basis of that survey, make independent and binding determinations concerning the extent to which the setting meets such requirements.

"(4) INVESTIGATION OF COMPLAINTS AND MONITORING OF PROVIDERS AND SETTINGS.—Each State and the Secretary shall maintain procedures and adequate staff to investigate complaints of violations of applicable requirements imposed on providers of community care or on community care settings under subsections (f) and (g).

"(5) INVESTIGATION OF ALLEGATIONS OF INDIVIDUAL NEGLECT AND ABUSE AND MISAPPROPRIATION OF INDIVIDUAL PROPERTY.—The State shall provide, through the agency responsible for surveys and certification of providers of community care and community care settings under this subsection, for a process for the receipt, review, and investigation of allegations of individual neglect and abuse (including injuries of unknown source) by personnel providing such care or in such setting and of misappropriation of individual property by such personnel. Such process shall provide for documentation of findings relating to such allegations with respect to an individual, for inclusion of any brief statement of the individual disputing such findings, and for inclusion, in any disclosure of such findings, of such brief statement (or of a clear and accurate summary thereof).

"(6) DISCLOSURE OF RESULTS OF INSPECTIONS AND ACTIVITIES.—

"(A) PUBLIC INFORMATION.—Each State, and the Secretary, shall make available to the public—

"(i) information respecting all surveys, reviews, and certifications made under this subsection respecting providers of home or community care and community care settings, including statements of deficiencies,

"(ii) copies of cost reports (if any) of such providers and settings filed under this title,

"(iii) copies of statements of ownership under section 1124, and

"(iv) information disclosed under section 1126.

"(B) NOTICES OF SUBSTANDARD CARE.—If a State finds that—

"(i) a provider of home or community care has provided care of substandard quality with respect to an individual, the State shall make a reasonable effort to notify promptly (I) an immediate family member of each such individual and (II) individuals receiving home or community care from that provider under this title, or

"(ii) a community care setting is substandard, the State shall make a reasonable effort to notify promptly (I) individuals receiving community care in that setting, and (II) immediate family members of such individuals.

"(C) ACCESS TO FRAUD CONTROL UNITS.—Each State shall provide its State medicaid fraud and abuse control unit (established under section 1903(q)) with access to all information of the State agency responsible for surveys, reviews, and certifications under this subsection.

"(i) ENFORCEMENT PROCESS FOR PROVIDERS OF COMMUNITY CARE.—

"(1) STATE AUTHORITY.—

"(A) IN GENERAL.—If a State finds, on the basis of a review under subsection (h)(2) or otherwise, that a provider of home or community care no longer meets the requirements of this section, the State may terminate the provider's participation under the State plan and may provide in addition for a civil money penalty. Nothing in this subparagraph shall be construed as restricting the remedies available to a State to remedy a provider's deficiencies. If the State finds that a provider meets such requirements but, as of a previous period, did not meet such requirements, the State may provide for a civil money penalty under paragraph (2)(A) for the period during which it finds that the provider was not in compliance with such requirements.

"(B) CIVIL MONEY PENALTY.—

"(i) IN GENERAL.—Each State shall establish by law (whether statute or regulation) at least the following remedy: A civil money penalty assessed and collected, with interest, for each day in which the provider is or was out of compliance with a requirement of this section. Funds collected by a State as a result of imposition of such a penalty (or as a result of the imposition by the State of a civil money penalty under subsection (h)(3)(A)) may be applied to reimbursement of individuals for personal funds lost due to a failure of home or community care providers to meet the requirements of this section. The State also shall specify criteria, as to when and how this remedy is to be applied and the amounts of any penalties. Such criteria shall be designed so as to minimize the time between the identification of violations and final imposition of the penalties and shall provide for the imposition of incrementally more severe penalties for repeated or uncorrected deficiencies.

"(ii) DEADLINE AND GUIDANCE.—Each State which elects to provide home and community care under this section must establish the civil money penalty remedy described in clause (i) applicable to all providers of community care covered under this section. The Secretary shall provide, through regulations or otherwise by not later than October 1, 1989, guidance to States in establishing such remedy; but the failure of the Secretary to provide such guidance shall not relieve a State of the responsibility for establishing such remedy.

"(2) SECRETARIAL AUTHORITY.—

"(A) FOR STATE PROVIDERS.—With respect to a State provider of home or community care, the Secretary shall have the authority and duties of a State under this subsection, except that the civil money penalty remedy described in subparagraph (C) shall be substituted for the civil money remedy described in paragraph (1)(B)(i).

"(B) OTHER PROVIDERS.—With respect to any other provider of home or community care in a State, if the Secretary finds that a provider no longer meets a requirement of this section, the Secretary may terminate the provider's participation under the State plan and may provide, in addition, for a civil money penalty under subparagraph (C). If the Secretary finds that a provider meets such requirements but, as of a previous period, did not meet such requirements, the Secretary may provide for a civil money penalty under subparagraph (C) for the period during which the Secretary finds that the provider was not in compliance with such requirements.

"(C) CIVIL MONEY PENALTY.—If the Secretary finds on the basis of a review under subsection (h)(2) or otherwise that a home or community care provider no longer meets the requirements of this section, the Secretary shall impose a civil money penalty in an amount not to exceed $10,000 for each day of noncompliance. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a). The Secretary shall specify criteria, as to when and how this remedy is to be applied and the amounts of any penalties. Such criteria shall be designed so as to minimize the time between the identification of violations and final imposition of the penalties and shall provide for the imposition of incrementally more severe penalties for repeated or uncorrected deficiencies.

"(j) SECRETARIAL RESPONSIBILITIES.—

"(1) PUBLICATION OF INTERIM REQUIREMENTS.—

"(A) IN GENERAL.—The Secretary shall publish, by January 1, 1990, an interim regulation that sets forth interim requirements, consistent with subparagraph (B), for the provision of home and community care and for community care settings, including—

"(i) the requirements of subsection (c)(2) (relating to comprehensive functional assessments, including the use of assessment instruments), of subsection (d)(2)(E) (relating to qualifications for qualified case managers), of subsection (f) (relating to minimum requirements for home and community care), and of subsection (g) (relating to minimum requirements for community care settings), and

"(ii) survey protocols (for use under subsection (h)(3)(A)) which relate to such requirements.

"(B) MINIMUM PROTECTIONS.—Interim requirements under subparagraph (A) and final requirements under paragraph (2) shall assure, through methods other than reliance on State licensure processes, that individuals receiving home and community care are protected from neglect, physical and sexual abuse, financial exploitation, inappropriate involuntary restraint, and the provision of health care services by unqualified personnel in community care settings.

"(2) DEVELOPMENT OF FINAL REQUIREMENTS.—The Secretary shall develop, by not later than October 1, 1991—

"(A) final requirements, consistent with paragraph (1)(B), respecting the provision of appropriate, quality home and community care and respecting community care settings under this section, and including at

least the requirements referred to in paragraph (1)(A)(i), and

"(B) survey protocols and methods for evaluating and assuring the quality of community care settings.

The Secretary may, from time to time, revise such requirements, protocols, and methods.

"(3) NO DELEGATION TO STATES.—The Secretary's authority under this subsection shall not be delegated to States.

"(4) NO PREVENTION OF MORE STRINGENT REQUIREMENTS BY STATES.—Nothing in this section shall be construed as preventing States from imposing requirements that are more stringent than the requirements published or developed by the Secretary under this subsection.".

(c) PAYMENT FOR HOME AND COMMUNITY CARE.—

(1) REASONABLE AND ADEQUATE PAYMENT RATES.—Section 1902 of such Act (42 U.S.C. 1396a) is amended—

(A) in subsection (a)(13)—

(i) by striking "and" at the end of subparagraph (D),

(ii) by inserting "and" at the end of subparagraph (E), and

(iii) by adding at the end the following new subparagraph:

"(F) for payment for home community care (as defined in section 1926(a) and provided under such section) through rates which are reasonable and adequate (and which may not be established on a capitation basis or any other risk basis) to meet the costs of providing care, efficiently and economically, in conformity with applicable State and Federal laws, regulations, and quality and safety standards;"; and

(B) in subsection (h), by adding before the period at the end the following: "or to limit the amount of payment that may be made under a plan under this title for home community care".

(2) DENIAL OF PAYMENT FOR CIVIL MONEY PENALTIES, ETC.—Section 1903(i)(8) of such Act (42 U.S.C. 1396b(i)(8)) is amended by inserting "(A)" after "medical assistance" and by inserting before the semicolon at the end the following: "for home and community care to reimburse (or otherwise compensate) a provider of such care for payment of a civil money penalty imposed under this title or title XI or for legal expenses in defense of an exclusion or civil money penalty under this title or title XI if there is no reasonable legal ground for the provider's case.

(d) CONFORMING AMENDMENTS.—

(1) Section 1902(j) of such Act (42 U.S.C. 1396a(j)) is amended by striking "(21)" and inserting "(22)".

(2) Section 1902(a)(10)(C)(iv) of such Act (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by striking "through (20)" and inserting "through (21)".

(e) EFFECTIVE DATES.—

(1) Except as provided in this subsection, the amendments made by this section shall apply to home and community care furnished on or after January 1, 1990, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2)(A) The amendments made by subsection (c)(1) shall apply to home and community care furnished on or after January 1, 1990, or, if later, 30 days after the date of publication of interim regulations under section 1926(j)(1).

(B) The amendment made by subsection (c)(2) shall apply to civil money penalties imposed after the date of the enactment of this Act.

(f) WAIVER OF PAPERWORK REDUCTION, ETC.—Chapter 35 of title 44, United States Code, and Executive Order 12291 shall not apply to information and regulations required for purposes of carrying out this Act and implementing the amendments made by this Act.

SUMMARY OF THE MEDICAID HOME AND COMMUNITY CARE ACT OF 1989

OPTIONAL EXPANSION OF HOME AND COMMUNITY CARE SERVICES

Allow States, at their option, to cover under their Medicaid programs "home and community care services" for functionally disabled elderly individuals. Unlike the current "section 2176" home and community-based services waiver, this option would not require the States to demonstrate budget neutrality or limit participation to those at risk of institutional care. The bill directs the Secretary of Health and Human Services (HHS) to develop interim and final quality requirements for such care, and establishes a monitoring and enforcement process to ensure compliance with these requirements. Effective the later of January 1, 1990, or 30 days after publication of interim requirements.

DETERMINATIONS OF FUNCTIONAL DISABILITY AND USE OF CASE MANAGEMENT SERVICES

To be eligible for home and community care benefits, an individual must be (1) 65 years of age or older, (2) eligible for Medicaid in the community due to low income and resources (i.e., receiving Supplemental Security Income (SSI) or qualifying as "medically needy"), and (3) determined to be functionally disabled.

Functional disability is to be determined on the basis of a comprehensive assessment conducted by an interdisciplinary team designated by the State and used to evaluate an individual's ability to perform activities of daily living (bathing, dressing, eating, toileting, and transferring) or "ADLs". Those individuals who (1) are unable to perform at least 2 (or, at State option, 3 or 4) ADLs or (2) have a primary or secondary diagnosis of Alzheimer's disease would be eligible for services.

Based upon this assessment, an individual community care plan (ICCP) is to be developed and periodically reviewed and revised by a qualified care manager who is responsible for assuring that the community care specified in an ICCP is being provided. States may assign an eligible individual to a case manager, but only if the individual has the right, at his or her discretion, to choose another qualified case manager.

QUALITY ASSURANCE FOR HOME AND COMMUNITY CARE SERVICES

Requires the Secretary to establish quality standards for home and community care and for settings in which community care is provided. Such standards must include minimum qualifications for personnel providing community care and the establishment of a patient's bill of rights. The requirements established by the Secretary must also assure, through methods other than reliance on State licensure, that individuals receiving community care are protected from neglect, physical and sexual abuse, financial exploitation, inappropriate involuntary restraint, and provision of health care services by unqualified personnel in board and care facilities and other community settings. States would retain the right to impose quality standards more stringent than the minimum Federal requirements developed by the Secretary.

PAYMENT FOR COMMUNITY CARE

Requires States to assure that payment rates for community services are reasonable and adequate to meet the costs of providing services, on an efficient and economical basis, in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

CEILING ON PAYMENTS FOR HOME AND COMMUNITY CARE SERVICES

Aggregate State Medicaid expenditures for the optional benefit could not exceed the product of the (1) the average number of individuals receiving the benefit in a given quarter times (2) 50 percent of the average State per diem rate for Medicare skilled nursing facility (SNF) services times (3) the number of days in such quarter.

MAINTENANCE OF EFFORT

States would be required to report to the Secretary all funds other than Medicaid funds spent on home and community care services for the elderly in FY 1989 and every year thereafter. States electing this new option would be required, each fiscal year, to maintain their State-only expenditures for such services at the FY 1989 level. Failure to do so would result in a reduction of federal matching payments for these services to the extent of the shortfall in state-only spending.●

● Mr. BRADLEY. Mr. President, I am pleased to be joining Senator ROCKEFELLER in introducing the Medicaid Home and Community Care Options Act, which is designed to give States much more flexibility in providing home care services to persons at high risk of institutionalization. I have been working since 1985 to find ways to expand home care services under the Medicaid Program. We have had some limited successes expanding the program, but we need to take bolder steps. This bill takes these steps.

Mr. President, in 1981, the Congress established a program that was designed to help Medicaid recipients stay out of nursing homes and hospitals by promoting an expansion of home-based care. Section 2176 of the 1981 Omnibus Budget Reconciliation Act allowed States to apply to HCFA for small "waivers" to allow a limited number of people to be treated at home rather than in institutions. It made available a wide range of home-health and community services that Medicaid had not previously covered.

To be eligible to run a Home and Community-based Waiver Program, States had to meet several criteria. First, safeguards had to be established to ensure that the health and welfare of recipients be protected and that persons be given a choice between home care and nursing home care. In addition, States had to show that the costs for home care would not be any higher than they would be for institutional care if the waiver had not been granted. Finally, by operating the program through the waiver approval process, it was believed that the Government would be able to adequately

test the progarm and still keep control.

While most States have been able to establish small community care programs, many States would like to do more but can't do so given the stringent limits on the waiver program.

We simply must do more. We need to enable States to expand home and community care programs, rather than restrict them. The bill that we are introducing today terminates the waiver-approval process and allows States, at their option, to provide these home care services to Medicaid eligible elderly and disabled persons to avoid institutionalization. States would still have to submit documentation in their State plan about the program; but the bill doesn't require States to jump through all of the hoops that the current waiver program now requires. The main difference is that there will not be a waiver process; HCFA would have much less control over the process and States will have much more flexibility to tailor home care services to meet the needs of the population at risk of institutionalization.

Mr. President, there are many among us who have ignored the growing demand for long-term care services in this country, hoping that if the Federal Government does as little as possible that the problem will somehow go away.

The problem won't go away. It is only going to get bigger. In the next 15 years, the over age 85 population will grow by 60 percent and the number of persons who suffer from a chronic disease that limits their daily activities will grow by 50 percent.

We have to come to grips with the fact that long-term care is going to cost this Nation a lot of money as the population ages. I believe that more home care—as an alternative to nursing home care services—is a humane and cost-effective approach. This bill allows States much greater flexibility to test out ways to provide affordable long-term care services at home.

The Federal and State governments have a responsibility to develop innovative ways to help meet the long-term care needs of this Nation's elderly and disabled populations. For cost reasons and for humanitarian reasons—aren't we better off living in a society that tries to find ways to keep the elderly and the disabled in their homes with their family members rather than in institutions?●

● Mr. SIMON. Mr. President, I am honored to be an original cosponsor of the Medicaid Home and Community Care Options Act with my distinguished colleague, Senator ROCKEFELLER.

This is an important step in the continuing fight for comprehensive long-term health care for all Americans.

There are only two countries in the industrialized world that do not provide care for older citizens; South Africa and the United States. I know we can do better.

Too many older Americans are forced into institutionalized care. Too often older Americans are denied the dignity and comfort of being able to stay at home. A typical example is an older women who is getting frail, whose husband suffers a stroke and no longer can bathe himself. She is too weak to help him. Their children live thousands of miles away and they don't know what to do. They worry about their mother's health as well as their father's well-being. Finally they send him to a nursing home. Where do they turn?

They are not ill. They do not need medical attention. Yet, they are forced into a nursing home because their Medicaid will not allow them to stay at home.

This bill would allow more older Americans to stay at home and keep their independence. An independence they deserve and cherish.

I am proud to be a part of this much-needed bill.●

● Mr. PRYOR. Mr. President, I am pleased to join today with Senators ROCKEFELLER, MITCHELL, BRADLEY, SIMON, RIEGLE, and HEINZ in introducing the Medicaid Home and Community Care Options Act of 1989. This legislation represents an effort to make an incremental, but vitally important, expansion of Medicaid coverage of home and community-based long-term care services to disabled low-income elderly.

There is not a Member of this body who has not heard from hundreds, maybe thousands, of elderly constituents and their families about the problems of obtaining appropriate forms of long-term care. In our responses to them, I expect that most of us tell them we see the need, but don't know how we can fully meet it. We may cite the enormous costs associated with financing long-term care, and the constraints imposed by the Federal deficit. Or, we may discuss the lack of consensus on how to address the problem, and a number of other valid barriers to meeting America's long-term care needs. The answer, however, is too often the same: We don't expect to see a comprehensive, federally financed long-term care system in place in the near future.

Instead of throwing up our hands in frustration, however, many Members of the Congress are exploring ways to make incremental changes to the current system. One such change is incorporated in the legislation that is being introduced today by Senator ROCKEFELLER. Under the Medicaid Home and Community Care Options Act of 1989, States would be given the option to extend Medicaid coverage for noninstitutional care services to low-income, functionally disabled persons over the age of 65. These services are essential to enabling disabled persons to remain in their homes. Services include home health, personal care, assistance with household chores, respite care and adult day health.

Under this bill, functional disability would be defined as the inability to perform at least two activities of daily living [ADL's] such as eating, bathing, dressing, or getting in and out of bed. States would have the option, however, of basing functional disability on being unable to perform three or four ADL's. This legislation requires that individual comprehensive functional assessments be provided to determine the level of disability. A case manager would then use the assessment to develop and administer a community care plan tailored to the needs of each eligible individual.

States now have the option to provide similar services under Medicaid's 2176 waivers. Unfortunately, the 2176 waiver has proven to be extremely difficult to apply for and to administer. To qualify, States must fill out an administratively burdensome and time-consuming application to even be considered for a 2176 waiver. Even after being granted a waiver, States still face significant difficulties. They must limit eligibility to those who are at risk of institutionalization, and must also demonstrate budget neutrality—for every dollar spent on home and community-based services under the waiver, the State must show that it saved a dollar on nursing home costs.

The Medicaid Home and Community Options Act does not have these requirements. It gives the States the authority to choose to provide these services as an option under Medicaid, thus eliminating the application process and the various hoops that States are put through.

Mr. President, although we do not yet have final estimates, the Congressional Budget Office indicates that the cost of this legislation to the Federal Government would not exceed $100 million. In light of our current budgetary constraints, various limitations were included to keep the cost as low as possible. For example, financial eligibility is limited to those whom the individual State has determined to be categorically needy for Medicaid—usually tied to eligibility for Supplemental Security Income—or, at the option of the State, under their medically needy program.

Ideally, we would like to extend eligibility to those whose incomes are at or below 300 percent of the Federal SSI level, which is about $1,100 in monthly income. Unfortunately, doing this would have raised the bill's cost far beyond $100 million. We are, however, currently exploring ways to

expand the income eligibility requirements so as to make these services available to greater numbers of vulnerable elderly.

It is important to note, however, that the bill does permit those receiving services under a waiver to be grandfathered in, and allows the continued use of the existing 2176 waivers for those States wishing to do so. For example, my home State of Arkansas has recently applied for a waiver. Eligibility for services under the 2176 waiver in Arkansas would be granted to those at or under 300 percent of SSI. Because this eligibility is broader than under the new Medicaid option that this bill creates, Arkansas could continue under a 2176 waiver to serve those eligible persons who are between 100 percent and 300 percent of poverty—in addition to those grandfathered in to the community-based option services. This bill would make it easier for Arkansas to meet the waiver's budget neutrality requirements as they would be dealing with fewer persons, as well as persons who have more income and are therefore able to contribute more toward the cost of their care.

I am particularly pleased that this legislation addresses the issue of quality. A recent Special Committee on Aging hearing on the subject of board and care highlighted the problems that exist in far too many of these facilities. We heard stories of neglect and abuse that persist because of weak or nonexistent quality standards, and the absence of strong enforcement and oversight mechanisms to implement those standards that are in place. An important feature of this bill is that it ensures that board and care facilities are one of the settings where services under this bill will be provided. This provides us with a welcome opportunity to begin to improve the services and conditions in these facilities. I see the quality standards in this bill as an important step in our efforts to determine the proper Federal and State role in the oversight of board and care.

Mr. President, I commend Senator ROCKEFELLER and Congressman WYDEN for developing and introducing this bill. Its enactment will be a crucial step in grappling with the Federal Government's role in providing long-term care. The role of home and community-based services in the long-term care continuum is increasingly important; they enable the elderly to remain in their homes, living as independently as possible. These services help to keep many frail elderly persons out of nursing homes and other institutional settings—thus ensuring that nursing home beds are used for those disabled older Americans who truly cannot live at home.

While it can be argued that care in the home and community is often less costly than care provided in a nursing home, one cannot place a price tag on the impact such care has on the quality of life. For that reason, the benefts of home and community-based care are too frequently ignored. The Medicaid Home and Community Care Options Act of 1989 would extend these services to some of this Nation's most vulnerable citizens.

I look forward to working with Senator ROCKEFELLER and my other colleagues in the Senate and House, as well as representatives from the States, aging advocacy organizations, providers, and others in refining and enacting this bill. I urge my colleagues to join us in supporting it.●

● Mr. RIEGLE. Mr. President, I am pleased to join with Senator ROCKEFELLER, a fellow chairman of a Subcommittee on Health, and other colleagues as an original cosponsor of the Medicaid Home and Community Care Options Act of 1989. This bill is a good first step in addressing the limited options that low-income individuals who need long-term care face under the Medicaid Program.

I strongly support the flexibility this bill gives to States to provide a more comprehensive array of long-term care services. S. 785 gives States the option of offering Medicaid home and community-based long-term care services to functionally disabled elderly persons. The act would remove administrative barriers that exist under the current Medicaid waiver provision that limit the use of community-based care including demonstrating cost-savings and limiting participation to those at risk of institutional care.

Mr. President, I am proud to note that Michigan has been a pioneer in the effort to provide community care to its people. Over the past 10 years, the percentage of Michigan citizens in institutions has decreased significantly.

This legislation begins to direct our health care system toward preserving the independence and enhancing the quality of life of low-income senior citizens by allowing them to receive necessary services at home. I am deeply concerned, however, that appropriate standards are developed that enhance quality of care in the community and that States are given flexibility to tailor standards to their needs.

Michigan has been a leader in ensuring quality of care for community-based services. I commend Senator ROCKEFELLER on his willingness to work with me and others on the quality of care provisions of this legislation. With the expertise and years of experience of my State, I look forward to working with him and others on improving these provisions.

Mr. President, the Medicaid Home and Community Care Options Act of 1989 gives special attention to a particularly vulnerable segment of our society, the poor elderly, for whom Medicaid financing of long-term care is primarily limited to nursing homes. But more work is needed. We must continue to work on a comprehensive national long-term care system that will provide access to appropriate and affordable care for all persons.

Currently, senior citizens needing long-term care must be poor or become poor to receive essential services under Medicaid. In fact, Medicaid has become the major purchaser of long-term care in this country, financing at least part of the costs for 70 percent of all nursing home residents. And just over one-half of all Medicaid expenditures are spent on long-term care.

But the Medicaid Program was never intended for this major role in financing long-term care. Medicaid was originally conceived as a way of broadening the public provision of basic acute care services to low-income persons. Over the years, Medicaid has increasingly concentrated on providing long-term institutional care, while the share of resources allocated to acute care has correspondingly declined. And this trend continues to accelerate in the 1980's.

Mr. President, the United States' reliance on a program for low-income persons for long-term care is clearly misplaced. I will continue to work with others on the Finance Committee to build a sound and equitable health care system in this country.

I am pleased to be an original cosponsor of this legislation. I look forward to working with Senator ROCKEFELLER and other members of the Finance Committee on this legislation. We are in the beginning stages of improving senior citizens' access to a comprehensive range of long-term care services.●

● Mr. HEINZ. Mr. President, I want to commend Senator ROCKEFELLER on the introduction of the Medicaid Home and Community Based Services Options Act. It is with a sense of promise for many older Americans that I lend my full support as an original cosponsor of this important piece of legislation.

Mr. President, this bill streamlines and prevents any further restrictions on an innovative program—the Medicaid Section 2176 Home and Community Services Program—which has been widely supported by the Congress since its enactment in 1981. What Senator ROCKEFELLER has done is to build on our experience with this program and propose a commonsense solution for the estimated 4½ million elderly Americans now living at home but at risk of turning to their only and more costly alternative—to enter a nursing home.

Let me explain the problem in concrete terms. Eating, bathing, preparing a meal, and cashing a check are all

simple tasks that many of us do not think twice about. But, to a frail elderly person with arthritis or heart disease, these tasks are painful and strenuous. Many of these older persons are fortunate to have a family member who can assist them a few hours a day. Others must care for themselves. When the burden of everyday living becomes too great, they may be forced to enter a nursing home, whether or not they really need this care. The legislation we are offering today will give thousands of frail older Americans each year a choice—the choice of staying at home instead of going to a nursing home when they only need help with essential day-to-day activities.

Right now, Medicaid covers nursing home care services for the very poor. Under the section 2176 home and community-based services waiver, States can apply to the Federal Government for the right to offer in-home and community services as an alternative to costly nursing home care. What was envisioned by the Congress, however, as an opportunity for States and frail older persons, has turned into a stream of redtape. In order to take advantage of this waiver, State has had to jump through bureaucratic hoops and survive accounting nightmares that discourage them from offering these vital services. Let me provide one real-life case in point.

Mrs. Cox is a constituent from my State who would benefit from section 2176 if Pennsylvania had the waiver option. She is a 79-year-old widow who has lived in her community all of her life. Over the past few years her arthritis has made it more difficult for her to lie on her own. Her condition prevents her from preparing meals and cleaning house. Mrs. Cox enjoys living on her own, but she cannot afford to pay someone to help her. Today, Mrs. Cox has no other choice but to move out of her home and into an institution to obtain the care she needs—losing here independence and pride while becoming dependent on Medicaid sooner and at a higher cost than otherwise needed. Our bill would help her keep her independence and avoid the added cost of institutionalization to the taxpayer.

As ranking member of the Senate Committee on Aging and a member of the Bipartisan Commission on Comprehensive Health Care, I strongly support this legislation that takes us one more step in the direction of helping millions of Americans like Mrs. Cox. This Nation is faced with the significant challenge of an increasingly elderly population with increasing long-term care needs. One out of eight of us, 28 million in all, are now age 65 or older. My own State of Pennsylvania has the fourth largest, and one of the fastest growing, populations of older Americans in the country. For these reasons, and in light of Pennsylvania's inability to secure a waiver, this legislation is especially important to my constituents back home.

Addressing the long-term care needs of the elderly is one of the two mandates of the Bipartisan Commission which Congress created last year. But, we do not need to wait for the results of this Commission to take steps now to help the most vulnerable of older persons—those who are frail, poor, and at risk of being admitted to a nursing home unnecessarily.

The bill we are introducing today is an important, affordable step in this direction. This bill replaces the red tape of the waiver system with a new, optional statewide benefit under Medicaid that will allow States to provide needed home care services to frail elderly under Medicaid. For thousands of elderly this bill represents an assurance of their ability to continue with an independent and dignified way of life.

I urge the strong support of my colleagues on both sides of the aisle for this legislation and its swift enactment into law.●

By Mr. INOUYE (for himself, Mr. HOLLINGS, Mr. GORE, Mr. BENTSEN, Mr. BREAUX, and Mr. PRESSLER):

S. 797. A bill to amend the Communications Act of 1934 to improve the education of children by establishing a National Endowment for Children's Educational Television, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL ENDOWMENT FOR CHILDREN'S TELEVISION ACT OF 1989

● Mr. INOUYE. Mr. President, over the past year, a host of studies has demonstrated that students in the United States are lagging badly behind those of the rest of the world. A disturbingly large percentage of our children cannot read, add and subtract, or understand the meaning of important events. Yet, we expect them to find gainful employment and to lead our Nation in the next century.

There are an estimated 42 million children in this country, and they each spend anywhere from 11 to 28 hours a week watching television. By the time most children reach the age of 18, it is estimated that that they will have watched 15,000 hours of television. Other than sleep, watching television is what children do most. Moreover, children from families with lower income watch more television and rely more heavily on it for information. Finally, television has been shown to be an efficient and effective way to reach and educate children both in the home and school.

There is no dispute that the workplace is becoming increasingly more complex and sophisticated. Research, however, indicates that the work force is not prepared for modern jobs. Many workers are not even prepared for lower level jobs.

Our high schools graduate 700,000 functionally illiterate young people every year, and another 700,000 drop out before completing high school. According to the Bureau of Census, in 1982, between 17 and 21 million U.S. adults were illiterate. Moreover, many adults and students who can read and write cannot apply these skills to the tasks required in today's workplace. Many entry level positions today require workers to be able to solve practical problems they are not trained to address.

In addition to the high illiteracy rate in this country, the recent Report to the Nation on the Future of Mathematics Education by the National Research Council concluded that the United States is experiencing a decline in mathematical skills and interest. For example, in 1987, only 55 percent of the 700 tellers hired by Chemical Bank passed an 8th grade level mathematics test. In 1983, more than 70 percent passed the test. In addition, from 1976 to 1986, high school student interest in mathematics declined by 50 percent. Only 8 percent of the current work force consists of scientists and engineers.

The results of the "Second International Math Study" [1982] indicate that the performance of the top 5 percent of United States math students is matched by the top 50 percent of students in Japan. In addition, the top 1 percent of U.S. students scored lowest of the top 1 percent of all participating countries. Thus, our best math students ranked the lowest when compared to their counterparts in other countries.

Further, according to the National Research Council Report, "non-Asian minorities (blacks, Hispanics, and Native Americans) are significantly underrepresented in all scientific, engineering, and professional fields" because of a lack of proper foundation in math. The percentage of blacks and Hispanics receiving doctoral degrees in mathematical sciences has averaged 10 per year since 1974. This is particularly distressing because so many mathematics professionals are teachers and role models. Blacks and Hispanics will soon be in the majority in this country; yet they will continue to be underrepresented in the faculty in our schools and universities. This data is particularly depressing when considered in conjunction with the fact that the percentage of blacks and Hispanics enrolled in college declined from 1976 to 1986 from 33.5 percent to 28.6 percent for blacks and 35.8 percent to 29.4 percent for Hispanics.

There is a great deal of evidence that television can effectively teach children:

[V]iewing "Mister Rogers Neighborhood" leads to increased prosocial behavior, task persistence and imaginative play * * * [by watching] "Sesame Street," preschool children learned many of the skills and concepts taught on the program.

Research also demonstrates that the program "Reading Rainbow" encourages reading of the books featured in the program. There is a marked increase in the number of books sold and checked out of libraries after a book is featured on the program.

Today, public television is the primary source of educational children's programming in the United States. Over $40 million is spent each year to produce and make available over 1,200 hours of children's educational programming available for broadcast on public television. This amount, however, pales in comparison to that in other countries.

Japan and Britain, for example, have clearly recognized the important role television plays in education. Japan relies very heavily on in-school use of television to educate children. In Japan, 93 percent of the public schools have access to 122 educational programs per week and use an average of 33.5 hours of instructional programming per week. Because there is so much instructional programming in the schools in Japan, programming for home viewing tends to be geared more toward informational and prosocial behavior.

The British take a different approach to children's programming. All stations, commercial stations and noncommercial, are required to carry educational and informative programming aimed at children. In 1985, stations were required to carry 3.5 hours of children's informative programming and 2.5 hours of children's instuctional programming and provide almost 7 hours of school instructional programming. These amounts mirror the children's programming carried on the BBC, the British equivalent of our public broadcasting system. In addition, the British produce for more new programs each year than we do.

While the United States lags behind other countries in producing educational programming, we have had many successes: "Sesame Street," and "Reading Rainbow," for example. But, it is very difficult to increase the number of programs, because they are so expensive. Educational programs, in addition to the normal production costs, require a great deal of research and the involvement of educators at all stages of production. Moreover, for commercial broadcasters there is little incentive to broadcast programs like "Reading Rainbow" because they are designed for a narrow audience and therefore the revenue from the programs tends to be far less. Thus, public television is the primary outlet for such programming.

Public television, however, also has limitations on airing children's programs. It has the responsibility to provide programming aimed at adults whose interests are not served by commercial television. For public television, there are only so many hours when programs can be aired, and resources are limited.

From all that I have said, it is clear that we have a variety of problems that must be remedied. That is why I am introducing legislation today to create a National Endowment for Children's Educational Television. We need to devote greater attention to the educational needs of a nation's youth; we require additional funding; and we need to encourage commercial broadcasters and other commercial media to show this type of programming.

This Endowment would be lodged in the Department of Commerce's National Telecommunications and Information Administration. This agency already has experience with this type of grant program since it manages the existing Public Telecommunications Facilities Program. Grants would be made to people who wish to produce children's educational programming under the conditions: First, that the programs be made available first only to public broadcasting (for 2 years); and second, that others can then obtain the programming under conditions that ensure its maximum distribution and so long as the programming is not interrupted by commercial advertisements. Finally, an advisory council of individuals from the private sector expert in such fields as education, child development, and programming would be created to advise the agency on the awarding of grants.

I strongly believe this legislation is an important component of our efforts to enhance our children's education. It has been demonstrated that television is an effective teacher, and we must harness it for the good of our children and our Nation. Today, my subcommittee held a hearing on this matter. I intend to press for committee action in the near future and floor consideration shortly thereafter.●

● Mr. HOLLINGS. Mr. President, I have long been a supporter of improving the education we provide to the youth in this country, and I have long been a supporter of using television to help achieve this objective. About a decade ago, I cosponsored legislation to further the use of television as an educational tool by establishing an endowment for children's educational programming. The time was not then ripe for that bill to move. But, times have changed. We all now recognize the fundamental importance of education to our Nation's future. It is for that reason that I am delighted to see Senator INOUYE resurrect this endowment approach and introduce his bill, which I enthusiastically cosponsor.

Almost all of the educational programming for children has come from public broadcasting, and these public broadcasters and program producers are to be congratulated. Their effort has been truly impressive. "Sesame Street," "Reading Rainbow," and all of the other programs on public broadcasting are not just television shows, they are now ingrained in our culture. Virtually every child in America knows Mr. Rogers, Big Bird, the Cookie Monster, Oscar the Grouch, and LeVar Burton, one of our witnesses today. What's more, our children have learned so much from them.

But, public broadcasting too has constraints. Its budget is limited. It also is charged with meeting important needs of our Nation's adults and thus has a limited number of broadcast hours. We can cure the first problem with more money; the second one, however, requires another approach.

We all know why commercial broadcasters do not air children's educational programming. It does not pay. While we could and should place certain obligations on them to meet the needs of the children's audience, this too has limits. What we need to do is change their incentives and encourage them to air quality programming to educate our children.

The endowment approach seeks to help create this incentive for commercial broadcasters, as well as to further fund public broadcasting's efforts. Its goal is simple: create more first-rate educational programming and then distribute it first to public broadcasters and then to commercial broadcasters, as well as to other media. It is an idea whose time has come.

Today, we take the first step toward achieving this goal. We have an obligation to give our children the best education possible—for their own benefit and for what it means to our Nation. I can assure the chairman of the Communications Subcommittee, Mr. INOUYE, that I will work with him to ensure prompt action on this legislation.●

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 798. A bill to amend title V of the act of December 19, 1980, designating the Chaco Culture Archaeological Protection Sites, and for other purposes; to the Committee on Energy and Natural Resources.

CHACOAN OUTLIERS PROTECTION ACT OF 1989

● Mr. DOMENICI. Mr. President, I rise today to introduce the Chacoan Outliers Protection Act of 1989. This bill will expand the Chaco Archeological Protection Sites System to include an additional 6,261 acres containing structures and artifacts associated with the Chacoan Anasazi Indian cul-

ture of the San Juan Basin of northwestern New Mexico.

The San Juan Basin is an area of major significance to the cultural history of North America. It is here that a people that we now call the Anasazi, which is Navajo for "the ancient ones," mysteriously appeared, flourished, and suddenly disappeared in the space of 400 years, from 900 to 1300 A.D. The center of this civilization was Chaco Canyon, a remote and barren site.

The Anasazi built many pueblos and structures around Chaco Canyon and established a large network of outlying communities, known as Chacoan outliers. The Chacoan outliers were spread over an area of 30,000 square miles and linked by an extensive system of roads.

Archeological research and discovery over the past several years has revealed the extensive achievements of the Anasazi people. They are noted for their large-scale planning, architectural sophistication, massive construction projects, and unusually fine workmanship. It is now agreed that Chaco Canyon represents the highest point of Pueblo pre-Colombian civilization.

Archeologists debate the purpose of Chaco Canyon and its outlying communities. The traditional view is that Chaco was a trade center, but an emerging body of evidence, bolstered by the archeo-astronomy work of the Solstice project, points to Chaco also as a religious and ceremonial site.

Chaco Canyon has long been recognized as being a nationally and internationally significant site. In 1907, Chaco Canyon was designated a national monument. The international significance of Chaco Canyon was recently demonstrated when the United Nations designated Chaco Canyon National Historic Park and five Chacoan outliers as World Heritage Cultural Properties.

In 1980, I introduced and the Congress passed the Chaco Culture National Historical Park Establishment Act, which became Public Law 96-550. Public Law 96-550 enlarged the existing park and reestablished it as the Chaco Culture National Historical Park, consisting of the main body of the park and three noncontiguous units. The act also established procedures for the protection, preservation, and administration of archeological remnants of the Chacoan culture.

When Chaco Canyon was first afforded Federal protection in 1907, numerous archeological sites were known to exist outside the boundaries of the national monument. Their relationship to Chaco Canyon, however, was unclear. Archeologists subsequently determined that many of these sites—some as far as 100 miles from Chaco Canyon—were part of the Chacoan culture.

To the untrained eye, the physical remains of the Chacoan outliers are difficult to discern. At some of the sites, walls still stand. At most sites, however, the magnificent structures of the Anasazi people have collapsed into a mound of rubble, which over the years have been buried by the desert sands.

Unfortunately, over the years, many of these sites were vandalized by unscrupulous pot-hunters or degraded by development activities.

In order to protect these outliers, Public Law 96-550 designated 33 sites as Chaco Culture Archeological Protection Sites. The Secretary of the Interior is charged with managing these sites in order to preserve the sites and provide for their interpretation and study. Activities that would endanger the cultural values of the sites are prohibited.

The bill I am introducing today would expand that system to provide protection to an additional 6,261 acres containing important Chacoan archeological sites.

Ownership of the lands containing the archeological protection sites is a checkerboard of private, State, Federal, and Indian interests. The Indian interests include trust, allotted, and fee parcels. In addition, some surface and subsurface ownerships are divided between two or more entities. Therefore, Public Law 96-550 mandated that these lands be protected by cooperative agreements, rather than Federal acquisition, where possible.

The Chacoan outliers are not included in the National Park System. Rather, they are managed primarily by BIA and BLM. These entities are responsible for resource protection and preservation at the sites.

My bill will add five new sites totaling 3,611 acres to the 33 existing Chaco Culture Archeological Protection Sites. Including in these five new archeological protection sites is the first Forest Service site, the Chimney Rock site in southern Colorado.

The bill also expands the boundaries of 13 of the existing archeological protection sites by a total of 2,650 acres. Thus, the total acreage of the archeological protection site system would be increased from 8,771 to 15,032.

These additions, which are the result of 8 years of intensive research by Federal, State, and Indian archeologists, were recommended by the Interagency Management Group for the Chaco, Culture Archeological Protection Site System, consisting of the National Park Service, BIA, BLM, the Forest Service, the Navajo Nation, and the State of New Mexico. They also are in accordance with the 1983 Joint Management Plan for the Chaco Archeological Protection Site System.

Mr. President, the Chacoan Outliers Protection Act of 1989, by including an additional 6,261 acres in the Chacoan Archeological Protection Sites System, will preserve these sites for future generations and assure that the sites are protected from further looting and degradation. These archeological sites are part of the cultural heritage of all Americans and we must act to preserve them, for cultural resources, once lost, can never be restored or regained. I hope, therefore, that the Senate will act favorably on my proposal.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my remarks.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 798

Be it enacted by the Senate and the House of Representatives of the United States in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Chacoan Outliers Protection Act of 1989."

SEC. 2. ADDITIONS TO ARCHEOLOGICAL PROTECTION SITES.

Subsection (b) of section 502 of the Act of December 19, 1980 (94 Stat. 3228, Public Law 96-550), is hereby amended by deleting it in its entirety and replacing it with the following new subsection (b):

"(b) Thirty-eight outlying sites are hereby designated as 'Chaco Culture Archeological Protection Sites'. The thirty-eight archeological protection sites totalling approximately fifteen thousand and thirty-two acres are identified as follows:

Name	*Acres*
Allentown	380
Andrews Ranch	950
Bee Burrow	480
Bisa'ani	131
Case del Rio	40
Casamero	160
Chimney Rock	3,160
Coolidge	450
Dalton Pass	135
Great Bend	26
Greenlee Ruin	60
Grey Hill Spring	23
Guadalupe	115
Halfway House	40
Haystack	565
Hogback	453
Indian Creek	100
Jacques	40
Kin Nizhoni	726
Lake Valley	30
Las Ventanas	356
Manuelito-Atsee Nitsaa	60
Manuelito-Kin Hochoi	116
Morris 41	85
Muddy Water	1,210
Newcomb	50
Peach Springs	1,046
Pierre's Site	440
Raton Well	23
San Mateo	61
Sanostee	1,565
Section 8	40
Skunk Springs/Crumbled House	588
Squaw Springs	870
Standing Rock	348
Toh-la-kai	10
Twin Angels	40
Upper Kin Klizhin	60."

SEC. 3. MAP.

A map entitled 'Chaco Culture Archeological Protection Sites' generally depicting the

thirty-eight outlying sites shall be kept on file and available for public inspection in the office of the Headquarters of the Chaco Culture National Historical Park and in the office of the State Director of the Bureau of Land Management in Santa Fe, New Mexico.

By Mr. DOMENICI:

S. 799. A bill entitled the "Vocational-Technical Education Quality and Equity Act of 1989"; to the Committee on Labor and Human Resources.

VOCATIONAL-TECHNICAL EDUCATION QUALITY AND EQUITY ACT

● Mr. DOMENICI. Mr. President, today I am pleased to introduce the Vocational-Technical Education Quality and Equity Act. This bill proposes to reauthorize, and improve upon the Carl D. Perkins Vocational Education Act. The Perkins Act's authorization will expire later this year.

This bill seeks to provide to the States greater flexibility in meeting goals to which we all agree. It is a bill that will enable each State to fashion a program to meet its unique needs.

The bill I am introducing today is almost identical to the bill that the distinguished former Senator from Florida, Mr. Chiles, and I proposed in 1984 when vocational education was last up for reauthorization. I am introducing this same bill today because I believe the principle modifications this legislation would make to our current Federal Vocational Education Program remain relevant and needed to improve the program.

Let me point out that modifications still should be made to this bill to incorporate current law provisions and new ideas made since this bill was originally considered. Yet, I think the direction of this bill is the correct one, and needs to be considered even more than it did 5 years ago.

I hope that the committees working on reauthorization of the Carl Perkins Act would examine this bill and incorporate the principles in the bill I offer today.

Mr. President, I strongly support the programs funded under the Carl Perkins Act. While accounting for just 8 percent of all funds spent on vocational education nationwide, the Carl Perkins Act provides valuable assistance to States and local vocational education programs.

The heart of the Carl Perkins Act is the basic grant made to States assisting them with their vocational education programs. In addition to the basic grants, the Perkins Act also authorizes several other special grants and national programs.

Of the basic grants made to States, 43 percent of the funds are used by the States to improve and modernize their vocational education programs. The other 57 percent of funds improve access to vocational education services for students with special needs: the economically disadvantaged, the handicapped, minorities, and women.

These two goals are very important and must remain the main goals of Federal assistance.

The problem I see with our Federal vocational education policy is not with the goals of that assistance, but with the way we assist States. Even more than it did in 1984, the law now specifies numerous set-asides, requiring States to spend certain amounts of Federal assistance on each of several different kinds of students.

Mr. President, we have set up a way to help the States that assumes all States face the very same circumstances, and that the Federal Government knows best how to spend funds in each State to meet the goals of the programs.

The legislation I am introducing today calls for Federal vocational education assistance with a different approach. Under my legislation, the Federal Government would state clearly the goals it wants achieved with the assistance given, and the States are given the flexibility to design and implement programs to achieve those goals in a way that fits their particular needs and characteristics.

My bill would create two State block grants with the same goals as the current basic grant:

First, there would be a block grant to enable each State to modernize its vocational education programs so that they meet the needs and growing demands of a changing economy and labor market.

Second, there would be a block grant for programs to improve access to, and the quality of, vocational education for students with special needs.

An emphasis on State planning and flexibility will, I am convinced, strengthen efforts to improve the quality of vocational education and expanding access to these programs. States would be able to integrate vocational education with their plans for economic development, their needs to upgrade and update the skills of the local work forces, and their plans to improve the quality of education generally.

The flexibility also allows each State to address the needs of specific populations within the State. In New Mexico, for example, the proportion of Hispanic and native American families is much higher than in most other States. The needs of our students, the characteristics of our businesses, and vocational education system built to serve both are not the same as they would be in the Northeast or other areas of the Sun Belt.

Legislation like this bill will allow each State the flexibility to address the special needs of its students.

This legislation shifts the focus of the Federal role from that of telling States how to spend money and work the programs to a focus on goals and results. I am convinced that will enable their program to prove far more effective in helping young Americans, which is the goal of the Perkins Act.

Under my bill, States would be required to submit a plan showing how the federally specified goals would be met locally. They would have to develop methods for measuring results.

Taking into account their own particular needs and capabilities, each State would also propose how funds from the grants would be allocated within the State and how programs should be administered.

By shifting Federal attention to program goals and accountability—and allowing State and local school districts to run the programs—Federal assistance will become more efficient and effective. This approach enables us to look toward the results to be achieved through vocational education, not just counting heads and tracking dollars spent.

Mr. President, I look forward to working with my colleagues on the reauthorization of the Carl Perkins Act. I hope the principles set forth in this bill can be incorporated into the reauthorization bill.

To assist my colleagues, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 799

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vocational-Technical Education Quality and Equity Act of 1989".

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STATEMENT OF PURPOSE AND PRIORITIES

SEC. 2. (a) It is the purpose of the Act to assist the States in addressing national priorities that will improve the quality of vocational education programs by meeting the needs of a changing economy and labor market, and that will increase equity in such programs by providing access to populations of students with special educational needs.

(b) The national priorities for improving the quality of vocational education to meet the needs of a changing economy and labor market are—

(1) to make programs pertinent to the technology and practice of the workplace through industry-education partnerships and collaboration with the private sector;

(2) to enhance the capacity of programs to permit students to develop and apply basic skills in mathematics, science, and written and verbal communication, as well as high technology skills;

(3) to improve the capacity of programs to develop local economies and to assist economically depressed areas as part of a comprehensive effort to revitalize their economies;

(4) to ease students' career planning and educational preparation, the secondary-to-postsecondary and school-to-work transition through a full range of guidance, counseling, career education, and vocational support services;

(5) to train and retrain employed and unemployed adults with marketable skills and jobs of the future; and

(6) to prepare both males and females for the work of the home and enhance the capacity of consumer and homemaking education to reach underserved individuals with special needs in the community.

(c) The national priorities to increase equity in vocational education by expanding access to programs and providing services for students with special educational needs are—

(1) to assist individuals who are disadvantaged educationally, economically, or due to lack of proficiency in English language skills in taking full advantage of vocational education and opportunities for employment, through programs and services to meet their special needs;

(2) to assist individuals with handicaps in taking full advantage of vocational education and opportunities for employment through programs and services to meet their special needs;

(3) to assist minorities in gaining marketable skills and opportunities for employment that will combat both high minority unemployment and enhance their capacity to obtain higher-skilled, higher paying jobs, and

(4) to assist women in gaining marketable skills and opportunities for nontraditional employment that will enhance their ability to obtain higher-skilled, higher paying jobs.

TITLE I—STATE ADMINISTRATION, PLANNING AND EVALUATION

PART A—STATE ADMINISTRATIVE RESPONSIBILITIES

FUNCTIONS OF THE STATE BOARD

SEC. 101. (a) Any State desiring to participate in the programs authorized by this Act shall, in a manner consistent with State law, establish or designate a State board of vocational education which shall be the sole State agency responsible for the administration, or for the supervision of the administration, of such programs. The responsibility of the State board shall include—

(1) appointment of a State director of vocational education and of other personnel required to administer this Act (in accordance with practices and procedures prescribed by State law);

(2) coordination of the development, submission, and implementation of the State plan and any amendments thereto (pursuant to sections 111 and 121), and the State progress report and evaluation (pursuant to sections 121 and 122); and

(3) the development and coordination of policies designed to ensure that programs funded under this Act are consistent with the intent and purposes of the Act, the Job Training Partnership Act, and with the State plan approved under such section;

(4) consultation with the State council established pursuant to section 102, and other appropriate agencies, groups, and individuals involved in and affected by the planning, administration, evaluation, and coordination of programs assisted under this Act;

(5) the submission of the State plan to the State council for review and comments in accordance with section 111(e); and

(6) convening and meeting as a State board (consistent with State law and procedure for the conduct of such meetings) at such time as the State board determines necessary to carry out its functions under this Act, but not less than four times annually.

Except with respect to those functions set forth in the preceding sentence, the State board may delegate any of its other functions involved in the administration of this Act to one or more State agencies, as it may deem appropriate.

(b) Each State board shall include a description of any delegation of its functions under subsection (a) in its State plan, or amendments to such plan, submitted to the Secretary.

(c)(1) Any State desiring to participate in the programs authorized by this Act shall assign at least one full-time individual to assist the State board to fulfill the purposes of this Act by—

(A) gathering, analyzing, and disseminating data on the adequacy and effectiveness of vocational education programs in the State in meeting the education and employment needs of women (including preparation for employment in technical occupations, new and emerging occupational fields, and occupations regarded as nontraditional for women), and on the status of men and women students and employees in such programs;

(B) reviewing vocational education programs (including career guidance and counseling) for sex stereotyping and sex bias, with particular attention to practices which tend to inhibit the entry of women in high-technology occupations, and submitting (i) recommendations for inclusion in the State plan and the progress reports of programs and policies to overcome sex bias and sex stereotyping in such programs, and (ii) an assessment of the State's progress in meeting the purposes of this Act with regard to overcoming sex discrimination and sex stereotyping;

(C) reviewing proposed actions on grants, contracts, and the policies of the State board to ensure that the needs of women are addressed in the administration of this Act;

(D) developing recommendations for programs of information and outreach to women concerning vocational education and employment opportunities for women (including opportunities for careers as technicians and skilled workers in technical fields and new and emerging occupational fields);

(E) providing technical assistance and advice to local educational agencies, postsecondary institutions, and other interested parties in the State, in expanding vocational opportunities for women; and

(F) assisting administrators, instructors, and counselors in implementing programs and activities to increase access for women (including displaced homemakers and single heads of households) to vocational education and to increase male and female students' enrollment in nontraditional programs.

(2) From the funds allotted to the State and available to carry out part A of this title, each State shall reserve not less than $50,000 in each fiscal year to carry out this subsection.

(3) For the purpose of this subsection, the term "State" means any one of the fifty States and the District of Columbia.

STATE ADVISORY COUNCIL ON VOCATIONAL-TECHNICAL EDUCATION

SEC. 102. (a) Any State which desires to participate in programs under this Act for any fiscal year shall establish a State advisory council on vocational-technical education, appointed by the Governor or in the case of States in which the members of the State board are elected (including election by the State legislature), by such board, except as provided in clause (7) of this subsection. The membership of the State council shall not exceed fifteen individuals, shall be broadly representative of citizens and groups within the State having an interest in vocational education, and shall consist of—

(1) representatives of the private sector who shall constitute at least one-third of the membership of the State council and who shall be—

(A) representatives of business, industry, and agriculture in the State, including owners of business enterprises and chief operating officers or personnel officers;

(B) officers or individuals nominated by recognized State labor organizations or building trades councils; and

(C) other private sector personnel who have substantial management, policy, or training responsibilities for employment or for employment training programs of private business enterprises, trade associations, or organized labor;

(2) individuals who have special knowledge and qualifications with respect to the

special educational and career development needs of the disadvantaged, the handicapped, minorities, and women in preparing for employment and who shall constitute at least one-third of the membership of the State council;

(3) one or more individuals representing State economic development agencies and other public agencies and institutions involved in economic development activities;

(4) a representative of the State job training coordinating council, established under section 122 of the Job Training Partnership Act;

(5) a representative of the agency responsible for the administration of vocational rehabilitation programs under the Rehabilitation Act of 1973;

(6) representatives of secondary and postsecondary education agencies and institutions in the State (including private nonprofit and proprietary institutions) which shall include representation in equal number of secondary and postsecondary agencies and institutions, including, where appropriate, community, technical, and junior colleges which conduct vocational education programs eligible for assistance under this Act; and

(7) members of the State legislature, appointed by the legislature.

(b)(1) Business, industry, and agriculture representatives on the State council shall include appropriate representation of small business and minority business firms. Such representatives shall be appointed after consultation with business organizations, trade associations, and professional associations, one of which shall be a general purpose business organization in the State.

(2) The State shall ensure that there is appropriate representation on the State council of women, racial and ethnic minorities, and major geographic regions of the State.

(c) The State shall certify the establishment and membership of the State council to the Secretary prior to the beginning of any fiscal year in which the State desires to receive a grant under this Act.

(d) A member of the State council representing the private sector shall serve as chairperson. The State council shall determine its own procedures, staffing, and the number, time, place, and conduct of meetings, except that it shall hold at least one public meeting each year at which the public is given an opportunity to express views concerning vocational education programs in the State.

(e) Each State council shall—

(1) meet with the State board or its representatives during the planning year to advise on the development of the State plan;

(2) review and comment on the State plan in accordance with section 111(e);

(3) advise the State board and make reports to the Governor, the economic community, and general public of the State, concerning—

(A) policies the State should pursue to improve the quality of vocational education programs and the access to such programs; and

(B) initiatives and methods the private sector could undertake to assist in the modernization of vocational education programs;

(4)(A) evaluate at least once every two years (i) the vocational education program delivery systems assisted under this Act, and under the Job Training Partnership Act, in terms of their adequacy and effectiveness in achieving the various purposes of each of the two Acts, and (ii) the adequacy and effectiveness of the Federal, State, local, and private efforts to strengthen and improve vocational education in the State, and (B) advise the Governor, the State board, the State job training coordinating council, the Secretary, the Secretary of Labor, and the general public of the State of its findings and recommendations;

(5) comment on the reports issued by the State job training coordinating council under section 122(b) of the Job Training Partnership Act;

(6) provide such technical and other assistance to the advisory councils established by eligible recipients as may be requested; and

(7) be authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable it to carry out its functions under this Act, and to contract for such other services as may be necessary to carry out its evaluation functions independent of programmatic or administrative control by other State boards, agencies, or officials.

(f)(1) From the sums available to carry out this section, the Secretary shall, subject to the provisions of the following sentence, make grants to State councils, from amounts allotted to such councils in accordance with the method for allotment contained in section 403, to carry out the functions specified in this section, and shall pay to each State council an amount equal to the reasonable amounts expended by it in carrying out its functions under this Act in such fiscal year, except that no State council shall receive an amount to exceed $225,000 or an amount less than $125,000, in the case of Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The Secretary may pay the State council in each such jurisdiction an amount less than the minimum specified in the preceding sentence if the Secretary determines that the State council can perform its functions with a lesser amount.

(2) The expenditure of the funds authorized by this section is to be determined solely by the State council for carrying out its functions under this Act, and may not be diverted or reprogrammed for any other purpose by any State board, agency, or individual. Each State council shall designate an appropriate State agency or other public agency, eligible to receive funds under this Act, to act as its fiscal agent for purposes of disbursement, accounting, and auditing.

PART B—PLANNING AND APPLICATIONS

STATE PLAN

SEC. 111. (a) Any State desiring to receive funds under this Act shall submit to the Secretary, during the fiscal year 1985 and during each third fiscal year occurring thereafter, a State plan for vocational education for the three fiscal years succeeding each fiscal year in which the State plan is submitted. In developing the State plan, the State board shall meet with and utilize the State council, established pursuant to section 102 of this Act.

(b) The State board shall conduct public hearings in the State, after appropriate notice, for the purpose of affording the general public and interested organizations and groups an opportunity to present their views and make recommendations regarding the State plan. A summary of such recommendations and the State board's response shall be included with the State plan.

(c)(1) In developing the State plan, each State shall—

(A) make a thorough assessment of the quality of vocational education programs to meet the needs of the changing economy and labor market including—

(i) the pertinence of programs to the technology and practice of the workplace;

(ii) the capacity of programs to permit students to develop and apply basic skills in mathematics, science, written and verbal communication, and high technology;

(iii) the capacity of programs to develop local economies and to assist economically depressed areas;

(iv) the degree to which programs ease students' career planning and educational preparation, the secondary-to-postsecondary and school-to-work transition;

(v) the capacity of programs to train and retrain employed and unemployed workers with marketable skills and future jobs; and

(vi) the capacity of consumer and homemaking education programs to prepare both males and females for the work of the home and to reach underserved individuals with special needs in the community; and

(B) make a thorough assessment of the equity of vocational education programs, including—

(i) the degree to which programs assist individuals who are disadvantaged educationally, economically, or due to a lack of proficiency in English in taking full advantage of vocational training and opportunities for employment;

(ii) the degree to which programs assist persons with handicaps in taking full advantage of vocational training and opportunities for employment;

(iii) the degree to which programs assist minorities in gaining marketable skills and opportunities for employment, both to combat minority unemployment and underrepresentation of minorities in higher skill, higher-salaried jobs; and

(iv) the degree to which programs assist women in gaining marketable skills and opportunities for nontraditional employment, to increase representation of women in higher skill, higher-salaried occupations.

(2) The assessment required by paragraph (1) of this subsection shall—

(A) identify and establish priorities for needs in each of the areas described in paragraph (1);

(B) describe the degree to which current and anticipated State, local, and private efforts (including curriculum, the quality of teachers, and the adequacies of facilities and equipment) can be expected to meet the needs in each priority area;

(C) establish objective, measurable goals for each priority area where there is remaining need and describe the progress the State expects to make during the three-year period of the plan using Federal, State, local, and private resources; and

(D) describe how the programs and activities and allocation of funds under this Act among secondary and postsecondary institutions and statewide activities can be expected to enable the State to meet its three-year goals.

(d) Each State plan required by this section shall be based upon the assessments required in subsection (c), and shall—

(1) set forth the criteria the State board will use in approving plans of eligible recipients and allocating funds made available under this Act to such recipients, which shall ensure that States will allocate more Federal funds to eligible recipients in units of local government which are economically

depressed (including both urban and rural units) or which have high unemployment, as determined by the State;

(2) describe the methods proposed for coordinating programs carried out under this Act with those conducted under the Job Training Partnership Act, but such coordination shall not be used to establish priority for funding to eligible recipients under this Act;

(3) describe the measures to be taken to ensure that vocational education programs, services, and activities assisted under this Act will take into account the findings of program reviews and evaluations carried out pursuant to section 122; and

(4) outline the measures to be taken to bring about a better articulation of vocational education programs at various levels of education and among various types of institutions, and to eliminate unnecessary duplication of vocational education and related occupational training programs.

(e)(1) The State plan required by this section shall be submitted to the State council for review not less than 45 days prior to the submittal of the State plan to the Secretary. Whenever the State council comments on a portion of the State plan and the State board does not modify the State plan to address the matter to the satisfaction of the State council, the State council shall prepare additional comments relating to such matter.

(2) Whenever any portion of the State plan is not modified under this paragraph in accordance with the comments of the State council, the additional comments of the State council shall be submitted to the Secretary with the State plan.

(f) Each State plan shall, in accordance with the provisions of this subsection, be submitted to the Secretary by May 1 preceding the beginning of the first fiscal year for which such plan is to be in effect. The Secretary shall approve, within sixty days, each State plan which is formulated in accordance with subsection (a) and which meets the requirements of subsections (b) and (c), and shall not finally disapprove a State plan except after giving reasonable notice, an opportunity for a hearing to the State board, and technical assistance in improving the plan.

STATE APPLICATION

SEC. 112. (a) Any State desiring to receive the amount for which it is eligible for a fiscal year under this Act, and which has a State plan approved by the Secretary under section 111, shall submit an application to the Secretary through its State board which provides assurances—

(1) that the State will provide such methods of administration as are necessary for the proper and efficient administration of the Act;

(2) that the State board will cooperate with the members of the State council in ensuring their active participation in the planning process, in accordance with this Act;

(3) that all funds will be used to meet the goals established in the State plan and for allowable activities according to section 303;

(4) that programs and services cited in the State plan as current or anticipated efforts to meet the needs in each priority area will be maintained and that funds appropriated under this Act will not be used to supplant support for these programs;

(5) that the State will provide such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to eligible recipients under this Act);

(6) that the State has instituted policies and procedures to ensure that copies of the State plan and the progress report and all statements of general policy, rules, regulations, and procedures will be made available to the public;

(7) that in compiling data necessary for planning, evaluating, and reporting on vocational education programs, the State board and eligible recipients assisted under the State plan will use the nationally uniform definition and information elements which have been developed pursuant to section 301;

(8) that programs, services, and activities for handicapped individuals funded under this Act are consistent with the State plan submitted pursuant to section 413(a) of the Education of the Handicapped Act;

(9) that programs of research, personnel development, and curriculum development shall be funded to further the goals identified in the three-year State plan (except that this requirement shall not be construed to mandate funding in each area for each fiscal year); and

(10) that for each fiscal year, expenditures for vocational education programs, services, and activities for the handicapped and disadvantaged will not be less than the expenditures for the handicapped and disadvantaged in the State for the last fiscal year funded by section 110(b)(1) of the Vocational Education Act of 1963.

(b) Each application submitted under this section shall be considered to be the general application required to be submitted by the State for funds received under this Act for purposes of the provisions of section 434(b) of the General Education Provisions Act.

LOCAL PLAN

SEC. 113. (a) Any eligible recipient or combination thereof desiring to receive assistance under this Act shall, according to requirements established by the State board, submit to the State board a three-year plan, covering the same period as the State plan, for the use of such assistance, formulated with the active participation of an advisory council established pursuant to subsection (c). The State board shall determine requirements for local plans, except that each such plan shall—

(1) assess and establish priorities for local need in each of the national priority areas for quality and equity described in section 111(c);

(2) describe how current and anticipated programs at the local level can be expected to meet those needs;

(3) set forth the specific goals the plan is designed to attain in each national priority area based upon the assessment of the status of vocational education in the area served, and the progress the recipient expects to make toward achieving the goals in the three years for which the application is made through the combined use of Federal, State, local, and private resources;

(4) describe how the vocational education programs, services, and activities proposed to be funded under the plan will make it possible for the recipient to meet its goals for the local area;

(5) describe how the vocational education programs, services, and activities proposed to be funded under the plan reflect the views and recommendations of the advisory council established pursuant to subsection (c);

(6) contain such suggestions as the recipient may wish to make concerning ways in which the State and the State board can more effectively utilize funds made available under this Act, or utilize other resources to assist eligible recipients in planning and implementing programs that will better achieve the purposes of this Act; and

(7) provide such information as the State board reasonably may require to carry out its functions under this Act.

(b) The State board may utilize funds under this Act to encourage regional planning among eligible recipients.

(c)(1) The advisory council required for purposes of this section shall be appointed by the eligible recipient and shall consist of—

(A) representatives of the private sector, who shall constitute a majority of the membership of the advisory council and who, if present in the community, shall be (i) owners of business concerns or chief executives or chief operating officers of nongovernmental employers (including agricultural enterprises), (ii) officers of or individuals designated by recognized State and local labor organizations or appropriate building trades councils, and (iii) other private sector personnel who have substantial management, policy, or training responsibility in private business, trade associations or organized labor;

(B) representatives of public employers and of institutions and organizations that are not eligible recipients but provide job training for residents of the community or area, economic development agencies, and the public employment service; and

(C) representatives of groups concerned with equal education and employment opportunities for women, the disadvantaged, and the handicapped.

(2) The chairperson of the advisory council shall be selected from among the members who represent the private sector.

PART C—EVALUATION AND REVIEW

PROGRESS REPORT AND STATE PLAN AMENDMENTS

SEC. 121. (a) Each State having a State plan approved under section 111 shall submit to the Secretary by January 1 of the third fiscal year and every two years thereafter, when such plan is in effect, a progress report. When changes are necessary in the State plan, a State shall submit by May 1 preceding the fiscal year of operation, amendments to its State plan.

(b) The progress report required by this section shall be made available to the State job training coordinating council (established under section 122 of the Job Training Partnership Act), the State legislative and the general public at the same time it is submitted to the Secretary, and such report shall—

(1) describe and present evidence showing the progress made under the State plan toward achieving the goals set forth under section 111; and

(2) describe the problems encountered and the changes to be made in the goals and strategies approved in the State plan, together with the reasons therefor.

(c)(1) The progress report shall include dissenting or supplementary views submitted by the council on vocational-technical education, together with any comment the State board may choose to make.

(2) The Secretary shall approve, within sixty days of submission, the State plan amendments which meet the requirements of this section, unless such amendments propose changes that are inconsistent with

the requirements and purposes of this Act. The Secretary shall not finally disapprove such amendments except after giving reasonable notice, an opportunity for a hearing to the State board, and technical assistance to bring the progress report into compliance with this Act.

PROGRAM EVALUATION

SEC. 122. (a) In order to assist local educational agencies and other eligible recipients receiving funds under this Act in planning and operating the best possible programs of vocational education, each State board during the three-year period of the State plan shall—

(1) arrange a program review each year of at least 20 per centum of the eligible recipients within the State receiving funds under this Act, which reviews shall be conducted by teams which include individuals who are engaged in the type of work for which students are being prepared and shall evaluate:

(A) the planning and content of the program;

(B) the curriculum, qualification of teachers and counselors, equipment, and instructional materials;

(C) the effect of the program on the subsequent work experience of graduates; and

(D) such other factors as are determined to affect program operation and relevance to labor market needs;

(2) gather and analyze data to determine the extent to which the vocational programs are achieving the goals set forth in the plan, and the extent to which eligible recipients are making progress toward the goals in the local plan and to achieve the purposes of this Act as set forth in section 101; and

(3) gather and analyze data relating to outcomes of programs assisted under this Act in terms of the extent to which program completers—

(A) find employment in occupations in which the skills acquired in vocational education programs are utilized or participate in further education;

(B) demonstrate knowledge and skills necessary and common to occupationally specific and nonoccupationally specific programs, including basic academic and technological competencies; and

(C) are considered by their employers to be well trained and prepared for employment as a result of their vocational education,

which data may be gathered by use of statistically valid samples.

(b) The Secretary shall assist States in evaluating the progress and effectiveness of vocational education in achieving the purposes of this Act, and activities designed to provide such assistance shall include—

(1) an analysis of State plans and of annual progress reports, and of the findings of evaluations conducted pursuant to subsection (a), with suggestions to State boards for improvements in planning or program operation;

(2) an information network in conjunction with the National Center on Research in Vocational Education on the results of research in vocational education, the operation of model or innovative programs, successful experiences in the planning, administration, and conduct of vocational education programs, advances in curriculum and instructional practices, and other information useful in the improvement of vocational education; and

(3) a series of longitudinal studies in conjunction with the National Center on Research in Vocational Education initiated every five years (beginning within six months after the enactment of this Act) to determine the outcomes of vocational education for a national sample of students.

(c) The Secretary shall submit a report every two years to the Congress on the status of vocational education in the Nation, including a summary of the program evaluations conducted pursuant to this section and conclusions drawn therefrom regarding progress toward meeting the goals and purposes of this Act, together with such recommendations as the Secretary may wish to make.

LOCAL PROGRESS REPORT AND AMENDMENTS TO LOCAL PLAN

SEC. 123. (a)(1) Each eligible recipient or group of recipients having an approved three-year plan under section 113 shall also submit to the State board an annual progress report, for the preceding fiscal year and proposed amendments to the local plan when needed, prepared with the active participation of its advisory council. Each such report shall—

(A) describe the progress made under the local plan toward meeting the needs identified, and in attaining the goals set forth, in the approved plan required by section 113(a);

(B) describe any problems encountered and changes in goals and strategies proposed to be made in its approved plan, and the reasons therefor;

(C) describe the findings of any program review conducted pursuant to section 122, and describe the measures to be taken to implement recommendations; and

(D) include a certification by the chair of the advisory council that the council has participated in formulating the report, together with such comments as the council or any member thereof may choose to make.

(2) The State board shall not approve funding for a local plan under this section for any year (after the initial year of funding under this Act) unless it finds that the amendments propose changes that are consistent with the purposes and requirements of the Act, and with the three-year State plan approved by the Secretary (including any amendments thereto), and after the first two years, unless the State board finds the recipient to be making steady progress toward its goal.

(d) The State board shall give reasonable notice and opportunity for a hearing to any eligible recipient which is dissatisfied with its final action with respect to approval of plans (or amendments thereto) or with respect to the allocation of funds under this Act.

TITLE II—STATE PROGRAMS

BASIC STATE GRANTS

SEC. 201. From the amount allotted to States for this part pursuant to section 403, the Secretary is authorized to make grants to States to assist them in carrying out vocational education programs, services, and activities carried out by State boards and eligible recipients to achieve the purposes of this Act, in accordance with the requirements of this part and parts A, B, and C of title I.

USE OF FUNDS

SEC. 202. (a) Grants to States under this part shall be used, in accordance with the State plan (and amendments to the plan) approved under section 111—

(1) to improve the quality of vocational education programs to meet the needs of the changing economy through strategies consistent with the priorities described in section 2(b); and

(2) to provide equal access to, and benefit from, vocational education programs for underserved groups of individuals and groups of individuals with special needs through strategies consistent with the priorities described in section 2(c).

(b)(1) Each State may transfer not to exceed 10 per centum of its allotment made under section 403(a)(1) for the uses described in clause (2) of subsection (a).

(2) Each State may transfer not to exceed 10 per centum of its allotment made under section 403(a)(2) for the uses described in clause (1) of subsection (a).

AUTHORIZED ACTIVITIES

SEC. 203. In carrying out the required uses of funds pursuant to section 202, authorized activities may include—

(1) designing and implementing new, improved, expanded, or intensified programs that respond to labor market demands and technological changes, including high technology programs involving an industry-education partnership;

(2) designing and implementing special programs and services for underserved and special needs populations (including adult workers in need of training and retraining, disadvantaged, handicapped, minorities, and women);

(3) designing and implementing postsecondary and adult vocational programs and related services for out-of-school youth and adults in need of training or retraining, whether employed or unemployed;

(4) strengthening the institutional base of vocational education in the State by modernizing curricula, providing up-to-date instructional equipment and materials, improving local and State planning, updating the skills of the instructional and guidance staff, and similar means;

(5) assigning personnel to work with employers and eligible recipients to ensure programs are responsive to the labor market;

(6) making arrangements with private vocational training institutions, employers, and community-based organizations for vocational training whenever such private institutions can make a significant contribution to attaining the objectives of this Act, and can provide substantially equivalent preparation at a lesser cost, or can provide equipment or services not available in public institutions;

(7) designing and implementing planned sequential vocational education programs between the secondary and postsecondary levels;

(8) designing programs, training vocational instructors, and modernizing curricula to reach and apply the principles of mathematics, science, written and verbal communications, and technology related to the occupational goals of students;

(9) improving the qualifications of individuals serving or preparing to serve in vocational education programs, including teachers, administrators, supervisors, and vocational guidance and counseling personnel, including training or retraining teachers, supervisors, and trainers of teachers in new emerging occupations in high technology;

(10) prevocational programs and industrial arts programs to fulfill the purposes of this Act and the goals established in the State plan;

(11) vocational student organization activities carried out as an integral part of the instructional program to fulfill the purposes

of this Act and the goals established in the State plan;

(12) placement services for students who have successfully completed vocational programs;

(13) entrepreneurship programs consistent with the purposes of this Act and the goals established in the State plan;

(14) special vocational education programs and support services which include—

(A) career education, guidance, and counseling;

(B) work-study programs;

(C) cooperative vocational education programs, onsite learning experiences, and apprenticeship programs;

(D) technical education;

(E) research programs;

(F) activities and personnel to overcome sex bias and stereotyping or to assist minorities in more successful participation on vocational training and job opportunities; and

(G) special exemplary and innovative programs to achieve the purposes of this Act and other support services;

(15) construction of, equipment for, and operation of residential vocational-technical schools for students at least fifteen years old who require a residential facility to benefit from vocational education;

(16) construction of area vocational education school facilities;

(17) day care services for students' children in secondary and postsecondary programs;

(18) the cost, not to exceed 50 per centum, of the administration and supervision of vocational education programs and services by eligible recipients and administration of the State plan;

(19) cost of planning, evaluating, and reporting required by the three-year local plan and the progress; and

(20) entering into consortia with other States where such efforts would result in cost savings and improved effectiveness of programs.

LIMITATION

SEC. 204. No funds may be used for activities described in clause (15), (16), or (17) of section 203 unless the State board determines that—

(1) it would be impossible, without expenditures for activities described in clause (15), (16), or (17), to carry out the purposes of this Act and the goals described in the State plan; and

(2) adequate funds are not available from other sources for such activities.

TITLE III—NATIONAL PROGRAMS

VOCATIONAL EDUCATION DATA SYSTEM

SEC. 301. (a) The Secretary shall maintain a national vocational education data system, using uniform definitions prescribed by the Secretary and using sampling techniques where possible, to ensure a simplified system. Any State receiving assistance under this Act shall cooperate with the Secretary in supplying information required to maintain and update such a system, and shall comply in its reports with the information elements and uniform definitions prescribed by the Secretary.

(b) In maintaining and updating this system, the Secretary shall endeavor to the fullest extent feasible to make the system compatible with the occupational information data system established pursuant to section 302, and with other systems developed or assisted under part E of title IV of the Job Training Partnership Act. The Secretary shall be responsible for the operation of the system and for updating the data annually.

(c)(1) In carrying out the responsibilities imposed by this section, the Secretary shall cooperate with the Secretary of Labor in implementing section 463 of the Job Training Partnership Act to ensure that the data system operated under this section is compatible with and complementary to other occupational supply and demand information systems developed or maintained with Federal assistance.

(2) The Secretary shall take such action as may be necessary to secure data at reasonable cost about individuals enrolled by the program, program completers, placement and followup, staffing, and expenditures by major purposes of this Act.

OCCUPATIONAL INFORMATION DATA SYSTEM

SEC. 302. (a) There is hereby established a National Occupational Information Coordinating Committee which shall consist of the Assistant Secretary for Vocational and Adult Education and the Administrator of the National Center for Education Statistics of the Department of Education, the Commissioner of Labor Statistics and the Assistant Secretary for Employment and Training of the Department of Labor, the Under Secretary for Small Community and Rural Development of the Department of Agriculture, the Assistant Secretary for Economic Development of the Department of Commerce, and the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics). This Committee, with funds available to it under section 401(b)(2), shall provide funds, on an annual basis, to State occupational information coordinating committees and shall—

(1) in the use of program data and employment data, improve coordination and communication among administrators and planners of programs authorized by this Act and by the Job Training Partnership Act, employment security agency administrators, research personnel, and personnel of employment and training planning and administering agencies at the Federal, State, and local levels;

(2) develop and implement, in cooperation with State and local agencies, an occupational information system to meet the common occupational information needs of vocational education programs and employment and training programs at the national, State, and local levels, which system shall include data on occupational demand and supply based on uniform definitions, standardized estimating procedures, and standardized occupational classifications;

(3) conduct studies on the effects of technological change on new and existing occupational areas and the required changes in knowledge and job skills; and

(4) assist State occupational information coordinating committees established pursuant to subsection (b).

(b) Each State receiving assistance under this Act shall establish a State occupational information coordinating committee composed of representatives of the State board, the State employment security agency, the State economic development agency, the State job training coordinating council, and the agency administering programs under the Rehabilitation Act of 1973. This committee shall, with funds available to it from the National Occupational Information Coordinating Committee established pursuant to subsection (a), implement an occupational information system in the State designed to meet the needs for the planning and operation of programs of the State board assisted under this Act and of the administering agencies under the Job Training Partnership Act.

PRESIDENT'S COMMISSION ON VOCATIONAL-TECHNICAL EXCELLENCE

SEC. 303. (a) There is established the President's Commission on Vocational-Technical Education. The Commission shall consist of fifteen members appointed by the President, who shall serve at the pleasure of the President and for a two-year term. The members of the Commission shall be individuals who are nationally prominent, at least eight of whom shall be representatives of the private sector of the economy, including individuals engaged in industry, agriculture, business, organized labor, and in high-technology fields. The remaining members shall be individuals with broad experience in education (including vocational education) and economic and human resources development, at least one of whom shall be a member of the National Commission for Employment Policy (established under part F of title IV of the Job Training Partnership Act). The chairperson of the Commission shall be selected by the President. A majority of the members of the Commission shall constitute a quorum (but a lesser number may conduct hearings on behalf of the Commission), and recommendations may be made, or other actions taken, only by a majority of the members present.

(b) The Commission shall—

(1) assess the occupational needs of the Nation with respect to occupations requiring less than a baccalaureate degree;

(2) identify ways to encourage a cooperative effort between the private sector of the economy and vocational-technical education;

(3) examine and evaluate the needs of vocational-technical education programs for updated equipment, curricula, competent staff, and other components necessary to prepare students and train and retrain workers for the workplace;

(4) examine the role of, and make recommendations for changes in, vocational education in the improvement of secondary education system, particularly as it relates to—

(A) opportunities for students in both academic and vocational programs to prepare for midlevel technical careers;

(B) opportunities for both academic and vocational students to develop and apply technological skills; and

(C) easing career planning and educational preparation for work, the secondary-to-postsecondary, and school-to-work transition.

(5) develop and make appropriate recommendations designed to meet the needs and goals described in clauses (1), (2), (3) and (4); and

(6) advise the President, the Congress, and the Secretary with respect to the implementation of this Act, the Job Training Partnership Act, and policies needed to expand and improve vocational-technical education programs in order to build a coordinated capacity to adequately prepare America's work force for employment.

(c) Subject to such rules and regulations as may be adopted by the Commission, the chairperson is authorized to—

(1) prescribe such rules and regulations as may be necessary for conducting the business of the Commission;

(2) appoint and fix the compensation of such personnel as the chairperson deems necessary, and without regard to the provi-

sions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to the classification and General Schedule pay rates, appoint (with the concurrence of the Commission) a Director, who shall be the chief executive officer of the Commission and perform such duties as are prescribed by the chairperson, and not to exceed five additional professional personnel;

(3) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code;

(4) accept voluntary and uncompensated services of professional personnel, consultants, and experts, notwithstanding any other provision of the law;

(5) accept in the name of the United States and employ or dispose of gifts or bequests to carry out the functions of the Commission under this section;

(6) enter into contracts and grants and make such other arrangements and modifications, as may be necessary;

(7) conduct such hearings, studies, and research activities as the Commission deems necessary to enable it to carry out its functions under this section;

(8) use the services, personnel, facilities, and information of any department, agency, or instrumentality of the executive branch of the Federal Government and the services, personnel, facilities, and information of State and local public agencies and private agencies and organizations, with the consent of such agencies, with or without reimbursement therefor; and

(9) make advance, progress, and other payments necessary under this section without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

(d) Upon request made by the chairperson of the Commission, each department, agency, and instrumentality of the executive branch of the Federal Government is authorized and directed to make its services, personnel, facilities, and information available to the greatest practicable extent to the Commission in the performance of its functions under this section.

(e)(1) The Commission shall make a final report of its findings and recommendations to the President, the Congress, and the Secretary not later than two years after the first meeting of the Commission, and may make such interim reports and recommendations as it may deem desirable. The Commission may include in such reports its evaluation of the status, progress, and needs of vocational education (including recommendations for Federal legislation and appropriations), and such report or reports shall include any minority, dissenting, or supplementary views submitted by any member of the Commission.

(2) The Commission shall cease to exist ninety days after the submission of its final report.

NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION

SEC. 304. (a)(1) The National Center for Research in Vocational Education established pursuant to section 171(a)(2) of the Vocational Education Act of 1963 shall continue to be operated with funds made available under this Act.

(2) The Secretary shall provide support for the National Center through an annual grant for its operation. The National Center shall be a nonprofit entity associated with a public or private nonprofit university which has made, or which is prepared to make, a substantial financial contribution toward its establishment. The Secretary shall, on the basis of solicited applications, designate the entity to be the National Center once every five years, acting with the advice of a panel composed of individuals appointed by the Secretary who are not Federal employees and who are recognized nationally as experts in vocational education administration and research.

(3) The National Center shall have a Director, appointed by the university with which it is associated, who shall be assisted by the advisory committee established pursuant to section 306. The advisory committee shall advise the Director and the Secretary with respect to policy issues in the administration of the National Center and in the selection and conduct of major research and developmental projects and activities.

(b) The National Center shall have as its primary purposes the design and conduct of research and developmental projects and programs, including longitudinal studies, which extend over a period of years (with such supplementary and short-term activities through other grants and contracts as the Director may choose to undertake consistent with the purpose of this Act). Such projects, programs, and activities shall be conducted by the National Center directly and through subcontracts (subject to the availability of appropriations therefor) with other public agencies and public or private institutions of higher education. The National Center shall—

(1) conduct applied research and development on problems of national significance in vocational education at the secondary, postsecondary, and adult levels;

(2) provide leadership development through an advanced study center and in-service education activities for State and local leaders in vocational education;

(3) disseminate the results of the research and development projects funded by the Center;

(4) develop and provide information to facilitate national planning and policy development in vocational education;

(5) act as a clearinghouse for information on contracts or grants made by the States to carry out research, curriculum, and personnel development activities and on contracts or grants made by the Secretary pursuant to this title; and

(6) work with States, local educational agencies, and other public agencies in developing methods of planning and evaluating programs, including the followup studies of individuals who complete the program, as required by section 422, so that such agencies can offer vocational education programs which are more closely related to the types of jobs available in their communities, States, and regions.

FUND FOR THE IMPROVEMENT OF VOCATIONAL EDUCATION

SEC. 305. (a) The Secretary is authorized to make grants to States, public and private nonprofit organizations, secondary and postsecondary education institutions (including combinations of such institutions), and other public and private educational institutions and agencies to improve vocational education and technical education by providing assistance for—

(1) improving the quality of vocational education through innovative industry-education partner-programs, technical education, and other programs to train skilled workers and technicians for high-technology occupations;

(2) the creation of institutions and programs involving new paths to career and vocational training, and new combinations of academic and experiential learning with vocational education;

(3) the expansion and improvement of vocational education programs for adults who have been dislocated from industries, who are entering or reentering the work force, or who require training, retraining, or upgrading their skills;

(4) programs improving access to quality vocational education and employment opportunities for youth with special needs, including minorities, young people who are economically or educationally disadvantaged, who lack proficiency in English, or who are handicapped;

(5) improving the quality of secondary education through innovative linkages between academic and vocational programs to prepare students for technical careers, to permit both academic and vocational students to develop and apply technological skills, and to ease career planning and educational preparation for work, the secondary-to-postsecondary, and school-to-work transition; and

(6) improving the quality and equity of vocational education programs through the creation and development of new and expanded curricula or advanced training programs for vocational administrators and instructors.

(b)(1) Any grant or contract under this section to an entity that is an eligible recipient of funds under title II of this Act shall be submitted to the appropriate State board for review, comment, and recommendations, which shall be forwarded to the Secretary.

(2) The Advisory Committee on Research and Program Improvement established under section 306 will advise the Director and the Secretary on the award of grants under this section.

(c) The Fund shall have a Director appointed by the Secretary.

ADVISORY COMMITTEE ON RESEARCH AND PROGRAM IMPROVEMENT

SEC. 306. (a) The Secretary shall appoint an advisory committee on research and program improvement—

(1) to advise the Secretary on the selection and management of programs funded under this title,

(2) to advise the Secretary and the Director of the National Center for Research in Vocational Education and the Director of the Fund for Improvement of Vocational Education with respect to policy issues in the administration of the National Center and in the selection and conduct of research and demonstration projects and activities by the National Center, and

(3) to advise the fund for the improvement of vocational education.

(b) The advisory committee shall consist of not more than ten members, who shall not be employees of the Federal Government and who shall include—

(1) a member designated by the university with which the National Center is associated;

(2) members selected from individuals nominated by national organizations representing State and local administrators and teachers;

(3) one member who is an individual recognized nationally for work in the field of vocational education research;

(4) one member who is the owner or chief executive officer of, or has major managerial responsibilities in, a private business con-

cern which employs skilled workers and technicians in high-technology occupations;

(5) one member who is an individual recognized nationally for work in the field of labor market economics;

(6) one member who is recognized nationally for work in curriculum in vocational education; and

(7) one member who represents labor organizations.

(c) The advisory committee established pursuant to this section shall meet at least three times annually, and at the call of the Secretary, including at least one meeting held at the site of the National Center and concerned primarily with its program and operation.

TITLE IV—GENERAL PROVISIONS, AUTHORIZATIONS, AND ALLOTMENTS

PART A—AUTHORIZATION AND ALLOTMENTS

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. (a)(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of section 202(a)(1) for the fiscal year 1990 and for each of the succeeding fiscal years ending prior to October 1, 1996.

(2) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of section 202(a)(2) for the fiscal year 1990 and for each of the succeeding fiscal years ending prior to October 1, 1996.

(3) There are authorized to be appropriated $10,000,000 for the fiscal year 1990, and for each of the succeeding fiscal years ending prior to October 1, 1996, to carry out the provisions of title I.

(4) The amount appropriated in each fiscal year pursuant to paragraphs (1) and (2) of subsection (a) shall be substantially equal.

(b)(1) There are authorized to be appropriated for the fiscal year 1990 and each of the succeeding fiscal years ending prior to October 1, 1996, such sums as may be necessary to carry out the provisions of title III, except for sections 302, 303, and 305.

(2) There are authorized to be appropriated $5,000,000 for the fiscal year 1990 and for each of the succeeding fiscal years ending prior to October 1, 1996, to carry out the provisions of section 302, relating to the Occupational Information Data System.

(3) There are authorized to be appropriated $500,000 for each of the fiscal years 1990 and 1991 to carry out the provision of section 303, relating to the President's Commission on Vocational-Technical Education.

(4) There are authorized to be appropriated $25,000,000 for the fiscal year 1990, $30,000,000 for the fiscal year 1991, and $35,000,000 for the fiscal year 1992 and for each of the succeeding fiscal years ending prior to October 1, 1996 to carry out the provisions of section 305, relating to the fund for the improvement of vocational education.

REQUIREMENTS FOR RECEIPT OF ALLOTMENT

SEC. 402. In order to receive any allotment under section 403, a State shall—

(1) establish a State board and a State council in accordance with part A of title IV;

(2) have an approved State plan and an approved State application under part B of such title; and

(3) not have failed to comply with part C of such title and with the other provisions of this Act.

ALLOTMENT

SEC. 403. (a)(1) From the sums appropriated pursuant to paragraphs (1), (2), and (3) of section 401(a) for each fiscal year the Secretary shall reserve 2 per centum for the purpose of subsection (d).

(2) Subject to the provisions of paragraph (3), from the remainder of the sums appropriated pursuant to paragraphs (1), (2), and (3) of section 401(a), the Secretary shall allot to each State for each fiscal year—

(A) an amount which bears the same ratio to 50 per centum of the sums being allotted as the product of the population aged fifteen to nineteen inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;

(B) an amount which bears the same ratio to 20 per centum of the sums being allotted as the product of the population aged twenty to twenty-four, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;

(C) an amount which bears the same ratio to 15 per centum of the sums being allotted as the product of the population aged twenty-five to sixty-five, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; and

(D) an amount which bears the same ratio to 15 per centum of the sums being allotted as the amounts allotted to the State under clauses (A), (B), and (C) for such years bears to the sum of the amounts allotted to all the States under clauses (A), (B), and (C) for such year.

(3)(A) If the sum of any State's allotments under subsection (a) for any fiscal year which is less than $200,000, each of such State's allotments shall be ratably increased to the extent necessary to increase such sum to $200,000. The total of the increases thereby required shall be obtained by proportionally reducing the allotments to each of the remaining States, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than $200,000.

(B) Notwithstanding any other provision of this section, the sum of any State's allotments under this section for any fiscal year shall not be less than the total amount of payments made to the State under allotments determined under the Vocational Education Act of 1963 for fiscal year 1983. Any amounts necessary for increasing the sum of the allotments of certain States to comply with the preceding sentence shall be obtained by ratably reducing the sums of the allotments of the other States, but no such sum shall be thereby reduced to an amount which is less than the total amount of payments made to the State under allotments determined under the Vocational Education Act of 1963 for fiscal year 1983.

(4) The Secretary shall furnish to each State the amount of its allotment attributable to sums appropriated pursuant to section 401(a)(1), 401(a)(2), and 401(a)(3), separately, in each fiscal year.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Secretary determines will not be required for such fiscal year for carrying out the program for which such amount has been allotted shall be available, from time to time, for reallotment, on such dates during such year as the Secretary shall fix, on the basis of criteria established by regulation, among other States. Any amount reallotted to a State under this subsection for any fiscal year shall remain available for obligation during the next succeeding fiscal year and shall be deemed to be part of its allotment for the year in which it is obligated.

(c)(1) The allotment ratio for any State shall be 1.00 less the product of—

(A) 0.50; and

(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands), except that (i) the allotment ratio in no case shall be more than 0.60 or less than 0.40 and (ii) the allotment ratio for Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands shall be 0.60.

(2) The allotment ratios shall be promulgated by the Secretary for each fiscal year between October 1 and December 31 of the fiscal year preceding the fiscal year for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the three most recent consecutive fiscal years for which satisfactory data are available.

(3) The term "per capita income" means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

(4) For the purposes of this section, population shall be determined by the Secretary on the basis of the latest estimates available to the Department.

(d)(1) For purposes of this section, the term "Act of April 16, 1934" means the Act entitled "An Act authorizing the Secretary of the Interior to arrange with States or territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", enacted April 16, 1934 (48 Stat. 596; 25 U.S.C. 452-457).

(2)(A) From the funds reserved pursuant to subsection (a)(1), the Secretary is directed, upon the request of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934, to enter into a contract or contracts with any tribal organization of any such Indian tribe to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the purposes of this Act, except that such contracts shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act and shall be conducted in accordance with the provisions of sections 4, 5, and 6 of the Act of April 16, 1934, which are relevant to the programs administered under this sentence. From any remaining funds reserved pursuant to subsection (a)(1), the Secretary is authorized to enter into an agreement with the Secretary of the Bureau of Indian Affairs for the operation of vocational education programs authorized by this Act in institutions serving Indians described in division (i) of this subparagraph (B), and the Secretary of the Interior is authorized to receive these funds for those purposes.

(B) For the purposes of this Act, the Bureau of Indian Affairs shall be deemed to be a State board; and all the provisions of

this Act shall be applicable to the Bureau as if it were a State board.

PART B—FEDERAL ADMINISTRATIVE RESPONSIBILITIES

ADMINISTRATIVE COSTS, PAYMENTS, MAINTENANCE OF EFFORT

SEC. 411. (a) The Secretary shall pay to each State, for any fiscal year for which such State has a State plan approved in accordance with section 111 or an update and progress report approved in accordance with section 121(c), the amount of its allotment or allotments under section 403 from appropriations made to carry out this Act, except that from such allotment—

(1) a State shall not expend for the cost of State administration of the State plan an amount in excess of 50 per centum of such cost; and

(2) payments by the State to eligible recipients (in accordance with plans approved under section 113) for the costs of administration of vocational education programs shall not exceed 50 per centum of such cost.

(b)(1) Payments for any fiscal year under this Act to a State shall be reduced in accordance with paragraph (2) unless the Secretary finds that the fiscal effort per student, or the aggregate expenditures for vocational education, in that State for the fiscal year preceding the fiscal year for which the determination was made was not less than 90 per centum of such fiscal effort per student or the aggregate expenditures for vocational education for the second preceding fiscal year.

(2) The Secretary shall reduce the amount of the payment of funds under this Act, to which the State otherwise would have been entitled under its allocation, in the exact proportion to which a State fails to meet the requirements of paragraph (1) by falling below 90 per centum of both the fiscal effort per student and the aggregate expenditures for vocational education (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) subsequent years.

(3) The Secretary may waive the requirements of this subsection for one fiscal year only, upon making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources.

WITHHOLDING OF FUNDS; JUDICIAL REVIEW

SEC. 412. (a) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State board, finds that—

(1) the State plan or update approved under section 111(f) or section 121(c) has been so changed that it no longer complies with the provisions of this Act; or

(2) in the administration of the State plan or of programs conducted pursuant to it there is a failure to comply substantially with any such provision,

the Secretary shall notify such State board that no further payments will be made to the State under this Act (or, further payments to the State will be limited to programs under or portions of the State plan not affected by such failure) until satisfied that there will no longer be any failure to comply. Until so satisfied, the Secretary shall make no further payments to such State under this Act (or shall limit payments to programs under, or portions of, the State plan not affected by such failure).

(b) A State board which is dissatisfied with a final action of the Secretary under this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which action is based, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set aside such action, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his action. The findings of the Secretary as to the facts, if supported by the weight of evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by the weight of evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall, unless specifically ordered otherwise by the court, operate as a stay of the Secretary's action.

(c)(1) If any eligible recipient is dissatisfied with the final action of the State board or other appropriate State administering agency with respect to approval of its local plan, such eligible recipient may, within sixty days after such final action or notice thereof, whichever is later, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the State board or other appropriate State administering agency. The State board or such other agency thereupon shall file in the court the record of the proceeding on which the State board or such other agency based its action, as provided in section 2112 of title 28, United States Code.

(2) The findings of fact by the State board or other appropriate administering agency, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the State board or such other agency to take further evidence, and the State board or such other agency may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings.

(3) The court shall have jurisdiction to affirm the action of the State board or other appropriate administering agency or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari certification as provided in section 1254 of title 28, United States Code.

(d)(1) The Secretary shall prescribe and implement rules to assure that any hearing conducted under section 434(c) of the General Education Provisions Act in connection with funds made available from appropriations under this Act shall be held within the State of the affected unit of local government or geographic area within the State.

(2) For the purposes of paragraph (1)—

(A) the term "unit of local government" means a county, municipality, town, township, village, or other unit of general government below the State level; and

(B) the term "geographic area within a State" means a special purpose district or other region recognized for governmental purposes within such State which is not a unit of local government.

PART C—DEFINITION OF TERMS

DEFINITIONS

SEC. 431. As used in this Act:

(1) The term "administration" means activities of a State necessary for the proper and efficient performance of its duties under this Act, including supervision, but not including ancillary services.

(2) The term "area vocational education school" means—

(A) a specialized high school used exclusively or principally for the provision of vocational education to persons who are available for study in preparation for entering the labor market,

(B) the department of a high school exclusively or principally used for providing vocational education in no less than five different occupational fields to persons who are available for study in preparation for entering the labor market,

(C) a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for study in preparation for entering the labor market, or

(D) the department or division of a junior college or community college or university operating under the policies of the State board and which provides vocational education in no less than five different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if it is available to all residents of the State or an area of the State designated and approved by the State board, and if, in the case of a school, department, or division described in (C) or (D), if it admits as regular students both persons who have completed high school and persons who have left high school.

(3) The term "career guidance and counseling" means those programs (A) which pertain to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities, and (B) which assist them in making and implementing informed educational and occupational choices.

(4) The term "community-based organization" means any such organization described in section 4(5) of the Job Training Partnership Act.

(5) The term "construction" includes construction of new buildings and acquisition, and expansion, remodeling, and alteration of existing buildings, and includes site grading and improvement and architect fees.

(6) The term "cooperative education" means a program of vocational education for individuals who, through written cooperative arrangements between the school and employers, receive instruction, including required academic courses and related voca-

tional instruction by alternation of study in school with a job in any occupational field, but the two experiences must be planned and supervised by the school and employers so that each contributes to the student's education and to his or her employability. Work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

(7) The term "curriculum materials" means materials consisting of a series of courses to cover instruction in any occupational field which are designed to prepare persons for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field.

(8) The term "disadvantaged" means individuals (other than handicapped individuals) who have economic disadvantages and who require special services and assistance in order to enable them to succeed in vocational education programs.

(9) The term "eligible recipient" means a local educational agency or a postsecondary educational institution, and for the purpose of carrying out section 203(6) includes a community-based organization.

(10) The term "general purpose business organizations" means organizations which admit to membership any for-profit business operating within the State or an area of the State.

(11) The term "handicapped", when applied to individuals, means individuals who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired persons, or persons with specific learning disabilities, who by reason thereof require special education and related services, and who, because of their handicapping condition, cannot succeed in the regular vocational education program without special education assistance or who require a modified vocational education program.

(12) The term "industrial arts education programs" means those education programs (A) which pertain to the body of related subject matter, or related courses, organized for the development of understanding about all aspects of industry and related courses, including learning experiences involving activities such as experimenting, designing, constructing, evaluating, and using tools, machines, materials, and processes, and (B) which assist individuals in the making of informed and meaningful occupation choices or which prepare them for entry into advanced trade and industrial or technical education programs.

(13) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a vocational education program.

(14) The term "low-income family or individual" means such families or individuals who are determined by the Secretary to be low-income according to the latest available data from the Department of Commerce.

(15) The term "National Center" means the National Center for Research in Vocational Education.

(16) The term "postsecondary educational institution" means a nonprofit institution legally authorized to provide postsecondary education within a State for persons sixteen years of age or older, who have graduated from or left elementary or secondary school.

(17) The term "private vocational training institution" means a business or trade school, or technical institution or other technical or vocational school, in any State, which (A) admits as regular students only persons who have completed or left elementary or secondary school and who have the ability to benefit from the training offered by such institution; (B) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations; (C) has been in existence for two years or has been specially accredited by the Secretary as an institution meeting the other requirements of this subsection; and (D) is accredited (i) by a nationally recognized accrediting agency or association listed by the Secretary pursuant to this clause, or (ii) if the Secretary determines that there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a State agency listed by the Secretary pursuant to this clause, or (iii) if the Secretary determines that there is no nationally recognized or State agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by him and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope, and quality which must be met by those schools and shall also determine whether particular schools meet those standards. For the purpose of this paragraph, the Secretary shall publish a list of nationally recognized accrediting agencies or associations and State agencies which he determines to be reliable authority as to the quality of education or training afforded.

(18) The term "school facilities" means classrooms and related facilities (including initial equipment) and interests in lands on which such facilities are constructed. Such term shall not include any facility intended primarily for events for which admission is to be charged to the general public.

(19) The term "Secretary" means the Secretary of Education.

(20) The term "small business" means for-profit enterprises employing five hundred or fewer employees.

(21) The term "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(22) The term "State board" means a State board designated or created by State law as the sole State agency responsible for the administration of vocational education, or for supervision of the administration of vocational education in the State.

(23) The term "State council" means the advisory council on vocational-technical education established in accordance with section 102.

(24) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary or secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(25) The term "technical education" means a program that prepares an individual at the technical or specialist level in specialized fields of technology in the physical, related engineering, biological, and social sciences; and prepares individuals to be support personnel for professional scientists, engineers, physicians, or to be technical managers, and supervise skilled or unskilled workers in their occupational area.

(26) The term "vocational education" means organized educational programs which are directly related to the preparation of individuals for paid or unpaid employment, or for additional preparation for a career requiring other than a baccalaureate or advanced degree; and, for purposes of this paragraph, the term "organized education program" means only (A) instruction related to the occupation or occupations for which the students are in training or instruction necessary for students to benefit from such training, and (B) the acquisition, maintenance, and repair of instructional supplies, teaching aids and equipment; and the term "vocational education" does not mean the construction, acquisition or initial equipment of buildings, or the acquisition or rental of land.●

By Mr. BRADLEY (for himself, Mr. LAUTENBERG, Mr. DODD, and Mr. LIEBERMAN):

S. 800. A bill to provide for a moratorium on, and study regarding, certain State tax laws; to the Committee on Finance.

MORITORIUM ON, AND STUDY ON, CERTAIN STATE TAX LAWS

● Mr. BRADLEY. Mr. President, I am introducing this bill along with my colleagues, Mr. LAUTENBERG, Mr. DODD, and Mr. LIEBERMAN, to declare a ceasefire in the border tax war between New York, New Jersey, and Connecticut. Presently, there are escalating tensions between the three States. The tensions are a result of New York's new nonresident income tax.

Under this new law, nonresidents working in New York must take into account their non-New York income when calculating income taxable by New York. Consequently, even the income of a spouse working outside of New York, or interest and dividends with no relation to a taxpayer's New York job, are taxed by New York. This is clearly an unfair practice, and will lead to retaliatory action by the two neighboring States.

Our legislation would defuse much of the understandable resentment felt by New Jersey and Connecticut residents. It achieves this by declaring a 3-year moratorium on New York's nonresident income tax rule. The moratorium is retroactive and would effectively prevent New York from implementing their law. Similarly, both New Jersey and Connecticut would be prohibited for 3 years from implementing any retaliatory tax plan. This evenhanded approach will prevent further counterproductive escalation while also protecting the interests of New Jersey and Connecticut residents.

The bill also establishes a Commission composed of representatives from each of the three affected States along

with the Attorney General of the United States. Within a year from the enactment of our legislation, the Commission would examine, and propose recommendations to Congress, on how States should tax income earned by nonresidents. Upon receipt of the Commission's recommendation, Congress and the affected States would have 1 year to take appropriate action.

This bill would foster a spirit of comity among the three States. They would be encouraged to give due consideration to the needs and interests of their nonresident neighbors and not act unilaterally to maximize revenues at the expense of their neighbors. It thus provides a model for an equitable resolution of this dispute and creates breathing space so that rational views can prevail.●

● Mr. DODD. Mr. President, today I am joining Senators BRADLEY, LIEBERMAN, and LAUTENBERG in introducing legislation to impose a moratorium on implementation of a New York law that takes into account income from sources outside the State in determining the income tax rate imposed on individuals who work in New York but are not residents of the State. The moratorium, which also would be imposed on any laws enacted in retaliation to New York's, would be lifted at the beginning of the taxable year which starts 1 year after completion of a study of the equities of such laws.

The legislation is designed to temporarily halt implementation of a New York law that, according to New York State officials, would raise $50 million annually from 450,000 nonresident commuters by using these commuters' entire income—including that earned outside of New York—to determine the tax rate to be applied to income earned in New York. For Connecticut residents, the cost would be approximately $5.5 million per year.

Let me explain how the law works. Under the old law, a person who earned $6,000 in New York and whose spouse earned $30,000 in Connecticut would pay New York State income tax on the $6,000, the amount earned in New York, at the tax rate applicable to a person earning $6,000. Under the new law, the Connecticut resident would still pay taxes only on the $6,000, but the tax rate would be based on the rate applicable to a person who made $36,000.

Let me quantify the difference. New York has an income tax that ranges from 3 percent on the first $6,000 to 8.375 percent on taxable income above $34,000. Under the old methodology, the commuter would pay $180. Under the new law, by contrast, the applicable tax rate would be the rate for a person earning $36,000, or 8.375 percent. Thus, the new tax would be $502.50, or nearly three times the tax.

I do not quarrel with the notion of a commuter tax. People who use the facilities of another State would pay for those services. However, they should only pay for the services they use, as reflected by the income they earn. In this way, residents and nonresidents alike are taxed on what they earn in the State.

New York State officials argue that the law is equitable because people who earn the same overall amount—either in New York or in another State—are taxed at the same rate. I do not share this view. Because of the importance of this matter to nonresident commuters, the legislation calls for a Presidentially appointed commission—composed of the Attorney General and representatives from the States of Connecticut, New York, and New Jersey—to examine these arguments and all others with the goal of recommending equitable forms of interstate taxation "in order to reach effective regional solutions." As I indicated earlier, the moratorium would not expire until the States—or the Congress, if necessary—have had adequate time to enact any necessary legislation.

Mr. President, I urge prompt consideration of this important matter of equity in interstate taxation.●

● Mr. LIEBERMAN. Mr. President, I rise to join my colleague from Connecticut, Senator DODD, and my colleague from New Jersey, Senator BRADLEY and Senator LAUTENBERG, in introducing legislation to provide a moratorium on certain State tax provisions that use out-of-State income to determine the income tax rate applicable to non-resident commuters. This legislation will establish a commission to study such problematic, divisive tax provisions and recommend effective regional solutions.

The genesis of this bill lies in a provision in New York State's tax code, section 601(e), that is now being put into effect. That provision is designed to raise $50 million for New York by unfairly taxing nonresident commuters on the basis of income earned outside New York, as well as income earned in New York. A Connecticut family, for example, in which one spouse works in New York, would have its New York earnings taxed at a rate based on the family's entire income—including income earned by a spouse working in Connecticut and income from Connecticut investments.

The New York law is unfair. It will affect nearly 50,000 Connecticut residents and will cost them millions of dollars every year. It seems to be especially unfair to Connecticut families whose principal sources of income are in Connecticut.

Connecticut does not dispute New York's right to tax the New York income of nonresident commuters. Commuters do impose some cost on New York that the State justifiably seeks to recoup. But those costs are not imposed by Connecticut residents who do not commute to or work in New York, and their Connecticut income should not provide a basis for ratcheting up New York tax rates for Connecticut commuters.

More importantly, interstate costs are a two-way street. New York imposes staggering costs on Connecticut that are not being recovered. For example, much of the Long Island Sound pollution that plagues our shoreline comes from New York. The air we breathe in Connecticut contains pollutants from New York. If every factory and every automobile in Connecticut were shut down tomorrow, Connecticut would still suffer serious ozone pollution coming into the State from New York and other States. Obviously, this doesn't mean that Connecticut—or New York—should engage in a tax war with its neighbor; it means that comity and cooperation between the States is more essential now than ever before.

This legislation seeks to further the goal of regional cooperation by creating an independent commission, with representatives from Connecticut, New York, New Jersey, and the U.S. Attorney General's office, to study the problems posed by the New York tax provision. The bill would impose a moratorium applicable to that provision, pending the recommendations of the commission for an effective, regional resolution.

This is a time when Connecticut and New York, like many other States, face substantial budget deficits. We also confront environmental, transportation and crime problems that respect no State borders. It is a time for regional cooperation and support, not for the kind of divisiveness engendered by the New York tax law. My hope is that this bill will lead to a reasonable interstate tax policy, and in the process will further the goal of regional cooperation.●

By Mr. CHAFEE (for himself, Mr. BRADLEY, Mr. BINGAMAN, and Mr. KENNEDY):

S. 801. A bill to amend the Internal Revenue Code of 1986 to increase the excise tax on cigarettes by 22 cents per pack; to the Committee on Finance.

INCREASE IN EXCISE TAX ON CIGARETTES

Mr. CHAFEE. Mr. President, today Senators BRADLEY, BINGAMAN, and I are introducing a package of six bills which we believe will help articulate a clear governmental message on the use of tobacco. That message should be: tobacco is hazardous to your health.

In Congress we hear and talk a great deal about inconsistencies in Federal policies. Our attitude toward tobacco is a classic example.

We commission study after study on the effects of tobacco. We know beyond a shadow of doubt that tobacco products are harmful. Yet, we have

allowed the cigarette excise tax—which is universally recognized as the major deterrent to smoking—to decline in real terms by nearly 60 percent since the 1950's.

We spend billions of dollars every year on health research and direct health care for individuals with tobacco-related diseases. Tobacco is clearly one of the most hazardous substances that is intended for consumption and legally available. And yet it is exempt from virtually all Federal health and safety regulations.

Finally, we require labels on tobacco products and spend millions on public health programs to alert people to the dangers of tobacco use. Yet, we have given tobacco companies a tax deduction worth billions of dollars to advertise their products so they can encourage people to smoke.

The slate of six bills we are introducing today will bring some order into this chaos. This is a campaign that Senator BRADLEY, Senator BINGAMAN, and I have been waging for several years, and we intend to keep working as this Federal policy speak with one voice on the topic of tobacco.

My contribution to this legislative package is a proposal to increase the Federal excise tax on cigarettes to 38 cents. That would be an increase of 22 cents over the current level.

Why 38 cents? The cigarette excise tax has been increased only once since 1951. That was in 1983, when we raised it from 8 cents to 16 cents, where it remains today. This means that the tax has lagged far behind the rate of inflation. Today's 16-cent tax is 58 percent lower—in real terms—than the 8-cent tax of 1951.

Thus, the deterrent effect of the tax has been steadily eroded. As the Congressional Budget Office has pointed out, the tax is now less than 15 percent of the current average market price—significantly less than the 42 percent of price it represented in 1951.

We are proposing a level of 38 cents, which is where the tax would be today if it had kept pace with inflation since 1951—no more, no less. To put this figure in perspective, let me cite the Office of Technology Assessment, which in 1985 estimated the cost of cigarette smoking at $65 billion annually. This includes $22 billion in health care and $43 billion in lost productivity—a cost which is borne by anyone who pays taxes or insurance premiums. As OTA pointed out, the bottom line cost to society of cigarette smoking is $2.16 for each pack of cigarettes sold. I believe it is fair to ask smokers to shoulder some of that cost.

We know that the excise tax is a powerful deterrent, expecially for the young. It is estimated that when Congress doubled the excise tax on cigarettes from 8 to 16 cents, 1¼ million adult Americans stopped smoking. Even more important, it prompted 1½ million teenagers to stop or not start smoking.

We also know that discouraging smoking will help improve our collective health as a nation. Cigarette smoking is the No. 1 preventable cause of death and disability in this country. Nearly 400,000 Americans die of smoking-related diseases annually—or more than 1,000 people every day. One out of every seven deaths in this country are smoking-related. It is estimated that 24 million Americans may die prematurely of heart disease attributable to cigarette smoking, unless smoking habits are changed.

I should point out that we are not at this time addressing the tax on smokeless tobacco, that is, chewing tobacco and snuff. That tax is currently so low—amounting to slightly more than a penny per package—as to be almost meaningless. We do plan, however, to introduce legislation at a later date which would increase the tax on smokeless tobacco to a level equivalent to our proposed tax on cigarettes.

Together with the other five bills in this package, an increased excise tax would serve as a powerful deterrent to starting or continuing to smoke. Senator BRADLEY's legislation would: First, eliminate the tax deduction for tobacco advertising expenses, thus ending the Federal subsidy on an activity which lures young people toward smoking; second, require an additional warning label on tobacco packages regarding the addictive nature of smoking; and third, clarify that antitobacco education may be funded under the Drug-Free Schools Program. Senator BINGAMAN's bills would: First, end the Federal subsidy on tobacco sold at military installations; and second, give FDA the authority for greater regulation of tobacco products. I want to thank Senators BRADLEY and BINGAMAN for these fine contributions to the package.

Mr. President, this package has the full support of the American Heart Association, the American Cancer Society, and the American Lung Association—three groups which have dedicated themselves to improving the collective health of all Americans.

I ask unanimous consent that a copy of the bill and a factsheet appear in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN TAX ON CIGARETTES.

(a) RATE OF TAX.—Subsection (b) of section 5701 of the Internal Revenue Code of 1986 (relating to rate of tax on cigarettes) is amended—

(1) by striking "$8" in paragraph (1) and inserting in lieu thereof "$19"; and

(2) by striking "$16.80" in paragraph (2) and inserting in lieu thereof "$39.91".

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before January 1, 1990, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $11 per thousand;

(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $23.11 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on January 1, 1990, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1986 and shall be due and payable on February 16, 1990, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on January 1, 1990.

(3) CIGARETTE.—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1986.

(4) EXCEPTION FOR RETAIL STOCKS.—The taxes imposed by paragraph (1) shall not apply to cigarettes in retail stocks held on January 1, 1990, at the place where intended to be sold at retail.

(5) FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (19 U.S.C. 81a et seq.) or any other provision of law—

(A) cigarettes—

(i) on which taxes imposed by Federal law are determined, or customs duties are liquidated, by a customs officer pursuant to a request made under the first proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1990, and

(ii) which are entered into the customs territory of the United States on or after January 1, 1990, from a foreign trade zone, and

(B) cigarettes which—

(i) are placed under the supervision of a customs officer pursuant to the provisions of the second proviso of section 3(a) of the Act of June 18, 1934 (19 U.S.C. 81c(a)) before January 1, 1990, and

(ii) are entered into the customs territory of the United States on or after January 1, 1990, from a foreign trade zone,

shall be subject to the tax imposed by paragraph (1) and such cigarettes shall, for purposes of paragraph (1), be treated as being held on January 1, 1990, for sale.

FACT SHEET: CHAFEE CIGARETTE EXCISE TAX INCREASE

Current tax: 16 cents per pack.

Proposed increase: 22 cents.

Total tax: 38 cents per pack.

Additional Revenues: $3.967 billion (FY 90), $19.3 billion (5 years).

Current Revenues: $3.3 billion (FY 90), $15.8 billion (5 year total).

History of Cigarette tax: In 1950, was raised from 7 to 8 cents. In 1983, was raised from 8 cents to 16 cents.

HEALTH IMPACT OF SMOKING

1. Nearly 400,000 Americans die each year of the effects of cigarette smoking: That is more than 1,000 every day.

2. More than one out of every seven deaths in this country is smoking related.

3. 80 percent of all lung cancer deaths in this country are caused by smoking.

4. Cigarette smoking causes one-third of all heart disease deaths in this country and heart disease accounts for nearly one-half of all deaths.

5. Perhaps almost 10 percent of all persons now alive—or 24 million Americans—may die prematurely of heart disease attributable to cigarette smoking, unless smoking habits are changed.

6. Children of smoking parents have an increased risk of bronchitis and pneumonia early in life and seem to have a small but measurable difference in the growth of lung functions.

7. Maternal smoking during pregnancy significantly increases the risk of spontaneous abortion, miscarriage, bleeding during pregnancy, still-birth, and sudden infant death syndrome.

FINANCIAL IMPACT OF SMOKING

1. According to the Office of Technology Assessment, cigarette smoking costs our society 65 billion dollars annually in health care costs and lost productivity, or $178 million per day:

$22 billion for health care, including: $4.2 billion for Medicare and Medicaid; $210 million through Dept. of Defense; and $400 million through Dept. of Veterans Affairs.

$43 billion for lost productivity.

2. OTA further estimated that these costs added up to $2.17 per package of cigarettes sold in the United States.

(OTA study was done in 1985. It represents the most recent data available.)

By Mr. THURMOND:

S. 802. A bill to temporarily suspend the duty on dimethylbenzylidene sorbitol; to the Committee on Finance.

S. 803. A bill to temporarily suspend the duty on 4,4'-isopropylidenedicyclohexanol; to the Committee on Finance.

SUSPENSION OF DUTY ON CERTAIN CHEMICALS

Mr. THURMOND. Mr. President, today, I am introducing 2 bills to temporarily suspend the duty on the chemicals dimethylbenzylidene sorbitol (MDBS) and isopropylidenedicyclohexanol (HBPA). MDBS is a chemical additive used in plastic resins to improve clarity, heat distortion and flexibility. HBPA is used as a chemical reactant in resins for coatings and plastic materials and has outstanding resistance to outdoor weathering, chemical corrosion and cracking.

In 1987, I introduced legislation to suspend the duty on these chemicals; however, these suspensions were not included in the Omnibus Trade and Competitiveness Act of 1988 because only those duties that had been previously suspended were considered. Therefore, new duty suspensions, such as my bill, were not included in that measure.

Suspension of the duty for these chemicals is warranted because there is no domestic manufacturer nor a readily available domestically produced substitute. Therefore, suspending the duty would not harm other domestic industries. Further, suspending the duty on these chemicals benefits those industries in which these items are critical to the production process, as well as, consumers.

In the case of MDBS and HBPA, suspension of the currently imposed duty will also lessen the cost of production. As a result, the competitiveness of our domestic producers in the world market will be strengthened and American jobs will be preserved.

I hope this legislation will be approved swiftly. I ask unanimous consent that the text of the bills be printed in the RECORD immediately following my remarks.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 802

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DIMETHYLBENZYLIDENE SORBITOL.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.30.07	Dimethylbenzylidene sorbitol (provided for in subheading 2932.90.41).	Free	No change	No change On or before 12/31/91".

SEC. 2. EFFECTIVE DATE

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

S. 803

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 4,4'-ISOPROPYLIDENEDICYCLO HEXANOL.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.30.07	4,4'-Isopropylidenedicyclohexanol (provided for in subheading 2906.19.00).	Free	No change	No change On or before 12/31/91".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

By Mr. D'AMATO:

S.J. Res. 102. Joint resolution designating September 1989 as "National Library Card Sign-Up Month"; to the Committee on the Judiciary.

NATIONAL LIBRARY CARD SIGN-UP MONTH

● Mr. D'AMATO. Mr. President, it is my pleasure today, as we observe the 32d Annual National Library Week, to introduce a joint resolution designating September 1989 as "National Library Card Sign-up Month."

America is rich with libraries of all kinds, from public libraries and school library media centers to various academic, research, and other special libraries. Our libraries are essential to our national literacy, to the life-long learning of our citizens, and to the vitality of our economy.

Libraries play an especially important role in the education and development of our children. Children who are read to in the home and who use the library not only perform better in school, but are more likely to continue to use the library as adults. Because 50 percent of a child's intellectual development occurs between birth and 4 years of age, it is important that children be exposed to the many offerings of the library at as early an age as possible.

Recognizing that our children's education depends on ready access to books, the National Commission on Libraries and Information Science and the American Library Association have joined together to promote a national library card campaign. This national campaign has inspired a myriad of imaginative promotional efforts—the public library in Queens, NY, has even presented library cards to the Mets on the field—all to ensure that every school-age child in the Nation will have and use a library card.

It is my strong hope that the designation of September 1989 as "National Library Card Signup Month" will bring further impetus to the national library card campaign. As children across the country return to school in September, this designation should serve as a clear reminder to parents that a library card is an essential resource in the education of their children.

I urge my colleagues to join me in this effort to promote the use of library cards by every American child. A library card is indeed one of the greatest gifts we can give our children: It opens new horizons, it cannot be outgrown, and it is good for a lifetime of learning and enjoyment.●

ADDITIONAL COSPONSORS

S. 89

At the request of Mr. SYMMS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 198

At the request of Mr. HATCH, the name of the Senator from Washington

[Mr. GORTON] was added as a cosponsor of S. 198, a bill to amend title 17, United States Code, the Copyright Act to protect certain computer programs.

S. 350

At the request of Mr. LOTT, the names of the Senator from Montana [Mr. BURNS], the Senator from Louisiana [Mr. BREAUX], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Washington [Mr. GORTON], the Senator from Arizona [Mr. MCCAIN], the Senator from Oklahoma [Mr. BOREN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Utah [Mr. GARN], the Senator from Alaska [Mr. STEVENS], the Senator from Texas [Mr. GRAMM], the Senator from Utah [Mr. HATCH], the Senator from New Hampshire [Mr. RUDMAN], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 350, a bill to repeal section 89 of the Internal Revenue Code of 1986 relating to rules for coverage and benefits under certain employee benefit plans.

S. 374

At the request of Mr. REID, the names of the Senator from Utah [Mr. GARN], the Senator from Tennessee [Mr. GORE], the Senator from Arkansas [Mr. PRYOR], the Senator from Tennessee [Mr. SASSER], the Senator from North Dakota [Mr. BURDICK], the Senator from Washington [Mr. ADAMS], the Senator from Indiana [Mr. LUGAR], the Senator from South Dakota [Mr. PRESSLER], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from North Carolina [Mr. SANFORD], the Senator from California [Mr. CRANSTON], the Senator from Colorado [Mr. WIRTH] and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 374, a bill to amend the National Trails System Act to designate the Pony Express National Historic Trail as a component of the National Trails System.

S. 428

At the request of Mr. WALLOP, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Nevada [Mr. BRYAN] and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 428, a bill to modernize U.S. circulating coin designs, of which one reverse will have a theme of the bicentennial of the Constitution.

S. 431

At the request of Mr. NUNN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 431, a bill to authorize funding for the Martin Luther King, Jr. Federal Holiday Commission.

S. 491

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 491, a bill to reduce atmospheric pollution to protect the stratosphere from ozone depletion, and for other purposes.

S. 515

At the request of Mr. WALLOP, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 515, a bill to amend the Fair Labor Standards Act of 1938 to permit an employee to take compensatory time off in lieu of compensation for overtime hours, and for other purposes.

S. 520

At the request of Mr. DECONCINI, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 520, a bill to encourage the States to enact legislation to grant immunity from personal civil liability, under certain circumstances, to volunteers working on behalf of nonprofit organizations and governmental entities.

S. 570

At the request of Mr. DANFORTH, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 583

At the request of Mr. FOWLER, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 583, a bill to establish national standards for the manufacture and labeling of certain plumbing products in order to conserve and protect water resources, and for other purposes.

S. 608

At the request of Mr. WALLOP, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 608, a bill to require that catastrophic health coverage under Medicare part B be listed as a separate benefit and to allow for the separate election of such benefit, and for other purposes.

S. 618

At the request of Mr. SARBANES, the names of the Senator from Illinois [Mr. SIMON], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 618, a bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia.

S. 625

At the request of Mr. NICKLES, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 625, a bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry, and for other purposes.

S. 656

At the request of Mr. GRASSLEY, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 656, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans.

S. 691

At the request of Mr. LAUTENBERG, the names of the Senator from South Carolina [Mr. THURMOND], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 691, a bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel.

S. 695

At the request of Mrs. KASSEBAUM, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 695, a bill to promote excellence in American education by recognizing and rewarding schools, teachers, and students for their outstanding achievements; enhancing parental choice; encouraging the study of science, mathematics, and engineering, and for other purposes.

S. 725

At the request of Mr. GRAHAM, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 725, a bill to amend the Internal Revenue Code of 1986 to require any general election candidate who receives amounts from the Presidential Election Campaign Fund to participate in debates with other such candidates.

S. 741

At the request of Mr. LAUTENBERG, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 741, a bill to require the Secretary of Labor to identify labor shortages and develop a plan to reduce such shortages, and for other purposes.

S. 760

At the request of Mr. DURENBERGER, his name was added as a cosponsor of S. 760, a bill to implement the bipartisan accord of Central America of March 24, 1989.

At the request of Mr. COATS, his name was withdrawn as a cosponsor of S. 760, supra.

SENATE JOINT RESOLUTION 28

At the request of Mr. ROTH, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution of the United States limiting Federal taxation of State and local obligations.

SENATE JOINT RESOLUTION 38

At the request of Mr. BOND, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN],

the Senator from Arizona [Mr. DECONCINI], the Senator from Kansas [Mr. DOLE], the Senator from Alabama [Mr. HEFLIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from North Carolina [Mr. HELMS], and the Senator from Tennessee [Mr. GORE] were added as consponsors of Senate Joint Resolution 38, a joint resolution to designate February 11, 1990, as "World Marriage Day".

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 76

At the request of Mr. HELMS, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Utah [Mr. HATCH], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week."

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. ROTH, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Concurrent Resolution 18, a concurrent resolution expressing the sense of Congress that Federal laws regarding the taxation of State and local government bonds should not be changed in order to increase Federal revenues.

SENATE CONCURRENT RESOLUTION 25

At the request of Mr. GRASSLEY, the names of the Senator from New York [Mr. D'AMATO], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Concurrent Resolution 25, a concurrent resolution expressing the sense of the Congress that the number of refugees admitted to the United States and the appropriation for programs for refugee migration and resettlement should be increased and that the Department of Justice should reestablish the presumption that Jews and members of other religious minorities emigrating from the Soviet Union qualify for refugee status for admission to the United States.

SENATE RESOLUTION 86

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of Senate Resolution 86, a resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways flight 103, and the security of air travel.

SENATE RESOLUTION 99

At the request of Mr. BOSCHWITZ, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of Senate Resolution 99, a resolution requiring the Architect of the Capitol to establish and implement a voluntary program for recycling paper disposed of in the operation of the Senate.

SENATE CONCURRENT RESOLUTION 27—RELATING TO THE ESTABLISHMENT OF A PACIFIC BASIN FORUM

Mr. CRANSTON (for himself, Mr. LUGAR, Mr. DODD, Mr. MURKOWSKI, and Mr. BRADLEY) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 27

Whereas the growing importance of U.S. economic, diplomatic and security relations with the nations of the Pacific Basin presents new opportunities for American initiatives in the Pacific Century ahead; and

Whereas unprecedented economic growth in East Asia is promoting prosperity, while introducing new trade tensions into crucial bilateral relationships; and

Whereas encouraging economic developments have spurred constructive moves to allow more democratic freedoms in several East Asian nations; and

Whereas East Asia remains the site of significant regional conflicts which would greatly benefit from a broader dialogue on confidence-building measures; and

Whereas new diplomatic initiatives in East Asia by such regional powers as South Korea, Japan, Indonesia, the People's Republic of China and the Soviet Union require a thoughtful American response, carefully coordinated with friendly nations in the Pacific Basin, Now, therefore, be it

Resolved, That—

1. The Congress hereby finds and declares that it is in the interest of the United States to pursue the establishment of a Pacific Basin Forum for the discussion of economic, diplomatic and other issues unique to the region.

2. In seeking the establishment of a Pacific Basin Forum, the United States shall encourage the exchange of proposals to promote free trade and economic development, and reduce military tensions in the region.

3. The President is urged to issue a call for the convening of an annual summit meeting with the leaders of key Pacific Rim nations. This group should have the broadest possible composition to facilitate dialogue on issues of mutual concern.

Mr. CRANSTON. Mr. President, I am today submitting a concurrent resolution calling upon the President to initiate the establishment of a Pacific Basin Forum.

I am pleased to be joined in this bipartisan endeavor by my colleagues Senators LUGAR, DODD, MURKOWSKI, and BRADLEY. Similar legislation is being introduced today in the House under the leadership of my good friend, MEL LEVINE.

I look forward to working with the White House, Secretary Baker, and Assistant Secretary Solomon to move this proposal forward. I believe the establishment of a Pacific Basin Forum is an important and timely initiative, and I intend to pursue this effort vigorously in my capacity as chairman of the Senate Foreign Relations Committee's Subcommittee on East Asian and Pacific Affairs. Indeed, I have already discussed this proposal at length with senior Bush administration officials, who support the concept and who have encouraged me to move forward.

The United States has a pressing need to reinvigorate our diplomatic efforts in the Pacific region, an area currently undergoing a radical transformation. We need to show some imagination, to stop standing still. Soviet diplomacy is aggressively pursuing new openings—not just in Beijing, where next month the first Sino-Soviet summit in a generation will be held—but throughout East Asia. A new generation of Korean leaders is questioning the lessons of history and expanding economic relations with former adversaries. China is struggling forward with economic change that promises to double its gross national product in less than one decade. Japan is awash in capital, working hard to assume new security and diplomatic responsibilities while trying to remain sensitive to neighbors' concerns about its expanding military prowess. Virtually throughout East Asia an unparalleled economic boom is bringing prosperity unimaginable a generation ago. But this export-led development is also straining relations with the United States as many of our businesses and workers suffer from the enormous trade deficit.

I believe it is incumbent upon the United States to work cooperatively with other nations in Asia to shape a mutually beneficial future. Specifically, I propose that the United States promote the establishment of a Pacific Basin Forum to pursue such crucial issues as free trade, economic development, and security confidence building. A central feature of this forum would be provision for annual summit meetings among the leaders of key nations of the Asian Pacific and the United States. In addition, I believe the forum should establish a permanent secretariat to perform research and pursue dialog on long-range concerns of mutual interest in the Pacific. We should also devise means to encourage private sector involvement in the work of the forum planning.

Mr. President, United States leadership has played a central role in establishing organizations which have facilitated similar discussions in Europe. Indeed, through more than a generation of cold war in Europe, the United States showed persistence in pursuing a dialog with the Soviet Union and Warsaw Pact nations on a broad range of economic and security issues. We have worked closely with friends and allies through organizations like NATO and OECD, while pursuing

multilateral East-West negotiations through various forums established in Vienna, Geneva, and Helsinki. And, of course, the American President meets annually with West European leaders at the economic summit.

It is time for the United States to pursue similar initiatives in Asia. By the year 2000, fully one-third of the world's gross product will originate in Asia. Asia has already overtaken Europe as the region with which we conduct our largest volume of trade. Unless we undertake a deliberate effort to establish a more mutually beneficial business climate, trade tensions with Asia may well increase in the years ahead as export-led development by the remarkably successful capitalist nations of East Asia continues. Yet, while the West European markets are working together in close coordination—with broad integration anticipated under Brussels' leadership in 1992—we have not even made a move to establish a forum for pursuing common concerns in the Pacific. I do not wish to see us encourage establishment of an Asian trading bloc to rival the Common Market. But I do believe it is manifestly in the American interest to design a forum for focussed discussion of these and related issues among Pacific rim nations. And I do believe it would serve our purposes to remind our friends in Europe that we have important trade interests elsewhere.

While the nations of Europe have discussed arms control and confidence-building measures for more than a generation, it is Asia—amidst surging economic development—which remains the site of several potential confrontations. We should welcome any constructive efforts to encourage relevant parties to pursue a dialog which might reduce tensions in such areas as the Korean DMZ, the Taiwan Straits, Cambodia, and other regional trouble spots.

In its initial composition, the Pacific Basin Forum would not be a platform for negotiation. Its purpose would rather be the sharing of concerns, the pooling of information, the venting of steam, and the identification of shared priorities. Its membership might well be limited at the outset. For example, it might prove difficult at the outset for forum members to include such unsavory regimes as Vietnam, North Korea, and Cambodia. And it will be a challenge to devise an appropriate means for including the authorities on Taiwan, whose economic plans and security concerns will continue to be of keen interest to forum participants.

Such challenges can be overcome, however. And the dilemma of resolving familiar questions about leadership and membership must not become an excuse for standing still. There are available any number of models for moving forward—the ASEAN "six-plus-five" formula for ministerial-level discussion or the Pacific Economic Cooperation Commission, which includes key North Pacific and ASEAN powers—and provides seats for South Korea, China, and Chinese Taipei, despite their absence of formal diplomatic ties.

I believe it is especially important that the Pacific Rim Basin Forum not be advanced as an anti-Communist organization bent upon "containment." Rather it should be built as a springboard for inclusive dialog on such issues as free trade and democratic development. As initiatives are pursued in Washington, Moscow, and Beijing to reduce cold war-era tensions, the importance of economic cooperation can only increase. And as former adversaries in Asia proceed to reestablish relations, the forum should broaden its scope as a facilitator, not an inhibitor of dialog. Specifically, the forum should provide an opportunity for constructive responses to reforms underway in socialist economies in Asia and elsewhere.

Mr. President, for several years now politicians on both sides of the Pacific have spoken of shared hopes for the "Pacific Century" ahead. Yet, we have been remiss in failing to establish any multilateral, government-to-government means for pursuing common interests, for focusing on shared concerns. Leading policymakers in the Bush administration with whom I have discussed my proposal are keenly aware of the need for new approaches. As Deputy Secretary of State Lawrence Eagleberger testified before the Senate Foreign Relations Committee last month:

> The institutional framework for consultation and coordination among those (Asian) centers has not yet been revised to reflect (new realities) . . . the instruments for effective consulation with Japan are not as well developed as those between the United States and Western Europe . . . The next step is you have to involve some of the other nations on the Pacific Rim.

For too long, American leaders have repeated the rhetoric about our opportunities in Asia. But in their policies and priorities, they have far too often remained Eurocentric. The time to remedy this blind spot is upon us. The time to seize the initiative—to build toward achievement of our future interests in Asia—is now.

SENATE RESOLUTION 104—DIRECTING AN APPEARANCE BY THE SENATE LEGAL COUNSEL

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 104

Whereas, in *United States ex rel. Truong* v. *Northrop Corp.*, No. CV 88-967-MRP, *United States ex rel. Stillwell* v. *Hughes Helicopters, Inc., et al.*, No. CV 87-1840-WDK, and *United States ex rel. Hyatt* v. *Northrop Corp.*, No. CV 87-6892-KN, pending in the United States District Court for the Central District of California, the constitutionality of the *qui tam* provisions of the False Claims Act, as amended by the False Claims Amendments Act of 1986, Pub. L. No. 99-562, 100 Stat. 3153 (1986), 31 U.S.C. §§ 3729 *et seq.* (1982) & Supp. IV 1986), have been placed in issue;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(c), 288e(a), and 288*l*(a)(1982), the Senate may direct its Counsel to appear as amicus curiae in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to appear as amicus curiae in the name of the Senate in *United States ex rel. Truong* v. *Northrop Corp., United States ex rel. Stillwell* v. *Hughes Helicopters, Inc., et al.*, and *United States ex rel. Hyatt* v. *Northrop Corp.*, to defend the constitutionality of the *qui tam* provisions of the False Claims Act.

SENATE RESOLUTION 105—RECONSTITUTING AND REAUTHORIZING THE SENATE ARMS CONTROL OBSERVER GROUP

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 105

Resolved, That (a)(1) there is reconstituted and reauthorized the Senate Arms Control Observer Group (hereafter in this resolution referred to as the "Observer Group"), which was previously constituted and authorized by the authority described in paragraph (2).

(2) The authority referred to in paragraph (1) is the authority for a bipartisan group of Senators designated pursuant to clause (5) of the first section of Senate Resolution 19 of the Ninety-ninth Congress (agreed to on January 3, 1985), as reconstituted and reauthorized by Senate Resolution 86 of the Ninety-ninth Congress (agreed to on February 28, 1985) and Senate Resolution 30 of the One Hundredth Congress (agreed to on January 6, 1987), as amended by Senate Resolution 466 of the One Hundredth Congress (agreed to on August 11, 1988).

(3) The members of the Observer Group shall act as official observers on the United States delegation to any formal negotiations to which the United States is a party on the reduction of nuclear, conventional, or chemical arms.

(4) The Observer Group shall be composed of 20 members, as follows:

(A) Five Cochairmen, who shall head the Observer Group, as follows:

(i) the President pro tempore of the Senate;

(ii) two Members of the Senate from the majority party in the Senate (hereafter in this resolution referred to as the "Majority Cochairmen"), appointed by the Majority Leader; and

(iii) two Members of the Senate from the minority party in the Senate (hereafter in this resolution referred to as the "Minority Cochairmen"), appointed by the Minority Leader.

(B) The Majority Leader and the Minority Leader of the Senate.

(C) Six Members of the Senate from the majority party in the Senate, appointed by the Majority Leader.

(D) Seven Members of the Senate from the minority party in the Senate, appointed by the Minority Leader.

(5) The Majority Leader shall designate one of the Cochairmen from the majority party to serve as the Majority Administrative Cochairman and the Minority Leader shall designate one of the Cochairmen from the minority party to serve as the Minority Administrative Cochairman.

(6) Appointments and designations under this subsection shall be printed in the Congressional Record.

(b) Only Senators appointed as members of the Observer Group may participate in official activities of the Observer Group. In the event that either the Majority Leader or the Minority Leader does not travel on an official trip of the Observer Group, he may designate one other Senator not a member of the Observer Group to travel and participate in the activities of the Observer Group in his stead. Any vacancy occurring in the Observer Group shall be filled in the same manner in which the original appointment was made.

SEC. 2. (a) The Observer Group is authorized, from funds made available under section 3, to employ such staff in the manner and at a rate not to exceed that allowed for employees of a standing committee of the Senate under paragraph (3) of section 105(e) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61-1(e)), and incur such expenses as may be necessary or appropriate to carry out its duties and functions. Payments made under this section for receptions, meals, and food-related expenses shall be authorized, however, only for those actual expenses incurred by the Observer Group in the course of conducting its official duties and functions. Amounts received as reimbursement for such food expenses shall not be reported as income, and the expenses so reimbursed shall not be allowed as a deduction under title 26 of the United States Code.

(b)(1) The Majority Administrative Cochairman shall designate one professional staff member for each Majority Cochairman of the Observer Group, upon recommendations from each such Majority Cochairman. The Minority Administrative Cochairman shall designate one professional staff member for each Minority Cochairman of the Observer Group, upon recommendations from each such Minority Cochairman.

(2) The designated Observer Group staff shall also include one secretary selected by the Majority Administrative Cochairman and responsible to the majority party membership of the Observer Group and one secretary selected by the Minority Administrative Cochairman and responsible to the minority party membership of the Observer Group.

(3) In the case of the compensation of any such staff member or secretary who is an employee of a Senator or of a Senate committee and who has been designated to perform service for the Observer Group, such staff member or secretary shall continue to be paid by such Senator or such Committee, as the case may be, but the account from which such staff member or secretary is paid shall be reimbursed for his services (including agency contributions when appropriate) out of funds made available under section 3(a) of this resolution.

(4) This five professional staff members authorized by this subsection shall serve all of the members of the Observer Group and shall carry out such other functions as their respective Cochairmen may specify.

(5) Except as provided in subsection (d), only designated Observer Group staff may participate in the official activities of the Observer Group.

(c) The Majority Leader may designate two staff members, and the Minority Leader may designate three staff members, who shall be responsible to the respective Leader. Funds necessary to compensate leadership staff shall be transferred from the funds made available under section 3(b) of this resolution to the respective account from which such designate staff member is paid.

(d) All foreign travel of the Observer Group shall be authorized solely by the Majority and Minority Leaders, upon the recommendation of the Administrative Cochairmen. Participation by Senate staff members in, and access to, all official activities and functions of the Observer Group during foreign travel, and access to all classified briefings and information made available to the Observer Group during such level, shall be limited exclusively to Observer Group staff members with appropriate clearances. No travel or other funding shall be authorized by any committee of the Senate for the use of staff other than Observer Group staff, in regard to above mentioned activities, without the joint written authorization of the Majority Leader and the Minority Leader to the chairman of such committee. No travel or other funding shall be authorized for the staff of any Member of the Senate, other than Observer Group staff, unless the Majority Leader and Minority Leader of the Senate jointly so authorize in writing.

SEC. 3. (a) The expenses of the Observer Group shall be paid from the contingent fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved jointly by the Administrative Cochairmen (except that vouchers shall not be required for the disbursement of salaries of employees who are paid at an annual rate). For any fiscal year, not more than $600,000 shall be expended for staff and for expenses (excepting expenses incurred for foreign travel).

(b) In addition to the amount referred to in section 3(a), for any fiscal year, not more than $300,000 shall be expended from the contingent fund of the Senate, out of the account of Miscellaneous Items, for Leadership staff as designed in section 2(c) for salaries and expenses (excepting expenses for foreign travel).

SEC. 4. Upon the adoption of this resolution, Senate Resolution 30 of the One Hundredth Congress (agreed to on January 6, 1987), as amended by Senate Resolution 466 of the One Hundredth Congress (agreed to on August 11, 1988), shall have no force or effect.

SENATE RESOLUTON 106—ESTABLISHING A SENATE CENTRAL AMERICAN NEGOTIATIONS OBSERVER GROUP

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 106

Resolved,

SHORT TITLE

SECTION 1. This resolution may be referred to as the "Central American Negotiations Observer Group Resolution".

REESTABLISHMENT

SEC. 2. (a) There is reestablished a bipartisan group of Senators to be known as the Senate Central American Negotiations Observer Group (hereafter in this resolution referred to as the "Observer Group"), which shall consist of twelve Senators as follows:

(1) the Majority Leader and Minority Leader of the Senate, each serving ex officio; and

(2) ten Senators appointed as follows:

(A) Five Senators appointed by the Majority Leader from among Members of the majority party.

(B) Five Senators appointed by the Minority Leader from among the Members of the minority party.

(b)(1) The Chairman of the Observer Group shall be designated by the Majority Leader from among the individuals recommended for appointment under subsection (a)(2)(A).

(2) The Co-Chairman of the Observer Group shall be designated by the Minority Leader from among the individuals recommended for appointment under subsection (a)(2)(B).

(c) Any vacancy occurring in the membership of the Observer Group shall be filled in the same manner in which the original appointment was made.

DUTIES

SEC. 3. The duties of the Observer Group shall be to monitor the Esquipulas II process and to act as a group of official observers as part of the United States delegation to any bilateral or multilateral negotiations dealing with the question of peace in Central America involving Costa Rica, El Salvador, Guatemala, Honduras, or Nicaragua.

STAFF; TRAVEL

SEC. 4. (a) The Observer Group is authorized, from funds made available under section 6, to employ such staff (including consultants at a daily rate of pay) in the manner and at a rate not to exceed that allowed for employees of a standing committee of the Senate under paragraph (3) of section 105(e) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61-1(e)), and to incur such expenses as may be necessary or appropriate to carry out its duties and functions.

(b)(1) The Chairman and Co-Chairman shall jointly appoint and fix the compensation of appropriate staff personnel to serve the Observer Group, including clerical staff as deemed necessary. The staff appointments shall be made in writing to the Secretary of the Senate.

(2) In addition to the staff personnel described in paragraph (1), the Chairman and Co-Chairman each are authorized to designate one professional staff member who shall serve all of the members of the Observer Group and shall carry out such other functions as their respective Chairman or Co-Chairman may specify.

(c) The Majority Leader and the Minority Leader may each designate one staff member as liaison to serve the Observer Group, and such personnel may be referred to as leadership staff. Funds necessary to compensate leadership staff shall be transferred from the funds made available under section 6(b) of this resolution to the respective account from which such designated staff member is paid.

(d) All foreign travel of the Observer Group shall be authorized jointly by the Majority and Minority Leaders, upon the recommendation of both the Chairman and Co-Chairman. Participation by staff members in authorized foreign travel by the Observer Group, access to all official activities and functions by the Observer Group during such travel, and access to all classified briefings and information made available to the Observer Group during such travel, shall be limited exclusively to delegation members with appropriate clearances. No travel or other funding shall be authorized by any committee of their Senate for the use of staff, other than delegation staff, in regard to the activities described in this subsection, without the written authorization of the Majority and the Minority Leader to the chairman of such committee.

(e)(1) Except as provided in paragraph (2), of the Members of the Senate, only Senators appointed as members of the Observer group may participate in official travel and activities of the Observer Group.

(2) In the event that either the Majority Leader or Minority Leader of the Senate does not travel on an official trip of the Observer Group, then that Leader may designate one other Senator of his party who is not a member of the Observer Group to travel and participate in the activities of the Observer Group in his stead, except that the Leader shall not designate a Senator under this paragraph if more than four other members of the Observer Group from that Leader's party will participate in that trip.

ACCESS TO AND STORAGE OF DOCUMENTS

SEC. 5. (a) The Observer Group should make arrangements with the Executive Branch to provide, on a confidential basis, access to the record of any dialogue or negotiations that may take place relating to peace in Central America.

(b) Classified and other sensitive materials associated with this Observer Group shall be stored under the administration of the Secretary of the Senate in the Office of Senate Security.

FUNDS

SEC. 6. (a) The expenses of the Observer Group shall be paid from the contingent fund of the Senate, cut of the account of Miscellaneous Items, upon vouchers approved jointly by the Chairman and Co-Chairman (except that vouchers shall not be required for the disbursement of salaries of employees who are paid at an annual rate). For any fiscal year, not more than $200,000 shall be expended for staff (including consultants) and for expenses (excepting expenses incurred for foreign travel).

(b) In addition to the amount referred to in section 6(a), for any fiscal year, not more than $80,000 shall be expended from the contingent fund of the Senate, out of the account of Miscellaneous Items, for leadership staff as designated in section 4(c) for salaries and expenses (excepting expenses incurred for foreign travel).

(c)(1) Of the amount authorized in section 6(a), an amount not to exceed $27,500 may be spent by the Observer Group, with the prior approval of the Committee on Rules and Administration, to procure the temporary services (not in excess of one year) or intermittent services, including related and necessary expenses, of individual consultants, or organizations thereof, to make studies or advise the Observer Group.

(2) Such services in the cases of individuals or organization may be procured by contract as independent contractors, or, in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent to the highest gross rate of compensation which may be paid to a regular employee of a standing committee of the Senate. Such contracts shall not be subject to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provisions of law requiring advertising.

(3) The Observer Group shall submit to the Committee on Rules and Administration information bearing on the qualifications of each consultant whose services are procured pursuant to this subsection, including organizations, and such information shall be retained by the Observer Group and shall be made available for public inspection upon request.

TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

SEC. 7. All personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, employed, used, held, or made available to the Senate Central American Negotiations Observer Group (as authorized by the resolutions described in section 8), as of the day before the date of adoption of this resolution, shall be transferred on such date to the Observer Group as reestablished in this resolution. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

SUPERSEDING PREVIOUS AUTHORITY

SEC. 8. This resolution supersedes Senate Resolution 273 of the One Hundredth Congress (agreed to August 7, 1987), as amended by Senate Resolution 297 of the One Hundredth Congress (agreed to October 15, 1987).

TERMINATION DATE

SEC. 9. The provisions of this resolution shall terminate upon the adjournment sine die of the One Hundred First Congress.

AMENDMENTS SUBMITTED

IMPLEMENTATION OF BIPARTISAN ACCORD ON CENTRAL AMERICA

ARMSTRONG AMENDMENT NO. 43

Mr. ARMSTRONG proposed an amendment to the bill (S. 760) to implement the Bipartisan Accord on Central America of March 24, 1989, as follows:

In subsection 2(b) of the Act—

(1) at the end of paragraph (5), strike the word "and";

(2) at the end of paragraph (6), strike the period and insert in lieu thereof "; and"; and

(3) after paragraph (6), insert the following new paragraph:

"(7) Support for monitoring, verification, collection of information, and other efforts by the Nicaraguan resistance to assess and report on the progress made by the Sandinista regime in complying with its promises to the Nicaraguan people, the Organization of American States, the United States, the four Central American democracies, and other countries and international organizations, as specified in —

"(A) The July 12, 1979, promises to the Organization of American States, regarding democracy, political pluralism, a nonaligned foreign policy, and a mixed economy;

"(B) The "Bill of Rights" enacted by the Sandinistas on August 21, 1979 (Decree 52), promising respect for Nicaraguans' civil, political, economic, social and other rights;

"(C) The American Convention on Human Rights, ratified by the Sandinistas on September 25, 1979;

"(D) The Constitution enacted on January 9, 1987;

"(E) The United Nations International Covenant on Civil and Political Rights, with its Optional Protocol, ratified by the Sandinistas on March 12, 1980;

"(F) The Guatemala City Peace Plan (also known as Esquipulas II) signed by the Sandinistas on August 7, 1987, guaranteeing the cessation of Sandinista support to communist guerrillas in El Salvador and democratization in Nicaragua, including—

"(i) complete freedom for television, radio, and the press;

"(ii) rights of political parties to have access to media, to associate, and to proselytize; and

"(iii) lifting of the state of emergency provisions then in effect;

"(G) The Sapoa Cease-Fire Agreement of March 23, 1988, with respect to cease-fire, release of political prisoners, democratization, and verification; or

"(H) Provisions for ensuring free and fair elections to be held in February 1990, including those considered essential by the internal democratic opposition, such as—

"(i) Noninterference in electoral activities by opposition parties;

"(ii) Media access for opposition parties and the end of restrictions on independent media;

"(iii) Denial of voting privileges to members of the armed forces and militia while they are controlled by the Sandinista Party;

"(iv) Extension of voting privileges to Nicaraguans in exile; and

"(v) Nonpartisan supervision of election procedures.".

WALLOP AMENDMENT NO. 44

Mr. WALLOP proposed an amendment to the bill S. 760, supra, as follows:

In section 2, insert the following new subsection to paragraph (a):

(4) *Provided further,* That of the funds appropriated under this heading not less than $1,000,000 shall be made available, not notwithstanding any other provision of law, only for the promotion of democratic activities in Nicaragua leading to a transition to democracy: *Provided further,* That funds made available under this heading shall remain available until February 25, 1990.

HELMS AMENDMENT NO. 45

Mr. HELMS proposed an amendment to the bill S. 760, supra, as follows:

(a) Strike sections 1 through 5 and insert in lieu thereof the following:

SECTION 1. POLICY; CONGRESSIONAL FINDINGS.

(a) POLICY.—It is the policy of the United States to advance peace and democracy in Central America and to preserve and pro-

tect national security interests in the region.

(b) CONGRESSIONAL FINDINGS.—Pursuant to that policy, the Congress finds that—

(1) the Nicaraguan democratic resistance should be sustained as a means to promote peace and democracy in Central America through the provision of appropriate nonlethal assistance, and

(2) appropriate military assistance should be considered for provision to the Nicaraguan democratic resistance in the event that the President certifies to the Congress that the Sandinistas are not in full compliance with their international commitments.

SEC. 2. PROVISION OF NONLETHAL ASSISTANCE.

(a) TRANSFER AUTHORITY.—The President is hereby authorized to transfer from unobligated funds from the appropriations accounts specified in section 5 up to $49,750,000 to be used solely for providing nonlethal assistance to the Nicaraguan democratic resistance to remain available through February 28, 1990. Such nonlethal assistance shall include—

(1) professional development and human rights training;

(2) the provision of economic assistance to cover administrative costs of office space, office supplies, telecommunications equipment, transportation costs, and transportation assets;

(3) the provision of gasoline, fuel, and spare parts for aircraft, including helicopters;

(4) not less than 1,500 communication radios with batteries;

(5) clothing and boots suitable for training;

(6) political education programs; and

(7) civic action education programs.

(b) ADMINISTRATIVE EXPENSES.—The President may transfer from unobligated funds from the appropriations accounts specified in section 5 not to exceed $5,000,000 to meet the necessary administrative expenses to carry out this Act.

(c) MEDICAL ASSISTANCE.—The President may transfer to the Administrator of the Agency for International Development from unobligated funds from appropriations accounts specified in section 5, $4,166,000, to be used only for the provision of medical assistance for the civilian victims of the Nicaraguan civil strife to be transported and administered by the Catholic Church in Nicaragua.

(d) REPORT ON OBLIGATIONS.—Every 90 days after the date of enactment of this Act, the President shall cause to be published in the Federal Register a report detailing the obligation of the nonlethal aid specified in subsection (a).

SEC. 3. POLICY TOWARD FUTURE PROVISION OF MILITARY ASSISTANCE.

(a) It is the intention of the Congress that at the appropriate time, the Congress will consider authorizing the President to transfer from the unobligated funds of the Department of Defense not more than $50,000,000 in military assistance for the Nicaraguan democratic resistance.

(b) It is the sense of the Congress that no funds described in subsection (a) should be obligated or expended—

(1) before February 28, 1990, or

(2) any time after February 28, 1990, if the President has certified to the Congress that the Government of Nicaragua has held free elections that lead to the establishment of a truly democratic government in Nicaragua that guarantees peace, freedom, and justice, and respect for human rights of all Nicaraguans.

SEC. 4. INAPPLICABILITY OF CERTAIN PROHIBITIONS.

Notwithstanding any other provision of law, no restrictions on the delivery of assistance shall apply to any assistance transferred under section 2.

(b) Redesignate section 6 as section 5.

(c) Strike sections 7 through 11.

HELMS AMENDMENT NO. 46

Mr. HELMS proposed an amendment to the bill S. 760, supra, as follows:

At the end of the bill, add the following new section:

"SEC. 12. (a) No funds may be obligated for the purposes of this Act beyond November 30, 1989, except in the context of consultation among the Executive, the Senate majority and minority leaders, the Speaker of the House of Representatives and the minority leader, and the relevant authorization and appropriation committees and only if affirmed via letter from the bipartisan leadership of Congress and relevant House and Senate authorization committees and appropriation subcommittees.

(b) This section shall not be deemed to establish any precedent for the executive or the legislative branch regarding the authorization and appropriation process.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, April 20, 1989, beginning at 10 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 318, a bill to facilitate the national distribution and utilization of coal.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Patricia Beneke of the committee staff at (202) 224-2383.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON AVIATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 13, 1989, at 9:30 a.m. to hold a hearing on aviation security issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, April 13, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Thursday, April 13, 1989, at 9:30 a.m. The committee will hold a hearing on the impact of section 89 of the Internal Revenue Code on Small Business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., April 13, 1989, to receive testimony on the U.S. electricity supply and demand for the Northeast.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, April 13, 1989, at 9:30 a.m., on the hearing on S. 253, National Nutrition Monitoring Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, April 13, at 2:30 p.m. to hold a nomination hearing on Michael Armacost to be Ambassador to Japan and James Lilley to be Ambassador to the PRC.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,489th day of captivity for Terry Anderson in Beirut.

I ask that an article by Sara Terry which appeared in the November 5, 1986, Christian Science Monitor be printed in the RECORD.

The article follows:

[From the Christian Science Monitor, Nov. 5, 1986]

FAMILIES HAVE DIFFICULT ROLE TO PLAY IN HOSTAGE DRAMA

(By Sara Terry)

There's been no Walter Cronkite signing off his newscast with a tally of how many

days the hostages have been held. Only a few yellow ribbons are tied around trees around the country.

For the families of the American hostages held in Lebanon, the vigil has been much lonelier than it was for the families of the hostages held in Iran in 1979-81, when an entire nation stood watch.

The present vigil, however, has not been a quiet one. These families have fought, cajoling and criticizing for months, to keep their relatives at the top of the US government's agenda.

Now, with the release of hostage David Jacobsen, and the hoped-for release of his fellow captives, the families' actions highlight a particularly thorny issue: the role of individuals vs. the role of government in dealing with terrorists.

"In some cases, families can be very detrimental," says Robert Kupperman, an expert on terrorism at Georgetown University's Center for Strategic and International Studies. "In others, they can be very helpful."

Brian Jenkins, an expert on terrorism at the Rand Institute, notes that families can put pressure on a government and keep hostage issues from sliding onto the back burner. He says it is only natural for families to urge officials to do everything possible.

But Mr. Jenkins and Dr. Kupperman warn that the stronger the public pressure on government officials to resolve the situation, the weaker these officials may ultimately be in trying to deal with the terrorists.

"Families see themselves as mobilizing a public expression of pressure to keep the heat on government to do whatever is necessary," says Jenkins. "In that sense—although the families would never see it this way—they share a certain community with the captors.

"Because," he explains, "it's the captors who also wish to build public pressure, to increase their leverage over the government to get it to yield to their demands."

An important factor in negotiating with terrorists, he says, is that "in order to make anything happen on the captors's side, they have to be persuaded that . . . they will gain nothing by continuing to hold the hostages.

"Therefore, it's not in the interest of government to see public pressure lead to a crisis that will encourage the captors . . .," he adds. "That puts the government and families, even though they're working for the same objective, at odds. . . ."

Both Kupperman and Jenkins say they know that such facts sound callous in the face of human suffering, and neither man criticizes the activities of the hostage families. In fact, Jenkins says that their comments and actions stem from a deeply cherished Western tradition.

"Our society places an extraordinary value on the life of the individual," he says. "That's one of our country's vulnerabilities to modern terrorism, particularly hostage-taking. . . . It may not be in our national interest to care, but the fact is the premise this society operates on is that we will go to extraordinary lengths—fight like hell—for the life of an individual.

"That makes the release of a hostage an extraordinary triumph," he says. "But it also gives the captors a certain degree of leverage."

In addition to trying to pressure the government, the families of the hostages in Lebanon have drawn together for something else, providing one another with strength and hope. "All the hostage families have become part of a larger family," says the Rev. Tom Vickers, a spokesman for the family of Terry Anderson.

Jenkins says it is understandable that the hostage families became critical of the government's efforts, that after so many months "people's patience wears thin." But he also notes that it is almost impossible to judge what is actually going on behind the scenes, given the highly secretive nature of any efforts to resolve a situation involving terrorism.

"I think the government has been working very hard on this," say Jenkins, who has extensive contacts throughout the field of experts on terrorism. "I know people personally who have been spending 18-hour days on this situation for months and months."

This particular dilemma has been an especially tricky one for administration officials for several reasons, Jenkins explains. Unlike the Iranian hostage crisis, for example, the US is not dealing now with a specific government, but with a shadowy grouping of terrorists who enjoy support from extremist regimes.

And unlike the Daniloff case, it's virtually impossible for the US to communicate with the hostages in Lebanon or their captors. Finally, one of the captors' key demands, the release of terrorists imprisoned in Kuwait, is a factor out of US control. Under terms like these, Jenkins says, it's natural that the government would keep especially quiet about its efforts.

There are no clear guidelines that can be drawn in these situations, Jenkins says. But he puts the burden on government to work with hostage families, not to try to contain their disillusionment but to keep them as informed as possible about efforts to free the captives.

"Families will be doing everything they can, that's a given. You have to expect that," he says. "Government will have to work very skillfully. . . . It has to be very sensitive to pressures on the family."●

IN RECOGNITION OF THE 20TH ANNIVERSARY OF HAZARD COMMUNITY COLLEGE

● Mr. McCONNELL. Mr. President, I rise today in recognition of the dedicated education services provided by the Hazard Community College in Hazard, KY. During the week of April 16-25, 1989, Hazard Community College, a branch of the University of Kentucky, will celebrate its 20th anniversary.

From the beginning in 1968, Hazard Community College has provided quality education to ambitious students in the heart of Appalachia. Mr. President, the total enrollment for the 1968-69 school year was 148. Today, the enrollment of over 1,050 includes parents, housewives, and senior citizens. Citizens from every aspect of mountain life are represented at Hazard Community College.

Once considered an intermediary between high school and the University of Kentucky, Hazard Community College has become much more to those it serves. The college provides life-long educational opportunities for those wishing to hone their knowledge. Today, the college helps prepare its students for jobs in the fields of medicine, business, education, and law, just to name a few. The college prides itself on encouraging these students to retain their knowledge and acquired skills for use in their Kentucky homelands. I am very proud of Hazard Community College's efforts to furnish higher education to the people of its area.

Hazard Community College has made a positive investment to insure its operation in the next 20 plus years with the addition of a technical learning resources center. The new building will be dedicated on April 21, 1989. Mr. President, I assure you that this new building is just one of the giant steps that Hazard Community College has taken in its 20 year of existence.

The commitment of educational opportunities that Hazard Community College provides to the people of its mountains is a symbol of the quality education for which many Kentuckians are striving. I express my appreciation for their tireless efforts and with them the best of luck with their endeavors.●

THE EDUCATIONAL EXCELLENCE ACT OF 1989

● Mr. PELL. Mr. President, when the new administration took office, I expressed considerable optimism that a new day in Federal education policy might be about to dawn. In both Houses of Congress, education has for years enjoyed strong bipartisan support, and I expressed the hope earlier this year that bipartisan support for Federal education policy would move beyond the Congress and now involve a partnership with the executive. For my own part, I indicated that I stood ready to extend the hand of friendship and cooperation.

Last week the President announced his new education initiative. While I have reservations about some of the provisions in that package and while I regret that the President did not take the opportunity to propose significant increases in some of our tried and true education programs, I want to make it clear that I intend to work with this administration, to bring it along where we may differ, and to forge the partnership I believe so necessary in the area of Federal aid to education.

Accordingly, I am cosponsoring the administration's legislation, S. 695 introduced on April 5 by Senator KASSEBAUM, our ranking member of the Subcommittee on Education, Arts, and Humanities. Further, I intend to hold a hearing on this legislation in the near future so that the administration will have the opportunity to make its case, and so that we can gain input from the education community on the details of the President's proposals.

At the outset, let me make clear where I differ with the administration on the details of the President's initiative. First, on a general, but critically important point, I believe that the President's initiative should call for additional increases in such important programs as our Chapter 1 Program of compensatory education for disadvantaged children and our Federal student aid programs in general and Pell Grants in particular.

Second, the proposal to reward schools that raise student achievement, reduce the dropout rate and create a drug-free environment is a good proposal. I am concerned, however, that it is not sufficiently targeted. It seems to me that it should focus on those schools where the problem of achievement, dropouts and drugs are the most severe. Those are the schools where progress is the most difficult to achieve. They are also the schools that merit the greatest recognition when they do succeed precisely because their success is so remarkable in light of their problems. To my mind, therefore, it is imperative that we target the legislation to those chapter 1 schools in greatest need.

Third, in regard to the magnet schools proposal, this is a revisitation of an issue that was of primary concern when we reauthorized the Federal Elementary and Secondary Education Act last year. We now target magnet school assistance first to those schools under desegregation orders. Once there is sufficient money available for these schools, we have made provisions for an additional program for assistance to those schools with heavy minority populations. I would have no objection at all to adding a third category, but it is important that it follow the first two and that we aid those school districts before we embark on a new, more general magnet schools program.

Fourth, the President's proposals for alternative certification and for recognizing excellent elementary and secondary school teachers deserve very serious attention. Later this year the Education Subcommittee will be considering teacher legislation, and the President's proposals in that area should and will be given top priority.

Fifth, while the idea of providing emergency grants to urban school systems that have the most severe drug problems is something that we must do, it should complement and not conflict with provisions in the Drug Free Schools Act already in place. Also, this legislation should also be carefully crafted and targeted to insure that it aids those school districts where the problem is most pressing and the need for help the greatest.

Sixth, the proposal to provide an additional $10 million for endowment challenge grants for historically black colleges and universities is the right proposal at the right time. I support it.

And, seventh, I am equally strong in my support for the proposal to award science scholarships to high school seniors who have the highest academic achievement in science and math. As the author of the Education for Economic Security Act enacted over 5 years ago, I have long been an advocate of strengthening science and math instruction in our schools. This proposal complements my efforts, and is most definitely worth consideration and enactment.

Mr. President, from what I have just said, it is clear that my cosponsorship of this important bill does not entail a wholescale endorsement of this legislation. As I have indicated, I have certain reservations about the specifics in many areas, but I want to make very clear that those differences do not dampen my desire to work with the President and the Secretary of Education in strengthening the small, but critical role Federal aid plays in American education.

We intend to take a careful look at this legislation, accept what we believe is good, modify the proposals where they need modification, target them more carefully, and generally try to forge the bipartisan partnership that I believe so necessary not only with the Congress, but between the Congress and the President. This will involve give and take on all sides, but surely that is something necessary if we are to advance the cause of education. For as I have said times, the real strength and health of our Nation is in the education and character of our people. And, what we do in education today will benefit each and every one of us for years and years to come.

Mrs. KASSEBAUM. Mr. President, I just want to say how delighted I am that the distinguished chairman of the Education Subcommittee, Mr. PELL, has joined as a consponsor of the Educational Excellence Act of 1989. Senator PELL's outstanding leadership in education is recognized throughout the country, and I can think of no more effective ally in this effort. His willingness to work with President Bush to strive for even higher levels of educational achievement in our Nation is not only welcome but also critical to our ultimate success.

I have listened with particular attention to the reservations Senator PELL has expressed about the package. He has made some thoughtful, constructive observations. I look forward to further discussions with him about these concerns, and I think together we can shape a strong and effective legislative response.

Our work with the Educational Excellence Act is one of many joint efforts we will be making with respect to the education budget and policy issues facing the 101st Congress. Senator PELL and I will continue to promote our recommendation to the Budget Committee that additional funds be directed toward the Pell grant and chapter I programs. These are targeted programs of proven effectiveness, and we need to assure that they retain the capability to give that extra boost to students who need a helping hand to achieve their educational goals.

In addition, the Senate has already given unanimous approval to guarantee student loan default legislation. We will be working to assure the success of this effort to preserve the integrity of the Stafford Loan Program. The subcommittee will soon begin work on a vocational education reauthorization bill, a measure which offers important opportunities to assure that our labor force is equipped with the skills required to thrive in the modern work place.

A commitment to quality education is something we all share, and I do think we check our partisanship at the school house door. I very much appreciate having the opportunity to work with President Bush, Senator PELL, and other members on both sides of the aisle in helping to make our mutual goals a reality.

Mr. PELL. Mr. President, I thank the Senator from Kansas for her very gracious remarks. I am very pleased that she is the ranking member of the Education Subcommittee, and know that we will be able to continue both the spirit and fact of bipartisanship that has marked the subcommittee's work for so many years.●

PANAMA ELECTIONS

● Mr. D'AMATO. Mr. President, as the May 7 election approaches in Panama we would do well here in the Senate to remind ourselves that the most elemental conditions for free, fair, and honest elections do not exist in Panama today. The dictator, Manuel Noriega, continues to hold the nation in his oppressive grip, manipulating the electoral process to the advantage of his own hand-picked candidates. Meanwhile the opposition is harassed, threatened, and denied an opportunity to present its case to the Panamanian people. Still, the revulsion to Noriega is so great that Panamanians appear headed toward handing a victory to the opposition at the polls, unless Noriega commits the ultimate perfidy and cancels the election.

Mr. President, and my colleages, these views are based not only on my own observations, but on the conclusions many others have reached. I would therefore like to submit for the RECORD a pamphlet printed by the Puebla Institute, entitled "Panama Without Law," which documents the human rights abuses threatening the

last chance for democracy the May 7 elections may offer Panama.

The pamphlet follows:

PANAMA WITHOUT LAW

PREFACE

The Puebla Institute is a lay Roman Catholic human rights group, principally concerned with freedom of religion for all persons, groups and creeds worldwide.

Panama Without Law is a compilation of four documents addressing grave human rights violations in Panama, chiefly over the past 18 months. The Puebla Institute is publishing these documents in order to bring attention to the severe human rights repression that continues to beset the Panamanian population, and that poses a formidable obstacle to the condct of free and fair presidential elections on May 7, 1989, in that country. Too little has been written on this subject in the American press. Puebla hopes to help fill that gap by giving expression to respected voices from Panama's own human rights community.

In particular, Puebla wants to draw attention to the basic minimum human rights reforms needed to ensure fair elections, which are set forth by the Panamanian Committee for Human Rights in the following pages. With the elections less than three months away at the time of this writing, it is critical that such reforms are implemented without delay. Only in an environment free of government violence, intimidation, and electoral interference will Panamanian voters be guaranteed their right to a truly democratic electoral process. The reforms include:

1. Freedom of Expression.
2. Freedom of Assembly and Association.
3. Repatriation of Exiles.
4. Formation of an Electoral Tribunal that Inspires Confidence in the Panamanian People.
5. Guarantees of the Neutrality of the Nation's Security Forces in the Electoral Process and in Partisan Politics.
6. Barring Government Resources from Use in Political and Partisan Activities.
7. Guarantees for the Right of Public Employees to Participate Freely in the Electoral Process, Without Fear of Reprisals.

The first document in *Panama Without Law* contains the reflections of Leslie Hunter, a consultant of the Puebla Institute, who has lived and travelled often in Panama. For two weeks in November 1988, she visited various parts of the country, and discussed human rights with human rights groups, lawyers, journalists, academics, politicians, and ordinary citizens.

The second document is a report issued in August 1988 by the private, Panama City-based Panamanian Committee on Human Rights. It is a general statement that discusses in broad outlines human rights concerns based on its own documentation, and identifies some of the key laws and constitutional guarantees that are systematically being violated by the military dictatorship of General Manuel Antonio Noriega. It also indicates basic measures that the Panamanian government must take in order to ensure that the 1989 national presidential elections, will be free and fair.

The third document was written in October 1988 by Cecilia Alegre, a professor at the University of Panama, and a director of the Panamanian Human Rights Commission. Dr. Alegre's account is a more detailed analysis of the human rights problems facing the Panamanian people since the military coup in 1968, with particular emphasis on more recent incidents.

The compilation ends with selected statements on human rights abuse by the Panamanian Conference of Catholic Bishops. The Catholic Church, one of Panama's most important private institutions, has been a standard bearer for human rights in that country. Led By Archbishop Marcos McGrath, the Church has taken an active role in pressing for human rights reforms, advocating the return to civilian democracy, providing a safe haven to persecuted members of the opposition umbrella group, the National Civic Crusade, and offering to mediate between Gen. Noriega and the leaders of the opposition. Through its relief agency, CARITAS, the Church has also coordinated welfare assistance to those hardest hit by Panama's economic crisis.

Panama Without Law reports on the status of human rights in Panama today, as they are set forth in the Universal Declaration of Human Rights and the American Declaration of the Rights and Duties of Man. These rights include: The right to life, liberty and security of the person; freedom from torture or cruel, inhuman or degrading treatment or punishment; freedom from arbitrary arrest, detention or exile; the right to minimum due process guarantees; freedom from arbitrary interference with privacy, family, home or correspondence; freedom of thought, conscience and religion; freedom of opinion and expression; freedom of peaceful assembly and association; freedom from political discrimination; and the right to take part in government through genuine elections.

NINA SHEA,
PRESIDENT,
February 14, 1989.

INTRODUCTION

(by Leslie Hunter)

Leslie Hunter, a consultant for the Puebla Institute, lived in Panama in 1977-78, and has visited the country five times since then, most recently for two weeks in November 1988. In November, she visited the capital city as well as Santiago and Santa Fe, in Veraguas Province, and David, in Chiriqui Province. She met with human rights groups, members of the private sector, lawyers, politicians, journalists, university professors, and ordinary Panamanian citizens.

A gross pattern of human rights violations is found in yet another country on the American continent—Panama. Except for scattered reports about rioting in the street in 1987 and 1988, the deplorable human rights situation in Panama has gone largely unreported in the press. While compared to some other Latin American countries the numbers of political prisoners, killings and disappearances are small, the more appropriate comparison is with Panama's own recent past. The violations of civil and constitutional rights occurring in Panama today have reached proportions unprecedented in the country's recent history.

Panama's economic crisis has been exacerbated by bank closings and U.S. economic sanctions, imposed to force strongman General Manuel Antonio Noriega to step down as head of the Panamanian Defense Forces (PDF). Rather than forcing Noriega out of power, the crisis has hurt mainly the lower and middle classes. Already some 150,000 to 200,000 Panamanians are out of work, of an economically active population of 750,000 and a total population of two million. The government has been withholding paychecks from employees for up to 10 days at a time, creating fear and uncertainty among those who still retain their jobs.

Panama has been ruled *de facto* by a military dictatorship since 1968, when Gen. Omar Torrijos overthrew Arnulfo Arias, the democratically elected president. Though for the past decade Panama has seen a series of civilian presidents, they have been mere figureheads put into and removed from power at the whim of the military. According to the 1978 report of the Inter-American Human Rights Commission of the Organization of American States, the Torrijos regime was responsible for numerous human rights violations. For example: Torrijos killed, jailed and disappeared many opponents in the late 1960s and early 1970s, including Hipolito Quintero, a Christian peasant organizer, and Father Hector Gallegos, a young Colombian missionary, who organized peasants into cooperatives in Veraguas Province. Nevertheless, Panamanians I spoke to were unanimous in stating that Torrijos was a "babe at the breast" and a "petty thief" compared to the naked and arbitrary brutality and corruption of Noriega and his government.

A militarization of the economy and the society, begun by Torrijos, has accelerated since a political crisis was triggered in June 1987. In that month, ousted Col. Roberto Diaz Herrera publicly accused Noriega of involvement in the death of Torrijos, in drug trafficking, and in the brutal murder of a well-known critic of the regime, Hugo Spadafora. Since then civil liberties have not been recognized, the judiciary and legal system has been coopted by the mililtary, and security forces have launched a crackdown on the opposition.

The civilian administrator of the State-run national electric company (IRHE) was replaced by a colonel, and those of the water company (IDAAN), the telephone company (INTEL), and the port authority was closely watched by officials of the PDF. The Civil Aeronautics Board and the Tocumen Airport are now run by members of the military intelligence, G-2. State institutions, such as the National Lottery, the casinos, and the Immigration Service, have been declared "national security institutions." The effect has been that the military administrators have destroyed independent labor unions, and jailed, tortured and/or exiled a number of labor leaders and activists. The military administrators have established networks of spies and informants inside these companies, and fire employees who oppose the government or the ruling party, the Partido Revolucionario Democratico (PRD). They have also created para-military organizations that roam the country, and commit acts of violence against the citizens.

In the IRHE, workers are forced to work extra, unpaid hours, and to attend rallies at which they are lectured about nationalism and exhorted to prepare for the Yankee invasion. In Santiago, Panama's third largest city, on at least one occasion employees of the local hospital were pressed to do voluntary labor, and then presented with a pro-government rally. Those who chose not to attend were labeled opponents of the regime, and many feared the consequences.

The overall human rights situation in Panama is appalling. In Panama today the rule of law is absent. There have been hundreds detained over the past 18 months in Panama, incarcerated in subhuman conditions. Detentions have often been carried out by persons dressed in civilian clothes, armed with rifles, without warrants or identification of any kind. Prisoners have been routinely jailed without charges, denied due

process, including *habeas corpus*, and barred from consulting with their lawyers. Political prisoners have been beaten, tortured with electricity and other methods, and raped, some by common criminals infected with AIDS. This has been most often reported to have occurred in the prisons on Coiba, the penal island off the Pacific coast of Panama, in the notorious Modelo Prison in Panama City, and in the jails housed in provincial barracks. Because the judicial system is subordinate to the military, detainees have no recourse when they are mistreated and denied basic rights.

Among the recent cases of political prisoners have been Isaac Rodriguez, leader of the IRHE union, now exiled in Spain; Alberto Conte, a leader of the opposition Civic Crusade, arrested on September 22, 1988, until finally released and deported in late December; the brothers Ricardo and Zosimo Guarida, a businessman and lawyer, respectively, arrested in October 1988; and Roberto Brenes, also of the Civic Crusade, imprisoned on December 20, 1988, by the chief of Military Intelligence until his release and deportation in late December. The Guardia brothers offices were sacked and looted, as were those of Alberto Conte. Four students from the Santa Maria La Antigua University were arrested near the campus, and jailed on September 22, 1988. When the mother of one of the students went to the Modelo Prison to inquire about her son, she was also jailed. Many of them were beaten and tortured, and all were denied even minimal due process.

Basic civil liberties remain denied in Panama. There is no freedom of the press. No independent newspapers (except the Catholic Church's weekly *Panorama Catolica*) are permitted to operate. The government uses threats, the withdrawal of licenses and the withholding of frequency to censor radio and television stations. In March 1987, the government closed several independent radio stations and the following opposition newspapers: *El Siglo, Extra, La Prensa* and *Quibo*. They have not yet been allowed to reopen.

The "Centurians" (formerly called the "Dobermans") Noriega's shock troops, wounded some 1500, and blinded others with tear gas and birdshot in anti-government demonstrations throughout 1987 and 1988. The paramilitary groups that are active throughout the country on numerous occasions have attacked peaceful demonstrators. There have also been cases of disappearances, although it is difficult to know exactly how many, because family members are afraid to come forward for fear of reprisals.

Panama's version of Nicaragua's "turbas divinas," the "Batallones de la Dignidad," function as Noriega support groups. They have been formed and trained by the Panamanian Defense Forces. They operate at the neighborhood level throughout the country, threatening citizens and reporting "traitors" to the authorities. These mobs operate under the direction of the director of the IFAARHU, the State institution that coordinates all student loans and scholarships. The Batallones reportedly have over a thousand members.

A climate of fear has overtaken many ordinary citizens, which is a new phenomenon for Panama. A number of Panamanian professionals told me that they feel like strangers in their own country. Some human rights activists speak in hushed tones, fearful of being overheard, followed, or spied upon, and ordinary citizens claim that they now must watch what they say around coworkers for fear of being branded as traitors, or losing their jobs.

Residents of Santiago reported that a massacre of 52 prisoners took place there in the summer of 1988. The details of this are sparse and went uninvestigated by the government-controlled press. I was not able to confirm this report, though it was later reported to the Puebla Institute by a knowledgeable, independent source that 52 prisoners from Santiago had tried to escape custody while they were being transported to a boat to be taken to the Coiba penal island. Some were shot and killed by guards during the escape attempt. The charge is so serious that it warrants further investigation and verification. Even if unfounded, this report reflects the low esteem with which the citizens hold prison officials, the lack of confidence in government checks and balances, the absence of independent information, and the high level of fear in some segments of the society.

Elections are scheduled for May 7, 1989. The government under Noriega exercises control over the electoral tribunal, the voter lists, the cedulas, or citizens' identification cards, and the jurados de mesa, or officials in charge of the balloting.

The Panamanians with whom I spoke are convinced that, without basic civil and political guarantees, these elections will be the most fraudulent of all in a series of fraudulent elections, and will be seen as legitimating Noriega's continued rule. Their fears are exacerbated by the fact that opposition candidates in the upcoming elections have to date paid little attention to the general human rights repression, and have made few demands making human rights reforms pre-conditions for the elections. Many Panamanians told me that they expect the latent frustration and anger of the public to erupt into violence as unemployment rises, brutal repression continues, and another fraudulent election occurs.

OVERVIEW OF THE HUMAN RIGHTS SITUATION IN PANAMA—THE PANAMANIAN COMMITTEE FOR HUMAN RIGHTS, AUGUST 1988

OVERVIEW

The Republic of Panama is governed by a brutal military dictatorship that does not acknowledge human rights. People are jailed by the hundreds when, in the exercise of their constitutional and human rights, they publicly call for justice and democracy. People are denied due process under the law, including the right of habeas corpus. The judiciary is under the control of the Armed Forces; its members blindly obey the orders they receive from the military, rather than complying with the laws and the Constitution.

Political prisoners are tortured physically and psychologically. Forms of torture include rape with intent to expose prisoners to AIDS by placing them in cells without hygienic facilities, together with AIDS-infected homosexuals and drug addicts.

Anti-riot troops use birdshot and tear gas indiscriminately, in clear violation of the Geneva Convention. Frequently tear gas is fired inside homes, churches, schools and supermarkets while people are inside, including children and the elderly. The Panamanian Society of Ophthalmologists has reported 32 cases of birdshot being fired into the eyes, in two such cases in both eyes, resulting in total blindness. Approximately 1,500 persons, including children, have been wounded by birdshot. We know of one fatality and about 15 other serious injuries.

All the independent newspapers have been shut down. Radio and television stations have been severely censored.

The leaders of the Civic Crusade, which is composed of civic organizations and clubs such as the Rotary, Kiwanis, Lions, etc., have been forced to go into hiding or exile in order to avoid incarceration under inhumane conditions.

On various occasions, the government's paramilitary groups have attacked peaceful opposition demonstrations, resulting in deaths and serious injuries. They have also set fire to businesses owned by opponents of the regime. . . .

VIOLATIONS OF PANAMANIAN LAW

The following is an overview of specific violations of due process that occur routinely in Panamanian courts:

1. Persons are deprived of their liberty without any written orders from a competent authority in which legal causes are stated, and without any guarantee of the right of self-defense. This violates Article 21 of the Constitution and Article 1968 of the Judicial Code.

2. Persons are arrested for indefinite periods without being placed in the custody of competent authorities. This violates Article 21 of the Constitution and Article 1968 of the Judicial Code.

3. Detainees are not informed of the reasons for their arrest nor of their constitutional and legal rights. This violates Article 22 of the Constitution.

4. Detainees are presumed guilty before their guilt has been proven in court where they have been allowed to defend themselves. This violates Article 22 of the Constitution and 1966 of the Judicial Code.

5. Detainees are denied access to legal assistance and held incommunicado. This violates Article 22 of the Constitution and Article 2043 of the Judicial Code.

6. Despite the fact that arrests are carriet out in violation of established legal procedures, detainees are not placed in the custody of the competent authorities, and detainees are not freed within 24 hours of their arrest, as stipulated by law. This violates Articles 23 of the Constitution and 2158 of the Judicial Code.

7. Detainees are forced to incriminate themselves. This violates Article 25 of the Constitution.

8. The physical, mental, and moral integrity of the detainees is violated, contrary to Article 28 of the Constitution.

9. The penitentiary system is unhealthy and unsafe, in violation of the dignity of the individual as guaranteed in Article 28 of the Constitution.

10. Some opponents of the regime are expatriated, in violation of Article 30 of the Constitution.

11. Indictments, if made, are not brought before the competent legal authorities, in violation of Article 2063 of the Judicial Code.

12. Attorneys of the detainees are not permitted to review the indictments, in violation of Article 2067 of the Judicial Code.

13. Procedures designed to protect individual and constitutional guarantees, particularly *habeas corpus*, are routinely ignored. This violates Article 2565 of the Judicial Code.

14. Detainees are frequently denied bail, in violation of Article 2162 of the Judicial Code.

15. Searches and seizures of homes and offices are practiced routinely without warrants issued by competent authorities, in

violation of Article 2290 of the Judicial Code.

16. Most sentences are imposed by police authorities, who do not have the jurisdiction to do so. This is done consistently in the following manner:

a. The accused is not informed of his crime nor of charges against him, in violation of Article 1709 of the Administrative Code.

b. The accused is not permitted to present evidence or testimony in his favor, in violation of Article 1712 of the Administrative Code.

c. The accused is denied the right to appeal, in violation of Article 8 of Law 58 of 1919.

d. Bail is not set for the accused, in violation of Article 1717 of the Administrative Code.

17. Following President Eric Arturo Delvalle's dismissal of General Manuel Antonio Noriega on February 25, 1988, the military deposed President Delvalle. The first Vice-President, Roderick Esquivel, was passed over as successor in favor of Manuel Solis Palma, who was installed by the military as Acting President. These events were in clear violation of the order of succession set forth in the Constitution.

ECONOMIC SITUATION

The preceding events precipitated a general strike in which 90 percent of the work force participated. As a result, the banks closed to avoid a panic that would have threatened many of them with bankruptcy. The banks remained closed for six weeks. These events, coupled with the economic sanctions imposed by the United States in order to force General Noriega to leave the country, have produced a disastrous situation that persists to this day. It is estimated that 70 percent of businesses, mostly small and medium-size ones, have closed, leaving some 50,000 people out of work. When added to those already unemployed, this brings the total number to more than 200,000. [Editor's note: The population of Panama is 2.2 million.]

CASE OF MILITARY OFFICERS

On March 16, 1988, a military faction attempted a coup against General Noriega. The uprising was unsuccessful and, according to some sources, about 120 soldiers were arrested. The Committee was able to collect the names of some of the higher-ranking officers who, as of August 2, 1988, remained in prison without due process of law. We have reports that they have been tortured. These officers are: Col. Leonidas Macias, Maj. Nicolas Gonzalez, Maj. Cristobal Fundora, Maj. Luis Carlos Samudio, Maj. Aristides Baldomedo, Maj. Fernando Quezada, Maj. Jaime Benitez, Maj. Jose Serrano, Capt. Humberto Macea, Capt. Milton Castillo, Capt. Francisco Carrera, Capt. Francisco Alvarez, Capt. Alberto Soto, Lt. Renato Famiglietti, Lt. Luis Alberto Gordon, 2nd Lt. Jeronimo Guerra, 2nd Lt. Alcides Nunez, Sgt. Fernando Gongora, Sgt. Raul Garcia Pinzon, Sgt. Luis Carlos Montenegro and Pvt. Domingo Cerrud. The Committee has instituted proceedings to have these cases transferred to the jurisdiction of ordinary courts, as our jurisprudence does not extend to court-martials. Our efforts have not been successful. The family members of these officers have been warned against attempting to obtain their freedom.

MAY 1989 NATIONAL ELECTIONS

The military dictatorship is promoting national elections, planned for May 7, 1989, as a solution to the disastrous situation the country is currently experiencing. The Panamanian Committee for Human Rights considers it necessary, therefore, to set forth some necessary conditions that will make this electoral period an authentic democratic exercise. These basic conditions, listed below, do not currently exist in Panama.

1. Freedom of Expression:

All newspapers not aligned with the dictatorship have been closed down. The same has occured with the independent radio stations. Television news programs operate under severe censorship. Foreign journalists have been expelled from the country. In July, Homero Londono, a journalist with Radio Impacto of Costa Rica and the Voice of America of the United States, was jailed on charges invented by the military and has been denied bail. Reprisals against journalists also affect close family members. As of this writing, Yolanda De Vallarino, the mother of Bosco Vallarino, a journalist, has been in jail for more than a month on trumped-up charges brought by the military. Such restrictions on free expression violate Article 37 of the Constitution, which states:

"Every person may freely express his opinion, by the written or spoken word or by any other means, without being subjected to prior censorship; but there are legal liabilities when through one of these means the reputation or the honor of persons or public safety or public order is violated."

Article 19 of the Universal Declaration of Human Rights states:

"Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers."

2. Freedom of Assembly and Association:

When opposition groups attempt to hold public meetings peacefully, as the Constitution permits, they are violently dispersed by anti-riot troops and paramilitary groups. Many people are arrested and accused of crimes against the State. They are freed only after having posted a high bail or paid a large fine. This violates Article 38 of the Constitution, which states:

"Residents of the Republic have the right to assemble peacefully and without arms for licit ends. Demonstrations or assemblies in public are not subject to permits and only prior notice of 24 hours to the local administrative authority is required."

Article 20 of the Universal Declaration of Human Rights states:

"Everyone has the right to freedom of peaceful assembly and association."

3. Freedom to Reside in the Country:

Opponents of the regime have been expatriated by the hundreds, some directly, and others, because of severe harassment, have had to flee the country for their own safety. Article 30 of the Constitution states:

"There is no death penalty, expatriation or confiscation of goods."

Article 13 of the Universal Declaration of Human Rights states:

"Everyone has the right to freedom of movement and residence within the borders of each State. Everyone has the right to leave any country, including his own, and to return to his country."

4. The Formation of an Electoral Tribunal Which Inspires Confidence in All Panamanians:

The current Electoral Tribunal is essentially the same one that presided over the fraudulent elections of 1984. Thus, Panamanian citizens have no confidence in this mechanism. There is no doubt that, with its experience in 1984, the Tribunal would carry out a fraud in 1989 with even greater effectiveness. Radical changes must be introduced into this Tribunal. It must be composed of honest people who inspire public confidence. Article 136 of the Constitution states:

"An autonomous Tribunal is established in order to guarantee the freedom, honesty and efficiency of popular suffrage."

5. The Country Demands Absolute Guarantees That the National Guard Will Not Intervene in the Electoral Process Nor in Partisan Politics.

In May 1984, the National Guard played an active part in politics and was the determinant factor in the fraud. Article 305 of the Constitution states:

"The defense of the nation and public security are the tasks of a professional institution called the National Guard, which will be subordinate to the Executive Branch and whose activities will be subject to the Constitution and the Law. The National Guard under no circumstances will intervene in partisan politics, except to exercise the right to vote."

6. State Resources Must Not Be Used For Political And Partisan Activities:

This occurred in May 1984, favoring the ruling party candidate. Article 130 of the Constitution states:

"The authorities must guarantee the freedom and honesty of suffrage. The following activities are prohibited:

"1. official support, direct or indirect, to candidates for elected office, even when the means employed for such end were observed.

"2. campaigning and partisan affiliation in government offices."

7. Respect For the Right of Public Servants to Participate Freely in the Electoral Process, Without Fear of Reprisals:

If the basic reforms identified by the Committee are not adopted by the dictatorship, the elections planned for May 7, 1989, if held, will not constitute a democratic act, but rather a farce that will only aggravate the political, economic and social crises in Panama.

THE HUMAN RIGHTS SITUATION IN PANAMA

(Dr. Cecilia Alegre, Member of the Board of Directors of The Panamanian Committee for Human Rights, Panama, October 13, 1988)

We, Panamanians, have become strangers in our own country, because it is occupied by a national army. During the months of June, July, August and October 1987, so many arbitrary acts were committed and so much violence unleashed that people stopped going out into the streets for fear of being assaulted by soldiers. Since then, waving a white handkerchief has become a subversive act that has frequently been met with beatings, shootings, arrests and general mistreatment.

We, Panamanians, are waging a peaceful struggle to free ourselves from a tyranny that is trampling our most basic rights and preventing us from taking hold of the reins of our own destiny.

Since the military coup of 1968, the Panamanian people have lived through periods of aggression and oppression perpetrated by those who claim to govern them. The military regime decides what it wants for the people, and whoever objects, protests or voices criticism has frequently been the victim of persecution. Today the regime

labels as "anti-nationalist" and "traitor" anyone who dares to criticize the regime, invoking the phantom of Yankee aggression (in which the majority of the people do not believe). In all these years the military has had the last word, and its victims are found among all races, classes, political parties and sexes.

Perhaps the most notorious case of repression in the early years, during the regime of General Omar Torrijos, was that of Hector Gallegos, the Catholic priest who disappeared on June 9, 1971. Father Gallegos, a young Colombian missionary, worked with the peasants in Veraguas province, evangelizing and organizing them in production and marketing cooperatives. His work apparently angered the town boss, a relative of Torrijos. After several attempts against the priest's life (during one of which the hut where he lived was burned), two soldiers appeared one night at the home of a campesino where he was hiding. The officers, Walker and Magallon, took him away. He never reappeared. The Catholic hierarchy tried to bring in independent investigators from other countries, but the regime prevented it, arguing that such an action would violate national sovereignty. Recently, information has circulated that the priest was tortured and dumped into the ocean with the direct participation of General Manual Antonio Noriega, who at that time was Chief of Military Intelligence (G-2).

Many died at the hands of the military in those first few years after the coup. Two other examples from that time are: 1) Hipolito Quintero, a Christian labor leader who tried to organize the peasants of Cocle and who was wounded, detained, and tortured to death at night in a rural school yard, and his body was dumped in a field. The military prohibited the campesinos from burying him, warning them that they would suffer the same end. It was not until after animals destroyed Mr. Quintero's corpse that the campesinos dared to request assistance for his burial from the local parish priest. 2) Dorita Moreno, a medical student, was arrested when she treated a group of men who had taken up arms. Dorita was raped, beated and executed by the military in Cocle.

During the first 12 years there was no independent press nor legal political parties. In practice, Panama was governed during this period in a way that violated every human right that might represent an obstacle for the desires of the military.

Almost since the beginning, General Torrijos insisted upon a politically active National Guard. In the Constitution of 1972, the National Guard was established as a state power that would govern alongside the executive, legislative and judicial branches. In Article 277 of that Constitution, General Torrijos was named the "Maximum Leader of the Revolution" with the right to nominate and change the members of the executive, legislative, and judicial branches of government, as well coordinate the administration of the public sector.

During the period of the canal treaty negotiations, 1977-78, Torrijos promised U.S. President Jimmy Carter that the military would retreat to the barracks, and the country would be democratized. A "democratic spring" began and was enthusiastically received by the people. He also promised to reform the Constitution, legalize political parties, and hold direct elections for the legislature and the presidency. A plebiscite, held in 1978 to vote on the canal treaties, was denounced as fraudulent. At that time, the president of the Electoral Tribunal was a brother of General Noriega. At that time, Jorge Camacho, a student Leader of a left-wing group opposed to the treaties on the grounds that they were unfavorable to Panamanian national sovereignty, was assassinated. Camacho's family accused paramilitary forces connected with the government of the crime.

After General Torrijos died in an airplane crash in 1981, charges of sabotage immediately began to circulate. One of the chief accusers was Dr. Hugo Spadafora, who implicated Noriega, then-chief of Military Intelligence. Dr. Spadafora was subsequently found brutally murdered.

Two years and two commanders later, Manuel Antonio Noriega assumed the leadership of the National Guard with the title of General. A few months before that, under his predecessor, General Paredes, the Constitution had been modified, and Article 305 stipulated that "the National Guard will not intervene for any reason in partisan politics, except in exercising the right to vote." (Constitution of 1983).

Forty-six days after Noriega became Commander-in-Chief of the National Guard, the National Assembly issued Law 20 of 1983, stipulating a "speedy integral reorganization . . ." of the National Guard. This new law violated the Constitution not only in substance, but also in the manner in which the voting was held in the Assembly. It gave to the recently created Panama Defense Force (FFDD) control over the government institutions that had previously been under civilian jurisdiction. It also granted them administrative autonomy. As a way of validating the "constitutionality" of the new law, the Chief Justice of the Supreme Court, Materno Vasquez, declared a few days later that "national integrity takes precedence over any individual law."

The military's retreat to the barracks promised by Torrijos and reaffirmed in the Constitutional reforms was annuled de facto by Law 20 of 1983. The new order was given further backing by the selection of Nicolas Ardito Barletta as presidential candidate for the 1984 elections. Barletta was chosen in the military barracks of Tinajitas and forced on the government party, the PRD.

The electoral fraud of 1984, which violated the right of suffrage, the right of the people to choose its leaders, and the sovereignty of the people, left the population profoundly frustrated. In a peaceful demonstration protesting the fraud, agents reportedly from the G-2 fired shots into a defenseless crowd, leaving two wounded. The event, which was recorded in photographs and videotapes taken by foreign journalists, was broadcast around the world.

The assassination of Dr. Hugo Spadafora, a former friend of Torrijos to whom he had denounced the drug-trafficking activities of then-Colonel Noriega, Chief of the G-2 since 1969, shocked the national conscience. In an interview with Panamanian papers, La Prensa and Quiubo, after Torrijo's death, Spadafora reported the warnings he had received that his personal safety was dependent on Noriega. On September 13, 1985, Spadafora boarded a bus in Costa Rica and was detained by soldiers when he got off in the Panamanian city of Concepcion. On September 14, his tortured, mutilated and decapitated body was discovered in Costa Rica, several miles from where he had been detained. Witnesses and family accused the regime, and specifically Noriega, of the crimes.

In June 1987, Noriega retired Colonel Roberto Diaz Herrera, second-in-command in the military hierarchy, a cousin of Torrijos and leader of the left wing of the Defense Forces. Diaz Herrera made public declarations confirming the participation of Noriega in the assassination of Torrijos and Spadafora, as well as in the electoral fraud of 1984, in which Diaz Herrera himself confessed to having participated. At the same time, he confessed to and denounced administrative corruption. Coming from a source so closely linked to the regime, the declarations of Diaz Herrera had great credibility and stunned the nation, providing a catalyst for open rebellion against the Noriega regime.

The reaction to the declarations of Diaz Herrera was unexpected. More than 200 professional associations, civic clubs and unions joined together to form the National Civic Crusade. The principal objectives of the Crusade were:

(1) The removal from office of all persons implicated in the crimes denounced by Diaz Herrera until such time as they could be investigated.

(2) The separation of the judicial branch and the public sector from the military.

(3) The retreat of the military from politics.

(4) The democratization of the country.

The crusade and the opposition political parties, initiated protest demonstrations against the regime. Their protest efforts were met with a massive and indiscriminate wave of repression, with beatings, birdshot, bullets and tear gas. No place was safe, as even churches, homes and hospitals were invaded and people inside them fired upon by tear gas, and birdshot, and then detained. The military's fury went so far that children playing in the street were wounded in the crossfire. There is substantial evidence, including videos, photographs and written testimony, documenting these abuses. On various occasions, wounded people admitted to hospitals were dragged out by military and arrested, and in some cases, tortured.

Since early 1988, time repression has been applied more selectively against dissident soldiers, political leaders and members of the Civic Crusade, as well as anyone who is openly critical of the regime. Torture, illegal detentions, business closings and property confiscation, as well as exile and threats, are frequent. The principal charge in these cases is that the accused has committed "crimes against the integrity of the State." An example is the case of Alberto Conte. (Supreme Court document, Sept. 27, 1988).

An aggravating factor in the regime's repression is the collaboration of the Judicial Branch, which has validated the systematic violations of due process and of the most elemental human rights, (See Supreme Court document, Sept. 27, 1988).

Recently, detentions have been carried out by persons dressed in civilian clothes, armed with rifles and machineguns, without identification or warrants of any kind and without any explanation. My own case, on August 4, 1988, is one example. Another involves a correspondent from the Caracas television station Venevision, Idania Chirinao, and her cameraman, who were stopped and pulled from their taxi on August 13, 1988, as they were on their way to cover a news event. The plainclothes assailants, who were armed but had no identification, forced the Venezuelans into one of the vehicles that had intercepted the taxi and took them to the police station in Barraza. From there, they put them back in the car and drove them outside the city, past Arraijan, on a ride which lasted two and a half hours.

During this entire trip the assailants maintained radio communication with someone. The car in which they were traveling was again assaulted by another car with two armed persons who robbed only the correspondents and then left. The two abductors forced the Venezuelans back into the car, commenting that they should be thankful to still be alive. Later they left them with their equipment along the road near Panama City. The Venezuelan Embassy registered a protest, and some time later the directors of the Panamanian Intelligence Service, (DENI), Colonel N. Madrinan, the G-2, "Colonel Wong", and the National Information System, (SNI), Nils Castro, apologized to the correspondents and promised them that this would not occur again.

The question that arises is, what happens to lesser-known persons or persons who have no institution to protect them? As a university professor and a member of the Panamanian Committee on Human Rights, I have received information on detained youth, and I have called their families. In some cases the family members are unaware of the detentions. In others, they do not dare to intervene or to receive help, believing that maintaining silence might help achieve their liberty sooner or avoid reprisals. A lawyer advising the judge termed these incidents as "an excess of zeal" and "a lapse of discipline" on the part of soldiers when they are in civilian clothes. For that lawyer, what is happening in Panama "is not so serious." What *is* serious is that these excesses have gone as far as murder, and later, family members have been threatened with suffering similar consequences if they insist on denouncing these incidents. I have personal knowledge of two such cases of prominent citizens.

The Catholic Bishops' Conference of Panama sent a letter on September 28, 1988, to the Ministry of Government and Justice in which they noted that "numerous detentions have occurred in the absence of the most elemental legal requirements guaranteed by our Constitution (i.e., without arrest warrants and without the right to see a lawyer)." The letter adds that "the family members of the detained are not informed of the place of their detention and . . . they are denied the possibility to visit the detained." The bishops demanded "scrupulous respect for individual liberties guaranteed by our Constitution, as a necessary condition for dialogue and reconciliation which our nation so desperately needs." Since 1987, the Catholic Church has published no less than 15 documents on the current situation, condemning the violence and the violation of human rights, in addition to holding protest events, vigils, processions, fasts, etc. The newspapers published by the government controlled ERSA have devoted themselves to insulting and impugning the bishops for these denunciations.

The bishops' letter also notes their concern about the "series of massive layoffs of public employees, which, in addition to lending themselves to interpretation as political repression, worsen the already precarious economic situation of many Panamanian families." In fact, we know of many cases in which layoffs have been politically motivated. In some cases, labor leaders have been persecuted, in violation of the right to union organization. At this writing (October 13, 1988) three union leaders of SITIRHE (the union of IRHE, the national electric utility company) are in jail. Its General Secretary is in hiding.

On October 2, three workers who were going to begin a hunger strike in the Don Bosco Church were surrounded by the military. The Auxiliary Bishop, Monseignor Brown, at the request of the parish priest, went to take them from the Church and accompany them to another location. The Bishop's car was intercepted, and the three workers were removed from the church by force and taken to State Security. The Bishop demanded that the three men be turned over to his custody, indicating that he would not leave until the men were returned, and that he would make a public denunciation. The Bishop was allowed to take the three men.

We have reports of the torture of prisoners, sometimes applied personally by Major Felipe Camargo, Chief of Operations of the G-2, but most frequently inflicted by subordinates, sometimes hooded, under interrogation lights, and in rooms painted black. Among the torture techniques used are the application of electric prods to the thighs, chest and testicles, blows to the head and toes with stones wrapped in cloth, kicks in the chest and back, cold showers in cold rooms, and beatings while prisoners are hung by the wrists.

Frequently, detainees are confined to cells with common prisoners who rape, beat and rob them while the wardens watch. In July 1987, when there were hundreds of detainees, many were released without their shoes, clothing or jewelry, because these were stolen from them by the prisioners and soldiers. At that time there were reports of the rapes of two men, also in the presence of onlooking soldiers.

As of October 13 there were more than 60 persons detained for political reasons. More than 30 soldiers remained in detention, subjected to torture since March 16, 1988. The Panamanian Committee for Human Rights has a list of no less than 30 persons detained since September 22, 1988, who were being held in inhuman conditions, sleeping on floors damp with urine, raped by common prisoners and soldiers, and some of them tortured by the guards. Among the latter is the case of Carlos Paris Stack, who was kicked in the back and the chest by members of the G-2, causing a hemorrhage requiring surgery.

Another case is that of Alberto Conte, President of the Association of Journalists and a member of the board of directors of the National Civic Crusade, who was arrested for the third time on September 22, and apparently tortured. Conte was refused the right to consult with his attorney, named for him by his wife. In response to a petition by him for protection of constitutional rights, the Supreme Court declared his detention legal, noting that "the investigation is ongoing without a court order and without the concurrence of the detainee's legal counsel because the detainee himself has concurred." His refusal to sign is determined by the fact that the detainee believes that his signing could be utilized for other ends. In a dissenting opinion, Judge Rodrigo Molina noted that "subversive documents" found in Conte's office concerned the right of freedom of expression and had nothing to do with the charge that in Conte's office "subversive material is published which violates the integrity of the State." He stated that Conte's arrest was "arbitrary."

Together with Dr. Osvaldo Velazquez, President of the Panamanian Committee for Human Rights, I was present on October 2, 1988, when agents of the G-2 looted Conte's public relations firm, taking as "evidence" cameras, computers, fax machines, photocopy machines, typewriters, telephones, and other items. Conte's wife was permitted to see him for 15 minutes one week after his detention, so that "she would not go around saying that he was disappeared."

There are persons disappeared after arrest about whom nothing further is known. The Panamanian Human Rights Commission considers a disappeared person to be anyone who has been arrested without anyone being permitted to see him after the arrest.

A new phenomenon that entails even greater rights abuses is the network of "Dignity Battalions," recently created to resist the supposed U.S. invasion. Composed of civilian "volunteers" (we are aware of certain public employees who have been forced to participate in order to retain their jobs), young and old, trained militarily and armed under direction of the military and public officials, the Battalions appear to constitute an arm of political repression. One frequently hears talk of "traitors" and "firing squads," suggestive of a dangerous witchhunt. They are reminiscent of young fascist shock troops or Fidel Castro's defense committees, whose function is to watch, threaten and repress anyone opposed to the regime. The organization has several thousand members, according to one of the civilian directors of the Battalions, who is also the Director of the IFARHU (the state institution that centralizes the administration of all student scholarships in Panama). This is no less than an extension of the paramilitary groups connected to the regime and composed of past and present functionaries, whose participation in armed attacks against unarmed opponents has been well documented in the foreign press throughout 1987 and 1988.

There is a growing trend toward militarization of the country, institutionalized by Law 20 of 1983, and subsequently strengthened by the creation, on May 13, 1988, of the Military Strategic Council (CEM) "to defend national sovereignty." Both the law and the CEM grant the Defense Forces increasing responsibility for the functioning of the civilian government. Among the objectives of the CEM is to "strengthen and consolidate the democratic institutions permitting the participation of all Panamanians in the adoption of fundamental national decisions." Following Law 20, a number of State entities have been declared "national security institutions," including Immigration, the casinos, and the National Lottery. In September 1988, retired Lieut. Col. Garibaldi, a musician by profession, was named Director of the national electrical utility (IRHE). He immediately initiated massive layoffs of employees who had participated in the protest movement, in apparent reprisal against them.

Another serious problem is the violation of the right to free expression. A 1987 decree prohibited all protest demonstrations. At the present, all of the independent or opposition dailies (*La Prensa, Extra, El Siglo*) and weeklies (*La Gazeta Financiera* and *Quiubo*) remain shut down. The military closed them from June 1987 through January 1988, and from February 1988 until the present. Until now, there has been no legal order of closing from any competent authority, for which reason the Supreme Court has declared that it lacks competence to issue a ruling on a press petition for protection of constitutional guarantees. The soldiers who stand guard in the offices of these newspapers claim simply that they are there on orders from above, while the Minister in Charge of the Presidency, Manuel

Solis Palma, publicly stated that his Government has not closed any newspaper. Nevertheless, a confidential document of the National Information Service that has been leaked advises the Government not to permit the opening of these papers.

On September 22, 1988, a few days before the publication of the first issue of Hoy, a new daily owned by workers of La Prensa, Decree 66 was announced. In violation of the press law, Decree 66 requires any new newspaper to submit to a prior investigation by the Ministry of Government and Justice. In this way, the opening of the daily was blocked, although, a few days later, the publication of another daily, Medio Dia, was authorized. Journalists of Medio Dia are known to be favorable to the regime.

This new practice of governing by decree—many of which violate existing laws and the Constitution—was the subject of a September 9, 1988 letter from the Panamanian Bishops Conference to Minister Palma. Referring to the Decree 26 of March 28, 1988, the Bishop stated, that, in addition to violating "the right of association . . . a corollary of the fundamental right of expression . . . and inhibiting the free exercise of the right of association . . .," it grants excessive power to the executive branch, since it is the legislative branch which has the task of modifying and amending existing laws. The Bishops note further that "we are concerned by the tenor of Article 34 of the Decree," which restricts "the just freedom of expression of any association, putting them arbitrarily in danger of dissolution and liquidation per Article 36." The letter adds that the Decree would establish a dangerous precedent "which would violate the traditional and respectful separation of Church and State," and it would grant the Ministry of Government and Justice the power to intervene and dissolve associations of a religious nature. According to Decree 26, all associations must modify their by-laws. Article 34, mentioned in the Bishops' letter, refers to the prohibition of "criticizing official acts . . ." and "using funds of the association for ends different from those indicated in the by-laws as the goals of the association."

The arbitrariness of the government de facto, and by decree, facilitates the violation of human rights. This situation is aggravated by the fact that the Supreme Court is currently subordinate to the Defense Forces.

Following the Bishops' letter, the Ministry of Government responded to the Civic Crusade, which had lodged a protest against Decree 26, saying that only the Supreme Court has the authority to declare a law or a decree unconstitutional. It is worth mentioning here that until recently, two Supreme Court justices, Drs. Rodrigo Molina and Camilo Perez, voiced dissenting opinions against the decisions of the Court in cases of petition for protection of constitutional guarantees. A few months ago, Dr. Perez, also a law professor at the University of Panama, was assassinated. The circumstances surrounding his death have not yet been clarified. A coroner brought in by the family was not permitted to be present at the autopsy.

In summary, we can state that in Panama, a signatory to the human rights instruments of the Organization of American States and the United Nations, human rights of the first generation (right to life, to freedom, to elect and be elected, etc.) and of the second generation (economic, social, and cultural rights) are violated with impunity, as are constitutional and legal guarantees. The struggle of the Panamanian people is a struggle for sovereignty not against an external enemy but rather against an internal one, at a time when the regime has abrogated the sovereignty of the people. It is important to recognize that sovereignty belongs to the people and not to the military, nor to General Noriega. The Panamanian people are asking fraternal peoples of the world for their recognition and their solidarity with a people that is struggling to recover its sovereignty.

SELECTED STATEMENTS ON HUMAN RIGHTS CONCERNS OF THE PANAMANIAN CONFERENCE OF CATHOLIC BISHOPS

[Excerpts of a Communique of the Panamanian Bishops' Conference, Jan. 5, 1989]

At the present time, politicians both of the government and the opposition have opted for the "electoral route." This in other words, is the constitutional route, which requires complete compliance with all of the rights stipulated in the law: freedom of expression and assembly, respect for the good name and reputation of persons and institutions, freedom for all political prisoners, the return of expatriates, impartiality on the part of the organs of the State, etc.

Moreover, it is vital that this "electoral route" not be merely a political game, but rather an opportunity to review the plans and programs of the parties in order to provide concrete responses to the needs and demands of the people. We believe that, only on these terms, the "electoral route" will be a path to reconciliation and a real way out of the long economic, political, and social crisis which plagues us.

[Letter from the Panamanian Bishops' Conference to the Chief Justice of the Panamanian Supreme Court, October 14, 1988]

On February 5, 1984, the Panamanian Bishops' Conference issued its Pastoral Letter "On the Current Political Situation." In it, at the end of paragraph 12, referring to the question of "public and private immorality," we stated: "One factor worth mentioning is the application of justice. It is very slow in many cases. There are hundreds of persons detained who spend long periods in prison awaiting trial. The delay in the investigation and conclusion of other public cases, sometimes notorious ones, tends to diminish credibility in our system of justice. The same effect is produced by the influence, from wherever it may come, exerted on decisions made by that system."

These words take on even greater meaning today as we observe, sadly, and almost helplessly, how citizens from distinct walks of life are arrested, sentenced, and inhumanely treated. We do not wish to enter into making judgments about their guilt or innocence; this is not our role. But we, as pastors and, as such, promoters of human dignity, are concerned by the norms and procedures followed and omitted in the administration of justice in our country.

We turn to Your Honor in your dual role as Supreme Court Justice, the supreme authority in our Judicial Branch, and as a faithful believer in Jesus Christ, Supreme Judge of the living and the dead until the end of time. In this first capacity, you have the obligation to work for an administration of justice which is "free, expeditious, and uninterrupted" (Constitution, Article 198) and for the "safeguarding of the integrity of the Constitution" (Constitution, Article 203,1). In the second capacity, you are committed to make the "love of God and your fellow man" (Lc. 10, 27) the supreme norm of your personal and professional conduct. And in both, without discriminating against anyone for his social, political, religious, or economic condition.

I respectfully list below some aspects which concern us:

1. Denial of liberty without corresponding written orders from competent authorities and without guarantees of the right of self-defense, in open violation of Article 1986 of the Judicial Code.

2. Arrest for indefinite periods without placing the case under the jurisdiction of the competent authorities, in open violation of Article 21 of the Constitution and Article 1968 of the Judicial Code.

3. Arrest or detention without informing the detained about the reasons of the same nor his/her constitutional and legal rights, in open violation of Article 22 of the Constitution.

4. Negation of the right of "presumption of innocence," in open violation of Article 22 of the Constitution and Article 1966 of the Judicial Code.

5. Negation of the right to legal counsel in police and legal procedures, in open violation of Article 22 of the Constitution and Article 2043 of the Judicial Code.

6. Even when constitutional and legal rights are violated, the right of Habeas Corpus is denied, in open violation of Article 23 of the Constitution and Article 2158 of the Judicial Code.

In addition, there have been declarations or private commentaries not made or substantiated publicly for fear of, or lack of confidence in, legal institutions, which reveal other violations of fundamental human rights guaranteed in our Constitution: exposure of the detained to physical and mental torture (Article 28), pressuring detainees to testify against themselves (Article 25), and expatriation (Article 30).

We believe that, even in cases where detainees are guilty, no law, either divine or human justifies unjust treatment. We must state, unfortunately, that although the law must be the vehicle of justice, the old Latin adage "summum ius summa iniuria" is appropriate, when a veneer of legality is used to mask the most flagrant injustices.

"Because Peace and Law are reciprocally cause and effect; Peace favors Law; and, at the same time, Law favors Peace" (Pope Paul VI, 1969) our organisms and functionaries of the justice system must work hard so that in Panama not only a State of Law but also, a climate of Peace, is established. . . .

[Letter of the Panamanian Bishops' Conference to the Minister of Government and Justice, September 28, 1988]

In the name of the Panamanian Bishops' Conference we respectfully write to you to request that you apply your good offices to finding a just solution to the problems that we note below, which are cause for our profound pastoral concern.

We are aware that a number of detentions have been occurring without compliance with the most elemental legal requirements guaranteed by our Constitution (that is, without arrest warrants and without the detained persons being guaranteed the right to legal counsel).

Frequently, also, family members of the detained are not told of the place of detention and therefore, the possibility of their visiting the detained is denied. Additionally, in some cases, the religious attention which both chaplains and bishops have wished to offer to the detained has been blocked.

Another subject of our concern has been the series of massive layoffs of public employees, which, in addition to lending itself to being interpreted as political repression, aggravates the fragile economy of many Panamanian families.

We hope to discuss these matters with Your Excellency and with other high authorities of the Republic.

We wish to request the most scrupulous respect of individual liberties consecrated by our Constitution, a necessary condition for the creation of a climate of dialogue and reconciliation so necessary in these difficult moments in which our Nation is living.●

OPPOSITION TO GAS TAX HIKE FOR BUDGET DEFICIT REDUCTION

● Mr. BURDICK. Mr. President, I am joining in cosponsoring Senate Resolution 63, introduced by my colleague on the Environment and Public Works Committee, Senator SYMMS. This resolution, like House Resolution 41, is a statement in opposition to raising the gas tax for the purpose of cutting the Federal budget deficit.

This Nation faces grave problems because of a Federal deficit that has tripled in the last 8 years. At the same time, our highway system is in critical need of construction and repair work; there are not sufficient funds to address those needs. So, in my view, it is the height of irresponsibility to rob the highway trust fund and diminish its effectiveness in order to pay off some of the national debt which the highway program had no part in creating.

Earlier this month, once again, a bridge collapsed and several lives were lost. In this case, a 53-year-old bridge over the Hatchie River near Covington, TN, failed, and at least seven people, including a 4-year-old girl, died. Two years ago, almost to the day, a bridge over the Schoharie Creek near Albany, NY, collapsed, killing 10 people.

The most recent figures from the Federal Highway Administration [FHWA] show that $72 billion is needed to address backlogged and accruing bridge deficiencies on the Federal-aid system alone. This works out to almost $3.8 billion annually, but instead we are spending about one-third that amount—$1.3 billion, for example, in fiscal 1988.

The same serious underinvestment is taking place on our Nation's highways. Obligations for FHWA programs in fiscal 1988, including bridge construction, were $13.3 billion, but FHWA itself estimates that over $20 billion is needed annually just to maintain our present system. In fact, we are unable to spend moneys on hand in the highway trust fund, because of existing budgetary constraints. Unfortunately, our highway and bridge needs can't be put on hold; they become more acute each day.

In addition to the obvious need for a safe, reliable transportation system, our roads and bridges are essential to our economy, productivity, and mobility. The highway program has not contributed to the Federal deficit, and while it seems an easy solution to use the highway tax mechanism for deficit reduction, those funds are urgently needed for their intended purpose—the construction and rehabilitation of our highway system.

Proponents of the gas tax hike argue that right now gasoline prices are low and no one will notice an increase. In fact, since the Alaskan oilspill on March 24, gas prices have jumped from $1 a gallon to an average of $1.12 a gallon, the highest price since August 1987. There is a good possibility that prices will rise still more.

When it comes to family budgets, lower income and rural drivers are always hardest hit by increases in gas prices and gas taxes. Households earning between $10,000 and $30,000 per year pay twice as much in percentage terms for gas as those who make $50,000. Taxes should be based on ability to pay and fairness. Why should a factory worker who commutes by car 30 miles a day pay an extra tax that a stockbroker taking the subway avoids? And why ask a motorist in North Dakota or Wyoming to shoulder nearly twice the responsibility for deficit reduction than a driver in Hawaii or Washington, DC, would?

Gasoline taxes already account for more than a fourth of all excise taxes collected. And gas is a necessity, not a luxury or an option, for those who depend on their cars for basic transportation.

A boost in the Federal gas tax will also hurt States in their efforts to increase State gas taxes. North Dakota is one of 11 States seeking motor fuel tax increases this year. My State's highway department warns, "[a]t a time when Federal highway funds are being cut back, and State and local governments are asked to fill the void, a Federal motor fuel tax increase would inhibit the ability of State and local governments to raise necessary revenue."

The Federal share of all highway funding amounts to only 22 percent, with States raising 49 percent and local governments 29 percent of the total. Since over three quarters of the financing burden rests with States and localities, it is wrongheaded for the Federal Government to make collection of highway taxes at the municipal, county, and State levels even tougher.

In conclusion, the proposals to increase and then divert highway user taxes away from transportation and toward budget deficit reduction are unwise and unfair. I urge my colleagues to oppose such a tax hike. A sound highway system is essential to the Nation's economic well-being. The user fees for improving and repairing our roads and bridges must continue to be dedicated to that very important task.●

REMARKS OF MR. KERRY BEFORE ILLINOIS EDUCATION ASSOCIATION

● Mr. DIXON. Mr. President, I would like to call your attention to the keynote speech delivered by our colleague from Massachusetts before the Illinois Education Association annual convention last month in Rosemont, IL.

The education of our children is vitally important to the future of our society and our economy. Yet our children's future is in jeopardy because of two major threats from abroad—drugs and economic competition. Senator KERRY's remarks address these issues eloquently.

Despite many obstacles, we must make a wholesale commitment to our schools, to our children, and to our teachers. It is vital that we approach the problems in our schools together as a community so that our children's education is second to none, so that our children have the tools to succeed in an increasingly competitive world marketplace.

I ask that Senator KERRY's remarks be printed in the RECORD.

The remarks follow:

Mr. KERRY. I want to thank you for giving me the opportunity to be with you today and to talk to you about what I view as perhaps the greatest challenge our country faces in the 1990's: creating a school system that can provide all the children of this nation with an education that is second to none.

There isn't a person who doesn't understand the importance of that challenge. Our children are, afterall, our nation's future. They will shape the events and institutions in this country during the next century and they will decide whether America will stay number one in the world.

Right now our children's future is very much in jeopardy. We are failing at home to respond to serious threats from abroad. There are two in particular that I want to discuss with you today: drugs and economic competition. These are obviously very different kinds of problems, but the solution to both, at least in part, lays in upgrading our educational system.

As you undoubtedly know, the drug problem in this country is one of supply and demand. Illegal narcotics are grown, harvested, processed, and transported from foreign countries, mostly in Latin America, to be sold and consumed in this country.

Latin American criminals such as Pablo Escobar, Jorge Ochoa, Jaime Guillot Lara and Carlos Ledher have formed large, ocean-spanning, mafia-like organizations that are capable of very large and very complex undertakings. They have formed drug cartels that are now on a par with IBM, AT&T and General Motors.

The cartels have become so successful in plying the American market with drugs that we now face an epidemic beyond anything

our worst nightmares might have conjured up. Consider the following:

Polls show that about 50 percent of all Americans say that they have had a relative or a close friend who has had a problem with illegal drugs, and one out of every three say that illicit drugs can be purchased within a mile of their home.

Some 20 million Americans smoke marijuana, nearly six million regularly use cocaine, and half a million are addicted to heroin;

Sixty percent of all illegal drugs in the world are used here in the United States.

The American market for drugs produces annual revenues of at least $100 billion at retail prices. This is twice what U.S. consumers spend for oil each year.

The street price for a kilo of cocaine is down from $60,000 in 1980 to as low as $8,000–$10,000 a kilo today. This means that greater quantities of what was once the drug of the rich are within the price-range of more and more Americans.

Between 1982 and 1985 the amount of cocaine seized coming into the United States more than doubled from 31 metric tons to 72.3 metric tons. The problem has reached such a magnitude that the various agencies involved in the war on drugs cannot come up with an accurate figure as to how much cocaine reaches the streets of our country today.

The crime rate last year in Washington D.C. rose 15 percent. There have already been over 100 murders this year—most of them drug related. The nation's capital, democracy's capital, is fast becoming the drug capital and the murder capital.

All of this adds up to a serious threat to our national security.

Next week, the Subcommittee on Narcotics and Terrorism, which I chair, will issue a report, culminating a two year investigation, that clearly lays out the scope and dimensions of the threat. Among the many individuals who testified before our committee, I believe General Paul Gorman, the former commander of the southern front, summed up the problem best. He stated:

"The American people must understand much better than they ever have in the past, how their safety and that of our children is threatened by Latin drug conspiracies [which are] dramatically more successful at subversion in the United States than any that are centered in Moscow."

But you don't need General Gorman to tell you this.

If you talk to police officers in Chicago and across the country, they will tell you about the drug gangs that are more vicious and more violent than any we have seen in our history.

If you talk to prosecutors and judges in Chicago and across the country, they will tell that our courts are so clogged with drug-related cases that the criminals, the drug pushers, can count on being back on the streets just a few days after they are arrested.

If you talk to doctors and nurses in Chicago's hospitals and in hospitals around the country they will tell you that they are inundated with the victims of violence associated with drugs. And they will tell you about the babies that are being born with addiction to drugs—or worse yet—infected with AIDs.

And if you talk to the people in this room—high school and junior high school teachers from the Chicago area, they will tell you, as teachers across this country will tell you, that half our kids are experimenting with drugs and alcohol in junior high school.

Enough lamenting of the problem. What can we do? What must we do?

The fact is that we have never had a national drug policy in this country—not even during the last eight years when the need has been so obvious. We had "just say no"—and I applaud Nancy Reagan because she did a wonderful job. But "just say no" is not a strategy—it's one single public relations effort. It's not the way to fight the war on drugs.

What we need is a comprehensive approach to combatting the threat of drugs not only in this country, but throughout the hemisphere. That means increasing our efforts in law enforcement, interdiction, eradication, treatment and especially education—increasing them all at the same time.

Last year the Congress passed a $6.5 billion omnibus anti-drug bill. In that bill we had an entire chapter devoted to education. We authorized a quarter of a million dollars for teacher training. We authorized a million dollars for the development of early childhood education drug abuse prevention curriculum materials. We authorized a program for drug education and prevention relating to youth gangs. We still need to adequately fund those efforts.

While I'm proud of the framework created in that bill, I know that we can't wait around for the government to solve the problem. We need to start educating our kids against the dangers of drugs at preschool age. And we need to do it now. We need to get teachers and parents even more involved now. We need to fight back in the schools and we need to do it now.

In my opinion, no one can do more to educate our children than President Bush. But he needs to make the drug issue a priority. He talks about the importance of education in fighting the scourge of drugs, but I haven't seen him back up those words. He should visit our schools, and talk to our students and he should do it on almost a weekly basis. He needs to be out front and visible. It has been two months since the inauguration and I have seen nothing that tells me it is not business as usual.

President Bush must also take the lead in dealing with the hemispheric implications of the narcotics problem. I have said several times that I believe that he should convene a summit of all the Latin Presidents to discuss the issues of drugs, money laundering and related economic issues.

The United States has some leverage here. Many of the drug producer or transit countries in Latin America are also burdened by debt. President Bush, Secretary Baker and Secretary Brady should be developing a debt relief plan that is, among other things, tied to progress on the drug issue.

I also think we have to look at the possibility of joint military operations with Latin governments—at their invitation, against the cartels. Make no mistake about it—the cartels pose a serious threat to our country and we need to fight back.

But while drugs from abroad pose a sinister threat to our society, there is a more subtle but an equally disturbing foreign threat—that of foreign competition. And it is growing in importance partly because of the same indifference which has permitted narcotics to become the scourge they are.

The fact is that our ability to compete in world markets is eroding. This new reality requires that competitiveness become the economic agenda for the next decade. We have to start behaving like a nation that wants to be number one. In no uncertain terms that means a return to basic education.

For the past few year I have been a member of the Democratic Working Group on Economic Competitiveness—We've done significant research on the issue of competitiveness and I'd like to share with you some of the findings:

First, let's look at productivity. It has been increasing in the recent past, as it always does during a recovery, but it has been increasing more slowly than in the past and more slowly than in the nations against which we compete.

According to the Department of Labor, in the 14 years since the first oil crisis, the productivity of U.S. manufacturers rose an average of only 1.4% a year. This 1.4% compares to average productivity increases of 3.8% for West Germany, 4.5% for France, 5.6% for Japan, and 5.7% for Belgium. Even Britain, notorious for its industrial sluggishness, beat the U.S., with gains averaging 2.8%.

Productivity, of course, is a direct result of savings and investment patterns in an economy. On both counts, the U.S. has done poorly in recent years.

Our personal savings rate is the lowest of any industrial nation by a factor of three, and continues to drop. As a result, despite a host of tax incentives, and the necessity for retooling as a result of technological changes, American manufacturers are investing less in new equipment then ever before.

Real productive investment in the U.S. has declined from an average annual growth rate of 8.4% in the 1960s to barely 4% in the 1970s to only 2.2% in the '80s. And not surprisingly, when compared to our trading partners, the level of the U.S. investment in plant, equipment, and inventories as a percent of GNP is significantly lower then in W. Germany, Japan, Italy, and other industrial countries.

The shortcomings of U.S. manufacturers were highlighted in a recent Harvard Business Review study which found that:

In the past five years, Japan has outspent the U.S. by 2 to 1 in automation.

Systems development in Japan is accomplished in 1.25 to 1.75 years, but more then twice as long, 2.5 to 3 years, in the U.S.

Fifty-five percent of the machine tools introduced in Japan in the last five years were computer numerically controlled, compared to only 18% of those installed in U.S.

So when we review these trends—GNP growth, employment, productivity, savings and investment—we see disturbing signs. And these same ominous trends continue when we look at trends in basic research—an area where the United States has long considered itself pre-eminent, and without peer.

U.S. companies are getting fewer patents than they did 15 years ago while patents issued to foreigners are steadily increasing.

Civilian R&D expenditures in the U.S. as a percentage of GNP lag far behind Japan and West Germany.

In 1980, U.S. funds for military and nonmilitary R&D were split 50/50. Today, the military consumes 72% of the total federal research dollar, leaving just 28% for all other research.

We simply cannot afford to sit back in the face of these trends and believe that somehow things will take care of themselves. And the most important single step that we can take to tackle the problem of restoring America's economic competitiveness is to

achieve broad-based excellence in education and training.

As David Kearns, Chairman and CEO of Xerox said recently, "Education is a bigger factor in productivity growth than increased capital, economies of scale or better allocation of resources".

In 1983 many of us were shocked by the National Commission on Excellence in Education's report "A Nation at Risk". We were informed that not only were our best and brightest students having trouble competing with their peers in other countries, but one-third of our children were getting an inadequate education—one that failed to give them even the basic skills needed by a complex rapidly changing, technology driven, work place.

Moreover, every international comparative test of student skills finds our students trailing badly or dead last.

The most recent study released in January by the Educational Testing Service looked at math and science achievement in five countries and four Canadian provinces. The United States was last in math and near the botton in science, beaten by countries like Korea, Spain, Britain and Ireland.

In another recent study which included many of our most serious competitors Japanese students were in first place in science achievement, while U.S. fourteen year olds were dead last. The same was true for over seventeen year olds in a test of math skills.

Perhaps, the most disturbing aspect of this problem is the awareness of parts or all of it are not entirely new. Presidents have alluded to it—but have never provided the leadership or resources needed to solve it. The political leadership and will has been as absent from this battlefield as it has been from the war on drugs. In both wars we have in the making other Vietnams—where the soldiers in the field are damned for lack of political strategy and will to win; where the casualties and innocent victims will be scattered across the landscape of our own country; and, our own children and our own future will bear the scars of our political cowardice and ineptitude.

We are a great nation. We have more often than not behaved like a great nation. But no great nation in the course of history has stayed that way without nurturing its youth, building a foundation for citizenship and excellence in education.

To that end, we must now set a goal for the millennium; that in the course of the next decade we will make America's educational system and its labor force the best in the world. We will transform the school and the workplace in such a way that our labor force will once again be the most productive, the most deserving of the world's highest standard of living.

We will not approach the problem by gradualism but with the same wholesale commitment which in the 1960's saw us place a man on the moon and bring him home again. And we will approach it as a community which shares a deep conviction that together—business, labor, parents, community and government at all levels—we shall and we must make it happen.

As we launch this mission we must be aware of a few of the more important obstacles so we can focus on them and succeed.

First, in the next twelve years minorities will make up at least fifty percent or more of all our children in America's public schools. Many of these children will come from homes in which English is a second language, will live in poverty, will come from unstable home lives and will have been born in an era of rampant drug abuse.

Second, tomorrow's competitive labor force must be trained to anticipate change, to be creative, to analyze problems, to communicate effectively, and employ other higher order skills. An educational system that cannot equip us with the basics must take our students beyond the basics or it will fail us.

Third, we need to recognize that the majority of the labor force in the year 2000 is already at work. Many of these workers are inadequately prepared to be a contributing part of the competitive labor force that we need and the new world marketplace demands.

So, what do we do first, what are our priorities?

First, we must all understand that there is no single proposal, no set of actions by the private sector or any unit of government that will accomplish our mission. The creation of a better educated, more efficient and more competitive work force will require hundreds of decisions on contracts, on curricula, on budgets, on organization by each of us, particularly at the community level. If these decisions reflect our resolve to be the best we shall in our uniquely American way, succeed in overcoming obstacles and in reaching our goal.

But, there are many specific actions that we all can take each in our own sphere. In Washington, we can fight for expanded funding for education items from Chapter I to the WIC program! And, there are new initiatives we can undertake.

There are three areas that I believe must be placed high on the Congressional agenda:

One, we must be certain that every child that enters our school system has a chance to succeed. Undoubtedly the most important investment in educational success is in early childhood. "Head Start" and other programs that provide nutrition, health screening, child development, and the like have been extraordinarily successful. However, fewer than 20% of the children that need these programs can now be served.

President Bush talked in the campaign about extending "Head Start" to all four year olds, I've co-sponsored legislation with Senator Kennedy to do just that. It's called the "Smart Start" program and it will assist state and local governments in expanding and upgrading existing early childhood education and child care programs.

This program gives considerable flexibility to states and localities in its implementation. Its success hinges on professionally trained staff and low student to teacher ratios. One of the great strengths of the program is that it will be coordinated with public schools, as well as with nutrition, health and social service centers.

For the majority of kids attending public school in the next decade, research demonstrates conclusively that if they have had pre-school they are;

About half as likely to have a teenage pregnancy,

Over a third less likely to be arrested,

Nearly half as likely to be on welfare,

Less than half as likely to suffer mental retardation,

One third more likely to be employed,

And nearly twice as likely to go on to higher education.

Our shortsightedness in funding preschool, unless corrected, will contribute more to a decline in U.S. competitiveness and to our standard of living than any other single factor that is within our control.

Two, we must re-evaluate teaching as a profession. You simply cannot expect to teach an increasingly more diverse student body an increasingly sophisticated curriculum unless you can attract many more of the highest quality and best trained graduates of higher education to public elementary and secondary school teaching. Go into any college and ask students, "who plans to go into teaching?" Rarely does a hand get raised. Is it any wonder we are facing a national teacher shortage? Many of you have dedicated your lives to teaching and made a huge financial sacrifice. This simply cannot continue. How in today's world can you ask people to see value in impoverishment? How can you say to a math or science teacher, "come work for $18,000 and maybe one day you'll earn $30,000," when within months they can earn twice that in the private sector.

Is it a wonder that the Carnegie Task Force on Teaching found that only about 6% of college freshman have an interest in a teaching career (an 80% drop in the last 14 years) and that the SAT scores of those interested in teaching lagged substantially behind the SAT scores of classmates with other career interests. We have our work cut out for us.

We must attract quality teachers with quality pay and then demand that they perform.

At present teachers are grossly underpaid. Consider the following:

In my home state of Massachusetts, the average starting salary is almost $19,000 for a teacher. That's not much, but it's $3,000 more than a starting teacher receives in this state. The average salary for teachers in both states is only $30,000. You might make $50,000—if you have a PhD and 10 to 15 year's experience. It isn't fair and it isn't any surprise that 50% of the teachers hired will leave the profession in their first five years.

But money is only one part of the solution. We must enhance the professionalism of teachers, reduce the prescriptive interference, and let teachers do what they are professionally trained to do . . . teach. We need to decentralize responsibility and accountability if we are to attract and retain good teachers and help them give us the good schools and improved student achievement we all want. Teachers and administrators in site after site around the country are demonstrating that school based management works. Oh yes, it requires dedication, hard bargaining, lots of imagination, plenty of patience, but in the end the children benefit. I know that in Boston, there is an emerging consensus that such changes are due.

We must demand standards for curricula, attendance and testing which will guarantee that people are learning what they need to. In Japan students go to school longer hours and 60 days more a year than in this country. In Europe they cannot graduate unless they pass a standard test. In America we go to school for 180 days and take no test. The federal government should extend a large carrot to local school districts and state boards of education by offering grants and scholarships to those who demonstrate objective educational success.

The private sector must be motivated to lend its expertise and personnel—not on haphazard basis, but on a wholesale scale, which recognizes its stake in this investment for the future.

I will soon introduce legislation that will provide college and graduate school student loan forgiveness for science, math and engi-

neering majors who commit to at least partial careers in teaching.

I also believe that it is time to challenge America's young people with a Teachers Corps designed to recruit bright young people to the mission of making America's education the best in the world by the year 2000. The Teachers Corps would forgive student loans for its members and provide scholarships for "teacher training" for those who wished to join.

Three, I believe we must pay much more attention to those with limited skills who are currently in the labor force and will be for decades. We must make the concept of "lifelong education" more than just a cliche. Yet most businesses, particularly small and medium size businesses, don't have the resources or the expertise to do anything but the most specific functional training. Furthermore, it is often counterproductive at the firm level to upgrade a worker's skills who may then walk out for a raise and go to work for a competitor. But, for our society as a whole there is no question of the value of this training.

As Chairman of the Urban and Minority Small Business subcommittee I am working on a plan that would assist and encourage Small Business, working with professional educators, to upgrade the skills—basic and technical of their workers. It is critical that we equip non-college educated workers to make a contribution to productivity that produces a much higher standard of living than what is in store for them without good training. There is no free lunch in tomorrow's work place.

We face great challenges from abroad which in my opinion only heighten the challenges that we face at home. If we are to respond effectively to those challenges, we must begin to look inward, and we must return to the strengths that made us a great country.

I'm not issuing a call for isolationism—we can't just bury out heads in the sand. On the contrary, I'm saying that we must be able to work with our allies to solve the drug problem. And I'm saying that we must become economically strong so that we can compete in the world marketplace. We need to confront head-on the dual threats to our national security: drugs on the one hand, and our declining economic power on the other. There is no better place to start than in our schools.●

COMMISSION TO INVESTIGATE PAN AM FLIGHT 103

● Ms. MIKULSKI. Mr. President, today I add my voice in support of Senate Resolution 86 introduced by the distinguished chairman of the Senate Appropriations Subcommittee on Transportation, Senator LAUTENBERG. I am pleased to be an original cosponsor of this bill.

Recent news reports have revealed a chronology of security bulletins and notifications prior to the explosion that destroyed Pan Am 103 over Scotland and took the lives of 259 passengers and crewmembers and 17 Scottish residents in Lockerbie. One of the most disturbing facts that this Nation must live with is that, despite the warnings, the captain of Pan Am 103 did not even know his plane was at risk. The passengers and crew of Pan Am 103 did not know that they were possible targets for a terrorist attack.

We now know that it was a terrorist bomb that killed these innocent Americans. We know that the bomb was placed in the baggage compartment. We also know that there were warnings that this attack would take place—warnings from FAA to the airlines, warnings from the West German Government to United States airlines in Frankfurt, warnings from the British Government to the airlines. And yet, in spite of all the warnings, nobody warned the ticketholders of Pan Am 103. Nobody warned the pilots and crew of Pan Am 103.

Why? Well, we have heard that some of the warnings were lost in the mail. We have heard that some of the warnings were discounted as bogus.

Senator LAUTENBERG called hearings on the Pan Am disaster to hear about aviation security from FAA. What we did not learn at this hearing is that the FAA knew about a warning and did not share it with Congress.

Well, it is time we found out just what the U.S. Government knew and when we knew it.

Mr. President, I call upon my colleagues to support Senate Resolution 86. It requests that President Bush appoint a special commission to look into the terrorist destruction of Pan Am 103. It directs the Commission to investigate what information was available to the U.S. Government prior to the attack. It directs the Commission to assess the adequacy of aviation security procedures. It directs the Commission to make recommendations for changes in laws and regulations relating to security of commercial air carriers.

Mr. President, seven Marylanders were killed in the terrorist attack over Lockerbie: Lt. George Williams, who would have made captain this month; Miriam Wolfe, who was studying for a career in show business; Lindsay Otenasek, a student at Western Maryland studying to teach handicapped children with special needs; Karen Noonan, who, as a high school student, had been recognized for her community service with an award in her name; LuAnn Rogers, a student of art; Michael Bernstein, a lawyer who dedicated his expertise to the Justice Department to make sure the Nazi war criminals were brought to justice; and Jay Kingham of Potomac.

In the days following the tragedy, I contacted the families of the victims but could offer little comfort for their loss.

Senator LAUTENBERG held a hearing on March 14, 1989, where the families of the Pan Am victims had a chance to let Federal officials know how they felt about the handling of the crisis. They did not have many favorable comments.

The subcommittee members also quizzed the State Department's terrorism ambassador about the handling of terrorism warnings but did not receive satisfactory answers.

That is why we need this commission.

This Commission will look for some answers. Knowing what happened and how the same tragedy could be prevented in the future may be some comfort to the families of the most recent victims.

These families and the American public have a right to know the truth.

Congress should act to help them get it.●

U.S. ELECTRICITY SUPPLY AND DEMAND THE NORTHEASTERN REGION

● Mr. JOHNSTON. Mr. President, today the Committee on Energy and Natural Resources held a hearing on the supply and demand for electricity in the Northeastern United States—New York and New England.

For several years the committee has been aware of a trickle of predictions of an impending electricity shortage in the Northeast. The economy of the Northeast has improved in the last decade. The consumption of electricity has increased.

This year, the trickle of predictions has become a flood. Consumption of electricity in the Northeast is up sharply. Supply has not increased. Existing capacity is under severe strain. Reliability is eroding to a dangerously low level.

Utilities in the Northeast are scrambling to meet demand. They are buying power from new sources, including sources in Canada. They are extending the life of existing plants. They all have demand reduction programs—improving efficiency, but also reducing voltage and curtailing customers. They are trying to build some new capacity—oil-fired capacity. None of it is enough.

In the middle of this emerging crisis are the Shoreham and Seabrook nuclear plants. By the end of this week, a decision will likely be made to close the Shoreham plant.

This is an 800-megawatt nuclear reactor, fully completed, almost certain to be licensed by the Nuclear Regulatory Commission, located right in the middle of an area that desperately needs power. Yet an extraordinarily bizarre set of measures will be imposed to avoid the use of this perfectly good plant. Under the arrangement proposed to compensate the utility that built the Shoreham plant, it appears that the ratepayers of Long Island will pay three times for Shoreham—for its construction, its destruction, and its replacement.

Mr. President, Secretary of Energy James D. Watkins has written a very compelling article for the Long Island Newspaper Newsday on the situation that will result on Long Island if the Shoreham plant is not permitted to operate. The Secretary presents a clear analysis of the Shoreham issue and does not mince his words. I recommend this article to my colleagues and ask that it be printed in the RECORD.

The article follows:

THE SHOREHAM DEAL IS STUFF AND NONSENSE

(By James D. Watkins)

If State officials have their way, this Saturday, two weeks after April's Fool's Day, about 2.5 million New Yorkers will be hornswoggled into footing the bill for one of the most foolish deals in the nation's history.

What's at stake is the $5.5-billion Shoreham nuclear power plant. State authorities want to buy the plant for $1, dismantle it and pass the bill on to consumers in the form of increased electricity rates and to federal taxpayers in the form of a massive $2.5-billion tax write-off. The state wants to settle the day after tomorrow.

Conceived in 1965 at a cost of $500 million, Shoreham was intended to come on line in 1971 to address Long Island's increasing demand for electric power and to reduce its almost total dependence on oil to generate electricity. Today, 18 years and an extra $5 billion later, Shoreham is ready to operate, but it is forced to sit idle as it has for the past five years—despite a need for its power that is greater than ever. Yesterday, the New York Power Authority approved the closure plan, 3-2. The Long Island Power Authority is to consider it today.

If you are not yet convinced that the Shoreham saga comes straight from "Alice in Wonderland," then ask yourself the following questions:

How can state and local officials claim they will provide reliable electric power into the future when brownouts are already occurring on Long Island? Residents face likely brownouts this summer and in the years ahead. With peak demand having grown an average of 4 percent per year for the last six years, and given the fact that the Long Island Lighting Co. ran at 98.6 percent of capacity last year during its highest load days, elementary arithmetic tells us that Long Islanders are in for tough times ahead. When demand outpaces supply, will the politicians have the courage to tell their constituents to sweat more in the summer? "Off with their heads!" exclaimed Wonderland's harping Queen toward many of her subjects. She finally provoked Alice to "give a little scream, half of fright and half of anger," and awaken to the real world.

How can officials declare that Shoreham is unsafe and that evacuation is impossible if they refuse to participate in emergency planning exercises?

The Nuclear Regulatory Commission holds the responsibility for establishing the highest standards of safety for the development and operation of nuclear facilities across the nation. And the NRC has declared repeatedly that Shoreham is safe and that emergency evacuation plans are more than adequate.

In addition, the NRC has almost completed its exhaustive licensing process, and Shoreham could well be licensed within the next two weeks. The state has not raised similar objections to the six other nuclear power plants operating safely and without harm to the environment in New York.

Unfortunately, no simple solutions or easy alternative answers can be found to meet Long Island's energy needs without Shoreham. The most likely alternative sources of energy either are not presently available or have significant drawbacks. Generating substitute electricity from fossil fuels will increase smokestack emissions substantially. Do state officials suggest that this alternative provides an appropriate response during a time when the nation is moving to address concerns about acid rain and the possible greenhouse effect? The operation of Shoreham would not contribute to either of these concerns. Unlike the Mad Hatter's Tea Party in Wonderland, time is not frozen still. The tea party must come to an end. Environmental concerns must be addressed, and the sooner the better.

With all the promise of clean coal technology, it will not be available in time to meet Long Island's critical need for increased capacity. Nor is oil-fired generation the answer. It would cost from two to five times more per kilowatt-hour than Shoreham-produced electricity. It would also increase America's dependence on insecure imports. Natural gas is in limited supply on Long Island, and building new pipelines would be costly and time-consuming. Which option do the opponents of Shoreham suggest we take?

New York burns almost a quarter of all oil used in the United States to produce electricity—more than any other state. And LILCO is the only major utility in the continental United States that relies exclusively upon imported oil (with some gas in the summer) to meet the needs of its customers. To replace Shoreham's nuclear power would require about 8 million barrels of oil a year. Decommissioning Shoreham would thus represent a significant setback for U.S. energy security.

Today there is widespread consensus on the importance of informed management and excellence of operation that is unparalleled in the nuclear industry. Yet the state's settlement agreement with LILCO requires that Shoreham be transferred to the Long Island Power Authority. How is it possible for anyone today to agree to transfer the complex technological facility that is Shoreham to a shell organization with no expertise, no experience and no leadership in nuclear matters?

In a word, how could this all happen in this country? American technological leadership pioneered nuclear power for the world, and will we now refuse to operate one of our most modern, sophisticated nuclear power plants?

To move ahead on the dismantling of Shoreham would be utterly irresponsible—irresponsible to the Long Islanders who would be asked to foot the bill and irresponsible to all Americans who would be asked to shoulder a diminished energy security.

Ten years after Three Mile Island, with the nuclear power industry having committed considerable resources to learn its lessons, more than 100 nuclear power plants now operate safely in the United States. These plants produce one-fifth of the nation's electric power, making nuclear energy our second largest source of electricity generation and a vital component of our energy strength.

America's commercial nuclear industry has been guided by heightened attention to stringent standards of safety and excellence in operations. And Shoreham's is a prime example of this commitment and of improvements in technology.

One dollar for a $5.5-billion testament to American technological knowhow, only to dismantle it?

Even Alice's Wonderland does not contain such anomalies. "Sentence first—verdict afterwards," snarled the Queen furiously. Such a travesty of reason prompted Alice to reply: "Stuff and nonsense! Who cares for you? You're nothing but a pack of cards!"

Let us hope that reason will likewise prevail for us. Let us hope that Shoreham will soon be licensed and put into operation.●

GREEK INDEPENDENCE DAY—A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY

● Mr. PACKWOOD. Mr. President, I rise today to make note of an observance which took place during our recent March recess—"Greek Independence Day—A National Day of Celebration of Greek and American Democracy."

At the height of the romantic movement in English literature, the poet Shelley exclaimed "We are all Greeks! Our Laws, our literature, our religion, our art, have their roots in Greece." While this sentiment must be read with some sense of poetic license, it is true in all respects.

One cannot imagine a student of any of the liberal arts being unfamiliar with Greek thought. For the historians, there is Thucydides; for the literati, there is Sappho and Homer. The dramatists can find their roots in either the comedies of Aristophanes or the great trio of Athenian tragedians—Aeschylus, Sophocles, and Euripides. For the social scientists, the backdrop of Greece provides a panorama of the struggle of western civilization through the centuries. The archaeologist finds in Greece a treasure trove as rich as any in the world. The biologist and chemist are provided with lands rich in minerals and three seas teeming with wildlife.

Most important, however, to us as citizens of the Republic, is the Greek invention of democracy. Although our representatives form of government is many generations removed from the noble Athenian response to tyranny, we share an undeniably common heritage. The founders of our country certainly knew the power of Greek thought and the history of the Athenian experiment in democracy. That wisdom, which we acknowledge in marking this day, has made us richer as a nation and more diverse as a people.●

AMERICAN BUSINESS AND THE JAPANESE PATENT SYSTEM

● Mr. ROCKEFELLER. Mr. President, one of the most important trade issues being discussed at the present time involves the protection of intel-

lectual property. The United States has long held to the principle that an inventor has the right to meaningful protection for his invention and that others should not be allowed to steal it from him. Books, music cassettes, movies, and computer software must all be protected against illegal copying. The improper use of a company's name and reputation must not be allowed.

It can cost many millions of dollars to make a patentable invention or to write a computer program. If a company cannot sell its product and recoup its research and development costs, the next product will not be developed. The degree to which we protect patents and other intellectual property goes to the heart of a successful industrial society.

I have been concerned for some time about the treatment American companies, especially those in the high-tech area, receive when they apply for patents in Japan. I recently chaired a hearing in my Foreign Commerce and Tourism Subcommittee in which we looked at the effects of Japan's patent system on American business. This was the second hearing I have chaired on this issue in the past 9 months.

I have to report, Mr. President, that there has been little progress in resolving the issues raised at our first hearing. Although there is significant cooperation between the United States and Japan on intellectual property issues in international forums such as the Uruguay Round, the World Intellectual Property Organization, and trilateral discussions with the European Patent Office, American and other foreign companies, especially high tech industries, still face daunting problems with the Japanese patent system.

At both hearings, specific difficulties were outlined in detail by witnesses representing the U.S. Government, a cross-section of American industry, and academia. The list of problems is long. Let me give several examples.

It takes an average of more than 6 years to obtain a patent in Japan, versus 19 months in the United States. The delay in Japan's patent system is an open invitation to copying and abuse. There are many measures Japan could take to reduce this delay in its issuance of patents, including doubling the number of patent examiners, altering the system that allows an applicant to deter examination of his patent application for up to 7 years, and working with Japanese industry to eliminate the filing of unnecessary applications and applications of limited value.

Patent claims in Japan are interpreted very narrowly, thereby allowing others to make minor changes in the patented invention and avoid liability for infringing the original patent.

The Japanese Patent Office only permits the use of foreign language terms in patent applications in extreme situations. In contrast, the U.S. Patent Office, as well as the European Patent Office, accepts foreign language applications and allows applicants 2 months to submit translations.

Patent flooding by Japanese companies continues. This is a practice whereby Japanese competitors file large numbers of applications for improvements on the original invention, making it necessary for the owner of the original patent to cross-license his technology if he wants to be able to offer his product in the improved manner.

This is just a sample of the problems that should concern us all. There is a plethora of other areas where improvement needs to be made to assure that foreign firms are not disadvantaged by the practices permitted by the Japanese patent system. Many of these were listed in a sense of the Senate resolution I introduced last August and that was passed unanimously by this body. That resolution called on the administration to give this issue higher visibility and to use all possible avenues to get the Japanese to correct their patent system.

American industry is very concerned about these problems. Last year, the United States-Japan Business Council formed a joint patent task force. The chairman of the United States side of the task force testified before the subcommittee that he attempted to establish with his Japanese counterparts certain basic principles that have been the subject of public criticism. I quote from his testimony:

> These related to the principle that there should not be interference in patent examination and adjudicative processes by political organs of government and the idea that patent applications should be filed only on inventions made by the applicants and not on inventions copied from others.

It is inconceivable to me that the Japanese members of this task force were unwilling to subscribe to these basic principles of intellectual property protection—that politics should be kept out of the patent office and that patents which are merely copies of other inventions are unacceptable.

The second meeting of the United States-Japan Working Group of Intellectual Property has just been held. This is part of our government-to-government trade dialog and is chaired by Mike Kirk, the Assistant Commissioner of Patents for External Affairs. Given the significant trade implications of the issues at hand, I had hoped that the Japanese representatives would be prepared to negotiate seriously. Once again, however, little progress on patent issues was made, and I am very disappointed by this lack of results. Japanese Government officials have failed to recognize the critically important trade ramifications of these patent problems. This cannot continue, and it is possible that the time has come to take a more aggressive stance toward Japan.

Mr. President, last week Donald Quigg, the U.S. Commissioner of Patents and Trademarks, gave a speech entitled "US/Japan Intellectual Property Rights and Trade Policy" before the Japan-American Society of the State of Washington. Mr. Quigg provides an excellent summary of the patent problems confronting American businesses in Japan. He also has included Japanese comments on his criticism and, to repeat what I said earlier, the Japanese Government is ignoring the damaging trade effects created by their patent system. I commend this speech to my colleagues and ask that it be included in the RECORD.

The speech follows:

UNITED STATES/JAPAN INTELLECTUAL PROPERTY RIGHTS AND TRADE POLICY

(By Donald J. Quigg)

Thank you for inviting me to be a part of this very fine program, and for the opportunity to address the major role intellectual property plays in the global economy.

We live in an ever increasingly interdependent global community where economic power is the major new force * * * A world created by American creativity and technology * * * A world, however, no longer singularly dominated by American technology.

For the next few minutes, I would ask that you look beyond the confines of the typical intellectual property professional, beyond the world of prosecution and litigation, and beyond the issues of infringement and licensing, and clients, and billings.

Try, if you will, to see just where intellectual property protection fits into the greater scheme of things—how it relates, for example, to technological progress, to the competitiveness of established businesses and the nurturing of new ventures, to the social well-being and the national economy.

You will see that this interrelationship appears more evident than ever before in the 200 years since Thomas Jefferson was examining patent applications. A great deal is riding on the strength of our intellectual property protection system. And I'm not just talking domestically. America's success in international markets will be increasingly dependent upon the establishment of sound and fair systems of protection throughout the world.

In the past few years we have heard much about the ground we have lost in most sectors of world trade. If we are going to reverse that trend, we must create an international intellectual property protection system that will assure a growth of multilateral trade for everyone.

In many cases, the effects of inadequate intellectual property protection on trade are obvious. For example, if a country's patent law does not cover pharmaceutical inventions * * * or the term of protection is very short * * * or the penalty for infringing a patent is very small * * * people can make and sell a pharmaceutical in competition with the inventor's product. The pirate probably can price the pharmaceutical far lower than the inventor can, because the pirate has no research and development

costs to recoup. The more product the pirate sells, the less the inventor exports.

The effect of Japan's patent system on our exports is not this obvious. Compared with the patent laws of many countries, Japan's patent law is good. Most inventions are patentable, protection extends for 20 years from the date the application for a patent is filed (but no more than 15 years after the patent is granted), and courts can grant both injunctions and damages to a patentee whose patent is infringed. But as Alfred Korzybski has said, "The map is not the territory." To determine whether the law has adverse trade effects, you must look at how the law actually works.

Japan's law appears to be administered in a way that makes it a formidable, but subtle, trade barrier. An inventor's competitors can use the law to delay, almost indefinitely, the issuance of a patent for the invention. Competitors can use an invention before the patent issues without the inventor's authorization because it is very difficult for the inventor to seek damages and next to impossible to obtain an injunction before he has a patent. In other words, they indirectly have a massive mandatory licensing system. This is particularly bad if the invention has a short life.

The Japanese were given a copy of this speech last week and responded that many of my comments about their system are unfair. Their comments with respect to what I have just said are:

(1) The unexamined publication system is well established in the world.

(2) Applicants are provided with the right to demand payment of compensation, for the use of invention disclosed in the publication of unexamined application.

(3) After publication for opposition, inventors can exercise the right to injunction and compensation.

In Japan, however, an unauthorized user can develop improvements in connection with an invention and apply for patents on those improvements, making cross licensing almost a requirement for an inventor who wants to do business in Japan. The threat of compulsory licenses enables Japanese competitors to obtain licenses at favorable rates. They then can produce and sell products that compete with the inventor's in the Japanese market and, often, elsewhere. That means fewer U.S. exports to Japan. Perhaps one means of combatting this is for the U.S. inventor to make sure that all possible uses of the invention are disclosed in the early basic application.

The Japanese response to the latter situation was:

(1) As you know, inventions without inventive steps are not entitled to patent.

(2) Cross licensing is a common form of business transaction in the world. Cross licenses are established after careful evaluation of the patents involved between parties.

(3) Thus cross licensing in Japan need not be disadvantageous to the owners of basic patents.

However, as the saying goes, "Justice delayed is justice denied." The opportunity for delay under Japan's law appears to be limitless. A major cause of delay, we believe, is that the Japanese Patent Office is seriously understaffed to handle the volume of application it receives. Last year, approximately 511,000 patent and utility model applications were filed with the Japanese Patent Office contributing to a backlog of approximately 2.5 million (of which 627,000 have requested examination). Their Office has approximately 860 patent examiners to handle those applications. Even if you subtract 50% of the applications which will never be examined, that leaves a huge number of applications per examiner. The Office has announced plans to hire approximately 35 new examiners this year. Some improvement!

In contrast, the U.S. Patent and Trademark Office has approximately 1500 patent examiners and we plan to add 245 more per year over the next several years. Since 1981, we have increased our examiner corps from around 800 to the current level and, as a result, we have been able to reduce the average pendency of patent applications from about 25 months to 19 months. Pendency in Japan is approximately 5 years (a 2 year period before examination is requested and a 3 years period to complete the examination).

A major cause of delay in processing applications * * * is understaffing. The problem is exacerbated because examiners do not appear to include all of the reasons for the rejection of the application in a single Office action to which the applicant could respond. Instead, examiners appear to reject an application on a piecemeal basis. They will reject an application on a single issue. If the applicant overcomes that rejection, either by convincing the examiner or by appealing the matter to higher authority, the examiner will only then apply another possible reason for rejection. This can go on indefinitely.

The Japanese response was:

(1) Examiners are supposed to examine swiftly and appropriately.

(2) Examiners are supposed to indicate reasons for rejection as comprehensively as possible.

(3) The JPO provides enough opportunity for response to applicants including cases of insufficient translation.

This does not address what actually takes place.

Competitors of an applicant can use this apparent practice of rejecting an application one reason at a time to their advantge. Once a patent application is published, 18 months after it is filed, outside parties can submit information to show why the published application should be rejected. The information can be submitted in writing, by telephone, or in a personal interview with the examiner. Although the person submitting the information will be notified whether the information is used, the applicant, currently, is not told that any information was supplied. The only way the applicant can learn if its application has been reviewed by anyone or that someone has submitted information about invention's patentability is to review the application file on a regular basis. That can be very costly for a foreign firm. At a meeting last week of the Working Group on Intellectual Property under the US/Japan Trade Committee, the Japanese Government promised to modify this practice by notifying the applicant and keeping a record in the file of all communications with outside parties.

But, a Japanese competitor can still use the system by reviewing published applications and submitting information to the examiner—a little at a time. If the examiner rejects the application on the basis of one submission, the competitor can wait to see whether the applicant is able to overcome the rejection. If the applicant does overcome the rejection, the competitor can submit more information. If the examiner decides that the invention is patentable, the competitor can use the same information to oppose issuance of the patent. In essence, the competitor gets two bites at the apple all before a patent issues.

Often several competitors will file oppositions if an examiner decides that an invention is patentable. Each opposition may be based on the same or different information. Each competitor has only the cost of a single opposition. The applicant must bear the costs of translating and responding to each opposition. Many applicants, particularly small businesses, either agree to license the competitors at low rates or give up entirely. Either way, the local competitors win.

The Japanese say:

(1) The opposition system is well established all over the world.

(2) Excluding exceptional cases, the number of oppositions filed against an application is normally small. (1.8 on average).

(3) Opposition provides a relatively inexpensive system for the stabilization of patent rights.

Nevertheless, the Japanese examiners also appear to require much narrower claims than would be allowable in the United States. They do this by requiring actual working examples for each claim. In the United States, an applicant must disclose his invention so that one skilled in the art could practice the invention, but we do not require working examples for everything claimed. Obviously, the narrower the claim, the easier it is for someone to "invent around" a patent by making minor modifications.

Competitors do "invent around" significant inventions for which applications are pending. Many times the competitors will file many of their own applications for small improvements of the basic invention. The applicant finds that it must oppose many of these applications or license those competitors in order to be free to sell its own product in Japan. Once again, maybe a portion of the blame lies with the U.S. attorney who prepared the case.

The Japanese respond by saying: If the applicant discloses his invention in the specification in such a manner that one skilled in the art could practice the invention without difficulty, examiners will not require actual working examples for everything claimed, or require narrowing of claims. This is one of the topics of the Trilateral Conference.

However, if a patent owner refuses to give owners of dependent patents licenses, they can apply to the Japanese Patent Office for a compulsory license. It has never been necessary for the Japanese Patent Office to issue a compulsory license because patent owners agree to licenses rather than have the Government force them to do so. His product then must compete with his licensees' products in Japan and that reduces his sales. The license fees he receives are significantly lower than his profits would have been.

The Japanese say:

Mr. Quigg's charge is totally unfounded.

Impartiality and transparency of the proceeding concerning licensing are guaranteed.

Compulsory license is not granted if it would unjustly injure the interests of the owner of basic patent right.

As you can see, the Japanese Patent Law acts as a formidable trade barrier for foreign businesses. The U.S. Government has been working multilaterally and bilaterally to eliminate the barriers it creates. Under the auspices of the World Intellectual Property Organization in Geneva, both the

United States and Japan are participating in negotiation of a Draft Treaty on the Harmonization of Certain Provisions in Laws for the Protection of Inventions. This effort, which began in 1985, has produced a Draft Treaty of more than 20 Articles, some with rules. If ultimately adopted by Japan, the treaty would bring about some significant improvements in Japan's Law—broader claims and a longer "grace" period, for example. The United States would have to change its First-to-Invent practice in favor of First-to-File, as part of a balanced package of improved protection standards internationally. We tested the water with that announcement—and the ripples are still spreading around the world.

Sentiment on that point within the United States seems to range from "never" * * * to * * * "let's dispose of 'First-to-Invent' unilaterally." But in the context of the Geneva meetings, I emphasized that we would give it up only if it were part of that "balanced package." I want to explain exactly what I mean by that.

We are looking for equally significant concessions on the part of our partners in such a treaty. Stated in another way, we expect to eliminate or modify elements in laws of various countries that tend to tilt the playing field against inventors of other countries. We expect to gain items of interest of the United States * * * items such as an international grace period, a broad definition for patentable subject matter, an adequate patent term, among a number of other things.

Also, we are relying upon your advice in pursuing these harmonization discussions. We need and will seek the active participation and advice of the bar, U.S. industry and the Congress in this endeavor. So do not hesitate to become involved, to give us your opinion—or to voice that opinion to your bar representative.

We also are discussing harmonization of patent laws with Japan and the members of the European Patent Convention. These talks, called "the Trilateral," began as discussions among the European Patent Office, the Japanese Patent Office and U.S. Patent and Trademark Office regarding harmonizing our automation systems.

For example, automation discussions included strategies for sharing electronic system design criteria, patent data standards for storage and retrieval, and so on. Then, the Trilateral sessions started to explore the possibility of harmonization of certain examining practices in the three offices. "Unity of invention" and "inventive step" were the first topics addressed, followed by such additional topics as administrative procedures. For example, those involve specific requirements for claiming priority, timing and scope of amendments, and for filing applications in languages other than the official language of an office.

Still later, the Trilateral sessions turned to the subject of scope of patent coverage, particularly for biotechnology and computer-software-related inventions. They also began to address disclosure requirements. So it was that the Trilateral gradually entered a broad patent law harmonization arena, topic by topic.

Since these discussions have expanded to numerous topics, the 13 member states of the European Patent Convention had to be added because the European Patent Office does not have authority to speak for the member states about issues that would require changes in national law or in the convention. The larger group, called the "Club of 15," met last fall for the first time and decided to coordinate the positions the group will take in the WIPO harmonization discussions as well as to analyze areas in which the laws and practices of the members of the Club of 15 might be harmonized.

During the sixth Trilateral Conference last October, the U.S. Patent and Trademark Office, the Japanese Patent Office, and the European Patent Office finalized and agreed upon a text for harmonizing the unity of invention practice. We now need to obtain authorization to implement this practice.

Under the General Agreement on Tariffs and Trade (GATT), we are working with the Japanese and other countries to establish minimum standards of protection for each form of intellectual property, including trade secrets and rights in semiconductor chip mask work lay-out designs. The Japanese have been very helpful in GATT in opposing the effort by certain developing countries to block progress. The negotiations in GATT, however, are not designed to harmonize laws, but to establish minimum levels of protection worldwide and to provide a means for resolving disputes between countries if one believes that another is not fulfilling its obligations.

We also are working with the Japanese bilaterally on those issues that are of concern to us which are not being addressed in WIPO, GATT or the Trilateral. It is in the U.S.-Japan Working Group on Intellectual Property that we are addressing the delays caused by understaffing. We are also negotiating regarding copyright issues involving computer software and sound recordings, trademark issues, trade secret protection, and other matters such as internal and border enforcement of intellectual property rights. The Working Group met most recently last week.

I am hopeful that, over time, these efforts will bear fruit, that the patent laws of the world will be harmonized.

George Bernard Shaw wrote something, often repeated by others, that I believe is appropriate here. "You see things and say, 'Why?', but I dream things that never were, and I say, 'Why not?' " I dream of a day when an inventor, to get protection worldwide for his invention, will be required only to file one patent application in his native language in his own country. The processing of the application will be done once according to standards set internationally by treaty. If the patent is granted, the inventor will merely register his right with the other countries in order to be protected. To make sure that the patents are interpreted uniformly in each country, it would be necessary to have an international court of patent appeals.

In today's global economy, we must work in partnership with Japan and all the other countries of the world. There is no surer way of impoverishing ourselves than to try to go it alone by not working with the other countries of the world.

By not working with our trading partners, I think of the story of a Sunday school teacher who asked her class, "Who wants to go to heaven?" All the children raised their hands except for one little boy in the back of the room.

The teacher, astounded, says, "Charlie, don't you want to go to heaven?" "Yep," he says, "but not with this bunch."

As I said at the beginning, we live in an ever increasingly interdependent global community no longer singularly dominated by American technology or trade.

To paraphrase Commissioner Yoshida, at one of our recent meetings, "It appears that we all have basically the same dreams for the future of patents on an international scale. Of course, we cannot be satisfied with leaving them only dreams. We now have the responsibility of striving to contribute to the development of patent harmonization throughout the world."

I believe our current efforts will help achieve that harmonization and thereby enhance America's success in the international markets.

Thank you very much.●

TRIBUTE TO MARIAN ANDERSON

● Mr. LIEBERMAN. Mr. President, this past Sunday marked the 50th anniversary of an important event in our Nation's history. On April 9, 1939, Marian Anderson gave an inspirational concert from the steps of the Lincoln Memorial which was attended by over 75,000 people. This performance came in the aftermath of Marian Anderson being denied the right to perform in Constitution Hall simply because she was a black woman. Her courageous concert signaled the long-awaited beginning of a new era of civil rights about to descend on our Nation.

In early 1939, racial barriers threatened to prevent Marian Anderson's performance in the Nation's Capital. Originally scheduled to sing at Constitution Hall, Marian Anderson was barred from performing there because the owners of the building, the Daughters of the American Revolution, at the time maintained a strict segregationist policy, disallowing blacks from giving performances there. However, Marian Anderson's loyal supporters were not deterred from their mission to share her beautiful voice and mythical lyrics with the people of America. Under the banner of the Marian Anderson Citizen Committee, local citizens, international performers, the NAACP, and First Lady Eleanor Roosevelt secured permission to use the Lincoln Memorial.

On the eve of this historic concert, filled with doubts concerning her own leadership ability and misgivings about the political nature of the event, Marian Anderson asked her manager, "Must we really go through with this?" But on Easter Sunday 1939, Marian Anderson bravely took control of the controversy she never felt suited to lead. Singing before a crowd of thousands of concert goers—both black and white—Marian Anderson gave an enchanting performance for all to remember. Her encore, "Nobody Knows the Trouble I've Seen," revived and captured the dreams of those who stood in reverent and awe-struck silence.

Without a doubt, this concert helped to bring to light the dire plight of blacks to all Americans. Supporters of Marian Anderson raised the conscious-

ness of all Americans to the hypocrisy of condemning the Nazi movement in Germany, while simultaneously tolerating racial discrimination at home. Moreover, as historian Constance McLaughlin Green noted, the Anderson incident jolted white America out of its assumption that,

* * * Negroes with ambition and talent could make their way anywhere, for here was a woman of utmost distinction treated as an obnoxious nonentity. Marian Anderson revealed to the nation the depths into which white ignorance and prejudice had forced all Negroes.

Marian Anderson's concert at the Lincoln Memorial 50 years ago was a turning point in the area of race relations in our country's history. Her contributions to the culture of American music and to the advancement of black Americans will never be forgotten by those of us who continually strive to bring social, economic, and political justice for all Americans.

On August 12, 1989, at a concert at Western Connecticut State University's Charles Ives Center for the Arts, Miss Anderson, a resident of Danbury for over 40 years, will be honored for her musical talents and many contributions to American society.

I urge my colleagues to rise with me and pay tribute to one of Connecticut's living legends and heroes of the early civil rights movement. As we look back at Marian Anderson's inspiring performance at the Lincoln Memorial, we can be proud of the advancements which our country has made in the field of civil rights, but we must also be reminded of the ground left to be covered by those of us committed to fighting for equality for all Americans.●

THE AMERICAN TRUST ACT

● Mr. PRYOR. Mr. President, I recently became a cosponsor of the American Trust Act (S. 370) which was introduced by my distinguished colleague from Rhode Island, Senator CHAFEE and in the House by the sage gentleman from Arizona [MO UDALL].

I am proud to associate myself with this legislation which restructures the Land and Water Conservation Fund [LWCF] and creates a permanent Federal fund dedicated to assisting State and local governments preserve our natural and historical heritage. The proposal is based on recommendations made by the President's Commission on American Outdoors.

I commend Senator CHAFEE and Congressman UDALL for their innovative approach in funding this proposal. The bill is designed to be self financing and is accomplished by first merging the Land and Water Conservation Fund with the Historic Preservation Fund. The revenues from these programs will then be invested in interest-bearing accounts which in turn provide future revenues. Nine hundred million dollars in offshore oil and gas leases will also go into the fund thereby generating more revenue.

The ultimate goal is to build the fund to the level needed to earn approximately $1 billion in annual interest.

The Land and Water Conservation Fund has always been an important component in maintaining adequate recreation areas and facilities in my State of Arkansas. Recreation plays a vital role in the Arkansas economy when you consider that tourism is the second largest industry in the State. The overwhelming majority of these tourists coming into Arkansas are brought there by our natural resources and facilities which have been acquired and developed for the most part by the LWCF.

Unfortunately, the funds available for this program have dwindled dramatically. In 1977, while I was privileged to be the Governor of Arkansas, over $3.5 million was available in the Land and Water Conservation Fund for our State. Today, there exists a mere $225,000.

I believe the American Heritage Trust Act will provide a stable, reliable, and self perpetuating source of funding that will allow all of our States to meet their basic recreation needs. It is my hope this proposal will soon be acted upon favorably by the Senate.●

RETIREMENT OF LEONARD E. JOHNSON

● Mr. SARBANES. Mr. President, with the retirement on May 1, of Leonard E. Johnson, a doorkeeper of the Senate, this body will lose a truly dedicated public servant. Mr. Johnson, a native of St. Mary's County, MD, has served with distinction as a doorkeeper since October 1975.

My colleagues can attest to the very special services he has provided to Senators and visitors alike over the years. He has served as a doorkeeper under six Sergeants at Arms, always performing his duties with enthusiasm, efficiency and patience while maintaining a sense of humor, which has earned him the respect and friendship of the Members of the Senate and his coworkers.

I want to express my gratitude for his dedicated service to the U.S. Senate. I wish him continued success in all his future endeavors and the time to enjoy his retirement with his wife, Norma, their two daughters and grandchildren.●

BIAGIO DILIETO, MAYOR, NEW HAVEN, CT

● Mr. LIEBERMAN. Mr. President, I rise today to honor a man who has dedicated most of his life to serving the people of his city and my hometown, New Haven, CT.

Biagio DiLieto, mayor of the Elm City, recently surprised many of us in Connecticut when he announced that his current term would be his last. His decision was not an easy one, I'm sure, for he loves public service and the city he has run so effectively for the past 10 years.

But his decision to retire at the end of this year was consistent with his values as a family man, devoted to his wife, children, and grandchildren. All of us who serve in Government know what a sacrifice it can be, forcing us to forgo many moments we would like to be at home, enjoying family life.

Ben DiLieto accomplished what he set out to do, and while we will miss his leadership, we know it is the right course for him at this point in his life.

He leaves a legacy of strong, effective, and compassionate government. Building from a belief in the strength afforded by family, religion, and neighborhood, Ben DiLieto transformed New Haven into a community that has thrived on such rich roots. One need only start at the historic New Haven Green and walk to the north, east, south, or west and see the fruits of Mayor DiLieto's labor. The Shubert Theater, long darkened, now sparkles as the centerpiece of a rejuvenated entertainment district. Union station, for years a faded jewel, is freshly rebuilt and serves as a beautiful gateway to the city. Chapel Square, College Street, Whitney Avenue, government center—the list of accomplishments goes on.

Along with the physical improvements, Mayor DiLieto helped restore a community spirit that makes New Haven a great place to live and work. There is a renewed pride in the city, and it attracts ever more visitors from around the State and Nation.

Much of Ben DiLieto's success can be traced to his belief that a strong economy fuels progress for a community on many fronts. It builds housing, creates jobs, enhances recreational and cultural resources. Working with an enlightened business community, Mayor DiLieto spearheaded an economic renaissance for New Haven, attracting important businesses to the city and spurring investment in its neighborhoods. City block after city block has come alive thanks to the public-private partnership fathered by Ben DiLieto.

The $1.5 billion grand list is a sign of the economic vitality of New Haven. Throughout his years in office, Ben DiLieto helped increase that grand list by hundreds of millions of dollars, in sharp contrast to the stagnant economy experienced by New Haven in the 1970's.

With that kind of growth came improvements in the city's educational

system. Most recently, Mayor DiLieto initiated a major capital improvement project for the schools, which will include the construction of a new high school.

Ben DiLieto, a former New Haven policeman and chief of police, recognized the importance of public safety to the development of our community. To that end, he has worked tirelessly to increase the strength of the police department, particularly in response to the growing threat of drugs and the crime they cause. His street crime narcotics unit has made record numbers of arrests. To follow through on his city's crackdown on crime, the mayor has journeyed to the State legislature to argue for stiffer sentences and more prisons for criminals.

Perhaps closest to his heart are the older citizens of the city of New Haven, for whom Ben DiLieto has worked tirelessly, improving the quality of their lives. Thirteen senior centers around the city provide programs for 5,500 elderly citizens. The mayor has also increased the number of intergovernmental programs that benefit both young and old in the city.

Beyond all the public good wrought by Ben DiLieto, Mr. President, I want to emphasize most of all how much I value him as a friend. I will continue to rely on him for his counsel and support. "Nobody loves you when you're down and out," goes the old saying, but Ben DiLieto proved it wrong. During my tough times, he was there for me. When few others in the State were on my side, he was there. I cannot tell you how much I am grateful to him for that steadfast support. In fact, I would not be serving here in the Senate if it were not for his help.

Mr. President, Ben DiLieto has been a great mayor for New Haven, a devoted husband and father to his family and a trusted friend to me. As he completes his time in office and goes on to a richly deserved respite from the public eye, I wish him well, and I thank him for all he has done to improve the quality of life in my hometown.●

A BOLD INITIATIVE IN INTERNATIONAL ENVIRONMENTAL LAW

● Mr. CHAFEE. Mr. President, as many of my colleagues know, I recently led a delegation to the rain forests of Brazil where we witnessed first hand the magnificant beauty of the Amazon. We saw the intimate layers of life in this complex and exceptional environment, each layer connected to the next, each strengthened and dependent on its neighbor, until even our global climate system is seen, literally, to be interconnected.

I am encouraged by the fact that public awareness and understanding of our global environmental problems is growing. Our new challenge is to move from awareness to action. To help save our planet we all must take responsibility and we must take some initiative as well.

Recently, I received information about a bold new initiative in international environmental law that holds great promise in our battle to address global environmental challenges. This new initiative is described in a letter I received recently from the director of the International Program of the Sierra Club Legal Defense Fund, Durwood Zaelke, and his partner, Wendy Dinner. Both are talented environmental attorneys with whom I have worked on many occasions. I ask that a copy of Mr. Zaelke's letter be printed in the RECORD following my statement.

Their new initiative is to establish an Institute for International and Comparative Environmental Law at a university in the United Kingdom, with an affiliate in the United States. Shortly thereafter, a new international advocacy nongovernmental organization [NGO] will be established and based in London. The initiative is being undertaken in partnership with two British barristers who practice international environmental law in London, Philippe Sands and James Cameron. Mr. Sands, I am aware, has written an excellent book on the Chernobyl disaster. Mr. Cameron, together with Ms. Dinner, recently wrote a letter to the Washington Post on the Declaration of the Hague. Mr. President, I ask that a copy of the letter by Mr. Cameron and Ms. Dinner also be printed in the RECORD following my statement.

I commend this international team of lawyers for taking this important initiative to help protect our global environment. I am particularly impressed with the emphasis they will be giving to assisting developing countries and their sensitivity to the need for sustainable development. Their reference to the Brundtland Report is instructive. That report is a historic document with lessons and suggestions that will help us save our global environment. The report points out that critical role that NGO's, such as the new Institute and the planned advocacy organization, are being called upon to play; highlights the importance of sustainable development; and cautions that the needs of ordinary citizens throughout the world must be considered. Another important theme in the report is that of equity between generations as well as equity between nations.

We are at a critical point in the history of our planet. Global security from nuclear threats has suddenly been equaled by threats from environmental assaults. The "green" party is being embraced by politicians throughout the world. Citizens are demanding action. The World Court is being rediscovered.

At an international meeting in the Hague last month, a proposal to create a new organization that would be able to seek advisory opinions from the World Court on international environmental conflicts was discussed.

All of these recent developments set the stage for the new Institute for International and Comparative Environmental Law. A central goal of the Institute will be to expand the role of NGO's within the framework of public international law.

This international team of lawyers is taking the initiative and assuming a tremendous challenge. Yet if they are correct, and I believe they are, international law must and will change to embrace the tremendous power and vitality of NGO's throughout the world, just as many politicians in Western Europe are now doing.

International law must change in other ways as well. Treaty negotiations must be undertaken with a new sense of urgency. At the same time, adjudication and other dispute resolution techniques should be used where appropriate. The Institute hopes to encourage this as well.

In closing, I would like to say that I admire very much the courage of people who are willing to undertake such a bold venture. The time is ripe for change, and I wish this Institute the very best.

The letters follow:

SIERRA CLUB
LEGAL DEFENSE FUND, INC.,
Washington, DC, April 13, 1989.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Washington, DC.

DEAR SENATOR CHAFEE: I would like to thank you for the insight speech you presented in the Congressional Record on "the Global Environment, International Law and the Role of NGO's" (February 8, 1989), and for your kind reference to my letter to the New York Times on that same subject, which you inserted in your statement. (The letter was co-authored by Philippe Sands, a British barrister and lecturer in International and European Community Law in London.)

I also would like to let you know how much we have appreciated your encouragement to move forward with out efforts to expand the role of NGOs in the international environmental legal system.

Your leadership in the United States Senate and your international statesmanship have set an inspiring example for us and for countless others throughout the world who are dedicated to helping save our planet's fragile and interconnected environment. We thank you sincerely for your strong support on these important issues. We hope that your support will continue, and we look forward to working with you as we use our public interest advocacy experience to confront the challenge of international environmental threats.

To help meet the challenge, Philippe Sands and I, along with Wendy Dinner (my partner at the Legal Defense Fund) and James Cameron (a British barrister) are establishing a new Institute for the Development of International and Comparative En-

vironmental Law, to be affiliated with a university in the United Kingdom (we have already received enthusiastic support for this effort from both Cambridge University and Kings College, London University). We also anticipate that the Center will be affiliated with a law school in the United States.

The Institute will assist governments, environmental NGOs, and the private sector in all aspects of the international legal protection of the environment. The Institute will investigate transboundary, regional, and global environmental threats; explore existing legal principles; and propose various methods for resolving such threats under the rule of law, and litigation in various fora, such as the International Court of Justice. The Center also will provide assistance in drafting new legal principles for use in negotiating additional treaties to protect the environment.

We are particularly sensitive to the need for sustainable development, as set forth so clearly in the Brundtland Report on environment and development, and are thus dedicated to providing assistance to developing states, which may not otherwise be able to afford such services (though they often are asked to make considerable sacrifices to protect the global environment).

The original concept for the international environmental law Institute was proposed last Spring by Philippe Sands and his partner James Cameron. A recent letter to The Washington Post by Mr. Cameron and Ms. Dinner on the global environment is attached.

Finally, we also are proposing to establish by the end of the year a new international legal advocacy NGO to represent environmental groups such as Greenpeace, and Friends of the Earth, as well as to represent states, especially it is hoped, developing states.

We look forward to your continued support, and thank you for your tireless efforts on behalf of all the world's environment.

Respectfully,

DURWOOD ZAELKE,
Director, International Program.

[From the Washington Post, Apr. 1, 1989]
(Letters to the Editor)

SMALL PRICE FOR A BETTER ENVIRONMENT

Two recent events suggest that we may be nearing the day when international environmental laws and treaties can actually be enforced. This is a most welcome sign. On March 9 the Soviet Union announced its intention to accept the binding jurisdiction of the International Court of Justice (the World Court) in a wide range of human rights disputes (Around the World, March 9). A few days later, in the "Declaration of the Hague" 24 nations called for the rapid acceleration of international law, and international enforcement, to safeguard the global environment (news story, March 12).

The two events are intertwined. The U.S. State Department welcomed the Soviet announcement and expressed the hope that all five of the permanent members of the U.N. Security Council "would accept the jurisdiction of the World Court in disputes arising under a large number of treaties and international agreements." Presumably, this would include existing and prospective environmental agreements.

Meanwhile, at the Hague, 24 senior government ministers (Mitterrand, Kohl, Mulroney, etc.) declared—in language born of the human rights agreements the Soviets had just committed themselves to—that "the right to live is the right from which all other rights stem. Guaranteeing that right is the paramount duty of all states throughout the world."

The connections are plain: human rights and environmental rights are world problems that call for adjudication and enforcement by a world court. The development of principles of international environmental law is founded on the same premises and directed to the same ends as human rights law: by guaranteeing certain conditions for the preservation and dignity of every human being, human rights law aims to serve the interests of both the individual and the community of human society. In the same way, our environment is of both individual and community concern. The essence of that concern is the quality and even the fact of human existence.

These two recent developments increase the potential for the World Court to play a pivotal role in ensuring global environmental protection—a role that must begin soon. Environmental protection agreements, like human rights conventions, are only as good as states' willingness to abide by their terms. Absent the necessary political will to live up to these obligations, states will continue to pay mere lip service to protection of the environment, until some means of enforcement can be found.

The World Court provides one essential mechanism. Already, international standards for protection of the environment are emerging, such as the 1987 Montreal Protocol on chlorofluorocarbon emissions. Precedents for using law to protect the environment and to enforce environmental standards are also in place.

We must not waste this opportunity to join these strains together. Other states should follow the U.S. and Soviet lead by recognizing the jurisdiction of the World Court. If saving the planet requires the renunciation of a bit of state sovereignty, as President Francois Mitterrand of France suggested at the Hague conference, this small price is clearly not too dear to pay.

JAMES CAMERON,
Barrister and Director of Studies in Law, Clare College, Cambridge University.
WENDY S. DINNER,
Attorney, Sierra Club Legal Defense Fund, Washington.●

SECTION 89 OF THE INTERNAL REVENUE CODE

● Mr. CHAFEE. Mr. President, section 89 of the Internal Revenue Code was created by the Tax Reform Act of 1986, and has been the subject of a great deal of controversy. This section was incorporated into the Tax Reform Act to justify the Federal tax subsidy given to employer-provided employee benefits by ensuring that all employees are treated equally.

These rules were adopted as a compromise to remove the issue of taxation of fringe benefits from the negotiating table during the debate on tax reform. Given the enormous size of the Federal tax expenditure incurred through the tax deduction for the cost of employer-provided fringe benefits, I believe the general intent of the law is fair and rules such as these are necessary.

The purpose of section 89 is to require coverage of employees who are not highly compensated that is substantially similar to the coverage enjoyed by highly compensated employees. Questions about the equality of employee health coverage arose after studies showed that more than half of American citizens without health insurance were employed by companies that had an established health plan.

It is clearly apparent that these rules have become extremely complicated and impose an unreasonable administrative burden on the employers who provide fringe benefits to their employees. The concerns about the costs of complying with the complex section 89 eligibility tests must be adequately addressed to fulfill the original intent of the law.

It is important for us to develop nondiscrimination rules that can be complied with by businesses, administered by Treasury and the IRS, and which will justify the Federal tax subsidy for employee benefit plans. The hearing that has been scheduled by Senator BENTSEN in the Finance Committee is an excellent first step in examining this problem and developing a solution.

Yesterday, I voted in favor of a Sense of the Senate Resolution that requests the House of Representatives to provide us with an appropriate vehicle to either repeal section 89 or make the changes we all recognize are necessary in these rules. I am reluctant to support outright repeal of section 89, however, I believe we must do something to relieve the complex administrative burden that has been placed on American businesses by these rules. Outright repeal of section 89 would reopen the compromise developed in 1986 and put the whole issue of taxation of fringe benefits back on the table.

Mr. President, I hope the House of Representatives will take immediate action on the development of substantial modifications to reduce the complexity of these rules.●

MAINTAINING OUR NATIONAL DEFENSE

● Mr. WIRTH. Mr. President, given the reductions under consideration for the fiscal year 1990 defense budget, the question before Congress and the Department of Defense is how to meet budget goals while maintaining our national security.

The Congress and Secretary of Defense Richard Cheney face difficult choices among modernization, force structure, and readiness options. In the Monday, April 10, 1989, editorial page of the New York Times, Dr. Gordon Adams of the defense budget project published an open letter to Secretary Cheney offering an approach to the defense budget which focuses on the difficult hardware

choices we face. This article appeared along with articles by Adm. Stansfield, Turner, former Director of the Central Intelligence Agency, and Adm. William J. Crowe, Jr., Chairman of the Joint Chiefs of Staff, that dealt with the same subject. I commend the pieces to my colleagues as we deal with these choices.

Mr. President, at this time I would like to ask that the articles, "Defer Key Weapons," "Arm for Real Threats," and "Don't Cut A Winner," appear in the RECORD.

The articles follow:

[From the New York Times, Apr. 10, 1989]

THE CHALLENGE TO CHENEY AT THE PENTAGON

In response to severe budget pressures and to a perceived lowering of the Soviet military threat, there is an emerging consensus that Pentagon spending either must be held level or reduced. The question before Congress and the public is how to meet budget goals while maintaining military effectiveness.

Defense Secretary Dick Cheney reportedly wants to hold the line at the Bush administration's $309 billion request and to maintain existing force levels. He apparently would seek budget savings largely through cutting costs across the board and stretching out procurement schedules for new weapons.

In an Op-Ed article March 26, President Ronald Reagan's Navy Secretary, John Lehman, came out strongly against the approach that Mr. Cheney seems to favor. While acknowledging that spending cuts are inevitable, he warned against trying to sustain current military levels on a reduced budget. This would only produce armed forces "drastically compromised in effectivess . . . operations, maintenance, training and modernization," he said.

In Mr. Lehman's view, the best way to cut costs and maintain effectiveness is to transfer about a third of our forces from active to reserve status. By his estimate, this would save about $30 billion to $45 billion annually. "The only loss of military capability," he wrote, "would be the need for additional weeks or even months to mobilze for all outwar."

The following articles by Stansfield Turner and Gordon Adams present additional approaches to the debate. Adm. William J. Crowe Jr. develops the Pentagon's thinking.

DEFER KEY WEAPONS

(By Gordon Adams)

WASHINGTON.—Dear Secretary Cheney. Welcome to a tough job. You face, with some immediacy, the most important and difficult budgetary and policy decisions any defense secretary has faced since the 1940's. The pressures are severe. The Bush budget takes more than $6 billion away from the original Reagan defense request. Congress is likely to insist on additional cuts of from $5 billion to $10 billion.

Your choices are straightforward and serious: You can cut military forces quickly, reduce military readiness or defer production of a wide range of new military hardware programs scheduled to begin in the early 1990's.

Clear and definitive decisions on weapons programs are the key to your long-term ability both to control defense budgets and to insure that you deliver the forces appropriate to our security needs in the 1990's.

Say, for example; that you decide to produce all of the next generation of strategic offensive weapons. They will cost at least $140 billion to acquire, plus additional funds to operate and maintain. Nearly 40 percent of that is for the B-2 bomber alone. Funding for strategic defense is projected to rise to $10 billion per year by 1995. The new conventional programs are equally expensive.

Once these programs get under way, deficit reduction pressures will force you to cut military forces and readiness without benefit of a careful plan. Instead, you should defer new starts on hardware and set careful priorities, starting some programs and cancelling others.

Don't leave the choices to Congress and don't buy programs at inefficient rates, assuming you will get more funding later.

Historically, Congress hasn't had the stomach to cancel specific programs. But it does, and probably will, cut your budget. You need to take charge of the process and lay down guidelines that take into account the fiscal realities.

There are distinct advantages to deferring production of such strategic programs as the B-2 bomber, the proposed Midgetman and mobile MX intercontinental ballistic missiles and the advanced cruise missile, as well as such conventional programs as the V-22 transport, the SSN-21 submarine and the C-17 cargo plane.

A deferral would buy valuable time to increase your knowledge of defense needs. This, in turn, would enable you to set rational priorities, buying some systems and canceling others.

A deferral would allow you to meet the lower budget targets while freeing the services to avoid costly and inefficient "stretch-outs" of programs already under way (F-15, F-16 and M-1 tank). It would also allow you to carry out some important unfinished business such as cleaning up nuclear production facilities and repairing the B-1 bomber. In addition, you could retain adequate funding levels for training, maintenance and repair and ammunition.

A deferral also would allow time to test adequately programs the services want to produce. The V-22 transport clearly needs more testing; the SSN-21 has not been tested and the one existing B-2 Stealth bomber has not even driven down the runway.

Finally, a deferral would allow you to carry out the long-term planning current budgetary and international conditions make imperative, striking a balance between hardware, readiness and force structure that meets the conditions of the next decade.

You will be implored to reject this advice. Some will argue that you can always buy soldiers, supplies and ammunition in a hurry, but hardware takes time. You should reply that we have done an excellent job of buying hardware through the 1980's; we now need to finish those programs efficiently, while giving the services the chance to absorb them.

Others will say that weapons deferrals would be a sign of international weakness. But the willingness to defer may actually send the opposite signal—one of confidence that our current military strength is more than adequate.

You have to link available resources with security needs. Budgetary pressures give you the tool to do so. A deferral of new production would help link security decisions to future defense planning by insuring that the weapons you eventually choose to produce will meet the new security requirements.

ARM FOR THE REAL THREATS

(By Stansfield Turner)

MCLEAN, VA.—In scaling back the military budget, the natural inclination of our military leaders will be to preserve the existing mix of forces. That would be an unfortunate mistake.

There is considerable evidence that our military requirements are shifting markedly in response to Mikhail Gorbachev's new policies and to changing conditions in the non-Communist world. By adjusting our forces to the new requirements, we could cut the budget without sacrificing our real security needs.

Why not at least ask ourselves whether to devote as much money as we have in the past to nuclear deterrence, to the defense of Europe and South Korea (where we have forces deployed already) and to the projection of forces elsewhere around the world, if needed?

Start with nuclear deterrence. The Reagan-Gorbachev agreement in principle to cut each side's arsenal of intercontinental nuclear warheads in half sent a signal that neither side is thinking about initiating and winning a nuclear war. More is always better than less if you are going to war.

If the future is one of declining nuclear arsenals, then why invest in expensive additions to our nuclear forces? At a level of only half of our present forces, we would not have room for all the new nuclear systems now under development. The only possible reason to buy new nuclear systems today would be if our ability to deter nuclear war was in imminent danger of eroding. No reasonable person can believe that.

Part of the budget problem could be solved, then, by freezing all new nuclear programs, including the two mobile ICBM's, the B-2 bomber and D-5 missiles. We could also scale back plans to upgrade weapons.

We should, though, continue with research on the Strategic Defense Initiative. If we ever feel compelled to make our ICBM's less vulnerable, the first fruits of S.D.I. could be an ICBM defense that would cost less than expensive new mobile systems.

The second basic mission, defense of Europe and South Korea, has dominated military planning since the end of World War II. But those days are coming to a close, for two reasons: Moscow wants to save money by substantially reducing its conventional forces in the European theater and Americans are persuaded that we are paying more than our share for the defense of Europe.

We must be cautious about these changes. Nevertheless, it would be an extravagance at this point to buy equipment designed essentially for use in Europe. For instance, our best tank weighs so much that our largest transport aircraft can carry only two at a time. The Europeans might better provide such materiel.

Thus, a part of the Secretary's budget problems could be solved by freezing procurement of the following: Abrams tanks, Bradley fighting vehicles and heavy artillery that cannot be transported by air; high performance aircraft that require a complex support base; and large aircraft carriers, which are too expensive to risk in lesser wars, like the Persian Gulf.

Worldwide projection of power is the only mission that has involved our forces in combat in the past 44 years. There is little sign it will diminish in importance. There will be more Iran-Iraq wars, more instances of terrorism that call for rescue missions or bombing raids and more political instabilities in areas where we have a stake.

Our extensive preparations for war in Europe have left us ill-prepared for lesser battles around the globe. Our military performance in Korea, Vietnam, the Mayaguez affair, the Iranian rescue mission and Grenada were less than sterling. In the Persian Gulf, we lacked mine-sweepers and patrol gunboats. There were many reasons for these shortcomings. But the failure to think through our needs, train properly and procure the best equipment for these types of combat has to be the most important one.

This, then, is not an area where trends permit us to economize. Any new spending should go to amphibious forces, to airlift capability and to small aircraft carriers, which could be risked in support of small-scale operations. If no additional money can be made available, this should, at the very least, be the last area to be cut.

The coming military budget cuts could be a blessing in disguise. But only if Secretary Cheney seizes the opportunity to reshape military forces to match the security needs of today, not those of the 1950's.

DON'T CUT A WINNER

(By William J. Crowe, Jr.)

WASHINGTON.—The annual budget drill is now under way on Capitol Hill. A critical issue is spending for national defense—whether it will plateau or decline after adjustments for inflation. Ultimately, the issue will be resolved on the basis of concern about our national security and world conditions.

For a little more than 5 percent of the gross national product, the United States has fashioned a military establishment respected by friends and adversaries alike. The President, in turn, has gained the wherewithal and flexibility to deter major hostilities and to protect our global interests without going to war or bowing to the world's trouble makers. By and large, success is measured by nonevents.

In foreign policy, our global military strength is paying high dividends. The Warsaw Pact wants to reduce its threatening image and engage us in strategic and conventional arms reductions. Soviet forces have withdrawn from Afghanistan. Vietnam and Angola have concluded that they are in a no-win situation. The Iraq-Iran war has wound down. A comfortable supply of oil is flowing out of the Persian Gulf.

While the trends are favorable, it is premature to conclude that the Soviet Union will remain on a less threatening course, that an agreement to cut strategic nuclear arms is just around the corner, that a treaty to reduce conventional forces is in hand, that regional conflicts have evaporated or that terrorism is on the wane.

Granted, the military picture may improve somewhat if the Soviet Union actually reduces its military manpower by 500,000. Even then, however, Moscow will have an active military establishment of about 4.6 million and the world's largest inventory of military hardware.

Further, Soviet military leaders have told us that so long as a threat of war exists in the minds of Communist Party leaders, they will retain an effective offensive capability. I find this rather sobering.

The third world environment is as messy as ever. Most of the trouble-makers have more arms than they need for self-defense. Now, we see arsenals of tanks, aircraft and mines joined by ballistic missiles, chemical weapons and nuclear technologies. There is no quick or easy way to stem this tide.

Meanwhile, budget deficits continue to dominate the national debate. To shrink the deficits, real spending for defense was reduced by 11 percent between 1965 and 1968. By the end of last year, we had abandoned conventional-force goals contemplated in the early 1960's. Moreover, we had cut back on existing forces, postponed critical modernization programs and barely provided the money necessary to maintain a force of high quality. While our allies could increase spending for defense, few are inclined to do so.

At this point, we cannot get more defense for less money. Even a low growth budget will require depressing trade-offs. But we can still fashion a balanced and rational force. A reduction in overall military spending would require immediate and drastic cuts in forces that would very likely jolt our friends and allies, reduce our leverage in arms control negotiations or unsteady our combat forces.

The U.S. can and does tolerate certain military risks. For example, fiscal constraints will not permit us to keep all of our forces, active and reserve, ready for combat on an everyday basis.

We must, however, maintain a force of high quality—the backbone of our military strategy, our strongest card in crisis management and the best hedge against uncertainties surrounding the evolution of Soviet military power.

The international climate is better today than in the early 1960's—notably in our relations with the Soviet Union. Our policy of "peace through strength" has been instrumental in producing these developments and will most likely play a critical role in shaping future Soviet actions. It would make no sense to abandon this policy, just as it is beginning to bear fruit.

Over the last four years, we have managed to work out a reasonable balance between our peacetime objectives and responsibilities. But our forces are tightly stretched, and the risks are higher than I would prefer.

We may, indeed, be at the dawn of a new age in East-West relations that will offer genuine opportunities for reducing military arms. We should move in this direction, however, as tangible evidence of change mounts and our confidence grows—not as the result of rhetorical hopes or promises.●

WINNERS AND LOSERS IN THE U.S. SUGAR PROGRAM

● Mr. ROTH. Mr. President, with the 1990 farm policy debates drawing near, one issue that will be addressed is our sugar program. I am one of those that would like to see changes in the program, and have introduced legislation with Senator BRADLEY (S. 552) to accomplish just that.

Although this program is hailed by sugar producers as a success, changes in the structure of the sugar industry, indicate that the current program may no longer be able to operate as it has in the past. The Government may have to purchase excess production with the cost going to the taxpayer. In a time of high budget deficits this is unwise.

The current program has failed miserably, and reform is needed. I therefore wish to direct the attention of my colleagues to an article which makes an excellent case for reform of our sugar program. Written by Rekha Mehra, a policy associate at the National Center for Food and Agriculture Policy, it was published in the winter 1989 edition, No. 94, of "Resources."

I ask that the complete text of the article appear in the RECORD.

The article follows:

WINNERS AND LOSERS IN THE U.S. SUGAR PROGRAM

(By Rekha Mehra)

The United States may become a surplus producer of sugar in the near future. If so, the government may be forced to purchase excess production, with the bill going to taxpayers.

Sugar producers in the United States have received varying degrees of government support for almost 200 years. Since the 1930s that assistance has taken many forms: acreage restrictions, direct payments to producers, tariffs, and import quotas, the set of policies being collectively known as the sugar program. The most important of the policies used has been the import quota, whose level can be adjusted in relation to domestic supply and demand in order to maintain a high price for sugar. As a result, domestic sugar producers have benefited, consumers have had to pay high retail prices, and the government has been able to minimize costs to itself.

Recently, however, partially as a result of the sugar program, the structure of the sugar industry has changed enough to suggest that the program may no longer be able to operate as it has for so long without cost to the government. Indicative of the industry changes are higher levels of domestic sugar production, particularly of beet sugar, greater substitution of corn sweetners, and lower per capita sugar consumption. The demand for imports has accordingly shrunk, and if current trends continue, and the United States no longer needs imports, the government will not be able to support the sugar price without cost to the taxpayer.

As domestic production is unrestricted, and consumption is expected to remain about the same, growth of domestic output will cause the sugar price to fall if supply exceeds demands. If the government expects to maintain a high price for sugar, it will be forced to purchase surplus production—that is, output over and above the level that results in the desired support price—as is done with other supported commodities such as wheat and corn. Government purchases of surplus commodities generally entail costs for storage and disposal, usually at low prices. Thus, taxpayers would have to share the burden of the sugar program along with consumers. This would be an unwelcome prospect at a time of high budget deficits and close budget scrutiny.

A DROP IN DEMAND

In recent years, U.S. sugar output grew from 5.8 million tons in 1983/84 to more than 7 million tons in 1987/88. Much of the increase in domestic output came from expansion of beet sugar production, which grew from 2.6 million tons in 1979/80 to 3.6

million tons in 1987/88. Meanwhile, imports fell by more than two-thirds in just four years—from over 3 million short tons in 1983/84 to less than a million tons in 1987/88. Part of the fall in imports has been due to declining sugar consumption. As in other industrialized countries, per-capita consumption of sweeteners in the United States is already high—more than 130 pounds of caloric sweeteners per person in 1988. Consequently, demand is relatively inelastic or unresponsive to price and income changes, though some growth occurs as population increases.

Another factor contributing to the decline in sugar demand since the mid 1970s has been the development of corn sweeteners, particularly high-fructose corn syrup (HFCS), a lower-cost alternative that can be substituted for sugar in many industrial uses. Consumption of HFCS increased from half a million tons in 1975 to 5.8 million tons in 1987, which represents 31 percent of the sweetener market as compared with 4 percent in the earlier year. The share of refined sugar consumption dropped from 71 percent to 40 percent during the same period of time.

HFCS consumption is believed to have peaked, although the long-term threat remains from the development of a low-cost crystalline or day fructose product which would compete directly with table sugar consumption. Substantial profits from HFCS production are now going into research to develop the crystalline alternative. A small portion of the sweetener market was also lost to low- and non-caloric sweeteners, which held about 13 percent of the market in 1987.

STRUCTURE OF THE SUGAR PROGRAM

The basic structure of the sugar program that influenced much of the industry's development was defined by the Sugar Act of 1934. Legislation since then has altered significant details, but the program's overall goals and structure remain essentially the same. The aims of the program as defined in 1934 were to balance the needs of producers and consumers. Specifically, the legislation sought to retain domestic sugarbeet and sugarcane production in the continental United States, to ensure adequate sugar supplies at reasonable prices for domestic consumers, and to control expansion of domestic production.

The program was successful in assisting producers. It did so by maintaining a high and stable price for domestic sugar relative to the world price. (The world price is used in this context as a reference price, or a basis for comparing what the domestic sugar price might have been if government policies had not intervened.) Until 1974, the main policy instruments were an annual price objective—which was similar to a target price—a foreign import quota, and domestic acreage restrictions. The import quota, determined as the difference between anticipated domestic production and estimated annual consumption requirements, was adjusted throughout the year to ensure that the predetermined price objective was met as closely as possible. The success of the program in achieving the price objective and maintaining the domestic price above the world price can be seen in figure 1. Between 1950 and 1974, the U.S. price of raw sugar fell below the world price in just one year (1963), and then by less than 4 percent.

[Chart not reproducible in RECORD.]

The program was not quite as successful in meeting its other goals. It neither kept the cost of sugar down for consumers not prevented industry expansion. Expanded sugar production did not pose much of a problem prior to 1974 because acreage restrictions could be imposed legally to prevent surpluses. Although the program had always had its critics, consumer dissatisfaction had not generally been a problem. After all, sugar represented only a small portion of the total consumer food budget.

But when world and U.S. sugar prices virtually tripled within a year in 1974, consumer opposition rose sharply. The high consumer costs of the program had long been under attack by legislative and other opponents. They now sought the termination of the program and succeeded in mobilizing consumer and legislative support to end it. Besides, the price of sugar was high enough that no support was necessary.

However, protection was not suspended for long. The strength of the program's supporters endured. When world prices began to fall again from their record 1974 levels, the government started to phase in price supports again in 1977. Statutory approval for a comprehensive program was renewed in 1981.

THE PRESENT PROGRAM

The current sugar program, established by the Agriculture and Food Act of 1981, consists of a price-support-loan program, a defined minimum support price for raw cane sugar, and a market stabilization price (MSP). As with other agricultural commodity programs, the loan rate is the legislated price per pound at which sugar processors can receive financing from the government by committing raw cane sugar or refined beet sugar as collateral. If prices are favorable, the processor can repay the loan and market the crop commercially. If not, the sugar is forfeited to the Commodity Credit Corporation (CCC), the federal agency charged with implementing the commodity programs. Forefeitures entail budgetary costs for storage and dispoal of surpluses, generally at prices lower than the support rate. However, the Food Security Act of 1985 required the program to be operated at no cost to the federal government after 1986. In fact, the program has operated without budget cost in the 1980s except in 1984.

The minimum support price for raw cane sugar is set at 18 cents per pound for 1986/90; the beet sugar loan rate is somewhat higher, since it must be set at a fair price in relation to the sugarcane loan rate. (One of the effects of the higher support price for beet sugar has been to stimulate production.) The MSP is established at the level at which processors would prefer to sell raw sugar commercially rather than forfeit it to the CCC. It is determined as the sum of the loan rate plus interest charged on the loan, a freight charge, and a small marketing incentive.

The key instrument enabling the program to function without cost to the government is still the import quota. The quota, which was kept at non-binding levels between 1975 and 1981 when prices were generally high, was once again made restrictive in 1982. The authority for the quota derives from the Tariff Schedules of the United States, and is vested in the president. The quota is required to be set with due consideration given to the interests of domestic producers and materially affected contracting parties in the General Agreement on Tariffs and Trade (GATT).

The considerable flexibility provided by the import quota has enabled the sugar program of the 1980s to be as successful as the earlier program in keeping the price of U.S. sugar well above the world price. The average price of raw sugar in the United States in 1987 was about 22 cents/lb as compared with a world price of 6.7 cents/lb. The retail price of refined sugar in the United States was close to 38 cents/lb.

However, by insulating the United States from the world, the program has provided incentives for production, consumption, and trade different from those that would prevail if there were no program, and has redistributed income among such groups as producers and consumers. It has also created strong incentives for particular groups to exert political pressure on the program.

GAINS AND LOSSES

Historically, the main beneficiaries of the sugar program have been sugar and other sweetener products (growers and processors), refiners, and foreign suppliers. Domestic producers have benefited directly from the high and stable domestic prices guaranteed by the sugar program. Until 1974, the benefits accrued primarily from higher earnings due to the high support price. But in the 1980s, since there are no longer production restraints, producers have also benefited from increased volume as they expand output in response to the support price incentives.

In recent years, program benefits to producers, as measured by the difference between the value of production at actual prices and at prices that would prevail if sugar were unprotected, have been estimated at $1 billion to 1.5 billion annually. The gains are unequally distributed, and larger producers stand to gain more, as benefits accrue according to output size. The benefits are concentrated among fewer than 10,000 sugar growers—in Hawaii, 5 corporations produce 90 percent of the sugarcane, and in Florida 2 corporations produce more than half the crop.

By far the largest group of losers from the U.S. sugar program is consumers. They pay more both for direct sugar consumption and for sugar-containing products. The net consumer cost of the program in 1972 was estimated to be between $1 billion and 1.5 billion (in constant 1982 dollars); by the early 1980s estimates of consumer costs had risen to more than $2 billion. The annual cost of the program works out to about $40 for an average family of four. Moreover, the burden is disproportionately greater on low-income consumers, who spend a larger share of their budget on food.

Corn sweetener producers have gained from high sugar prices and the associated incentives for higher production. By keeping sugar prices well above the cost of manufacturing HFCS, the program has helped the development of the corn sweetener industry. The increasing substitution of corn sweeteners for sugar has meant the transfer of benefits estimated at $1 billion from sugar producers to producers of HFCS. Users of these sugar substitutes, including beverage and food product manufacturers and consumers, have also derived some benefits from substituting the lower-priced product.

Exporters of sugar to the United States have long enjoyed the benefits of earning quota rents, defined as the difference between the U.S. and world prices times the export quantity sold in the U.S. market. In 1982/83 the foreign quota rent was estimated at $650 million. Thus exports to the U.S. market represented an important source of foreign exchange earnings for developing

countries like the Philippines and Brazil and the Caribbean nations.

In the 1980s quota rents have shrunk as imports have fallen. They were estimated at $184 million for 1987/88. Particularly hard hit have been the countries that have exported a large share of their output to the United States. Cuts in the U.S. quota over the past four years are believed to have cost the Philippines $150 million annually. Shrinking U.S. imports have in turn depressed world prices further. Thus, exporting countries are also hurt by earning less revenue from sugar sales to countries other than the United States. U.S. consumers, meanwhile, are no better off because they continue to pay the high maintained price.

Other former beneficiaries of the sugar program who have recently become losers are sugar refiners. A virtual ban (including a tariff and sanitary standards) on imported refined and liquid sugar long protected mainland sugar refiners. But now declining quotas for imported sugar have reduced demand for refining capacity and caused employment losses in that industry.

The domestic food manufacturing sector has also been affected. It has sustained increasing competition from imports of lower-price sugar-containing foods. Imported processed foods containing sugar have a cost advantage from access to sugar at lower world prices. Inability to compete with these lower-price imports could cause domestic food manufacturers to go out of business or induce them to move processing facilities overseas. In either case, the United States would suffer employment losses.

As the structure of the U.S. sugar market changes in response to the varying incentives provided by the sugar program, the incidence of gains and losses also shifts. If recent trends continue and the United States becomes a surplus producer, federal budget costs will arise as the government will be compelled to purchase, store, and dispose of surplus sugar if it wants to continue to maintain a high price for sugar. Taxpayers will thus be forced to share the cost of the program, along with consumers.

THE OPTION OF SUGAR POLICY REFORM

That taxpayers may have to pay the bill is not inevitable. Such an outcome can be avoided in a number of ways. Sugar producers could opt to voluntarily impose production restraints upon themselves. Alternatively, the government could impose mandatory production controls or marketing quotas that would continue to place the burden of support on consumers rather than taxpayers. However, mandatory controls raise yet another set of problems, as does any market intervention program.

A less drastic alternative for the government would be to attempt to reduce incentives for domestic production by gradually lowering the loan rate. However, recent attempts to do so have not been successful. For example, a modest proposal in 1985 to lower the support rate from 18¢/lb to 15¢/lb was defeated in the House of Representatives.

A significant stumbling block in sugar policy reform is the historical strength of the producer lobby. Recently, the producer lobby has gained even more strength from corn and corn sweetener producers, and from the general farm lobby as well. By contrast, consumers, who are the main losers from the program, represent a large and diversified group with varied interests. As such, they are difficult to mobilize to press for reform except in an unusual year such as 1974.

However, reform cannot be avoided much longer. Although the 1988 drought offered a temporary reprieve, technological developments, program pressures, and the budgetary deficit are likely to force the issue, perhaps as early as the next farm policy debate in 1990.●

SAVINGS AND LOAN LEGISLATION

● Mr. MACK. Mr. President, yesterday the Senate Committee on Banking, Housing, and Urban Affairs finished marking up S. 413, the bill which is intended to solve the Nation's savings and loan problem. On Monday, the entire Senate will get the opportunity to evaluate this bill when it will be debated on the Senate floor. As we prepare for the final debate on this bill, I suggest that my colleagues read the following items that I will ask to be printed in the RECORD.

The first is an article that appeared in a recent issue of the Consumer Finance Law Quarterly Review. The authors are Fred Smith and Melanie Tammen of the Competitive Enterprise Institute. They make a carefully reasoned argument that the root of our savings and loan crisis is the Federal deposit insurance system.

The second item is a joint statement dated March 6, 1989 signed by the heads of six major public policy research organizations here in Washington. These six leaders also express their concern about the current Federal deposit insurance system, too, and maintain that reregulation of the savings and loan industry would be a mistake.

Mr. President, I ask that these two items be printed at this point in the CONGRESSIONAL RECORD.

The material follows:

PLUGGING AMERICA'S FINANCIAL BLACK HOLES: REFORMING THE FEDERAL DEPOSIT INSURANCE SYSTEM

(By Fred L. Smith, Jr. and Melanie S. Tammen)

I. INTRODUCTION

With some 500 savings and loan associations (S&Ls) insolvent, an equal number in danger of joining them and industry losses mounting at over $1 billion monthly, official Washington is now immersed in how to finally get the Federal Savings and Loan Insurance Corporation (FSLIC) the resources necessary to put the brain dead thrifts out of their misery. In danger of being lost in the on-budget vs. off-budget accounting debate is the chance for eliminating the perverse incentives that result from the current system of federal deposit insurance.

A consensus now exists among most scholars of the financial services industry that many of the industry's current problems stem from such deposit insurance and that consensus provides the basis for reform. Moreover, since most now believe that a massive taxpayer bailout is inevitable, we should realize that Congress and the public are all too likely to demand retribution. If the public is going to pay, someone is likely to suffer. That "suffering" could take many forms—re-regulation, higher taxes on banks and S&Ls, other measures likely to restrict the competitiveness of American financial service firms in the world economy—or it could take the form of gradual deposit insurance reform. In the latter case the financial services industry would no longer have unlimited access to taxpayer guarantees and the taxpayer would be better protected against any recurrence of the current mess.

One way this could be achieved is through a Taxpayer Liability Cap combined with a Big Bank Closure/Reorganization Plan that limits federal guarantees to insured depositors. The Cap would simply freeze the total quantity of federal guarantees available to the financial services industry—now approximately $2.7 trillion (the total of officially insured accounts, i.e. accounts up to $100,000 in banks, thrifts and credit unions). Each insured institution would receive certificates indicating its total coverage and would be free to reallocate this insurance or transfer it to other financial service firms. Future taxpayer liabilities would be limited strictly to those accounts insured by the frozen level of federal guarantees.

And since the $100,000 deposit coverage limit has now become irrelevant through blanket federal guarantees of all depositors and creditors in large banks and S&Ls, a second reform, a pre-arranged Closure/Reorganization Plan for politically powerful institutions, would also be necessary. Both the FDIC and FSLIC have shown a reluctance to discipline uninsured depositors and other creditors and the resolve to do so must be institutionalized well in advance of the next crisis.

II. IS FEDERAL DEPOSIT INSURANCE THE SOLUTION, OR THE PROBLEM?

Before, however, considering the details of this plan, let us consider first how the limited deposit insurance system of the 1930s evolved into the universal security blanket of today. The original plan was intended only to reassure and protect "small depositors" while discouraging destructive "bank runs." Those involved were well aware from the start of the "moral hazard" risk of allowing depositors to escape all responsibility for their investment decisions. President Roosevelt and his Comptroller of the Currency opposed the plan. The New York Times headline of March 26, 1933 read: "Bankers Will Fight Deposit Insurance Guarantee; [Measure] Would Cause, Not Avert Panics, They Argue; Bad Banking Would Be Encouraged And Honesty Discredited, Say Foes." [1] Nonetheless, fools rushed in where angels might have feared to tread and Congress enacted the first federal deposit insurance system. The 1933 law insured all bank deposits up to $2,500 and imposed a fee on all domestic deposits of ½ of one percent to finance this "insurance" system. Federal deposit insurance for thrifts followed in 1934.

This new legislation weakened the incentives for depositors to concern themselves with the soundness of their banks or S&Ls and, in turn, discouraged the growth of rating services to help consumers make safer choices. Nonetheless, for decades the federal deposit insurance system seemed successful. Indeed, had the original modest system been retained, things might not have gone awry. The initial $2,500 figure was soon raised to $5,000, but it stayed at that level for many years. Moreover, banking in the late 1930s first stabilized and then in the post-war era prospered along with the

Footnotes at end of article.

general economy. This led some to believe that weakening the incentives for depositors to consider the safety and soundness of their depository institutions had no adverse consequences.

But Congress did not retain the initial modest "safety net" of the 1930s. Federal deposit coverage was raised to $10,000 in 1950, $15,000 in 1966, $20,000 in 1969, $40,000 in 1975, and $100,000 in 1980—a forty-fold increase, versus the seven-fold increase in the general price level over the same period. Jake Garn, former chairman of the Senate Banking Committee, now admits the last increase—reportedly prompted by concerns that depositors would flee troubled institutions—was a serious mistake.

In fact, however, the tendency to broaden coverage (to protect everyone from everything) was present at the beginning. The deposit limit, for example, was never applied to the depositor but rather to the deposit, and the FDIC and FSLIC elected early to insure interest as well as principal liabilities.

In any event, today deposits have become risk-free, encouraging speculators to rush funds to whatever institution offers the best interest rate. Speculators no longer need even to broker their total investments to fit within the $100,000 limit [2] since, in practice, the FDIC and FSLIC now frequently protect all deposits regardless of size.

All this has created a major "moral hazard." Pending regulatory action, troubled financial firms are free to raise their yields and attract funds from better managed or more fortunate institutions. In principle, such reverse runs (from sound to failing banks) would be blocked by federal regulators. But regulators wear conflicting hats. While their mandate is to protect the safety and soundness of the banking system, this requires that they close some failing institutions having powerful political sponsors. Political agencies remain responsive to political pressures. Little surprise that regulators have postponed action (through "forebearance") in the hope that events—such as a rise in real estate or energy prices on which problem loans are based—will render unnecessary costly and painful closures. In the meantime, the failed institutions play the longshots—with taxpayers guarantees.

Even when the decision is made to discipline a failed institution, the FSLIC as well as FDIC act to shield as many interests as possible. In part, this is rational. There is no need to create necessary pain. A full liquidation, in which uninsured deposits incur losses, is often unnecessary since willing buyers can frequently be found that value the good will of a failing institution and are willing to assume the costs of making it sound in return. Regulators, therefore, often arrange a purchase and assumption transaction (P&A) [3] or an assisted merger. Differences in legal authority have led the FDIC to primarily use the P&A, while the FSLIC generally employs assisted mergers.

The costs of these arrangements were once rather limited. The FDIC or FSLIC would strip away the worst loans, in some cases inject cash, and provide some degree of regulatory relief. Since America's financial services industry remains severely handicapped by numerous regulatory burdens, such relief at times actually increased the efficiency of the industry. In principle, P&As and assisted mergers can be a most equitable solution, in that they maintain the value of an insolvent bank's "goodwill" and customer base, which would be destroyed if an institution remained closed for any period of time.

In recent years, however, Congress' refusal to provide FSLIC with the resources needed to retire the industry's dead has resulted in FSLIC's resort to the "cashless" solution of various giveways.[4] Assisted mergers in Texas under last year's "Southwest Plan" have combined promissory notes, guarantees of the income steam of the remaining (often still dubious) loan portfolio, reduced capital requirements and special tax breaks. Like regulatory relief, these provisions are off-budget. Unlike regulatory relief, they yield no positive economic results. McKinsey & Company estimates that very few of the "rescued" Texas institutions have the franchises value required to ever become self-sufficient and that keeping them alive will cost FSLIC some 40 percent more, in net present value terms, than outright liquidation.[5]

At times the FDIC and FSLIC seemed eager to tame the moral hazard problem and allowed depositors in smaller S&Ls and banks to experience losses. In the early 1980s, the FDIC introduced a "Modified P&A" scheme, in which only insured deposits were transferred to the acquiring institution. Residual deposit holders and other general creditors received only their prorated share of projected asset liquidation values, which often averaged about 50 percent of the book value of their claims.

This plan worked well. Larger depositors and other creditors were put on notice that their investments in mismanaged institutions were at risk. Complacent speculators were shocked into action and such institutions began to lose funds.

Unfortunately, one such institution was Continental Illinois, which at $40 billion was a TBTF (Too Big To Fail) bank. Neither the FDIC nor FSLIC had developed any detailed plan to liquidate such a large institution and, faced with an imminent failure of this magnitude, the FDIC panicked. The result was a return to the zero-risk coverage of earlier years and renewed complacency by speculators. More recently, efforts have been made to reimpose some costs on shareholders and general creditors, but depositors remain totally risk-free.

This extension of the safety net to all depositors, however, has created an even worse "run" problem than the one that was feared in the 1930s. At that time, the primary concern was that individuals might panic and withdraw their savings from institutions that were in fact sound. The risk today is the reverse one—that depositors lured by higher interest payments may rush to place deposits into failing institutions. Under the current deposit insurance system, failing institutions act like financial black holes, fatally attracting deposits from sound institutions.

That disconnecting the financial service sector's early warning system would create eventual problems should not be surprising. More amazing is that disaster took so long. It is now clear that the system is broke and should be fixed. The present system forces sound financial service firms to subsidize failing ones, tilts the competitive playing field against non-subsidized financial service firms (leasing and consumer credit firms, for example), largely preempts the field for market-risk rating services (only larger banks are rated by such private risk rating firms as S&P and Moodys, and then largely as bond and investment opportunities), has massively increased the contingent liabilities of the U.S. taxpayer,[6] provides special benefits to larger banks (and their foreign depositors) and encourages lower capital levels (federal guarantees substitute for capital).

III. PROPOSED SOLUTIONS

To some, the solution to the current crisis is obvious. When the industry was regulated, it was stable. So let's re-regulate. That "solution," however, misinterprets the recent experience of financial services deregulation. The limited legislative deregulation of the 1980s has been generally the de facto legitimization of the industry's technological and institutional innovation. Computers and modern telecommunications have made it impossible to retain a Balkanized financial services industry. Gerald P. O'Driscoll, Assistant Vice President at the Federal Reserve Bank of Dallas, has explained this aptly:

"On the one hand, the regulations offset the undesirable incentive effects of deposit insurance. On the other hand, deposit insurance offsets the destabilizing effects of the regulations. A combination of market forces and liability deregulation has undone the delicate balance. Like Humpty Dumpty, it is doubtful that we can put the pieces of the regulatory mosaic back together." [7]

Indeed, while re-regulation is politically a very likely response to the current crisis, it will only exacerbate the real problems faced by this industry.

Others advocate a "narrow focus" for federally-insured depository institutions, limiting them to secure but low-paying investments such as short-term Treasury securities.[8] This option would replace the current system with a two-tier system of regulated, insured, "narrow focus" banks and deregulated, uninsured general purpose financial service firms. The aim is to break the link between risky assets or management and riskless claims, as well as to limit the liability of the U.S. taxpayer. These goals recognize the concerns described in this article.

But the considerable cost of the payment clearance process for checking accounts would mean a low to negative depositor return. This, in turn, would likely cause a massive reduction in insured deposits. Most funds would flow to the non-regulated and non-insured sector, which could be expected to offer alternative transaction accounts. In the long run, restricting federal deposit insurance to "narrow focus" banks might well be appropriate. However, any shift in that direction would be highly disruptive in the short term.

Another risk-reduction approach would apply strict capital standards to vulnerable institutions, with mandated reorganization (merger, sale, recapitalization or liquidation) when an institution reaches zero (or near zero) new worth.[9] As its capital declines, an institution would be more closely supervised. This plan seems reasonable enough, notwithstanding the considerable practical difficulties of the market-value accounting upon which the scheme depends.

But the current system is in trouble partly because S&Ls and banks have important patrons all too willing to fend off such disciplinary actions. After all, "forebearance" was the response of the FSLIC to the rapidly mounting problems in the S&L industry. Is it realistic to expect these political agencies to act differently in the future?

Still another risk-reduction proposal entails risk-based premiums on federal deposit insurance. Part of the recommendations of then Vice President George Bush's 1984 Task Force on Regulation of Financial Services, this proposal has been actively debated ever since.[10] Financial institutions would be

rated and riskier ones would pay higher premiums. While it is doubtful that regulators could price the premiums efficiently, the plan also requires these politically sensitive agencies to impose higher fees on failing institutions. Experience suggests that the prospects for this are questionable.

Recently, FDIC Chairman L. William Seidman appeared to endorse this plan as part of the study of federal deposit insurance he has directed. Seidman has called for the federal deposit insurance funds to "function more like a private insurance company [and] set premium rates that reflect experience." But do not confuse this with the well-known risk-based premium proposal. Seidman would raise premiums across-the-board (based upon losses to the fund over the previous five year period)—not on an institution-specific basis.

IV. TAXPAYER LIABILITY CAP COUPLED WITH A BIG BANK PLAN

The most market-oriented solution is a shift to private deposit insurance. But this requires private concerns to assume a massive liability in a politically-charged field in which they have little experience. One way of moving toward private insurance would be to institute a "Taxpayer Liability Cap," combined with a Big Bank Closure/Reorganization Plan. Both the elements are necessary: the cap creates discipline for depositors; the agreed-upon closure plan insures that this discipline will actually be exercised.

Under the cap, each insured institution would receive a notice that its deposit accounts (up to $100,000) as of a date certain were fully covered.[11] Banks and thrifts desiring to grow would have several choices. They might: 1) purchase federal insurance from other institutions that were reducing their deposits or that had access to other forms of insurance, 2) acquire private insurance, or 3) reconfigure their coverage via such options as co-insurance and deductibles, Institutions would be required to notify each depositor of the percentage of each account covered by federal insurance. Transfers of this tradeable insurance would not be valid until properly registered at the FDIC or FSLIC.

Since the incremental insurance would now be sold rather than granted as an entitlement, the subsidy feature of the current system would become more obvious. In the initial years, the level of private insurance required to fill any gap would be small, as private insurers learned how to operate in this new and complex field. Federal regulators could look to the premiums charged by the private insurers at the margin for guidance in setting federal premiums.

Private insurers would require banks and S&Ls to acquire more capital and would condition their premiums on sound management practices. The worst managed institutions would find insurance coverage dear and thus would grow more slowly. Weak institutions would gain more deposits only if they could convince investors of their viability. They would no longer be able to grow by freely transferring risks to the taxpayer. The federal insurance fund(s) would continue to monitor institutions and could keenly focus their attention on those firms purchasing large amounts of transferred federal deposit insurance.

The insurance fund(s) would face a slowly moderating problem rather than one continuously growing. Economic growth would render the subsidized insurance program an ever smaller sector of the deposit system. A sales tax on federal insurance sales might be levied to reimburse the Treasury for the massive losses that have already been incurred.

The success of the cap depends, of course, on regulators devising a credible plan for handling the failure of large institutions without bailing out uninsured depositors and other creditors. This may involve revisiting the "modified P&A" scheme shelved at the time of the Continental Illinois failure. Any effective Big Bank Reorganization Plan would transfer to an assuming bank only insured deposits, with all other liabilities transferred only after they are written down to their current market value, i.e., after losses are taken. Concerns that this plan would trigger a systemic run appear overstated. An analysis of the Continental Illinois situation by Professors George J. Benston and George G. Kaufman, for example, noted that while over 200 banks had correspondent balances in excess of 50 percent of their capital at Continental in 1984, economic (although not realized) losses totalled only two to three cents on the dollar. Even had the losses been as large as 10 percent, none of the banks would have suffered a loss in excess of its capital and only two would have suffered a loss between 50 and 100 percent of their capital.[12] Discipline is painful, but need not entail any threat to the overall banking system; and who better to exercise discipline than the correspondent banks?

While regulators are apparently loath to work out a Big Bank Reorganization Plan, Kenneth Scott of Stanford University has suggested some incentives that Congress might provide: an express statutory declaration of legislative intent not to protect uninsured deposits, higher and more cumbersome procedural requirements in the event of any such bailout and removal of agency discretion to confer de facto coverage. As Scott notes, these restrictions could be eased by a subsequent Congress, but they would make a subsequent bailout more difficult.[13]

V. CONCLUSION

The resolution of the deposit insurance crisis in a way that moves America's financial services industry toward long-term stability and competitiveness is critical for many reasons. Taxpayers—likely to be billed for the largest portion of the $50–$100 billion estimated FSLIC bailout—will demand retribution. Re-regulation of the thrift industry could be avoided by instead capping the growing level of taxpayers' liabilities as insurers of deposits in financial institutions.

The limited FSLIC bailout of the 100th Congress, with its new restrictions on "nonbank" banks, is indicative of what lies ahead if re-regulation becomes the rallying cry. Indeed, a push for re-regulation can easily spill over into such unrelated areas as "consumer protection." The Iowa Attorney General's recent challenge of the U.S. Supreme Court's 10-year-old Marquette decision might be just the beginning, if a national consensus develops that deregulation has caused the current crisis.[14]

Moreover, the extent to which the federal deposit insurance system is "reined in" will likely affect the pace at which Congress proceeds with Glass-Steagall reform. Already, some in Congress are questioning the wisdom of bank powers deregulation, fearing the risks to which the safety net will be exposed.

On the positive side, there remains the hope that successful resolution of this crisis will allow American financial firms to escape the current regulatory trap by freeing them to compete more effectively in the world financial services market. The challenge is to limit taxpayer liability, while unfettering the Balkanized U.S. financial services industry.

FOOTNOTES

[1] The lead paragraph stated:

[T]here is one proposal that bankers here still vigorously oppose—any plan for guaranteeing bank deposits. Attempts to guarantee bank deposits, the bankers say, have always ended disastrously. The plan puts a premium on bad banking and drives sound bankers out of business.

The article concluded:

The chief arguments of the bankers against a bank deposit guarantee law are that it encourages bad banking, discredits honesty, ability, and conservatism, and would cause and not avert panics. They say that a loss suffered by one bank jeopardizes all banks.

[2] In, Texas, moreover, most big banks even perform the service for depositors themselves—breaking multimillion dollar accounts into fully insured $100,000 certificates of deposit that are spread among different units. This caused problems for NCNB Texas—preventing the bank from circumventing the $100,000 limit after it purchased and combined the remains of First Republic.

[3] In a P&A, a solvent bank assumes all of the liabilities of the failed one and purchases some or all of the failed bank's assets. Usually, the FDIC replaces the bad assets with cash.

[4] Chiefly to blame are House Speaker Jim Wright (D-TX) and then—House Banking Committee Chairman Fernand S. Germain (D-RI), who conspired last year to sideline substantial new resources for the FSLIC, thereby depriving it of the ability to properly close down insolvent thrifts—particularly in Texas.

[5] McKinney estimates the liquidation costs of the 63 "Southwest Plan" thrifts consolidated between August and October of 1988 would have been about $15 billion, but that the "Southwest Plan" approach will raise the net present value cost of these rescues to over $22 billion, assuming no worsening in asset quality and no increase in interest rates. Under less favorable circumstances, the cost could almost double to over $30 billion. *See* L. Bryan, F. Tourreilles, and M. Shapiro, *Perspective on the Thrift Crisis*, at 3 (1988).

[6] The federal Office of Management and Budget's 1988 edition of Special Analysis F indicates that the contingent liabilities of federal deposit insurance programs (banks, S&Ls and credit unions) are now booked at $2.6 trillion. If the FSLIC and FDIC practice of effectively insuring all deposits is taken into account, the total contingent liability approaches $4 trillion.

[7] *See Deposit Insurance in Theory and Practice*, in The Financial Services Revolution 175, Catherine England and Thomas Huertas, eds (Washington, D.C.: Cato Institute, 1988).

[8] The principal proponent of this proposal is Robert E. Litan. *See* What Should Banks Do? (Washington, D.C.: The Brookings Institution, 1987).

[9] The principal proponents of this plan, which they term "timely reorganization," are George J. Benston and George G. Kaufman. *See* Risk and Solvency Regulation of Depository Institutions: Past Policies and Current Options (New York: Salomon Brothers Center for the Study of Financial Institutions, NYU, monograph 1988–1).

[10] *See* Blueprint for Reform: The Report of the Task Group on Regulation of Financial Services (Washington, D.C.: U.S. Government Printing Office), pp. 83–84 (Richard C. Breeden, currently a special advisor to President Bush on the S&L crisis, was the staff director of this effort.)

[11] According to the FDIC, 76.9 percent of all insured banks' deposits are within the $100,000 ceiling.

[12] Benston and Kaufman, *supra*, note 9, at 12.

[13] *See e.g.*, Kenneth E. Scott, *Deposit Insurance and Bank Regulation: The Policy Choices*, Working Paper no. 46, The John M. Olin Program in Law and Economics, Stanford Law School, August, 1988, p. 47.

[14] In April of 1988, the Iowa Attorney General filed suit in U.S. District Court against Citibank (South Dakota), asking that the bank be prohibited from assessing late payment charges on its 36,000 Mastercard and Visa customers in Iowa. The 1978 Supreme Court decision in *Marquette* held that na-

tional banks do not have to follow the rules of each state in which they do business, but instead may simply abide by the laws that apply in their home state. *See, e.g.*, BNA's Banking Report, April 25, 1988 (vol. 50), p. 711; Marquette Nat'l Bank v. First of Omaha Serv. Corp., 439 U.S. 299 (1978); Langer and Wood, *A Comparison of the Most Favored Lender and Exportation Rights of National Banks, FSLIC-Insured Savings Institutions, and FDIC-Insured State Banks*, 42 Consumer Fin. L. Q. Rep 4 (1988). (Editor's Note: An update on these issues will appear in the summer, 1989 issue of the *Quarterly Report.)*

JOINT STATEMENT ON BUSH SAVINGS & LOAN PLAN: MORE REFORM AND DOLLARS NEEDED

In addressing the savings and loan crisis, President Bush pledged, "We will see to it that the system is reformed comprehensively so that the situation is not repeated again."

We agree that this is the appropriate goal. Although the Bush Administration's plan to resolve federal deposit insurance losses takes some steps in the right direction, it fails to adequately address the problems that caused this expensive bailout in the first place.

(1) The Administration's plan fails to reform the deposit insurance system to provide incentives for institution managers and federal regulators to act responsibly:

The attempt to raise as much money as possible through higher across-the-board insurance premiums on banks and thrifts increases the deplorable cross-subsidy from the Nation's well-run financial institutions to its high-flyers. The Bush plan thus further institutionalizes the perverse risk-taking incentives that result from charging one uniform price for insurance.

A broad-based consensus has developed in recent years that the current crisis is largely the result of both weak capital standards and a financially sound deposit insurance system that expanded well beyond the modest one originally designed to protect the small depositor. While we believe that President Bush recognizes that additional changes in the deposit insurance system are needed, we were greatly disappointed that consideration of further reforms has been relegated to an additional eighteen-month study by his proposed legislation.

Among the reforms that must be addressed more promptly are:

The flat-rate premium structure of deposit insurance;

The problem of multiple insured accounts by the same depositor;

Limits on the growth of taxpayer guarantees for federally-insured deposits;

The lack of risk-sharing by uninsured depositors, who are frequently fully protected under current regulatory practices; and

Adoption of market-value accounting principles.

Given the urgency of the current crisis, Congress should require that the Treasury Department complete its study of such issues by Christmas of this year and set a deadline of the close of the 101st Congress next year for legislative action.

(2) The higher capitalization requirement is a crucial reform and should not be weakened:

The Bush plan would require, by June 1991, that thrifts meet capital standards equivalent to those faced by U.S. banks. Putting more private capital at risk within federally-insured institutions is an important initial step in protecting both depositors and taxpayers against future losses. If taxpayers are to guarantee deposits, then investors must also have substantial money at stake. Congress should not reduce the requirement of tough, well-enforced capital standards or defer the two-year deadline.

(3) Although the Administration properly recognizes the need for cash to close down insolvent thrifts, not enough money is available quickly enough to minimize costs to taxpayers:

The bad loans have already been made and the federal government has already promised to pay. Delaying recognition of that fact simily allows bankrupt thrifts to take more risks with taxpayer-guaranteed deposits.

The Administration should be authorized to raise at least $50 billion during the current fiscal year, rather than over the next three years, in order to swiftly shut down insolvent thrifts and stop the hemorrhaging of federal insurance fund losses. Insolvent thrifts should be prohibited from offering interest rates above those paid by healthy institutions.

(4) Reregulation is not the answer:

Congress should not move to push U.S. thrifts back into a narrow box by again limiting the areas in which they can make loans. We cannot turn back the clock. The U.S. financial services industry will be better positioned for the 1990's—and will be a more secure risk for U.S. taxpayers—if banks and thrifts are provided the flexibility to adapt to market-driven changes, while being required to play under the same set of rules for both capital and investment powers.

To facilitate this process, barriers to private capital entering the thrift industry should be relaxed. Bank holding companies should be immediately allowed to buy not only insolvent savings and loans, but also any thrifts that do not currently meet bank (FDIC) capital standards.

We cannot afford further delay in closing the expanding black holes of the nation's insolvent thrifts, and in phasing in the reforms necessary to provide taxpayers with a credible promise of "never again." These reforms will pay for themselves in a more efficient financial services industry and in future savings for U.S. taxpayers. As it stands, the Bush plan does not adequately ensure that we will not face another financial crisis before the next presidential election.

James Davidson, Chairman, National Taxpayers Union Foundation; Christopher DeMuth, President, American Enterprise Institute; Robert E. Litan, Senior Fellow, Economic Studies, The Brookings Institution; William Niskanen, Chairman, Cato Institute; Burton Yale Pines, Senior Vice President, The Heritage Foundation; Fred L. Smith, Jr., President, Competitive Enterprise Institute.●

NOMINATION OF ADMIRAL RICHARD TRULY TO BE NASA ADMINISTRATOR

● Mr. DANFORTH. Mr. President, yesterday President Bush announced the nomination of Adm. Richard Truly to be the Administrator of NASA. This is an excellent appointment. Admiral Truly directed the successful return to flight of the space shuttle after the tragic *Challenger* accident. He corrected the problems with the shuttle program and he restored the morale and confidence in the agency through careful planning and a tremendous amount of hard work. Admiral Truly has flown the space shuttle twice himself and will be the first astronaut to assume the top leadership position at NASA. He is an accomplished engineer as well. Admiral Truly will be an outstanding leader for NASA.

Like all Americans, I am very excited about the return to space. We are at the beginning of a new era in our civil space program.

Mr. President, the space station *Freedom* will be the cornerstone of this new era. Its development comes at a time when Congress faces difficult budget choices. During the budget debate, the space station will be an inviting target.

To some, the space station appears to be an unnecessary luxury. They argue that we cannot afford this facility. I disagree. The space station is not a luxury. It is the key to the future of the civil space program.

Last summer's relentless heat and drought are distant memories now for most of us. Many people suffered from the heat. Scientists disagree as to whether the greenhouse effect caused the drought. We must answer this question. The space station's polar platform will carry instruments that will provide scientists with the data they need. It will be a critical part of the international effort to answer the global change question.

One instrument of the Earth observing system on the polar platform will help predict earthquakes. There is virtually a 100 percent chance that a major earthquake will strike the eastern United States by the year 2010. We do not know where or when. There is a 50 percent chance that it will occur along the New Madrid fault in the central United States. Again, we do not know when. The space station will alert us when a quake is about to occur. The view of the earth from space is the key to our ability to forecast an earthquake and save lives.

The space program already has produced countless benefits. These are benefits to all of us, not just the scientific community. For instance, a device used on the Viking mission to regulate the flow of liquids has been adapted successfully to govern the release of insulin by packets implanted in diabetics. Municipalities use filtration techniques developed for the Apollo program to provide clean tap water. Skin care products are medically tested with an imaging approach developed to scan planets. These are the benefits that we have in hand. They improve our everyday lives. The benefits that we will get from a permanent microgravity laboratory like the space station appear limitless. Science will progress as far as we venture. The space station will allow us to push the

limit of our knowledge beyond our own dreams.

Exploration is in America's spirit. This Nation began with a voyage into uncharted waters—a voyage into the unknown. Bold adventurers who wanted to know what was beyond the horizon opened the interior of the continent. We cannot forego space and still remain true to our heritage of adventure and accomplishment. The space station is our path to the heavens.

Mr. President, NASA has been criticized for lack of vision and long-term goals. The problem is not with NASA. The problem is Congress' reluctance to commit the short-term resources to projects like the space station that are necessary to long-term goals. If we fail to build the space station, we will have thwarted NASA's vision. There will be no earthquake prevention, no new discoveries, no mission to Mars. Our civil space program will be downgraded and our search will be limited. Mr. President, the Congress must follow through on this project which we already have started. We are a great Nation. We must commit resources to the future. The space station is our future.●

THE MANIFOLD LESSONS OF THE HOLOCAUST

● Mr. DODD. Mr. President, I had the honor on Monday of taking part in a meeting of educators and scholars in the New Haven area of Connecticut who are using the horrendous lessons of the Holocaust as a powerful teaching tool to educate present and future generations on the subject of prejudice.

In preparing for that meeting, I examined my own education in the lessons of the Holocaust, lessons learned in childhood—and mostly from my father—that profoundly influenced my world view as I grew into adulthood and later helped shape my interests and objectives as a Member of Congress. In the process, I questioned myself, as I later questioned my fellow participants in that meeting at Congregation B'nai Jacob, about the purposes served by Holocaust education: Why all of us, Jews and gentiles, Christians and nonbelievers, people of all races and creeds, need to learn these lessons.

It is fitting that we take time this week to consider this question. For this week marks an important anniversary: 44 years since the liberation by American troops of one of the vilest cauldrons of hell, the Buchenwald death camp.

During my career in the Senate, we have commemorated several important anniversaries of the major events of the Holocaust and its aftermath. Six years ago we reached the 40th anniversary of the Warsaw Ghetto uprising; I visited Poland that year and paid my respects at the memorial marking the site of that historic event.

Four years ago it was the 40th anniversary of the liberation of the death camps. Then it was the 40th anniversary of the Nuremberg trial. And by last fall we were 50 years away from Kristallnacht, the first major violent onslaught of the Nazi terror machinery upon the Jews of Germany and Austria, the opening night of a 6½-year nightmare.

What was the point in those gatherings, speeches and resolutions we engaged in here to mark these anniversaries? Were we just taking part in an exercise of historical retrospection? Or was there—and is there—something beyond the task of simply recording history, something that relates to our present and future, that the memory of the Holocaust can teach us? My father certainly thought so.

As most of my colleagues know, my father was executive trial counsel to our chief prosecutor at Nuremberg, Robert Jackson. Later he said of his experience at Nuremberg that he had been present at "an autopsy of history's most horrible catalog of human crime." The experience shook him deeply and probably motivated him to seek a political career; from then on, you can follow almost step by step how the lessons of Nuremberg were consistently reflected in the record of his public service.

Some people have found it contradictory, for instance, that my father resolutely opposed the encroachment of Communism and, at the same time, had an outstanding record on civil rights. The first would label him as a conservative, the second as a liberal, in the eyes of those who engage in this kind of pigeonholing. If you consider, however, the source of his major exposure to the dangers of totalitarianism, and the deprival of individual liberties, you will see no contradiction at all. I would also note that my father spoke out on Soviet anti-Semitism and the plight of Soviet Jews in the 1950's, almost two decades before it became a public issue in this country—another reflection of a Holocaust lesson well taken.

Tom Dodd did not only learn the lesson himself but insisted on passing it on to his children. From dinner table conversations, sometimes veritable lectures, his children knew more about the Holocaust then even their Jewish friends. And, to answer a question I posed a moment ago, these were by no means recitals of dry historical facts. They were vivid lessons in political science, sociology, constitutional law and psychology.

The first thing students of the Holocaust must understand is that the recall of history is just the beginning of Holocaust education, and probably not even the most important part of it. These studies only start with the past, but their core, their substance, their essence is what they tell us about the present and the future.

I have already spoken of my most important Holocaust educator, my father. Let me mention two other great teachers whose life work has influenced me profoundly. A week ago I hosted a luncheon in the Senate for my friend Simon Wiesenthal, who was in Washington for the premier of a film on his life. Simon Wiesenthal is best known as someone dedicated to the pursuit of justice, the detection and prosecution of those responsible for the monstrous crimes that together constituted the Holocaust. This simplified public image, however, does not do full justice to the man.

Simon Wiesenthal to me is far more than an avenger, he is a healer, a prophet of consolation and conciliation. His lectures and speeches are dedicated to redressing the imbalance left by the Holocaust, to uniting Jews with Christians in pursuit of a more human world and to preventing all future genocides.

This man spent 4 years in the Nazi hell. He and his wife lost 89 members of their families to the final solution. Still, the story I find most characteristic of him is one that he related in a TV interview. It was about his little daughter, Pauline, who, growing up in the 1950's in Austria, found it strange that she was the only one in her class who had no grandparents, indeed, no relatives other than her parents. Why was that, she kept asking her father. To quote Simon Wiesenthal: "So try to explain it to an eleven-year-old and keep her from looking at all the other children as children of murderers. Well, I called a friend in Vienna and asked him to pretend that he was a cousin and invite the child for a visit. These are the things about which the world does not know. And who cares?

Well, I hope many of us care, and many of us see Simon Wiesenthal not only as an agent of justice, but as a teacher of humanity, of conciliation, of healing.

I cannot speak of the Holocaust without talking about another friend and teacher, Elie Wiesel. His tool is the spoken and written word, the art of literature, of eloquence.

The question has often been asked: Is art an appropriate tool to reflect the enormity of the Holocaust? Is not the whole experience simply incommunicable? Is there not something bizarre, maybe perverted, in trying to derive esthetic pleasure from the depiction of any part or experience of the Holocaust? Was the late critic Theodor Adorno right in stating that "after Auschwitz, to write a poem is barbaric"?

Elie Wiesel has answered these painful inquiries with his whole life work.

He has proven that the Holocaust may often be best grasped by metaphor and stylization. While historical narratives or social theories about it may ultimately numb the reader with horror, a great writer's imaginative transmittal of the same facts into transcendent verities may convey a higher spiritual and emotional truth. This is Elie Wiesel, a teacher of art, of humanism, of eternal truths.

Let me now go back to my initial question—of the purpose of Holocaust education—from the perspective of a U.S. Senator who is dedicated to the development of international law and human rights.

The question is indeed asked why we need Holocaust education, or a Holocaust Museum on the Mall in Washington, when the Holocaust was primarily a European event, a European experience, that has only an indirect connection to America. Some people may pose this question quite innocently, and we ought to be able to give a full and comprehensive answer.

Those who ask this question have obviously not realized the universality of the Holocaust experience. In the Holocaust, it wasn't the worst nightmare of the Jews that materialized but the worst nightmare of mankind. In the phenomena of war, of revanchism, of totalitarianism, of intolerance, of oppression, of nationalistic, ethnic, and racial hatred, there is nothing that is exclusively relevant to Jews, to Jewish history and experience. These are the well-known scourges of the whole of mankind, and it was the tragic fate of the Jewish people that when in a historic situation everything went wrong that possibly could, they were the principal victims left on the scene exposed to a furious onslaught of all these evils.

Genocidal designs and acts did not start with the Holocaust and did not end there. The Holocaust is not Jewish history but human history. As Franz Kafka said: "When a Jew is beaten down, it is mankind that falls to the ground."

Those of us who are dedicated to the promotion of peace around the world often warn about the dangers of local conflicts by pointing out that peace today is really indivisible. I have always extended this idea to the concept of freedom as well. It used to be true that a people who oppressed another people could not themselves be free. It is no coincidence that the recent loosening of the bonds tying the countries of eastern Europe to the Soviet Union coincides with an extensive internal liberalization in that country. The universalization of the idea of human rights carried this concept a significant step further. Today, a people cannot be free in the full sense of that word if they as much as tolerate the subjugation of another people or remain indifferent to their plight. The recent history of inevitable, slow but steady gains of the idea of universal human rights fully bears out my thesis.

I will go a step further. Not only is it true that the lesson of the Holocaust is timely, relevant, and valid for every human being today, but I submit that the present world order has already immensely benefited from that lesson.

The establishment of the United Nations system was not only due to World War II but, more specifically, to the particular brutality that war set loose in its initiators. The purpose of the U.N. system is not merely to preserve the peace by some balance-of-power system derived from traditional diplomacy but to serve that peace by the promotion of fundamental human rights worldwide.

One of the first tasks the new world organization set to itself was the laying of the foundations of a comprehensive code of internationally recognized human rights. The root of this fledgling institution was none other than the Nuremberg trial, which forcefully established mankind's common responsibility for the maintenance of peace and for the protection of the rights of man. What ensued was the creation of the Genocide Convention, the Universal Declaration of Human Rights, and the U.N. covenants that followed. Thus, the lessons of the Holocaust, together with the Nuremberg trial, serve as the foundationstone of the whole postwar structure of public international law, including the U.N. system and the international human rights agreements.

Mr. President, I will close with this final thought. Every time an oppressed person around this world seeks protection in the institution of human rights, every time someone around the world bases an argument on the existence of a universally binding body of human rights law, that victim, that interlocutor of whatever color, creed, or nationality, owes a genuine debt to the victims of the Holocaust—because the whole edifice of international human rights rests on the cornerstone of their supreme sacrifice. This, for me, is the most substantial, most universal, most transcendent meaning of Holocaust education, the education of the whole of mankind.●

SENATE ARMS CONTROL

Mr. MITCHELL. Mr. President, I send a resolution to the desk on behalf of myself and Senator DOLE and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 105) reconstituting and reauthorizing the Senate Arms Control Observer Group.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 105) was agreed to, as follows:

S. RES. 105

Resolved, That (a)(1) there is reconstituted and reauthorized the Senate Arms Control Observer Group (hereafter in this resolution referred to as the "Observer Group"), which was previously constituted and authorized by the authority described in paragraph (2).

(2) The authority referred to in paragraph (1) is the authority for a bipartisan group of Senators designated pursuant to clause (5) of the first section of Senate Resolution 19 of the Ninety-ninth Congress (agreed to on January 3, 1985), as reconstituted and reauthorized by Senate Resolution 86 of the Ninety-ninth Congress (agreed to on February 28, 1985) and Senate Resolution 30 of the One Hundredth Congress (agreed to on January 6, 1987), as amended by Senate Resolution 466 of the One Hundredth Congress (agreed to on August 11, 1988).

(3) The members of the Observer Group shall act as official observers on the United States delegation to any formal negotiations to which the United States is a party on the reduction of nuclear, conventional, or chemical arms.

(4) The Observer Group shall be composed of 20 members, as follows:

(A) Five Cochairmen, who shall head the Observer Group, as follows:

(i) the President pro tempore of the Senate;

(ii) two Members of the Senate from the majority party in the Senate (hereafter in this resolution referred to as the "Majority Cochairmen"), appointed by the Majority Leader; and

(iii) two Members of the Senate from the minority party in the Senate (hereafter in this resolution referred to as the "Minority Cochairmen"), appointed by the Minority Leader; and

(B) The Majority Leader and the Minority Leader of the Senate.

(C) Six Members of the Senate from the majority party in the Senate, appointed by the Majority Leader.

(D) Seven Members of the Senate from the minority party in the Senate, appointed by the Minority Leader.

(5) The Majority Leader shall designate one of the Cochairmen from the majority party to serve as the Majority Administrative Cochairman, and the Minority Leader shall designate one of the Cochairmen from the minority party to serve as the Minority Administrative Cochairman.

(6) Appointments and designations under this subsection shall be printed in the Congressional Record.

(b) Only Senators appointed as members of the Observer Group may participate in official activities of the Observer Group. In the event that either the Majority Leader or the Minority Leader does not travel on an official trip of the Observer Group, he may designate one other Senator not a member of the Observer Group to travel and participate in the activities of the Observer Group in his stead. Any vacancy occurring in the Observer Group shall be

filled in the same manner in which the original appointment was made.

SEC. 2. (a) The Observer Group is authorized, from funds made available under section 3, to employ such staff in the manner and at a rate not to exceed that allowed for employees of a standing committee of the Senate under paragraph (3) of section 105(e) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61-1(e)), and incur such expenses as may be necessary or appropriate to carry out its duties and functions. Payments made under this section for receptions, meals, and food-related expenses shall be authorized, however, only for those actual expenses incurred by the Observer Group in the course of conducting its official duties and functions. Amounts received as reimbursement for such food expenses shall not be reported as income, and the expenses so reimbursed shall not be allowed as a deduction under title 26 of the United States Code.

(b)(1) The Majority Administrative Cochairman shall designate one professional staff member for each Majority Cochairman of the Observer Group, upon recommendations from each such Majority Cochairman. The Minority Administrative Cochairman shall designate one professional staff member for each Minority Cochairman of the Observer Group, upon recommendations from each such Minority Cochairman.

(2) The designated Observer Group staff shall also include one secretary selected by the Majority Administrative Cochairman and responsible to the majority party membership of the Observer Group and one secretary selected by the Minority Administrative Cochairman and responsible to the minority party membership of the Observer Group.

(3) In the case of the compensation of any such staff member or secretary who is an employee of a Senator or of a Senate committee and who has been designated to perform service for the Observer Group, such staff member or secretary shall continue to be paid by such Senator or such Committee, as the case may be, but the account from which such staff member or secretary is paid shall be reimbursed for his services (including agency contributions when appropriate) out of funds made available under section 3(a) of this resolution.

(4) The five professional staff members authorized by this subsection shall serve all of the members of the Observer Group and shall carry out such other functions as their respective Cochairman may specify.

(5) Except as provided in subsection (d), only designated Observer Group staff may participate in the official activities of the Observer Group.

(c) The Majority Leader may designate two staff members, and the Minority Leader may designate three staff members, who shall be responsible to the respective Leader. Funds necessary to compensate leadership staff shall be transferred from the funds made available under section 3(b) of this resolution to the respective account from which such designated staff member is paid.

(d) All foreign travel of the Observer Group shall be authorized solely by the Majority and Minority Leaders, upon the recommendation of the Administrative Cochairmen. Participation by Senate staff members in, and access to, all official activities and functions of the Observer Group during foreign travel, and access to all classified briefings and information made available to the Observer Group during such travel, shall be limited exclusively to Observer Group staff members with appropriate clearances. No travel or other funding shall be authorized by any committee of the Senate for the use of staff, other than Observer Group staff, in regard to above mentioned activities, without the joint written authorization of the Majority Leader and the Minority Leader to the chairman of such committee. No travel or other funding shall be authorized for the staff of any Member of the Senate, other than Observer Group staff, unless the Majority Leader and Minority Leader of the Senate jointly so authorize in writing.

SEC. 3. (a) The expenses of the Observer Group shall be paid from the contingent fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved jointly by the Administrative Cochairmen (except that vouchers shall not be required for the disbursement of salaries of employees who are paid at an annual rate). For any fiscal year, not more than $600,000 shall be expended for staff and for expenses (excepting expenses incurred for foreign travel).

(b) In addition to the amount referred to in section 3(a), for any fiscal year, not more than $300,000 shall be expended from the contingent fund of the Senate, out of the account of Miscellaneous Items, for Leadership staff as designated in section 2(c) for salaries and expenses (excepting expenses incurred for foreign travel).

SEC. 4. Upon the adoption of this resolution, Senate Resolution 30 of the One Hundredth Congress (agreed to on January 6, 1987), as amended by Senate Resolution 466 of the One Hundredth Congress (agreed to on August 11, 1988), shall have no force or effect.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE CENTRAL AMERICAN NEGOTIATIONS OBSERVER GROUP

Mr. MITCHELL. Mr. President, I send another resolution to the desk on behalf of myself and Senator DOLE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 106) to reestablish a Senate Central American Negotiations Observer Group.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 106) was agreed to, as follows:

S. RES. 106

Resolved,

SHORT TITLE

SECTION 1. This resolution may be referred to as the "Central American Negotiations Observer Group Resolution".

REESTABLISHMENT

SEC. 2. (a) There is reestablished a bipartisan group of Senators to be known as the Senate Central American Negotiations Observer Group (hereafter in this resolution referred to as the "Observer Group"), which shall consist of twelve Senators as follows:

(1) the Majority Leader and Minority Leader of the Senate, each serving ex officio; and

(2) ten Senators appointed as follows:

(A) Five Senators appointed by the Majority Leader from among Members of the majority party.

(B) Five Senators appointed by the Minority Leader from among Members of the minority party.

(b)(1) The Chairman of the Observer Group shall be designated by the Majority Leader from among the individuals recommended for appointment under subsection (a)(2)(A).

(2) The Co-Chairman of the Observer Group shall be designated by the Minority Leader from among the individuals recommended for appointment under subsection (a)(2)(B).

(c) Any vacancy occurring in the membership of the Observer group shall be filled in the same manner in which the original appointment was made.

DUTIES

SEC. 3. The duties of the Observer Group shall be to monitor the Esquipulas II process and to act as a group of official observers as part of the United States delegation to any bilateral or multilateral negotiations dealing with the question of peace in Central America involving Costa Rica, El Salvador, Guatemala, Honduras, or Nicaragua.

STAFF; TRAVEL

SEC. 4. (a) The Observer Group is authorized, from funds made available under section 6, to employ such staff (including consultants at a daily rate of pay) in the manner and at a rate not to exceed that allowed for employees of a standing committee of the Senate under paragraph (3) of section 105(e) of the Legislative Branch Appropriation Act, 1968 (2 U.S.C. 61-1(e)), and to incur such expenses as may be necessary or appropriate to carry out its duties and functions.

(b)(1) The Chairman and Co-Chairman shall jointly appoint and fix the compensation of appropriate staff personnel to serve the Observer Group, including clerical staff as deemed necessary. The staff appointments shall be made in writing to the Secretary of the Senate.

(2) In addition to the staff personnel described in paragraph (1), the Chairman and Co-Chairman each are authorized to designate one professional staff member who shall serve all of the members of the Observer Group and shall carry out such other functions as their respective Chairman or Co-Chairman may specify.

(c) The Majority Leader and the Minority Leader may each designate one staff member as liaison to serve the Observer Group, and such personnel may be referred to as leadership staff. Funds necessary to compensate leadership staff shall be transferred from the funds made available under section 6(b) of this resolution to the respective account from which such designated staff member is paid.

(d) All foreign travel of the Observer Group shall be authorized jointly by the Majority and Minority Leaders, upon the recommendation of both the Chairman and Co-Chairman. Participation by staff members in authorized foreign travel by the Observer Group, access to all official activities and functions by the Observer Group during such travel, and access to all classified briefings and information made available to the Observer Group during such travel, shall be limited exclusively to delegation members with appropriate clearances. No travel or other funding shall be authorized by any committee of the Senate for the use of staff, other than delegation staff, in regard to the activities described in this subsection, without the written authorization of the Majority and the Minority Leader to the chairman of such committee.

(e)(1) Except as provided in paragraph (2), of the Members of the Senate, only Senators appointed as members of the Observer Group may participate in official travel and activities of the Observer Group.

(2) In the event that either the Majority Leader or Minority Leader of the Senate does not travel on an official trip of the Observer Group, then that leader may designate one other Senator of his party who is not a member of the Observer Group to travel and participate in the activities of the Observer Group in his stead, except that the Leader shall not designate a Senator under this paragraph if more than four other members of the Observer Group from that Leader's party will participate in that trip.

ACCESS TO AND STORAGE OF DOCUMENTS

SEC. 5. (a) The Observer Group should make arrangements with the Executive Branch to provide, on a confidential basis, access to the record of any dialogue or negotiations that may take place relating to peace in Central America.

(b) Classified and other sensitive materials associated with this Observer Group shall be stored under the administration of the Secretary of the Senate in the Office of Senate Security.

FUNDS

SEC. 6. (a) The expenses of the Observer Group shall be paid from the contingent fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved jointly by the Chairman and co-Chairman (except that vouchers shall not be required for the disbursement of salaries of employees who are paid at an annual rate). For any fiscal year, not more than $200,000 shall be expended for staff (including consultants) and for expenses (excepting expenses incurred for foreign travel).

(b) In addition to the amount referred to in section 6(a), for any fiscal year, not more than $80,000 shall be expended from the contingent fund of the Senate, out of the account of Miscellaneous Items, for leadership staff as designated in section 4(c) for salaries and expenses (excepting expenses incurred for foreign travel).

(c)(1) Of the amount authorized in section 6(a), an amount not to exceed $27,500 may be spent by the Observer Group, with the prior approval of the Committee on Rules and Administration, to procure the temporary services (not in excess of one year) or intermittent services, including related and necessary expenses, of individual consultants, or organizations thereof, to make studies or advise the Observer Group.

(2) Such services in the cases of individuals or organization may be procured by contract as independent contractors or, in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent to the highest gross rate of compensation which may be paid to a regular employee of a standing committee of the Senate. Such contracts shall not be subject to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provisions of law requiring advertising.

(3) The Observer Group shall submit to the Committee on Rules and Administration information bearing on the qualifications of each consultant whose services are procured pursuant to this subsection, including organizations, and such information shall be retained by the Observer Group and shall be made available for public inspection upon request.

TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

SEC. 7. All personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, employed, used, held, or made available to the Senate Central American Negotiations Observer Group (as authorized by the resolutions described in section 8), as of the day before the date of adoption of this resolution, shall be transferred on such date to the Observer Group as reestablished in this resolution. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

SUPERSEDING PREVIOUS AUTHORITY

SEC. 8. This resolution supersedes Senate Resolution 273 of the One Hundredth Congress (agreed to August 7, 1987), as amended by Senate Resolution 297 of the One Hundredth Congress (agreed to October 15, 1987).

TERMINATION DATE

SEC. 9. The provisions of this resolution shall terminate upon the adjournment sine die of the One Hundred First Congress.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

I ask unanimous consent that the Senate go into executive session to consider the following nominations and promotions, reported earlier today by the Foreign Relations Committee:

Bruce S. Gelb to be Director of the U.S. Information Agency,

Richard Thomas McCormack to be Under Secretary of State for Economic and Agricultural Affairs,

Vernon A. Walters to be Ambassador to the Federal Republic of Germany,

Henry E. Catto to be Ambassador to the United Kingdom of Great Britain and Northern Ireland, and

Foreign Service nominations beginning Everett Ellis Briggs, and ending David Bryan Dlouhy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 3, 1989.

Foreign Service nominations beginning James A. McGinley III, and ending Thomas E.E. Spooner, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 3, 1989.

Foreign Service nominations beginning Marshall D. Brown, and ending Scott E. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 2, 1989.

Foreign Service nominations beginning Michael J. Hand, and ending Geoffrey Ogden, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 17, 1989.

I further ask unanimous consent that these nominations be confirmed, en bloc, that motions to reconsider be laid on the table, en bloc, that any statements be printed in the RECORD, as if read, that the President be immediately notified, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

U.S. INFORMATION AGENCY

Bruce S. Gelb, of New York, to be Director of the United States Information Agency.

DEPARTMENT OF STATE

Henry E. Catto, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

Vernon A. Walters, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

Richard Thomas McCormack, of Pennsylvania, to be Under Secretary of State for Economic and Agricultural Affairs.

IN THE FOREIGN SERVICE

Foreign Service nominations beginning Everett Ellis Briggs, and ending David Bryan Dlouhy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 3, 1989.

Foreign Service nominations beginning James A. McGinley, III, and ending Thomas E.E. Spooner, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 3, 1989.

Foreign Service nominations beginning Marshall D. Brown, and ending Scott E. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 2, 1989.

Foreign Service nominations beginning Michael J. Hand, and ending Geoffrey Ogden, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 17, 1989.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDER OF PROCEDURE

Mr. MITCHELL. I ask unanimous consent that Senator MCCAIN be recognized to speak on the legislation for 15 minutes, and that Senator GRASSLEY be recognized to speak on the legislation for 10 minutes; and, that upon the completion of their remarks the

Senate stand in recess under the previous order until 2:30 p.m. on Monday, April 17.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, for those of us who have been long involved in Central American policy, this is certainly a momentous occasion. The Senate has just passed legislation which will implement what has eluded us for 8 years, a bipartisan approach to the Central American situation.

Mr. President, I would like to add my accolades, along with that of the majority and Republican leaders, to Secretary Baker, President Bush, Assistant Secretary nominee Aronson and so many others who have devoted so much effort to crafting this very fragile but critical compromise.

The question for many of us is not whether the accord merits support, but it is whether the accord will last, whether the accord is indeed viable and, indeed, if this accord is in the best interests of those who are struggling for freedom in Nicaragua, or was it driven by a desire simply to reach an agreement and a willingness to accept the lowest common denominator to get it? Unfortunately, Mr. President, my conclusion is largely the former and a bit of the latter. Because our solution in some respects comes down to this we are once again to test the Sandinistas' adherence to promises of a free and open country of democratic elections, and to end the subversion of their neighbors.

In the meantime, we are to maintain the Nicaraguan resistance at least through November 30 as a hedge against the Sandinista duplicity.

Frankly, Mr. President, I have a certain skepticism toward the proposition that the Sandinista government will indeed comply with their latest commitments.

Mr. President, I do not say that because I have a visceral dislike for the Sandinista government. I do not say it because I have not wholeheartedly supported this agreement, because the fact is I have. I have spoken to my colleagues. I spoke on the floor of this body earlier today in strong support of this agreement. But I am skeptical, Mr. President, because of the realization and the knowledge of 7 years of being involved in Central American issues, that time after time the Sandinistas have not fulfilled promises and commitments that they made.

Let me just begin with the promises that they made to the Organization of American States in 1979 when they came to power: "A new government featuring a 33-member legislative council of States representing all the political and economic and social sectors that helped overthrow the Somoza dictatorship"; promises to the OAS included a promise to hold democratic elections as soon as possible; a "guarantee of observers to the U.N., Declaration of Human Rights, and the OAS Human Rights Charter; freedom of the press, religion; unions, private enterprise, and mixed economy; a nonaligned foreign policy; a minimum permanent military establishment; and a guarantee of safety and nonrevenge against National Guard Officers."

Mr. President, it would not serve any purpose for me to articulate and chronicle the absolute repudiation of each of those promises that the Sandinistas made in 1979 to the OAS when they came to power and the U.S. Government facilitated, assisted, and indeed in the view of some experts made possible the overthrow of Somoza and the accession of the Sandinista government in 1987. The Sandinista constitution was adopted on January 9, 1987. The Sandinistas enacted a new constitution which guaranteed freedom of speech, freedom of assembly and movement, protection from arbitrary arrest, the right to appeal judicial verdict, the right to strike, and the right to habeas corpus.

Mr. President, I will not chronicle how they repudiated those commitments. Suffice it to say that within hours of issuing the new constitution, Daniel Ortega signed anew a State of Emergency suspending all of the above and other rights.

The Esquipulas II plan, Mr. President, we all remember the widely heralded Esquipulas II plan for which President Arias later received perhaps the highest honor that anyone can be accorded, and that of course was the Nobel Peace Prize. The Esquipulas II plan said by November 7, 1987, the following were to have been accomplished. Amnesty for all political prisoners and dialog with the internal opposition, a cease fire between the Sandinistas and the Contras, complete freedom of TV, radio, and press, rights of political parties to access to media, to associate and proselytise, lifting of the state of emergency, cessation of all but humanitarian aid to insurgent forces and non-use of territory for attacks by such forces.

For the Sandinistas that meant that they made a commitment of ending their aid to the El Salvadoran FMLN. None of those commitments did they adhere to.

So, Mr. President, on those occasions that I just described and on others, the Sandinistas have made solemn commitments. At every turn they have not only circumvented those commitments but they have directly and blatantly repudiated them in the most cynical fashion.

The new bipartisan agreement is built around new promises. I cosponsored the new bipartisan agreement. And I feel a little bit of uneasiness I felt when I supported the so-called Wright-Reagan plan.

Let me remind you of the provisions of the Wright-Reagan plan. On August 5, 1987, President Reagan and House Speaker JIM WRIGHT agreed that the following will be accomplished by September 30, 1987: A cease fire in Nicaragua, lifting of the state of emergency, restoration of civil rights, plans for elections, withdrawal of all foreign military advisers, negotiations on security issues, including military reductions, national reconciliation, and dialog in Nicaragua.

Mr. President, those were the terms of the Reagan-Wright plan, which within 48 hours was abandoned by the Speaker of the House and his adherents for the Arias plan.

Let me also remind this body what lethal aid was producing at the time that we were providing lethal aid to the resistance forces. At that time, the Contras were enjoying a degree of success which confounded the estimates of most experts, including some whose opinion I value highly. They had control over a third of the country, and the Sandinistas were extremely uneasy.

As I pointed out at the time, the Arias plan had several flaws. There was no mention of the Soviet-Cuban military involvement. It was to be verified by the Latin Americans. The dates began to slide. The first date for compliance for the Arias peace plan was November 7, 1987. Then it was December 7. Then it was January 7, and then we seem to find ourselves in a situation where there was no date for compliance on the part of the Sandinistas. In return for that, Mr. President, military aid was cut off to the Contra forces. The Arias peace plan failed.

The Contras were emasculated, and the reality is, of course, that since that time, the Contras have not been a viable force; and there is no reason for them to expect to be. Most alarming, and most discouraging, since that period of time, almost a billion dollars worth of Soviet military equipment has poured into Nicaragua.

I applaud President Bush for addressing this issue with Mr. Gorbachev. Mr. Gorbachev must understand that he cannot expect cooperation, assistance in his efforts to reduce tensions and assist the Soviet economy, if he is going to continue this kind of adventurism in our own hemisphere.

The Soviet Union, at least initially, has thumbed its nose at Mr. Baker, our Secretary of State, as well as President Arias, both of whom have urged a cessation of Soviet military equipment being supplied to the Sandinistas.

Let me also point out that last year we passed the so-called Byrd amendment, which was going to provide hu-

manitarian assistance for the Contras. I opposed that, Mr. President, because there was no way we could get assistance to the Contras inside of Nicaragua; and now we see the overwhelming majority of the Contras outside of Nicaragua where they are unable to cause any difficulties for the Sandinistas, who continue their oppression of the poor people of Nicaragua.

The situation today, Mr. President, is that we have new Sandinista promises. I think it is a reality that we cannot pass new lethal aid to the freedom fighters.

There are many problems with this agreement. There is also this issue of the four signatories by four different committee chairmen, which I do not wish to go into. My colleague from North Carolina certainly made the case earlier in the debate. But frankly, I view it as an incredible erosion of executive branch power.

The good news, Mr. President, is that it maintains the Contras and relinks their solution to democracy in Nicaragua. By funding the Contras in a humanitarian fashion, it takes attention away from our battles. It puts the spotlight on Sandinista actions and allows us to pursue a policy objective, which is a free Nicaraguan election, and puts an end date to "peace plans" of February 25, 1990.

This bill has passed. We must hold the Sandinistas to the highest standards, those that we have applied to Mr. Pinochet, Mr. Marcos, and Mr. Christiani. I hold my colleagues on the other side of the aisle to their promises, their promises that they will commit themselves to making sure that the Sandinistas implement these promises; and I suggest that if they do not, they have an obligation to address other options, achieve two objectives. One, democracy in Nicaragua, the other, cessation of Soviet-Cuban military buildup in the area, which poses a direct threat to United States national security.

If my friends on the other side of the aisle are not proven correct, it will be evidence, as never before, of who allowed the Sandinistas to repress their people, who allowed the Sandinistas to subvert their neighbors, and, who allowed the Sandinistas to give the Soviets haven in Central America. We must insist that the Soviets end their subversion. We must insist that freedom and democracy, which this Nation has been seeking for people throughout the world, is indeed fulfilled.

This is our final opportunity, in my view, to bring about peace in a bipartisan fashion. I am afraid, Mr. President, that if this initiative fails, we will have great difficulty in rebuilding a free, bipartisan coalition on this very difficult and sensitive foreign policy issue.

During the last conflict in which the United States sent their young men to fight and die, there was a very popular song, "Give Peace a Chance."

Mr. President, we are giving peace a chance. We have given peace a chance, and we now give peace another chance. Now the focus of our interest and attention should leave these halls of Congress because we have sent a bipartisan and united message to the entire world, especially Central America, that we expect, by February 1990, a free election and a free nation in Nicaragua. We have every right to expect that, and the President of the United States, I think, has a right to expect our wholehearted and enthusiastic support of this peace plan, until it is clear that it is a failure or a success.

During these debates, Mr. President, we heard a number of skeptics from my side of the aisle, more than on the other side. I understand and appreciate those comments and remarks that were made today. But we must give this President support in his first major foreign policy initiative, and we must do everything within our power to see that not only is there peace in Nicaragua, but also in El Salvador, Guatemala, and Honduras, because I do not believe that you can have war and unrest in one of those tiny nations without it spreading to the other.

Mr. President, I appreciate your indulgence in this very late hour this evening, listening to my view of the situation. I am hopeful that in February you and I can—I guess it is more customary to have a soft drink these days—have a soft drink in Managua next February to celebrate the arrival of freedom and democracy in Central America, for which I think you and almost every Member of this body will deserve some credit.

Thank you, Mr. President. I yield to my friend from Iowa [Mr. GRASSLEY].

The PRESIDING OFFICER. The Senator from Iowa is recognized.

THE BIPARTISAN CONTRA AID PACKAGE

Mr. GRASSLEY. Mr. President, I take this opportunity to express my views on the so-called bipartisan Contra aid package that is now under consideration.

I voted against the package in yesterday's appropriations markup and will be voting against the package here on the floor.

I have a great deal of respect for the President and those congressional leaders who hammered out this agreement, which will likely be passed by a comfortable margin. But it is their agreement, and the rest of us in this body, as well as on the House side, have an obligation to fully review it.

Some of us who oppose this plan see visions of a Munich Pact revisited. While the analogy may not be perfect, similarities do exist. An agreement based on obscurities and broken promises will undoubtedly lead to serious problems down the road.

Unfortunately, ambiguity has become the key in today's legislative process. If parties cannot agree on specifics, then the practice is to wrap the problem into a bundle of ambiguity so that all parties can interpret the results in their own subjective terms.

If we have learned anything from the Iran-Contra ordeal, it is that legislation by equivocation paves the way for disaster. As our colleague from South Carolina [Mr. HOLLINGS] so ably stated in yesterday's committee meeting, Congress intentionally obscured the meaning of the so-called Boland amendment in order for both sides to come to an agreement. Just look at the monster we hatched with that one.

This agreement before us certainly suffers from a lack of clarity on a number of issues, such as democratization, how to deal with human rights issues, methods of assistance, Soviet military assistance to the Sandinistas, and so forth. I also have reservations about the superlegislative authority given to the congressional leadership, by some written understanding, which could nullify the law after November 30. This is another giant step toward the subversion of the legislative process.

In addition, I think the package lends itself to a lot of wishful thinking by those at various positions of the political spectrum. There are those who view the Contras as terrorists and see this accord as the beginning of the end of the resistance effort.

There are others who view this agreement as the last possible chance to bring democracy to Nicaragua. The hope is that what is left of the Contras will serve as pressure to somehow influence the Sandinistas toward the democracy that they have promised since 1979. Unfortunately, I do not think this agreement is a harbinger of democracy, which leads to the question—what is democratization in Nicaragua? Some say democracy already exists in Nicaragua, and that Ortega can be trusted. I do not think many in this Chamber believe that. I do not.

This Congress has done everything it could to strictly scrutinize the resistance movement, as well it should. It is my hope that this scrutiny will now be focused on the Sandinistas, and that Congress will fulfill its obligation to help ensure a democratic Nicaragua.

Mr. President, I yield the floor.

(Note: The following orders were entered earlier and appear at this point in the RECORD by unanimous consent):

ORDERS FOR MONDAY, APRIL 17, 1989

RECESS UNTIL 2:30 P.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2:30 p.m. on Monday, April 17, 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. I further ask unanimous consent that following the time of the two leaders there be a period for morning business not to extend beyond 3:15 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF S. 774

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate begin consideration of S. 774, the savings and loan bill reported today by the Banking Committee at 3:15 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, APRIL 17, 1989 AT 2:30 P.M.

The PRESIDING OFFICER. Under the previous order the Senate stands in recess until 2:30 p.m., Monday, April 17, 1989.

Thereupon, at 9:33 p.m., the Senate recessed until Monday, April 17, 1989, at 2:30 p.m.

NOMINATIONS

Executive nominations received by the Senate April 13, 1989:

DEPARTMENT OF STATE

IVAN SELIN, OF THE DISTRICT OF COLUMBIA, TO BE UNDER SECRETARY OF STATE FOR MANAGEMENT, VICE RONALD I. SPIERS, RESIGNED.

DEPARTMENT OF COMMERCE

MICHAEL RUCKER DARBY, OF TEXAS, TO BE UNDER SECRETARY OF COMMERCE FOR ECONOMIC AFFAIRS, VICE ROBERT ORTNER, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

RUFUS HAWKINS YERXA, OF THE DISTRICT OF COLUMBIA, TO BE A DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, VICE MICHAEL A. SAMUELS, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 13, 1989:

U.S. INFORMATION AGENCY

BRUCE S. GELB, OF NEW YORK, TO BE DIRECTOR OF THE U.S. INFORMATION AGENCY.

DEPARTMENT OF STATE

HENRY E. CATTO, OF TEXAS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

VERNON A. WALTERS, OF FLORIDA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL REPUBLIC OF GERMANY.

RICHARD THOMAS MCCORMACK, OF PENNSYLVANIA, TO BE UNDER SECRETARY OF STATE FOR ECONOMIC AND AGRICULTURAL AFFAIRS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING EVERETT ELLIS BRIGGS, AND ENDING DAVID BRYAN DLOUHY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

FOREIGN SERVICE NOMINATIONS BEGINNING JAMES A. MCGINLEY III, AND ENDING THOMAS E.E. SPOONER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

FOREIGN SERVICE NOMINATIONS BEGINNING MARSHALL D. BROWN, AND ENDING SCOTT E. SMITH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 2, 1989.

FOREIGN SERVICE NOMINATIONS BEGINNING MICHAEL J. HAND, AND ENDING GEOFFREY OGDEN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 17, 1989.

EXTENSIONS OF REMARKS

TESTIMONY OF HOWARD PHILLIPS

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BURTON of Indiana. Mr. Speaker, I would like to enter a statement by Mr. Howard Phillips of the Conservative Caucus into the RECORD. In view of recent events in Namibia, I think it is very important for all of us who are concerned with events in southern Africa to pay attention to the views of a man of Mr. Phillips' stature and experience.

The statement follows:

TESTIMONY OF HOWARD PHILLIPS, CHAIRMAN, THE CONSERVATIVE CAUCUS, INC.

Mr. Chairman: Recent events in Namibia underscore the risks to U.S. security interests implicit in Chester Crocker's 1988 Angola/Namibia accords and Andrew Young's 1978 U.N. Security Council Resolution 435 on which the accords are premised.

In the first test of good faith by the parties involved, the Communists have flunked.

Disregarding cease-fire pledges signed by the president of SWAPO (South West Africa Peoples Organization) on August 12, 1988, and again, on March 18, 1989, the Soviet-allied terrorist organization has once again made clear its overriding adherence to the notion that political legitimacy, as well as power, comes from the barrel of a gun.

Despite the explicit requirement, solemnly guaranteed in Geneva by both Cuba and Angola, that all SWAPO armed forces would be confined to bases north of the 16th parallel in Angola, some 120 miles north of the Namibian border, and to have its troops enter Namibia only after having left their weapons in Angola, heavily armed SWAPO guerrillas instead crossed into Namibia on April 1, six weeks prior to the date of their scheduled arrival on May 13, at a time when South African troops were being confined to base, and U.N. personnel had not yet arrived at their assigned border destinations.

Yet there is no provision in the accords to penalize either Communist Cuba, Communist Angola, or Communist SWAPO for this major violation.

Whether their objective was to infiltrate thousands of guerrillas for purposes of intimidation, or even to establish military bases inside Namibia, it is clear that SWAPO's Marxist-Leninist leaders remain determined to achieve power at any price. Doctrinally committed, as they are, to the creation of a one-party state, the ruthless terrorists who set SWAPO policy can no more be looked to as harbingers of democracy in South West Africa than could the original Bolsheviks have been heralded as champions of human rights for the people of Kerensky's Russia.

Under the agreements signed by Angola, Cuba, and South Africa, SWAPO has already been handed a great victory at the bargaining table, despite a long history of failure on the battlefield.

Yielding to extraordinary economic pressures from the U.S. government, South Africa agreed to a formula wherein the anti-Communist black majority Transitional Government of National Unity, which had been administering Namibia since 1985, would give way to a process by which a new government would be installed under United Nations auspices.

South Africa also agreed to withdraw its estimated 40,000 military personnel from Namibia, with all but 1,500 gone by June 24, to dismantle the 35,000-member, predominantly black, South West African Territorial Force, and to permit the introduction of 6,150 U.N. troops and support personnel, many from anti-democratic Communist regimes, to oversee elections scheduled for November 1, 1989.

Because the United Nations has provided SWAPO with tens of millions of dollars in subsidies and has repeatedly declared the guerrilla organization to be "the only legitimate representative of the South West African people," South Africa's decision to acquiesce in U.N.-supervised elections has been widely perceived as a victory for SWAPO—and a defeat for the anti-Communist blacks who have opposed the Moscow-trained group's strategy of violence and terror.

In all societies, there is a natural desire to "be with the winner". In Africa, failure to support the prospective victor can have fatal consequences. Accordingly, those Namibians who worry about the physical security of their loved ones after a new government will have taken power and once South Africa and the U.N. have both left their country, may well decide to vote for SWAPO out of fear, rather than on the basis of adherence to its Marxist-Leninist agenda. Indeed, it is difficult to imagine that Namibians, other than for reasons of intimidation, would knowingly risk surrendering the freedoms they now enjoy:—to own and dispose of one's private property,—to enjoy religious liberty, and—to enjoy the freedoms of speech, press, and association which have been the norm in Namibia in its pre—"independence" status.

The consequences of a SWAPO victory in Namibia would be adverse for those beyond the new nation's borders who love liberty, as well as those within.

No provision of the agreements would bar a SWAPO government from welcoming to Namibia foreign troops to assure the continuance in power of an unpopular one-party Communist tyranny, just as soldiers from Cuba, East Germany, North Korea, North Vietnam, and the Soviet Union now protect totalitarians in Luanda from the hostility of the Angolan people.

Nor do the accords preclude the possibility that Angola-based Soviet battle tanks, jet fighters, attack radar, and helicopter gunships, now aimed south toward Namibia, will in a few years be emplaced on Namibia's Orange River border with South Africa. Neither can neighboring Botswana fail to be wary, given Communist expertise in subversion and intimidation in service to a "revolution without borders".

But those in the region who lose the most from these accords are Dr. Jonas Savimbi's anti-Communist UNITA freedom fighters in Angola. Already cut off from South African aid, which had helped stave off well funded invasion-scale Soviet-led assaults during 1986 and 1987, UNITA has been deprived by the Crocker accords of important logistical supply routes through Namibia, which adjoins liberated southeastern Angola.

If, in addition, a SWAPO regime were to use Namibia's Caprivi Strip as a base for anti-UNITA Communist forces, UNITA's ability to safeguard those now resident in the liberated areas would be in grave question.

America has strategic interests in southern Africa. The mineral resources concentrated in South Africa, Namibia, Zaire, and other parts of the region are essential to U.S. defenses and to our industry. In many cases, the only other source of supply are Soviet-controlled. The sea lanes around the Cape of Good Hope and up the south Atlantic transport Persian Gulf oil for America and western Europe.

Walvis Bay, a magnificent deep-sea port on Namibia's Atlantic coast, is now a Western asset. If SWAPO has its way, that asset will be transferred.

And of course, Zaire, to the north of Angola, will be the next target of Soviet ambitions, once Moscow has installed its SWAPO surrogates in Namibia and consolidated control of Angola.

The Crocker accords have diminished, rather than enhanced, the prospect of genuine national reconciliation and free elections in Angola. While the South Africans had completely removed their 3,000 personnel from Angola before September 1 last year, the Cubans need not complete the withdrawal of 50,000 of their soldiers until July 1, 1991, more than two years from now.

According to UNITA, the agreement—which is, after all, between Communist Cuba and the Peoples Republic of Angola—does not cover another 10,000 Cuban troops, some 20,000 Cubans who now claim Angola citizenship, 2,500 Soviets, 2,500 East Germans, 3,000 North Koreans, and assorted other Communist soldiers from Portugal (private mercenaries), North Vietnam, and elsewhere.

Jonas Savimbi has told me that, at this point, a military victory to end the war is not possible. So he hopes America's promise of negotiations will be fulfilled. But, what incentive is there for the Communist incumbents to negotiate themselves out of power—especially so long as they are collecting hundreds of millions of dollars annually from U.S.-based multi-national petroleum conglomerates such as Chevron, Conoco, and Texaco? Even the Kennedy family's Citizens Energy Corporation is getting a piece of Angola's action.

Clearly, there is considerable imbalance in the accords, which must be rectified to enhance the prospects for liberty and democracy in both Angola and Namibia. Congress has had no formal role in shaping the deal, which was brokered by Assistant Secretary of State Chester Crocker. But Congress does have a prospective fiduciary duty to assure that U.S. interests are protected as the plan is implemented. After all, American taxpayers are being asked to cough up, for starters, some $129 million in aid to the 6,150

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

member U.N. "peace force" in Namibia and the 90-person U.N. team which will theoretically "verify" the Cuban withdrawal from Angola (which is twice the size of Texas).

Here are some measures on which Congress should insist as a precondition to the release of funds under its control to implement the Crocker scheme ($25 million has already been given to the U.N. by unilateral Executive Branch action):

1. Increase the pressure of the Angola Communist regime to move toward the national reconciliation and free elections which Secretary Crocker has stipulated to be a logical parallel to the U.N.-supervised elections to be held in Namibia less than six months from now, by

(a) requiring U.S. oil companies to sell off their operations in Angola no later than January 1, 1992, if all foreign troops have not been removed and free elections scheduled by July 1, 1991—the Cuban withdrawal deadline stipulated in the Cuba-Angola agreement;

(b) increasing high tech U.S. military aid to UNITA to $100 million per year—one-tenth the amount being annually provided their Angolan puppet army by the Soviets; and

(c) guaranteeing U.S. funding for UNITA at least until the July 1, 1991 Cuban withdrawal date, lest the Angolan Communists be tempted to stall negotiations pending the outcome of the 1990 U.S. congressional elections.

2. Enhance prospects for truly free and fair elections in Namibia by

(a) providing financial assistance to the anti-Communist political parties in Namibia so as, in a small way, to offset the many millions of dollars which Soviet-allied SWAPO has received from the United Nations;

(b) disqualifying from participation in the United Nations Transitional Assistance Group (UNTAG) assigned to oversee the elections, personnel from any government which has aided SWAPO or which, itself, achieved power by non-democratic means;

(c) holding in escrow any funds which may be appropriated for UNTAG until the last Cuban has left Angola and free elections have been scheduled there.

Finally, it must soon be decided whether America is serious about promoting liberty and democracy in southern Africa, or is merely interested in appeasing the commercial and ideological forces which prefer stability under Communist auspices.

The terms of the Angola/Namibia accords are fundamentally flawed. SWAPO has already flagrantly violated those terms, without suffering any electoral disqualification.

The cause of peace and justice would be advanced if the deal were scrapped and replaced by a strategy of 1) withdrawing economic support for the Communists in Angola, and 2) encouraging it for the anti-Communists in Namibia, where, even before sanctions were imposed on South Africa in 1985, the State Department had actively discouraged U.S. investment.

Such an approach would deny the Angolan reds the money used to rent their Cuban mercenaries and buy Soviet equipment, thereby forcing them to direct negotiations with the real leader of the Angolan people, Dr. Jonas Savimbi.

Similarly, freed of economic dependence of South Africa (which is eager to rid itself of Namibia's financial burdens) and rescued from SWAPO terrorism by the coming to power to UNITA in Angola, Namibia could achieve full and genunie self-determination in the Western tradition.

How tragic if "Africa's last colony", in consequence of SWAPO taking power under a U.N. process which is implicitly partisan, were to become yet another outlying satellite of a Soviet empire which is rotting at the core.

In five years, the American people will then be forced to ask, "Who lost Africa?"

HUMILITY, MONEY, AND RAIN FORESTS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. PORTER. Mr. Speaker, I, like any other parent, I wish that my children would learn from my mistakes. I also recognize what I communicate to them with a "do as I say, not as I do" message.

However, I fear the latter is the message the United States is currently sending to Brazil. While pressuring President Jose Sarney to stop destruction of Amazon tropical forests, our country continues to add huge amounts of emissions that contribute to global warming into the atmosphere.

The following article that appeared in the Chicago Tribune on April 4, 1989, by Charles R. Eisendrath speaks to this very well, and I would like to submit it into the RECORD.

Being the father of teenage sons gives me a monopoly of wisdom on the Brazilian rain forest question. Brazil, you see, is doing something so adolescently destructive to itself and the whole family of man that I can hardly restrain myself.

Trouble is, the dinner table has taught me how preaching backfires when the parental precedent is as shaky as ours. I speak as an environmentalist in a mature, First World country. But talk about deforestization.

The Amazon basin, which we like to call the richest, most complex, most valuable, is superlative only because a century ago Americans finished timber-stripping the Great Lakes-Ohio-Mississippi basin. While combing 19th century newspaper files for a book, I came across descriptions of vast post-logging fires of bark and branches that blackened Michigan skies so long that 1 year there was no harvest at all—a sort of a nuclear winter of the Paul Bunyan era.

Imagine United States reaction to cries from, say, England, that we needed approval before pursuing our manifest destiny. The language would have been, well, Bunyanesque.

There is also much criticism of how Brazil treats Amazon Indians. To keep the discussion civilized, let's not even mention our own tender ministrations to native Americans.

But not to mention our own failures, particularly to ourselves, is an essential ingredient missing from the Brazilian debate. The United States, Western Europe, and the Soviet Union are destroying more forests right now, through the sulfur emissions that produce acid rain, than Brazil could do in any environmental tantrum of slash-and-burn land clearing. And we are doing so even though we know better, or at least we tell Brazil that we do.

Oddly, we talk to Brazilians as if we were holier than they. Better to invite them to a seance of sharing sinners. Humility offers half the solution to any family problem. The rest is money.

Fortunately, the world family has a World Bank set up specifically to finance projects in places that don't do things the right way. Its low-interest (sometimes no-interest) loans come with strings very much attached. "We'll pay you to do what you want to do (even open the Amazon Basin), if you do it our way."

World Bank loans are to help countries grow up. At present, however, eligibility is limited to "developing" countries, as measured by per-capita gross national product. That is absurd: a stuffed shirt measurement satisfactory only to dismal economists. World Bank loans should be available not only to countries whose economies are adolescent, but also countries who act that way. Us for example.

Some developing countries have plenty of money, Saudi Arabia and Taiwan come to mind. Some economic powerhouses feel left out of the grownups' power circle; Japan heads the list. They could join the nations of the self-proclaimed maturity cartel, who now supply most World Bank funds (the U.S. alone kicks in 19 percent), and who sometimes need help growing up themselves.

World Bank intervention in a maturation project including North America and Europe as well as Brazil would send important signals. To the Third World, it would mean the grown-up countries were admitting fallibility. To the First World, it would mean support from the children.

Powerful medicine in any family. Together, we just migh stop preaching, and sulking, and clean up the yard.

THE AMERICAN PEOPLE PAY LITTLE ATTENTION TO THE NATIONAL MEDIA

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SOLOMON. Mr. Speaker, I am always consoled by the fact that the folks back home have as much scorn for the liberal-left national media as the media has for them.

As far as I'm concerned, the average man-on-the-street is much wiser than Dan Rather, Ted Koppel, Sam Donaldson, or Carl Rowan. One area in which that greater wisdom—or street smarts, if you will—manifests itself is in gun control, so-called.

The average voter knows that guns don't kill people, people do. They know that the criminal who doesn't honor laws against murder and robbery certainly isn't going to honor the laws on gun control or registration. They know that if all gun sales are banned, criminals will get their hands on deadly guns anyhow. They know that the antigun crowd is interested in power, in controlling other people, not in the hard choices needed to reduce crime.

One of those uncommon common people back home is Robert D. Valenzi of Clifton Park, NY. I place his recent letter in today's RECORD, and ask all Members to read it. This

is America speaking, and it's telling us not to take our cues from the networks and editorial pages.

CLIFTON PARK, NY, *March 23, 1989.*
Hon. GERALD SOLOMON,
Saratoga Springs, NY 12866

DEAR CONGRESSMAN SOLOMON: Isn't it just wonderful that President Bush is the recipient of unceasing streams of advice concerning what his policies should be regarding firearms from Dan Rather, Ted Koppel, Sam Donaldson, Carl Rowan, and the rest of the left wing media. You know, the same people who did everything in their power to sink him last November.

Make no mistake about it, they are still trying.

What I find especially annoying is that these media creeps scurry to hide behind the first amendment as they distort facts, convolute the truth, and generally play fast and loose with the concept of airing both sides of an issue. At the same time, they casually trivialize the second amendment rights of those of us who own and use firearms in a legal and responsible manner. Now they would have us believe that if semi-automatic rifles and shotguns were banned violence in the streets would disappear. Never mind addressing the sick drug sub-culture that spawns the violence, that might bruise the feelings of fuzzy minded social engineers. Just pass a few more laws restricting firearms, and everything will be O.K.! Maybe they really believe the nonsense they advocate, but that is certainly no reason why the administration should be influenced by them.

I know you have consistently opposed "feel good" firearms legislation that achieves nothing except to further infringe on the rights of good citizens, while criminals go on about their destructive business. Be assured that I, and most of your constituents, support your efforts on behalf of firearms owners. Please make sure that the administration knows of this support, and that those of us who supported them in November still support the good Republican position of punishing criminals and not law abiding citizens.

Keep up the good work.

Best regards,

ROBERT D. VALENZI.

PREPARING FOR AMERICA'S FUTURE

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SMITH of Iowa. Mr. Speaker, one of the outstanding educational programs in the country to further good citizenship and patriotism among our youth is the annual "Voice of Democracy Scholarship Contest" sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary. This year more than 250,000 secondary school students participated in the contest for nine national scholarships totaling $42,500. The contest theme this year was "Preparing For America's Future." The winning credit from Iowa was submitted by Daniel Duane Kelley. An 18-year-old senior of Newton Senior High School. Mr. Kelley's essay reveals a mature and perceptive understanding of the greatness of America's past and of its promise for the future. It is my privilege to ask unanimous consent that this essay by an outstanding young Iowan, Daniel Duane Kelley, be placed in the RECORD.

PREPARING FOR AMERICA'S FUTURE

Delegates to the Constitutional Convention of 1787 prepared for America's future by building the basic framework of our government, the Constitution of the United States of America. Delegates to the Constitutional Convention in Philadelphia prepared for America's future with feelings of confidence, courage, and optimism. The delegates had confidence that the American citizens could govern themselves. The delegates were courageous in believing that Americans would understand the importance of working together to achieve their dreams and accomplish their goals. The delegates were also optimistic that America's government, run by the people, would display a vision of justice and peace for the entire world. Heading into the 1990's Americans must display confidence, courage, and optimism once again. Only by believing that the light of today brightens tomorrow can we truly prepare for our future.

Confidence in citizens is a basic principle that is unique to democracy. America, its culture, society, and government are all based on the belief that U.S. citizens have the ability and the determination to work for the common good of our country as well as the world. The strong educational system in our country prepares U.S. citizens to fulfill this duty. In order to strengthen our nation, active citizens must have the ability to form opinions on international and domestic issues. These opinions must be created through a rational decision-making process which is instilled in students of the American educational system. The future of our country depends upon the goals and dreams our youth envision. American youth must envision a future in which the world lives in tranquility. Americans feel confident in our youth to lead the United States into tomorrow. This is mainly because of the preparation taking place today.

Throughout its history America has always represented courage to the entire world. We are challenged toward a commitment of working together to solve social problems and to improve the quality of life in our nation and for human beings wherever possible. America has displayed its courage by maintaining the ideals of the American Revolution envisioned long ago by the colonists as the foundation for a new global unity. Veterans of Foreign Wars have upheld the belief that freedom should belong to every citizen of the world community. In preparing for the future of America we must continue our belief in world-wide freedom and live what the veterans fought for.

America's task in the 1990's can be accomplished with optimism. We must take pride in our achievements of yesterday but we must also acknowledge the problems of today. If America's future is to be as outstanding as its past, we must put an end to several problems at home and abroad in the near future. The deficit, poverty, pollution, discrimination, and the drug problem will all be solved if Americans remain optimistic in looking for solutions.

In our quest to meet all of the challenges of tomorrow we must first understand that we have the responsibility to contribute toward a stronger and healthier world community. We must remain optimistic in our new feeling of peace with the Soviet Union. Democracy is the strongest form of government in the world. We must use this global influence to work for peace rather than tension. I am optimistic that if the U.S. and the U.S.S.R., display a peaceful relationship the world will insure its own everlasting existence. An optimistic outlook on the future envisioned by America will become a light for the world to see by.

In his second inaugural address on March 4, 1865, President Abraham Lincoln confidently, courageously, and optimistically proclaimed, "With malice toward none, with charity for all, with firmness in the right, let us strive on to finish the work we are in; to bind up the nation's wounds, to care for his widow and his orphan; to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations".

As a member of the youth community of America I sincerely believe these words reflect the challenges we face in preparing for America's future.

DANIEL SHANNON OF MADEIRA BEACH, FL, AWARDED CARNEGIE MEDAL FOR HEROISM

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. YOUNG of Florida. Mr. Speaker, the great American writer Ralph Waldo Emerson in his essay on heroism, wrote, "Heroism feels and never reasons and therefore is always right."

A heroic act is one in which an individual sees another in need of help and acts without concern for their own well-being. Daniel Shannon, a constituent from Madeira Beach, FL, exhibited such heroic courage when he jumped into the swift current of the Gulf of Mexico to save two young girls from drowning.

For his actions, Daniel Shannon recently was awarded the Carnegie Medal for heroism by the Carnegie Hero Fund Commission. These medals have been awarded for 85 years by the commission, which was established by Pittsburgh's Andrew Carnegie.

It was on August 7, 1988 that Daniel Shannon was fishing from a jetty at John's Pass, adjacent to the Gulf of Mexico, when he noticed two girls, aged 5 and 7, being drawn into the gulf by a longshore current. Mr. Shannon, who is 37 and works as a ship's captain, immediately dived into the pass, swam 45 feet to the girls, and grabbed the younger girl just as she went under water. Holding on to both girls, he swam across the swiftly moving current, back to the jetty, where a group of onlookers formed a human chain to help them ashore.

Mr. Speaker, our Nation is comprised of many heroes of all ages and backgrounds. True heroes act for the good of their fellow man without regard to danger and without the expectation of recognition. Heroic acts, however, truly are special and deserve our special recognition. It is an honor for me to relate to you this story of two young girls who are alive and with their families today because of the quick action of Daniel Shannon.

GULF STATES TOYOTA IN HOUSTON, TX

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. FIELDS. Mr. Speaker, it is a great honor for me to have in my district the business, Gulf States Toyota. This business was started in 1969 by Tommy Friedkin. Since that time, he has built a business that now has more than 1,000 employees and 132 dealers in Arkansas, Louisiana, Mississippi, Oklahoma, and Texas.

Today, the Gulf States Toyota port facility at the Port of Houston occupies 56 acres and can accommodate in excess of 100,000 vehicles annually. A full range of options and accessories is installed at the port and the turnaround time from arrival to dispatch for vehicles has been reduced from 13 days in 1969 to less than 4 days today. Gulf States Toyota port operations are widely recognized as among the finest and most efficient in the import automotive industry.

Mr. Speaker, to talk to Tommy Friedkin as a successful businessman, is only part of the picture of the man who founded Gulf States Toyota. He is an outstanding conservationist. He is a stunt pilot. He is a rancher. He is a contributor and patron to many worthwhile community events and causes, such as the Alley Theatre, the Grand 1894 Opera House, the Houston Public Library, the Houston Symphony Orchestra, the American Heart Association, the American Cancer Society, the Boy Scouts of America, and so many more.

Certainly, Mr. Speaker, there is no finer example of a successful entrepreneur who believes in giving back to his community. I am proud to be Tommy Friedkin's Congressman, and I am proud to say he is my friend.

DRUG-FREE HOUSING ACT OF 1989

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mrs. MORELLA. Mr. Speaker, officials responsible for public housing in Montgomery County, MD, have expressed frustration and a sense of urgency in eradicating drug trafficking and other drug-related activities from its properties. The Housing Opportunities Commission of Montgomery County is concerned with the integrity of the Section 8 program, in particular. This program serves almost 3,000 Montgomery County households. When a mother is fearful for her children's safety and a neighbor's wall shows the results of a drug-related shooting, when private landlords are unwilling to rent to people holding Section 8 certificates or vouchers, there must be quick action to change the situation. I am pleased to join with my colleagues today in cosponsoring the Drug-Free Housing Act of 1989 which would support this crucial effort to provide more humane living conditions for residents of public housing.

This legislation would strengthen Secretary Kemp's efforts to rid public housing of those persons involved in drug-related activities. I am concerned, as Mr. Kemp is, that a person's civil rights be respected. On the other hand, I would hope that the many law-abiding residents who live in public housing or who use the Section 8 program will not be deprived of a livable situation because drug dealers have taken over their residences.

I applaud the provision in the Drug-Free Housing Act of 1989, which would allow the Public Housing Authority to terminate eligibility for a Section 8 certificate, public housing, or other related vouchers to those tenants evicted from public housing for drug-related activities. Mr. Speaker, I urge my colleagues to support the Drug-Free Housing Act of 1989, and improve the living conditions of public housing residents across the United States.

U.S. PEACE TAX FUND GIVES TAXPAYERS AN OPTION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. WALGREN. Mr. Speaker, Congressman TAUKE and I, along with 19 cosponsors, are today introducing the U.S. Peace Fund Tax Act, a bill that would enable those taxpayers who are truly conscientiously opposed to war to direct a portion of their taxes to peaceful purposes. Senators HATFIELD and HARKIN are introducing companion legislation in the Senate today.

Under the bill, a taxpayer must be a conscientious objector within the meaning of current law. To qualify, the taxpayer must certify to the Internal Revenue Service that he or she is conscientiously opposed to participation in all wars, within the meaning of the conscientious objector section of the Military Selective Service Act. Upon qualification by the Internal Revenue Service, taxpayers would be able to direct that portion of their tax contribution that would otherwise go to military spending toward peaceful purposes.

It is important for those in our society who are truly conscientious objectors to have this option. Although the depth of the commitment of those who are true conscientious objectors is often underestimated by some, respect for conscientious objectors on religious ground is fundamental to the kind of relationship between government and the individual that forms the very basis of American values. Those who are deeply opposed to participating in war on religious grounds now face the dilemma of being prosecuted for breaking the law if they withhold their taxes, or on the other hand, violating their consciences by contributing directly to developing military forces with destructive power unparalleled in human history. This bill would resolve this conflict.

The Peace Tax Fund bill would not reduce an individual's tax liability. It simply represents an alternative form of tax payment and would not create an incentive for people to misrepresent their beliefs. The Peace Fund Tax bill is strongly supported by the U.S. Catholic Conference, the Jewish Fellowship, and the American Friends Committee on National Legislation.

I hope the Congress will see the need for giving taxpayers this option in an effort to encourage peaceful solutions to problems.

HELPING HANDS FOR THE ELDERLY

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BRYANT. Mr. Speaker, by the year 2000, Americans over the age of 65 will number over 35 million; half of these individuals will be over 75 years of age. Advances in medical care and improved lifestyles have allowed for such increases in the life expectancy. However, as life expectancy increase, society faces a growing challenge: How to meet the needs of a burgeoning elderly population, many with a decreasing capacity to function independently in the community.

As individuals age, their ability to maintain independent lifestyles and avoid institutionalization decreases. The ability of elderly people to live independently varies according to such factors as age, income, living arrangements, and disability. One of the most significant factors is the availability of informal care by spouses, relatives, or other caregivers. The mobility of the U.S. population and the number of women—traditionally the primary source of care—who are full-time members of the work force, will make it more difficult for families to care for elderly parents.

Furthermore, the challenge to help the elderly live independently includes the goal of reducing the financial costs—and often impoverishment—associated with nursing homes.

I would like to commend the Visiting Nurses Association of Dallas, TX, for establishing the innovative Independence Plus Program, designed to help the elderly with day-to-day tasks, enabling them to maintain their independence. This includes home repairs, yardwork, cleaning, cooking, shopping, and companionship. This pilot program, part of an initiative by the Robert Wood Johnson Foundation, offers the elderly control over their daily lives.

Their work has not gone unnoticed. I would like to share with my colleagues the following article which appeared in the Dallas Times Herald on March 6.

[From the Dallas Times Herald, Mar. 6, 1989]

LOW-COST PROGRAM GIVES INDEPENDENT LIFE TO ELDERLY

(By Maggie Kennedy)

Jim and Jack Madden had few options about the care needed by their 91-year-old great-uncle Lew Waid.

"We could do nothing or we could move him into a rest home," said Jim Madden. "Neither one was suitable. We didn't want to change his location or his routine. We wanted to keep him in familiar surroundings for his mental health. Besides, Lew said 'no way' to a rest home and he really doesn't need that yet."

But the Madden brothers found a third alternative—the Visiting Nurse Association's

new Independence Plus program that offers low-cost housekeeping, handyman and yard-care services to the elderly. The goal of the three-year pilot project, funded by a grant from the Robert Wood Johnson Foundation, is to help the elderly maintain their independence by providing them assistance with day-to-day living tasks.

Two mornings each week Henrietta Jimenez, 48, comes to Waid's North Dallas apartment to cook, clean and drive him to doctor's appointments, the cleaners, the supermarket, the bank. The six hours a week she spends with Waid costs him $70.

Jim Madden insists it's worth every penny.

"Lew can't get around like he used to and he has problems hearing and seeing," explained Madden. "He can't cook either. Companionship is the biggest think Henrietta gives him and having her here gives me peace of mind. I know someone's here and he's eating well. My brother and I usually visit on the weekends and sometimes I drop by for one of Henrietta's famous breakfasts."

Jimenez also looks forward to her Tuesday and Thursday mornings with Waid.

"Lew is a lot of fun and tells great stories about his days as an actor in Hollywood," she said, "but he won't let me move anything when I clean."

Waid, who is divorced and has no children, retired in 1960 after many years in the entertainment business. He started in vaudeville, then spent seven years in Hollywood at Republic Studios making Westerns with pals Gene Autry, John Wayne and Roy Rogers. He left acting in 1942, moved to Dallas and went into film distribution.

"I was the one who recommended Leonard Sly of the Sons of the Pioneers to Republic to take Gene Autry's place in Westerns when Gene went off of the army," said Waid. "They changed his name to Roy Rogers."

The VNA's Independence Plus program currently has 19 housekeepers, eight handymen/yardmen and two service coordinators who have served more than 350 people since last March.

Fees are $25 for a minimum of two hours and $10 for each additional hour for housekeepers, $23 an hour for handymen who do minor household repairs, and $15 to $24 for mowing, bagging and sweeping. Other yard-care services such as fertilizing, trimming shrubs and raking leaves are $17.50 an hour. All staff people are bonded and insured.

For more information, call 689-0000.

REGARDING STUDENT LETTER ON THE MINIMUM WAGE

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. KOLBE. Mr. Speaker, despite claims to the contrary, today's students are highly aware of public policy issues and have a great sense of the national community in which they live. I would like to share an articulate and thoughtful letter that I recently received from a high school student.

DEAR JIM KOLBE, I think your raising the minimum wage is great, because I am 18 years old and that is what I would receive; the minimum wage. But there are some downfalls about it. That means that everyone would want their pay to go up. If you raised it higher than someone else's pay, they would want their pay raised too. That may lead to people not getting so many jobs because the employer would not hire as many people. The employer would not be able to pay for all the people they really need. I think that the price of everything would go up too. The business people would have to raise prices to pay for the employees. A lot of small businesses would go out of business too. The reason why is they could not afford to pay people to work at that price (or the job increase).

Thank you for reading my letter.

Sincerely.

ROSECHANAW LITTLE.

We recently voted to raise the minimum wage and during the debate many different economic scenarios and forecasts were bandied about. Rosechanaw's letter cuts through all that and hits the true target—the human impact. Raising the minimum wage will cost young people, particularly minorities, their jobs.

TRIBUTE TO SUGAR RAY ROBINSON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. RANGEL. Mr. Speaker, today I rise to pay tribute to one of America's all time great sportsmen, humanitarians, and citizen. Yesterday the final bell was rung for boxing legend Sugar Ray Robinson who died in Los Angeles after a long illness. He was the former world welterweight and middleweight champion. He was acknowledged as "the greatest fighter pound for pound in the world." He had both an illustrious amateur and professional career. His record was 85-0 with 69 KO's and a Golden Gloves Championship during his amateur career. He began his professional boxing career in New York on October 4, 1940, and announced his retirement on December 10, 1965. During his 25-year professional career he fought 202 bouts, won 174 of which 110 were by knockout. He held the welterweight crown from 1946 to 1953 and the middleweight crown twice: First from 1951 to 1954, and then again from 1955 to 1960. Sugar Ray lost and regained the championship four times.

Sugar Ray was born Walker Smith, Jr. in Detroit. At the age of 12 he moved to New York where he attended DeWitt Clinton High School. During his boxing career Sugar Ray lead a flamboyant life in Harlem where he is remembered for his pink Cadillacs with the "RR" license plates and rhinestone studded tuxedoes. During his peak he was like a Pied Piper with his large entourage in tow everywhere he went.

Sugar Ray displayed a combination of skill, grace, stamina, ring smarts, and charisma unmatched by other fighters. His fights with such other ring luminaries as Jake LaMotta, Joey Maxim, Carmen Basilio, and Gene Fullmer were memorable in boxing history. Ray brought much enjoyment to boxing fans for many years and served as a role model for many of today's fighters such as his name sake Sugar Ray Leonard and Mark Breland. He was also the model used by Muhammad Ali among the older generation of fighters.

Mr. Speaker, we have lost a great American prize fighter whom many fighters past, present, and future will use as their standard. In the fight game when a fighter passes away the time keeper rings the bell 10 times, I ask my colleagues to rise with me in 10 seconds of silence to honor the memory of Sugar Ray Robinson.

Mr. Speaker, for the RECORD I would like to include an article by Pete Hamill from the Thursday, April 13 issue of the New York Post that represents one of several fine tributes to Sugar Ray:

SO LONG, SUGAR

Let's sing a song for Sugar Ray Robinson. Get Miles on the horn and Max on drums, and play it in all the night places of the world.

Play it from the doorways of Times Square, where he once danced for dimes during the Depression. Play it on Lenox Avenue, where for some of us, the pink Cadillac still cruises through summer evenings with Ray at the wheel. Play it where Minton's used to be and in the shade of the Baby Grand and on the corner where there once was a place called Sugar Ray's. Make it a blues, sad and bad, full of pain and laughter, too. And make sure that it says that Sugar Ray Robinson was the greatest fighter who ever lived.

"There's Sugar Ray," said the manager Cus D'Amato long ago, "and then there's the top 10."

Yeah.

And the song of Sugar Ray would have everything in it: courage, endurance, intelligence. It would suggest his cruel elegance in a ring, the hands moving with precision and power, the jab a rapier, the hook a thing of perfect beauty. The combinations were often spectacular, each punch perfectly placed. And he could be deadly, too. When he hit Gene Fullmer with that hook to win back the middleweight championship of the world in May, 1957, Fullmer got up and asked his manager, Marv Jensen, why they'd stopped the fight. "Because," said Jensen, "they counted 11."

There were bad times: wives gone off and money stolen and losses in the ring at the end that would never have happened in his prime. But the song of Sugar Ray should have all the glad times in it, too, the women and the wives, the money coming in great bushels for a while, with Ray moving through the New York clubs at night as if accompanied by a private band. Gangsters wanted his autograph. Shoeshine boys stared at his clothes and came away with hundred-dollar bills. Women dissolved. For a lot of us, he was the first man to show us what beauty was, transforming his violent trade into something that resembled art.

"I had the best," he told me one afternoon in his home in Compton, when I went to see him in the early 70s. "I got no regrets, not even for the bad times, the hurtin' times . . ."

So hurt should be in the song, hurt received and hurt dispensed. Ray Robinson hurt a lot of people in the ring and once, after a man died at his hands in a ring in Philadelphia, he was asked by a young district attorney at an inquest whether he knew he had the man in trouble. "Sir," said Sugar Ray Robinson, "gettin' people in trouble is my business."

So last night all over New York, people talked about Robinson. He was for a while, in the '40s and '50s, the ultimate New Yorker. Two generations tried to walk like him. Everybody envied his style, toughness and grace. Those generations talked last night about the LaMotta fights. Or the great second fight with Randy Turpin, who had beaten him in England to take his championship, and how Robinson boxed and punched and moved until he was terribly cut in the 10th round. Everybody knew that he could not get through another round with that cut and so he went out in the 11th and destroyed Turpin, battering him into a shuddering pile, throwing more than a dozen punches without a return to become again the middleweight champion of the world. He was the greatest of his time because of the way he behaved when in trouble.

All this week, they'll talk about Gavilan, and how Artie Levine and Rocky Graziano had him down and how Ray Robinson always got up and went back to his elegant art. They'll talk about the last fight with LaMotta, with Vickie LaMotta and Edna Mae Robinson screaming at ringside, and LaMotta's blood dappling the canvas and Ray's hair sticking up like spikes, the engagement of bull and matador never seen before in such awesome splendor. They'll talk about the Fusari fight and the night he beat Tommy Bell and the fight that he once told me was his toughest: against Fritzie Zivic.

If you never say Ray Robinson, don't dismiss these as the sentimental tales of aging men. Go find the films. Look at what he did that nobody did before and nobody has done since. And try to imagine him up in Harry Wiley's Gym, with George Gainford against the wall watching (because after a while there was nothing to do if you were training Sugar Ray). The kids from the Salem Crescent Club all tried to box like Robinson, and when it was time for the Golden Gloves, they swept all the medals. They would be there at Wiley's, watching the champion, and so would Miles Davis who started training there after he kicked junk, and sports writers and fans and women. And all of that should be in the song.

"I don't go back to New York much anymore, Robinson told me on that visit to Compton in the '70s. "Everybody I know is dead. I walk around saying, "Where the heck's everybody go?' "

They got old. They died. They moved. They carried Ray Robinson wherever they went. A few years later, I saw him again in Los Angeles. I went to watch Carlos Monzon box Mantequilla Napoles in the Forum at Inglewood. The place was jammed with Mexican boxing fans. And just before the main event, in walked Sugar Ray. Right down the aisle. Full of the old ease and swagger, 60 years old and only a few pounds over the middleweight limit.

Slowly at first, and then in great waves, every person in the arena rose, all of them, 18,000 of them and there was a long sustained roar, the cheers of men from Culiacan and Tepito, from Guadalajara and Juarez, from all the mean hard places of the world. There before them was Sugar Ray. Azucarito, they called him. And the roar went on and Ray stood and turned and bowed formally and sat down and the roar kept coming. It came because he'd touched them all, somehow, somewhere. It came because he knew how to win and he also knew how to lose. It came because he had style and heart through all his days. It came because when he danced in the doorways of Times Square, he danced for them and when he was the most glitering champion in the world, he was their champion too.

So that should be in the song and so should the end. The last time I say Ray was at the Hagler-Hearns fight in Las Vegas. We were hanging around and he came along slowly with his wife. He remembered LaMotta's face. He remembered nobody else. And we learned that he had Alzheimer's disease, and nothing ever seemed sadder because Ray Robinson had plenty to remember.

Now he's gone. And hearing the news yesterday, people stopped all over New York, in barber shops and taxi cabs, in prisons and schools, men with gray in their hair and women who once saw him walk out of Frank's, and they remembered. They did the same in London and Mexico City, in Chicago and Miami, in Bogota and Buenos Aires and in all those bad places where men stay up late and drink too much and sing the old songs. They remembered Sugar Ray Robinson. Champion of the world.

CHILDLESS VETERANS ASSISTANCE ACT OF 1989

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. KENNEDY. Mr. Speaker, hundreds of thousands of veterans have returned home from war with injuries that greatly impair their ability to lead a normal life. Many are told, "You will never walk again," and as a nation we have mobilized to provide services that will try to make these veterans' lives as whole as possible by providing wheelchairs, adaptive equipment, medical care, and so forth. But for these veterans and for the many others who are told, "You will never have children," this same Nation turns it back on some very simple services that could fulfill a very fundamental need for these war-injured vets, and that is, the desire to have children.

By providing reimbursement for certain fertility and adoption services, the Childless Veterans' Assistance Act will help war-injured veterans to become parents and make their lives as complete as possible. There are 16,000 male veterans and 1,300 female veterans under the age of 55 who are unable to become a parent because of some service-connected disability or disease. Based on the experience with the general population, only a fraction of these men and women will even choose to utilize fertility or adoption services. But for those who do chose, this legislation will provide reimbursement for the necessary medical treatment needed to overcome this disability and will also provide up to $2,000 reimbursement for expenses related to the adoption of a child.

The costs of this legislation would be nominal but the benefits of this legislation would be immeasurable. For many, dealing with the inability to have children is more devastating than dealing with the actual disability injury or disease. For these reasons, I urge my colleagues to support the Childless Veterans' Assistance Act.

THE DEATH OF DR. FREDERICK JOHANNES DuPLESSIS

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BURTON of Indiana. Mr. Speaker, I recently received the sad and shocking news of the tragic and untimely death of Dr. Frederick Johannes DuPlessis of Capetown, South Africa. Most of you, I would imagine, never got to meet Fred DuPlessis, and perhaps have never even heard of him. That is a shame.

DuPlessis was South Africa's leading industrialist, the chairman of the board of seven major corporations. Like many wealthy men, he had a supreme self-confidence, born of success. But he had a rare quality that impelled him to act as a force for social change.

Dr. DuPlessis employed over 500,000 people in his various enterprises. He was an Afrikaaner, and unabashedly proud of his heritage. He was opposed to apartheid, and he knew that it had to be eliminated. No one spoke of that with greater force or eloquence. But he also did more than just speak of it. DuPlessis was actively involved in promoting black business, in hiring and training black managers, in housing, in health care. All through business, through private enterprise. He was living proof that business can be the greatest agent for social change. Now he is gone. Fred DuPlessis believed that peaceful change is possible in South Africa. I do too. In his memory, I hope we can all rededicate our efforts to achieve that goal.

FRENCH FIRM EYES TECHNOLOGY TRANSFER TO SOVIET UNION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SOLOMON. Mr. Speaker, the recent announcement by a French firm recalls the smug prediction by Lenin that when the last bourgeois is being hung, a capitalist will be there to sell the rope.

Alcatel, a French computer and telecommunications firm, apparently wants to make a 20- or 30-year deal with the Soviet Union to provide telephone switching capabilities.

Mr. Speaker, I've got a news flash for Alcatel officials. This technology would greatly enhance the Soviets' military capability. And despite the euphoria over glasnost, we have no obligation to subsidize the survival of a corrupt social-political system. Instead, and for our own security, our policy should be to allow that system's natural death.

We have an abundance of clear evidence that this undisciplined transfer of technology to the Soviets is extremely dangerous. Every imaginable pressure should be applied, both at home and abroad, to those firms who place profits so far above prudence and security.

I enter in today's RECORD the details of possible Alcatel deal, so ably compiled by the Center for Security Policy.

ALCATEL'S SOVIET JOINT VENTURE—A SALE THE WEST CANNOT AFFORD TO MAKE

SUMMARY

Alcatel N.V., a French computer and telecommunications giant, intends to provide the Soviet Union with a 20-30 year leap forward in its telephone switching capabilities. The technology involved cost over $1 billion to develop and is extremely sophisticated; were the Soviets to obtain the associated manufacturing techniques—as envisioned in the Alcatel deal—the USSR's military capabilities could be radically improved. For these reasons, the current rules governing technology transfers by Western nations to the Soviet Union prohibit such a transaction.

Unfortunately, the proposed Alcatel deal is but one example of the growing pressure to eviscerate sensible existing controls on technologies with dual (i.e., military and civilian) applications transferred to the Soviet bloc. Such pressure is the more ironic coming, as it does, on the heels of three major technology diversions which seriously damaged Western security interests—Toshiba's illegal transfer to the USSR of manufacturing technology for producing substantially quieter submarine propellers; Imhausen's sale of chemical weapons production equipment to Libya; and the continuing revelations unfolding over the sale by another French firm, Machines Francaises Lourdes, to the Soviet Union of advanced machine tools suitable for mass production of sophisticated military aircraft. All argue for greater—not less rigorous—controls on technology transfers.

As an upcoming issue, the Alcatel venture raises especially troubling questions:

Is auch a wholesale upgrading of the technology base available to the Soviet Union in the West's security and commercial interests?

Is this proposed venture representative of the approach our alllies will take in the event the present controls on technology transfer to the Eastern Bloc are relaxed?

Did Lawrence S. Eagleburger, until recently a member of the supervisory board of Alcatel, encourage this venture? Does he believe that such transactions are without consequence for Western security? Will he, as Deputy Secretary of State, recuse himself from future decision-making on this and similar East-West technology transfer cases as well as export control policy issues?

BACKGROUND AND DISCUSSION

Recent disasters argue for strong export controls

Time and again, the West has been shown the real dangers associated with undisciplined technology transfers to the Soviets and their clients. Three specific examples warrant mention:

Toshiba illegally exported to the Soviet Union sophisticated machine tools needed to manufacture advanced submarine propellers. This sale enabled the USSR to reduce dramatically the noise signatures associated with its undersea forces, making vastly more difficult the anti-submarine warfare missions of allied navies. The cost to the West of restoring the *status quo ante* is estimated to be in the tens of billions of dollars.

Prior to the exposure of this case, Japan's Ministry of Trade and Industry routinely accepted at face value the documentation provided to them from industry. As a consequence, Japanese export licenses were regularly approved with little, if any, scrutiny. Adequate investigatory capabilities and enforcement measures were also sorely lacking. Despite the implementation of a host of measures to improve this situation, Japan is *still* without serious anti-espionage laws.

In West Germany, Imhausen transferred equipment associated with the manufacture of chemical weapons to Libya. While the security implications of this sale can only be surmised at this point, providing a state long associated with international terrorism and external aggression with such capabilities will surely prove inimical to Western interests. West Germany is getting good notices from the Administration for its belated willingness to tighten some export controls; it appears, however, that this will affect only trade in chemical and biological weapons-related materials—not the larger category of militarily critical goods and technologies. Others, including some members of Congress, are appropriately skeptical; they believe the accelerating pursuit of exports by West German industry to the Soviet bloc suggests that the FRG's export control regime continues to lack credibility.

In a still-unfolding investigation, Machines Francaises Lourdes (MLF) of France (formerly Forest-Line) evidently transferred highly sophisticated machine tools to the USSR. These devices are compatible with extremely sophisticated manufacturing techniques for protection of modern aircraft—particularly military aircraft.

Four of MLF's principals have already been apprehended in connection with this probe; the four were identified as Soviet agents by the company's former Moscow representative, Jean Paul Karcz. More alarming still is the fact that a fifth man, Michel Leger, has now been charged with espionage by French authorities. As an employee of France's Federation of Electric and Electronic Industries, Leger was a key consultant with the Ministry of Foreign Affairs.

What is more, Leger participated directly as a French representative in meetings of COCOM.[1] He reportedly was also involved in the official governmental reviews of items on the list of controlled goods and technologies. The potential repercussions are staggering should this espionage case confirm the compromise of sensitive COCOM procedures, deliberations and plans.

These episodes underscore the enormous security risks and costs to taxpayers involved in inadequate international domestic controls on the transfer of militarily relevant technologies. They suggest that, if anything, the COCOM regime should be strengthened and complemented by redoubled efforts on the part of member countries to prevent dangerous technology transfers. Unfortunately, as the proposed Alcatel venture suggests, significant pressure is mounting to weaken rather than enhance such controls.

The Alcatel deal

Europe's largest telecommunications equipment manufacturer, Alcatel N.V., has recently announced plans to form a joint venture with a Soviet enterprise, Krashna Zarayato, to provide the Soviet Union with unprecedented digital switching capabilities. The deal envisions the direct sale of some of Alcatel's most sophisticated computerized equipment used to route telephone calls—its top-of-the-line "System 12" digital exchanges. This technology cost one of Alcatel's parent companies, ITT, more than $1 billion to develop.

Under the proposed transaction, the Soviet Union will procure outright sufficient System 12 machinery to handle the switching requirements of 250,000 telephone lines. Still more ominous is Alcatel's intention to construct an assembly facility for System 12 equipment near Leningrad. It is estimated that this facility will be capable of producing switching systems capable of handling between 1-1.5 million telephone lines annually. This compares with Alcatel's 1987 worldwide sales of System 12 capacity of 2.7 million lines.

In 1984, on the grounds that the USSR would shortly develop an indigenous capability to manufacture computerized telephone exchanges, the United States reluctantly agreed in COCOM to decontrol on September 15, 1988, the outright sale of certain computerized telephone exchanges to the Soviet bloc. Under this arrangement, however, the transfer of related manufacturing technology that would in any way facilitate the emergence of a domestic Soviet production capability for such switching equipment remains explicitly embargoed. Accordingly, assembly in the USSR of Western computerized telephone exchanges is currently proscribed by COCOM.

The reasons for COCOM's unease about Soviet acquisition of this technology are not hard to appreciate. Even an improved civil telecommunications system has obvious dual-use potential. What is more, telephone switches have numerous applications in dedicated military command, control and communications equipment. The acquisition of related manufacturing processes can, moreover, be of enormous value to Soviet production of such hardware as missile subassemblies, fire-control systems, radar systems, and computers. This would be particularly true of the Soviets' access under the Alcatel deal to component insertion equipment, instrumentation and testing devices and techniques. Moreover, if the Alcatel joint venture were approved, the precedent set in authorizing the transfer of key manufacturing processes to the Soviet bloc would unleash a flood of similar transfer requests.

Interestingly, it became clear in 1988 that the Soviets had failed to develop the anticipated indigenous capability to manufacture advanced telephone switching equipment. In light of the foregoing concerns, an effort was made to reverse the earlier COCOM decision to decontrol sales of such equipment. Regrettably, some member nations objected and the 15 September 1988 decontrol date was observed. Since the prohibition on sales of some switching equipment was lifted six months ago, however, only a handful of small deals have occurred, involving the export of computerized exchanges to Eastern Europe. All of these sales are dwarfed by the transactions envisioned by Alcatel.

Will anyone stand up to Alcatel?

Alcatel N.V. is now the world's second largest manufacturer of telecommunication equipment. It was created in early 1987 when ITT Corporation and France's Compagnie General d'Electricite (CGE) merged their European telecommunications entities.

[1] "COCOM" stands for the Coordinating Committee on Multilateral Export Controls. This organization serves on a voluntary basis to harmonize Western countries' technology transfer policies. Member nations are: Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey, the United Kingdom and the United States.

Today, ITT holds a 37-percent stake in Alcatel, while CGE's controlling interest is 61.5 percent. The firm is comprised of more than 250 companies in 80 nations; 90 percent of its 150,000 employees work in Europe, however, with roughly half of the total concentrated in France and West Germany.

Alcatel's nine-member supervisory board includes such political heavyweights as former Secretary of State Alexander Haig, former Common Market Commissioner Etienne Davignon, France's former Post and Telecommunications Director Jacques Dondoux, and former West German Economics Minister Otto von Lamsdorff. Until his recent Senate confirmation, Deputy Secretary of State Lawrence S. Eagleburger also served on the Alcatel board.[2] (It is noteworthy that, following the ITT-CGE merger, responsibility for Alcatel's export marketing of the System 12 switching equipment was given to Helmut Lohr, chairman of the company's German affiliate, Standard Elektrik Lorenz. In January of this year—two days after he was named Alcatel's senior vice president for development—Lohr was arrested on charges of embezzlement and tax evasion.)

Naturally, Alcatel has enormous political influence in many COCOM member nations. What is more, the potential value of the Alcatel transaction (estimated to be worth $1 billion over ten years) will ensure that powerful constituencies are mobilized to overcome (or circumvent) present COCOM prohibitions governing this sort of technology transfer. Specifically proponents of the Alcatel joint venture will assail one of the most important COCOM agreements limiting such transfers, the so-called "no exceptions" policy adopted in 1980.

In fact, many U.S. allies have been restive under this policy since it was adopted in the early 1980s, at a time when the United States government began to strengthen technology security measures both at home and abroad. The policy provided that no exceptions would be made among the COCOM member countries to export to the Soviet Union technologies above a certain strategic level.

Some have mistakenly tied the adoption of the policy to the Soviet invasion of Afghanistan and have consequently pushed for a departure from the "no exceptions" policy in light of Soviet troop withdrawls from that country. While Soviet actions undoubtedly provided a political catalyst for COCOM's action, it was—and remains—fully justified on the basis of prudent technology security policy.

Previous practices of "case-by-case" reviews of technology transfers have repeatedly proven to be utterly inadequate constraints on the hemorrhage of Western technology to the Soviet bloc. The Alcatel proposal, consequently, is probably but the first, if one of the most brazen, of many coming assaults on COCOM's present, sensible "no exceptions" policy.

RECOMMENDED ACTIONS

The substantial military significance of the Alcatel deal—like the appalling transactions that preceded it—argues strongly for a more robust COCOM regime, not a weaker one. In the face of the erosion taking place in allied commitment to technology security in general and, in particular, in the face of the mounting assault on the "no exceptions" policy, the United States should immediately undertake the following steps:

President Bush, like Ronald Reagan before him, should call for a ministerial meeting involving all COCOM nations to review the current state and future direction of Western technology security policy. Such meetings should become an annual event.

This meeting should be attended, however, not only by trade and economics ministers but also by those ministers responsible for national security (i.e., defense ministers). This step would symbolize the vital need to integrate security specialists into every level of decision-making about technology transfers to the Soviet bloc.

Incredible as it may seem, such integration occurs regularly today only in the United States and the United Kingdom, and occasionally in France.

In preparation for such a meeting, the Bush Administration's strategic reassessment should squarely address the role played by COCOM and the steps needed to make it more effective.

Part of this assessment must address the legislative, administrative and regulatory measures that are required at home and in other COCOM nations to reinforce existing procedures governing strategic trade.

It is also essential that the Administration quantify more precisely the multibillion dollar annual costs to both U.S. and Western taxpayers associated with lapses in COCOM discipline, circumvention of COCOM rules, and inadequate funding for export control mechanisms.

In the latter regard, Congress must become engaged.

To the extent that Congress has been outspoken in its criticism of the actions of Toshiba, Imhausen and others whose technology transfers have added new security burdens to those already borne by Western taxpayers, the legislative branch should prove a forceful ally in bringing about such corrective actions.

In the meantime, there should be no further deterioration permitted in the existing COCOM regime. In particular, there should be no modification of the "no exceptions" policy until this comprehensive review and ministerial-level, multilateral consultations have occurred.

Finally, the Alcatel case should be viewed as a key litmus test of the commitment that the Bush Administration—particularly Secretaries Baker, Mosbacher, and Cheney—will accord Western technology security and other aspects of the economic and financial security portfolio.

The Center for Security Policy is a not-for-profit, non-partisan educational corporation established in 1988. It exists to assist those in the executive and legislative branches of the United States government, in the press and among the general public concerned with foreign and defense issues in promptly understanding and addressing strategically significant security developments.

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The Center's working papers on the Alcatel deal is one of a series of occasional contributions by the Center for Security Policy to the national debate on foreign policy and defense issues. Such contributions are intended to invigorate and enrich that debate; they do not necessarily reflect the views of all members of the Center's Board of Advisors. For more information about these papers or other work of the Center, please contact the Director, Frank J. Gaffney, Jr.

[2] In his Senate confirmation hearings held March 14-16, Eagleburger achnowledged receiving $30,000 in director's fees from Alcatel in 1988. Although he denied any role by Kissinger Associates in promoting the sale, the client relationship Eagleburger maintained with Bell Manufacturing Company of Belgium (an Alcatel Subsidiary) through Kent Associates was not explored in questioning. Eagleburger stated that as a future policy-maker, he would not approve the transfer of high-speed communications equipment to the Soviet Union.

NATIONAL VOLUNTEER WEEK

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SMITH of Iowa. Mr. Speaker, with National Volunteer Week approaching—April 9–15—I would like to pay tribute to the outstanding contributions of 1,000 active volunteers of Polk County, IA. These older adults have provided direct, as well as administrative, service to over 200 nonprofit agencies and have contributed over 162,000 hours in the last program year of the United Way of Central Iowa. The Polk County record is a microcosm of what public service volunteers do every year throughout the Nation. We are deeply in their debt. The United Way is the American way.

NATIONAL ET NURSE DAY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mrs. MORELLA. Mr. Speaker, I urge my colleagues to join me and others across the Nation in observing Enterostomal Therapy [ET] Nurse Day, April 19, 1989. At a time when this country faces a critical shortage of nurses, it is important that we recognize this cadre of specially trained nurses for their unique contributions to patient care.

It is estimated that each year 6½ million patients benefit from the expertise of ET nurses, who specialize in the management of stoma care, draining wounds, fistulas, pressure sores, and incontinence rehabilitation. These nurses work in a variety of health care settings, providing services in extremely difficult circumstances. They are concerned not only with the restoration of health, but also with the prevention of disease. ET nurses have contributed significantly to the improvement of the quality of life of their patients.

I am pleased to speak on behalf of ET nurses, and I hope that my colleagues will join me in acknowledging the dedicated service these nurses provide to so many Americans.

HONORING JOHN MIHALOWSKI—A RECIPIENT OF THE CONGRESSIONAL MEDAL OF HONOR

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. YOUNG of Florida. Mr. Speaker, 50 years go, a Navy diver named John Mihalowski saved the lives of 33 U.S. sailors by leading the first successful rescue mission of a disabled submarine deep underwater.

He says of his act of bravery and courage, "I was just doing my job. It was standard operating procedure." His commanding officers saw differently, though, and John Mihalowski, a friend and constituent from Largo, FL, was awarded the Congressional Medal of Honor.

It was in May 1939 that the U.S.S. *Squalus* sank off the coast of New England during its commissioning trials. Within 24 hours, a rescue crew including John Mihalowski, a master diver who specialized in salvage and experimental rescue operations, arrived in the area where the *Squalus* rested 240 feet below the surface. using a new McCann Rescue Chamber, the rescuers completed five dives to the submerged submarine to bring to the surface the 33 survivors.

Following my remarks is an article by Judy Hill of the Tampa Tribune which details this remarkable effort. It's an honor to represent John Mihalowski in the Congress and it's a special pleasure for me to have been with John at numerous veterans' functions where he always receives the loudest and longest standing ovations for his heroism.

Mr. Speaker, John Mihalowski is 1 of only 225 living Congressional Medal of Honor winners, and 1 of only 10 in Florida. Fifty years have passed since he saved the lives of 33 American sailors. The years, however, do not diminish, they only enhance the respect we have for this man who has been recognized for his conspicuous gallantry in action with the highest honor awarded by our Nation.

[From the Tampa Tribune, Feb. 22, 1989]

MEDAL RECIPIENT "JUST DOING MY JOB"

(By Judy Hill)

LARGO.—"As far as I was concerned, I was just doing my job. To me, it was remarkable that we did it. But I never expected *that*—the Navy Cross, probably. But I never expected the Medal of Honor."

No false modesty cloaks John Mihalowski. The white-haired hero, one of only 225 Medal of Honor recipients still alive and one of only 10 in Florida, truly views his exploits of nearly 50 years ago as standard operating procedure—SOP.

But the saga wasn't SOP.

May 23, 1939, marked the first time survivors had been rescued from a crippled submarine deep underwater. And the 33 were saved by John Mihalowski and three of his friends.

It all began at 8:40 a.m. when the USS Squalus started the last dive in its commissioning trials off Portsmouth, N.H. A few moments later, the vessel lay partly buried in mud beneath 40 fathoms of cold Atlantic water, with 26 of its crew members dead.

Navy records indicate that when the Squalus nosed into the sea about 15 miles offshore, the main air-induction valve remained open. The stern flooded, and about half the crew drowned.

Mihalowski then was stationed aboard the Navy salvage vessel USS Falcon in New London, Conn.

A career man, the Worcester, Mass., native was a master diver who specialized in salvage and experimental-rescue operations using the new McCann Rescue Chamber.

Relaxing in the living room of the tidy Largo bungalow he's called home for 30 years, Mihalowski recently said that some details of the Squalus operation now escape him.

"That was 50 years ago."

But if he's forgotten anything about the tragedy, it's not worthy of note. At 79, Mihalowski's mind is clear and sharp—like his sky-blue eyes. And in 50 years, the wiry featherweight has told the Squalus story hundreds, perhaps thousands, of times.

Mihalowski, who retired as a lieutenant commander after 30 years in the Navy in 1958, was working on the 10-ton diving bell when news came about the Squalus.

"The brass says, 'Get everything going. Submarine down.' "

A short time later, the Falcon, a converted World War I tug, steamed off toward 43 degrees north latitude and 70 degress west longitude about where the Squalus lay.

Mihalowski was a boy when he first visited the 190-foot Falcon.

"I saw all those diving helmets. I said, when I get older that's what I'm going to do—become a diver in the Navy."

Worcester was far from the sea, about 40 miles west of Boston, but Mihalowski became an excellent swimmer. He even exprimented with a primitive diving helmet—a bucket for his head and a length of tubing for an air hose.

His passion for diving led him to several premature attempts to enlist.

"I tried to get in at 14 and 15," Mihalowski says.

At 17, he made it.

Four years later, the man destined to join a select group of only 3,412 who have been awarded the nation's highest military honor finally achieved his dream—certification as a Navy diver.

In those days, Mihalowski recalls, the cumbersome diving gear—a metal helmet, rubberized canvas suit and weighted shoes—tipped the scales at 180 pounds. He weighed 130.

Mihalowski's early duties included a 3-year stint as a "guinea pig" in the Navy's experimental dive unit.

"We were trying to make diving safe for the rest of the boys. I had about four cases of the bends. I was paralyzed once. But it's just a matter of going in the (decompression) chamber and putting the pressure up. I wasn't worried about it."

Mihalowski says that he rarely worried.

"If anything happens to you, it happens. Period. What's the difference? I'm not a fatalist. I'm just determined to do the job. When you're trained for something, you're supposed to be able to do that. No matter what it takes."

The Falcon steamed out of New London at about 2 p.m. May 23 and headed east—past Mystic, Conn., and Narragansett and Newport, R.I.

By nightfall, the ship had navigated the Cape Cod Canal, a short-cut to Cape Cod Bay, and turned north past Provincetown, Scituate, Boston and Rockport off the Massachusetts coast. About 3 a.m. May 24, the vessel dropped anchor—about 240 feet above the Squalus.

"LUCKY" SHIP

If a sunken submarine can be called a lucky ship, the Squalus was lucky. To begin with, it went down in water shallow enough for rescue operations—just short of a cliff that plunged another 300 feet.

"They missed that," says Mihalowski with a shake of his head that displays 50 years of amazement. "A little bit farther (out) and they'd be down there now. We'd never have got 'em."

Another bit of luck involved the sub's sister ship, the Sculpin, which had just finished her own trials and was on her way to sea but was still in the Portsmouth area.

The range where the trials were held was off-limits to civilian craft, explains Mihalowski. So no ships were around to spot emergency flares from the Squalus. None, that is, but the Sculpin, which sighted the signals and located the crippled vessel with sonar.

A little more than 24 hours after the Squalus foundered, rescue operations began.

Mihalowski, Orson Crandall, William Batters and James MacDonald made up the Falcon rescue team. All were awarded the Medal of Honor, but only Mihalowski survives today to tell the tale.

The first step in the rescue was to attach a steel cable to a handle on top of the hatch on the sub's deck. The 10-foot-high bell was then winched down the cable to the deck.

Once down, a gasket on the bottom of the bell formed a seal with the deck. The bottom chamber of the bell, which was open to the sea, was then blown clear of water.

No one spent much time worrying about what could go wrong, says Mihalowski, who operated the bell. "You knew everything was going to work."

And it did—on four of five trips made that remarkable day.

On the first trip, says Mihalowski, the bell carried buckets of coffee, sandwiches and "a bottle for the 'old man' to issue out to who needed it."

HERE WE ARE

When the survivors opened the hatch after more than 24 hours on the bottom, Mihalowski simply said: "Hello, fellows. Here we are."

Most of the survivors, he recalls, "were relieved." Some were very "shaky," but most, he says, "were in good shape."

Mihalowski didn't make the bell's second trip, which was uneventful—as was the third. On the fourth trip, however, disaster nearly struck. On the way up, with two crew members and eight survivors aboard, the bell stuck on the cable.

"We got up to 150 feet and it wouldn't go up and it wouldn't go down," says Mihalowski.

After struggling to free the bell from inside, the Falcon finally lowered it to the bottom and sent a diver down. But the diver could not free the cable either. So the bell was hauled 240 feet up to the surface by hand. It took four hours.

"We were lucky," says Mihalowski.

They were also lucky on the fifth trip—a search for survivors in the flooded stern of the Squalus.

When the McCann bell was attached to the forward hatch of the Squalus, it opened into an area of the submarine that contained air. The stern portion of the ship was full of water—water that could flood the diving bell and drown its occupants if the procedure wasn't carefully conducted.

Twice Mihalowski and Crandall opened the aft hatch. Twice water gushed out of the sub.

"We didn't pay no attention to that," says Mihalowski. "He and I were just looking at one thing: Was anybody down there? We were just looking for something alive."

But only the dead remained.

Eventually, the bodies—and the Squalus—were recovered. Mihalowski made many dives to the sub during the four-month salvage operation that ended in September.

According to the Naval Historical Center's ships' history branch in Washington, D.C., the Squalus was in such good shape when she was raised that she was refitted. In May 1940, she was recommissioned, but her name was changed.

As the Sailfish, she served in the Pacific during World War II. She made 12 war patrols and won a medal of her own for sinking the Japanese aircraft carrier Chuyo.

In 1945, the Sailfish was retired. She was sold for scrap in 1948, but part of her conning tower was saved and is on display at the U.S. Navy submarine base in New London.

Mihalowski also served in the Pacific during World War II on several Navy salvage ships and was in a few "skirmishes," he says.

Once, near Okinawa, he was on a vessel that was towing destroyers damaged in Japanese kamikaze attacks.

"It was scary. I was more scared out there (than at the Squalus rescue), believe it or not. But we did our jobs, regardless."

PROUD OF HIMSELF

None of his wartime experiences, however, matched the Squalus rescue, which was the most remarkable experience of his life, vows Mihalowski.

"I admired myself afterward. I did. And I'm not embarrassed to say it. I felt good about getting those men."

After the war, Mihalowski served in a number of posts and finished his career in the Navy ordinance office in Washington, D.C. Then he came to Pinellas County to visit his buddy and fellow hero Orson Crandall, who had retired in St. Petersburg, and decided to stay.

Crandall died in 1960.

Until some recent health problems, Mihalowski stayed busy. In addition to his recreational and volunteer activities, he was involved in the national Medal of Honor society and accepted frequent invitations to give speeches and appear at veterans functions and public ceremonies.

His experiences as a Medal of Honor recipient have been rewarding and satisfying, he says.

"They treat us nice. They take care of us. I have no complaints about anything."

Well, maybe one complaint. He's quick to correct anyone who calls him a Medal of Honor winner. "We don't use 'winner,' we use 'recipient.' We don't win this thing. There's no competition. We don't compete like a couple of fighters."

THE TRAGIC DEMISE OF THE AFRICAN ELEPHANT

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. FIELDS. Mr. Speaker, on Wednesday, April 5, Mr. Smith Hempstone wrote an excellent article in the Washington Times entitled "Trying to Rescue the Elephant: Game Already May Be Over."

While I agree with many of Mr. Hempstone's comments and would urge my colleagues to read this article, I disagree with his final assessment on what is the best way to save the African elephant.

Despite its good intentions, I am convinced that a total ban on all elephant products would be detrimental to elephant conservation. Based on my experience, there is no question that if the African elephant, which is now a valuable economic commodity, no longer has any financial value, then African governments will simply stop spending their meager resources to protect them. As a result, these elephants will be slaughtered for their meat and for the illegal ivory trade outside of the United States.

As an alternative, I would strongly suggest that either the administration or the Congress enact a simple, straightforward ban on all work and raw ivory from any country which does not have a native population of African elephants living in the wild.

In addition to eliminating tons of poached ivory, which now originates from such places as Hong Kong, Taiwan, and Japan, this approach will provide important new incentives for African elephant conservation programs. For instance, within a few years, ivory carvers will be forced to move their operations to Africa. By so doing, they will help build the local economies of these impoverished nations and will provide a powerful incentive to manage African elephant populations in a sound manner.

Mr. Speaker, like Smith Hempstone, I believe that unless some action is taken, and taken quickly, we will witness the annihilation of the African elephant within the next decade.

There is very little time left to save the African elephant and I hope that this Congress will do something positive for our largest and one of our most beloved land mammals, the African elephant.

Mr. Speaker, I urge my colleagues to read Mr. Hempstone's article and to join with me, TONY BEILENSON, CLAUDINE SCHNEIDER, and millions of people throughout the world who are committed to saving the African elephant.

The text of this article follows:

[From the Washington Times, Apr. 5, 1989]

TRYING TO RESCUE THE ELEPHANT: GAME ALREADY MAY BE OVER

(By Smith Hempstone)

Jumbo is dead meat.

Unless a dramatic change takes place very soon, the wild African elephant will follow the dinosaur and the dodo into extinction within the next 10 years. And something wonderful will have been lost forever.

The decline in numbers of these six-ton behemoths has been as rapid as it is tragic. In the 1930s, an estimated 10 million elephants roamed Africa's savannahs and forests. As recently as 1979, the continent was home to 1.3 million pachyderms. In the past 10 years, that number has been halved, to fewer than 750,000, and they are being slaughtered—almost all of them illegally—at a rate of 80,000 a year.

Most of the big bulls that carry heavy ivory (up to 100 pounds and more per tusk) are gone. The average size of the tusks exported now is a pitiful 13 pounds. By the turn of the century, they'll be gone.

There are five factors working against the survival of these magnificent beasts:

The explosive expansion of Africa's human population, which is growing by more than 3 percent annually, doubling itself every 20 years; as the human population grows, the space available for wildlife contracts.

The poverty of this excess population, with most families living on less than $1,000 per year.

The high (and rising) price of ivory, which now brings more than $82 per pound.

The proliferation of high-velocity automatic weapons.

The inability or unwillingness of underfunded and frequently corrupt African governments to deal effectively with the problem.

Large bands of poachers, traveling in four-wheel-drive vehicles and armed with automatic weapons, run down herds of elephants and slaughter them indiscriminately, killing cows, calves and young bulls that have never had a chance to breed. Such gangs frequently win shootouts with small groups of game rangers armed only with old, bolt-action rifles.

In one recent incident in Kenya's Meru National Park, a well-armed gang of 30 poachers killed five of the country's six remaining white rhinos. In the fire fight before the slaughter, three of the four game rangers guarding the rhinos were wounded (98 percent of Kenya's black rhinos have been killed over the past 20 years, leaving only 400).

President Daniel arap Moi has since ordered the Kenyan army into the field against the poachers, and decreed that they may be shot on sight (tourism, which brings in $300 million annually, has become Kenya's leading hard-currency earner, passing coffee and tea).

Unfortunately, the financial rewards are so great—a poacher can make more in an hour than a game scout in a year—that the illegal killing of elephants and rhinos is certain to continue, no matter what steps the African governments may take.

Rhino horn (which really is densely matted hair) brings more than $1,000 a pound in Asia, where it is valued for its putative medicinal properties, or in the Arabian Peninsula, where it is carved into dagger handles for the sons of princes. Ivory is used in billiard balls, piano keys, oriental name stamps, figurines and jewelry.

Ironically, the banning of legal hunting in many African states—the Kenyan prohibition came into effect in 1977—has been a factor in the geometric increase in the number of animals slaughtered.

Most professional hunters also were honorary game wardens and, as a matter of self-interest, took their responsibilities seriously. They acted as the eyes and ears of the game departments, adhered strictly to bag limits and their clients' fees helped to pay the salaries of the game rangers.

Some African nations, recognizing this, continue to allow a limited amount of strictly controlled legal hunting. Tanzania, Zimbabwe, Botswana and Namibia are examples.

In addition to poaching-for-profit, a terrible toll of wildlife has been taken by the combatants in areas of Africa subjected to prolonged civil wars. Hungry rebels are the usual offenders, but ill-disciplined government troops—and starving civilians—also can be faulted.

The hard-hit regions include southern Sudan, north-central Ethiopia, southeastern Angola, parts of Zimbabwe, much of Mozambique and all of Uganda. It seems probable that the balance of nature has been destroyed forever in those areas.

The population explosion alone, with its concomitant destruction of habitat, if it continues, will be enough to doom most of the wildlife outside of the game parks and reserves. But a vigorous and well-funded holding action might at least preserve a remnant of the continent's fauna for another generation, and that would be worth doing. While the existing parks and reserves ecologically can carry only a fraction of Africa's game, it is there that an all-out effort should be made to hold the line against poaching.

The U.S. theoretically allows the importation of only legal ivory that has been carved. And the American market consumes only about 10 percent of the 80 tons of ivory sold annually.

But there is no foolproof way to distinguish legal from illegal ivory, once it has been carved (94 percent of the ivory that reaches the United States does so via Hong Kong). And that eight tons of ivory sold in this country represents thousands of dead elephants, almost all of which have been illegally slaughtered.

The United States could help to preserve this wild heritage for future generations by placing a total ban on the importation of ivory, carved or uncarved. We can find a substitute for billiard balls.

THE TANK SPILL PREVENTION ACT: A RESPONSE TO ABOVEGROUND STORAGE TANK NEGLECT

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. WALGREN. Mr. Speaker, today I am reintroducing a bill, formerly H.R. 4098, to address the safety of aboveground storage tanks, legislation arising from the oilspill in the Mononaghela River on January 2, 1988. Congressman LUKEN, and Congressman MURPHY are joining me as original cosponsors. We are again offering this bill as a vehicle to focus discussion in an effort to pass legislation in this Congress.

The recent *Valdez* catastrophe in Alaska brought home to the Nation the terrible damage of a major oilspill. To the people of Pennsylvania, West Virginia, Ohio, and Kentucky who faced a threat of water cutoff in the dead of winter, this threat was placed on their doorstep more than a year ago.

On the second of January 1988, 3.8 million gallons of No. 2 diesel oil gushed from the collapse of an aboveground oil storage tank, owned and operated by Ashland Petroleum Co., near Pittsburgh. The 40-year-old tank had been cut apart, moved from Cleveland and reconstructed. It was being filled with oil for the first time at the time of the collapse. One million gallons poured into the Monongahela River; approximately 20 percent of that was recovered from the river. Diluted along its course, the slick from the spill traveled the length of the Ohio River and merged into the Mississippi.

Immediately after the rupture, 1,200 people had to be evacuated from their homes because of the potential of fire. The drinking water supplies of at least 1 million people were affected with some communities having no water for 8 days. Businesses in Pittsburgh had to close. Fish and wildlife were killed. The long-term environmental effects of the spill are still unknown and may be with us for years.

Investigation by the National Bureau of Standards and the Batelle Institute confirmed that the spill was caused by a brittle fracture of substandard steel. When the tank was stresssed by its initial filling, a flaw in one of the steel plates initiated a crack and in less than a second the tank split apart, spewing diesel fuel over the containment dikes, into a drainage ditch, and into the river. With hundreds of thousands of tanks in the Nation and little knowledge about the type and quality of the steel used to construct them, this accident may be a harbinger of further catastrophes in the future unless there is stonger Government oversight.

CURRENT REGULATION

I was dismayed to learn that current federal regulation of above-ground tanks is limited at best. First, there is virtually no regulation of the structural strength required. There are only voluntary industry practices. Second, there are some regulations for spill containment, but their enforcement appears to be very irregular. EPA has never inspected the spill containment system for the Floreffe tank.

Current EPA spill containment regulations are broad and vague, essentially leaving the industry in the role of setting its own standards, policing its own operations, and conducting its own inspection. For example, EPA does not require the SPCC plan to be modified when a tank is relocated or rebuilt until 6 months after the tank is in operation. EPA regulations allow a new or rebuilt tank to operate without an inspection. The Pittsburgh tank had been, in different phases, under construction for a year and a half, but Ashland did not amend the spill plan until 2 days after the spill.

Industry standards may be good guidelines. However, because they are generally voluntary, they give little assurance of safety. If there is a tragedy, as we have painfully learned, there is little recourse for the Federal Government but to impose minimal fines that hardly fit the scale of the damage incurred by communities, governments, individuals, and natural resources.

CURRENT FEDERAL INVOLVEMENT

Several agencies take responsibility for various aspects of spills, but none directly reached the Ashland collapse:

The Coast Guard responds to spills in waterways from vessels and regulates the design of vessels.

EPA addresses spills on land and into waterways, but does not regulate structural tank safety and spill containment regulations have many gaps.

The Superfund Hazardous Waste Cleanup Program does not cover petroleum.

The Solid Waste Disposal Act regulates underground storage tanks, but not aboveground tanks.

The Hazardous Materials Transportation Act regulates the movement of hazardous materials. Oil is not considered to be hazardous.

The Department of Interior regulates only offshore oil activity.

The Pipeline Safety Act regulates oil flowing through pipelines.

Somehow, in terms of Federal law, aboveground tanks have fallen through a very big crack.

THE TANK SPILL PREVENTION ACT OF 1989

The bill we are introducing today would put into place some tough requirements and a clear enforcement program.

The bill would require EPA to publish regulations prescribing standards for all aboveground storage tanks with a capacity greater than 4,200 gallons that contain certain regulated substances and petroleum, as defined by the Solid Waste Disposal Act. Farm and residential tanks would be excluded. The standards would cover design, siting, construction, fabrication, testing, inspection, maintenance, modification and release, and spill detection and prevention. I hope to generate some discussion on which tanks should be covered and which should not be. I selected the 4,200-gallon cutoff because this is the smallest tank addressed by the American Petroleum Institute's tank guidelines currently.

Regulations would require a spill and leak prevention system for each tank with secondary containment sufficient to contain all spills and leaks. The tank and physical construction of the facility would be required to reflect good engineering practices. And the bill would require a spill and leak prevention plan, including training of personnel, assurance of readily available cleanup equipment and procedures for cleanup, including notification of local officials and the National Response Center.

The bill would authorize EPA to require owners or operators to maintain evidence of financial responsibility for tanks.

ENFORCEMENT

Voluntary standards provide no enforcement or oversight by any level of government. The Tank Spill Prevention Act would require Federal enforcement of regulations and standards unless the EPA approves a State enforcement program that is as stringent as the Federal program.

At the outset, each tank would be required to be inspected by a qualified, independent professional engineer. The Administrator would be charged with setting realistic, ongoing testing schedules for all types of tanks. In each case, the inspection would have to be certified by an independent professional engineer and a copy sent to EPA or the State.

The bill would require testing of all tanks, including rebuilt tanks, before beginning operations. No rebuilt tanks would be allowed to operate until the tank is inspected, tested, and certified by a qualified independent engineer and the inspection filed with the EPA or the State.

EPA or States would be required to conduct periodic inspections to insure compliance with the regulations. Funding for the Federal and State enforcement programs would be provided by the tank spill enforcement fund, created by user fees collected on tanks, based on size.

CLEANUP

The bill would make owners or operators liable for cleanup of spills or leaks, restoration of natural resources, real or personal property damage, subsistence loss, and loss of certain revenues and profits, including replacement water supplies and water treatment. When the owner or operator fails to respond to a spill or leak in a proper or a timely fashion, the bill would authorize EPA to direct the cleanup activities using funds from the leaking underground storage tank fund. Funds expended by the EPA could be recovered from the party responsible for the leak or spill.

PENALTIES

The bill would impose the following penalties: Up to $10,000 for failing to provide information or providing false information; up to $10,000 per day for failing to comply with the requirements of the bill; and up to 5 years in prison for knowingly failing to comply with any requirement.

I would like to underscore the fact that this legislation has a specific provision to prevent preempting State programs that are more stringent.

THE BILL AND CURRENT POLICY

There are several measures in this bill that specifically address the Pittsburgh tank collapse and would improve current law and regulations. Had these provisions been in force, the chances of avoiding the Pittsburgh accident would have been greatly increased.

First, the bill requires specific regulations and standards and a concrete enforcement program by the Federal and State governments.

Our bill would have required Ashland to test the tank before using it. This is not now required. The industry-recommended test is to fill the tank with water to test for strength before filling the tank with oil. This was not done.

The bill would require assurances of an adequate spill containment plan and prompt notification of an accident to local governments. The plan would be more comprehensive, clearly requiring training of response personnel and assurances that adequate equipment is readily available.

The spill and leak prevention plan would have been kept up to date, reflecting changes in the structure. Moreover, our bill requires that the spill plan be designed to address each facility specifically, taking into account the siting, the environment, and other unique features of individual sites.

In terms of tank modifications, current regulations require the spill prevention plan to be updated 6 months after the tank begins operations. Under our bill, a modified tank could not be operated until the plan is amended, certified by an outside engineer as meeting good engineering practices, and the enforcement agency has been notified of the certification.

This bill uses an engineer not permanently employed by the tank owner or operator to certify that tanks, spill and leak prevention systems and spill and leak prevention plans reflect good engineering practices. Current regulations do not require the engineer to be independent of the tank owner or operator.

We have made some modifications in the bill as introduced last year to respond to a number of comments we have received.

For example, last year's bill, H.R. 4098, would have required the immediate shutdown of an entire facility, such as a tank farm, where there was a release from a tank. In most instances, releases are small enough that in large facilities it makes no sense environmentally or economically to shut down a whole facility until a small release is cleaned up. In fact, such a requirement could be a disincentive to report small releases. I have modified this provision to include only the tank that has the release while giving EPA specific authority to order closed any facility or part of a facility that may be necessary.

Tank shutdown requirements have been made more flexible; responsibility for setting compliance schedules for existing tanks has been given to the EPA Administration with explicit requirements for consultation with industry, local governments, and other groups before issuing regulations, and some technical changes.

We offer this bill as a suggestion for my colleagues to consider to insure the health and safety of millions of Americans who live in the shadow of aboveground tanks. There are 600,000 tanks in the United States and while accidents of the magnitude of the Pittsburgh incident are not common, citizens deserve the reassurance that they are built soundly and are regularly inspected for safety.

THE NATIONAL ASSOCIATION OF PRO AMERICA

HON. JAMES M. INHOFE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. INHOFE. Mr. Speaker, the National Association of Pro America is a group of involved citizens across this country who care deeply about the security of our Nation and the well-being of our people, especially our children.

Each year, Pro America adopts resolutions on the issues its members feel are of the utmost importance to our country. Among the matters they focused attention on last year were the necessity of allowing parents to freely choose who will care for their children, the problems that arise when Members of Congress negotiate with a foreign government in violation of the Logan Act, and the importance of religious freedom and dangers of court decisions that are antagonistic toward religious freedom.

Because they represent the views of a large segment of our population, I think it is important that the Members of this House be aware the positions adopted by Pro America. I have copies of these resolutions available in my office, and I would like to submit for the record Pro America's resolutions on English as the official language, abortion, and the Alaskan Islands.

The resolutions follow:

ENGLISH AS THE OFFICIAL LANGUAGE

Whereas, bilingual education has been federally mandated and funded since 1973, perpetuating a language handicap which discriminates against non-English speaking students and prevents their successful incorporation into American society, economically, culturally, and politically; and

Whereas, a March 1985 report to Congress showed that students enrolled in Bilingual Education programs often do not reach English proficiency even after seven years; and

Whereas, the Immersion program has been proven to be a quicker and more efficient way of learning the English language; and

Whereas, many ethnic residents of the United States have demanded special treatment, ignoring the fact that countless generations of immigrants have mainstreamed into the American culture without special language concessions; and

Whereas, Bilingual ballots are contradictory to the essence of an informed electorate in an English speaking and writing society inasmuch as one who cannot read English well enough to cast a ballot certainly cannot fully understand the issues; and

Whereas, Bilingualism prevents easy communication, is divisive, and pits one group against another; and

Whereas, the majority of Americans resent the accommodation of any ethnic group demanding special favors and refusing to assimilate into American culture; and

Whereas, one language gives cohesiveness to any people and is a unifying force; now, therefore, be it

Resolved, That the National Association of Pro America supports appropriate legislation mandating English as the official language of the United States.

ABORTION

Whereas, seven unelected men on the Supreme Court on January 22, 1973, decided for the entire nation that certain human lives are no longer protected by law; and

Whereas, indisputable scientific evidence, as well as basic common sense, shows that the living being in the womb is a growing human person capable of feeling the agony caused by each method used in abortion operations; and

Whereas, there are now 1,500,000 abortions performed annually in the United States; and

Whereas, a pro abortion mentality has developed which regards children as a burden rather than as precious gifts to be loved; and

Whereas, Congress has failed for 15 years since the Roe vs. Wade decision to take corrective action to protect the lives of unborn children; now, therefore, be it

Resolved, That the National Association of Pro America call upon Congress to take effective action to restore the protection of life for the unborn; and be it further

Resolved, That the National Association of Pro America oppose abortion except under extreme circumstances; and be it further

Resolved, That the National Association of Pro America urge Congress to remove the appellate jurisdiction of the federal courts in all cases involving abortion.

STOP THE GIVEAWAY OF RESOURCE-RICH SEABEDS AND ALASKAN ISLANDS BY THE STATE DEPARTMENT

Whereas, On June 20, 1867, the Russian government sold Alaska to the United States for 7.2 million dollars, ending all Russian claims to sovereignty east of the demarcation line and the wording of the Convention is rather precise—the principal question left unsolved is whether the lines between the fixed points should cartographically be expressed as "rumb lines" or as "great circle lines," and it was decided that great circle lines should be understood by the Convention wording of "straight lines" on the earth and the ACC/MAP group resolved that "The lines between points herein described are great circles except those lines which connect adjoining points on the same parallel shall follow the parallel;" and

Whereas, Wrangell Island has been owned by the United States since the discovery by Captain Hooper, John Muir, and party on August 12, 1881; and

Whereas, Over the years the Russians have violated federally promulgated Alaskan law that prohibits the exercise of foreign jurisdiction; and

Whereas, In 1973 the State Department reissued the Hockworth Digest of International Law which explained, "The United States has not relinquished its claim to Wrangell Island;" and

Whereas, Although the history of American discovery and acquisition of the territory in the Bering Sea is of record, the United States State Department, in July of 1984, sent a high-level delegation to Moscow to negotiate the boundary between the United States and Russia—the State Department's basis for the giveaway involves its incorrect portrayal of the "U.S./Russian Convention Line of 1867, which was used in the purchase of Alaksa from Russia;" and

Whereas, Five strategic Alaskan islands and hundreds of thousands of square miles of oil-rich Alaskan outer continental shelf have been in secret negotiations since at least 1981; and

Whereas, The United States Constitution (Art. II, Sec. 2) gives the President the power to "make treaties, provided two-thirds of the Senate present concur," and Art. IV, Sec. 2 states, "The Congress shall have power to dispose of and make all needful Rules and Regulations respecting the Territory of other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States or of any particular State;" and

Whereas, Public Broadcasting in February 1985, misidentified Wrangell Island as Russian territory, but portrayed it as a wildlife preserve rather than, in actuality, as being the site of slave labor camps and Soviet military facilities aimed at the United States, thus hiding the real story of Wrangell Island; and

Whereas, In spite of the recorded history of United States ownership, the Wall Street Journal, December 7, 1987, reported that "A State Department official familiar with the negotiations says that all the talk about a giveaway is inaccurate. 'There's a great misperception that somehow these islands (Wrangell Island) have been claimed by the U.S. We've looked very carefully at the history of this. . . . There was never any claim made to them by the U.S. Government.' "; now, therefore, be it

Resolved, That the National Association of Pro America oppose the transfer of hundreds of thousands of square miles of resource-rich seabed in the Bering Sea and the transfer of five strategic Islands, namely, Wrangell, Herold, Bennett, Henrietta, and Jeannette, owned by the United States now under negotiations by the United States State Department with the USSR; and be it further

Resolved, That the National Association of Pro America call on their elected Representatives in Washington to investigate this illegal giveaway by the State Department of American Territory to a known enemy of the United States without approval by the House of Representatives and without a treaty duly ratified by the United States Senate; and be it further

Resolved, That the National Association of Pro America oppose Public Broadcasting's aid of Soviet disinformation by labeling Wrangell Island "Soviet territory" and hiding the real story of Wrangell Island.

BUSSMANN COMPANY 75TH ANNIVERSARY

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to honor the Bussmann Co. on its 75th anniversary.

The Bussmann Co. was created in 1914 by three of the five Bussmann brothers, Al, Joe, and Lee in their family home located in St. Louis, MO. During the company's first year, the other two brothers, Harry and Frank, as well as their sisters Angela and Cecelia, and the family's father "Pop Bussmann" all joined the business. With hard work, the company quickly outgrew the family house and moved to a 1,000-square-foot building, so they could produce fuses for new horseless carriages.

Over the years, this family operated business continued to grow and prosper. Although the family sold Bussmann Fuse Co. to McGraw Electric Co. in 1929, they continued to remain active in the management of the firm.

In 1985, Bussmann was acquired by Cooper Industries, and became a division within this company. This has not stopped Bussmann from maintaining its preeminence in the field of electronics. Today, Bussmann is the country's largest manufacturer and seller of electrical, electronic, and automotive fuses. The vision of five brothers in 1914, and a commitment to hard work and quality have made a successful company.

I ask that all Members of the House of Representatives will join me in celebrating the 75th anniversary of Bussmann, and in saluting the Bussmann family and the outstanding job they have done in establishing and guiding this company.

PREGNANCY, PARENTING, AND SCHOOLS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. WEISS. Mr. Speaker, many school districts in this country are unaware that they are violating Federal law in their practices concerning pregnant and parenting students. Title IX of the Education Act of 1972 prohibits sex discrimination in schools receiving Federal funds. Margaret Dunkle, the director of the Equality Center in Washington, DC, has devised a checklist to pregnancy or parenting-related violations of title IX which many schools are guilty of. According to Ms. Dunkle, these activities do not always result from formal policies, but can be informal and even well-intentioned. This checklist can help schools to identify problems and correct them. The checklist first appeared in a National School Boards Association News Service bulletin.

SCHOOL BOARDS AND THE PREGNANT PAUSE

(By Margaret Dunkle)

School board members care about teenage pregnancy for many reasons, including the effect it has on the dropout rate and also the obligation to comply with Title IX of the Education Amendments of 1972.

More than 40 percent of the females who drop out of school cite pregnancy or marriage as their reason. Many more girls become pregnant after leaving school. Early fatherhood also is given as a reason for dropping out. And the baby born to a teenage parent today is likely to be a dropout statistic by the year 2005.

Title IX prohibits sex discrimination in schools receiving federal funds. Since Congress passed the Civil Rights Restoration Act in March 1988, all school activities, programs and policies are covered under Title IX if the school system gets even a penny of federal money. And this includes how schools treat pregnant and parenting students.

Many once-common practices, such as pushing pregnant students into a special program or denying honors to teenage mothers (but not to teenage fathers) fail the Title IX test.

Does Your School Make the Grade? Title IX & Teenage Pregnancy and Parenting is a checklist of school practices that violate Title IX.

Most school districts will not get an "A" the first time they take this test. True, most will not have many discriminatory policies written down. But they might find some informal, sporadic and well-intentioned practices that indicate a policy void that paved the way for ad hoc discriminatory decisions by principals, counselors, teachers and other staff—including the gatekeeping school secretary.

The test will help schools identify and correct problems. The solutions might require developing a new policy, revising proce-

dures, starting a new program or training school staff. But, by correcting problems today, schools will avoid discrimination complaints tomorrow.

DOES YOUR SCHOOL, SCHOOL SYSTEM, PRINCIPAL OR STAFF . . .

Expel or suspend a student for being pregnant?

Push pregnant students into a special class, program or school?

Track pregnant and parenting students into specific courses of study?

Require or coerce pregnant students to have home teaching or a tutor—or make it hard for these students to get these services?

Arbitrarily tell pregnant students they can't take laboratory courses or enroll in work-study programs?

Exclude boys from parenting classes?

Require pregnant students to take physical education—or require them to take study halls instead of physical education—even though there is no medical reason to do so.

Deny pregnant or parenting students honors, such as valedictorian, special awards, certain scholarships, honor roll or participation in graduation?

Bar pregnant or parenting students from being members or officers of clubs or organizations, such as the Student Council or National Honor Society?

Refuse to let pregnant or parenting students run for or be elected to class office, the homecoming court or class favorites, such as "most likely to succeed?"

Restrict the participation of pregnant or parenting students in sports programs or teams, or other extracurricular activities, even though there is no medical reason?

Deny a student honors, awards, team or club membership, etc. because she was once pregnant?

Penalize a student or deny her honors because she has had an abortion?

Give a student a poor recommendation (or refuse to give a recommendation) for a scholarship, a job or contained schooling because of pregnancy or parenthood?

Counsel any girl who is pregnant or a mother—or a teenage father—not to go to college or get further training?

Put restrictions on teenage mothers that aren't also put on teenage fathers?

Require pregnant students—but not other students with medical conditions—to get a doctor's certificate to stay in school?

Require a young mother to return to school after a certain number of weeks, rather than allowing the time her doctor says she needs?

Refuse to reinstate a new mother to the status she had when her pregnancy leave began?

Deny pregnant students excused absences for medical problems related to pregnancy, such as fatigue, nausea or morning sickness?

Make fewer adjustments for pregnant students than for students with other medical conditions? (Examples: a hall pass for pregnant students troubled by frequent urination, an elevator pass for pregnant students with impaired mobility.)

Deny an excused absence for medical care before or after the baby is born?

GRADING YOUR SCHOOL

If you have not checked any item, congratulations. Your school gets an "A" in the title IX test. You're ready to move on to the next step—identifying other ways to encourage these at-risk teens to finish their education.

If you checked even one item above, look again. Every item violates title IX. Because pregnancy discrimination affects only females, it always violates title IX. Parenting discrimination violates title IX when schools treat teenage mothers differently from teenage fathers. It is also a title IX violation when neutral-looking restrictions on teenage "parents" affect mostly teenage mothers (as they usually do).

Even if title IX weren't the law, it makes good sense to do everything possible to help these teens become self-sufficient.

A COST-EFFECTIVE PLAN FOR INCREASING HOME OWNERSHIP

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Ms. SCHNEIDER. Mr. Speaker, I would like to announce my introduction of legislation to allow individuals to withdraw funds from their pension and annuity plans for the purpose of acquiring a principal residence. Many people in this Nation are facing a severe crunch in their attempts to buy a home, especially those trying to buy a first home.

According to a 1984 poll taken by the Roper Organization, 9 out of 10 adult Americans under the age of 35 regard home ownership as their highest personal priority. However, for the first time since the mid-1940's, the home ownership rate for young individuals is falling. From 1973-87 the number of young married families who were home owners dropped by one-third since 1973. The single greatest impediment to purchasing a home is accumulating sufficient cash for the down payment. In 1975, the average down payment totaled 33 percent of a first time home buyer's yearly gross income. By 1987 that figure had leaped to 50 percent.

The purpose of these tax deferred plans is to encourage people to save for their retirement. We all know that historically one of the greatest investments has been in a home. My bill would allow individuals to withdraw money from their qualified pension plans to buy a principal residence without having to pay a penalty for early withdrawal. This would serve the dual purpose of encouraging home ownership, and providing for retirement savings through the expected growth in home equity.

The cost of buying a home has skyrocketed in the last decade. Many individuals are presently unable to accumulate sufficient cash for a down payment on a home. My legislation is compatible with both the desire to increase home ownership rates by making down payments more accessible, and the need to help individuals provide for their retirement needs.

COMMUNITY SERVICE IS ALIVE AND WORKING

HON. ROBERT C. SMITH

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SMITH of New Hampshire. Mr. Speaker, in his inaugural address, President Bush called on Americans to foster a spirit of community service and to lend a hand where the Government cannot. I am pleased to report the people of New Hampshire's First District took this message to heart.

In keeping with the Rotary Club motto "Service Above Self," the Dover-Durham, NH, chapter accepted a challenge to fund a drug education program for every fifth grader in the Dover school system. Not only is this a noble effort, but it is also an effective one. One student wrote of the program, "Before, I knew not to use drugs. Now, I know why I shouldn't use drugs."

The Listen-Winner Program provides each student with a monthly magazine that includes games and stories designed to heighten their awareness of drugs and to reinforce the idea that drugs only lead to harm. Additionally, the students are exposed to films, presentations, assemblies, and group discussions led by a drug use prevention expert, all of which is paid for by the Rotary Club.

Though we must vigorously enforce our laws and work diligently to stop the flow of drugs into this country, it is primarily through education at the earliest level that a true solution to this problem can be realized. The Dover-Durham Rotary Club's support of this program demonstrates a commitment to the future of America. By galvanizing opposition to drugs in the young people of Dover, the Rotary Club has taken the first steps toward pulling the rug out from under the drug market.

The effectiveness of this program proves it is within our reach to combat the scourge of crime and drugs in our neighborhoods and schools. I hope other communities all across the country take this example to heart. Furthermore, the Rotary Club's willingness to invest its energies and resources in the future of New Hampshire demonstrates the important role the private sector can play in contributing to the public good.

I challenge each and every one of my colleagues to encourage similar efforts in the community service organizations of their congressional districts. We, in Congress, are painfully aware that we are short on funds and long on problems. Our role in fighting the drug problem calls on us to do more than allocate funds or act as critics. We must lead the way in finding and promoting grassroots private sector programs that can eradicate the drug problem.

I congratulate the Dover-Durham Rotary Club on its efforts. Their dedication to the community is inspiring, and it is an honor to serve as their Representative in Congress.

AMERICAN VETERANS DEFEND THE HONOR OF THE AMERICAN FLAG

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SOLOMON. Mr. Speaker, anyone who knows anything about our system of government knows that no right is absolute. To paraphrase the classic formulation, the right of

free expression does not permit someone to yell "fire" in a crowded theater.

I would expand that prohibition to include deliberate gestures of contempt for the American flag, the most precious symbol of our Nation.

Scott Tyler, a so-called artist from Chicago, recently afflicted us with an exhibit, which featured the Stars and Stripes in front of a comment book. It was nothing more than an invitation to similarly hateful people to tramp on the American flag at the same time they filled the comment book with their poison.

Mr. Speaker, I was proud to serve in the last Congress as ranking minority member of the House Veterans Affairs Committee. Unlike Mr. Tyler, American veterans are quick to show their love of country and quick to defend her honor.

Veterans responded to Mr. Tyler's blasphemy by creating their own exhibit, in which Mr. Tyler's face graced a canvas mat beneath its own comment sheet and an American flag, this time properly displayed. The comments were revealing, and confirmed my conviction that the right of expression has its limits.

It is my pleasure to place in today's RECORD a Washington Times article on this incident.

[From the Washington Times, Mar. 28, 1989]

VIETNAM VETERANS USE ARTIST FOR A DOORMAT

(By David Braaten)

The Chicago artist who exhibited an American flag on the floor got some rough poetic justice over the weekend: His likeness was used as a rug by visitors to another exhibit in the Windy City.

In an artful takeoff on "Dread" Scott Tyler's original work—which featured the Stars and Stripes on the floor in front of a comment book—Gary Mann sketched a life-size likeness of Mr. Tyler on a sheet of canvas and spread it on the floor in front of a comment book and a properly displayed flag.

The Tyler work, titled "What is the Proper Way to Display a U.S. Flag?" was part of a minority students' exhibit at the Chicago Art Institute. It aroused vehement protests, mainly from veterans.

Mr. Mann, 33, a junior high school art teacher in the Chicago suburb of Deerfield, responded with his work titled "How to Display 'Dread' Scott Tyler," which drew 500 visitors to the storefront Vietnam Museum in the Little Saigon neighborhood of Chicago's North Side.

Weekend critics, who stood on the likeness of Mr. Tyler's face while they wrote in the comment book, were unsparing and frequently obscene, according to the museum's owner, Joe Hertel, a 42-year-old Vietnam veteran. Most of the comments he read during a telephone interview were from fellow vets.

"I come today to step on your face in honor of my friends who died for this flag in Vietnam," wrote one.

"To my best friend, who never made it home," wrote another.

"Dread Scott was able to use the real thing on the floor. Why can't we?" asked one visitor.

"An artist he is not, this Dread Scott," someone of poetic inclination commented. "He is an unpatriotic snot. He knows not what this country is about."

One of Mr. Hertel's favorite inscriptions read in part: "Dread Scott should be strung up. . . ." It was written by a Vietnam veteran, he said, and underneath were five signed comments by Vietnamese residents of the neighborhood, who all said, "I agree."

One Vietnamese man wrote that he remembered the Japanese conquerors in World War II throwing his country's flag in the road and grinding it into the dust. He said he felt the same contempt for Mr. Tyler that he had for the Japanese soldiers.

Mr. Mann's motive for his Tyler takeoff was simple: "I didn't like to see my flag on the floor," he said yesterday. A 1976 graduate of the Art Institute, he said he called officials there and asked to have his exhibit put on view, "so they can redeem themselves for the hurt they caused so many people." He has received no answer, he said.

Mr. Tyler could not be reached for comment. His flag exhibit, whih inspired several protests, including one that drew 2,500 people, was defended by Art Institue officials as an exercise of free expression. After a month of controversy, the exhibit closed on March 16.

Mr. Mann's work will be displayed Saturday in a Veterans of Foreign Wars hall in Berwyn, another Chicago suburb. He said if Mr. Tyler takes his flag exhibit on the road, he will follow with his Tyler exhibit. "If he goes to Detroit, I'll follow him," vowed Mr. Mann. "If he goes to Shangri-la, I'll follow him."

PASSAGE TO FREEDOM CAMPAIGN

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mrs. KENNELLY. Mr. Speaker, on April 17, 1989, a group of my constituents will be gathering to raise money for the "Passage to Freedom" campaign, a national effort to raise funds for the resettlement of Soviet Jews who have received permission to emigrate. Nationally, the goal of this drive is to raise $75 million by May 31. Greater Hartford's share of this goal is $900,000, a third of which has already been pledged. I would like to take a moment to applaud and thank the good people at the Greater Hartford Jewish Federation, the moving force behind this drive in Hartford, CT.

A few years back, when the Soviet emigration numbers were so grim, it would have been nearly impossible to imagine a "Passage to Freedom" campaign of this magnitude. Those were the years when I had almost given up hope of Ida Nudel, my "adopted" refusenik, ever receiving her visa.

But the situation has changed, at least for now. Dick Suisman, president of the Greater Hartford Jewish Federation, captured the situation we face today when he told the Jewish Ledger that the flood of Jews being allowed to leave the Soviet Union is a blessing and a challenge for us. It's a blessing to the millions of people across this country and the Members of this body who have marched, and mailed, and telephoned in an effort to secure the release of Soviet refuseniks. It is a challenge because with this greater number of emigres comes a greater need for help in resettlement. If my district is any indication, this challenge is being met.

At the risk of sounding a pessimistic note, I believe it is absolutely critical to press ahead with this drive at this time. Most of us recognize that the light of "glasnost" may dim at any moment. There are no assurances that the 30,000 or 40,000 Soviet Jews who are expected to emigrate in 1989 will not become the dismal numbers of 1982, when less than 3,000 Soviet Jews were allowed to emigrate.

Mr. Speaker I couldn't be more proud that one of Connecticut's own, Mr. Marvin Lender, is heading up the national "Passage to Freedom" campaign. It shows once again that Connecticut, the land of steady habits, can be trusted to deliver. And, in the Greater Hartford area, the able leadership of people like Bob Simons, David Chase, Simon Konover, Blanche Goldberg, Todd Hoffman, and Alan Rosenberg, makes me believe that their goal of $900,000 will be met by May 31, with time to spare.

I applaud the commitment of these people from my district and the people across this country who are working to provide a passage to freedom for Soviet Jews. I believe that their efforts, along with the efforts of our Government, will ensure that passage.

TRIBUTE TO LILLIAN AND JACK GOLD

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. ACKERMAN. Mr. Speaker, I wish to call to the attention of the House the 60th wedding anniversary of Lillian and Jack Gold, who represent a shining example that we can all strive to emulate.

Marriage should be more than simply a public display of affection and the taking of requisite votes. Marriage should be the joining of hopes and ambitions, the bringing together of goals and ideals, and the uniting of two people in love so that their love may grow and be an example to their children and to us all.

Lillian and Jack Gold have lived that dream and exceeded its boundaries. They have lived their lives as a shining example of the American dream.

Lillian was born the youngest child of Dora and Samuel Lissak. Her parents, newly arrived immigrants, would purchase floundering bake shops and turn them into profitable businesses. These bakeries provided their community in Brooklyn, NY, with some of the best taste treats to be found anywhere. Lillian, while attending school, would work in her parents' bakery evenings and weekends. Lillian's father soon found out that not all of the attractions in his shop were on the shelves. His three beautiful daughters often brought in more clients than the strudel. One admirer was so crazy about the teenage Lillian that Sam sold the bakery and moved to a new location to cool off her suitor.

The move was really unnecessary though, as Lil couldn't have been less interested. She was in her early teens and had never even

dated. Her older sisters picked on her for this, but she laughed it off.

One day, when Lillian was 14, she and her sisters were working in the bakery when a tall boy came in to get some milk. The girls giggled amongst themselves as the handsome 15-year-old waited quietly for his order to be filled. No one can recall the exact conversation that day 67 years ago, but the girls managed to learn all about the shy young man who stood in the bakery.

His father, Emanuel, had passed away when he was a small child, leaving his mother, Esther, with several young children. The boys were devoted to their mother who raised them with tender love and kindness. Jack told the girls that he was no longer in high school; that he left to help his family and that how someday he hoped to fill a home with as much happiness and love as he'd been fortunate enough to enjoy.

Lillian made sure that his order was always filled with the best cream and overgenerous portions to keep him coming back. His good looks, honesty, and determination made all of the Lissak girls jealous when, weeks later, he and Lillian went on a date.

Lil and Jack spent nearly every free moment together and never dated anyone else. While they were still young teenagers, they knew they'd be married eventually, but also knew that education would be the key to their future security. So they went across the river, to lower Manhattan, and with money he'd managed to save over months and months, Jack bought Lillian a hope chest. He told her to start filling it and that someday it would be in their bedroom, and that they would sit on it and tell stories to their children and grandchildren. That chest sits today, at the foot of their marriage bed as it has for the last 60 years. It has seen their love grow from teenage infatuation into the center of strength and security around which four generations have built.

Lillian and Jack were married February 3, 1929, when he was 21 and she was 20. During their almost 8-year courtship, they pursued their own educations and grew closer.

They had two children, Florence and Emanuel Richard (Manny), and moved to Laurelton, NY, in 1938. They made sure that the blessings of love and security that they had felt growing up were passed on to their children, who were also taught the value of education, and who saw first hand the value and necessity of hard work and dedication.

Jack had become an insurance broker specializing in diamond dealers. His motto was, "Cover your diamonds with gold." He worked hard every day, but was happy knowing that, at the end of his day, Lillian, Florence, and Manny would be there to make it all worthwhile.

Lillian and Jack became very active in the Laurelton Jewish Center and put not only a great deal of themselves into helping their community and their neighbors, but gave their children a deep sense of religious conviction as well.

Lillian sang in the synagogue's choir and was a major force behind the activities of the Hadassah. Believing that the key to a successful future depends on education and accessibility to knowledge, Lillian has spent countless hours establishing libraries in Jewish centers and other institutions in New York and Florida. She has also been an active member in the Eastern Star.

Jack served as a member in the Jewish Center's Men's Club, as an active member of the Darcy Lodge of the Masons, and was awarded Guardian Life's Man of the Year Award.

Lillian and Jack loved to play golf and Jack, with his son Manny, won the parent-child tournament at Cold Spring Harbor Country Club in 1957. Lillian, now a very young 80, still plays a great game of golf and has managed to hit more than one hole-in-one during her career.

Jack's interest in photography was sparked at a very early age providing the family with an amazing treasure of photographs dating back to the early 1900's. The photographs detail the history of his life and the lives of his family and friends. His son Manny later shared Jack's interest in photography. Manny has received many contest awards and had a photography exhibition at a New York gallery.

Lillian always had an interest in working with her hands and has created a wonderful collection of needlepoint portraits that grace her home and the homes of her children.

Their daughter, Florence, has also been a constant source of pride for Lillian and Jack. They saw to it that the value they placed on family was deeply rooted in her. She married Richard Luckow and they have carried on the traditions of Lil and Jack through their devotion to each other and to their children and grandchildren.

Florence and Dick's three children, Ken, Scott, and Betsy, all graduated from Cornell University. Ken and Scott continued at Cornell and became veterinarians. Betsy continued her education and is currently a practicing attorney and a devoted and loving mother.

Ken and his wife, Linda; Scott and his wife, Sherri; and Betsy and her husband, Eric, have all learned from the example of their parents and grandparents: That family values and love are things to be worked for and cherished. They have blessed Lil and Jack with seven beautiful great-granddaughters: Tracy, Lori, Heather, Robin, Amanda, Hailey, and Danielle. Tracy, the first of the great-grandchildren will be 12 this year and feels that she is the luckiest of them because she has known her great-grandparents the longest.

The newest addition to the great-grandchild brigade is Michael, a son born to Sherri and Scott. Sherri and Scott also met as teenagers, just like Lil and Jack. They too finished their educations, never dated anyone else seriously, and joined their lives in their early twenties, as Lil and Jack had done.

Lil and Jack's daughter, Florence, attended Syracuse University and graduated from Queens College, in New York. She has always worked hard to enrich the community, and is currently vice president of Queens College.

Lil and Jack's son Manny, after graduating from Cornell University and Cornell Law School, built upon his parents' ideals of hard work and service to the community and entered politics. He is now deputy minority leader of the New York State Senate, an attorney, photographer, musical conductor, avid athlete, devoted husband, and wonderful father.

Manny's golf playing with Jack at Cold Spring Country Club not only improved his game, but enabled him to meet Judith Silberfein, whom he would later marry at that same country club.

Judy and Manny have given Lil and Jack three grandchildren and have built the kind of marriage that has made their parents proud. Steve, Judy and Manny's oldest child, graduated from Georgetown University Law Center and works in Washington, DC, where he lives in ecstatic happiness with his wife Margaret. Judy and Manny's daughter, Sue, has a degree in journalism and is living in California where she works full time during the day, and writes freelance magazine articles, potential television and movie scripts, and book reviews in her spare time.

Adam, the youngest child of Judy and Manny, and the youngest grandchild of Lil and Jack's, is a high school sophomore in Queens, NY. He studies diligently, works with computers, and is fascinated by astronomy. He has inherited his grandfather's and father's love of sports and music and pursues both avidly.

Lil and Jack moved from Laurelton and lived in Lynbrook, NY, for 10 years before moving to Florida in 1973. Everywhere they have lived, they have left a legacy of love, devotion, and community service.

Lil and Jack have been a tower of strength, support, understanding, and limitless love for their family. They have always lived their lives with great dignity and concern. The love that began in a bakery in Brooklyn almost 70 years ago has grown to be the center hope and faith for an entire family. Their devotion and closely held values have been passed on to their children, grandchildren, and great-grandchildren. They have indeed not only blessed their families with their love and guidance, but have enjoyed the rare privilege of having those gifts returned in abundance from a family that loves and treasures them. Lil and Jack have had the opportunity to see their love for each other and for family develop into a tradition among the three generations they have brought into the world.

Now, on the occasion of their 60th wedding anniversary, they look back on lives filled with love, devotion, and service to their community, and look forward to a continuation and further blossoming of their love, which grows fresher and more alive each and every day. They see that love reborn in the marriages of their children and grandchildren.

Mr. Speaker, I ask all my colleagues in the House of Representatives to join in tribute to this remarkable couple and to the hallmark of love they represent.

PRESIDENT LEE TENG-HUI

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. YATRON. Mr. Speaker, ever since the unfortunate and untimely passing of President Chiang Ching-kuo, Taiwan has been most ably led by President Lee Teng-hui, who is carrying out the policies of his predecessor with great

success. I understand a recent Taiwan opinion poll gave him a high approval rate of 87 percent of those surveyed. His recent visit to Singapore dramatically demonstrated his diplomatic skills.

President Lee's government should also be commended for endeavoring to narrow its trade surplus with the United States. Recent statistics indicate the gap is continuing to narrow. In fact, I have recently been informed by Taiwan's Washington envoy, former Foreign Minister Ding Mou-shih, of the Republic of China's determination to totally balance trade between our two countries. This is indeed a most welcome decision, as I believe both economies will prosper and increased trade and commercial transactions will result.

Let me also take this opportunity to commend Representative Ding for all his tremendous efforts to keep Members of Congress informed about developments in Taiwan. He has done an outstanding job during his first 6 months in Washington, and has been most accessible. Representative and Madam Ding-Mou-shih have been very gracious, charming and helpful.

For review and reference by my colleagues, I am submitting to the CONGRESSIONAL RECORD a biographical sketch of President Lee. The piece was printed in the March 18 issue of Central Daily News of Taipei, Taiwan. It was authored by Prof. Nathan Mao of Shippensburg University of my State of Pennsylvania. The English version, by Prof. Winston Yang of Seton Hall University, was printed in the Encyclopedia Britannica 1989 yearbook.

LEE TENG-HUI

Lee Teng-hui became the first native Taiwanese to head the Republic of China government in Taiwan when he succeeded Chiang Ching-kuo as president when the latter died on Jan. 13, 1988. Lee also became acting chairman of the ruling party. Kuomintang (KMT). His election as KMT chairman at the party's 13th congress in July further strengthened his position. Popular and well respected by virtually all segments of society, Lee carried on his predecessor's democratic reforms and anti-Communist policies. He promoted parliamentary reforms designed to rejuvenate the legislature and urged a more flexible approach when dealing with political and diplomatic challenges. Stressing the national interest, Lee brought Taiwan back into such international organizations as the Asian Development Bank. He also facilitated travel to China for family reunions and promoted more people-to-people contacts with the mainland in such fields as trade, culture, and sports. All the while, Taiwan continued to enjoy steady economic growth and ever greater democracy.

Born near Tamsui, Taiwan, on Jan. 15, 1923, Lee belonged to a Hakka family whose ancestors came from Fujian (Fukien) Province. He received his Ph.D. in agricultural economics from Cornell University, Ithaca, N.Y., in 1968. As a professor at National Taiwan and Chengchi Universities and in various important capacities at the Joint Commission on Rural Reconstruction, he contributed much to Taiwan's agricultural development. He promoted farmers' associations, irrigation systems, agricultural mechanization, and the Agricultural Development Act, which balanced agricultural and industrial development. As mayor of Taipei (1978–81) and governor of Taiwan Province (1981–84), he carried out the construction of freeways and reservoirs, oversaw the modernization of sewage disposal, introduced regional planning and agricultural reforms, and contributed greatly to the renovation of rural villages. Enjoying strong U.S. support, Lee upheld the one-China policy and opposed the independence of Taiwan. Firmly committed to Taiwan's security and welfare and the rule of the law, Lee steadfastly rejected the Chinese Communist formula for reunification—one country, two systems—insisting that Taiwan and the mainland be eventually reunited on the basis of freedom, democracy, and an equitable distribution of wealth.

HOUSE CONCURRENT RESOLUTION 89, URGING THE PRESIDENT TO USE HIS AUTHORITY TO STOP HIGH SEAS INTERCEPTION OF SALMON

HON. JOLENE UNSOELD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mrs. UNSOELD. Mr. Speaker, on Tuesday of this week, I introduced House Concurrent Resolution 89, to urge the President to use his full authority under section 8(a) of the Fishermen's Protective Act to embargo fishery products from countries which fail to enter into and implement adequate drift net monitoring and enforcement agreements, pursuant to the Driftnet Impact Monitoring, Assessment, and Control Act of 1987. Joining with me in introducing this resolution is the entire Washington delegation, including my colleague on the Merchant Marine and Fisheries Committee, JOHN MILLER, who has spent a great deal of time working on this issue.

Mr. Speaker, beginning around 1980, United States industry officials became aware that hundreds of drift net vessels from Japan, Taiwan, and South Korea were plying the North Pacific for salmon under the guise of fishing for squid. The boats use lightweight monofilament nylon nets, which can be 30–40 miles long, to sweep salmon from huge sections of ocean. Government biologists and conservation groups suspect that these drift net fleets are stealing an estimated 21 million dollars' worth of our U.S. salmon every year. That's around 10,000 metric tons of fish not being caught by our sport, commercial, and tribal fishermen.

Despite regulations under domestic law to keep the drift net fleet from impacting the annual U.S. salmon migration, violations are frequent and U.S. Coast Guard overflights regularly document the presence of drift net vessels well outside the allowable areas for operation. Earlier this year, clear evidence of this illegal fishing surfaced when an abandoned Taiwanese cargo ship was found drifting 450 miles off the coast of Cape Flattery. The 180-foot vessel which was badly burned by fire, contained rotting fish that Federal investigators later identified as Pacific sockeye and chum salmon.

Mr. Speaker, these foreign fleets have been referred to as "biologically strip mining the sea" and that's exactly what they are doing. The drift net fleet can lay 30,000 miles of net on any given day, catching and killing virtually every form of life that comes into contact with it.

Recognizing the destructive nature of the drift net fleets and the impact that they were having on our Nation's valued resources, the Congress enacted the Driftnet Impact Monitoring, Assessment, and Control Act of 1987. Under this law, the President may use his existing authority to embargo fishery products from a nation which refuses to cooperate with the United States to supply information on the impacts of their drift net fleet to fisheries and wildlife.

Mr. Speaker, the resolution that we have introduced sends an unmistakable message that we want these countries to cooperate in monitoring their drift net fishery and, if they choose not to cooperate, then these high seas pirates should be put out of business.

The text of the resolution follows:

H. CON. RES. 89

Whereas anadromous salmon and steelhead are the mainstays of the Pacific Coast fisheries, sought actively by commercial, sport, and native American fishermen;

Whereas the continued health and productivity of these anadromous stocks of fish is vital to the economic and social well-being of many residents and communities of Washington, Alaska, Oregon, California, and Idaho;

Whereas anadromous North Pacific salmon and steelhead originating from United States inland waters often migrate beyond United States jurisdiction on the high seas, grow, mature, and return naturally to their streams of origin in the States of Washington, Alaska, Oregon, California, and Idaho;

Whereas the United States, under section 101 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1811), claims exclusive management authority over all anadromous species of United States origin throughout their migratory range except when these fishes are found in the territorial sea or exclusive economic zone of another country;

Whereas there is growing evidence that large quantities of immature salmon and steelhead of United States origin are being harvested by the drift net fleets of Japan, Taiwan, and the Republic of Korea;

Whereas the foreign drift net fleet fishing in the North Pacific Ocean has expanded to over 700 vessels each fishing 20 to 60 miles of monofilament net per day, and it is estimated that 10,000 metric tons of immature United States salmon and steelhead were harvested illegally by foreign fleets in 1987, representing a loss to United States fishermen of nearly $21,000,000;

Whereas in the virtual absence of fishery law enforcement and monitoring of foreign drift net fleets on the high seas in the North Pacific Ocean the Congress declared that increased efforts were necessary to monitor, assess, and reduce the adverse impacts of drift nets and enacted the Driftnet Impact Monitoring, Assessment, and Control Act of 1987 (18 U.S.C. 1822 note); and

Whereas that Act requires that the United States enter into negotiations with certain foreign countries for the purpose of establishing drift net monitoring and enforcement agreements, and that if the Secretary of Commerce certifies that such a foreign country has failed to enter into or implement such an agreement by June 30,

1989, the President may direct the Secretary of the Treasury to prohibit importation of fishery products from the country under section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)), commonly referred to as the "Pelly Amendment", and section 4006(b) of the Driftnet Impact Monitoring, Assessment, and Control Act of 1987 (16 U.S.C. 1822 note): Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that if the Secretary of Commerce certifies to the President that a foreign government has failed to enter into and enforce adequate monitoring and enforcement agreements as required by sections 4004(a) and 4006(a) of the Driftnet Impact Monitoring, Assessment, and Control Act of 1987 (16 U.S.C. 1822 note), the President should use full authority under section 8(a) of the Fisherman's Protective Act of 1967 (22 U.S.C. 1878(a)), commonly referred to as the "Pelly Amendment", and section 4006(b) of the Driftnet Impact Monitoring, Assessment, and Control Act of 1987 (16 U.S.C. 1822 note) to direct the Secretary of the Treasury to prohibit importation of fishery products from that country.

THE OLDER AMERICANS ACT

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BILIRAKIS. Mr. Speaker, as a Federal legislator and as a long-time supporter of senior citizen programs, I would like to make several comments on the growing debate over distribution of Older Americans Act moneys within our State.

First, it is clear that we are confronting two issues. One is a technical matter of legislative language and intent. The present dispute centers on a State interpretation of the Federal Older Americans Act and the effect of certain "preferences" on the distribution of Federal funds in Florida.

The other inescapable issue, however, is one with a human face. It is the people who depend on centers like the Palm Harbor Adult Day Care Center and the vital services such facilities provide. It is the nutrition, companionship, and care that are rendered on a daily basis—and now threatened by recent events.

Regarding the first matter, Pinellas County stands to lose $2.5 million over 3 years as a result of a lawsuit which challenged the State of Florida's interpretation of the Older Americans Act. This challenge prevailed on the basis that the act required the State to allocate moneys depending on the greatest economic or social need with particular attention to low-income minority elderly. Since south Florida has a higher concentration of these groups, the court decided that they were entitled to a higher percentage of available funds than our area of the State.

Regarding the second matter, the question now is how to preserve the local centers in question and continue to deliver services to our aging population. It is a question of finding the resources to help our neighbors meet the challenges of advancing years.

I have been gravely disturbed by this unfolding situation. Back in early 1988, I wrote to Mrs. Sally Gronda of the area agency on aging to lend my support to efforts to keep the Palm Harbor Center open—citing the fact that this center is the only one in upper Pinellas County.

I also wrote to then-secretary of the Department of Health and Rehabilitative Services [HRS] of Florida Gregory Coler to suggest an expansion of the time in which areas such as ours could "plan for, develop, and implement alternatives to meet the needs of our senior citizens." Unfortunately, neither of these actions could mitigate the consequences of the successful lawsuit.

The question then remains as to what can be done on the first level of legislative intent to affect the second level of actual human services. How do we reconcile good legislative intent with negative results in our community?

In this regard, the key issue for me has been our area's extremely high concentration of senior citizens over age 85, the so-called frail elderly.

Pinellas County is home to a higher percentage of seniors age 85 and over than anywhere else in the United States. These seniors have special needs which require special services to assist them and such services cannot be provided if local agencies lose a substantial percentage of their Federal funding.

The court ruling threatens our area with funding reductions that could force a cutback in services to 35,000–40,000 seniors. Moreover, funding reductions will limit the ability of local agencies to provide any services to the 4,592 people on their waiting lists.

These numbers may seem large enough, but they are magnified many times when one pays a visit to an adult day care facility. To realize that there is a face and a need behind every number is to realize we must find a way to provide the necessary funding.

Therefore, I am introducing legislation to add a new category of disadvantaged elderly to the Older Americans Act formula. The bill would establish a category for those seniors who are 85 years of age or older.

The intent of this bill is to account for areas like ours that have increased needs based on a high concentration of citizens of advanced age. The legislation does not repeal the existing categories of preference in funding, but merely adds the "over 85" group as another group deserving of proportionately more funding.

I believe this legislation is consistent with the original intent of the Older Americans Act which I have long supported. In fact, in the early 1980's, I was the only Member of Congress to testify at an Aging Committee hearing against reducing Federal allocations for the act.

I have a great deal of compassion for the disadvantaged of south Florida but also know that those infirmed and more advanced in years have needs which require special care, special attention, and special concern. I feel strongly that these people should not be forgotten.

To date, the Palm Harbor Center has been preserved through State funding. Although we must continue this effort—we must also look for a more permanent solution on the Federal level. This can be addressed only through altering the technical language of the Older Americans Act.

In essence, my legislation will ask Congress to look at the human faces behind the formal language of the act. It will ask Representatives to look behind the numbers and recognize the real needs of our most elderly citizens.

It is my hope that if enough Members of Congress consider this matter and look behind the present preference catagories to the faces of their oldest constituents, action will follow.

BOMBERS FOR QADHAFI: WE MUST JUDGE GORBACHEV BY HIS ACTIONS AND NOT JUST HIS WORDS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BROOMFIELD. Mr. Speaker, this is clearly not the time for the Soviet Union to provide Libya with bombers equipped with an air-to-air refueling capability that enable Colonel Qadhafi to deliver his chemical weapons to Tel Aviv and other countries in the region. Does this Soviet decision contribute to stability of that already tense region of the world? I trust that Mr. Gorbachev will reconsider this unwise policy and work with our Government to bring peace to that turbulent area.

I regret to say that the rhetoric of the Soviet leader extolling the accomplishments of the new spirit of glasnost and perestroika is being contradicted by his actions. While promises of better relations between the United States and the U.S.S.R. are fine, actions, not mere words, build confidence and introduce stability in international relations. Selling long-range bombers to Colonel Qadhafi in Libya is a destabilizing policy that should not be added to the already tense Middle East equation. I hope that Mr. Gorbachev will reconsider this unwise decision and get the United States-Soviet relationship back on the right track.

While the Bush administration is taking a cautiously optimistic approach to expanding United States-Soviet cooperation in resolving troubling political developments around the world, giving long-range bombers to the Libyan madman is shocking. Colonel Qadhafi's track record as a supporter of international terrorism, a backer of insurgencies, and a meddler in the affairs of his North African and sub-Saharan neighbors is well known.

The planned delivery of two air refueling tankers to Libya adds another serious military threat to Libya's neighbors as well as to Israel. In past years, Libya has used its Soviet-supplied military might in clashes with Egypt. Long-range Libyan aircraft were used in the war in Uganda and in the Sudan. Chad has been victimized by Libyan aggression that involved the use of Soviet equipment. Why would any nation that claims to be committed to peace and international harmony provide the unpredictable colonel with more tools of war?

News reports during the past months have revealed that Libya has developed a threaten-

ing chemical weapons capability. With the arrival of the Soviet bombers and the possible addition of air-to-air refueling capability to those aircraft, Colonel Qadhafi can easily deliver the dreaded chemical weapons to his unsuspecting neighbors or more distant enemies.

In my view, the recent Soviet decision to provide long-range bombers to Qadhafi has changed the entire strategic balance in the Middle East. I am disappointed in Mr. Gorbachev's decision and hope that he will reconsider this unwise move. Deeds, not mere words, are the key to building stability in international relations.

I commend the following Washington Post article concerning the new Libyan threat to my colleagues in the Congress.

[From the Washington Post, Apr. 6, 1989]

U.S. CALLS SOVIET PLAN TO SELL LIBYA JETS "DANGEROUS"

(By David B. Ottaway)

The Bush administration said yesterday that the Soviet decision to provide Libya with sophisticated long-range Su24D Fencer jets and a refueling aircraft was "a dangerous thing" and indicated it would be taking up the issue with Soviet authorities.

Administration officials privately confirmed a New York Times report yesterday that the Soviet Union already has shipped six of 15 Su24s to Libya and agreed to refit an Il76 for aerial refueling. While they refused to confirm the report officially, they expressed "concern" about any such Soviet sale to Libya.

"We have long been concerned with [Libyan leader Moammar] Gadhafi's erratic and dangerous behavior," said State Department spokesman Richard Boucher. "Libya continues to act in an unacceptable fashion, particularly in its support for terrorism and international subversion.

"The sale of any kind of sophisticated weaponry to Libya would be a dangerous thing, given Gadhafi's past behavior," he said.

Boucher said the United States already had held talks with the Soviets about its military assistance to Libya, adding, "We'll be talking to them further about that."

A Soviet Foreign Ministry official in Moscow refused to confirm or deny the report but defended the Soviet Union's right to supply such arms to Libya. "We proceed on the principle that we provide assistance necessary for our allies' military and security needs. Such is the basis of our relations with Libya," the official said.

Israeli Prime Minister Yitzhak Shamir, who arrived here yesterday for talks with President Bush and Secretary of State James A. Baker III on the Middle East peace process, seized on the report of the arms sale to urge the Bush administration to forgo any cut in U.S. aid to Israel.

Shamir's spokesman, Avi Pazner, said Shamir told Defense Secretary Dick Cheney in a meeting yesterday that continued Soviet sales to Arab nations underscored "the need to maintain Israel's qualitative edge in face of the quantitative discrepancy" in arms supplies. Panzer said Cheney replied that the United States "understands" Israel's problem.

The Soviet sale of the Su24 to Libya is the second instance in which Moscow has decided to provide this advanced aircraft to an Arab ally. It also was reported last fall to have decided to send a number of them to Syria, which borders Israel and is committed to obtaining military "strategic parity" with the Jewish state.

But the case of Libya is of special concern to both the United States and Israel because of Gadhafi's unpredictable character, drive to obtain a long-range strike capability and proven willingness to bomb far-off targets.

In March 1984, Gadhafi used a Soviet-built Tu22 aircraft on a bombing mission 870 miles away in Omdurman, near the Sudanese capital Khartoum.

The Su24 is described in Jane's "All the World's Aircraft 1988-89" as the "best deep-interdiction aircraft in the Soviet tactical inventory" with a combat radius twice that of the older Su17 and nighttime and all-weather capabilities.

The aircraft has variable-geometry wings, allowing them to move into different positions to reach speeds of up to Mach 2,18—slightly more than twice that of sound—and a capability of flying as far as 800 miles. This would not be enough to reach Israel without at least one aerial refueling.

Libya apparently already had sought to obtain such a capability from the German firm Intec, which, according to a West German investigation, provided two mobile facilities to Libya that it initially thought were suitable only for "ground-based refueling."

But the report said West German authorities also were checking "whether one or several members of the Federal Armed Forces were involved in the midair refueling project in Libya."

LEGISLATIVE PAY EQUITY STUDY

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Ms. SNOWE. Mr. Speaker, I rise today to urge my colleagues to support my proposal for establishing a Commission on Employment Discrimination in the legislative branch. This proposal, which I introduced in the 99th and 100th Congresses, would direct such a commission to identify areas of wage discrimination in the legislative branch and make recommendations for its elimination.

The wage gap between men and women in this country has remained constant for far too long. In 1955, women's average earnings were 63.9 percent of men's average earnings and today, in 1989, the percent of women's earnings increased to only 70 percent of what men earn. This discrepancy continues in spite of the passage of the Equal Pay Act of 1963, making it illegal to pay women less than men for doing the same work, and title VII of the Civil Rights Act of 1964, which outlawed discrimination in employment and wages on the basis of sex, race, and national origin.

The relationship between these two laws is important to understanding the need for a study of pay practices in the legislative branch. The Equal Pay Act guarantees women equal pay for equal work. However, the Equal Pay Act cannot begin to reach the wage discrimination that most women experience for a very simple reason. By and large, women do not work in the same jobs as men, and most women remain segregated in a small number of low-paying, dead-end jobs, a tradition that has dictated a division in wage-earning roles for over a century.

Indeed, it is a fact that of more than 36 million women employed in nonprofessional occupations in 1985, 67 percent worked in female-dominated jobs—jobs that are among the lowest-paid in our society. Significantly, the pay women receive in these jobs appears to have less to do with the actual work they do than with the fact that they are women. Only title VII's broader prohibition of discrimination in employment and wages can reach these women.

In 1981, the Supreme Court clearly spelled out the broader implications of the title VII guarantees. While the Equal Pay Act states that equal pay must be paid for equal work, title VII requires that equal pay be extended to cases in which work being done by men and women is not exactly the same. In answer to the question of limiting equal pay for women and men to identical work, the Court said this would mean:

That a woman who is discriminatorily underpaid could obtain no relief—no matter how egregious the discrimination might be—unless her employer also employed a man in an equal job in the same establishment, at a higher rate of pay.

The concept of pay equity, or equal pay for work of equal value, means that different jobs of equal worth to an employer should be paid the same wages. In the face of the wage gap that exists for working women and men, pay equity requires that wages be based on the responsibility, skill, effort, and working conditions involved, and not on the basis of the sex or race of the individual who performs the job. If compensation for work performed is not based on this premise, then it may be discriminatory, and under title VII of the Civil Rights Act, it is illegal. The legislative pay equity study I am introducing today seeks to overcome that kind of inequity in the legislative branch of our Nation's Government.

My legislation would accomplish two things: First to identify the existence of discriminatory wage-setting and personnel policies and practices within the legislative branch as a whole, and the Library of Congress specifically; and second, to develop a comprehensive plan for eliminating these inequities.

My legislation would establish a 13-member, bipartisan commission comprised of Members of Congress and labor and management representatives from the Library of Congress. This commission will have three primary responsibilities: First, to hire an independent consultant to conduct a pilot study of compensation paid within and between job classifications in the Library of Congress, and to analyze relevant personnel policies and practices; second, to make specific recommendations for ensuring compliance with title VII and policy objectives of the resolution; and third, to establish a comprehensive plan for implementing pay equity throughout the legislative branch.

The intent of this legislation, I would like to point out, is to extend equitable job classification and pay practices to the legislative branch employees as a whole. The pilot study to be conducted within the Library of Congress would be a preliminary step to achieving

the larger goal. A well-constructed pilot study would yield results that could be applied to other parts of the legislative branch with some assurance that the specific areas of inequity could then be accurately targeted.

In short, the completion of the Library of Congress study would be followed by the development of a comprehensive plan for ensuring pay equity within the legislative branch, including the congressional staff. The commission would have 18 months to complete its work.

I believe a study of this nature is necessary for two reasons. First, we already have informal data revealing the pervasive nature of sex inequity in the legislative and judicial branches of our Government. A 1988 informal study of pay scales in House committees demonstrated that women and men are not equally represented in all pay levels in House committees. Women comprised 79 percent of these earning $20,000 or less, while men comprised only 21 percent of those falling into this category. Moreover, women comprised 32 percent of those earning $40,000 or more while men comprised the remaining 68 percent in that income group. Second, the legislative and judicial branches of our Government remain the only large-scale employers in this country that do fall within the compliance guidelines of title VII. The long tradition by which Congress has exempted itself from the laws which it enacts for the benefit of everyone else has perpetuated an unquestioned acceptance of imbalance in equitable pay practices.

The concept I propose is not by any means new. When this bill was being reviewed in the 98th Congress, Nina Rothchild, commissioner of the Minnesota Department of Employee Relations testified that 17 States had changed their fair employment practice laws to include the standard that men and women should be paid equally for work requiring comparable skill, effort, and responsibility. At present, 28 States have either completed or are in the process of completing studies of the type proposed in my legislation. Over 100 State and local governments have undertaken pay equity initiative with successful outcomes.

Indeed, only a month ago, Montgomery County, MD, granted 5-percent raises to 2,900 county workers in jobs held predominantly by women and minorities. This action, resulting from a county council task force study, was reported by county officials to represent an effort to place more value on the types of jobs most commonly held by women. A spokeswoman from the Montgomery County Pay Equity Coalition stated, "This has reduced, if no totally eliminated, race and sex bias in classifications." I believe this kind of initiative, accomplished without a court order, merits the admiration of this body and should stand as a model for us to follow.

I will conclude my remarks by offering one other example which demonstrates the kind of plan and result that is taking place throughout the country, a pattern that I want to see take place in the legislative branch. In 1980, a job evaluation study performed in Colorado Springs revealed a wage disparity between female-dominated clerical jobs and male-dominated maintenance jobs, which both received the same numerical rating. The city council adopted a 4-year plan to correct the wage differential at a projected cost of $1.7 million, which is 2.6 percent of the annual payroll. The conservative Republican mayor of Colorado Springs, Robert Isaac, summarized their new pay equity policy by saying:

We did something fair and just, and in return, we got ourselves great employee morale, lower turnover, and higher productivity. Isn't that what the private sector is always looking for.

In a momentous decision, Congress made freedom from discrimination in employment the law of the land. This was done out of a conscientious and profound sense that it was the right thing to do. Yet, we persist in denying to our own employees the compensation that is rightfully theirs and under the provisions of that decision. I believe this is an exception that we cannot, in good conscience, reconcile with the worthy intent of the law we came to believe was so necessary over 25 years ago. I urge my colleagues to join me in support of legislation to create a Commission on Employment Discrimination in the legislative branch.

PRIVATE RETIREMENT HEALTH INSURANCE: A SHAKEY REED

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. STARK. Mr. Speaker, Congress needs to find a way to ensure that when corporate and union workers have been promised health benefits in their retirement years, that those promises are kept: through good times and bad, through buy-outs and sell-outs.

The following transcript from the NBC Nightly News of February 14, 1989 shows why we need to make reforms in the system and why we need to continue to strengthen Medicare and maintain our safety net of medical care insurance.

TRANSCRIPT FROM NBC NIGHTLY NEWS—TUESDAY, FEBRUARY 14, 1989

TOM BROKAW. Something that concerns almost all Americans, retirement health insurance benefits. Most employees expect to get them when they stop working. But now, a proposed new accounting change could encourage companies to start scaling back retirement benefits. This accounting change would force those companies to recognize the cost of future benefits now and that would reduce their current profit statements. NBC's Mike Jensen reports tonight that this is only one threat, however, to the health benefits of retired people.

MIKE JENSEN. Frank Witroki had open-heart surgery two years ago. It was paid for by medical insurance that was part of a severance (tape gap) when he retired after twenty-seven years with American Forest Products Company.

MAN. And, as you can see, there's nothing left now, just, just an empty building.

JENSEN. But last Summer, Frank's old company, which had been taken over by the Wall Street firm of Kolberg, Kravis, Roberts, was sold off and the medical insurance was canceled. Frank Witroki feels betrayed. He has an artificial heart valve and his wife has cancer. He says the medical benefits are one reason why he stayed so long with American Forest Products.

FRANK WITROKI. I can remember many times when I've been offered other positions and had my superior sit down with me and say, yeah, but now, look, Frank, you know, these people don't have anything over you. This is what we've got. You've got, you've got this medical program that'll last you till the day you die.

JENSEN. That's what most retirees expect, health insurance until the day they die. But millions of Americans are not getting it, even when it's been promised. Retirees are finding that companies all over the country are reducing health benefits and in some cases cancelling them.

One reason: retirees are living longer. Another: skyrocketing medical costs. Companies say they can't afford it. Also, the Wall Street takeover boom. To make a profit on their takeovers, corporate raiders sometimes have to cancel retirees health insurance, even though many people think that's unfair.

MAN. The question is: Who should get the money? The people who work forty, thirty years for this company, who, who put their lives into this company and who are promised retirement health insurance for the rest of their life, or someone who came along, bought out this company in a speculative venture eight months ago, broke up the company and wants to take that money for himself?

JENSEN. Because of the way Congress has written the laws, corporate raiders are legally entitled to take the money. Unlike pension promises, which are backed by law, health-insurance promises often are not.

MAN. There is no vesting. There is no requirement other than the moral one, that these benefits be covered.

JENSEN. Also, retirees have very little clout in the corporate world.

MAN. As you know, a retired person no longer has the ability to negotiate a contract, switch employers, form a union, go on strike, do anything like that.

JENSEN. But Frank Witroki is doing something. He's suing. He says he took fifteen thousand, four hundred and forty dollars less in severance benefits, just to get the retirement health plan.

WOMAN. I think, you know, that he's entitled, working all his life, to be able to have a good years of enjoyment.

JENSEN. Executives of American Forest Products say they offered their retirees a lump sum payment.

MAN. We (garbled) twenty-five thousand dollars to help them relocate their insurance, if that was possible for them, or to use the money wherever they wanted to.

JENSEN. But Witroki says that's not nearly enough to pay for private insurance and that, in any event, because of his health problems and his wife, he's now considered uninsurable. The problem is enormous for the nation's companies, which face four hundred billion dollars worth of future medical claims from retired employees and for people like Frank Witroki, who face years of retirement without the medical insurance they were counting on. Mike Jensen, NBC News, New York.

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. KOSTMAYER. Mr. Speaker, on behalf of myself and my distinguished colleague from Washington, Congressman JOHN MILLER, I would like to initiate the 13th year of the Congressional Call to Conscience for Soviet Jews. I am proud to join Congressman MILLER in cochairing the Call to Conscience this year.

Since its inception in 1976, the Congressional Call to Conscience has been an effective means for Members of Congress to speak out on behalf of Soviet Jews seeking freedom of religion and the right to emigrate. Sponsored by the Union of Councils for Soviet Jews, the purpose of this vigil and our weekly statements on the House floor is to demonstrate our continued, bipartisan concern for human rights in the Soviet Union and to express our support for individuals and families wishing to emigrate to the free world.

This is a particularly important time to renew our support of Soviets who are persecuted by their own Government. We are witnessing in the Soviet Union many dramatic changes. Yet it is clear that in the area of Jewish emigration, the progress has been haphazard. In the past few years, Jewish emigration has fluctuated tremendously. In 1979, 51,230 Soviet Jews were allowed to emigrate, yet by 1986 that number had dwindled to only 1,000. In 1987 and 1988 the situation improved; 19,300 Jews emigrated last year. While this trend is encouraging and while we are seeing some well-known refuseniks, such as Yuli Kosharovsky, Gregory Rosenstein, and Benjamin Charney, being allowed to leave, thousands of Soviet Jews still remain.

Permission to emigrate appears to be an arbitrary process and emigres continually face problems. These include requirements which permit applicants' relatives to veto an application, a time limit for those who allegedly have had access to state secrets, invitations not being delivered to the family seeking emigration, and "first degree" relative limitations which still remain codified and enforced against Soviet Jews who want to be reunited with their families in the United States or Israel.

And we must remember, Mr. Speaker, that thousands of those facing problems with obtaining permission to leave are harassed and endangered while still in the Soviet Union. Grassroots organizations in the Soviet Union such as Pamyat promote anti-Semitic slogans. Furthermore, Soviet Jews are denied access to universities, fired from their jobs when expressing a desire to emigrate, and severely harassed when practicing their religion.

These are violations of the most basic human rights. That is why we in the Congress, Mr. Speaker, must continue to speak out. We must all participate in the Union of Councils Congressional Call to Conscience vigil until Soviet Jews are granted their religious freedom, and their right to emigrate. Religious freedom must be the rule not the exception. It is up to us, Mr. Speaker, to demonstrate a sustained commitment to Soviet Jews and other potential emigres, by repeatedly and publicly calling attention to their plight. Our bipartisan effort in defense of individual freedom is essential. As a cochairman of the Congressional Call to Conscience for 1989, I ask my colleagues to join us throughout the year.

Much remains to be done before we can truly proclaim that the struggle for freedom has been won.

Celebrate the opening of the Jewish Cultural Center in Moscow.

Soviet acceptance of Jewish life and culture is only tentative. Unhindered Jewish religious practice and cultural celebrations, the right to read Hebrew and study the Torah, all remain out of bounds for most Soviet Jews.

THE CONGRESSIONAL BUDGET PROCESS REFORM ACT OF 1989

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SCHUETTE. Mr. Speaker, later this week current law says that both the House and the Senate were to have passed the first concurrent resolution on the budget for fiscal year 1990. With the end of this legislative week rapidly approaching, it is again painfully obvious that another budget deadline will come and go, and Congress will not have met its statutory obligation to pass a budget resolution for the coming fiscal year by April 15.

This disappointing development would be noteworthy if it was the exception, instead of the norm. The truth is that Congress has made a habit of working this way for a number of years now. During the 1980's, the Congress missed its statutory deadlines for passing the budget resolution conference report in every year. Most recently, we came close to meeting our deadline in 1988 and did in fact pass all appropriations bills by the end of June, but that came about simply because of the extraordinary 2-year budget agreement that was produced under the pomp and circumstance of a full blown budget summit in 1987.

Because of the present congressional culture of missed budget deadlines and smoke-and-mirrors deficit reduction plans, I am joining today with my good friend and colleague BOB MICHEL, the distinguished minority leader of the House of Representatives, in introducing legislation to consolidate and further the stalled debate in improving the budget process. In addition, I am pleased that we are joined by Representative BILL FRENZEL, the ranking minority member on the House Budget Committee, and Congressman TIM PENNY and Congressman CHARLIE STENHOLM in introducing this new, bipartisan initiative.

Mr. Speaker, after that historic 1987 budget summit agreement was reached, it was hoped that the cooperation in that plan would carry over into 1989 and beyond so that we might develop a habit of meeting budget deadlines with credible deficit reduction plans, instead of nearly always missing them with deficit reduction strategies which almost everyone believes are well short of the mark. It obviously did not work out that way, and the budget process we operate with the Congress in 1989 is not working as well as it had been hoped for last year, and is certainly getting failing grades relative to how writers of the 1974 Congressional Budget Impoundment Control Act planned more than a decade ago.

Over the 1980's, former President Reagan and now President Bush have proposed a variety of budget process reform ideas to deal with the annual process paralysis that grips the Congress nearly every spring. Last minute, thousand page, bloated spending monsters of recent years is certainly no way to run the Federal Government. It is no way to spend the more than $1,200 billion of the taxpayers' money each year, especially if we expect to give them their money's worth.

Mr. Speaker, virtually every Member in the House and in the Senate has experienced some degree of frustration about the way we plan, raise, earmark, and spend the taxpayers' dollars. Nearly all of us have at some time expressed confusion about the complexity of the Federal budget, its authorizing and appropriations process, and how this hopelessly layered mechanism is in dire need of substantial reforms.

Discussions about the many ideas for budget process reform have come and gone over the years. This tinkering, which for the most part has come via the reconciliation process, has produced some improvements, such as the Gramm-Rudman-Hollings balanced budget law which placed us on a reasonable path toward a balanced budget. But for the most part, the budget process has failed the American people, and we have not accomplished very much of what most Members would have liked in terms of simplifying the process, reducing the annual budget writing workload, and strengthening mechanisms of spending discipline and enforcement.

Since I came to Congress in 1985, I have become increasingly concerned about these failures in the current budget mechanism. I have watched how genuine efforts to substantially amend the budget process for the better have met with little success. This has happened for a variety of reasons, both good and bad. But the bottom line in this on-going debate is that a lot of good ideas from both the last two administrations and many Members of the House and Senate have been lost or ignored in the sea of piecemeal proposals aimed at improving the budget process.

Back in 1987, I joined with my friend over in the U.S. Senate, the distinguished ranking minority member on the Senate Budget Committee, PETE DOMENICI, in introducing the Fiscal Procedures Improvement Act of 1987 in the House of Representatives. At the time, that comprehensive proposal contained many of the best ideas for reforming the budget process in the budget reform debate. It was a seven-point program aimed at restoring discipline and accountability to the process. Several of the ideas in that proposal found their way into law in one form or another, but there was widespread recognition that much more needed to be done on the budget process front.

Now, nearly 2 years later, I am again pleased to be the main cosponsor in the House of another effort to reform the budget

process with Senators PETE DOMENICI, BOB MICHEL, BILL FRENZEL, TIM PENNY, CHARLIE STENHOLM, and I are offering a series of evolutionary budget process reforms like that contained in S. 391, introduced by Senators DOMENICI and JOHNSTON, to help make the budget process work more efficiently for those of us in the Federal Government and ultimately for the American people.

The nuts and bolts of this bill are a product of extensive discussions and deliberations by many knowledgeable people. It contains many similarities to the suggestions made by former Congressional Budget Office Director Rudolf G. Penner and Alan J. Abramson of the Urban Institute Press in their book "Broken Purse Strings." This specific proposal has received the endorsement of two former Presidents of the United States, the Honorable Jimmy Carter and the Honorable Gerald R. Ford.

What our proposal hopes to achieve is threefold. First, we hope to make progress in simplifying the budget process, by removing layer upon layer of criss-crossed programs and responsibilities. Second, we hope to substantially reduce the annual workload of writing a completely new budget resolution each and every year. Third, we hope to implement a number of initiatives aimed at strengthening the budget's enforcement mechanisms to help impose a degree of spending discipline that was intended when the 1974 Budget Act was passed to give members a set of big picture targets for spending and revenues that were to govern the bottom line of the myriad of individual Federal spending programs.

More precisely, this legislation proposes a set of five evaluationary changes and refinements to the existing 1974 Budget Act to provide a better framework for more orderly and efficient fiscal decisions within the Federal Government. It seeks to implement this five-point program without compromising the function or jurisdiction of the Appropriations Committee.

Perhaps the most dramatic departure from the current budget process as we know it is the establishment of a new, 18-member Joint Budget Committee to help avoid the harmful delays that occur between the independent actions of the separate House and Senate Budget Committees that have plagued the budget process over the years. This Joint Committee would consist of nine members from each body, with five members from the majority and four from the minority.

As we envision the Joint Committee, its membership would consist of the current chairmen and ranking members of the two respective Budget Committees, as well as the chairmen and ranking members of the House Ways and Means Committee and the Senate Finance Committee, and the Appropriations Committees in both Chambers. To round out the 18 seats on the new joint committee are 6 open seats, to be filled by the leadership of which the Speaker of the House and the Senate majority leader have at least 1 appointment.

This Joint Committee would assume all of the duties and responsibilities of the current Budget Committees, and the chairman and vice chairman would rotate annually between the Chambers. The chairman and vice-chairman would be responsible for scoring legislation for enforcement purposes in their respective Chambers.

The second major component of our bill would be the establishment of a 2-year budget process to streamline procedures and encourage a longer range view of fiscal policy. The President would be required to submit a 2-year budget within 15 days of the beginning of each new Congress. The biennial budget would be required to meet the Gramm-Rudman-Hollings statutory deficit targets in both the first and second years, and would include binding totals to each standing full committee.

Third, our bill would consolidate the more than 20 different, and very fragmented spending functions to directly correspond to the jurisdiction of executive agencies and legislative committees into three general categories of spending to restore order and simplicity to the budgeting process. These groupings would be subdivided into two additional subcategories, discretionary programs, and mandatory or entitlement spending programs to further remove the confusing shroud of the current array of spending functions and categories.

Fourth, our bill would build upon the facilitating participation of the President in the 1987 Budget Summit by converting the annual budget resolution blueprint into a joint resolution requiring the President's signature. Budget resolutions would carry the force of law, and would necessarily make the President an early and active partner in the process to facilitate agreement on a budget to expedite the appropriations process. In this way, our budget reform proposal would build incentives into the budget process to assure a comprehensive debate on budget policy and priorities without the crisis atmosphere of a Government shutdown or continuing budget resolution.

Fifth, if a budget resolution is not adopted by May 15 of the first year of the biennium, an automatic budget resolution would take effect funded at levels which correspond to the Gramm-Rudman-Hollings targets. Under the current budget process, these targets presently take effect in September instead of May, and often lead to the stop-and-go budget procedures that produced the 1,000 page budget resolution which President Reagan referred to in his memorable 1988 State of the Union speech. These spending and revenue totals would remain in effect, unless or until the Congress agrees to a budget resolution under normal procedures.

In addition, our bill also takes the important step of encouraging, but not requiring 2-year appropriations bills. It provides for an automatic continuing resolution, funded at prior-year levels, for any of the 13 regular appropriation bills which fail to be signed into law by October 1. This feature, in combination with the technical changes in various budget enforcement mechanisms in our bill, will further simplify the budget process and strengthen the enforcement of budget agreements.

Finally, our bill makes an additional statement, in the form of a "Sense of the Congress" resolution, that urges the passage of legislation to establish a new set of Gramm-Rudman-Hollings targets beyond 1993 to eliminate that portion of the Federal Government's deficit that is hidden by the Social Security Trust Fund surplus.

The current practice of using the surplus of revenues over expenditures in the Social Security Program to hide the true size of the Government's general operating deficit is a sham, and is certainly not the kind of procedure which instills a sense of confidence about the ability of the Social Security Program to meet its obligations to today's younger workers when they become tomorrow's retirees.

Our bill suggests that we adopt a new set of deficit targets beyond 1993 that will put the general operating deficit on a trajectory to repay the Social Security Program all that has been borrowed over the last 5 years. From our perspective, that is the prudent thing to do for the future. Certainly, the precise level of these new targets requires more thought and study. That is why we decided to include only "Sense of Congress" language in our reform proposal.

Mr. Speaker, none of us believes that the Congressional Budget Reform Act of 1989 is the panacea for our budget deficit. In fact, none of us seek to do more than make refinements to the existing process to make the existing budget framework work better.

I believe this bipartisan proposal is an honest, constructive effort to deal with the frustrations many of us have felt over the last few years. I urge my colleagues to join with us in supporting this proposal to put an end to the fragmentation and ambiguity that has damaged the efficiency of the way we spend the taxpayers' hard-earned moneys.

THE TRAGEDY OF LEBANON CONTINUES

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. FEIGHAN. Mr. Speaker, the tragedy of Lebanon continues. On the eve of the 14th anniversary of the outbreak of civil strife, more than 150,000 people have died. Since March 8, the heaviest bombardments in 4 years have killed more than 200 people and wounded about 600 persons in the beleagured city of Beirut. Equally devastating are the numbers of men, women, and children suffering physical and mental breakdowns from the protracted, indiscriminate terror that surrounds this city of 1.2 million people.

The Syrian shelling of Beirut came in response to the Lebanese Government's attempt to close and secure illegally operating ports under Syrian control. According to the Lebanese Government, these ports allow safe harbor for terrorist and drug smuggling activities.

Three million Lebanese are embroiled in a struggle to exercise control over their own destinies. They hope for nothing more than to be left alone by their neighbors and outside forces. Syria—Lebanon's neighbor to the east—occupies 65 percent of Lebanese soil with 40,000 troops and Syria is now determined to extend its hegemony over Lebanon's

capital city—a city that once prided itself as being the "Paris of the Middle East."

Mr. Speaker, we cannot allow Syria and its surrogates to continue the carnage and destruction of Beirut. Reports today indicate that the Syrians are continuing the shelling and have hurled more than 20,000 shells against Beirut. More men, women, and children have been killed and hospitals, schools, and homes are still being destroyed.

I am introducing a resolution calling for the President to push for an immediate cease-fire among the parties in Lebanon, urge the removal of all foreign military and paramilitary forces, and calling upon the Lebanese people to begin a process of internal reconciliation. The resolution recognizes the efforts of the League of Arab States and calls for the United States to support this and other international efforts. Finally, it urges the Government of Lebanon to fulfill the constitutional mandate to elect a new President.

Mr. Speaker, the Lebanese are strong, enterprising, and resilient people and who are committed to a united, sovereign, and independent Lebanon with a central government capable of governing. Recently, President Bush declared that he was going to find a way to make a difference in Lebanon. This resolution demonstrates our intent to strongly support that commitment.

TRIBUTE TO HARVEY E. BAIR

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. GOODLING. Mr. Speaker, I would like to take a few moments to acknowledge the artistic endeavors of Mr. Harvey E. Bair, of Mechanicsburg, PA.

In 1982, Mr. Bair, a former U.S. marine, suffered a heart attack and then another serious disease which caused gangrene to attack his fingertips. As Mr. Bair started on his road to recovery, his doctors explained how important it was for him to work with his fingers to regain circulation. It was during time spent in occupational therapy that Mr. Bair discovered the art of repousse, which is the shaping of metal into patterns in relief in an ornamental manner.

Over 16 years have now passed and Mr. Bair has refined his art. He has continued hammering and molding copper strips into very intricate and artistic designs and is currently the only known artist to be creating copper triptychs. The original triptychs were either an ancient Roman writing tablet with three waxed leaves hinged together, or in Greece, a picture or carving of three panels side by side. They have been made out of gold, silver, copper, and brass in ancient times.

Mr. Bair and his wife, Dodie, now have a traveling exhibit of Harvey's two large triptychs. They are hand tooled, and made of copper. The first triptych is entitled the "Redemption Story" and the second "Experience Calvary." Each work of art took about 3 months to create.

Mr. Bair is not the only artist in the family, however. Dodie is a very accomplished artist herself specializing in floral design.

I wanted to share with my colleagues the information about this fascinating, unique, and rare art form.

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWS

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. MILLER of Washington. Mr. Speaker, today my distinguished colleague, Representative PETER KOSTMAYER and I, as cochairmen of the Congressional Call to Conscience for Soviet Jews, would like to invite all our colleagues to continue efforts on behalf of those persecuted in the Soviet Union. The Congressional Call to Conscience vigil for Soviet Jews, sponsored by the Union of Councils for Soviet Jews, is an effort to dramatize the plight of prisoners of conscience and other persons who are seeking freedom and emigration from the Soviet Union.

The purpose of the vigil is to use weekly CONGRESSIONAL RECORD statements to draw attention to problems of Jews and others who now face oppression in the Soviet Union. The vigil has been a particularly useful vehicle for voicing bipartisan congressional support for individuals and families wishing to emigrate to the free world. Hard work on this issue has paid off. The Soviet Union is liberalizing. Permission of dissent continues to expand. More and more citizens are being allowed to speak and write freely. A significant number of political prisoners have been released, emigration numbers have increased, and there is more religious freedom. However, human rights abuses continue to take place in the Soviet Union. To quote from the 1988 State Department Report on Human Rights,

> Most of the current reforms have yet to be reinforced by the adoption of laws, administrative regulations, and bureaucratic procedures that will ensure the rights of individual citizens.

The call to Conscience has been a useful tool in helping those many people still denied their basic human rights. Hard work by Members of Congress has brought success, as in the case of Vladimir Meshkov, who recently was given permission to emigrate from the Soviet Union. But there are countless other cases of people who still need our help. Families such as the Lurie family who first applied to emigrate in 1979, and are now separated from their daughter and mother.

At this time, it is especially important that we demonstrate our continued concern for human rights. We must seize the opportunity of glasnost to redouble our efforts for those denied basic human rights in the Soviet Union.

With your assistance, the congressional vigil can continue its commitment to the cause of Soviet Jews, Christians, and others who are persecuted for seeking liberty.

THE EDUCATIONAL EXCELLENCE ACT OF 1989

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. RAHALL. Mr. Speaker, I was pleased to have been a guest of the President recently in the Rose Garden as he graciously honored the National Teacher of the Year, and also unveiled his Educational Excellence Act of 1989 in the Rose Garden at the White House.

I have gone on record from the beginning of President Bush's term stating that I wanted to help him become the Education President. I mean that in the spirit of cooperation and comity necessary for the White House and the Congress to come to terms with each other. Only through diplomacy and negotiation on what can and should be done to improve education, and how to fund it adequately so that stated benefits intended to accrue to children are not only possible, but probable, will we achieve our goal of educating America's children for the 21st century, and protect our national security by investing in that educational process.

But, Mr. Speaker, I also am compelled to comment on two outstanding misconceptions—that could lead to confusion—about the President's educational excellence package.

First, nearly every one of his proposals are duplicative of programs in existing law—some of which are funded and some not. The second misconception is that funding for these excellence programs is in addition to that which would be appropriated for existing education programs that are vital to the Nation's children, when in fact budget analysis shows massive cuts would be made if the President's flexible freeze budget proposal is adopted.

Following are examples of his educational excellence programs that are duplicative. His emergency teacher certification proposal could be carried out, at least as demonstration projects, under the existing Mid-Career Teacher Training Program contained in title V of the Higher Education Act. The funding level of $25 million is $20 million higher than that authorized for the Mid-Career Program in law, but when you consider 50 State and territorial needs, $25 million will not go very far toward meeting the probable needs nationwide. The Mid-Career Teacher Training demonstration grant, is designed to develop and demonstrate exemplary programs to provide State higher education institutions with the information they would need to set up and fund their own efforts toward bringing mid-career professionals into the teaching force. Teacher certification, in my view, is not something the Federal Government ought to intervene in, since it is historically a State responsibility. But if the Federal Government proposes to supply funds for the national demand for qualified teachers, particularly math and science teachers, in our Nation's schools, the demand will far exceed the $25 million proposed by the President.

Another duplicative effort, even though it would be a welcome add-on of funds for education programs, is the Presidential Merit

School Awards Program. Under the Hawkins-Stafford School Improvement Act Amendments of 1988, just signed into law last year, Congress authorized the Blue Ribbon Schools Program to achieve the same goal of rewarding excellence in schools. This program, is more modestly funded than that proposed by the President, because of the scarcity of education dollars and the need to drive available dollars down to the local schools for direct services to children. By using scarce dollars in this way, we bring up achievement levels and test scores of children, which we expect to have a ripple effect of bringing the schools involved into the ranks of excellence at the same time. In other words, if we improve the quality of education, we improve the quality and effectiveness of schools as well.

The Magnet School of Excellence is a good idea, but it is not new either, and it is certainly controversial. During the last Congress, under the Hawkins-Stafford School Improvement Act, a new program was authorized patterned after the highly successful Magnet School Program—called the Extra Curricular Schools Program. The President's new initiative calls for $100 million in new funds, yet the existing Magnet School Program, which was originally enacted to replace school desegregation funds lost under the consolidation of numerous categorical education programs in 1981's famous Gramm-Latta reconciliation of the budget, has not yet been fully funded. Funds had previously been available under the Emergency Education Assistance Act, but were no longer available under the block grant in amounts sufficient to continue many desegregation programs. Magnet Schools Programs, reauthorized last year under the Hawkins-Stafford School Improvement Act was previously fully funded at $75 million. But the key here is that a new program was just recently authorized called the Extra Curricular Schools Program, which is similar to magnet schools without the mandate for serving desegregation needs. The new program was authorized only after a hold-harmless provision was included prohibiting funding for the new program until and unless the Magnet Schools Program reached is maximum funding level of $165 million. Current year funding for magnet schools, regrettably, has reached only $115 million—leaving a funding gap of $50 million before the new, competing program can be triggered. The question then becomes: Does the President's proposal mean that Congress should not fund the existing, highly visible, popular and successful Magnet School Program, thus failing to trigger the Extra Curricular Schools Program funding opportunity, so similar to the President's proposal. And if this is what is expected of Congress, is it just so that his initiative can be funded so that he will look as though he has made good his promise to provide for educational excellence? We need to put first things first—and the first is to fully fund the Magnet Schools Program so that necessary desegregation efforts can continue, and specially for those States who have either voluntary or court-ordered desegregation plans in effect that are crucial to the civil rights of those not ended to be served. Second, it is imperative that we make every effort to fully implement and fund the Hawkins-Stafford Schools Improvement Act.

The Presidential Awards for Excellence in Education, intended for model teachers, is again a great idea, but it is not a new idea. Already in law is the Christa McAuliffe Talented Teacher Fellowship Program, which is modestly funded. The better part of wisdom might be to add to the funding for this popular program, rather than pretending to be doing something new and innovative by creating a duplicative program that will unfairly compete with the Christa McAuliffe program for scarce dollars.

His urban emergency grants for areas having the most severe drug problems among school children, funded at $25 million, has several things wrong with it. First, the money, if intended to really assist these school districts, is a pittance compared with the need out there. Second, we are currently providing antidrug abuse funding for schools and communities under the act reauthorized just last year. And third, as a Member from a State and district predominantly rural—63 percent of West Virginia is rural—and one which has its own drug abuse problems, I wonder why the President left out rural needs in his emergency package?

Mr. Speaker I raise these issues only because the need for full funding for existing programs of grave concern to Congress, to parents, teachers and communities, such as chapter 1 remedial education, Even Start, meeting children's nutritional needs, training, and retraining America's work force, and strengthening higher education.

I believe the President has been ill-served by his so-called advisers who allowed him to announce, with apparent pride and belief in what he was doing, his so-called educational excellence bill, which has nothing in it that is new or richly innovative for education.

I believe the President meant it when he said he wanted to be a leader in education—and I believe that the Congress and the Nation would have been perfectly willing to wait until the President and his advisers could work out an education package that truly is innovative in terms of educating our young. Instead, the President was rushed into the fray with duplicative programs costing $441 million in new dollars which, according to his own education budget proposal, would be funded at the expense of existing vital programs such as chapter 1, Even Head Start, magnet schools, student aid, and other programs.

With all due respect, Mr. Speaker, I believe the President can do better than to place those of us who welcomed his promise to become the education President in a position of having to oppose his proposals because most of them address problems already being addressed by Congress in existing law, and because he would offer us $441 million in exchange for massive cutbacks in other educational excellence programs—cuts which could total as much as $3 billion between fiscal year 1990 and fiscal year 1993.

TRIBUTE TO GIUSEPPE ANGIULLI

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. TORRICELLI. Mr. Speaker, it is with admiration and respect that I rise today to pay tribute to Giuseppe Angiulli, a resident of Lodi, NJ. Giuseppe, or Pino, as his friends affectionately know him, was born on New Years Day, 1933, to Antonio and Rosa Angiulli in Piana Degli Albanesi, Sicily.

In 1956, at the age of 23, Pino immigrated to the United States and settled in Connecticut. Three years later, Pino moved to Lodi, NJ, where he married Teresa Cosentino. They have been active members of the Lodi community for the past 20 years, and are the proud parents of four children: Anthony, Rosalba, Frank, and Pino Junior.

Pino's hard work and dedication through the years, working as an auto mechanic until, in 1973, he was able to start his own business, are a tribute to himself and his family. His success is a living tribute to the potentials of the dreams he held when he, like so many in his generation, immigrated to our country, and his example is a worthy one.

Pino has never forgotten his roots, and to this day he is an active member of the Italian-American community. He is a longstanding member of the Italian-American Forum of Lodi, NJ, and in 1988 served as treasurer to that organization.

The responsibility and concern Pino has for others is evident in the active role he played in establishing the earthquake relief fund to assist stricken Italian families; in his sponsorship for the Boys Town of Italy, where he acts as foster parent to a young boy in Rome; in his involvement with the annual Lodi Thanksgiving Food Basket Drive; and in the instrumental role he has played in raising money to help build schools in depressed areas of Italy.

Having realized his own dream, Pino is doing everything he can to help others realize their dreams. In recognition of his self-effacing service to his community and to the country of his birth, Pino is being honored this weekend by the Associazione Internazionale Magna Grecia.

Giuseppe Angiulli is indeed a man who deserves our respect and appreciation. It is with great honor and pleasure that I am able to pay tribute to him as he is honored for his years of dedication to public service. I wish him and his family continued health and happiness in the many more productive years to come.

HARMONIZED TARIFF SCHEDULE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. LEVIN of Michigan. Mr. Speaker, today I am introducing legislation to restore the duty-

free treatment long accorded to certain motor vehicle parts imported under the Automotive Products Trade Act, which is the implementing law for the 1965 auto pact with Canada. Under the auto pact, original-equipment parts imported from Canada by a qualified United States vehicle manufacturer may enter duty-free.

The legislation I am offering would correct a mistake that has occurred in the transition from the old tariff schedules of the United States to the new harmonized tariff schedule.

The new schedule took effect January 1, 1989, under provisions of the Omnibus Trade and Competitiveness Act of 1988. It was not intended to alter the tariff treatment of motor vehicle parts imported under the terms of the 1965 auto pact. Indeed, for most types of parts, the appropriate reference to a duty exemption for auto pact imports was carried over from the old schedule to the new.

But a change in format of certain sections of the tariff schedule had the effect of omitting any reference to the duty-free status under the auto pact of some types of motor vehicle parts. These include such items as pulleys, flywheels, chain sprockets, and shaft couplings. As a result of the omission, since January 1 personnel of the U.S. Customs Service have not been granting duty-free treatment to these types of parts, even though they have been imported in compliance with the auto pact.

What appears to have happened is this: When the tariff schedule was revamped, the method of indicating a tariff exemption for auto pact imports was changed. In place of an explicit reference to the exemption in the relevant tariff headings, auto pact status is designated by a capital letter "B" in the "special rate of duty" column of the tariff schedule. For no apparent reason, this designation was omitted for the handful of parts categories covered in this legislation. Hence this bill would simply restore the status quo ante, by placing the "B" designation in the "special rate of duty" column for these parts categories.

Because the transition to the harmonized tariff schedule was never intended to alter duty-free treatment of imports of original-equipment motor vehicle parts under the auto pact, this bill would have retroactive effect. U.S. vehicle manufacturers would consequently be able to obtain a corrected duty assessment for parts imports since December 31, 1988, that should have been entitled to duty-free treatment under the terms of the auto pact.

Mr. Speaker, I ask unanimous consent that the text of the bill be included in the RECORD immediately following these remarks.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) subheadings 8483.40.90 and 8483.90.10 of the Harmonized Tariff Schedule of the United States are each amended by striking out "(A, C, E, IL)" in the special rate of duty column and inserting "(A, B, C, E, IL)";

(2) subheadings 8483.50.80, 8483.60.80, and 8483.90.80 of such Schedule are each amended by striking out "(C, E, IL)" in the special rate of duty column and inserting "(B, C, E, IL); and

(3) subheading 7014.00.20 of such Schedule is amended by striking out "(A, E, IL)" in the special rate of duty column and inserting "(A, B, E, IL)".

SEC. 2. (a) The amendment made by the first section of this Act applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of this Act.

(b) Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law to the contrary, upon a request filed with the appropriate customs officer before the 90th day after the date of enactment of this Act, any entry or withdrawal from warehouse for consumption of goods to which any amendment made by the first section of this Act applies and that was made—

(1) after December 31, 1988; and

(2) before the 15th day after the date of enactment of this Act;

and with respect to which there would have been no duty if the amendment made by the first section had applied to such entry or withdrawal, shall be liquidated or reliquidated as though such entry or withdrawal had occurred on such 15th day.

ALASKAN OILSPILL

HON. CRAIG T. JAMES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. JAMES. Mr. Speaker, for the last few weeks we have witnessed the efforts of Exxon and the Federal Government to study and organize a cleanup plan for the largest oilspill in North America. While the game plan was being set, 10 million gallons of oil from Exxon's wrecked supertanker, *Valdez*, flowed further south in Alaska's Prince William Sound.

As the representative of the 4th District of Florida, I appreciate the importance and value of our environment. If the same scenario were to occur in Florida, the loss of marine life and damage to the environment would be devastating. My area of Florida is as environmentally sensitive and diverse as that of Alaska. The impact of this disaster on Alaska's ecosystem has crippled, if not destroyed an area that was once a picture of raw natural beauty.

Regardless of the cleanup, Alaska will bear the scars of the tragedy for decades. We cannot calculate the long range effects of this spill. The toxic compounds which are found in a crude oil spill can have an immediate and long-lasting effect.

A spill that occurred in France in 1978 killed 6,000 tons of oysters and wiped out a variety of clams for 2 years. The shrimp population was similarly damaged in the 1979 Gulf of Mexico spill.

While most of the populations in both spills have since recovered in numbers, it appears that fewer species may have survived.

The loss in the Prince William Sound is unknown. Time will tally the losses for us. While we wait we have to reconsider our role in cleanup activities in disasters such as this. The Government must take charge.

The people of Exxon and others who transport crude oil must bear the burden of responsibility for their actions. Stricter regulation must be enacted—transporters must take immediate cleanup action—tankers must be compartmentalized—companies must work with the environmental community to assist in wildlife rescue.

This situation has raised another issue—the Arctic National Wildlife Refuge. Should we open the region of pristine beauty to oil and gas exploration? Can we afford another disaster the magnitude of the *Valdez*? As I oppose offshore drilling in Florida, I oppose any reckless plan to open ANWR's North Slope to oil and gas leases. We were not put here to use the environment as we see fit—we are here to guard and preserve it.

The guidance that President Bush demonstrated on these issues and others will lead our Nation into a renewed age of environmental consciousness. I support his efforts to work in a bipartisan spirit to resolve the Nation's environmental problems.

It is up to the Federal Government to protect the environment and hold those who are guilty of its destruction accountable. We, as legislators, have a responsibility to create an environmentally sound world to pass on to future generations.

We cannot sit and wait for another *Valdez* to run aground to make changes. The changes must start now. Our battle cry must be "Remember the *Valdez*."

THE BIOTECHNOLOGY DEBATE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BROWN of California. Mr. Speaker, we are all aware of the commercial developments which are occurring in the field of biotechnology. The popular press is filled with stories about the potential for this technology to bring great benefits to society. We are on the threshold of a new era of discovery and advance in the biological sciences.

What I find most fascinating about this area of science is the way in which its promise and its risks have been openly discussed from the start. Unlike other areas of science which have moved to industrial applications, applied genetics has almost invited public debate about its risks and benefits. Starting with the Gordon conference in 1973 and the Asilomar conference in 1975, the scientists themselves raised critical issues of the safety of the recombianant DNA research which they were conducting. At that time we saw debates on biotechnology in Congress, and in localities across the country, as part of this open process. Eventually this debate resulted in the development of a regulatory system which was largely self-imposed by the scientific community upon themselves.

As biotechnology inches toward the marketplace, these debates have continued, continuing as well the early traditions of open policy development which has marked this area of science. The issues involved with commercialization are more complex than those associat-

ed simply with laboratory research and will require greater attention to the issues being raised, both by promoters and by critics of biotechnology.

In order to bring a range of viewpoints to the current debate, I would like to offer a series of views from the different sectors involved. In coming months, I hope to be able to share with my colleagues speeches and articles which will provide guidance to use as we seek to bring biotechnology to market in an appropriate manner.

As the first offering, I would like to reprint a recent speech by Mr. Dale A. Miller, president and CEO of Sandoz Crop Protection Corp., on "The Biological Future of Pest Control."

THE BIOLOGICAL FUTURE OF PEST CONTROL

(Remarks by Dale A. Miller)

Your program brought to mind that old Chinese curse that we hear repeated now and again: "May You Live in Interesting Times." Our times, in twentieth century American agriculture, are certainly interesting. In fact, I believe that there may not be a group of people anywhere today who are living in such interesting times as we are. Not comfortable, perhaps, but definitely interesting.

You asked me to come here today to talk with you about the Biological Future of Pest Control. I will describe some of the biology-based tools that should be in your hands during the next decade, and why I believe they will be useful and important to you. But first, I want to talk to you about these interesting times of ours, the environmental movement and the biological revolution. And I want to point out how you, as leaders in American agriculture, must play a part in insuring that farmers continue to have the tools they need to keep American agriculture competitive with the rest of the world.

First, a perspective on the times and the biological revolution.

A quarter century ago, the chemical-based progress that had been driving U.S. agriculture was rudely interrupted when Rachel Carson called for the end of harsh chemicals and urged that agriculture seek out biological alternatives to control crop pests. At that time, my industry believed she was a wild-eyed radical. However, she and her book identified a concern for the environment that had been growing in this country. Ultimately, it led to the passage of early environmental laws, the update of FIFRA and the formation of the federal Environmental Protection Agency.

Since then, environmentalism has become part of mainstream American thought. It is no longer a fringe issue or a liberal Democratic issue. And I'm sure this is one issue that will not be overlooked in the new administration. Nor should it be.

The concerns for the environment are yours—and mine as well.

The people in my industry today grew up during the 1960s and 1970s. We listened to the early environmentalists and did our share of protesting and marching for causes we believed in. Inside my company are many men and women who work with the conviction that we are making an important contribution that will safeguard the environment for our children and for the generations that will follow.

Fortunately, the biological revolution of recent years offers us a way to meet the public's and our own growing environmental expectations.

I'm convinced that this new biology will be the key to our agricultural success in the next century just as chemistry served us in the past. It's neither black magic as its detractors would have you believe, nor a panacea as others might tell you. But the shift of emphasis from chemistry to biology as the basis for crop protection research, development and commercialization is important enough to our future to deserve careful attention. This change, if it is successful, has the long-term potential to streamline farming, upgrade crops and solve some of our worst environmental problems, all at the same time.

From an agricultural perspective, the revolution in biology has caused two major developments. With the discovery of DNA and the unraveling of the genetic code came many clues about how plant and pest life works. These clues set in motion a new kind of crop protection research. Instead of just synthesizing chemicals and hoping they would have a pesticidal effect, we are now able to approach a specific problem by studying how the pest organism works. From there, we can apply our biological understanding to discover ways to specifically inhibit that organism's growth or development.

An example of this biorational approach is a research project now underway in my company to investigate insect neuropeptides. These hormonal substances control the insects' ability to grow, develop and reproduce. We believe that if we understand what the neuropeptides are and how they work we will be able to synthesize substances that cause the insects' own body systems to go out of whack: to fail to molt, to age too quickly, or to otherwise lose interest in destroying your crops. Now these products that we ultimately sell may well be chemicals, but by definition they will be so specific in nature that they will pose no threat to wildlife, fish, the environment, farm workers—only the target pests.

Similar projects involving plants are also in progress in my company and elsewhere.

So, increased understanding of how insects and plants work is probably the first and most important gift of the biological revolution.

The second gift—the more publicized one—has been the development of a new technology—genetic engineering—which enables us to take further advantage of that understanding by manipulating and moving genes from one organism to another. Within the next few years, the first genetically-engineered products for agriculture will come on the market. By and large, they will be 'new and improved' versions of materials that have been available for some time.

New seeds will be first. The advantage of the new seed will be that it is developed in a laboratory several years more quickly than traditional hybrid varieties can be developed in the fields, and that it will contain more specific characteristics. It may be resistant to certain chemical pesticides, may be more nutritious, and may be more able to resist extreme weather conditions.

The first so-called transgenic plants were developed in 1983. These were tobacco and petunia plants that contained genes from the Microbe Bacillus thuringiensis, a natural toxin to caterpillers. Today, scientists can manipulate the genes of more than 20 plant species, including such important field crops as corn, soybeans, cotton and sorghum. Several companies have already field-tested tobacco and tomato plants that have been genetically engineered to fend off destructive caterpillers on their own—without insecticide sprays.

The tools of genetic engineering are also allowing scientists to tinker with existing biological pest control measures and make them work better—a customizing process if you will.

For example, scientists are working on ways to change the B.t. microbe to make it effective against traditionally B.t.-insensitive pests. Right now, the B.t., insecticides, by and large, are effective only against certain caterpillers. But what if they could be changed to "do-in" other pests as well? I see, some day, various B.t. forms being mixed locally to address specific problems on a particular farm; all done safely, efficiently and without negative environmental impact.

Disease control through antibacterial, antiviral or antifungal peptides is another near-reality.

Weed control in the near future may be a two-step process. The first step will be the seed itself made resistant to some of the more environmentally sound herbicides. The second step will be the farmer's choice of herbicides previously not available for that crop. This will offer more efficiencies and, presumably, more efficacy.

What will be the outcome of all this? Some predict that biotechnology will be responsible for a $150 billion dollar improvement in agriculture by the year 2000. Frankly, I believe that in the near term, the impact of the biological revolution on row crops will be modest. The products of agricultural biotechnology will have more initial value to vegetable farmers concerned with pesticide residues and immediate environmental effects and to specialty crop producers who do not now have access to broad-spectrum pesticides. It will have little immediate bottom line impact on the agrichemical industry. In the seed industry, it will probably do no more than hasten some of the consolidation that is already going on.

Ultimately, however, as the technology is developed, even row crop farmers will have choices not possible today.

Earlier this year, the National Agricultural Research and Extension Users Advisory Board, an advisory group to Congress, noted that biotechnology has the potential to solve many of agriculture's problems. The report also pointed out, however, that biotechnology research is financially risky because success will depend on public policy as much as on the marketplace. That is, success will depend on things such as regulation and public understanding as much as it will on farmer acceptance.

I believe that before the products of the biological revolution begin to make a significant difference in this country, three things must happen,

First, the public must accept the fact that modern biological techniques are tools that will benefit the next generation of ag products—not add to our environmental problems.

Second, the government must also understand what genetic engineering can do for agriculture, and what it cannot do, and regulate these new products with reason.

Third, and most important: the products of biotechnology must actually serve the needs of agriculture, and not just be 'gee-whiz' products of the laboratory.

You, as leaders in agriculture, as respected members of your communities, and as hard-headed business people, are in the best position to see that biological crop protection products are understood for what they are,

that they are regulated wisely, and to demand that they actually offer advantages not available with existing products.

First, public understanding. While many of the early unfounded fears of biotechnology may be passing, there are other concerns which must be addressed. Various studies done recently have shown that American understanding of science and what science can do is an all-time low, comparable to the lack of American understanding of farming.

Up until a generation ago, there were always as many people who had direct contact with farming and farmers as there were those who did not. Today, that is not the case. Fewer than one percent of the U.S. population lives on a farm, and understanding of agriculture is dwindling.

In September of last year, the National Research Council issued a report urging that all U.S. students become agriculturally literate. Achieving the goal of agriculture literacy, said the report, will produce informed citizens able to participate in establishing the policies that will support a comprehensive agriculture industry in this country and abroad. I couldn't agree more.

The American public underestimates the fragility of agriculture. They just assume farmers will plant and harvest abundant, high quality crops that will cost them little. The products of biotechnology will help farmers become more reliable, more productive and more competitive in the world market, but this cannot happen without public acceptance and understanding. The public does not need to understand how to splice a gene. What the public needs to know, as you do, is what this science can do for them. They must trust our scientists and researchers to produce products that are far safer than those available today.

How can we develop this trust? By carrying our story outside of groups like this one, and telling people about modern day scientific agriculture.

Kraft, a company from my home city of Chicago, has taken a major step in this direction—far from their industry, far from the circle of knowledgeable, interested people we generally choose to speak to. Kraft has opened an exhibit on agricultural biotechnology at Walt Disney World's Epcot Center. This exhibit shows strawberries and pineapples that have been grown from a single cell. It shows peanut plants that have built-in resistance to pests and weeds. In short, it shows what's going on in science and agriculture these days in a way that is easy to grasp.

To assure the success of biotechnology in this country we need more Krafts telling our story to more people on vacation.

Other countries have determined that they will be significant users of the fruits of agricultural biotechnology. Japan, for example, is pouring industrial and government dollars into this field. The Japanese Ministry of International Trade and Industry is clearly behind biotechnology research and has targeted the industry for a big push.

Unlike the U.S., the Japanese government can make a unilateral decision to support a promising technology. Here, what the government does is directly related to how the voters feel.

This brings me to my second point: besides educating the general public, we must also educate the government. To do this requires that we support environmentalism just as actively as we support science and agriculture. Congressman George Brown of California, a longtime friend to all of us, has pointed out that production agriculture will continue to suffer unless it develops an environmental agenda of its own which defends itself against legislators who do not understand agriculture.

Today, many of the key legislative issues of our industry—groundwater, food safety, and others—are not left to ag committees to decide, but are in the hands of environment, health and commerce committees. There are concerns in Congress about biotechnology—as there should be. However, it is important to remind our leaders that the development of this science has been, and will continue to be, closely monitored and that we have experienced no problems so far. They need to know that biologically-based crop protection products will have an advantage over many chemicals in that they will offer essentially no hazard to the environment, to wildlife, to farm workers or consumers. Yet costly regulatory procedures could prevent these environmentally-sound products from ever reaching the marketplace or the farm. And I assure you, our competitors in Asia and Europe are moving quickly to fill the void of leadership left by our regulators.

Today, there is no single law or federal agency that governs biotechnology. Although some effort is being made in Congress to rectify the situation, at present a new type of insect-resistant seed might have to be cleared through the National Institutes of Health's Guidelines on Recombinant DNA: through the FDA under the Food, Drug and Cosmetic Act; through the EPA under FIFRA; perhaps through the USDA under the Plant Pest Act. Finally, all executive agencies would have the right to look into this new seed under the 1977 Executive Order on Exotic Organisms. How much of a chance do you think *any* proposal of project has under these conditions?

Such a labyrinth of control is automatically a problem because of the confusion and conflict it creates. But in this case it also overlooks the very nature of products and materials it seeks to regulate. Although biological research is very costly, the products that ultimately find their way to the farmers will represent far fewer dollars than a traditional chemical product. Right now, it costs about $40-$50 million to put a new chemical on the market. Development for a high-priced hybrid corn seed—and the first commercial biotechnology products will be seeds—is less than $1 million. If the new seeds are regulated at the same cost as chemicals, they'll never make it to your local Northrup King dealer.

So what can we do about this? Despite the high-tech nature of the 1988 election, government is still run by men and women who like to know what their constitutents are thinking. If you know your local congressman or state legislators, let them know you're concerned about the potential overregulation of biological ag products. If you don't know them personally, write a letter. In my company, we are making a concerted effort to get to know the men and women who represent our employees in Washington and in the state capitols. We are telling them what we do, why we do it, and what the benefits will be—not just to the farmers but to Mr. & Mrs. Consumer as well, in terms of a safer, healthier food supply.

Regulation is important. But overregulation or a disorganized array of rules will neither protect the consumer nor allow the products to reach the market. Ultimately, it will affect our ability to compete. Donald Kennedy, President of Stanford University and former head of the FDA, has said that the combination of local, state and federal sources now regulating science has moved from reasonable control to something close to chaotic strangulation.

Kennedy warned that unless we can convince the public and our elected representatives to deal fairly and reasonably with the regulation of science that less and less research will be done in the U.S. and more and more will be done elsewhere. This unquestionably will affect American agriculture's ability to compete in the world market.

Now, I've addressed public education and government regulations, but there's still that third issue: Making sure the products are worthwhile. Somewhere, among all the uproar over gene splicing and growing plants from single cells and fermenting bugs and hormones in giant vats, an idea seems to have developed that farmers are going to get the products of biotechnology whether they like them or not, will have to pay very high prices and will have to use them whether they work well or not.

Rubbish!

The farmers are still the customers. Industry is still the peddlers. If a farmer tries a product and it doesn't work, he or she won't try it again. I know that! If farmers aren't convinced that it will work, they will stick with the seed or chemical or system that they are currently using. Believe me, if the new biological products don't measure up, there will be plenty of companies out there to sell farmers other products that do. That's what makes our system work.

The call a generation ago for products that are environmentally safe yet highly effective fueled the drive toward the biological revolution. If, as these products come to market in the next three to five years, they don't meet the standards that U.S. growers have come to expect, then I am certain we will be sent back to the drawing boards.

If, however, biology-based products do fit the needs of a society and industry that are demanding safer products that provide more benefits with fewer inputs and risks, then we are all winners.

You invited me here today to learn something about the future biotechnology. I'm telling you that the future has moved out of the laboratory and off the research farm and is very much in the hands of the public.

Last summer's drought opened a lot of people's eyes. They learned that agricultural production is never guaranteed. We know already that as long as the world population continues to grow at a rate of more than 75 million people per year, the need for the products of agriculture will grow too. And the ability of American agriculture to retain our place as a supplier of food to the world depends, as it always has, on increasing our production efficiency, decreasing our costs and continuing to enhance the food value of our harvests.

I am confident that biotechnology will soon give us new tools to do exactly that.

Researchers in my industry are learning to translate their science into new products for U.S. agriculture. We must likewise learn to translate our understanding of those products into a call for public acceptance and straightforward regulation.

If we can do that, we will go a long way toward assuring a safer, more efficient, more competitive environment for American agriculture now and in the future.

HOPE FOR FREEDOM IN POLAND

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. BONIOR. Mr. Speaker, on Friday, April 7, 1989, Poland's Parliament voted into law sweeping political changes that hold hope for freedom in Poland. These historic laws schedule free elections for June, the first to be held in Poland since 1946. The valiant efforts of the Solidarity movement have finally led to a concrete advancement of freedom, democracy, and economic justice for the Polish people. Mr. Speaker, it is imperative that the free world turns its eye to carefully watch and encourage these developments.

Under this new law, the trade union Solidarity, that was brutally crushed under martial law in 1981, is restored its status. In addition, the farmers union, Rural Solidarity and the Independent Student Association are legalized. After over 8 years of government repression, the members of Solidarity who have had to face harassment, imprisonment, and even assassination can finally defend the rights of Polish workers without fear of retaliation by the Government.

In addition to recognizing Solidarity, the new law reinstates Poland's upper House of Parliament that was abolished by a rigged referendum in 1946. The 100 members of the restored upper house are to be elected in June and they will have the power to veto legislation of the lower house.

The lower House of Parliament, called the Sejm, will be reorganized to give 35 percent of its 460 seats to the opposition, led by Solidarity. These new opposition seats in the Sejm will also be contested in the June elections. The ruling Communist party and its allied parties will hold the rest of the seats. The Sejm can overturn vetoes with a two-thirds vote. Thus, for the first time, the ruling party will need opposition support to overturn vetoes.

The new law establishes the Office of the President of the Republic, who will be elected by a joint session of the two houses. The President will be elected for a term of 6 years and has broad powers to dissolve the Parliament and veto laws of the Sejm. The first President will most likely be General Wojciech Jaruzelski, one of the men who helped impose martial law in 1981 and ordered the imprisonment of almost all Solidarity leaders. It is extremely ironic that the same man who jailed Solidarity leader Lech Walesa in 1981, helped to formulate the agreement with Lech Walesa that will legalize Solidarity in 1989. The election of General Jaruzelski to President, however, must serve as a warning to the free world. Too many times in the past, promises of reform have been broken by the ruling government. Mr. Speaker, we cannot afford to relax our vigil until lasting change has been established in Poland.

In addition to these major political changes, wages will be indexed to compensate workers and retirees up to 80 percent for any increase in the cost of living. The Government has also promised greater freedom of expression by alloting Solidarity a half hour of television time and 1 hour of radio time per week. A union-run national daily newspaper and weekly regional newspapers will also be permitted.

Mr. Speaker, we are at an historic crossroads in Polish history. The passage of these new laws represents an unprecedented opportunity for democratization in an Eastern-bloc country. The time has come for the United States and our allies to reevaluate our foreign policy to insure that Poland's transition to political plurality occurs swiftly and permanently. As a Polish-American, I rejoice the triumph of freedom for my Polish brothers and sisters. We must, however, keep a watchful eye on the current ruling party to insure that the reforms these laws promise are delivered. Events in Poland could determine the success of Gorbachev's program of perestroika and possibly set the tone of East-West relations for years to come. My hopes and aspirations are with the people of Poland as they advance the torch of freedom.

THE HIGHER EDUCATION PREPAYMENT TAX ACT WILL HELP PARENTS SAVE FOR COLLEGE

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. FLIPPO. Mr. Speaker, to help parents save for the college education of their children, I have reintroduced the Higher Education Prepayment Tax Act of 1989. This initiative would clarify the tax treatment of educational benefits provided under certain prepaid college education contracts.

In the past year or so, parents have bought $1 billion of prepaid tuition plans and special savings bonds to help finance the cost of their children's education. Mainly the creation of the State governments, the Federal tax treatment of these plans needs to be made more clear. The purpose of the bill which I am introducing today is to clarify Federal income tax treatment of the prepayments of the cost of higher education and ensure proper administration of trust funds.

When room and board are included, a year of college now costs, on the average, $11,330 at a private school or $4,445, for in-State residents at a public school. College costs are continuing to rise at a rapid pace. Parents are looking for new ways to ensure that their children will be able to attend college.

The rising costs of higher education have led to the development of new innovative programs to help families plan for college expenses. A number of States and institutions have followed the example of the State of Michigan in implementing an innovative prepaid tuition program.

Under a typical plan, the parents, grandparents, or any other interested party may guarantee the college education of a child by allowing them to pay a child's tuition at any time after the child's birth. The prepaid tuition payment is pooled together with similar payments from other parents in an invested sinking fund. When a participating child has been accepted by and enrolls in the school of his or her choice, the trust will pay the tuition of the child without further tuition cost to the child or the child's family.

Some of the key provisions of the bill include:

A State, an education institution—public or private—or a consortium of educational institutions—public or private—would be permitted to establish programs guaranteeing a package of prepaid educational benefits.

Payments could be lump sum or serial.

Portability of benefits would be permitted.

No Federal tax would be imposed on interest earned on trust fund investments.

No Federal tax would be imposed on a sponsor or a beneficiary upon receipt of educational benefits.

The Census Bureau recently released a report reconfirming the evidence that education and training is the key to career success and economic opportunity. Parents need help planning for their children's education and the Higher Education Prepayment Tax Act is an important step in the right direction.

Let us give incentives to our young people to stay in school, work diligently, and further their education by attending college. I encourage my colleagues to join me in support of the Higher Education Prepayment Tax Act of 1989.

U.A.B. AND CHINESE UNIVERSITY ESTABLISH FIRST JOINT HEALTH-RELATED MASTER'S PROGRAM

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. ERDREICH. Mr. Speaker, I would like to take this opportunity to inform my colleagues of a unique educational consortium between the University of Alabama at Birmingham and Xian Medical University in the People's Republic of China. This consortium, which has resulted in the first joint master's degree in Health Services Administration between universities of the United States and China, brings a great deal of prestige and honor to our country and to educational and cultural advancement between our two nations, and the academic preparation it offers the Chinese students may very well revolutionize the health care delivery system in the People's Republic of China.

Dr. Charles A. McCallum, president of the University of Alabama at Birmingham, Dr. Keith D. Blayney, dean of the university's school of health related professions and Dr. Howard W. Houser, the school's Director of International Activities, have recently returned from the People's Republic of China where they participated in a history-making ceremony involving 13 Chinese professionals in this unique international program which was funded by Project HOPE [Health Opportunities for People Everywhere]. On January 9, 1989, Dr. McCallum presented master of science degrees in Health Services Administration from UAB to these professionals during graduation ceremonies at Xian Medical University. The students also received master's degrees from the Chinese university. Taking part in the

ceremonies was Professor Chen Minzhang, Minister of Public Health for the People's Republic of China.

The professionals, 12 physicians and a mathematician, are the most recent graduates from this unique, joint educational venture with Xian Medical University and UAB. For the past 3 years, they have been students in a joint master's degree program in health services administration which required them to spend 2 years of study at XMU and a year at the school of health related professionals at UAB. The graduates completed the coursework at UAB in August 1988, and finished their practical experience at hospitals in China in December.

In addition to the 13 master's graduates, 2 other graduates are working on doctoral degrees in the United States, 1 at the University of Iowa and the other at UAB.

I am extremely proud of the accomplishments of UAB and the faculty of the school of health related professionals in this historic educational undertaking and want to congratulate Dr. McCallum, Dr. Blayney, and Dr. Houser for their leadership in this program.

RESOLUTION CALLING FOR THE ESTABLISHMENT OF A PACIFIC BASIN FORUM

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. LEVINE of California. Mr. Speaker, today I am introducing legislation calling for the establishment of a Pacific Basin Forum for the discussion of economic, diplomatic, and other issues unique to the region. I am pleased to be joined by the chairman and ranking member of the Subcommittee on Asian and Pacific Affairs, Mr. SOLARZ and Mr. LEACH.

This legislation is to lend support to proposals made by former Secretary of State Shultz and Secretary Baker that we establish regular, formalized discussions at a very high level among nations bordering the Pacific rim.

The need for such a forum is demonstrated by the increasing importance of Pacific rim nations in the world's economic and political affairs. The past few decades have been a dramatic shift in the international distribution of power, as formerly underdeveloped nations of the Far East have become major players in the international arena. The Pacific century is not merely around the corner, it is here now.

The United States has a vital role to play in these developments. We are, after all, a Pacific rim nation, with a great deal at stake in the economic success and political stability and maturity of the region. While our relationship with most nations of the Pacific basin has traditionally been close, increasing trade frictions and changing security requirements threaten to place new strains on these ties. It is crucial that we establish an international forum to discuss and coordinate issues of mutual concern.

This resolution does not explicitly define how this forum should be constructed, or which nations should be members, although it indicates that the group should have the broadest possible composition to facilitate dialog. The precise composition of the group would be determined by the President and Secretary of State in consultation with our Asian partners. My resolution does call for the convening of annual summit meetings among Pacific rim leaders, on the model of the G-7 meetings.

Mr. Speaker, in pressing for the establishment of a Pacific Basin Forum, Congress will demonstrate its interest in and support of new diplomatic initiatives to deal with the rapid economic and political developments around the world. At a time when the Soviet Union has been making new overtures to Asia to strengthen its trade and diplomatic ties with the Far East, the United States must respond with forward-thinking proposals to strengthen the trans-Pacific relationship. This proposal is a modest, but essential, first step.

I urge my colleagues to join me in calling for the establishment of a Pacific Basin Forum.

AMENDS THE HARMONIZED TARIFF SCHEDULE

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. SKAGGS. Mr. Speaker, I am today introducing legislation which would amend the harmonized tariff schedule with respect to duty rates for certain ski apparel and sporting gloves.

As my colleagues know, the Ways and Means Committee will only consider tariff legislation introduced by April 14. Therefore, I am sponsoring this legislation because I believe it deserves the committee's consideration.

CLOSING A LOOPHOLE IN OUR TARIFF LAWS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. DURBIN. Mr. Speaker, today I am introducing legislation along with my colleagues Mr. DORGAN of North Dakota and Mr. AKAKA of Hawaii, to close all loopholes in our tariff laws regarding ethyl tertiary butyl ether [ETBE], an exciting new ethanol-based fuel component.

ETBE is an oxygenated fuel that is produced by mixing ethanol and isobutylene and reacting the mixture over heat with a catalyst. Each gallon of ETBE contains approximately 43 percent ethanol. Its oxygen content has made ETBE attractive as a possible component of our Nation's clean air strategy, and companies in both the oil industry and the ethanol industry are working hard to commercialize this new product.

ETBE's introduction into the marketplace awaits a clarification from the Department of the Treasury that ETBE is eligible for the blenders tax credit for alcohol fuel mixtures, a Federal tax incentive established by the Congress to spur development of domestic, renewable alternative fuels that can be mixed into motor fuel. I believe that the Treasury Department should issue this clarification, and I hope that it will be forthcoming soon so that ETBE may begin to move into the marketplace.

However, I am concerned that once ETBE's status with regard to the blenders credit is clarified, foreign interests may use a loophole in the tariff laws to import ETBE into the United States duty free and take advantage of the blenders credit. The result would be that companies could tap the U.S. Treasury through the blenders credit to stimulate foreign production rather than domestic production of ethanol.

The harmonized tariff schedule includes a tariff on imported ethanol to offset the tax incentive provided for domestic sales of ethanol. This tariff is designed to prevent imported ethanol from taking advantage of an incentive established to promote the development of domestic ethanol production. However, ETBE is a new product which was not considered when the tariff on ethanol imports was established.

The bill my colleagues and I are introducing will close the loophole that would allow ETBE imports to escape the ethanol tariff, before anyone begins to take advantage of it. I urge my colleagues to join me as cosponsors of this bill, so that the incentives we have created to spur domestic ethanol production are not exported through a tariff loophole.

TRIBUTE TO MARCIAL "ROD" RODRIGUEZ, MAYOR OF NORWALK, CA

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. TORRES. Mr. Speaker, I rise today to bring to the attention of my colleagues the distinguished public service career of my friend, Rod Rodriguez, mayor of the city of Norwalk, CA. Later this month, Mayor Rodriguez will complete his term as president of the California Contract Cities Association. In this capacity, he has dedicated himself to representing the needs and interests of contract cities throughout the State of California.

During his tenure as president, the association has added six additional cities as members and has taken an active role in litigating a new property tax/revenue distribution formula to benefit the member cities. At various government hearings and meetings, Rod has been an outstanding ambassador on behalf of the contract cities.

Currently, Rod is serving his second term as mayor of Norwalk. First elected to the Norwalk City Council in 1982, he served as mayor in 1985, and was reelected to the city council in 1986. Prior to his election to the city council, he served as a member of Norwalk Planning Commission from 1974 to 1982. In 1973, he served on the city's Historical Heritage Commission.

In addition to his association and city council responsibilities, Rod is a trustee on the Los Angeles County Sanitation District and serves on the Private Industry Council for SELACO,

on the board of directors for the United States/Mexico Sister Cities Association, and on the Southeast Area Animal Control Authority Board. He is the first vice president of the Hispanic Elected Local Officials [HELO], serves on the transportation committee for the League of California Cities, and a member of the Cerritos College Resource Advisory Board. Rod is also a member of the Norwalk Rotary, Moose, Elks, and the American Legion.

Rod was born in Norwalk and attended local schools before joining the U.S. Air Force in 1952 where he served as a crewmember/airborne radio operator until his honorable discharge in 1956. In 1952 he married the former Jennie Sevillano and they have two children, Michael and Peggy; and three grandchildren. Rod attended the University of San Francisco and has been a successful insurance agent for the Prudential Insurance Co. for the past 20 years.

The distinguished career and public service record of Rod Rodriguez speaks for itself. He has served the California Contract Cities Association with distinction and honor. Mr. Speaker, I ask that my colleagues join me in commending Marcial "Rod" Rodriguez for his outstanding contributions to the people of California.

CONFLICT IN ANGOLA

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. DYMALLY. Mr. Speaker, the situation in Southern Africa today deserves our critical attention. In particular, the current policy of the United States in support of Jonas Savimbi and UNITA serves as an obstacle to peace in Angola and throughout the region of Southern Africa.

I have been to Angola and I have met personally with the President of Angola, His Excellency Eduardo Dos Santos. President Dos Santos emphasized that the people and Government of Angola want peace and Angola wants better relations with the United States.

Therefore, this hearing today has important implications for Members of Congress who are committed to global peace and justice. We were all very pleased at the signing of the recent peace accords between Angola, Cuba, and South Africa. It appears, however, that continued U.S. military and financial support of UNITA will serve to undermine the basic principles and thrust of these peace accords.

The fact that Angola has the highest amputee rate per capita of any Nation in the world which is attributed in the main to the indiscriminate victimization of Angolan civilians, particularly women and children is ground for great concern about UNITA's participation in this victimization. The violations of human rights by UNITA have been well documented.

Mr. Speaker, please permit me to introduce into the RECORD as part of my remarks written testimony being submitted by the Rev. Benjamin F. Chavis, Jr., executive director of the United Church of Christ Commission for Racial Justice who has investigated UNITA and who has sponsored Angolan war victims to visit the United States recently for medical aid. Dr. Chavis' detailed testimony and supportive documents should be of considerable interest to this committee.

TESTIMONY OF REV. BENJAMIN F. CHAVIS, JR., CONCERNING HUMAN RIGHTS VIOLATIONS OF UNITA AGAINST THE PEOPLE OF ANGOLA

Mr. Chairman and Members of the Subcommittee on Africa, I am submitting this statement to you on behalf of the Commission for Racial Justice of the 1.7 million-member United Church of Christ concerning our investigation and monitoring of the situation in the People's Republic of Angola in regard to continued human rights violations and atrocities committed by Jonas Savimbi and UNITA against the people of Angola. We are pleased that the subcommittee is conducting this hearing because we believe that all members of the Congress of the United States should be informed of the truth about UNITA and thousands of persons who have been victimized by UNITA's terrorist actions in Angola.

The United Church of Christ has had a long standing involvement and interest in Angola which dates back well over 100 years. Our church sent some of the first Protestant missionaries to Angola and was responsible for the building of educational institutions, hospitals and other social institutions which continue to serve the people of Angola. Our sister church in Angola is the Evangelical Congregational Church of Angola, which is headquartered in Huambo, Angola. As a result of our work and contract with our fellow church leaders in Angola, we came to have direct knowledge of the human rights abuses of UNITA.

I personally had the opportunity to visit Angola on two occasions in 1988, once in April and later in August, at which time, I led a 19-person delegation of African American Church and civil rights leaders on a fact-finding mission to Angola. After visiting provinces in the south, central and northern regions of Angola and after interviewing numerous persons throughout Angola who had been victimized by UNITA. Our delegation issued a detailed report entitled, "Report on the visit of African American Church and community leaders to the People's Republic of Angola". We found conclusive evidence that UNITA has maintained a continuous pattern and strategy of attacking unarmed civilians in Angola, a majority of whom are innocent women and children. In addition, we saw evidence of where UNITA has planted land mines and other explosives deliberately in civilian areas, particularly in paths to local schools and hospitals.

Most recently, the commission for racial justice of the United Church of Christ sponsored a delegation of Angola war victims to visit the United States for medical treatment from November 3, 1988 to April 2, 1989. Of the eight-person delegation from Angola, six were victims of UNITA land mines and attacks. Five members of this delegation were children. Four of these children had lost legs as a result of UNITA land mines. Another child, twelve year old Bernarda N'Guvulu was paralyzed from the waist down because UNITA had shot her in the back during a UNITA attack on her village in Southern Angola last year. I have given to Mr. Steven Weissman six affadavits by these six victims of UNITA attacks. Ms. Iria Geremias was a victim of a combined attack by UNITA and South African military forces. All six of the Angolan war victims received successful medical treatment at the United Hospitals Medical Center in Newark, New Jersey. This treatment was made possible through the great outpouring of concern and support from the city of Newark, New Jersey and from the doctors and staff of United Hospitals Medical Center, especially the efforts of Dr. Adewale Troutman, Dr. Bruel Staggers, and Mayor Sharpe James.

For the purposes of this testimony, I request that the following documents be entered as part of my testimony and be entered as part of the record of this important hearing:

(1) "Report of the visit of African American Church and community leaders to the People's Republic of Angola: findings of fact"

(2) Letter to President George Bush signed by over 100 church leaders from throughout the United States calling for the termination of U.S. support for UNITA, dated March 8, 1989.

(3) Affidavits sworn on April 1, 1989 by, Gabriela Nambongo; Bernarda N'Guvulu; Rufino Octaviano; Fernando Segunda; Clementina Cassova; and Iria Geremias.

Today, Angola has the highest amputee rate per capita of any nation in the world. The majority of these amputees are children and women who have been indiscriminately and viciously attacked directly by UNITA's soldiers or who have been maimed as a result of land mines deliberately planted in civilian areas in Angola by UNITA.

We therefore, call upon the Sub-committee on Africa of the house foreign relations committee to express opposition to United States support of UNITA. We recommend that the United States Government should establish full diplomatic recognition of the People's Republic of Angola. We recommend that the United States Government should through the appropriate bodies of the United States Congress grant medical aid and other development aid to Angola to assist in the recognition and economic development of Angola.

We in the church community believe that the current policies of the Bush administration toward Angola are immoral, illegal and unjust. It is our prayer that both the House and the Senate will take appropriate measures so that peace can be assured in Angola, Namibia and throughout Southern Africa. It is our prayer that the government of the United States will enact comprehensive sanctions against the racist regime of apartheid South Africa. The situation in Angola is one of the keys to peace in Southern Africa. The people of Angola, the churches in Angola, and the government of Angola have all expressed their great desire for a lasting peace. The Congress of the United States has both a legislative and a moral responsibility to help bring a lasting peace to Angola by helping to change the present course of U.S. foreign policy. Thank you for permitting me to speak on this critical issue.

REPORT ON THE VISIT OF AFRICAN AMERICAN CHURCH AND COMMUNITY LEADERS TO THE PEOPLE'S REPUBLIC OF ANGOLA, AUGUST 7-24, 1988

FINDINGS OF FACT

(Report prepared on behalf of the delegation by Rev. Benjamin F. Chavis, Jr., Executive Director, Commission for Racial Justice, United Church of Christ)

ACKNOWLEDGMENT

The editor gratefully acknowledges the special support and assistance he received in

preparing this report from all of the members of the delegation, with particular thanks going to Lewis Myers, Esq., Deborah A. Jackson, Esq., and Damu Smith.

INTRODUCTION

In May 1988, the Commission for Racial Justice of the United Church of Christ (hereinafter referred to as the Commission) was invited by the People's Republic of Angola to organize a fact-finding mission to travel to Angola, August 7-24, 1988, for the purpose of conducting an independent investigation of the impact of the current war situation within that country. The Commission was interested in paying particular attention to the effects of South Africa's invasion of the sovereign territory of Angola and the nature and extent of human rights violations against the Angolan people by paramilitary or other groups financed and supported by South Africa and the United States. The Executive Director of the Commission for Racial Justice, Rev. Benjamin F. Chavis, Jr., accepted the invitation to form a fact-finding mission for the aforestated purposes.

The Commission was allowed to define and select the areas and subject matters to be visited and observed in Angola. The task of identifying the members of the delegation and providing background materials was assumed by the New York based national office of the Commission.

On August 5, 1988, a press conference was held in New York to announce the composition and objectives of the delegation to the People's Republic of Angola. The delegation of 19 persons was composed of a distinguished group of 11 African American church leaders representing local churches in the United Church of Christ, United Methodist Church, Baptist Church, and the African Methodist Episcopal Church; 2 attorneys, 2 community activists and 4 communication specialists from 10 different states in the United States of America.*

The members of the delegation were as follows:

1. Reverend Benjamin F. Chavis, Jr.—Delegation Leader, Executive Director, United Church of Christ, Commission for Racial Justice, New York, New York.

2. Reverend Wendell Anthony, Pastor, Fellowship Chapel, United Church of Christ, Detroit, Michigan.

3. Reverend Mary Anne Bellinger, Pastor, Newberry African Methodist Episcopal Church, Atlanta, Georgia.

4. Ms. Linda Kay Brown, Communications Consultant, The Publicity Works, Atlanta, Georgia.

5. Reverend Irvine Bryer, Pastor, Corona Congregational Church, Queens, New York.

6. Reverend Edwin R. Edmonds, Pastor, Dixwell United Church of Christ, New Haven, Connecticut.

7. Mr. Lamont Gonzalez, Professor, Department of Radio, Television and Film, Howard University, Washington, D.C.

8. Attorney Deborah A. Jackson, First Vice-President, American Association of Jurists, New York, New York.

9. Reverend Garland Jones, Mount Calvary Baptist Church, Richmond, Virginia.

10. Mr. Philip M. Jones, Professor, Department of Radio, Television and Film, Howard University, Washington, DC.

11. Ms. Melba Kgositsile, Anti-apartheid Activist, New York, New York.

12. Ms. Annette Lawrence, Independent Film and Video Producer, Baltimore, Maryland.

13. Reverend John Mendez, National Progressive Baptist Convention and Pastor, Emmanuel Baptist Church, Winston-Salem, North Carolina.

14. Attorney Lewis Myers, Office of Childs, Myers & Willis, Chicago, Illinois.

15. Reverend Leticia Rouser, Pastor, Emmanuel United Church of Christ, Lexington, Kentucky.

16. Reverend Al Sampson, Pastor, Fernwood United Methodist Church, Chicago, Illinois.

17. Reverend Leroy Sanders, Kenwood United Church of Christ, Chicago, Illinois.

18. Mr. Damu Smith, Executive Director, Washington Office on Africa, Washington, D.C.

19. Reverend Leon White, Southern Regional Director, United Church of Christ, Commission for Racial Justice, Enfield, North Carolina.

Those persons selected to serve as members of the delegation agreed to undertake the fact-finding mission with objectivity and fairness. The majority of the delegation members did not have any prior contact with the People's Republic of Angola or any of its representatives before accepting to serve on the fact-finding mission. In fact, most delegation members were unaware of the actual circumstances of the war situation in Angola and the role played by the Government of the United States. Each member of the delegation understood that the collective findings of the group would be widely disseminated to the public in order to create a better climate for the improvement of relations between the United States and Angola. The delegation was also cognizant that its findings would be viewed critically by some parties who hold firm views about Angola and the current war situation. With this in mind, each delegation member recognized that his/her task would not be an easy one.

The central objectives of the delegation's trip to the People's Republic of Angola were: (1) to engage in a fact-finding mission in order to learn first hand some of the reality of the situation within that country today, particularly the effect of South Africa's continued invasion of Angolan territory; (2) to investigate reports of some of the atrocities committed against the people of Angola by South Africa's surrogate, UNITA, led by Jonas Savimbi; (3) to strengthen the relationship between the churches of Angola and African American churches in the United States; (4) to conduct a mission of goodwill and to help improve the relationship between the people of Angola and the people of the United States; and (5) to observe some aspects of the progress and development of the Angolan economy, culture and society.

During the delegation's two week stay in Angola it was possible to meet with the President of the People's Republic of Angola, His Excellency Jose Eduardo dos Santos and other high ranking officials both within the government and the ruling MPLA Workers' Party on a national and provincial level; visit the provinces of Luanda, Huambo, Cabinda, Huila, Cunene and Cuando Cubango: exchange views with representatives of the Angolan Council of Churches and pastors of local churches; attend and participate in local church services; interview Angolan children, women and men who have been displaced, mutilated, traumatized or have lost relatives as a result of the war being waged by South Africa and its surrogate UNITA: visit towns that have been destroyed by bombings by the South African military forces; visit areas that have been atacked by UNITA: and meet with representatives of women, youth and professionals to discuss the level of their respective involvement in the development of the country and their hopes for the future. It should be noted that the delegation had the unprecedented opportunity to visit and meet with Angolan as well as Cuban military troops stationed in the southern part of Angola.

Additionally, arrangements were made to visit a transit center for Namibian refugees in Viana located outside the capital Luanda and to meet with representatives of the Namibian national liberation movement the South West Africa People's Organization (SWAPO). The delegation also had the opportunity to meet with the official representatives of the African National Congress (ANC) based in Angola. The representatives of both national liberation movements expressed their support for the four nation peace process underway between Angola, Cuba, South Africa and the United States. They confirmed their hopes that that process would be successfully concluded.

It is the fervent desire of the delegation that the results of this fact-finding mission will contribute in a meaningful way to help bring about an end to the unjust and illegal war of aggression against the children, women and men of Angola.

HISTORICAL OVERVIEW

The People's Republic of Angola, a nation situated in the southern region of Africa, occupies a land area of 481,351 square miles making it one of the largest countries in Africa. According to 1985 estimates, the population of Angola was approximately 8.6 million. Generally, the population of the capital city Luanda has been placed at about 600,000 inhabitants. Today, however, due to the war situation in the country, the population within the city has grown to nearly 2 million.

The primary products exported from Angola are oil, diamonds and coffee. The principal trading partners are Portugal, East Germany, France, Sweden, Netherlands, Soviet Union, United States, Cuba and West Germany.[1]

The first recorded contact by the Portuguese with Angola occurred in 1482. Over a period of 400 years, the population of Angola was devastated by the cruel and inhuman slave trade. In fact, Angola was one of the African countries most affected by the slave trade given that its population was depleted by the millions.

Angola was subjected to 500 years of Portuguese colonial rule. Throughout Angola's history there was resistance to the subjugation imposed by the Portuguese. In 1961, the armed struggle for national liberation began in earnest. In 1974, the Portuguese army overthrew the government of Portugual after unsuccessfully fighting for 13 years against Angola's liberation movements. These events contributed to the January 1975 agreement between Angola's three liberation movements, including the popularly supported MPLA, known as the Alvor Accord.[2] The groups were to share power with Portugal in a transitional government leading to democratic elections throughout the country.

The Central Intelligence Agency of the United States deliberately undermined this agreement, according to former CIA Angola

Footnotes at end of article.

Task Force Chief John Stockwell and other former U.S. government officials, by providing the FNLA and UNITA with covert military assistance. It has now been documented that UNITA's leader, Jonas Savimbi, was working during that period in conjunction with the Portuguese secret police against the MPLA.

In October 1975, thousands of South African troops invaded Angola along with mercenaries, UNITA and FNLA forces and launched a massive attack on Luanda. The MPLA appealed to the international community for assistance and Cuba responded. The MPLA forces, with Cuban assistance, repelled the South African troops, forcing them to retreat to Namibia which they occupy illegally in violation of various United Nations resolutions. On November 11, 1975 the MPLA declared the independence of the People's Republic of Angola.

The South African invasion and the revelations of the United States covert role rallied African opinion to the side of the MPLA and the Organization of African Unity (OAU) pledged support to the new MPLA government. Since then every nation in the world has established diplomatic relations with Angola except the United States and South Africa. South Africa has invaded Angola repeatedly since 1975 and its troops until now have maintained a virtual permanent occupation of the southern part of the country. South Africa has also continued to be the principal military backer of UNITA and its troops have fought side by side with them in several battles with Angolan troops.

Since proclaiming their independence the people of Angola have fought tirelessly to be free, independent from foreign rule, at peace and to have the opportunity to develop their economy and provide education and other social services for all Angolan citizens. These significant efforts have been frustrated and thwarted by the continued intervention by South Africa and the United States as well as the terrorist attacks by the Pretoria and Washington-backed UNITA bandits.

FINDINGS OF FACT

From August 10-22, 1988, the 19-member delegation of African American church and community leaders traveled throughout various provinces of Angola to conduct a fact-finding mission regarding the effect of South Africa's continued invasion of Angolan territory and atrocities committed against the people of Angola by South Africa's surrogate, UNITA, led by Jonas Savimbi. The delegation visited the northernmost province Cabinda and the southernmost province Cunene as well as Luanda, Huambo, Huila and Cuando Cubango. In each province, it was possible to meet with political as well as religious leaders and have frank and open discussion about the situation in their respective areas. The delegation had an opportunity to observe first-hand the degree of devastation and human suffering caused by the unjust and illegal war waged by South Africa and its surrogate UNITA.

Visits were made to orphanages and centers for persons, primarily young children and women, mutilated from stepping on land mines planted by UNITA or viciously attacked and dismembered by UNITA forces. International relief agencies have reported that women and children are being singled out as targets by UNITA forces "in order to terrorize the population and create instability." [3] In the areas directly affected by the war, UNICEF has estimated that up to 37 percent of children die before the age of 5. A 1987 Angolan government report indicated that as many as one in fifty (50) mothers die in childbirth. Both of these figures are reported to be one of the highest in the world.

Although it is difficult to get accurate counts, antipersonnel mines and other weapons used by UNITA have mutilated 10,000 to 15,000 women and children. Between 15,000 and 20,000 children have been orphaned or abandoned. It is estimated that there are at least 690,000 persons that have been displaced within their own country, 80 percent of whom are women and children. According to the Angolan Secretariat for War Veterans, as of December 1987, there were only some 24,000 persons receiving assistance with about 34% of them being amputees. The limited resources make it extremely difficult to serve the additional thousands of persons needing assistance. Currently Angola is considered to be the amputee capital of the world.

The delegation met with officials in the Secretariat for Social Affairs, Secretariat for War Veterans, Ministry of Health, Ministry of Defense, Ministry of Foreign Affairs, Ministry of State and Energy Production and other representatives of the government and MPLA Workers' Party who candidly described the current situation within the country and answered questions raised by members of the delegation. Additionally, meetings were held with representatives of the Council of Evangelical Churches of Angola, including the United Methodist Church, the Baptist Church, the Evangelical Congregational Church and local pastors and lay leaders from various provinces. Meetings were also held with persons from the different social sectors representing women, youth and lawyers which provided further detailed information about some of the social, economic and political developments within Angola. The delegation had an opportunity to meet and exchange views with the representatives of the U.S.-based oil companies of Chevron-Gulf, Texaco and Conoco who live and work in Angola.

Based on the documentation, meetings, interviews, visits and observations, *Findings of Fact* by the delegation were made in the following areas:

I. Human Rights Violations Committed by UNITA in Angola;

II. The Impact of South Africa's Invasion on the People's Republic of Angola;

III. The State of the Church in the People's Republic of Angola; and

IV. Relations Between the People's Republic of Angola and the United States of America.

I. HUMAN RIGHTS VIOLATIONS BY UNITA IN ANGOLA

1. The conduct of the South African surrogate force UNITA, which also receives substantial military and financial assistance from the United States, is covered by applicable provisions of international law and United Nations resolutions. These provisions include but are not limited to the 1907 Haque Convention, 1949 Geneva Convention and the 1977 Additional Protocol, the Nuremburg Principles and the UN Universal Declaration of Human Rights.

2. Children, women, men and the elderly have become the main targets of attack by South Africa's surrogate, UNITA, led by Jonas Savimbi since 1975.

3. During the last 12 months in particular, UNITA has willfully and purposefully targeted the civilian population of Angola for attacks by its forces in violation of well-defined principles of international law, including provisions of the Geneva Conventions.

4. These attacks by UNITA on the civilian population, particularly on the children and women, are clearly designed to create fear and terror in an effort to destabilize the government of the People's Republic of Angola.

5. Land mines have been deliberately placed by UNITA in areas where children frequently walk and play and have resulted in the mutilation of close to 20,000 women and children. One of the victims interviewed by the delegation at a health center administered by the International Red Cross in Huambo province was Veronica Salomeh, age 10, who stated "my right leg was injured after stepping on a UNITA planted land mine while I was playing with a group of children."

6. The wanton disregard by the UNITA forces for the safety and well-being of the Angolan civilian population is a direct violation of the right to life, liberty and security of person as guaranteed by the Universal Declaration of Human Rights, and the International Convenant on Civil and Political Rights.

7. The vicious and indiscriminate attacks by UNITA have resulted in betwen 15,000 to 20,000 children being orphaned and abandoned.

8. Large numbers of children have been forced to witness the murder of their parents and friends and the destruction of their homes by UNITA bandits thereby resulting in serious psychological problems.

9. The health situation in Angola has deteriorated as a direct result of the war. The infant mortality rate is 100 per 1,000 births with a much higher rate in the war zones. Several health centers and facilities in southern Angola have been attacked and destroyed by UNITA.

10. Activities by UNITA such as the sabotage of communication facilities, the placing of land mines in areas of crop cultivation, the stealing of cattle and implements, and the destruction of villages refusing to lend support to UNITA forces constitute gross and flagrant violations of basic and fundamental human rights as defined by the Universal Declaration of Human Rights, the International Convenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

11. Thousands of Angolans have been displaced from their villages and communities as a result of the atrocities committed by UNITA. Several persons at the resettlement camp of Lufinda outside of Lubango, the province capital of Huila, spoke about the massacre of 200 persons which forced them to flee their homes and possessions.

12. Many church leaders and members have been subjected to torture and have been murdered by UNITA in various parts of the country. Some specific instances reported to the delegation include the following:

(a) In September 1987, Deacon Garcia Kiala of the Evangelical Baptist Church was killed along with his wife and 5 children in an attack by UNITA in Kibocolo.

(b) On September 4, 1987, Rev. Frederico Tchingulo of the Apostolic Faith Church in Angola was killed in a road attack by UNITA in Bengo.

(c) On March 20, 1987, two lay leaders of the Apostolic Faith Church, Martinho Chilala and Antunes Tadeu, were killed by UNITA in Bie province; another lay leader killed in 1987 in Benguela, Huambo was Ernesto Nanga.

(d) In 1987, Mrs. Mafuta of the Evangelical Baptist Church was killed in a car attacked by UNITA in Vige province while in route to the General Assembly of her denomination.

(e) On August 2, 1986, Rev. Diogo Pascoal Antonio of the United Methodist Church and his 4 sons were massacred by UNITA.

(f) On May 19, 1986, lay leader Benjamin Guendaelamba of the Apostolic Faith Church was killed by a UNITA placed land mine in Huambo.

(g) On May 15, 1986, the treasurer of a local Apostolic Faith Church in Bie was killed in a road attack by UNITA.

(h) In 1986, an elderly Evangelical Congregational Church of Angola churchman, Pedro Nafilo, along with two churchwomen, Nsenga Nkosokelo and Kitata Maria, were killed by UNITA in Kibocolo village.

(i) February 1985, Matilde Irene Bumba Ucuahamba, the 11 year old daughter of Rev. Ucuahamba of the Evangelical Congregational Church in Huambo was killed by a land mine.

(j) In 1984, UNITA forces planted a land mine on the roadway which exploded and killed four (4) United Methodist Church leaders—Rev. Gasper Miguel Neto, Rev. Aragao Jose Mateus, Rev. Felix Cassange, and Deacon Domingos Francisco.

(k) On November 10, 1981, Rev. Baptista Cassoma, General Secretary of the Apostolic Church in Angola, was killed in a road attack by UNITA.

(l) In January 1976, Rev. Carlos Epumumu Julio of the Evangelical Congregational Church of Angola, whose son was a commander in the MPLA, was murdered by UNITA.

II. THE IMPACT OF SOUTH AFRICA'S INVASION ON THE PEOPLE'S REPUBLIC OF ANGOLA

1. The August 1975 incursion by the South African Defense Force into the People's Republic of Angola constituted a violation of the sovereignty and territorial integrity of that country in violation of the United Nations Charter and other principles of international law.[4]

2. The South African invasion has caused inestimable damage to the economic infrastructure of Angola, including but not limited to, areas of agriculture, transportation and public services.

3. The invasion by South Africa has resulted in the displacement of hundreds of thousands of Angolans from the rural areas, placing considerable strain on the social and human services available in the cities, particularly in Luanda and Huambo. A disportionate number of the displaced are children, many of whom are orphans, and women.

4. The invasion by South Africa has required the government of Angola to divert millions of dollars of its resources which are needed for the development of social and economic programs in the country. This has directly resulted in shortages of health care facilities and health aids for amputees and mutilated persons.

5. The government of the United States has directly and indirectly supplied military and financial assistance to the South African surrogate UNITA. This assistance has been used in attempts to destabilize the sovereign government of Angola in clear violation of international law.

III. THE STATE OF THE CHURCH IN THE PEOPLE'S REPUBLIC OF ANGOLA

1. There is freedom of religion in the People's Republic of Angola.

2. Since independence in November 1975, both Protestant and Roman Catholic churches of the Christian faith, as well as institutions of indegenous traditional religions, have been able to freely practice their religious beliefs, activities and programs.

3. During the 493 years of colonial rule under the Portuguese, the Roman Catholic Church enjoyed a privileged status while many of the Protestant churches were forbidden and persecuted. Thousands of Protestant church leaders and members were imprisoned or murdered by the Portugese authorities.

4. During the period of the Angolan liberation struggle from 1961-1975, thousands of church members and leaders, both Protestant and Catholic, were murdered and tortured in prison by Portugese authorities. Some of the specific cases brought to the attention of the delegation by local churches included the following 20 persons from the Evangelical Reformed Church of Angola:

(1) Rev. Joao Goncalves
(2) Rev. Antonio Duarte da Costa
(3) Rev. Timoteo Malanda
(4) Rev. Daniel Ngeto
(5) Rev. Francisco Antonio
(6) Pedro Banza with his sons and nephews
(7) Santos Pedro Banza and his sons
(8) Ilido Marcos Pedro Banza and his son
(9) Fonseca Pedro Banza
(10) Pastor Manuel Lucas Kanga (buried alive)
(11) Pastor Manuel da Costa
(12) Jose da Silva Mayakala
(13) Pastor Afonso Mujinga
(14) Mario Patricio
(15) Jose Calunga
(16) Bernardo Kinguzu
(17) Neves Diogo
(18) Domingos Miguel
(19) Elder Antonio Tutunguila
(20) Pastor Manuel Kela

4. The South African invasion of Angola in 1975 included the terrorist strategy of murdering hundreds of church leaders supportive of the MPLA.

5. Many church pastors and leaders have been murdered in Angola since 1975 by UNITA. Specifically, UNITA has murdered and mutilated pastors and members of the following Angolan churches: United Methodist Church; Baptist Church; Evangelical Baptist Church; Evangelical Congregation Church; Apostolic Church; and the Evangelical Church of Angola.

6. Members and leaders of Protestant and Roman Catholic churches as well as leaders of traditional African religions are all in support of the call for peace in Angola and the immediate cessation of atrocities being committed by UNITA.

7. There is a separation of Church and State in Angola.

8. There is a constructive, working relationship between the Churches and the government of the People's Republic of Angola.

IV. RELATIONS BETWEEN THE PEOPLE'S REPUBLIC OF ANGOLA AND THE UNITED STATES OF AMERICA

1. A strong and sincere desire to have peace and to establish normal relations with the government of the United States was clearly expressed by Angolan government officials at all levels.

2. The Reagan Administration's continued military and economic assistance to UNITA undermines the prospects for a lasting peace in the region.

3. The People's Republic of Angola does about a $1 billion volume of business with U.S. companies annually and has established itself as a reliable trading partner in the international community.

Recommendations

1. The United States government should immediately establish full diplomatic relations with the People's Republic of Angola.

2. The United States government should end all funding for UNITA or any group, individual or State that commits acts of aggression to destabilize the sovereign nation of the People's Republic of Angola.

3. The United States Congress should provide emergency and long term foreign aid and economic development assistance to the People's Republic of Angola to assist national reconstruction efforts necessary due to the war situation.

4. The United States government should remove any and all obstacles it has placed on the participation of the People's Republic of Angola in international financial institutions such as the International Monetary Fund (IMF) and the World Bank.

5. The United Nations Commission on Human Rights should investigate the gross and flagrant human rights violations committed against the Angolan people by UNITA and other mercenary groups.

6. The United States must impose comprehensive sanctions on South Africa and take strong diplomatic measures to pressure Pretoria to end its policies of military aggression, destabilization and apartheid.

Revised, September 14, 1988.

NOTES

*The delegation was especially pleased to have as the most senior member, Dr. Edwin R. Edmonds, Chairman of the Commission for Racial Justice and Professor of Sociology at the University of Connecticut. Dr. Edmonds has had an outstanding career as a church leader within the 1.7 million member United Church of Christ denomination.

[1] Angola: A Matter of Justice by Cherri D. Waters, PhD., Africa Committee, Division of Overseas Ministries, National Council of the Churches of Christ in the USA (1987).

[2] The liberation movements at that time were: the Popular Movement for the Independence of Angola (MPLA), the National Front for the Liberation of Angola (FNLA), and the National Union for the Total Independence of Angola (UNITA).

[3] United Nations Children's Fund Report on Angola (1987).

[4] The South African government does not deny that its armed forces have crossed the territorial border of the People's Republic of Angola since August 1975 and have occupied parts of Angola for extended periods of time up until August 1988. These actions on the part of the South African Defense Force constitute an "act of aggression" as defined by Resolution (XXXIX) 3314 of the United Nations General Assembly in Article 1: "Aggression is the use of armed force by a State against the sovereignty, territorial integrity or political independence of another State, or in any other manner inconsistent with the Charter of the United Nations. . . ."

It should be noted that as of September 1, 1988 it was reported that all South African military forces had withdrawn from Angolan territory pursuant to an agreement reached in July 1988 between Angola, Cuba, South Africa and the United States.

UNITED CHURCH OF CHRIST,
COMMISSION FOR RACIAL JUSTICE,
New York, NY, Mar. 8, 1989.

The PRESIDENT OF THE UNITED STATES,
The White House, Washington, DC.

DEAR MR. PRESIDENT: On behalf of the Commission for Racial Justice of the 1.7 million member United Church of Christ, I am writing to make an urgent appeal to you concerning the injustice of the present foreign policy of your administration toward the People's Republic of Angola. I have asked other ministers of the United Church of Christ and ministers from other denominations in the United States, who represent millions of African Americans and others

who are faithful Christians, to join in signing this letter.

We have a moral and a theological responsibility to speak out and to act for the cause of freedom, justice and peace. We are aware that in January of this year you wrote a letter to Jonas Savimbi, the brutal leader of the terrorist group named UNITA. We are very dismayed that you have stated your intention to "continue all appropriate and effective assistance to UNITA" inclusive of covert military aid.

Today Angola has the highest amputee rate per capita in the world, most of whom are women and children who have been criminally tortured and victimized by Savimbi's UNITA. Now that peace accords have been signed between Angola, Cuba and South Africa, why does the United States under your leadership continue to send land mines and other military weapons of mass death and destruction to UNITA? How can there be peace in Angola or in southern Africa if the United States continues to support the terrorism of UNITA?

We appeal to you, President Bush, in the name of Christ, to change your policy toward Angola in the following ways:

1. Terminate immediately all aid and support to Jonas Savimbi and UNITA.

2. Grant full diplomatic recognition to Angola.

3. Support the providing of medical care and emergency aid for the tens of thousands of victims of the unjust war on Angola

Sincerely,
Rev. BENJAMIN F. CHAVIS, Jr.,
Executive Director
(and 106 signatories).

UNITED CHURCH OF CHRIST,
COMMISSION FOR RACIAL JUSTICE,
New York, NY, Apr. 1, 1989.

AFFIDAVIT—GABRIELA NAMBONGO

My name is Gabriela Nambongo, I am 12 years old and I come from Cachiungo, Huambo Province in Angola. I lost my left leg as a result of a land mine. That happened on the 2nd of September in 1988. In the morning I was walking in a path to school. There were two other girls with me, one was 10 years old—the other one 11. We stepped on a UNITA land mine that exploded. We didn't know where we could walk safely. UNITA attacked my village about a week before. It was at night. They shot at a lot of people. UNITA killed my mother and my father—I saw them being shot. I ran away with several people—adults and children. I went to my Grandmother's house in a nearby village. It was from my Grandmother's house that I continued to go to school.

Then on the 2nd of September, the accident with the mine happened. We all knew was that the UNITA people put these mines in the paths, but we don't know where they were. So when it exploded—I passed out. My uncle took me to the Huambo Central Hospital. I stayed at the hospital for some time. Then I went to the Red Cross Center. I was taken to Luanda and then here to the United States by the United Church of Christ. It was here that I was operated on and fitted for a prosthesis. I feel very well and I am happy I will be able to walk better.

GABRIELA NAMBONGO.

UNITED CHURCH OF CHRIST,
COMMISSION FOR RACIAL JUSTICE,
New York, NY, Apr. 1, 1989.

AFFIDAVIT—BERNARDA N'GUVULU

My name is Bernarda N'Guvulu, I am 12 years old and I come from Chicomba, Huila Province in Angola. On May 17, 1988, our village was attacked by UNITA. My parents were working in the hills. It was in the morning. I was home taking care of my little brother and sister. When I heard the explosion I went outside and I ran to my sister-in-law's house a few blocks away. It was then that I was shot in my back. I didn't see who shot me, but I know that it was the UNITA people who attacked because everyone talked about that.

My brother and sister-in-law found me lying in the pathway. When the shooting stopped. The next morning, they took me to the Lubango Central Hospital. After three weeks, I was sent to Luanda. In the hospital, they took the bullet out that was lodged in my spine. I was operated on three times in Luanda. I could not walk when I came here to the United States but the church wanted to help me.

Here—I had two operations and now I can move my legs a little. I feel better now.

BERNARDA N'GUVULU.

UNITED CHURCH OF CHRIST,
COMMISSION FOR RACIAL JUSTICE,
New York, NY, Apr. 1, 1989.

AFFIDAVIT—RUFINO OCTAVIANO

My name is Rufino Octaviano, I am 12 years old and I come from Catumbela, Benguela Province in Angola. On May 27, 1988, I took the IFA (the bus) to go visit my uncle and aunt in Lobito. That's when it happened. In the middle of the road the car exploded. It was because of a UNITA land mine.

Many people take a lift in these cars on the weekends to visit their relatives. On that day, there were four adults and five children. The other children were older than me. All of the adults died when the car exploded. The children were wounded. They all lost legs or arms. We were taken to the Catumbela Hospital. Both my legs were amputated. I stayed in the hospital for some time. Then I was taken to the Red Cross Center to be fitted with a prosthesis. Here in the United States I received a new prosthesis. I do a lot of exercises and go to the hospital every two days. I feel must better and I am happy that when I go back to Angola, I will be able to walk.

I am happy the Reverend invited us here to the United States to receive medical treatment. I want to be a doctor when I grow up in Angola. We want peace.

RUFINO OCTAVIANO.

UNITED CHURCH OF CHRIST,
COMMISSION FOR RACIAL JUSTICE,
New York, NY, Apr. 1, 1989.

AFFIDAVIT—FERNANDO SEGUNDA

My name is Fernando Segunda, I am 16 years old and I come from Cachiungo, Huambo Province in Angola. I lost my leg on April 14, 1988. On that date, we were celebrating the Angolan Youth Day. Myself and two boys—neighbors of mine were walking in the morning to the Municipality where a rally was going to take place. I was walking in front. Suddenly I stepped on a UNITA land mine that exploded. My two friends, one 11 years old and the other one 14—died.

As for me, besides losing my right leg, I suffered a serious wound to my right arm. I passed out when I was hit. I spent three months at the hospital, the Huambo Central Hospital, after waiting four days in a Cachiungo medical post. I learned that my parents fled to the bush after a UNITA attack. They came back a while later. UNITA soliders looted people's homes and burned them in Cachiungo. We know that Savimbi sends his troops to do that. They usually attack at night. They kill many people; I also know that they plant land mines such as the one I tripped.

After I left the hospital, I was under the care of the Red Cross. When I was brought to the United States in November, 1988 by the United Church of Christ, the wound in my right arm was not healed yet. I continue to be treated for that here as well as my leg. My leg was amputated at the Huambo Central Hospital.

Here, I didn't have to have new surgery, but I had a problem with an infection. My prosthesis was being fitted but the doctors had to stop it for some time because of the infection. They did a treatment on my leg and now I can wear the prosthesis again without problems. I can walk well and do a lot of exercises. Everybody is very kind to us here, the Reverend and his family, the doctors and the nurses at the hospital. I learned some English. I have 11 brothers and sisters in Angola; another brother of mine died in the war in June, 1987. I am the youngest.

FERNANDO SEGUNDA.

UNITED CHURCH OF CHRIST,
COMMISSION FOR RACIAL JUSTICE,
New York, N.Y., Apr. 1, 1989.

AFFIDAVIT—CLEMENTINA CASSOVA

My name is Clementina Cassova, I am 17 years old and I come from Chipinla, Huila Province in Angola. The incident in which I lost my leg happened in the morning of June 14, 1987. I was going to school in Chipinla. My school is about 5 km from where I live. Two other girls were walking to school with me, one was 12, the other one 15. Suddenly we stepped on something that exploded. It was a landmine planted by the UNITA people. UNITA attacked the villages many times and we knew that when they do that they also put those mines in the paths and fields. But, as we were walking, we didn't know where the mines could exactly be.

So it happened to us! My two friends died right there. I passed out and when I woke up I was in the hospital. Someone had taken me to the Huila Central Hospital in Lubango. I was told I lost a lot of blood—I lost my right leg. The doctors operated on my leg, but it was not a very good operation. I stayed in the hospital for about three weeks. After that I was taken to the orphanage. I never saw my parents again. My parents disappeared during one of the UNITA attacks to the village. I believe they were both killed.

I was very happy when I learned that Mama Gigi Cluma, the Social Worker received a letter from the Reverend. I was told that I was going to travel to the United States to be trained and receive an artificial leg. So we flew to Luanda and then we came here to the United States in November, 1988. Here my leg was operated on and I received a prosthesis.

Everybody has been very good to us here. We go to the hospital every two days for treatment. I feel much better, I am able to walk now. Every Sunday the Reverend takes us to a different church. We also visited a

museum and we met a lot of people. When I go back to Angola, I will be able to walk easily. When I tell my friends about my stay in the United States, I can even speak a few words of English.

CLEMENTINA CASSOVA.

UNITED CHURCH OF CHRIST,
COMMISSION FOR RACIAL JUSTICE,
New York, N.Y., Apr. 1, 1989.

AFFIDAVIT—IRIA GEREMIAS

My name is Iria Geremias, I am 49 years old. I come from Lubango where I have lived since 1975 which was when the confrontation started. My home town is Nanacunde, Cunene Province in Angola. Some years ago my husband who is a policeman, was transferred to Cunene Province. In 1987 he got sick and was hospitalized at the Chiulo Mission Clinic. I went to visit him there. Then we both took a trip to Lubango.

Our buses are small vans we call IFA. It was May 13, 1987. That is when the South African air attack happened. There were about 72 other people travelling with us. On top of the van, there was a broken car being transported for repair. Some of the people were riding inside that car. As we reached half way between Chiulo and Cahama, a South African plane attacked us. It was 10:00 a.m. in the morning. They bombarded the village until 1:00 p.m. in the afternoon. I think our car was the first one they attacked. Some of the people died, others ran into the bush. My husband who was in the top car managed to escape.

I was hit in my leg. I passed out for a moment, but then, with much difficulty, I dragged myself underneath the car. The South Africans came closer. They were talking as they took photos of the car. They had their faces painted black so people would think they were UNITA. We know that the South Africans and the UNITA people were working together. They saw me, but they thought I was dead. They left me there. I then began to feel the pain. I was alone. After some time, some local people found me. I was taken to Huila Central Hospital in Lubango. My leg was operated on there. My foot and a part of my leg were amputated.

I have been here in the United States since November 3, 1988 under sponsorship of the United Church of Christ and I have been treated and have received an artificial foot.

IRIA GEREMIAS.

ASSISTANCE FOR SMALL ISSUERS OF TAX-EXEMPT BONDS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. ANDERSON. Mr. Speaker, today I join with several of my colleagues on the Public Works and Transportation Committee in introducing the Local Government Infrastructure Financing Improvement Act of 1989. This bill is similar to H.R. 3807 which was reported out of our committee last September and which was referred jointly to the Ways and Means Committee.

There is little doubt that the Nation's infrastructure is the cornerstone to the economic vitality in our cities and communities. Yet, for two decades, capital investment for public works facilities has declined by all levels of government.

In its final report last year, "Fragile Foundations: A Report on America's Public Works," the National Council on Public Works Improvement concluded that our infrastructure is scarcely adequate to meet current needs and unable to handle future economic growth and development. The council recommended several initiatives to help improve our infrastructure, one of which was the removal of unwarranted limitations on State and local government financing. Clearly, it is time to reassess the impact of fiscal and tax policies that impede revenue-raising capabilities of or impose undue costs and complex redtape on State and local governments. That is what this bill is attempting to do.

If enacted, the legislation will help small and medium-sized communities self-finance expensive public works projects by amending the Tax Code to ease restrictions on the issuance of tax-exempt bonds imposed by the Tax Reform Act of 1986.

First, it would raise the threshold for performing arbitrage rebate calculations from $5 million to $25 million and thereby increase the number of small issuers who could benefit. The arbitrage rebate rule added by the 1986 act requires that, unless bond proceeds are spent 6 months after sale of the bonds, excess arbitrage profits must be paid to the Federal Government. The rule was intended to eliminate abusive tax-exempt activity and remove the profit motive as an incentive to issue tax-exempt bonds. Unfortunately, the rule has severely constrained the use of tax-exempt bonds even for necessary and legitimate public purposes. It has added complicated and costly administrative burdens and compliance procedures for all issuers and increased the cost of public works projects because of the loss to local governments of arbitrage investment income. Moreover, the 6-month timeframe is too short a period in which to earn investment income or even to spend bond proceeds because of the many steps involved in the contracting process.

Second, the bill would raise the percentage allowed for private activity related to public works projects from 10 percent to 25 percent without being categorized as a private-activity rather than a tax-exempt bond. This would enable small government issuers to plan more efficiently, to be more flexible in combining commercial and other facilities to publicly finance projects and enhance opportunities for public-private cooperation in providing services. The Tax Act of 1986 reduced the figure to 10 percent as a technique to control the volume of tax-exempt bonds resulting in high Federal revenue losses. However, the restriction has resulted in some instances in inefficient and wasteful decisionmaking in order to use tax-exempt financing; in other instances, in downsizing or even canceling some important projects. Reinstating the 25 percent private-use limit is not expected to result in a flood of private-purpose financing activities. It could even be less of a cost burden to Federal, State, and local governments, and to the taxpayers in the long run.

This legislation would, in addition, add two new provisions to the Public Works and Economic Development Act. One would require the Secretary of Commerce to study local financing practices for public works projects and report biennially to our Committee and the Senate Environment and Public Works Committee. This will provide useful information as we work on infrastructure issues. The other provisions would require the Secretary to provide technical assistance to local government officials on the use of tax-exempt bonds and be of great help to those lacking expertise in this complex area of financing.

I believe it is important that we do all we can to make it easier to finance needed infrastructure construction and maintenance using tax-exempt bonds. The proposals contained in this bill are carefully targeted to serve the greatest number of local governments with a minimum of revenue loss to the Treasury.

The problems addressed and the tax issues involved need to be thoroughly understood and openly debated. I hope that we will receive valuable comments from all sides on these matters.

STEUBENVILLE "CITY OF MURALS"

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. APPLEGATE. Mr. Speaker, I rise today to recognize the advent of the third year of the Steubenville City of Murals project. Executive director of the Downtown Business Association, Ms. Louise Snider, in Steubenville initiated the project in March 1986 and has been a strong advocate in assuring its growth since. The theme of the project is to project the beauty of Steubenville's past into the present while evoking a sense of local pride. The project doubles not only as a source of beautification for the downtown area, but also as a bigger than life picture album for residents and visitors alike to take a step back in time.

To date, 10 of the two- and three-story buildings have been completed, and it is projected that by 1992, there should be 25, at which time Steubenville indubitably will be a "City of Murals." As so eloquently written in "Back to the Wall," an article by Brenda Lepley which appeared in Ohio Magazine, "the people of Steubenville see all sorts of things—tragedy, charity, and a hint of beauty" in the murals.

It is at this time, Mr. Speaker, that I ask you and my colleagues to join me in recognizing Steubenville as the City of Murals. I also commend those involved in their unequalled expressions of the past and wish the project much continued success. Steubenville truly is La Belle—the beautiful, as the early settlers called it.

PRIME MINISTER MANLEY MOVES QUICKLY TO WEED OUT CORRUPTION AFTER DRUG SEIZURE

HON. GEO. W. CROCKETT, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. CROCKETT. Mr. Speaker, I would like to commend the Government of Jamaica headed by Prime Minister Michael Manley for its swift movements in response to the discovery of over 3,500 pounds of marijuana on board an Air Jamaica aircraft last week.

Prime Minister Manley has moved quickly to institute measures designed to weed out the corruption and negligence that allowed such an incident to occur. On Sunday, April 9, 1989, he issued a statement outlining the major changes his government has implemented including heightened security, more stringent documentation procedures, and the development of a highly specialized antidrug trafficking unit.

Even before this unfortunate incident occurred, Prime Minister Manley pledged that the war on drugs would be a major focus on his administration. His actions in response to the seizure of the Air Jamaica plane have proven his commitment to a resolution of this problem and his willingness to cooperate with the United States in this global war.

Finally, I would like to call my colleagues' attention the text of Prime Minister Manley's statement which follows:

STATEMENT BY JAMAICAN PRIME MINISTER MICHAEL MANLEY ON THE AIR JAMAICA DRUG FINDS INCIDENT

All of us are outraged by the events surrounding this latest criminal export of over 4,000 pounds of ganja on board an Air Jamaica aircraft last week. This crime was compounded by the inexcusable 'slip through' of another three passengers with ganja at the very moment when negotiations were underway for the release of our national aircraft.

It is clear that only a combination of monumental corruption and negligence, for which there can be no excuse, could have allowed this to happen.

What has taken place not only has serious implications for our fragile national economy, but is a grave threat to our exports and tourism earnings, which are desperately needed to sustain us at this time.

At the same time, the nation is having to pay dearly through the loss of earnings of vital foreign exchange while also having to find money to pay the fines imposed for the release of the plane.

When the incident occurred on Monday last, I gave immediate and firm instructions to the Ministers of National Security and of Transport, to pursue the most intensive examination of the circumstances surrounding the incident, and to establish the sources of the drugs, their final destination and the linkages in between. They were also instructed to recommend a plan of action designed to prevent this from happening again.

Having reviewed their report on Friday night, I have given the following instructions which took effect at 5 a.m. today:

The contracts of all private security firms with Air Jamaica and the Airports Authority at both Norman Manley and Donald Sangster International Airports have been terminated;

As an interim measure, the security duties previously performed by these private security company personnel are being undertaken by official state security, that is to say, the army and the police;

Beginning immediately, there will be a vigorous and careful recruitment and intensive training of a highly specialized antidrug trafficking unit. This unit will eventually have responsibility for performing intelligence, surveillance and security duties at both airports;

There is to be an immediate tightening of procedures involving documentation. The manifest—that is, the transporter's document containing such information as the nature of the cargo being exported, its destination and so on—is to be prepared and made available in good time to allow for a final checking to be done on all outgoing cargo loaded onto the aircraft; and

Finally, I have advised the new chairman of Air Jamaica that the Government expects the company to take the strongest possible action within the organization. I have also made it clear that there will be no political interference whatsoever in the internal running of the airline.

As a first step, the company has advised me of the immediate dismissal of all persons who were on duty or otherwise involved in the loading of the cargo onto the Air Jamaica plane on which the drugs were found. The management of the airline will be releasing the names of those being dismissed tomorrow.

Let me state clearly that the matter does not end here. The investigations are continuing both locally and abroad. The country will be kept informed. The Government is determined to rid Jamaica of the cancer of drug abuse and drug trafficking.

In the meantime, I want to make an appeal. Many of you, the decent people, in the airlines, the shipping companies, the airports, the docks, the waterfront, the cruise ship piers, know what is going on and who is doing it. These people will wreck Jamaica if we do not stop them. It is them or us.

While you struggle to make a living, they put our whole future at risk. Help us win this battle. Come forward with the information that we need. Have the courage to take a stand now.

We do not want our children to grow up surrounded by drug pushers and to inherit a country destroyed by these big foreign and local criminals, often masquerading as decent people. Imagine what life would be like if you could not go and visit your family abroad in an Air Jamaica plane.

We will let you know how to help and you will be advised accordingly. The time for us to act is now.

PRIVATE CUSTOMS BILL INTRODUCED

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. FRENZEL. Mr. Speaker, today I introduced H.R. 1998 which essentially is a private bill related to an error made by the Customs Service.

This bill would allow the filing of a customs protest within the 90-day period remitted after liquidation of customs entry documents. In this case, the entry documents did not include a stamped date of liquidation, as required by law. The attorney pursuing the protest, a well respected customs lawyer, called the local customs office to obtain the liquidation date. Filing of the protest was based on that date received from a temporary Customs employee. When the protest was received in the local customs office, it was not accepted since it was received 1 day after the expiration of the 90-day period. The customs employee had given the attorney a liquidation date that was 1 week later than the actual liquidation, resulting in a late protest.

I will appreciate the support of my colleagues for what I believe is a noncontroversial bill that will help a company which was wronged by an error of the Customs Service.

CHARLES THOMSON—THE FORGOTTEN AMERICAN

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. IRELAND. Mr. Speaker, tomorrow April 14, 1989, marks a very momentous anniversary in the history of this Nation, which I now bring to your attention and to the attention of all citizens. On April 14, 1789, Charles Thomson who at the time was still Secretary to the Continental Congress arrived at Mount Vernon in Virginia. Thomson had been honored by the First Congress of the United States with the duty of conveying to George Washington the official notice of his election as the first President of the United States. Thomson arrived in Mount Vernon shortly after noontime and at approximately 1 o'clock in the banquet hall of the mansion presented to Washington the letter from Senator John Langdon of New Hampshire, who was President pro tempore of the Senate, announcing Washington's unanimous election.

I would like to thank Mr. John W. O'Beirne, chairman of the American Foundation for Irish Heritage for providing me with this information. Mr. O'Beirne's organization has a painting done by Mr. Sydney C. King of Milford, VA, which is the only accurate artistic portrayal of the aforementioned historic moment. Later this month this painting will be on loan to the Federal Government and among other places it will be displayed at the National Archives.

In all the hoopla surrounding the 200th anniversary of our Federal institutions it is somewhat unfortunate that we hear so little about Charles Thomson, a truly remarkable American. One of four orphaned brothers who landed in New Castle, DE, he was a native of County Derry, Ireland. At age 21 Thomson was appointed a tutor at the Pennsylvania Academy, which was the forerunner of the University of Pennsylvania. Through a friendship with Benjamin Franklin, Thomson assumed the Secretaryship of the American Philosophical Society. As problems grew between the Colonies and England one could not find a more forceful spokesman for the colonists'

rights. Due to the animosity over his outspoken manner at the time he was denied the opportunity to become a delegate to the Continental Congress.

Despite this turn of events Charles Thomson had impressed many people. John Adams and others decided he was the man to be Secretary to the Continental Congress and he served in that position for 15 years. In his role as Secretary Thomson saw and heard everything and was privy to all the critical decisions of three Continental Congresses. He also was the custodian of the Great Seal, which he had himself designed and many historians refer to him as the Nation's first Archivist. Due to the ill health of John Hancock, Charles Thomson also briefly served as President on three different occasions. He also at another point executed the duties of Secretary of Foreign Affairs. One of his most intriguing acts was his recording the official transcript and attesting the Declaration of Independence.

After Thomson had notified Washington of his election as President he accompanied the President-elect to New York for the inauguration. He then retired from public life. Many of his diaries and writings were subsequently destroyed by him. Scholars still debate why he did this although many believe he never wanted revealed all the backstage political maneuvering he was privy to. Thomson's tremendous integrity in this regard may well have contributed to the fact he has been so overlooked by historians.

He settled at his home "Harriton" which is now a national historic site in Bryn Mawr, PA. Today one of his descendants, Mr. George Vaux, lives on the grounds of the estate and works on Thomson's surviving papers. In his twilight years Thomson returned to his true love, classical scholarship. During that time he translated both the Old and New Testaments which were published in a four volume work. He died in 1824 at the extraordinary age of 95.

Mr. Speaker, it is a shame the Nation's school children do not hear more about such a fine public servant and citizen, Mr. Charles Thomson. Two hundred years later we salute his memory and thank him for his enormous contribution to the American spirit.

NATIONAL ARAB AMERICAN DAY

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. TRAFICANT. Mr. Speaker, today, I rise in support of new legislation I sponsored to designate October 25, 1989 as "National Arab American Day." The Arab immigrant arrived to the United States in 1854. From that time on, they strove diligently to contribute to the cultural and economic growth of this great country. Yet, many of us today do not recognize the Arab people for all that they truly are.

The term "Arab" does not represent a religion, because its composure contains members of the three monotheistic religions. This term represents a nationality, although its people are from many countries. The Arab culture is rich in history and tradition. It is a culture which exists despite geographic, political, and religious barriers.

Despite this, there seems to be a stigma today that goes along with being an Arab-American. There is an unfair stereotype that these citizens must live with regardless of their endless contributions to society. Congress should take positive action to dispel any negative stereotypes about Arab-Americans that may persist. That is why I feel that we must pass this most nesessary legislation.

The Arab-Americans have worked hard through the years in order to be viable citizens. Since 1854 they were, and still are, intent on becoming good Americans. America is a nation of many cultures. we must never forget what cultural ingredients are mixed in our great melting pot. We must never forget the Arab-Americans who strove, and still strive today, for our Nation's prosperity.

Mr. Speaker, for these reasons, I urge all of my colleagues to support this important legislation.

IN MEMORY OF JUDGE DONALD McCULLUM

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. DIXON. Mr. Speaker, on December 25, 1988, California's black community lost one of its most active members and respected role models. I rise today to mourn the passing of Judge Donald P. McCullum, a respected civic leader and member of the Alameda County Superior Court.

Upon his appointment as an associate justice to the California Supreme Court in 1984, McCullum pledged to work hard, to listen and to judge justly. Judge McCullum, in his lifelong service to California, more than fulfilled that pledge. His dedication to the cause of civil rights spanned decades. He was a stabilizing influence on the Bay Area civil rights movement during the early days in the 1950's, and continued his active involvement through the 1970's. He also served as counsel for the Berkeley Redevelopment Agency and the Berkeley Housing Authority, and as voluntary counsel for the National Association for the Advancement of Colored People [NAACP]. He presided over the Oakland chapter of the NAACP.

His judicial service began with his appointment to the Alameda County Superior Court bench in 1977, and he was subsequently elected presiding judge in 1982. He was made an associate justice of the California State Court of Appeals in 1981, and justice pro tem of the California State Supreme Court in 1984. While on the bench, he presided over a number of notable trials.

Mr. Speaker, Judge McCullum's professional and personal contributions to the causes of civil rights and judicial fairness helped improve the quality of life for countless numbers of underprotected and underserved Californians. Therefore, I ask my colleagues in the U.S. House of Representatives to join me in extending my heartfelt condolences to his mother Irene, his wife of 36 years, Peggy, and children, Donald Anthony, Erica La Fleur, and Peggy McCullum.

MAHOPAC VOLUNTEER FIRE DEPARTMENT'S DIAMOND JUBILEE CELEBRATION

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. FISH. Mr. Speaker, I take this opportunity to offer a tribute to the officers and men of the Mahopac Volunteer Fire Department for their dedicated service to the community on the occasion of their 75th anniversary celebration.

Memorializing this Mahopac Fire Department milestone in these Halls of Congress at a time when this Nation counts more than ever on the voluntary efforts of its citizenry to help govern effectively is a distinct privilege and personal pleasure.

Since October 6, 1915, when the Mahopac Volunteer Fire Department was organized, by George Long, chairman, working along with Jerome Peck, in a railroad station room rented for $10 monthly, its dedicated volunteers have compiled an enviable record of performance.

Today, with its 100 members, 10 vehicles, 2 ambulances, and 2 fire stations, the volunteers protect most of the area of the town of Carmel. The fire district covers 24 square miles and is the home of 15,000 residents. Each year the department responds to over 700 emergency calls.

The volunteers of the Mahopac Fire Department are proud of their record of help to their neighbors in the time of need. Their skill and devoted * * * advances. The Mahopac Volunteer Fire Department has emerged as a leader in the evolution of firefighting protections.

Its members' only compensation is the respect shown by thousands of property owners they have helped. Officers and members freely assume their responsibility and the sacred duty of protecting the community. We now extoll their devotion on the occasion of their diamond jubilee.

Mr. Speaker, I proudly commemorate the Mahopac Volunteer Fire Department on its 75th anniversary in service to Mahopac and its surrounding communities. Truly, it is a record that is enviable. It deserves our fullest commendation and thanks for a job well done.

HONORING COUNCILMAN WILLIAM J. MYERS

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. CARDIN. Mr. Speaker, I rise today to honor an outstanding public servant in my district. Councilman William J. Myers will turn 85 on April 18, 1989.

Willie Myers has lived in Baltimore all of his life. He was born and grew up in south Balt-

more, where he attended St. Mary's Star of the Sea School.

Councilman Myers' entry into politics came in 1926 when he worked on the Presidential campaign of Al Smith. In 1950 he began his own career in elective office serving on the State Central Committee. From there, he ran for and won a seat in the Maryland House of Delegates where he served until his election to the Baltimore City Council in 1963.

Councilman Myers chairs two committees of the city council which are critical to keeping Baltimore the beautiful city that it is. His activity is not confined to the legislative arena. Willie Myers is an active member of many civic organizations, including the Brooklyn Booster Club.

Councilman Myers is fortunate to be married to a woman who takes great pride in her husband's accomplishments. Joanna Sorenson Myers has worked tirelessly to support her husband in all of his endeavors.

Mr. Speaker, I am honored to have Willie Myers as my constituent. His career in public service has spanned more than 35 years and his contributions to Baltimore are many. I urge my colleagues to join me in saluting Councilman William J. Myers.

MAKING THE NURSING HOME CONNECTION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. MARKEY. Mr. Speaker, today, with Mr. DONNELLY and my colleagues from the Commonwealth of Massachusetts, Mr. ATKINS, Mr. CONTE, Mr. FRANK, Mr. KENNEDY, Mr. MAVROULES, Mr. MOAKLEY, Mr. NEAL, and Mr. STUDDS, I am introducing legislation to extend an extraordinary long-term health care program, the nursing home connection. The project has been operating under a Medicare waiver since 1983, allowing teams of nurse practitioners and physician assistants working with a physician to provide primary care services to nursing home residents.

The nursing home connection, serving nearly 100 nursing homes in the Commonwealth, addresses several of the problems that contribute to today's growing crisis in our Nation's long-term health care network. Among these is the acute shortage of physicians available to care for geriatric patients, especially in a nursing home setting. Another is the Medicare restriction on the number of reimbursable visits by a physician to a nursing home patient. Limiting the number of reimbursable visits to 1 every 30 or 60 days has a negative effect on the quality of nursing home care because it provides a strong disincentive to treat a resident more than once a month. It can also act as an incentive to treat residents in the more costly hospital setting.

The nursing home connection's nurse practitioner/physician assistant teams provide quality, cost effective care to nursing home patients. The current Medicare waiver permits those teams to operate by lifting the restriction on the number of visits and providing reimbursement for their services. The preliminary findings of a recent evaluation of the program conducted by the Health Care Financing Administration show improvements in the quality of care nursing home patients receive—at no additional cost.

Improved care at no additional cost. In this day of increasing health care needs and spiralling costs, policy makers would be lax not to take the time to examine the potential of a successful program like the nursing home connection. This legislation, extending the project's Medicare waiver for 1 additional year, buys us the time to take a good look at the program's successes and its policy implications for our Nation's health care system.

SALMON FISHING INDUSTRY THREATENED

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. MILLER of Washington. Mr. Speaker, I rise today to tell the House about two major threats to the salmon fishing industry. Domestic pollution and international pirates threaten this vital Northwest industry.

Mr. Speaker, we have all been shocked and disturbed by the wreck of the *Exxon Valdez* and the aftermath of our Nation's largest oil spill. The spreading oil has seeped into Alaska's inlets and saddened and infuriated citizens across our country.

I've heard from fishermen. I've heard from processing plant employees. I've heard from those who work at the companies depending on the fisheries of Prince William Sound. Many of those most hurt by the accident live in my congressional district. Their welfare matters to me. Mr. Speaker, my State will be economically impacted worse than any other State.

Washington State's salmon armada totals more than 770 vessels employing over 2,000 people, including gill netters, purse seiners, and trollers. The fish they catch, process, and sell are worth over $650 million.

Mr. Speaker, the costs to the fishermen, the fish processing companies, the suppliers and shipyards will be enormous. When all the costs are added up, by some estimates, it could cost my State up to $350 million during the coming year.

During last week's hearing on the *Valdez* oil spill, I urged my colleagues on the Merchant Marine and Fisheries Committee to consider four actions:

First, let's get the spill cleaned up. The President should have declared a disaster March 24 and moved all available Federal resources to clean up the spill. This includes moving more of American made oil skimmers up to Alaska. I'm happy he has finally decided to provide more Federal leadership. We should not have to depend on the generosity of Mr. Gorbachev's public relations department to provide us with one more much needed skimmer.

Second, Mr. Speaker, we need to closely monitor Exxon's promise to compensate the fishing industry for lost wages. The costs of this spill will be with us for many years, but let's make sure the fishermen don't end up footing the bill.

At the recent hearing, I demanded Exxon Chairman L.G. Rawl commit to covering costs to all fishermen, crew members, processing plant operators and workers hurt by this spill. Rawl answered that anyone with a claim would receive prompt consideration, but he only pledged full compensation to the fishermen. Rawl did promise me that the people I represent with claims would get the same prompt treatment as citizens of Alaska. And in answer to my request he asked that those who are suffering financial losses write to: Mr. H.R. Rossneigel, Exxon Oil Spill, Royal Center, Valdez, AK 99686, or they can call the Exxon office at 907-835-7786. I have told the leaders of Washington State's commercial fishing industry I want to know if they need help in recovering lost income. The State of Washington is the big loser in this disaster. Yet it is we are out of sight of the spill and out of the mind of the newspapers and television stations. Mr. Speaker, those citizens in Washington State will not be forgotten by this Congressman. If there are problems getting prompt compensation to my constituents, Mr. Speaker, Mr. Rawl will be hearing directly from me.

Third, let us make certain mitigation of this damage is complete and comprehensive. The waters of Prince William Sound should be returned to their prespill status. Habitat for shorebirds, marine mammals and fish must be restored. We should accept no half measures.

Finally, Mr. Speaker, I hope this Congress will promptly approve H.R. 1465, the Oil Pollution Liability and Compensation Act of 1989. The need for that long overdue bill has been again emphasized by this tragedy. We have passed this bill twice since I came to Congress. Our problem has been with the Senate.

Mr. Speaker, out there thousands of fishermen and processing plant workers and their families are worrying about the future. Out there, my constituents worry about how the losses of fish and habitat will affect the future—their future. I join them in demanding immediate action.

Mr. Speaker, this disaster should not have happened. We should have done more when it happened. And, we cannot let it happen again.

As if this were not enough to concern those Washingtonians who make their living at sea, modern-day pirates are stealing salmon in international waters. Washington State leads the Nation in terms of poundage and the value of products landed from the U.S. Exclusive Economic Zone. Exports of fishery products by Washington-based vessels make up well over half those reported for the entire Nation. The industry now contributes well over twice the economic benefits to the State's economy it did just 3 years ago—that is over $3 billion in direct and indirect benefits.

With so much at stake, I would like to ask the House of Representatives to take steps in fighting the taking of salmon by foreign squid gill net fleets in the North Pacific. The problem is simple and straightforward. These vessels are taking immature salmon bound for our waters. The evidence is clear and it is convincing. In 1986, the National Marine Fisheries

Service seized 595,000 pounds of salmon alleged to have been caught on the high seas by Taiwanese fishermen, and dispersed throughout Southeast Asia. These fish had been relabeled as a United States origin product being prepared for shipment back into Japan.

In another investigation, the National Marine Fisheries Service reports foreign interests promised 24 million pounds of immature salmon over a 2-year period to European suppliers.

Mr. Speaker, there are other graphic examples of the theft of our salmon. In February, the Coast Guard found the burnt hull of a Taiwanese freighter, drifting off the coast of Washington State. The holds of that vessel were filled with tons of rotten salmon. Those salmon were not caught by U.S. fishermen, not processed by U.S. processing plants and not sold by U.S. salespeople.

The National Marine Fisheries Service agents say "there are about 30 million pounds of high seas salmon available" on the international market. Respected industry sources tell me our fishermen are losing $21 million in fish annually. This amount is for the fish alone. It does not include the value of processing. It does not include the value of marketing. And, Mr. Speaker, these fish are being sold at 50 percent of the market value. These black market fish are taking sales away from our legitimate fishermen.

Moreover, the huge monofilament nets used by the 700 ships of the foreign drift net fleet have led some to call the fishing practices the "strip mining of our seas." We are losing valuable fish. We are seeing valuable marine life ranging from sea birds to marine mammals to nontargeted species decimated. We need to see this fleet brought under some form of international regulation. It threatens the future of the North Pacific fisheries for all countries.

Mr. Speaker, the message is simple and clear. The taking of salmon in the North Pacific is not accidental. It is clearly a directed fishery.

Yesterday, I joined my colleague Congresswoman UNSOELD in calling on the President to consider imposing sanctions under the Pelly amendment against those nations which engage in illegal high seas salmon fisheries. Our resolution, House Concurrent Resolution 89, does not require action, but it tells the President that we want this problem addressed. I urge my colleagues to join us in our efforts to stop these modern day pirates.

And, Mr. Speaker, I have written to the Ambassadors from Japan and South Korea and the representative from the Government of Taiwan asking them to make fishery enforcement officers available to our Coast Guard. This will allow us to jointly stop these pirates.

In the North Pacific, our bottom fish industry has also been hurt. The culprits are Japanese factory ships slipping into our fishing zone under the cover of darkness and bad weather. Additionally, Mr. Speaker, there are areas south of the Aleutian Island where we think foreign gill netters have stolen our salmon. Yet, this area remains unpatrolled because of limited funds. Fish not caught, not processed, and not sold are jobs taken from the U.S. fishing industry.

Mr. Speaker, there have also been incidents of these fish being smuggled into Japan. Fortunately these incidents appear to have stopped. But, we need to be diligent in making sure it doesn't begin again.

Mr. Speaker, the Coast Guard needs all the help it can get from the National Marine Fisheries Service, the Department of Defense, and the State Department. The Coast Guard also needs the help of the foreign governments involved. And, Mr. Speaker, the Coast Guard needs an adequate fisheries enforcement budget.

Mr. Speaker, I look forward to working with you and the rest of the House to address this important problem. The words "simple" and "clear" describe the situation we face in our waters. "Simply," something must be done to stop the flagrant disregard for the law, and for our economy. "Clearly," the Coast Guard will need all the assistance we can reasonably provide. The battle will be difficult, but I propose we send the Coast Guard into battle. Their mission will be to combat illegal fishing.

Mr. Speaker, while each of these problems may appear to be separate, I hope the House better understands the concerns of my constituents in the fishing industry. I will continue to share their concerns, to advocate their positions in the Committee on Merchant Marine and Fisheries and the Committee on Foreign Affairs. Most important, Mr. Speaker, I will continue to be concerned about their well being. They are good people, they work hard, they don't want special favors. No, Mr. Speaker, what they want is to stop the oil spills and to stop the pirates. Let's do that job so they can get back to work.

DEATH OF DELEGATE MARK O. PILCHARD, POCOMOKE CITY, MD

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. DYSON. Mr. Speaker, I rise today to honor the memory of one of the most dedicated individuals to ever serve in the Maryland General Assembly, Delegate Mark Pilchard. Delegate Pilchard, who passed away on April 8, devoted much of his life to helping Worcester County and the State of Maryland.

Representing Maryland's 38th district in the house of delegates, Mark Pilchard served on the appropriations committee, the special committee on drug and alcohol abuse, and as chairman of the Eastern Shore delegation.

Like so many of our Nation's early legislators, Delegate Pilchard was a farmer. He served his rural district in the general assembly from 1959 to 1966 and from 1979 to the present.

A devoted husband and father, Mark Pilchard became Worcester County Commissioner from 1966 to 1979 in order to spend more time with his growing family. He served as president of the commissioners from 1974 to 1978.

Delegate Pilchard's community service included tenures as director of the Maryland Pork Producers, vice-president of the Maryland Junior Chamber of Commerce, board member for the Maryland Association of Counties, and president of the Pocomoke City Jaycees and the Delmarva Advisory Council.

Mr. Speaker, through his commitment to family and service to others, Delegate Mark Pilchard was a noble example in his community and a worthy model for public servants everywhere. We will miss him.

THE ANTI-DRUG ABUSE ACT OF 1988

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mrs. KENNELLY. Mr. Speaker, today I am introducing a resolution to reaffirm our commitment to attack drug trafficking and drug abuse in this country.

The Anti-Drug Abuse Act of 1988 stands as one of the major accomplishments of the 100th Congress. In passing that bill, we showed that we wanted to do more than just talk about the drug problem we have in this country, we made it clear we intended to do something about it. Through the time and effort of Republicans and Democrats alike, we came up with a comprehensive approach to combat the drugs that are overtaking our streets.

In a recent editorial in the New York Times, Manhattan District Attorney Robert M. Morgenthau reminded us that the drug problem we face will continue unless we "match our rhetoric with our resources." The resolution I am introducing puts us on record as being willing to do just that. To the greatest extent possible, it calls for full fiscal year 1990 funding of the Anti-Drug Abuse Act.

This resolution reaffirms our recognition that we have a critical drug problem in this country. More importantly, it reaffirms our commitment to getting illegal drugs off of our streets and out of our neighborhoods.

I urge my colleagues to join me in cosponsoring this resolution.

DAN BURTON

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. PENNY. Mr. Speaker, During March it was my privilege to have Daniel F. Burton of Mankato, MN working in my Washington office. During the month, Dan assisted me and my staff with various legislative projects and committee hearings. This is the third consecutive year that Dan has worked with me in Washington.

Mr. Speaker and colleagues, Dan Burton has a long history of service to my State of Minnesota. A professor of biology at Mankato State University for many years, Dan had a reputation as an outstanding teacher and scholar. Later in his career, Dan served as president of the Minnesota State Board of Education, where he championed the cause of

quality education for all school children, regardless of their social class or geographic location. Wherever Dan Burton has served he has served with distinction.

Mr. Speaker, Dan Burton is a model citizen. Dan and his wife Ronnie have my very best wishes and thanks for their service to the citizens of my State.

A NEW APPROACH TO SECTION 89

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. LAFALCE. Mr. Speaker, I rise today to express how very pleased I am that Chairman DAN ROSTENKOWSKI of the Committee on Ways and Means today announced he is introducing legislation which effectively repeals the present section 89 of the Internal Revenue Code and replaces it with an entirely different approach.

It surely repeals the most onerous provisions of the current law and therefore represents a major victory.

The overriding problem with section 89 is its premise that all employers across the spectrum are guilty of discrimination. All levels of Government, every university and college, nonprofit organization, every small business, and even collectively bargained benefits are suspect unless the employer can prove through burdensome and costly procedures that the plan provides actual equal benefits rather than equal access to health insurance.

Now, instead of complicated and costly testing of plans on an ongoing basis, the new Rostenkowski proposal would accept that a plan is nondiscriminatory as long as there is no obvious discrimination in the plan design, and the plan is available to at least 90 percent of rank-and-file workers if they choose to participate.

Gone are the requirements to test plans on the basis of how many workers elect the coverage. Employers will not have to keep detailed expensive records on the personal lives of their employees and a plan will not become taxable if too many of the workers elect coverage under their spouses' benefit plans.

Essentially the Rostenkowski bill is designed to tax only excessive benefits of highly compensated employees that are not offered to most workers. This is a concept I have publicly espoused and advocated to Chairman ROSTENKOWSKI.

The bill also removes the draconian and misplaced penalties assessed against workers when their employers' plans do not comply with the law.

Obviously, the Rostenkowski bill is an initial proposal and details will need to be worked out as the groups affected—small business, the health and benefits community, the nonprofit sector, and others—discuss the specifics over the coming weeks.

But the issue has now clearly moved dramatically in the right direction.

In sum, I applaud the efforts of Chairman ROSTENKOWSKI. His substantial initiative will effectively repeal section 89 and replace its provisions with a far more workable approach. I look forward to working with him to perfect his proposal and pass legislation this year to replace the present section 89 with something totally different in concept and design.

REACTION TO GATT AGRICULTURAL TRADE NEGOTIATIONS

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. DE LA GARZA. Mr. Speaker, I want to take this opportunity to offer my views on the framework agreement on agricultural trade worked out at last week's meetings of the General Agreement on Tariffs and Trade [GATT] in Geneva, Switzerland.

Overall, I feel the framework agreement is a positive step toward lessening the agricultural trade tensions which exist. It is admittedly not as specific in some areas as we would have hoped. But its most significant accomplishment is that it keeps everybody at the negotiating table.

The real nitty-gritty of these trade negotiations lies ahead, during the next 20 months of the Uruguay round, that is where my concern lies.

In the drive for long-term world agricultural trade reform, the negotiators in Geneva must not lose sight of the fact that the United States has already made significant and painful cuts in farm price supports. We cannot ask American farmers to make further sacrifices until we are assured that others, particularly the Europeans, have done likewise.

For our part, we must also recognize that other nations have food security concerns, an item highlighted in last week's GATT agreement. The GATT negotiators must take proposals addressing these concerns into account in trying to develop a final agreement.

Mr. Speaker, I do not intend to allow the GATT negotiations to slow down our consideration of the next farm bill. Wherever the GATT talks lead, it is not in the best interests of American agriculture, consumers, or taxpayers to delay consideration of this important piece of legislation. We will proceed with hearings this year and I would hope we could begin markup of a bill in early 1990.

I would like to commend the U.S. Trade Representative's office and the Department of Agriculture's Foreign Agricultural Service for their frequent briefings and consultation with the members of the House Agriculture Committee delegation which I led to Geneva as legislative branch observers. I believe it is crucial for congressional observers to be included in these extremely important meetings. Consequently, I plan to have representatives of the House Committee on Agriculture attend all future major GATT meetings on agriculture during the remainder of the Uruguay round of trade negotiations.

PROHIBITION OF INTERSTATE WASTE DISPOSAL

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. WATKINS. Mr. Speaker, today I am introducing a bill to amend the Solid Waste Disposal Act to involve the issue of interstate transport of solid waste. This bill would prohibit the disposal of solid waste in any State other than the State in which the waste was generated without the consent of the recipient State.

Although some States have their own solid waste management programs which prohibit interstate disposal, the constitutionality of these programs has been challenged. We must, therefore, address this issue at the national level.

Each State and its citizens should be responsible for the disposal of its own trash. I believe we need to take steps to address the solid waste problem at the national level, and take action to prevent States from dumping unwanted wastes in other States.

I urge my colleagues to take a serious look at this legislation. It could certainly help to rid our Nation of the wholesale interstate disposal of waste.

BICENTENNIAL OF THE U.S. CUSTOMS SERVICE

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. LOWERY of California. Mr. Speaker, 1989 is the bicentennial of one of our Nation's oldest and most vital Government agencies. The U.S. Customs Service is celebrating its 200th anniversary and I want to acknowledge the fine work and dedication of the men and women of the Customs Service.

For 200 years, the Customs Service has performed a wide range of commercial and enforcement functions that have contributed significantly to the health and well-being of our Nation. To commemorate the important role the Customs Service has played in our history, there will be ceremonies in many cities around the country that benefit from Customs' excellent work.

This Saturday, April 15, 1989, U.S. Customs in San Diego will hold a bicentennial ceremony. As part of the celebration, the tall ship *Californian* will pay tribute to Customs' many years of service by reenacting the boarding of a smuggling vessel. The *Californian* is a faithful replica of the *C.W. Lawrence*, a Customs revenue cutter which plied the waters off San Diego in 1849.

The men and women of the San Diego Customs District perform vital services at the Mexican border, the Port of San Diego and our airport, Lindbergh Field. I salute District Director Allan Rappoport, the inspectors, canine enforcement officers, import specialists, and all Customs personnel in San Diego.

Congratulations on the bicentennial of the U.S. Customs Service.

WE CANNOT AFFORD ANOTHER "EXXON VALDEZ"

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, the Alaskan oilspill has focused a lot of attention recently on what should be more than an abiding public concern—the future health and viability of our environment. We shouldn't be shaken into action by tumultuous and unfortunate events such as what occurred in Prince William Sound, AK, but instead we should adjust our approach to development and progress to reflect an enduring and sincere regard for the environment. This can be done in small, incremental steps, such as ensuring that those entrusted with the transport of potentially hazardous materials are qualified and fit for the task. Such precautions, especially in the case of the *Exxon Valdez* may have averted a disaster. Closer to my home, the Fourth District of Maryland, I am most concerned about an oilspill by tankers traveling along the Chesapeake Bay. An oilspill of any significance there could be possibly even more devastating that the one recently experienced in Alaska, as tides and currents would hold any spill, especially one that occurred in the upper waters, captive for an extended period. The results could be calamitous. Not only would wildlife, waterfowl, and fishlife be irreparably harmed, but our carefully engineered cleanup effort of this major estuary would be set back decades. The costs are too great. Let us now consider legislation that coerces us to treat our environment with a bit more deference and respect. We can't afford to wait until the next *Exxon Valdez.*

EDUCATION DAY, U.S.A.

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. TALLON. Mr. Speaker, It is a pleasure for me to join with my colleagues in recognizing Sunday, April 16, as Education Day USA.

The origins of this special day to honor the valuable role education plays in our society comes from the inspiration of the Lubavitch movement, a Jewish organization with a nationwide network dedicated to promoting wisdom, understanding, and knowledge in our educational system. The Lubavitch movement has over 150 centers in the United States with educational programs to achieve this goal.

April 16 was designated as Education Day USA because it is the 87th birthday of the world renowned and respected leader of the Lubavitch movement, Rabbi Menachem Mendol Schneerson.

Since the 18th century, the Lubvitch movement has spread the word that progress can be achieved only on a solid foundation of a well-rounded education. This idea still rings true in America today.

In this modern era when incompetence, corruption, apathy, and irresponsibility seem to have overshadowed our moral commitment to education, the most compelling message of the Lubavitch movement lies in the English translation of the word "Lubavitch" which means "love of learning."

Although moral decay is pervasive at all levels of our society, it has the most tragic effect on our schools and ultimately on our the future of our children because they are no longer motivated by a love learning.

We are raising a generation of children who are moving away from the old values of a good education and hard work and who cannot distinguish between right and wrong.

All too often, the "American dream" is seen by our children as a selfish quest for money and power. We need to show them that seizing every opportunity to better oneself and to give to others is the real American dream.

Our children must be saved from a future in which they are not prepared to make tough choices based on a solid system of values. They must be able to face their responsibility to work with and help others in their community.

In addition, we need to have the best educated, the best trained, most productive workforce in the world if America is to compete on the increasingly competitive international level. To accomplish this goal we must instill in our children the fact that the wealth and the freedom in this country amounts to nothing if each person does not recognize the moral obligation to work towards his or her career and civic potential.

A respect for a well-rounded education is the key. Therefore, our educational system plays a key role in the moral as well as the intellectual development of our children.

That is why I am joining in sponsorship of H.R. 733, legislation to create a commission on values education. The purpose of this bill is to find out how we can better educate people to become productive members of society by indentifying and promoting basic values. The purpose of the commission would be to report to Congress on what Congress and the executive branch can do to promote the teaching of values in American schools.

The commission would be made up of parents, students, educators, philosophers, social service workers, theologians, and religious leaders.

The commission would be required to identify the values that are essential to the overall development of a good citizen. These values would include honesty, integrity, tolerance, self-discipline, self-respect, civility, importance of family, justice, and equality, the rule of law, individual rights, the common good, love of country, responsibility and accountability, and the love of learning.

The love of learning—a value that has been nurtured and promulgated by the outstanding commitment of the Lubavitch movement for over 200 years.

IN SUPPORT OF NATIONAL VOLUNTEER WEEK

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. MONTGOMERY. Mr. Speaker, this is National Volunteer Week. In conjunction with that, I want to share with my colleagues the story of the Foster Grandparent project at Ellisville State School in Ellisville, MS.

This program is one of the oldest and largest of its kind in the country. It has 114 volunteers who serve nearly 120,000 volunteer hours a year. The program serves three counties and covers two congressional districts, including my own.

This project was started in 1972 and now serves 220 children in south Mississippi. Its volunteers work at the Ellisville State School, the Domestic Abuse Family Shelter, Friends of Children of Mississippi, the Jones County School System, and the South Mississippi State Hospital.

The work these volunteers do is really making a positive difference in the lives of the young people they serve. I want to commend Jean Breland, the project director; Clyde Woodruff, director of the host institution, Ellisville State School, and the volunteers who give so freely of their time.

The Foster Grandparents Program boasts 60,000 volunteers in 245 projects across the country. It is part of the Older American Volunteer Program and ACTION for volunteer service to senior citizens over age 60. I salute all of them, and especially the men and women involved in this work in the State of Mississippi.

THE STATE DEPARTMENT AUTHORIZATION

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. MACHTLEY. Mr. Speaker, on April 12, the House voted on the authorization of funds to the State Department. It was a vote without a great deal of contention. I voted no.

Many of the programs earmarked for funding in the authorization bill were excellent, even essential. A few of the allocated programs, however, were extraneous, indulgent, and imprudent expenditures at a time when the United States faces a Federal deficit approaching $100 billion.

As a perfect example of the pork barreling I describe let me mention the expense of $37.5 million for international commissions. In my opinion, the last thing we need to do is spend millions upon millions of dollars in the further creation of U.S. bureaucracies.

I could mention the expense of $362 million in State Department salaries and expense accounts, a 17-percent increase. When compared with the salary increases of other Federal workers, such a large increase seems inordinate and inappropriate.

Let me cite the $140 million targeted for new construction abroad. If we are going to start spending money for the creation of new facilities, let us at least aim that money at the creation of U.S. housing first. With a homeless population that approaches 3 million people a year, most of them families, I think that money could be far better spent on a little shelter back home.

Also included in the bill is $4.6 million for Soviet-Eastern European research and training, $412 million for a Board of International Broadcasting, and $25 million for the creation of a field office in Oceania for the Asia Foundation.

I'm not saying that some of these expenditures are not worthwhile. I am saying that they could be pared down. A lot.

I am concerned about the education of our children, about affordable housing in America, about keeping up with Social Security, Medicaid, and other entitlements. In looking at the State Department authorization, I have identified programs that have been unnecessarily padded. The money that is being wasted on extras in the State Department legislation could have been targeted to some of the urgently needed social programs which demand congressional attention.

Even with an amendment which passed to cut the authorization bill by $150 million, the price is too steep. A few extemporaneous or spendthrift items in a list of many worthy programs may seem a petty reason to send a bill back for a rewrite. If so, then I say let's hear it for becoming petty.

Fiscal consciousness has to begin some time. It might as well be now.

WORK FORCE LITERACY: AN ECONOMIC CHALLENGE FOR THE 1990'S

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

Mr. PRICE. Mr. Speaker, my distinguished colleagues, I want to call your attention to a conference on work force literacy in North Carolina which was attended by five members of this body and which began to develop an agenda for equipping our people for the workplace of tomorrow.

The strength and prosperity of our Nation depends on its ability to outfit workers with the skills and education necessary to take their places in an increasingly sophisticated and technologically advanced workplace. There are ominous signs that without a major retooling of our work force and new investments in human capital, we will not be able to staff our new industries with competitive employees or to realize the human potential of economic development.

I hosted a Science, Research, and Technology Subcommittee hearing in the Research Triangle Park 2 years ago which focused upon these problems facing our work force. The underlying message behind most of the testimony given was a sobering one—the workplace is rapidly demanding better skills and training from young people and adult workers, and our education and training efforts are not keeping pace with the demands.

After the hearing, Representative HAL ROGERS and I cochaired a Sunbelt Institute study investigating work force literacy in the southern states. Our report, entitled "Meeting the Economic Challenge of the 1990s: Workforce Literacy in the South," points to a tragically familiar cycle of undereducation and underemployment in the South and makes a number of useful policy recommendations.

It was a follow-up to this report that we convened a work force literacy summit in the Research Triangle Park, NC, last week. The summit, which consisted of 5 roundtables, allowed representatives of Congress, private industry, education, and literacy groups to examine the proposals before the 101st Congress, assess their suitability for addressing our basic education and work force literacy needs, and suggest additional public and private initiatives. We have taken a major step toward converting our concern and our research findings into specific proposals for program improvement.

I would like to extend my appreciation to the numerous panelists who contributed their time and expertise, and to my colleagues, TIM VALENTINE, STEVE BARTLETT, MIKE ANDREWS and HAL ROGERS for their active participation in the summit. We are also grateful to the corporations and foundations—Glaxo, Inc., International Business Machines, Inc., Kenan Charitable Trust Foundation, and the Sunbelt Institute—who so generously supported our efforts.

Mr. Speaker, the message from this summit was clear. We can no longer put off improving adult literacy, vocational education, and basic science and math education programs. We must disseminate program information and research findings more effectively, rather than continually reinventing the wheel in literacy training. We must train basic education instructors more effectively and take advantage of computer-based instruction. We must do more to foster public-private cooperation, especially in workplace-based programs. We must strengthen the basic skills component in job training. And we must broaden our country's base of computer literacy and science and math education. There is much to be done, and I am hopeful that the 101st Congress will rise to this challenge.

Again, my thanks to those who made the summit possible. I look forward to continuing the pursuit of improved skills in the workforce, and ensuring that we reap the human benefits of economic development in the South and across the Nation.

SENATE—*Monday, April 17, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 2:30 p.m., on the expiration of the recess, and was called to order by the Acting President pro tempore, Mr. CHARLES S. ROBB.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

And ye shall know the truth, and the truth shall make you free.—John 8:32.

Eternal God, our fathers' God, we rejoice in the fascinating story of our Nation's birth and growth. Two hundred years ago today, George Washington left Mount Vernon on his journey to New York to be inaugurated as the first President of the United States on April 30. Eight days to make a trip which takes less than an hour today.

Yet, with such radical change, the ideas of Washington and his peers who invented our political system still guide us 200 years later. Their extraordinary vision framed in the Constitution continues to be our Nation's mandate.

Thank Thee, Father God, for the biblical insights pervasive in their thinking which generated this remarkable body politic—a free and sovereign people from whose consent government derives its authority. Gracious God, forbid that in the surrender to secularism we should abandon the spiritual roots and grand ideas which produced our Nation at the risk of forfeiting its greatness.

So, help us God. In the name of Jesus, truth incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, following time for the two leaders this afternoon, there will be a period for morning business not to extend beyond 3:15 p.m. At 3:15 the Senate will begin consideration of S. 774, the Federal savings and loan reform bill.

As I announced last Thursday, there will be no rollcall votes today. I encourage Senators with amendments to S. 774 to present them so the Senate can begin debate today on any amendments.

Senators should be on notice that tomorrow's session will begin early and could well extend into the evening, with rollcall votes occurring throughout the session.

There will be no rollcall votes after 4 o'clock on Wednesday in observance of the beginning of the Passover holiday. It is my hope that the Senate will be able to complete action on S. 774 by that time. If not, we will have to return following observance of the Passover holiday to complete action whenever action is in fact not completed.

THE TRAGEDY IN LEBANON

Mr. MITCHELL. Mr. President, yesterday Mr. Pedro Manuel de Aristegui, Spain's Ambassador to Lebanon, was killed by Syrian shelling in Beirut. Mr. Aristegui had remained in Lebanon despite previously having been kidnaped and despite the resumption of intense fighting in and around Beirut. We are moved by his courage and commitment as we are saddened by his death.

Equally tragic is the death of Louis Abu Sharaf, a Member of Parliament who also was killed in yesterday's violence.

Sadly, these men are just two of the most recent innocent victims in the 15-year civil war.

In the past month, over 200 people have been killed and far more have been wounded by indiscriminate artillery exchanges. Much of Beirut is under siege. Tens of thousands of shells and rockets have fallen in residential districts. The intense shelling threatens all those civilians who bravely struggle simply to survive in the midst of a seemingly endless and mindless conflict.

Every day, another precious life is lost.

Each death diminishes Lebanon.

The violence must end.

The shelling must stop.

Like all who care deeply about Lebanon, I have watched this tragedy in horror and with great sadness.

I have written to the President and Secretary Baker to share my concerns and to encourage them to do everything in their power to end the bloodshed and division in Lebanon.

I commend the administration for its call for an immediate cease-fire and for its support for the League of Arab States' efforts to end the conflict.

But I believe that the United States can and must do more.

We must energetically pursue every opportunity to exert pressure upon all sides to end the fighting and we must forcefully condemn those who will not accept a cease-fire. I hope that all nations will add their weight to this important effort. For until the violence ends, there can be no progress toward the resolution of the other problems threatening the future of Lebanon as a state.

The existence of two rival Lebanese governments, one Christian and one Moslem, is sad testimony to the division within the country. This internal division is fueled by the interference of foreign powers, most notably some 40,000 Syrian troops, whose presence on Lebanese soil clearly is unacceptable.

The combination of the sectarian split and the meddling of foreign powers could, I fear, lead to partition of the country and the end of Lebanon as a nation.

This must not happen.

There can be no doubt that the United States remains firmly committed to the withdrawal of all foreign forces from Lebanon. We must take every opportunity to restate our support for the restoration of Lebanon's sovereignty and territorial integrity, and for the restoration of unity and a central government.

Achievement of these goals ultimately depends upon the efforts of the Lebanese themselves. But we must do everything in our power to support and advance these efforts.

It is my hope that all Lebanese parties will commit themselves to a process of internal reconciliation and political reform and that the United States will play a meaningful role in facilitating this process.

This is a disturbing time for all of us who care about Lebanon. Perhaps never before has that beleaguered country's future looked so bleak. Each day that the fighting continues and more innocent civilians die, the task of restoring Lebanon grows more difficult. The situation deserves our immediate and complete attention.

I strongly believe that the United States can and must make every effort

to help the Lebanese find peace and restore independence to their nation. In his efforts to promote this goal, President Bush will have my complete and unwavering support.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I thank the Chair.

(The remarks of Mr. MITCHELL pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MITCHELL. I yield to the Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the Republican leader is recognized.

LEBANON

Mr. DOLE. First, Mr. President, I would like to join my distinguished colleague, the distinguished Democratic leader, with reference to Lebanon. It is almost impossible to calculate the suffering that the people of Lebanon have undergone in the past years.

Almost any night you turn on the television there is another death or multiple deaths. I certainly would join the distinguished majority leader in urging the President, with our cooperation, to do whatever he can there to end the bloodshed and get all foreign troops out of that country.

I applaud the majority leader's statement.

NATIONAL TAX DAY

Mr. DOLE. Mr. President, today, April 17, is National Tax Day, the last day Americans can pay their taxes without a large fine, or worse. It is one holiday most Americans celebrate not with parties and fun, but by getting mad. Mad at complicated IRS forms, mad at high taxes, mad at wasteful Government spending. So mad, a lot of them are screaming at us that they cannot take it any more.

SPECIAL INTEREST SPENDING

And who can blame American taxpayers.

The budget process is broke and Congress is on a spending spree with taxpayers' money. In fact, even during the closing weeks of the tax season—a time you might expect some restraint from Congress—the House Appropriations Committee has been busy loading up the President's emergency supplemental request with pork.

If the press accounts are correct, the extra spending adds close to $1.4 billion to the President's request.

What are the American people going to get for that $1.4 billion? We do not know for certain, because nobody has seen the bill except members of the House Appropriations Committee. But if the supplementals of the past are any indication, it is safe to guess the American public is not going to get a whole lot.

ENHANCED RESCISSION

Mr. President, I think we have all at one time or another been a party to pork barrel spending. And most of us know that there is very little the President can do to get rid of it. He can veto an entire appropriations bill, but, as with this emergency supplemental bill, a veto can mean delaying bably needed funds for hospitalized veterans or other worthy groups. That is probably too high a price to pay.

The President, however, does have another far more precise tool for eliminating pork. It is called rescission authority.

A rescission lists in very exact terms what the President wants to cut from an appropriations bill. This allows emergency funding requests to move forward without delay while Congress reconsiders items the President has singled out.

Right now, Congress has three options for handling the President's rescission requests. It can accept a request, reject it or ignore it.

If Congress ignore it, the President must, after 45 days, spend what he has withheld. This is, in essence, what we have been doing. We've just ignored most of his requests. In this way, the Congress has been able to reject requests without going on record.

I think we ought to at least vote; we ought to go on record that we want to spend or not spend the money. Congress should not be able to take the easy way out. This is the course which up until now, the Congress has generally chosen to take.

REPAIRING OUR REPUTATION

On the cover of Newsweek magazine today is a picture of the Capitol with the caption, "What Really Goes on in Congress?" A lot of people are asking that question. It would seem to me that enacting an enhanced bill would be an opportunity for us to demonstrate to the American people that this Congress is different. That this Congress is willing to make the tough choices.

I believe there are enough of us on both sides who agree that simply ignoring a rescission request is not fair to the President or to the American people.

If Congress wants to reject the President's request to cut pork barrel spending, it should at a minimum have to go on record to do it.

THE SPENDING CONTROL ENHANCEMENT ACT

Senator JOHN MCCAIN and I have recently introduced a bill, S. 6, the Spending Control Enhancement Act, which would force Congress to do exactly that. Other Senators on both sides of the aisle have been working on this for months, even years.

So I hope there would be enough for us to put together some formulation that would force Congress either to accept the President's rescission request or go on record as voting it down.

CONCLUSION

Certainly our bill is not a cure-all. It will not eliminate unnecessary spending, and it probably will not make the Tax Day any happier for Americans a year from now. But we might be able to convince some American taxpayers that if we want something special for our State, or if we want to go along with somebody else in some other State, we are going to be on record for it and not take the easy way out as we have been able to do in the past.

I would hope that after some discussion with Members on both sides of the aisle, we could put together a rescission bill. Let us face it, if we cannot work out some agreement to bring it up on its own, then I assume some of my colleagues will be around with some amendments on the first supplemental bill that comes on this floor, or on some other appropriate vehicle.

I happen to believe that by forcing us to make the tough choices, enhanced rescission authority could save the American taxpayers, billions of dollars and help us keep the "no new taxes" pledge for many years to come. I hope you will join with me in my effort to pass an enhanced rescision bill.

Mr. President, I reserve the remainder of my leader time. I know there are other speakers including the distinguished Senator from Indiana who has also been working on this effort, as I said, some Senators have been working on it for months and some for years. He is one of those.

So I would hope I will have the benefit of his comments later.

I reserve the remainder of my time.

Mr. President, I would be happy to yield to the Senator from South Carolina.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished leader. I ask for 15 minutes.

Mr. DOLE. Fine.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. I understand, under the agreement I proceed for 15 minutes in morning hour?

The ACTING PRESIDENT pro tempore. Without objection, the Senator has the floor for 15 minutes.

PORK

Mr. HOLLINGS. Mr. President, with regard to the Senator's point about pork barrel and budget savings, the

fact is that we reached a critical state way back in November and December 1980. President Carter had just been defeated by Ronald Reagan. As then-chairman of the Budget Committee I proceeded to the White House to inform the distinguished President Carter that he was going to leave a bigger deficit than the one he had inherited from President Ford.

He asked me what the deficit was projected to be, and the answer was $75 billion.

So, at that time, at President Carter's urging, we agreed to enact a reconciliation bill, which is a fancy name for cutting spending. And we cut the spending and rather than having a $75 billion deficit we ended up fiscal year 1981 with a deficit of $58.7 billion.

President Reagan came to office and created Reaganomics, and of course that gutted the Treasury's revenue base by some 25 percent. No Governor of a State would ever cut his revenues by 25 percent, no mayor of a city would ever cut the revenues of, for example, Richmond, VA, 25 percent. He would not be able to pay the policemen, the firemen, the teachers, and so on. They would have to get that mayor out of town for his own safety.

Now, in the words of our former President Ronald Wilson Reagan: "Here we go again." I refer to events of last Friday and over the weekend: the announcement of a so-called bipartisan budget agreement.

They had a meeting, and they are agreeing to finance and go up, and away with the deficit rather than cut it.

Now there is nothing new about bipartisanship. In 1982, when Howard Baker was the majority leader, Senator DOLE was chairman of the Finance Committee, we had a bipartisan effort for a budget freeze. I was requested by then Majority Leader Baker, "Fritz, you present the freeze and see how far we can get." As it happened, we did not even get past noon. I presented the freeze first thing in the morning. By noontime, Secretary of Treasury Regan had tackled us from behind, and he said, "Under no circumstances would the White House go along."

So we have tried budget reduction in a bipartisan fashion, to the Republicans' credit. After we tried that freeze, Social Security was frozen in 1985. We went over to inform the President, and the President torpedoed the agreement. He told us that he had just gotten together with the Speaker and agreed that in exchange for no cuts in Social Security, the Speaker would go along with the President's increase in defense. So we retreated in dismay. Later, in a bipartisan fashion, Mr. President, we fashioned Gramm-Rudman-Hollings. It was designed to force cuts, and it did so immediately. In 1987, we saved billions, reducing the deficit from $220 billion down to $150 billion, a $70 billion cut without in any way negatively impacting the economy, and we did so in a bipartisan fashion. We have had 14 votes up and down on this Senate floor for Gramm-Rudman-Hollings, and 14 times a majority of Democrats, as well as Republicans, have supported that initiative.

Then came the backsliding: The sham summit agreement of late 1987, and now this bipartisan budget sham announced last Friday. As in 1987, we hear the solemn incantation that "a deal is a deal," which is a gentlemanly way of saying "the fix is in."

In the 1987 summit agreement, we were told at that time, getting together with the Congress and President Reagan, that we now had set a bipartisan framework. The leader said at the time that we had set a framework for the future. Senator CHILES for the Budget Committee said that for every $1 in revenues, we had cut spending $1.75. And Senator DOMENICI, our former distinguished chairman and now ranking member of the Budget Committee, said it was the most significant agreement made in a bipartisan fashion since the budget process commenced.

Now I am hearing the same solemn incantations on yesterday's Sunday talk shows, statements to the effect that last Friday's agreement lays the groundwork for real action on the budget in the future. When I saw pictures of that gathering at the White House last Friday, I must say in all candor, and most respectfully, that they looked like chickens huddled in a hailstorm. They knew exactly what they were doing. We had done this charade before. It was not significant. It was not the first bipartisan initiative. It was simply a replay of a discredited song and dance from years past.

Accordingly I take the floor today, and will be followed by other colleagues during the week, to tell the truth about the full scope and scale of our budget crisis, to lay bare emptiness of this most recent deal. We must at least agree honestly on where we are. Let us begin with the deficit for the current fiscal year 1989, which was the subject of the summit agreement a couple years ago.

They said then that the deficit would be $126 billion, and they had it all outlined. Yet rather than $126 billion, we have right now, Mr. President, a 1989 deficit of $300 billion more than we are taking in. The deficit, according to the Congressional Budget Office, is $159 billion. There will be asset sales, but under Gramm-Rudman-Hollings asset sales are not scored. Even if we did achieve the sale of $7 billion in asset sales in fiscal year 1990 we will be adding to the deficit through loss of interest payments in the outyear. So that adds on another $7 billion.

The savings and loan bailout will cost us this year at least $7 billion; it could be more. Interest costs have gone up since CBO made its estimate in January, and we now have to add another $5 billion in interest costs. That raises the total to $178 billion. That is the current running deficit as we customarily approach it here on the floor of the Congress.

But we must also bear in mind that that $178 billion figure is possible only if you allow a credit of $122 billion in trust funds from Social Security, airport and airways, highways, Federal finance bank, Medicare, and going right on down the list.

So truth in budgeting requires us to say that the actual deficit now exceeds $300 billion, and interest costs alone are soaring to $182 billion. For interest alone, we borrow $500 million at 8 o'clock every morning and just add it to the national debt, including Saturdays, Sundays and Christmas Day. When you pay your tax by midnight tonight, Mr. President, over half, 55 percent, of the personal income tax you pay goes not for government but strictly for carrying charges, for the profligacy, the waste and extravagance and the misleading that we give the American people. Now we are trying a retired lieutenant colonel downtown in criminal court for telling a lie to the Congress. Lying to Congress is a crime, but when the Congress fabricates and misleads the American people, we give each other the good government award, distinguished Senators, and congratulate ourselves for making the tough decisions and all of that nonsense.

It is a pure sham and ought to be a shame. It is a charade, and the time has come for both parties, Democratic and Republican, to sober up and quit whistling through the graveyard, waiting for the recession to hit so that we can point to each other and blame each other, and then we will be in desperate circumstances.

I say the best politics is no politics. But look at this agreement, Mr. President. The truth of the matter is defense is 26 percent of our budget. Did they cut it? No; no sirree. They increased it under this agreement. You have to wade through the figures, and particularly they cleverly emphasize the outlay rate.

Yet look at the budget authority rate, and those of us who have worked on the defense budget know that budget authority drives the outlays. So we actually increased defense allegedly asked $4 billion and it is only $3 billion, it is actually an increase of $6 billion. So there is no cut in the 26-percent portion of the budget for defense.

Forty-eight percent of the budget today is entitlements. Are there cuts there? Absolutely not. The increase in

Social Security is $16 billion and on health care another $16 billion a 12-percent increase in Medicare-Medicaid. Instead of cutting $5 billion—it was initiated formally by President Bush—they only cut Medicare-Medicaid $2.7 billion or $3 billion, so the agreement cut $3 billion a $19 billion increase that is projected, and there is a $16 billion increase in the 48-percent portion of the budget for entitlements. You have a $32 billion increase for entitlements. No cuts there.

Domestic programs: Ah, now, we have not even seen that reported on the weekend shows. You remember the black box with the $10 billion? Now we have it. We in the Congress got together last week and we said, "Mr. President, rather than the deal that our friend Tip made some 3 years ago, now we are saying, Mr. President, we will give you your $6 billion in defense if you give us our $10 billion in the black box." So domestic programs go up $10 billion.

Next, they claim that interest costs go up some $13 billion. But with rapid rise in interest rates, the actual cost will be closer to $25 billion.

Right now, if you and I were sitting down as businessmen, we would predict $25 billion in higher interest costs. So you have increased spending under the agreement of $73 billion. This is the result of our wonderful bipartisan initiative to reduce spending. It is an actual increase of $73 billion, and you cannot increase spending by $73 billion yet get down to the $100 billion or $99 billion by coming up with a deficit reduction package of just $28 billion.

Look at the nature of the so-called savings in this budget deal. They claim agricultural savings of about $2 billion by making payments in this fiscal year rather than next fiscal year. Then they take the Postal Service off budget. I have been trying—I have a bill in now—to take Social Security off budget, but if we did that it would increase the budget. The Postal Service is going to lose money next year, so it is good to get that one off budget and count it as a saving. What wonderful fiscal responsibility by this cabal, this conspiracy, this bipartisan summit deal-is-a-deal.

The agreement calls for $2.7 billion in user fees, and President Bush earlier proposed a spectrum fee out of $2.3 billion I tried as chairman of the Commerce Committee and chairman for years of the Communications Subcommittee, to put in a broadcast spectrum fee of $300 million. I got slaughtered on the floor. I got accused of sneaking it in and we had a great debate on that. I lost. I am not going to even put it up. Whatever the procedure, if they vote it, just relieve my committee of that responsibility. I could not get $300 million. I am not going to try to get $2.3 billion. There is just no way in the world to do that.

The deal calls for unspecified revenues, but says that the President has to agree to it. He will agree to capital gains and claim to save $5 billion and all the economists say that it is a revenue loser, but I take it that is why our distinguished colleague from Texas, Senator BENTSEN, left the conference because he is supposed to be responsible for raising the revenue. I would have left, too, giving me that $2.3 billion, knowing that it is not going to happen. Then, to sweeten the deal, we hear that Mr. Darman has agreed to forward the request of Congress for higher taxes to the President come October.

Now, doesn't that make you feel warm all over. Who in the world is for taxes? Nobody. But when you are wrecking the economy and perpetrating fraud upon the American people, a responsible Senator has no choice but to break ranks and tell the American people exactly where we stand. Actually, as one of the authors of Gramm-Rudman-Hollings, let me say categorically that it is not working. Under the summit agreement of 1987, with President Reagan, when we had that much-touted bipartisan initiative with proclamations that we were headed in the right direction, the deficit was supposed to be $108 billion in fiscal year 1988. In reality, it was $155 billion. This year the deficit was supposed to be $72 billion. It is now projected at $159 billion and rising. Next year it is supposed to decline to $36 billion, and it is in fact going to be closer to $160 billion.

It is high time on the budget that we used honest numbers, honest assumptions, honest savings, and honest revenue increases. The budget deal announced on Friday is none of the above. I will have nothing to do with it.

I thank the Chairman and I yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. WIRTH). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3:15 with Senators permitted to speak therein for 5 minutes each. In addition, the Chair would note that the Senator from Arizona has in addition 3 minutes 50 seconds of the time allocated to the distinguished Republican leader.

The Senator from Nevada.

Mr. REID. Mr. President, I extend my appreciation to the Senator from Arizona, who was here first. I have a short statement and will not interfere with the Senators from Washington, Indiana, and Arizona.

(The remarks of Mr. REID pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE. Mr. President, I would like to yield the remainder of my leader time to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I ask unanimous consent to extend my time in morning business to 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCAIN. Thank you, Mr. President.

THE BUDGET

Mr. McCAIN. Mr. President, I very much appreciated listening to the speech given by my distinguished colleague from South Carolina, whose description of the latest so-called budget agreement is an accurate depiction of this situation—when we are required to come up with over $5 billion of yet unspecified revenues along with the perennial sale of assets. I wonder how many times we have proposed selling the naval petroleum reserve which I believe is in the State of my colleague from California. I believe six or seven times in the past. We continue to flimflam the American people. We continue to increase spending.

A day like today is most appropriate, Mr. President, to discuss why we need to take some drastic measures if we ever have any prospect of returning some semblance of fiscal sanity to the Congress and to this Government.

Mr. President, today, as we all know, is the day for filing income taxes. What a lot of Americans do not know is that nearly one-third of the year has gone by and the average American taxpayer is still working for the Government. The average American works from January 1 until early May to pay Federal, State, and local tax collectors. Federal taxes claim, in another way, nearly 2 hours of the average American's working day.

Today is the day we are reminded of the reality of this burden and as legislators who spend the taxpayers' hard-earned money we should stop and consider whether we are spending that money wisely. I do not think it takes a lot of inspection to conclude that we are not doing that. In fact, I do not think there is any doubt that we are mortgaging our children's future by continuing to build up these unconscionable deficits. As my colleague from South Carolina recently pointed out, the amount of money needed to pay off the existing debt can have long-term and serious consequences for this Nation's economy.

I do not think we can tell the American taxpayers, whether they are a couple saving for their first home, the

families where both spouses have to work to make ends meet, or anyone else who has a right to expect their money is taken from them for good reason, that the Congress is being as thoughtful and frugal as possible in its spending. It is time we adopt a budget tool that will help force us back into line; that will force us to spend the taxpayers' money prudently; that will effectively fix a budget process that is sadly broken down.

I am of course speaking about enhanced rescission, a form of line item veto that is so effective that its opponents call it a super line item veto.

I would like to mention that this does not take a constitutional amendment as does a line item veto. It requires a simple change in law. It will allow the President to force Congress to think twice when it spends $1.12 million for an operational demonstration and research feed mill and wheat flour mill; $10 million for trucks called maxicubes, which the Army does not want or need; $200,000 to build a replica of the Great Wall of China; $33 million to rebuild 10 miles of beach in front of fancy hotels and expensive condominiums in Florida.

The need for the super line item veto becomes all the more apparent as we begin to hear reports of a supplemental appropriations bill being marked up in the House that may be full of pork barrel projects before it is finished passing Congress.

Mr. President, as we know the appropriate committee of the House has not yet reported that bill out of committee but we know already that it is already about $2 billion over the administration's original request. Again, we will pressure the executive branch and the President with the dilemma of either vetoing an entire appropriations bill, which contains appropriations for vital programs and accepting all the pork which is associated with it, or vetoing it, which causes a serious problem.

I would like to say that my friend, Senator COATS from Indiana, and my friend, Senator GORTON from Washington, are both deeply involved in this issue. They have been for many years. I am sure that within the next week or two we will be coming forward with an enhanced rescission bill that I think all of us will be supportive of, at least the majority on this side.

The last supplemental we had was in 1987. It was loaded—$8 million for a weed center, $600,000 to purchase Pakistani rupees, $10 million for human nutrition research center, $200,000 to staff Tern Island in Hawaii; $6 million to suspend the cap on deficiency payments to beekeepers.

Given the abundant rumors about the next supplemental, we are going to be faced with yet another pork laden bill in spirit of the fact that we are roughly $20 billion above our target for 1989. Enough is enough.

Is there any doubt that it is time to give the President the ability to oppose effectively such useless and harmful spending? I submit there cannot be any doubt. For this reason, my friend, the minority leader, and I have introduced this bill that we will offer as an amendment to the supplemental appropriations bill. It simply reverses the current rescission process by which the President can attempt to cancel funding for wasteful and unnecessary programs.

This bill would allow the President to notify Congress within 10 days of signing an appropriations bill of the funds he intends to rescind—in other words cancel—unless Congress disapproves. In order to disapprove, the Congress must adopt a bill within 10 days, telling the President to spend that money anyway; otherwise the funds are rescinded. This bill applies to supplemental appropriations bills as well as regular appropriations bills and continuing resolutions.

Mr. President, the reason this bill is vitally important is because the current rescission process is utterly defunct. Since enacted, the Congress has shirked its responsibilities because it does not have to take any action to disapprove rescissions; it need only ignore them in order to ensure that the money is spent.

Congress has approved only 6 proposed rescissions out of 16 rescissions requested since 1987. Congress OK'd only $179 million in budget rescissions out of a total of $16 billion requested even though we have wasted literally billions of dollars during that time.

The problem is, Congress is not accountable. We need to be accountable.

This legislation simply levels the budget playing field, and it puts the President on an equal footing with Congress. Congress would still have the final decisionmaking authority but there is no valid reason to deny the President the ability to review each piece of our spending bills. Requiring the President to consider an entire appropriations bill or continuing resolutions on a take-it-or-leave-it basis is so unbalanced as to lead to abuse. The Senate would be outraged if the House denied us the ability to disapprove portions of their spending bills. Why should we deny the President the ability to disapprove congressional spending decisions he feels are so unimportant that they amount to picking the taxpayers' pockets?

If Congress is going to continue fighting to attach pork to these spending bills we should fight fair.

Mr. President, let me repeat—we need to be accountable. This legislation, S. 6, helps the President eliminate unnecessary spending without disrupting the balance of power and makes us accountable. Today, on tax day, we owe the American people a commitment to pass this much-needed precision budget tool, and we owe Americans a commitment that we will seriously reduced the budget deficit.

Mr. President, there will be Members on both sides of the aisle who will say that this proposed legislation as they have in the past is an abrogation of legislative power.

Let me point out I would be glad to listen to those colleagues who object to this legislation if they have a better idea. The fact is the system is broke. The system is broke and we must fix it in some fashion. I would be glad to listen if someone has a better idea than this—I would be more than happy to withdraw this legislation and approve of others that may be more efficient in reducing what we have done to future generations of Americans which is in my view unconscionable.

With that, Mr. President, I yield the floor.

Mr. GORTON. Mr. President, I ask unanimous consent that I be allowed 2 minutes before the pending business is taken up.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, I want to commend the minority leader and the distinguished Senator from Arizona for what I consider to be an absolutely first-rate proposal in connection with dealing both with pork and with making at least a small step toward balancing the budget.

I must say that one of the most important elements of this proposal is that it does not require a constitutional amendment which has always been something with which I had serious questions. In this case, if it does not work in exactly the way the Senator from Arizona wishes, it can of course be changed by future Congresses. But to restore to the President some greater control over expenditures which he and most of us feel to be unwarranted is a vitally important step forward. The Senators are to be commended for being a part of it.

I wonder if the Senator from Arizona would very briefly answer one question. If the veto or if the rescission of the President takes place when Congress is not in session, does Congress have 10 days after it returns to session during which it can override the President's decision?

Mr. McCAIN. Yes. The provisions of the legislation as proposed would be 10 legislative days which of course would require that the Congress be in session at that time. So there would not be the possibility, as my colleague is concerned about, of some kind of pocket veto in which the Congress would be unable to act.

May I ask unanimous consent, Mr. President, that two letters supporting this effort, one from the Chamber of Commerce of the United States of America and one from Citizens for a Sound Economy, be included in the RECORD?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
March 2, 1989.

Hon. JOHN MCCAIN,
U.S. Senate, Committee on Commerce, Science, and Transportation, Washington, DC.

DEAR JOHN: Thank you for seeking the Chamber's opinion on the proposal you have cosponsored with Senator Dole that is designed to enhance the President's ability to cancel wasteful spending. We congratulate you for introducing a measure that addresses this important budget issue.

The Chamber has long standing policy calling for enhanced presidential rescission authority. We believe such a measure, if designed to meet the constitutional standards established in *Immigration and Naturalization Service* v. *Chadha*, 462 U.S. 919 (1983), would go a long way toward helping to bring federal spending under control.

We appreciate your seeking our advice and would welcome further discussion with you and your staff on this issue. We admire your dedication to addressing our government's fiscal affairs and hope the debate will result in policies that ensure a strong America.

Sincerely,

RICHARD L. LESHER.

CITIZENS FOR A SOUND ECONOMY,
Washington, DC, March 23, 1989.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: Massive continuing resolutions laden with unwise spending proposals have made a great deal of news in the past several years. Even in years when there is no continuing resolution, it's difficult to believe that every item in a trillion-dollar-plus federal budget has received the careful scrutiny it should have.

That's why Citizens for a Sound Economy is so glad to hear that you've introduced S. 6, enhancing the president's rescission authority. If this bill passes, I'm sure that Citizens for a Sound Economy's 250,000 members, as well as millions of other American taxpayers, will sleep a little easier knowing that they have a second chance to make Congress and the president reconsider questionable spending proposals.

CSE stands ready to do our part in the battle to promote fiscal responsibility.

Sincerely,

WAYNE E. GABLE,
President.

Mr. GORTON. Once again I want to thank the sponsors for doing a magnificent job in dealing responsibly with one of the principal fiscal problems with which this country is faced, and in doing so I would like to ask unanimous consent that my name be added as a cosponsor to the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Mr. President, I ask unanimous consent to proceed for 4 minutes as if in morning business.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator is recognized for 4 minutes.

ENHANCED RESCISSION AMENDMENT

Mr. COATS. Mr. President, a few years ago the chief economist for the Office of Management and Budget admitted, "you just don't see people running through the streets to have the deficit cut." But if there is any time during the year when public outrage over Government spending is focused to a searing intensity, it is the day that the bill comes due. Public impatience with Government excess simmers the rest of the year. Today, tax day, it boils over and scalds our hands.

But this points to the principle problem of deficit reduction. Americans expect their outrage over spending to be met with dramatic initiatives and soul-stirring rhetoric. What they get, instead, is a discussion like this of enhanced rescission or a line-item veto. We face a paradox. The deficit was one whirling, thunderous adventure to create: all those new agencies and popular votes—with plenty of credit to go around. But controlling the deficit, on the other hand, could only inspire dreams and visions in the most committed accountant.

The problem of spectacular disregard for responsible limits—the exciting failure of legislative overreach—will be solved by measures that have all the drama of watching someone balance their checkbook. Self-discipline is never exciting—only essential. And in this case we have everything at stake—what Jefferson called the stark choice between "economy and liberty, or profusion and servitude."

It is for this reason I am a strong supporter of attempts to help restore fiscal responsibility to the budget process by beefing up the President's power of rescission.

Rescission, simply put, is the budgetary term for prudent second thoughts. Under the current law, the President can propose to Congress that previously allotted budget authority be rescinded whenever the President determines it is excessive. For the President's rescission to take effect, it has to be approved by a joint resolution of Congress within 45 days of submission. All Congress needs to do to veto the President's action is ignore it.

That is just a little too convenient for a Congress prone neither to restraint nor to quick action. It guts rescission of its power.

What we need is legislation that would turn this procedure on its head. The Budget and Impoundment Act of 1974 should be changed to say that a Presidential rescission takes effect unless Congress specifically disapproves of it in a joint resolution. And the President should be allowed plenty of time to determine where the rescission scissor might be employed to greatest effect. The leisure to study and isolate prospective savings would be the teeth of any enhanced rescission legislation.

The President of the United States manages the largest budget in the world, yet has less control over that budget than any corporate chief executive or the Governors of most States. The time has come to give the President the tools he needs to rescind unnecessary expenditures. Congress would still be able to override proposed rescissions by a simple majority vote if it felt that spending was necessary. But Congress would no longer be able to evade its responsibilities by simply avoiding a vote altogether—hiding behind a shield of indecision. This legislation would force Congress to put itself on the record when it comes to Government spending. And it would shift the burden of proof to Congress, if it wants to justify overturning a Presidential rescission aimed at pork or budgetary fat.

Enhanced rescission is a mundane measure responding to a dramatic need. It doesn't quite quicken the pulse like a new deal, a new frontier or a great society. But in the next few years we must learn to become heroic champions for the boring necessity of self-restraint. There may be more blame than credit, but the stakes are too high to fail. And an enhanced rescission bill would be a fine place to start.

Mr. President, I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMERICAN POLICY IN THE GORBACHEV ERA: THE DANGER OF A FAILURE OF VISION

Mr. PELL. Mr. President, in recent months a phenomenon that initially appeared uncertain has now become undeniable. Within the Soviet Union, General Secretary Gorbachev has undertaken a program of fundamental and far-reaching change that could alter not only the character of his own country but, potentially, the face of Europe and the entire realm of global politics. Unfortunately, I believe, the U.S. Government has been slow to react to the new Soviet reality and the opportunities it may represent for the fulfillment of long-sought American objectives. In part, our inaction results from the inherent delays of a transition in government. But we also risk, I fear, the danger of a failure of vision.

I would not advocate that we base American policy on hopeful expecta-

tions. Nor do I hold that we should embrace, or even answer, each of Mr. Gorbachev's wide-ranging and sometimes spectacular proposals. But we can, I am confident, direct a robust and realistic policy toward optimistic goals. And to that end, I believe we should undertake, without hesitation, to engage Mr. Gorbachev diplomatically on the panoply of issues where constructive interaction is quite possible.

Indeed, to remain dormant jeopardizes not only the realization of those concrete possibilities but also the stature of the United States as leader of the West. Sensing that the very foundations of the Cold War may be ready for a systematic dismantlement, our allies want action. They do not, I have confidence, view Mr. Gorbachev naively; indeed, from a West European vantage they have every reason to recognize the current facts of Soviet power, the rigidities and liabilities of the various Communist regimes, and the uncertainties that surround Gorbachev's efforts to transform the Soviet empire. But our democratic partners do, quite reasonably, look to the United States for a calculated policy that goes well beyond an inert posture of watchful waiting.

Let us therefore begin with clarity about the meaning of Gorbachev's program of reform. Mr. Gorbachev himself may, as a man, be something quite far removed from a saint. But his aspiration for change in the Soviet Union clearly transcends the achievement of marginal adjustments. Indeed, the task he has undertaken represents nothing less than to achieve the sweeping cultural transformation which Peter the Great began in the 18th century and which Catherine the Great resumed but then abandoned at the time our own Republic was being born. That task, so long delayed, is to bring Russia fully into the family of European nations, not merely through diplomacy, but by means of a gradual assimilation of European values.

With the aid of a strong surge of popular will, Gorbachev is seeking to lift from his countrymen the oppressive burden of ideology. and he is thereby opening his nation and its satellites to the influences—and eventually, we may hope, to full adoption of the principles, practices, and institutions—of human freedom that were nurtured by the European Enlightenment 2 centuries ago. In an age of electronically transmitted awareness, the window Mr. Gorbachev is opening will not be easily closed.

Yet the very immensity of Mr. Gorbachev's undertaking carries the very possibility, the specter of failure. By unlatching the cuffs of an imprisoning ideology, he has freed a myriad of regional and ethnic forces that could threaten not just the outreaching ties of the Soviet empire but the Soviet state itself. And by seeking to overturn the entrenched political and economic order, he has endangered a vast army of Communist Party bureaucrats who will not blithely relinquish either long-standing dogma or cherished privilege. These pressures, of instability and reaction, could quite possibly combine to terminate Mr. Gorbachev's exhilarating experiment.

While American foreign policy must be conducted without knowledge of this outcome, we should be clear on one crucial premise: that our own interests would be served by Mr. Gorbachev's success. Not surprisingly, our domestic debate is now riddled by warnings, from established paragons of caution, that we must not fall prey to Gorbachev's seductions. But what must be resisted even more strenuously is the inertia of an institutionalized Cold War. The very essence of our postwar "containment" strategy has been to repel Soviet expansionism until such time as the compelling force of ideology began to wither. That long-awaited moment having now arrived, we must move to seize it by building bridges to those in the Soviet empire who represent the force of liberalization. Recognizing this imperative, Prime Minister Thatcher has emphasized repeatedly that Western interests would be served by Mr. Gorbachev's continuing progress. It is time for American policymakers, without apology, to embrace this guiding principle as well.

We are also warned, in our deliberations, that we can respond to the Gorbachev challenge only by means of a grand geostrategic plan, and other polysyllabic instrumentalities. Acting on this notion, the Bush administration has undertaken a comprehensive "strategic review," involving multiple interagency studies, of the entire field of East-West relations. Yet this kind of grand aproach carries an almost inevitable irony. For virtually without fail, the result of analysis conducted by so many competing parties is a lowest-common-denominator prescription that endorses the status quo precisely when innovation is most needed. Let us therefore be less grand in our pretensions of shaping a holistic policy; and let us instead act, promptly and creatively, in those various arenas where constructive action holds promise.

No arena is more ripe for substantive progress than arms control, where Mr. Gorbachev's steps are remarkable indeed. He surprised all Western observers by agreeing to the so-called "zero option" on intermediate-range nuclear missiles; and this breakthrough, in conjunction with Gorbachev's acceptance of unprecedented verification measures, led to the INF Treaty. Yet that measure, while significant, was principally of value as prelude, since the preponderance of nuclear weapons, in number and destructive power, fall into the strategic category. Fortunately, progress there has also been substantial. Indeed, before the close of the Reagan administration, United States and Soviet negotiators managed to construct a framework START agreement, breath-taking in its implications, under which the two superpowers would reduce their arsenals by 50%, eliminating literally thousands of missiles and nuclear warheads on each side. If implemented in conjunction with a cooperative verification regime, this plan would transform the very nature of the United States-Soviet relationship.

And yet, perhaps in recognition of this consequence, the United States side is now plagued by doubts about proceeding to finalize such a sweeping agreement. Having attacked previous arms control efforts for failing to produce major weapons reductions, some skeptics now question whether reductions would be "destabilizing." And having stressed for years that arms control must be accompanied by intrusive inspection, they now worry that such inspection could jeopardize American secrets. A skeptic might easily infer that the only arms control that will satisfy these shifting criteria is unilateral Soviet disarmament—an unlikely eventuality.

On conventional arms, meanwhile, Mr. Gorbachev has also demonstrated a willingness to break out of the status quo. In December, he announced a unilateral Soviet force reduction of 500,000 that will include a substantial draw-down of the Soviet offensive capability on the central front in Europe. And in the new Vienna talks on conventional arms, he has proposed a three-phased plan under which the Warsaw Pact and NATO would reduce to common ceilings well below NATO's current force levels. For its part, the Alliance has managed only the most timid and unpromising proposal. After months of bureaucratic labor, NATO offered to cut its tanks, artillery, and armored personnel carriers by some 5–10 percent if the Soviets would slash their own forces drastically. For example, NATO's offer is to eliminate 2,000 tanks in exchange for Soviet removal of some 36,000. Yet a bolder NATO approach would almost certainly prove at once more negotiable and more desirable. Reductions to considerably lower common ceilings would entail far less drastic asymmetries—perhaps 3:1 rather than 18:1. And they would yield greater benefits: A larger reduction in the Soviet presence in Eastern Europe, a higher level of economic savings, and, with an appropriate shift to more defensive force configurations, a more stable military balance.

Mr. Gorbachev's impetus is also apparent in recent movement toward solution of long-standing regional conflicts. He has, as promised, removed all

Soviet forces from Afghanistan; the Soviet-supported government in Vietnam is withdrawing from Cambodia; and the Soviet helped to underwrite the still-tenuous agreement in southern Africa providing for Namibia's long-delayed independence. In these areas, and in Central America, serious outstanding issues remain between the superpowers. But by renouncing support for the export of revolution, Mr. Gorbachev has broken sharply with past Soviet rhetoric; and it behooves the United States to test Gorbachev's genuine commitment to this new principle. What substantive steps, for example, is Gorbachev prepared to take to ensure that Soviet-supplied weapons are not transshipped by Cuba and Nicaragua to revolutionary movements elsewhere? Such critical questions will not find answers if the United States is unwilling to engage with Mr. Gorbachev in serious diplomacy.

Mr. President, I have no wish to criticize this administration as it seeks, during a time of great movement in world affairs, to formulate a sound policy toward the nation that has been our major adversary for nearly a half century. I believe that President Bush earnestly desires not only peace but progress in United States-Soviet relations. My only concern is that the United States not find itself so paralyzed by the counsels of caution that we fail to realize the full opportunities the Gorbachev era may present. At a time of unprecedented and progressive change in the Soviet empire, there is far more to be discussed in American policy than whether we should spend another $50 billion on MX or Midgetman missiles to cure a theoretical missile "vulnerability" problem that is more than a decade old.

The battle today within the Soviet empire is not as we have commonly envisaged it—between a Soviet monolith and tragically suppressed satellites straining to be free. Rather, the struggle is between those forces, within the Soviet Union and in Eastern Europe, who favor liberation and those who continue to cling to the traditional Marxist practices of centralized political and economic dictatorship. As Secretary of State Baker has emphasized, the outcome of this struggle will be determined primarily by internal forces. But I believe that American policy can help to strengthen those elements—in the Soviet Union, in Poland, in Hungary—who are now seeking to demonstrate not only the inherent value, but the practical superiority, of political and economic freedom. These countries are now on the threshold of pluralism, and American policy should do everything possible to welcome them across it.

THE 56TH ANNIVERSARY OF THE CIVILIAN CONSERVATION CORPS

Mr. THURMOND. Mr. President, I rise today to recognize a group of men and women whose hard work and accomplishments from 1933 to 1942 are still being felt by virtually every American. I am referring to the Civilian Conservation Corps which was established by President Franklin Roosevelt in March of 1933. It was the first New Deal agency specifically charged with providing relief for unemployed young people and veterans. Gov. Carroll Campbell of my State of South Carolina has formally proclaimed the month of April 1989 as "National Civilian Conservation Corps History Month."

Between 1933 and 1942, more than 4 million men and women were enrolled in the CCC. Enrollees ranged from age 17 to veterans of World War I in their thirties and forties. Camps were in every State plus Puerto Rico and the Virgin Islands, working on over 100 different kinds of projects. These men and women were responsible for building, rebuilding, planting, protecting, and restoring our Nation's natural resources. Some 4,000 fire observation towers were constructed, 3 billion trees were planted, miles of telephone lines were installed, and many forest trails were constructed. The enrollees planted nearly 3 billion trees, constructed over 150,000 miles of trails and roads, stretched over 85,000 miles of telephone lines, erected 4,000 fire towers, and built approximately 45,000 bridges and many buildings. Enrollees, who usually lived in camps of 200 people each, were paid $30 monthly for their work, $25 of which was sent home to their families. The Civilian Conservation Corps was abolished in 1942, not because of unpopularity, but because growing reemployment caused by World War II rendered its continued existence unnecessary. The accomplishments of the CCC are still being experienced today.

Mr. President, I ask unanimous consent that the text of the proclamation of "National Civilian Conservation Corps History Month" be printed in the RECORD, as follows:

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION ON NATIONAL CIVILIAN CONSERVATION CORPS HISTORY MONTH

Whereas, the Civilian Conservation Corps was an act of Congress signed into law by President Franklin Delano Roosevelt, March 30, 1933.

Whereas, April 7, 1933, the first Civilian Conservation Corps Camp was established in George Washington National Forest, Skyline Drive, Edinburg, VA. The camp was Company 322 (NF-I).

Whereas, April 1989 is the 56th anniversary of the CCC. Near four million men and women were enrolled from 1933 to 1942. Over one million men and women from all branches of the services and all walks of life were associated with the CCC operation.

Whereas, enrollees ranged from under 18 to veterans of World War I in their 30's and 40's. Camps were in every state plus Puerto Rico and Virgin Islands, working on over 100 different kinds of projects.

Whereas, the CCC became the greatest challenge of human relations in the history of our country. Military leaders from all services branches were challenged to the innate qualities of genuine leadership as the CCC were enrolled retaining civilian status subject only to Civil Law.

Whereas, when World War II was declared after Pearl Harbor December 7, 1941, the CCC was not funded for 1942: 85% of CCC pretrained men volunteered for duty in all branches of the services and contributed directly to a shorter war saving many lives and less costs.

Whereas, the accomplishments of building, rebuilding, planting, preserving, protecting, and restoring our natural and national resources from 1933 to 1942 are not recorded in our library or history books. CCC contributions to World War II from 1942-45 are not recorded.

Whereas, recording the potency, power and spirit of the CCC will influence and strengthen our national fibre, morals, conduct, beliefs, patriotism, and character. Utilizing CCC history from the hearts and minds of living former members can solve many of the problems of today.

Whereas, the CCC's are the largest group of forgotten men and women in the history of our country. Over 4 million CCC people have never been recognized or given credit for what they have done and the living are still doing for our country. Proclaiming April 1989 as the First Civilian Conservation Corps History Month will be a beacon of courage, faith, and hope for all who aspire to make our country a better place, one nation under God.

THE ADMINISTRATION'S AID PACKAGE TO POLAND

Mr. DIXON. Mr. President, I welcome the President's announcement of bilaterial aid for Poland. As a treasured friend, Poland is to be praised for the historic accord reached between the Government and Solidarity. Indeed, the legalization of Solidarity, just announced today, recognizes that people work best when they can work free of coercion and restraint. We must acknowledge this achievement and do whatever we can to foster greater freedom, self-determination and economic security.

The proposal announced by President Bush is a start. It is not all we can do. The administration's plan to reschedule some of Poland's debt and seek to ease some tariffs does not go far enough to meet all of Poland's needs to maintain the reform agenda. I look forward to discussing with my colleagues other ways in which to assist Poland.

The winds of freedom are blowing over Poland as never before in recent history, Mr. President. Its economy simply does not work. The average

Pole knows that. The Polish Government now seems to recognize that.

When the United States imposed sanctions on Poland for the imposition of martial law, a number of conditions were set which Poland had to conform to in order to have the sanctions lifted. Those conditions have been met. In fact, the actions of the Polish Government have gone beyond those conditions.

Who would have thought even 6 months ago that we would be standing on the floor of the Senate praising the Polish Government for reaching an accord with Solidarity which called for elections, greater opposition access to the media, and legalization of Solidarity?

Let us not lull ourselves into complacency, however. These initial steps along the path of freedom are fraught with danger. We must be on guard lest the Polish Government try to step backward and away from progress. You know what they say, Mr. President: once the toothpaste is out of the tube, it sure is tough to put it back. For Poland, freedom is out of the tube, so to speak. We must do what we can to see that the process toward greater freedom continues.

The problems facing Poland will take much time to resolve, Mr. President. No one has any illusions about the enormity of Poland's problems, both economically and domestically. One accord does not solve all the problems. But what a start.

I share the optimism of the people of Poland at this hour, and know that the folks back home along Milwaukee Avenue, and at the White Eagle, are popping open some champagne while holding their breath just a bit. So much has happened in Poland in a short amount of time. We must do what we can to make sure that freedom and economic security continue to develop. It is my goal, Mr. President, and I urge my colleagues to join me.

SOVIET FIST IN NICARAGUAN GLOVE

Mr. HELMS. Mr. President, I've just received an article written by a distinguished North Carolinian, James E. Wood, of Raleigh, in which Mr. Wood spells out eloquently who is the real enemy of freedom in Central America.

It is the Soviet Union, of course.

Jim Wood knows whereof he speaks. As a successful businessman, he has traveled extensively in Mexico and five Central American countries. He spent several months in Nicaragua during the Somoza years. He has discussed the Sandinista regime with many refugees from that ill-fated land.

It is too bad that Jim Wood could not have been on the Senate floor last week when the Senate passed a so-called Contra aid bill which the freedom fighters regard as a sellout to the Sandinistas.

In any event, Mr. President, I ask unanimous consent that Jim Wood's article be printed in the RECORD.

There being on objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET FIST IN NICARAGUAN GLOVE

(By James E. Wood)

Too many of us still don't seem to realize that the real threat to peace in Central America is not the Nicaraguan Sandinistas, per se, but the military and economic support given them by the Soviet Union and its allies. According to an article in the fall issue of Foreign Affairs, this support is estimated to run over a billion dollars a year. Hundreds of millions more than our late aid to the Contras.

The frightening result of this enormous outlay to date, is a Nicaraguan military establishment far better equipped, and numerically superior to that of all the other Central American countries combined. This puts Nicaragua in a position in Central America similar to the Soviet Union's position in Europe. The Soviets are the military bosses of Eastern Europe, and the Sandinistas the military bosses of Central America.

The only logical goal that could justify such a costly military buildup in Nicaragua would be the eventual Soviet control of all Central America, Panama and Mexico. Surely the Soviets are not going to all this trouble and continuing expense just to be neighborly and spread the "blessings" of communism? And now that we have stopped our military support of the Contras, the going should be much easier.

Isn't it naive, therefore, for anyone to believe that the communist Sandinistas have any idea of living up to their promises under the Arias peace plan, or that their Soviet-Cuban bosses would let them? They are proud to be allies of the powerful Soviet Union, and are confident that they will wind up on the winning side.

The Sandinista leaders know all too well that if they permitted genuine freedom of speech, freedom of assembly, a free press and free elections, they would not have a ghost of a chance to stay in power. Because of their ruthless treatment of the people under the repressive communist system, they would be voted out of office in a hurry. Remember how the Soviets had to use tanks and troops to impose communism on East Germany, Hungary and Czechoslovakia after World War II?

Senator Terry Sanford and others, seem to believe that the root-of-all-evil in Central America is poverty, and have worked out a Mini-Marshall plan of relief as an economic and political cure all. It could certainly bring a higher standard of living to the Central American people, which would be all to the good.

But, any economic aid that Nicaragua might receive under the plan would only lighten the economic burden on the Soviets in keeping the Sandinistas afloat. Nicaragua would still be the strongest military power in the area, and could intimidate its neighbors into doing its bidding and sharing the handouts.

We can be sure that President Daniel Ortega will welcome Senator Sanford's relief plan, and will milk it for all it's worth. He will make the promises required of him but will find excuses to break them in the future just as he has in the past. With the Soviets and Cubans backing him, who is down there that can force him to do otherwise?

President Reagan has been wrongly accused of seeking a military solution in Nicaragua. He did not seek it, it was forced on him by the Sandinistas themselves. They are the ones seeking it. Our aid to the Contras was purely a counter-force, trying to help patriotic Nicaraguans prevent the communist Sandinistas leaders from betraying the revolution and forcibly turning the country into a Soviet-Cuban-controlled police state.

Before that, President Carter had long since dropped Somoza and had advanced the Sandinistas over a hundred million dollars, more than the U.S. had given the Somozas during the previous twenty years. Carter would have kept right on helping to finance the new Nicaraguan government if the Sandinista leaders hadn't broken their promises to the people by going communist instead of domocratic.

Thus it was not, as some congressmen had thought, a case of the Sandinistas turning to the Soviets and Cubans because they had nowhere else to go. Daniel Ortega and his communist cohorts had been secret Soviet-Cuban agents for years, and were just waiting for Somoza's downfall to take over.

The near future of the Sandinistas in Nicaragua is probably more in the hands of Mikhail Gorbachev than anyone else. But regardless of all his glasnost and perestroika, he is hardly likely to give up his beachhead in Nicaragua any quicker than he would pull out of Cuba. Rumors of Castro falling out with Gorbachev are about as likely as a bear cub falling out with its mother. My guess is they are plants to fool gullible congressmen into lifting the Cuban embargo and easing the financial strain on the Soviet Union.

It is true that the Soviets are making sweeping changes in their political and economic system to improve efficiency and save money. But in view of the billions they have already invested in making Cuba a military powerhouse, and now doing the same in Nicaragua, we would be crazy to think they had anything in mind but something bigger for the future. How about the enormous new unloading docks the Soviets and Cubans are building on Nicaragua's east coast, across from Cuba? And the many new military airstrips, one at Punta Huerta with concrete runways two miles long and a yard thick, solid enough to take the biggest bombers in the Soviet arsenal?

Other than the U.S. itself, Mexico is perhaps the most strategic piece of real estate in the world for the Soviets to gain military control of. There they could mount their missiles and deploy their tanks and troops right at the Texas border. "Oh, but we would never let them do that!" Maybe, but don't we have over 300,000 fully-equipped American troops deployed right up to their Iron Curtain in Europe? Wouldn't the United Nations say, "Turnabout is Fair Play?"

Powerful Soviet armed forces just across the Mexican border? U-m-m-m, too close, much too close. Frightening! What if they got the drop on us one day and threatened to drench our cities with poison gas unless we surrendered immediately? Gassing a small Texas town while talking to show they meant business, and informing us that the Soviet people in their cities thousands of miles away, were already wearing gas masks in case we might retaliate could be crucial.

My God, what are we flirting with? Wouldn't another Hiroshima-like hijacking of a nation be inevitable? All it might take to pull it off would be Soviet guts and brinkmanship. And the weak and wishy-washy way we have responded to the Soviet military thrust into our hemisphere, is bound to have encouraged them to think that someday, somehow, maybe they might make that possibility come true.

Maybe so and maybe not! It could depend on what action we take now. Too many members of congress, however, are still croaking: "Give peace a chance! Let the Central American leaders decide how to bring it about." That's what the British and French appeasers said about the Balkan states fifty years ago when Hitler was gobbling them up. What can the weak and already intimidated Central American states do against the military power of the Soviet-Cuban backed Sandinistas?

Nothing! Without outside military aid, they can't do anything but give in. And that is why best bet to avoid a big war later, involving American forces, is to commit ourselves now to restructure the Nicaraguan Freedom Fighters and back them to the hilt with whatever it takes to win. And we should make the goal of that commitment loud and clear—to oust the communist Sandinistas from power, bring real democracy and freedom to the Nicaraguan people and end the Soviet threat to our interests and security in Central America.

GREATEST LIVING TEXAN

Mr. HELMS. Mr. President, last month they had a party down in Midland, TX, and they honored a great American who richly deserved the praise that was bestowed upon him.

I am confident that J. Evetts Haley was enormously embarrassed about it all. Evetts is a genial man, but he never likes to talk about himself. He loves this country passionately, and he has spent a lifetime proving it, over and over again. That does not mean that he is blind to America's problems, and certainly not to those who have caused them.

At the event in his honor, Evetts was prevailed upon to say a few words. He got up, cleared his throat, and said: "I relish my enemies. I have relished the fight." And when he was presented an honorary doctorate by Hillsdale College, he soberly said: "I should have done more, and I should have done it better."

Mr. President, I do not know how Evetts Haley could have done more, or how he could have done it better.

On March 25, William Murchison of the Dallas Morning News published a column headed, "The Greatest Living Texan." Two days earlier, the Midland, TX, Reporter-Telegram carried an editorial headed, "Haley Deserved Accolades Given." I ask unanimous consent, Mr. President, that both of these be printed in the RECORD at the conclusion of my remarks.

And I will conclude, Mr. President, by saying that I am personally very proud of Evetts and Ros Haley. They are two of the finest friends ever to bless my life. They are great Americans, and I shall always be grateful to have them as my friends, and to be theirs.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Dallas Morning News Mar. 25, 1989]

THE GREATEST LIVING TEXAN

(By William Murchison)

It was J. Evetts Haley Appreciation Day in Midland, duly proclaimed by the mayor. Friends and admirers of J. Evetts Haley barbecued the fatted calf. Hillsdale College, in Michigan, bestowed an honorary doctorate. "Do we call you Dr. Haley?" everyone joked. "Just J. Evetts," smiled the old cowhand. I can reliably report, having been there, that a high old time was had by all.

But rein up for a second. Am I invoking an unfamiliar name and reputation? If so, please excuse me for living so long. Time was, and it wasn't long ago, when everybody in Texas knew J. Evetts Haley—author, historian, cowman, raconteur, political gadfly and sometime candidate for the governorship. Which is not to say everyone worshiped him. It is to say everyone knew him, and most paid him the deep respect due a steel-trap mind, relentless energy and abiding courage and integrity.

Fame, in the ember years of the 20th century, flickers for a few seconds, then drifts up the chimney. Probably as many Texans in 1989 know Jerry Jones, who isn't even a Texan, as know J. Evetts Haley. But there are those, and I number myself among them, who would call Evetts, at age 87, the greatest living Texan. I do not know any viable competition. I honestly do not.

One thing Evetts is, and that beyond dispute—the greatest living Texas historian. Lee Milazzo, book critic of the Dallas Morning News, has likened the Haley canon—nearly 400 books, pamphlets and articles—to epic poetry, like "Beowulf." As a riding, roping cowboy, Mr. Haley understands his subject, the West of the cowboy, as well as anybody has ever understood it, and has dealt with it as felicitously.

A.C. Greene ranks "Charles Goodnight: Cowman and Plainsman," published in 1936, among the 50 most important books about Texas. You can bet your bottom dollar Larry McMurtry admires it. When writing "Lonesome Dove," Mr. McMurtry—how shall I put this?—appropriated from the Haley biography various episodes, the most notable being the business about the cattleman transporting his partner's body home to Texas. Charlie Goodnight transported his later partner's body home to Texas.

It is fascinating to contemplate the current fascination with "Lonesome Dove"; this proceeds, so we hear, from a widespread craving for heroic men and iron virtues. Which is Evetts Haley's specialty—the stern and the tough. Evetts likes, and exhibits for general admiration, men who keep their word, show courage, do the job, don't whimper, and treat women with respect—all those human characteristics that some time ago lost their social cachet.

Mr. Haley says this is not only how it used to be, it's how it should be. Professor M.E. Bradford of the University of Dallas likes to compare Mr. Haley to Plutarch (I trust we know who Plutarch was). Mr. Haley uses great lives to teach great truths and principles. J. Evetts Haley is a moralist and a teacher. It is some potent combination.

Potent and occasionally explosive. Describing Evetts Haley as a conservative is like calling St. Paul a country preacher: You get the outline but none of the explanatory detail.

Evetts, since the 1930s, has crusaded against communists, New Dealers, socialists and Great Society liberals—where he's not been able to perceive any difference among them. The University of Texas, which employed him to build its Western archives (he performed heroically in the job), cashiered him in 1939 for too vocally opposing the reelection of President Franklin Roosevelt. He was fervent in the '50s for public school textbooks that inculcated patriotism and civic virtue.

Evetts in 1956 ran for governor because no other candidate met his philosophical expectations. While campaigning, he advised farmers that a vote for Haley was a vote against government aid to agriculture. He got 88,000 votes out of 1.5 million cast. I have not asked him specifically, but my guess is that Evetts had the time of his life on the campaign trail. He was Charles Goodnight, riding the political range, spurring disdainfully through the ranks of the perfidious and the pusillanimous.

Gentlemanly liberals like A.C. Greene manage to compartmentalize their judgments of the Haley histories on the one hand and the Haley politics on the other. Many liberals are less charitable; to these, the old man is now and always was a blankety-blank reactionary. Evetts smiles indulgently. "I relish my enemies," he said, accepting his doctorate. "I have relished the fight."

If only he hadn't proceeded from there to a judgment I find gratuitous and regrettable. "I should have done more," he says, "and I ought to have done it better."

Hooey, Evetts. Buncombe and malarkey. You did more than almost anybody, and what you did, you did as well, and as memorable, as Charlie Goodnight; and if that's not enough for a riding, roping, writing Texan, I think we'd all better sell out and hit the trail for California.

[From the Midland, (TX) Reporter-Telegram, Mar. 23, 1989]

HALEY DESERVED ACCOLADES GIVEN

Few men know the character of the West Texas pioneer more thoroughly or the flavor of early-day life on the Texas plains more vividly than J. Evetts Haley of Midland. For many decades Haley has been researching and writing the history of this land and its people.

That lifetime of work will ensure that there is no historical void for this region.

Earlier this week about 200 of those who have walked the plains with Haley gathered to honor him with tributes and accolades. The gesture for the man hailed as "America's finest historical writer" was richly deserved.

A cowman, reseacher, historian and author, Haley's credentials in all the fields are impeccable. He excelled at his chosen profession because he followed a golden rule of good writing: know thoroughly your subject. That Haley adhered to that rule is evidenced by the awards bestowed upon him, including the honorary doctorate of human letters from Hillsdale College in Michigan.

During the appreciation day activities at Midland's Petroleum Club, numerous accolades were handed Haley by politicians, scholars, writers and others. But none was more accurate or appropriate than that of

the Dallas Morning News columnist Bill Murchison who termed Haley a "great man * * * and a great reader * * * because readers become thinkers, and thinkers become writers."

Haley set out to capture the essence of this region in the written word and as a result of his endeavors, the qualities of rugged independence, courage, and personal integrity that he recognized as traits of the people in this area will live on through his writings.

Haley's contributions to literature and the historical perspective of this region with help provide future West Texans an understanding of their roots. That is a valuable contribution.

ADMINISTRATION PROPOSAL TO EXTEND SPECIAL PRIVILEGES TO JAPANESE FISHERIES IN U.S. WATERS

Mr. MURKOWSKI. Mr. President, I have often come to the floor of the Senate to discuss the problem of high-seas salmon interception. I rise today on a related issue, to call the attention of my distinguished colleagues to a recent administration request for legislation allowing Japanese fishermen to resume taking salmon within the United States 200-mile zone.

As my friends and colleagues know, I am a strong supporter of our President; however, in this instance I have no choice but to oppose the position of the administration. I cannot agree to it.

The salmon and steelhead stocks of the United States are tremendously valuable resources commercially, recreationally, and biologically. They are also resources in great peril. Every single day for much of each year, the squid fishing fleets of Taiwan, Japan and Korea lay out in the North Pacific Ocean enough netting to stretch all the way around the world. In the process, they cause the death of hundreds of thousands of seabirds and marine mammals from entanglement and drowning, and in the northern latitudes, they also catch millions of valuable, but immature salmon and steelhead. The unintended effect of these fisheries is a tragedy of vast proportions.

Worse yet is the incontrovertible evidence that some of these vessels are not catching salmon by mistake, but by design. Last year, tens of thousands of tons of immature salmon from these fisheries were caught and marketed, and an equal quantity was probably wasted at sea. In some areas of Alaska, fully two-thirds of the expected harvest failed to materialize, and many of the fish that did return to U.S. rivers carried the netmarks and gashes left by their narrow escape.

The illogical waste of resources in these fisheries has been clearly recognized by Congress, which in 1987 passed legislation calling on the State Department to negotiate agreements allowing the effect of these fisheries to be monitored, and establishing trustworthy methods of preventing salmon piracy. The legislation also opened the door to the imposition of trade sanctions under the Pelly Act if such controls are not in place before July of this year. So far, despite repeated efforts, there is little sign that any one of the three countries involved is willing to agree on adequate measures, and it appears all too likely that we will indeed have to resort to the Pelly Act alternative.

At this point, to dispel any confusion, let me make it clear that the fishery for which the President seeks dispensation is not one of those under threat of sanction. It is a directed salmon harvest by vessels which transfer their catches to motherships for processing, and to which the United States agreed several years ago, after negotiations by the International North Pacific Fisheries Commission. Its only similarities to the outlaw fisheries I have described lie in the facts that it results in the interception of a significant number of salmon bound for U.S. rivers and streams, and that it uses similar nets.

Last year, this fishery was barred from operating by a judicial decision which struck down a required permit to take marine mammals in the course of fishing. An effort to reverse the decision failed, as did a last-ditch lobbying effort to gain an exemption from the requirements of the Marine Mammal Protection Act.

Let me also note that, of the three countries with high-seas squid fishing fleets, Japan has been the most cooperative in enforcing its laws against the taking of salmon, and against bringing illegally taken salmon into the Japanese marketplace.

I recognize and applaud the value of these efforts, and I would be very pleased to work toward resolving our remaining fisheries differences amicably. Unfortunately, these efforts are not enough, because controlling the influx of illegal salmon into Japan is only a small part of the issue. The real problem is the continued high-seas catch, no matter where it is marketed, or by whom it is caught, and the cooperation of Japan is vital.

Our most recent negotiations might have been able to provide acceptable alternatives both for the judicially outlawed Japanese salmon fishery and for adequate safeguards over the squid fleet. However, these talks were broken off on April 8, because the Government of Japan has decided unilaterally to expand its squid fishery into an area where it will catch more United States salmon, rather than less. Under the circumstances, the U.S. team made the only possible decision, and I commend them for doing so.

I sympathize with the dilemma of the administration. It feels an obligation to reestablish the conditions of the previous agreement with Japan, while at the same time it recognizes the damage caused by salmon interception. I also know, however, that Japan was aware that the court might take the course it did, and it passed up an opportunity to work out a compromise at that time. Since then, and despite its recognition that salmon and steelhead are under the jurisdiction of the country in which they spawn, it has also continued to resist the necessary changes to its squid fishery.

Mr. President, the recent oil spill in Prince William Sound focused a great deal of attention on Alaska and its natural resources, not the least of which are the salmon on which many Alaskans and others depend for their livelihood. Although we do not yet know what the long-term effects of the spill will be, we have had a forcible and unforgettable reminder of how fragile some resources can be.

Truly, Mr. President, this is not a time to retreat from the effort to preserve our salmon, but to redouble it.

TRIBUTE TO DR. JAMES A. WILSFORD

Mr. THURMOND. Mr. President, I rise today to bring an important accomplishment to the attention of my distinguished colleagues. Dr. James A. Wilsford, superintendent of Orangeburg County School District Five in South Carolina, recently received the "Superintendent of 1989" national award from the American Association of School Administrators.

Dr. Wilsford has dedicated his career to the betterment of the school system in Orangeburg and I sincerely hope that his fine example will serve as a beacon to guide school administrators throughout the Nation.

Given the vital importance of education, this achievement warrants special recognition. Education is one of the most valuable resources available to our youth—and our youth, as we well know, are the most valuable resource of our Nation.

I ask unanimous consent that the following editorial from the State newspaper be printed in full at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the State, Mar. 15, 1989]

SUPER SUPERINTENDENT

Orangeburg School District Five has received national accolades in recent years because of its students' tremendous improvement in basic skills test scores and reduced dropouts. Now the superintendent who has guided the district through this turn-around also has been tapped for national honor.

Recently, James A. Wilsford was named the nation's top superintendent of 1989 by the American Association of School Administrators. Dr. Wilsford was one of our finalists who were judged on four criteria—pro-

fessionalism, community involvement, leadership for learning and communications skills.

The 54-year-old educator credited his staff, school board and the 1984 Education Improvement Act with helping effect the turnaround by the district's students, 80 percent of whom are black and 70 percent of whom receive reduced price lunches.

But Dr. Wilsford, who took over the district in 1977, is not resting on his laurels.

"We have to look to educate the students in higher order skills and conceptual thinking," he said, to compete successfully against the Japanese, Germans and others in the worldwide economy of the 21st century. The foundation for improving academics, he said, will be laid with the district's kindergarten program, which will emphasize improved reading, writing and computer education programs.

Leaders like Dr. Wilsford have helped South Carolina begin the long process toward educational excellence. His successes, and those of Orangeburg District Five, should serve as a model for the entire state.

ALABAMA NATIVE, MS. NELLIE COOKE, HONORED

Mr. HEFLIN. Mr. President, I wish to pay a special tribute to a very distinguished native of Brighton, AL, Ms. Nellie Cooke.

In the January 8, 1989, issue of the Washington Post magazine, Ms. Cooke was on the front cover with some of her students from Shaw Junior High School. The byline, by Walt Harrington, read: "Why send your child to private school? Nellie Cooke, who teaches life as well as literature, comes free."

The feature article by Mr. Harrington, "Miss Cooke, She's Meeeean!" portrays her as a dedicated, determined, skilled, and very caring teacher who does what's necessary to reach the students in her English classes.

She traces her inspiration back to her roots in Brighton, AL—to her home, her community and her high school. She especially mentions her poor parents and their nine children—all of whom went to college, her high school principal, Mr. Charles A. Brown, and her 10th grade English teacher, Mr. Thomas B. Crawford, at Brighton High School.

On Wednesday, April 19, 1989, at the Sheraton Washington Hotel in Washington, DC, Ms. Cooke will be a recipient of one of the "Torchlighters Awards" presented by the Potomac chapter of the Links, Inc. The award will be presented to five honorees who have held their lights high in the Washington, DC, community as shining examples of achievement and service. The program will highlight the chapter's High Expectations Program, an educational and enrichment program for inner-city high school girls who are at risk of dropping out of high school.

Mr. President, the previously referenced Washington Post magazine article paints an extraordinarily graphic picture of the profound success Ms. Cooke has attained during her 15 years of teaching at Shaw Junior High School. She has also played a pivotal role in helping Shaw to earn the reputation of being one of the best public junior high schools in Washington, DC.

I regret that neither time nor space will permit me to insert the full text of the magazine article into the RECORD. However, Mr. President, I ask unanimous consent that selected excerpts be printed in the RECORD at this time.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[The Washington Post Magazine Jan. 8, 1989]

MISS COOKE, SHE'S MEEEEAN!

(By Walt Harrington)

Nellie Cooke has the power to change lives.

It is not a gift of providence, this power, but a result of work and pride and affection. It is the power of priests and football coaches. It also is the power of good teachers, and that is what Nellie Cooke is, a good teacher. She laughs and calls herself the best schoolteacher in Washington, although she knows there are many like her in the city and that she is a good teacher because so many good teachers have taught her well.

On some days, though, Nellie allows herself to believe she is the best. On those days, she has looked into the eyes of some Shaw Junior High School child and seen that child, for an instant, lost in whatever Nellie Cooke was saying—maybe something about pronouns or plots, but more likely something about life, about how to make it against the long odds Shaw's poor, black kids face. A child might be learning awkwardly on his elbow, not realizing that his arm is about to slip off his desk, or he might not have blinked for a long time. That's when Nellie Cooke knows she has reached that child, that she is getting through, that he will remember this moment—a moment Nellie Cooke is creating simultaneously for a youngster looking ahead and for herself looking back, a moment that is present, past and future all at once.

Nellie's life is like that. She still remembers the day her high school principal, Mr. Brown, in little Brighton, Ala., walked in and asked Nellie's teacher, "What are you teaching today?" The teacher answered, "Gerunds," and Mr. Brown turned to the class, pointer in hand, and said, "A verbal noun that ends in i-n-g." Nellie never forgot that. Just like she never forgot the way her high school English teacher, Mr. Crawford, always smelled of tasteful cologne. It was an exotic, sensual scent to young Nellie, whose own daddy, a foreman in a brick factory and a man she adored, always smelled of fresh soap. To this day, Nellie can still see Mr. Crawford as he walked up to her in the hallway one day while she was flirting with a now-forgotten boy. "Why are you wasting your time?" Mr. Crawford asked curtly. "You could be reading a book."

Nellie recalls these moments as gifts, and she believes she owes a great debt to those who created them. She repays those people every day, as she teaches Shaw's children English literature and grammer, and creates for them moments, flashes of self-revelation, meant to last forever. Naturally, Nellie Cooke didn't come to Shaw with all this so well conceived. No, she was a short, tiny woman of 24 back then, a country girl naive about the hard side of the city. She had never heard the word "ghetto." She had a momma, a daddy, eight brothers and sisters, a nice house. The city shocked, angered, even repelled her. But Nellie was always a good student, and, this time, she became her own best pupil.

Fifteen years later, Nellie Cooke is something of a legend at Shaw Junior High. New kids barely have time to get a locker before somebody has clued them in: "Don't mess with Miss Cooke, she's *meeeeean*!" Mean doesn't translate into vicious or nasty, but tough, hard-skinned, don't-take-any-crap-from-anybody. That is Nellie Cooke's reputation.

Her classroom manner is a blend of manipulation, intimidation, theatrics and affection. She once collapsed flat on the floor after some outrageous answer. She weaves "The Cosby Show" and Rambo, drugs, crime, God, greed and ambition into her lectures on English grammar ("What is more boring than an appositive phrase?" she asks). She breaks into a Frank Sinatra song, dances the cha-cha, jokes to a child that he's dumber than a bucket of mud. She'll take a whole period to rage against laziness. But get this: Her eighth-graders say it's an honor to be bawled out by Miss Cooke—it is proof that she cares. The recipe works. Her kids—in eighth grade now or in eighth grade 15 years ago—say it again and again: Miss Cooke changed my life.

The remember moments . . . Wanda Lewis is 26, but she remembers that when she got pregnant in high school and planned to drop out, it was Miss Cooke's voice from junior high that she heard: "Too many girls get pregnant, drop out of school and end up on welfare." Wanda listened to that voice, graduated eight months pregnant and went on to business college. Today she has a 9-year-old son and a good job. "Miss Cooke used to say to me, 'Wanda, I know you can do better. You can do better.' Nobody ever said that to me before. So I tried. And I did better."

Moments, moments . . . "I was so shy," recalls Bennett Gamble, a 21-year-old college student today. "Miss Cooke kept pushing me and pushing me. Many times in school, we stopped talking lessons and talked life. She would say, 'God made each one of us special, and we have own own special gifts.' "Bennett's moment came during Shaw's Black History Month assembly. Miss Cooke had handpicked him to go before Shaw's 1,000 students, plus guests, to deliver the Rev. Martin Luther King Jr.'s famous "I have a Dream" speech. She'd worked with him for weeks, helped him mimic King's voice, his every word and mannerism.

But Bennett was panicked.

Then Miss Cooke did this: She took Bennett Gamble by the shoulders and pulled him aside, looked him straight in the eye and said, slowly and firmly: "You'll do a good job." He did. Since that day, Bennett has given King's "I have a Dream" speech dozens of times. He has done it on radio, he has won awards for it. But each time, just before he gives that speech, he thinks of Miss Cooke, feels her hands on his shoulders and hears her say, slowly and firmly, "You'll do a good job."

"She was," says Bennett, "the bridge that brought me over."

"My momma said if you can think and get people to respect you, you'll make it," Nellie says. "That was their avenue. That's all they knew. That's all they ever heard grow-

ing up on a little dirt farm. You're talking right out of 'Huck Finn.' This is what they instilled in us."

As a girl, Nellie was a bookworm, quiet and introverted, but still tough enough to defend herself from the constant badgering of the five older kids. "Even then," jokes Nellie's older sister Dorothy, "she was meeeean." Like Nellie, Momma Cooke had been a shy girl, although she became an outgoing and assertive woman. She'd found herself in the church. So Momma Cooke made all the kids stand up in church and recite prayers or poems, take part in plays. Like her mother, Nellie discovered that a person could be shy inside, but a tiger, a performer, on the outside.

The Nellie Cooke who arrived at Shaw Junior High in 1973, wearing a huge Afro atop her skinny frame. Shaw was a shocker. Nellie had never understood why she'd been required to take so many college courses about how to motivate children. In respectable Brighton, Ala., Momma and Daddy were all the motivation a child needed. At Shaw, she discovered the great urban ills: kids living with one parent, kids roaming the streets at night, kids whose folks worked long, tiring hours, kids who hadn't known the joy of learning. There were plenty of children from strong, stable families, but they, too, had to walk a narrow and determined path to avoid the city's pitfalls.

Nellie's first class was made up of 19 boys who were the biggest troublemakers in Shaw. Their last teacher had left after the boys had forced him to cower under his desk one day. It was trial by fire. Nellie had never, known anyone like these boys. Some of them were 16 and 17 years old, still in junior high. They wouldn't do homework. Assignments had to be made, finished and graded in class because the boys had to see achievement instantly or they wouldn't even attempt it. They talked whenever they wanted. One boy, Gregory, would walk up with a paper, stand over Miss Cooke at her desk and sniff her perfume.

"Miss Cooke, Miss Cooke," the rest of the boys would holler. "Gregory's smellin' you again!"

"That's all right," Miss Cooke would say, "as long as he doesn't touch—and as long as he brings me a paper!"

Before the semester was out, Nellie Cooke had achieved a true first: She'd gotten her class of boys into, through and out of an entire schoolwide assembly without one of them being thrown out. Nellie was amazed at the pride they felt for having done this. It was a new way for her to judge achievement. Even today, that first class is her favorite class ever. The teacher had learned more than her students.

When Nellie Cooke thinks of that first class ever, she cries. It has become a moment remembered, like the moments from her own childhood. like dreams vividly recalled, such memories reach back to first and purest ambitions and motivations and symbolize lessons learned about what it takes to get ahead in life. Long after the moment is gone, its memory lives on as a source of inspiration—and inspiration is power.

It has worked in the life of Nellie Cooke.

It has worked in the lives of her students.

Today's lecture is on literary terms and the plot structure of an Edgar Allan Poe short story. Miss Cooke goes through rising action, climax, falling action, theme, mood, tone, characterization. Her eighth graders, almost all of whom read at the college level, raise their hands politely, give right and wrong answers, pay attention, Suddenly, someone is goofing off. "I'll wait," says Miss Cooke calmly.

Nellie Cooke is on a roll. Never, ever does she miss a chance to teach life as she sees it. Through Edgar Allan Poe and George Orwell, appositive phrases and Rambo, she weaves a plot that says life begun at the bottom is treacherous but winnable. Nellie Cooke tries not to think much about the children she cannot reach, those she cannot seem to help, because she, too, must keep up her spirits. Racism and disadvantage are real, she tells her students, but you gotta ignore that, kids! Too much sympathy is pity, and pity will drain you. The fable of the tortoise and the hare, that's what some of you are like, thinking you can win the race without effort, like Mr. Hare. There isn't time for that. Too many temptations, not enough opportunities, too few second chances. But if you shoot for the moon, children, you might just land on the rooftop. That's what my teachers taught me.

You can do it. You can do it. You can do it.

Class over, Nellie Cooke sits at a child's desk and talks.

"I'm not stupid. I know I can't just preach to them. I have to teach. But I'm saying we know what's best for our kids. We can save them. Honey, look who saved us. I tell them that on those slave ships, the strongest survived. The blood running through our veins is the strongest. These children and the lives they live were all new to me. I came to Shaw, then I saw it—children who, for whatever reason, their attendance was poor. You could'nt be defeated by it, you had to work around it. This is a calling, like being a minister.

"All my teachers were people who cared, they were people who disciplined. This is where I get it. I remember Brighton High. I will never forget. You never, ever forget. These black people shaped my life. Sometimes, even I think, 'What is wrong with these people that they don't care?' I look at some black people and say, 'You can do better.' Well, maybe they can't. Sometimes, I go down a street and all of a sudden I see one of my children in a doorway. I say to myself, 'God, this kid lives here?' Then I see him differently when he's in that chair. That child is doing wonderfully well! Take some Rhodes scholar and put him in that doorway at age 4 and see what happens.

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

The PRESIDING OFFICER. The Chair would advise Senators that under the previous order the Senate will now proceed to the consideration of S. 774, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 774) to reform, recapitalize, and consolidate the Federal Deposit Insurance System to enhance the regulatory and enforcement powers of the Federal financial institutions regulatory agencies, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I rise now on the savings and loan package that is before the Senate and do so, of course, as the new chairman of the Senate Banking Committee.

I wish to say at the outset that members of the committee worked very hard on an accelerated basis over the last several weeks to develop and produce this legislation. I am very grateful to all the members of the committee and the committee staff and the personal staff who worked so hard to enable us to bring this package to the Senate floor today.

The President some time ago asked us to move faster than we have ever done before on a legislative package on this side, and he did so because of the enormous losses that are continuing in the system and the need to get a remedy hammered out and in place just as soon as possible.

So the bill we bring to the floor today and which is on each Member's desk is a 564-page bill. I wish we could have done the job with fewer pages but in a sense it is a good illustration of how complex this particular issue is. Every line in here is needed and necessary and in important ways relates to every other aspect of the package.

In any event that is the matter that the Banking Committee puts before the Senate at this time.

I will at the outset make an initial set of comments, and I will insert in the RECORD some elaboration on some of the points that I will make in this introductory summary.

Before I begin, I say to my colleague, Senator GARN, from Utah, who previously served as the chairman of the committee, that he has been a wonderful help and colleague on this particular issue.

I say to him and all of his colleagues on his side of the aisle, as well as those on my side of the aisle, that the spirit in which we have been able to work together has really been crucial to hammering out a good deal in record time. I am grateful to him, as he knows, and appreciate the fact we are able to present this bill together today, it having been reported out of the committee with a unanimous vote of 21 to 0.

So I think it demonstrates that we have achieved a very substantial degree of consensus on a number of complicated issues here.

INTRODUCTION

The new administration has made deposit insurance its top domestic priority and rightly so. The thrift industry is in a crisis situation. The Federal Savings and Loan Insurance Corporation is presently insolvent and it has to be restored to financial solvency.

It is not surprising that American investors, both large and small investors, are justifiably concerned about the soundness of the Federal deposit insurance system. The situation de-

mands action, and we bring a package of action to the floor today.

COMMITTEE CONSIDERATION

This bill, S. 774, is a tough comprehensive response to the current crisis.

We have expedited consideration of the bill at the request of the President and at the urging of the leadership of the Senate we bring it to the floor today. It is my hope that we will act on it and pass it from the Senate early this week.

I would hope that we could operate on the floor in the same bipartisan spirit that we have operated in the committee.

OBJECTIVES

The act itself accomplishes three critical objectives in combination. These objectives will work to preserve a system of Federal deposit insurance in which all depositors can justifiably have confidence.

First, the act breaks the unfortunately close relationship between the thrift industry and its regulators. The act does this by separating the insurance, regulatory, credit, and promotional functions of the Federal Home Loan Bank Board from one another. The act places the insurance functions under the FDIC, the regulatory function under the Treasury Department, and the promotion and chartering functions under a new, independent, Federal Home Loan Bank Agency.

Second, the act curtails excessive risk-taking by federally insured thrifts. It imposes new capital requirements on thrifts. It places tight controls on the investment activities of State-chartered thrifts and their subsidiaries. These State-chartered thrifts are responsible for the lion's share of thrift losses. The act also strengthens the qualified thrift lender test to ensure that the benefits of Federal thrift charters do not flow to entities whose activities undermine the soundness of the industry. And the act places stronger controls on the commercial real estate lending authority of federally chartered thrifts.

Finally, the act clarifies and renews the Federal Government commitment to maintaining a vital and competitive thrift industry as an integral part of the Nation's housing finance system.

Many people ask how important the savings and loan industry is today in meeting the housing needs of our country. I should note that last year over half of all the mortgage origination activity done in the United States, individual mortgages and for families, were made by savings and loans.

So, while there are other competitors in that business if suddenly we were to see the savings and loan industry across the 50 States vanish from the picture we would have enormous disruption in mortgage lending and homeownership which is tough enough now for people to achieve and would just be that much more difficult for people to achieve.

So this is a vital industry. It needs to be preserved to meet that central public purpose, and that is also, I might say, the view of the Bush administration stated both by the President and by the Secretary of the Treasury in his testimony before our committee.

BACKGROUND

I will review some of the substantive provisions of the act in a few minutes. First, I want to describe some of the events that made this legislation necessary.

I wish to just review also at the outset some of the factors that led to the catastrophic system failure that we have seen take place in the savings and loan system and in the insurance system over roughly the last decade.

INFLATION

One of the first factors that began to undermine the industry was the inflation that came along in the late 1970's when wage and price inflation struck a double blow at industry profitability. Back in those days we had regulations that limited the amount of interest that could be paid by deposit-taking institutions and as interest rates shot way up, money moved out of the system into uninsured forms of investment. The savings and loans and for that matter banks as well found themselves in a situation where deposits were leaving, going to higher yielding investments down the street.

Second, thrifts lost money to inflation because assets were tied up in long-term mortgages yielding less than market rates of return, especially when we broke into high interest rates going up into the high teens.

DEREGULATION

In the early 1980's the Federal Government enacted several measures to restore the thrift industry to profitability.

The interest rate ceiling was removed and thrifts were allowed to engage in a variety of previously off-limits types of investments including commercial real estate lending. They were allowed to make adjustable mortgages.

State governments followed the lead of the National Government and in some cases went much further. Texas and California, in particular, removed virtually all restrictions on the investment activities of State-chartered thrifts. It is no coincidence that, according to Bank Board estimates we have gotten just in the last few days, that the failures of State-chartered thrifts in just two States, Texas and California, for last year amounted to 70 percent of all of the thrift losses in the country. We previously had a lower estimate than that, but the estimate has been revised upward. It also turns out that the same two States comprised 54 percent of all of the losses in the previous year, 1987.

So as we have gone behind that information to really understand the dynamics of how this problem developed, it is obvious at least to me that the very broad range of State powers and operating authority created patterns of risk that were unsound, and that these patterns have been one of the most critical, if not the most critical, factors in causing this system to experience the catastrophic failure that brings us to the floor today.

FRAUD AND INSIDER ABUSE

There was also a problem over the last several years in the area of fraud and insider abuse. In the wake of the deregulation that I just cited in the early eighties, many new players swarmed into the thrift business. Some clearly were crooks and con men hoping to gamble federally insured deposits into vast personal fortunes, in States that had a wide open charter. In California, for example, there were 235 applicants who sought permission to open thrifts between 1982 and 1984. That is a lot of people to come forward in a business where at least a certain amount of significant capital is needed at the outset.

Few of those were Jimmy Stewart-like thrift managers who regarded taking deposits as a matter of public trust and few subscribed to the industry's longstanding principles of conservative lending. Some of these high fliers lavished money on spectacular events, on very ornate offices, corporate jets, and limousines, exorbitant salaries and dividends, risky investments and, above all, bad loans, Many of them made loans or invested directly in windmill farms, toxic waste dumps, vast tracts of land held on speculation, and other highly leveraged investment categories.

Some of these investments were just plain foolish and imprudent, but later investigation has shown a widespread pattern of fraud and illegal conduct.

The House Committee on Government Operations and the Attorney General have both found that insider abuse was a major factor in thrift failures. The head of the Federal Thrift Regulators in California testifed that 5,384 incidences of suspected criminal activity had been reported to the Department of Justice in his district alone.

Now, there is in this legislation $50 million set aside for the Justice Department to go out after those individuals who defrauded the system and who looted the system, to track them down and bring them to justice and recover everything we can financially.

Senator BOND, who is on the floor, has had a very strong interest in that, as I have, and several others on the committee.

REGIONAL RECESSION

We had, in addition to those two major causes of this difficulty, a regional recession that was generally concentrated in the Southwest but very particularly in the State of Texas. Since the mid-1980's, the economy of that part of the country has taken a real beating. Among the eight regions of the country, the Southwest and Rocky Mountain regions ranked lowest in personal income growth, between 1982 and 1988.

Inevitably, a weak economy harms even strong conservative lenders and for weak, speculative lenders a weak economy can be devastating. Loans secured by overvalued property became large losses when property values fell very sharply. Real estate development loans turn sour when buyers or tenants fail to materialize. That is a major part of what capsized the system coming into the late eighties.

RESPONSE OF REGULATORS

Then there was a response of the regulators. As the thrift industry continued to deteriorate, the regulators generally downplayed the problems and, by and large, when actions were taken, usually moved to loosen the required standards. As balance sheets eroded, the regulators lowered the capital standard and allowed almost anything to count as capital.

To make matters worse, the Office of Personnel Management and the Office of Management and Budget foolishly limited the number and compensation of thrift examiners.

In fact, Senator GARN and I came to the floor to fight to set aside the restrictions of Gramm-Rudman-Hollings which were preventing the regulators from being able to hire the examiners that they needed to go out and to really supervise sufficiently the savings and loan industry. We had a big fight over that. We eventually won that, but there was a period of delay and that was really, I think, hurtful to this situtation.

We found, for example, that while assets of the California thrifts alone more than doubled form $130 billion to $270 billion between the years of 1982 and 1986, the examination staff increased by just a single individual, going from 84 to 85 individuals serving there. So we can see this enormous explosion in activity that needed monitoring and supervising in a regulated industry with Federal Deposit Insurance. But the monitoring just was not happening.

Moreover, we find in looking back that the turnover among examiners was very high because thrift examiners were just not compensated adequately.

EXTENT OF THE CURRENT PROBLEM

So these factors, among others that I mentioned, helped bring us to our current crisis. Thrift failures have cost the FSLIC an estimated $78 billion so far this decade. Nobody knows for sure how much more money it will take to resolve the problem once and for all. Responsible estimates range from $50 billion, on the one hand, to over $150 billion on the other. This is clearly a problem of unprecedented scale for us to have to face and solve.

The eventual cost of resolving the thrift will be the difference between the outstanding liabilities of insolvent thrifts and the value of their assets. As of December 31, 1988, 358 thrifts reported insolvency under Generally Accepted Accounting Principles [GAAP]. These thrifts had assets with a book value of about $100 billion, but nobody has estimated the actual market value of those assets. Another 396 thrifts reported capital to assets ratios of less than 3 percent under GAAP. Such thrifts are generally considered weak, and a portion of them will become insolvent soon. These weak thrifts had about $280 billion in assets at book value. Again, nobody knows the actual market value of their assets.

So this bill and legislation can properly be called emergency legislation intended primarily to provide funds to resolve current and expected failures of federally insured thrifts and to restore the value of insured deposits.

SUBSTANTIVE FEATURES OF THE BILL

By using every means available to us, this legislation also aims to prevent a recurrence of this massive systemic failure of the industry and its regulators.

Given the severe time constraints and the extraordinary complexity of the problem, I am satisfied that this is the best bill we could produce under the circumstance. But I also want to say at this point that if someone were to ask if this package, as well-crafted as I think it is under the circumstances, within the limitations that we find confining us, is this package absolutely a fail-safe package that will get the job done in the future and are we certain we can have that kind of an outcome, I would have to say that we cannot give that kind of a guarantee. We can say that it provides the best and the most prudent option for the S&L industry to restore itself over a period of time. But there is no certain guarantee that this plan or any plan will work exactly the way we would like it to. Future events could occur that would require further adjustments to this legislation as we go down the line.

I can say this on behalf of our committee: We are acutely sensitive to that possibility and we intend to be very vigorous in our oversight responsibilities on this legislation, the savings and loan system, and all other issues within our committee's jurisdiction. So that if we see further adjustments are needed down the line for one reason or another, we will bring that to light and we will cut on it just as rapidly as we posssibly can.

In general, the Financial Institutions Reform, Recovery and Enhancement Act of 1989, S. 774, responds to the crisis in the thrift industry in three ways.

First, the act provides an administrative and financial vehicle for raising and disbursing funds needed to resolve thrifts that have failed already or are expected to fail in the near future.

Second, the act creates new regulatory structures to preserve the soundness of the Federal deposit insurance system and Federal thrift regulation.

Third, the act places new limits on the abilities of both State and federally chartered thrifts to engage in excessively risky activities that pose substantial risk to the Federal Deposit Insurance System.

In addition, I am proud to report that this bill strengthens the administration's proposal in several important respects:

It provides stronger restrictions on the activities of State thrift institutions.

It strengthens the qualified thrift lender test.

It refines the Federal thrift charter.

It limits loans to one borrower and adopts new loan to value ratios.

It reforms thrift industry regulation to separate the credit and regulatory functions of the Federal Home Loan Banks.

And it provides the FDIC with new procedures for suspending the deposit insurance of any institution that has no tangible capital.

Having said that, I think we can, in fact, say that within the bounds of the situation that we find ourselves in, this package is the soundest and toughest package that we can put together, particularly in the time limits available to us.

I want to indicate, in terms of some of the structural inadequacies of the existing regulatory system, that we have moved in every way to change and substantially overhaul the structure of the system. By the nature of the legislation, the bill does not, as it cannot, legislate the judgment of future regulators, nor dones it try to micromanage their actions. There are things they must do in their capacity that we cannot undertake to direct them to do or do for them.

But, in setting the structural reforms in place, this bill does provide the insurance fund and the regulators with strong new tools to carefully control investment risks of all types and provides the means to take decisive action when they detect abuse.

FUNDING MEASURES

The FSLIC needs money to close insolvent thrifts and pay off their depositors. This bill provides every penny requested by the administra-

tion, including $50 million to pursue cases of fraud and to seek financial recovery. The bill creates a Resolution Funding Corporation owned by the Federal Home Loan Banks to borrow money in the capital markets for resolution of insolvent institutions. The Federal Home Loan Banks will repay the principal and some of the interest of what Refcorp obligations.

Refcorp borrowing will not count as Government spending for Gramm-Rudman purposes. Only Treasury's interest payments will be scored on-budget.

MEASURES TO RESTRUCTURE THE REGULATORY SYSTEM

Inadequacies in the existing system of thrift regulation have contributed significantly to the crisis in the industry. Many of these inadequacies are structural in nature. This bill radically reforms the existing regulatory structure in an effort to create a more vigorous and successful regulatory scheme.

1. CREATION OF THE RESOLUTION TRUST CORPORATION

One such change is the creation of the Resolution Trust Corporation to manage the staggering responsibility of disposing of failed thrifts and their asset. The latest estimate is some $400 billion worth of assets. The bill creates the Resolution Trust Corporation. It contemplates that the RTC, as it is called, will not become a huge bureaucracy but rather will contract with the FDIC and perhaps other entities for management of most of its responsibilities.

The bill improves upon the administration's proposal by incorporating a series of measures intended to safeguard against fraud and waste in the RTC's operations. First, the bill provides added expertise to the Oversight Board that will govern the RTC by including representatives of the private sector among its members. Second, the bill subjects agents and employees of the RTC to the same ethical safeguards that currently binds FDIC employees. Third, the bill establishes regional advisory boards to provide the RTC with additional insight into local conditions.

2. SEPARATION OF BANK BOARD FUNCTIONS

In another area, in the old S&L system, the Bank Board had too many conflicting responsibilities. It was supposed to regulate the thrift industry. At the same time, it chartered thrifts and promoted the industry. It also supervised the industry's insurance fund and was the overseer of the credit functions of the Federal Home Loan Banks.

History has proven that was unsound and unworkable. The different roles of the Bank Board necessarily conflict, and these conflicts work to the detriment of all concerned. The proposed bill includes three key measures that, in combination, will resolve these conflicts and drastically alter the regulatory context.

First, the bill removes the thrift industry's insurance fund from Bank Board supervision. The bill places the insurance fund, renamed the Savings Association Insurance Fund [SAIF], under the administration of the FDIC.

Second, the bill creates a new bureau within the Treasury Department, the Office of Savings Associations, to serve as the new center of regulatory functions previously exercised by employees of the Federal Home Loan Banks under Bank Board authority.

Third, the bill abolishes the existing Bank Board and replaces it with a new agency, the Federal Home Loan Bank Agency, to be known as FHLBA. while the Bank Board had many functions, the FHLBA will have just one: to monitor the credit activities of the Federal Home Loan Banks.

MEASURES TO CURTAIL EXCESSIVE RISK TAKING

In addition to the structural reforms outlined above, this bill would enact a host of substantive reforms to existing regulations of thrift activities. The most important reforms are as follows. First, in the area of capital standards, the administration proposed strong, new capital standards, and a target compliance date of June 1, 1991. This bill follows the administration's proposal in most respects.

There are two standards. Under this bill, both banks and thrifts will have to satisfy two capital tests as of June 1, 1991. First, they will have to comply with a risk-based capital standard. As a backstop, we have also imposed a second, more traditional, standard, called a leverage ratio. It is an absolute floor below which capital can not fall. The current leverage ratio for banks is 6 percent of assets. As of June 1, 1991, the leverage ratio for thrifts will have to equal or exceed that in effect for commercial banks.

The other important capital issue is what actually counts as capital. Up to now, lots of things have counted as capital that will not count toward the leverage ratio standard under this bill—things like deferred losses and long term liabilities. Most importantly, the bill phases out the inclusion of goodwill in capital calculation. To prevent a massive shock to an already struggling industry, the bill permits thrifts to phase out their goodwill over as much as 25 years. In addition, the bill prohibits both banks and thrifts from counting as capital any goodwill they acquire in transactions consummated after April 12, 1989. The insurance regulator however has the power to withdraw deposit insurance from any institution whose capital position is determined to be unsafe and unsound and a risk to the insurance fund.

Although the new capital standards will apply in June 1991 thrifts that do not meet the higher standards now will have to submit a plan outlining a prudent course for reaching the new standard by the deadline. After 1991, any remaining undercapitalized thrifts will have their growth restricted to residential mortgage lending and other low-risk activities, and all this restricted growth will have to be supported by tangible capital.

Also, we have moved in the area of what we call early intervention. Thrifts whose stated "capital" consists solely of goodwill, have no real capital. Thrifts such as these are the ones most prone to jeopardize the insurance fund by all kinds of risky activity. This bill empowers the FDIC to step in and terminate its insurance, if it does not approve the business plan of the individual thrift. It is an absolute regulatory safeguard.

In recent years, regulators have permitted thrifts and their subsidiaries to engage in a wide range of risky activities. This bill would curtail such activities by making existing regulations substantially tougher in a number of areas.

Current law for example, permits thrifts to make commercial real estate loans of up to 40 percent of their assets. This is too high. The FSLIC has lost large sums of money because of the commercial real estate losses at scores of failed thrifts. This bill restricts commercial real estate lending by federally insured thrifts to four times the thrift's capital, and that is a much lower and sounder standard.

Current regulations permit thrifts to loan up to 100 percent of their capital to a single borrower. That needed to be changed. It only takes a single default on a loan for 100 percent of a thrift's capital to render the thrift insolvent. Such foolish concentrations of assets should not be permitted. Commercial banks, by contrast, may lend only 15 percent of their capital to a single borrower. With limited exceptions, this bill would subject thrifts to the same restrictions.

This is a very important area I am about to touch on. I have mentioned it earlier, and that is the area the State-chartered thrifts and the powers that States have granted that go way beyond the Federal operating charter but nevertheless are connected to Federal Deposit Insurance. We have just learned over the weekend in the revised figures that 70 percent, 70 percent of all FSLIC expenditures in 1988, that is money out of the insurance fund, went to pay for problems created by State-chartered thrifts in Texas and California, just two States absorbing 70 percent of the national losses last year; those same two States absorbing 54 percent of the national losses in the year before that, 1987.

We can debate this but I think the facts are clear, that excessive State

powers were a fundamental cause of those enormous losses in those particular States and others like them.

We cannot let irresponsible State legislatures hold the keys to the Federal Deposit Insurance Fund. This bill substantially curtails the ability of State-chartered thrifts to make risky investments with federally insured deposits. The bill would give the FDIC the power to declare by regulation, or on a case-by-case basis, that particular types or levels of nontraditional activities are unsafe. If they make such a finding, they can act to prevent it.

Direct investments are also prohibited. Numerous State-chartered thrifts have taken advantage of the freedoms granted by State legislatures to invest directly in windmill farms, fast food franchises, car washes, innumerable real estate development projects, and all kinds of other enterprises. Investments like these are too risky a use of federally insured deposits. This bill completely prohibits direct investments by federally insured thrifts. If the owners of a thrift want to make investments like these, they must do so with a separately capitalized subsidiary cut off from Federal deposit insurance in the future.

Many thrifts have invested in the lower grade corporate debt securities known as junk bonds. Such debt carries a higher yield, but also a higher risk than investment grade debt securities. The proposed bill limits junk bond investments by State-chartered thrifts and their subsidiaries to the amount that a federally chartered thrift could make directly. State-chartered thrifts may hold more than this amount of junk bonds only with FDIC approval. The bill gives the FDIC additional powers to minimize its exposure from junk bond holdings it believes to be especially risky.

Next, let me just mention what we call firewall provisions. The administration's bill proposed certain restrictions on transactions between a thrift and its affiliates. The committee agreed that these transactions needed to be limited. Private capital—not depositor's funds—should be used to support the activities of companies affiliated with insured institutions. Accordingly, this bill allows thrifts and their affiliates to engage only in transactions permissible for banks and their affiliates under sections 23A and 23B of the Federal Reserve Act, and only when the thrift's affiliate is engaged in activities permissible for a bank holding company.

To summarize, the problems of the thrift industry cannot wait. The committee's staff and all involved have been working 7 days a week since the outset of this session of Congress to bring this legislation to the floor in solid and sensible shape in terms of its content and to get it enacted so that we can stop the losses that are going on at the present time.

The estimates are that losses today in savings and loans that need to be dealt with by a replenished insurance fund are running somewhere between $500 million and $1 billion a month. That is every 30 days. So there is a lot of money at stake here in the future, in terms of future loses that can be prevented and should be prevented.

That is one of the reasons why it is essential that we act quickly and put these reforms in place that can deal with this problem.

I want to say also, to the President and to the administration that I appreciate the fact that they moved quickly in bringing a bill to us. They, in turn, asked us to move quickly. We have worked closely together with them. We have not seen eye to eye on each and every issue, but we have on most issues, and I think, in fact, we produced a bill that is, in some important respects, even tougher in areas where it needs to be.

We have had one difference on the funding side. I will not belabor that point here, but I have felt from the very beginning and have been asked by my colleagues on both sides of the aisle, see if you can find a way to make this package cost less so you get the job done but you do not make the taxpayers pay any more than they otherwise are going to be required to pay. So we worked very hard to find a way to shave down the costs. We feel we did find such a way. It involves how we handle the accounting recognition of the losses that have taken place, but if we do it in a direct, on-budget fashion, we can actually then finance directly through the Treasury to borrow the money that has to be raised and we can do it at a lower interest cost and save the American people $4.5 billion over the 30 years of this program, or roughly $150 million a year.

To me that is a lot of money. I know around this town we deal in large amounts and after a while, if we are talking about a problem that is in excess of $150 billion, there is a question as to how much that amount of savings on the margin really amounts to. I think it amounts to enough that it was really worth fighting to try to save it. We have received editorial support for that position from the New York Times, Wall Street Journal, the Washington Post, and others who have taken a close look at our financing proposal versus the administration's.

However, the administration feels very strongly on this issue and has threatened to veto over that issue. They have threatened an extended debate here on the Senate floor that would delay action if we were to pursue that course. It was debated in the Senate Banking Committee. It was defeated by a margin of a single vote and that, in my view, reflects the view of the committee that is, therefore, necessarily and properly incorporated into the bill that we bring to the floor today.

I do not propose to rehash in any great detail that particular issue, except to say I felt strongly about it and feel strongly about it now. I felt we had made a good effort to find a way to get the costs down. Let us not forget, we have wrung every dime we know how to wring out of the savings and loan industry, in the condition they find themselves in. So any additional costs have to be carried by the taxpayer, and that means any additional cost that we can prevent saves the taxpayer. So that was our purpose and that is why we developed it as we did.

I repeat again, there are no guarantees on this. We have done the best job we know how to do in terms of putting this package together within the constraints and the realities that are out there. There are a lot of savings and loans today that are struggling. We think we have provided the kind of rational and prudent stairsteps for them to climb over a period of time up to a stronger position. Not all will make it. We tried to do it in a way that protects the solvency of the system and will allow as many as possible to make it. Those that do not make it or if the system is altered in a way that causes more thrifts in the future to slide backward and slide into insolvency, then those just increase the costs to our Government and increase the cost to taxpayers.

So we have been very sensitive to try to balance the job of crafting a national thrift charter that can be profitable, that can meet the public interests, that can attract capital, but do it in a safe and sound, prudent manner that can protect the solvency of the insurance fund in the future.

We think this bill structures this balance as well as it is possible to do, given the facts that we face. So I have some real sense of pride about the work that the committee has done, and that is why it comes to the floor today with the unanimous vote of 21 to 0. I reserve the remainder of my time.

ORDER FOR STAR PRINT

Mr. RIEGLE. Mr. President, I ask unanimous consent that there be a star print of the report on S. 774, the savings and loan bill, to reflect the changes that I now send to the desk.

The PRESIDING OFFICER (Mr. BRYAN). Without objection, it is so ordered.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. GARN. Mr. President, today we begin debate on one of the most im-

portant financial pieces of legislation of the last 50 years. S. 774, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 will give the regulators the two tools they need to clean up the savings and loan mess—money and regulatory reform. It is long overdue, but we now have a consensus package that addresses the fundamental problems of the thrift industry head on.

As the Washington Post said earlier this week, the bill is "tough, sharp and fair." I urge my colleagues to strongly support the bill because we may have a long fight ahead with the House of Representatives.

That is why I join Chairman RIEGLE in opposing all controversial amendments. The bill the Senate has before it is a carefully constructed compromise that attracted the unanimous support of the committee. Extraneous and controversial amendments could upset that balance and lead us into bickering and delays that we simply cannot afford. Let me remind my colleagues that by some estimates, we are losing as much as $1 billion per month, which is why we must pass this bill now.

Before I comment on particular aspects of this legislation, I want to say a few words about what President Bush has done with this legislation and what Senator RIEGLE has done to strengthen it. Over the last 10 years, Congress, two administrations and the regulators have taken a variety of piecemeal actions to try to address the problem. In some cases, action was simply delayed. In others, temporary Band-aids were applied where massive surgery was required. In still others, the industry simply persuaded Congress and the regulators to go easy on them.

As a result of these actions and a regional depression in the Southwest, President Bush took office facing a financial crisis of unprecedented size. He could have tried to take the easy path of dealing with the problem in some sort of piecemeal way, as has been done in the past. He also could have tried to hide the problem from the American public. But he took neither course of action. Instead, he stepped right up to the plate within weeks of his inauguration with a massive plan to address the problem, $126 billion over 10 years with taxpayers on the hook for a big chunk of the cash. He also laid down the most important ground rule of this debate: No funds would be provided without reform of the industry and its regulations.

Under this framework, the President proposed sweeping reforms that would sever the industry's coziness with its regulator, consolidate the insurance function under one regulator, and impose tough new capital requirements on all thrifts. This plan also put new restraints on the powers of State-chartered thrifts, many of whom had been taking excessive risks with depositors' money.

Even his critics acknowledge that the President has showed extraordinary leadership in moving so quickly with such a comprehensive plan. Significant changes have been made along the way, more significant exchanges will come. But the guts of the administration plan has survived intact. That is the mark of a good, solid plan that has been pushed forward with good, solid leadership. I believe the President has done an outstanding job with this legislation.

I do not mean to suggest, however, that the leadership stopped with the President or his administration. The entire Senate Banking Committee took an active role in making the President's package even better and stronger. One person in particular played the leading role in shaping the Senate bill, forging a unanimous consensus to report it out of the committee. That was my friend and colleague, the Senator from Michigan.

I might add, rather unknown to most people, that Senator RIEGLE played a role in trying to help me solve this problem in 1986. I said it many times in committee, but I greatly regret the fact that we have to be here today. I think it is fair to say that we would not be here today talking about a $126 billion problem if we had passed the $15 billion in FSLIC recapitalization in October of 1986 that Senator RIEGLE and I tried so hard to enact.

I go back with just a little bit of history and my irritation with the House and why, when we talk about capital standards, this body must stick with the tough capital standards in this bill. We must not yield once again, as the House of Representatives has in its bill, to industry efforts to weaken those standards. I hope that when we finish and go to conference, the Senate will simply say that it will not accept any watering down of capital standards.

But to go back to 1986, as chairman of the Senate Banking Committee, I simply decided that there should be nothing else before the committee except a legislative plan to solve the thrift problem. At the time I had a very large banking bill that I had been working on for 2 years. In July 1986, I stood on this floor and I said, "I am withdrawing the entire banking package except for a $15 billion FSLIC recapitalization plan. That is all the Senate Banking Committee should accomplish during 1986, just to put a finger in the dike."

On the very last night of that session, we were having trouble here on the floor. We walked back into the anteroom behind the Presiding Officer's chair and Senator RIEGLE talked to his colleagues on the Democratic side and said, "We need to let the chairman's bill go through."

At 1 o'clock in the morning, on Saturday, when we passed that bill, the House of Representatives would not accept it without adding a massive housing authorization bill. They would not let it go through clean. It ping ponged back and forth several times between this body and the other body. Finally, the House simply decided not to accept a clean bill under any circumstances.

Not only that, but title I and title II of the 1982 Garn-St Germain Act, which gave the regulators such emergency powers as the authority to merge troubled thrifts across State lines, expired on September 30, 1986. The House of Representatives not only did not give the Federal Home Loan Bank Board new authority and $15 billion to deal with this problem nearly 2½ years ago, but it also did not extend the emergency procedures that had been in effect for 4 years.

So we left session without new authority, without new money, and taking away existing emergency powers that the agencies had had for 4 years.

The kindest thing I can say about the House in doing that is total irresponsibility. As has been said many times, there is enough blame to go around, and there is, but if you want to single out the No. 1 culprit it is the House of Representatives which killed that bill in October 1986.

Now, I am not going to insult anybody's intelligence by saying that if we had passed that $15 billion bill, it would have solved the problem. But I think it is safe to say the problem would be at least half what it is today because that $15 billion would have provided funds to close down a lot of those brain-dead institutions before they continued to grow and before they continued to make bad loans. It would have greatly lessened the problem—at least by half.

So now it is the House once again that is weakening capital standards. When do they learn? When do they quit yielding to the special interest groups that caused the problem to begin with and come up with a tough bill? I hope my colleagues understand that the Senate bill is a tough bill in many, many respects and it should not be watered down.

I can tell you from experience it is not easy to move your first bill through a committee as chairman, especially when it is a major piece of legislation. Senator RIEGLE picked one of the biggest banking bills in the last 50 years for his debut, and he has moved it through the committee like a 50-year veteran.

Since assuming the chairmanship in January, he has consistently stressed the importance of moving swiftly with

FSLIC legislation. He has also consistently stressed the importance of having a legislative package that not only provides funds to meet the Government's commitment to insured depositors but also deals with regulatory structure, thrift powers and, most importantly, thrift capital. I could not agree more with the chairman on all of these points.

Chairman RIEGLE began hearings on problems in the thrift industry at the end of January, 3 weeks before Congress even received the administration's legislative proposals for dealing with the issues. Once that package was received, the chairman cleared the committee's agenda of most other items and led the committee through an ambitious hearing schedule: 14 hearings in 5 weeks. In all, the committee has held 18 days of hearings since January in preparation for last week's markup.

Two weeks ago my friend from Michigan convened a series of three caucuses in his office for committee members at which we hammered out the committee print that became the markup vehicle for the bill before us today. The chairman had clear ideas of where he wanted the committee to go, but he listened carefully to all the views that were expressed in those meetings. He brokered key compromises on several points. But in the end he put his own stamp on the President's bill that toughened the regulation that applies to thrifts, particularly State-chartered thrifts.

The result is a document that reflected a true consensus of committee sentiment.

Obviously, each of us could write our own bill; there would be many things I would change if it were mine. If it were his, he could do the same, and other members of the committee would feel the same way. But the committee print was a compromise of all our views, it attracted few controversial amendments and it passed the committee unanimously on a rollcall vote of 21 to nothing. That is a remarkable accomplishment when you have a 550-page bill with highly controversial and emotional issues.

As a result, what the Senate now has before it is a bill that is overwhelmingly supported on a bipartisan basis. That is a tribute to the leadership of Senator RIEGLE. I hope I can make exactly the same statement when we finish with full Senate action on the bill.

Let me now turn to several aspects of the bill that I believe require special comment.

FUNDING

The bill provides funds through a combination of thrift industry borrowing and direct Federal aid. Over the next 2½ years, $50 billion of thrift industry money will pour into the deposit insurance fund to help close or merge insolvent thrifts. Another $32 billion of private and public funds will follow for the years 1992 through 1999. And throughout this period the Federal Government will be on the hook for interest payments on industry bonds and payments due in connection with old cases.

All told, the administration projects the problem to cost over $120 billion during the next 10 years, with the Federal Government picking up at least $40 billion of the tab. This staggering projection provides a good picture of the magnitude of the problem. It is truly mind-boggling.

Some of my colleagues and many of my constituents have asked me why the Federal Government should pay out these vast sums, especially when we have tight budget constraints and so many other pressing problems. They have heard about the abuses of the thrift industry—the windmill farms, fried chicken franchises, and raw land deals—and they do not want their tax dollars to bailout the speculators and crooks. Neither does the Senate Banking Committee.

I understand exactly why people ask these questions, especially with all the media attention that has been paid to thrift industry abuses. But there are two straightforward answers.

First, we simply have no choice about paying these huge amounts. The U.S. Government stands behind the deposits of every depositor in the United States up to $100,000. With all the thrift failures across the country, it will cost the enormous sums I have just described to make these depositors whole. But the price, as large as it is, must be paid to keep the Government's word and to maintain confidence in the system.

I want to emphasize this last point. The full faith and credit of the U.S. Government stands behind the insured deposits of every depositor in this country. We will pay whatever it takes to make good on this pledge, no matter how many thrift and bank failures we may have.

The second answer is that we are not bailing out the speculators and crooks who ran some of these thrifts into the ground. Federal money is only used to make depositors whole; not one cent has been or will be used to bail out the shareholders and management of bankrupt thrifts.

Let me return now to the key issues involved in how this plan will be funded. First, as I mentioned above, the plan proposes sensible cost sharing between Government and industry.

The Treasury would assume responsibility for the net cost of old deals. Industry would borrow the $50 billion to clean up the current overhang of insolvencies, with Treasury paying a substantial portion of the interest on those obligations. And during the 1990's, Treasury would cover most resolution costs that may arise so that industry has time to rebuild its insurance fund from insurance premiums collected during that period.

Some have argued that creation of an off-budget funding entity, Refcorp, to raise the $50 billion to eliminate insolvent institutions is an unjustifiable budget gimmick. While a $123 billion plan that adds only $40 billion to outlays does smack of gimmickry, its main contribution to the plan is to ensure that industry pays its fair share of total costs. Industry must repay the principal and share the cost of the interest.

Considerable debate in committee focused on means to raise necessary funds at low cost through Treasury borrowing. It was argued that this could save $4.5 billion over 30 years without triggering Gramm-Rudman problems in fiscal year 1990. After considerable debate, the committee decided that the benefits of lower cost could not be convincingly demonstrated and that problems of sequestration in fiscal year 1990 could not be escaped.

Because the administration threatened a veto over any changes in the funding mechanism and the benefits were so nebulous, the committee adopted the administration's financing plan. I intend to reject any effort to alter this formula on the floor and believe there will be strong bipartisan support to maintain the funding portion of the plan.

CAPITAL

Let me add a few brief words about the capital provisions in this bill. S. 774 seeks to guarantee that problems like those in the thrift industry today will never arise again and that taxpayers will never again be asked to help bail out a thrift deposit insurance fund. The enhanced capital requirements in S. 774, particularly the requirements for real tangible capital in thrift institutions, are the critical elements to prevent a reoccurrence and to protect taxpayers.

Make no mistake about it, any amendment that would undermine these strengthened capital requirements would invite a reoccurrence of the very problems this bill is designed to address, and any such amendment would expose taxpayers to the risk of having to pick up the tab for another deposit-insurance bailout in the future. Thrift institutions that operate with little or no real tangible capital have a perverse incentive that can best be described as: "Heads I win, tails the Government loses." That is why I have mentioned capital so many times in this opening statement.

I am happy to say that the Senate bill follows the lead of the administration's legislative proposal in mandating that thrifts back their activities with real tangible capital. I under-

stand that the House of Representatives succumbed once again last week to thrift industry pressure and voted to gut part of the administration's capital requirements. To vote for a proposal like that you would have to completely ignore recent history.

To its credit, the Senate has thus far resisted the industry pressure that overwhelmed the House Banking Committee. In fact, the bill before us today is even tougher than the administration proposal in allowing the FDIC to shut down immediately any institution that has no tangible capital.

As I said before, I will oppose all controversial amendments to this bill. But I will especially oppose any forbearance amendments that would weaken the bill's requirement that thrifts raise real tangible capital. It is time to stop letting thrift owners throw the dice without any of their own money at stake.

OTHER ISSUES

The bill imposes important new restrictions on a State's ability to grant broad powers to its State-chartered institutions that pose a serious risk to the Federal Deposit Insurance Fund. While Chairman RIEGLE did not get everything he wanted in this area, he did achieve important new protections for the insurance fund and for taxpayers. The bill also makes some important changes in the regulatory structure for thrifts. Most importantly, the insurance function is separated from the regulatory function.

Finally, the bill proposes putting the thrift supervision and regulation functions now performed by the Federal Home Loan Bank Board into a new entity, the Chairman of the Office of Savings Associations, under the Treasury Department. I see inadequate justification for adding this additional layer of bureaucracy, but at least the print gives the new entity considerable independence. Moreover, the regional Federal Home Loan Banks are kept independent of the Treasury.

While much work has already been done to prepare for today's floor action, a great deal of work remains to be done. It is important to maintain the momentum that has been developed under Chairman RIEGLE's leadership. The cost of delay would be just too great. Once again, I urge my colleagues to send this bill to the President's desk just as soon as we possibly can.

Mr. RIEGLE. Mr. President, I want to express my very deep appreciation to the Senator from Utah for his very kind personal comments. He sets a work standard that few of us can match around here, both in terms of effort and quality of work. I am very grateful for his warm comments, and say again how much I enjoy being able to work together. I think we really have great teamwork on our committee. I thank every Member for that.

I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DIXON. Mr. President, a little over 2 months ago President Bush announced that he would send to Congress major legislation to resolve the problems of the thrift industry and its deposit insurance fund. Fifty-three days ago, Treasury Secretary Brady unveiled the administration's proposal, the Financial Institutions Reform, Recovery, and Enforcement Act. In these past 53 days, the Banking Committee has held extensive hearings and discussions to review and to try to improve the administration's bill.

S. 774, the committee reported financing and regulatory reform proposal, is not perfect. However, it is sound legislation. As a member of the Banking Committee, I am very proud of the bill the committee produced, led by our distinguished new chairman, DON RIEGLE, and our ranking minority member, Senator GARN.

We faced several fundamental questions in committee: Should there be a separate thrift industry? How can we prevent a reoccurrence of this crisis? How can we minimize its cost? And, how should we pay for the mess?

We answered those four questions. Yes, there should be a separate thrift industry. The thrift industry historically has promoted homeownership by financing home mortgages. Generally, thrifts that stayed with home mortgage financing are not in trouble today. S. 774 tightens up the qualified thrift lender test so that the thrift industry will focus on this important public purpose.

We currently have just over 2,900 thrifts in the United States. About 500 of those thrifts are insolvent or likely will be insolvent within the next 3 years. Almost 1,700 thrifts are sound—well capitalized, profitable, paying their premiums, and paying their taxes. That leaves, of course, around 700 thrifts which are undercapitalized, according to the tough new capital standards that this bill requires by 1991.

How can we prevent a reoccurrence of the thrift crisis? First, with real capital—capital that puts a cushion between thrift losses and the Federal insurance fund. We have set up tough standards in this bill. If a thrift doesn't meet the new capital standards in the bill by 1991, then it may not grow. Second, by separating the thrift insurers from the industry's regulators. Third, by restricting certain risky activities. In this regard, the committee set standards even more stringent than the administration had requested—thanks to the chairman and the ranking member and their staff effort—and, fourth, by allowing the FDIC to intervene when an institution first starts to get into trouble. A major part of the massive FSLIC losses we are now facing could have been avoided by such early intervention.

The next question we have to answer was, "How can we minimize the cost of this mess?" The most important answer is, "fast action." Every day of delay costs around $35 million. Insolvent thrifts are hemorrhaging, and healthy ones are losing their deposits. In fact, deposit outflow for the past 5 months probably has been more than $40 billion. These mounting losses and deposit outflows are why I urge my colleagues to enact this bill quickly.

In addition to fast action, and the cutbacks in risky activities I mentioned before, there are two other important factors in minimizing costs. Aggressive prosecution of all those who committed or contributed to fraud is essential. Again, the committee bill adds several important provisions to help prosecutors make their cases and to speedy recovery of lost funds.

The other critical factor to minimizing costs is how we handle the transition period to tougher capital standards. If we handle it right, we will keep costs down. If we handle it badly, we will unnecessarily push marginal thrifts into insolvency and costs will really explode. We must look carefully at these marginal institutions to make sure that they do not rack up losses, but we also must make sure that they have a fair chance to succeed.

I mentioned that 700 thrifts are undercapitalized; 250 of those have less than 2 percent tangible capital; many of them may be a lost cause. Another 450 thrifts have between 2 and 4 percent tangible capital. If all of these institutions go under, we would have an additional more than half a trillion dollars' worth of thrift assets to resolve.

These undercapitalized thrifts are working very hard to stay afloat. Many are profitable, pay their taxes and their premiums. By managing the transition right, I firmly believe many will be able to join the ranks of the healthy. I think that is an important point. The bill takes some steps in the right direction, but we need to continue to work on this issue as we move to the conference committee.

Finally, the committee looked at how to pay for the damage that already has been done. My first principle in that regard is to make the thrift industry pay the maximum amount possible. Given current economic predictions, I believe that this bill does follow that principle.

As you know, our distinguished chairman, Senator RIEGLE, proposed a funding plan which would have saved taxpayers about $150 million annually in interest costs. I like his plan, and I

wanted to see it become law. But, frankly, I saw no way to get the 60 votes needed on the floor of the Senate to make that plan work. So, reluctantly, I voted against Senator RIEGLE's funding plan in the committee. Despite the clear merits of his plan, it is far more important that we be able to vote on and pass this bill, in my opinion. We had to make some tough decisions in committee. As you know, we are dealing with what is at least a $100 billion problem. As I said before, this bill is not perfect. It does not do everything it should, but it does keep a separate thrift industry. It does go a long way to preventing a reoccurrence of these problems. In several, but not all significant ways, it minimizes the cost to the taxpayer, and it allocates the cost in the most desirable way the administration would allow.

As the new chairman of the Consumer and Regulatory Affairs Subcommittee, I want to note that we added several consumer provisions to the bill. First, two consumer or moderate-income representatives will sit on the board of directors of each of the Federal Home Loan Banks. Second, all Federal regulators of mortgage lenders will report to Congress within 60 days on available statistical evidence of discriminatory lending practices and recommendations for legislative action. Third, assets held by the Resolution Trust Corporation, "which have so decreased in value that a reasonable recovery is not anticipated," may be used for homeless shelters, child care centers, and other public purposes.

Other provisions encourage the regulatory agencies to procure goods and services from women and minority-owned businesses; require strong ethical and conflict-of-interest standards for the RTC; and authorize General Accounting Office oversight of all aspects of the legislation to safeguard taxpayer funds.

Even aside from these consumer provisions, this bill is a consumer bill. Too many of us have lost sight of the fact that thrift depositors are consumers. The stockholders of failed thrifts have been wiped out; the managers have been thrown out; but the depositors, the customers, cannot be cut out. Their money must be kept safe, and that is the main reason for this bill.

I believe, Mr. President, that the Banking Committee has acted responsibly. We have presented you with a tough bill that does the best job possible. I urge all my colleagues to refrain from adding any amendments to this bill and to support its immediate passage.

I would simply like to say, in conclusion, three things: First, the chairman of the committee, Senator RIEGLE, and the ranking member, Senator GARN, have done outstanding work. They patiently, at great length and with solid determination, gave us all time for careful hearings and constructed, in my view, a very sound bill. Now, all of us could not agree with all the parts of it, but I think, essentially, we have a strong bill.

I point out to my colleagues, Mr. President, that this is the bill. It is a thick bill and a complicated bill. My experience in the past here with legislation of this kind has been that the whole thrust of the bill can be seriously damaged by amendments which are well-intentioned by the separate Senators in this body, who have not been members of the committee; and I say, with due respect to them, that with some reluctance I support the expressions made by the chairman and the ranking member that we should oppose amendments to this bill.

A good many of my friends and colleagues have talked to me about amendments that they contemplate. I know that my friend, the distinguished Senator from Ohio, for instance, has four consumer amendments he would like to offer. I happen to be the chairman of the subcommittee that would have jurisdiction over those issues. I would say to you, Mr. President, that we are prepared to have hearings in time on those issues. We are going to bring up a major bank powers bill again, similar to the one that we passed 94 to 2 in the Senate last year. I think, at the time when we are extending additional powers to banks, that is the appropriate time to discuss certain consumer matters. In my view, banks would be willing to acquiesce in some of these consumer concerns in exchange for significant extensions of their financial powers.

Finally, I want to say, although it is somewhat repetitious, that I regret that I ultimately decided not to support the chairman in the committee on his own plan for financing this bill. But it is clear that the administration is committed to Secretary of the Treasury Brady's plan. Necessarily, there always is some compromise in these legislative procedures. I think the committee was wise to accept, as part of the principle of a reasonable accommodation, the plan of Secretary Brady. While I was in the minority in my own party in the committee in supporting that view, I intend to support that position again on the floor. Mr. President, in doing that, it is my view that we can have an accommodation which all Members on both sides of the aisle can live with.

In closing, Mr. President, I recommend to my colleagues, a bill which I consider to be a good bill and one that the 100 Members of this Senate can support with a good conscience. I thank, once again, the chairman and the ranking member for their outstanding work.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. BOND. Mr. President, I too, rise today in support of S. 774, which was reported out of the Banking Committee by unanimous vote. I wish we did not have to approve this legislation. FSLIC's insolvency is one of the most expensive public policy failures we've ever had, but this bill attaches a sweeping reform package to the appropriation of funds to recapitalize the deposit insurance fund. I doubt that there are many Members of this body who would support an expenditure of this size without any reform of the system. I certainly would not have.

The series of public policy blunders and economic bad luck that caused the $100 billion insolvency of the Federal Savings and Loan Insurance Fund can be traced back 10 years. Congress is generally not an institution that can plan for the future nor is it an institution that resists the entreaties of well-organized groups, and the sorry tale of the S&L debacle is a perfect illustration of this premise. The list of villains is familiar to all of you—high interest rates, deregulation without adequate supervision, irresponsible State legislatures, crooked entrepreneurs, A Congress intent on papering over problems rather than dealing with them. For example, I note parenthetically that we have included a prohibition on the Secretary of the Treasury interfering in enforcement activities in the Office of Savings Associations. Let us be honest about it, congressional interference, not administration meddling, has been the problem in the S&L industry. But putting that minor hypocrisy aside, it is only useful to assign blame if it focuses us on how to prevent another such disaster.

To my mind, there are two central lessons to this debacle: The first is that there is no substitute for vigilant, independent, professional supervision of insured financial institutions. The second is that private investors must be required to put up sufficient amounts of capital before they are allowed to use federally insured deposits. The savings and loan crisis certainly illustrates that without adequate supervision and capital, our federally insured financial system is just an accident waiting to happen.

The legislation before us today is an attempt to right this system and begin the immense task of liquidating the hopelessly insolvent thrifts and disposing of their assets. The administration and the Banking Committee wrestled with many complex and unanswerable questions in fashioning this package. How much will it cost to resolve all of the insolvencies? Where are interest rates going? Have we gotten every last dime out of the thrift industry? How can we best attract capital to the S&L

business? Is a separate industry dedicated to home finance necessary and viable?

This bill is a collective best guess. It is the product of the weighing of conflicting objectives and coming to reasonable compromises. As Fed Chairman Greenspan noted in his testimony before our committee, it may be necessary to do a midcourse correction and change some of the provisions in this bill as we see how it all works out in practice. What is important, however, is to begin the process of resolving the insolvencies and restoring sound regulation to the S&L industry as soon as possible.

The Banking Committee will have an immense ongoing task fulfilling its oversight responsibilities in monitoring the RTC's disposition of assets from failed thrifts, the biggest asset sale in history.

We will also be watching the regulators' use of new supervision and enforcement powers and the new Office of Savings Association's implementation of tougher capital standards. In this legislation, we have granted the FDIC sweeping regulatory authority, and I do have confidence in their ability and professionalism. But I must also note, it would be important for the Banking Committee to monitor the FDIC's use of that broad authority.

As our chairman was kind enough to note, I have had great interest in a particular provision of the bill, the criminal penalties section and the $50 billion appropriation for the Department of Justice to conduct investigations and prosecutions of S&L fraud. As my colleagues know, I introduced legislation on this subject in the 100th Congress and again in the 101st Congress, and I am very pleased that this bill includes stiffer criminal penalties for those who defraud financial institutions, as recommended also by the President.

As FSLIC's insolvency clearly demonstrates, financial fraud is not a victimless white-collar crime. We cannot, in good conscience, accept the burdens that this bill puts on the taxpayer without actively pursuing every crook who stole from FSLIC with maximum criminal penalties and maximum recovery of ill-gotten gain. Nor can we proceed without sending a strong signal there will be tough criminal penalties to be enforced in the future when and if similar fraud is perpetrated.

Today I wrote to Attorney General Thornburgh and encouraged him to appoint an S&L fraud czar, to appoint that czar now so that the Department of Justice can get right to work on fraud prosecutions and so we can pursue the maximum civil recoveries of penalties and funds that have been taken from the S&L's.

We want to make sure that the lines of authority in the Department of Justice are clear and that everybody knows that they are working on one major task involving many different elements of enforcement, investigation, and prosecution. I hope that they will accept that suggestion.

Now, as has been noted, there was a great deal of controversy in the committee over funding. We thoroughly visited this issue in the committee. There were two different viewpoints honestly held, vigorously argued, as to whether we should finance it the way the President has proposed with the borrowing being done essentially by an instrument of the savings and loan industry or by direct Treasury funding. By a close vote, we adopted the provision that the administration had recommended.

Secretary Brady has argued strongly and persuasively that we would not in fact save money by financing it through the Treasury. Such financing in his view would add to the overall cost of borrowing for all Treasury indebtedness which could be a substantially greater bill to the taxpayer than the one here involved.

We received a letter from Merrill Lynch and we received communications from other Wall Street firms, advising us that they agreed with the view and they felt that financing on budget through direct Treasury borrowing could perhaps run up the cost by as much as 50 basis points which would dwarf any savings specifically targeted to the bonds issued for the S&L recapitalization.

Regardless of those arguments, I doubt that we will ever know for certain which side was correct. As has been pointed out, the administration feels very strongly about it. They have indicated we would see a vote if direct funding were involved. It would have tremendous impacts on Gramm-Rudman-Hollings targets, and I believe it would be well-advised to stay with the committee version.

In addition, I join my colleague, Senator DIXON, whom I have the privilege of serving with on the Consumer Affairs Subcommittee, to state that we will be visiting the various consumer measures that are tentatively to be proposed in this bill. We will have hearings on them in the subcommittee and we will deal with them at an appropriate time.

I hope we will not get bogged down in side issues, important though they may be in this very necessary bill.

We have a raging fire, a fire that is consuming the funds of the federally insured system which we are backing up with Treasury funds ultimately, and we cannot afford that conflagration to get any worse.

Finally, I join my colleague, Senator DIXON, and I believe all the members of the Banking Committee, in expressing a very heartfelt thanks and hearty congratulations to our chairman, DON RIEGLE, and our ranking member, Senator GARN.

This has been a very real introduction for Senator RIEGLE and his chairmanship. It has been a very difficult bill. I have asked if he would wish to have it known by his name. I believe that it is a bill probably best left to be named after the administration or someone else.

This is a difficult bill, not a pleasant effort, but it is a very necessary one, and the enhanced and fair opportunities that our chairman provided members on the minority as well as the majority side to vote and to voice their views and to vote their positions have gone a long way, I think, in developing a very sound compromise piece of legislation.

I know a lot of people want to understand this bill. We may have extended discussions on it. But I hope that we can pass this bill, send it to the House, and get about the business of putting out the fire.

We have had great leadership. We are indebted to those leaders.

I hope my colleagues will join me in supporting this bill as reported.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who desires recognition?

Mr. RIEGLE. Mr. President, I know we have some members of the Banking Committee who have been awaiting an opportunity to come into the schedule and make their opening comments this afternoon and will shortly come to the floor. So let me also indicate to other Senators, starting with those on the Senate Banking Committee, if they wish to make an opening statement now would be a very good time to do that. As to any other Member who wants to make an opening comment or direct questions to us, we would be pleased to have that occur any time now for the next period here.

So, as we await Members who are coming to make their opening statements, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WIRTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado.

Mr. WIRTH. Mr. President, the crisis facing us today in the savings and loan industry is enormous by any standard of measure. There can be no doubt that this crisis must be met head on and without unnecessary delay. Mr. President, I believe the committee legislation before us today,

while not perfect, represents a sound and comprehensive approach to resolving the savings and loan crisis. The legislation is the product of more than 20 days of hearings by the Senate Banking Committee and countless hours of study and work by members of the committee.

Mr. President, I want to commend Chairman RIEGLE for his strong leadership in guiding the Banking Committee through this long and very difficult process. I believe the chairman has done a masterful job and we all owe him a debt of gratitude. Senator JAKE GARN is also to be commended for his leadership and cooperation in this difficult task.

Mr. President, comprehensive regulatory reforms are necessary in the savings and loan industry. I believe that significantly stronger overall capital requirements and the institution of risk-based capital rules are the foundation of a rational, new savings and loan regulatory regime. And while I continue to believe thrifts must invest primarily in home mortgages, we also must permit thrifts some flexibility to invest in other profitable, diversified activities. At the same time, however, we must set out clear rules and regulatory authority to prevent Federal deposit insurance from underwriting investments that are too risky.

As we begin consideration of this important legislation today, we must remember that we are not only required to resolve the enormous problem in the S&L industry created by weak regulation and enforcement and irresponsible and fraudulent behavior by some thrifts. We must also encourage well-capitalized, profitable Federal and State thrifts at a time when we want to attract new capital resources to the industry.

From the beginning of this process—in hearings, speeches, and in committee meetings—I have strongly advocated a number of principles and reforms which I believe must be incorporated in any legislation to rescue the thrift industry.

First, the regulators must be directed by Congress to adopt strong risk-based capital rules and fully implement the rules no later than June 1991. The new capital rules must also include what I have called an incremental growth component to prevent undercapitalized thrifts from rolling the dice one last time between now and 1991 to meet the new capital standards.

I have strongly resisted entreaties to in any way weaken the capital standards and have sought to strengthen the President's legislation in this regard. I am pleased that the committee legislation before us today requires the adoption of risk-based capital rules and incorporates safeguards to monitor the behavior of undercapitalized thrifts.

Second, I proposed that the new capital standards include a component for interest rate risk. Billions of dollars have been lost in the recent past because of interest rate gambles on traditional investments. The committee legislation, I am pleased to say, authorizes regulators to include an interest rate component in the new capital rules for the thrift industry.

Third, I also believe we must provide regulators with early intervention authority so that action can be taken before the insurance fund is threatened. The committee spent a good deal of time and effort on this matter and I had hoped we could do more. Nevertheless, I believe we have included a workable early intervention provision in the committee's legislation.

Fourth, I have sought to ensure that the industry does not again become reliant on goodwill—an intangible asset—to meet capital standards. I recognize the need to address the situation faced by a number of institutions that have goodwill on their books and we have done so in this legislation. But I also want to make it clear that in the future, goodwill cannot be counted as capital for the purposes of meeting the capital standards. The adoption of my amendment to the committee legislation during last week's markup accomplished this goal.

Fifth, I have worked extremely hard to see that the legislation includes provisions to ensure that billions of dollars of properties are not disposed of by the Resolution Trust Corporation [RTC] in a manner that depresses real estate markets, further deepening local economic problems. This is particularly important to my State of Colorado where the Government now owns hundreds of millions of dollars of property. I am proud to be the author of the provisions in the committee legislation that address this important matter in a responsible and prudent manner. I particularly want to thank Chairman RIEGLE and a number of my colleagues on the committee for their hard work and assistance on this important issue.

Sixth, I firmly believe that we need to aggressively pursue those who fraudulently operated within the S&L industry and helped to create this crisis. We need to make certain those individuals who engaged in criminal activity are prohibited in the future from participating in the financial services industry. The committee legislation, like the administration's proposal, includes strong enforcement reforms to accomplish this.

Finally, it is important that the legislation provide Federal regulators with the authority to examine and, if necessary, prohibit State-chartered investment activities that constitute a significant risk to the insurance fund. Generally, the committee's legislation provides regulators with broader authority in this area than the President's legislation. In some cases, however, the committee legislation could be improved by incorporating clear statutory standards for regulatory review.

Mr. President, as I indicated earlier, I do not agree with each and every provision of this legislation. For example, I believe we could have saved the Government more than $4 billion in financing costs if we had adopted Chairman RIEGLE's on-budget funding plan. Nonetheless, the legislation represents significant progress and is a sound approach to resolve the savings and loan crisis. I look forward to working with Chairman RIEGLE and my other colleagues to enact this important legislation.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I rise today in support of S. 774, the Financial Institutions Reform, Recovery, and Enforcement Act. First of all, Mr. President, I want to commend the administration and my colleagues on the Banking Committee, both Republicans and Democrats alike, for the expeditious manner in which this legislation has been brought to the floor. It has been suggested that not enough is happening in Washington in these early days of the Bush administration, but I would suggest that, if nothing else had happened but an agreement—or at least a piece of legislation dealing with the FSLIC crisis—it would be accomplishment enough. Other things have obviously gone on, such as the agreement on Central America, not to mention the nomination process that is going forward.

So, much has been accomplished already in the first few weeks in terms of creating a far better and more hospitable climate between the Congress and the administration, at least in the view of this particular Senator.

So I do want to commend my colleagues on the Banking Committee and the administration for the way in which this matter has been brought to the floor but, most particularly, Mr. President, I want to commend our new chairman of the Banking Committee and the ranking minority member. Chairman RIEGLE and Senator GARN led our committee. A good part of the time, prior to actually going to the Banking Committee itself and mark-

ing up the legislation, was spent in literally hours and hours of discussion. That normally is the case, but virtually the entire committee spent hours with each other and key members of our staffs fashioning the product that was ultimately adopted by the full Banking Committee. It is a complicated piece of legislation. A lot of the matters which we discussed are arcane, to put it mildly, because they are not matters that the Congress or the general public have a day-to-day working familiarity with.

So I do commend Chairman RIEGLE on his first major legislative effort and the stewardship of the Banking Committee. He did an excellent job of leading our committee. There were difficult hours of debate and discussion. I am confident, Mr. President, this bill will receive overwhelming support as we move through the legislation over the next 2 or 3 days.

In anticipation of that vote, I did not want to lose the opportunity to express my gratitude to them, to the respective staffs who worked so hard on this, and for their consideration of a couple of proposals which I have offered and are now part of the bill.

The FSLIC problem, Mr. President, has grown like topsy, as we all know. Less than a year ago the Federal Home Loan Bank Board estimated the problem as one that would cost less than $30 billion to resolve and the General Accounting Office estimate was only $10 billion higher than that. Today, estimates range from $50 billion to more than $150 billion, depending upon the time period and one's economic assumptions.

How did the problem get so large? The committee's early hearings addressed this issue. The culprits are many, but their various contributions are hard to separate out and measure. Clearly overregulation was a problem, particularly in the late 1970's and early 1980's when inflation drove some rates well above what the S&L's could by law pay. Savers responded by moving their funds into money market mutual funds which paid a competitive rate of return.

Deregulation also contributed to the problem, as institutions that had lost their capital literally gambled to get back on their feet with Federal dollars. When the energy and agricultural markets collapsed, particularly in the Southwest, it created a disaster of enormous proportions.

There were other contributors, Mr. President. A lack of funds in the FSLIC in the early 1980's forced the thrift regulators to keep institutions open when they should have been closed. Not only did these institutions gamble with our money, many of their officers engaged in massive outright fraud. This fraud was made easier because deregulation had been coupled by desupervision so there were not enough cops, quite frankly, on the beat.

Finally, the Congress must share some of the blame as well. We did not give the FSLIC enough money to deal with the problem in the early 1980's, and when we did recapitalize the FSLIC in 1987, it was, frankly, too late and too little.

I might add, Mr. President, that at the time we tried to recapitalize in 1987, I was one of a few, at least, who suggested that number be substantially higher than the number actually was. But in candor, I must admit, that even the higher number would have been totally inadequate even if that number had been accepted.

S. 774 addresses two matters: reform of the system based on the very difficult lessons we have learned, and financing the cost of this cleanup. The financing mechanism is the easier of the two problems to resolve. While there has been considerable controversy over the best way to pay for the cost, we are really talking about issues at the margin. Once we decided what the thrift industry contribution should be, based essentially on how much it could afford to pay without making the healthy members part of the problem, the remaining question was how to finance the Government's contribution. While I supported Chairman RIEGLE's approach, there are also good arguments to be made for the administration's approach in this matter.

What is important, Mr. President, about the funding mechanism is that it is designed to address the entire funding problem. whereas previous estimates have addressed only the costs of cleaning up those institutions that are bankrupt today, this legislation provides for funds for thrifts that are likely to fail over the next decade, as well as funds to make a good start toward the creation of a healthy deposit insurance fund for thrifts.

The tougher problem to address is what to do with the thrift industry. After careful consideration and much debate, I might add, Mr. President, the committee determined that the thrift industry remains a key component in assuring housing finance. Once we made that decision, the question became how to assure the industry a reasonable chance to survive without subjecting the American public to yet further costs. This balancing act is carried out throughout much of the bill. For example, the bill permits thrifts to amortize their goodwill over as many as 25 years. That is a lot, Mr. President. However, at the same time, the bill includes earlier intervention provisions that will permit the FDIC to suspend deposit insurance for any institution that has no tangible capital, thus as offset to the 25 years on goodwill.

Similarly, the new thrift regulator will have the discretion to limit any asset growth for thrifts that fail to meet their capital requirements, and those thrifts will be required to submit a new business plan for increasing capital.

Overall, Mr. President, I think the bill represents a sound, comprehensive approach to solving a very difficult problem. Before closing, I would like to discuss briefly three provisions of the bill I authorized—the real estate appraisal reform, an FDIC study of expansion of deposit insurance and a study of discrimination in mortgage lending.

Extensive congressional hearings, General Accounting Office audits and banking agency studies have all documented the pervasive use of faulty and fraudulent appraisals to make unsafe and unsound real estate loans look adequately collateralized. Abusive appraisal practices have contributed billions of dollars of losses to the FSLIC problem. That is why I offered an amendment in the Banking Committee markup to address this very serious problem, Mr. President.

The amendment, which was adopted on a voice vote, is contained in section 1411 of the bill. It establishes a system of uniform real estate appraisal standards and requires the use of State certified and licensed appraisers for federally regulated transactions by July 1, 1991. Each Federal financial institution's regulatory agency would be required to establish the standards but, at a minimum, such standards must be in accordance with those adopted by the Appraisal Foundation, a nonprofit corporation whose standards represent generally accepted real estate appraisal standards and whose certification requirements are viewed, I might add, as model ones.

The key to this provision lies in the creation of State regulatory agencies and a Federal watchdog to monitor the standards and to oversee State enforcement. An Appraisal Subcommittee will be created within the existing Federal Financial Institutions Examination Council to monitor the Federal accounting standards and State certification and licensing standards. In addition, Mr. President, the subcommittee will maintain a national registry of State-certified and licensed appraisers and submit annual reports to the Congress on how the law is being enforced.

It is this combination of Federal and State action, similar to that the Office of Management and Budget has put in place for all other Federal agencies, that is the key to assuring that good standards are properly enforced.

Mr. President, I would also like to thank the FDIC and the Federal Home Loan Bank Board, as well as the various outside interest groups, who were deeply concerned about this particular provision, for their tremendous efforts in bringing about a compro-

mise which ultimately resulted in the amendment that was adopted, as I mentioned earlier, by voice vote in the committee, and the strong support of the Chairman made it possible for us to reach that agreement.

Second, the committee included in section 221 an amendment I offered to have the FDIC complete a study within 6 months on the appropriateness of passing through deposit insurance on so-called bank investment contracts, or BIC's, and of the potential effects of broadening deposit insurance coverage. These reports focus on significant changes in the coverage of deposit insurance. The first issue, BIC's, involves an expansion of deposit insurance to cover bank contracts with pension managers that typically permit the manager to invest funds, for a fixed return, at any time during the course of a year.

In addition, these contracts typically permit withdrawals at any time without a penalty. These two differences from a normal deposit can present serious risks of loss to the bank. For example, if interest rates go down during the course of the year, the manager can put far more funds into the bank than was expected, making it very difficult for the bank to properly hedge against the deposits. The riskiness of these instruments is evidenced by the fact that the Equitable Assurance Co. lost $1 billion on a comparable insurance product. The difference is that the Equitable's loss was not supported by Federal deposit insurance. These new operations will, of course, be covered by the FDIC.

The report also must address the wisdom of processing with the FDIC's proposed expansion of the definition of "deposits" to include almost all debt instruments. Such an expansion could have a significant impact on the capital markets and could further undercut market discipline.

For these reasons, I propose placing a 2-year moratorium on the expansion of BIC's and on promulgation of a new FDIC regulation on deposits. However, the committee did not believe it had enough information to act at this time and some members also felt that this issue primarily involved a struggle between the banks and the insurers.

Particularly, I would say my colleague from Utah, Senator GARN, felt that this was a powers debate and not a deposit insurance debate and therefore should not really be the subject matter for this legislation.

To the contrary, I think the issue is primarily one of the safety and soundness of deposit insurance. The House Banking Committee Subcommittee which marked up comparable legislation last week agreed and included a moratorium in its legislation. I hope the House provisions will prevail when we get to conference on this legislation. However, should the conferees agree on only a study, I hope that the FDIC would honor the Congress' concern about the expansion of deposit insurance and not authorize any new BIC's or promulgate any new rules on deposit insurance until after the study has been completed and the Congress has time to legislate, if necessary.

Finally, section 1406, which was included at the request of Senator DIXON and myself, requires all Federal agencies that regulate mortgage lenders to analyze existing data on the extent of discriminatory lending practices by mortgage lenders and make recommendations for appropriate measures to assure nondiscriminatory lending practices.

The reason for the study lies in a series of articles within the past year by the Atlanta Journal-Constitution. The series, based on Federal Home Loan Bank Board data, reported that S&L's were rejecting black applicants for home loans at twice the rate of white applicants. What was more disturbing was the finding that, in many metropolitan areas, high-income blacks are rejected for mortages more often then are low-income whites.

The study is designed to get to the bottom of this problem. If there are clear patterns of discrimination by housing lenders, as that series of articles indicates, then we must act to root it out and do so soon.

Mr. President, overall I think the committee has done a balanced and thoughtful job. I urge adoption of S. 774.

Mr. President, in conclusion, I commend, as I did at the outset, the chairman and the ranking minority member, as well as the staff director Kevin Gottlieb, the general counsel, Steve Harris, and others for their work. I would be remiss if I did not also commend Peter Kinzler of my staff, who has done an excellent job over many years but once again on this particular legislation his thoughtfulness in bringing together matters of great concern to me and to the committee I think played a very constructive and positive role.

I strongly urge that this legislation be adopted. I hope, Mr. President, that we will be able to pass this legislation without unnecessarily adopting too many amendments. It is a balanced package and to add to it could disrupt that balance.

I know that argument is offered from time to time on legislation but given the nature of this legislation, how much time was spent in crafting specific provisions so that it would, one, allow for the payment of the costs and, simultaneously, allow for us to keep the healthy institutions operating, it is very delicate, to put it mildly. So it is important this package be held together as best as possible.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. KERREY). The Senator from Nevada.

Mr. BRYAN. Mr. President, I rise today in support of S. 774, the Financial Institutions Reform, Recovery and Enforcement Act of 1989. Before doing so, however, I join the comments of my colleagues who have preceded me who have paid particular tribute to the leadership of our chairman, Senator DON RIEGLE. During the course of processing an extremely complicated, very lengthy bill, more than 500 pages in length, the chairman was courteous, extending to every Member an opportunity to express his or her view, listening carefully, considering the weight and merit of that argument, and then ultimately moving to address the resolution of a conflict so that the bill we have to day is one that I am pleased to support.

The chairman was aided by the support and bipartisan spirit evidenced by the ranking member, Senator GARN, whose constructive actions contributed immeasurably to processing this very extraordinary bill in a remarkable period of time.

I would also like to commend President Bush for the prompt manner in which he has tackled this critical problem. It is difficult to understand how this crisis was allowed to get so far out of hand. How was a savings and loan crisis allowed to grow in a few years from a problem of several billion dollars, to one that will cost the public at least $150 billion over the next 10 years? Some say the reason is because it is hard to tell where the industry ends and the regulators begin and the inherent conflicts built into the system. There is more than enough blame to go around. Oceans of ink have been spilled describing how the crisis occurred and the culpability of those who were involved. Hopefully, we have learned from those mistakes and are taking steps to insure such regulatory and oversight failures never again occur.

I attended 18 days of savings and loan hearings and heard testimony from over 50 witnesses. The hearings made several things clear. They pointed to three major culprits: A total failure of the regulatory process, inadequate capital standards and pervasive fraud by some thrift managers. On all three of these issues, I believe this legislation takes major strides to ensure that they will not happen again.

I believe higher capital standards are the keystone of any reform package. The bill incorporates the administration's 6-percent capital standard and goes beyond that by placing restrictions on those S&L's that do not already meet the standard. I urge the Senate to stick with these tougher provisions in any conference with the House.

There is little doubt that fraud contributed substantially to the current crisis. In his testimony before the committee, Attorney General Thornburgh estimated that fraud and insider abuse were present in about 25 to 30 percent of all savings and loan failures and caused over $2 billion in losses during 1988 alone. I believe the $50 million allocated in this bill for criminal prosecution of S&L fraud case is of utmost importance if we are to ask the American taxpayer to assist in bailing out this industry. We must seek out and punish those that have committed wrongdoing in the management of these failed institutions. We must make very effort to recover assets diverted from S&L's and place behind bars those who have caused losses as a consequence of their criminal behavior.

I am pleased to report that my home State of Nevada has not fallen prey to these industry ills. Nevada thrifts have steered clear of the practices that contributed to this crisis. A recent report concludes that while no deposit insurance funds have been needed in Nevada, our State will pay more than $115 million to reimburse depositors in failed thrifts in other parts of the country for past failures.

The $100 billion cost the administration projects for the savings and loan crisis represents approximately $1,600 for each family in America.

I would like to take a moment to talk about improvements which I believe the committee made in processing the administration's proposals.

At the outset a policy judgment was made, and that was to define what the future role of the savings and loan industry was in America. There was a strong consensus in which I participated that recognized that a healthy savings and loan industry is critical to the future of our Nation in helping to provide necessary housing for Americans.

The committee heard testimony that those savings and loans which concentrated in housing finance by and large are healthy. In an effort to further the incentives for savings and loans to concentrate on their primary responsibility in my view on housing, the committee made significant improvements in the qualified thrift lender test.

Savings institutions that meet the QTL test have special privileges that include tax breaks and access to lower interest loans from the Federal Home Loan Banks. A thrift can meet the QTL requirement if it has 60 percent of its assets in housing-related projects. This test has been so watered down over the years by lax regulators that corporate jets and brokered deposits qualify as housing investments for the purpose of satisfying the QTL test. The Senate Banking Committee improved the administration's proposal by tightening the standards and making the test more rational.

Another important distinction between the administration's proposal and the committee's bill deals with the regulatory structure. I believe the committee's recommendations more closely parallel the regulatory structure which has worked well for banks.

The administration's proposal would place all the functions of the Federal Home Loan Bank Board under the Department of the Treasury. I am concerned that because these two entities are competitors in the capital markets there is an inherent conflict of interest in structuring the regulatory reform in that fashion. The committee decided to separate the regulatory and credit functions which mirrors the Comptroller of the Currency [COC] and Federal Reserve structure for banks.

Two additional changes we made I believe are quite straightforward. We retain the independence of the FDIC Chairman and restrict the amount a thrift can loan to one person. I strongly support each of these revisions.

The one area in the committee's bill, however, in my view where the committee failed to meet its challenge is in the sources of funds for this bailout.

Let me preface my comments in this regard to emphasize as did Senator GARN when he took the floor earlier this afternoon to make the point that the dollars that are involved in the savings and loan bailout do not go to shareholders. They do not go to management. They are provided to satisfy the guarantee that the Federal Government has made to each depositor in an ensured Federal savings and loan. That is his or her deposits are insured up to $100,000. To fail to honor this commitment would be unfair to those who have placed their deposits in the savings and loans institutions and who themselves are blameless of any responsibility for the crisis that we face.

Moreover, to fail to do so would create in my view serious economic dislocation in the financial markets if the Federal Government failed to respond in its financial commitment and responsibility to those insured deposits.

The administration projects the cost of closing insolvent thrifts over 3 years at $50 billion. I believe that the administration has underestimated the full cost of this endeavor by relying upon unrealistic economic assumptions. One need only look at projected Federal deficits versus the reality to see how this process works.

For example, last year's deficit of $153 billion was projected to be $108 billion. I have no doubt that serious underestimates, false economic assumptions, will prove to be far more costly than the dollars that we are discussing in the bailout provisions that we are processing today.

To raise the money the administration plan calls for the creation of a new offbudget agency which would sell $50 billion in 30-year bonds. As members of the committee, we heard extensive testimony that such a plan would cost taxpayers over its life in additional interest approximately $4.5 billion since the bonds would not be issued by the U.S. Government, and therefore would be subject to unfavorable interest comparisons.

I strongly support Chairman RIEGLE's proposal that all of this money be raised through the direct sale of U.S. Treasury bonds. I believe this more direct and up-front mechanism would have sent a clear message to the Finance markets that we are serious about cleaning up this mess while at the same time responsibly saving taxpayers billions of dollars.

The administration should not make the most expensive bailout in history even more expensive in my view by creating needless off-budget agencies to borrow moneys; $4.5 billion is a terrible price to pay for an accounting mechanism. On the whole, however, I support this legislation. We are solving the short-term problem by swiftly removing the Nation's insolvent thrift system, and we are putting into place structural reforms that address the underlying factors that allow the prices to develop in the first place. These steps in my view, Mr. President, go a long way to ensure that a similar crisis will not occur in the future. For more than 50 years the thrift industry has promoted home ownership through mortgage lending. I believe that the legislation that we process today will restore confidence in our banking structure and will ensure that thrifts serve the public function of providing housing financing, and I urge my colleagues to support this piece of legislation.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, as the Senate starts consideration of S. 774, we are taking a first step toward responsibly addressing the problems of the thrift industry and ensuring its safety and soundness.

I would like to commend my colleagues in commending President Bush and Secretary Brady for expeditiously providing Congress with a framework for public debate and action. I also wish to commend Senators RIEGLE and GARN and their staffs for their diligent and timely work that they have done on this extremely complex matter.

The Banking Committee has produced a comprehensive piece of legislation to address this urgent and immense problem. However, I must express my sense of outrage at the circumstances which have brought us here today to work on this savings and loan bill. The sources of this outrage include unfathomable fraud by owners

and others upon the savings and loans industry and their depositors; laxity by the regulators for supervision and examinations; inattention by Congress and the avoidance of political accountability by the past administration.

This delay has allowed more of the thrift industry to slide further into indebtedness, cost U.S. taxpayers billions of dollars and cost Federal Government the confidence of the American people. This is an outrage.

Before and during the committee hearings, I had four principal goals which I believed S. 774 should address:

First, Congress should move as expeditiously as possible to provide the resources for those institutions which had already fallen into insolvency; second, we should moderate the slide of other institutions, those waiting behind the ones that were already insolvent, from going into insolvency; that we put in place structural changes for the industry so that we do not repeat the experience that we are currently undergoing; finally, that the cost of this solution be minimized to the next two generations of American taxpayers.

I believe that the committee has gone far toward the achievement of the first three goals. However, in my judgment the committee has not accomplished the final goal, that of minimizing the cost of this solution to the next two generations of American taxpayers.

I think it is absolutely necessary that we provide the lowest possible cost for this effort of salvation, and I do not believe that we have done so by using the administration's financial proposal. I would like, Mr. President, to make a statement, which I believe is absolute truth: The American public does, the American public will, hold us responsible for the stewardship of the thrift industry.

There is plenty of blame to point to in the past chapters of this sorry story. I suggest that we are now at chapter 8 of a book which will have many more pages, yet to be written. When the book reaches chapter 11, and I suggest that chapter 11 will be worse than any chapter which has been written to date, it will not be acceptable for us to say, "If someone had done something in 1981 a little differently, if someone had acted with greater expedition in 1984, the consequences would have been muted. If another body had taken our advice in 1986, and if a leading regulator had been more candid as to the state of the industry in 1988, we would not be in such peril."

The question is, what do we do today, in order to try to influence, to the best of our ability, a future which, in my opinion, has many ominous and dark clouds?

It is my intention, therefore, Mr. President, to offer the alternative financing program which was developed by our chairman, Senator RIEGLE, and which was considered, but on a one-vote margin, rejected by the full committee.

Briefly, Mr. President—and the comments that have just been made by my colleague from Nevada, and others, have avoided the necessity for a full restatement of alternative financing plans. But briefly, the administration's funding plan relies on public borrowing by an off-budget Government-sponsored agency to pay off the bulk of the thrift resolution costs. The market yields on such debt exceed those which would be paid, if the Treasury were to issue its own securities. Therefore, that increase cost increases the interest payments associated with the plan. Those interest premiums are ultimately borne by the U.S. taxpayer.

If you assume that there is a $50 billion cost of resolving the problem, in addition to the cost already committed for those institutions which have currently been wound up, wound down, or wound into some merger, and we look at the assumptions under the administration's economic plan, under the administration's plan, the Federal Home Loan Bank Board would pay $12 billion over the next 10 years for the resolution of this plan; $2.7 billion in principal and $9.3 billion in interest. The savings and loans, through their insurance premiums, would pay $51 billion, $11 billion in principal and $40 billion in interest.

The American taxpayer pays $176 billion, $81.9 billion in principal and $94.1 billion in interest. This is important, because it results in an allocation of responsibility, with the industry paying 26 percent of the total cost, the American taxpayer 74 percent.

If we look at the administration's plan for a slightly different prism, and that is the economic assumptions of the Congressional Budget Office, which I believe are more realistic, the potential cost change, let me just focus on one of those differences between the administration's assumption and the Congressional Budget Office, and that is, the rate of deposit growth by the insured S&L institutions which will be paying premiums into the S&L insurance fund.

As we have read repeatedly in the press over the past several weeks, this is an industry which, since the first of the year, has been undergoing a hemorrhaging of deposits; deposits each month have been reaching record levels in terms of withdrawal. The administration's plan calls for, in 1989, this year, Mr. President, that the rate of deposits grow by 7.2 percent.

This is in the face of the reality that deposits have shrunk since the first of the year. CBO gives what I consider to be an optimistic, but much more realistic, estimate of growth for 1989 of 2 percent. Over the period from 1989 to 1999, applying the Congressional Budget Office's assumption, rather than the administration's, we see that the total amount of deposit growth in dollars is $5.5 billion less in premiums that would be paid by the industry to support this resolution.

I believe, Mr. President, that the assumptions of the CBO are much more realistic. When applying those assumptions, what is the consequence? Under those assumptions, the Federal home loan banks pay the same as before. The savings and loan contributions decline to a total of $46 billion, $5½ billion in principal and $40 billion in interest. The taxpayers' contribution increases to $216 billion, $94.6 billion in principal and $21.3 billion in interest. Under those assumptions, the industry will pay 21 percent of the total cost, the taxpayers 79 percent of the cost.

Mr. President, I direct your attention to the chart, "Cost of the Savings and Loan Rescue Plan." The first two are chartbusters and demonstrate the numbers which I have just recited. Those based on the administration's plan under, first, the administration's economic assumptions, such as the 7.2-percent growth in deposit, and the administration's plan under the Congressional Budget Office assumption. For instance, a 2-percent deposit growth in 1989.

Let us take a third assumption, and that is that this problem is bigger than we have currently been asked to deal with, an assumption that, instead of a $50-billion cost to resolve institutions which will fall into some economic difficulty in the future, that we increase that by 50 percent or to $75 billion.

What does that do to the cost of this program? If we continue to use the Congressional Budget Office's economic assumptions, the Federal home loan banks, again, pay the same as they have in each of the preceding two assumptions; but the savings and loans' contribution decreases further to $42 billion, $1.5 billion in principal and $40 billion in interest. The taxpayers take the disproportionate increase by paying $311 billion, $116 billion in principal and $194 billion in interest.

That results, Mr. President, in the industry paying 15 percent toward the cost of this resolution, the taxpayers 85 percent of the cost of resolving this final crisis; and Mr. President, I suggest that would be an outrage on an outrage.

The plan that the chairman developed is the only plan before us which would give us some hope, some means to state to the American people that we were concerned about reducing the cost which we are going to pass on to the next two generations.

I underscore that "next two generations," because here we have a problem that for most people began approximately a decade ago and which we are now saying we, those who participated either by action or inaction, those who benefited directly or indirectly, those who went to the party are not going to pay for the party. Those who are going to pay for the party are going to be our children and our grandchildren.

A week ago Saturday my second daughter was married to a wonderful young man. I hope that they will have a happy life together. I hope that some day they may make my wife and myself grandparents.

It will be their children and their children's children who will still be paying on this plan that we are about to set in place.

The absolute minimum of ethical responsibility that we owe to the next and the next generation is to ask them to pay the least possible for the party that we have just experienced.

The plan that the chairman has submitted has been suggested on the assumptions of the first two charts; that is, that the total cost of resolution will only be an additional $50 billion, that it will save over the period of this resolution $4½ billion. The savings would start this year and would grow over a 4-year period to equal $150 million every year for the remainder of the 30 years of this resolution.

Along with the taxpayer saving $4½ billion, there are other benefits that would flow from this on-budget plan:

First, they say it can be done without raising any new taxes as will the plan that the administration has submitted. Moreover, the interest saving from this financing method will reduce the need for any future tax increases because the amount to be paid in the future is lower. The S&L industry will have to pay every penny that it would pay on the administration's plan under the plan submitted by the chairman.

Second, the legislative language of the committee's bill will remain virtually the same, with modest changes to reflect a change in the source of Refcorp's funding. Projected payouts in the on-budget plan would be $10 billion, $25 billion, $15 billion in 1989, 1990, 1991, respectively. Issues of bonds in the market would follow that same time pattern, just as in the administration's plan.

Third, no Gramm-Rudman-Hollings waiver is needed. The Chairman of the Federal Reserve Board, the Congressional Budget Office and the GAO have all said that the thrift rescue spending should not be included in the Gramm-Rudman-Hollings calculation.

Fourth, the on-budget plan results in a higher deficit in the 1989 budget year, but it will more accurately reflect the near-term costs of thrift resolutions and will send a signal of honesty and strength to the financial markets both those at home and those abroad. Wall Street reaction has been uniformly positive for the on-budget plan. They believe the markets will view it favorably.

Finally, those who have looked thoughtfully and objectively at this plan, as mentioned earlier, including the Wall Street Journal, the New York Times, and the Washington Post have all supported the on-budget plan in their editorial columns.

Mr. President, at the conclusion of my remarks I will ask unanimous consent to print those three editorials for the RECORD.

If we assume that present value cost of the savings and loan problem is around $100 billion, compare this to other economic bailouts in the recent history of our country.

For example, in 1989 dollars, the loss to the American taxpayer for the Penn Square Bank failure was $1.6 billion. It cost the American taxpayer from the collapse of a small Government securities dealer called ESM $525 million, and the Drysdale Government securities scandal cost the American taxpayer $350 million.

We are talking today about an economic scandal which dwarfs any other in the history of the United States of America.

The method by which we resolve this and the opportunity to use the least cost financing will be important in terms of this institution's statement of values to the American people. By adopting Chairman RIEGLE's amendment, we will be able to save over the period of 30 years an average of almost $150 million a year in interest costs.

What will $150 million a year do?

President Bush has submitted to us his budget request for fiscal year 1990 to implement the drug program that the Congress passed in 1988. We feel that in fighting drugs to provide an effective national defense against this scourge is an important national priority. What does the President recommend that we spend on this program? Looking at some components, he recommends that we spend $115 million through the Department of State for international narcotics control.

We are going to spend $150 million every year for 30 years more than we need to in order to finance the administration's off-budget resolution of the thrift crisis.

The President has recommended that we spend $113 million for U.S. attorneys for drug prosecution.

We are about to adopt a proposal that would have spent needlessly an additional $150 million every year for 30 years in order to finance a devious off-budget method of resolving the thrift crisis.

The President has recommended that we spend $91.4 million through the Federal Bureau of Investigation for investigations and arrest relative to the national effort to reduce drug abuse.

We are about to consider a proposal to spend $150 million every year for 30 years needlessly in order to hide this generation's fiscal recklessness.

I might say, finally, closing another area, Mr. President, that we are going to spend in this legislation $50 million, a number that has been cited positively in order to ferret out fraud in the S&L industry, to try to bring the malfactors to account, to try to recapture to the best of our ability through both the criminal and civil actions dollars that have been frittered away. Fifty million dollars is what we are going to commit to this purpose.

We are going to spend $150 million every year for 30 years unnecessarily because it is less painful for us to be able to hide the true cost of this resolution than it is to face it honestly.

We are going to ask our children and grandchildren to pay $150 million every year so that we do not have to face at this instant in time the real cost of our excesses.

Mr. President, the time has come to pay. We must make certain that the contributions come from the industry not just from the taxpayer. Congress must be concerned not only about the amount of money being contributed to the solution, but we must restore confidence in the industry. We must restore confidence in ourselves.

Next to the Federal deficit and trade imbalance, the thrift crisis is the largest economic issue which this Congress will face. We are on the Senate floor considering S. 774, legislation to make certain that the thrift crisis will not happen again and we will be able to look ahead to a safe and sound industry.

I urge my colleagues as we take that future look to look closely at the legislation as it is being proposed and not only to support the beginnings of responsible action to restore America's confidence in the industry but also to consider the cost of our actions on our own credibility to the American people and to the cost that we are able to shift forward to future generations.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorials, to which I made earlier reference, from the Wall Street Journal, the New York Times, and the Washington Post.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 13, 1989]

WE NEED YOU, TOTO

Dorothy, the Tin Man, the Scarecrow and the Cowardly Lion were overawed by the

Wizard of Oz until Toto, Dorothy's little dog, ran around behind the curtain and began tugging at Frank Morgan's pants cuff. "Pay no attention to the man behind the curtain," roared the wizard, but Dorothy was too smart for that. She followed Toto and discovered that the wizard and the man behind the curtain were one and the same. Old Frank was just a genial fraud.

Where are you now that we need you, Toto?

Yesterday morning the Senate Banking Committee started marking up a 600-page thrift bailout bill that has had only one controversial issue; Which party's Wizard of Oz accounting is the more ingenious? Both have been trying to figure out a way to hide the first tranche of the thrift ballout, a rather conspicuous $50 billion.

The Treasury wants to take it off-budget, raising the money with bonds issued by a new corporation that up on the Wizard's big screen would be made to look like something other than a federal agency. The Democrats want to put the $50 billion in the current fiscal year's budget, turn it over to that same corporation and lend back what it doesn't need immediately to the Treasury. This at least would be on-budget, but it too has a little Wizard of Oz twist. Putting it into the Fiscal 1989 budget is not to exercise rectitude but to escape the discipline of Gramm-Rudman.

The secret of that is to stay out of the "snapshot." Under Gramm-Rudman, the Office of Management and Budget (OMB) is required in August to offer its best guess of what the federal budget deficit will be for the coming fiscal year. If the estimate is on target, Gramm-Rudman doesn't kick in and force a closing of the gap. The Democrats want to get that $50 billion into this year's budget so it won't show up in the OMB snapshot. Since some could be loaned back to the Treasury, at least in theory, no one is hurt. You got that, Toto?

By a very narrow margin, the Democrats may have the better of it. At least they aren't trying to pretend that government borrowing isn't really government borrowing. Because the Treasury will do the borrowing, borrowing costs will be lower, everyone seems to agree. Finally, the government might be able to spend the money earlier, shutting down more of those Ponzi schemes the thrifts are running at substantial costs to the taxpayers while Congress is making up its mind.

Treasury, however, argues that appearances are what count. If the Democrats seem to be dodging Gramm-Rudman, the bond markets will react badly and the cost of all Treasury borrowing will rise. If the $50 billion is off-budget, so this argument goes, the markets won't notice. Are you still with us, Toto, or have you by now gone yelping off into the night?

Now, we all have some reason to worry about the ease with which the Democrats have found a way to beat Gramm-Rudman. On the other hand, the Treasury's off-budget ploy doesn't thrill us, either. An off-budget federal obligation, however well-disguised, still is a federal obligation. That $50 billion is only a first tranche. The way things are going—especially with the House trying to dilute the Treasury's limited efforts to discipline the thrifts—we could eventually be talking about real money.

Congress caused the mess and neither Congress nor the Treasury knows how to skin out of it gracefully, or for that matter, even how to eliminate the reasons for it. Wizard of Oz accounting no doubt looked like the only course. The problem is that there still are a few Totos around.

[From the New York Times, Apr. 5, 1989]

THRIFTIER TRICKERY FOR THE THRIFTS

Congress is under pressure to cut the cost of President Bush's plan to rescue the savings and loan industry. There's little reason to strain for the industry's sake, but it makes considerable sense to cut the cost to taxpayers.

The President has acted on the thrift crisis with estimable urgency. He offered a largely sound plan in early February and pressed Congress for a finished bill in 45 days. It was a vain hope; in the tangle of warring interests, even some of the Federal regulators have hired outside lobbyists.

In the House, the bill is in the hands of a banking subcommittee with 47 members. Generous political contributions by savings and loan institutions and banks make it a popular subcommittee, but its membership makes it unwieldy and unfocused. Leadership thus falls to the Senate, whose Banking Committee chairman, Don Riegle, has offered an alternative to the Bush plan.

Some of his proposals are less rigorous than the President's. For instance, the Senator would be too lenient with thrifts that don't meet proposed targets for raising new capital; lenient regulation got the industry in trouble. But in other respects, Mr. Riegle's plan is an improvement. In particular, the Senate plan would reduce the burden on taxpayers.

Everyone concedes that the public will have to pay, heavily; the industry is in too deep to bail itself out. Mr. Riegle's aim is to hold down the cost. Mr. Bush proposed that a new Federal agency carry the bail-out load, using added fees from healthy thrifts and $50 billion borrowed from investors. That would avoid swelling the deficit and would avert the deficit reduction requirements of the Gramm-Rudman-Hollings law. Only the interest on the borrowed $50 billion would show up in the budget.

But interest on borrowings by agencies costs more than on borrowings by the Treasury, so Mr. Riegle would have it do the borrowing. This would save taxpayers an estimated $4.5 billion. And Mr. Riegle's proposal would circumvent Gramm-Rudman-Hollings.

Treasury Secretary Nicholas Brady calls the Riegle plan "a terrible idea" and "a mockery of the process." But Gramm-Rudman-Hollings itself mocks sensible process. Its arbitrary deficit ceilings push Congress and the Administration into schemes that make the deficit look smaller than it is. The Administration's circuitous plan for savings and loans is a case in point. Mr. Riegle's ciruitous plan is another, but at least it has the virtue of costing less.

[From the Washington Post, Apr. 10, 1989]

THE S&L BUDGET DODGE

On Budget or off budget? To close down the bankrupt S&Ls, the government is going to have to raise at least $50 billion to pour into deposit insurance over the next several years. But that threatens to push the budget deficit up far beyond the limits that the Gramm-Rudman-Hollings Act sets. To get around that embarrassment, the Treasury proposes a familiar expedient: don't count the $50 billion in the budget. Raise it and disburse it, but keep it off budget.

That's a bad idea. It would get the government back into the slippery and silly business of hiding certain costs off the budget simply because it is not convenient to count them. Worse, it drives up the cost to the taxpayer. When the government borrows off-budget, through agencies that do not have quite the government's full credit behind them, the bonds carry higher interest rates than those the Treasury sells. Over the 30-year life of the bonds, that difference in interest costs could come to billions of dollars.

Sen. Donald W. Riegle, the chairman of the Senate Banking Committee, thinks that's too much to pay for the luxury of circumventing the Gramm-Rudman-Hollings Act and the deficit limits. He would keep the whole operation on the budget. What about the Gramm-Rudman-Hollings Act? One of its many peculiarities is that it always applies to the years ahead, never to the current year. Sen. Riegle would float the bonds this year, then pass the money over to the S&L cleanup squad as needed.

The Treasury objects vigorously to that suggestion. It sees an endless line of big expenditures, All pleading for exemption from the Gramm-Rudman-Hollings Act, and it wants to avoid creating a precedent that they can follow. That's a serious consideration. But the answer isn't the kind of tricky, into-one-pocket, out-of-the-other-pocket scheme that it has devised. Sen. Riegle's plan is better—and a lot cheaper.

There's a still better possibility. Congress could deal with the S&L fiasco directly and honestly. It could raise the money routinely through the Treasury, at the low Treasury borrowing rate, and amend the Gramm-Rudman-Hollings Act to say that it doesn't apply to that $50 billion. it's not a precedent that other spending could follow, because in the case of the S&Ls the money has already been spent. That makes it fundamentally different from the money for environmental protection, education or defense. The S&L money's gone. There's nothing left but a big hole in the government's S&L deposit insurance fund. The government is already legally obligated to fill that hole. Why not just acknowledge that truth, and finance the consequences in the cheapest and simplest way available—on the budget?

[From Newhouse News Service]

BUSH, CONGRESS TRY MAGIC ON COSTS OF THRIFT BAILOUT

WASHINGTON.—Everybody loves magic. We like to see things that were right before our eyes a minute ago disappear. We love to be fooled.

Two great disappearing acts are on stage in Washington right now, presented by two masters of prestidigitation, the president of the United States and the U.S. Congress.

The thing they are trying to make disappear is the cost of bailing out the savings and loan industry. It is huge, but no one really knows how huge. Last year the chairman of the Federal Home Loan Bank Board said it would be $50 billion. In February, the president and Treasury Secretary Nicholas Brady said it would be $90 billion. In March, Mr. Brady upped that to $157 billion.

The Congressional Budget Office says $205 billion.

No matter the exact cost, the task of hiding it is a challenge for the slickest of magicians.

The president and the Congress are up to the task. There is no question that it must be hidden. If you don't hide it, you have to raise taxes and pay for it. It shall disappear.

The Bush-Brady sleight of hand, widely acclaimed to be biting the bullet and facing up to the problems, is neither. It's magic.

They create a new federal agency, the new federal agency sells bonds as needed, sort of hinting to the buyers that the federal government guarantees them (the fine print says it doesn't, the proceeds are used to bail out the banks, and the whole operation is "off-budget."

Only the interest on the bonds is in the budget. When the bonds come due, the payment of them will be for another administration and another Congress to worry about. Hey, no show runs forever.

Big investors read the fine print. The bonds aren't exactly junk, but since the government doesn't really guarantee them, big investors will demand higher interest rates to buy the things. Enter the U.S. Congress with its super-special magic act.

Sen. Donald Riegle, D-Mich., chairman of the Senate Banking Committee, has said that the way to do it is to be a little bit straightforward and put more money in the budget right now. Make the Treasury guarantee those bonds. Over the cost of the entire bailout this would save U.S. taxpayers $4.5 billion, he says.

No one really knows how much it would save because the size of the problem keeps changing. The amount that should be in the budget right now, says Mr. Riegle, is $50 billion.

That's just for the interest; a magician can't be too straightforward.

Doesn't adding $50 billion to the budget right now blow all the promises of Gramm-Rudman sky high? No, because there's another trick to it and this is the most delicious magic of all.

Timing is everything. Gramm-Rudman only applies to next year's budget. The fiscal year starts on Sept. 1, and just before that, the Office of Management and Budget decides whether the targets of Gramm-Rudman have been met.

If they haven't, Congress must cut spending or raise revenues. They make happy assumptions on such things as the rate of inflation, interest rates, economic growth and estimated revenues. They declare, hallelujah, we have met the targets of Gramm-Rudman.

Then it is done, finished.

If they add more spending, after that, Gramm-Rudman has nothing to do with it. That is why, despite the fact that last August the Congress and the president agreed that the Gramm-Rudman targets had been met, this year's deficit will be just as big as last year's deficit.

The Bush-Brady proposal put $10 billion of interest on paying for the bonds in the current year's budget, keeping them out of Gramm-Rudman.

Sen. Riegle wants to do the same thing with $50 billion, thereby saving the taxpayers $4.5 billion over the long haul.

It is probably just professional jealousy between two magicians, or maybe Secretary Brady is piqued because Sen. Riegle danced on stage with a bigger number, but Brady isn't interested in saving the $4.5 billion.

He said it would "make a fool" of the government's commitment to Gramm-Rudman.

Fooling them with $10 billion of magic is fine, but fooling them with $50 billion is a dirty trick.

[From the Washington Post, Apr. 13, 1989]

THE HOUSE'S S&L SCANDAL

To understand the S&L scandal, you have only to watch the House Banking subcommittee in action this week. In full public view, it is exploring new heights of irresponsibility. Taxpayers are going to have to come up with tens of billions of dollars in deposit insurance funds, as the government puts hundreds of bankrupt savings and loan institutions out of business. Now the Bush administration is asking for legislation to make sure that it doesn't happen again. A majority of the House Banking subcommittee is resisting. It is fighting to defend the bad habits—the underfinancing, the inept management, the gambling on risky investments—that generated the S&Ls' present gigantic losses.

Who are the leaders? Two are particularly conspicuous: Frank Annunzio, the subcommittee's chairman, and Northern Virginia's own Stan Parris, now running—a depressing thought—for governor. They have been collaborating to gut the administration's bill and defend the right of any S&L, no matter how incompetent or reckless, to play around with federally insured deposits.

The central issue is the capital requirement for S&Ls. Because requirements in the past were far too low, any downturn quickly wiped out the owners' stake and meant that all further losses fell directly onto the federal deposit insurance fund—which itself was soon bankrupt as well. Why would anyone fight such an obvious and reasonable safeguard as an adequate capital requirement?

Look at the arithmetic. Suppose that an S&L makes a profit of $1 on each $100 of loans—and suppose that the required capital is 6 percent of the loans. That's a profit of $1 on each $6 of capital—a very comfortable return of 17 percent. But the subcommittee voted to require the S&Ls' owners to hold actual capital in cash, of only 1.5 percent. At the same profit margin on their loans, the owners would then be getting a return of 67 percent—four times as high. At that ratio, the owners' profits go sky high, and most of the risk falls on the government and the taxpayer.

The subcommittee tries to defend this mischief by claiming that it is necessary to ensure the availability of financing to home buyers. That's laughable. S&Ls are no longer the only, or even the primary, sources of mortgage money. If all the weak and undercapitalized S&Ls were forced out of business tomorrow, there would be no significant effect on the flow of funds for mortgages. The subcommittee isn't defending the consumer and the home buyer. It's defending a certain kind of financial manipulation—the kind that ought not be allowed access to federal deposit insurance.

But there's hope. A different mood prevails in the Senate Banking Committee. It is producing an excellent bill—tough, sharp and fair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, first of all, let me commend the Senator from Florida for his work on this bill. He was one of those who participated in all of the hearings and also participated at great length, for hours a day, over 3 days of caucuses and throughout the entire markup. So he is to be commended for his part in bringing this bill to the floor.

However, I must disagree with his views on the alternative funding plan. I think he has outlined very accurately and precisely what the Chairman originally proposed. But in addressing its merits, we must be very cautious about debating that it would reduce interest costs by $4½ billion. After being around here for 15 years, I sometimes worry about the accuracy of estimates from CBO and OMB regarding next week or next month, let alone over a 30-year period. But for the sake of argument, let me agree with the Senator from Florida that we would save interest premiums of $4½ billion over 30 years. This is true if we consider those savings in isolation, saving about 25 base points through on-budget versus off-budget financing. But the savings probably do not hold up if we have to consider it in the overall budget context and what it does to the capital markets.

In response to the Senator's comments, I do not think this issue is a matter of being devious or dishonest as if the administration plan is a means of trying to hide something. Everybody has been well aware what the administration's funding plan was, up front and in writing. They may not like it—the Senator from Florida and the chairman do not, and there are others who do not, as well—but it is not being hidden. It has been very clear and open in the way it has been presented. Both plans have been. And certainly there is no doubt in anybody's mind how each funding plan works.

It is equally well known that the alternative plan would save interest premiums—I think it may well save the $4½ billion on this basis and that is a lot of money. But what are the arguments on the other side. The first point is that the administration feels very, very strongly about this issue. Secretary Brady, with his background as Secretary of the Treasury and also on Wall Street and as a U.S. Senator for 1 year, is not the kind that threatens opposition or a veto idly, like some administration officials do. He really, sincerely and completely, believes that the recommended administration funding plan is better, so strongly, that he has convinced me that he will recommend a veto of this plan. Whether that is right or wrong or fair according to those who feel differently is not the point.

Both the chairman and I have talked about how delaying resolution of this problem is costing up to $1 billion a month. If we get into a legislative snarl over the funding mechanism and went 4½ months without a bill, we would have eaten up all the savings that might be achieved by going on budget. That is the first reason why I say we cannot consider the issue in isolation, but have to look at the whole budget picture.

My second concern with the funding plan that is being proposed is that it is a no-win proposition because it does

raise major budget act problems in fiscal year 1989, and I think it could have the effect of derailing the budget agreement for fiscal year 1990 that was just announced last Friday.

It raises a 60-vote budget points of order and I believe that problem would be certainly fatal. I do not believe there are 60 votes to change the administration's plan, particularly given the importance of the funding mechanism to the administration that I have talked about.

So the combination of administration opposition and Budget Act problems would result in costly delay. We have certainly had enough of that, as has been outlined by every speaker on both sides of the aisle today.

I know there are some strong feelings on this. Senator Graham of Florida certainly feels strongly about his position and certainly has done his homework, as evidenced by his presentation.

And I applaud any efforts to save money. Certainly anybody looking at my voting record over the years would know that I would be in favor of saving $4.5 billion if we could do so. But I do not believe that the alternative plan would really deliver those benefits. It would save money, certainly, if it eliminated a REFCORP premium over Treasury borrowing, as I indicated, some 25 base points. But by increasing Treasury borrowing by about 20 percent over the next few years it is likely to drive up overall Treasury borrowing costs. There is disagreement on this point. Major players on Wall Street seem to be lined up on both sides of the issue. But although those opinions vary, some major market players feel the cost would go up.

We are talking about $150 million a year savings in this plan which, again, I think could probably be achieved in reduced interest premiums if we go on budget. But there are estimates on the other side that as much as $500 million of increased borrowing cost overall on the Federal deficit would occur as a result of increasing the deficit by $50 billion this year. So there could be a net cost to the taxpayer of some $350 million per year.

Now, I am not going to stake my life on anybody's estimates in this area, but I do believe overall it would cost more to choose the alternative plan. Maybe more importantly, from a practical budgeting standpoint, it would land Congress in the middle of a 1990 sequestration fight. Again, whether it is fair or not, whether other people have different opinions, OMB Director Darman has decided the committee bill will increase fiscal 1990 outlays by $22 to $25 million and he has the final say on Gramm-Rudman-Hollings matters. He already sent us a letter to that extent.

Now, as a member of the Appropriations Committee, I have been through a lot of fights since Gramm-Rudman-Hollings came into existence. For those who do not know, overall ceilings are established on categories of spending. If you want to increase spending in one area, it has to be offset with spending from some other area or increased taxes. There are only two alternatives.

The budget agreement agreed to on Friday says there are going to be no new taxes. So if we get into 1990 and have $22 to $25 billion of additional spending as a result of putting this on budget showing as an outlay, that $22 to $25 billion is going to have to come out of some other program. That could be housing, it could be veterans, it could be NASA, which I do not want to cut any more. There are people who do not want it taken from housing or do not want it out of the National Science Foundation, do not want it out of education.

So, again, I say to the Senator from Florida, he has made a very forceful and accurate presentation of his position. I do think it is undoubtedly accurate in the savings it estimates through reduced interest premiums, but I think we must review the funding proposal; in the overall budget context—the deficit for fiscal year 1989, the impact that $22 to $25 billion of additional outlays putting it on budget in 1990 would cause, and the potential for delay that would eat up the savings.

Now, there are no good solutions. I would say in closing that neither funding mechanism is good or desirable, and neither is this position in which we find ourselves. All of us would prefer to be someplace else doing something else today and wish, as everybody has outlined, Congress had taken action in previous years. But we did not. Those are the facts of life. Whatever brought us to this point is immaterial now. We have to deal with it today and get a bill passed as rapidly as possible so that we stop the hemorrhage.

It sort of reminds me of an argument over somebody who is bleeding to death. All the people are standing over him trying to decide whether to put a tourniquet on, or what type of tourniquet to use and how tight to make it or how loose.

I believe the chairman adequately said it earlier today: "Even with all of this effort—and we feel we have come up with a well-balanced, comprehensive bill—we will have to come back and make some adjustments."

So I suggest we get the tourniquet put on as rapidly as we can and stop the hemorrhaging. If we have to come back and adjust, we will be ready to do so.

I yield the floor.

(Mr. GRAHAM assumed the chair.)

Mr. RIEGLE. Mr. President, if I might just make a brief comment. I know the Senator from Nebraska is waiting to be heard. I just want to commend the Senator from Florida for what I thought was really an exceptionally well prepared and well presented set of remarks.

Obviously, like him, I felt very strongly about the need to get the cost down on this package that will hit taxpayers soon and for many years into the future. I think the charts that the Senator from Florida has prepared are very compelling illustrations of the advantage of the financing alternatives that we had developed.

Let me also say, a few words with respect to where the budget outlays would be scored for the budget purposes and for what is left of the Gramm-Rudman budget discipline which, in my view, is not a great deal, but nevertheless is there.

Reference was made to a letter by Budget Director Darman where he took exception to our financing approach and indicated, as Senator GARN has said, that he might choose to score it in what I would consider to be an adverse way in the future that would make it a less desirable plan.

I have since written to Mr. Darman a letter that I think adequately responds and rebuts the points that he raised in his letter. In that letter I make it clear that, as we read his jurisdiction, he has plenty of latitude as to how he does the scoring arrangement and that, given what would clearly be the intent of Congress should our financing package take effect, that it would clearly be a signal to him to score it in a fashion consistent with what we had done, which would then take away the problem that in a sense he invents in his letter.

Without any disrespect to him, he is entitled to his view. But we have countered his points, I think, fully in a letter we sent in response.

I would ask unanimous consent that both letters, the letter from Mr. Darman and my response to Mr. Darman, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Subtitle B of Title V (p. 356) of the April 10, 1989, Committee Print of S. 413, the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989, authorizes the Resolution Funding Corporation (REFCORP) to borrow $50 billion from the Treasury. It does so rather than raise the funds through the private capital markets. This change to the Administration's REFCORP funding proposal raises questions about the scoring of budget deficit effects.

As we understand the Senate bill, although the $50 billion in REFCORP bonds must be purchased by Treasury when issued, there is no limitation on when the REFCORP bonds would be issued. Consequently, as under the Administration's plan, REFCORP would be expected to raise $10 billion in FY 1989, $25 billion in FY 1990, and $15 billion in FY 1991 to fund expected RTC expenditures in those years. Unlike the Administration's plan, however, the Senate proposal would be deemed to incur additional outlays in 1989, 1990 and 1991 as Treasury purchases the REFCORP bonds, assuming that REFCORP were still considered to be a government sponsored enterprise and not an on-budget agency. Accordingly, this would increase the Federal deficit by roughly $10 billion in 1989, $25 billion in 1990 and $15 billion in 1991.

If the Senate proposal intended, instead, to direct REFCORP to borrow from Treasury in advance of its need to supply funding to the RTC, that restraint, in conjunction with the requirement that REFCORP borrow only from the Treasury, could undermine the view that REFCORP is, in fact, a government sponsored enterprise. If REFCORP is viewed as a government agency and not a government sponsored enterprise, then the borrowings from Treasury and the funding provided to the RTC are simply intragovernmental transfers. The effect of this, relative to the Administration's plan, would be to increase outlays by roughly $9 billion in 1989, $22 billion in 1990 and $12 billion in 1991.

Clearly, the budget outlay increases that would have to be recorded in either case would seriously jeopardize the bipartisan efforts to date to reach a budget agreement between the Administration and the Congress. They would likely make such agreement impossible unless the GRH targets were changed. But, as I have testified before your committee, I think changing the targets would be irresponsible for a host of reasons. Adverse economic and financial market effects would surely flow from either a failure to achieve a credible budget agreement that meets the GRH deficit reduction targets or a decision to change the targets. The cost of the adverse economic effects would far outweigh any small savings projected from using Treasury financing under the Senate bill.

Again, I respectfully urge you to reconsider the net costs of your approach in relation to the Administration's approach. On balance, it seems clear to me that the economic and market risks associated with the secondary effects of your approach argue strongly against it—and argue in favor of the alternative we have recommended.

I look forward to discussing this with you further as you move toward mark-up.

With best regards,

RICHARD G. DARMAN,
Director.

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS,
Washington, DC, April 13, 1989.

Hon. RICHARD G. DARMAN,
Director, Office of Management and Budget, Executive Office of the President, Washington, DC.

DEAR MR. DIRECTOR: Thank you for your letter concerning the budget scoring of the Resolution Funding Corporation (REFCO) transactions under my funding proposal. The two issues you raise are, I believe, fairly technical ones, for which straightforward, technical solutions are available.

First, you note that the Committee print did not require issuance of all REFCORP bonds this fiscal year and point out that any later borrowing would increase future deficits. I would certainly expect the oversight board would choose to issue all the bonds this year in line with language which we have included in our descriptive documents about the plan and which could have been inserted in the Committee report. Of course, language also could be added to the bill directing all bond issuance this year.

Second, you raise a question about whether this change from the Bush Administration proposal would change the status of REFCORP to a government agency from the government-sponsored enterprise envisioned in the Administration proposal; the budget implications for 1990 and 1991 would be problematic. This would be your decision; you are the scorer. Personally, I see little if any difference in the structure of the Administration's REFCORP and REFCORP under the Senate plan. Both are owned by Federal Home Loan Banks, and private funds are used to pay off all of the long-term debt. The interest payments are paid partly out of private funds and mostly out of Treasury bonds. Again, any doubts could be settled by adding appropriate language to the bill. Again, you are the scorer and you could move in either direction.

These technical matters are not serious impediments to the Senate funding plan. This is especially true if the Administration took a cooperative stance on this matter. The real issue is whether we want to save money for taxpayers by issuing Treasury, rather than agency, securities in the market. Our plan, like yours, was carefully designed to avoid interfering with Gramm-Rudman targets in 1990 and 1991. The difference is that ours saves $4.5 billion and has the support of the financial markets, as well as the endorsement of the Wall Street Journal, the New York Times, and the Washington Post, among other newspapers.

I think you are missing an opportunity here to serve the taxpayers by saving a large sum of money. The present value of the $4.5 billion is $1.4 billion. That is a big number for all Americans and should be for the Office of Management and Budget. We are spending huge sums of taxpayer money to clean up this mess; we should at least keep the cost as low as possible.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I rise today to indicate that I intend to vote for this piece of legislation. But I rise as well to express some reservations, some of which the Senator from Florida expressed earlier.

Before I do, I want to congratulate and compliment both the Senator from Michigan and the Senator from Utah who have stayed together and in concert to do a task that I would observe that very few would want to do.

I have learned in a relatively short period of time in the U.S. Senate that very often the job assignments can come to you and need to be done and they are decidedly unpleasant.

I was asked not too long ago by the majority leader to serve on the committee that will hear the evidence on Judge Alcee Hastings. There is, I would guess, not a single Nebraskan who will applaud me for that effort. There is not one single individual who sent me to the U.S. Senate that will applaud the work that will be done on that committee. And with this particular effort, I suspect, not only is there a scattered amount of applause, but there is a decided chorus of boos coming.

I heard the chairman of the committee suggest that upon the declaration of the signing ceremony there will be relatively few volunteers to go to the Rose Garden. I suspect that is the case.

It is an effort that required a considerable amount of diligence and willingness in the face of disagreement to stay together on task. I applaud the chairman and all committee members for getting this done.

I would suggest that I view this problem and the bill that addresses it in three categories. The first is the need for regulatory change.

I must observe as well, at the outset, that I am not a banker and I am not an individual who operates a savings and loan. I am an individual who tends to borrow money rather than lend it. And, as a result of that rather glaring lack of knowledge, it is difficult, in fact, for me to get into a discussion of what is best and what is permanent in terms of changes needed in our regulatory environment.

I have heard people argue whether or not the capital requirements are sufficient and whether or not the capital requirements should be changed. I must tell you, Mr. President, that even in that regard it is difficult for me to get my arms around the meaning of the word "capital."

It is difficult for me to get my arms around the meaning of the capital differentials that have been offered. I, in the end, trust the Chair, trust the Banking Committee and trust that the President and Secretary Brady have given this due consideration, that the regulatory changes that are proposed are good. I simply pass no further judgment on it.

The second area is the need for cash. The Senator from Utah said, as I think it is accurate to say, that while we debate $1 billion a month is being added to the cost. It is a big amount of cash. I share the outrage of the Senator from Florida. But after I get beyond outrage, after I get beyond observing born-again liberals coming into my office urging me to vote, almost without consideration, for the biggest spending program since the Marshall Plan—after I get beyond that, I feel an immense sense of sadness. Because after this is all done, after we have

completed this appropriation of money and the reorganization of our financial institutions, we will not be able to look out 10 years from now, 20 years from now, 30 years from now and say: This is what we did for America's children; this is what we did for America's farmers.

We will not build one school, one road. We will not directly assist one individual. We will have merely transferred capital from one account to another, capital that needs to be transferred. I support the appropriation that is being proposed in this legislation. It simply underscores the difficulty of the task.

But I feel sadness when I consider that we will have withdrawn savings and capital from one account and moved it to another one.

There is an annual report from a Nebraska company called Berkshire-Hathaway in which an individual named Charlie Munger describes his view of the savings and loans in the 1980's and he references those who were using the $100,000 insurance to bid up deposits. He references those, he said, in the same way that Mark Twain once defined a gold mine, that is "a hole in the ground owned by a liar."

It seems to me that this sense of sadness creates, again, for the people who have worked on this, a great deal of difficulty in resolving it. There is a tendency to rise up either in sadness or in anger and simply say: we are not going to do it. Again I applaud the Chair and the entire committee and the administration for saying to us that we would take that kind of action at our own risk.

I come to the conclusion, somewhat reluctantly, occasionally with anger and always with some sadness: I must support this appropriation of money.

Finally, the third category that I see is the resolution of liquidation of assets. The President's proposal calls for the creation of a resolution trust corporation [RTC] and I have considerable amount of reservations about the RTC's mission that as well as its ability to carry out its mission. Mr. President, I see in that mission, a potential for scandal, as you referenced in your remarks, that dwarfs any that has preceded this particular event.

I see enormous potential problems in their task, and it worries me that the structure suggested in this legislation is insufficient to enable the people of the United States of America to accomplish that task.

Let me for the purpose of trying to define it, describe what I see the work of this group to be. First of all, they will be managing the liquidation of the assets of at least 350 savings and loans. They will be attempting to liquidate as rapidly and as efficiently as possible, at least $100 billion of assets, dispersed throughout the country.

Their mission will be to sell it as fast as possible but also to sell it at the highest price they can get, knowing that every dollar that they receive from these assets will reduce the burden placed on the taxpayer. Every dollar will reduce the burden the taxpayers of the United States will have to pay.

They also understand they must do it without political conflicts. I would suggest, Mr. President, that all of us under the umbrella of higher and new ethical standards should be concerned that at some point in the future, we face this question: Did your vote for this piece of legislation enable anyone who committed themselves to you and made a campaign contribution to you, enrich or enable them to benefit, in some fashion, from the resolution of these assets? It is extremely difficult to avoid that kind of political conflict.

Mr. President, this resolution trust corporation, in addition to trying to do it in an expeditious fashion, in a way the people themselves will trust, must attempt to do it in a fashion that will minimize the disruption to our communities. They must attempt to minimize the disruption that rapid liquidation of assets could have on other property values in the communities of those savings and loan institutions.

Finally, Mr. President, they must attempt to do all this at the same time that they guard the U.S. Treasury and minimize unwarranted profiteering or what I would call double dipping. The unsavory possibility that we could have individuals who actually participated in savings and loans that were shut down now coming in, participating in the liquidation of the assets and dipping twice into the Federal Treasury. I do not wish to raise all kinds of alarms. I wish only to describe the tremendous work, the perhaps unprecedented work the resolution trust corporation will have to do in order to satisfactorily carry out their mission.

And, after I have attempted in a meager way to describe that mission, then I ask this question: Will the Secretary of the Treasury, will the Attorney General, and will the Chairman of the Federal Reserve, three individuals who already have their hands full and their plates full of jobs to be done, will they have the time to sit and carry out this enormous job, even with the assistance of two additional members?

Mr. President, I answer that question "no"; they will not have the time. If they give the effort that is required, they will not have the time. And in answering that question "no", it causes me concern and fear for the resolution trust corporation.

I believe one of the things that is important for us to consider again, as you referenced in your speech, that we are the ones who are going to be accountable, we are the ones who are going to have to answer to taxpayers about what is happening with these assets, what is going on with the money that you are using to save these savings and loans, and we must be able to answer those questions. We should not have to start a General Accounting Office investigation to discover what is happening with these assets.

It seems to me, Mr. President, that unless we establish some window, some larger window for us to observe what is going on, some fashion that is independent of an annual or even a biannual report, given the difficulty of reading and understanding those reports, we will need a window that we trust. In the end, I think we need to structure the resolution trust corporation so that we trust it. So that we, the individuals who are voting to appropriate money, who hvae come reluctantly to the conclusion that we will support the transfer of capital from taxpayers over to institutions and to savers who need that support. We must also structure it so that we will be able to account for the money, and will be comfortable that it will help us achieve what is best and permanent. We must structure it so that we can fairly be asked and be answered by people on that board.

I have suggested to the committee, and we are awaiting an answer from the Treasury, to see if they would accept a change that would have a seven-member board with three members previously on it serving ex-officio, giving the chairman a chance to appoint those who not only have the authority but the trust of the American people as this resolution trust corporation attempts to resolve the disposition of these assets.

Mr. President, I believe the potential of scandal with the resolution trust corporation is great. I believe the need for action is urgent. I want to make it clear that my proposal, this reservation that I feel does not detract at all from my respect, my admiration and my commitment to the Banking Committee and to this administration for identifying an extremely unpleasant problem and proposing an innovative and, we hope, permanent solution to this problem. I thank the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, insofar as we know, all of the opening statements that Members wish to make today have now been heard. There may be others that will be submitted for the RECORD, but I think we are at a point, unless someone else arrives now, where we need the guidance of the majority leader as to his wish on scheduling for tomorrow.

I have spoken with Senator GARN, and he and I are both prepared to be on deck here at an early hour in the morning and to remain here for as

long as it takes. It would be very good if we could finish the bill tomorrow. I do not know if we will find we can do that, but I certainly want to press ahead with that thought in mind. I think the sooner we can conclude the bill, the better prepared we will be to go into a conference with the House on this matter.

So, Mr. President, I think as we await a signal on tomorrow's schedule from the majority leader that we will pause here for a brief period of time.

Mr. GARN. If the chairman will yield for a moment?

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I would just like to echo the comments of the chairman and remind everyone what has been said by every speaker today regarding cause of delay ranging anywhere from $500 million a month to $1 billion a month. I suggest the faster we act on this bill, the better off we will be. I would certainly encourage our colleagues on either side of the aisle who have amendments to be prepared to come and offer them tomorrow. We will be prepared to debate them one way or another. However, this issue is so critical, I would hope that whatever else they are doing, they would come tomorrow from their committee meetings and other meetings and proceed with their amendments so we could finish this bill tomorrow night if possible and certainly no later than Wednesday.

Mr. RIEGLE. I might just add, depending upon the hour that we begin in the morning, that would be an excellent opportunity for anyone who wants to come in and present an issue to do so. I would urge Members and staff to consider availing themselves of that opportunity tomorrow morning because we will be here and we will be ready to go at that time.

In anticipation of word from the majority leader as to his desire of tomorrow's schedule, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

ENROLLED BILL SIGNED

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on April 14, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bill:

H.R. 1750. An act to implement the bipartisan accord on Central America of March 24, 1989.

Under the authority of the order of the Senate of January 3, 1989, the enrolled bill was signed on April 14, 1989, during the recess of the Senate, by the President pro tempore (Mr. BYRD).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-932. A communication from the Secretary of Agriculture transmitting, pursuant to law, the third quarterly commodity and country allocation table showing current programming plans for commodity assistance under Public Law 480 for fiscal year 1989; to the Committee on Agriculture, Nutrition, and Forestry.

EC-933. A communication from the Chairman of the Federal Election Commission transmitting, pursuant to law, the Commission's protest to the reduction in the appropriations for Domestic Discretionary Residual Programs for fiscal year 1989; to the Committee on Appropriations.

EC-934. A communication from the Assistant Secretary of Defense (Production and Logistics), transmitting, pursuant to law, the annual report on the extent to which contracts negotiated during fiscal year 1988 have prevented excessive contractor profits; to the Committee on Armed Services.

EC-935. A communication from the Secretary of the Navy, transmitting, pursuant to law, a notice of the waiver of the monetary set-aside provisions of the Stevenson-Wydler Act as has been done by the Department of Defense in previous years; to the Committee on Commerce, Science, and Transportation.

EC-936. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report on the activities of the National Technical Information Service for fiscal year 1988 and a report on NTIS fees and declining sales; to the Committee on Commerce, Science, and Transportation.

EC-937. A communication from the Secretary of the Army, transmitting, pursuant to law, notice of a waiver of the monetary set-aside provisions of the Stevenson-Wydler Act as has been done in previous years; to the Committee on Commerce, Science, and Transportation.

EC-938. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting a draft of proposed legislation to amend the North Pacific Fisheries Act of 1954 to facilitate the orderly conduct of Japanese salmon fisheries within the exclusive economic zone of the United States; to the Committee on Commerce, Science, and Transportation.

EC-939. A communication from the Assistant Secretary of Energy (Management and Administration), transmitting, pursuant to law, a report on certain contractual actions during calendar year 1988; to the Committee on Energy and Natural Resources.

EC-940. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, and for other purposes; to the Committee on Energy and Natural Resources.

EC-941. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-942. A communication from the Deputy Assistant Secretary of Defense (Environment), transmitting, pursuant to law, a report on the Department of Defense Environmental Restoration Program for fiscal year 1988; to the Committee on Environment and Public Works.

EC-943. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Progress in the Prevention and Control of Air Pollution in 1987"; to the Committee on Environment and Public Works.

EC-944. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report on Ocean Pollution, Monitoring, and Research for fiscal year 1987; to the Committee on Environment and Public Works.

EC-945. A communication from the President of the United States, transmitting, pursuant to law, notice of his decision to suspend indefinitely Burma and the Central African Republic from the Generalized System of Preferences for failure to comply with section 502(b)(7) of the Trade Act of 1974, as amended, concerning internationally recognized worker rights; to the Committee on Finance.

EC-946. A communication from the Executive Director of the Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973 to authorize appropriations for fiscal years 1990 and 1991, and for other purposes; to the Committee on Foreign Relations.

EC-947. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1988; to the Committee on Governmental Affairs.

EC-948. A communication from the Acting Chairman of the Consumer Product Safety Commission, transmitting, pursuant

to law, the annual report of the Commission on competition advocacy for fiscal year 1988; to the Committee on Governmental Affairs.

EC-949. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a report entitled "Civil Service Retirement and Disability Fund [CSRDF] Annual Report" for fiscal year 1987; to the Committee on Governmental Affairs.

EC-950. A communication from the Executive Director of the Federal Retirement Thrift Investment Board, transmitting a draft of proposed legislation to amend the Federal Employees' Retirement System Act of 1986; to the Committee on Governmental Affairs.

EC-951. A communication from the Assistant Attorney General (Office of Justice Programs), transmitting, pursuant to law, the report of the Assistant Attorney General, Office of Justice Programs, for fiscal year 1988; to the Committee on the Judiciary.

EC-952. A communication from the Acting Director of the Bureau of Justice Statistics, Department of Justice, transmitting, pursuant to law, the annual report on the activities of the Bureau of Justice Statistics during fiscal year 1988; to the Committee on the Judiciary.

EC-953. A communication from the Acting Administrator of General Services, transmitting, pursuant to law, the annual report of the General Services Administration under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-954. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the annual report of the Office of Personnel Management under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-955. A communication from the Secretary of Education, transmitting a draft of proposed legislation to improve the operation of vocational education programs under the Carl D. Perkins Vocational Education Act by promoting accountability, making the Act more flexible, reducing administrative burden, and fostering economic development and the improvement of vocational education personnel; and for other purposes; to the Committee on Labor and Human Resources.

EC-956. A communication from the Chairman and Vice Chairman of the National Commission on Orphan Diseases, transmitting, pursuant to law, the final report of the Commission; to the Committee on Labor and Human Resources.

EC-957. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priority under the National Institute on Disability and Rehabilitation Research for Rehabilitation of Infants, Children, and Youth With Disabilities or Chronic Illness; to the Committee on Labor and Human Resources.

EC-958. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Pell Grant Programs—Expected Contributions for Students With Special Conditions; to the Committee on Labor and Human Resources.

EC-959. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of establishing standards and specifications for agricultural products; to the Committee on Rules and Administration.

EC-960. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, notice of an expected shortfall in the Presidential Election Campaign Fund; to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MITCHELL (for himself, Mr. BAUCUS, Mr. CHAFEE, Mr. BREAUX, Mr. DURENBERGER, Mr. REID, and Mr. KASTEN):

S. 804. A bill to conserve North American wetland ecosystems and waterfowl and the other migratory birds and fish and wildlife that depend upon such habitats; to the Committee on Environment and Public Works.

By Mr. McCLURE (for himself and Mr. SYMMS):

S. 805. A bill to amend the Food Security Act of 1985 to permit certain school districts to receive assistance to carry out the school lunch program in the form of all cash assistance or all commodity letters of credit assistance; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BENTSEN:

S. 806. A bill to treat tobacco grown in the United States and processed in a designated Caribbean Basin Country as eligible for duty-free entry; to the Committee on Finance.

By Mr. KENNEDY:

S. 807. A bill to amend the National Relations Act to increase the stability of collective bargaining in the building and construction industry; to the Committee on Labor and Human Resources.

By Mr. PELL (by request):

S. 808. A bill to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes; to the Committee on Foreign Relations.

S. 809. A bill to authorize appropriations for fiscal years 1990 and 1991 for the United States Information Agency, and for other purposes; to the Committee on Foreign Relations.

S. 810. A bill to amend the Board for International Broadcasting Act of 1973 to authorize appropriations for fiscal years 1990 and 1991; to the Committee on Foreign Relations.

By Mr. BENTSEN:

S. 811. A bill to amend the Internal Revenue Code of 1986 to provide notice to any taxpayer of amounts withheld in excess of such amounts reported on a tax return by such taxpayer; to the Committee on Finance.

By Mr. PRYOR:

S. 812. A bill to amend the Internal Revenue Code of 1986 to expand the post-retirement health care and long-term care benefits which may be provided by pension plans; to the Committee on Finance.

By Mr. WIRTH:

S. 813. A bill to establish the National Literacy Commission, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. BOND, Mr. GRASSLEY, Mr. SIMON, and Mr. DECONCINI):

S. 814. A bill to provide for the minting and circulation of one dollar coins, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ADAMS (for himself and Mr. GORTON):

S. 815. A bill to provide for the fair tax treatment of interstate transportation employees; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MITCHELL (for himself, Mr. BAUCUS, Mr. CHAFEE, Mr. BREAUX, Mr. DURENBERGER, Mr. REID, and Mr. KASTEN):

S. 804. A bill to conserve North American wetland ecosystems and waterfowl and other migratory birds and fish and wildlife that depend upon such habitats; to the Committee on Environment and Public Works.

NORTH AMERICAN WETLANDS CONSERVATON ACT

Mr. MITCHELL. Mr. President, I am introducing today legislation to conserve North American wetlands and waterfowl and the other migratory birds and fish and wildlife that depend on these habitats.

Like the forests of Central America and tropical South America, the wetlands of this continent are libraries of nature which contain volumes of priceless genetic information. They are North America's most biologically productive areas, and roughly a third of the continent's endangered species of animals are dependent on them.

And like the tropical forests, we have subjected our wetlands to much destruction.

From the 1950's to the 1970's, we drained, filled, and cleared 9 million acres of wetlands in the 48 contiguous States. Less than half of the original 200 million acres remain, and the destruction continues today at a rate of half a million acres per year—an area 12 times the size of the District of Columbia.

Total wetlands loss in the Canadian prairie provinces of Alberta, Saskatchewan, and Manitoba is estimated to be 40 percent of the original wetlands acreage.

The destruction of wetlands in North America, where many migratory bird species breed, spells disaster for these species just as surely as the destruction of forests in Central and tropical South America, where they winter.

The average number of North American ducks in recent years has been lower than any comparable period on record.

There have been fewer black ducks, a species prized by people in Maine and elsewhere in the Eastern United States and Canada, than at any time during the previous three decades.

Of the 30 species of migratory nongame birds that are currently of management concern to the U.S. Fish and Wildlife Service because of their uncertain status, nearly one-half are dependent upon coastal and freshwater wetlands.

Thirteen of some of our most abundant and widespread songbirds, like the American goldfinch and the eastern meadowlark, have declined at an average rate of nearly 3 percent per year over the past 20 years.

In 1936, at a time of severe crisis in the Nation's natural resources, the great conservationist Ding Darling bluntly warned that "whatever we may have been doing is not wildlife conservation, since we continue to have less instead of more."

Unfortunately, the same could be said today with respect to the job we have been doing in conserving the continent's wetlands and migratory birds.

We have got to do better.

One of the principal goals of the legislation I am introducing will be to begin a long-term commitment to work with Canada and Mexico in implementation of the North American waterfowl management plan.

According to the U.S. Secretary of the Interior and the Canadian Minister of the Environment, the plan is "the best opportunity we will ever have" to halt the decline of many species of ducks, geese, and other migratory birds.

The goal, which it is hoped will be achieved by the year 2000, is to restore the continent's waterfowl not to the numbers that existed in the 1950's but only to the lower levels of a decade ago.

The extent of habitat destruction has been so great that even achieving this modest target will require an unprecedented cooperative strategy to conserve nearly 2 million acres of wetland ecosystems in the United States and almost 4 million acres of these habitats in Canada.

The key to the success of this undertaking will be the participation not only of the national governments of our countries, but also the involvement of State, provincial, territorial and local governments, and private individuals, conservation organizations and businesses.

The North American Wetlands Conservation Act will provide Federal funding to encourage these public and private partnerships for wetlands conservation projects in Canada and Mexico as well as in the United States.

The new effort described above is a beginning. It must go hand in hand with increased efforts to stem the rate of wetlands destruction through regulatory and other means. Added incentives and controls must be found for protection of the public benefits provided by the many privately owned wetlands.

Next, we must look toward greater implementation of the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere. The framework provided by this accord for conservation efforts in the Caribbean and Central and South America is critical to the well-being of many of the world's migratory birds.

It is well past time to begin carrying out the habitat protection provisions of the migratory bird treaties with Japan and the Soviet Union, which were ratified by the Senate over a decade ago.

The Supreme Court reminded us in 1983 that "the protection of migratory birds has long been recognized as a national interest of very nearly the first magnitude."

Our efforts to care for this resource should better reflect the magnitude of that interest.

Mr. President, I am pleased that Senators BAUCUS, CHAFEE, DURENBERGER, BREAUX, REID, and KASTEN have joined in sponsoring this legislation.

Mr. President, I ask unanimous consent that the full text of the bill and a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "North American Wetlands Conservation Act".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) the maintenance of healthy populations of migratory birds in North America is dependent on the protection, restoration, and management of wetland ecosystems and other habitats in Canada, as well as in the United States and Mexico;

(2) wetland ecosystems provide essential and significant habitat for fish, shellfish, and other wildlife of commercial, recreational, scientific, and aesthetic values;

(3) almost 35 per centum of all rare, threatened, and endangered species of animals are dependent on wetland ecosystems;

(4) wetland ecosystems provide substantial flood and storm control values and can obviate the need for expensive manmade control measures;

(5) wetland ecosystems make a significant contribution to water availability and quality, recharging groundwater, filtering surface runoff, and providing waste treatment;

(6) wetland ecosystems provide aquatic areas important for recreational and aesthetic purposes;

(7) more than 50 per centum of the original wetlands in the United States alone have been lost;

(8) wetlands destruction, loss of nesting cover, and degradation of migration and wintering habitat have contributed to long-term downward trends in populations of migratory bird species such as pintails, American bitterns, and black ducks;

(9) the migratory bird treaty obligations of the United States with Canada, Mexico, and other countries require protection of wetlands that are used by migratory birds for breeding, wintering, or migration and are needed to achieve and to maintain optimun population levels, distributions, and patterns of migration;

(10) the 1988 amendments to the Fish and Wildlife Conservation Act of 1980 require the Secretary of the Interior to identify conservation measures to assure that nongame migratory bird species do not reach the point at which measures of the Endangered Species Act are necessary;

(11) protection of migratory birds and their habitats requires long-term planning and the close cooperation and coordination of management activities by Canada, Mexico, and the United States within the framework of the 1916 and 1936 Migratory Bird Conventions;

(12) the North American Waterfowl Management Plan, signed in 1986 by the Minister of Environment for Canada and the Secretary of the Interior for the United States, provides a framework for maintaining and restoring an adequate habitat base to ensure perpetuation of populations of North American waterfowl and other migratory bird species; and

(13) the long-term conservation of migratory birds and habitat for these species will require the coordinated action of governments, private organizations, landowners, and other citizens.

(b) PURPOSE.—The purposes of this Act are to encourage partnership among public agencies and private interests—

(1) to protect, enhance, restore, and manage an appropriate distribution and diversity of wetland ecosystems and other habitats for migratory birds and other fish and wildlife in North America;

(2) to maintain current or improved distributions of migratory bird populations; and

(3) to sustain an abundance of waterfowl and other migratory birds consistent with the goals of the North American Waterfowl Management Plan and the international obligations contained in the migratory bird treaties and conventions with Canada, Mexico, and other countries.

SEC. 3. DEFINITIONS.

For the purposes of this Act:

(1) The term "appropriate Committees" means the Committee on Environment and Public Works of the United States Senate and the Committee on Merchant Marine and Fisheries of the United States House of Representatives.

(2) The term "flyway" means the four administrative units used by the United States Fish and Wildlife Service and the States in the management of waterfowl populations.

(3) The term "migratory birds" means all wild birds native to North America that are in an unconfined state and that are protected under the Migratory Bird Treaty Act, including ducks, geese, and swans of the family Anatidae, species listed as threatened or endangered under the Endangered Species Act (16 U.S.C. 1531 et seq.), and species defined as nongame under the Fish and Wildlife Conservation Act of 1980 (16 U.S.C. 2901-2912).

(4) The term "Plan" means the North American Waterfowl Management Plan signed by the Minister of the Environment for Canada and the Secretary of the Interior for the United States in May 1986.

(5) The term "Secretary" means the Secretary of the Interior.

(6) The term "State" means the State fish and wildlife agency.

(7) The term "wetlands conservation project" means—

(A) the obtaining of a real property interest in lands or waters from willing sellers or donors if the obtaining of such interest is subject to terms and conditions that will

ensure that the real property will be administered for the long-term conservation of such lands and waters and the migratory birds and other fish and wildlife dependent thereon and that will provide for appropriate public access; and

(B) the restoration, management, or enhancement of wetland ecosystems and other habitat for migratory birds and other fish and wildlife species if such restoration, management, or enhancement is conducted on lands and waters that are administered for the long-term conservation of such lands and waters and the migratory birds and other fish and wildlife dependent thereon and that are available for appropriate public access.

SEC. 4. ESTABLISHMENT OF NORTH AMERICAN WETLANDS CONSERVATION COMMISSION.

(a) COMMISSIONERS.—(1) There shall be established a North American Wetlands Conservation Commission which shall consist of nine Commissioners who may not receive compensation as Commissioners. Of the Commissioners—

(A) one shall be the Director of the United States Fish and Wildlife Service;

(B) one shall be the Secretary of the Board of the National Fish and Wildlife Foundation appointed pursuant to section 3(2)(B) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702); and

(C) four shall be individuals who shall be appointed by the Secretary, who shall reside in different flyways and who shall each be a Director of the State fish and wildlife agency directly responsible for conservation of fish, wildlife, and wetlands;

(D) three shall be indi.iduals who shall be appointed by the Secretary and who shall each represent a different charitable and nonprofit organization which is actively participating in implementation of the Plan.

(2) The Secretary shall appoint an alternate Commissioner who shall be knowledgeable and experienced in matters relating to fish, wildlife, and wetlands conservation and who shall perform the duties of a Commissioner appointed under subsection (a)(1)(C) or subsection (a)(1)(D) of this section—

(A) until a vacancy referred to in subsection (b)(4) of this section is filled; or

(B) in the event of the anticipated absence of such a Commissioner from any meeting of the Commission.

(b) APPOINTMENT AND TERMS.—(1) Except as provided in paragraphs (2) and (3), the term of office of Commissioners appointed under subsections (a)(1)(C) and (a)(1)(D) of this section is six years.

(2) Of the Commissioners first appointed under subsection (a)(1)(C) of this section after the date of enactment of this Act, one shall be appointed for a term of three years, one shall be appointed for a term of four years, one shall be appointed for a term of five years, and one shall be appointed for a term of six years.

(3) Of the Commissioners first appointed under subsection (a)(1)(D) of this section after the date of enactment of this Act, one shall be appointed for a term of two years, one shall be appointed for a term of four years, and one shall be appointed for a term of six years.

(4) Whenever a vacancy occurs among Commissioners appointed under subsection (a)(1)(C) or subsection (a)(1)(D) of this section, the Secretary shall appoint an individual in accordance with either such subsection to fill that vacancy for the remainder of the applicable term.

(c) EX OFFICIO COMMISSION MEMBERS.—The Secretary is authorized and encouraged to include as ex officio nonvoting members of the Commission representatives of—

(1) the Federal, provincial, territorial, or State government agencies of Canada and Mexico, which are participating actively in carrying out one or more wetlands conservation projects under this Act or the Plan;

(2) the Environmental Protection Agency and other appropriate Federal agencies, in addition to the United States Fish and Wildlife Service, which are participating actively in carrying out one or more wetlands conservation projects under this Act or the Plan; and

(3) Native American interests, including tribal organizations, which are participating actively in one or more wetlands conservation projects under this Act or the Plan.

(d) CHAIRMAN.—The Chairman shall be elected by the Commission from its members for a two-year term.

(e) QUORUM.—A majority of the current membership of the Commission shall constitute a quorum for the transaction of business.

(f) MEETINGS.—The Commission shall meet at the call of the Chairman at least once a year. Nonexecutive sessions of Commission meetings shall be open to the public. If a Commission member appointed under subsection (a)(1)(C) or (a)(1)(D) of this section misses three consecutive regularly scheduled meetings, the Secretary may remove that individual from the Commission and fill that vacancy in accordance with subsection (b)(4).

(g) REIMBURSEMENT OF EXPENSES.—Members of the Commission appointed under subsection (a)(1)(C) or subsection (a)(1)(D) of this section shall serve without pay, but be reimbursed by the Secretary with the funds available under section 8(a)(1) for administering this Act for the actual and necessary traveling and subsistence expenses incurred by them in the performance of the duties of the Commission.

(h) COORDINATOR.—The Director of the United States Fish and Wildlife Service shall designate an individual—

(1) who shall be educated and experienced in the principles of fish, wildlife, and wetlands conservation;

(2) who shall be responsible, with assistance from the United States Fish and Wildlife Service, for administration of this Act; and

(3) who shall be compensated with the funds available under section 8(a)(1) for administering this Act.

SEC. 5. APPROVAL OF WETLANDS CONSERVATION PROJECTS.

(a) CONSIDERATION BY THE COMMISSION.—The Commission shall recommend wetlands conservation projects to the Secretary based on consideration of—

(1) the availability of sufficient non-Federal moneys to carry out any wetlands conservation project and to match Federal contributions in accordance with the requirements of sections 8(b) and 8(c) of this Act;

(2) the extent to which any wetlands conservation project represents a partnership among public agencies and private entities;

(3) the consistency of any wetlands conservation project in the United States with the National Wetlands Priority Conservation Plan developed under section 301 of the Emergency Wetlands Resources Act (16 U.S.C. 3921);

(4) the extent to which the wetlands conservation project fulfills the purposes of this Act and the goals of the Plan;

(5) the extent to which any wetlands conservation project would aid the conservation of migratory nongame birds, other fish and wildlife and species that are listed, or are candidates to be listed, as threatened and endangered under the Endangered Species Act (16 U.S.C. 1531 et seq.);

(6) the substantiality of the character and design of the wetlands conservation project; and

(7) the recommendations of any partnerships among public agencies and private entities in Canada, Mexico, or the United States which are participating actively in carrying out one or more wetlands conservation projects under this Act or the Plan.

(b) RECOMMENDATIONS TO THE SECRETARY.—The Commission shall submit to the Secretary and the appropriate Committees by March 30 of each year, a description, including estimated costs, of the wetlands conservation projects which the Commission has considered under subsection (a) of this section and which it recommends, in order of priority, that the Secretary approve for Federal funding under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(b)), as amended by this Act.

(c) COMMISSION PROCEDURES.—The Commission shall establish practices and procedures for the carrying out of its functions under subsections (a) and (b) of this section. The procedures shall include requirements that—

(1) a quorum of the Commission must be present before any business may be transacted; and

(2) no recommendations referred to in subsection (b) of this section may be adopted by the Commission except by the vote of two-thirds of all members present and voting.

(d) APPROVAL OF COMMISSION RECOMMENDATIONS BY THE SECRETARY.—The Secretary shall approve the Federal funding available under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(b)), as amended by this Act, for the wetlands conservation projects in the order of priority recommended by the Commission unless the Secretary finds that any such projects should not have been recommended based on consideration of the factors in subsection (a) of this section.

(e) REJECTION OR MODIFICATION OF RECOMMENDATIONS.—If the Secretary makes a finding under subsection (d) of this section with respect to any wetlands conservation project recommended by the Commission, the Secretary shall provide the Commission and the appropriate Committees with a justification, in writing, for such finding.

SEC. 6. CONDITIONS RELATING TO WETLANDS CONSERVATION PROJECTS.

(a) PROJECTS IN THE UNITED STATES.—(1) Subject to the allocation requirements of section 8(a)(2) and the limitations on Federal contributions under section 8(c) of this Act, the Secretary shall assist in carrying out wetlands conservation projects in the United States, which have been approved under section 5(d), with the Federal funds made available under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(b)), as amended by this Act.

(2) Except as provided in paragraph (3), any lands or waters or interests therein acquired in whole or in part by the Secretary with the Federal funds made available under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16

U.S.C. 669b(b)), as amended by this Act, to carry out wetlands conservation projects shall be included in the National Wildlife Refuge System.

(3) The Secretary may convey without cost to a State, or to another public agency or private entity approved by a State, any real property interest acquired in whole or in part with the Federal funds made available under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(b)), as amended by this Act, except that no real property interest acquired in whole or in part, or enhanced, managed, or restored with such Federal funds shall, without the approval of the Secretary, be converted for uses other than conservation of migratory birds, other fish and wildlife and the wetland ecosystems upon which such species depend. The Secretary shall approve such conversion only if the Secretary finds that it is in accord with the Plan and only upon such conditions as the Secretary deems necessary to assure the substitution of comparable wetland ecosystems or other habitat, of at least equal fair market value, for migratory birds and other fish and wildlife species.

(b) PROJECTS IN CANADA OR MEXICO.—Subject to the allocation requirements of section 8(a)(1) and the limitations on Federal contributions under section 8(b) of this Act, the Secretary shall grant or otherwise provide the Federal funds made available under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(b)), as amended by this Act, to public agencies and private entities for purposes of assisting such entities and individuals in carrying out wetlands conservation projects in Canada or Mexico that have been approved under section 5(d). The Secretary may only grant or otherwise provide Federal funds if the grant or provision is subject to terms and conditions that will ensure that any real property interest acquired in whole or in part, or enhanced, managed, or restored with such Federal funds will be administered for the long-term conservation and management of fish and wildlife and in a manner that will provide for appropriate public access and use.

SEC. 7. AMOUNTS AVAILABLE TO CARRY OUT THIS ACT.

(a) AID IN WILDLIFE RESTORATION.—(1) Section 3 of the Act commonly known as the "Federal Aid in Wildlife Restoration Act" (16 U.S.C. 669b) is amended—

(A) by inserting "(a)" before "An amount" in the first sentence thereof; and

(B) by adding at the end thereof the following:

"(b)(1) The Secretary of the Interior shall invest in interest-bearing obligations of the United States such portion of the fund as is not, in his judgment, required for meeting a current year's withdrawals. For purposes of such investment, the Secretary of the Interior may—

"(A) acquire obligations at the issue price and purchase outstanding obligations at the market price; and

"(B) sell obligations held in the fund at the market price.

"(2) The interest on obligations held in the fund—

"(A) shall be credited to the fund;

"(B) are not available for apportionment under this Act before December 31, 2000;

"(C) constitute the sums available for allocation by the Secretary under section 8 of the North American Wetlands Conservation Act; and

"(D) shall become available for apportionment upon satisfying the goals and objectives of the Plan.".

(2) Section 4(a) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669c(a)) is amended by inserting "(excluding interest accruing under section 3(b))" after "revenues" in the first sentence thereof.

(3) The amendments made by this subsection of this Act take effect October 1, 1989.

(b) MIGRATORY BIRD FINES, PENALTIES, FORFEITURES.—The sums received under section 6 of the Migratory Bird Treaty Act (16 U.S.C. 707) as penalties or fines, or from forfeitures of property are authorized to be appropriated to the Department of the Interior for purposes of allocation under section 8 of this Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts made available under subsections (a) and (b) of this section, there are authorized to be appropriated to the Department of the Interior for purposes of allocation under section 8 of this Act not to exceed $15,000,000 for each of fiscal years 1990, 1991, 1992, and 1993.

SEC. 8. ALLOCATION OF AMOUNTS AVAILABLE TO CARRY OUT THIS ACT.

(a) ALLOCATIONS.—Of the sums available to the Secretary for any fiscal year under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(b)), as amended by this Act—

(1) such percentage of that sum (but at least 50 per centum and not more than 70 per centum thereof) as is considered appropriate by the Secretary, less such amount (but not more than 4 per centum of such percentage) considered necessary by the Secretary to defray the costs of administering this Act during such fiscal year, shall be allocated by the Secretary to carry out approved wetlands conservation projects in Canada and Mexico in accordance with section 6(b) of this Act; and

(2) the remainder of such sum after paragraph (1) is applied (but at least 30 per centum and not more than 50 per centum thereof) shall be allocated by the Secretary to carry out approved wetlands conservation projects in the United States in accordance with section 6(a) of this Act.

(b) FEDERAL CONTRIBUTION FOR PROJECTS IN CANADA OR MEXICO.—The Federal moneys allocated under subsection (a)(1) of this section for any fiscal year to carry out approved wetlands conservation projects in Canada and Mexico shall be used for the payment of not to exceed 75 per centum of the total United States contribution to the costs of such projects. The non-Federal share of the United States contribution to the costs of such projects may not be derived from Federal grant programs.

(c) FEDERAL CONTRIBUTION FOR PROJECTS IN THE UNITED STATES.—The Federal moneys allocated under subsection (a)(2) of this section for any fiscal year to carry out approved wetlands conservation projects in the United States shall be used for the payment of not to exceed 50 per centum of the total United States contribution to the costs of such projects, or for payment of 100 per centum of the costs of such projects located on Federal lands and waters, including the acquisition of inholdings within such lands and waters. The non-Federal share of the United States contribution to the costs of such projects may not be derived from Federal grant programs.

(d) PARTIAL PAYMENTS.—(1) The Secretary may from time to time make payments to carry out approved wetlands conservation projects as such projects progress, but such payments, including previous payments, if any, shall not be more than the Federal pro rata share of any such project in conformity with subsection (b) or (c) of this section.

(2) The Secretary may enter into agreements to make payments on an initial portion of an approved wetlands conservation project and to agree to make payments on the remaining Federal share of the costs of such project from subsequent allocations if and when they become available. The liability of the United States under such an agreement is contingent upon the continued availability of funds for the purposes of this Act.

SEC. 9. REFUGE REVENUE SHARING.

No payment of any money allocated under section 8(a)(2) may be made by the Secretary for any fiscal year to acquire lands and waters for inclusion in the National Wildlife Refuge System under this Act, except as provided under section 6(a)(3), unless there are appropriated under section 401(d) of the Act of June 15, 1935 (commonly referred to as the "Refuge Revenue Sharing Act"; 16 U.S.C. 715s(d)), for such fiscal year an amount equal to the difference between the total amount of net receipts and the aggregate amount of payments required to be made for such fiscal year to counties.

SEC. 10. RESTORATION, MANAGEMENT, AND PROTECTION OF WETLANDS AND HABITAT FOR MIGRATORY BIRDS ON FEDERAL LANDS.

The head of each Federal agency responsible for acquiring, managing, or disposing of Federal lands and waters shall, to the extent consistent with the mission of such agency and existing statutory authorities, cooperate with the Director of the United States Fish and Wildlife Service to restore, protect, and enhance the wetland ecosystems and other habitats for migratory birds, fish, and wildlife within the lands and waters of each such agency. In the consideration of land disposal alternatives, the head of each such agency shall give priority to the transfer of real property interests for conservation purposes that would contribute to furtherance of the purposes of this Act and the goals of the Plan.

SEC. 11. REPORTS TO CONGRESS.

(a) ASSESSMENT.—The Secretary shall report to the appropriate Committees every two years with an assessment of the following:

(1) the estimated number of acres of wetlands and habitat for waterfowl and other migratory birds that were restored, protected, or enhanced during such two-year period by Federal, State, and local agencies and private entities in the United States, Canada, and Mexico; and

(2) trends in the population size and distribution of North American migratory birds.

(b) PROJECT STATUS AND COSTS.—The Secretary shall report annually to the appropriate Committees concerning the status of wetlands conservation projects, including an accounting of Federal, State, and private expenditures and expenditures by Canadian and Mexican sources to carry out these projects.

SEC. 12. REVISIONS TO THE PLAN.

The Secretary shall, in 1991 and at five-year intervals thereafter, undertake with the appropriate officials in Canada and Mexico to revise the goals and other elements of the Plan in accordance with the information required under section 11 and with the other provisions of this Act.

SEC. 13. RELATIONSHIP TO OTHER AUTHORITIES.

(a) ACQUISITION OF LANDS AND WATERS.—Nothing in this Act affects, alters, or modifies the Secretary's authorities, responsibilities, obligations, or powers to acquire lands or waters or interests therein under any other statute.

(b) MITIGATION.—The Federal funds made available under this Act and section 3(b) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(b)), as amended by this Act, may not be used for fish and wildlife mitigation purposes under the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.) or the Water Resources Development Act of 1986, Public Law 99-662 (1986), 100 Stat. 4235.

SUMMARY—THE NORTH AMERICAN WETLANDS CONSERVATION ACT

PURPOSES OF THE LEGISLATION

The purposes of the Act are to encourage partnerships among public agencies and private interests (1) to protect, enhance, restore and manage an appropriate distribution and diversity of wetland ecosystems and other habitats for migratory birds and other fish and wildlife in North America; (2) to maintain current or improved distributions of migratory bird populations; and (3) to sustain an abundance of waterfowl and other migratory birds consistent with the goals of the North American Waterfowl Management Plan and the international obligations of the migratory bird treaties and conventions with Canada, Mexico, and other countries.

SELECTION AND FUNDING OF WETLANDS CONSERVATION PROJECTS IN THE UNITED STATES, CANADA AND MEXICO

The Act authorizes the Secretary of the Interior to match federally-appropriated funds with non-federal funds for wetland conservation projects (acquisition, management, enhancement or restoration of lands and waters administered for long-term conservation) in Canada, Mexico and the United States.

A nine-member North American Wetlands Conservation Commission is established to recommend wetlands conservation projects to the Secretary for federal funding under the Act. Acquisition by the Secretary of lands and waters under the Migratory Bird Conservation Fund, Land and Water Conservation Fund or other laws would not be subject to this process or otherwise affected by the Act.

The Commission consists of the Director of the U.S. Fish and Wildlife Service, the Secretary to the Board of the National Fish and Wildlife Foundation and seven individuals appointed by the Secretary. Four of these individuals must live in different flyways and be directors of state fish and wildlife agencies directly responsible for conservation of fish, wildlife and wetlands. The other three must represent different charitable, non-profit organizations which are actively participating in implementation of the Plan.

The Commission's recommendations on funding of wetlands conservation projects are to be based on (1) the availability of sufficient non-federal moneys to carry out any project; (2) the extent to which any project represents a partnership among public agencies and private entities; (3) the consistency of any project in the United States with the National Wetlands Priority Conservation Plan developed under the Emergency Wetlands Resources Act; (4) the extent to which any project fulfills the purposes of the Act and the goals of the Plan; (5) the extent to which any project would aid the conservation of migratory nongame birds, other fish and wildlife and species that are listed, or are candidates to be listed, as threatened and endangered under the Endangered Species Act; (6) the recommendations of any partnerships among public agencies and private entities in Canada, Mexico or the United States, which are participating actively in carrying out any projects under the Act or the Plan; and (7) the substantiality of the character and design of any project.

The Secretary is required to approve the federal funding available under the Act for the wetlands conservation projects in the order of priority recommended by the Commission unless the Secretary finds that any of those projects should not have been recommended based on consideration of the factors listed above. If the Secretary makes such a finding, the Secretary is required to provide the Commission and Congress with a written justification.

CONDITIONS RELATING TO WETLANDS CONSERVATION PROJECTS

The Secretary may convey any lands and waters purchased with federal funds to a state or another entity approved by a state. Any lands and waters acquired, enhanced, managed or restored with federal funds cannot be converted for uses other than conservation without the approval of the Secretary. If lands and waters purchased with federal funds are not conveyed, they must be included in the National Wildlife Refuge System.

The Secretary may provide federal funds to public agencies in Canada or Mexico or entities approved by these agencies to assist in carrying out approved wetlands conservation projects.

FUNDING OF WETLANDS CONSERVATION PROJECTS

Funds to carry out wetlands conservation projects are provided as follows:

1. The interest earned through short-term investment of any federal excise tax revenues in the Pittman-Robertson fund that are not needed to meet a current year's withdrawals would be available to the Secretary under the Act (about $10 million annually). None of the fund's excise tax revenues (the fund's capital) would be allowed to be used by the Secretary. Thus, the Act would have no effect on the amount of the fund apportioned to any state or territory. Once the goals of the Plan are achieved, the interest earned each year from short-term investments would become available for apportionment to the states.

2. The penalties or fines, or funds from forfeitures of property under the Migratory Bird Treaty Act are authorized to be appropriated to carry out the Act (about $1 million annually).

3. In addition to the amounts above, the Act authorizes appropriation of $15 million annually to the Department of the Interior to carry out wetlands conservation projects.

ALLOCATION OF FUNDS

Up to 70 percent, but not less than 50 percent, of each year's funds must be allocated by the Secretary to carry out approved wetlands conservation projects in Canada and Mexico. Up to 4 percent of this amount may be used for administering the Act. The federal money for projects in Canada or Mexico must be matched by at least 25 percent non-federal money. The non-federal share may not be derived from federal grant programs.

At least 30 percent, but not more than 50 percent, of each year's funds must be allocated by the Secretary to carry out approved wetlands conservation projects in the United States. The federal money to carry out approved wetlands conservation projects in the United States must be matched by at least 50 percent non-federal money. The federal share may be 100 percent if the project is conducted solely on federal lands and waters or involves the acquisition of inholdings within such lands and waters. The non-federal share may not be derived from federal grant programs.

REFUGE REVENUE SHARING

The Secretary is not allowed to acquire lands and waters for inclusion in the National Wildlife Refuge System with the funds under the Act unless full funding is provided under the Refuge Revenue Sharing Act for payments in lieu of taxes to counties with U.S. Fish and Wildlife Service lands.

RESTORATION, PROTECTION AND ENHANCEMENT OF WETLANDS AND MIGRATORY BIRD HABITAT ON FEDERAL LANDS

Each federal agency responsible for acquiring, managing or disposing of federal lands and waters is required, consistent with the agency's mission, to cooperate with the Director of the U.S. Fish and Wildlife Service to restore, protect and enhance the wetlands ecosystems and other waterfowl and migratory bird habitats within its lands and waters.

REPORTS TO CONGRESS

The Secretary is required to report to Congress every two years with an assessment of the following:

(1) the estimated number of acres of wetlands and habitat for waterfowl and other migratory birds that were restored, protected or enhanced during such two-year period by federal, state and local agencies and private entities in the United States, Canada and Mexico; and

(2) trends in the population size and distribution of North American migratory birds.

The Secretary also is required to report annually to Congress concerning the status of wetlands conservation projects, including an accounting of federal, state and private expenditures and expenditures by Canadian and Mexican sources to carry out these projects.

REVISIONS TO THE PLAN

In 1991 and every 5 years thereafter, the Secretary is required, with the appropriate officials in Canada and Mexico, to revise the goals and other elements of the Plan in accordance with the information required above and with the other provisions of the Act.

Mr. BAUCUS. Mr. President, I am pleased today to join the majority leader, Senator MITCHELL, in the introduction of the first legislation to implement the North American Waterfowl Management Plan.

This plan, signed in 1986 by the Minister of Environment for Canada and the Secretary of the Interior for the United States, provides a framework for maintaining and restoring an adequate habitat base to ensure perpetuation of populations of North American waterfowl and other migratory bird species.

Ducks, geese, and swans are the most prominent and economically important group of migratory birds in North America, generating a direct expenditure in excess of several billions of dollars annually.

Each year in Montana, more than 20,000 people spend tens of millions of dollars hunting waterfowl. Nearly three Montanans out of every five enjoy watching and photographing waterfowl and other wildlife species.

Unfortunately, the recreational and economic opportunities provided by waterfowl are in serious jeopardy.

The average number of ducks in North America in recent years has been lower than any comparable period on record. The number of breeding ducks currently averages only a little more than half the number present in the 1970's.

A key factor in the alarming decline in our continent's waterfowl populations is the continuing destruction of wetlands and other habitat. In short, existing public and private wetland protection efforts have been inadequate.

Successful rebuilding of waterfowl numbers, according to the North American Waterfowl Management Plan, will require the restoration, protection, and improvement of almost 6 million acres of habitat in the United States and Canada by the turn of the century.

The plan sets forth an unprecedented cooperative strategy to protect this habitat and restore waterfowl numbers by enlisting the support of the national governments of the United States and Canada; the State, provincial, territorial, and local governments; and private individuals, conservation organizations, and businesses.

Unfortunately, the plan fails to back up its ambitious goals with any commitment for funding. Indeed, the plan fails to lay out any strategy for implementation.

The North American Wetlands Conservation Act being introduced this afternoon will correct that shortcoming and ensure that there is a long-term effort to achieve the plan's goals.

The act provides a structure and funding to encourage partnerships among public agencies and private interests to protect, enhance, restore, and manage habitats for migratory birds and other fish and wildlife in North America.

This legislation recognizes that the long-term conservation of migratory birds and habitat for these species will require the coordinated action and support of governments at all levels, private organizations, landowners, and other citizens.

Mr. President, our action today starts us on the road to protecting the habitats needed to bring waterfowl populations back to the level we once enjoyed.

Mr. CHAFEE. Mr. President, I am pleased to join my good friend and colleague, Senator MITCHELL, the majority leader and former chairman of the Subcommittee on Environmental Protection, in introducing the North American Wetlands Conservation Act. This bill is the first of several measures we will be developing to address and reverse the alarming rate of wetlands losses in this country, Mexico, and Canada.

The environmental importance of wetlands has been studied extensively and is well documented. These are not useless swamps and mosquito infested bogs. Wetlands are a vital part of our ecosystem that have tremendous value as habitat for all kinds of fish and wildlife, including migratory birds. Approximately one-third of all endangered species of fish and wildlife rely on wetlands.

The value of wetlands has a significant economic component as well. Wetlands are the spawing grounds for much of this Nation's commercial and recreational fisheries. They help reduce flood damages and abate water pollution. Wetlands also support numerous recreational opportunities such as hunting, fishing, and birding.

Unfortunately, society has been slow to recognize the importance of wetlands. Too often, the Government has allowed, and in many cases promoted, the destruction of wetlands.

In the 48 coterminous States alone, we managed to destroy 9 million acres of wetlands between the mid-1950's and the mid-1970's. Less than one-half of the original 200 million acres of wetlands remain, and the destruction continues today at a rate estimated to be almost one-half million acres each year.

In the Canadian prairie provinces of Alberta, Saskatchewan, and Manitoba the problem is equally severe. Total wetlands loss in those areas is estimated to be 40 percent of the original acreage.

Clearly, we need to do a better job of managing these vital natural resources. It be hypocritical to lament the destruction of tropical rain forests and yet continue to destroy wetlands, the North American ecosystem that comes closest to the rain forest in terms of biological productivity.

In 1986, we enacted the Emergency Wetlands Resources Act, a law I am proud to have authored. As a result of that law, approximately $30 million is made available each year for the Federal Government to protect wetlands. The bill we are introducing today is a supplement to the existing program and will make an additional $26 million dollars available for wetland conservation projects in the United States, Canada, and Mexico.

This bill represents a long-term committment to implement the North American Waterfowl Management Plan, a program designed to halt the decline of many species of ducks, geese, and other migratory birds. It was this plan that helped us identify the environment significance of the Pettaquamscutt Cove Area in Rhode Island and led to the establishment of a National Wildlife Refuge there.

Our goal is to restore, by the year 2000, continental waterfowl populations to levels existing a decade ago. This will require cooperation among many interests to conserve nearly 2 million acres of wetlands in the United States and almost 4 million acres in Canada. The bill will provide Federal funding to encourage the necessary public and private partnerships.

As I stated earlier, this is only the beginning and represents only one piece of the puzzle. The President's commitment to a national wetlands policy of "no net loss" is another key element in our strategy to protect these vital ecosystems. I look forward to working with him, EPA Administrator Reilly, and all of those who participated in the Conservation Foundation's recent National Wetlands Policy Forum in an attempt to translate some of the Forum's recommendations into law.

We are tackling a difficult job but one that is extremely important. I urge our colleagues to take the time to review these matters and to lend support to this important work.

Mr. REID. Mr. President, I am pleased today to join with the majority leader and several other Senators in introducing the North American Wetlands Conservation Act. This bill will provide funds and encourage international cooperation to restore the waterfowl and other wildlife dependent on our shrinking wetlands to their historic numbers.

The reason I am so pleased to see this legislation introduced is because I have first-hand knowledge of the devastation that is being visited on many of our vital wetlands. Of all our wetlands, none is more important to the Pacific flyway or for shorebird habitat than the Stillwater National Wildlife Management Area in the Lahontan Valley in western Nevada. Yet this vital wetland, which only a few years ago covered up to 100,000 acres has been allowed to shrink to less than 3,000, and much of what remains is deadly to the very wildlife that inhabit it. Deadly because of toxins that come into this dwindling marsh.

I recently had the opportunity to review in detail the situation at Stillwater. I stood on a windswept island in the middle of an area known as Lead Lake and inspected a lone Canadian goose nest where once more than 200 pairs of geese would be nesting at this time of year. I traveled to another area of the marshes where white pelicans come to feed and collect food for

their young who are hatched 60 miles away at Pyramid Lake. Between Pyramid Lake and Stillwater, western Nevada wetlands once produced up to 16,000 white pelicans each year. Now, more die each year than are born. This is the only habitat for white pelicans in North America and it is quickly dying, just like the pelicans.

I am proposing to have the Federal Government purchase water for delivery to Stillwater. My plan cannot return these marsh lands to the majestic natural resource that they once were. It is an emergency program to stop the poisoning and loss of these wetlands. But it is important because without additional supplies of fresh water now, these wetlands are in danger of disappearing forever. I plan to take part in the dedication of the first Federal water to the wetlands later this month. It is my hope that we can begin to get a steady stream of fresh water into the wetlands within the next few months.

Mr. President, there is a lot of attention right now on the ecological disaster of the oilspill in Alaska, and rightfully so. However, it is no less important that we begin to understand that the loss of wetland areas is not only a loss to the State or county where they are located, but it is a loss to us all. It is a loss nationally and internationally, and if we permit this to happen because of our neglect, then we will be no less culpable than the captain of the *Exxon Valdez*. That is why I applaud the leadership of the Environment and Public Works Committee for introducing this important legislation and thank them for permitting me to be part of this effort.

By Mr. McCLURE (for himself and Mr. SYMMS):

S. 805. A bill to amend the Food Security Act of 1985 to permit certain school districts to receive assistance to carry out the school lunch program in the form of cash assistance or all commodity letters of credit assistance; to the Committee on Agriculture, Nutrition, and Forestry.

SCHOOL LUNCH PROGRAM ASSISTANCE

● Mr. McCLURE. Mr. President, today Senator SYMMS and I are introducing a bill which will amend the Food Security Act of 1985 to permit certain school districts to receive assistance to carry out the school lunch program in the form of all cash assistance or all commodity letter of credit assistance.

Since its inception in the early 1930's the National School Lunch Program has been guided by two major objectives; to provide nutritionally sound meals to school children and to encourage consumption of domestic agricultural products. Federal support for participating schools comes from both direct cash subsidies as well as donation of agricultural commodities. Despite positive aspects of the commodity donation program, it has been subject to criticism over the years. Timing of deliveries, the need to transport and store donated commodities, the choice of commodities provided, and the commodity form and unit size have been criticized most often. As a result there is continuing interest in providing options to the commodity program.

In 1981, Senator SYMMS and I introduced legislation that mandated a demonstration program be established to compare the Commodity Donation Program to alternative programs. The alternative programs were a cash in lieu of commodities option that provided school districts with cash equal to the value of their commodity entitlement; and a letter of credit option that provided commodity vouchers to purchase designated commodities of food items made from the commodities.

One hundred and one school districts were chosen to participate in the study. While 32 of the districts continued to receive donated commodities, 36 received cash, and 33 received a commodity letter of credit [CLOC]. The cash concept is exactly what it sounds like. While commodity districts receive only 80 percent of Federal support in the form of cash, cash districts received 100 percent in the form of cash.

The CLOC concept allows the school districts to locally purchase and be reimbursed for products containing commodities that qualify for price support or surplus removal as determined by the USDA. Commodity purchase plans continue to be centrally determined, but the decisions as to what form of the commodity to buy and where to buy it are kept at the local level.

The study results published in 1985, found that cash and CLOC programs provide the same degree of commodity purchases, that cash and CLOC provide more flexibility to school districts, and that there would be very little effect on national agricultural markets. I have visited cash and CLOC schools, as well as Commodity School Lunch Program schools. I was pleased to find that at each school, the personnel were happy with the program they were using. There were commodity schools which stated their desire to be able to move to the cash or CLOC program. Even if they did not want to change they noted that the commodity program was running much better since the inception of the study. They stated that because there were alternatives to the commodity program, their commodity program was better run and more responsive to their complaints. Commodities now come in more manageable sizes, advance notice of deliveries was improved, and quality was up. There are still problems, such as commodities arriving late in the school year which must be stored by the school district over the summer and inefficient return methods but these may even improve.

I believe that improvements made in the commodity program were a direct result of the cash and CLOC alternatives study. Until there is an alternative, there is no need to change. Prior to implementation of the cash and CLOC programs there was no need for the food and nutrition service to modify its procedures to make the program better for the school districts. When a school voiced a complaint, it normally fell on deaf ears. Now when there are complaints, FNS is more willing to listen. They are not forced to change but they do listen better. This would not have taken place without the knowledge that a better way of providing school lunches had been found.

Because the cash and CLOC program schools have realigned their programs, at considerable savings, for them to have to return to the commodity program would be a hardship on the districts which volunteered to participate. I believe the entire School Lunch Program benefits from diversity, thus I want to continue to allow those school districts which want to remain on the cash or CLOC program to do so.

This bill, introduced today, will simply do that—allow those school districts which participated in the study to continue to receive either cash or letters of credit in lieu of commodities. It does not open the program to other districts nor does it keep schools from going back to commodities if they choose. It simply allows the 29 school districts which are currently on cash and the 26 school districts which are currently receiving CLOC to continue to receive either cash or CLOC if they choose. Forcing them to return to the commodity program will cause unnecessary disruption in their programs and additional cost. It is fair and equitable to allow those schools to remain on their program. To do so this bill must become law.

I urge all Senators to contact the schools in their States on this issue. I am sure that they will find more than adequate reason to support this measure, as I am confident that those school districts will support maintaining their program. I know that they will want to cosponsor this bill and urge this support.●

By Mr. BENTSEN:

S. 806. A bill to treat tobacco grown in the United States and processed in a designated Caribbean Basin country as eligible for duty-free entry; to the Committee on Finance.

DUTY FREE TREATMENT OF TOBACCO PROCESSED IN CERTAIN CARIBBEAN BASIN COUNTRIES.

● Mr. BENTSEN. Mr. President, today I am introducing a bill that is

identical in intent and virtually identical in language to a bill I introduced in the 100th Congress. The language has been altered slightly to reflect the change to the harmonized tariff system and to provide that the legislation is codified. As I said at the time of the introduction of the original bill, this bill would clarify how the provisions of the Caribbean Basin Economic Recovery Act interact with the provisions of the tariff schedule in certain circumstances. In essence, the issue that the bill would deal with is as follows:

Under the provisions of chapter 98 of the tariff schedule, any product of the United States that is returned to the United States after having been "advanced in value or improved in condition abroad by any process of manufacture or other means" is treated as a foreign article that is dutiable on its full value. Under the CBERA, however, a product will be considered a product of a CBERA beneficiary country only if the product satisfies two tests: First, at least 35 percent of the customs value of the product as appraised at entry into the United States must have been added in the beneficiary country—15 of the 35 percentage points may be attributable to value added or contributed in the United States; second, the product must be "a new or different article of commerce which has been grown, produced, or manufactured in" the beneficiary country. The second part of this test is viewed as satisfied if a "substantial transformation" of the product has taken place in the beneficiary country.

As a result of these provisions of the tariff schedule and the CBERA taken together, it is possible in some circumstances that tobacco grown in the United States, processed only in a CBERA country and returned to the United States may be considered by the Customs Service to be ineligible for duty-free treatment. As an example, take the case of tobacco grown and purchased in the United States, shipped to a CBERA country such as the Dominican Republic to be stemmed, stripped, chopped, and graded, and returned to the United States. It is possible that Customs would consider this tobacco to be a foreign article, and therefore dutiable, because of chapter 98 of the tariff schedule, since it has been "advanced in value or improved in condition" in the Dominican Republic, but would consider it not to be a Dominican Republic product eligible for CBERA benefits, because it does not satisfy the two-part rule of origin test in the CBERA. In other words, under this view, the tobacco would be treated for tariff purposes as if it were neither a product of the United States nor a nondutiable product of the Dominican Republic, which would be an absurd and unintended result.

The bill I introduce today would clarify that this is not the correct result by providing duty-free treatment for tobacco or articles of tobacco: First, grown in the United States; and second, advanced in value in a CBERA country and not elsewhere and then returned to the United States. Thus it would clarify that the correct result in the case described above is that the tobacco may be reimported without duty. This result, and hence the bill, is entirely consistent with the policy of the rules of origin in the CBERA, which is to prevent persons in third countries from obtaining duty-free treatment by doing minimal processing of a product in a CBERA country. This policy is not in play when the only other country in question is the United States.

In sum, Mr. President, this bill I introduce is of a technical and clarifying nature and is completely consistent with the policy of the CBERA. I urge my colleagues to support this needed legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. TOBACCO PROCESSED IN CARIBBEAN BASIN COUNTRY.

Chapter 24 of the Harmonized Tariff Schedule of the United States is amended by inserting the following new additional United States note after additional United States note 4:

"5. For purposes of heading 2401, any tobacco grown in the United States, and any article of tobacco grown in the United States, that falls within any subheading of heading 2401 for which the rate of duty of "Free" followed by the symbol "E" appears in the special subcolumn of rate of duty column 1 and that—

(a) has been processed, advanced in value or improved in condition in a designated beneficiary country enumerated in general note 3(c)(v), and

(b) is not processed, advanced in value or improved in condition in any country other than such a designated beneficiary country or the United States,

shall, when imported directly from such a designated beneficiary country, be accorded duty-free entry as an eligible article for the purpose of the Caribbean Basin Economic Recovery Act."

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL.—The amendment made by section 1 of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of this Act.

(b) RELIQUIDATION.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law to the contrary, upon a request filed with the appropriate customs officer before the date that is 90 days after the date of enactment of this Act, any entry, or withdrawal from warehouse for consumption, of any tobacco or article described in additional United States note 5 to chapter 24 of the Harmonized Tariff Schedule of the United States (as added by section 1 of this Act) that was made—

(2) on or before the date that is 15 days after the date of enactment of this Act,

with respect to which there would have been no duty if the amendment made by section 1 had applied to such entry or withdrawal, shall be liquidated or reliquidated as though such entry or withdrawal had occurred on the day that is 15 days after the date of enactment of this Act.●

By Mr. KENNEDY:

S. 807. A bill to amend the National Labor Relations Act to increase the stability of collective bargaining in the building and construction industry; to the Committee on Labor and Human Resources.

BUILDING AND CONSTRUCTION INDUSTRY LABOR LAW AMENDMENTS

Mr. KENNEDY. Mr. President, today I am introducing legislation which will go a long way in limiting existing employment practices which have sapped the vitality of collective bargaining in the construction industry. Our labor law recognizes the unique characteristics of the building and construction industry, and the construction industry has received unique treatment in several areas of the law.

Unfortunately, over the years, these necessary provisions for construction workers have effectively been dismantled by the use of crafty corporate shell games. Employers have learned, and actually studied, how to use these tactics to avoid their existing obligations under current collective bargaining agreements. The existing system, for whatever reasons, is unable to monitor these abuses, which have increased in alarming numbers.

The purpose of the legislation I am introducing today is to bind employers to agreements they have entered into voluntarily with employees or their representatives. Upholding the letter of the law in an employment contract is the heart of this bill.

Its intent is to restrict and make illegal specific "double breasted" operations within the construction industry, and to make prehire collective bargaining agreements as effective and as binding as those made in other industries.

There has been much opposition to this bill in previous Congresses, but the claims of the opponents are founded neither in fact nor law. I hope in the course of the legislative process to be able to dispel some of the erroneous notions propounded by the opponents of the bill, and clarify the narrow but necessary impact of the measure.

This bill is designed to restore integrity, honesty, and fairness in the building and construction industry. The unique aspects of the construction industry addressed in the Lan-

drum-Griffin Act Amendments of 1959 have not changed. Congress must act to maintain the stability and fairness of labor-management relations in that industry. I am committed to restoring that stability and fairness through the passage of this legislation, and I urge my colleagues to join me in supporting it. Mr. President, I ask unanimous consent that the text of this bill may be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Building and Construction Industry Labor Law Amendments of 1989".

SEC 2. COLLECTIVE BARGAINING IN THE BUILDING AND CONSTRUCTION INDUSTRY.

(a) DEFINITION OF EMPLOYER.—Section 2(2) of the National Labor Relations Act (29 U.S.C. 152(2)) is amended by adding at the end thereof the following new sentence: "Any two or more business entities engaged primarily in the building and construction industry, performing work within the geographical area covered by a collective bargaining agreement to which any of the entities is a party, performing the type of work described in such agreement, and having, directly or indirectly—

"(A) substantial common ownership;

"(B) substantial common management; or

"(C) substantial common control;

shall be deemed a single employer, except that the terms and provisions of a contractor-subcontractor relationship between any two or more business entities working at a construction site shall not be deemed to create a single employer or be considered not be deemed to create a single employer or be considered as evidence of direct or indirect common management or control, within the meaning of this sentence.".

(b) DUTY TO BARGAIN COLLECTIVELY.—Section 8(d) of such Act (29 U.S.C. 158(d)) is amended by adding at the end thereof the following new flush to the left margin sentence:

"Whenever the collective bargaining involves employees of a business entity comprising part of a single employer in the building and construction industry (as described in section 2(2)), the duty to bargain collectively, for the purposes of this section, shall include the duty to apply the terms of a collective bargaining agreement between such business entity and a labor organization to all other business entities comprising the single employer and performing the work described in the collective bargaining agreement within the geographical area covered by the agreement.".

(c) AGREEMENTS.—Section 8(f) of such Act (29 U.S.C. 158(f)) is amended—

(1) by striking out the colon at the end of clause (4) and inserting in lieu thereof a period and the following: "An agreement lawfully made pursuant to this subsection shall impose the same obligations under this Act as an agreement made with a majority representative pursuant to section 9(a):"; and

(2) by inserting before the period at the end of such section the following new proviso: ": *Provided further,* That any agreement lawfully made pursuant to this subsection may be repudiated only after the Board certifies the results of an election conducted pursuant to section 9(c), in which a majority of employees in an appropriate bargaining unit either selects a bargaining representative other than the labor organization with which such agreement was made or chooses not to be represented by a labor organization".

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by section 2 shall take effect on the date of the enactment of this Act.

(b) DUTY TO BARGAIN COLLECTIVELY.—The requirement imposed by the amendment made by section 2(b) shall take effect—

(1) 1 year after such date of enactment with respect to any building and construction project for which the contract was entered into by an employer before the date of the enactment of this Act; and

(2) on the date on which the contract is entered into with respect to any new building or construction project for which the contract is entered into by an employer on or after the date of the enactment of this Act.

By Mr. PELL (by request):

S. 808. A bill to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes; to the Committee on Foreign Relations.

S. 809. A bill to authorize appropriations for fiscal years 1990 and 1991 for the U.S. Information Agency, and for other purposes; to the Committee on Foreign Relations.

S. 810. A bill to amend the Board for International Broadcasting Act of 1973 to authorize appropriations for fiscal years 1990 and 1991 to carry out that act; to the Committee on Foreign Relations.

DEPARTMENT OF STATE, U.S. INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION ACTS

Mr. PELL. Mr. President, by request of the relevant Departments and agencies, I introduce for appropriation reference bills to authorize appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting.

These bills have been requested by these foreign affairs agencies and I am introducing them in order that there may be specific bills to which members of the Senate and the public may direct their attention and comments. Tomorrow the Foreign Relations Committee will hold a hearing with Secretary of State Baker to receive his views on the State Department bill.

I reserve my right to support or oppose these bills, as well as any suggested amendments to them, when they are considered by the Committee on Foreign Relations.

I ask unanimous consent that these bills be printed in the RECORD at this point, together with the section-by-section analyses of the bills and the letters of transmittal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Title may be cited as the "Foreign Relations Authorization Act, Fiscal Years 1990 and 1991."

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—THE DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS

Sec. 101. Authorization of Appropriations.
Sec. 102. Availability of Funds.
Sec. 103. Funding for Seville World's Fair.

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

Sec. 110. Authorization of Certain Operational Activities.
Sec. 111. Fees and Reimbursements.
Sec. 112. International Center.
Sec. 113. Acquisition of Domestic Property as Interim Step to Acquiring Property Abroad.
Sec. 114. Working Capital Fund for Office of Foreign Missions.
Sec. 115. Foreign Service Institute Facilities.
Sec. 116. Munitions Control Registration Fees.
Sec. 117. Establishment of Staffing Levels by Chief of Mission.
Sec. 118. Report on Expenditures Made from Appropriation for Emergencies in the Diplomatic and Consular Service.
Sec. 119. International Boundary & Water Commission.
Sec. 120. Operation of Posts Abroad.
Sec. 121. Consular Officer Duties.
Sec. 122. Access to Criminal Records.
Sec. 123. State Department Post Offices Abroad.
Sec. 124. Authority of Diplomatic Security Service.

PART C—DIPLOMATIC IMMUNITY, RECIPROCITY AND SECURITY

Sec. 130. Exclusion of Aliens Previously Involved in a Serious Criminal Offense Committed in the United States.
Sec. 131. United States-Soviet Reciprocity in Matters Relating to Embassies.
Sec. 132. United States-Soviet Embassy Agreement.
Sec. 133. Child Care Facilities at Certain Posts Abroad.
Sec. 134. State Department Contractor Exemption to Polygraph Protection Act.

PART D—PERSONNEL

Sec. 140. Authority to Transfer Retirement Contributions for Foreign Service Nationals to Local Plans.
Sec. 141. Judicial Review—Separation for Cause.
Sec. 142. Travel, Leave, and other Benefits.
Sec. 143. Amendments to Title 5, United States Code.
Sec. 144. Credit for Service at Unhealthful Posts.
Sec. 145. Former Spouses of USIA and AID Employees.

Sec. 146. Grants for Institutions and Students for Training in International Affairs.
Sec. 147. Chief of Mission Salary.
Sec. 148. Savings Provisions.
TITLE II—INTERNATIONAL ORGANIZATIONS
Sec. 201. United States Membership in International Sugar Organization and International Tropical Timber Organization.
Sec. 202. Reform in Budget Decision-Making Procedures of the United Nations and its Specialized Agencies.
Sec. 203. Contribution to the Regular Budget of the International Committee of the Red Cross.
TITLE III—IMMIGRATION AND REFUGEE PROVISIONS
Sec. 301. UN High Commissioner for Refugees Audit Requirement.

TITLE I—THE DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) In addition to amounts otherwise authorized for such purposes, the following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties and responsibilities in the conduct of the foreign affairs of the United States and other purposes authorized by law:

(1) For "Administration of Foreign Affairs", $2,276,982,000 for the fiscal year 1990 and such sums as may be necessary for the fiscal year 1991.

(2) For "International Organizations and Conferences", $832,451,000 for the fiscal year 1990 and such as may be necessary for the fiscal year 1991.

(3) For "International Commissions", $37,460,000 for the fiscal year 1990 and such sums as may be necessary for the fiscal year 1991.

(b) In addition to amounts otherwise authorized for such purposes, there are authorized to be appropriated to the Department of State under "Migration and Refugee Assistance, $370,000,000 for the fiscal year 1990 and such sums as may be necessary for the fiscal year 1991.

(c) In addition to amounts otherwise authorized for such purposes, there are authorized to be appropriated to the Department of State for the following programs:

(1) "Bilateral Science and Technology Agreements", $4,000,000 for the fiscal year 1990 and such sums as may be necessary for the fiscal year 1991.

(2) "Soviet-East European Research and Training", $4,600,000 for the fiscal year 1990 and such sums as may be necessary for the fiscal year 1991.

(3) "Asia Foundation", $8,300,000 for the fiscal year 1990 and such sums as may be necessary for the fiscal year 1991.

SEC. 102. AVAILABILITY OF FUNDS.

(a) Section 24 of the State Department Basic Authorities Act is amended—

(1) by renumbering subsections (b)(4)-(b)(6) as (b)(5)-(b)(7) and by inserting as new subsection (b)(4):

"(b)(4) No later than the end of the second fiscal year following the last fiscal year for which appropriations (other than no-year appropriations) for any account under the heading 'Administration of Foreign Affairs' have been made available to the Department of State, amounts obligated during the period of availability may, if deobligated after expiration of the period of availability for obligation for such appropriations, be transferred into and merged with the Buying Power Maintenance Account."; and

(2) in subsection (d) by striking "the 'Administration of Foreign Affairs' account, the 'International Organizations and Conferences' account, the 'International Commissions' account, or the 'Migration and Refugee Assistance'" and inserting "an"; and by striking the word "such" wherever it appears; and

(3) by inserting the following new subsections (e) and (f):

"(e) If the amount appropriated (or made available in the event of a sequestration order issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177, as amended)) for a fiscal year pursuant to any authorization of appropriations provided by an act other than an appropriation act is less than the authorization amount and a provision of that act provides that a specified amount of the authorization amount shall be available only for a certain purpose, then the amount so specified shall be deemed to be reduced for that fiscal year to the amount which bears the same ratio to the specified amount as the amount appropriated (or made available in the event of a sequestration) bears to the authorization amount.

"(f) Amounts authorized to be appropriated for a fiscal year for the Department of State are to be obligated for twelve month contracts which are to be performed in two fiscal years, provided that the total amount for such contracts is obligated in the earlier fiscal year."

(b) Subsection (a) shall apply only to funds appropriated for fiscal year 1987 and thereafter. In the case of appropriations provided for fiscal years 1987 and 1988, it shall apply only to funds which become deobligated after the date of enactment of this Act.

SEC. 103. FUNDING FOR SEVILLE WORLD'S FAIR.

There is authorized to be appropriated $5,000,000, to be available until expended, for costs associated with United States participation in the 1992 Seville World's Fair.

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

SEC. 110. AUTHORIZATION OF CERTAIN OPERATIONAL ACTIVITIES.

Section 2 of the State Department Basic Authorities Act is amended—

(a) in subsection (g) by deleting "and" at the end;

(b) in subsection (h) by deleting the "." and inserting in its place ";"; and

(c) by inserting the following as new subsections (i)-(k):

"(i) obligations assumed in Germany on or after June 5, 1945;

"(j) provision of telecommunications services; and

"(k) provision of maximum physical security in Government-owned and leased properties and vehicles abroad."

SEC. 111. FEES AND REIMBURSEMENTS.

(a) The State Department Basic Authorities Act of 1956 is amended by adding as a new section 43:

"SEC. 43. (a) Notwithstanding any other provision of law, for fiscal years 1990 and 1991 funds received by the Department in connection with use of Blair House, including reimbursements and surcharges for services and goods provided and fees for use of Blair House facilities, may be credited to the appropriate appropriation account currently available to the Department, and shall be available for maintenance and other expenses of Blair House.

(b) The authority of this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation acts."

SEC. 112. INTERNATIONAL CENTER.

Section 4 of the International Center Act is amended by inserting at the end the following new subsection (c):

"(c) The Department of State is authorized to charge U.S. Government agencies for the lease or use of facilities located at the International Center and used for the purposes of security and maintenance. Any payments received for lease or use of such facilities shall be credited to the account entitled "International Center, Washington, D.C." and shall be available, without fiscal year limitation, to cover the operating expenses of such facilities including but not limited to administration, maintenance, utilities, repairs and alterations."

SEC. 113. ACQUISITION OF DOMESTIC PROPERTY AS INTERIM STEP TO ACQUIRING PROPERTY ABROAD.

(a) Section 203(c) of the State Department Basic Authorities Act is amended by striking "and" at the end of subparagraph (2); by renumbering subparagraph "(3)" as subparagraph "(4)"; and by inserting as a new subparagraph (3):

"(3) dispose of property acquired in carrying out the purposes of this Act, provided that proceeds from disposition of properties acquired pursuant to section 204(f) shall be credited to the Foreign Service Buildings Fund under section 9 of the Foreign Service Buildings Act, 1926; and";

(b) Section 204 of the State Department Basic Authorities Act is amended—

(1) in subsection (b) by striking the "or" at the end of (b)(3) and inserting "or" at the end of (b)(4), and by adding a new subparagraph (b)(5) as follows:

"(5) to implement an exchange of property with a foreign country, such property to be used by each government in the receiving state for or in connection with diplomatic or consular establishments,"; and

(2) adding a new subsection (f) as follows:

"(f) Upon a determination in each specific case by the Secretary or his designee that the purposes of the Foreign Service Buildings Act, 1926, can best be met on the basis of an in-kind exchange of properties with a foreign country pursuant to subsection (b)(5), the Secretary may transfer funds made available under the heading "Acquisition and Maintenance of Buildings Abroad" for such purposes, including funds held in the Foreign Service Buildings Fund, to the Working Capital Fund as provided in section 208(h)(1) of this Act."

(c) Section 9(a)(1) of the Foreign Service Buildings Act, 1926 is amended by adding "or in the United States pursuant to section 204(b)(5) of the State Department Basic Authorities Act of 1956" at the end.

SEC. 114. WORKING CAPITAL FUND FOR OFFICE OF FOREIGN MISSIONS.

Section 13 of the State Department Basic Authorities Act is amended by inserting "and" before "(4)"; and by striking "; and (5) services and supplies to carry out" and inserting in its place ". Such fund shall also be available without fiscal year limitation to carry out the purposes of".

SEC. 115. FOREIGN SERVICE INSTITUTE FACILITIES.

Section 123(c)(2) of the Foreign Relations Authorization Act, 1986-87 is amended by

striking "$50,000,000" and inserting in its place "62,000,000".

SEC. 116. MUNITIONS CONTROL REGISTRATION FEES.

Section 38(b)(3)(A) of the Arms Export Control Act (22 U.S.C. 2778) is amended by striking "1988 and 1989" and inserting in its place "1990 and 1991".

SEC. 117. ESTABLISHMENT OF STAFFING LEVELS BY CHIEF OF MISSION.

(a) Section 801 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is hereby repealed;

(b) Section 103(b) of the Omnibus Diplomatic Security and Antiterrorism Act (22 U.S.C. 4802(b)) is amended by striking "or regional inspector general offices under the jurisdiction of the Inspector General, Agency for International Development" in subsection (b)(2); and

(c) The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461) is amended by striking everything after "heading" in "Operating Expenses of the Agency for International Development Office of Inspector General" and inserting in its place ".".

SEC. 118. REPORT ON EXPENDITURES MADE FROM APPROPRIATION FOR EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE.

Section 124 of the Foreign Relations Authorization Act, Fiscal Years 1988-89 (Public Law 100-204) is repealed.

SEC. 119. INTERNATIONAL BOUNDARY & WATER COMMISSION.

(a) Section 103 of the Act of September 13, 1950, as amended (22 U.S.C. 277d-3) is amended by inserting after "guard purposes;" "official entertainment and other representation expenses within the United States for the United States section;"

(b) Section 101 of the Act of June 20, 1956 (22 U.S.C. 277d-12) is amended as follows:

(1) In the title by inserting "and sanitation" after "flood control"; and by striking "Rio Grande" and inserting in its place "boundary rivers, and boundary sanitation problems";

(2) In the provision by inserting "or sanitation" after "flood control"; by striking the "." after "Rio Grande" and inserting in its place ", Colorado and Tijuana Rivers; and for taking of emergency actions to protect against health threatening sanitation problems by repairing or replacing existing capital infrastructure along the U.S.-Mexico Boundary."

(c) The Act of May 13, 1924, as amended (22 U.S.C. 277-277f), is amended as follows:

(1) in section 3 (22 U.S.C 277b) by

(A) inserting "(1)" after "authorized" in the first line; by striking "and (b)" and inserting "(2)"; and by striking the "." and inserting in its place "; and (3) to carry out preliminary surveys, operations and maintenance of the interceptor system constructed to intercept sewage flows from Tijuana and from selected canyon areas."; and

(B) adding the following new subsections (b) and (c):

"(b) Expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89).

"(c) The Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the dam as shall have been allocated to such purposes by the Secretary of State."; and

(2) in section 2 (22 U.S.C. 277a) by inserting ", drainage of transboundary storm waters," after "stabilization and".

SEC. 120. OPERATION OF POSTS ABROAD.

Sections 122 and 204 of the Foreign Relations Authorization Act, fiscal years 1988 and 1989 (Public Law 100-204) are repealed.

SEC. 121. CONSULAR OFFICER DUTIES.

Section 31 of the Act of June 22, 1860 (22 U.S.C. 4192) is repealed.

SEC. 122. ACCESS TO CRIMINAL RECORDS.

Section 9101 of title 5 of the United States Code is amended in subsections (b)(1), and (c) by inserting ", the Department of State" before "or the Federal Bureau of Investigation".

SEC. 123. STATE DEPARTMENT POST OFFICES ABROAD.

Title 39 United States Code is amended as follows:

(a) Section 406 is amended:

(1) By adding "and diplomatic posts abroad" after "installations" in the title; and

(2) In subsection (a) by striking "and" after "Armed Forces" and replacing it with "," and inserting ", and at diplomatic posts abroad" before the "." at the end; and

(3) In subsection (b) by inserting ", State" after "Defense".

(b) Section 3401 is amended

(1) by inserting "and United States Government employees assigned to United States diplomatic missions abroad" in the title;

(2) in subsection (e) by inserting "and the Department of State" after "Department of Defense" in the first line; by striking "the Department of Defense" in the third line and replacing it with "these agencies"; by inserting "or diplomatic posts abroad" after "Armed Forces post offices"; and by inserting "or a diplomatic post abroad" before the "." at the end; and

(3) in subsection (f) by inserting "or the Secretary of State" after "Secretary of Defense".

SEC. 124. AUTHORITY OF DIPLOMATIC SECURITY SERVICE.

Section 37 of the State Department Basic Authorities Act (22 U.S.C. 2709) is amended—

(a) by renumbering subparagraph (a)(2)(B) thereof as (a)(2)(C) and inserting a new subparagraph (a)(2)(B) as follows:

"(B) make arrests without warrant for any offense concerning passport or visa issuance or use if the special agent has reasonable grounds to believe that the person has committed or is committing such offense;" and

(b) by revising subparagraph (a)(5) thereof to read as follows:

"(5) arrest without warrant any person for a violation of section 111, 112, 351, 970, or 1028 of Title 18, United States Code—

"(A) in the case of a felony violation, if the special agent has reasonable grounds to believe that such person—

(i) has committed oris committing such violation; and

(ii) is in or is fleeing from the immediate area of such violation; and

"(B) in the case of a felony or misdemeanor violation, if the violation is committed in the presence of the special agent."

PART C—DIPLOMATIC IMMUNITY RECIPROCITY AND SECURITY

SEC. 130. EXCLUSION OF ALIENS PREVIOUSLY INVOLVED IN A SERIOUS CRIMINAL OFFENSE COMMITTED IN THE UNITED STATES.

(a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended—

(1) by striking the period at the end of paragraph (33) and inserting in its place "; and" and

(2) by adding after paragraph (33) the following new paragraph:

"(34)(A) Any alien who has committed in the United States any serious criminal offense, as defined in subparagraph (B), for whom immunity from criminal jurisdiction was exercised with respect to that offense, who as a consequence of the offense and exercise of immunity had departed the United States, and who has not subsequently submitted fully to the jurisdiction of the United States with respect to that offense.

"(B) For purposes of this paragraph, the term 'serious criminal offense' means—

"(i) any felony;

"(ii) any crime of violence, as defined in section 16 of title 18 of the United States Code; or

"(iii) any crime of reckless driving or of driving while intoxicated or under the influence of alcohol or of prohibited substances when that crime involves personal injury to another."

(b) Section 212(h) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(h)) is amended by striking "or" after "(10)", and inserting ", or (34)" after "(12)".

SEC. 131. UNITED STATES-SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.

Section 153(b) of Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended by striking "until the United States mission in Kiev is able to occupy secure permanent facilities" at the end and inserting in its place "except on the basis of reciprocity as to the establishment by the United States of a consulate in Kiev".

SEC. 132. UNITED STATES-SOVIET EMBASSY AGREEMENT.

Section 151 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended to read as follows:

"SEC. 151. UNITED STATES-SOVIET EMBASSY AGREEMENT.

"(a) In order to address concerns as to the security of the new United States Embassy complex in Moscow and the potential damage to the national security of the United States from the new Soviet Embassy complex in Washington, District of Columbia, the President shall determine, no later than October 1, 1990, whether all feasible and effective steps have been or will be taken to achieve the following objectives:

"(A) to ensure that a new chancery building to be occupied by the United States Embassy in Moscow can be safely and securely used for its intended purposes; and

"(B) to eliminate the damage to the national security of the United States due to electronic surveillance from Soviet facilities on Mount Alto.

"(b) Any determinations made under subsection (a) shall be reported to Congress within 30 days of the date the determinations are made. Any such report shall include—

"(A) a detailed explanation of each of the determinations;

"(B) an assessment of the impact on national security of the removal of the Soviet Embassy from Mt. Alto; and

"(C) the specific steps that have been or will be taken under paragraph (a)(1).

"(c) It is the sense of Congress that, in the event that the President cannot make an affirmative determination under subsection (a), the United States should terminate the Agreement between the Government of the United States and the Government of the Union of Soviet Socialist Republics on the Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington (signed at Moscow, May 16, 1969) and related agreements, notes, and understandings."

SEC. 133. CHILD CARE FACILITIES AT CERTAIN POSTS ABROAD.

Section 31 of the State Department Basic Authorities Act is amended by adding a new subsection (d) as follows:

"(d) The Secretary of State may make grants to child care facilities, to offset in part the cost of such care, in Moscow and at other posts abroad where the Secretary determines that due to extraordinary circumstances such facilities are necessary to the efficient operation of the post. In determining that a facility is necessary, the Secretary shall take into account factors such as:

"(1) Whether Foreign Service spouses are encouraged to work at the mission because

"(a) the number of members of the mission is subject to a ceiling imposed by the receiving country; and

"(b) Foreign Service Nationals are not employed at the mission; and

"(2) Whether local child care is available."

SEC. 134. STATE DEPARTMENT CONTRACTOR EXEMPTION TO POLYGRAPH PROTECTION ACT.

SEC. 7. of the Employee Polygraph Protection Act of 1988 (Public Law 100-347) is amended by

(a) redesignating subparagraph "(d)" as subparagraph "(e)"; and

(b) inserting the following new subparagraph:

"(d) Department of State Contractors Exemption.—Nothing in this Act shall be construed to prohibit the administration, by the Department of State, in the performance of any counterintelligence function, of any lie detector test, administered under regulations implementing the Department's polygraph program, to an individual under contract to the Department or an employee of a contractor or subcontractor of the Department of State who is engaged in the performance of any work under a contract or subcontract with the Department."

PART D—PERSONNEL

SEC. 140. AUTHORITY TO TRANSFER RETIREMENT CONTRIBUTIONS FOR FOREIGN SERVICE NATIONALS TO LOCAL PLANS.

(a) Subsection 408(a) of the Foreign Service Act of 1980 (22 U.S.C. 3968) is amended by inserting at the end thereof the following new subparagraph:

"(3) At the direction of the Secretary of State, and where a foreign national employee so elects during a one-year period established by the Secretary of State with respect to each post abroad, the Secretary of the Treasury shall transfer such employee's interest in the Civil Service Retirement and Disability Fund to a trust or other local retirement plan certified by the U.S. Government, under a local compensation plan established for foreign national employees pursuant to this section (excluding local social security plans). For purposes of this paragraph, an employee's "interest in the Civil Service Retirement and Disability Fund" shall mean the employee and the total of employing agency contributions with respect to such employee, pursuant to subsections 8331(8) and 8334(a)(1) of title 5, United States Code, respectively, plus interest at the rate provided in subsection 8334(e)(3) such title. Any such transfer shall void any annuity rights or entitlement on lump sum credit under subchapter III of chapter 83 of such title."

(b) Section 8345 of Title, 5, United States Code is amended by adding at the end thereof a new subsection (1), as follows:

"(1) Transfers of contributions and deposits authorized by Section 408(a)(3) of the Foreign Service Act of 1980, as amended, shall be deemed a complete and final payment of benefits under this chapter, for the employee's funds thus transferred.

SEC. 141. JUDICIAL REVIEW—SEPARATION FOR CAUSE.

Section 610 of the Foreign Service Act of 1980 (22 U.S.C. 4010) is amended by adding at the end of subsection (a)(2) the following new sentence:

"Section 1110 shall also apply to proceedings under this paragraph.".

SEC. 142. TRAVEL, LEAVE, AND OTHER BENEFITS.

Section 901 of Chapter 9 of the Foreign Service Act of 1980 (22 U.S.C. 4081) is amended in paragraph (9) by striking "from a location" and inserting in its place "to or from an employee's post of assignment"; and inserting at the end thereof ", except that travel by a family member to an employee's post of assignment abroad may be authorized only to persons who are required by the United States Government to live away from the such post."

SEC. 143. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

(a) Section 5523(a) is amended

(1) in subparagraph (1)(A) by inserting "(or that of his dependents or immediate family, as the case may be)" after "departure"; and

(2) in the last sentence by striking the phrase "for not more than 120 additional days" and by inserting in its place "thereafter in 30-day increments, up to a total evacuation period of no more than 270 days".

(b) Section 5551(a), is amended by adding after the word "pay" in the second sentence, "or, for service as part of a tour of duty or extension thereof commencing on or after the effective date of this amending provision, the basic pay,".

"(c) Section 5922 is amended by adding at the end thereof the following new subsections (d) and (e):

"(d) When a quarters allowance or allowance related to education under this subchapter, or quarters furnished in Government-owned or controlled buildings under section 5912, would be furnished to an employee but for the death of the employee, such allowances or quarters may be furnished or continued for the purpose of allowing any child of the employee to complete the current school year at post or away from post notwithstanding the employee's death."

"(e) When an allowance related to education away from post under this subchapter would be authorized to an employee but for the evacuation/authorized departure status of the post, such an allowance may be furnished or continued for the purpose of allowing dependent child(ren) of such employee to complete the current school year."

(d) Section 5923, relating to quarters allowance, is amended—

(1) in paragraph (1), by striking the word "lodging" and inserting in its place "subsistence"; and by inserting "including meals and laundry expenses" after "quarters" the first time it appears.

(2) in subparagraph (1)(A) by striking "3 months" and inserting "90 days" in its place; and

(3) in subparagraph (1)(B), by striking "1 month" and inserting "30 days" in its place.

(e) Section 5924(1), relating to post allowances, is amended by adding at the close thereof ", except that employees receiving the temporary subsistence allowance under section 5923(1) of this Title are ineligible for receipt of a post allowance under this paragraph."

(f) Section 5923 (2) is amended—

(1) by inserting "subsistence and other relocation" after "reasonable" and inserting "(including unavoidable lease penalties)" after "expenses"; and

(2) in subparagraph (A), by deleting "the Commonwealth of Puerto Rico" and inserting "the Commonwealths of the Northern Marianas Islands or Puerto Rico," in its place; and

(3) in subparagraph (B), by striking "between assignments to posts in foreign areas" and inserting "after the employee agrees in writing to remain in Government service for 12 months after transfer, unless separated for reasons beyond the control of the employee that are acceptable to the agency concerned" in lieu thereof.

(g) Section 5924(4) is amended—

(1) in the introduction, by inserting "or, to the extent education away from post is involved, official assignment to serve in such area or areas," after "dependents,";

(2) in subparagraph (A), by inserting before "kindergarten", "pre-school for handicapped children ages three to five years,"; and

(3) in the first line of subparagraph (B) by striking "undergraduate college" each time it appears and inserting in its place "post-secondary (but not graduate or post-graduate) educational institution".

SEC. 144. CREDIT FOR SERVICE AT UNHEALTHFUL POSTS.

(A) Section 816(i)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4056) is amended to read as follows:

"(2) A former spouse shall not be considered as married to a participant for periods assumed to be creditable service under section 808(a) or section 809(e)."

(b) Section 817 of such Act (22 U.S.C. 4057) is amended by adding, at the end therof, the following new sentences:

"Such extra credit shall not be used to determine the eligibility of a person to qualify as a former spouse under this subchapter, or to compute the pro rata share under section 804(10). No extra credit for service at unhealthful posts shall be given under this section for any service as part of a tour of duty, or extension thereof, commencing on or after the effective date of this amending provision.

SEC. 145. FORMER SPOUSES OF USIA AND AID EMPLOYEES.

(a) Section 831 of the Foreign Service Act of 1980 (22 U.S.C. 4069b) is amended by adding at the close thereof a new subsection (g), as follows:

"(g) Any individual who was on February 14, 1981, an otherwise qualified former spouse pursuant to section 830 of this Act, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for

International Development shall be entitled to benefits under this section if the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System, so long as the marriage included at least five years during which the employee was assigned overseas."

(b) Section 832 of the Foreign Service Act of 1980 (22 U.S.C. 4069c), as amended, is amended by adding at the close thereof a new subsection (g), as follows:

"(g) Any individual who was on February 14, 1981, an otherwise qualified former spouse pursuant to subsections (a), (b), and (c) of this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System, so long as the marriage included at least five years during which the employee was assigned overseas."

SEC. 146. GRANTS FOR INSTITUTIONS AND STUDENTS FOR TRAINING IN INTERNATIONAL AFFAIRS.

The State Department Basic Authorities Act of 1956 (22 U.S.C. 2269 et seq.) is amended by adding the following new section 44:

"SEC. 44. Grants for Training and Education in International Affairs.

"The Secretary of State may make grants to post-secondary educational institutions or students for the purpose of increasing the level of knowledge and awareness of and interest in employment with the Foreign Service, consistent with Section 105 of the Foreign Service Act of 1980, as amended. To the extent possible, the Secretary shall give special emphasis to promoting such knowledge and awareness of the Foreign Service among minority students. Any grants awarded will be made pursuant to regulations to be established by the Secretary of State, which will provide for a limit on the size of any specific grant, and, regarding any grants to individuals, will ensure that no grant recipient receives grants from one or a combination of federal programs which exceed the cost of his or her education and will require satisfactory educational progress by grantees as a condition of eligibility for continued receipt of grant funds."

SEC. 147. CHIEF OF MISSION SALARY.

Section 302(b) of the Foreign Service Act of 1980 (22 U.S.C. 3942(b)) is amended by striking "shall receive the salary" and all that follows and inserting in its place "may elect to continue to receive the salary of his or her salary class, to remain eligible for performance pay under chapter 4, and to receive the leave to which such member is entitled under subchapter I of chapter 63 of title 5, United States Code, as a member of the Senior Foreign Service, in lieu of receiving the salary and leave (if any) of the position to which the member is appointed by the President."

SEC. 148. SAVINGS PROVISION.

All determinations, authorizations, regulations, orders, agreements, or other actions made, issued, undertaken, entered into or taken under authority of any provision of the Foreign Service Act of 1980 repealed, modified, or affected by this Act shall continue in full force and effect until modified, revoked, or superseded by appropriate authority.

TITLE II—INTERNATIONAL ORGANIZATIONS

SEC. 201. UNITED STATES MEMBERSHIP IN INTERNATIONAL SUGAR ORGANIZATION AND INTERNATIONAL TROPICAL TIMBER ORGANIZATION

The President is authorized to continue membership for the United States in the International Sugar Organization and the International Tropical Timber Organization. Beginning in fiscal year 1991 and thereafter, the United States assessed contributions to such organizations may be paid from funds appropriated under the heading "Contributions to International Organizations."

SEC. 202. REFORM IN BUDGET DECISION-MAKING PROCEDURES OF THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.

(a) FINDINGS.—The United Nations and its specialized agencies have made progress in the formulation and implementation of budget reforms as called for by Section 143 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, as amended (Public Law 99-93). Presidential determinations that were required by that and other laws confirm the progress that has been made in this respect.

(b) FINANCIAL RESPONSIBILITY IN BUDGET PROCEDURES.—To assure financial responsibility in preparation of the assessed budgets of the United Nations and its specialized agencies, it is the sense of Congress that the President should continue vigorous efforts to ensure continued implementation by the United Nations and its specialized agencies of decision-making procedures on budgetary matters which assure that sufficient attention is paid to the views of the United States and other member states who are major financial contributors to such assessed budgets.

(c) LIMITATION ON ASSESSED CONTRIBUTIONS.—For assessed contributions for each calendar year beginning with calendar year 1989, the President is authorized to withhold funds appropriated for the United States assessed contribution to the United Nations or to any of its specialized agencies for any calendar year unless the President determines that such agency has continued implementation of decision-making procedures on budgetary matters as referred to in subsection (b). The President shall notify the Congress of the agencies from which funding has been withheld at the end of each fiscal year.

SEC. 203. CONTRIBUTION TO THE REGULAR BUDGET OF THE INTERNATIONAL COMMITTEE OF THE RED CROSS.

Section 742 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is repealed.

TITLE III—IMMIGRATION AND REFUGEE PROVISIONS

SEC. 301. UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES AUDIT REQUIREMENT.

Section 113(a) of Public Law 99-93 is amended to read as follows:

"(a) PROGRAM AUDITS.—Funds may not be available to the United Nations High Commissioner for Refugees under this or any other Act unless provision is made for—

"(1) annual program audits to determine the use of UNCHR funds, including the use of such funds by implementing partners; and

"(2) such audits are made available through the Department of State for inspection by the Comptroller General of the United States."

SECTIONAL ANALYSIS ON S. 808—AN ACT TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEARS 1990 AND 1991 FOR THE DEPARTMENT OF STATE, AND FOR OTHER PURPOSES

Section 1. Short Title—This section provides that the Act may be cited as the "Foreign Relations Authorization Act, Fiscal Years 1990 and 1991."

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS; RESTRICTIONS

Section 101. Authorization of Appropriations.—This section authorizes appropriation of funds to carry out the functions and duties of the Department of State in accordance with the provisions of Section 15(a) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680), as amended. This Act primarily authorizes funds to be appropriated for fiscal years 1990 and 1991.

Subsection (a):

Category 1—Authorizes appropriations under the heading "Administration of Foreign Affairs" for fiscal years 1990 and 1991. This category provides the necessary funds for the salaries, expenses and allowances of the officers and employees of the Department, both in the United States and abroad and the expenses of the Office of the Inspector General. It includes funds for executive direction and policy formulation, conduct of diplomatic relations with foreign governments and international organizations, acquisition and maintenance of office space and living quarters of the United States missions abroad, provision of security for those operations, and domestic public information activities. This category also provides for representational expenses in accordance with Section 905 of the Foreign Service Act of 1980. Further, it authorizes funds for such activities as funds for relief and repatriation loans to United States citizens abroad and for other emergencies of the Department; and authorizes appropriations for protection of foreign missions and officials, and the American Institute in Taiwan.

Category 2—Authorizes appropriations for fiscal years 1990 and 1991 under the heading "International Organizations and Conferences." This category provides the necessary funds for United States contributions of its assessed share of the expenses of the United Nations and other international organizations of which the United States is a member, including arrearages from prior year contributions. In addition, provision is made for funding of official United States Government participation in regularly scheduled or planned multilateral intergovernmental conferences, meetings and related activities, and for contributions to international peacekeeping activities in accordance with multilateral agreements.

Category 3—Authorizes appropriations for fiscal years 1990 and 1991 under the heading "International Commissions." This category provides funds necessary to enable the United States to meet its obligations as a participant in international commissions such as the American Sections of international commissions dealing with American boundaries and related matters with Canada and Mexico, and international fisheries commissions.

Subsection (b) authorizes appropriations for fiscal years 1990 and 1991 under the heading "Migration and Refugee Assistance" to enable the Secretary of State to provide assistance and make contributions

for migrants and refugees, including contributions to international organizations such as the United National High Commissioner for Refugees and the International Committee for the Red Cross, through private voluntary agencies, governments, and bilateral assistance, as authorized by law.

Subsection (c) authorizes appropriations for "Other Activities" fiscal years 1990 and 1991. This provides funds for United States bilateral science and technology agreements, Soviet-East European research, and the Asia Foundation.

Section 102. Availability of Funds.—This section amends section 24 of the Department's Basic Authorities Act in a number of ways affecting the availability of funds for use by the Department.

Subsection (a)(1) amends section 24(b) to provide that deobligated balances in accounts under the heading "Administration of Foreign Affairs" may be transferred to and merged with the Department's Buying Power Maintenance Fund at any time prior to the end of the two-year period following the period of availability, when the funds would otherwise revert to the Treasury. This authority applies only to deobligations of expiring balances and is not applicable to no-year funds. Once transferred, the balances could only be used for the purposes for which the Fund was established, that is, to offset adverse fluctuations in foreign currency exchange rates, or unbudgeted overseas wage and price changes. Section 102(b) specifies that this provision applies only to funds appropriated for fiscal year 1987 and later. Furthermore, for fiscal year 1987 and 1988 funds, it applies only to funds deobligated after the date of enactment of this act, and does not allow transfer of funds already returned to Treasury.

Subsection (a)(2) amends authority in section 24(d) to transfer up to 10 percent of the amount authorized between certain named accounts. The accounts currently named do not always correspond to the headings under which funds are authorized and this amendment clarifies that transfer of authorization can be made between any two accounts designated by the authorization committees.

Subsection (a)(3) adds two new sections to section 24. New section 24(e) provides that earmarks within accounts are reduced proportionately if the amount appropriated (or made available following sequestration pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended) is less than the amount of the authorization. New subsection 24(g) provides authority for the Department to enter into 12-month contracts that bridge two fiscal years so long as funds are obligated within the fiscal year for which they were appropriated. This amendment will enable procurement actions for the Department to be more evenly distributed throughout the calendar year and so promote more orderly contract administration. The same authority has already been granted to other agencies in the executive branch.

Section 103. Funding for 1992 Seville World's Fair.—This section authorizes appropriation of $5,000,000 toward the costs of participation by the United States in the 1992 World's Fair in Seville. These funds will provide for the State Department's share of the U.S. Government's cost for the Federal pavillion at the fair.

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

Section 110. Certain Operational Authorities.—This section amends section 2 of the State Department Basic Authorities Act to provide permanent authorization for several operational activities that have, in recent years, been reenacted annually in the Department's appropriations acts, including obligations assumed in West Berlin after World War II, provision of certain telecommunications services, and provision of maximum physical security in Government owned and leased properties and vehicles abroad. With this permanent authorization, it will no longer be necessary to specify these activities each year in the appropriations act. This amendment is included at the request of the House Appropriations Committee.

Section 111. Fees and Reimbursements.—New section 43 allows reimbursements and fees or surcharges received for the use of Blair House to be retained by the Department during fiscal years 1990 and 1991 in the account from which the funds originated (or the currently applicable account). Such funds would be available for use only for maintenance and other expenses of Blair House. This revision will make it possible for the Department to recoup some of its expenses incurred in allowing others to use Blair House facilities for official and social functions. It also provides a means to ensure that reimbursements required for individuals attending representational functions can be used to defray the costs of those events. This authority is available only to the extent provided in advance in appropriation acts.

Section 112. International Center.—This section gives the Department explicit authority to charge tenant U.S. Government agencies for use of facilities for security and maintenance located at the International Center. It also provides the Department authority to retain such payments in a no-year account for general maintenance, utilities, and operations and for major repairs and alterations of such facilities.

Section 113. Acquisition of Domestic Property as Interim Step to Acquiring Property Abroad.—This section amends Title II of the State Department Basic Authorities Act, "Authorities Relating to the Regulation of Foreign Missions," to clarify and define the authority of the Department to acquire and dispose of property in the United States as an interim step to acquiring diplomatic and consular property abroad on the basis of reciprocity. The authority to acquire and dispose of property in the United States would be vested in the Office of Foreign Missions because that Office is charged with other aspects of overseeing foreign missions in the United States and is in a position to ensure that concerns for reciprocity with our mission in the foreign country at issue are preserved. The amendment makes clear, however, that the authority to acquire property in the United States for such an exchange is to be exercised only when the Secretary or his designee determines in a specific instance, *i.e.*, an agreement with a specific country, that such an exchange is the best way to carry out the purposes of the Foreign Service Buildings Act, 1926. Any such acquisition would be funded from appropriations under the heading "Acquisition and Maintenance of Foreign Buildings Abroad," including funds available from proceeds derived from dispositions, payments, or gifts as provided under section 9 of that Act. The section also amends that Act to provide that funds realized from the sale of any property acquired through use of funds made available under the "Acquisition and Maintenance of Foreign Buildings Abroad" account or the Foreign Service Buildings Fund will be retained in the Foreign Service Buildings Fund. This ensures that property acquired in the United States under such an agreement can be sold in the event that the agreement is not carried out to completion and the proceeds returned to the Fund or the appropriation account from which they originated.

Section 114. Working Capital Fund for Office of Foreign Missions.—This section amends section 13 of the State Department Basic Authorities Act providing for use of the working capital fund to carry out Office of Foreign Missions functions to clarify that the fund is available for all expenses in carrying out the Foreign Missions Act. The current reference in section 13 to "services and supplies" creates some confusion as to whether the fund can be used for the full range of functions carried out by the Office as provided in section 208(h)(3).

Section 115. Foreign Service Institution Facilities.—This section authorizes the appropriation and transfer to GSA of the full amount needed to construct the new Foreign Service Institute facility. The additional $12 million is to enable the diplomatic security training facilities to be located at the FSI site. This increase will bring the total amount authorized to $73,000,000.

Section 116. Munitions Control Registration Fees.—This section authorizes the Office of Munitions Control to retain up to $250,000 in munitions control registration fees for the purpose of automating its munitions control functions for each of fiscal years 1990 and 1991, extending authority previously granted for fiscal years 1988 and 1989.

Section 117. Establishment of Staffing Levels by Chief of Mission.—This section eliminates certain restrictions on statutory authority of the chief of mission and the Secretary of State to establish staffing levels at missions abroad by a) repealing the requirement in section 801 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 to allow two DEA agents to be posted in any mission where one is approved without reference to local conditions, b) amending section 103(b) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 to restore the Secretary's authority over the staffing levels of the AID Regional Inspection General and c) deleting language in the 1989 Foreign Operations, Export Financing, and Related Programs Appropriation Act that, in addition to amending section 103(b) discussed above, prohibits the use of appropriated funds to relocate an overseas RIG Office to the United States.

Section 118. Report on Expenditures Made From Appropriation for Emergencies in the Diplomatic and Consular Service.—This section repeals the requirement for a quarterly report to Congress on expenditures from the Emergencies in the Diplomatic and Consular Service account. This account is now audited by the Inspector General. Any information specifically desired can be requested from the Department from the committee in its oversight capacity and will be provided.

Section 119. International Boundary & Water Commission.—This section, at the request of the House Appropriations Committee, records authorizations previously contained each year in the Department's appropriation act. In addition, it provides several new authorities for the International Boundary and Water Commission: 1) authorization of appropriations for represen-

tational purposes in order to allow the Commissioner and other U.S. Section staff members to reciprocate courtesies with Mexican officials in the conduct of Commission business; 2) authorization to handle flood emergencies resulting from floodwaters of the Tijuana and Colorado Rivers (in addition to those from the Rio Grande) and to cover certain emergencies dealing with sanitation problems and projects as well as flood-related problems; and 3) authorization to conduct technical and other investigations of drainage of transboundary storm waters.

Section 120. Operation of Posts Abroad.—This section repeals provisions in the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 requiring the Department and USIA to keep open certain posts abroad.

Section 305 of the Department of State Appropriations Act, 1989 waived these two sections through the end of fiscal year 1989, and they should now be repealed because they limit the ability of the President to determine how our presence abroad can best be structured. During calendar year 1988 the Department reviewed seven posts slated for closure earlier, and determined that four should be closed: Dusseldorf (Germany), Goteborg (Sweden), Tangier (Morocco) and Turin (Italy). These four posts are now closed. The Department also decided that two of the posts under review should be kept open: Maracaibo (Venezuela) and Strasbourg (France), and that the status of the remaining post should be reviewed again in mid 1989 (Salzburg, Austria).

Flexibility on post openings and closings is essential to the Secretary of State's ability effectively to manage his responsibilities. This is especially so during times of budgetary austerity when the linkage between policy and resources must be given special attention. Our needs for overseas diplomatic and consular representation have changed over the years as our interests have changed. The nature of diplomacy and consular operations has also evolved in recent years with developments in communications, transportation and other technologies. Such changes have altered the importance of certain overseas posts, and the Secretary of State is charged with the responsibility of determining how our diplomatic and consular representation at the posts concerned should reflect those changes. At the same time, the Secretary will regard the views of the Congress as to the value of particular posts as an important factor in his determination of the posts required to carry out most effectively our global responsibilities.

Section 121. Consular Officer Duties.—This section repeals 22 U.S.C. 4192 pertaining to the legal effect in the United States of marriages performed by consular officers abroad after the effective date of the Act. This provision dates back to 1860 when U.S. consuls had judicial powers in China and certain other countries. The amendment deletes this obsolete provision since marriages are no longer performed by consular officers and because the existence of this obsolete provision is confusing to American citizens.

Section 122. Access to Criminal Records for Security Clearances.—This section amends 5 U.S.C. 9101 to grant the Department of State access to state and local criminal records for use in investigations for the purpose of determining eligibility for access to classified information or assignment to or retention in national security duties on the same basis as the Department of Defense, the Office of Personnel Management, the Central Intelligence Agency, and the Federal Bureau of Investigation.

Section 123. State Department Post Offices Abroad.—This section provides specific authority for the Department of State to provide postal service to posts abroad and to reimburse the United States Postal Service for costs incurred in transporting personal mail to such posts. Currently our posts abroad rely on local mail service, supplemented in a number of instances by Department APO/FPO service. This authority will enable the Department to provide similar service to a number of isolated posts where no APO/FPO service is available. The Department estimates that there will be no additional costs associated with this proposal.

Section 124. Authority of Diplomatic Security Service.—This section clarifies the authority of agents of the Diplomatic Security Service to make arrests without warrants for offenses concerning passport or visa issuance or use. Under current law, in order for a special agent to make an arrest without a warrant for a felony violation not committed in his presence, two requirements must be met, even in the passport and visa area: the agent must have reasonable grounds to believe that such person has committed or is committing such violation and, in addition, the person must be in or fleeing from the immediate area of the commission of the violation.

The requirement that an individual be in or fleeing from the area of the crime is not a usual condition of comparable arrest authorities; for example, the arrest authorities of the Secret Service, F.B.I., Bureau of Alcohol, Tobacco and Firearms, and the Drug Enforcement Administration do not contain such a requirement.

While this restriction may be appropriate for assault and similar violations, it is particularly onerous for passport and visa offenses because these are largely document offenses where the crime is committed when the document is signed. Signing fraudulent documents, such as a passport or visa application, almost always occurs outside the presence of a Department special agent. The proposed amendment would remove this requirement and allow a special agent to make an arrest for passport and visa offenses without warrant if the agent has reasonable grounds to believe that the person has committed or is committing such a violation. Subsection (b) retains the requirement that the suspect is in or fleeing from the immediate area of the violation for certain specified felony violations of title 18 not necessarily related to passport or visa issuance or use.

Nothing contained in this section is intended to affect the law enforcement authorities of the FBI or any other law enforcement agency, nor affect existing agreements between the Diplomatic Security Service, the FBI or other law enforcement agencies. It is the intention of the Department of State that an interagency agreement be completed within 180 days by the Secretary of State, the Attorney General, and the Secretary of the Treasury with respect to their law enforcement functions as required by section 37(c) of the Act. This agreement also should address the respective roles of each agency with regard to their protective responsibilities.

PART C—DIPLOMATIC IMMUNITY, RECIPROCITY AND SECURITY

Section 130. Exclusion of Aliens Previously Involved in a Serious Criminal Offense Committed in the United States.—The Department of State and the Department of Justice use every effort to identify persons who, being immune from United States criminal jurisdiction, are deprived of the status which confers that immunity and leave the United States because of commission of a serious criminal offense, and who subsequently seek to reenter the United States. These persons, or if family members, their principals hereafter will not be accredited to a status in the United States which confers any form of diplomatic privilege or immunity upon the offender, to the extent possible under the legal obligations of the United States; however, should such individuals seek to reenter in an unofficial capacity, such as a tourist or business visitor, under present law they could not be denied a visa (for those countries where one is required) nor refused admission to the United States unless ineligible on other grounds specified in the Immigration and Nationality Act.

This section, therefore, would add a new ground of ineligibility for visas and admission into the United States to prevent reentry of aliens who, there is reason to believe, have committed a serious crime in the United States, adjudication of which has been prevented by the exercise of immunity from criminal jurisdiction, and who, as a consequence, left the United States. The "reason to believe" standard applies pursuant to section 221(g) of the Immigration and Nationality Act, which provides that "no visa . . . shall be issued to an alien if . . . the consular officer knows or has reason to believe that such alien is ineligible to receive a visa or such documentation under section 212, or any other provision of law." This standard is further defined by regulation in 22 C.F.R. 41.90, which also places the burden of proof on the applicant to establish that he or she is not ineligible to receive a non-immigrant visa under section 212 of the INA.

Subparagraph (B) of INA new paragraph (34) would define the term "serious criminal offense" as: any felony, any crime of violence as defined in 18 U.S.C. section 16, or any case of reckless driving or of driving while intoxicated or under the influence of alcohol or prohibited substances which results in personal injury to another person.

The existing authority of the Attorney General, in consultation with the Secretary of State (section 212(d)(3) of the INA, 8 U.S.C. 1182(d)(3)) to waive ineligibility for a non-immigrant visa would apply to new paragraph (34), as would the existing authority of the Attorney General to parole temporarily into the U.S. any alien applying for admission (section 212(d)(5) of the INA). This would permit the alien to enter in connection with proceedings relating to the offense, for example. The new exclusionary provision also would not apply to persons who returned to the U.S. and submitted fully to its jurisdiction, thereby negating the original exercise of immunity. Should such an alien be convicted of the charges, the conviction can be evaluated against sections 212 (a)(9) and (a)(10) of the Act for eligibility. Should the alien be acquitted or the charges dismissed, the alien would no longer be deemed excludable on this basis.

To provide some flexibility for immigrant visas, this section would also amend section 212(h) of the Act to apply to new paragraph (34) in the same manner as to immigrants ineligible under paragraphs 212 (a)(9), (a)(10), and (a)(12). This would allow a visa to be issued to certain otherwise excludable aliens who have close relatives who are citi-

zens or permanent residents in the United States in instances where denial would result in hardship to the relatives and admission is not contrary to the welfare, safety or national security of the United States.

Section 131. United States-Soviet Reciprocity in Matters Relating to Embassies.—This section amends section 153(b) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 by deleting the requirement for "secure permanent facilities" in Kiev before allowing the Soviet Union to open any new consulate in the U.S. and requiring instead that the two consulates should be treated on the basis of reciprocity. This will allow the United States to determine the type of facility that will best serve its interests in Kiev while maintaining the requirement for reciprocal treatment for any new Soviet consulate in the United States.

Section 132. United States-Soviet Embassy Agreement.—This section amends section 151 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 in light of subsequent events. The amendment provides that the President should determine whether all feasible and effective steps have been or will be taken toward achieving the objectives of ensuring that a new chancery building to be occupied by the United States Embassy in Moscow can be safely and securely used for its intended purposes and eliminating the damage to the national security of the United States due to electronic surveillance from Soviet facilities on Mount Alto and report on any such determinations of Congress. It is the sense of Congress that, in the event that the President cannot make an affirmative determination the United States should terminate the Agreement between the Government of the United States and the Government of the Union of Soviet Socialist Republics on the Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington (signed at Moscow, May 16, 1969) and related agreements, notes, and understandings.

Section 133. Child Care Facilities at Certain Posts Aboard.—This section authorizes the Secretary of State to make grants to subsidize in part the cost of day care facilities in Moscow and, on a case-by-case basis, other posts where the Secretary determines a similar situation exists. The current need for subsidized day care in Moscow is due to a series of extraordinary circumstances that create pressure on foreign service spouses to work at the post while virtually eliminating reasonable child care alternatives. The number of members of the mission in the USSR is subject to a strict ceiling at the same time that the embassy has stopped employing foreign service nationals due to security and reciprocity considerations. As a result, foreign service spouses are urged to work, many in jobs at low pay rates. While this creates an increased need for child care, the same security considerations that prevent employment of locals in the embassy severely limit the availability of local babysitters and increase the cost of making care available. The Inspector General has recommended that the resulting problem at post could be alleviated if subsidized day care were provided. Moscow is the only post at which the Department currently has plans to use this authority, and the amount of the grant is anticipated to be approximately $35,000 a year. However, the authority to provide such grants may be needed elsewhere in the future.

Section 134. State Department Contractor Exemption to Polygraph Protection Act.—This section provides an exemption to the provisions of the Employee Polygraph Protection Act of 1988, to enable the Department to request contract employees and employees of contractors and subcontractors, engaged in any counterintelligence function, to undergo polygraph examinations under the same regulations that apply to Department personnel. The Act currently prohibits employers from requesting any employee to take a polygraph examination although government employees are exempted from application of the Act. Exemptions are also provided for certain contract employees (including employees of contractors) engaged in intelligence or counterintelligence functions for the Department of Defense, the Department of Energy, the National Security Agency, the Defense Intelligence Agency, the Central Intelligence Agency, and the Federal Bureau of Investigation. The amendment would provide a similar exemption for Department of State contract employees and employees of contractors and subcontractors of the Department.

PART D—PERSONNEL

Section 140. Authority to Transfer Retirement Contributions for Foreign Service Nationals to Local Plans.—This section provides authority to allow FSN employees, at the direction of the Department, to transfer their interest in the Civil Service Retirement and Disability Fund—their contributions, contributions by the employing agency, and earnings—to a local retirement plan or trust fund. Enactment of such a proposal would be consistent with Congressional intent, expressed in the Foreign Service Act, that FSN pay and benefits be based on local practice and local compensation plans. It would also substantially reduce the administrative burden on the Department and OPM that now arises in managing civil service retirement for FSN's.

Section 141. Judicial Review—Separation for Cause.—This section amends section 610 of the Foreign Service Act (22 U.S.C. 4010 *et seq.*) to make clear that the judicial review provision contained in section 1110 of the Act, now expressly applicable to grievances, applies to separation for cause cases as well.

Section 142. Travel, Leave, and Other Benefits.—This section amends section 901(9) of Chapter 9 of the Foreign Service Act of 1980 as to visitation travel. Current law provides only that employees may visit their family when family members are not allowed at post. Thus, if an employee at post becomes seriously ill, the spouse or other family member who wishes to visit the employee cannot be reimbursed. This amendment to 901(9) would permit payment for emergency visitation to post as well as from post, so long as the traveling family member is required by law to live away from the post.

Section 143. Amendments to Title 5, United States Code.—This section amends a number of personnel provisions contained in Title 5 of the United States Code, as follows:

Subsection (a) inserts language already contained in 5 U.S.C. 5522 to clarify the longstanding practice that dependents whose departure is officially authorized or ordered are entitled to the allowances authorized by this section even if the employee remains at post. It would also extend the 180 day limit on the subsistence expense allowance for evacuees to 270 days but would require that any extension beyond the first 60 days be authorized for no more than 30 days at a time, and only where fully warranted in each instance. Currently the allowance terminates after 180 days, even if the employee and/or family member remains in evacuation/ordered departure status. Removal of the limit would allow evacuees to receive the allowance for the actual duration of the evacuation/ordered departure status even in the extraordinary circumstance of such an extended evacuation.

Subsection (b) would prohibit inclusion of any post differentials or foreign or territorial allowances for hardship in lump sum leave payments for employees who retire from a post abroad for service as part of a tour of duty or extension commencing on or after the effective date of this Act. This amendment would produce Government-wide savings. The term "basic pay" is defined in 5 U.S.C. 8331(3).

Subsection (c) would allow an agency to provide for children of employees assigned overseas to complete their current school year if the employee dies. Education and/or living quarters allowances for the children and other family members may be continued by the agency for the purpose of allowing such children to complete the current school year at post. Also, education allowances could be continued for a child in a school away from post until the end of the school year. Similarly, an education allowance for school away from post may be continued to the end of the school year if the employee or spouse is evacuated or ordered to depart.

Subsection (d) would enable the Department to combine the present separate temporary lodging and supplementary post allowances into a single per diem temporary subsistence allowance comparable to that paid employees on transfers to and within the United States.

The revision from "3 months" and "1 month" to "90" and "30" days is for simplification and to correspond to the general use of a fixed number of days, rather than months, for similar benefits periods.

Subsection (e) amends section 5924(1) to make clear that a person receiving the temporary subsistence allowance cannot also receive a post allowance. Subsection (f) would result in two revisions of particular importance to Civil Service employees. As a preliminary matter, subparagraph (1) clarifies the definition of "reasonable expenses" covered by the transfer allowance to include subsistence and other relocation expenses and specifically includes lease termination payments. Subparagraph (2) provides that the transfer allowances currently available on departure from the United States to a foreign area would also be permitted on similar transfers from U.S. territories, possessions and Puerto Rico. Subparagraph (3) provides that the transfer allowance is currently available to Foreign Service personnel agreeing to 12 months additional service upon return to the U.S. under section 901(4) of the Foreign Service Act. This amendment would provide the same basis of payment for employees not covered by that Act. Under present legislation, Civil Service employees can be paid a transfer allowance only upon return to the U.S. between foreign assignments.

Subsection (g) updates and improves the education allowance system to bring it into line with current circumstances and problems. The first change permits payment of educational allowances for children of employees being transferred or newly assigned to a Foreign Service post with inadequate schooling, to pay for education away from the post from the beginning of the school year, even if the member of the Service does

not depart the United States until after the beginning of the school year. The second amendment clarifies the authority to provide educational services to handicapped children before they reach kindergarten age. The "Education for All Handicapped Children Act of 1975" (P.L. 94-142) generally requires states to offer public educational facilities for handicapped children from age three. This amendment will amend 5 U.S.C. to remove any question that overseas education allowance policy is consistent with U.S. public school education practice for handicapped children.

The third amendment would permit post-secondary educational travel for dependents not only for undergraduate college education, but also at other institutions such as nursing, technical, vocational, music and performing arts schools which are not considered colleges. This amendment is necessary in order to provide the appropriate kinds of post-secondary education for a wider variety of chosen career fields for dependent children. The term "educational institution" in the text of the amendment is drawn from 38 U.S.C. 1701(a)(6) (Veterans Benefits) but does not extend the benefit during post-graduate education. Accredited educational institutions at which these benefits can be used will be determined by references to an established list, such as that developed by the Veterans Administration or the Department of Education. The list or lists to be used will be specified by regulations issued by the Secretary.

Section 144. Credit for Service at Unhealthful Posts.—Section 144 amends sections 816(i) and 817 to eliminate extra service credit, currently granted to members not receiving post differential, for assignments at unhealthful posts. The amendment to section 816(i) and the first new sentence to section 817 eliminates unhealthful post credit from computations of the time period of the marriage for purposes of qualifying as a former spouse under the Act. Currently, subparagraph (B) of section 816(i)(2), which would be repealed, makes it necessary for the Department to determine whether a spouse resided with a member at an unhealthful post, both before and after passage of the Foreign Service Act of 1980. This is almost impossible to determine for periods prior to institution of the special reports now required. The change would simplify administration of the Act to insure that the period required to qualify as a former spouse under the Act is the same for all former spouses, without significantly affecting benefits. Credit earned under section 817 prior to the effective date of this Act would be reflected, for former spouses, in the proportionate share of annuities/survivor benefits received as a result of the member's service at unhealthful posts.

The second sentence of subsection (b) would phase out the applicaton of Section 817 of the Act, whereby participants in the Foreign Service Retirement and Disability System may receive an extra six months of creditable service toward the accrual of retirement benefits for each year of service at an unhealthful post, in lieu of any hardship differential that would otherwise be payable. The amendment would permit such extra credit to be granted to employees who have already earned it, or whose tour at an unhealthful post begins before the effective date of this Act.

Enactment of this amendment would conform treatment of Foreign Service Retirement and Disability System ("FSRDS") participants to that of the Foreign Service Pension System. The amendment would also bring the FSRDS into line with current compensation philosophy by emphasizing the payment of differentials at the time special service is rendered, rather than through deferred benefits such as additional retirement credit.

Section 145. Former Spouses of USIA and Aid Employees.—This amendment perfects former spouse legislation enacted in the 1988-89 authorization act, by including among the beneficiaries a handful of former spouses inadvertently excluded at that time. The 1988-89 authorization act extended annuity and survivor benefits and access to Federal group health insurance to former spouses of career Foreign Service employees whose divorces occurred before the effective date of the Foreign Service Act. As written, the legislation omitted some 10 to 15 former spouses whose husbands held career Foreign Service appointments with USIA or AID, and who worked overseas, but whose retirement coverage was provided by the Civil Service Retirement system. USIA employees who retired before 1969, and AID employees who retired before 1974, with former spouses who otherwise would qualify for former spouse benefits are the group who would benefit from this amendment.

The Department supports this amendment because the prospective beneficiaries underwent the same hardships and career deprivation of overseas life in the Foreign Service as their counterparts who are now enjoying these benefits.

Section 146. Grants for Institutions and Students for Training in International Affairs.—This amendment to the Basic Authorities Act would authorize the Secretary of State to make grants to accredited educational institutions for programs aimed at increasing knowledge of foreign policy and foreign affairs, as well as interest in and awareness of the possibility of careers in the Foreign Service. The amendment would also permit the Secretary to make direct grants to students, in order to facilitate their receiving education that will increase their knowledge of interest in international affairs. To the extent possible, grants would be made under the authority of this amendment as part of the Department's minority recruitment program, all other considerations being equal.

Section 147. Chief of Mission Salary.—This section amends section 302(b) of the Foreign Service Act of 1980 to give members of Service appointed to a position in the executive branch by the President the option of choosing whether a) to continue to receive the salary and benefits, including leave and eligibility for performance pay, to which the member would be entitled in the Senior Foreign Service or b) to receive the salary and leave (if any) of the position to which the member is appointed by the President. This amendment affects primarily chiefs of missions although certain other senior positions at the Assistant Secretary level and above in the Department are also covered. it restores the option of retaining foreign service pay and benefits that existed prior to the 1988-89 authorization act, in recognition of the fact that career members of the foreign service should not be penalized in any way by accepting an assignment that involves a Presidential appointment. This restores parity between Senior Foreign Service and Senior Executive Service members accepting Presidential appointments, for pay purposes, as envisioned by section 402 of the Foreign Service Act of 1980.

Section 148. Savings Provision.—This amendment is included to make clear that all actions taken pursuant to provisions of the Foreign Service Act repealed, modified or affected by this Act remain effective until and unless further action is taken under the amended provisions.

TITLE II—INTERNATIONAL ORGANIZATIONS

Section 201. United States Membership in International Sugar Organization and International Tropical Timber Organization.—This legislation is intended to facilitate U.S. participation in the International Tropical Timber Organization (ITTO) and the International Sugar Organization (ISO). The U.S. joined the ITTO in 1985, sharing its goals of improved tropical timber market transparency and sustainable utilization and conservation of tropical forests and their genetic resources.

The amendment will also allow the U.S. to accede to the 1987 International Sugar Agreement and facilitate U.S. participation in the ISO, which the U.S. first joined in 1977. The ISO provides a forum for discussion of sugar issues and collection of statistics on sugar trade. U.S. participation reflects our desire to cooperate on problems in the world sugar market and a recognition of our partial responsibility, via our domestic sugar program, for world market conditions. This legislation would authorize the U.S. to pay its share of the ISO and ITTO budgets from funds appropriated for contributions to International Organizations beginning in fiscal year 1991. For fiscal year 1990 contributions can continue to be made from funds appropriated for Conferences and Contingencies.

Section 202. Reform in the Budget Decisionmaking Procedures of the United Nations and its Specialized Agencies.—This section recognizes the progress made by the United Nations and its specialized agencies in the budget reform process as called for in previous legislation. This provision makes clear that the United States is committed to the continuation of the process of implementing these reforms and that no retreat from ongoing progress will be acceptable. The President would be authorized to withhold funds appropriated for the UN or its specialized agencies unless he determines that such agency has continued implementation of decision-making procedures on budgetary matters which assure that sufficient attention is paid to the views of the United States and other member states who are major financial contributors to the assessed budget. This potential withholding will keep these organizations aware of our continued concern respecting this reform process. The President is required to report to the Congress at the end of each fiscal year all withholdings under this provision.

Section 203. Contribution to the Regular Budget of the International Committee of the Red Cross.—This amendment repeals the earmark for the Red Cross. In this case, an earmark for the ICRC ordinary budget reduces the ability to respond to the regional appeals issued by ICRC and other international organizations. It precludes our using donations in response to appeals as leverage to stimulate contributions from other donors. ICRC and other international organization officials stress the desperate financial situation they all faced as they entered 1989 in the unprecedented situation of having no carryover reserves.

TITLE III—IMMIGRATION AND REFUGEE PROVISIONS

Section 301. UN High Commissioner for Refugees Audit Requirement.—Section 903

amends section 113 of Public Law 99-93, which provides that funds may not be made available to the United Nations High Commissioner for Refugees (the UNHCR) unless by June 1, 1988, the High Commissioner provides for annual program audits by an independent consultant selected by the Executive Committee of the UNHCR. The audits are to be made available to the Comptroller General, who is required to inspect each such audit and submit a report of that inspection to the Congress. This requirement has served as an impetus to improve UNHCR program audits and the efficiency and quality of UNHCR programs. Since 1986, the UNHCR has commissioned program audits by outside consultants, which have been made available on a confidential basis to the Comptroller General. During this period, the United Nations Board of External Auditors (UNBEA) has greatly improved the scope and quality of its audits of UNHCR programs. The need for quality audits—and the benefits that can be derived from them—is well appreciated by both the UNHCR and the UNBEA.

Certain technical requirements in Section 113 of P.L. 99-93, however, have proven difficult to implement in practice, and may have created some unnecessary duplication of effort. For example, Section 113 provides that the Executive Committee is to approve the independent consultant, although under the UNHCR statute and regulations, that power belongs to the High Commissioner himself. In addition, the term "independent consultant," in light of the legislative history, appears to preclude the possibility of relying solely on the audits of the UNBWA, even though it is independent from the UNHCR and has recently produced thorough and useful audits of UNHCR programs that have led to substantial improvements in program management.

U.S. DEPARTMENT OF STATE,
Washington, DC, March 15, 1989.

Hon. DAN QUAYLE,
President of the Senate.

DEAR MR. PRESIDENT: In accordance with Section 15 of the Act of August 1, 1956, as amended (22 U.S.C. 2680), there is transmitted herewith proposed legislation to authorize appropriations for the Department of State to carry out its authorities and responsibilities in the conduct of foreign affairs during the fiscal years 1990 and 1991 and for other purposes contained in this bill.

The primary purpose of the bill is to provide authorization of appropriations for (1) "Administration of Foreign Affairs" which supports the operation of the United States diplomatic and consular posts abroad and the Department of State in the United States; (2) "International Organizations, Conferences and other activities," which includes contributions to meet obligations pursuant to treaties, conventions or specific acts of Congress and other activities; (3) "International Commissions," which enables the United States to fulfill treaty and other international obligations; (4) "Migration and Refugee Assistance," which funds the United States annual contribution to the International Committee of the Red Cross and various refugee assistance programs; and (5) Other appropriations, including "Bilateral Science and Technology Agreements," "Soviet-East European Research and Training," and "The Asia Foundation." A section-by-section analysis further explaining the proposed legislation is also enclosed.

The provisions of this bill, with the exception of Sec. 101(a)(3), are needed to carry out the President's FY 1990 Budget plan. The enactment of these provisions would be in accord with the program of the President.

Section 101(a)(3), which authorizes appropriations for certain International Commissions, is included in the residual freeze category of the President's budget plan. Final decisions concerning programs in this category are still to be determined through negotiations between the Administration and Congress. Accordingly, these provisions, which as drafted reflect President Reagan's FY 1990 Budget, may need to be revised to reflect the results of such negotiations.

The Office of Management and Budget advises that there is no objection to the submission of this proposal to Congress. The enactment of this proposal, subject to the qualifications stated above, would be in accord with the program of the President.

Sincerely,

JANET G. MULLINS,
Assistant Secretary Legislative Affairs.

Enclosures:
1. Summary of Changes.
2. Proposed Legislation.
3. Section-by-Section Analysis.

SUMMARY OF CHANGES TO DEPARTMENT OF STATE AUTHORIZATION FISCAL YEARS 1990 AND 1991

Section 1 provides the Title and Table of Contents of this Act

TITLE I

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS

Section 101 provides for an authorization of appropriations for the Department of State in accordance with Section 15(a) of the State Department Basic Authorities Act of 1956, as amended. The authorization is divided into six categories.

Section 102 amends the Basic Authorities Act (section 24) in several ways affecting the availability of funds. It provides that deobligated balances in the "Administration of Foreign Affairs" accounts may be transferred under specified conditions to the Buying Power Maintenance Fund rather than reverting to the Treasury; clarifies existing authority to transfer up to 10% of the amounts authorized between accounts named by Congress; provides for a proportional reduction in earmarks if appropriations are less than authorized amounts, through sequestration of appropriations legislation; and provides authority for the Department to enter into 12-month contracts which bridge two fiscal years, so long as funds are obligated within the fiscal year for which appropriated.

Section 103 authorizes up to $5 million for funding U.S. participation in the Seville World's Fair of 1992.

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

Section 110 is technical in nature, providing permanent authorization for several ongoing activities which in recent years have been reenacted in annual appropriations bills.

Section 111 would allow surcharges and reimbursements received for use of Blair House to be returned to the account from which the funds originated, for a two-year trial period.

Section 112 allows the Department to charge tenant U.S. government agencies for use of facilities located at the International Center, and allows such payments to be retained in the "International Center, Washington, D.C." account for general maintenance, utilities and operations.

Section 113 clarifies the authority of the Department to acquire properties in the United States for the sole purpose of in-kind exchanges for properties at posts abroad provided by other governments, on a case-by-case, reciprocal basis.

Section 114 clarifies the authority of the Office of Foreign Missions to use its working capital fund for the full range of functions carried out by that office under the Foreign Missions Act.

Section 115 increases the amount authorized for the new Foreign Service Institute campus to the full amount required for the project under the latest estimates, including Diplomatic Security training facilities.

Section 116 extends for two additional years the current authority of the Office of Munitions Control to retain up to $250,000 in registration fees for the purposes of automation.

Section 117 reaffirms the authority of the Chief of Mission to set staffing levels under the Omnibus Diplomatic Security Act by repealing conflicting provisions relating to DEA and to AID Regional Inspectors.

Section 118 repeals an existing reporting requirement relating to the "Emergencies in the Diplomatic and Consular Services" account.

Section 119 provides several new authorities for the International Boundary and Water Commission, dealing with representation, flood emergencies, and authorization to conduct technical and other investigations of drainage of transboundry storm waters and transfers several authorities (relating to the Anzalduas dam and Tijuana sewage projects) previously contained in the Department's annual appropriations act.

Section 120 repeals sections 122 and 204 of the previous authorization bill (waived in P.L. 100-202 for FY '88 and '89), which require the Department and U.S.I.A. to keep certain posts abroad open, or incur a $50 million S & E reduction.

Section 121 repeals an archaic provision relating to the authority of Consular officers abroad to perform marriages.

Section 122 would grant the Department access to state and local criminal records for use in investigations to determine eligibility for access to classified information on the same basis as other agencies with comparable needs for such information.

Section 123 authorizes the Department to establish a post office system for isolated posts abroad, where there is no possibility of using the DOD APO/FPO system.

Section 124 clarifies the arrest authority for special agents in the Diplomatic Securities Service.

PART C—DIPLOMATIC IMMUNITY, RECIPROCITY, AND SECURITY

Section 130 amends the Immigration and Nationality Act to allow exclusion of foreign nationals suspected of being previously involved in a serious criminal act who have relied on a claim of diplomatic immunity to avoid adjudication.

Section 131 modifies existing language relating to conditions under which the U.S. and the U.S.S.R. may open consulates in Kiev and New York, respectively, under conditions of reciprocity. The purpose is to allow unclassified posts to be opened in the near term.

Section 132 addresses section 151 of the previous authorization act (waived for FY '88 and '89 by P.L. 100-202), which requires

termination of embassy construction agreements between the U.S. and the U.S.S.R., unless the President waives such requirement on the basis of specified findings. It provides that the President shall determine whether all feasible and effective steps have been or will be taken toward ensuring that a new chancery building in Moscow can be safely used for intended purposes, and eliminating the damage to the national security of the U.S. due to electronic surveillance from Soviet facilities on Mt. Alto. A report to the Congress on such determinations is required.

Section 133 authorizes a program of child care at Moscow and other posts if they meet specific criteria.

Section 134 corrects an oversight in the Employee Polygraph Protection Act of 1988, by providing the Department the same authority as DOD and other agencies to use polygraph testing for contractors, for counterintelligence purposes.

PART D—PERSONNEL

Section 140 facilities implementation of current governmental policy, by allowing FSNs to transfer their interest in the Civil Service Retirement and Disability Fund to local retirement plans and trust funds.

Section 141 provides for judicial review of a final action of the Grievance Board or the Secretary in separation for cause cases.

Section 142 amends the Foreign Service Act of 1980 to permit emergency visitation to post as well as from post, so long as the travelling family member is required by law to live away from post.

Section 143 amends several sections of 5 U.S.C., as follows:

Subsection 143(a) clarifies authority for evacuated dependents to receive the subsistence expense allowance (SEA) even if the employee stays at post, and allows the current 180 day limit on SEA to be extended to 270 days, in 30 day increments beyond the first 60 days, if the President determines it is in the government's interest to do so.

Subsection 143(b) prohibits inclusion of post differentials or foreign allowances for hardship in the basic salary used for computation of lump sum leave payments when an employee of the government retires at a post abroad.

Subsection 143(c) allows education and quarters allowances to be continued through a current school year following the death or evacuation of an employee.

Subsection 143(d) combines the present temporary lodging and supplementary post allowances abroad into a single "temporary subsistence allowance" comparable to that paid employees on transfers to and within the United States.

Subsection 143(e) makes it clear that a person cannot receive the temporary subsistence allowance and a post allowance simultaneously.

Subsection 143(f) modifies certain civil service transfer allowances to bring them into conformity with existing, more equitable Foreign Service provisions.

Subsection 143(g) updates educational allowance authorities to bring them into line with current circumstances, by covering education away from post beginning at the time an assignment is made, by providing educational services to young handicapped children and by allowing educational allowances and travel to and from "non-foreign" areas outside the U.S. and to accredited institutions of higher education other than traditional undergraduate colleges, but excluding graduate schools.

Section 144 terminates the option of taking extra retirement credit in lieu of post differential under sections 816 and 817 of the Foreign Service Act, thus conforming the "old" Foreign Service Retirement and Disability System to a change already made for the "new" Foreign Service Pension System.

Section 145 perfects legislation passed in the last authorization bill providing benefits for former spouses, by including on the same terms a handful of former spouses (approximately 15) inadvertently excluded at that time.

Section 146 provides authority for the State Department to institute a grant program to educational institutions and students to increase knowledge and awareness of employment opportunities with the Foreign Service, with particular emphasis on minorities.

Section 147 restores the ability of career members of the Foreign Service appointed to presidential positions to opt to choose whether to be paid according to their career status, or according to the salary of the position. This once again would place them in the same situation as members of the SES similarly appointed to presidential positions.

Section 148 is a savings clause.

TITLE II

INTERNATIONAL ORGANIZATIONS

Section 201 provides for U.S. membership in the International Sugar Organization and the International Tropical Timber Organization.

Section 202 updates existing requirements for continued budgetary reform before the President is empowered to pay assessed contributions to the United Nations and specialized agencies.

Section 203 deletes an earmark affecting contributions to the regular budget of the International Committee of the Red Cross.

TITLE III

IMMIGRATION AND REFUGEE AFFAIRS

Section 301 modifies requirements with respect to audits of the Office of the United Nations High Commissioner for Refugees.

S. 809

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1990 and 1991."

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for the United States Information Agency to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, as amended, the Mutual Educational and Cultural Exchange Act of 1961, as amended, Reorganization Plan No. 2 of 1977, the Radio Broadcasting to Cuba Act, as amended, the Inspector General Act of 1978, as amended, the Center for Cultural and Technical Interchange Between East and West Act of 1960, the National Endowment for Democracy Act, as amended, and for other purposes authorized by law:

(a) For operating and special program accounts including "Salaries and Expenses," "Educational and Cultural Exchange Programs," "Radio Broadcasting to Cuba," "Office of the Inspector General," "East-West Center" and "National Endowment for Democracy," $860,245,000 for the fiscal year 1990, of which not less than $16,00,000 shall be available for "Television Broadcasting to Cuba," contingent upon the successful completion of the test set out in Title V of the Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989 (Public Law 100-459), and such sums as may be necessary for the fiscal year 1991, including $16,000,000 for "Television Broadcasting to Cuba" and (b) For the capital "Radio Construction" program, $89,000,000 for the fiscal year 1990 and $102,000,000 for the fiscal year 1991. Amounts appropriated pursuant to this section are authorized to remain available until expended.

CHANGES IN ADMINISTRATIVE AUTHORITIES

SEC. 103. Section 810 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1475e) is amended to read as follows:

"SEC. 810. Notwithstanding section 3302 of title 31 or any other law or limitation of authority, all payments received by or for the use of the United States Information Agency from or in connection with Agency-produced publications and English-teaching, library, motion picture, and television programs produced or conducted by or on behalf of the Agency under the authority of this Act or the Mutual Educational and Cultural Exchange Act of 1961 may be credited to the Agency's applicable appropriation to such extent as may be provided in advance in an appropriation Act."

SEC. 104. Section 402 (a) (2) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (Public Law 99-399) is amended to read as folllows:

"(2) bid on a diplomatic construction or design project which involves physical or technical security, unless the project is for the design or construction of a facility of the United States Information Agency that does not process or store classified material, and the total value of the project does not exceed $500,000."

SEC. 105. Section 804 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474) is amended in the following two respects:

(A) Paragraph (1) is amended to read as follows:

"(1) employ, without regard to the civil service and classification laws, aliens within the United States and abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages or the preparation and production of foreign language programs when suitably qualified United States citizens are not available when job vacancies occur, and aliens so employed abroad may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a) (15) of the Immigration and Nationality Act (8 U.S.C. 1101 (a) (15)), for such time and under such conditions and procedures as may be established by the Director and the Attorney General;"

(B) Paragraph (9) is deleted and replaced by the following:

"(9) make grants to or for individuals, not United States Government employees, participating in programs conducted under this Act, for health and accident insurance premiums, emergency medical expenses, and the costs of preparing and transporting to their former homes the remains of any such persons who may die while away from their

homes as participants or dependents of participants in any such program."

SEC. 106. Section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended—

(1) by inserting "(a)" after "501."; and

(2) by adding after subsection (a) (as designated in paragraph (1)) the following new subsection:

"(b) Notwithstanding the provisions of subsection (a), the Director shall make available to the Archivist of the United States, for domestic distribution, motion pictures, films, videotapes and other material prepared for dissemination abroad 12 years after the dissemination of the material abroad, or in the case of material not disseminated abroad, 12 years after the preparation of the material. The Director shall be reimbursed for any attendant expenses. The Archivist shall be the official custodian of the material and shall issue necessary regulations to ensure that persons seeking its release have secured and paid for necessary United States rights and licenses and that all costs associated with the provision of the material by the Archivist shall be paid by the persons seeking its release. The Archivist shall be paid by the persons seeking its release. The Archivist may charge fees to recover such costs in accordance with section 2116(c) of title 44, United States Code. Such fees shall be paid into, administered, and expended as part of the National Archives Trust Fund. Any reimbursement to the Director pursuant to this subsection shall be credited to the applicable appropriation of the United States Information Agency."

SEC. 107. Section 209(e) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is hereby repealed.

SEC. 108. "Notwithstanding the provisions of any other law or limitation of authority, the Director of the United States Information Agency may, upon approval by the Senate of the Agency's 1988 Senior Foreign Service Promotion List, authorize that the compensation and other benefits of the officers on that list be computed and provided as if the list had been approved by the Senate on the date on which it approved the Department of State's comparable list during the second session of the 100th Congress."

TITLE II

SECTION 201. SHORT TITLE.

This Act may be cited as the "Television Broadcasting to Cuba Act".

SEC. 202. FINDINGS: PURPOSES.

The Congress finds and declares—

(1) that it is the policy of the United States to support the right of the people of Cuba to seek, receive, and impart information and ideas through any media and regardless of frontiers, in accordance with article 19 of the Universal Declaration of Human Rights;

(2) that consonant with this policy, television broadcasting to Cuba may be effective in furthering the open communication of accurate information and ideas to the people of Cuba, in particular, information about Cuba;

(3) that such broadcasting to Cuba, operated in a manner not inconsistent with the broad foreign policy of the United States and in accordance with high professional standards, would be in the national interest; and

(4) that the Voice of America's Cuba Service already broadcasts to Cuba, by radio, news, commentary and other information about events in Cuba and elsewhere to promote the cause of freedom in Cuba, but that there is also a need to broadcast such information to Cuba by television.

SEC. 203. ADDITIONAL FUNCTIONS OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION BROADCASTING TO CUBA—In order to carry out the objectives set forth in section 2, the United States Information Agency (hereafter in this Act referred to as the "Agency") shall provide for the open communication of information and ideas through the use of television broadcasting to Cuba. Television broadcasting to Cuba shall serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news.

(b) VOICE OF AMERICA STANDARDS—Television broadcasting in accordance with subsection (a) shall be in accordance with all Voice of America standards to ensure the broadcast of programs which are objective, accurate, balanced, and which present a variety of views.

(c) USIA TELEVISION MARTI—Any program of United States Government television broadcasts to Cuba authorized by this section shall be designated "USIA Television Marti program".

SEC. 204. CUBA TELEVISION SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE—The Director of the United States Information Agency shall establish within the Agency a Television Marti Service (hereafter in this section referred to as the "Service"). The Service shall be responsible for all television broadcasts to Cuba authorized by section 3. The Director of the United States Information Agency shall appoint a head of the Service and shall employ such staff as the head of the Service may need to carry out his duties.

(b) PRESIDENTIAL APPROVAL BASED ON TEST RESULTS—The broadcasting authorized hereunder shall not commence until the President has approved such commencement based upon an executive branch review and evaluation of the results of the 90-day test of television broadcasting to Cuba prescribed in Public Law 100-459.

(c) USE OF EXISTING USIA FACILITIES—To assure consistency of presentation and efficiency of operations in conducting the activities authorized hereunder, the Service shall make maximum feasible utilization of Agency facilities and management support, including those of the Radio Marti Program, VOA and the USIA Television Service.

(d) USE OF SPECTRUM—Notwithstanding any provision of the Communications Act of 1934, as amended, or the Administrative Procedure Act, the Federal Communications Commission shall have the authority to allocate by order the spectrum it determines to be the most practicable and efficient to further the national interests expressed by this Act. This spectrum will be assigned in accordance with Section 305 of the Communications Act.

(e) INTERFERENCE WITH DOMESTIC TELEVISION BROADCASTING—Broadcasting by the Service shall be done in such a manner as to avoid direct interference with any domestic television broadcasting.

(f) ADDITIONAL AUTHORITIES—The Agency may carry out the purposes of this part by means of grants, leases, or contracts (subject to the availability of appropriations) or such other means as the Agency determines will be most effective.

SEC. 205. AMENDMENTS TO THE RADIO BROADCASTING TO CUBA ACT.

Section 5 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465c) is amended—

(1) in the heading of such section by inserting "and Television" after "Radio";

(2) in the first sentence of subsection (a) by inserting "and Television" after "Radio"; and

(3) in subsection (b) by inserting "and the Television Broadcasting to Cuba Act" after "Act".

SEC. 206. ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.

AUTHORITY—In order to assist the United States Information Agency in carrying out the purposes set forth in section 2, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of the Agency.

SECTION-BY-SECTION ANALYSIS ON S. 809

TITLE I

Section 101—Short Title.—This section is self-explanatory.

Section 102—Authorization of Appropriations for the Fiscal Years 1990 and 1991.—Section 202(a) of the United States Information Agency Authorization Act, Fiscal Years 1990 and 1991, authorizes the appropriations of $860,245,000 in Fiscal Year 1990 and such sums as may be necessary in Fiscal Year 1991 for operating and special program accounts. These amounts are requested to cover agency operating costs, including Salaries and Expenses, Educational and Cultural Exchange Programs, the Radio Marti Program, the Office of the Inspector General, the East-West Center, and the National Endowment for Democracy.

The authorization requested for 1990 represents a net increase of $42.9 million over the fiscal year 1989 appropriated level, including $16 million for Television Broadcasting to Cuba. The latter amount is contingent upon the successful completion of the test set out in Title V of the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act of 1989 (Public Law 100-459). Although this increase covers USIA's component of the program commitment for the 1992 Seville Expo and some built-in needs, these are largely offset by program decreases. Specifically, it will provide $24.1 million to cover various administrative support activities for our overseas posts which were previously financed from appropriations to the Department of State. This is not an overall budget increase since the Department's budget has been lowered commensurately. An additional $31.0 million is necessary to meet added operating cost increases in 1990 resulting from foreign national wage increases, inflationary increases in rents and utilities, and other nondiscretionary cost increases required to maintain partially the reduced level established in 1989. An additional $4.6 million will cover the Agency's share of the Seville Expo and an additional $16 million is proposed for the operations of TV Marti.

Operating and program cuts totalling $16.8 million will be necessary to accommodate the 1990 needs originally set forth in President Reagan's budget. The exact composition of these reductions is still under discussion, but they are likely to include a significant reduction in original programming by our Television and Film Service; the elimination of a total of 193 positions

throughout the Agency; the replacement of the Voice of America's Greek and Turkish language broadcasting services with daily feed services, thus reducing VOA's weekly broadcast schedule by 10½ hours; the closing of the Voice of America's broadcast relay stations at Quesada and on Antigua; the closing of three overseas posts and curtailment of other mission programs and support; and reductions in private sector exchanges, the East-West Center, and the National Endowment for Democracy.

Further major reductions in overseas mission programs, VOA broadcast services and hours, exchange-of-persons programs, television and publications activities and other program and support operations will be necessary to accommodate the added requirement of $16 million for TV Marti.

Section 102(b) of the Act authorizes the appropriation of $89,000,000 in Fiscal Year 1990 and $102,000,000 in Fiscal year 1991 for the Voice of America's "Radio Construction" account. The amounts requested in 1990 and 1991 represent an increase of $24 million and $13 million, respectively, for this capital program. The increase will be used to continue work on the two new relay stations in Morocco and Thailand and lease payments for new transmitters in West Germany, the focus of our streamlined VOA modernization program. The stations in Morocco and Thailand, which should be completed by 1992 and 1993, respectively, will greatly enhance our broadcasting capability.

Section 103—Reuse of Receipts from Various Agency Programs.—At present, Section 810 of the United States Information and Educational Exchange Act of 1949 (22 U.S.C. 1475e; the "Smith-Mundt Act") as amended by Section 203 of P.L. 100-204 (the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989) authorizes the Agency to reuse money received from or in connection with "English-teaching and library services" to the extent provided for "in advance in an appropriation Act," rather than turn such proceeds over to the U.S. Treasury as miscellaneous receipts. Moreover, the Agency's appropriation acts for both FY 1988 (P.L. 100-202) and FY 1989 (P.L. 100-459) have expressly construed the quoted language to permit the reuse of receipts not only from "English-teaching and library services" but also from "motion picture and television programs" produced by or on behalf of the Agency.

One purpose of the proposed amendment is simply to make the language of Section 810 of the Smith-Mundt Act read precisely as it has already been interpreted by Congress in the two above-mentioned appropriation acts. The second purpose of the proposed amendment is to extend the coverage of Section 810 to permit also the reuse of receipts from the sale of Agency-produced publications—e.g., magazines such as *America Illustrated.*

In this time of ever-tightened budgets, reuse, or recycling, of the receipts from such Agency programs is increasingly necessary as a means of enabling the Agency not only to maintain these programs at their current levels but also—it is hoped—to expand their reach.

Section 104—Exemption of Certain Agency Design and Constructon Projects from Requirement for Use of U.S. Contractors.—Generally speaking, Section 402(a) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (P.L. 99-399) requires the use of United States contractors on diplomatic construction and design projects in foreign countries where such projects involve physical or technical security. The overwhelming majority of Agency facilities in foreign countries, such as cultural centers, libraries, offices and Voice of America radio relay stations, do not process or store classified material, and their operations are not of a sensitive nature. It is largely for these reasons that the facilities are not protected by U.S. Marine Security Guards.

The maintenance of security systems at the facilities and the operation of public access controls are performed by foreign service national employees or the employees of local contractors. These foreign individuals have ample opportunity to become thoroughly familiar with the operation and technical characteristics of the security systems. It is therefore inconsistent and wasteful to use United States contractors, who the Agency has found are almost always much more expensive (by an average of 400 percent) than their foreign counterparts, to design and install these security systems only to make the systems accessible to local personnel once the systems have been installed. In addition, the required use of United States contractors has thus far made the Agency's security enhancement program far too expensive, with the result that only a fraction of the security projects needed will actually be undertaken or completed with available and requested funds.

Most of the projects contemplated by the Agency, while vital to its security enhancement program, will be relatively small and modest in cost, especially if foreign contractors can be used. On the other hand, the Agency has no objection to the reservation of its larger projects for United States contractors. That is the reason for the suggested $500,000 cut-off figure in the proposed amendment.

Section 105—Amendments to SECTION 804 of Smith-Mundt Act to Limit Priority Consideration of U.S. Citizens for Employment and to Provide Accident and Health Insurance to AMPARTS.—The first of these amendments—to Section 804(1)—would simply make clear that priority consideration will be given to U.S. citizens over foreign nationals only where vacancies actually exist at the time of hiring. In effect, the amendment would give such foreign nationals "tenure" comparable to that enjoyed by non-U.S. citizens employed in this country in the excepted civil service under Title 5 of the U.S. Code. This would eliminate the possibility that the Agency might be called on to terminate the employment of a non-U.S. citizen if a "suitably qualified" U.S. citizen thereafter became available for the position. Any such required replacement of trained and talented foreign nationals would seriously threaten disruption of the Agency's—notably, the Voice of America's—programming. It would also create severe recruitment and retention difficulties and require the needless expenditure of funds and time for recruitment of U.S. citizen-candidates and the rejustification of the qualifications of foreign nationals already employed.

Apropos of the second amendment—to Section 804(9)—the Agency's American Participant speakers (AMPARTS) travel under the authority of either the Smith-Mundt Act or the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.; the "Fulbright-Hays Act") depending largely on whether the purpose of their trips is to explain government policies or to participate in exchanges of information or ideas. Because of differing language in the two Acts, AMPARTS traveling under the authority of the Fulbright-Hays Act are entitled to health benefits and insurance opportunities not provided to those traveling under the Smith-Mundt Act. This amendment would correct that disparity by making Paragraph (9) conform more closely to Section 104(e)(1) of the Fulbright-Hays Act with respect to the provision of accident and health insurance and the payment of medical expenses for Smith-Mundt AMPARTS.

Section 106—Domestic Availability of Program Materials.—Section 501 of the Smith-Mundt Act, bars the Agency—with minor exceptions—from disseminating its program materials (e.g., motion pictures, videotapes) in the United States, its territories and possessions.

Over the years, Congress has enacted a number of bills making specific Agency program materials available for domestic public distribution, notwithstanding, but leaving intact, the general prohibition of such distribution mandated by Section 501. The proposed amendment would exempt from this general prohibition all program materials that are at least twelve years old and permit their domestic dissemination by the Archivist of the United States. While differing in minor details, the amendment is, in all essential respects, virtually identical to an amendment prepared by the House Committee on Foreign Affairs and included in S. 2365 toward the end of the second session of the 100th Congress. The House passed S. 2365, as amended, by voice vote on September 20, 1988. The same language was also included in H.R. 5550, an omnibus foreign affairs bill, which the House passed by voice vote on October 20, 1988. However, in the rush to adjournment, the Senate failed to take any further action on either bill.

Section 107—Removal of Restrictions On USIA-TV's Passive Television Programs.—This proposal would repeal Section 209(e) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204). USIA is anxious to resume the production and acquisition of passive (noninteractive) programming—suspended on October 1, 1988 pursuant to Section 209(e) of P.L. 100-204—for post use and placement on television stations overseas. Embassies throughout the world have expressed their deep concern that the abrupt termination of our ability to produce, acquire and transmit timely and relevant information by satellite has deprived them of a valued and much-needed resource. We are concerned, further, that the prohibition on passive programming results in the drastic underutilization of the worldwide satellite network that the USIA has created—with strong Congressional support—over the past several years. It is particularly unfortunate that the legislative ban came into effect just as WORLDNET's passive program offerings were establishing a clear and impressive track record with local broadcasters around the world.

The Agency is presently reviewing future directions for USIA/TV's daily program service in anticipation of a positive Congressional response to this request for repeal of the prohibition on the production and acquisition of passive programming contained in the legislation cited above. We are, furthermore, consulting closely with the concerned Congressional committees and informing them of our plans as they develop. Such consultation, we believe, is the appropriate way to ensure the creation of a well-planned, cost effective program service that will best meet the needs of our field posts.

We believe that specific legislative restrictions on the content and nature of our pro-

gramming should be avoided, since they limit the Agency's ability to adjust to changes in the international communications environment. USIA/TV's experience over the past five years has amply demonstrated that, in the rapidly changing world of international television broadcasting, new opportunities continue to manifest themselves, and the Agency needs the flexibility to take advantage of these opportunities as they develop. Therefore, our legislative proposal calls for a removal of the restrictions on passive programming.

Section 108—Retroactive Compensation for Certain Senior Foreign Service Officers.—The Agency's 1988 Senior Foreign Service Promotion list was, unfortunately, submitted by the White House to the Senate Committee on Foreign Relations after the Committee had held its last business meeting in the 100th Congress. Therefore, the Senate did not act on the list before Congress adjourned on October 22, 1988. However, before adjournment, the Senate did approve the State Department's similar list that the White House had submitted somewhat earlier to the Committee on Foreign Relations.

The purpose of this amendment is to maintain parity between the State Department's Senior Foreign Service Officers and those employed by the Agency by authorizing that, upon Senate approval of the Agency's list, the pay and other benefits of the Agency's officers may be computed and provided retroactively from the date on which the State Department's list was approved by the Senate. The Agency believes—and certainly hopes—that the Senate will approve its list fairly early in the first session of the 101st Congress.

TITLE II

Section 201.—This section is self-explanatory.

Section 202—Findings Purposes.—This section contains the findings by Congress that it is the policy of the United States to report the right of the people of Cuba to seek, receive and impart information without constraint, including receiving news and information about Cuba through the medium of television. Further, the Congress finds that while the Voice of America already broadcasts by radio to Cuba, it would be in the national interest for USIA to broadcast to Cuba news, commentary and other information about events in Cuba.

Section 203—Additional Functions of USIA.—The purpose of this section is to authorize USIA to broadcast by television to Cuba. Subsection (a) requires that such broadcasting shall serve as a consistently reliable and authoritative source of accurate objective and comprehensive news. Subsection (b) requires that such broadcasting adhere to the VOA standards to ensure objective, accurate, and balanced programs which represent a variety of views. Subsection (c) requires that any such broadcasting to Cuba shall be designated USIA Television Marti Programs.

Section 204—Cuba Television Service.—This section requires the Director of USIA to establish a Television Marti Service, which shall be responsible for the broadcasting authorized under this Act and places certain requirements on the Service and its activities. Subsection (a) requires the Director to appoint a head of the Service. Subsection (b) requires that the broadcasting under this Act may not commence until the President has determined such broadcasting to be feasible and appropriate based upon an executive branch review and evaluation of the results of the 90-day test prescribed in P.L. 100-459. Subsection (c) requires the Service to make maximum feasible use of existing USIA facilities and management support, in order to assure that there is consistency of presentation with other USIA activities and efficiency of operations. The purpose of subsection (d) is to make clear that in determining what spectrum allocation will further the national interest expressed by this Act, the FCC need not comply with any other provisions of the Communications Act. For example, the FCC need not follow the procedures set forth in Sections 303(f), 312, or 316 of the Communications Act. Accordingly, for example, if it is necessary for the FCC, in making a determination under this Act, to displace an existing permittee or licensee to whom a frequency has been assigned, it can do so by administrative order without using any hearing or other procedures set forth in the Communications Act. In addition, this provision specifically intends to make inapplicable all the provisions of the Administrative Procedure Act, including the rulemaking provision. The reference to Section 305 of the Communications Act indicates that the assignment of the spectrum will be made in accordance with the established practices of the FCC and NTIA for assignment of a spectrum to a Federal agency. The purpose of subsection (e) is to assure that the broadcasting hereunder does not interfere directly with any other television broadcasting which originates in the United States. Subsection (f) assures that the Service has the necessary contractual and other means to carry out the broadcasting activities authorized under the Act, subject to availability of appropriations.

Section 205—Expansion of Authority of Advisory Board.—The purpose of this section is to expand the authority of the Radio Broadcasting to Cuba Advisory Board to give it the same authority with respect to the Television Marti Service that it has with respect to the Radio Marti Program.

Section 206—Assistance From Other Government Agencies.—The section authorized the Service to make maximum use of the property and services of other federal agencies.

U.S. INFORMATION AGENCY,
Washington, DC March 20, 1989.

Hon. DAN QUAYLE,
President of the Senate.

DEAR MR. PRESIDENT: Pursuant to the United States Information and Educational Exchange Act of 1984, as amended, the Mutual Educational and Cultural Exchange Act of 1961, as amended, Reorganization Plan No. 2 of 1977, the Radio Broadcasting to Cuba Act, as amended, the Inspector General Act of 1978, as amended, the Center for Cultural and Technical Interchange Between East and West Act of 1960, and the National Endowment for Democracy Act, as amended, I am submitting the enclosed proposed legislation to authorize appropriations for the United States Information Agency for Fiscal Years 1990 and 1991 to enable the Agency to carry out international information and educational and cultural exchange programs. This proposal is needed to carry out the President's FY 1990 budget plan.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation and that its enactment would be in accord with the program of the President.

Sincerely,

MARVIN STONE,
Acting Director.

S. 810

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATION OF APPROPRIATIONS

SECTION 1. Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended to read as follows:

"(A) $425,175,000 for fiscal year 1990 and $198,665,000 for fiscal year 1991; and".

SEC. 2. Section 8(c) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended to read as follows:

"(c) Of the funds authorized to be appropriated by subsection 8(a)(1)(A) of the Board for International Broadcasting Act of 1973, $207,000,000 for fiscal year 1990 shall be available for the costs associated with construction of a radio relay station in Israel, and $27,845,000 for fiscal year 1990 shall be available for radio transmitter construction and modernization. These amounts are authorized to remain available until expended."

PROCUREMENT OF LEGAL SERVICES

SEC. 3. Amend 22 U.S.C. 2698(b) to read as follows:

"(b) The authority available to the Secretary of State under this section shall be available to the Director of the United States Information Agency, the Director of the United States International Development Cooperation Agency, and the Chairman of the Board for International Broadcasting with respect to their respective agencies."

SECTIONAL ANALYSIS ON S. 810

Section 1: This paragraph authorizes appropriations of funds to BIB for its administrative expenses and for grants to fund the continued oeprations, including radio transmitter modernization activities, of Radio Free Europe/Radio Liberty (RFE/RL) in fiscal years 1990 and 1991.

Section 2: The fiscal year 1990 authorization also includes $207,000,000 for construction of a radio relay station in Israel for the joint use of the Voice of America (VOA) and RFE/RL; and $27,845,000 to complete the $77,250,000 modernization plan for the existing transmitter sites of RFE/RL.

Section 3: BIB needs to be added to the foreign affairs agencies that may employ a private attorney or counsel when necessary to accomplish their missions abroad. This authority is required in order to consult with legal counsel in foreign countries where knowledge of local laws is necessary in connection with litigation. BIB will continue to consult with the Department of Justice and the Legal Advisor's Office of the Department of State as appropriate.

BOARD FOR INTERNATIONAL BROADCASTING, UNITED STATES OF AMERICA,
Washington, DC, March 15, 1989.

Hon. J. DANFORTH QUAYLE,
President of the Senate,
U.S. Senate, Washington, DC.

DEAR MR. VICE PRESIDENT: I am submitting with this letter proposed legislation amending the Board for International Broadcasting Act of 1973 to authorize appropriations

for the Board to carry out its responsibilities as specified in that Act.

The bill provides for authorization of appropriations for the Board's operation during fiscal years 1990 and 1991 and for the procurement of legal services, as required. A Sectional Analysis explaining the proposed legislation is enclosed. This legislative proposal is needed to carry out the President's FY 1990 budget plan.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,

BRUCE D. PORTER,
Executive Director.

By Mr. BENTSEN:

S. 811. A bill to amend the Internal Revenue Code of 1986 to provide notice to any taxpayer of amounts withheld in excess of such amounts reported on a tax form by such taxpayer; to the Committee on Finance.

NOTICE OF UNDERREPORTING OF AMOUNTS WITHHELD

● Mr. BENTSEN. Mr. President, today is tax filing day. All over the Nation today, Americans are struggling to complete their tax returns and get them in the mail to the Internal Revenue Service before midnight tonight. These taxpayers are making their best efforts to comply with the tax laws. They deserve to be treated fairly by the Government officials who handle those returns.

In that spirit, I am introducing legislation today to require the IRS to notify taxpayers if it discovers they are owed refunds in the course of the information document matching program.

It recently came to light that the IRS had instructed some of its employees not to inform taxpayers when a comparison of their tax return with their Form 1099 indicated an overpayment of tax. This was wrong. The IRS should be honest with taxpayers—not trying to hide from them that they have paid more than they rightfully owe. We expect taxpayers to pay their fair share, but not an extra share.

Under the information document matching program, the IRS compares taxes claimed on the returns taxpayers send to it with information received from third parties, such as forms W-2 reporting wages, and forms 1099 reporting income such as interest, dividends and lump sum pension distributions. This bill will codify the requirement that the IRS notify taxpayers if overpayments are found.

As chairman of the Senate Finance Committee, I am working to improve IRS service to taxpayers. When the IRS doesn't inform taxpayers that they are due refunds, that sends the wrong message. For our system of voluntary compliance to work, taxpayers need to feel they are getting a fair shake from the IRS. This bill will help to make sure that taxpayers get that fair shake.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NOTICE OF UNDERREPORTING OF AMOUNTS WITHHELD.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7523. NOTICE OF UNDERREPORTING OF AMOUNTS WITHHELD.

"(a) IN GENERAL.—If, in connection with 1 or more information return matching programs the Secretary determines that with respect to information returns examined under such programs—

"(1) the amount shown on information returns as deducted and withheld as tax for any taxable year, exceeds by $5 or more,

"(2) the amount shown on the return of tax for such taxable year as deducted and withheld as tax,

the Secretary shall notify the taxpayer of such excess.

"(b) INFORMATION RETURN.—For purposes of subsection (a), the term 'information return' has the meaning given such term by section 6724(d)(1). The Secretary may prescribe other returns which are to be treated as information returns for purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following new item:

"Sec. 7523. Notice of underreporting of amounts withheld.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to information return matching occurring after the date of the enactment of this Act.●

By Mr. PRYOR:

S. 812. A bill to amend the Internal Revenue Code of 1986 to expand the post-retirement health care and long-term care benefits which may be provided by pension plans; to the Committee on Finance.

RETIREE HEALTH BENEFITS PRESERVATION ACT

● Mr. PRYOR. Mr. President, I am introducing a bill today to begin the discussion in the Senate on the issue of prefunding of retiree health and long-term care benefits.

This bill amends ERISA and the Internal Revenue Code. The technicians will probably be debating legislative intent for weeks to come. Well, I want to say from the outset that this bill is about a basic and fundamental proposition: that a promise made should be a promise kept.

Under the present tax system, there is no incentive for an employer to prefund its retiree health or long-term care promises. An elderly retiree in Arkansas or anywhere else could wake up tomorrow and find that the retiree health coverage promised by his or her employer has suddenly been canceled or is subject to the whims of a bankruptcy judge. There are few events that could have as devastating a blow on the financial well-being of a retired person than to find himself or herself without promised health or long-term coverage.

This bill would encourage employers to set up a separate fund to insure that those health and long-term care benefits will indeed be provided as promised. Additionally, an employer could withdraw excess assets over a cushion amount from pension funds in order to pre-fund retiree health and long-term care benefits without adverse tax consequences.

This bill is a foundation for discussion and we are introducing it to begin the debate on pre-funding retiree health and long-term care benefits. I hope soon to hold hearings in the Finance Subcommittee on Retirement Plans and Oversight of the Internal Revenue Service. I look forward to those discussions with business and retirement groups as we continue to work on this issue. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 812

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Retiree Health Benefits Preservation Act of 1989".

SEC. 2. PENSION PLANS PERMITTED TO PROVIDE EXPANDED POSTRETIREMENT HEALTH CARE BENEFITS AND TO PROVIDE LONG-TERM CARE BENEFITS.

(a) IN GENERAL.—Subsection (h) of section 401 of the Internal Revenue Code of 1986 (relating to medical, etc., benefits for retired employees and their spouses and dependents) is amended—

(1) by striking so much of such subsection as precedes paragraph (1) and inserting the following:

"(h) MEDICAL AND LONG-TERM CARE BENEFITS FOR RETIRED EMPLOYEES AND THEIR SPOUSES AND DEPENDENTS.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, a pension or annuity plan may provide for the payment of benefits for medical expenses and long-term care expenses of retired employees, their spouses, and their dependents, but only if—
"

(2) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively, and moving them and the last sentence 2 ems to the right,

(3) by striking "paragraph (6)" and inserting "subparagraph (F)", and

(4) by adding at the end thereof the following new paragraph:

"(2) SAFE HARBORS FOR THE PROVIDING OF MEDICAL AND LONG-TERM CARE BENEFITS.—A plan shall not be treated as failing to meet the requirement of paragraph (1)(A) if the amount of contributions under the plan

with respect to any employee for any year does not exceed—

"(A) in the case of a defined benefit plan, the amount actuarially determined to be necessary (as of the close of the plan year) to fund an annual benefit, commencing after the date the employee is retired, of—

"(i) $2,500 in the case of medical expenses, and

"(ii) $2,500 in the case of long-term care expenses, and

"(B) in the case of a defined contribution plan—

"(i) $825 in the case of medical expenses, and

"(ii) $825 in the case of long-term care expenses.

The Secretary shall adjust the dollar amounts in subparagraphs (A) and (B) at the same time and in the same manner as under section 415(d).

"(3) MEDICAL EXPENSES.—For purposes of paragraph (1), the term 'medical expenses' includes sickness, accident, and hospitalization expenses.

"(4) LONG-TERM CARE EXPENSES.—For purposes of paragraph (1), the term 'long-term care expenses' means expenses for 1 or more diagnostic services, preventive services, therapeutic services, rehabilitation services, maintenance services, or personal care services—

"(A) which are medically necessary or necessary to maintain activities of daily living or functional capacity, and

"(B) which are provided in a setting other than an acute care unit of a hospital."

(b) MEDICAL AND LONG-TERM CARE BENEFITS SUBJECT TO SECTION 415 LIMIT.—Paragraph (1) of section 401(h) of such Code, as amended by subsection (a), is amended—

(1) by striking the last sentence, and

(2) by striking subparagraph (F) and inserting the following:

"(F) a separate account is established and maintained for medical expense benefits, and a separate account is established and maintained for long-term care expense benefits, payable to such employee (and his spouse and dependents) and such benefits are only payable to such employee (and his spouse and dependents) from the appropriate separate account."

(c) CASH OR DEFERRED ARRANGEMENTS MAY BE USED TO FUND ACCOUNTS FOR RETIREE MEDICAL AND LONG-TERM CARE BENEFITS.—Subsection (k) of section 401 of such Code (relating to cash or deferred arrangements) is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

"(9) CASH OR DEFERRED ARRANGEMENTS MAY BE USED TO FUND ACCOUNTS FOR RETIREE MEDICAL AND LONG-TERM CARE BENEFITS.—Any pension plan shall be treated for purposes of this subsection in the same manner as a profit-sharing plan but only if all employer contributions made pursuant to the employee's election under the arrangement are to accounts to which subsection (h) applies. Subsection (h) (and not paragraph (2)(B) of this subsection) shall apply to such employer contributions to such accounts."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after the date of the enactment of this Act.

SEC. 3. WITHDRAWAL OR TRANSFER OF EXCESS ASSETS FROM SINGLE EMPLOYER DEFINED BENEFIT PENSION PLANS WITHOUT PLAN TERMINATION TO FUND RETIREE MEDICAL AND LONG-TERM CARE BENEFITS.

(a) AMENDMENT OF INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 (relating to qualified pension, profit-sharing, and stock bonus plans) is amended by inserting after section 404 the following new section:

"SEC. 405. WITHDRAWAL OR TRANSFER OF EXCESS ASSETS FROM SINGLE EMPLOYER DEFINED BENEFIT PLANS WITHOUT PLAN TERMINATION TO FUND RETIREE MEDICAL AND LONG-TERM CARE BENEFITS.

"(a) GENERAL RULE.—A trust shall not be treated as failing to meet the requirements of section 401(a) or 403(a) by reason of a withdrawal by the employer of cash or property under a defined benefit plan (other than a multiemployer plan) if—

"(1) the amount of such withdrawal does not exceed the limitation under subsection (b),

"(2) the procedures described in subsection (c) are met with respect to such withdrawal, and

"(3) the amount withdrawn is immediately transferred to accounts described in section 401(h) of participants in such plan.

Nothing in any provision of law shall be construed as requiring a plan to be in existence for any minimum period of time in order for the provisions of this section to apply.

"(b) LIMITATION ON AMOUNT OF WITHDRAWAL.—

"(1) IN GENERAL.—The amount of a withdrawal meets the requirements of this subsection if such amount does not exceed the excess (determined as of the excess determination date) of—

"(A) the amount determined under section 412(l)(8)(A)(ii) (relating to value of plan assets), over

"(B) 125 percent of the current liability of the plan (as defined in section 412(l)(7)).

"(2) REDUCTION IN AMOUNT OF PERMITTED WITHDRAWAL WHERE EMPLOYER MADE PRIOR WITHDRAWAL WITHIN 5 YEARS.—In the case of a withdrawal (to which this section applies) from a plan which is made during the 5-year period beginning on the date of any prior withdrawal (to which this section applied) from such plan, the limitation under paragraph (1) with respect to the later withdrawal shall be the lesser of—

"(A) the limitation under paragraph (1) with respect to such later withdrawal determined without regard to this paragraph, or

"(B) the excess (determined as of whichever of the earlier withdrawals during such period results in the least amount of excess) of—

"(i) the limitation under paragraph (1) as of the excess determination date for such earlier withdrawal, over

"(ii) the amount of such earlier withdrawal plus all subsequent withdrawals during such period.

"(3) APPLICATION OF LIMITS IN THE CASE OF PLAN MERGERS, SPINOFFS, ETC.—

"(A) MERGERS.—In the case of a withdrawal from the surviving plan resulting from a merger or consolidation of plans and such withdrawal occurs during the 5-year period which would have been applicable under paragraph (2) to any significant pre-merger plan, the limitation under paragraph (1) applicable to the surviving plan upon such withdrawal shall not exceed the sum of—

"(i) for each pre-merger plan which had one or more earlier withdrawals during the 5-year period prior to the withdrawal from the surviving plan, the excess (determined as of whichever of the earlier withdrawals during such 5-year period results in the least amount of excess) of—

"(I) the limitation under paragraph (1) as of the excess determination date for such earlier withdrawal, over

"(II) the amount of such earlier withdrawal plus all subsequent withdrawals during such period, and

"(ii) for each pre-merger plan which did not have any withdrawals during the 5-year period prior to the withdrawal from the surviving plan, the amount computed under paragraph (1) as though the date of the merger or consolidation were a withdrawal date.

For purposes of the preceding sentence, the term 'significant pre-merger plan' means a plan which was a part of the merger or consolidation and which had assets immediately prior to the merger or consolidation which were greater than 3 percent of the assets of the surviving plan immediately after the merger or consolidation.

"(B) SPINOFFS, ETC.—In the case of a transfer of assets from a plan (which occurs during the 5-year period applicable under paragraph (2) to such plan) to 1 or more other plans to which this section applies—

"(i) except as provided in clause (ii), the limitation applicable under paragraph (1) to the transferor plan shall be unaffected by such transfer and no such limitation shall apply to any transferee plan by reason of such transfer, or

"(ii) if the transfer is of 3 percent or more of the fair market value (as of the time of such transfer) of the assets of the transferor plan, the limitation applicable under paragraph (1) to such plan before the transfer shall be allocated among such plan and each transferee plan in proportion to the present values of the accrued benefits which are allocated in connection with such transfer among the transferor and transferee plans.

"(C) TRANSFERS OF ASSETS AND LIABILITIES.—In the event that any transferee plan shall have had any accrued benefits prior to a transfer of assets described in subparagraph (B), such transfer shall be first treated as a spinoff under subparagraph (B) followed by a merger under subparagraph (A).

"(c) PROCEDURES RELATING TO WITHDRAWALS.—

"(1) IN GENERAL.—The procedures with respect to a withdrawal from a plan meet the requirements of this subsection if—

"(A) such withdrawal occurs within 30 days after the close of the 60-day period referred to in paragraph (2), and

"(B) the Secretary has not, before the close of such period, notified the plan administrator of the plan that such withdrawal does not meet the requirements of this section.

"(2) NOTICE TO EMPLOYEES AND THE SECRETARY.—

"(A) IN GENERAL.—The 60-day period referred to in this paragraph is the 60-day period beginning on the date on which the Secretary is notified of the intent to withdraw assets in accordance with this section (or, if later, the date on which the participants in the plan are so notified).

"(B) CONTENTS OF NOTICE.—The notice to the Secretary required under subparagraph (A) shall include—

"(i) the proposed date of the withdrawal,

"(ii) a certification by an enrolled actuary of the projected amount of the limitation applicable under subsection (b) to such withdrawal,

"(iii) the proposed amount of the withdrawal,

"(iv) the entity making the withdrawal, and

"(v) a certification by the plan administrator—

"(I) of the fair market value of the assets of the plan (as of the excess determination date with respect to such withdrawal), and

"(II) that no substantial change has occurred which would make the certification under clause (ii) unreliable.

The notice to plan participants required by subparagraph (A) shall include the information described in clauses (i) and (iv).

"(d) TAX TREATMENT OF WITHDRAWALS.—

"(1) EXCLUSION FROM INCOME.—The amount of any withdrawal which meets the requirements of this section shall not be included in the gross income of the employer maintaining the plan.

"(2) EXEMPTION FROM EXCISE TAX ON REVERSIONS.—Section 4980 shall not apply to any withdrawal—

"(A) which meets the requirements of this section, or

"(B) which would meet such requirements but for the fact that the amount of the withdrawal exceeds the limitation of subsection (b).

"(e) SECTION NOT TO APPLY TO CERTAIN WITHDRAWALS.—This section shall not apply to—

"(1) any amount distributed to or on behalf of an employee (or his beneficiaries) if such amount could have been so distributed before termination of such plan without violating any provision of section 401, or

"(2) any distribution to the employer which is otherwise allowable under section 401(a)(2).

"(f) EXCESS DETERMINATION DATE.—For purposes of this section, the term 'excess determination date' means, with respect to any withdrawal, any date which is not more than 120 days before the date of the earliest of the notices under subsection (c).

"(g) AUTHORITY TO COORDINATE SECTION WITH TERMINATION PROVISIONS.—The Secretary may, after consultation with the Secretary of Labor and the Pension Benefit Guaranty Corporation, prescribe interpretive regulations which coordinate the application of this section with other provisions of this title (and administrative rulings, regulations, and guidelines issued thereunder) relating to plan terminations in order to prevent this section from being used when a violation of such provisions has occurred. In cases where a violation has occurred, such regulations may provide for the aggregation of persons which are treated as a single employer under section 414, and all plans maintained by such persons, in order to prevent further violations of the purposes of this section and such provisions by such persons."

(2) EXEMPTION FROM EXCISE TAX ON PROHIBITED TRANSACTIONS.—

(A) IN GENERAL.—Subsection (d) of section 4975 of such Code (relating to tax on prohibited transactions) is amended by striking out "or" at the end of paragraph (14), by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; or", and by inserting after paragraph (15) the following new paragraph:

"(16) any withdrawal which meets the requirements of section 405.".

(B) COMPUTATION OF TAX WHERE WITHDRAWAL EXCEEDS DOLLAR LIMIT.—Section 4975 of such Code is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

"(h) COMPUTATION OF TAX WHERE SECTION 405 WITHDRAWAL EXCEEDS DOLLAR LIMITATION.—For purposes of this section, in the case of a withdrawal which would meet the requirements of section 405 but for the fact that the amount of the withdrawal exceeds the limitation of section 405(b)—

"(1) only the amount of the withdrawal in excess of such limitation shall be treated as the amount involved, and

"(2) the taxable period with respect to such withdrawal shall be treated as beginning on the date of such withdrawal and ending at the earlier of the date on which the correction of the amount of the withdrawal is completed or the close of the 90th day after the date of mailing of a notice of deficiency under section 6212 with respect to the tax imposed by subsection (a)."

(3) CLERICAL AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 of such Code is amended by inserting after the item relating to section 404 the following new item:

"Sec. 405. Withdrawal or transfer of excess assets from single employer defined benefit plans without plan termination to fund retiree medical and long-term care benefits."

(b) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Section 403 of the Employee Retirement Income Security Act of 1974 (relating to establishment of trust) is amended by adding at the end thereof the following new subsection:

"(e)(1) A trust shall not be treated as failing to meet the requirements of this title by reason of a withdrawal by the employer of cash or property under a defined benefit plan (other than a multiemployer plan) if—

"(A) the amount of such withdrawal does not exceed the limitation under paragraph (2), and

"(B) the procedures described in paragraph (3) are met with respect to such withdrawal.

Nothing in any provision of law shall be construed as requiring a plan to be in existence for any minimum period of time in order for the provisions of this subsection to apply.

"(2)(A) The amount of a withdrawal meets the requirements of this paragraph if such amount does not exceed the excess (determined as of the excess determination date) of—

"(i) the amount determined under section 302(d)(8)(A)(ii) (relating to value of plan assets), over

"(ii) 125 percent of the current liability of the plan (as defined in section 302(d)(7)).

"(B) In the case of a withdrawal (to which this subsection applies) from a plan which is made during the 5-year period beginning on the date of any prior withdrawal (to which this subsection applied) from such plan, the limitation under subparagraph (A) with respect to the later withdrawal shall be the lesser of—

"(i) the limitation under subparagraph (A) with respect to such later withdrawal determined without regard to this subparagraph, or

"(ii) the excess (determined as of whichever of the earlier withdrawals during such period results in the least amount of excess) of—

"(I) the limitation under subparagraph (A) as of the excess determination date for such earlier withdrawal, over

"(II) the amount of such earlier withdrawal plus all subsequent withdrawals during such period.

"(C)(i) In the case of a withdrawal from the surviving plan resulting from a merger or consolidation of plans and such withdrawal occurs during the 5-year period which would have been applicable under subparagraph (B) to any significant pre-merger plan, the limitation under subparagraph (A) applicable to the surviving plan upon such withdrawal shall not exceed the sum of—

"(I) for each pre-merger plan which had one or more earlier withdrawals during the 5-year period prior to the withdrawal from the surviving plan, the excess (determined as of whichever of the earlier withdrawals during such 5-year period results in the least amount of excess) of the limitation under subparagraph (A) as of the excess determination date for such earlier withdrawal, over the amount of such earlier withdrawal plus all subsequent withdrawals during such period, and

"(II) for each pre-merger plan which did not have any withdrawals during the 5-year period prior to the withdrawal from the surviving plan, the amount computed under subparagraph (A) as though the date of merger or consolidation were a withdrawal date.

For purposes of the preceding sentence, the term 'significant pre-merger plan' means a plan which was a part of the merger or consolidation and, which had assets immediately prior to the merger or consolidation which were greater than 3 percent of the assets of the surviving plan immediately after the merger or consolidation.

"(ii) In the case of a transfer of assets from a plan (which occurs during the 5-year period applicable under subparagraph (B) to such plan) to 1 or more other plans to which this subsection applies—

"(I) except as provided in subclause (II), the limitation applicable under subparagraph (A) to the transferor plan shall be unaffected by such transfer and no such limitation shall apply to any transferee plan by reason of such transfer, or

"(II) if the transfer is of 3 percent or more of the fair market value (as of the time of such transfer) of the assets of the transferor plan, the limitation applicable under subparagraph (A) to such plan before the transfer shall be allocated among such plan and each transferee plan in proportion to the present values of the accrued benefits which are allocated in connection with such transfer among the transferor and transferee plans.

"(iii) In the event that any transferee plan shall have had any accrued benefits prior to a transfer of assets described in clause (ii), such transfer shall be first treated as a spinoff under clause (ii) followed by a merger under clause (i).

"(3)(A) The procedures with respect to a withdrawal from a plan meet the requirements of this paragraph if—

"(i) such withdrawal occurs within 30 days after the close of the 60-day period referred to in subparagraph (B), and

"(ii) the Secretary of the Treasury has not, before the close of such period, notified the plan administrator of the plan that such withdrawal does not meet the requirements of this subsection.

"(B)(i) The 60-day period referred to in this subparagraph is the 60-day period beginning on the date on which the Secretary of the Treasury is notified of the intent to

withdraw assets in accordance with this section (or, if later, the date on which the participants in the plan are so notified).

"(ii) The notice to the Secretary of the Treasury required under clause (i) shall include—

"(I) the proposed date of the withdrawal,

"(II) a certification by an enrolled actuary of the projected amount of the limitation applicable under paragraph (2) to such withdrawal,

"(III) the proposed amount of the withdrawal,

"(IV) the entity making the withdrawal, and

"(V) a certification by the plan administrator of the fair market value of the assets of the plan (as of the excess determination date), and that no substantial change has occurred which would make the certification under subclause (II) unreliable.

The notice to plan participants required under clause (i) shall include the information described in subclauses (I) and (IV).

"(4) This subsection shall not apply to—

"(A) any amount distributed to or on behalf of an employee (or his beneficiaries) if such amount could have been so distributed before termination of such plan without violating any provision of section 401 of such Code, or

"(B) any distribution to the employer which is otherwise allowable under this section.

"(5) For purposes of this subsection, the term 'excess determination date' means, with respect to any withdrawal, any date which is not more than 120 days before the date of the earliest of the notices under paragraph (3)."

(2) EXEMPTION FROM PROHIBITED TRANSACTION RULES.—Subsection (b) of section 408 of such Act (relating to exemptions from prohibited transactions) is amended by adding at the end thereof the following new paragraph:

"(12) Any withdrawal which meets the requirements of section 403(e).".

(3) EXEMPTION FROM FIDUCIARY RULES.—Section 404 of such Act (relating to fiduciary duties) is amended by adding at the end thereof the following new subsection:

"(d) No liability shall arise under this section or any other provision of this part by reason of a withdrawal from a plan which meets the requirements of section 403(e).".

(4) WITHDRAWALS TO BE REPORTED TO PBGC.—Subsection (b) of section 4043 of such Act is amended by striking out "or" at the end of paragraph (8), by redesignating paragraph (9) as paragraph (10), and by inserting after paragraph (8) the following new paragraph:

"(9) when there is a withdrawal which is intended to qualify under section 403(e) of this Act; or".

(5) AUTHORITY TO RECAPTURE WITHDRAWALS WHICH DO NOT QUALIFY UNDER SECTION 403(e).—Section 4045 of such Act (relating to recapture of certain payments) is amended by adding at the end thereof the following new subsection:

"(d) The trustee is authorized to recover for the benefit of the plan any withdrawal from the plan which was intended to meet the requirements of section 403(e) and which did not meet such requirements.".

(c) AUTHORITY TO AMEND PLANS.—Notwithstanding any other provision of law or any provision of the plan document, a plan sponsor may amend the plan to allow for the withdrawal or transfer of excess plan assets in accordance with the provisions of section 405 of the Internal Revenue Code of 1986 and section 403(e) of the Employee Retirement Income Security Act of 1974 if, before such amendment, the plan provides for the payment to the employer of any surplus plan assets on plan termination.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to plan withdrawals or transfers occurring after the date of the enactment of this Act.●

By Mr. WIRTH:

S. 813. A bill to establish the National Literacy Commission, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL LITERACY COMMISSION ACT

● Mr. WIRTH. Mr. President, today I am introducing legislation to establish a National Literacy Commission to study the problems of illiteracy in America at the elementary and secondary educational levels, and among adults. This Commission would make recommendations to the President, the Congress, and the U.S. Department of Education concerning what steps are necessary to fully eradicate illiteracy from our society.

I am deeply concerned over the growing problem of illiteracy in our Nation. Present evidence indicates that millions of Americans do not have the minimal skills necessary to function in our society. These people cannot read a newspaper, fill out a job application, read a ballot, or understand a warning label on a bottle of medicine.

Although definitions of illiteracy vary, there can be no denying the scope of this problem in the United States. The latest administration figures estimate that 17 million to 21 million American adults, 13 percent of the population, are illiterate by the simplest tests of everyday reading, writing, and comprehension. Additionally, illiteracy rates among blacks and other ethnic groups are disproportionately high. Currently, illiteracy among minority students, who will constitute a majority of the school-age population in 10 States by the year 2000, is as high as 40 percent.

While there is no universally accepted international comparison of literacy, there is little doubt that the United States is falling behind other leading Western nations in literacy levels. The future implications of this trend are a lessening of our comparative technological advantage, a decline in American worldwide prestige, and, most likely, an increasing trade deficit. If we, as a nation, cannot teach our citizens simple skills like reading and writing, then how is our Nation supposed to compete effectively in an increasingly complex and interdependent world?

At this time, the Nation's literacy resources are scattered and ineffectively deployed. I believe if the resources now used for teaching reading and writing at all levels were coordinated, a research and development program of considerable magnitude would be possible, with considerably less additional effort and investment than the present fragmented programs require.

The purpose of this Commission will be to survey, explore, and evaluate existing literacy materials, to suggest ways of filling specific gaps in those materials, and to promulgate specific teacher qualifications, incorporating personnel qualities, behavorial skills, and professional judgments. Using the findings of this study, the Commission will recommend a 10-year comprehensive national literacy strategy to encourage literacy standards for all Americans.

Certainly, not all of our Nation's problems are singularly attributable to illiteracy. Nevertheless, illiteracy is a huge drain on our Nation's resources. I cite a report by the American Library Association that claims fundamentally illiterate adults cost our society $224 billion annually in welfare payments, crime and prison costs, job incompetence, lost taxes, and remedial education. In a time of huge Federal budget and trade deficits, this figure is patently unacceptable.

I urge my colleagues in the Senate to support the establishment of this Commission. It is of utmost importance that we strive toward the elimination of this burdensome problem, both in educating currently illiterate adults and making sure our children do not grow up lacking the basic skills to function in our society. Through the alleviation of illiteracy, the United States may improve economic productivity, national security, and technological advancement, and gain an informed citizenry that can view the future with courage and confidence.●

By Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. BOND, Mr. GRASSLEY, Mr. SIMON, and Mr. DECONCINI):

S. 814. A bill to provide for minting a circulation of $1 coins, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

U.S. COINAGE REFORM ACT

● Mr. DOMENICI. Mr. President, I am pleased to reintroduce a bill I introduced in the 100th Congress to reform America's system of coinage. The reform could save the Government and consumers millions of dollars spent each year to print dollar bills and to retrofit vending and other machines to accept dollar bills.

My bill authorizes the minting of a gold-colored Christopher Columbus dollar coin, to celebrate Christopher Columbus' discovery of the New World. It seems appropriate to honor Columbus and the upcoming 500th anniversary of his discovery. At the same time, we will update our coinage and create a distinct coin we can use with pride.

The proposal directs the Treasury to put the new coin into circulation within 18 months of enactment of the legislation. It also requires the study of the advisability of phasing out the production of the penny and half-dollar coins and of rounding final cash sales to the nearest 5 cents.

Due to inflation, the purchasing power of our coins has declined, of course. In terms of what it will purchase, a dollar today is roughly equivalent to a quarter in 1950. Many other countries have experienced this sort of change in buying power and have updated their coinage because of it. I believe a dollar coin that is gold colored and distinctive will be popular with consumers.

Further, the reduced purchasing power of the penny has eroded its usefulness, while the half dollar is in only limited circulation. The need for these coins and the alternatives to their circulation must be evaluated.

Several other countries have introduced high denomination coins with great success. They have learned from our experience with the Susan B. Anthony coin that a distinctive gold-colored dollar coin is acceptable to consumers, while a silver-colored one like the quarter is not acceptable.

Japan, England, Norway, Australia, and most recently Canada have circulated such coins, gold in color. In each country, they have provided for the replacement of the same denomination paper note, usually over the period of 3 years. This has been suggested to me regarding our dollar bill and deserves serious consideration. I urge my colleagues on the Banking Committee to hold a hearing on the issue and establish for the record the pros and cons of phasing out the dollar bill.

Why is coinage reform necessary? The most significant reason to me is the savings to be realized by the Government and consumers from such reform. Based on data from the Department of the Treasury, the Government will save an estimated $117 million each year by minting a dollar coin instead of printing a dollar bill.

The savings result from currency life and transportation cost difference, and from reduced shredding costs. The 20-year life of the coin, compared to the 18-month life of the dollar bill yields the greatest part of the savings, $75 million annually. Another $39 million savings would come from the reduced cost of transporting currency from the U.S. Mint facilities to Federal Reserve banks. An additional $3 million saving results from not having to destroy old, dirty dollar bills each year.

Additionally, consumers will benefit from reduced vending machine costs. Currently, the $2,400 per unit cost of dollar bill changers and the $400 per machine cost of retrofitting vending machines with bill acceptors are passed to consumers. The dollar coin would eliminate these costs and benefit consumers.

With edges distinguishable from the quarter, the dollar coin aids the visually handicapped. Using the dollar coin, consumers may make small purchases without the fear of inadvertently spending a large bill or being cheated out of the correct change.

Our mass transit systems face expensive retrofitting of fare machines on buses. These costs could be avoided by the circulation of a dollar coin. Such retrofitting recently cost Cleveland, Washington, and Chicago $5 million, $8.7 billion, and $15 million respectively.

Mr. President, the legislation proposed here calls for a gold-colored coin to ensure that it is easily distinguished from the quarter. It is clear from the experience of other countries in introducing high denomination coins and from our own experience with the Susan B. Anthony coin, that this new coin will be acceptable to consumers.

I urge my colleagues to support this legislation. It is time to address the need for and to reap the benefits of coinage reform.●

By Mr. ADAMS (for himself and Mr. GORTON):

S. 815. A bill to provide for the fair tax treatment of interstate transportation employees; to the Committee on Finance.

PROVIDING FAIR TAX TREATMENT OF INTERSTATE TRANSPORTATION EMPLOYEES

● Mr. ADAMS. Mr. President, today is tax filing day. While no one enjoys filing and paying taxes, imagine how burdensome and unfair it would be if we were taxed twice or three times for the same income and had to file taxes in several different States. This is exactly the situation that some railroad workers and truck drivers face.

It is therefore particularly appropriate that I am introducing legislation today to provide for the fair taxation of transportation workers. Truck drivers and railroad workers often travel through several States in the course of their employment. When States attempt to impose State income taxes on these employees who are not residents of that State, the employees are faced with multiple State tax liability and the burdens of filing tax returns in many different States.

These taxes pose a particular problem for residents of States without income taxes, such as Washington. Because Washington has no income tax, the railroad workers and truck drivers cannot get credit in their State of residence for out of State taxes that they pay. Yet because Washington has no income tax, these individuals are already paying higher property and sales taxes that the State uses to make up for the absence of an income tax.

As an example, beginning in 1983, the States of Montana and Idaho began assessing back taxes against Washington State railroad workers and truck drivers operating out of Spokane and traveling through Idaho and Montana. In some cases, the workers, even retirees, were being asked to pay over $6,000 in back taxes going back 6 to 8 years. Workers in other States, such as Texas, also face similar unfair tax treatment.

Mr. President, the bill that I am introducing will address this problem by amending the Interstate Commerce Act to provide that railroad and truck drivers may be taxed only by their State of residence. The Interstate Commerce Act already limits the ability of States to require withholding for income tax purposes. Limiting withholding has not been effective, however, as States have assessed back taxes against employees by obtaining the payroll records of the employing rail or motor carrier. In at least one State, the State tax commission has garnished the wages of railroad workers.

In 1980, the Federal Aviation Act was amended to limit taxation of airline employees. This bill provides similar protections to railroad and motor carrier employees.

In the 100th Congress, the Senate Commerce Committee, Subcommittee on Surface Transportation, held hearings on the issue. The Teamsters, the Rail Labor Executive Association and the United Transportation Union testified in support of Federal legislation. No witnesses opposed the legislation.

I would point out one other fact for my Senate colleagues. In a recent challenge by Washington State railroad employees to Idaho taxation, the Idaho Supreme Court held that the taxation violated the constitution's equal protection clause and commerce clause. The court held that there was insufficient nexus between the employee's activities and the State of Idaho to warrant taxation. The Supreme Court has denied Idaho's petition for certiorari. This bill, therefore, simply codifies what the courts have already ruled and eliminates the need for additional lawsuits.

Mr. President, I ask unanimous consent that the bill appear in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 815

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAXATION OF RAILROAD EMPLOYEES.—Section 11504(a) of title 49, United States Code, is amended to read as follows:

"(a) No part of the compensation paid by a rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title to an employee who performs regularly

assigned duties as such an employee on a railroad in more than one State, shall be subject to the income tax laws of any State or subdivision of that State, other than the State or subdivision thereof of the employee's residence.".

SEC. 2. TAXATION OF MOTOR CARRIER EMPLOYEES.—Section 11504(b) of title 49, United States Code, is amended to read as follows:

"(b) No part of the compensation paid by a motor carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title to an employee who performs regularly assigned duties as such an employee on a motor vehicle in 2 or more states, shall be subject to the income tax laws of any State or subdivision of that State, other than the State or subdivision thereof the employee's residence.".

SEC. 3. TECHNICAL CORRECTIONS.—Section 11504(d) of title 49, United States Code, is amended by striking "with—" and all that follows and inserting in lieu thereof the following: "with the state and subdivision of residence of the employee.".●

● Mr. GORTON. Mr. President, I am pleased to join with my colleague, Senator ADAMS, in introducing legislation to remedy an unfair tax situation affecting some railroad workers and truck drivers. Our legislation is simple and straightforward. It provides that a railroad worker or truck driver engaged in interstate commerce can only be taxed by the State in which the workers resides.

I first learned of the need for such legislation several years ago from some of my constituents from Spokane. Railroad workers and truck drivers who live in Spokane, yet ride or drive through Idaho and Montana during the course of their work day, were suddenly receiving out-of-State tax notices. In some cases, workers and retirees, were assessed thousands of dollars in back taxes, interest, and penalties, by Idaho and Montana. The burden of nonresident State income taxes are particularly severe in States such as mine that choose to raise revenue through higher sales, property, and business and occupation taxes, and do not impose an income tax on their citizens. Residents of my State do not have the opportunity to deduct nonresident taxes on Washington State income taxes as is the case for affected individuals who are taxed by other States and who also live in States that impose an income tax. Thus, my constituents, in effect, are taxed twice on the same income. Washington State truck drivers and railroad workers who pass through these States during the course of their work day derive little benefit from, yet pay for, the services and operations of other States and localities.

My constituents have made a decision to live in Washington State; they should not be penalized for this choice. Many years ago, our forefathers stood up against taxation without representation. Today, we have another chance to add our voice to theirs and correct this inequity.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. CRANSTON, the names of the Senator from Illinois [Mr. SIMON] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 12, a bill to establish a Parents as Partners in Learning Program, and for other purposes.

S. 54

At the request of Mr. METZENBAUM, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 54, a bill to amend the Age Discrimination in Employment Act of 1967 with respect to the waiver of rights under such act without supervision, and for other purposes.

S. 82

At the request of Mr. THURMOND, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 82, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 135

At the request of Mr. GLENN, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 197

At the request of Mr. SASSER, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 197, a bill to authorize the insurance of certain mortgages for first-time homebuyers, and for other purposes.

S. 431

At the request of Mr. NUNN, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

S. 432

At the request of Mr. ROCKEFELLER, the names of the Senator from Nevada [Mr. BRYAN] and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 464

At the request of Mr. SANFORD, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated or under contract with the United States by clarifying the U.S. obligation to observe occupational safety and health standards and clarifying the U.S. responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 488

At the request of Mr. FOWLER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 488, a bill to provide Federal assistance and leadership to a program of research, development, and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 519

At the request of Mr. LAUTENBERG, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 618

At the request of Mr. SARBANES, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 618, a bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia.

S. 691

At the request of Mr. LAUTENBERG, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 691, a bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel.

S. 758

At the request of Mr. LAUTENBERG, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 758, a bill to require the Secretary of the Treasury to monitor the adherence by certain United States corporations to principles of nondiscrimination and freedom of opportunity in employment practices in Northern Ireland.

S. 779

At the request of Mr. DIXON, his name was added as a cosponsor of S. 779, a bill to minimize the impact of agricultural nitrogen on ground water and surface water quality by establishing a nationwide educational program aimed at American farmers, to urge the adoption of agricultural best management practices, and for other purposes.

SENATE JOINT RESOLUTION 10

At the request of Mr. THURMOND, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Alabama [Mr. HEFLIN], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Joint Resolution 10, a joint resolution to designate the month of May 1989 as "National Foster Care Month."

SENATE JOINT RESOLUTION 71

At the request of Mr. HELMS, the names of the Senator from Connecticut [Mr. DODD] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 71, a joint resolution designating April 16 through 22, 1989, as "National Ceramic Industry Recognition Week."

SENATE JOINT RESOLUTION 84

At the request of Mr. HATCH, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Nevada [Mr. REID], the Senate from Georgia [Mr. NUNN], the Senator from Washington [Mr. GORTON], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 91

At the request of Mr. ROCKEFELLER, the names of the Senator from Washington [Mr. ADAMS], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from New Jersey [Mr. BRADLEY], the Senator from Lousiana [Mr. BREAUX], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Maine [Mr. COHEN], the Senator from North Dakota [Mr. CONRAD], the Senator from New York [Mr. D'AMATO], the Senator from Arizona [Mr. DECONCINI], the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mr. DOLE], the Senator from Georgia [Mr. FOWLER], the Senator from Tennessee [Mr. GORE], the Senator from Washington [Mr. GORTON], the Senator from Florida [Mr. GRAHAM], the Senator from Pennsylvania [Mr. HEINZ], the Senator from North Carolina [Mr. HELMS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from Wisconsin [Mr. KASTEN], the Senator from Nebraska [Mr. KERREY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. MACK], the Senator from Idaho [Mr. MCCLURE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Maine [Mr. MITCHELL], the Senator from Georgia [Mr. NUNN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. RIEGLE], the Senator from Virginia [Mr. ROBB], the Senator from North Carolina [Mr. SANFORD], the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], the Senator from Virginia [Mr. WARNER], the Senator from Utah [Mr. GARN], the Senator from Michigan [Mr. LEVIN], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 91, a joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day."

SENATE RESOLUTION 86

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Resolution 86, a resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways flight 103, and the security of air travel.

SENATE RESOLUTION 97

At the request of Mr. HELMS, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Resolution 97, a resolution expressing the sense of the Senate regarding Palestine Liberation Organization terrorism.

AMENDMENTS SUBMITTED

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

PRESSLER AMENDMENT NO. 47

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (S. 774) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes; as follows:

On page 237, between lines 8 and 9, insert the following:

"(3) PHASE-IN FOR SMALL INSTITUTIONS.—Notwithstanding the provisions of subparagraph (1), an institution with assets of $100,000,000 or less as of April 12, 1989, shall be considered in full compliance with uniformly applicable capital standards not less stringent than standards applicable to national banks if it maintains capital standards established under this subsection according to the following timetable:

"(A) not later than June 1, 1994, each savings association shall have total capital equal to at least 100 percent of the amount required for full compliance as of that date;

"(B) not later than June 1, 1993, each savings association shall have total capital equal to at least 90 percent of the amount required for full compliance as of that date;

"(C) not later than June 1, 1992, each savings association shall have total capital equal to at least 80 percent of the amount required for full compliance as of that date; and

"(D) not later than June 1, 1991, each savings association shall have total capital equal to at least 70 percent of the amount required for full compliance as of that date.

On page 237, line 9, strike "(3)" and insert "(4)".

On page 239, line 21, strike "(4)" and insert "(5)".

On page 240, line 2, after "1991", insert the following: ", or June 1, 1994, under the provisions of paragraph (3)".

GORTON (AND ADAMS) AMENDMENT NO. 48

(Ordered to lie on the table.)

Mr. GORTON (for himself and Mr. ADAMS) submitted an amendment intended to be proposed by him to the bill S. 774, supra; as follows:

CAPITAL STANDARDS—RETAINED MORTGAGE SERVICING RIGHTS

On page 236, line 15 strike "Goodwill" and insert "Exceptions"; in line 17 strike "goodwill"; in line 18 insert "goodwill" after "(A)"; in line 24 insert "goodwill" after "(B)". On page 237, line 8 strike the period and insert "; and" and insert thereafter the following:

(C) Retained mortgage servicing rights to the extent that such inclusion was permitted pursuant to a written action of the Federal Home Loan Bank Board.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Wednesday, May 17, 1989, at 10 a.m., in SR-332 to receive testimony on trading practices in the commodity futures markets.

For further information, please contact Ken Ackerman of the committee staff at 224-2035.

SUBCOMMITTEE ON AGRICULTURAL CREDIT

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Agricultural Credit of the Committee on Agriculture, Nutrition, and Forestry will hold a field hearing on Tuesday, April 26, 1989, from 10 a.m. to 4 p.m. in Bismarck, ND, to receive testimony on the Agricultural Credit Act of 1987.

For further information, please contact Suzy Dittrich of the subcommittee staff at 224-2035.

SUBCOMMITTEE ON RURAL DEVELOPMENT AND RURAL ELECTRIFICATION

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Rural Development and Rural Electrification of the Committee on Agriculture, Nutrition, and Forestry will hold hearings on Thursday, May 11, 1989, and Tuesday, May 16, 1989, at 9:30 a.m., in SR-332 to continue receiving

testimony on rural development. Senator HEFLIN will preside.

For further information, please contact Marvin Konyha of the subcommittee staff at 224-4124.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GLENN. Mr. President, I would like to announce that the Governmental Affairs Committee will hold a hearing on Thursday, April 20, at 10 a.m., in SD-342 Dirksen on the nomination hearing of Michael W. Farrell to be an associate judge of the District of Columbia Court of Appeals.

For further information, please call Len Weiss, staff director, at 224-4751.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, April 17 at 5 p.m. to hold a nomination hearing on Reginald Bartholomew, to be Under Secretary of State for Coordinating Security Assistance Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full committee of the Senate Energy and Natural Resources Committee be authorized to meet during the session of the Senate 2 p.m., April 17, 1989, to receive testimony on S. 388, a bill to provide for 5-year, staggered terms for members of the Federal Energy Regulation Commission, and S. 389, a bill to amend the Department of Energy Organization Act to establish the position of Assistant Secretary for Natural Gas.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE INTERNATIONAL PARENTAL CHILD ABDUCTION ACT

● Mr. D'AMATO. Mr. President, I rise today to join Senator DIXON in cosponsoring S. 185, a bill to amend the criminal code to make international parental child abduction a Federal offense.

Over the years, we have witnessed the increased incidence of family dissolution which has brought about a host of associated problems. Among these, is child abduction. While separation and divorce is frequently marked by competing claims for custody of minor children, recent times have seen losing parties resort to self-help by abducting their own children.

This manifestation of love and selfishness has given rise to greater cooperation between State governments and judiciaries. Concerted efforts have been made by organizations public and private to locate "missing child," who after exhaustive searches frequently prove to have been abducted by the noncustodial parent. As a society, we realize that abduction is not an innocent game of tug-o-war between two loving parents. Without question, the disputed youth suffers emotional and psychological harm, which exacerbates already bruised feelings resulting from the separation.

Sadly, a new twist to the problem of child abduction has arisen; namely, international child abduction. Significant steps have already been taken to address this development. The United States signed the Hague Convention which, among other things, facilitates the return of abducted children. Also, the State Department has established a desk to deal with and coordinate each case of international child abduction. The measure is a significant additional step in the development of an effective policy response.

The most effective way to deal with international child abduction is to prevent its occurrence. By making it a felony crime, we will underscore the seriousness with which we view such activity. Moreover, when abductions do occur, the fact that it is a Federal crime will strengthen the hands of officials seeking extradition of those indicted for the offense.

Making international child abduction a Federal offense is a proper exercise of the Federal Government's constitutional authority to regulate foreign commerce. Indeed, given the international scope of the problem, effective enforcement requires Federal intervention.

Mr. President, I urge my colleagues to support this bill.●

IN SUPPORT OF S. 6, ENHANCED RESCISSION

● Mr. BOND. Mr. President, today I, like many other Americans, sent my 1988 income tax return off to the IRS. In doing so, I was reminded yet again of how our tax dollars are spent—or misspent—and thought I would take this opportunity to comment on Federal spending and our budget process.

As a former Governor, I had the opportunity to address firsthand the opportunities and challenges of balancing a $5 billion budget. My State of Missouri has a balanced budget requirement and after my election in 1980 I was immediately faced with a sea of red ink left by my predecessor.

Bringing our budget back into compliance was not easy, but at least I had the tools at my disposal to do it—namely the line item veto and rescission authority.

Today I am pleased to join several of my colleagues in speaking on behalf of one bill, S. 6, which will give the President at least some of the authorities I had as Governor.

S. 6 was introduced by Senators DOLE, MCCAIN, myself, and several others on the 1st day of the 101st Congress. We did it then to highlight its importance and to show our determination to make it a priority for passage this year.

Our bill's basic strength is its simplicity. After Congress passes an appropriations bill, our bill would give the President 10 days to rescind all, or part, of a various appropriation. Congress then has 10 days to react, and if they pass a resolution of disapproval then the President's rescission is rejected.

This allows the President to cut back surgically rather than vetoing an entire bill, and it would mean that Congressmen would have to think twice about trying to sneak their last second pork into a bill.

Naturally, some will argue that this gives the President too much authority, but my response is that we need authority someplace. Since Congress stripped the executive of their impoundment and rescission authorities in 1974, we have seen the deficit rise from $6 to $220 billion, and even now it is hovering just above $160 billion.

I hope my colleagues will join with those of us supporting budget reform and will help us enact S. 6 into law.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,493d day of captivity for Terry Anderson in Beirut.

I ask that a column by Terry Anderson's sister, Peggy Say, which appeared in the November 13, 1987, New York Times be printed in the RECORD.

The column follows:

GET THE HOSTAGES OUT

(By Peggy Say)

For a year, the United States Government has been frozen in its approach to the plight of the Americans held hostage in Lebanon. Eight imprisoned Americans have been devalued by their Government—there are few other words to describe the hostage policy followed in Washington since disclosure of the Administration's arms deal with Iran.

Their case is not a public crisis, and there is no pressure on the White House to press for an end to their agony. For the hostages, and for those of us who love them, their captivity is a crisis every day it continues.

Terry Anderson, my brother, has been held longer than any other hostage. On Dec. 10, it will be 1,000 days since he was seized by kidnappers in Beirut, where he served as chief Middle East correspondent of The Associated Press. His captors have identified themselves only as the Islamic Jihad. They apparently are members of the extremist Shiite faction known as Hezbollah.

The time is long past for the Administration to seek new approaches in the frustrating effort to gain freedom for the hostages

without further abridging its own policy against concessions to terrorists. I do not argue against the policy, only against the inaction.

President Reagan should now appoint a special envoy—a man or woman of achievement and stature—to work toward freedom for the hostages. The envoy could be a religious leader, an educator, a jurist, perhaps a journalist. In any case, it should be a person whose credentials and impartiality are above challenge: a person like Terry.

This special envoy should have no other portfolio. He or she should not be asked to carry the weight of responsibility for the peace process in the Middle East or for American policies elsewhere. The envoy should proceed within the limits of American policy but without bureaucratic distractions or restraints.

He should be someone who can work with governments, with humanitarian organizations and with religious leaders anywhere in the world. Those contacts almost certainly would include people and groups America considers to be terrorists. Our distaste for terrorists does not alter the fact that such people hold the keys to our hostages' cells.

The need for such a person is made greater by the sad fact that Terry Waite, the Anglican Church envoy who worked to negotiate freedom for the hostages, is marking his 10th month as a hostage himself.

The appointment of a highly visible special envoy would once again move the plight of the hostages into public attention. The past year of silence and the national self-examination stemming from the Iran arms deal have done nothing to help my brother and the other captives.

So I ask that the President shift the hostage situation from the political to the humanitarian arena. The imprisonment of Americans in Lebanon is a human rights problem, a moral issue, a humanitarian outrage.

The Administration has never opposed contacts or discussions with the captors. The stated policy has been against concessions to terrorism.

Perhaps through an envoy it will become possible to open a line of communication to the captors. Perhaps not, but there is nothing to be lost in the effort. So I ask Mr. Reagan to try again. This time, Mr. President, don't use American weapons of war; this time, use American weapons of conscience. Our nation stands for freedom, religious tolerance and respect for human rights. We should seek to apply those principles in the plight of those eight Americans who have been deprived of all their rights.●

ACHIEVEMENTS OF THE IRANIAN-AMERICAN COMMUNITY

● Mr. WILSON. Mr. President, I rise today to focus the Senate's attention on the remarkable achievements of the Iranian-American community. Over 700,000 men and women of Persian descent live in my home State, and their patriotic spirit, as well as their success in business, the professions, and political life illustrate that America's most recent immigrants continue to uphold our country's most enduring values of opportunity, individual dignity, and freedom of association.

Yet the Iranian-Americans, Mr. President, carry a unique burden today as a result of the dark shadow that the Khomeini regime has cast over the culture and history of their homeland. In the newspapers, we read of Iranians engaged in prayer services that degenerate into anti-Western rallies. We constantly hear of pronouncements from Teheran condemning the "Great Satan" or issuing death warrants for unarmed civilians. How many of us, Mr. President, think of terms like "radical," "fanatic," or "revolutionary" at the mere mention of an Iranian person or place?

The Iranian-Americans, however, have another story to tell about their noble and ancient heritage. It is a story of people and families who have a genuine faith in God with an equally fervent devotion to the idea of tolerance. It is a story of children, housewives, doctors, and businessmen who share the anguish and frustration of their fellow Americans at the irrational acts of terrorism committed against their copatriots overseas. And it is the story, Mr. President, of civic activists who have made the dream of their adopted land come alive in communities from Los Angeles to the Boston Bay.

The Iranian-American Republican Council of Southern California has started an effort to combat the stereotypes and prejudices that follow all too many Iranians who have made this country their own. The council recently sent me a letter which succinctly expresses the problem but extends the strong hope for an effective solution. I ask, Mr. President, that this letter be printed in the RECORD.

The letter follows:

IRANIAN AMERICAN
REPUBLICAN COUNCIL,
Los Angeles, CA, March 27, 1989.

Hon. Senator PETE WILSON,
Hart Office Building,
Washington, DC.

DEAR SENATOR WILSON: In July of 1988, the USS Vincennes mistakenly shot down an Iranian airliner in the Persian Gulf, killing 290 people. Recently, a bomb blasted through a van driven by Sharon Rogers, the wife of Captain Will Rogers who commands the Vincennes. Fortunately, Mrs. Rogers escaped unharmed. But in the aftermath of the bomb blast a question echoes through the news media: have the borders of the U.S., long thought impregnable, been sliced open by the terrorists? Will terrorism, already unchecked abroad, now have to be fought at home?

Frightening as it is to the American populace at large, this issue is doubly disturbing to Iranian Americans who fear that the bomb blast, coming hot on the heels of the Salman Rushdie affair and the explosion of Pan Am 103, will fuel yet another wave of anti-Iranian fervor in the United States.

The fall of the Shah in 1979 gave rise to a massive exodus from Iran. Many of those who managed to escape the Khomeini regime came—naturally—to the U.S. It is estimated that California alone houses 700,000 Iranians—the figure for the U.S. is much higher.

The vast majority of Iranians in the United States and Europe are fiercely anti-Khomeini. His regime has cost them loved ones, livelihoods, and their cultural heritage. They have come to this country precisely because of the principles of democracy, freedom, and tolerance which form the bedrock on which the United States was built. To them America is not the Great Satan—it is the Great Saviour.

Nevertheless, Iranians have had to contend with the petty prejudices and misguided animosities of those who fail, or refuse, to distinguish between the Iranian people, and Khomeini's government. The Iranian community here is rife with reports of discrimination against Iranians. Many of them feel ostracized and rejected. In these feelings lie the seeds of future conflict.

The Iranian American Republican Council is dedicated to preventing that conflict by bridging the gap between Iranian Americans and other Americans. Its objective is to encourage and facilitate the assimilation of Iranians into the mainstream of American life, while safeguarding their unique cultural identity.

Iranian Americans have much to offer. Let us not allow bias and bigotry to impede the positive contributions they can make. Let us not indict the innocent. Let us not victimize those who are already victims.

We thank you for your attention, and would appreciate any assistance you may be able to give in order to bring the aspirations, as well as the concerns, of Iranian Americans to the attention of all Americans.

Sincerely,

IRANIAN AMERICAN REPUBLICAN COUNCIL.●

HONORING THE FAMILY HEALTH PLAN

● Mr. KASTEN. Mr. President, I rise today to congratulate the Family Health Plan of Wisconsin on its 10th anniversary.

For a decade now, the Family Health Plan has been serving the Milwaukee community with dedication and excellence. By offering consumers more choice—and a greater voice in important health care decisions—the Family Health Plan is able to provide quality health care to 70,000 Milwaukeeans.

Mr. President, for the depth of its goals and the breadth of its accomplishments, the Family Health Plan deserves the respect of all Wisconsinites. I ask that the text of the "Family Health Plan Mission"—its own eloquent expression of its goals—be included in the RECORD.

The material follows:

FAMILY HEALTH PLAN MISSION

The mission of Family Health Plan is to develop and operate quality cost-effective health care programs that achieve the following goals:

To pursue high standards of quality in the delivery of health care.

To operate health care programs in a manner that achieves cost-effectiveness to the benefit of the consumer.

To foster innovation in the development of health care programs.

To give the health consumer a choice as to the type of health care system they wish to use.

To develop an organized system of health care offering a comprehensive set of benefits with maximum accessibility.

To give the health consumer a voice and some control in the operations of the health care delivery system.

To encourage members to participate in the practice of preventive health maintenance as an alternative to crisis-oriented care.●

FIGHTING BACK: AN INITIATIVE IN THE BATTLE AGAINST DRUG AND ALCOHOL ABUSE

● Mr. MOYNIHAN. Mr. President, one of the great challenges facing our Nation is the current epidemic of drug abuse. As cochairman with Senator SAM NUNN of the Democratic Substance Abuse Working Group, I have been concerned that sufficient resources are devoted toward reducing the demand for illegal drugs and alcohol through preventive efforts such as education, treatment, and prevention.

I rise to advise my colleagues of a significant opportunity to advance these efforts. At a news conference at New York University on February 6, 1989, the Robert Wood Johnson Foundation—the Nation's largest health care philanthropy—announced the biggest single commitment of private funds ever to be applied to the problem of drug and alcohol abuse. Through a program entitled "Fighting Back," the foundation will dedicate $26.4 million to help medium-sized communities, those with populations of 100,000 to 250,000, reduce the demand for illegal drugs and alcohol.

Mr. President, our distinguished former colleague in the House of Representatives and current president of New York University, Dr. John Brademas, will serve as chairman of the National Advisory Committees for "Fighting Back." The committee will assist the foundation in reviewing grant proposals and in recommending projects to the foundation's staff and board of trustees. I should note that as a Member of Congress, Dr. Brademas sponsored the Drug Abuse Education Act of 1970 which for the first time provided Federal funds for drug abuse education programs in schools and other settings.

The Robert Wood Johnson Foundation and its president, Leighton M. Cluff, M.D., are to be commended on this pioneering effort. I hope many communities across the country will apply for grants under this competitive program.

Mr. President, in order to assist communities that may want to apply for funds from "Fighting Back," I ask that this program's call for proposals be printed in the RECORD.

The document follows:

[The Robert Wood Johnson Foundation]

FIGHTING BACK: COMMUNITY INITIATIVES TO REDUCE DEMAND FOR ILLEGAL DRUGS AND ALCOHOL

The Robert Wood Johnson Foundation announces the availability of $26.4 million in grants to support intensive, community-wide initiatives to reduce the demand for illegal drugs and alcohol. The purpose of these community-wide initiatives is to demonstrate that by consolidating resources and creating a single community-wide system of prevention, early identification, treatment and after-care, communities can, over time, achieve substantial reductions in the demand for—and consequently the use of—illegal drugs and alcohol. The proposed demand-reduction activities would complement and reinforce ongoing efforts to reduce the illegal drug supply and to regulate the use of alcohol.

Eligible communities can compete for both planning and implementation grants under this program. As many as 12 communities will be selected to receive one- or two-year planning grants of up to $100,000 per year. Once communities have completed planning and development, they will be eligible to compete for five-year implementation grants. As many as eight implementation grants of up to $3 million each will be awarded.

This Foundation program is intended for medium-sized communities—those with populations of from 100,000 to 250,000—that are experiencing serious problems with drug and alcohol abuse and that have made these problems among their highest priorities. Also eligible are other geographic areas with similar-sized populations, such as multi-county regions or parts of larger cities, if they can demonstrate, based on previous successful efforts to address community-wide problems, that they have the authority and the capacity to make and implement the policies required to achieve their objectives under these grants.

A key feature of these initiatives is that each applicant community will be required to establish a citizens' task force on drug and alcohol abuse to provide oversight, guidance, and support. The task force should include community leaders, health professionals, clergy, school officials, parents, law enforcement officials, and other concerned and influential citizens.

The grants will be awarded to an organization within the applicant community that has shown it is able to coordinate multiple health and social services and to work effectively with community groups and organizations whose participation would be essential to addressing the substance abuse problem successfully.

BACKGROUND

Drug and alcohol abuse is a major public health problem in the United States. Data underscore the pervasiveness—and the urgency—of the problem:

One in eight Americans over age 11 has used an illegal drug at least once in the past month.

Between 1983 and 1987, the most recent year for which data are currently available, cocaine-related deaths more than tripled and cocaine-related emergency room visits increased more than five-fold.

In Florida, a state particularly hard hit by the cocaine epidemic, the estimated number of cocaine-addicted babies jumped from 200 in 1986 to 2,000 in 1987, and is estimated to have reached 10,000 in 1988—approximately one baby in every 17 born in the state.

An estimated 18 million Americans—approximately one out of every 10 adults—have either symptoms of alcohol dependency or significant problems associated with alcohol consumption.

Approximately half of all motor vehicle fatalities in this country are alcohol-related; nearly a quarter-million Americans have been killed in an alcohol-related automobile crash in the past decade.

In our nation and in our communities, alcohol and drug abuse take a staggering human toll: in deaths; in illness; injury, and disability; in health effects on the infants of drug and alcohol-abusing parents; in the mental health consequences of disorderd lives. The social costs also are enormous; a workforce with diminished productivity; increased demands on our health care, law enforcement, judicial, and corrections systems; drug-related violence; and the undermining of the goals of our educational and social welfare programs. All told, the annual costs to society of drug and alcohol abuse are expected to reach $229 billion in 1990—$136 billion for alcohol abuse, $76 billion for drug abuse, and $17 billion for intravenous drug-related AIDS.

Local communities are trying to fight back. The most common response is stepped-up law enforcement, focused especially on reducing the supply and sales of illegal drugs. Comparatively less has been done to try to reduce demand through preventive education and expanded treatment, and these efforts have generally been short-term, piecemeal, and disappointing.

Obstacles to addressing the demand side of the problem include:

The lack of forceful and sustained community leadership to set priorities and clearly articulate community norms with regard to substance abuse;

Inadequate public awareness of the extent of the local substance abuse problem and of the need for all citizens and organizations in the community to work together to solve it;

Overreliance on law enforcement and the control of supply as the only means of reducing use and abuse;

Fragmented, scanty resources for prevention and treatment; and

The lack of resources for sytems planning, development, initial implementation, and coordination.

Despite these obstacles, communities increasingly recognize that substance abuse is a major public health problem, which must be attacked by reducing demand as well as supply, and that reducing demand will require a community-wide consensus and commitment to prevention and treatment.

GOALS OF FIGHTING BACK

The goal of this Foundation program is to help bring about significant reductions in illegal drug use and alcohol abuse in up to eight moderately-sized communities that have serious substance abuse problems. The outcomes expected include:

A measurable and sustained reduction in the initiation of drug and alcohol use among children and adolescents;

A reduction in drug and alcohol-related deaths and injuries, especially among children, adolescents, and young adults;

A decline in the prevalence of health problems related to or exacerbated by drug and alcohol abuse;

A reduction in on-the-job problems and injuries related to substance abuse; and

A reduction in drug-related crime.

PROGRAM STRATEGIES

The principal strategy to be attempted in these community initiatives is to reduce the demand for illegal drugs and alcohol. To accomplish this, grantees will develop and implement a single, community-wide system of prevention and treatment that includes, at a minimum, the following four elements:

(1) a highly visible public awareness campaign designed to generate broad-based community support for efforts to reduce demand. Such a campaign could involve local news and information media, public officials, business and religious leaders, civic groups, the local medical society, and others with high visibility and credibility. The campaign will be important to sustaining the public's interest and commitment throughout the life of the initiative.

(2) a multifaceted prevention effort targeted especially at children, adolescents, and young adults. This could include: (a) prevention programs in the schools, as well as in out-of-school settings such as youth clubs, athletic teams, and youth-serving agencies; (b) development of recreational activities; and (c) prevention training for peers, parents, teachers, coaches, clergy, physicians, and employers.

(3) well-defined program policies and procedures for the early identification, assessment, and initial referral into treatment of people with drug or alcohol problems. This could be targeted at one or more age groups and might include: (a) inpatient hospital case-finding programs; (b) employee assistance programs; and (c) student assistance programs in the schools and on local college and vocational school campuses. These programs would emphasize training for physicians, employers, teachers, counselors, clergy, and others in identifying youth with substance abuse problems and would involve uniform referral procedures to facilitate further assessment and treatment.

(4) a broad range of accessible options for treatment and relapse prevention, such as individual and group outpatient treatment and follow-up, day treatment, inpatient residential treatment, and transitional residential care. Case management mechanisms could be developed to help coordinate patient care and to ensure that patients are matched to the services most appropriate for their needs.

These combined efforts have two simultaneous goals: to limit the number of new users through public education and prevention activities; and, to reduce the number of current substance abusers through early identification, treatment, and relapse prevention. If these goals are achieved, over time, the funded communities should begin to see a reduced demand for illegal drugs and alcohol. To maximize their collective impact, all activities within these systems must be closely coordinated and, to the extent possible, mutually reinforcing.

APPLICATION REQUIREMENTS

To ensure that effective coordination does occur, the applicant will be required to establish:

A citizens' task force on drug and alcohol abuse to provide oversight, guidance, and support. The task force should represent all groups in the community whose involvement and commitment will be needed for the initiative to succeed: parents, clergy, tenant groups, business and community leaders, health professionals, school superintendents, principals, judges, chiefs of police, elected officials, and others.

A community-wide consortium of all of the institutions, organizations, and public and private agencies whose participation is required to implement the proposed initiative, including the news media, civic and religious organizations, schools, business, major health care providers, human service agencies, drug and alcohol treatment providers, and others. Applicants should bear in mind that close coordination with local government and law enforcement authorities is essential. Also, the direct involvement of the relevant state agencies, as well as private insurers, will be key to addressing both immediate and long-range project financing.

I. THE PLANNING GRANTS

The initiatives will operate in two phases. In the first phase, one- or two-year planning and development grants of up to $100,000 per year will be awarded competitively to as many as 12 communities. During the planning phase, these communities will be expected to:

Document the nature and extent of their substance abuse problems;

Develop a detailed assessment of all ongoing community substance abuse programs and activities, both to determine what resources already exist and to identify major gaps, barriers, or inefficiencies in existing services, as well as problems in existing public or institutional policies related to substance abuse.

Arrive at a community consensus regarding the specific priorities to be addressed; and

Develop a detailed workplan, with clear quantitative benchmarks and objectives, for the implementation, coordination, and financing of a comprehensive community-wide substance abuse prevention and treatment system that includes, at a minimum, provisions for public awareness, prevention, early identification, treatment, and relapse prevention. The workplan also should present a clear strategy for continuing support of the initiative following the conclusion of Foundation funding.

In addition, during this first phase, grantees will be strongly encouraged to obtain matching public or private support to augment Foundation funding both for ongoing planning and development and for project implementation. Communities where substance abuse is closely associated with poverty, family dysfunction, and other underlying economic and social problems will be strongly encouraged to mobilize local resources and to obtain concurrent funding from other sources to address these related problems.

Given the complexity of the planning and development process, including the identification of any matching and supplemental funds, many communities probably will require approximately two years to complete this phase of the initiative. However, some communities already have begun similar planning and development and therefore may require less time before they are ready to implement their initiatives.

Consequently, if letters of intent indicate that a substantial number of potential applicants do not require two full years to complete their planning and development, the Foundation may elect to award some one-year planning and development grants of up to $100,000 and to allow these communities to compete for a portion of the implementation grants after that one year. If a substantial number of communities submitting letters of intent have already completed the kind of detailed planning and development described above, the Foundation may elect to allow those communities to compete for a portion of the implementation funds immediately. Applicants requesting implementation funds before completing the full two-year planning and development period must show that they have completed the principal phase one activities described above.

II. THE IMPLEMENTATION GRANTS

Once communities have completed their planning, up to eight will be awarded implementation grants of up to $3 million each. The length of each grant will depend on the community's own timetable, but will not exceed five years. Implementation grants will be awarded in two installments, the second halfway through the project and smaller than the first, in order to facilitate any necessary midcourse corrections and to encourage communities to develop continuation funding strategies early.

HOW TO APPLY

The first step for those wishing to apply is to send the Program Director a letter of intent (not to exceed two single-spaced pages), clearly identifying the applicant community and describing the general intent of the proposed initiative. The letter should identify the parties involved or to be involved in the development of the proposal, as well as a contact person to serve as principal liaison during the application process. In addition, the letter should indicate whether the community intends to apply for one or two years of planning and development support, or to forgo this phase and apply directly for an implementation grant. Communities that intend to apply for only one year of planning and development support or for an immediate implementation grant should describe the planning and development activities that they have already completed, and append any supporting documentation (including a summary of funds already obtained or anticipated).

Upon receipt of a letter of intent, the Program Office will send application materials and instructions. A workshop for applicants will be held to review the application procedures and respond to questions.

ELIGIBILITY AND SELECTION CRITERIA

Initiatives under this program are to come from communities with a population of approximately 100,000 to 250,000. In general, participating communities will be cities or counties of this size. However, other geographic areas (such as multi-county regions or parts of larger cities) with populations within the same range also are eligible, provided that they demonstrate:

(1) That they have the capacity and the authority to make and implement whatever policies or policy changes may be required to achieve their objectives under the program; and

(2) That they have successfully exercised this authority in implementing previous efforts to address community problems.

Because these initiatives are intended to stimulate coordination and cooperation among multiple institutions and agencies throughout the community, no more than one initiative will be funded in the same geographic area. Consequently, interested communities should identify a single organization to serve as the applicant agency on their behalf.

An applicant agency should be either a public entity or a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and should not be a private foundation under Section 509(a). This agency should have a demonstrated record of community leadership and experience in coordi-

nating multiple service providers in the community, including those in the health care delivery sector.

As part of the application process, applicant agencies must establish, as described previously: (a) a broadly representative citizens' task force on drug and alcohol abuse to provide oversight, guidance, and support to the initiative; and (b) a community-wide consortium of all the institutions, organizations, and agencies whose participation would be needed to implement the proposed initiative.

In the grant selection process, priority will be given to communities that:

Provide evidence of serious and widespread substance abuse;

Demonstrate that the control of substance abuse and its consequences is among their highest priorities;

Have a record of working to overcome substance abuse problems and previous experience with comprehensive efforts to address serious community problems;

Propose a comprehensive, multifaceted approach;

Provide evidence of widespread support for their proposed strategy, including support from within those parts of the community most directly affected by the problems;

Show that they have strong support from state agencies, private insurers, and others whose participation and cooperation will be essential for both immediate and long-range financing of activities under the initiative;

Intend to link the proposed substance abuse initiative to other ongoing or anticipated projects addressing related economic or social problems, such as school drop-out prevention programs involving major area employers;

Have made or plan to make a substantial commitment of public or private resources to the initiative—recognizing that not all communities, particularly some hardest hit by substance abuse problems, will be able to generate the same levels of matching support; and

Present a sound plan for long-term funding of the initiative beyond the period of Foundation support.

USE OF GRANT FUNDS

Grant funds are to be used as flexible start-up resources for systems planning, development, initial implementation, and coordination. They may be used for salaries and for initial project administration, the public awareness campaign, and the initiation of prevention, early identification, treatment, and after care service programs. However, Foundation funds are not to be used to pay bills for direct client services or as a substitute for available reimbursement.

Grant funds also may not be used to construct new facilities, to renovate existing facilities, for major equipment purchases, for law enforcement, to initiate or influence legislation, to substitute for funds currently being used to support similar services, or to reduce ongoing deficits from pre-existing operations.

PROGRAM DIRECTION

Direction and technical assistance for the program will be provided by W. Anderson Spickard. Jr., MD, professor of medicine at Vanderbilt University School of Medicine. The program's Deputy Director is Gregory L. Dixon. At The Robert Wood Johnson Foundation, the responsible officers are Ruby P. Hearn, PhD, vice president; Paul Jellinek, PhD, senior program officer; and Margaret L. Mangano, program assistant.

A National Advisory Committee chaired by John Brademas, PhD, president of New York University, will assist in the initial review of proposals, participate in site visits during the review process, and make recommendations for grants to Foundation staff. Final decisions on recommending applicants to the Board of Trustees will be made by Foundation staff. All grants will be made by the Trustees.

EVALUATION

An evaluation of these initiatives also may be funded by the Foundation. Such an evaluation would be conducted by an independent research group and would focus on key questions regarding the initiatives' impact on the problems they are designed to address. All grantees, as a condition of accepting grant funds, will be required to participate in this evaluation.

INQUIRIES

Letters of intent and all inquiries regarding the program should be addressed to:

W. Anderson Spickard, Jr., MD, Program Director, Fighting Back, Room 2553, The Vanderbilt Clinic, 1301 22nd Avenue, South Nashville, TN 37232-5305, 615/343-9603.

TIMETABLE

May 1, 1989: Deadline for receipt of letters of intent.

September 1, 1989: Deadline for receipt of completed applications.

After February 1990: Grant recipients announced.●

THE PARIS HUMAN DIMENSION MEETING

● Mr. DECONCINI. Mr. President, at the Vienna followup meeting, which successfully concluded last January after 2 years of intense negotiations, the 35 states participating in the Conference on Security and Cooperation in Europe [CSCE] agreed to convene a Conference on the Human Dimension of the CSCE. Known as the CDH, this Conference consists of a series of three 4-week meetings to be held over the next 3 years. The first of these CDH meetings is scheduled to take place in Paris from May 30 to June 23, 1989. The second will be held in Copenhagen from June 5-29, 1990, and the third in Moscow from September 10 to October 4, 1991. These meetings will focus on human rights and fundamental freedoms, family reunification, and other human contacts matters.

As chairman of the U.S. Commission on Security and Cooperation in Europe, I have a deep, continuing interest in the upcoming Paris CDH meeting. The Commission is mandated to monitor and encourage compliance with the provisions of the Helsinki Final Act as well as of the Madrid and Vienna concluding documents. The Paris meeting will play an important role in pressuring the Soviet Union and the countries of Eastern Europe to improve their compliance records in the field of human rights and other humanitarian concerns. Improved Eastern compliance in these areas is a key to solving the problems which plague a still divided Europe, and it will therefore be our major goal at the Paris meeting.

It is also critical to approach the Paris meeting in the context of its relationship to the Moscow meeting in 1991. As the first of the three meetings, Paris will set precedents for the following meetings. For example, questions of access for nongovernmental organizations [NGO's] as well as a continued emphasis on the importance of implementation must be squarely addressed in Paris. Some CSCE countries are beginning to improve their previously egregious human rights records. However, improvements relative to the past are not reason enough to ignore continuing deficiencies in compliance with CSCE commitments.

Given the increased focus on security issues in the CSCE process, a strong Western effort in Paris and subsequent CDH meetings is needed if the traditional balance between the human and the security dimensions of the CSCE is to be preserved in the post-Vienna period. During the course of the meeting, we will seek a comprehensive and frank view of implementation. Despite improvements, lack of compliance by some signatories remains a serious problem. Among many other human rights issues, such as the treatment of national minorities, religious believers, or human rights monitors, we will examine to what extent the Soviet and East European governments are living up to their Vienna commitments. These commitments include finding solutions to all applications based on the human contacts provisions of the Final Act and the Madrid Concluding Document within 6 months of the close of the Vienna meeting. The deadline for this commitment is less than 1 month after the Paris meeting comes to a close.

We also want to see, Mr. President, a thorough evaluation of the functioning of a human dimensions mechanism established by the participating states in the Vienna concluding document. This mechanism, in brief, is designed to establish a continuing dialog on human rights issues between East and West by commiting each participating state to respond to requests for information and to representations made by other participating states on individual cases or broader human dimension issues.

The Commission, which will form an integral part of the United States delegation in Paris, is already actively preparing for the meeting. The Commission's Cochairman, Representative STENY HOYER, and I intend to be in Paris at the opening session. Hopefully other Members of the U.S. Congress will be able to join us there.

We already know that several representatives of nongovernmental organizations [NGO's] from the United States, Canada, and Europe will gather in Paris to meet with delegates and to make their human rights con-

cerns known. This active public involvement lies at the heart of the CSCE process and is a key to its success. To ensure continued public interest all plenary sessions of the Paris meeting are to be open to the public so that NGO's and other interested individuals may watch the proceedings.

I am concerned, however, that some interested individuals will not be permitted to attend. In the Soviet Union and most East European countries, there continue to be restrictions on travel abroad, despite CSCE commitments protecting the right of individuals to monitor human rights performance and to freedom of movement, including travel for personal and professional reasons.

Recently, I heard that a Soviet Foreign Ministry official reportedly told three refuseniks, who came to the Ministry to request permission to attend the Paris meeting, that this meeting was for governmental delegations. The Vienna concluding document includes a section stressing openness and access to CSCE meetings by representatives of nongovernmental organizations, religious groups, the media, and private individuals, both from the host and other states. I hope that those people in Eastern Europe and the Soviet Union who already have been or will be invited by their Western NGO counterparts or who simply wish to come to Paris on their own accord are permitted to do so.

Indeed, I believe that every participating state has an obligation to permit anyone, whether or not they have an invitation, to attend the Paris meeting. This is consistent with the Vienna provision which calls for facilitating direct contacts among persons, organizations, and institutions which promote implementation of CSCE provisions "* * * within and between participating states * * *." It is also consistent with the key provision in the freedom of movement section which states that "* * * everyone shall be free to leave any country, including his own, and to return to his country * * *."

Private citizens and representatives of NGO's have a genuine contribution to make to the cause of human rights. In recent years, they have even been able to contact each other across well-guarded borders in pursuing their common efforts. Their attendance will help to make the Paris meeting a success, and it would represent a major step forward in the liberalization already taking place in some Eastern countries. The Commission will watch closely to see the extent to which the Eastern countries will live up to their commitments in this regard.

In conclusion, Mr. President, I wish to say that I join many others in looking forward to the Paris meeting. The success of this meeting will largely depend upon the extent to which it creates greater respect for human rights and resolves outstanding human contacts problems, both during the meeting and in years to come. This is the goal toward which we will continue to strive.●

RULES OF THE SPECIAL COMMITTEE ON INVESTIGATIONS, SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. DECONCINI. Mr. President, I ask that the rules of procedure for the Special Committee on Investigations of the Select Committee on Indian Affairs as adopted by the Special Committee be printed in full in the CONGRESSIONAL RECORD.

The rules of procedure follow:

RULES AND PROCEDURE OF THE SPECIAL COMMITTEE ON INVESTIGATIONS OF THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS

RULE 1. CONVENING OF MEETINGS AND HEARINGS

1.1 *Meetings.* The committee shall meet at the call of the chairman. The members of the committee may call special meetings as provided in Senate Rule XXVI, except that actions of only two members of the committee shall be required to call special meetings.

1.2 *Notice.* The committee shall make public announcement of the date, place, and subject matter of any hearing at least one week before its commencement, except that a hearing may be called on shortened notice if the chairman determines that there is good cause to begin such hearing at an earlier date.

1.3 *Presiding Officer.* The chairman shall preside when present. If the chairman is not present at any meeting or hearing, the co-chairman shall preside. Any member of the committee designated by the chairman may preside at a hearing.

RULE 2. CLOSED SESSIONS

2.1 *Procedure.* All meetings and hearings shall be open to the public unless closed. To close all or part of a hearing or meeting, or a series of hearings or meetings for a period of no more than 14 days, the committee shall vote in open session by a record vote, including proxy votes, of a majority of the members of the committee. If discussion in closed session is necessary, a motion shall be made and seconded to go into closed session to discuss whether the meeting or hearing will concern the matters enumerated in Rule 2.2. Immediately after such discussion the committee shall return to open session and the meeting or hearing may then be closed by a record vote.

2.2 *Closed Session Subjects.* A meeting or hearing may be closed if the matters to be discussed concern: (1) national security or the confidential conduct of foreign relations; (2) committee staff personnel or internal staff management or procedure; (3) matters tending to reflect adversely on the character or reputation; or to invade the privacy, of any individuals; (4) matters that will disclose the identity of any informer or undercover law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or (5) matters that will disclose information relating to the trade secrets of financial or commercial information that must be kept confidential by reason of law or in order to prevent competitive injury; or (6) matters required to be kept confidential under other provisions of law or regulations.

2.3 *Witness Request.* Any witness called to testify at a hearing may submit to the chairman, no later than 24 hours in advance of a hearing, a written request to be examined in closed or open session. The chairman shall inform the committee of the request, and the committee shall take such action pursuant to Rule 2.1 as it seems appropriate.

2.4 *Broadcasting.*

(a) *Control.* Any meeting or hearing open to the public may be covered by television, radio, or still photography. Coverage must be conducted in an orderly and unobtrusive manner, and the presiding officer may for good cause terminate coverage in whole or in part or take other action to promote orderly proceedings.

(b) *Request.* A witness may request of the presiding officer on grounds of distraction, harassment, personal safety, or physcial discomfort that during his or her testimony cameras, media microphones, and lights shall not be directed at the witness, and the presiding officer may take such action as he deems appropriate.

RULE 3. QUORUMS AND VOTING

3.1 *Reporting and Other Business.* Two members shall constitute a quorum for reporting a matter or recommendation to the Senate or for the conduct of other business.

3.2. *Testimony.* One member shall constitute a quorum for hearing testimony.

3.3. *Proxies.* Proxies shall be in writing, and shall be filed with the chief clerk by the absent member or by a member present at the meeting. Proxies shall contain sufficient reference to the pending matter to show that the absent member has been informed of it and has affirmatively requested that he be recorded as voting on it. Proxies shall not be counted towards a quorum.

3.4 *Polling.*

(a) *Subjects.* The committee may poll only (1) internal committee matters including the committee's staff, records, and budget; (2) authorization for steps in the investigation, including the authorization and issuance of subpoenas and deposition notice, requests for applications for immunity orders, and requests for documents; (3) other committee business, not including a vote on reporting to the Senate, that the committee at a meeting has designated for polling at a subsequent time.

(b) *Procedure.* At the direction of the committee or the chairman, as provided in Rule 3.4(a), polling sheets shall be circulated to each member specifying the matter being polled and the time limit for completion of the poll. If any member so requests, the matter shall be held for consideration at a meeting. The chief clerk shall keep a record of polls, including a written or oral disposition of polled matters. If the chairman, with the approval of a majority of the members, determines that the polled matter is in one of the areas enumerated in Rule 2.2, the record of the poll shall be confidential.

RULE 4. SUBPOENAS

4.1 *Authorization.*—Subpoenas may be authorized by the Committee, the Chairman or Co-Chairman, and may be issued by the Chairman, Co-Chairman or any member of the Committee designated by the Chairman or Co-Chairman. The Chief Clerk shall keep a log and a file of all subpoenas that have been issued.

4.2 *Return.* A subpoena duces tecum or order for documents may be issued whose return shall occur at a deposition or at an-

other time and place other than at a hearing. When a return on such a subpoena or order is incomplete or accompanied by an objection, the chairman may convene a meeting or hearing on shortened notice to determine the adequacy of the return and to rule on the objection or may refer the issues raised by the return for decision by poll of the committee. At a meeting hearing on such a return, one member shall constitute a quorum.

RULE 5. HEARINGS

5.1 *Notice.* Witnesses shall be given at least 48 hours notice, unless the chairman determines that extraordinary circumstances warrant shorter notice, and all witnesses shall be furnished with a copy of Senate Resolution 66, 101st Congress (1989) as amended, and of these rules.

5.2 *Oath.* All witnesses who testify to matters of fact shall be sworn unless the committee authorizes waiver of oath. The chairman or any member shall administer oaths to witnesses at hearings.

5.3 *Statement.* Any witness desiring to make an introductory statement shall file 10 copies of the statement with the chairman or chief clerk 48 hours in advance of the appearance, unless the chairman determines that there is good cause for a witness's failure to do so. A witness may be required to summarize a prepared statement if it exceeds 5 minutes.

Unless the Committee determines otherwise, a witness who appears before the committee under a grant of immunity shall not be permitted to make as statement or testify except to respond directly to questions posed by Committee members or Committee staff.

5.4 *Counsel.*

(a) *Presence.* A witness's counsel shall be permitted to be present during the witness's testimony at any public or closed hearings or deposition of staff interview to advise the witness of his or her rights; provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the chairman or the committee may rule that representation by counsel from the government, corporation, or association or by counsel representing other witnesses, creates a conflict of interest, and that the witness shall be represented by personal counsel not from the government, corporation, or association or not representing other witnesses.

(b) *Inability to Obtain Counsel.* A witness who is unable for indigence or other reason to obtain counsel shall inform the committee at least 48 hours prior to the witness' appearance, and the committee will endeavor to obtain volunteer counsel for the witness. Failure to obtain counsel will not excuse the witness from appearing and testifying.

(c) *Conduct.* Counsel shall behave in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members present, subject counsel to disciplinary action, which may include warning, censure, or ejection.

5.5. *Transcript.* An accurate electronic or stenographic record shall be kept of all testimony in closed and public hearings. At a witness' request and expense access to a copy of a witness' testimony in public or closed session shall be provided to the witness. Upon inspecting the transcript, within a time limit set by the chief clerk, a witness may in writing request changes in the transcript to correct errors of transcription, grammatical error, and obvious errors of fact, the chairman or a staff officer designated by him shall rule on such requests.

5.6 *Impugned Persons.* Any person who believes that evidence presented, or comment made by a member or staff, at a public hearing, or at a closed hearing concerning which there have been public reports, tends to impugn his or her character or adversely affect his or her reputation may:

(a) file a sworn statement of facts relevant to the evidence or comment, which shall be placed in the hearing record;

(b) request the opportunity to appear personally before the committee to testify in his or her own behalf; or

(c) request that submitted written questions be used for the cross-examination of witnesses called by the committee. The chairman shall inform the committee of requests for appearance or cross-examination. If the committee so decides, the requested questions, or paraphrased versions or portions of them, shall be put to other witnesses by a member or by staff.

5.7 *Additional Witnesses.* The cochairman of the committee shall be entitled, upon a timely request made to the chairman, to call additional witnesses or to require the production of documents during at least one day of hearing.

RULE 6. DEPOSITIONS AND EXAMINATION OF RECORDS

6.1 *Deposition Notices.* Notices for the taking of depositions may be authorized by the Committee, the Chairman, Co-Chairman, or, in the event that a subpoena has been authorized pursuant to Rule 4, by the Chief Counsel. Such notices shall be issued by the Chairman, Co-Chairman, or the Chief Counsel. Such notices shall specify a time and place for examination, and the name of the staff member or members who will take the deposition. Unless otherwise specified, the deposition shall be in private. At the direction of the Chairman, Co-Chairman, or any member, a deposition may be taken by telephone. The Committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness' failure to appear unless the party received a subpoena authorized pursuant to Rule 4.

6.2 *Counsel and Deposition.* Witnesses may be accompanied at a deposition by counsel to advise them of their rights, subject to the provisions of Rule 5.4.

6.3 *Deposition Procedure.* Witnesses at depositions shall be examined upon oath administered by an individual authorized by law to administer oaths, or any member who may be present and elect to administer the oath. Questions shall be propounded orally by staff members. Objections by the witness as to the form of questions shall be noted for the record. If a witness objects to a question and refuses to testify on the basis of relevance or privilege, the committee staff may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from the chairman of the committee or a member designated by him. The chairman or designated member may refer the matter to the committee or rule on the objection. If he overrules the objection, he may order and direct the witness to answer the questions. The committee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify after having been ordered and directed to answer.

6.4 *Filing of Depositions.* The committee staff shall see that deposition testimony is transcribed or electronically recorded. If it is transcribed, the witness shall be furnished with a copy, or access to a copy, for review. No later than 5 days thereafter, if a copy is provided, the witness shall return it with his or her signature, and the staff may enter the changes, if any, requested by the witness in accordance with Rule 5.5. If the witness fails to return a signed copy the staff shall note on the transcript the date a copy was provided and the failure to return it. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his or her presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall then be filed with the chief clerk. Committee staff may stipulate with the witness to changes in this procedure. Objections to errors in this procedure that might be cured if promptly presented are waived unless timely objection is made.

6.5 *Examination of Records.* The committee or the chairman may authorize the staff to inspect locations or systems of records on behalf of the committee.

6.6 *Written Interrogatories and Requests for Admissions.* Written interrogatories and requests for admission may be authorized and issued by the Chairman, or Co-Chairman, and shall specify a date for filing an answer with the chief clerk. Written interrogatories and requests for admissions shall be answered under oath.

RULE 7. SENSITIVE OR CONFIDENTIAL MATERIALS

7.1 *Nondisclosure.* No member of the committee or its staff shall disclose, in whole or in part or by way of summary, to any person outside the committee and its staff, for any purpose or in connection with any proceeding, judicial or otherwise, any testimony taken, including the names of witnesses testifying, or material presented, in depositions or at closed hearings, or any confidential materials or information, unless authorized by the committee or the chairman.

7.2 *Nondisclosure Agreement.* All members of the committee staff shall agree in writing, as a condition of employment, to abide by the conditions of a nondisclosure agreement promulgated by the committee.

7.3 *Violations.* Allegations concerning unauthorized disclosure may be addressed by the committee or may be referred by a majority vote of the committee to the Select Committee on Ethics. Any member of the staff who fails to conform to the provisions of Rule 7 shall be subject to disciplinary sanction, including termination of employment.

7.4 *Applicability of Rules.* For purposes of Rules 6 and 7, committee staff include the employees of the committee, detailees and consultants to the committee, and the officers and employees of the Office of Senate Legal Counsel who are required by the chairman to work on committee business.

RULE 3. DETAILEES AND CONSULTANTS

The chairman shall have authority to use on a reimbursable basis, with the prior consent of the Committee on Rules and Administration, the services of personnel of any department or agency of the United States and shall have authority to procure the temporary or intermittent services of individual consultants or organizations.

RULE 9. EFFECTIVE CHANGES IN RULES

These rules shall become effective upon publication in the Congressional Record. These rules may be modified, amended, or repealed by the committee, provided that all members are present or provide proxies or if a notice in writing of the proposed changes has been given to each member at least 48 hours prior to the meeting at which action

thereon is to be taken. The changes shall become effective immediately upon publication of the changed rule or rules in the Congressional Record, or immediately upon approval of the changes if so resolved by the committee as long as any witnesses who may be affected by the change in rules are provided with them.●

SUBMITTING AN UPDATE BY THE STATE DEPARTMENT ON HUMAN RIGHTS IN CUBA

● Mr. BRADLEY. Mr. President, I ask that I may insert in the RECORD an important update by the State Department on human rights in Cuba. This report, delivered to all Senators earlier this month, outlines the problems that persist with the human rights record in Cuba. The 30th anniversary of the Cuban Revolution in January, reminds us of the continued need for the world to respond to Cuba's violations of universally recognized human rights. I urge all of my colleagues to read the State Department's assessment.

The update follows:

[U.S. Department of State, January 1989]

HUMAN RIGHTS IN CUBA: AN UPDATE

INTRODUCTION

Since he came to power in 1959, Fidel Castro has sought to subordinate all aspects of Cuban life to the ideals and aims of the revolution. President Castro set the tone in 1961 when he said "within the revolution, everything; against the revolution, nothing." The current constitution states that civil liberties may not be exercised "contrary to the decision of the Cuban people to build socialism and communism." Though the Cuban Government pays lip service to civil liberties and human rights, it subordinates these "rights" to its own aims and has become one of the worst human rights violators in the Western Hemisphere today.

In the face of heightened international scrutiny initiated by the UN Human Rights Commission (UNHRC) at its session last year, Cuba has taken steps to demonstrate an improved human rights record. These include permitting visits by international human rights monitors and releasing many political prisoners. Fidel Castro himself denies there is a problem of human rights in Cuba and its officials have lauded their government's record of human rights observance. The international community must ensure that these statements are matched by deeds. The facts speak for themselves.

RECENT IMPROVEMENTS

There has been positive change in Cuba on the human rights front. In the face of international pressure, as well as reformist tendencies elsewhere in the socialist bloc, the Cuban Government in the past year has undertaken a number of limited, perhaps temporary, reforms. About 250 political prisoners have been released and allowed to emigrate. Prison conditions have improved. Reform of the Penal Code decriminalized many petty offenses, although it made no significant change with regard to "political crimes." Cuban authorities, at least for the moment, grudgingly tolerate the existence of domestic human rights groups.

In 1988, the Cuban Government permitted inspection visits to Cuba by outside observers, including representatives of Amnesty International and the Bar Association of the City of New York. Cuba accepted inspection visits by representatives of the International Committee of the Red Cross (ICRC), as well as an extraordinary visit by a team from the UNHRC. ICRC observers were allowed to visit prisoners in Cuban jails and, through consultations with the authorities, to seek to insure adherence to international norms. Another ICRC inspection is now being planned for early 1989.

The extraordinary September 1988 visit to Cuba by the UNHRC's "Cuba Working Group" took place after President Castro earlier that year extended an invitation to the UNHRC to send observers. Despite promises, Cuban authorities dragged their feet on making advance public announcements regarding the group's intended visit. Following its own agenda during the 10-day trip, the six-person team held detailed discussions with a range of Cuban officials and was able to meet with nearly 90 of the 1,500 private individuals who sought to bring human rights complaints to the group's attention. Cuban authorities sought to discourage contact between the group and private citizens through police intimidation around the group's hotel but gave assurances that no punitive measures would be taken against those who did appear before the delegation.

NEW REPRESSION

Despite these assurances, there have been credible reports of repressive measures directed against human rights activists in Cuba following the working group's visit. About 30 activists, many of whom were seeking to exercise freedom of speech or peaceful assembly, have been subjected to punitive actions ranging from harassment and beatings to detentions and imprisonment:

Gustavo Venta, Lazaro Linares, Francisco Benitez Ferrer, and Alejandro Benitez Ferrer were arrested in conjunction with the September 20, 1988, demonstration outside the Hotel Comodoro during the Cuba Working Group's visit. All were sentenced to 3-6 months in prison. Venta was reportedly beaten on September 22, 1988, by state security agents after his arrest.

Pablo Pupo Sanchez and Juan Garcia Cruz—the President and Vice President of the Free Art Association (APAL) who testified before the Cuba Working Group—were arrested on October 18, 1988, at a meeting in a private home and are reportedly being held in the Villa Marista detention center.

APAL members Armando Araya Garcia, Rita Fleitas Fernandez, Octavio Garcia Alderete, Secundino Hernandez Castro, David Hornedo Garcia, and Aida Valdes Santana were arrested on October 20, 1988, during a peaceful wreathlaying ceremony at the Jose Marti momument in Havana. They were charged with disorderly conduct for inciting riots and received sentences ranging from 7 to 12 months in prison.

Tania Diaz Castro, Secretary General of the Cuban Human Rights Party, was involved in a November 29, 1988, altercation with prison guards at Combinado del Este prison, reportedly beaten and sentenced hours later on the same day to 1 year in prison on charges of disturbing the peace.

CUBA TODAY

These developments bear out critics' charges that the improvements noted above do not indicate any basic change in the fundamental repressive nature of the Cuban system under Fidel Castro. Cuban authorities could negate recent gains, particularly if international pressure for continued improvements should slacken.

One-Party System. The Communist Party is the only party permitted by law in Cuba. Its leadership completely controls the political process.

Freedom of Assembly or Association. Cuba's constitution contains no guarantees of freedom of assembly or association. The government determines the legality of associations and has not acted on letters applying for recognition from the Cuban Human Rights Committee and the Cuban Commission for Human Rights and National Reconciliation. Membership in party-controlled mass organizations, such as the Union of Communist Youth, is almost a necessity.

Right to Privacy. The Cuban State monitors private citizens' activities through an elaborate system of informers, block wardens, and 80,000 block committees called "Committees for the Defense of the Revolution." Telephones are tapped, and mail is opened.

Freedom to Travel or Emigrate. Internal travel is not restricted, but government permission to travel abroad is required. Attempting to leave the country illegally can result in fines or jail sentences of up to 3 years. Emigration is strictly controlled and even those who apply to emigrate often are dismissed from work, evicted from their housing, and denied access to consumer goods.

Freedom of Speech. No criticism of the party or its leadership is permitted. Those who do dissent may be severely punished. Andres Jose Solares Teseiro was arrested in 1981 on grounds that he was thinking of organizing a political party and had drafted letters about this to foreigners asking for their opinions. Solares was convicted of "enemy propaganda" and sentenced to 8 years imprisonment, even though the letters were never sent.

Freedom of the Press. Media are controlled by the state, owned by the government or party-controlled organizations, and operate strictly according to party guidelines. Writers must have government approval and support for their work. Acceptance of a manuscript is based on the political background of the author as well as suitability of contents.

Academic Freedom. Education is the exclusive prerogative of the state. There is no alternative to government-run schools; religious or private schools and universities are prohibited. The state school system follows and preaches the guidelines of Marxism-Leninism, as interpreted by the party.

Artistic Freedom. Art is completely under government control. In February 1988, authorities confiscated the paintings of Raul Montesino, an independent artist not affiliated with state-controlled artists' cooperatives.

Freedom to Worship. Although the constitution guarantees the right to religious belief, Cubans who practice their religion face serious discrimination and, in the case of Jehovah's Witnesses and some other fundamentalist religions, legal penalties. Churchgoers are excluded from Community Party membership and thus are barred from holding high-level positions in the government and most professions. Church-state relations are directly controlled by the party. In 1988, Cuban authorities made limited concessions to religious denominations, such as permitting the Catholic Church to purchase a printing press and Protestant churches to import bibles.

Political Killings and Executions. In the early years of the revolution, summary execution of opponents was a frequent practice.

As late as 1982, 29 people were executed for "plotting against Castro." Although the death penalty remains an optional punishment for "crimes against the state," no credible reports of political executions have been received in the past year.

Arbitrary Arrest and Detention. Under Article 61 of the constitution, the state may arrest anyone it considers harmful to the "decision of the Cuban people to build socialism and communism." Arrests can be made secretly and without warrants. Arrest frequently is followed by detention in the offices of the security forces, who often conduct lengthy interrogations without an attorney present. Preventive detention may take the form of house arrest, imprisonment, or involuntary psychiatric treatment. There are numerous credible reports of detainees held for long periods, frequently incommunicado, and without judicial hearings or information as to the charges against them, in direct violation of Cuban law. Elizardo Sanchez, head of the unofficial Cuban Commission for Human Rights and National Reconciliation, was held without charges for 5 months in 1986-87, after he gave an interview to foreign journalists.

Fair Trial. Cuban courts in practice are totally subordinate to the Communist Party. Five-member panels of judges preside over all civil courts. Of these judges, three are professionally qualified; the other two are "worker's representatives" charged to see that the "interests of the revolution" are protected. Political trials, usually held in secret, typically take less than 1 day, even in cases where long prison terms are at stake.

Adequate Defense. Government-appointed attorneys are available to all defendants. However, these defenders—government officials—are often ill prepared and unsympathetic toward the defendant. In addition, defense attorneys frequently are not informed of the trial until the day it begins. Attorneys have been themselves imprisoned for defending persons charged with political offences. Cuban rules of evidence do not meet international standards.

Prison Conditions. Numerous reports characterize the Cuban prison system as harsh, with generally inadequate diet, housing, sanitary facilities, and medical care. General prison conditions, including cell conditions and food, have improved over the past year, but it remains to be seen if these are permanent changes. Harsh punishment cells—although somewhat improved in 1988 to prepare for international visitors—continue to exist. No formal, effective mechanism exists for the protection of prisoners' rights. Physical abuse is common, and credible reports of use of torture in the past exist.

Access to Prisons. Until late 1987, the Cuban Government refused permission for international human rights organizations to visit Cuban prisons. The 1988 visits of the ICRC and others are described above. When foreign delegations visit Cuban prisons, prisoners have testified that the visits are carefully organized to show the positive aspects of Cuban prisons—areas that have been cleaned, cell blocks that have been painted, etc. Once the visitors leave, they say, conditions return to their previous state. Relatives and friends of prisoners are given only limited access to prisoners.

Political Prisoners. Amnesty International's 1988 report notes that political prisoners in Cuba continue to be held for long periods in "prison conditions amounting to inhuman or degrading treatment." Former political prisoners describe systematic forms of abuse: beatings by prison officials; inadequate diet; denial of medical care, fresh air, and exercise; denial of family visits and mail, sometimes for years; and extended periods of solitary confinement or incarceration in inhumane punishment cells. There are persistent reports of political prisoners sent to psychiatric facilities instead of prisons.

There are no precise figures on the number of political prisoners in Cuba, or on Cuba's prison population as a whole. Amnesty International's report for 1987 estimated some 300-400 political prisoners in Cuba at that time, of whom 69 were plantados historicos. (The plantados or "steadfast ones" are prisoners, many of whom were arrested more than 20 years ago who refused to accept political reeducation). Other estimates—which include persons jailed for their religious beliefs, for trying to leave Cuba "illegally," for being conscientious objectors, and for other reasons—are in the thousands.

In 1988, President Castro—responding to petitions from the U.S. Catholic Conference and a direct request from Archbishop O'Connor—released some 250 political prisoners, including 65 *plantados historicos.* The Cuban Government at the end of 1988 announced it would also release the four remaining *plantados historicos* and 40 other prisoners. Released prisoners report, however, that "new *plantados"* are replacing those released. Although it is difficult to estimate their numbers, these new prisoners, who refuse to accept ideological reorientation, are housed in Combinado del Este prison.

Economy. The government controls the means of production and is basically the sole employer in the country.

Rationing. National rationing began in 1962, and rationing of meat and fresh vegetables continues today. Added to the food shortage is, for the average citizen, the scarcity of consumer goods and the very low average per capita income. A standard pair of shoes, for example, can cost about 90% of an average monthly wage. Due to shortages of consumer goods, most Cubans must spend many weary hours standing in lines when they can afford to buy such items.

Health Care. Although the Cuban Government claims to have made significant advances in health care since the revolution, problems still remain. Unavailability of drugs, overcrowding, and unsanitary conditions are typical at many Cuban hospitals. A confidential 1987 report by the Communist Party, based on a public opinion survey in Holguin Province, details the poor state of health care and concludes that "the people are not satisfied with the medical care."

Housing: Housing, another area in which President Castro has claimed great strides, also remains deficient. Out of 10 million people, nearly one-quarter reportedly live in substandard housing.

The New Elite. In Cuba, contrary to Marxist theory, ownership of the means of production does not mean that the upper class of privileged elites has been eliminated. On the contrary: since the revolution a new class structure has evolved. The political and military leadership lives very comfortably, with access to automobiles, luxury goods, better housing, and special resorts, while the majority of Cubans must cope with severe scarcity and poor quality of housing, food items, and basic consumer products.

Rights of Business. For ideological reasons, a "private sector" economy is virtually nonexistent. Collectivization has eliminated almost all private farming from the economy. The 1968 "revolutionary offensive" nationalized 56,000 small food and handicrafts shops, repair shops, and even street stands.

The Right of Labor. The Cuban constitution places "the demands of the economy and society" over individual choice in employment. The party exercises absolute control of organized labor through the umbrella "Confederation of Cuban Workers." The right to strike is prohibited and punishable by imprisonment. Collective bargaining does not exist. Workers cannot change jobs without permission from the Minister of Labor. Independent unions are prohibited, and, in the past, workers who have tried to organize independent unions have been sentenced to long prison terms.

CONCLUSION

The Cuban revolution celebrated its 30th anniversary in January 1989. As described above, the revolution has failed to guarantee basic civil and political rights to the Cuban people or to provide for their economic and social well-being. Recent welcome improvements in human rights observance have come about because of international pressure. The Castro regime continues to exercise broad represssion and to deny political and civil liberties. Cuban authorities' recent actions against the Cuban human rights community is clear evidence that Fidel Castro will not tolerate an independent voice or any form of public criticism to exist within Cuba. Given Cuba's current human rights situation, the sole recourse of the international community must be a continuation of close scrutiny of the Cuban Government's human rights practices. Inside Cuba, Fidel Castro and the Communist Party are the law, but the rest of the world can and must continue to watch closely and judge Cuban authorities' behavior on behalf of the people of Cuba who have no such opportunity.●

PACIFIC BASIN FORUM

● Mr. DODD. Mr. President, as a member of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, I'm pleased to join my colleague from California in introducing this concurrent resolution to initiate the establishment of a Pacific Basin Forum.

There's no doubt in my mind that the year 2000 will mark the dawn of the Pacific century. It is sure to be a century in which the economic, strategic, and political arrangements that have marked the United States alliance system in Europe and Asia since the end of the Second World War will fundamentally and inevitably be changed.

Japan's economic ascendency sees no sign of waning as Japanese holdings of American debt and securities exemplify the breadth of an already astonishing economic reach. Korea, Taiwan, Hong Kong, and Singapore continue to grow apace. The potential of China's economic strength boggles the mind. Estimates suggest that by the year 2000, the East Asian region will have a gross regional product greater than that of Western Europe and equal to that of North America.

And the change is not just economic. Calls echo throughout the United States, the West, and the Pacific Basin for a readjustment and reassessment of strategic relationships. The West calls for Japan to increase its military budget and the size of its military forces to levels commensurate with its economic prowess. Japan counters that it already has the third largest military budget in the world and a modern history that constrains military development. Korea grates under what it views as undue United States influence and calls stem from many quarters to withdraw United States troops and nuclear weapons from the peninsula. In the Philippines, the fate of the United States bases at Subic and Clark hangs in the balance as the interim agreement on those bases is due to expire in 1991.

Woven between the economic and strategic transformations in the Pacific Basin are political threads of change unforseen less than a generation ago. China and the Soviet Union reach toward rapprochement and reconciliation and the Philippines and Korea struggle toward democracy. The Association of Southeast Asian Nations [ASEAN] shows signs of becoming a formidable economic and political entity and the tragedies of Vietnam and Cambodia might, at long last, be drawing to a close. And the dizzying changes in United States-Soviet relations are sure to force a fundamental review of all the political relationships in the region.

The establishment of the Pacific Basin Forum is a call to our Government and our President to look to the near horizon and see to it that the United States is prepared for the challenges and opportunities of the Pacific century.

Toward that end, the Pacific Basin Forum resolution urges the United States President to issue a call for the convening of an annual summit meeting with the leaders of key Pacific Rim nations including the United States, Japan, China, South Korea, Indonesia, the Philippines, Malaysia, Thailand, Australia, New Zealand, and Canada. As things stand in U.S. summitry to date, one would think that the issues of trade, security, arms control, and economic development are under the exclusive purview of the West. Nothing could be further from the truth and no such premise could be more threatening to the future prosperity and security of the United States.

I commend Senator CRANSTON for conceiving of this legislation. After all, my colleague well understands that ours is the Pacific nation that must take the lead in meeting the challenges and opportunities of the Pacific century.●

A RESOLUTION TO ESTABLISH A PACIFIC BASIN FORUM

● Mr. MURKOWSKI. Mr. President, it is with great pleasure that I join Senator CRANSTON today in calling for the establishment of a Pacific Basin Forum. It is time that this country not only recognize the economic, strategic, and cultural importance of the Pacific Rim, but act on this recognition and move to facilitate productive and peaceful relations in the region.

The goal of holding annual meetings of the leaders of the Pacific Basin nations is a tremendous and ambitious step in this regard. Unfortunately, such a timetable may sometimes be impossible to maintain, given the demanding schedules of the various heads of state. It is my feeling, however, that each nation will strive to accommodate these discussions as frequently as possible, as the enormous benefits of the forum will soon become apparent. The challenge of planning the forum and setting the agenda will also help to build bridges between officials from the involved nations. Such development of personal contacts is vital to the improvement of regional relations.

In setting the agenda for these meetings, Mr. President, these officials will have a large plate from which to choose. Trade relations have become a vital and volatile topic in the region, and on this issue the Pacific nations would benefit greatly from candid discussion among their leaders. The existence of trade barriers is hampering economic development and polluting the region's political atmosphere, and I firmly believe that the forum offers a unique opportunity to expedite solutions to this problem. I am convinced that the flow of Super 301 cases currently being investigated by our Trade Representative could be partially stemmed through forum discussions.

The forum would also be an ideal means to address the problem of defense burden sharing. There has been much talk in this body on this subject, and I think there is finally a realization that it is a highly complex topic. The rapidly changing economic and security situation in the region demands ongoing, high-level discussions to effectively deal with the issue. In this regard, I think the forum would provide a valuable opportunity for the United States to demonstrate its determination to explore possible changes. It is time we show our neighbors that we are not simply complaining about the issue, but that we, and they, have legitimate cause to reconsider the division of defense responsibilities.

Yet another issue which could be pursued in the forum is worldwide economic development. Mr. President, many of the Pacific nations have a substantial surplus of capital that can be invested in ways that will be beneficial to both developing countries and the investing nations. While this is already taking place on a large scale, I believe investment could be expanded even further with greater cooperation and a better understanding of how such investment serves the region's interests. The forum would also provide for better coordination of these efforts as they relate to regional security matters.

There are many other areas in which the Pacific Rim nations would benefit by regular discussions at the highest level. We long ago recognized the need for such dialogue in Europe, and it is time we do the same in the Pacific. Asia has already surpassed Europe in volume of trade with our country, and this growth shows no sign of slowing. Security concerns in the region now require a far less Eurocentric view of our defense posture, but yet we have no Asian equivalent of Geneva or Helsinki. This, Mr. President, is a situation which needs to be changed immediately so that we can effectively deal with the growing variety of regional problems and conflicts.

As such, I would ask my fellow Members to join Senator CRANSTON and me in supporting the Pacific Basin Forum resolution. It is important that the United States show initiative in this area, and vital that we act now.●

THE TRUE NATURE OF THE FSX CODEVELOPMENT AGREEMENT: THE ADVANTAGES TO THE UNITED STATES

● Mr. MCCAIN. Mr. President, although the Bush administration is still negotiating the final details of the FSX codevelopment agreement with Japan, we here in the Senate have begun to debate this issue. This debate has special importance for several reasons: It affects an important and proven ally, it sets important precedents for the future, and it is a symbol of our growing interdependence with other states at a time when we can no longer fund the forces to meet all our past strategic commitments.

Much of this debate, however, has tended to attack Japan without examining the full details of the agreement, and some comments have had an ugly tone of fear. The Department of Defense has been blamed for giving Japan vast competitive advantages with little regard for the facts. The cost benefits of the FSX deal have often been ignored in a wave of neoisolationism.

I think, therefore, that it is time to begin to set the record straight. The FSX codevelopment program may not be an ideal bargain for the United States. No bargain between allies should be that one-sided. It does, however, provide the United States with major advantages. It is a bargain where Japan has already made major

concessions as part of its burden-sharing efforts. We need to recognize this. While we should certainly bargain as hard as we can, we should be willing to settle for success—not drive an ally away from our door.

THE BACKGROUND TO THE FSX AGREEMENT

Ever since the late 1970's, U.S. aircraft manufacturers have tried to market the F-15, F-16, and F/A-18 as off-the-shelf or licensed production replacements for Japan's aging F-1. As is the case with most modern, industrialized nations, Japan instead made a decision to develop and produce its own fighter. It had two primary goals in doing so. First, to be as self-sufficient as feasible in its own national defense, and second to benefit economically from the employment and skill levels inherent in long-running production lines.

Japan's desire to produce its own figher aircraft goes beyond economic and security considerations. It is a matter of national pride and symbolizes the state of a country's industrial capability. This trend is evident in many other industrialized states, and at one time seemed certain to lead Japan to develop and produce a fighter aircraft independently. However, in the mid-1980's—when it appeared certain that Japan had decided to develop and produce its own replacement fighter support aircraft [FSX]—United States industry appealed to the Secretaries of Commerce, State, and Defense for assistance. The Defense Department responded by redoubling its efforts to influence Japan to consider a United States aircraft or at least enter into a codevelopment agreement using United States aircraft as a base model.

This effort by the Defense Department was in keeping with the Nunn-Quayle-Warner amendments contained in the Fiscal Year 1986 Defense Authorization Act which allowed for codevelopment projects with our NATO allies in which each side shared equitably in financing the development work. This legislation was later extended to other friendly countries, including Israel, Egypt, Japan, Korea, and Australia. After considerable high level talks between the Defense Department and the Japan Defense Agency, Japan agreed to study the F-15, F-16, and the F-18 as a basis of codevelopment. In October 1987 Japan formally decided to base the FSX on the United States F-16, and to pay all costs associated with its development.

The U.S. Congress encouraged the effort to reach this agreement. Article 109 of the Senate Armed Services Committee Report on the Fiscal Year 1989 Defense Authorization Act states:

• • • The Committee regarded co-development and co-production as the next best alternative [to off-the-shelf purchase]. • • • The Committee's view is that U.S. officials should ensure that before export licenses are issued for detailed F-16 airframe technical data, agreed U.S. participation in the co-development and coproduction provides meaningful workshare U.S industry on the FSX/F-16 airframe and that Japan flows back expeditiously and without charge any technical improvements substantially derived from technology provided by the United States. The U.S. Government should not enter into a Memorandum of Understanding with the Japanese Government on the FSX/F-16 that simply transfers American technology and jobs to Japan with nothing more than a license fee in return.

In short, the SASC requested that the following conditions be met in the FSX agreement:

Japan should agree to provide United States industry a "meaningful" development and production work share; and

Japan should agree to provide free flowback of any technology that is developed from United States F-16 technology.

THE CODEVELOPMENT AGREEMENT

With this guidance in mind, the Defense Department negotiated with the Japan Defense Agency and arrived at a thorough and fair memorandum of understanding [MOU] required for Japan's purchase of United States Government owned technical data. This MOU was signed in November 1988. General Dynamics, the F-16 manufacturer, then entered into a License and Technical Assistance Agreement with Japan's prime contractor, Mitsubishi Heavy Industry in January 1989.

This agreement provides for technology sharing and a development phase work share when a production MOU is signed. The specifics of the current government-to-government and industry-to-industry agreements also establish firm U.S. Government control over the release of all critical FSX technologies. The agreement between General Dynamics and Mitsubishi Heavy Industries clearly states:

In all cases, data released as per the attached Technical Data Package List is subject to United States Government approval, which may result in data items being completely deleted, partially deleted, or modified.

The DOD technology review/release process is well established and will apply to the FSX, as well as all similar projects.

The U.S. Air Force completed a detailed technology transfer risk assessment in March 1989, which fully supported the codevelopment agreement. It concluded that:

The transfer of critical technologies is held to an absolute minimum;

The technology which is transferred is done so under tight controls;

The risk to military security and the U.S. industrial base is minimal.

COMPARISONS WITH OTHER NEGOTIATIONS WITH OUR ALLIES

The financing terms are exceptionally favorable to the United States. While the Nunn-Quayle-Warner amendment called for equal financing of codevelopment projects, in most cases to date, the United States has been the single largest contributor to the financing. One typical project involves airframe design—the X-31 Program, in which the United States and Germany are producing two prototype aircraft. The United States in this case is financing 80 percent of the program. Another example is the Agile Falcon Program, an upgrading of the F-16. The United States and participating European nations will share in development costs, although it is the European states who will receive most of the benefits.

Last year the Defense Department approached France, which is designing the Rafale as their next generation fighter, and a consortium of European countries working on the European fighter aircraft [EFA] and proposed that they consider working with the United States on designing enhanced United States aircraft as a more cost effective means of producing a new fighter. In both cases the United States would have borne the major share of development costs. Both the French and the European consortium declined.

On the other hand, under the FSX agreement, Japan will pay for all development costs while the United States will receive 40 percent of the development work share, worth approximately $480 million. In the case of purchases of the F-16 by our NATO allies, recoupment costs were often waived to encourage the use of a U.S. aircraft for interoperability purposes. If the FSX goes into production, the United States will receive recoupment of around $1 million per aircraft to help offset the development costs of an airplane initially designed for U.S. use.

CRITICS VERSUS REALITY

In addition to the thousands of man-years worth of work for United States industry, the United States will be able to see the first tangible results of an agreement that allows Japanese defense technology to be transferred to the United States. The United States is most interested in, and expects to get, new technology in such areas as cocured whole wings, radar miniaturization, and flat screen displays. The technology flowback will be continuously monitored by the U.S. Air Force and supervised by the Departments of Defense and Commerce.

Critics of the FSX Program argue that the United States is giving away 7 billion dollars' worth of technology and getting very little in return. In fact, the airframe was developed at an R&D cost of $3.016 billion of which $735 million has already been recouped through sales to other countries. The United States stands to gain

another $130 million in R&D recoupment when the FSX goes into production.

The notion that the United States is giving away technology is simply not accurate. We are selling technology to an ally. The costs associated with the development of the F-16 are sunk costs that the United States could not count on recouping at the time of development; the United States developed the F-16 for its own purposes, not those of the Japanese.

On the technology side, critics say that Japan does not have anything of value to offer, and is interested in only what it can extract from the United States to help launch its aerospace industry. First of all, the technology being transferred to Japan is old technology. Sensitive source codes for the mission computer will be strictly controlled. Access will be granted only to those codes that are necessary to complete the project. Other codes that are not critical to the safety of the aircraft will be withheld. The codes that are being transferred will not endanger future American aerospace industry competitiveness. By the time the FSX is fielded the United States will have developed its own next generation fighter, the advanced tactical fighter, using state-of-the-art technology.

It is equally erroneous to claim that Japan has nothing to offer the United States. Specifically, some critics charge that the cocured composite wing Japan plans to build is far behind United States companies' composite wing technology. The composite structures currently being used by U.S. manufacturers can best be described as the application of combinations of rather simple parts. No United States aerospace company is currently developing a capability to cocure wing skins and primary structure ribs and spars as the Japanese are proposing for the FSX.

The benefit from the development of a cocured whole wing would be extremely useful to U.S. aircraft manufacturing industries. The process and time involved to produce a whole wing would be considerably less than that which is currently required to make composite wings. The whole wing approach would eliminate thousands of man-hours spent on assembling pieces and drilling holes in the wing. When completed the cocured whole wing would be a lighter, integrated structure without the lifelong problems of fuel leakage that occur with the current technology. Additionally, the whole wing would be stiffer—a characteristic that is desirable in a fighter.

This is just one example of the difference between the image of the FSX critics would have the public believe, and the reality that the FSX codevelopment agreement is a mutually beneficial program between two allies. I am attaching additional technical summaries that cover key points in more detail, and which I am asking to have included in full in the record. They help show that the reality is that the United States entered into this codevelopment agreement because it both aided our trade and protected our technology, and because it is in our best interest to maintain Japanese ties to the United States for defense purposes.

The military value of interoperability is obvious. Economically, there is no advantage in having Japan reach absolute self-sufficiency in its own defense. Japan now spends only 2 percent of its defense budget on R&D, while its spending on United States defense products is equal to that of Germany, the United Kingdom, and Italy combined. Continued Japanese purchases of United States defense products, rather than a diversion of more of its defense budget to increased R&D, is in both our economic and security interests.

THE VALIDITY OF OTHER CRITICISMS OF THE FSX CODEVELOPMENT AGREEMENT

The best way to summarize the rest of the complex issues involved is to contrast each major criticism of the United States-Japan FSX codevelopment agreement with the realities. Let me address these criticisms charge by charge:

Criticism: The United States is giving away technology.

Fact: The United States is selling technology which is no longer state-of-the-art. The United States is getting 40 percent of the development work share worth $480 million. The United States has already provided F-16 technology through direct purchases and coproduction with several countries including Belgium, The Netherlands, Denmark, Norway, and Turkey. Additionally, Korea, Greece, Israel, Singapore, and Indonesia have coproduced elements of the F-16.

Criticism: There is no guarantee that the United States will receive an appropriate level of work share if the FSX goes into production.

Fact: The agreement stipulates that the United States will receive about 35 to 45 percent of the production work share, estimated to be worth $2 billion with over 70,000 man-years work for U.S. industry.

Criticism: There is not even a guarantee that Japan will not just take the technology gained from codevelopment and produce an aircraft on their own.

Fact: Japan is a valued ally and has given appropriate assurances that before a decision is made to go into production, a production memorandum of understanding will be signed with the United States and that the United States work share will be significant, estimated to be approximately 40 percent.

Criticism: Japan will build an advanced fighter and sell it to foreign countries in competition with the United States.

Fact: Japan's own policy prohibits the sale of military equipment to other countries. Additionally, safeguards within the agreement expressly prohibit Japan from selling aircraft built with United States derived technology without United States consent. The United States, in turn, would never buy off-the-shelf aircraft from Japan for the same reasons Japan will not.

Criticism: Japan will use the technology it learns in FSX development to develop a world-class aerospace industry.

Fact: The agreement contains safeguards to ensure that American technology will not be transferred to third parties without the expressed consent of the United States. Additionally, the FSX technology being provided Japan is old technology. More importantly, this false impression belies a misconception and lack of faith in American aerospace competitiveness. The United States is the world's leader in aircraft manufacturing and has not maintained that position by idly watching the competition improve their product. U.S. aerospace products of the future will continue to dominate world markets by doing what they do best, producing the most reliable and advanced aircraft to meet the needs of the consumer. Further, the major U.S. aerospace manufacturers, Boeing, and McDonnell-Douglas and the Aerospace Industries of America, support the FSX agreement.

WHO WILL BENEFIT IF THE FSX CODEVELOPMENT AGREEMENT IS BLOCKED

The final issue we should consider is who will benefit if the FSX codevelopment is blocked. One thing is clear: it will not be the United States. We can not force Japan to buy a United States-made fighter, and we may be seriously undermining our future sales and burden-sharing efforts. We will undercut an ally and weaken a critical strategic relationship. We will make it harder to reach an accommendation on other trade issues.

If Japan does need fighter technology, it could easily ask the European Community for assistance, and this in turn might do real damage to our future competitiveness and arms sales. In short, we stand to gain a great deal from pressing ahead with the FSX codevelopment agreement. We can only lose if our current bargaining efforts fail.

I ask that certain material and correspondence attached be printed in the RECORD.

The material follows:

POINT PAPER ON ACTIVE ARRAY RADAR MODULE TECHNOLOGY TRANSFER

U.S. OBJECTIVE

To capitalize on potential Japanese innovations in manufacturing technology associated with efficient production of Gallum Arsanide receiver-transmitter active array radar modules.

U.S. STATUS ON THIS TECHNOLOGY

U.S. is developing active array radars for use in advanced aircraft.

The innovation and challenge is in the design and manufacture of the radar antenna.

Antenna is a fixed array of 1000 or more individual modules that actively receive/transmit independently.

Cost of modules using current manufacturing methods is approximately $4000 per module.

Too expensive for production use.

Cost musts be reduced by an order of magnitude.

U.S. is a leader in other aspects of radar technology, such as signal processing, and electronic beam steering.

JAPAN STATUS IN ACTIVE ARRAY RADAR TECHNOLOGY

Japan is developing an active array radar for fighter aircraft.

Test flown in 1986 on testbed aircraft.

Appears to be a relatively low average power device (Radar detection range is directly proportional to its power).

Japan is developing new generation modules.

Japan has probable lead over U.S. in Gallum Arsenide (GaAs) chip technology.

A critical component in module design.

Japan has a proven track record in developing efficient production methods for miniature commercial components.

Are devoting significant resources to active array radar development.

If their manufacturing expertise is brought to bear on GaAs modules, a breakthrough in manufacturing technology is possible that will reduce module cost significantly.

A manufacturing process that yields high quality consistent, cost-effective GaAs chips for use in radar modules would be of great value to U.S.

ADVANTAGES

Increased radar reliability.

Graceful degradation—no single point failures in active array.

Improved target detection in ECM environments.

POINT PAPER ON COCURED COMPOSITE TECHNOLOGY TRANSFER

U.S. OBJECTIVE

To capitalize on potential Japanese innovation in manufacturing technology associated with cocuring primary structural composite members on an aircraft.

U.S. STATUS ON THIS TECHNOLOGY

U.S. is a leader in composite technology.

Lead the world in the development and knowledge of composite materials.

U.S. aircraft manufacturers are experienced and practice the use of composites in modern military aircraft.

There is widespread use of cocuring techniques.

The process cures several composite pieces assembled together under heat and pressure to form a unitary, three-dimensional product without use of fasteners.

The cocuring process is currently used primarily to join relatively simple parts, such as stiffners, to larger details, such as panels, doors, etc.

Cocuring also is used in attaching honeycomb material to panels, and to cure filament-wound structures, e.g., helicopter blades, and fuel tanks.

There is minimal program experience in cocuring primary, complicated structured members to skin panels.

One example is known, the AV-8B horizontal tail by McDonnell Douglas.

No U.S. aerospace company is currently developing a capability to cocure wing skins and primary structure ribs and spars as the Japanese are proposing for the FS-X.

Sophisticated tooling is required to insure good bonding of all joints and laminate layers and to fabricate the complicated design of ribs, spars, skin, and stiffners.

The manufacturing process to do this is challenging and the tooling expensive.

Japan will bear these risks on the FS-X program for transfer to the U.S. under the current agreement.

JAPAN STATUS ON COCURED TECHNOLOGY

Japan intends to cocure the lower wing skin to all primary structure ribs, spars, and stiffners.

Full Scale Development component structures measuring 2 x 4 meters have been made that included ribs and spars.

All details for Japanese approach are not yet known.

They believe it is better than convention approaches.

Do not intend to look further at alternatives for FS-X.

ADVANTAGES

Elimination of thousands of close tolerance holes and the associated fasteners during manufacture.

Cost savings from factory labor and tooling saved in curing each individual part.

Life cycle and manufacturing costs savings through elimination of a primary source of fuel leaks (fastener holes or through mating member joints clamped by fasteners) and fuel sealant materials.

Improved aircraft performance through weight savings and wing stiffness.

POINT PAPER ON HUMAN TECHNOLOGY TRANSFER

OBJECTIVE

To restrict and control the human transfer of technology experience from the U.S. to Japan while maximizing the learning opportunities and experience gained by the U.S.

OPPORTUNITIES

True flow of technology best takes place not in simply obtaining a data package, but through the exchange of know-how and thoughts between people.

This is a two-edge argument in a case like the FS-X.

We want to control and limit the amount and quality of experience transferred to Japan through contract with our engineers.

But we also need engineering contact with the Japanese for true flowback of FS-X technology to the U.S.

We cannot prevent the Japanese from the outright hiring of individual U.S. engineers under lucrative terms away from industry.

But in an organized international program, we have the opportunity to place controls and limits on the activities of U.S. engineers.

CONTROLS AND RESTRICTIONS

Restricted access to technical data.

General Dynamics (GD) engineers assigned to the FS-X, both here and in Japan, will have access to only the sanitized technical data package approved and released to the Japanese to use for reference material.

They will have no access to published or proprietary GD design techniques, methods or manuals.

Restrict access to other areas of U.S. contractor facilities.

The FS-X project office at GD will be a separate facility (separate building) segregated from the remainder of the plant facility.

Within this building, the GE and Japanese engineers will do their work, and the approved reference library will be housed.

Unique FS-X security badges will restrict access elsewhere.

Limit the number and experience of GD engineers.

Fulfill two separate functions:

Help interpret data package;

Accomplish engineering tasks (will involve some creativity).

MHI has lead responsibilities in almost all areas of the FS-X design.

GD engineering participation should reflect the predominant subcontract nature of their tasks.

Current planning calls for approximately 55-60 GD engineers working aircraft design in Japan, primarily in 3 areas.

Airframe structures—approximately 19.

Two to three senior engineers.

Average experience 6-10 years (too junior to have worked original F-16 design).

Required to absorb and apply Japanese composite wing design and participate in GD led aft fuselage design.

Subsystems—approximately 11.

Two to three senior engineers.

Average experience 9-10 years.

Thinly distributed among various systems: Hydraulic, landing gear, fuel, environment control, crew station, weapons.

Avionics—approximately 17.

Two senior engineers.

Average experience 6-10 years.

Primary area of technology flowback for U.S. Provides insight into Japanese developed systems, such as radar, electronic warfare, inertial navigation, and mission computer hardware.

We currently have no U.S. engineering participation in FS-X aero design, but would like some insight into Japanese developments.

Provide U.S. government oversight of GD participation in Japan.

Two Japanese speaking USAF liaison officers will reside in Japan—one at MHI and one in Tokyo.

Conduct monthly refresher briefs on restrictions and responsibilities.

Conduct monthly debriefs on technology flowback and areas of interest.

CONCLUSIONS

MHI is prime contractor with lead responsibilities in almost all areas.

GD participation as subcontractor is limited.

Good controls exist on access to data.

Human transfer of knowledge is controlled through limited breadth and depth of GD engineer experience.

U.S. government personnel will maintain permanent contact with GD engineers in Japan.

GENERAL DYNAMICS CORP.,
St. Louis, MO, February 28, 1989.

Hon. ROBERT A. MOSBACHER,
Secretary of Commerce, Herbert C. Hoover Building, Washington, DC.

DEAR MR. SECRETARY: This letter is in appreciation of your personal interest and concern in the FS-X Program, and your willingness to host such a thorough review in your office last week. This important new agreement between the governments of the United States and Japan deserves the widest possible understanding and support of the Bush Administration.

You and your staff were most gracious during our visit and we greatly appreciate your candor and receptiveness to our position in this matter. In the spirit of that meeting, I have taken the liberty of providing in the attachment what we believe to be the salient points of our discussion. Hopefully these will be useful to you and your staff during any continuing deliberations on this important subject.

Thanks again for such a warm and open reception.

Sincerely,

STANLEY C. PACE.

Enclosure.

FS-X TRADE ISSUES

After the Japanese announced their intention to design and build their own indigenous fighter, our government made the basic policy decision to pursue the FS-X Program based on diplomatic, defense, technology, trade and policy issues.

General Dynamics and other builders had vigorously tried to sell the F-16 and other off-the-shelf fighters to the Japanese. Those efforts failed and Japan decided to go it alone.

Japan's national pride, economic power, and manufacturing and technical skills convinced the U.S. that they could succeed. They have been coproducing the F-15 for the last 10 years.

Defense Secretaries Weinberger and Carlucci found in their analysis of Free World global fighter competition that:

France was developing the RAFALE fighter,

UK, Germany, Italy and Spain were developing the EFA,

Sweden was developing the GRIPEN,

Israel was developing the LAVI,

Japan was planning on developing an indigenous fighter.

Secretary Weinberger attempted to stop these duplicative and wasteful multi-billion dollar developments as follows:

The U.S. offered France the Hornet 2000 (upgraded F/A-18) baseline for a cooperative program. That effort failed.

The U.S. offered UK, Germany, Italy and Spain a Hornet 200 or Agile Falcon (upgraded F-16). Those efforts failed.

The U.S. offered Israel a modified F-16 to replace the LAVI. This effort succeeded because LAVI was funded by U.S. taxpayers.

The U.S. pressured Japan to "buy American" through the FS-X format, to reduce the trade deficit and to keep allied combat forces interoperable. A reluctant Japan then held a competition restricted to U.S. companies for development of their next fighter aircraft.

Current government-to-government and industry-to-industry agreements clearly establish U.S. Government control over the release of all critical FS-X technologies.

For example, the agreement between General Dynamics and Mitsubishi Heavy Industries, Ltd. (MHI) clearly states: "In all cases, data release as per the attached Technical Data Package List (TDPL) is subject to United States Government approval, which may result in data items being completely deleted, partially deleted or modified."

The DOD technology review/release process is well established and will apply to the FS-X. The policy is tough, stringent and it works.

Technology flow will be continually monitored by a USAF Major General under the oversight of an FS-X Technical Steering Group.

F-16 airframe technology is almost 20 years old.

The MOU also provides for more effective flowback of important technology from Japan to the U.S. than would have been possible with only the 1983 defense related technology transfer agreement.

The two principal technologies of interest to the U.S. are:

The manufacturing process related to large scale co-cured composite structure such as the wing of the FS-X.

Avionics for the FS-X (the Japanese are developing this, the most crucial of all subsystems in a fighter aircraft).

The FS-X cannot be produced until a production MOU is negotiated.

The U.S. will not release engine technology until that time. (The FS-X design, based on the F-16 airframe, cannot be completed without a U.S. engine.)

We believe the Japanese can go it alone. However, the Japanese can also turn to the Europeans (UK, France, Germany) for technical assistance on both airframe and engine.

Japan's aerospace industry completes production work on the F-15 and P-3 aircraft in the 1990's and needs the FS-X to stay in business.

The two major U.S. commercial aircraft builders (Boeing and McDonnell Douglas) support the FS-X program.

Boeing recognized ten years ago that the Japanese were an emerging force in aerospace and decided to work with them. As a result of this teaming, Boeing has protected its worldwide market share.

The U.S. aerospace industry supports the FS-X program as the only way to avoid the establishment of a future international competitor with no ties to the U.S. Government or industry.

SUMMARY

U.S. Government/industry prefers to sell off-the-shelf aircraft to Japan.

The Japanese will not buy a U.S. aircraft.

They can and will develop their own if the FS-X program fails.

Japan has never violated an MOU with the U.S. similar to the FS-X agreement.

Therefore, cooperation is better than no U.S. involvement at all and would result in:

Influence over the rate of growth of the Japanese aerospace industry.

Influence over that industry's "market penetration" through control of third country sales.

Significant technology flowback benefits to U.S. Government/industry.

Increased U.S. jobs and reduced trade deficit.

U.S. AIR FORCE SUPPORT FIGHTER (FS-X) TECHNOLOGY TRANSFER RISK ASSESSMENT

EXECUTIVE SUMMARY

1. In 1986 Japan announced their plans to build an indigenous fighter aircraft and aroused U.S. opposition due to interoperability and balance of trade concerns. The U.S. attempted to convince Japan to purchase or coproduce a U.S. fighter aircraft like they had done in the past on the F-4 and F-15. The Japanese remained firm in their commitment to develop their own aircraft until intense U.S. diplomatic pressure forced them to a compromise position. In order to assuage U.S. concerns, Japan agreed to base the development of their Support Fighter (FS-X) on a derivative of an existing U.S. fighter aircraft. Japan selected the F-16 which is manufactured by General Dynamics (GD). After several difficult negotiation sessions between the Department of Defense and the Japan Defense Agency, the Japanese signed the FS-X Development Memorandum of Understanding (MOU) on 29 Nov. 89. The agreement reached with Japan provides for technology flowback to the U.S., stipulates a percentage workshare that must be placed with U.S. industry, and also embodies stringent controls to ensure protection of sensitive U.S. technology and the U.S. industrial base.

2. Mitsubishi Heavy Industries (MHI) and GD have concluded negotiations over a Manufacturing License and Technical Assistance Agreement (MLTAA) and GD has submitted the MLTAA for U.S. Government (USG) approval as required by the international Traffic in Arms Regulations. However, USG agencies and members of Congress have expressed concern over the impact of the program on military security and the U.S. industrial base and are questioning whether the program should proceed in its current form.

3. This report was prepared to assist USG organizations in evaluating the FS-X program in terms of the risk associated with the transfer of technology on military security and the U.S. industrial base. The report explains the process which will be used to discipline the technology transfer, defines the technology which is proposed to be transferred, explains the conditions for release, and compares the FS-X to other cooperative programs.

4. The report concludes:

a. The transfer of critical technologies is held to an absolute minimum.

b. The technology which is transferred is done so under tight controls.

c. The risk to military security and the U.S. industrial base is minimal.●

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick Leahy:									
Canada	Dollar	615.39	513.00					615.39	513.00
Senator Christopher Bond:									
Canada	Dollar	404.34	366.75					404.34	366.75
Charles Riemenschneider:									
United States	Dollar				348.58				348.58
Canada	Dollar	1,025.66	855.00					1,025.66	855.00
United States	Dollar				902.00				902.00
Dominican Republic	Peso	1,413	225.00					1,413	225.00
Venezuela	Bolivar	6,381	175.30					6,381	175.30
James Cubie:									
United States	Dollar				328.82				328.82
Canada	Dollar	615.39	513.00					615.39	513.00
Thomas Clark:									
United States	Dollar				2,312.000				2,312.00
Switzerland	Franc	864.15	576.10					864.15	576.10
United States	Dollar				348.58				348.58
Canada	Dollar	728.16	607.00					728.16	607.00
William Gillon:									
United States	Dollar				2,186.00				2,186.00
Switzerland	Franc	923.73	615.00					923.73	615.00
United States	Dollar				348.58				348.58
Canada	Dollar	950.66	792.48					950.66	792.48
John Ziolkowski:									
United States	Dollar				348.58				348.58
Canada	Dollar	820.53	684.00					820.53	684.00
United States	Dollar				1,230.54				1,230.54
Dominican Republic	Peso	1,658	264.00					1,658	264.00
Colombia	Peso	30,835	95.29					30,835	95.29
Guatemala	Quetzal	1,069.20	396.00					1,069.20	396.00
Venezuela	Bolivar	8,190	225.00					8,190	225.00
Honduras	Lempira	388	194.00					388	194.00
Total			7,096.92		8,353.68				15,450.60

PATRICK LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Feb. 1, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Deborah A. Dawson:									
Hong Kong	Dollar	3,956	507.00	141.53	18.14			4,097.53	525.14
Bangladesh	Taka	22,272.30	678.00					22,272.30	678.00
United States	Dollar				3,524.00				3,524.00
Richard L. Collins:									
United Kingdom	Dollar		392.00						392,00
Warren W. Kane:									
Italy	Dollar				2,599.00				2,599.00
Total			1,577.00		6,141.14				7,718.14

JOHN STENNIS,
Chairman, Committee on Appropriations, Feb. 22, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
J. Keith Kennedy:									
New Zealand	Dollar	835.17	524.00					835.17	524.00
Japan	Yen	186.25	1,490.00					186.25	1,490.00
James D. Bond:									
New Zealand	Dollar	835.17	524.00					835.17	524.00
Japan	Yen	186.25	1,490.00					186.25	1,490.00
Stephen H. Kohashi:									
Japan	Yen	298,000	2,384.00					298,000	2,384.00
Senator Robert W. Kasten, Jr.:									
Spain	Dollar		424.00						424.00
Total			6,836.00						6,836.00

JOHN STENNIS,
Chairman, Committee on Appropriations, Feb. 22, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Brian D. Dailey:									
France	Franc	1,995.84	324.00			616	100.00	2,611.84	424.00
United Kingdom	Pound	448	788.00			116	200.00	546	988.00
Patrick A. Tucker:									
France	Franc	1,995.84	324.00			616	100.00	2,611.84	424.00
United Kingdom	Pound	448	788.00			116	200.00	564	988.00
United States	Dollar				666.00				666.00
John J. Hamre:									
Federal Republic of Germany	Mark	712.88	200.00					712.88	200.00
Turkey	Lira	271,782	158.00					271,782	158.00
Greece	Drachma	33,394	231.50					33,394	231.50
Italy	Lire	746,781	602.00					746,781	602.00
Jefferson B. Seabright:									
Federal Republic of Germany	Mark	1,425.76	400.00					1,425.76	400.00
Turkey:	Lira	271,782	158.00					271,782	158.00
Greece	Drachma	33,394	231.50					33,394	231.50
Senator Timothy E. Wirth:									
Italy	Lire	746,781	602.00					746,781	602.00
Turkey	Lira	271,782	158.00					271,782	158.00
Greece	Drachma	33,394	231.50					33,394	231.50
Italy	Lira	746,781	602.00					746,781	602.00
Robert G. Bell:									
United States	Dollar				318.50				318.50
Iceland	Krona	24,382	534.22					24,382	534.22
Frederick F.Y. Pang:									
Spain	Peseta	41,450	366.00					41,450	366.00
Italy	Lira	610,725	479.00					610,725	479.00
Greece	Drachma	27,072	188.00					27,072	188.00
Turkey	Lira	495,220	273.00					495,220	273.00
Federal Republic of Germany	Mark	393	227.00					393	227.00
Total			7,865.72		984.50		600.00		9,450.22

SAM NUNN,
Chairman, Committee on Armed Services, Jan. 5, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lawton Chiles:									
Italy	Lira	1,131,228	804.00			151,667	108,26	1,282,895	912.26
United States	Dollar				3,007.00				3,007.00
Dennis Beal:									
Italy	Lira	1,131,228	804.00			151,667	108.25	1,282,895	912.25
United States	Dollar				2,599.00				2,599.00
Douglas M. Cook:									
Italy	Lira	1,131,228	804.00			151,667	108.25	1,282,895	912.25
United States	Dollar				2,599.00				2,599.00
Richard N. Brandon:									
China	Yuan	6,219.84	1,672.00					6,219.84	1,672.00
United States	Dollar				1,375.70				1,375.70
Douglas C. Olin:									
United States	Dollar		166.00						166,00
United States	Dollar				4,766.08				4,766.08
Papua, New Guinea	Dollar		372.00						372.00
Singapore	Dollar		144.00						144.00
China	Yuan	3,968.92	1,066.91	906.50	243.68			4,875.42	1,310.59
Hong Kong	Dollar		219.00		49.28				268.28
Philippines	Dollar		786.00						786.00
Japan	Dollar		882.00		50.45				932.45
Total			7,719.91		14,690.19		324.76		22,734.86

LAWTON CHILES,
Chairman, Committee on the Budget, Jan. 31, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Katherine Cudlipp:									
United States	Dollar				1,593.00				1,593.00
Curtis Moore:									
Sweden	Krona	9,523.34	1,547.00					9,523.34	1,547.00
Switzerland	Franc	615.80	410.00					615.80	410.00
United States	Dollar				3,124.50				3,124.50
Katharine Kimball:									
Switzerland	Franc	615.80	410.00					615.80	410.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
United States	Dollar				3,124.50				3,124.50
Dan Berkovitz:									
France	Franc	5,093.89	836.44					5,093.89	836.44
United States	Dollar				2,749.64				2,749.64
Laird Burnett:									
France	Franc	8,991.47	1,476.44					8,991.47	1,476.44
United States	Dollar				2,749.64				2,749.64
Roy Kienitz:									
France	Franc	8,991.47	1,476.44					8,991.47	1,476.44
United States	Dollar				2,749.64				2,749.64
Total			6,156.32		16,090.92				22,247.24

QUENTIN BURDICK,
Chairman, Committee on Environment and Public Works, Jan. 5, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Max Baucus:									
Canada	Dollar	410.26	342.00					410.26	342.00
United States	Dollar				182.52				182.52
Senator Bob Packwood:									
Canada	Dollar	410.26	342.00					410.26	342.00
United States	Dollar				178.51				178.51
Senator John Heinz:									
Canada	Dollar	410.26	342.00					410.26	342.00
United States	Dollar				136.84				136.84
Greg Mastel:									
Canada	Dollar	410.26	342.00					410.26	342.00
United States	Dollar				182.52				182.52
William A. Reinsch:									
Canada	Dollar	410.26	342.00					410.26	342.00
United States	Dollar				239.21				239.21
Jeffrey M. Lang:									
Canada	Dollar	615.39	513.00					615.39	513.00
United States	Dollar				309.06				309.06
Michael Mabile:									
Canada	Dollar	615.39	513.00					615.39	513.00
Marcia Miller:									
Canada	Dollar	1,025.66	855.00					1,025.66	855.00
United States	Dollar				348.58				348.58
Joshua Bolten:									
Canada	Dollar	1,025.66	855.00					1,025.66	855.00
United States	Dollar				348.58				348.58
Brad Figel:									
Canada	Dollar	820.53	684.00					820.53	684.00
United States	Dollar				348.58				348.58
Total			5,130.00		2,274.40				7,404.40

LLOYD BENTSEN,
Chairman, Committee on Finance, Feb. 3, 1989.

AMENDED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 to MAR. 31, 1988.

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
William Triplett:									
Norway	Krone	1,887	300.00					1,887	300.00
France	Franc	4,221.44	776.00					4,221.44	776.00
Germany	Mark	467.90	286.00					467.90	286.00
Italy	Lira	375,024	312.00					375,024	312.00
United States	Dollar				1,865.00				1,865.00
William Triplett:									
Japan	Yen	96.768	756.00			21.701	168.22	118.469	924.22
United States	Dollar				2,849.00				2,849.00
Total			2,430.00		4,714.00		168.22		7,312.22

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Feb. 1, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Christopher Dodd:									
Chile	Peso	200,160	695.00					200,160	695.00
Argentina	Austral	10,210.20	663.00					10,210.20	663.00
Uruguay	Peso	110,250	250.00					110,250	250.00
Brazil	Cruzado	684,124	742.00					684,124	742.00
Guatemala	Quetzal	91.13	33.75					91.13	33.75
United States	Dollar				1,954.00				1,954.00
Senator Frank Murkowski:									
Taiwan	Dollar	16,716	597.00					16,716	597.00
Korea	Won	314,410	459.00					314,410	459.00
Japan	Yen	93,654	774.00					93,654	774.00
United States	Dollar				761.00				761.00
Senator Claiborne Pell:									
Cuba	Dollar		85.00						85.00
Mexico	Peso	302,650	132.39					302,650	132.39
Chile	Peso	200,160	695.00					200,160	695.00
Argentina	Austral	10,210.20	663.00					10,210.20	663.00
Uruguay	Peso	110,250	250.00					110,250	250.00
Brazil	Cruzado	684,124	742.00					684,124	742.00
Guatemala	Quetzal	91.13	33.75					91.13	33.75
Geryld Christianson:									
West Germany	Mark	2,020	1,140.00	123	69.00			2,143	1,209.00
United Kingdom	Pound	414.57	747.73	40	72.27			454.57	820.00
United States	Dollar				2,499.00				2,499.00
Peter Galbraith:									
Pakistan	Rupee	12,414	667.00					12,414	667.00
France	Franc	1,005	170.00					1,005	170.00
Algeria	Dinar	537	101.29					537	101.29
Morocco	Dirham	3,043	375.00					3,043	375.00
United States					2,878.00				2,878.00
Gerald Connolly:									
France	Franc	1,291.40	220.00	268	45.65			1,559.40	265.65
Botswana	Pula	537.68	286.00	208	110.63			745.68	396.63
Swaziland	Emalangeni	690	300.00					690	300.00
United Kingdom	Pound	283.40	524.00					283.40	524.00
United States	Dollar				3,970.83				3,970.83
Robert Dockery:									
Mexico	Peso	612,650	268.00					612,650	268.00
Chile	Peso	200,160	695.00					200,160	695.00
Argentina	Austral	10,210.20	663.00					10,210.20	663.00
Uruguay	Peso	110,250	250.00					110,250	250.00
Brazil	Cruzado	684,124	742.00					684,124	742.00
Guatemala	Quetzal	182.25	67.50					182.25	67.50
Henry Kenny:									
Philippines	Peso	6,269.55	294.00					6,269.55	294.00
Philippines	Peso	1,599.38	75.00					1,599.38	75.00
Thailand	Baht	16,152	642.00					16,152	642.00
Thailand	Baht	1,887	75.00					1,887	75.00
Japan	Yen	89,856	711.00					89,856	711.00
Japan	Yen	62,496	496.00					62,496	496.00
United States	Dollar				2,415.00				2,415.00
Janice O'Connell:									
Mexico	Peso	612.650	268.00					612.650	268.00
Chile	Peso	200,160	695.00					200,160	695.00
Argentina	Austral	10,210.20	663.00					10,210.20	663.00
Uruguay	Peso	110,250	250.00					110,250	250.00
Brazil	Cruzado	684,124	742.00					684,124	742.00
Guatemala	Quetzal	182.25	67.50					182.25	67.50
John Ritch:									
France	Dollar		440.00						440.00
United States	Dollar				2,299.00				2,299.00
Thomas Roberts:									
Taiwan	Dollar	16,716	597.00					16,716	597.00
Korea	Won	314,410	459.00					314,410	459.00
Japan	Yen	93,654	774.00					93,654	774.00
United States	Dollar				5,032.00				5,032.00
Frank Sieverts:									
Cuba	Dollar		85.00						85.00
Barry Sklar:									
Cuba	Dollar		85.00						85.00
Chile	Peso	128,307	437.16					128,307	437.16
United States	Dollar				1,689.00				1,689.00
William Triplett:									
Philippines	Peso	7,868.93	369.00					7,868.93	369.00
Thailand	Baht	18,446.43	717.00					18,446.43	717.00
Hong Kong	Dollar	3,959.70	507.00					3,959.70	507.00
Japan	Yen	62,496	496.00					62,496	496.00
United States	Dollar				2,443.00				2,443.00
France	Franc	4,820	787.50					4,820	787.50
United States	Dollar				691.00				691.00
David Keaney:									
Switzerland	Dollar		155.00						155.00
United States	Dollar				1,173.00				1,173.00
Geryld Christianson:									
United States	Dollar				2,470.00				2,470.00
Total			24,918.57		30,572.38				55,490.95

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Jan. 30, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Barbara Mikulski:									
England	Pound	342	615.00	230.75	412.79			572.75	1,027.79
Trudy Vincent:									
England	Pound	575	1,025.00	608.75	1,092.79			1,183.75	2,117.79
Total			1,640.00		1,505.58				3,145.58

EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Dec. 22, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Christopher Straub			2,219.82		2,232.00				4,451.82
Regina Genton			2,319.82		2,232.00				4,551.82
Jeanne McNaughton			2,319.82		2,232.00				4,551.82
Marvin Ott			1,830.00		3,072.00				4,902.00
Keith Hall			815.00		2,633.80				3,448.80
James Martin			815.00		2,633.80				3,448.80
Charlene King			815.00		2,633.80				3,448.80
Christopher Straub			363.32		2,698.00				3,061.32
Larry Kettlewell			442.00		2,698.00				3,140.00
L. Britt Snider			1,265.75		2,851.25				4,117.00
John Elliff			1,265.75		2,851.25				4,117.00
Regina Genton			442.00		2,698.00				3,140.00
John Despres			1,798.00		3,021.61				4,819.61
Marvin Ott			1,593.00		4,863.00				6,456.00
David Holliday			1,910.00		896.00				2,806.00
James Currie			1,910.00		896.00				2,806.00
James Dykstra			1,290.00		2,519.00				3,809.00
Dwight Howes			1,290.00		2,564.00				3,854.00
Edward Levine			1,090.00		2,519.00				3,609.00
Total			25,794.28		48,744.53				74,538.79

DAVID BOREN,
Chairman, Select Committee on Intelligence, Jan. 11, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David Freshwater:									
Canada	Dollar	401.38	339.00					401.38	339.00
United States	Dollar				240.66				240.66
Ruth Kurtz:									
United States	Dollar				172.60				172.60
United States	Dollar				174.29				174.29
Canada	Dollar	1,025.66	855.00					1,025.66	855.00
Total			1,194.00		587.55				1,781.55

PAUL SARBANES,
Chairman, Joint Economic Committee, Feb. 10, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Wyche Fowler:									
Italy	Lira	904,254	677.85					904,254	677.85
United States	Dollar				789.00				789.00
Senator Dennis DeConcini:									
Denmark	Krone	2,777.04	406.00	328.32	48.00	984.96	144.00	4,090.32	598.00
Russia	Dollar		1,000.00						1,000.00
Total			2,083.85		837.00		144.00		3,064.85

DENNIS DeCONCINI,
Commission on Security and Cooperation in Europe, Jan. 19, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM OCT. 1 TO DEC. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Phillip J. Kaiser:									
Costa Rica	Colon	12,211.10	157.20			932.40	12.00	13,143.50	169.20
Panama	Dollar		106.30				15.00		121.30
Mexico	Peso	248,515	110.45					248,515	110.45
James Good:									
Costa Rica	Colon	12,980	168.59					12,980	168.59
Panama	Dollar		111.30						111.30
Mexico	Peso	274,500	122.00					274,500	122.00
Edward L. King:									
Costa Rica	Colon	12,980	168.59					12,980	168.59
Panama	Dollar		84.41						84.41
Honduras	Lempira	150	75.00					150	75.00
Mexico	Peso	274,500	122.00					274,500	122.00
C. Richard D'Amato:									
United States	Dollar				3,960.40				3,960.40
England	Pound	177.55	212.00					177.55	212.00
South Africa	Rand	1,336.30	589.00	580	255.50			1,916.30	844.50
Kenya	Shilling	8,583.65	471.00			1,232.70	66.94	9,816.35	537.94
Total			2,497.84		4,215.90		93.94		6,807.68

ROBERT C. BYRD,
Majority Leader, Feb. 28, 1989.

WE HAVE A BUDGET AGREEMENT; HOW ABOUT AN AGREEMENT TO REDUCE THE DEFICIT?

● Mr. KOHL. Mr. President, I understand that the Budget Committee will begin the process of translating the bipartisan budget agreement into a budget resolution for our consideration. I have already indicated my concerns about this agreement and I expect that I will voice a few other reservations before the process is completed. At this point, I simply want to call to the attention of my colleagues some of the critical comments about this agreement which have been made in the press. As the full Congress begins to examine the nature and implications of the proposed budget, I hope my colleagues will consider these "public reviews" of our work. Mr. President, I ask to have printed in the RECORD editorials from the New York Times and the Washington Post.

The editorials follow:

[From the Washington Post, Apr. 16, 1989]

PAPER CUTS

The budget agreement just reached between President Bush and congressional leaders of both parties greatly understates the savings necessary to reach next year's deficit target, then fails to achieve even those and covers up the failure with duplicitous accounting. Its authors plead for time and understanding, saying the document should be seen less as itself a deficit reduction plan than as the first step down a longer path to such a plan. They argue that even this pallid agreement and the accompanying promise to continue to talk are better than the snarls and impasse of the Reagan years.

But surely that is not the standard. If the deficit cannot be cut in the strong first year of a new administration, when can it be? Will it be easier next year, an election year? It is always easier next year, and meanwhile the danger grows that a recession will lock the present deficit and the drain it represents on the future into semi-permanent place. In neither party nor branch is there the economic leadership the country needs.

The deficit target next fiscal year is $100 billion. The rules are already rubbery; if the president and Congress can even momentarily come within $10 billion of that on paper, their work is counted a hit. The White House has decreed, on the strength of optimistic and internally inconsistent economic and other assumptions, that it will take only $28 billion in deficit reduction to reach the happy result. The main assumption is that interest rates will decline in the face of a strong economy, when strong economies drive rates *up*. Congress has weakly acquiesced in the confection even though its own budget office continues to point out what recent history confirms, that a much greater effort is needed. The budget deficit this fiscal year was supposed to be $136 billion, and not many months ago there were the requisite assurances that it would be. But the actual figure, as was understood all along, is likelier to be around $160 billion, and even that may not count everything.

As to the supposed cuts on which the president and Congress have agreed, nearly $900 million would come from moving some farm support payments from next year into this, now that no one is paying attention to this year anymore; the money wouldn't be saved, just paid to farmers *earlier*. Another $400 million would come from reversing an earlier good intention and keeping off budget—which is to say, not counting—the cost of the program enacted in the last Congress to bail out the underfinanced farm credit system. A similar fanciful $1.8 billion saving would occur by taking the postal service off budget next year, when it will be running a deficit while awaiting another increase in the price of a stamp. A one-time-only half-billion-dollar credit is creatively taken because not all the food stamps that have been issued over the years have been cashed; the writing-off of the forgotten obligations is counted as a spending cut. Similar credits are taken on the strength of little more than assertions that the Internal Revenue Service will be more vigorous in enforcing the tax code next year, that assorted benefit rolls will be better policed and that the payout of civil service pensions will not be accelerated. There are also to be more than $6 billion in the usual asset sales, after which comes the fiscal equivalent of dessert: having made all these paper cuts and thereby so decisively reduced the deficit, the budget writers claim the interest savings associated with a smaller debt.

A few things in the agreement seem real. Medicare costs would be nicked, defense spending would be a few billion dollars lower than the president earlier proposed (if the chancy spending estimates are to be believed), and there would be $5.3 billion in "revenue measures" if any can be agreed to. You know what those are; there need to be more of them. Plenty of spending cuts can be made, but as the present exercise again demonstrates, the spending side of the budget as a whole neither can nor will nor should be cut much below its present path. The key to genuine deficit reduction is a tax increase. The president's own priorities are suffering.

[From the New York Times, Apr. 15, 1989]

PHANTOM OF THE ROSE GARDEN

What better backdrop for fragrant scenarios than the White House Rose Garden: that's where President Bush and the leaders of Congress yesterday proclaimed their agreement on next year's budget. Their pact leaves a gaping disagreement on taxes. Their numbers are laced with optimism and gimmickry. But give them credit for reaching any agreement at all, and so quickly.

Mr. Bush remains true to his Inaugural promise of wanting to work with the Democrats. Rather than submit a budget full of proposals that would be rejected out of hand, as his predecessor did regularly, he presented an outline and offered to negoti-

ate. The early confrontations that typified the Reagan years have thus been avoided. Still, the new spirit faces big tests in the months to come.

The agreement's most serious weakness is its failure to look beyond the coming year. Mr. Bush promised that when he became President he would develop, with Congress, a long-term plan to erase the deficit. Instead they produced another one-year patch job to reach the target inscribed in the Gramm-Rudman-Hollings budget law. The target is $100 billion, more or less, and their plan gets there, more or less.

Mr. Bush conceded that the plan doesn't address the future. He called it "a first, manageable step." But Senator Lloyd Bentsen, a negotiator as chairman of the Finance Committee, refused to join in the announcement because he considers the revenue estimates unreal. As usual, the Administration assumes a stronger economy and more revenue than do most independent experts, and Congress goes along because realistic forecasts would make it harder to reduce the deficit. In addition, the President still wants a cut in the tax on capital gains. He says this would yield $5 billion in revenues; the Democrats disagree, and don't like the idea anyway. Thus, the tax debate remains wide open.

The accounting gimmicks are less important than the unresolved revenue issues. But they're still blatant. The postal deficit would be wiped out by the simple expedient of removing the Postal Service from the budget. And farm subsidy spending will be lowered by juggling the timing of payments. Neither change will save a penny, but the overall budget deficit will look smaller.

Tricks aside, there is some substance to the agreement, notably the President's agreement to spend less for defense and more for other programs. He yielded nothing on new taxes, though, and thus blocked the possibility of serious collaboration to end this deficit.

For two years, despite much clamor and claims of success, the deficit has grown. If yesterday's agreement reduces it, that will be an achievement. But the vision in the Rose Garden was little more than a phantom. The budget dilemma remains.●

INAUGURATION OF STEPHEN JOEL TRACHTENBERG, PRESIDENT, GEORGE WASHINGTON UNIVERSITY

● Mr. DODD. Mr. President, yesterday, George Washington University celebrated the inauguration of its 15th president, Stephen Joel Trachtenberg. Mr. Trachtenberg comes to George Washington University after 11 years of distinguished service as president of the University of Hartford, in my State of Connecticut, 11 years in which the university saw substantial growth.

Mr. Trachtenberg brings to our Nation's Capital a fresh approach to higher education and a broad perspective on national issues that will contribute greatly to enlightened national debate in the months and years ahead. As an example of President Trachtenberg's contribution to public debate, I cite a speech given March 6 to the Women's National Democratic Club, in which he calls for a new national "Marshall plan" to rebuild America's inner-city areas:

Mr. Trachtenberg said in his address that this new Marshall plan would require cooperation between government, education, and business, and would benefit not only the residents of central cities, "our wretched and our poor, including millions and millions of children," but rather our entire society.

Mr. President, the ideas put forward by President Trachtenberg could have an impact on the future of our Nation. I ask that a section of the text of his speech on a new Marshall plan be included in the RECORD.

The excerpt follows:

What is needed right now, if you and I are not to experience the shock of the steadily-more-impoverished, is a Marshall Plan aimed at our own internal Third World—the world of America's center-cities and older industrial suburbs that house our wretched and our poor, including millions upon millions of children.

Forty years ago, the Marshall Plan was a relatively easy and straightforward affair once it had gained the approval of the U.S. Congress. Talent and energy, we knew, were already present in Western Europe. All that was needed was enough money for the work of industrial reconstruction, after which the European nations would once again be our major trading partners whose orders would help our own population to stay employed.

A Marshall Plan aimed at our present-day minority groups, on the other hand, would have to dedicate itself to levels of foundation-building that even George Catlett Marshall would have regarded as exceedingly difficult. We would have to devote ourselves heart and soul to a century of sporadic effort. We would have to become very serious indeed about the future of our country, and in seeking to strengthen that future we would have to achieve full cooperation between government at all levels, education at all levels, business at all levels, and the white middle-class citizens of our nation.

Dwight Eisenhower gave his memoirs of World War Two the title Crusade in Europe. What we need right now is a Crusade in America.

When the Marshall Plan was formulated, the public relations problem that had to be overcome was obvious. It was the reaction that threatened to run along the following lines: "How dare you give all that money, garnered from our taxes, to a bunch of feckless Europeans who have gotten themselves into all that hot water? We've done enough by sacrificing so many of our boys to pull their political chestnuts out of the fire. Giving them a fortune, with the hope that they'll give it back when and if they pull themselves together, is the kind of behavior usually associated with suckers."

Today the counterarguments to a Marshall Plan for America are likely to take an even more virulent form: "Those people have had a sufficient length of time to get themselves organized for success. They had a chance to do it for themselves. If they haven't done it by now, nothing we do is going to stand a chance of success. We've tried for over a century. Everything from the Emancipation Proclamation to Harry Truman's New Deal to Lyndon Johnson's Great Society has come up short. Having done all we can, there's nothing more we should feel obligated to try."

Have we in fact done all that we can? Reconstruction in the South, after the Civil War, was soon brought to an end—and a version of the pre-Civil War system reestablished. More recent efforts, despite the media hurrahs that initially greeted them, have proven no more enduring—with exceptions like Head Start—and, therefore, no more serious. Most of all, Americans acquiesced in the creation, after the Second World War, of suburban rings around our center-cities that welcomed white middle-class Americans, their money and their businesses, while calmly leaving minorities behind in the increasingly tax-starved downtowns. Today, some of those downtowns are flourishing as a result of gentrification and new types of business activity that pass by most minority-group members—and often physically displace them into meaner surroundings or outright homelessness.

It was an early 19th-century poet who declared: "The child is father of the man." Today, all psychological schools and all physicians agree that the earliest experiences of our lives shape the limits within which those lives proceed to develop. Growing up in an urban jungle channels the talents of young people—their entrepreneurship, if you will—in destructive and self-destructive directions. The sense that no one wants your physical presence.

When I talk about a Marshall Plan for America, therefore, I am talking about what used to be called "radical restructuring" and can now be called a conservative restructuring . . . especially if we identify conservatism with fiscal prudence. George Marshall sold his plan to America's businessmen, most of them instinctively conservative, by convincing them it would conserve and advance their own interests. What was good for America then is vital for America now. Either we move forward in a new, child-focused crusade that lasts long enough to succeed—long enough to have positive results for the national economy on which we all depend—or we can kiss much of our future and our own children's futures good-bye.●

CONVERSION OF HOMELESS SHELTERS TO JAIL FACILITIES

● Mr. MOYNIHAN. Mr. President, drugs and all the havoc that result from their sale and use are quite simply tearing apart each of the social and judicial structures on which we all rely. The system cannot continue to function under such pressures. Indeed, it is not functioning in New York City and in cities across the country as a result.

In New York City we are now seeing homeless men and women moved from shelters provided to them in order to make space for the nearly unimaginably huge increase in the number of inmates who have been arrested for drug—mostly crack—related crimes.

Homeless men and women, already well woven into America's urban and rural fabric, are themselves being displaced from the meager shelters we have found ourselves able to supply them in order to house drug offenders.

I have voiced my great alarm at the apparent unwillingness of some to heed the advice we in Congress urged last year in our drug legislation. We

cannot continue to fight drug abuse in bits and pieces.

Our advice was elemental. First, you cannot add resources to one component of our law enforcement system without adding resources to all the others. When you hire a police officer to arrest a suspect you must hire a prosecutor to make a case, a judge to hear it, and a jailer to turn the key. When you vastly increase the number of arrests you make without building the prisons to hold the convicts that result from your efforts, the effect is as is now apparent in New York, felons competing with the homeless for limited space.

Second, without an effective treatment available on request to all who seek it we will have accomplished nothing. Without treatment to break addiction the criminals we arrest today will commit crimes again when, it seems inevitably, they are released. The data we have clearly demonstrated this. According to the New York State Department of Correctional Services, 76 percent of prison inmates in New York State are self-described drug abusers. And according to the Bureau of Justice statistics 62.5 percent of all State prisoners released from jail in 1983 were rearrested by 1986. Without treatment all we will be left with is an endless cycle of arrest, prosecution, jail, release, and rearrest.

I would ask that two articles and an editorial which have appeared in the New York Times be printed in the RECORD at this point.

The articles follow:

[From the New York Times, Apr. 17, 1989]

NEW YORK'S DRUG LESSON FOR AMERICA

T.N.T.: When New York City announced it a year ago, the abbreviation (for Tactical Narcotics Teams) sounded like a welcome charge of law enforcement dynamite against drug dealing. Now T.N.T. may be blowing up in the city's face, and therein lies an important lesson for those concerned with fighting the drug wars nationwide.

T.N.T. was launched in response to outrage stirred by the murder of police officer Edward Byrne, executed while guarding a witness. The idea was, and remains, laudable—to send in special police teams to reclaim neighborhoods overwhelmed by drug violence.

It was and is a praiseworthy idea, but it also invited caution. Police offensives against drugs have pushed the jail population toward levels considered intolerable by a Federal court. T.N.T. promised to bring in even more new business. Wouldn't that force a crisis?

Mayor Koch, Police Commissioner Benjamin Ward and Richard Koehler, the city's chief jailer, all said no. They offered calculations to support their judgment. But they were wrong. In the past year, the city's jail population has risen by an alarming 3,000 to 18,500, or an impermissible 104 percent of capacity.

The city's only immediate recourse is to shift the homeless around to free some shelter space for prisoners. Beyond that, the Mayor's office suggests putting the homeless in places like the old Coliseum in order to free more space for conversion to jails. This is desperate talk. Lawsuits could tie up such shifts for months; slapping together makeshift jails plays fast and loose with public safety.

Is there a more promising way out? As it happens, there is. The largest part of the city's justice cost is for jail time before conviction. It costs an unbelievable $14,750 to hold the typical felony drug suspect while the courts resolve his case. By reducing this interim jail period, the city could free desperately needed cell space and perhaps avoid the need for an open-ended commitment to jail expansion.

Pressure on jails could be reduced by more lenient bail policies and programs that divert suspects into drug treatment or other services. But the best way to move arrested felons out of jail cells is to convict or acquit them promptly. Doing that is relatively cheap—about $3,500 for the prosecutor, judge and courtroom (a bit more if the city pays for a Legal Aid defense.)

Thus a sensible policy begins with an increase in resources for the courts. Manhattan District Attorney Robert Morgenthau, for example, currently seeks $3 million to beef up his office for T.N.T. cases. That's peanuts compared with the $130 million Mr. Koehler wants for a new jail barge—which would provide only partial relief. Sol Wachtler, the state's Chief Judge, argues for at least 13 more judges. The Legislature is likely to approve those, but even more judges are needed. The police might delay fielding more T.N.T. teams until adequate court resources are in place.

New York's problem ought to serve as a warning to political leaders everywhere. The drug crisis that makes criminal justice more important than ever also makes it trickier than ever. "Throw the book at 'em," sounds good, until the book turns out to be the bankbook. Without sober, realistic planning, today's popular program can quickly become tomorrow's fiasco.

[From the New York Times, Apr. 12, 1989]

NEW YORK WEIGHS 50 SITES FOR JAIL CONVERSIONS

(By Sara Rimer)

Scrambling to find space for inmates, New York City officials last month began an inventory of about 50 public buildings that could be converted to temporary prisons.

Robert Esnard, the deputy mayor for policy and physical development, said the buildings that have been considered include bathhouses at swimming pools, former school buildings, pier sheds, the Coliseum at Columbus Circle and shelters for the homeless.

"The Correction Department had a problem," Mr. Esnard said yesterday. "We took it very seriously. They went and looked at all the public buildings. We're looking at every conceivable alternative."

Mr. Esnard's comments came a few days after the Department of Correction began to convert a shelter for homeless men on Wards Island into a prison for 300 female inmates.

THE SIMPLEST CONVERSION

The prison population is at 105 percent of capacity. There are now 18,600 inmates, up from last year's total of 15,000, correction officials said. The increase is due in large part to new drug cases generated by the Police Department's drive against crack.

In 1983, more than 600 prisoners were released—mostly those held on $1,500 bail or less—to keep the jails in compliance with a Federal court order. Two weeks ago, the city's Correction Commissioner, Richard J. Koehler, ordered his staff to start contingency planning for a release. But Mayor Edward I. Koch has repeatedly said since 1983 that he would never again consider such a move.

Mr. Esnard said shelters can be converted more efficiently, and with greater speed, than other buildings. The city has not announced plans to convert any other buildings. Mr. Esnard said the city will also solicit sites from private developers.

"It's the simplest conversion architecturally," he said. "You already have heat, hot water, plumbing, showers, sinks and beds."

DECLINE IN HOMELESS POPULATION

Historically, the population at the city's shelters for homeless singles begins to decline in April, city officials said. Last night there were 10,549 men and women in the 25 shelters and 6 Bowery hotels—down from last month's peak of 11,060. The population usually drops about 8,000 in July, said Suzanne Trazoff, a Human Resources Administration spokeswoman.

Along with several other city agencies, the Human Resources Administration submitted a list of buildings for consideration as temporary prisons.

William J. Grinker, who heads the agency, said yesterday that he could probably give up an additional 300 to 400 beds for prison inmates because the shelter population does not rise again until the fall.

The female inmates will be moving to one of the three buildings that make up the Charles H. Gray Shelter on Wards Island within two weeks. The 250 homeless men who had been living in that building were sent to other shelters last week. The other two buildings still house 750 homeless men.

The department is securing the building, installing mesh screens over windows and special locking systems, said Ruby Ryles, a department spokeswoman. The cost of the conversion is about $1 million, she said.

A shelter in the South Bronx that housed 280 homeless men had also been listed for conversion, city officials said. But yesterday afternoon, city officials learned that the State Commission of Correction had rejected the site because it did not meet fire code requirements for a prison.

Correction officials are still considering a number of other public buildings, including the 750-bed Sumner Avenue Shelter in Brooklyn, Ms. Ryles said. But Mr. Grinker said his agency could not give up that many beds.

To help accommodate the homeless who may be displaced by inmates, the Holland Hotel will be opened as a temporary shelter, probably for the elderly homeless, city officials have said.

[From the New York Times, Apr. 4, 1989]

SURGE IN NEW YORK DRUG ARRESTS SETS OFF CRIMINAL-JUSTICE CRISIS

(By David E. Pitt)

New York City's criminal-justice system is in a state of crisis, just barely able to cope with a growing flood of new drug cases generated by the Police Department's drive against crack, according to judges, prosecutors, correction officials and Legal Aid lawyers.

So desperate is the situation, these officials warn, that without a major new infusion of money, manpower, new courtrooms and more jail space, the system will be swamped by this summer, when drug arrests

normally jump because of increased outdoor trafficking in narcotics.

As a result, judges and district attorneys say, more and more accused drug traffickers and users will simply be returned to the streets, their cases dismissed or the charges greatly reduced. Still others will be freed on their own recognizance because they have been held too long without indictment.

MORE PROSECUTORS NEEDED

And that, they say, will convince increasing numbers of people that crime pays. Or, as the state's highest-ranking judge, Chief Judge Sol Wachtler of the Court of Appeals, put it last week: "What is being lost is the certainty of punishment, which is even more important as a deterrent to crime than the severity."

Police and court officials anticipate that drug arrests this year will jump at least 30 percent over 1988, a level that has already been reached in the first two months of 1989 compared with those months a year ago. In the Bronx alone, where Tactical Narcotics Team units began working less than two months ago, District Attorney Robert T. Johnson's office is braced for a huge increase in felony drug cases, from 4,800 last year to up to 10,000. He says he needs nearly $2.5 million to hire 21 new prosecutors and their support staffs.

Even now, officials say there are not nearly enough judges and prosecutors to give adequate attention to all of the drug cases coming in, much less grand juries to hand up indictments, Legal Aid lawyers to represent indigent suspects, or probation officers to keep track of offenders.

Even the police laboratory, where drugs seized as evidence are tested, is seriously backed up, further slowing the processing of arrests.

The immediate root of the crisis, many officials assert, was a decision last year by the Koch administration to allocate $116 million over two years for the politically popular Tactical Narcotics Teams, without seeking a commensurate rise in state and city funds for the courts, the district attorneys, the city's Correction and Probation Departments, the Legal Aid Society and drug treatment centers and education programs.

Of the total T.N.T. outlay, $9.5 million was set aside by the city for use by the district attorneys and the Legal Aid Society. But two weeks ago, the four district attorneys in whose boroughs T.N.T. is operating told the City Council their share of this money has barely met their collective needs just to keep up with drug prosecutions, which they put at an additional $28 million.

For example, the Manhattan District Attorney, Robert M. Morgenthau, says he desperately needs $3 million beyond his current allocation of $736,000 to hire 23 senior assistant district attorneys, 19 assistant district attorneys and 15 appellate attorneys. he said that last year, many of his aides handled 150 felony drug cases each, which he called "an unacceptable and intolerably high level."

"STRAINS" ON THE SYSTEM

Aides to Mayor Edward I. Koch dispute the charge that they did not plan ahead, arguing that when the anticrack campaign was developed last March, a few weeks after crack dealers killed a rookie policeman in Queens, all of the components of the criminal-justice system were considered.

"No one is going to deny that our enhanced narcotics efforts have placed strains on the criminal-justice system," said Peter Benitez, the Mayor's Criminal Justice Coordinator, "But we feel that the system can handle the increased volume, although we need to keep monitoring it and finding ways to improve the process."

Moreover, he said, T.N.T. is not the only source of the growing burden of drug cases; arrests in almost all categories of crime, including non-T.N.T. narcotics arrests by uniformed officers and regular narcotics units, have increased at a rate that could not have been foreseen.

POOR PLANNING

But Judge Wachtler, who publicly warned of the coming crisis in the justice system a year ago, thinks poor planning is largely to blame.

"What we've done, by having these mass arrests, without thinking in terms of the courts, the Probation Department, Legal Aid, the district attorneys and the jails, is to encourage a disrespect for the system that is very dangerous," he said. "If you put people into the system and then you can't properly process them and punish them, then the word on the street is, 'It doesn't matter if you're arrested, because you can always plead to a lesser charge.' "

The shortage of jail space remains a growing problem as well. Last week, the city's Correction Commission, Richard J. Koehler, saying that the city's jails were already dangerously overcrowded, ordered his staff to draw up contingency plans for the early release of prisoners, some of whom are convicted drug users. He told the City Council that on March 20 the population of the city's jails reached an all-time high of 18,630 inmates but that the budget for the current fiscal year had left him with a $29 million shortfall.

"We're, coping now, but by summer we won't be," said Mr. Morgenthau, the Manhattan District Attorney, noting that criminal indictments in Manhattan so far this year were already up 80 percent over 1988. Of those, he said, about 80 percent are crack-related.

"We're not as bad off as Washington or Miami or Los Angeles," he said. "But anybody who goes out into the streets of New York and sees what's going on there will understand that we are facing a major crisis, not just in drugs but all of the crimes that go with it—murder, child abuse, robbery, all of it. But nobody, at the national or the state or the city level, seems prepared to make the sort of commitment of resources that is necessary."

"WE'RE SWAMPED"

District Attorney Elizabeth Holtzman of Brooklyn agrees. "All of us feel that the idea of T.N.T. is excellent," she said. "But there should have been some planning for appropriate backup to provide us with appropriate resources. Right now, we're swamped—we've got assistant district attorneys handling 120 cases each and Criminal Court judges dealing with 250 to 400 cases apiece."

In the citywide Criminal Court system, where most narcotics suspects are arraigned, officials are bracing for a projected increase of at least 25,000 drug cases atop the nearly 110,000 they faced last year. But there are only 77 judges now sitting in the Criminal Courts.

"The Criminal Court is in absolutely desperate condition," said Matthew T. Crosson, the state court system's Chief Administrator, who said that last year nearly 1,000 criminal cases a day were filed in the Criminal Courts. Of those, 30 percent involved narcotics.

"These are numbers that would have been almost unimaginable 20 years ago," he said.

It is not much better for people caught up in drug sweeps. Suspects who once waited a day and a night to be arraigned before a jduge now commonly spend three or four days in jails and holding pens—and sometimes longer.

So far this year, police and court officials say, as many as 75 percent of all city police narcotics arrests have been the result of the Tactical Narcotics Teams. Last year, when the Police Department recorded 88,000 narcotics arrests, half were by uniformed officers and half by narcotics officers. About 6,000 were made by the newly deployed T.N.T. units in Queens, Manhattan and Brooklyn. The Bronx unit was added on Feb. 15.

Mr. Crosson said the roots of the crisis went back to the mid-1980's, when crack—a relatively cheap form of cocaine that is smokable and highly addictive—first made its appearance on the city's streets, and arrest totals began to swell.

"We were already at a critical point three years ago because of crack," he said. "Then T.N.T. kicked in. The T.N.T. program has, in a sense, taken a court that was already in critical condition and made its position almost hopeless."

Mr. Benitez, the Mayor's Criminal Justice Coordinator, said more state funds would become available to help cope with the additional drug cases as soon as the Legislature approves allocations for at least 13 new judges, although the prospects for this happening anytime soon are uncertain, according to some legislators. And, he said, at least $1.5 million in Federal funds may become available in July.

"FAR CRY" FROM JUSTICE

But many people insist that the Tactical Narcotics Team program has already brought the legal system as close to total gridlock as it has ever come.

"The courts will not actually cease to function," said Ivar Goldart, deputy attorney in charge of the Legal Aid Society's criminal defense division. "The buildings will be open and cases will be processed. But they will be processed slower and they will not receive appropriate attention. The court will be doing ministerial, clerk-type work instead of judicious disposition of cases. If will be a far cry from that which we describe as justice."

The courtroom shortage alone, combined with the cramped and dilapadated condition of many existing courtrooms, is "unbelievable," said Judge Wachtler, adding that it has reached the point where some judges are trying cases in small rooms divided by filing cabinets, with jurors seated against them.

"It's bad enough that there's the impression of justice denied—now it's justice degraded," the judge said in a telephone interview last week from his office in Albany, where he had just learned that because of rapidly rising costs, the Koch administration had abruptly dropped plans to build 10 new courtrooms in Queens.

"CRITICAL NEED"

"I've been Chief Judge for four and half years," said Judge Wachtler, who also serves as the administrative judge of the state court system. "And the very first week I was in office I visited with the Mayor, and I told him that the critical need was for space, which the city is obligated by law to provide

but since that time I haven't gotten a square foot."

The crisis could be even worse if the expansion of the T.N.T. effort was on schedule. But last week police officials said the program, with teams of 117 members operating in each of the boroughs of Brooklyn, Queens, Manhattan and the Bronx, is about five months behind in its plans to deploy teams in the major drug areas of southern Manhattan and southern Brooklyn.

When T.N.T. began last March, police officials hoped to begin deploying new units every six weeks. But now, senior police officials say, the department has come up against its own manpower and resource shortages, worsened by budget constraints on hiring and promotions.

"We're having very serious problems recruiting and training new undercover officers, and with finding and renovating office space for them to operate out of," said Deputy Police Commissioner Alice T. McGillion, chief spokeswoman for Police Commissioner Benjamin Ward.

TIME-CONSUMING PROCESS

As a result of these problems, said Deputy Chief Ronald E. Johnson, acting commander of the narcotics division, new T.N.T. units will not be deployed in Patrol Borough Manhattan South until July 1 at the earliest and in Patrol Borough Brooklyn South until Sept. 1.

Deploying a new T.N.T. unit is a difficult, time-consuming process, Chief Johnson said, likening it to "creating a whole new precinct."

He and other senior police officials insist that the slowing of the program is solely a result of shortages of resources and manpower. But some people believe there are other reasons.

"It's nonsense to say that they're slowing T.N.T. down because of a lack of undercovers," Mr. Goldart of the Legal Aid Society asserted. "Nobody believes for a minute that you need a sophisticated undercover police officer to operate in the areas T.N.T. operates in--anyone who drives down the street can purchase narcotics in these areas."

"My sense of what's happening," he said, "is that the police are simply making a tacit acknowledgment of the fact that the system isn't ready to handle all these new cases. But they won't tell you that."●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by $0.9 billion in budget authority, and over the budget resolution by $0.4 billion in outlays. Current level is under the revenue floor by $0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $135.7 billion, $0.3 billion below the maximum deficit amount for 1988 of $136 billion.

I ask that it be printed in the RECORD.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 17, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1989 and is current through April 13, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution, H. Con. Res. 268. This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, Congress completed action on H.R. 1750, Implementation of the Bipartisan Accord on Central America Act of 1989, changing budget authority estimates for 1989.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS., AS OF APR. 13, 1989

[In billions of dollars]

	Current level [1]	Budget resolution H. Con. Res. 268 [2]	Current level +/− resolution
FISCAL YEAR 1989			
Budget authority	1,233.0	1,232.1	0.9
Outlays	1,100.1	1,099.8	.4
Revenues	964.4	964.7	−.3
Debt subject to limit	2,756.6	[3] 2,824.7	−68.1
Direct loan obligations	24.4	28.3	−3.9
Guaranteed loan commitments	111.0	111.0	
Deficit	135.7	[4] 136.0	[5] −.3

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 268. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] In accordance with sec. 5(a)(b) the levels of budget authority, outlays, and revenues have been revised for catastrophic health care (Public Law 100–360).

[3] The permanent statutory debt limit is $2,800,000,000,000.

[4] Maximum deficit amount [MDA] in accordance with sec. 3(7)(D) of the Congressional Budget Act, as amended.

[5] Current level plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT, 101ST CONG., 1ST SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 13, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			964,434
Permanent appropriations and trust funds	874,205	724,990	
Other appropriations	594,475	609,327	
Offsetting receipts	−218,335	−218,335	
Total enacted in previous sessions	1,250,345	1,115,982	964,434
II. Enacted this session: Adjust the purchase price for nonfat dry dairy products (Public Law 101–7)		−10	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses: Implementation of the bipartisan accord on Central America (H.R. 1750)	−11		
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy Indemnity Program	[1]	[1]	
Special milk	4		
Food Stamp Program	253		
Federal Crop Insurance Corporation fund	144		
Compact of free association	1	1	
Federal unemployment benefits and allowances	31	31	
Worker training	32	32	
Special benefits	37	37	
Payments to the Farm Credit System	35	35	
Payment to the civil service retirement and disability trust fund [2]	(85)	(85)	
Payment to hazardous substance Superfund [2]	(99)	(99)	
Supplemental security income	201	201	
Special benefits for disabled coal miners	3		
Medicaid:			
Public Law 100–360	45	45	
Public Law 100–485	10	10	
Family support payments to States:			
Previous law	355	355	
Public Law 100–485	63	63	
Veteran's compensation COLA (Public Law 100–678)	345	311	
Total entitlement authority	1,559	1,121	
VI. Adjustment for economic and technical assumptions	−18,925	−16,990	
Total current level as of Apr. 13, 1989	1,232,969	1,100,103	964,434
1989 budget resolution H. Con. Res. 268	1,232,050	1,099,750	964,700
Amount remaining:			
Over budget resolution	919	353	
Under budget resolution			266

[1] Less than $500,000.

[2] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.●

U.S. OPPORTUNITIES IN 1992

● Mr. BIDEN. Mr. President, in February, I traveled to Brussels to meet with officials of the European Community [EC] and discuss the implications of their "Europe 1992" initiative. This initiative will drastically reduce trade barriers between EC members and eventually unify their markets making Europe an economic powerhouse rivaling both ourselves and the Japanese. The lines in the geography books may not change, but the landscape of international economics will be stunningly altered. How will we greet the new vista?

Those with less confidence in the abilities of American entrepreneurs to meet this challenge have greeted "Europe 1992" with fear and trepidation. However, I have spoken with a number of American businessmen and women who see, as I do, great promise and opportunity for American enterprise in Europe in 1992 and beyond. We, more than any other international trader, understand how to successfully operate in a large and diversified

market. We've been doing it here at home for years. Many of our industries already enjoy the economies of scale most suited to markets with big appetites for new and varied products. This unification represents an unparalleled opportunity for expansion of U.S. trade—the question is whether or not we'll be ready to seize the moment on January 1 of 1993. Our attention and involvement in the unification process today will likely determine our access and inclusion in the European prosperity tomorrow.

My intention in sitting down with European leaders 8 weeks ago was to help develop American preparedness for 1992. My approach was threefold. First, I sought to make clear to the Europeans that, although Americans are optimistic, they also recognize the pitfalls ahead, particularly regarding attempts to apply rules of reciprocity to U.S. financial institutions. Second, I wanted to remind our allies of the benefits of addressing U.S. concerns and fears early in the unification process to avoid unnecessary conflicts down the road. Finally, I wished to ascertain how we can best help U.S. businesses negotiate the inevitable obstacles and hazards that they will encounter as the 1992 process unfolds.

My meetings in February included lengthy discussions with several EC commissioners. In every meeting, I was encouraged by the convergence of American and European interests in general, but with regard to a few specific concerns, it was tough making them understand our position. Again and again, I pointed out that the European outline of bank reciprocity would never be acceptable to the United States and would damage American willingness to reach accords in other areas.

Reciprocity, as some Europeans have described, would require banks to be treated overseas in the same way they are treated at home. If our system of banking regulation matched that of the Europeans this would not be a problem. In fact, however, the Europeans allow their banks a great deal more latitude than we allow ours. In the United States, European banks are treated no differently than American banks; we simply wish to see our banks treated equally in their market. In other words, we want a relationship based on mutual national treatment. The Europeans now seem ready to accept this arrangement.

Last week, Sir Leon Brittan, the EC Commissioner for Competition and Financial Institutions, announced that the EC executive branch had voted to abandon its demands for banking reciprocity and embrace the principle of national treatment.

I find this action very encouraging for three reasons. Obviously, this is good news for American banks, especially smaller banks which have not yet secured a place in the European market. This is only a first step, however, as the decision must still be approved by the European heads of government. Nevertheless, this action represents a breakthrough in European attitudes providing evidence that they intend to pursue a relationship based on free and fair trade and competition. Finally, this demonstrates how a constructive, early and persistent U.S. dialog with the Europeans benefits both parties. I intend to redouble my efforts in this regard, and will soon conduct hearings on 1992 issues in the subcommittee on European Affairs.

Reservations and reasons for caution regarding 1992 do remain. Other points of concern include the possibility of expanded European local content requirements and restrictive public procurement policies. Still, movement on the reciprocity issue does demonstrate both the effectiveness of American participation and a reorientation of European thinking.

The positive results of U.S. participation in the unification dialog reinforce my conviction that we must pursue bold policies of engagement in the international economic arena. We cannot afford to retreat behind protectionist walls crying foul and allow changing economic circumstances to overwhelm us. We no longer have the luxury of dependent and compliant allies, but must now grapple daily with powerful economic partners, as we seek to address the changes wrought by Europe 1992—and the challenges of global problems which will require cooperative multinational solutions.●

APPOINTMENT OF CONFEREES—H.R. 2

The PRESIDING OFFICER. Under the authority granted on April 12, 1989, the Chair appoints the following conferees on the part of the Senate on the disagreeing votes of the two Houses on H.R. 2: Senators KENNEDY, METZENBAUM, SIMON, HATCH, and JEFFORDS.

ORDERS FOR TOMORROW

RECESS UNTIL 8:30 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 8:30 a.m. on tomorrow, Tuesday, April 18.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. I further ask unanimous consent that following the time for the two leaders, there be a period for morning business not to extend beyond 9:30 a.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FROM 12:30 P.M. TO 2:15 P.M.

Mr. MITCHELL. Mr. President, I further ask unanimous consent that the Senate stand in recess from 12:30 p.m. to 2:15 p.m. tomorrow in order to accommodate the party conference luncheons.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUME CONSIDERATION OF S. 774

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 9:30 a.m. on tomorrow, Tuesday, April 18, the Senate resume consideration of S. 774, the savings and loan reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MITCHELL. Mr. President, for the benefit of my colleagues, Senators should be aware that rollcall votes are possible at any time during the day tomorrow, including the morning, and that it is my hope and intention we will complete action on this bill not later than 4 p.m. on Wednesday, which means that tomorrow could well be a full day should there be several amendments offered which require votes. There will be votes throughout the day and in the evening. Senators have been on notice of this for several days and therefore should be prepared to be here tomorrow to deal with this very important legislation.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if no Senator is seeking recognition and there is no further business to come before the Senate today, I now ask unanimous consent the Senate stand in recess under the previous order until 8:30 a.m. tomorrow, Tuesday, April 18, 1989.

There being no objection, the Senate, at 6:32 p.m., recessed until Tuesday, April 18, 1989, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 17, 1989:

DEPARTMENT OF AGRICULTURE

ALAN CHARLES RAUL, OF NEW YORK, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF AGRICULTURE, VICE CHRISTOPHER HICKS, RESIGNED.

DEPARTMENT OF STATE

PETER F. SECCHIA, OF MICHIGAN, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ITALY.

DEPARTMENT OF DEFENSE

PAUL DUNDES WOLFOWITZ, OF THE DISTRICT OF COLUMBIA, TO BE UNDER SECRETARY OF DEFENSE FOR POLICY, VICE FRED CHARLES IKLE, RESIGNED.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. HENRY DOCTOR, JR., xxx-xx-xxxx U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. RONALD L. WATTS, xxx-xx-xxxx, U.S. ARMY.

THE U.S. ARMY NATIONAL GUARD OFFICERS NAMED HEREIN FOR APPOINTMENT IN THE GRADES INDICATED BELOW, UNDER THE PROVISONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3385, AND 3392:

To be major general of the line

BRIG. GEN. DAVID H. LUECK, xxx-xx-xxxx
BRIG. GEN. WAFFORD H. MERRELL, JR., xxx-xx-xxxx
BRIG. GEN. AVERILL E. HAWKINS, xxx-xx-xxxx

To be major general, adjutant general's corps

BRIG. GEN. JOHN W. SHAEFFER, JR., xxx-xx-xxxx

To be brigadier general of the line

BRIG. GEN. RAYMOND F. REES, xxx-xx-xxxx
BRIG. GEN. JOSEPH C. BOYERSMITH, xxx-xx-xxxx
COL. FRED H. CASEY, xxx-xx-xxxx
COL. RICHARD C. FRIESS, xxx-xx-xxxx
COL. JOSEPH P. O'LEARY, xxx-xx-xxxx
COL. ROBERT J. POIROT, xxx-xx-xxxx
COL. JAMES D. POLK, xxx-xx-xxxx
COL. GEORGE W. SCHULER, xxx-xx-xxxx
COL. HAROLD J. SYKORA, xxx-xx-xxxx
COL. RICHARD J. VALENTE, xxx-xx-xxxx
COL. JAMES F. CAMPBELL, JR., xxx-xx-xxxx
COL. WALLACE E. FARRAGUT, xxx-xx-xxxx
COL. ROSCOE LINDSAY, JR., xxx-xx-xxxx
COL. JOSEPH PERUGINO, xxx-xx-xxxx
COL. ROBERT E. SCHULTE, xxx-xx-xxxx
COL. JACKIE D. STEPHENSON, xxx-xx-xxxx
COL. HAROLD A. UTTLEY, xxx-xx-xxxx

To be brigadier general, adjutant general's corps

COL. LESLIE J. CUSTER, xxx-xx-xxxx
COL. EDWARD G. PEREZ, xxx-xx-xxxx
COL. HAROLD ROBERTS, xxx-xx-xxxx
COL. HARUO SHIGEZAWA, xxx-xx-xxxx
COL. JAMES H. BURNS, xxx-xx-xxxx
COL. TEBBS S. MOORE, xxx-xx-xxxx

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A HIGHER GRADE THAN THAT INDICATED.

MEDICAL CORPS

To be colonel

JOHN E. HILL, xxx-xx-xxxx
LLOYD G. PICKERING, xxx-xx-xxxx
ALVIN L. SAGO, xxx-xx-xxxx

To be lieutenant colonel

FREDERICK HORNICK, xxx-xx-xxxx
GEORGE S. MANNING, xxx-xx-xxxx

To be major

JOSEPH G. BILLOCK, xxx-xx-xxxx
KENNETH S. KIM, xxx-xx-xxxx
MIQUEL A RAMIREZ-COLON, xxx-xx-xxxx
JAMES D. REEVES, xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

TYLER H. SLOCUMB, xxx-xx-xxxx

To be major

RANDY A. ALKIRE, xxx-xx-xxxx
STEPHEN J. EXTERKAMP, xxx-xx-xxxx
MARK A. GEISEL, xxx-xx-xxxx
WILLIAM E. STRAMPE, xxx-xx-xxxx
FOY L. TEMPLETON, xxx-xx-xxxx
STEVEN J. THOMSON, xxx-xx-xxxx

To be captain

STEVEN R. CURTIS, xxx-xx-xxxx
ALAN J. MORITZ, xxx-xx-xxxx
CLAY M. NICHOLS, xxx-xx-xxxx

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS OF THE MARINE CORPS FOR PERMANENT APPOINTMENT TO THE GRADE OF LIEUTENANT COLONEL UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

CLIFFORD M. ACREE, xx...
MARK W. ADAMS, xx...
ARTHUR A. ADKINS, xx...
MITCHEL N. AHIERS, SR., xx...
ROBERT A. AIKMAN, xx...
ANTHONY T. ALAURIA, xx...
MARK E. ALBRITTON, xx...
JAMES V. ALLEN, xx...
JOHN F. ALMENDINGER, xx...
JERRY S. ANDERSON, JR., xx...
NANCY P. ANDERSON, xx...
STEVEN D. ANDERSON, xx...
PAUL A. ANDRES, xx...
CLARKE F. ANSEL, xx...
LEVON S. ASADOORIAN, xx...
JOSEPH L. AUZENNE, xx...
THOMAS A. BAILEY, xx...
WILLIAM F. BAIN, xx...
WILLIAM L. BAIR, xx...
CHARLES L. BAKER, xx...
WILLIAM M. BANN, xx...
LARRY B. BARNES, xx...
RICHARD G. BARR, xx...
THEODORE H. BARROW, xx...
RICHARD M. BARRY, xx...
WILLIAM M. BARTH, xx...
RICHARD K. BARTZER, xx...
PAUL A. BEAMES, xx...
DAVE BEASLEY, JR., xx...
BILL R. BEAUCHAMP, xx...
PETER R. BEAVINS, xx...
CURTIS M. BEEDE, xx...
MARK E. BENNETT, xx...
JOHN C. BERGMAN, xx...
RONALD A. BERUBE, xx...
MARK H. BISER, xx...
JAMES T. BISHOP, xx...
DALLAS O. BLACKISTON, II, xx...
MATTHEW W. BLACKLEDGE, xx...
ANTHONY D. BLICE, xx...
ROBERT H. BOGART, xx...
JAMES E. BOSTEK, xx...
JOHN C. BOYD, xx...
JAMES G. BOYETT, xx...
GARY R. BRADLEY, xx...
LAWRENCE L. BRADY, xx...
BOYCE A. BRASINGTON, JR., xx...
MICHAEL A. BROOKS, xx...
MARK J. BROUSSEAU, xx...
MARY L. BROWN, xx...
ANDREW J. BUDKA, xx...
DAVID S. BURGESS, xx...
ROBERT V. BUSH, JR., xx...
ERVIN E. CADE, xx...
LEE R. CAIN, JR., xx...
MICHAEL CAJOHN, xx...
JOHN CALDWELL, xx...
ROBERT J. CAMERON, xx...
CESARE CARDI, xx...
EDGAR B. CARR, xx...
ROBERT L. CARR, xx...
CHARLES R. CARRIGAN, xx...
MICHAEL E. CARROLL, xx...
EZEQUIEL CAVAZOS, JR., xx...
MADISON C. CHISUM, JR., xx...
JOHN B. CHRISTIE, xx...
JEFFREY C. CHRISTMAN, xx...
JACKIE K. CLARK, xx...
WILLIAM M. CLARK, xx...
JOHN A. CLAUER, xx...
ROBERT L. CLICK, xx...
DAVID R. CLIFTON, xx...
SYLVESTER P. CLYMER, JR., xx...
KENNETH L. COLLYER, xx...
HENRY A. COMMISKEY, JR., xx...
MICHAEL G. COOPER, xx...
ALFRED A. CORTEZ, xx...
TONY L. CORWIN, xx...
MARK A. COSTA, xx...
DAVID C. COVERT, xx...
RUSSELL M. CRAFT, xx...
LYN L. CRESWELL, xx...
TIMOTHY J. CRONLEY, xx...
DANIEL E. CURFISS, xx...
STEPHEN W. DADE, xx...
EDDIE A. DANIELS, III, xx...
ALPHONSE G. DAVIS, xx...
J. R. DAYMUDE, xx...
AMO R. DEBERNARDIS, xx...
JAMES A. DENTINGER, xx...
MICHAEL N. DERCHAK, xx...
ROBERT C. DICKERSON, JR., xx...
THOMAS E. DILLARD, JR., xx...
PATRICK E. DONAHUE, xx...
DAVID G. DOTTERRER, xx...
F. G. DOWDEN, JR., xx...
EDWIN R. DOWNUM, JR., xx...
TERRENCE P. DUGAN, xx...
FRANCIS G. DUGGAN, xx...
PATRICK J. DULIN, xx...
FRANK D. DUNN, xx...
BILLY D. DUNSMORE, xx...
WILLIAM D. DURRETT, JR., xx...
EDMUND D. EATON, JR., xx...
ANDREW F. EBLE, xx...
FREDDIE E. ELKINS, JR., xx...
RONALD S. ELUK, xx...
RICHARD L. ENGELEN, xx...
DAVID H. EVENSTAD, xx...
MICHAEL S. FAGAN, xx...
JAMES M. FEIGLEY, xx...
DENNIS G. FELHOELTER, xx...
GEORGE S. FICK, xx...
BARNEY J. FISHER, xx...
TIMOTHY H. FOLEY, xx...
NEIL S. FOX, II, xx...
RONALD F. FRANKS, xx...
TERRY J. FRERKER, xx...
DAVID D. FULTON, xx...
LARRY G. FULTON, xx...
EMERSON N. GARDNER, JR., xx...
ROGER L. GEMAR, xx...
ALAN J. GENTEMAN, xx...
TIMOTHY F. GHORMLEY, xx...
JAMES A. GIANSIRACUSA, xx...
CLIFFORD J. GION, xx...
BENJAMIN D. GIPE, xx...
RYAN P. GOODELL, xx...
WELLINGTON H. GORDON, xx...
BRIAN P. GRAHAM, xx...
JIMMY L. GRAHAM, xx...
JOHN W. GRAHAM, JR., xx...
ROY E. GRAY, xx...
BOBBY L. GRICE, xx...
TODD H. GRIFFIS, xx...
RUSSELL W. GROVE, xx...
WILLIAM L. GROVES, xx...
ALBERT J. GUIDOTTI, xx...
RICHARD W. GUIDRY, xx...
HARRY W. GULLETT, xx...
MICHAEL R. HAFEN, xx...
WILLIAM J. HAFFEY, xx...
LYNN W. HALE, xx...
EDWARD A. HALL, xx...
CHARLES F. HAMILTON, xx...
RICHARD D. HAMILTON, xx...
KELLY O. HANLON, xx...
STEPHEN D. HANSON, xx...
NEIL T. HARTENSTEIN, xx...
JAMES L. HAYES, xx...
JAMES W. HEAD, xx...
JAMES W. HEIDRICH, xx...
TIMOTHY J. HEITKEMPER, xx...
SAMUEL T. HELLAND, xx...
JACKY C. HENDERSON, xx...
DOUGLAS O. HENDRICKS, xx...
LEIF H. HENDRICKSON, xx...
ROBERT J. HERKENHAM, xx...
LEONARDO G. HERNANDEZ, xx...
JAMES W. HEUSMANN, xx...
JOHN T. HILL, xx...
KENNETH W. HILL, xx...
TIMOTHY W. HILL, xx...
MICHAEL B. HOGAN, xx...
NANCY L. HOGAN, xx...
HARRY L. HOLLOWAY, III, xx...
ROBERT C. HUBNER, xx...
RICHARD J. HUCHEL, xx...
JAMES E. HULL, xx...
JAMES V. HUSTON, xx...
DANIEL C. INGHRAM, xx...
RAYMOND M. ISBELL, xx...
DENNIS M. JACKSON, xx...
GEORGE G. JACOBSON, xx...
PETER A. JAMES, xx...
NORMAN W. JEPSEN, xx...
DAVID L. JOHN, xx...
LARRY E. JOHNSON, xx...
STEPHEN T. JOHNSON, xx...
RONNIE S. JOHNSTON, xx...
HOMER JONES, xx...
JIMMY B. JONES, xx...
WILLIAM M. JONES, xx...
JAMES B. JORGENSEN, xx...
HAROLD A. JUHL, xx...
ALFRED J. KARLE, JR., xx...
MICHAEL W. KARNATH, xx...
FRANK L. KEBELMAN, III, xx...
MARTIN P. KEELEY, III, xx...
JOHN A. KEENAN, xx...
RONALD W. KELEMEN, xx...
MICHAEL B. KESSLER, xx...
RICHARD K. KETLER, xx...
ROGER D. KIRKPATRICK, xx...
JOHN B. KISER, xx...
KENNETH C. KITCHENS, xx...
KERRY A. KNOWLES, xx...
RICHARD C. KOCH, xx...
LAWRENCE W. KOENIG, xx...
THOMAS H. KOGER, xx...
ANDREW KOWALSKI, xx...
RICHARD S. KRAMLICH, xx...
DAVID A. KRATOCHVIL, xx...
FRED A. KRUMM, xx...
WILLIAM J. LADEMAN, xx...
FRANKLIN D. LANE, xx...
TIMOTHY R. LARSEN, xx...
HAROLD W. LAUGHLIN, JR., xx...
PATRICK R. LEDERER, xx...
JAMES LEDFORD, xx...
ROBERT E. LEE, JR., xx...
KEVIN E. LEFFLER, xx...
LAWRENCE E. LEGGETT, xx...
WALTER E. LEHNER, xx...
MICHAEL R. LEHNERT, xx...
JOHN A. LEMOINE, xx...
FORREST R. LINDSEY, xx...
DENNIS E. LONG, xx...
BRADLEY M. LOTT, xx...
DAVID M. LUMSDEN, xx...
ROBERT E. LUPTON, xx...
BRYANT S. LYNDAKER, xx...
GEOFFREY P. LYON, xx...
RICHARD J. MACAK, JR., xx...
JOHN H. MACGHEE, xx...

DONALD C. MAHLER, xx...
DENNIS W. MANN, xx...
CHEZ MARSHALL, III, xx...
JAMES M. MARSHALL, JR, xx...
GEORGE F. MARTIN, xx...
PAUL W. MARTIN, xx...
MARIA MATLAK, xx...
HENRY R. MAYER, xx...
FRANCIS A. MCBRIDE, III, xx...
JOHN C. MCCALLA, xx...
JIMMY D. MCCORD, xx...
PETER R. MCGREW, xx...
EDWARD P. MCLYMAN, xx...
WALTER F. MCTERNAN, III, xx...
EDWARD L. MELTON, xx...
THOMAS D. MESSERE, xx...
DENNIS R. MILLER, xx...
GARY W. MILLER, xx...
JOHN E. MILLER, xx...
PETER T. MILLER, xx...
MARK R. MITCHELL, xx...
MICHAEL C. MITCHELL, xx...
STEVEN R. MOCK, xx...
GEORGE E. MONARCH, III, xx...
JOHN T. MOORE, xx...
TERRY H. MOORE, xx...
THOMAS L. MOORE, JR, xx...
RICHARD R. MORRIS, xx...
JOHN R. MURPHY, xx...
PATRICK C. MURPHY, xx...
SHERYL E. MURRAY, xx...
RICHARD F. NATONSKI, xx...
KIP J. NAUGLE, xx...
ROBERT D. NEAL, xx...
REX E. NELSEN, xx...
DALLAS M. NOBLES, JR, xx...
DENNIS E. NORMAN, xx...
CLAYTON W. NOTO, xx...
PHILIP J. OBRIEN, xx...
RONALD W. OCHSE, xx...
JEFFREY W. OCONNELL, xx...
DAVID P. ONEIL, xx...
JAMES V. ORLANDO, III, xx...
PAUL W. OTOOLE, JR, xx...
THOMAS J. PADDEN, III, xx...
THOMAS W. PARKER, xx...
ROBERT L. PARNELL, III, xx...
ROGER C. PATTON, xx...
WILEY H. PEARSON, xx...
TROY D. PENNINGTON, xx...
MICHAEL P. PERRY, xx...
MICHAEL T. PERRY, xx...
HARRY D. PERSONS, JR, xx...
PETER G. PETERS, xx...
CHARLES L. PETERSON, xx...
JOSEPH M. POIRIER, xx...
RUTHANNA M. POOLE, xx...
EDWARD C. POOLEY, xx...
WILLIAM M. PRATHER, xx...
TRUMAN C. PRESTON, JR, xx...
STEVEN R. QUENTMEYER, xx...
MICHAEL P. RAINEY, xx...
BRYAN G. RAMEY, xx...
MICHAEL F. RAMOS, xx...
DAVID J. RASH, xx...
RICHARD K. REAGER, xx...
DOUGLAS C. REDLICH, xx...
MICHAEL A. REEP, xx...
JOSEPH S. REGAN, xx...
KAREN E. RIECKS, xx...
STEVEN M. RITACCO, xx...
WILLIAM L. RIZNYCHOK, xx...
JAMES P. ROACH, xx...
RICHARD W. ROAN, xx...
MARK E. ROBBINS, xx...
DAVID B. ROCHE, xx...
LOWELL R. ROGERS, xx...
THERON D. ROGERS, xx...
THOMAS L. ROLLINS, xx...
DANIEL R. ROSE, xx...
RICHARD K. ROTHELL, xx...
MICHAEL C. ROWSE, xx...
ROBERT A. RUFO, xx...
ROBERT F. SAIKOWSKI, xx...
GEORGE G. SARES, xx...
DIRK B. SAYERS, xx...
WILLIAM H. SBROCCO, III, xx...
MICHEL P. SCHAEFER, xx...
NORMAN G. SCHLAICH, xx...
CHARLES E. SCHLIEVE, JR, xx...
EDDIE R. SCHMALZ, xx...
WALTER C. SCHMICK, JR, xx...
JOSEPH H. SCHMID, xx...
NOLAN D. SCHMIDT, xx...
VIRGINIA G. SCHOPFEL, xx...
ROBERT W. SEMMLER, xx...
ROBERT SHEARER, JR, xx...
THOMAS E. SHEETS, xx...
DONALD P. SHIRK, xx...
PHILIP G. SHORT, xx...
ROBERT W. SKAGGS, xx...
DAVID L. SMITH, xx...
DAVID L. SMITH, xx...
RICHARD G. SMITH, xx...
SCOTT R. SMITH, xx...
THOMAS C. SMITH, xx...
JAMES R. SNOWDEN, xx...
STEVEN B. SONNENBERG, xx...
LINWOOD W. SPARROW, xx...
WAYNE A. SPENCER, xx...
WILLIAM X. SPENCER, xx...
MARC A. SPURGEON, xx...
KEITH J. STALDER, xx...
KENNETH E. STARR, xx...
KEITH L. STEPHENS, xx...
MARK STEVENS, xx...
RONNIE E. STOKES, xx...
JOSEPH J. STREITZ, xx...
FRANK W. SULTENFUSS, III, xx...
ANN M. SUMMERLIN, xx...
DONALD E. SUMMERS, xx...
MARK E. SWANSTROM, xx...
MICHAEL J. SWEIGART, xx...
JOHN M. TASKA, xx...
CHESTER M. TAYLOR, xx...
JAMES J. TAYLOR, xx...
JOHNNY R. THOMAS, xx...
DAVID S. THOMEN, xx...
THOMAS H. THOMISZER, xx...
GREGORY E. THOMPSON, xx...
EUGENE R. TIMOTHY, xx...
JOHN F. TORSAK, xx...
JOHN C. TRELEASE, xx...
THOMAS E. TREURNIET, xx...
CARL E. TREUTLE, xx...
LAWRENCE E. TROFFER, JR, xx...
GREGORY P. TURNER, xx...
LARRY M. UNDERWOOD, xx...
ROBERT J. URBAN, xx...
JAMES W. VAUGHT, xx...
GERAMON W. VINUP, xx...
STUART W. WAGNER, xx...
CHARLES E. WALTERS, xx...
STEPHEN C. WARD, xx...
MICHAEL B. WARLICK, xx...
ALBERT A. WASHINGTON, xx...
JOHN H. WATSON, xx...
WILLIAM P. WATSON, III, xx...
JOSEPH F. WEBER, xx...
STANLEY E. WELLS, III, xx...
SCOTT W. WENZEL, xx...
WILLIAM P. WESTERN, xx...
JAMES R. WHEELER, xx...
DICKIE J. WHITE, xx...
THOMAS B. WHITE, III, xx...
WAYNE E. WICKMAN, xx...
RODNEY J. WIJAS, xx...
GLENN R. WILLIAMS, xx...
ROBERT L. WILLIAMS, JR, xx...
THOMAS J. WILLIAMS, xx...
MICHAEL P. WILSON, xx...
PAUL D. WISNIEWSKI, xx...
ROBERT WOLF, xx...
ROBERT L. WOLF, xx...
THOMAS V. WOLF, xx...
ROBERT T. WOLFERTZ, xx...
JOHN D. WOODS, xx...
THOMAS S. WOODSON, xx...
WILLIAM A. WRIGHT, III, xx...
JOHN M. YENCHA, JR, xx...
STEPHEN T. YORK, xx...
DAVID H. YOUNG, xx...
DAVID J. YOUNG, xx...
LAWRENCE ZALEWSKI, xx...
ROBERT R. ZIMMERMAN, xx...

HOUSE OF REPRESENTATIVES—*Monday, April 17, 1989*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. FOLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 17, 1989.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on today.

JIM WRIGHT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Our hearts are raised, O God, in thanksgiving and praise for all Your good deeds to us, for Your abundant grace and for the everlasting gifts of faith and hope and love. In response to Your gifts, gracious God, may we be good stewards of Your whole creation doing the works of justice, being ambassadors of peace, and being reconciled to each person in forgiveness and respect. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Pennsylvania [Mr. GAYDOS] lead us in the Pledge of Allegiance?

Mr. GAYDOS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Friday, April 14, 1989:

H.R. 1750. An act to implement the bipartisan accord on Central America of March 24, 1989.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
April 14, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, the Clerk received at 9:54 a.m. on Friday, April 14, 1989 the following message from the Secretary of the Senate: That the Senate passed without amendment, H.R. 1750.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

HOOSIERS SUPPORT SPEAKER WRIGHT

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, people at town meetings in southern Indiana this week again expressed support for Speaker WRIGHT in his hour of crisis.

Hoosiers have not succumbed to the hysteria that has many asserting that Speaker WRIGHT is doomed.

One Republican said, "JIM WRIGHT is a good man and he has done a lot of good. You people should deal in that context."

Others wondered aloud if the system has gone crazy. They urged that we get back to truly pressing national priorities.

The entire country is in the Speaker's debt. He took bold chances for peace in Central America. He has always fought for the average American.

Allegations against him pale in contrast to still current headlines alleging pervasive deceit on Central America by Ronald Reagan, George Bush, George Shultz, Ollie North, and many others.

Where are the outcries as to Ronald Reagan's $2.5 million home acquired with a little bit of help from his friends? And some who most vociferously smear the Speaker have problematic dealings of their own.

Mr. Speaker, let us be fair, not partisan, mean spirited, or hysterical.

INTRODUCTION OF RESOLUTION TO ALLOW A NATIONAL PLEBISCITE IN CUBA

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, in January, Cuban dictator Fidel Castro marked his 30th year in power. At no time have the Cuban people ever been allowed to express their will through a free and open vote. With the recent overthrow of General Stroessner of Paraguay, Castro is now the longest reigning dictator in the Western Hemisphere.

Recently Senator MACK and I introduced a resolution to allow a national plebiscite, by a secret yes/no ballot, of the people's approval or rejection of Castro's rule. The resolution includes specific protections and conditions, such as legalizing opposition groups and allowing freedom of the press, that must be met before a truly free vote can be held.

As you know, Chile recently had a si/no vote—now it is time for Cuba to do so too. I am pleased to be joined by over 50 House cosponsors of both parties in introducing this resolution, and we look forward to favorable action in both the House and Senate.

PERSONAL EXPLANATION

Mr. ANNUNZIO. Mr. Speaker, as chairman of the Subcommittee on Financial Institutions I was presiding over the markup of the Financial Institutions Reform, Recovery and Enforcement Act, and unavoidably missed rollcall No. 27, the vote on final passage of H.R. 1750, a bill to implement the bipartisan accord on Central America, which occurred on Thursday, April 13.

Had I been present, I would have voted "yea" on final passage of this legislation.

SERIOUS MISTAKES BY COMMISSION ON BASE CLOSURE AND REALIGNMENT

(Mr. SAXTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, this House may be about to become a party

to a mistake, but there is still time to correct that mistake.

The Commission on Base Closure and Realignment has recommended the closure or the realignment of a number of bases. Fort Dix in New Jersey is one of those. We have been told that the decision was based on many factors that were factored into a formula to determine military readiness.

Recently the GAO released the results of a survey of a report that they have done. That report showed that Fort Dix, NJ, is the No. 1 military training base in the country in terms of that formula. The Commission on Base Realignment and Closure rated it next to last. It is an obvious mistake that the Commission has made. The GAO has pointed out that that mistake has been made.

This House has an opportunity not to become a party to that mistake, but to correct it.

THE SAVE AMERICA ACT OF 1989

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, today is April 17, tax day in America, and today I rise to announce the introduction of legislation to address a couple festering problems facing the Nation's savings and loan industry and our appalling low national savings rate.

The Save America Act of 1989 proposes something unique to current legislation. The Save America Act will give Americans an incentive to save and encourages the infusion of private funds into our troubled federally insured savings institutions.

The bill will allow every taxpaying American the right to earn up to $5,000 per year in tax-free interest earnings on savings accounts in federally insured banks, S&L's and credit unions, with no restrictions on how they dispose of those earnings.

Mr. Speaker, I would like to quote from Newsweek magazine of March 20, 1989:

WHAT TO DO ABOUT KIDS

Congress hates kids who save money. Thrifty youngsters pay more in taxes than kids who don't save a dime. If that sounds dizzy, don't complain to me. Complain to the congressman who is supposed to represent you.

Mr. Speaker, I have heard those complaints. The legislation we are going to introduce will begin to encourage citizens to save without penalty. Best of all, this plan would for the first time send out the right message to our children and to the American people: "We'll stop penalizing you for savings; we'll encourage you, instead."

GAO ANALYSIS PROVES ERRONEOUS FORT SHERIDAN DECISION

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, GAO analysis proves that the Base Closing Commission grossly underestimated costs and exaggerated the savings from closing Fort Sheridan.

The Commission said new construction for the 4th Army and the Recruiting Command to be moved to Fort Benjamin Harrison would be $28.6 million.

Five weeks later, Bob Stone, the Deputy Under Secretary of Defense for Installations and Housing, testified that the cost would be more like $82 million. Now, GAO says the figure should have been $85.3 million.

The Commission also estimated relocation costs at $11.4 million. GAO says they were wrong; the cost will be at least $25 million. The Commission said 746 positions would be eliminated. GAO now says it may only be 172.

What will be the final cost? Some say $120 million, which may mean that Fort Sheridan would not meet the law's 6-year payback.

But we will not know the true answers until after we vote tomorrow on the joint resolution of disapproval and shamelessly wash our hands of the issue. The Commission was wrong, Mr. Speaker, and this House should have the courage to reject its recommendations.

□ 1210

FUNDING FOR INDOOR RADON ABATEMENT ACT

(Mr. GORDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORDON. Mr. Speaker, the Environmental Protection Agency is about to release the results of a 16-State survey of radon levels in our schools. The results will alarm parents, teachers, and school administrators.

The EPA found that some schoolchildren in middle Tennessee and elsewhere are being exposed to radon levels equivalent to receiving 25,000 x rays per year.

This is an unacceptable level of risk for our children. We need a comprehensive policy to reduce radon exposure in our schools and in our homes. At the same time, we must recognize that schools already are under tight budget constraints. Schools and homeowners alike need Federal leadership to tackle the radon problem.

I invite my colleagues to join me in this effort. I am sponsoring legislation to provide funding in 1990 for programs authorized by the Indoor Radon Abatement Act. I also plan to introduce legislation to test radon levels in schools in all States. And I am reintroducing legislation to provide a medical care tax deduction for homeowners who reduce radon levels in their homes.

We have two choices: Spend money now on radon testing and mitigation, or spend it later on costly cancer treatments. I hope you share my belief in the value of an ounce of prevention.

LEGISLATION TO ELIMINATE PORK BARREL IN PROGRAMS

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, the American citizens have about 11 hours and 45 minutes remaining to file those all-important, all-familiar annual tax returns before midnight tonight, and perhaps then today is a good day to reflect upon the fact that every American, I think, is willing to pay their taxes to their Federal Government if they know that those tax dollars are used wisely and efficiently.

Mr. Speaker, there is nothing more frustrating to the American citizen than to know that their tax dollars are going to be used for either inefficient, unjustified, or, worst case of all, pork barrel programs. That is why we need, in cooperation with the executive branch, to develop some kind of a process for rescission authority which will allow us to eliminate the pork barrel that inevitably comes in all programs and apparently is on the road to come again in the supplemental appropriation soon to come before this House.

Joint efforts between the House and Senate will begin soon to try to revise the rescission authority in a way that allows the President to have that authority unless the Congress, within 10 days, acts to reverse his decision, unlike the present situation where the President's rescission request is left to die in committee.

The gentleman from California [Mr. Cox] and I will be leading that effort here on the House side. We will join each and every one of the Members and ask them to join with us in the introduction of that legislation.

UNITY OF DEMOCRATIC PARTY BEING TESTED

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Republicans are not attacking JIM WRIGHT today. They are taking a

broadside at the entire Democratic Party.

Mr. Speaker, I am a Democrat who is not buying this bipartisan, nonpartisan garbage. Let there be no mistake: Today in Washington, DC, the party lines are being drawn in indelible ink. Franklin Delano Roosevelt and Harry Truman are rolling over in their graves when a few dissidents are able to attack a powerful and great Democratic Speaker.

The American people gave the Democrats a majority in both Houses, and we should not apologize for it. I say here today that this will be a test and a measure of the unity of the Democratic Party and their splintered party who gave Reagan everything he wanted.

We had better start acting as a unified majority party, or the American people will turn it over to the Republicans.

REPUBLICANS TAKING WAIT-AND-SEE ATTITUDE

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute.)

Mr. BURTON of Indiana. Mr. Speaker, a couple of Members of the House on the Democrat side of the aisle have come to the well today to attack the Republicans directly or indirectly about the report that was just released today.

No Republican is attacking the gentleman from Texas [Mr. WRIGHT]. This is a bipartisan report issued by the committee on ethics, and I for one am waiting until that report is read in total before I render any kind of decision on whether or not I should vote for or against the support of that report.

We, as Republicans, are not attacking the gentleman from Texas [Mr. WRIGHT]. We are taking a wait-and-see attitude until all the facts are out, until we all read the report, until it is brought before the House. We will serve as a jury as we have in past cases and render a judgment collectively, Democrats and Republicans alike, so let us not make this partisan as Members on the other side of the aisle are trying to do.

EASTERN AIRLINES: THE BAD BUYS MAY HAVE WON

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, a little more than a week ago, the Eastern Airlines negotiations fell apart with remarkably little notice. The unions were negotiating avidly with Mr. Ueberroth, and then the deal fell apart. What happened? I think the American people should know.

Mr. Speaker, it is not that the unions failed to offer concessions adequate to put Eastern back in the air and to make it once again a viable airline. No, what happened again is that Mr. Lorenzo struck one more death blow at Eastern Airlines. It is not enough that he bankrupted Continental and Eastern both; he now says that he has to keep control of the airline through the bankruptcy. He will not cede control to a trustee, because he has been doing such a great job so far in his labor and management relations and his financial dealings.

Why; you know, why, Mr. Lorenzo? Let these people go back to work. Let the deal go forward. I think that Mr. Lorenzo feels there is just a little more cash he might wring out of the airline and one more asset he can sell himself at less than market price in the bankruptcy and he hopes to profit.

I am reminded of a famous line in the film "On the Waterfront," where Marlon Brando laments, "I could have been a contender." A new Eastern under a new management with a capable, dedicated work force could have been a contender, too. It could have become a shining example of labor and management working together and building something that money cannot buy, a proud, successful organization full of esprit de corps. Instead, I am afraid that the bad guys may have won. Unfortunately, this is not a movie. It is real life, and too many people are suffering.

VOTE NO ON H.R. 20, FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1989

(Mr. ARMEY asked and was given permission to address the House for one minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, we must revise the Hatch Act to allow Federal employees their rights to be politically active. At the same time, however, we must ensure that they will not become victims of political manipulations. Unfortunately, H.R. 20 in its present form fails to do that.

It has one glaring error. While preventing most political solicitations of Federal employees, it does not prevent solicitations of them by the Federal and postal workers unions. This omission will vastly increase the power of those unions.

In effect, a "yes" vote on H.R. 20 in its current form is vote to increase the power of special interest political action committees.

I strongly urge my colleagues to vote "no" on H.R. 20 under suspension of the rules. This will allow the bill to be considered under a rule that allows us to offer an amendment protecting Federal employees from these special interest PAC's.

REPUBLICANS CONGRATULATED ON STRAIGHTNESS OF THEIR FACES, BUT NOT OF THEIR THINKING

(Mr. FRANK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANK. Mr. Speaker, last year our Republican colleagues staged a couple of shows in which they complained bitterly about closed rules on bills. They were very upset, because they could not be allowed to offer amendments.

Last week we had the first major bill of this year, or one of the first major bills. It had to do with aid to the Contras. Let me quote from the Republican floor manager of the bill: "The leadership of both parties in the House have requested this specific rule," which did not allow any amendments at all. It was a closed rule of the sort that the Republicans alternately pretend to find objectionable but they ask the House to pass. And what was the explanation for this denial of democracy? It was a tough situation, and considering the negotiations, they thought it wise to preserve the bill against amendment.

Mr. Speaker, I want to particularly congratulate the gentleman from Georgia [Mr. GINGRICH]. A year ago he was very critical of closed rules. He has become a member of the leadership, and as a member of the leadership, last week, there he was being represented as asking for a closed rule; not one amendment on the whole question of Central America, the gentleman from Georgia said, but he did not say it directly. He was adequately and I am sure accurately represented by the gentleman from New York [Mr. SOLOMON].

Mr. Speaker, I want to say to the leadership that these are strange and wonderful things, and if we have the gentleman from Georgia having gone from being a critic of closed rules to being an advocate, I am sure we are going to have an interesting year.

Mr. Speaker, the point is very clear: The Republican complaints we got last year about closed rules and about procedure were nonsense, and they knew they were nonsense. I congratulate them on the straightness of their faces as they talked, but not on the straightness of their thinking.

□ 1220

SEVENTY-FIFTH ANNIVERSARY OF CITY OF SULPHUR, LA

(Mr. HAYES of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYES of Louisiana. Mr. Speaker, today is the 75th anniversary of

the city of Sulphur, LA. There will actually be people attending the celebration who are older than the city itself, though the Sulphur City name precedes that date by two decades.

It will be a celebration not so much of the 75th anniversary, which in the course of things in this institution and certainly throughout the world is not meaningful as a span of time, but a celebration of what the city has made of itself and what the city is going to be.

Though in 1885 the product, mineral sulphur, guided the economy, it was the port leading the city to the Gulf of Mexico that predicts its dynamics for the future. So on that day I want to congratulate those residents who will participate in the celebration and tell them that it is often inspiring to find a city that is talking about not what it used to be in the past, but what it is going to be with rightful pride and confidence in its future.

OIL COMPANIES "CLEANING UP" ON TAXPAYERS

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, no sooner had the *Exxon Valdez* begun bleeding oil into Prince William Sound than telegrams went out to Exxon stockholders telling them that the impact on the company would be inconsequential.

So how could it be coincidental then that—at the same time—the price of gasoline at the pump blew through the roof?

A talent for turning catastrophe into cash does not belong only to Exxon. Within 3 weeks, consumers all across this country were seeing a 10-cent hike for a gallon of gas—$30 million more each day out of the pockets of working Americans.

On the west coast, the oil companies have us by the throat. The price in Oregon has shot up 17 cents a gallon and is still climbing, with no end in sight.

Mr. Speaker, when we heard oil executives talk about cleaning up, we thought they had in mind the oil-spill—not the cash register.

When we heard them talk about maintaining the flow, we didn't know they had in mind $30 million more a day to their bank accounts.

Mr. Speaker, today I am asking the Federal Trade Commission to investigate the major oil companies pricing practices. I smell price gouging. And I do not think we should put that kind of tiger into the tanks of America's cars.

The SPEAKER pro tempore (Mr. FOLEY). Members of the Gallery are cautioned that it is a violation of the House rules to express approval or disapproval for any action taken on the floor. We appreciate the presence and ask for the cooperation of our guests.

OPPOSITION TO FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT 1989

(Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. INHOFE. Mr. Speaker, I rise in opposition to the consideration of H.R. 20 under suspension of the rules.

This House appears ready to take action affecting millions of Federal workers and yet no committee hearings were held on this important legislation. This is not a responsible way to legislate. There are those of us who have stood in this well time and again to say "Do it right or don't do it." I say it again: This bill is not the best we can do.

We have left unanswered the issue of potential political coercion by Federal union officials who have exclusive control over collective bargaining in the Federal Government. I hold in my hand an amendment to ensure that everyone gets a fair shake. It deserves serious consideration, but under these rules it will get none.

The intent of this bill was to expand the rights of Federal workers. But in our haste to address the concerns of Federal workers, we risk imperiling their freedoms, not expanding them. Issues have gone unanswered, problems unresolved. Do we want to revisit this issue in the future? I believe we will, but only after the damage of this bill has been done and there is human wreckage in its wake.

Mr. Speaker, I include for the RECORD an amendment to H.R. 20 that I would have offered had I been allowed to:

TO BE OFFERED AS AN AMENDMENT TO H.R. 3400

(1) "No employee organization (including any national or international union, council, or department which includes such organization, or any affiliate of such organization), or officer, employee, or agent thereof, shall directly or indirectly intimidate, threaten, coerce, command, or directly or indirectly attempt to intimidate, threaten, coerce, or command—

"(A) any employee for the purpose of interfering with the right of any employee to vote as such employee may choose, or of causing any employee to vote, or not to vote, for any candidate or measure in any election;

"(B) any employee to give or withhold any political contribution; or

"(C) any employee to engage or not to engage, in any form of political activity whether or not such activity is prohibited by law.

(2) No portion of any dues, fees, or assessments levied on the membership of any employee organization referred to in paragraph (1) of this subsection by such organization shall be used by such organization for any political purpose or by any political education or action committee of such organization for any purpose prohibited by this legislation.

PROVIDING EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 118) providing amounts from the contingent fund of the House for futher expenses of investigations and studies by the Committee on Standards of Official Conduct in the 1st session of the 101st Congress, and ask for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 118

Resolved, That for further expenses of investigations and studies by the Committee on Standards of Official Conduct (hereinafter in this resolution referred to as the "committee"), there shall be paid out of the contingent fund of the House not more than $600,000, any of which may be used for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946.

SEC. 2. Payments under this resolution shall be made on vouchers authorized by the committee, signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 3. Amounts shall be available under this resolution for investigations and studies carried out during the period beginning at noon on January 3, 1989, and ending immediately before noon on January 3, 1990.

SEC. 4. Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 5. The Committee on House Administration shall have authority to make adjustments in amounts for investigations and studies under the first section of this resolution, if necessary to comply with an order of the President issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purpose of such first section.

Mr. GAYDOS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, I yield the customary 30 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH], the ranking minority member of the Subcommittee on Accounts, for purposes of debate only; pending

which I yield myself such time as I may consume, with the understanding that any additional time which I may yield be subject to the specific limitation of being for debate purposes only.

Mr. Speaker, the resolution provides $600,000 for further expenses of investigations and studies by the Committee on Standards of Official Conduct in the first session of the 101st Congress. Any of this amount may be used for the procurement of consultant service under section 202(i) of the Legislative Reorganization Act of 1946.

The Committee on Standards of Official Conduct has requested this additional $600,000 for the first session to enable that committee to have adequate funds to discharge its responsibilities during the remainder of the current session. Due to the nature of the Committee on Standards of Official Conduct, its workload is not subject to either predictability for its own control.

On April 12, 1989, the Committee on House Administration held a meeting on this resolution and reviewed the justification provided by Chairman DIXON and ranking minority member MYERS. The resolution was favorably reported to the House without change.

Finally, there are strong institutional concerns present in the matter pending before the House today. It is imperative for the House to have the necessary resources to police itself, and, accordingly, the Committee on Standards of Official Conduct should be authorized sufficient funds to enable it to discharge its important institutional responsibilities. Accordingly, I urge that my colleagues vote in favor of the resolution.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 118 which provides $600,000 for further expenses of investigations and studies by the Committee on Standards of Official Conduct in the first session of the 101st Congress. I want to assure all Members here that this matter was thoroughly reviewed by the Committee on House Administration. When the Committee on Standards of Official Conduct came before our Accounts Subcommittee earlier this year, it was made clear that they would be back with a supplemental request. We understand the necessity of the supplemental due to the nature of the business of that commmittee. They cannot predict when an investigation will be called for or how long it will take. This amount will enable the committee to proceed with its charge and complete its work. I commend our Accounts Subcommittee chairman, Mr. GAYDOS, for his fine leadership in this matter and I urge all Members to support the resolution.

Mr. Speaker, I yield back the balance of my time.

Mr. GAYDOS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 118, the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SAWYER). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

FEDERAL EMPLOYEES POLITICAL ACTIVITIES ACT OF 1989

Mr. SIKORSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 20) to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes, as amended.

The Clerk read as follows:

H.R. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employees' Political Activities Act of 1989".

SEC. 2. POLITICAL ACTIVITIES.

(a) IN GENERAL.—Subchapter III of chapter 73 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER III—POLITICAL ACTIVITIES

"§ 7321. Political participation

"It is the policy of the Congress that employees should be encouraged to exercise fully, freely, and without fear of penalty or reprisal, and to the extent not expressly prohibited by law, their right to participate or to refrain from participating in the political processes of our Nation.

"§ 7322. Definitions

"For the purpose of this subchapter—

"(1) 'employee' means any individual, other than the President and the Vice President, employed or holding office in—

"(A) an Executive agency other than the General Accounting Office; or

"(B) a position within the competitive service which is not in an Executive agency; but does not include a member of the uniformed services;

"(2) 'candidate' means any individual who seeks nomination for election, or election, to any elective office, whether or not the individual is elected, and, for the purpose of this paragraph, an individual shall be considered to seek nomination for election, or election, to an elective office, if the individual has—

"(A) taken the action required to qualify for nomination for election, or election; or

"(B) received any political contribution (other than any personal services described in paragraph (3)(D)) or made any expenditure, or has given consent for any other person to receive any political contribution (other than any such personal services) or make any expenditure, with a view to bringing about the individual's nomination for election, or election, to that office;

"(3) 'political contribution'—

"(A) means any gift, subscription, loan, advance, or deposit of money or anything of value, made for any political purpose;

"(B) includes any contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for any political purpose;

"(C) includes any payment by any person, other than a candidate or a political party or affiliated organization, of compensation for the personal services of another person which are rendered to any candidate or political party or affiliated organization without charge for any political purpose; and

"(D) includes the provision of personal services for any political purpose;

"(4) 'superior' means any employee who exercises supervision of, or control or administrative direction over, another employee;

"(5) 'elective office' means any elective public office and any elective office of any political party or affiliated organization;

"(6) 'person' includes any individual, corporation, trust, association, any State, local, or foreign government, any territory or possession of the United States, or any agency or instrumentality of any of the foregoing; and

"(7) 'Special Counsel' means the Special Counsel appointed under section 1211(b) of this title.

"§ 7323. Use of official influence or official information; prohibition

"(a) An employee may not directly or indirectly use or attempt to use the official authority or influence of the employee for the purpose of—

"(1) interfering with or affecting the result of any election; or

"(2) intimidating, threatening, coercing, commanding, influencing, or attempting to intimidate, threaten, coerce, command, or influence—

"(A) any individual for the purpose of interfering with the right of any individual to vote as the individual may choose, or of causing any individual to vote, or not to vote, for any candidate or measure in any election;

"(B) any person to give or withhold any political contribution; or

"(C) any person to engage, or not to engage, in any form of political activity.

"(b) An employee may not directly or indirectly use or attempt to use, or permit the use of, any official information obtained through or in connection with his employment for any political purpose, unless the official information is available to the general public.

"(c) For the purpose of subsection (a) of this section, 'use of official authority or influence' includes—

"(1) promising to confer or conferring any benefit (such as any compensation, grant, contract, license, or ruling) or effecting or threatening to effect any reprisal (such as deprivation of any compensation, grant, contract, license, or ruling); or

"(2) taking, directing others to take, recommending, processing, or approving any personnel action.

"(d) Nothing in this section shall be considered to apply with respect to any actions if, or to the extent that, such actions are taken in order to carry out the duties and responsibilities of one's position.

"§ 7324. Solicitation; prohibition

"(a) An employee may not—

"(1) give or offer to give a political contribution to any individual either to vote or refrain from voting, or to vote for or against any candidate or measure, in any election;

"(2) solicit, accept, or receive a political contribution to vote or refrain from voting, or to vote for or against any candidate or measure, in any election;

"(3) knowingly give or hand over a political contribution to a superior of the employee; or

"(4) knowingly solicit, accept, or receive, or be in any manner concerned with soliciting, accepting, or receiving, a political contribution—

"(A) from another employee (or a member of another employee's immediate family) with respect to whom the employee is a superior; or

"(B) in any room or building occupied in the discharge of official duties by—

"(i) an individual employed or holding office in the Government of the United States; or

"(ii) an individual receiving any salary or compensation for services from money derived from the Treasury of the United States.

"(b)(1) In addition to the prohibitions of subsection (a) of this section, an employee may not knowingly solicit, accept, or receive a political contribution from, or give a political contribution to, any person who—

"(A) has, or is seeking to obtain, contractual or other business or financial relations with the agency in which the employee is employed;

"(B) conducts operations or activities which are regulated by that agency; or

"(C) has interests which may be substantially affected by the performance or nonperformance of the employee's official duties.

"(2) The Special Counsel shall prescribe regulations which exempt an employee from the application of paragraph (1) of this subsection with respect to any political contribution to or from an individual who has a familial or personal relationship with the employee if the employee complies with such requirements as the Special Counsel shall so prescribe which relate to the disqualification of the employee from engaging in any official activity involving the individual.

"(3) The Special Counsel shall prescribe regulations under which paragraph (1) of this subsection shall not apply with respect to any political contribution from a person in situations in which the facts and circumstances indicate there would not be any adverse effect on the integrity of the Government or the public's confidence in the integrity of the Government.

"§ 7325. Political activities on duty, etc.; prohibition

"(a) An employee may not engage in political activity—

"(1) while the employee is on duty;

"(2) in any room or building occupied in the discharge of official duties by an individual employed or holding office in the Government of the United States or any agency or instrumentality thereof;

"(3) while wearing a uniform or official insignia identifying the office or position of the employee; or

"(4) using any vehicle owned or leased by the Government of the United States or any agency or instrumentality thereof.

"(b)(1) An employee described in paragraph (2) of this subsection may engage in political activity otherwise prohibited by subsection (a) if the costs associated with that political activity are not paid for by money derived from the Treasury of the United States.

"(2) Paragraph (1) applies to an employee—

"(A) the duties and responsibilities of whose position continue outside normal duty hours and while away from the normal duty post; and

"(B) who is—

"(i) an employee paid from an appropriation for the Executive Office of the President; or

"(ii) an employee appointed by the President, by and with the advice and consent of the Senate, whose position is located within the United States, who determines policies to be pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws.

"§ 7326. Candidates for elective office; leave

"(a) Except as provided in subsection (c) of this section, an employee who is a candidate shall, upon the request of the employee, be granted leave without pay for the purpose of allowing the employee to engage in activities relating to that candidacy.

"(b) Notwithstanding section 6302(d) of this title, and except as provided in subsection (c) of this section, an employee who is a candidate shall, upon the request of the employee, be granted accrued annual leave for the purpose of allowing the employee to engage in activities relating to that candidacy. Leave under this subsection shall be in addition to leave without pay to which the employee may be entitled under subsection (a) of this section.

"(c) A request for leave submitted under subsection (a) or (b) of this section may be denied if the exigencies of the public business so require. Any such denial shall be in writing and shall be accompanied by a statement of the reasons why the request is being denied.

"(d) An employee may not be required to take leave without pay under subsection (a), or accrued annual leave under subsection (b), in order to be a candidate, unless the activities relating to the candidacy interfere with the employee's performance of the duties of the position.

"§ 7327. Regulations

"The Special Counsel shall prescribe any rules and regulations necessary to carry out this subchapter.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 3302(2) of title 5, United States Code, is amended by striking out "7203, 7321, and 7322" and inserting in lieu thereof "and 7203".

(2)(A) Sections 8332(k)(1), 8706(c), and 8906(e)(2) of title 5, United States Code, are each amended by inserting immediately after "who enters on" the following: "leave without pay granted under section 7326(a) of this title, or who enters on".

(B) Section 8411(e) of title 5, United States Code, is amended by inserting immediately before "approved leave without pay" the following: "leave without pay granted under section 7326(a) of this title, or".

(3) The section analysis for subchapter III of chapter 73 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER III—POLITICAL ACTIVITIES

"7321. Political participation.
"7322. Definitions.
"7323. Use of official influence or official information; prohibition.
"7324. Solicitation; prohibition.
"7325. Political activities on duty, etc.; prohibition.
"7326. Candidates for elective office; leave.
"7327. Regulations.".

(4) Section 1216(c) of title 5, United States Code (as amended by the Whistleblower Protection Act of 1989) is amended—

(A) by striking paragraph (1); and

(B) in paragraph (2), by striking "(2) If" and inserting "If".

(c) AMENDMENTS TO TITLE 18.—(1) Section 602 of title 18, United States Code, relating to solicitation of political contributions, is amended—

(A) by inserting "(a)" before "It";

(B) by striking out all that follows "Treasury of the United States" and inserting in lieu thereof a semicolon and the following: "to knowingly solicit any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employee, or person. Any person who violates this section shall be fined under this title or imprisoned not more than three years, or both."; and

(C) by adding at the end thereof the following new subsection:

"(b) The prohibition in subsection (a) shall not apply to any activity of an employee (as defined in section 7322(1) of title 5) or any individual employed in or under the United States Postal Service or the Postal Rate Commission, unless that activity is prohibited by section 7323 or 7324 of that title.".

(2) Section 603 of title 18, United States Code, relating to making political contributions, is amended by adding at the end thereof the following new subsection:

"(c) The prohibition in subsection (a) shall not apply to any activity of an employee (as defined in section 7322(1) of title 5) or any individual employed in or under the United States Postal Service or the Postal Rate Commission, unless that activity is prohibited by section 7324 of that title.".

(d) AMENDMENTS TO THE VOTING RIGHTS ACT OF 1965.—Section 6 of the Voting Rights Act of 1965 (42 U.S.C. 1973d) is amended by striking out "the provisions of section 9 of the Act of August 2, 1939, as amended (5 U.S.C. 118i), prohibiting partisan political activity" and by inserting in lieu thereof "the provisions of subchapter III of chapter 73 of title 5, United States Code, relating to political activities".

(e) APPLICABILITY TO POSTAL EMPLOYEES.—

(1) IN GENERAL.—The amendments made by this section, and any regulations thereunder, shall apply with respect to employees of the United States Postal Service and the Postal Rate Commission, pursuant to sections 410(b) and 3604(e) of title 39, United States Code.

(2) INVESTIGATIVE AND ENFORCEMENT AUTHORITY.—The Special Counsel (appointed under section 1211(b) of title 5, United States Code) may conduct investigations and seek disciplinary action with respect to any employee referred to in paragraph (1) in accordance with applicable provisions of chapter 12 of title 5, United States Code.

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this Act shall take effect 120 days after the date of the enactment of this Act, except that the authority to prescribe regulations granted under section 7327 of title 5, United States Code (as added by section 2 of this Act), shall take effect on the date of the enactment of this Act.

(b) PENALTIES NOT AFFECTED.—Any repeal or amendment made by this Act of any provision of law shall not release or extinguish any penalty, forfeiture, or liability incurred under that provision, and that provision shall be treated as remaining in force for the purpose of sustaining any proper proceeding or action for the enforcement of that penalty, forfeiture, or liability.

(c) PENDING PROCEEDINGS NOT AFFECTED.—No provision of this Act shall affect any proceedings with respect to which the charges were filed on or before the effective date of the amendments made by this Act. Orders shall be issued in such proceedings and appeals shall be taken therefrom as if this Act had not been enacted.

□ 1230

The SPEAKER pro tempore (Mr. SAWYER). Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HORTON. Mr. Speaker, at this point I ask unanimous consent that the gentleman from Indiana [Mr. BURTON] be allowed to have 20 minutes. The gentleman from Indiana is in opposition to the legislation and wishes to speak in opposition to the matter.

So I ask unanimous consent that, in addition to the time that the majority and the minority have, the gentleman from Indiana have an additional 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. SIKORSKI] will be recognized for 20 minutes, the gentleman from New York [Mr. HORTON] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. BURTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. SIKORSKI].

GENERAL LEAVE

Mr. SIKORSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 20, the bill currently being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SIKORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, well, it is Hatch Act reform time again. As that great philosopher, Yogi Berra, said, "It's deja vu all over again." It is about time we pass Hatch Act reform, reform of the 50-year-old Hatch Act law. It's time to give Federal and Postal employees the freedom to exercise their right to participate in America's political process on their own time. It's time to get this legislation on the books and then to move on to the dozens of other issues which are of importance to the Federal and Postal work force, the taxpayers of America.

Reform of the Hatch Act is long overdue. In 1974, Congress lifted most of the restrictions on political activity by State and local government employees whose positions are funded in whole or in part by Federal moneys. It is time to extend Hatch Act reform to all Federal and Postal employees.

H.R. 20 does not repeal the Hatch Act. It does provide for sensible reforms which add balance and fairness to the law governing the political activities of government employees. From the very start, the Hatch Act has lacked this sense of balance. It has unfairly infringed upon the right of Federal and Postal employees to participate in the political process while off duty. In 1939, the year the Hatch Act was passed, many in Congress feared that President Roosevelt would in some way mobilize the bureaucracy to extend his Presidency to a third term. Congressional investigations into reported abuses of kickbacks and coercion by Federal employees fed this fear and lead to the enactment of the Hatch Act.

While some of these abuses actually occurred, there are vast differences between the Federal work force of 1939 and 1989. In 1939, less than 32 percent of the Federal work force of under a million was under the classified merit system. Today's Federal work force has around 3 million employees—almost 4 of 5—78.6 percent enjoy merit system protection. The media and the many organizations which now represent the interests of Federal employees also provide protection not available in 1939.

The times have changed. Today we see a Federal work force which has been demoralized by cuts in retirement benefits, health benefits and salary; a Federal work force which is easily ignored and easily ridiculed. We've seen too much of that in the last decade. It is time to give back to these employees their constitutional right to participate in government which was wrongly taken away during a period of congressional overreaction. Participate—if they desire—in the political process on their own time. The professionals in whom we place great trust to navigate the planes we fly, to inspect the products we purchase and to ensure the national security of our country, deserve our trust. This legislation ensures that if they choose to participate in the political process it will be with integrity and impartiality and without compromising the responsibilities of their positions.

Briefly, H.R. 20 prohibits Federal employees from engaging in any form of political activity while on duty, in a Federal facility, in their uniform, or while using any vehicle owned or leased by the Government. This prohibition applies to executive branch, competitive service, and Postal employees except the President, Vice President, and certain high level political appointees.

Federal employees cannot use official authority or influence to interfere with the result of an election and may not use official information for any political purpose, unless the information is available to the public. Federal employees may not knowingly solicit, accept, or receive a contribution from a person who has or is regulated by the agency, or has interests which may be affected by the performance of the employees' duties.

Federal employees may, however, engage in any legal political activity off the job. Employees may run for office without taking leave, as long as the campaign does not interfere with the performance of their duties. Federal employees may also endorse candidates and causes and solicit funds for them.

Oversight authority is given to the Office of Special Counsel, which is also responsible for issuing regulations and advisory opinions.

H.R. 20 has over 300 cosponsors. Mr CLAY and his staff have done an outstanding job in mobilizing this body to support H.R. 20. I know Mr. CLAY shares the frustration of the many Government employees who have waited too long for Hatch Act reform. These employees and many of the Members of this body, applaud Mr. CLAY for his dedication to this issue over these many years.

Mr. HORTON is also to be commended for his determination, wisdom, and hard work. While some colleagues have voiced opposition to this legislation, Mr. HORTON has stood fast in support of reform.

I urge all of my colleagues to support this measure. Hatch Act reform is

simply that; it is reform that lends balance and fairness to a law which was born out of fear.

Mr. Speaker, I reserve the balance of my time.

Mr. HORTON. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I rise in strong support of H.R. 20, the Federal Employees Political Activities Act of 1989, the bipartisan legislation to revise the Hatch Act of 1939.

I want to thank Mr. SIKORSKI for his outstanding statement in presenting this legislation. He has done an outstanding job in leading the committee and reporting this action out to the floor.

I also want to make a point that this bill is cosponsored by every Member, Democrat and Republican, of the Committee on Post Office and Civil Service. It has 310 sponsors of which 53 are Republicans.

Mr. Speaker, H.R. 20 is the product of lengthy negotiations between the minority and the majority members of the House Committee on Post Office and Civil Service. Most of these negotiations occurred in the 100th Congress.

Mr. Speaker, I want to take the time to commend the man responsible for initiating the negotiations which clarified the many misunderstandings and ambiguities of the current Hatch Act.

The man most responsible for bringing all these parties together for this historic compromise was Congressman Gene Taylor, of Missouri.

Mr. CLAY, for years, had presented this bill. We have not been able to get bipartisan support. I worked very closely with Mr. Taylor last year. I can tell you firsthand it was his idea, his intention, and his dedication that this ought to be a bipartisan approach. He spent a lot of time, as a matter of fact, I want to take this occasion to dedicate this bill to Mr. Taylor, who retired last year and who is not now a Member of the Congress. His work will certainly be long remembered because it was through his efforts, working with Mr. FORD, Mr. CLAY, myself, and others on the committee, that we were able to achieve this compromise which resulted in the passage of the bill in the 100th Congress.

□ 1240

I know, personally, because I worked with the gentleman directly for those many months that led up to the consideration of the bill. I was proud to be able to work with the gentleman in drafting this historic legislation.

The bill was considered in the 100th Congress, was passed unanimously out of the Committee on Post Office and Civil Service, and came to the floor and passed the House by a vote of 305 to 112. More than the two-thirds necessary to override a veto. Unfortunately, in the 100th Congress, the Senate allowed the bill to languish and it died at the end of the 100th Congress.

In the 101st Congress, the gentleman from Missouri, Mr. CLAY, as the principal sponsor, myself and others, as I said some 310, which 53 were Republicans, cosponsored this legislation. The bill is a result of these hearings held by the Subcommittee on Civil Service, which is now chaired by the gentleman from Minnesota [Mr. SIKORSKI], and which I previously served with my good friend, the gentlewoman from Colorado [Mrs. SCHROEDER], served as the chairperson.

We held extensive hearings and subsequent to those hearings we effected this compromise which I mentioned already. I certainly want to take this occasion to commend the gentlewoman from Colorado [Mrs. SCHROEDER] for the part that she played in making it possible for Members to bring this bill to the floor in the 100th Congress.

After nearly five decades under the Hatch Act, the law is riddled with inconsistencies regarding what a Federal employee can and cannot do. Currently Federal employees must comply with more than 3,000 separate regulatory rulings about political activity on and off the job. The Hatch Act is complicated and confusing by nature. It has been enforced in ways that are contradictory and often incomprehensible to the average employee. Many Federal workers often distance themselves from even permitted political activity out of fear of violating the act.

The legislation we are considering today makes the employee restrictions very clear and it emphasizes what remains the cornerstone of the Hatch Act. No on-the-job political activity will be allowed. Just that simple, none whatsoever. H.R. 20, compared to current law is crystal clear.

If a person is off the job, they can participate like any other American citizen. We do not take any rights away from the Federal employee and penalize him because he is a Federal employee. He has the rights of every other citizen.

Opponents of this bill will make the claim that it will lead to greater abuses. This is simply not true. I believe that the bill represents a worthy compromise between allowing Federal employees to exercise the same rights as all other Americans while at the same time retaining and strengthening safeguards against coercion and patronage as orginally embodied in the Hatch Act of 1939. The bill includes clear prohibitions against the misuse of official authority. If Federal employees attempt to coerce or intimidate their colleagues, they can be fined or fired.

It is about time that Federal employees were allowed to participate more fully in our political system. Federal employes are taxpayers and should enjoy the same rights and privileges that every American is guaranteed by the Constitution of the United States. They ought not be second-class citizens. The proposition that if a person works for the Federal Government he must give up first amendment rights, is no longer legitimate.

I commend the chairman of the Committee on Post Office and Civil Service, the gentleman from Michigan, [Mr. FORD] for his dedication to Hatch Act reform. Again, a special thanks to the man who put together the Hatch Act compromise, former Representative Gene Taylor and to the gentleman from Missouri, Mr. CLAY, for his years of tireless service to freeing Federal employees from the burden of an overly restrictive Hatch Act. I want to say congratulations and thanks to him because it has been his steadfastnesss that made it possible for Members to be here today.

Mr. Speaker, this legislation is very clear. The bill has widespread support as is indicated by the more than 310 Members who cosponsored it. I urge an "aye" vote on H.R. 20 to give Federal employees the same rights that others enjoy, to contribute and participate in the political process.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am one of the cosponsors of H.R. 20, and I support the effort to allow all American citizens greater freedom in expressing their political beliefs. This may very well be the right time for reform of the Hatch Act, which restricts the partisan political activities of Federal employees. The Federal employee of 1989 cannot be compared to the civil servant of 1939 to whom politics, and political coercion, was a way of life in the work place.

However, any bill which affects as many American citizens as this one does must receive full and fair consideration by the House of Representatives. We have a responsibility to our constituencies to carefully review and earnestly debate legislation of this magnitude. I believe that to bring this bill up under suspension of the rules is a mistake, both for the citizens affected and the Members who have a responsibility to project their views.

The sweeping nature of this bill could have a profound effect on Federal employees and private citizens who deal with civil servants. There remains some doubt as to whether there are sufficient safeguards to protect those affected. A recent survey completed by the Federal Employee News Digest finds that less than 34 percent of Federal employees actually favor reform of the Hatch Act.

This indicates that there remain some reservations about sufficient protection for those who may not want to fully participate in the political proc-

ess. There are Members of Congress who represent these employees and have specific amendments to offer which would add provisions to assuage the fears of those who will be subject to this legislation. These Members should be heard on the House floor and given an opportunity to plead the cause of those Federal employees they represent.

Therefore, Mr. Speaker, my objection to H.R. 20 rests primarily with the means by which this committee has chosen to submit it to the rest of the House. Suspension of the rules in this case is wrong, and does not serve the public well.

Mr. SIKORSKI. Mr. Speaker, I yield such time as he may consume to the author of this legislation, the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, denying any citizen the right to free and full participation in the political process is a contradiction in a democratic government. This is what the Hatch Act has done to millions of Federal employees for the past 50 years. H.R. 20, the Federal Employees' Political Activities Act of 1989, restores these first amendment rights to 3 million Federal employees.

In the last Congress, with the strong support of the minority members of the Committee on Post Office and Civil Service, we finally reached a bipartisan compromise. That compromise both protects Federal employees and the public against any intimidation by Government officials while protecting the first amendment rights of Federal workers to freely engage in political activity on their own time. That bill, H.R. 3400, was passed overwhelmingly by the House in November 1987 by a vote of 305 to 112. This legislation, H.R. 20, is the same as H.R. 3400 and I am pleased to say that support for this legislation continues to grow. While 292 Members cosponsored H.R. 3400, 310 of our colleagues have joined in cosponsoring H.R. 20.

I want to express my appreciation to my colleague, FRANK HORTON, who joined me in introducing H.R. 20. While I have been working for almost 15 years to reform the Hatch Act, the legislation before us is truly bipartisan and is as much a product of the other side of the aisle as this side. I also want to thank the chairman of the Post Office and Civil Service Committee, BILL FORD, and the chairman of the Civil Service Subcommittee, GERRY SIKORSKI, for their assistance in this effort as well as all the members of the committee and the hundreds of Members who have joined us as cosponsors.

Mr. Speaker, this legislation has received extensive study and deliberation. The 50-year-old Hatch Act, well intended as it may have been, is outdated and in need of reform. Fifty years later we know that the Hatch Act was a congressional overreaction to fear of the growing influence of President Franklin D. Roosevelt during a period of rapid growth of the Federal bureaucracy. It was an overreaction by the Congress to abuses, not of voluntary political activity, but to coercion and kickbacks by employees and recipients in Federal relief programs. While less than 32 percent of the 950,000 Federal work force was under the classified merit system then, today nearly 80 percent of approximately 3 million Federal employees are covered by a well-entrenched merit system.

In the past, many have confused efforts to reform the Hatch Act for efforts to repeal the Hatch Act. H.R. 20 contains strong sanctions prohibiting all Federal employees from using their official positions to improperly influence or intimidate any other Federal employee or any other person in the exercise of their political rights. The bill prohibits on-the-job political activity. It prohibits any and all forms of official coercion. It prohibits solicitation of political contributions from or to one's superior or from a person whose business is regulated by that agency, or from a person who has interests which may be affected by their performance of the employee's duties. It prohibits all Federal employees from engaging in political activity in a Government building, while in uniform, or while using a Federal vehicle.

The Hatch Act has outlived whatever usefulness it might have had. Two recent incidents point up the absurdity of the current act as it is presently enforced. The last administration used the Hatch Act to go after three union presidents who had been on leave from their Government positions for many years because they expressed personal opinions in the 1984 Presidential election in their newsletters. After a long, drawn out, 4-year fight the courts vindicated all three and the Solicitor General recently announced that his office does not intend to appeal the Federal courts decisions.

The second case involved Federal workers in the State of Washington who had their constitutional rights trampled on by the Hatch Act. Puget Sound civilian naval employees, like other Federal workers, attempted to participate in the 1988 Washington State Presidential caucuses. These workers attended caucuses in Washington, but the Hatch Act forbid them from speaking at these caucuses. These same Federal employees are also forbidden to run as delegates for any political convention. As a consequence, Bush lost delegates to Pat Robertson supporters. While President Bush may have been hampered in Washington State, he certainly benefited in Massachusetts when a barrage of State police officers appeared with him to support his Presidential efforts. There should be no distinction between State and Federal employees as far as political rights are concerned.

As I said 1½ years ago when the House considered this legislation, allowing 3 million public employees only the exercise of the vote is not synonymous with political freedom. Rather, it is a charade, a farce, a disgrace. Voting is merely the bottom line of the complex political process. Voting is the last event to take place in this tedious, long effort of successful campaigning. Participation at every level of the process is necessary to decide who will be the candidates on the final ticket. Months of expressing opinions, persuading friends, relatives, neighbors—making telephone calls, hosting teas—are required to select one's choice. Only if the right to exercise these legally permissible functions is afforded—can a citizen enjoy political equality. Such activity determines who will speak for voters in a truly representative government. This intrusive political gag order imposed on Federal employees should be lifted. Federal and postal employees should be able to participate fully and openly in the political process. I urge my colleagues to vote yes.

Let me say at the outset that we owe a great deal of thanks to a great many people, especially the gentleman who retired at the end of last session, Mr. Gene Taylor, for helping to put together this bipartisan compromise that enabled the Members to get more than 300 cosponsors of this legislation. Of course, we owe a great deal of thanks to the chairman of the full committee, the gentleman from Michigan [Mr. FORD], and the chairman of the subcommittee, the gentleman from Minnesota [Mr. SIKORSKI], and my dear friend and cosponsor of this legislation, the gentleman from New York [Mr. HORTON], who has worked very hard indeed to bring it to this point.

The gentleman who just preceded me in the well of the House said that he was in support of greater freedom for Federal employees, and I believe he is. He, however, criticizes this procedure and said that it limits the full and fair and careful debate. I would just like to say for the gentleman's edification that we have had 15 hearings on this particular piece of legislation, that 5 times the House has considered it, 3 times the House has passed it overwhelmingly, 1 time President Ford vetoed it, and we brought it back for veto override and we lost by a mere 16 votes.

□ 1250

One time we passed it overwhelmingly, and the Senate refused to hold hearings on it. In the last session we passed it overwhelmingly, and once

again the Senate held hearings but did not vote on it. So this has been carefully reviewed and carefully debated.

Let us compare what we have done in the last 15 years with this piece of legislation with what was done originally when it was enacted. This piece of legislation was enacted without any committee hearings on the Senate side, with very little debate on the Senate floor, and it was enacted by voice vote. When it got to the House, it was such an irresponsibly put together piece of legislation that the Committee on the Judiciary of the House thought that they had better take a good look at it, because what it did in effect was this: As originally passed by the Senate, it would have prohibited the President and the Vice President of the United States from seeking reelection, from going out and campaigning, from raising any money for the political campaign. It would have done precisely the same thing with every Member of the U.S. Senate and every Member of the U.S. House of Representatives. That is just how irresponsibly put together that piece of legislation was.

Mr. Speaker, it was a reaction to the kind of action taken by President Roosevelt during the elections of 1938 when he used people who were not members of the Federal merit system but were members of special programs like the WPA. These were the people with whom the abuse took place in 1938, and our President, Mr. Roosevelt, went out to use the resources of Government, not to defeat Republicans but fellow Democrats. He went out and targeted 11 fellow Democrats for defeat, and all 11 won, Mr. Speaker, and they came back here to get even with the President, and in getting even with the President they denied Federal employees their first amendment rights for free speech and free assembly. That was 50 years ago.

Mr. Speaker, I think it is time that we say to the 3 million employees who work for this Government and to the 250 million citizens of this country and to the billions of people around this world that the Constitution and the bill of rights also apply to those who work for the Government, and I urge my colleagues to pass this legislation with dispatch.

Mr. HORTON. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Speaker, I would like to say that I agree wholeheartedly with the gentleman from Indiana [Mr. BURTON]. This is good legislation, and it should pass. But it is bad procedure. It is a bad process to bring this very important, very historic, very controversial piece of legislation to the floor under suspension of the rules. This is a bill that is supposed to recognize and expand the rights of Federal employees, and we are doing it in a way that the rights of Members of this House are restricted.

Mr. Speaker, in the 100th Congress I made a very similar statement. I stated that while I favored the legislation, I could not on principle vote for it because of the process. I discovered, Mr. Speaker, that a vote of principle based upon process accomplishes nothing and satisfied nobody.

In the 101st Congress, Mr. Speaker, I renew my protest to the process, but this time I will cast my vote in favor of the rights of Federal employees.

Mr. BURTON of Indiana. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in opposition to H.R. 20 which will repeal the Hatch Act, a law that has protected Federal workers from coercion, and has protected the general public from a politicized Federal workforce, for almost 50 years.

Even if I believed that this was a good bill, and I do not think that it is, I would have to oppose the way that it is being considered under suspension of the rules. With such far-reaching changes proposed by this legislation, I believe that it deserves the opportunity for a full debate and the consideration of amendments. This gag rule is an insult to those members who have firsthand knowledge of the political environment in which Federal employees work and who consult daily with the individuals who this legislation will affect. I know that several of my colleagues join me in very serious and legitimate concerns with this bill, and would offer amendments that would avoid the more troublesome aspects of this bill.

The American public is served by the finest civil servants in the world. I am encouraged almost every day by the commitment, the dedication, and the hard work of Federal employees. As you know, my district includes more Federal employees than almost any other congressional district. I have long been a supporter of the Federal workforce. I recognize the important contributions made by Federal workers to the running of this country, and I believe that we must continue to attract qualified and experienced individuals into the Government. I have worked hard to secure benefits for Federal workers, to encourage individuals to enter public service. I have worked to establish relocation services for Federal employees to establish leave sharing and child care facilities for Federal employees. I have recently introduced legislation that would help increase top Federal employees' pay, and have consistently worked to narrow the gap between private sector pay and pay for the general schedule.

It is because I am committed to the strength of our Federal service, and because I want the American public to have confidence in public servants, that I am asking for a closer look at revision of the Hatch Act.

The Hatch Act is, above all, a protection. It protects Federal workers from the subtle political persuasion that could compromise the performance of their duties. It protects them from the partisan spoils system that characterizes the civil service of some countries. It also protects the general public. It allows the public to be secure in the knowledge that the everyday contact that they have with Federal employees—with the Social Security employee, the IRS auditor, the postal carrier—will not be influenced by partisan politics.

Why is this bill coming to the floor today? Not because times have changed since the enactment of the Hatch Act 50 years ago. The fact that the size of the Federal workforce has tripled makes the Hatch Act even more needed today. Human nature has not changed and the abuses that prompted passage of the Hatch Act in 1939 are still possible today. We have not witnessed such abuses precisely because the Hatch Act has let Federal employees know that they cannot be coerced into political participation. A bill to repeal the Hatch Act has been introduced in every Congress since 1939. The men who stood here before us understood the dangers of a politicized Federal workforce and rejected attempts to repeal the Hatch Act.

One bill passed both the House and the Senate in 1976. President Ford vetoed the bill and preserved the Hatch Act, saying that "pressures could be brought to bear on Federal employees in extremely subtle ways beyond the reach of any anticoercion statute so that they would inevitably feel compelled to engage in partisan political activity. This would be bad for the employee, bad for the government, and bad for the public." I will insert for the RECORD a copy of President Ford's full veto message.

In a 1973 decision the Supreme Court found that "* * * it is in the best interest of the country, indeed essential, that Federal service should depend on meritorious performance rather than political service, and that political influence of Federal employees on others and on the electoral process should be limited."

In a 1979 report the non-partisan GAO found several problems with proposed changes to the Hatch Act, finding that the "elimination of restrictions on political activity could very likely increase the potential for conflict-of-interest situations to develop."

Who favors changes to the Hatch Act? Not the majority of federal employees. I surveyed 23,000 of my constituents in 1983 and found 66 percent favored the existing Hatch Act. A poll of 10,000 Federal employees published

this month by the Federal Employees News Digest found that 70 percent were either neutral or favored current Hatch Act limitations on partisan political involvement.

Not Common Cause. Not the United States Chamber of Commerce. Not the major newspapers across the country that have editorialized against repeal of the Hatch Act in recent years.

Is this bill enforceable? The Attorney General does not think so. He would recommend a veto since the bill would lead to "a tragic re-politicization of the Federal workforce." The Attorney General believes that the bill would be unenforceable, due to the subtle nature of political coercion and the fact that it often just occurs between two individuals. Passage would flood the already crowded docket of the Merit Systems Protection Board with litigation by disgruntled employees.

Proponents of this bill say that it will allow those few Federal employees who want to participate in partisan politics a chance to do so and that the many employees who prefer not to will not be pressured. This is fantasy. I fear that what is permitted will come to be expected. Partisan supervisors could pressure their workers to make campaign contributions or work in campaigns. This subtle pressure, with the threat of performance appraisals, work assignments, and opportunities for advancement, could politicize the civil service.

H.R. 20 could well lead to the destruction of the federal workforce. We do not need legislation that will hurt public confidence in the Federal workforce. We do not need legislation that will subject Federal workers to political coercion. What we need is adequate pay for Federal employees and added benefits that will allow us to retain the experienced federal workers and will continue to attract qualified individuals to public service.

Instead of moving to destroy the civil service, we should be strengthening the Federal workforce. We should pass legislation like my bill to increase pay for Federal executives and judges. We should address the disparity between private sector and Federal pay throughout the general schedule. The bill before us would make major changes to a law that has provided protection for 50 years, and I urge you to vote against H.R. 20 on the suspension calendar.

The veto message follows:

VETO OF HATCH ACT REPEAL

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

To the House of Representatives:

I am today returning, without my approval, H.R. 8617, a bill that would essentially repeal the Federal law commonly known as the Hatch Act, which prohibits Federal employees from taking an active part in partisan politics.

The public expects that government service will be provided in a neutral, nonpartisan fashion. This bill would produce an opposite result.

Thomas Jefferson foresaw the dangers of Federal employees electioneering, and some of the explicit Hatch Act rules were first applied in 1907 by President Theodore Roosevel. In 1939, as an outgrowth of concern over political coercion of Federal employees, the Hatch Act itself was enacted.

The amendments which this bill make to the Hatch Act would deny the lessons of history. If, as contemplated by H.R. 8617, the prohibitions against political campaigning were removed, we would be endangering the entire concept of employee independence and freedom from coercion which has been largely successful in preventing undue political influence in Government programs or personnel management. If this bill were to become law, I believe pressures could be brought to bear on Federal employees in extremely subtle ways beyond the reach of any anti-coercion statute so that they would inevitably feel compelled to engage in partisan political activity. This would be bad for the employee, bad for the government, and bad for the public.

Proponents of this bill argue that the Hatch Act limits the rights of Federal employees. The Hatch Act does in fact restrict the right of employees to fully engage in partisan politics. It was intended, for good reasons, to do precisely that. Most people, including most Federal employees, not only understand the reasons for these restrictions, but support them.

However, present law does not bar all political activity on the part of Federal employees. They may register and vote in any election, express opinions on political issues or candidates, be members of and make contributions to political parties, and attend political rallies and conventions, and engage in a variety of other political activities. What they may not—and, in my view, should not—do is attempt to be partisan political activists and impartial Government employees at the same time.

The U.S. Supreme Court in 1973 in affirming the validity of the Hatch Act, noted that it represented "a judgment made by this country over the last century that it is in the best interest of the country, indeed essential, that federal service should depend upon meritious performance rather than political service, and that the political influence of federal employees on others and on the electoral process should be limited."

The Hatch Act is intended to strike a delicate balance between fair and effective government and the First Amendment rights of individual employees. It has been successful, in my opinion, in striking that balance.

H.R. 8617 is bad law in other respects. The bill's provisions for the exercise of a Congressional right of disapproval of executive agency regulations are Constitutionally objectionable. In addition, it would shift the responsibility for adjudicating Hatch Act violations from the Civil Service Commission to a new Board composed of Federal employees. No convincing evidence exists to justify this shift. However, the fundamental objection to this bill is that politicizing the Civil Service is intolerable.

I, therefore, must veto the measure.

GERALD R. FORD.

THE WHITE HOUSE, *April 12, 1976.*

□ 1300

Mr. CLAY. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Speaker, the gentleman from Virginia [Mr. WOLF] stressed and made the point that, if this bill passes, that the U.S. attorneys will actively be able to participate in politics.

Is it not true that today, without this bill, that the Attorney General of the United States can actively participate in politics?

Mr. WOLF. No, Mr. Speaker, the Attorney General of the United States does not participate in the process, nor does the Secretary of Defense and other agencies like this, nor should they be able to, and let me say to the gentleman from Missouri [Mr. CLAY] that no U.S. attorney who is investigating people in the gentleman's congressional district ought to be able to then go out, and then knock on doors and say, "I want you to vote for a certain candidate." It is obsolutely wrong.

Mr. CLAY. If the gentleman from Virginia [Mr. WOLF] will further yield, I would like to familiarize him with the history of Bobby Kennedy, with the history of our recent Attorney General. I would just like to familiarize him with the facts of life.

Every person in the Cabinet of the President of the United States can and does get actively involved in politics. It is the people that work for the Secretaries or the Cabinet members who are prohibited.

Mr. WOLF. Mr. Speaker, that is not the case, and, if I am wrong, I would want to stand corrected, and I will personally apologize.

Mr. Speaker, it is my understanding that the Secretary of Defense, the Secretary of State, and other key members of the President's Cabinet do not participate in the political process, and frankly I do not think that they should involve themselves in the political process, nor do I think the U.S. attorney should.

Mr. SIKORSKI. Mr. Speaker, I yield 30 seconds to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, I would like to correct the statement just made by the gentleman from Virginia [Mr. WOLF] when he said that members of the Cabinet are not political. Mr. Speaker, I would tell the gentleman from Virginia that Don Hodel, the Secretary of the Interior, went door to door in my congressional district campaigning against me. Now, if that is not political, I do not know what is.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. AUCOIN. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Speaker, the gentleman from Oregon [Mr. AUCOIN] is accurate. I said there are a select few Cabinet officials who do not. The ones

that do not are the Secretary of Defense——

Mr. AuCOIN. Mr. Speaker, reclaiming my time——

Mr. WOLF. And they ought not to participate.

Mr. AuCOIN. Reclaiming my time, Mr. Speaker, the point is Cabinet Secretaries can, and their employees cannot. I think that means dual citizenship, second-class citizenship, for the Federal workers, and that ought not to be possible.

Mr. Speaker, I support the bill.

Mr. HORTON. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Speaker, I would first like to commend my colleagues from New York and Missouri for their outstanding efforts on behalf of our Nation's Federal employees. As a newly appointed member of the Post Office and Civil Service Committee, I am proud to give my full support to H.R. 20, the Federal Employees' Political Activities Act of 1989.

H.R. 20 is a bipartisan effort to update a now obsolete law. The Hatch Act was enacted in 1939 in response to massive political abuses by certain Federal employees. Surely, no objective Member of Congress can equate the conditions of the Civil Service System in 1939 to those existing in 1989. Federal employees in all levels of Government in every Government agency have proven themselves worthy of our trust and respect.

The civil service is a worthy career option entitled to the same rights as other professions. This week, the Post Office and Civil Service Committee will begin discussion of the Volker Commission report which studied the state of today's public service. The Commission recommends a greater parity between Federal employment and its private counterpart. Many provisions in the 1939 Hatch Act are now outdated and merely add another unnecessary restriction on Federal employees. The Commission states:

> Few things reduce commitment more than yet another struggle with the suffocating bureaucracy within an agency.

Opponents of H.R. 20 insist that Federal employment is a privilege and this privilege justifies restrictions on partisan political activity. Although this may have been the reality of the 1930's, it is not the reality of the 1980's. The Commission indicates that the public service is not as attractive an alternative as it once was. They state:

> [T]he erosion has been gradual, almost imperceptible year by year. But it has occurred nonetheless.

Federal employment is a worthy career goal entitled to our full support in the Congress.

There is concern that the political system may be abused by civil servants. Will the IRS agent who comes to your door coerce and intimidate you? At this time of the year, the IRS agent may have more reason to fear for his own safety.

What about intimidation in the workplace? This is a fear in the private as well as the public sector. Many employee organizations are extensively involved in the political process. Managers often disagree with the politics of their employees. Yet, none of us would deny these workers the right to participate. Can you imagine applying for a job in the private sector which:

Forbids you from running for partisan public office;

Forbids you from exercising your right to hold office in a political party; and

Forbids you from handing out campaign pamphlets to your neighbors?

Yet these are the very restrictions we place on our civil servants.

The protections at the heart of the Hatch Act are retained in H.R. 20. Civil servants and the public are protected from coercion and intimidation. Bribery is still illegal. On the job political activities would still be prohibited. However, the most basic political rights given to all other employees are restored—the right to free association and to participate in our Government on every level.

Finally, Mr. Speaker, let me specifically address the question of abuse by an IRS agent.

Mr. Speaker, all Federal employees are prohibited from using his or her official influence or official information directly or indirectly for political purposes under H.R. 20. Section 7323 of H.R. 20 clearly prohibits this activity.

In addition, if an IRS agent attempted to directly or indirectly extort money, or help a taxpayer defraud the Government, or receive anything of value for the compromise, adjustment, or settlement of a charge, that individual shall be dismissed, fined up to $10,000 and/or imprisoned not more than 5 years under title 26 of the United States Code. IRS employees must abide by stricter laws than other Federal employees.

It is also important to note that 41 States presently have more liberal Hatch Acts than the Federal Government and there is no evidence that employees working in tax collection or law enforcement positions have been involved in any problems with regard to political activity.

I urge my colleagues on both sides of the aisle to support our public servants by supporting H.R. 20.

□ 1310

Mr. FORD of Michigan. Mr. Speaker, I rise to support H.R. 20, long overdue legislation that would return to Federal and postal employees the right to participate in the Nation's political process. The Post Office and Civil Service Committee reported this bill last week by a vote of 22 to 1. It is virtually identical to H.R. 3400 which the 100th Congress passed last year by an overwhelming 305-to-112 vote. The Senate failed to act on the measure.

For far too long Federal employees have suffered under the yoke of the Hatch Act, which was written for a different time and for far, far different circumstances. No longer should those who serve their Federal Government be denied basic rights enjoyed by other Americans.

As lawmakers it is our duty to ensure that Federal laws fit the times. Clearly we have an obligation to Federal employees in this regard.

It is important to understand here that H.R. 20 is a bipartisan compromise and is the product of extensive negotiations between Democrats and Republicans.

It is supported by all but one member of the Committee on Post Office and Civil Service, which I have the honor of chairing. It is, as well, supported by every major Federal employee organization, including organizations of managers.

At the outset, let me tell you that this legislation absolutely continues to forbid partisan political activity while on duty. It will not, as critics have suggested, turn the Federal work place into a political arena. Quite the contrary. The language is perfectly clear. Federal employees may not engage in any political activity while at work.

Federal employees will, however, be restored to full citizenship away from the job. In short, the bill simply says full citizenship off the job and no political activity on the job. This, I might point out, is a system that works well for many States and many foreign governments.

The bill contains strong, clear prohibitions for misuse of official influence. It provides that employees can be fined, fired, or suspended for misusing their authority as Federal employees to coerce others for political ends.

It is vital in a democracy to have citizen participation. And that should include all citizens, not all citizens except those who work for the Federal establishment. American democracy does not force any group to participate, neither should it exclude any particular group.

Since it was passed in 1939, the cost of the Hatch Act to our Government has been great. For nearly five decades we have denied ourselves the benefit of some of our best informed citizens in the governmental process. And we have paid dearly.

We must remember that the Hatch Act was passed during a period of rapid expansion of the Federal Government—especially during that long and painful decade of the Great Depression when we learned the importance of the Federal Government's role in shortening the peaks and filling in the valleys of business cycles.

During this period there was deep and justifiable fear that Federal workers could be manipulated by those to whom they felt they owed their jobs. In a very real sense the Hatch Act was created to protect Federal workers from the political asylum and to protect the system from Federal workers.

There are striking differences today from the time the Hatch Act was enacted into law. For one thing, we have a firmly established

merit system that protects both the employees and the public from political abuse as a result of employment.

And on top of this we have a sophisticated system of organizations today that protects employees and their rights. There were far fewer organizations, and with much less influence, when the Hatch Act became law.

At that time less than 32 percent of the Federal work force was under the merit system, compared to 78.6 percent today.

It is patently obvious that the differences today are enormous. And clearly the law thatmay have been necessary nearly 50 years ago is no longer appropriate today. To understand this we need only examine how different the civil service is today from that time nearly a half a century ago.

The arguments presented in this Chamber then for passage of the act simply are not valid today.

To believe otherwise we would have to believe that the spoils system, under which the winner won the right to name most of the work force, still exists.

The fact is that when the guard changes at the White House these days, the incoming President has precious little opportunity to place his supporters and cronies in Federal jobs.

The Hatch Act as it exists today in truth protects almost no one while working a terrible burden on those it was designed to protect by excluding them from the political process.

H.R. 20 has as its primary premise the belief that Federal employees should be free to engage in any political activity on their own time but should not engage in any political activity on the job.

It would give Federal employees the right to manage campaigns, solicit contributions, work on phone banks, or even run for office while off the job and away from the work place.

This is something that should have been done years ago. It is something that cannot be put off any longer.

Mr. SIKORSKI. Mr. Speaker, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I rise today to join my colleagues, the chairman of the Committee on Post Office and Civil Service, Subcommittee on Civil Service, Congressman GERRY SIKORSKI, and the gentleman from Missouri, Congressman WILLIAM CLAY. I am pleased to once again be a cosponsor of this important legislation. I would like to thank and commend Congressmen SIKORSKI and CLAY for their commitment to restore political participation rights to Federal employees and for bringing this important legislation to the floor today.

Let me discuss a couple things, if I can; first of all, process. We have all been in this House for some period of time. There are bills that are controversial, where the lines are closely drawn, where openness is essential, openness in the sense of giving everybody an opportunity to amend, change and debate, et cetera; but we ought not to have a process that is just a slave to process itself and not reality.

This bill is overwhelmingly supported. There are 310 cosponsors to this bill, far over the amount needed to pass it. In the last Congress it passed this House 3 to 1; so the process is being fair here. We are trying to do again what this House did in the last Congress.

Second, the gentleman from Virginia, who is a good friend of mine, who worked very hard for Federal employees, has spoken in opposition to this bill. We disagree on this issue.

Let me say to my friend from Virginia, this issue does not deal with pay in terms of legislation, but it may well deal with pay in terms of whether Federal employees can be ignored by the political leaders of this country, ignored because they do not have political clout, influence, and involvement—because why? We have prohibited them from exercising the rights that we tell to the rest of the world ought to be given to every citizen, irrespective of race, color, sex, or national origin.

Oh, but if you are a Federal employee, my friends, forget about exercising your full rights as an American; but if you are a citizen of the State of Virginia, the Commonwealth of Virginia does not denigrate your constitutional rights in a free democracy. No, the citizens of Virginia can fully participate.

I come from the great State of Maryland, the free State of Maryland. Maryland does not prohibit its employees from fully participating in the electoral and political process of our State. We count them as full citizens, fully able to exercise the greatest freedom that we have in this country to participate fully and freely in electing our leadership.

Yes, I suggest to my friend from Virginia this may well be an issue of pay and benefits and standards. It may well be, my friend, because we in this body and the President just down the road tends to pay attention to people who can fully participate an impact upon the political decisions of our Nation.

Let me say, Mr. Speaker, that I have full faith and trust in the Federal employees of this country. They are going to responsibly and effectively exercise the rights that this House is overwhelmingly going to vote to give them.

I have no concerns, I hope my friend from Virginia does not have concerns, about the responsibility of our Federal employees who can exercise these rights consistent with the highest principles of this Nation the laws of this country.

In the 100th Congress, identical legislation H.R. 3400 overwhelmingly passed the House by a vote of 305 to 112. The legislation before us today, H.R. 20, has 310 cosponsors. Clearly, Mr. Speaker, this is a bipartisan effort to allow Federal employees to fully participate in our Nation's political process.

The Federal Employees' Political Activities Act of 1989 would modify the 50-year-old Hatch Act, prohibiting Federal and postal employees from participating in political activities. Although the Hatch Act had good intentions when implemented, it is time to change this antiquated law and permit Federal employees the same rights afforded other citizens in our political process.

Mr. Speaker, H.R. 20 does not suggest that Federal and postal employees should be allowed to engage in political activities while on the job. In fact, this measure strictly prohibits employees from conducting such activities while on duty, in uniform, while in a Federal building, or while using a vehicle owned or leased by the Government. In addition, there are other provisions that protect Federal and postal employees from coercion and undue influence, the original intent of the Hatch Act.

Employees will be prohibited from using their authority to interfere with or influence election results, intimidate an employee to make a financial contribution, or require them to participate in an election. Employees will continue to be protected against these abuses while enjoying the right to actively participate or not participate in the political process while maintaining the integrity of the civil service.

Mr. Speaker, since enactment of the Hatch Act, there have been over 3,000 administrative rulings necessary to enforce this law. As a result, there are numerous inequities that would allow Cabinet Secretaries to actively campaign for a candidate, but does not allow their personal secretaries to stuff envelopes for a candidate on off-duty time.

This example demonstrates the confusion that the Hatch Act and its subsequent regulations have created. H.R. 20 will serve to eradicate this unnecessary bureaucracy and eliminate the current confusion over the limited role that Federal and postal employees can play in the political process. Clearly, with little understanding of the roles that employees can or cannot play, the Hatch Act as it is now, intimidates workers from participating in political activities at all.

Now is the time for Congress to initiate reform and give our Federal and postal employees the right to exercise their first amendment rights of free speech and association. We need to make them an integral part of America's political process and grant them the opportunity to fully participate in the construction of our Government. We need only to ensure that they do not abuse this right by keeping politi-

cal activities out of the workplace and while on duty.

Therefore, today, Mr. Speaker, I would like to commend Congressman CLAY and Congressman HORTON on their efforts to grant a fundamental and constitutional right to the Federal and postal employee, and I urge all of my colleagues to join with me in support of the Federal Employees' Political Activities Act of 1989.

Mr. HORTON. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Speaker, today I rise in support of H.R. 20, the Federal Employees' Political Activities Act, commonly known as the Hatch Act Reform Act.

Our Nation has a long history of political activity and freedom of speech. Yet, in this Bicentennial year of one of our most precious documents, the Constitution of the United States, 3 million of our Federal employees lack one of our basic rights as citizens of this great Nation—the right to participate in the political process.

Some would argue that Federal employees should be apolitical. Although services the citizens of this Nation receive from our Federal employees should not be based on the political beliefs of either the Federal employees or the citizens they serve, the Hatch Act has effectively forbade Federal employees from having political beliefs.

Reform is long overdue. H.R. 20 represents a bipartisan effort to restore to those 3 million Federal employees their right to freely participate in our Nation's political process, a right which is enjoyed by almost all other citizens of the United States.

H.R. 20 prohibits any political activity whatsoever on the job, while permitting Federal employees to utilize all their rights as citizens off the job. H.R. 20 also prohibits any campaign solicitation by supervisors as well as any coercion or intimidation by or of Federal employees.

Fifteen years ago, Congress removed restrictions on the political activities of State and local employees when it passed the Federal Election Campaign Act Amendments of 1974 (Pub. L. 93-443). I believe that the restrictions within H.R. 20 will sufficiently protect the citizens of this country from politicized Federal service, while allowing 3 million Federal employees to exercise the rights the rest of us enjoy.

Mr. HORTON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, first of all, I want to express my appreciation that this bill is coming before us, H.R. 20, so early in the session.

Also I certainly want to commend my colleague, the gentleman from Missouri [Mr. CLAY] for reintroducing this important legislation, and also for the work in the last session by the gentleman from Missouri, Mr. Gene Taylor.

This is certainly what we fashioned as the Missouri compromise.

I also want to compliment the gentleman from Minnesota [Mr. SIKORSKI], the gentleman from Michigan [Mr. FORD], and the gentleman from New York [Mr. GILMAN] and all of those people who worked hard and diligently for this very important legislation.

You know, this H.R. 20 has to do with revising the set of rules that govern Federal employees' participation in politics, which is complicated, inconsistent, unduly restrictive of Federal employees on their free time. We know it as the Hatch Act. It is so confusing that many Federal employees find it difficult to exercise their political rights, even to the extent permissible. They are confused as to what the limits are, so they play it safe by staying out entirely or almost completely being uninvolved.

According to the law, a Federal or a postal employee may wear on the job a campaign button for his or her favorite Presidential candidate, but it is against the law for that same Federal employee or any other Federal employee to host a "meet the candidate" coffee at home after hours.

I want to also point out that now a Cabinet Secretary can host a fundraiser for a candidate, but the clerical secretary in that very same agency cannot address envelopes on his or her own free time for a candidate.

The Federal employee's family car may sport a political advertisement no larger than 15 by 30 inches, but a political advertisement posted on a Federal worker's lawn may be no larger than 14 by 22 inches.

So you can see the Hatch Act restrictions. Those are just a few of the examples, based on a conglomeration of more than 3,000 separate regulatory rulings issued before 1940 deprives 3 million American citizens who work for the Federal Government of the political voice that is their right.

As an example, it has been a loss to the country that scientists for the National Institutes of Health, inspectors from the Department of Agriculture, statisticians from the Census Bureau, have not been permitted to participate in politics over the past 49 years since the Hatch Act was passed. The loss to them and to their communities is particularly strongly felt in the Washington area, the home of some 350,000 Federal employees.

In Maryland's Eighth Congressional District, which I represent, there are some 60,000 Federal employees, about 20 percent of registered voters, who are restricted by the Hatch Act.

We are going to be voting on this legislation to correct the Hatch Act. The reform bill, I will reiterate, is a very carefully crafted bipartisan compromise, as has been mentioned, there are over 310 cosponsors on both sides of the aisle and all the 8 Members from Maryland are cosponsors.

It will ban absolutely all politicking in the Federal workplace, including the wearing of political buttons, but it will allow Federal employees on their own time to engage in the full range of political activities open to other citizens.

By taking this black and white approach, no partisan political activities on the job, any otherwise legal activities off the job, the Hatch Act reform bill would clear up the ambiguity and vagueness surrounding partisan political involvement by Federal employees.

We have heard argued that many Federal employees like the present restrictions because the rules provide a convenient excuse for avoiding political involvement. If that is true of some Federal employees, then it is particularly important to note that the Reform Hatch Act would even more effectively protect these workers' rights to remain uninvolved. It would do so through the ban on all the on-the-job political activities, including those that were previously legal. It would do so through a prohibition on contributions to the campaign of a supervisor.

The new legislation will also toughen penalties for misuse of official authority or information and prohibit employees from soliciting, accepting or receiving a contribution from a person who has or is seeking a contract with the employees' agencies, is regulated by the agency, or has an interest that may be affected by the performance of the employees' duties. Penalties for violation of these rules include fines, suspension, demotion, removal from specific jobs, and disqualification from any Federal employment for a period not to exceed 5 years.

□ 1320

Mr. Speaker, I just want to reiterate, and I simply want to say, that 40 States allow these rights for their employees, and as we celebrate the 200th anniversary of Congress, we, the people, should include Federal employees.

Mr. BURTON of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, the House is now embarking on its biennial Hatch Act reform adventure. Each of the last couple of bienniums we have decided that in the name of reform we have to literally scrap the Hatch Act. Each year those of us who have reservations about it but who would like to change the Hatch Act are not allowed to make amendments on the floor, and the debate on what I think is a rather important issue of more than passing interest, not only to the millions of Federal workers, but also to the people of the United States, is given 40 minutes of debate under the suspension process.

I thought I was the only one who was being cut out of the game, but after hearing the gentleman from Virginia, I see that there is probably a very good reason why we are not allowed to raise debate and to make amendments, because some of them might pass.

Unlike the gentleman from Virginia [Mr. WOLF], I do not represent a lot of Federal employees. On the other hand, as part of my jurisdiction in years past, I had to watch some of them work. Some of these are members of the Federal Election Commission staff, the people who are charged with monitoring and enforcing our election laws and with drafting certain rules that relate to election laws, and here is a bill which is totally liberating them to engage in any kind of partisan activity those employees care to engage in, and with what have already been described as inadequate enforcement procedures.

A couple of years ago I complained when this same group of employees were able through their union to form a political action committee and contribute to the Presidential candidates whom they were regulating, and in the specific instance of my complaint, they had something to say about declaring that a candidate was not even a candidate yet; he was an experimental candidate; and yet their union PAC was able to contribute to it. This is the kind of thing that makes the public suspect of congressional reform.

What we are doing is taking off rules willy-nilly and exposing ourselves to great risks and dangers in our democracy in the future, and until this Congress is willing to let us have a shot at some amendments and some honest debate on this bill, I am certainly not going to be able to vote for it.

Mr. Speaker, I support many of the reforms that are in here, but simply to say that the whole problem is easy, we just give everybody anything they want, is not a good way to do it, especially when we find that the anybodies mostly do not want these special privileges, because they notice that we are taking away protections, and I intend to vote against the bill.

Mr. SIKORSKI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I congratulate the gentleman from Minnesota [Mr. SIKORSKI], the gentleman from Missouri [Mr. CLAY], the gentleman from New York [Mr. HORTON], and others. This bill has 310 cosponsors, the vast majority of the House, who saw fit to cosponsor it. I have tremendous respect for my friend, the gentleman from Minnesota. We worked together numerous occasions with respect to subcommittee and House administration.

I will just say to my friend that I think Federal employees who are in sensitive areas like the Federal election law would most likely refrain because of what they are charged to do, but let me just say this: It is not easy to be a public servant, a civil servant, today, particularly Federal employees. They are, by the President's own Commission, 26 percent behind the private sector in salary. They are behind in terms of comprehensive health coverage. They pay for a good percentage of their own health coverge. Every year we see budgets submitted that would attack their retirement system, and the retirees, once they are retired, after being career employees, very often, as is the case in the various proposals, are not given equity with respect to cost-of-living adjustments like their brothers and sisters who are covered under Social Security, and to add onto all of that that they are denied what is the basic American citizen's right, the right to fully participate in our governmental process and in our political process; it is as all-American as apple pie and motherhood, children, et cetera. Why should they be denied to express themselves, to volunteer for the person of their choice in terms of a campaign? Why should they be denied to have a certain type of lawn display for the candidate of their choice? What is the real reason here? Why are their brothers and sisters for the most part, local civil servants, not denied this right?

The fact of it is we have a wonderful process, legislative process, around here. We have been remiss in passing this legislation for many, many years, and it is reminiscent, without exaggerating, of the rights that women went through. I remind my friends that women did not have the right to vote until 1920. We were belated then, and we are belated now.

Mr. Speaker, let us pass this.

Mr. HORTON. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. MILLER]

Mr. MILLER of Washington. Mr. Speaker, I rise in support of H.R. 20. This will return to Federal civilian employees their right to participate in the political process on their own time, and will protect these employees from intimidation or coercion on the taxpayers' time. That is the way it should be.

Mr. Speaker, the Hatch Act was established in 1939 to prevent politics from affecting civil service promotions and job security. But recent strict interpretations of the Hatch Act have taken civil servants out of politics, instead of taking the politics out of civil service. As it stands, the Hatch Act is confusing and inconsistent as to what Federal employees may do on their own time. Federal employees may express an opinion publicly about candidates and issues, but they may not make campaign speeches; they may join a political party or club, but they may not hold an office in a political party or club; they may wear or display political badges, buttons, or stickers, but they may not distribute those same badges, buttons, or stickers.

Mr. Speaker, my civil service constituents are frustrated because the very institution they serve will not serve them. We must reform the Hatch Act to allow Federal workers greater participation in the political process on their own time—and stronger rules to protect their professional neutrality and integrity on the taxpayers' time. I urge my colleagues to join me in voting for H.R. 20.

Mr. BURTON of Indiana. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, to bring this bill to the floor under the Suspension Calendar, a bill that pretends to protect the rights to participate in the political process of the working men and women of America who are Federal employees, and to bring this bill under the Suspension Calendar, which denies the right to participate by virtue of offering amendments that would further protect the rights of these working men and women from coercive tactics by special interest groups, is the worst kind of speical interest power politics.

Mr. Speaker, I am going to register my protest to this kind of power politics by asking for a recorded vote on this measure, and I would ask the Members of this body as they consider what vote they will cast to decide whether or not they will cast a vote for the freedom and for protection of the freedom and rights of federally employed working men and women of America in their districts, or will they instead vote for the Potomac power base groups that are behind this bill in this form, and want it rushed through this body without the amendments that will decrease their coercive abilities and increase the freedom of working men and women.

□ 1330

I suggest that Members who believe in freedom and participation without coercion vote against this bill today on behalf of the people in their districts who elected them rather than the people in this town who would take advantage of those hard working men and women.

Mr. HORTON. Mr. Speaker, I yield the balance of my time, 2 minutes, to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in support of the motion to suspend the rules and pass H.R. 20. Second, I commend the gentleman from Missouri [Mr. CLAY] and the gentleman from New York [Mr. HORTON] and the gen-

tleman from Minnesota, [Mr. SIKORSKI] for their diligent work in bringing this bill to the floor at this time. The passage of this legislation, the Federal Employees Political Activities Act of 1989, will finally grant postal and Federal employees the "political civil rights" they so much deserve * * * the right to participate voluntarily in our Nation's political processes.

I join my colleagues in acknowledging the key role played by my predecessor, as the ranking minority member on the Post Office and Civil Service Committee, the gentleman from Missouri, GENE TAYLOR for his substantive work on this issue.

H.R. 20 makes it clear to these workers that they may engage in any legal political activity off the job but not while on duty. The measure also enables employees to seek elective office and increase protection for employees who have no desire to become politically active.

Although H.R. 20 does restrict postal and Federal employees from wearing political buttons while on the clock or on Government property, other than these restrictions, postal and Federal employees could engage in legal political activity off the job. Employees may run for office without taking leave, as long as the campaigning does not interfere with the performance of their duties. An employee who requests leave without pay for the purpose of running for office can only be denied such leave by management "based on the exigencies of the public business."

Mr. Speaker, H.R. 20 sets straight years of ambiguities, inaccuracies, and misunderstandings. With the passage of this bill, Federal workers will finally know what they can or cannot do.

H.R. 20 is long overdue and a most welcome development. Accordingly, I strongly urge my colleagues to support this bill.

Mr. BURTON of Indiana. Mr. Speaker, I have no more requests for time, and I yield back the balance of my time.

Mr. SIKORSKI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to talk about the suspension issue. Suspension is a procedure. It is neither intrinsically meritorious or intrinsically evil. It is a procedure. If it is your legislation that is passing, it is the ark of the covenant. If it is legislation you oppose, it is Satan incarnate.

In fact, in this process we have had over 15 hearings over the years on Hatch Act reform. The support within this institution is incredible. Over 310 Members have cosponsored this legislation. Why do those who attack this legislation now, by those of us who support reform, not attack the procedure?

Originally this legislation, sponsored by Senator Hatch of New Mexico, was held without public hearing in the Senate, with almost no debate on the floor and passed under unanimous consent procedures on the floor of the Senate. Why does that not undercut the merits of the current Hatch law and support those of us, the 309 others besides myself in this body who want this legislation for the constitutional rights of Federal employees?

Mr. Speaker, I yield 45 minutes to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, I want to congratulate the gentleman from Minnesota [Mr. SIKORSKI] and the gentleman from New York [Mr. HORTON] for bringing H.R. 20 to the floor, the Federal Employees' Political Activities Act. In my 8 terms in Congress I have voted on this legislation each of those terms.

We are dealing with basic equity. I do not have a lot of Federal employees in my district. What I do have are very important employees, but they are not second class citizens. They should be able to support the candidate or candidates of their choice at home.

In fact, this bill would protect, I think, the Federal Government and our process by ensuring that they do not politic at the office, in the workplace. So it is a reform that is long overdue, and I urge my colleagues to support the legislation.

Mr. VENTO. Mr. Speaker, today I express my support for the millions of Federal and Postal Service employees who have been denied their first amendment rights for nearly half of a century. These are rights that all Americans share and too often take for granted. It is time to put an end to this discrimination against U.S. Government employees, and support the Federal Employees' Political Activities Act, H.R. 20. Our political structure and fabric is strong and will surely be enhanced by the full unfettered involvement of Federal workers, the primary protection that Federal workers need in the political process is that of power, to participate and vote. This legislation to form the Hatch Act is long overdue. While the original law may have served a purpose in the past to ensure against abuses in the still young and developing merit system, the political environment we find ourselves in today is dramatically different. History points out that public employees needed protection from a spoils system and harassment, but today strong civil service laws and public employee unions serve to counter balance the once pervasive political intrusion so prevalent in Federal employment. There now exists a separate system of merit protection which protect employees from political pressure or reprisal. The Hatch Act of today no longer serves its original function with the same degree of clarity it might once have possessed. In the 1989 real world, the numerous and extremely complex statutes are ill-defined, creating great uncertainty and an ambiguous environment in which many Federal workers are unsure of what is permissible. As a result, many U.S. Government employees are afraid to participate at all, and in some instances even to vote, due to an uncertainty about what is permissible under the current Hatch Act regulations. The great risk today isn't a spoils system so much as the technical violations of the Hatch Act Rules. Ironically, the law to protect workers is now being used to harass them.

It is essential that we correct this situation. By supporting the legislation before us, we will allow Federal and Postal Service employees to become involved in a supportive role of the political process, and permit them to run for elected office or for party roles. At a time when there is so much discussion on how we can open up the process and ensure that the more qualified candidates will run for office, it seems to me that one clear approach is to allow millions of Americans who are currently excluded the essential exercise of rights and the opportunity to participate. I would not support this approach unless I was convinced that sufficient safeguards exist to guarantee a nonpoliticized Federal work force. I certainly do not advocate the demise of necessary protections, but rather a balanced approach that permits public workers to exercise their rights, and to take part in the self-governance of our Nation.

Mr. Speaker, H.R. 20 is the proper vehicle to achieve this by bringing current law up to date. During the last Congress, many of my colleagues realized the wisdom of this legislation when they passed a similar bill by a substantial majority. The Post Office and Civil Service Committee understood the significance of this bill and the positive impact it will have on our democratic process. They approved H.R. 20 overwhelmingly. With over 300 congressional House sponsors, it is well past the time to pass this essential legislation, ensuring that the Senate will act and that the Federal public workers will finally be afforded the full rights of citizenship.

Mr. Speaker, the legislation before us deserves all of our support. It is essential that we who represent the final product of America's democratic political process recognize not only the need, but the right for all citizens to participate in that process. I urge my colleagues to vote for passage of this essential reform.

Mr. GEPHARDT. Mr. Speaker, the House of Representatives today considers the Federal Employees' Political Activities Act. I am proud to cosponsor this bill with my colleague from St. Louis, MO, BILL CLAY.

This legislation would permit employees of the executive branch and U.S. Postal Service to participate in partisan political activities as long as they do so on their own time and not on the job. The bill is needed to reform the longstanding denial of political rights to federal employees as defined in the so-called Hatch Act.

It is wrong to deny privileges to 3 million Americans employed by the Federal Government because of a law passed over 50 years ago in an era where politicking was under scrutiny because of widespread abuses. Such abuses are simply not prevalent in the modern political environment. Current law contains a hodgepodge of restrictions on Federal employees. It is confusing on many fronts: Federal employees may speak on political issues, but not at political gatherings; they may attend

a political convention, but not as delegates; they may sign a nominating petition for a political candidate, but they may not circulate it. This confusion engenders much doubt over what is allowable and not allowable under the Hatch Act. It is time to remove this doubt.

Last year the House overwhelmingly passed identical legislation because of the specified safeguards in the legislation. These protections guarantee that Federal employees will not be pressured with political solicitations on the job and prohibit government facilities from being used for partisan political purposes.

One of the things that makes our country great is the ability of people from all walks of life to be able to participate in the political process. We should be commending citizens for getting involved in the political process, not reprimanding them. That is why I support this much needed legislation.

Mr. FAZIO. Mr. Speaker, I rise today in enthusiastic support of H.R. 20, the Federal Employees' Political Activities Act of 1989. The time has long since come to restore Federal employees' rights of citizenship, and I am proud to be a cosponsor of this legislation.

When Congress Hatched Federal employees in 1939, it intended to prevent partisan-minded Government managers from coercing Federal employees to participate or refrain from participating in political activities. Since then over 3,000 regulations have been promulgated in an attempt to protect Federal employees from coercion while ensuring their political rights.

Unfortunately, the existing restrictions on the political activities of Federal civil servants have evolved into a morass of regulations that are confusing, often conflicting, and have the effect of chilling even lawful participation in our Nation's political process. With such a contradictory and complicated set of rules, it's no surprise that many Federal and postal employees choose to avoid the political process altogether for fear of violating Hatch Act rules.

The legislation before us will restore political freedom for Federal and postal employees. The Federal Employees' Political Activities Act would ban all on-the-job political activity while ensuring, with few restrictions, that Federal and postal employees are free to exercise their political rights as citizens outside the Federal workplace.

The House overwhelmingly passed this bill in the last Congress. However, in the face of a threatened veto by the previous administration and with time running out at the end of the session, Hatch Act reform was never considered by the full Senate. It's unclear at this time what position the President will take on Hatch Act reforms, but I'm hopeful he will recognize the need for this measure.

I believe this bill strikes a balance between political freedom for individual Federal employees and a Federal workplace free of political coercion. I commend Representatives BILL CLAY and FRANK HORTON for introducing H.R. 20, and urge my colleagues to support this important legislation.

Mr. FAUNTROY. Mr. Speaker, I rise in strong support of H.R. 20, the Federal Employees' Political Activities Act of 1989. H.R. 20 seeks to amend the Hatch Act of 1939 by extirpating the anachronistic prohibitions placed by that act on the political rights of Federal and postal employees.

In 1939 the Hatch Act was enacted into law. Since that time Federal and postal employees have been barred from running for public or party office at any level. Federal and postal workers have also been prevented from participating in partisan political campaigns on a free and voluntarily basis. They have been uable to campaign for candidates in partisan elections, even contests at the State and local levels. Under the Hatch Act Federal and postal employees have been denied first amendment rights to make campaign speeches, distribute materials, or collect campaign contributions in any partisan compaign.

The Hatch Act originally intended to correct alleged abuses of the merit system at a time of expansion within the Federal bureaucracy is obsolete and in need of reform. The environment that led to the enactment of the Hatch Act 50 years ago does not obtain now. The Federal Government responding to growth in our population and a much more complex and interdependent national and global situation has tripled in size. Today, 3 million of our fellow citizens serving in the Federal Government are being denied their political rights. Today, we have a well established merit system that guards against the kickbacks and coercion that led to the enactment of the Hatch Act.

Additionally, the Hatch Act is unworkable and has consequently been administered in a most arbitrary, confusing, and undefined manner. Rather than protecting Federal workers, the Hatch Act has become a source of intimidation and fear, chilling even the most elementary act of democratic participation, voting. Cases have been reported of Federal workers fearing to vote lest they be found in violation of the law.

H.R. 20 opens the way the Federal and postal employees to regain their first amendment rights and their ability to participate in our democracy. With this legislation Federal and postal employees would regain the right to participate voluntarily in political activities without fear of reprisal or penalty.

H.R. 20 also provides ample protection against abuse and protects the national interest in the integrity of the merit system and the impartial administration of the functions of government. Partisan political activity would be strictly prohibited when on the job. Additionally, there are stringent provisions against any activity by a Federal or postal employee designed to intimidate or improperly influence a colleague or the public in the exercise of the right to freely engage in political activity. H.R. 20 has specific and sufficient provisions to enjoin abuse and offical coercion.

As an original cosponsor of this bipartisan legislation and as a Member representing a large number of Federal and postal employees who want their democratic rights restored, I urge all of my colleagues to join the 309 cosponsors of H.R. 20 in passing this much needed reform.

Mr. GARCIA. Mr. Speaker, I would like to express my support for the Federal Employees' Political Activities Act of 1989.

The ability to participate in political activities is fundamental to the democratic process and this right should extend to everyone. The original intention of the Hatch Act was to prevent political pressure from developing within the Federal Government and its agencies. The net result has been an exclusion of Federal workers from any political activity. Since the passage of the Hatch Act in 1939, legislation has been passed which prohibits coercion of postal and Federal employees, making the Hatch Act obsolete and detrimental to over 3 million people.

H.R. 20, which I have cosponsored, prohibits political activity on the job site while allowing postal and Federal employees to participate in the democratic process on their own time. I believe this is a fair and just measure and will continue to support it this year in Congress.

I urge my colleagues to support H.R. 20.

Mr. ACKERMAN. Mr. Speaker, I rise in support of H.R. 20, which amends the Hatch Act to give Federal employees the right to participate in America's electoral process. I am proud to be a cosponsor of this historic reform.

At the present time, 41 States either permit, or at least do not prohibit, public employees' participation in most general campaign and partisan political activities. America's 2.8 million Federal employees should have this same first amendment right, but the Hatch Act restricts their ability to do so.

The present law is enforced by 3,000 regulations, many of which are silly and contradictory. For instance, they permit Federal employees to support a candidate but forbid them to host a meet-the-candidate forum in their homes. Federal employees can attend a political rally, but they can't wave a banner or flag. They can put a lawn sign in front of their homes, but it must be smaller than a bumper sticker.

H.R. 20 abolishes these confusing limitations. It gives Federal employees the option of participating in partisan election campaigns, and allows them to raise funds or even run for office. But the bill also strengthens the safeguards which are needed in order to protect workers from political coercion by banning all on-the-job political activities, even those which are permitted now.

The bill, which was approved on April 12 by the Committee on Post Office and Civil Service, effectively protects any worker who chooses not to be involved in politics by providing an array of penalties for an abuse of official authority by a Federal employee, including fines, job termination, or jail.

Mr. Speaker, H.R. 20 has broad bipartisan support, and I urge my colleagues to support this long-overdue reform.

Mr. RAHALL. Mr. Speaker, I am pleased to rise in support of H.R. 20, the Federal Employees' Political Activities Act of 1989.

H.R. 20 is identical to the legislation passed by the House in the 100th Congress, by a vote of 305 to 112. I support this bill, as I did last year, because it provides a fair solution to the issue of Federal and postal employee' participation in the political activities and processes of this country. In doing this, the bill also safeguards the integrity of the civil service.

The 50-year-old Hatch Act needs to be reformed. The regulations that flow from it are

confusing, massive, and serve to inhibit Federal and postal employees from exercising legitimate constitutional rights. The affected employees, three million strong, deserve the right not to be excluded from the political process just because they are Federal or postal employees.

Many claim, Mr. Speaker, that if we pass this bill and it is enacted into law, that it will lead to official, political coercion. This bill, I firmly believe, prohibits all such uses of official authority or influence to interfere with the result of an election or to intimidate any individual to vote or not to vote, to give or withhold a contribution, or to engage or not engage in any political activity. The only official information a Federal employee may use for any political purpose is information already available to the public. The various criminal prohibitions relating to elections and political activities contained in chapter 29 of title 18 of the U.S. Code are conformed in this legislation.

Other than the restrictions that have been made part of this bill to safeguard against official coercion, Federal employees may engage in any legal political activity off the job, including the ability to run for political office.

Federal employees should have the same constitutional protection of the right to free speech and association as is afforded all other Americans. This bill, after a long 50 years during which the Hatch Act successfully shut them out of the process, returns those rights to these dedicated public servants, freeing them from the fear of reprisal or penalty.

Mr. Speaker, I strongly support this bill, H.R. 20. I hope that my colleagues will join me in voting for its swift passage today, and express the hope also that our colleagues in the Senate will expedite action on similar legislation.

Mr. PARRIS. Mr. Speaker, with some reluctance, I rise in support of H.R. 20, the Hatch Act reform measure presently before Congress. The Hatch Act was enacted in 1939 to protect Federal workers from partisan political activities. The act was adopted in response to actual coercion of Federal employees during the Franklin Roosevelt administration and abuses of the merit system during the 1930's. The purpose of the act was to protect government employees from such coercion and abuse.

In today's society, however, the Hatch Act goes too far and simply serves to restrict Federal workers unnecessarily in exercising their fundamental rights to participate fully and freely in the political process. Due to the strength of government employee unions and of the press, the Hatch Act no longer serves as the sole guardian against political abuses in the Federal service. It is difficult to believe that a supervisor who attempts to use his influence to coerce a subordinate to vote a certain way or contribute money to a particular candidate would survive the wrath of that subordinate's union or public exposure from the press, and it is likely that the political issue or candidate involved also would suffer as a result of the union or press exposure. The risk of exposure for the supervisor would be too great and would serve as a strong deterrent to employee coercion or abuse.

Hatch Act restrictions currently are very unclear and complicated. Federal workers often distance themselves from even permitted political activities out of fear of violating the act. Rather than serve as a benefit to Federal employees, the Hatch Act as presently drafted serves to silence these workers and keep them out of the political process altogether. H.R. 20 would rectify this situation simply by prohibiting all on-the-job political activity while permitting participation in any otherwise legal political activity during the Federal employees' own time. This "bright line" rule would provide clear guidance on permissible activity, and would thereby remove the chilling effect on political participation that the currently vague standard imposes.

It is time for Congress to recognize the right of the Federal work force to fully participate in the political process, just as other citizens, and to further recognize that Federal workers, just as workers in the private sector, can deal with partisan pressures without jeopardizing the integrity of their work product.

This is not to say that my decision to support H.R. 20 has been an easy one. One concern that I have surrounds the potential for coercion of employees that could follow relaxation of Hatch Act restrictions. I am particularly cognizant of the fact that coercion can be, and most often is, subtle. A boss need not threaten his subordinate with dismissal or denial of an earned promotion to coerce that employee to engage in political activities that further the interests of his superior. Instead, the boss may rely upon unspoken assumptions and innuendo that conformity with the politics of the office is the way to advancement and job security within the organization, resulting in subtle pressure on workers to conform to the political philosophy of the office. The same sort of pressure to conform may be applied by leaders of the employee's union. I am hopeful that the enforcement provisions of H.R. 20 are strong enough, and that the Merit Systems Protection Board will be diligent enough in carrying out its enforcement duties under the measure, to effectively eliminate even subtle pressures to conform to office politics. The enforcement mechanisms under H.R. 20 must be closely monitored to ensure that coercion and patronage are truly guarded against.

I am also concerned about provisions permitting a Federal worker to take a leave of absence from his/her Federal service position to run for public office. I continue to believe that these provisions go a step beyond granting Federal workers the same rights of political freedom as private sector employees and place at risk the public's continued confidence in the Federal Government.

As an example, consider the Federal worker, John Doe, who under the provisions of H.R. 20 takes a leave of absence from his job and runs for a local public office. Assume that Mr. Doe is defeated, and, as permitted under the bill, returns to his Federal job. Further assume that Mr. Doe learns that of the six subordinates who work under him and live in his district, only one worked on his campaign. If Mr. Doe has the opportunity to promote this subordinate over the others, and does, based upon the subordinate's campaign effort, then the Federal Government would have taken a giant step backward to the days when Federal employees were subjected to supervisors who provided employment and advancement opportunities based not upon job performance but upon political favors.

Now assume that Mr. Doe has no knowledge of his subordinate's campaign contribution, but that the public is aware of the subordinate's campaign participation, and, finally, that the subordinate is promoted. The appearance of bias alone would most likely undermine the public's confidence in that particular government office.

Although I support the goals of this legislation, I think that it can and should be improved before becoming law. I am disappointed that once again, Hatch Act reform legislation is being considered under suspension of the rules. This procedure prevents Members of this body from making the sort of changes that I have suggested. I understand that the language being considered by our Senate colleagues more effectively addresses the problems associated with political coercion and employee office holding. Thus, I am supporting H.R. 20 with the hope that these concerns can be addressed before final submission of a bill to the President.

Mr. BORSKI. Mr. Speaker, I rise in strong support of H.R. 20, the Federal Employees Political Activities Act.

This legislation will allow civil servants to participate in the elective process on their own time. Under the 50-year-old Hatch Act, Federal employees are forbidden from participating in partisan political activities. Unfortunately, the antiquated law which was designed to protect Federal employees from political harassment has become the very vehicle restricting their rights as American citizens.

The Hatch Act is composed of over 3,000 administrative regulations, many which contradict each other. It provides vague and arbitrary guidelines for Federal employees seeking to participate in the political process. H.R. 20 will amend the Hatch Act to allow civil servants to participate in political activities without dismantling the important protections intended by the original law.

Because the Hatch Act is so complicated and contradictory, civil servants have chosen to stay out of the process altogether rather than risk violating the act. The regulations designed under the guise of protecting civil servants from political coercion actually limit employees actions on their own time.

H.R. 20 will prohibit Federal employees from using official authority or influence to interfere with the result of an election or to intimidate an individual to vote or not to vote, to give or withhold a contribution, or to engage in political activity. The measure also prohibits Federal employees from promising or threatening certain actions, including providing or withholding compensation, grants, contracts, licenses, and rulings.

In fact, H.R. 20 not only leaves intact the important protections established under the Hatch Act, but also strengthens prohibitions on using a Federal position for political purposes. The civil service will remain free of political manipulation and continue to serve the public in an impartial and fair manner.

I believe passage of this legislation is long overdue and I am proud to support H.R. 20 as a cosponsor. As the son of a letter carrier, I know firsthand about infringement on individual rights imposed by the Hatch Act on Federal employees. My father was forbidden from publicly lending his support for my initial bid for public office.

For these reasons, Mr. Speaker, I am pleased to support this legislation and I urge my colleagues to support this necessary revision of the Hatch Act as well.

Mrs. BYRON. Mr. Speaker, I rise in support of H.R. 20, the Federal Employees' Political Activities Act.

This important legislation will allow Federal workers and Postal workers employees to participate in political activities when off duty. It will prohibit workers from engaging in political activities when they are on duty, wearing a Federal uniform or driving a vehicle owned or leased by the Government. Only high level political employees would be exempt from this on duty ban, but they would be barred from using taxpayers' funds to pay for any political activity.

H.R. 20 would also maintain ethical standards. Employees would be barred from using government information for political purposes unless that information is available to the public, and also from using their position to coerce others into voting a certain way or contributing to a politician's campaign. It would also allow Federal employees to run for political office without taking leave, as long as the campaign does not interfere with their work.

The Hatch Act was enacted in 1939 out of fear in Congress of the growing influence of President Roosevelt and the rapid growth of the Federal bureaucracy. During that time, less than 32 percent of the Federal work force of 950,000 was under the classified merit system. Today's Federal work force has approximately 3 million employees of which 78.6 percent are covered by the merit system.

Enactment of the Hatch Act put into law over 3,000 administrative rulings of the Civil Service Commission. These 3,000 rulings still govern today. The law is confusing, overly broad and not understood by either the public or the Federal and Postal employees to whom the rulings apply. The major restriction that still remains today is that Federal and Postal employees cannot run as candidates for public office in partisan elections.

Mr. Speaker, H.R. 20 strikes the proper balance between the right of Federal and Postal employees to participate in the political life of this Nation at all levels and the right of the public to impartial, nonpolitical administration of the law. I urge my colleagues to support this legislation.

Mr. McCANDLESS. Mr. Speaker, the legislation before us, H.R. 20, would amend the Hatch act and allow employees of the Federal Government to directly participate in partisan politics. While I understand the strong sentiments behind the legislation, I have reservations about it and must oppose H.R. 20 in its present form. In addition, I object to the procedure under which this bill is brought before the House of Representatives. That procedure limits debate to 40 minutes, and prevents any amendments from being offered to H.R. 20.

The Hatch Act was passed to fix the serious problem of political coercion in the Federal work force, and in its current form, it provides two very significant protections. The first is to protect government workers from threats and reprisals, both real and perceived, if they fail to adopt or endorse a particular partisan political view. Federal workers have a right to be free from political pressures and solicitations from their supervisors and coworkers. The act recognized that subtle pressures on government employees are often extremely difficult to document.

The second, is to protect the public from threats and reprisals, again, both real and perceived, from government workers. Those threats could include the use of government positions to coerce contractors to contribute to certain candidates; pressure on people dealing with the Internal Revenue Service; and agencies dispensing grants or loans having undue influence over applicants. Once again, subtle pressures are difficult to document.

The job of government is the efficient operation of the Federal Government with equal treatment of all taxpayers regardless of political persuasion. The Hatch Act currently provides a measure of protection for government employees and for taxpayers. As H.R. 20 would drastically alter that delicate balance of protection, it should be defeated.

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today in support of H.R. 20, the Federal Employees' Political Activities Act. I do so because I believe Federal employees should have the same political rights as currently enjoyed by all other American citizens.

The Hatch Act, which was enacted in 1939 to provide for a fair and impartial Federal civil service, bars most Federal and Postal employees from taking part in partisan political activities. It prohibits these employees from managing a political campaign and running for political office.

However, the arguments that were used back in the 1930's to justify the Hatch Act are no longer valid today. When the Hatch Act was originally passed, less than 32 percent of the Federal work force of 950,000 was covered by a classified merit system. Today the Federal work force is more than three times larger, and approximately 70 percent of that work force is covered by a merit system that protects both employees and the public from undue political influence and abuse.

H.R. 20—which reforms the Hatch Act—removes unnecessary restrictions on political activities by the Federal work force, allowing them to use their off duty hours to manage political campaigns and run for political office. It also permits employees to request leave without pay or annual leave when running for political office. Such requests must be granted unless the agency management determines that existing work demands make granting leave to the employee impossible.

At the same time, H.R. 20 tightens existing restrictions on political activities during work hours. Among other things, this bill prohibits Federal employees from using their official authority to intimidate an individual to vote or not to vote, to engage or not to engage in any political activity, or to give or not to give a political contribution. It also prohibits Federal employees from promising or threatening certain actions, including providing or withholding grants, contracts, licenses, and rulings.

Moreover, H.R. 20 strengthens provisions in the Hatch Act designed to protect Federal employees from coercion by their supervisors. For example, the bill prohibits Federal management superiors from soliciting political contributions from their employee subordinates.

I strongly urge my colleagues to vote for H.R. 20. Federal employees should no longer be treated like second-class citizens.

Mr. SMITH of Texas. Mr. Speaker, it is unfortunate that the House leadership has not afforded the House an opportunity for full debate on reform of the Hatch Act—an important issue which goes to the heart of how this Nation is governed and represented.

I support expanding the rights of Federal employees in order to allow the participation in the political process. But again, as in the last session, the House will not be able to fully address this issue because we have been prevented from offering perfecting amendments under the floor procedure mandated today.

The procedure of suspending the normal rules of debate has traditionally been reserved for the most noncontroversial measures, and those on which further debate and modification is not desired. Considering the Hatch Act reform bill under suspension prevents us from considering amendments to prohibit unions from pressuring members on political matters of using dues for political purposes, to establish a sunset provision, and to establish a commission to evaluate current Hatch Act restrictions.

Mr. Speaker, we must respect the right of Members to contribute to the legislative process by offering amendments such as these. Therefore, while I support expanded political participation rights for Federal employees, I must cast a nay vote based on an objection to this procedure, which violates the right of House Members to engage in free and open debate.

Mr. HAYES of Illinois. Mr. Speaker, I rise today to express my support for the passage of H.R. 20, the Federal Employees' Political Activities Act of 1989, also known as the Hatch Act reform. As an original sponsor of this legislation, I feel strongly about restoring Federal workers their right to participate in the political process.

As you know, 50 years ago legislation was passed which prevented Federal workers from running for public or party office at any level and from participating in any partisan political campaigns, as volunteers or paid employees. The act was originally intended to correct alleged abuses of the merit system that arose with the growth of the Federal Government. However, times have changed. Currently, Federal workers work under a system of merit protection which was designed to shield them from political coercion. Clearly, the law which may have been necessary in 1939 is no longer appropriate.

Additionally, the first amendment of the Constitution guarantees to all Citizens of the United States the right to political participation. Since 1939, Federal workers' rights in this area have been severely restricted.

In the 100th Congress this measure was overwhelmingly passed by the House, and I again encourage my colleagues' support today. H.R. 20 provides voluntary, off duty political activities which do not interfere with the impartial administration of effective public service. All the current civil and criminal penalties for political coercion by Federal employees are preserved.

As a Member of Congress that represents a substantial number of Federal workers, I am proud to stand today in support of legislation which seeks to bring true political freedom to Postal and Federal employees who have been treated as second class citizens for the last 50 years. Again, Mr. Speaker I encourage the support of my colleagues today in the passage of H.R. 20.

Mr. KOLBE. Mr. Speaker, this bill presents a tough dilemma for me. I am a cosponsor of the Federal Employees' Political Activities Act. Reforming the Hatch Act makes a lot of sense. We all know the incredible contradictions that currently exist in the Hatch Act. A Federal employee can have a sign on their car that is larger than the allowable yard sign. These types of ridiculous restrictions are in desperate need of clarification.

Also at issue is fairness. Federal employees should have the liberty to participate in the political process if they so choose. This is particularly true with the ever decreasing percentage of the American people who even bother to vote. It makes little sense to retain barriers for those people who wish to be politically active.

I realize that there are those who claim that reforming the Hatch Act will cause an incredible politicization of the Federal work force. However, the environment of political spoils and cronyism have long since passed. In addition, the protections and penalties built into H.R. 20 are more than sufficient to prevent and discourage abuse of the Hatch Act.

As you can see, I am a supporter of the reform measure before us today. Unfortunately, we will not be able to consider this major piece of legislation in an open and free forum. Bringing this measure up under suspension of the rules is a clear effort to run this legislation through the House. It does not allow those that have reservations or perfecting amendments the opportunity to present their cases. In fact, bringing up a bill under suspension of the rules is the best way to completely restrict amendments.

What escapes me is that if the leaders of this effort know they have sufficient votes to pass this by two-thirds, as required by the suspension calendar, then why are they unwilling to allow open and free debate. There are many Members on both sides of the aisle who have questions and reservations about this legislation. It seems only fair to give them the opportunity to voice their concerns.

By bringing this measure up under suspension of the rules, I am forced to vote against a measure that I have strongly and consistently supported. I am forced to vote against many of my constituents wishes. No matter how strong the arguments in favor of passing this measure, the principle of institutional integrity is a far greater argument. I would urge my colleagues to vote against this measure under suspension so that we might bring it up under an open rule. Then, we would have an opportunity for full debate and to improve the bill with amendments.

Mr. MARLENEE. Mr. Speaker, the Hatch Act was instituted in 1939 to remove the spoils system from the Federal Government civil service. It was passed to reassure the public that Federal employees were working for them and not for any elected official. Even with all the restrictions, there are still reported instances of attempted political coercion by Federal civil servants.

During last year's election in my home State of Montana, postal unions contributed $12,500 to my opponent's campaign. The American Postal Workers PAC contributed $2,000; NAPUS PAC for Postmasters contributed $500; and the National Association of Letter Carriers Committee on Political Action contributed $10,000. That is $12,500 from a group of Federal employees who want more freedom to engage in partisan politics. $12,500 sounds like they already have a good deal of freedom to participate. What would be the outcome of lifting restrictions placed on them by the Hatch Act? Would the union bosses have an even stronger hand to whipsaw the average well intentioned and consciencious Federal employee?

The answer is that this legislation would allow unprecedented involvement by Federal employees in the electoral process. Identical legislation passed the House of Representatives last year under the suspension of the rules. With only 40 minutes of debate and no opportunities to add amendments or improve the bill, I believe this legislation made a mockery of the legislative process by passing this farreaching bill without an opportunity for a fair and open debate.

And, here we are once again repeating last year's mistake. I opposed the Hatch Reform Act last year and I will do so today because of the method used to consider this legislation and the bill fails to provide adequate protection to the public from political coercion by Federal Government workers. Would a farmer feel pressure to contribute to a political candidate if the ASCS loan officer drops a hint that the farmer's application would be looked more favorably if he did so? Protection from such potential abuses is essential in maintaining public confidence and trust in Federal civil service.

Mr. Speaker, the first major overhaul of the Hatch Act should be given more than 40 minutes consideration and some opportunity to amend. I might also add that President Bush opposes this legislation, and it is destined for an almost certain veto. I urge my colleagues to oppose this parody of legislation until a more rational approach can be considered.

Mr. GUNDERSON. Mr. Speaker, I rise today to address my concerns over H.R. 20, The Federal Employees Political Activities Act which would reduce the restrictions on political activity while protecting employees from coercion if their political views differ from those of their supervisors. These concerns are not directed at the bill itself, of which I am a cosponsor, but over the process in which the bill was brought before the House.

The act was originally intended to correct alleged abuses of the merit system that arose with the growth of the Federal Government and the popularity of President Franklin Roosevelt during the New Deal.

The Hatch Act has been interpreted in a manner that precludes Federal employees from almost all political activities. The law forbids employees from campaigning for candidates in partisan elections, making campaign speeches, distributing campaign material in partisan elections, and collecting contributions for any partisan candidate. Interpretation has become so restrictive that the very employees the law was intended to protect have been penalized instead.

This bill takes a straightforward approach to reform of the Hatch Act—Federal employees would be able to fully participate in the political process on their own time but, at the same time, it would prohibit the use of official authority, influence or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

But Mr. Speaker, although I commend Mr. CLAY and Mr. HORTON for their work on this legislation, I am nevertheless disturbed about the way in which this bill was brought before the House. I object vociferously that we would abandon the process by ramming this legislation through the House under suspension of the rules and deny Members who represent large numbers of Government employees an opportunity to debate the bill fully and offer amendments as they see fit.

While I agree with the concept of this bill, I cannot support legislation that circumvents the regular process. We have a responsibility not only to our constituents and those Members who have a desire to be heard, and have the right to be heard, but we have a responsibility to see to it that the process is not abandoned.

Ms. PELOSI. Mr. Speaker, I rise today in support of H.R. 20, the Federal Employees' Political Activities Act of 1989. The right to participate freely and openly in decisions affecting their welfare has been an objective of Americans since this country's inception. The Civil War was fought for this right; the women's movement and the civil rights movement were based on it. In a democracy, this right must be universal, guaranteed to all individuals.

A citizens' rights and responsibilities extend beyond suffrage. While the vote is the ultimate political expression, it provides only one method of affecting the political process. Many other avenues of influence exist and should be used by an informed citizenry.

Today, we are debating whether those persons who have chosen public service should be given the right to participate fully in the democratic process. On this point there should be no question. Just as political rights should not be limited for reasons of race, sex or ethnic origin, neither should they be limited by profession.

Federal employees must have the right to participate fully in the democratic process. I urge my colleagues to support H.R. 20.

Mr. McCLOSKEY. Mr. Speaker, I rise to express my wholehearted support for H.R. 20, to allow increased participation by Federal and postal employees in the electoral process.

The original Hatch Act was passed over 50 years ago as a remedy to abuses which oc-

curred in the system. Currently, the rules governing Federal and postal employees participation in political campaigns are complicated, restrictive, and inconsistent. The Hatch Act is long overdue for revision because Federal hiring has changed substantially and most Federal employees are brought into the service through the merit system. The Hatch Act has deprived postal and Federal workers of basic democratic rights.

H.R. 20 is identical to the bill which passed the House of Representatives last session by a vote of 305 to 112. It is a reasonable and responsible approach to reinstate the basic rights which have been denied to Federal and postal employees. H.R. 20 allows Federal and postal employees to participate in political activities during their own free time. No political activities are allowed while on duty or on the job. This bill also contains mechanisms to guard against official coercion. It strengthens the penalties to protect government employees from intimidation and coercive behavior.

I believe that the bill reported by the Post Office and Civil Service Committee provides a proper balance of restoring basic political rights and providing ample protections against abuse.

H.R. 20 is a truly bipartisan effort to allow the Federal and postal work force to participate voluntarily in the democratic process of elections.

I want to commend Chairman BILL FORD of my committee and my colleagues Mr. CLAY, Mr. SIKORSKI, Mrs. SCHROEDER, Mr. GILMAN, and Mr. HORTON for their leadership in guiding this bill to the floor. This bill is vital to Federal and postal workers and I urge my colleagues to support H.R. 20.

Mr. LELAND. Mr. Speaker, I commend Mr. CLAY (D-Missouri) and Chairman FORD (D-Michigan) for introducing H.R. 20, the Federal Employees Political Activities (The Act). The Hatch Act has made all Federal and postal employees second class citizens with respect to the exercise of those political rights guaranteed by the first amendment. These employees, quite unlike all other Americans, put their livelihood at risk, if they exercise their first amendment right to fully participate in the political arena.

This is an intolerable situation, and an inequity that I believe must come to an end. How is it a Cabinet Secretary may extol the virtues of a candidate for public office to large and influential audiences while a postal window clerk or letter carrier who gives a bumper sticker to a friend stands to lose his or her job? Clearly, Hatch Act reform is one of the most compelling issues affecting the public work force which this Congress needs to address.

I urge my colleagues to enact H.R. 20 because of the need to achieve a sound balance between the political rights of Federal and postal employees and the policy imperative that these employees perform their duties without reference to partisan political interests and considerations. I agreed to cosponsor H.R. 20 because the measure properly strikes this delicate balance.

Mr. Speaker, due to official business in my district this morning, I was unable to cast my vote in support of H.R. 20. Had I been present, I would have voted "aye" on passage of H.R. 20.

Mr. FOGLIETTA. Mr. Speaker, I address my remarks to H.R. 20, the bill to reform the Hatch Act, and free Federal Government employees to do what all of us can do, enjoy the freedom—and responsibility—of political involvement.

First, I want to pay tribute to Congressman FRANK HORTON and my good friend, BILL CLAY, for seeing this battle through year after year.

I would feel more comfortable if this bill specifically prohibited Federal Government employees, holding sensitive positions, from being allowed to engage in politics. I fear, for example, the IRS agent or FBI agent who could, directly or implicitly, use his or her position to exert pressure on voters by virtue of their position. For these reasons, I plan to introduce legislation to amend this law so to preclude this type of pressure.

Importantly, however, H.R. 20 contains provisions to prohibit a Federal employee from putting the muscle—as the saying goes—on voters. I hope the employing Federal departments will be vigilant in enforcing the provisions of this act which prohibit pressure by Federal employees.

Despite my concerns, I believe this is an important step. Participating in the political process is a precious right—as those in this body well known. The old Hatch Act is arbitrary in the people it excludes from politics. Why, for example, should a boilermaker at the Philadelphia Naval Shipyard be prevented from involvement in politics? Why should a receptionist for the Social Security Department not be allowed to campaign for the candidate of her choice?

Thus, I favor passage of H.R. 20 and hope that it becomes law.

Mr. DICKS. Mr. Speaker, I want to extend my congratulations to my colleagues Mr. CLAY and Mr. SIKORSKI for their work to forward this legislation to the House floor so promptly.

This body has gone on record on numerous occasions in support of legislation to strike a better balance between preserving fundamental political rights for Federal employees and protecting against political coercion by their superiors.

I am proud to be a cosponsor of this legislation, which is very similar to the bill we passed last year, H.R. 3200 by a vote of nearly 3–1. It will allow Federal workers to run for partisan political office on their own time, unless it interferes with the performance of their duties. It also allows civil service workers to manage political campaigns and raise funds on their own time.

The legislation at the same time retains important protections against using official authority or influence to impact political activities including any activities that would create a conflict of interest.

In my State, we have a caucus system for nominating delegates to the national conventions of the major political parties. Under current law, Federal employees cannot run to be delegates at such caucuses, and there are real restrictions on how actively they can participate in the debate that goes on at this, the real grassroots level, of the political process.

A community forum on this subject last year in my district generated considerable interest, and unanimous support for reform of the current law.

Hopefully, the other body and the administration will be more supportive of Hatch Act reform than they have been in the past. In any event it is important for this House to reaffirm its commitment, and H.R. 20 provides us with just that chance.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. SIKORSKI] that the House suspend the rules and pass the bill, H.R. 20, as amended.

The question was taken.

Mr. SIKORSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 169

Mr. RHODES. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Joint Resolution 169.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION EXTENSION ACT

Mr. SAWYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1385) to make permanent the Martin Luther King, Jr., Federal Holiday Commission.

The Clerk read as follows:

H.R. 1385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Martin Luther King, Jr., Federal Holiday Commission Extension Act".

SEC. 2. REMOVAL OF TERMINATION.

(a) REMOVAL. —Section 9 of Public Law 98-399 (98 Stat. 1475) is amended to read as follows:

"Sec. 9. The Commission shall continue in existence until terminated by law.".

(b) CONFORMING AMENDMENTS. —

(1) FINDINGS.—Paragraph (3) of the first section of Public Law 98-399 (98 Stat. 1473) is amended by striking "first".

(2) PURPOSES.—Section 3(1) of Public Law 98-399 (98 Stat. 1473) is amended by striking "first occurs on January 20, 1986" and inserting "occurs on the third Monday in January each year".

SEC. 3. MEMBERSHIP.

(a) TERMS IN GENERAL.—Section 4(c) of Public Law 98-399 (98 Stat. 1474) is amended to read as follows:

"(c)(1) Except as provided in paragraphs (2) and (3), members of the Commission shall be appointed not later than June 1 of each year for terms of 1 year, and any vacancy in the Commission shall be filed in the manner in which the original appointment was made. Any vacancy in the Commission shall not affect its powers.

"(2) Coretta Scott King shall serve as a member for life. In the event of a vacancy, her position on the Commission shall be filed by a member of the family surviving Martin Luther King, Jr., not already a member of the Commission, who shall be appointed by the family and shall serve as a member of the Commission at the direction of the family.

"(3) The 2 members of the Commission appointed as members of the family surviving Martin Luther King, Jr., shall serve as members of the Commission at the discretion of the family.".

(b) CONTINUATION OF TERMS OF EXISTING MEMBERS.—The individuals who are members of the Commission on the date of the enactment of this Act shall be considered to have been appointed members for a term ending on the first June 1 that occurs after the date of the enactment of this Act.

SEC. 4. REPORTS.

Section 8 of Public Law 98-399 (98 Stat. 1475) is amended by striking the period at the end and inserting the following: "with respect to the most recent observance of the Federal legal holiday honoring the birthday of Martin Luther King, Jr.".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—Section 7 of Public Law 98-399 (98 Stat. 1474) is amended to read as follows:

"SEC. 7. There is authorized to be appropriated to carry ou this Act $500,000 for each fiscal year.".

(b) CONFORMING AMENDMENTS.—

EXPENSES OF MEMBERS.—Section 4(d) of Public Law 98-399 (98 Stat. 1474) is amended by striking "subject to section 7" and inserting "subject to the availability of sufficient funds".

(2) PAY FOR STAFF.—Section 6(a) of Public Law 98-399 (98 Stat. 1474) is amended by striking "Subject to section 7" and inserting "Subject to the availability of sufficient funds".

The SPEAKER pro tempore (Mr. SIKORSKI). Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio [Mr. SAWYER] will be recognized for 20 minutes, and the gentlewoman from Maryland [Mrs. MORELLA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SAWYER].

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 1385, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SAWYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring before the House a bill to make permanent the Martin Luther King, Jr., Federal Holiday Commission, and to authorize an annual appropriation for the operation of the Commission.

The Commission was established by Congress in 1984 to encourage appropriate ceremonies and activities relating to the observance of the Federal legal holiday in honor of Dr. King. When the Commission first began its work, only 19 States observed the King holiday. Today, all but six States have made Dr. King's birthday a holiday, and over 100 foreign countries celebrate the occasion, as well.

In providing assistance and guidance to States and organizations with respect to observance of the King holiday, the Commission has distributed several hundred thousand pamphlets and posters, and responded to thousands of inquiries. The Commission also publishes a newsletter, "Living the Dream," which provides information to holiday observers around the country.

Equally important, the Commission has sponsored activities which promote Dr. King's goals of racial equality and nonviolent social change. Dr. King's teachings are promoted through the Commission's participation in projects on issues such as drug abuse, illiteracy, voter registration, and urban economic development.

For the past 5 years, the Commission has carried out its work without Federal funding. Given the difficulty of raising funds through private sources, the Commission has faced serious obstacles in carrying out its mandate, since far too much time and effort must be spent soliciting donations.

H.R. 1385 has two major provisions. First, the bill establishes the Martin Luther King, Jr., Federal Holiday Commission as a permanent Commission until terminated by law. While the Commission has accomplished a great deal during its short life, there is still much to be done with respect to educating the American public, and particularly our children, about Dr. King's philosophy and contributions to our progress as a nation. Extending the life of the Commission will allow it to complete the work which Dr. King began.

Second, the bill authorizes a small, but necessary, annual appropriation of $500,000, to enable the Commission to carry out its work more effectively. Of course, the Commission still may supplement the Federal appropriation with private donations.

Mr. Speaker, the House approved similar legislation in the 100th Congress by an overwhelming margin. Unfortunately, the Senate did not act on the measure before adjournment. Without further action by the Congress, the Commission will expire this month.

I want to commend Congressman JOHN CONYERS, the sponsor of H.R. 1385, for his dedication to keep Dr. King's dream alive.

During his lifetime, Martin Luther King, Jr., represented hope to millions of Americans. Today, with the critical problem of drug abuse, and high dropout and unemployment rates among minority youth, I believe the Commission can continue Dr. King's legacy by bringing hope to many young people who have lost sight of the dream.

Mr. Speaker, I urge my colleagues to support this important legislation, and I reserve the balance of my time.

□ 1340

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1385 makes permanent the Martin Luther King, Jr., Federal Holiday Commission and authorizes $500,000 for each fiscal year.

The Commission was established in 1984 and charged with the responsibility of making Martin King, Jr., Day a meaningful national holiday. The Commission advises, educates, and assists Federal, State, and local governments and private organizations in their activities.

Mr. Speaker, Martin Luther King, Jr., left a legacy to this Nation; a legacy for all people regardless of color, race, ethnicity, age, or gender. He taught the lesson of love, understanding, and the power of persuasion through the civil rights movement.

The "I Have a Dream" speech given by Dr. King in 1963 galvanized millions then and still reverberates throughout the world today.

The Martin Luther King, Jr., Commission has the task of helping the Nation to focus on those dreams—not just for 1 day each year but every day. In addition to educating the American public on the principles of joint endeavors toward racial equality, the Commission has an agenda which includes teaching young people the perils and violence of drugs, teenage pregnancy, dropping out of school, illiteracy, and unemployment.

No Federal funds were appropriated when the Commission was created by and act of Congress. The Commission has existed with a small staff since 1984. We know, Mr. Speaker, that in order to implement an effective program, an organization must have sufficient funds. Unfortunately, much of the members' and staff time of the Commission has gone into fundraising, thereby taking away from the Commission's real work. Private donations have been declining over the years. It is therefore crucial that the Commission be granted funds.

Mr. Speaker, presently, 44 States have enacted legislation to make Martin Luther King Day a day of re-

membrance. There are more than 140 countries throughout the world that observe Dr. King's birthday.

As a cosponsor of H.R. 1385, I encourage all Members to support this bill, which will have positive national and international impact.

Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I will not take all the time. I have served as one of the four House Members on the Commission since its inception. As many realize, the original legislation establishing the Commission provided for two Members of each party from the House and Senate each to serve on this Commission. To date it has operated solely with private contributions. We have been fortunate to have enough to do some very central tasks that were assigned to this Commission; namely, making the people of the United States aware of the Martin Luther King, Jr., holiday and also carrying this message to those outside the United States.

Mr. Speaker, I think one of the most effective responsibilities, in terms of accomplishment of this Commission, have been the education programs. The Commission has done outstanding work in making publications available to the schools in this Nation, thereby reaching out to students all across the country. Much of this effort and its success has been possible because of the work of volunteers.

Mr. Speaker, I have been on many commissions over the years, and I do not know one that has a greater success story in terms of volunteer assistance. This will continue even though this bill would authorize funding for some of the basic needs of the Commission. You can understand that any commission has to have some staff people, some money available for printing, and so on.

But the Commission provides a nucleus of leadership that is important to mobilize the volunteers. If the Commission were to terminate, we would not have the focal point that I think is essential to carrying out Martin Luther King's message of nonviolent change.

Mr. Speaker, as we look into the future, this is a powerful story and certainly one that I think deserves the kind of attention that we have brought to it in the Commission.

Mr. Speaker, I would also point out there is great interest in the Commission's activities from individuals in other nations. The message of nonviolent change is one that reaches beyond the boundaries of the United States and certainly carries with it a perception of our Nation that I think is very positive, as others look at the ideas articulated by Dr. King and as they understand the message set forth in the educational materials that are provided through the efforts of this Commission.

I would certainly urge my colleagues to support this extension of the work of the Commission. I would point out that it is supported by President Bush and his administration because they too recognize that this is a powerful message that needs to be continued in terms of an educational process. That is an important mission of the Commission that should go on.

Mr. SAWYER. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS], the distinguished sponsor of this outstanding legislation.

Mr. CONYERS. Mr. Speaker, I would like to commend the gentleman from Ohio [Mr. SAWYER] and the gentleman from Michigan [Mr. FORD] for helping move this legislation expeditiously through the Post Office and Civil Service Committee. I would also like to thank the gentleman from Ohio [Mr. REGULA] who is a member of the Martin Luther King, Jr. Federal Holiday Commission, for his support and cosponsorship of this legislation, and the gentlewoman from Maryland [Ms. MORELLA] for her kind words of support for this bill.

Mr. Speaker, I rise in support of H.R. 1385, legislation which I introduced at the beginning of the 101st Congress to extend the life of the Martin Luther King, Jr. Federal Holiday Commission. The Commission was first established in 1984 to encourage appropriate ceremonies and activities throughout the United States relating to the first observance of the Federal legal holiday honoring Martin Luther King, Jr. In addition, the Commission was directed to provide advice and assistance to organizations with respect to the observance of the holiday. As we have heard, the Commission's authorization will expire on April 20 in the absence of congressional action.

Mr. Speaker, if we authorize this Commission for 100 years it would be just one-sixth of the cost of one B-1 bomber.

The Commission has had only 4 short years in which to institutionalize the Federal holiday honoring Dr. King. It took many more years to recognize and institutionalize other Federal holidays like George Washington's and Abraham Lincoln's birthdays, which are now known and collectively celebrated as President's day. The Commission needs more time to carry out its mandated duty.

The Commission is successfully carrying out its mandate of encouraging appropriate nationwide ceremonies relating to the observance of the holiday honoring Martin Luther King, Jr., and sponsoring activities which educate the American people about Dr. King's values of racial equality and nonviolent social change. It performs an important service by promoting the teachings of Dr. King and coordinating special commemorative events in the United States and many nations around the world.

When the Commission first began its work in the fall of 1984, only 19 States observed Dr. King's birthday. This year, however, all but 7 States and over 100 foreign countries have made his birthday an official holiday.

Since the Commission's establishment, millions of Americans have participated in seminars, rallies, prayer services, and other tributes. People of all races, cultures, and political persuasions have come together in the same spirit of goodwill and fellowship that characterized Dr. King's life. The Commission has developed and helped to distribute "living the dream" pledge cards on which over 2 million people have affirmed their commitment to the ideals of freedom, justice, and opportunity for all.

The Commission needs additional time to fully carry out the intent of Public Law 98-144, which made Dr. King's birthday a Federal holiday and one of the most unique and demanding in American History.

The continuation of the Martin Luther King Federal Holiday Commission will help prevent further distortion in Dr. King's message and will help spread his true legacy to the uninformed. The Commission has achieved near miracles with a small staff and private donations but in order to fully meet its mandate, the Commission's resource needs are much greater than private efforts today have met.

Only the Commission can presently respond to the thousands of requests from the public for literature, information, speakers, and direct program assistance on the National Holiday.

Only the Commission can presently work on a daily basis with 50 States, U.S. territories, U.S. military and civilian installations overseas, land over 100 countries. In addition, the Commission coordinates the work of 18 national committees.

Only the Commission can presently establish the standards and guidelines for properly observing the national holiday and work with public and private institutions and organizations in their implementation.

Only the Commission can assure that the national holiday is properly observed and keeps faith with the legacy life and work of Martin Luther King, Jr.

If Martin Luther King, Jr.'s dream is to be a reality in the minds of people everywhere. The Commission will make that possible.

The challenge remains for us to complete the work that he began. The celebration of his birthday will serve as an annual remainder of the task

that lies before us. And the Commission will serve the essential role of making sure that Dr. King's life retains its special significance in our lives and memories.

Mr. Speaker, in the time of the development of our country, we are in the time of perhaps a more gentle administration where the creation and extension of this holiday commission in remembrance and memory of the works of Dr. Martin Luther King, Jr., are more important than ever. I am grateful to the Committee on Post Office and Civil Service for moving this legislation forward as swiftly as they have.

Mr. Speaker, I was the person, 3 days after the assassination of Dr. Martin Luther King, Jr., who introduced the holiday legislation. We spent 15 years, but in a way it was worth the wait because first of all the support in the House and the Senate for the passage of a holiday for Dr. King was an incredible and important historic statement which I still treasure very much. I think its value to the Nation will grow in importance as time goes on.

During the period of time, though, many of my colleagues were waiting to see if the enthusiasm around the momentum for a holiday for Dr. King would subside, and instead it kept growing. In a way that had a lot to do with the decision of both bodies in the Federal legislature to finally grant what I considered the highest award that this Government can pass upon any of its citizens, to dedicate a birthday holiday in their memory.

□ 1350

As we all know, only one such other person, a founder of this country, has so high an honor accorded to him and to his memory. So it is of critical importance that we create a Commission that continues to promulgate the history, the memory, and the work of Dr. King, particularly in this era and the time in which we live.

I am reminded, Members, that today's high school seniors were not born at the time that Dr. King was taken from all people. Many of them do not really have anything but television memories and history book memories. They do not remember the poignant and vivid issues of struggle and of movement that made Members decide along with most Americans that this holiday celebration was worthy of this particular American.

So, as we go on, as time moves on, the importance of this legislation becomes more important, not less important. Thankfully, there were Americans who came in with startup money to get this Commission moving. I am pleased that we are putting half a million dollars into this project annually. I suggest to Members it is a very, very tiny amount, but I think it does make a very strong and persuasive statement that we are going to continue the memory of Dr. King, now that we have made his life a part of the American history by recognizing him every year. So I am pleased. I am almost as happy as I was the day that the Senate added their blessing to the holiday bill itself. I was there, and it is one of the most important things that I consider myself having contributed to, in the legislative process in my career. So I am humbled by all Members who have joined in the overwhelming support, and I urge the speedy enactment of this measure.

Mrs. MORELLA. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HORTON].

Mr. HORTON. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I am pleased to rise in strong support of H.R. 1385, to make permanent the Martin Luther King, Jr., Federal Holiday Commission. I want to commend the author of this legislation, the Honorable JOHN CONYERS, JR., for the dedication and leadership he has brought to this important issue. Mr. CONYERS is the chairman of the House Government Operations Committee, on which, I have the honor to serve as the ranking minority member.

The original purpose of the establishment of the Martin Luther King, Jr., Commission in 1984 was to encourage ceremonies and activities throughout the United States in observance of the new Federal holiday honoring Martin Luther King, Jr. I believe it is as important today as it was in 1984 to continue spreading the message of Martin Luther King, Jr., and to ensure that the youth of America comprehend his importance to the history of this Nation.

I served in this body during the turbulent 1960's and I understand the importance of educating our youth about Dr. King's values of racial equality and nonviolent social change. Passage of this legislation will ensure that we do not lose the significance of the role Dr. King played in the lives of all Americans.

This legislation requires only a modest annual appropriation to the Commission. The Commission has been involved in teaching young people the perils and violence of drugs and alcohol, as well as providing counseling on unemployment, teenage pregnancy, child abuse, family violence, and illiteracy. The Commission is necessary if we are to ensure that the King holiday remain a positive and constructive force in the lives of Americans and people all over the world.

Americans of all races, political persuasions, and cultures participate in the activities of the Commission. Unfortunately, the current state of race relations in America is less than ideal. Now is not the time to abandon the King Commission, which serves as a focal point for improved race relations across the continent.

I again want to commend Mr. CONYERS for his sponsorship and leadership in this important measure and I urge all my colleagues to support this effort.

Mr. SAWYER. Mr. Speaker, I yield 2 minutes to the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Speaker, I rise today in support of H.R. 1385, the Martin Luther King, Jr., Federal Holiday Commission bill reintroduced on March 14, 1989, by my distinguished colleague, the Honorable JOHN CONYERS, JR., of Michigan. This legislation, which seeks to make the Commission permanent, reflects an imperative that our Nation, on a permanent basis, study and act on the teachings and instructive examples provided by Dr. Martin Luther King, Jr.

The Martin Luther King, Jr., Federal Holiday Commission was established in 1984 for the purpose of encouraging and facilitating celebrations and activities commemorating the observation of the Federal legal holiday in honor of this great American hero. Additionally, the Commission is charged with providing counsel and technical cooperation to organizations seeking to observe the King holiday.

This support by the Commission of people and organizations participating in seminars, rallies, prayer services, and other tributes to Dr. Martin Luther King, Jr., is extremely important not only at the time of the holiday, but throughout the year as people and groups rededicate their lives to the legacy of Dr. Martin Luther King, Jr. The Commission, in its provision of assistance to people of all races, cultures, and political orientations, brings our diverse country together in addressing and seeking solutions to the worldwide problems to which Dr. Martin Luther King, Jr., committed his life. Indeed, the Commission helps us all to focus on alternatives to the scourges of poverty, violence, and racism which continue to plague not only our nation but the entire world.

The Commission, through its work, challenges each of us to live in our daily lives the dream which Dr. King held up before all of humankind, a universal dream embodying the best teachings of religious traditions from around the globe. The Commission, by supporting efforts to focus on the work and life of Dr. King, helps us daily to adhere to the values and principles which we so often and easily espouse but all too readily fail to embody in our behavior.

What is recognized in this legislation is the need for a permanent Commis-

sion to provide the framework for the ongoing, living commemoration of Dr. King's life and work—a commemoration which should not be proscribed by time constraints. The work of the Commission addresses this permanent need in our Nation and our world. Its year-round efforts to build an educational and moral infrastructure for nonviolent social change may indeed become the foundation for the very survival of generations yet unborn.

I urge my colleagues to pass H.R. 1385.

Mrs. MORELLA. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN], who is the ranking member of the Committee on Post Office and Civil Service, from which committee this bill emanated.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman for yielding.

I commend the gentleman from Michigan [Mr. CONYERS] for introducing H.R. 1385 legislation which I have cosponsored making permanent the Martin Luther King, Jr., Federal Holiday Commission. Martin Luther King, Jr., represents to the American people and to the world the very best of what we can all become. He was a champion for the poor, an articulate, persuasive speaker, a statesman and an advocate for a nonviolent approach to social change. Martin Luther King, Jr., gave his life for those causes that we all strongly believe in.

Permit me also to note that in addition to the support of President Bush and of, this Commission, that our newly designated Secretary of Housing and Urban Development and former member of this board, the gentleman from New York, Mr. Kemp, has been a staunch supporter of the Commission and has served as a member of the Martin Luther King Commission.

Accordingly, I support H.R. 1385 to make permanant the Martin Luther King Holiday Commission which promotes appropriate observance of the national holiday honoring Martin Luther King, Jr., and I urge my colleagues to support this measure.

□ 1400

Mr. SAWYER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY. Mr. Speaker, I rise today in favor of H.R. 1385 and urge my colleagues to show their support for continuing the Martin Luther King, Jr., Federal Holiday Commission. This bill has the bipartisan cosponsorship of the distinguished majority and minority leaders, and President Bush has already expressed his support for continuing the Commission's work.

When Congress designated Dr. King's birthday as a Federal holiday we recognized one man's monumental contributions to our country's history, to our culture and to progress for all Americans. But we also recognized that there was no guarantee of continued progress without continued effort. In King's own eloquent words, we realized that "progress never rolls on the wheels of inevitability. It comes through the tireless effort and persistent work of men * * *."

The Martin Luther King, Jr., Federal Holiday Commission has been engaged in this tireless effort and persistent work since its creation in 1984. The Commission has worked to help expand the celebration of Dr. King's birthday, and the awareness of his message, to 43 States. It has helped to keep the idea of progress for all Americans at the center of our political and cultural conscience.

We should not let these efforts expire from our inaction. We must not look back on this day and say with regret that we failed to see the importance of keeping Martin Luther King's dream for this Nation alive.

I urge my colleagues to support the extension of the Commission.

Mrs. MORELLA. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. ROWLAND].

Mr. ROWLAND of Connecticut. Mr. Speaker, I rise today in favor of H.R. 1385, a bill to make permanent the Martin Luther King, Jr., Federal Holiday Commission.

Mr. Speaker, our Nation is a proud one, whose heritage and traditions bear the stamp of influence of many great men. And we remain a proud Nation because we remember such men and because we preserve their dreams by recommiting ourselves to fulfilling the destiny they saw for our country.

The Reverend Martin Luther King, Jr., was one of those great men. He brought to our Nation the strength and commitment needed to herald a new age of social and economic justice and equality. Sadly, but like so many other great men, his life was ended before he could see his dreams begin to shape this Nation's destiny. Thankfully, like all great men, his dreams live on.

In 1984 the Martin Luther King, Jr., Federal Holiday Commission was established as a national focus for preserving his dreams and the destiny he foresaw. Since then, the Commission has made significant progress. In fact, Mr. Speaker, with the Commission's help I am proud to say that my home State of Connecticut became one of the first to establish a legal holiday to commemorate Dr. King's birthday and a Martin Luther King, Jr., holiday commission.

But, Mr. Speaker, much more remains to be done. Working together we can continue Dr. King's good deeds and by passing this legislation, we will be taking that next necessary step toward fulfilling Dr. King's American destiny.

Mr. SAWYER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Speaker, I rise in strong support of the resolution to make permanent the Martin Luther King, Jr., Federal Holiday Commission. The Commission has done an outstanding job of educating Americans about Dr. King's work as we set aside a day to remember one of our greatest leaders.

It is fitting that we should pay a lasting tribute to Dr. King by continuing to communicate his powerful message, for it is a message that forever changed the face of America.

Dr. King inspired me as he did so many other Americans of my generation. As a young man, I listened to the words of this visionary leader as he conveyed in such a compelling manner the importance of becoming involved in the process of change.

Future generations will not have the chance to witness first hand the revolutionary chapter of history that we lived through. It is our responsibility to carry on Dr. King's legacy, to teach younger Americans about the world that once existed and the courage it took to change that world.

We must remember the hard-fought victories and the road we traveled along the way—the Montgomery bus boycott, just a little over 30 years ago; the formation of the Southern Christian Leadership Conference in 1957 to coordinate the work of civil rights groups; the march on Washington which I attended, organized by Dr. King and other leaders in 1963; the jailing of peaceful demonstrators trying to bring about a more just society.

In celebrating Dr. King's contributions, we also celebrate the fruits of his struggle—the passage of the landmark Voting Rights Act of 1965 and other key gains.

Dr. King was a man of dignity, but also a tireless crusader. Because his life was cut short, it is up to us to continue his crusade for a fair and just society where each American looks to the future with hope.

Mr. Speaker, I urge the passage of H.R. 1385 so that Dr. King's words and spirit will continue to raise the consciousness of Americans as we reach for the goals he so powerfully espoused.

He taught us so many valuable lessons. He taught us about perseverence, determination, and leadership; he taught us forgiveness. He taught us to have faith in ourselves and in the future.

His words moved me; he had the unique gift of imparting courage and strength to those who shared his dream. Millions tapped into his seemingly limitless reservoir of energy and

determination. Years after he left us, I still hear his words.

Mrs. MORELLA. Mr. Speaker, I just want to compliment the articulate and powerful speakers who have stated their reasons for their support of this important legislation, and I yield back the balance of my time.

Mr. SAWYER. Mr. Speaker, may I inquire as to how much time remains?

The SPEAKER pro tempore (Mr. SIKORSKI). The gentleman from Ohio [Mr. SAWYER] has 5½ minutes remaining.

Mr. SAWYER. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I thank my colleague, the gentleman from Ohio, for these few minutes to honor Dr. Martin Luther King.

Mr. Speaker, the reason I take the floor today is that I remember that day when the Senate finally passed that portion which was so important for us to go forward with the national holiday. At that particular moment it seemed that for several years we had been toiling with this holiday bill.

I remember, as chairman of the Subcommittee on Census and Population, which has jurisidiction over holidays, that for the first time under the leadership of my colleague, the gentleman from Michigan [Mr. CONYERS], I as chairman held the first hearing. I remember Coretta Scott King and Stevie Wonder and a whole host of people coming forward to make their presentations.

Then I remember, Mr. Speaker, the day we finally got on this floor after so many years when a colleague of ours on the other side of the aisle introduced an amendment to make this a holiday, but to be on Sunday, the third Sunday in January. In those days the National Football League had 14 games to play, and that third Sunday in January always ended up being Super Bowl Sunday. I remember we had to make a decision, and it was a tough decision. But there was no way that we were going to move forward with a Martin Luther King holiday bill on Super Bowl Sunday, so we withdrew the bill after the amendment had passed.

I remember we had to regroup and come back again, and at that moment on this floor, I said, "When we have the votes, we will come back."

I am happy to report that we did get the votes, and we did come back. I think those of us who take this floor today should understand and realize that back in 1968, when my colleague, the gentleman from Michigan, first introduced the Martin Luther King holiday bill, people thought he was crazy. They said that this bill would never fly.

I am happy to report in 1989 that not only did we pass the bill but it is now law and we do have a holiday. But I would be taken aback if I did not thank my colleague, the gentleman from Michigan [Mr. CONYERS], because it was his leadership and his effort that made this bill possible, so on behalf of so many of us, let me say that we thank the gentleman from Michigan for helping us get this act passed.

Mr. Speaker, I rise today in strong support of H.R. 1385, the legislation which permanently authorizes the Martin Luther King, Jr., Federal Holiday Commission, and authorizes $500,000 annually for the operations of the Commission.

It is important that we remember Dr. King and the work he did for the civil rights movement in this country. Last year, we commemorated the 25th anniversary of the march on Washington in which hundreds of thousands of Americans joined together in their quest for social justice, for equal rights, and for economic opportunity. On that day, I listened to what I believe is one of the greatest speeches ever given. The Reverend Martin Luther King, Jr.'s, words have endured and continue to be an inspiration for a new generation of Americans. His eloquence spoke not only to the aspirations of black Americans, but expressed the hopes and dreams of millions of Hispanic Americans as well.

I have worked throughout my career in public service to help make Dr. King's dream a reality. We, as a nation, must strive for equal rights and opportunity for all. Martin Luther King, Jr., must be remembered as a man who led a nation in a fight against injustice, bigotry, and racism. His dream of an America in which "all men shall walk as brothers" must not be forgotten.

Martin Luther King, Jr., was a man whose life was prematurely ended, but his message is eternal. H.R. 1385 will help ensure that Dr. King's dream will be passed on to future generations. I urge my colleagues to support this bill.

Mr. SAWYER. Mr. Speaker, I yield myself the balance of my time.

In closing, Mr. Speaker, just let me recall the words of John Donne, who suggested that we ask not for whom the bell tolls, because it tolls for all of us.

Mr. DANNEMEYER. Mr. Speaker, will my friend, the gentleman from Ohio, yield?

Mr. SAWYER. I am happy to yield to the gentleman from California.

□ 1410

Mr. DANNEMEYER. My colleagues know that I have read a little bit about what is being discussed here on the floor today, and I really have one question I would like to have somebody answer for me.

Mr. Speaker, how does it serve the public interest that we need to grant permanent status to the existence of this Commission? What, pray tell, will these members of this Commission do indefinitely in the future by chewing up a half a million dollars of taxpayers' money? Could somebody explain that?

Mr. SAWYER. Mr. Speaker, reclaiming the balance of my time, in the most immediate terms there remain six States that do not recognize this holiday. But in a larger sense the work of this Commission, although not permanent and can be terminated by law at any time, continues on.

Mr. Speaker, the truth of the matter is that that bell that I was about to mention from John Donne tolls for all of us. It has tolled for all of us throughout time. It tolled for us in the slave trades of Portugal, and in the gulags of the East and in the Holocaust of Western Europe. It tolled for us in the 1960's, and it tolls for us today.

Dr. King said it best in the letter from the Birmingham jail when he wrote to the Atlanta Monthly in 1963 that, "injustice anywhere is a threat to justice everywhere."

This is not just a bill for a part of our population. It is a bill for all of our population.

The work of the Commission is in teaching the method of nonviolence. "Nonviolence," as Dr. King said in accepting the Nobel Peace Prize on December 11, 1964, "is the answer to the crucial political and moral questions of our time; the need for man to overcome oppression and violence without resorting to oppression and violence. Man must evolve for all human conflict a method which rejects revenge, aggression, and retaliation."

Mr. Speaker, I do not know if anyone could put the mission of this Commission any better than Dr. King did himself.

Mr. Speaker, I yield back the balance of my time.

Mr. MICHEL. Mr. Speaker, as a cosponsor of this legislation, I want to join with our colleagues in saying a few words about what H.R. 1385 seeks to accomplish.

Essentially, the bill's purpose is contained in its title. It makes permanent the Martin Luther King, Jr., Federal Holiday Commission.

The Commission was established in 1984. It has two purposes: First, to encourage appropriate ceremonies relating to the observance of the Federal legal holiday honoring Dr. King and, second to help organizations who want to observe this holiday.

I believe it is appropriate for us to make this Commission permanent. Dr. King played a major role during one of the most turbulent and controversial periods of American history. This is our way of saying that the honor we pay to Dr. King should not be confined to a 24-hour period set aside once a year, but should become an ongoing remembrance and growing understanding of the events, the ideals and the difficulties of the King years.

The civil rights movement of the 1950's and 1960's owed much of its success to Dr. King's personal leadership and example. The American public is learning more about Dr. King and will continue to do so through popular media

and public discussion. His style, his ideas, and his ideals are still being studied to discover, amidst the complexity of those years, the enduring truths of the cause for which King struggled.

Scholars are continuing to find the King years a rich source of evidence of investigations into the nature of democracy, the kind of society we were and the kind of society we want to be.

As the years go by, the scholarly evidence of the King accomplishments will lead to new interpretations of the events in which he participated. That is as it should be. Dr. King himself evolved and learned throughout his all-too-brief life, changing his tactics and his strategies, while keeping the same vision of civil and human rights. It is fitting that we should continue to learn more about him and his times.

We should therefore expect the nature of the holiday named after him to change also, as the years go by and evidence accumulates to shed more light on the man and his accomplishments. The Commission can serve as a kind of focal point for all of this inevitable change in viewpoint and knowledge. Each year Americans can learn more about Dr. King and the permanent Commission can help us to find relevant ways of translating this knowledge into appropriate ceremonies and activities.

Let me say in conclusion that I welcome this opportunity to join with so many of our colleagues in making permanent the Martin Luther King, Jr., Federal Holiday Commission.

Mr. COELHO. Mr. Speaker, in his 1963 letter from Birmingham city jail, Dr. Martin Luther King, Jr., wrote:

> We must come to see that human progress never rolls in on wheels of invertibility. It comes through the tireless efforts of men willing to be co-workers with God, and without this hard work time itself becomes an ally of the forces of social stagnation.

Dr. King understood that to neglect a goal, is to give up on it. He taught us that nothing less than constant diligence, and continued hard work, would be required to achieve the goal of true freedom and equality for all of our Nation's citizens.

That goal—and that struggle—did not die with Dr. King. It lives on in the hearts, minds, and actions of men and women all over this country who share Dr. King's dream and are working to realize it.

The celebration of the birthday of Dr. Martin Luther King, Jr., each January gives us an opportunity to commemorate a great man who sacrificed his life for the betterment of this country. But it also does something else—it serves as a marker, a reminder to look at what we've accomplished, and what we have yet to accomplish, in meeting the goals that Dr. King articulated.

I am proud to support H.R. 1385, which makes permanent the Martin Luther King, Jr., Federal Holiday Commission. This Commission's purpose of perpetuating and encouraging Dr. King's works and ideals must continue.

Dr. King once wrote that those who sat down at lunch counters to protest segregation "were in reality standing up for the best in the American dream." By supporting the permanent status of the Martin Luther King, Jr., Federal Holiday Commission, we support the promotion of those ideals that are critical to making America the best it can be, for all of its citizens.

Mr. HAYES of Illinois. Mr. Speaker, I rise today to join my distinguished colleagues in speaking to an issue that is of most importance to me and many other Americans. I am refering to H.R. 1385, a measure which permanently authorizes the Martin Luther King Jr. Federal Holiday Commission. I urge you today to join with me to permanently authorize the commission.

The Martin Luther King Jr. Federal Holiday Commission encourages appropriate nationwide ceremonies and activities relating to the observance of the Dr. Martin Luther King Holiday. That authority will expire May 1 unless we vote in support of this measure.

It is especially important at this time in history that we preserve the memory of American heroes like Dr. King. We must not allow his memory and work to be tainted with distortions by those who choose to have selective memory. But rather we must educate those who are uninformed, particularly our young people, of how Dr. King's work transformed the social and political arena in America and of his many contributions to world peace.

The Commission serves this purpose in a most positive way by sponsoring viable activities to commemorate his life.

I believe that H.R. 1385 has bipartisan and administration support because Dr. King's vision of equality and justice is not a Democratic or Republican issue but an American issue which must be cherished and remembered. I commend you, Mr. Speaker and the bipartisan leadership of the house for supporting this measure and I encourage the support of my colleagues today in the passage of H.R. 1385.

Mr. LEWIS of Georgia. I rise in strong support of H.R. 1385, legislation which permanently authorizes the Martin Luther King, Jr., Holiday Commission. The King Commission is chartered to encourage appropriate nationwide ceremonies and activities relating to the observance of the Martin Luther King, Jr., Federal Holiday.

It is almost impossible to measure Dr. King's contributions to this country. He changed not just the way we, as individuals, look at each other, but the way we, as a Nation, look at ourselves. He empowered the powerless; and he instilled in alienated individuals everywhere a sense of pride which could not be denied. In a time that was so divisive, he had the power to unify. Because of Dr. King, the world will never be the same.

It is difficult for me to express my feelings about Dr. King. He was my personal friend, a brother, colleague, spiritual leader, prophet, hero and just a simple human being filled with love, peace and compassion for all mankind.

The permanent authorization of the King Commission is necessary if we are to preserve the rich legacy of Dr. Martin Luther King, Jr. Again, Mr. Speaker, I call on my colleagues to support H.R. 1385.

Ms. PELOSI. I rise today in strong support of H.R. 1385, legislation to permanently authorize the Martin Luther King, Jr., Federal Holiday Commission. The purpose of the Commission is to coordinate and assist with activities appropriate to the celebration of Reverend King's birthday.

We are considering this legislation at a critical time—our country is experiencing an alarming growth in racial, ethnic and religious intolerance. Now more than ever, Congress must act to recognize the importance of the struggle for racial equality.

There is no doubt that the impact of Reverend Kind's efforts to expand civil and constitutional rights to all American citizens has had a profound effect on our society. His efforts not only helped to define the inequities within our own culture, he showed that nonviolent demonstration is an effective means to social change.

Despite the advances that have been made in the struggle for civil rights, much more remains to be done. The permanent establishment of the King Holiday Commission will ensure that the effort to enfranchise racial minorities will continue.

It is important to recognize the significant contributions Reverend King made during his life. I believe there is no better way to acknowledge and support the struggle for civil rights, than to celebrate the life of Martin Luther King, Jr. Reverend King had a dream for the future of our country, that dream has yet to be realized. I urge my colleagues to join the effort to keep the noble goals of Reverend King's dream alive by supporting H.R. 1385.

Mr. MFUME. Mr. Speaker, as an original cosponsor, I join my colleagues in support of H.R. 1385 to make permanent the Martin Luther King, Jr., Federal Holiday Commission, and to authorize an annual appropriation of $500,000 each year from which to manage its task.

Established 5 years ago, the Commission was given the responsibility of facilitating a national holiday to commemorate the ideas and dreams that Dr. King fought and died for on behalf of many Americans. The Commission has made great progress since its inception. I feel that we should allow the Commission to continue its mission of educating the public and expanding the message articulated by Martin Luther King, Jr., over 20 years ago.

Mr. Speaker, never has the need for this Nation to reminisce the hard fought civil rights battles of the 1950's and 1960's been as great as today when it appears that more incidents of racism and anti-Semitism are evident. Dr. Martin Luther King's message of nonviolence and peaceful coexistence inspired us all to seek a higher level of consciousness.

The work of the Commission has been very important over the last few years. It has orchestrated numerous ceremonies, seminars, speakers, and activities open to all Americans to educate them on the ideals of equality, justice, and fraternity that Martin Luther King, Jr., held with conviction. I think that it is important that the legacy of Dr. King be carried over from generation to generation for our Nation's posterity.

We want the truth to be known of this great African-American and his contribution to this country. The permanent establishment of this Commission will ensure that all Americans of this day and time as well as those of tomorrow will know of Dr. King's outstanding ac-

complishments, and his commitment to human rights.

Let me conclude by stating that Dr. King believed that a person must be measured by the content of their character, in the same terms a great nation is measured by the conviction of its outstanding citizens. If we are to in fact remain a great nation, we must allow the Commission to continue its task of raising the consciousness of all Americans about the outstanding achievements of Dr. King.

I urge Members to join me and my colleagues in our efforts to keep the noble dreams of a great American alive. I ask that you vote for H.R. 1385.

Mr. HOYER. Mr. Speaker, I rise today in support of the Martin Luther King, Jr., Federal Holiday Commission Act. I would like to thank and commend the chairman of the Post Office and Civil Service Subcommittee on Census and Population, Congressman THOMAS SAWYER, and Congressman JOHN CONYERS for their dedication and commitment to making the Commission permanent.

In 1984, the Martin Luther King, Jr., Holiday Commission was established to inspire nationwide activities in recognition of the first Federal legal holiday honoring Dr. King. At that time, 29 States observed the birthday of Reverend King. This year, 43 States and over 100 foreign countries recognize and celebrate his birthday. Clearly, a diversity of cultures, races, and nationalities embrace the legacy and ideology of Martin Luther King, Jr., expressed most significantly by his philosophy of nonviolence in the civil rights movement.

If legislation is not enacted to make the Commission permanent, the Commission's authorization is scheduled to expire this month. As a result of the dedication and commitment of the Commission, the dream of Martin Luther King, Jr., is being realized by a new generation of young people. The Commission provides a broad variety of services to almost every segment of our society including, but not limited to, voter registration, educational youth conferences, community hunger programs, and drug abuse assistance. In addition, the Commission provides assistance to various State, municipal, and international organizations promoting peace and goodwill throughout our Nation and across international boundaries.

I am convinced that the Martin Luther King, Jr., Federal Holiday Commission will ensure that the legacy of Dr. King will be respectfully remembered and that his dream for all Americans to be treated equally regardless of race, creed, color, gender or socioeconomic status will come to pass. Therefore, I urge all of my colleagues to support the Martin Luther King, Jr., Federal Holiday Commission Act.

The SPEAKER pro tempore (Mr. SIKORSKI). The question is on the motion offered by the gentleman from Ohio [Mr. SAWYER] that the House suspend the rules and pass the bill, H.R. 1385.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 917

Mr. SYNAR. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 917. Inadvertently the chairman of the Select Committee on Aging has placed my name on that bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

NATURAL GAS WELLHEAD DECONTROL ACT OF 1989

Mr. SHARP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1722) to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act, as amended.

The Clerk read as follows:

H.R. 1722

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Natural Gas Wellhead Decontrol Act of 1989".

SEC. 2. DEREGULATION OF FIRST SALES OF NATURAL GAS.

(a) INTERIM ELIMINATION OF CERTAIN MAXIMUM LAWFUL PRICES.—Section 121 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3331) is amended by adding at the end the following new subsection.

"(f) ADDITIONAL DECONTROL.—The provisions of subtitle A respecting the maximum lawful price for a first sale of natural gas shall cease to apply to natural gas described in paragraphs (1), (2), (3), and (4), as follows:

"(1) EXPIRED, TERMINATED, OR POST-ENACTMENT CONTRACTS.—In the case of natural gas to which no first sale contract applies on the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989, subtitle A shall not apply to any first sale of such natural gas delivered on or after the first day after such date of enactment.

"(2) EXPIRING OR TERMINATING CONTRACTS.—In the case of natural gas to which a first sale contract applies on the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989, but to which such contract ceases to apply after such date of enactment, subtitle A shall not apply to any first sale of such natural gas delivered after such contract ceases to apply.

"(3) CERTAIN RENEGOTIATED CONTRACTS.—In the case of natural gas to which a first sale contract applies on the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989, where the parties have expressly agreed in writing after March 23, 1989, that all or part of the gas sold under such contract shall not be subject to any maximum lawful price under subtitle A after a specified date, subtitle A shall not apply to any first sale of the natural gas subject to such express agreement delivered on or after the date so specified, except that subtitle A shall not cease to apply to any such natural gas pursuant to this paragraph before the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989.

"(4) NEWLY SPUDDED WELLS.—In the case of natural gas produced from a well the surface drilling of which began after March 23, 1989, subtitle A shall not apply to any first sale of such natural gas delivered on or after the first day after the date of enactment of the Natural Gas Wellhead Decontrol Act of 1989.

For purposes of this subsection, a first sale contract applies to natural gas when the seller has a contractual obligation to deliver such natural gas under such contract.".

(b) PERMANENT ELIMINATION OF WELLHEAD PRICE CONTROLS.—Title I of the Natural Gas Policy Act of 1978 (15 U.S.C. 3311-3333) is repealed, effective on January 1, 1993.

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENTS EFFECTIVE UPON ENACTMENT.—The Natural Gas Policy Act of 1978 is amended as follows:

(1) The table of contents in section 1(b) (15 U.S.C. 3301 note) is amended—

(A) in the item relating to section 315, by striking "Contract duration; filing" and inserting in lieu thereof "Filing"; and

(B) by striking the item relating to section 507.

(2) Section 315 (15 U.S.C. 3375) is amended—

(A) in the section heading, by striking "CONTRACT DURATION;"; and

(B) by striking "(a) CONTRACT DURATION.—" and all that follows through "(b) FILING OF CONTRACTS AND ANCILLARY AGREEMENTS.—".

(3) Section 502(d) (15 U.S.C. 3412(d)) is repealed.

(4) Section 504(b) (15 U.S.C. 3414(b)) is amended—

(A) in paragraph (1), by striking "paragraphs (2) and (3)" and inserting in lieu thereof "paragraph (2)";

(B) by striking paragraph (3); and

(C) in paragraph (4), by striking "paragraph (1), (2), or (3)" and inserting in lieu thereof "paragraph (1) or (2)".

(5) Section 506(d) (15 U.S.C. 3416(d)) is repealed.

(6) Section 507 (15 U.S.C. 3417) is repealed.

(7) Section 601 (15 U.S.C. 3431) is amended—

(A) by amending subsection (a)(1)(E) to read as follows:

"(E) CERTAIN ADDITIONAL NATURAL GAS.—For purposes of section 1(b) of the Natural Gas Act, the provisions of the Natural Gas Act and the jurisdiction of the Commission under such Act shall not apply solely by reason of any first sale of natural gas which is committed or dedicated to interstate commerce as of the day before the date of the enactment of this Act and which is not subject to a maximum lawful price under subtitle A of title I by reason of section 121(f), effective as of the date such gas ceases to be subject to such maximum lawful price."; and

(B) in subsection (c)(2), by striking "purchase of natural gas" and all that follows through "under section 202)," and inserting in lieu thereof "purchase of natural gas if, under subsection (b) of this section, such amount is deemed to be just and reasonable

for purposes of sections 4 and 5 of such Act,".

(b) AMENDMENTS EFFECTIVE ON JANUARY 1, 1993.—Effective on January 1, 1993, the Natural Gas Policy Act of 1978 is amended as follows:

(1) The table of contents in section 1(b) (15 U.S.C. 3301 note) is amended by striking the items relating to title I and section 503.

(2) Section 312(c) (15 U.S.C. 3372(c)) is amended by striking "any natural gas" and all that follows through "(3)" and inserting in lieu thereof "any natural gas".

(3) Section 313 (15 U.S.C. 3373) is amended by inserting ", as such section was in effect on January 1, 1989" after "section 107(c)" both places it appears, and after "section 105(b)(3)(B)" both places it appears.

(4) Section 501(c) (15 U.S.C. 3411(c)) is repealed.

(5) Section 503 (15 U.S.C. 3413) is repealed.

(6) Section 504(a) (15 U.S.C. 3414(a)) is amended by striking "person" and all that follows through "to otherwise" and inserting in lieu thereof "person to".

(7) Section 601 (15 U.S.C. 3431) is amended—

(A) by amending subsection (a)(1)(A) to read as follows:

"(A) APPLICATION TO FIRST SALES.—For purposes of section 1(b) of the Natural Gas Act, the provisions of the Natural Gas Act and the jurisdiction of the Commission under such Act shall not apply to any natural gas solely by reason of any first sale of such natural gas.";

(B) by striking subparagraphs (B) and (E) of subsection (a)(1);

(C) by redesignating subparagraphs (C) and (D) of subsection (a)(1) as subparagraphs (B) and (C), respectively;

(D) in subsection (a)(1)(C) (as redesignated by subparagraph (C) of this paragraph), by striking "subparagraph (A), (B), or (C)" and inserting in lieu thereof "subparagraph (A) or (B)";

(E) by amending subsection (b)(1)(A) to read as follows:

"(A) FIRST SALES.—Except as otherwise provided in this subsection, for purposes of sections 4 and 5 of the Natural Gas Act, any amount paid in any first sale of natural gas shall be deemend to be just and reasonable."; and

(F) in subsection (b)(1)(D), by striking "if such amount does not exceed the applicable maximum lawful price established under title I of this Act".

(8) Section 602(a) (15 U.S.C. 3432(a)) is amended—

(A) by striking "AUTHORITY TO PRESCRIBE LOWER" and inserting in lieu thereof "AUTHORITY TO PRESCRIBE"; and

(B) by striking "which does not exceed the applicable maximum lawful price, if any, under title I of this Act".

The SPEAKER pro tempore. Is a second demanded?

Mr. MOORHEAD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. SHARP] will be recognized for 20 minutes, and the gentleman from California [Mr. MOORHEAD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1722, the Natural Gas Wellhead Decontrol Act of 1989, is bipartisan consensus legislation to end all remaining price controls on wellhead sales of natural gas by the end of 1992.

With 30 cosponsors from the Energy and Commerce Committee, it unites members from producing and consuming regions who used to disagree on this once contentious issue.

The bill now before us is identical to that reported without controversy by the Energy and Commerce Committee last week, with the addition of the technical and conforming amendments.

Mr. Speaker, it is appropriate to briefly discuss technical provisions of the final bill which were not in the committee-reported version of the bill and thus are not discussed in the report. They are nevertheless important, and involve the interrelation of contract expiration, price decontrol under the NGPA, and the end of nonprice regulation under the Natural Gas Act.

The bill repeals title I of the NGPA effective January 1, 1993, and makes nonprice regulation under the Natural Gas Act—such as certificate, abandonment, and rate filing requirements—inapplicable to first sales of natural gas as of the same date.

The bill also removes certain categories of first sales from NGPA and NGA regulation prior to 1993.

For example, in the case of gas to which a first sales contract applied on date of enactment of the bill but to which such contract ceases to apply after such date, NGPA price ceilings become inapplicable to first sales of such gas "delivered after such contract ceases to apply," and nonprice regulation under the Natural Gas Act NGA ceases to apply "effective as of the date" such gas ceased to be subject to the NGPA ceiling price.

Accordingly, NGPA ceiling prices—which but for the bill would apply to gas delivered in a particular month—cease to apply to gas delivered in a first sale after the date of contract expiration.

In addition, nonprice regulation under the NGA would become inapplicable as of the date the gas ceases to be subject to NGPA ceiling prices—that is, as of the date of contract expiration, without regard to whether or not deliveries of gas occurred on that date.

In sum, all three legal events—contract, expiration, NGPA price decontrol, and the end of NGA regulation—occur simultaneously.

Finally, the structure of the bill is that this decontrol process occurs on an interim basis until January 1, 1993, under section 2(a) of the bill and new NGPA section 601(a)(1)(E).

Then on and after that date decontrol is made comprehensive by the operation of section 2(b) of the bill and new NGPA section 601(a)(1)(A), which serves as a permanent repealer of the control system that evolved in the wake of the *Phillips* decision, 347 U.S. 672 (1954).

This bill is supported by northern, eastern, and midwestern local gas utilities and interstate pipelines which previously opposed complete wellhead decontrol, as well as by producers who have supported it.

Many sweeping procompetitive changes in the gas industry have made it possible to reach this substantial consensus:

The partial gas decontrol we experienced in 1985 did not raise prices as many consumers feared, but has instead as oil prices declined, helped lower gas wellhead prices by $1 per thousand cubic feet—a 30 percent drop.

These lower wellhead prices have been largely passed through to all consumers, including our captive residential consumers.

A more competitive pipeline transportation industry has spread lower wellhead prices evenly to all buyers, and spurred competition between natural gas and decontrolled oil.

Most of the remaining gas ceiling prices have now escalated far out of touch with reality, to levels several dollars above current prices, and now function only as a price support system for some producers.

Even the cheap old interstate gas—which consumers once urged be tightly controlled forever—is now no longer cheap: It now costs more than the average price of all other gas, and as old wells have become depleted now constitutes only 5 percent of our total supply.

Over 90 percent of all U.S. gas supplies are now effectively decontrolled. That's why this measure only modestly changes the current situation.

It also tells us the 1978 Natural Gas Policy Act, our existing gas control law, is no longer shielding consumers from market prices.

This law now only misdirects drilling capital into low-flowing wells that it makes artifically lucrative, and away from higher-volume wells that it makes artifically unprofitable.

More efficient gas production at lower prices is a progressive, proconsumer step. It will help lower our growing oil imports, and will help on looming clean air and new electric generation problems.

Mr. Speaker, H.R. 1722 will modestly improve U.S. energy production. Even the few groups who oppose this bill concede it will not raise consumer prices. Natural gas does not deserve

the dubious distinction of being the last commodity still under Federal price controls. It has too much to contribute.

I urge all my colleagues to vote today to give this promising fuel an even brighter future.

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1722, the Natural Gas Decontrol Act of 1989. I am pleased to join the gentleman from Indiana [Mr. SHARP], as a cosponsor of this legislation.

Until this Congress, a consensus on how to remove the remaining wellhead price controls on natural gas eluded us. There is no secret that this was once a contentious issue, but that is now ancient history. Today, trade associations representing each of the three segments of the natural gas industry—producers, pipelines, and local distribution companies—support H.R. 1722. The bill is cosponsored by 30 members of the Committee on Energy and Commerce and it comes to the floor today after unanimous voice votes in the subcommittee and in the full committee. The bill also has the administration's support.

H.R. 1722 is a compromise between those of us who favor repealing the remaining price controls upon enactment and those who favored 5-year transition period. This bill would gradually decontrol natural gas still subject to regulation between now and the end of 1992. In the interim period beginning upon enactment, natural gas would be decontrolled as contracts expire, terminate, or are renegotiated. Price ceilings would also be removed from natural gas not subject to a contract on enactment and natural gas produced from wells drilled March 23, 1989. All price controls would be repealed on January 1, 1993.

One of the many reasons we are here today with this bill is that the experience of the last several years demonstrates that decontrol brings lower prices to consumers while promoting efficient long-term supplies.

On January 1, 1985, price controls were removed from so-called new gas pursuant to the Natural Gas Policy Act of 1978. According to the Energy Information Administration, the average wellhead price declined by 35 percent between 1984, the last full year before partial decontrol, and 1988. These savings were passed through to consumers. Between 1984 and 1988, residential rates declined 14 percent, while the reduction was 16 percent for commercial customers, and 26 percent for both industrial users and electric utilities.

We can expect a continuation of generally lower prices under today's market conditions if this bill becomes law. Fully 94 percent of the natural gas delivered in 1988 was effectively decontrolled. This is because 60 percent was no longer subject to controls, while most of that legally subject to controls actually sold for less than the maximum lawful prices set by the NGPA.

Finally, Mr. Speaker, it is important that we pass this legislation in light of the key role natural gas can play as a clean burning fossil fuel. Thus, H.R. 1722 is sound energy policy and wise environmental protection legislation. Accordingly, I urge my colleagues to support H.R. 1722, as amended, and I reserve the balance of my time.

□ 1420

Mr. SHARP. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I want to thank my colleague, the gentleman from California [Mr. MOORHEAD] for his dedication and his hard work to help make this possible, especially in leading the Members on his side of the aisle.

Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Oklahoma [Mr. SYNAR], who has been very effective on many natural gas issues over the years, and particularly on the one before us now.

Mr. SYNAR. Mr. Speaker, let me first start off by commending our chairman, the gentleman from Indiana [Mr. SHARP], as well as the gentleman from Michigan [Mr. DINGELL], and also our Republican colleagues on the Committee on Energy and Commerce for this day.

My colleagues and fellow Oklahomans, I bring you good news today. Today's action, by ridding ourselves of the final regulations on natural gas, is indeed good news not only for producers of natural gas, but more importantly, for consumers. By lifting these controls on taking off the distorted regulations which have controlled this market for too long, we are saying to those producers that we believe the free markets system is indeed the right system by which to get them back into the fields and that for our consumers that we will provide a quality as well as quantity product this action.

We have fought long since 1978 to lift these regulations, and though it has been a long, hard fight, I think what is most interesting about the debate today as we pass this legislation, it is without much controversy.

Hopefully, today's action will lead us to a lesson and that lesson is that the free market system alone is the best system by which to determine energy prices throughout our country and that it will provide the greatest amount of resources at the cheapest prices.

I want to commend all those who have been involved in this process and I look forward to a free market with natural gas.

Mr. MOORHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LENT], the ranking member of the Committee on Energy and Commerce.

Mr. LENT. Mr. Speaker, I rise in strong support of H.R. 1722, the Natural Gas Decontrol Act of 1989. I want to commend the gentleman from Indiana [Mr. SHARP] and the gentleman from Oklahoma [Mr. SYNAR], and the gentleman from California [Mr. MOORHEAD] for their hard work in forging this compromise. I am pleased to be an original cosponsor of this bill.

Make no mistake about it, natural gas decontrol is proconsumer, proenvironment legislation. President Bush recommended natural gas decontrol, as has Energy Secretary James D. Watkins.

Natural gas is important to the Northeast because of the demand for new sources of environmentally benign energy. A March 8, 1989 editorial in Newsday endorsed natural gas decontrol, and pointed out that:

> The perverse effect of controls has been to keep old and cheap gas in the ground while uncontrolled and thus more expensive gas is sold instead. By now, however, even new gas is selling below its old price ceilings because oil prices are relatively low.

The structure of the natural gas industry has changed dramatically in recent years. The Federal Energy Regulatory Commission has increased competition in the transportation of natural gas. Prior to these reforms, pipelines served a dual role. Pipelines not only transported natural gas, they also acted as merchants, buying natural gas from producers and reselling it to local utilities.

Under FERC's open access policies, pipelines now face competition as merchants from brokers and other intermediaries. As a result, the local utilities which serve our constituents can shop around in the spot market. Fully 73 percent of the natural gas delivered in the third quarter of 1988 was transported by pipelines but owned by others. This share of the market was only 37 percent in 1986 and 5 percent in 1983.

The partial decontrol of wellhead prices in 1985, and the growing competition in transportation, demonstrates the advantages of a market-based energy policy. H.R. 1722 completes the process of natural gas decontrol at the wellhead. It is a bipartisan consensus bill, which is worthy of our support.

Mr. SHARP. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana [Mr. TAUZIN], and I want to especially commend the efforts of the gentleman from Louisiana, who has been very skilled in his leadership on this issue, as on so many others. It is an issue of longstanding importance to him and to his constituents.

Mr. TAUZIN. Mr. Speaker, let me first commend my chairman, the gentleman from Indiana [Mr. SHARP] for the effort that he has made this year and over the years on this critical issue of natural gas, and particularly for bringing this issue to the floor today, and to our chairman, the gentleman from Michigan [Mr. DINGELL] on his efforts and for the efforts of the minority, the gentleman from California [Mr. MOORHEAD], the gentleman from New York [Mr. LENT], and the gentleman from California [Mr. DANNEMEYER] for their great efforts as we have all come together on this bill.

Mr. Speaker, let me point out that as we now debate in a bipartisan collegial way the final undoing of the regulations by which natural gas prices have been set by the Federal Government in all the years since the crisis of the seventies, that there will be some debate as to the effect of what we do today. Some will argue that it will produce lower prices in natural gas. Some will argue that it will eventually produce higher prices in natural gas.

Let me point out for the RECORD that what we do today has a much more important aspect to it than whether or not the price of gas will go up or down in the short or long term. The important aspect about what we do today is the effect of the availability of natural gas for America as we face an uncertain future in oil supplies. I think it is clear that oil prices are rising today and they are rising not just because a bunch of nations got together in Geneva and decided, as members of OPEC, that the price of oil should go up, that they were going to limit their production for a time. The price of oil is going up because world supplies of oil are limited. In fact, most of the major fields of oil production worldwide have peaked out. It is the best predictions of our experts that the price of oil will continue to rise into the next decade.

Natural gas will play an important role as a substitute fuel for America if only we have the good sense to turn lose the free market forces that will bring that natural gas to the markets of our country.

Second, we are in I think a new evaluation in this country of ours as to what we burn and how we burn energy to produce the source of power for our Nation's businesses and industries and homes.

As we look and reexamine our tendencies in America to use one fuel or another, we are increasingly concerned about the effect of the burning of those fuels in our environment. Increasingly we are concerned about acid rain, increasingly about global warming, increasingly we are concerned about polluting the air that is so precious to our lives in this country and around the world, increasingly clean natural gas will play a part in the solution of some of these environmental problems that face the issues of clean air and all Americans on this vital concern. Increasingly then natural gas should and will be a part of America's energy future.

□ 1430

What are we to do about it? We have encouraged many, many hearings on this issue over the years, and since 1980, when I first came to Congress determined to try to do what we are going to do today, we have heard in testimony that there was as much as 50 trillion cubic feet of natural gas waiting to be developed in old fields around America if only we had the good sense to unravel the system of Federal controls. Today, as we unravel it, we make possible for America that 50 trillion cubic feet.

For the old fields of Louisiana, a mature gas State, we say, "Go back to work." We say to the drillers, the producers, the people who invest in gas wells. "Go back into those old oil fields and produce that natural gas for America." We say, in effect, "America, you are going to need the natural gas from Oklahoma and Louisiana and Texas and Colorado and Alaska; you will need our natural gas," and with this unraveling of the Federal controls, we say that we will be able to go back and produce it. That is the kind of spirit I want to see in America, the spirit of cooperation between the consuming public and the producing public in this vital area of energy.

Today is, indeed, good news for America, not just for Louisiana, which sorely awaits a signal to go back to work, but for America, which will sorely need the product that we in Louisiana will produce in natural gas to continue this Nation on a great and bright future.

Mr. Speaker, I again want to thank the chairman for bringing this issue to the floor. It is a big day for me personnally, the gentleman knows that, because we have fought for this bill for a long, long time. It is a big day for many of us who will speak on the issue. It is a big day for America, too, and the part the gentleman played in bringing this to the floor is one which many of us will be grateful for forever. This is good news not just for Louisiana but for Indiana and for all parts of this country, and I thank the gentleman for brining it to the floor today.

Mr. MOORHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DANNEMEYER], who has worked so hard on this legislation for the past 4 Congresses.

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to joint in the support of urging my colleagues to support H.R. 1722, the Natural Gas Policy Act of 1978, in that it is amended, and it will be repealed, and we will look forward in this country to the development of this vital product which we hope will help establish energy independence for this country.

Let me extend my thanks to the gentleman from Indiana [Mr. SHARP], the chairman of the full Committee, the gentleman from Michigan [Mr. DINGELL], the chairman of the Committee on Energy and Commerce, for the leadership that they have exhibited.

Many of us on this Subcommittee on Energy and Commerce of the Committee on Energy and Commerce have attempted to bring this day into exisstence, and we are grateful to be able to stand here on the floor of the House and explain to our colleagues what we are about.

There has been a historical argument between competing forces in this country on this issue. Members from energy States, and I include myself as a Member from California in that category, have long said to the people of Congress that we believe that market forces are best able to determine the price and quantity of this product. On the other side of that coin have been the representatives from what could be described as the consuming States, that is, nonenergy producing States and highly urbanized, in the Northeast and the upper Midwest, who have said, "In order to protect our consumers from being taken advantage of by the producers of this product, we are all better served by price controls." I am happy to say that these two conflicting opinions are still to be argued for the history books, but they are no longer relevant for today.

Mr. Speaker, both sides feel they have reached a sensible agreement in this measure. This Member from California frankly would have preferred to see a date of deregulation that would be like, tomorrow afternoon at 3 o'clock. Unfortunately, it will not happen until January 1993, but that is part of the legislation process of accommodation and compromise.

We Americans, I believe, can look forward to increased production of natural gas, between 15 and 30 trillion cubic feet that will come into our energy base that we would otherwise never have received but for this step we are taking today. That is between 1 and 2 years of the use in this Nation today of natural gas.

In an area of noncompliance of the Clean Air Act that I am privileged to represent in southern California, this measure also has significance, because to the extent that this Nation produces more of its cleanest fuel, natural gas, to that extent, we are moving down the road of reducing pollution, reducing nonattainment areas in this country, one of which, the most exten-

sive example of which is southern California.

There is a long journey ahead for this legislation. We hope it will successfully pass the House today, and we hope that the U.S. Senate will take it up expeditiously, and we hope within the next 30 to 60 days to be part of a signing ceremony whereby the President of the United States, Mr. Bush, will be able to say properly that this step in increasing the energy base of the country is a major energy step of his administration and, as a result of a bipartisan effort here in the Congress of the United States and the White House, I believe that we have a significant chance of achieving that objective for the Bush administration.

Mr. Speaker, I am pleased to join a bipartisan coalition of my colleagues, many of whom serve on the Energy and Commerce Committee, in support of H.R. 1722, the Natural Gas Decontrol Act of 1989. This bill was unanimously reported out of the committee and has attracted the support of Members from all regions of the country, and unlike past years, the producing, transporting, and distributing segments of the natural gas industry have come to a consensus as well and have agreed to support this legislation.

In his first budget message to the Congress, President Bush stated that "at long last the Federal Government should fully decontrol natural gas." Today we are taking a great step toward ending a 35-year era of Federal regulation in the natural gas industry. I commend the chairman of the subcommittee, PHIL SHARP, the ranking minority member, CARLOS MOORHEAD, and many of my colleagues who have worked together to change the structure of the gas market. Many of us have a long history of struggling with conflicting approaches to implement these changes.

Competitive changes in industry which resulted from the partial decontrol of natural gas, implemented on January 1, 1985, have opened the door to today's consensus. The natural gas resource base in the United States is vast. At current consumption rates, it is estimated that we have a 35-year supply of natural gas with costs of less than $3 per thousand cubic feet. The elimination of wellhead price controls over the next 3½ years will create a healthy and competitive gas market, stimulate increased exploration and production, ensure reliable supplies, and give the consumer competitive low priced gas consistent with long-term supply reliability.

Today, approximately 90 percent of gas supplies are decontrolled. When partial decontrol was implemented in January 1985, gas prices did not skyrocket as was feared; instead, as oil prices fell, gas prices dropped by approximately 30 percent. The result benefits the consumer. While natural gas prices fluctuate during the year, residential, commercial, industrial, and electric utility gas consumers in 1988 paid prices that were lower than those in 1984, before partial decontrol.

According to the Energy Information Administration, residential prices have declined from $6.05 per thousand cubic feet [MCF] in December 1984 to $5.20 in December 1988, a 14-percent reduction. Commercial rates declined from $5.60 per thousand cubic feet in December 1984 to $4.70 in December 1988, a reduction of 16 percent. The decline in rates for industrial users showed a reduction of 26 percent as prices fell from $4.25 per thousand cubic feet in 1984 to $3.13 in December 1988. The price of gas to electric utilities went from $3.64 in December 1984 to $2.68 in December 1988. The lower rates from industrial users and electric utilities reflect lower delivery costs, greater fuel switching capability, and more spot market purchases.

As a Member from southern California, the environmental problem in the Los Angeles basin is a sensitive subject of considerable concern to many of us. It is important to take every possible step to improve our air quality. Lower priced gas production will help to reduce air pollution by encouraging the use of this particular clean and efficient fuel source.

Although I, along with a number of my colleagues and the Department of Energy, would have preferred to see immediate decontrol, the consensus adopted by the Energy and Commerce Committee receives my strong support. Again, I commend each of my colleagues who worked hard to reach this consensus. I hope you will join me in supporting H.R. 1722. I look forward to seeing this language adopted by the Senate and signed into law in the near future.

Mr. MOORHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I thank the gentleman from California [Mr. MOORHEAD], the gentleman from Texas [Mr. BARTON], the gentleman from California [Mr. DANNEMEYER], the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, the gentleman from Indiana [Mr. SHARP], and others who have worked so hard on this legislation.

Mr. Speaker, I speak as one who comes from a consuming State as well as a producing State with a memory of the winter of 1978 in Ohio still ringing strongly in my ears, when we faced a natural-gas shortage in Ohio partly because of the severity of the weather, but more importantly because of artificial shortages created by overregulation, when we saw thousands of people in my home State laid off work, schools closed, because they could not get natural gas to heat the buildings, and a situation that never should have happened.

We were told at that time, I recall, that we had that shortage because there was a shortage of natural gas in the ground, that we were quickly running out of that heating product and, as a result, we had to look for other sources of energy. Little did we know that by this time, and shortly even before this time, we would have a glut of natural gas and that we would be here today recognizing that the old nostrums of regulation meaning lower prices and more availability had gone by the wayside, and we were now in a situation where we could provide States like Ohio with a steady supply of natural gas at a reasonable cost, and that is all we wanted in the first place.

Mr. Speaker, we have learned in the last 10 or 11 years, and we have applied those lessons today in this legislation. We are happy to be part of this historic coming together of forces from the Southwest producing States and the industrial Midwest and the Northeast in creating this compromise.

Someone once said that politics is the art of the possible, and what we see before us is, indeed, the art of the possible. We are going to see a major correction in Federal law that was long overdue that will benefit the producing States as well as the consuming States.

Mr. Speaker, the consumer is a victor today. The producer is a victor. Everyone in this win-win situation has contributed mightily to what we are about to do today. I see my friend, the gentleman from Louisiana, and my congratulations to him as well as the gentleman from Oklahoma for their good work on everyone's behalf, and I am pleased to be here to support and recommend this legislation for passage in the House today.

Mr. MOORHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BARTON].

(Mr. BARTON of Texas asked and was given permission to revise and extend his remarks.)

□ 1440

Mr. BARTON of Texas. Mr. Speaker, we are here today in one of those rare occurrences where we actually have a win-win situation, as the gentleman form Ohio [Mr. OXLEY] referred to. The consumers of America are going to win, because when this bill becomes law most experts feel that natural gas prices will slightly decline. Consumers will also win because over time they are going to be assured an adequate supply of natural gas.

Producers are going to win because they are going to see the last vestige of the regulatory environment, initially placed on them in 1954 by the Supreme Court decision in the Phillips case, stripped away. They are going to be able to make decisions about whether to drill or not to drill a natural gas well purely on economics, and not on the regulatory environment and classification of the gas, whether the gas would be sold in the interstate or intrastate market, whether the well is located onshore or offshore, or whether the well is an in-field development well or a new well.

Natural gas is a very abundant fuel source in this country. There are over 100 trillion cubic feet of proved reserves. We think with this bill we are going to develop an additional 15 tril-

lion to 30 trillion cubic feet of natural gas.

Natural gas is our cleanest burning hydrocarbon fuel source. Those in the Midwest and the Northeast who are concerned about the acid rain problem, should strongly support passage of this bill because it will give impetus to an additional fuel source to substitute for coal or some of the other sources of energy that may contribute to the acid rain problem.

This bill is a bipartisan bill, with strong support on both sides of the aisle. It is a bill, as another Member has alluded to, that could have been enacted perhaps more quickly. I personally wanted an immediate decontrol date. However, we do have an enactment date of January 1, 1993, for existing wells, unless the contract expires or is renegotiated. We do have the ability for new wells to be decontrolled as soon as they are drilled.

President Bush and the Department of Energy strongly support this bill. I would encourage every Member of the House of Representatives to vote a strong and loud aye and let us move it to the other body and encourage their rapid support also.

Mr. McCRERY. Mr. Speaker and Members of the House, I support the Natural Gas Decontrol Act of 1989 and am pleased to be a part of this decontrol process which began with the Natural Gas Policy Act of 1978 (Public Law 95–621).

As we have witnessed over the years since the passage of Public Law 95–621, the free market system has been effective in keeping the price of gas affordable for both industrial and residential consumption. Up to 60 percent of the gas produced today is decontrolled. This legislation serves to level the playing field for the other 40 percent and thereby stimulate competition.

Removing the artificial prices of natural gas will allow gas producers to make investment decisions on free market principles, not Government regulation.

I urge the passage of this legislation and commend my colleagues for their diligent efforts on this matter.

Mr. MOORHEAD. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Speaker, I rise in support of H.R. 1722, legislation removing the last vestiges of natural gas wellhead price controls.

For many of us, this is a momentous occasion. This is the culmination of many long, hard-fought battles. I strongly supported complete natural gas decontrol in 1983, although prodecontrol advocates had the votes in the Energy and Commerce Committee, we didn't have the gavel. So, gas deregulation didn't move. Then, in 1984, I fought those who argued that partial gas decontrol, called for by the Natural Gas Policy Act of 1978, on January 1, 1985, would result in a price "fly-up."

Of course, we all know that the dire predictions of a price "fly-up" on January 1, 1985, when approximately 50 percent of natural gas became price-decontrolled, did not occur. In fact, since January 1, 1985, natural gas prices have fallen 37 percent. The marketplace does work. Reliance on marketplace forces rather than artificial government controls is better for both producers and consumers of natural gas. Because the marketplace has been proven to work, we are here today to remove the last vestiges of gas price controls.

Complete natural gas decontrol marks an end to 35 years of government interference in wellhead pricing of natural gas. Although 70-plus percent of natural gas is already price decontrolled, the remaining price controls still skew the gas market. According to past estimates, as much as 12 to 34 trillion cubic feet of price-controlled natural gas in "old fields" were not being produced because of artifically low price controls. Yet, this gas would be produced in the absence of price controls, often at a cheaper price to the consumer than newly discovered gas. Although order 451 has freed some old gas, this bill will completely correct the old gas pricing problem.

I strongly support immediate decontrol of natural gas. I would prefer to be here, today, to report an immediate decontrol bill. However, compromise is a part of the political process. The end goal of natural gas decontrol is too important to forfeit in a battle over the effective date. This legislation is sound energy policy for American consumers and producers.

I urge my colleagues support of this legislation.

Mr. SHARP. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, it is with great optimism that I speak in support of H.R. 1595, calling for the complete decontrol of natural gas by January 1, 1993. My colleagues and I on the Energy and Commerce Committee have examined various proposals and have reported a sound compromise. I want to commend the chairman of the committee, JOHN DINGELL, for his leadership on this issue of natural gas decontrol. Chairman PHIL SHARP also deserves tremendous credit for bringing together all sides of this issue—a feat many would not have thought possible just a couple of years ago.

Despite the deregulatory zeal of the last decade, natural gas is the last major commodity and the only fuel over which the Federal Government has price controls on hand. Continued regulation not only fails to make economic sense but also adversely affects both the consumer and producer.

First, Federal price ceilings no longer protect the consumer from existing market prices. Less than 30 percent of domestic natural gas remains subject to Federal price ceilings. Contracts for gas that remain subject to Federal price controls below spot market levels can be renegotiated through provisions in the legislation.

Deregulation will not lead to higher prices. Gas prices have decreased despite an increasing percentage of decontrolled gas under the Natural Gas Policy Act [NGPA]. Average wellhead prices have declined from a high of $2.60 per thousand cubic feet in 1984 to approximately $1.70 per thousand cubic feet currently. Average gas prices to residential consumers were approximately $6 to $7 in 1984. Today consumer prices are in the range of $5 and $6. Current market forces in the natural gas industry present an ideal opportunity to bring to an end 35 years of Federal control over natural gas production.

Deregulation will allow natural gas to play a significant role in meeting our future energy goals. The Nation's growing dependence on foreign oil imports endangers our energy security. Nearly 50 percent of our oil is imported while U.S. crude oil production is falling at an alarming rate. At the end of 1988, U.S. production was less than 8 million barrels per day—matching the lowest annual rate of production in 25 years. We must spur increased natural gas production. This legislation will help increase exploration and production of natural gas.

We need this legislation if natural gas is to be used to address this country's increasing environmental concerns. Gas is a clean burning, environmentally safe alternative fuel which can significantly reduce emissions of carbon dioxide and help diminish the greenhouse effect.

In order to meet these challenges, the natural gas industry must be able to make proper decisions regarding their exploration and development activities. Price controls distort market operations causing inefficiency in the natural gas industry. Decontrol allows the market to respond efficiently to changes in supply and demand for natural gas—stabilizing our domestic energy supply. It is time for Congress to complete the decontrol process started by the NGPA and remove all remaining Federal price controls on natural gas.

The natural gas industry is extremely important to New Mexico. Among the States, New Mexico ranks fourth in natural gas production with 5,000 natural gas wells that produce 200 million cubic feet per month. Natural gas producers in the State support decontrol as a way to increase market efficiency and boost New Mexico's energy production. Approximately one-fourth of the revenues going into New Mexico's general fund comes from oil and

gas related taxes, royalties, and permanent fund earnings. The State derived $750 million directly from oil and gas sources in 1987, employing approximately 10,000 people. Natural gas decontol is in the best interests of New Mexico.

Although I prefer full, immediate decontrol, we have come up with a compromise that all segments of the natural gas industry can accept—producers, pipelines, and local distribution companies. It is important that the Congress act quickly on this legislation. I urge my colleagues in the House to vote in favor of H.R. 1595. I urge my colleagues in the Senate to follow through with swift action. It is in the best interest of the Nation's energy supply to decontrol natural gas.

Mr. SHARP. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Speaker, I just want to commend the gentleman from Indiana [Mr. SHARP], the gentleman from Michigan [Mr. DINGELL], and the others who are supporting this bill.

Because almost everything else has already been said, I think I could just wind up by saying that once we deregulate gas that that does not end our obligation to the energy world, it simply begins it. I think this is a great step, and I am certainly pleased that this House is taking this step today. I look forward to it passing the Senate, getting into the conference committee and being written into law, because it is the end of a long, long journey for a lot of people.

Mr. MOORHEAD. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I just want to commend all of the heroes who have made this legislation possible, the courage of the gentleman from Indiana, Mr. PHIL SHARP, and the gentleman from Michigan, Mr. JOHN DINGELL, in bringing the bill to the committee at a time when they did not know exactly what the result would be, to the gentleman from Louisiana, Mr. BILLY TAUZIN, who has given us strong emotional support and great help in working out many of the details of the bill; the gentleman from Texas, Mr. JOE BARTON, the gentleman from California, Mr. BILL DANNEMEYER, who have been long-term supporters of the legislation; to the gentleman from New Mexico, Mr. BILL RICHARDSON, who has for a long time supported this particular type of legislation, as well as to the gentleman from Oklahoma, [Mr. SYNAR], the gentleman from Ohio, [Mr. OXLEY], and the gentleman from Texas, [Mr. FIELDS], and the gentleman from New York, Mr. NORM LENT, and a lot of other people who have worked hard to get this bill to this place. I ask for an aye vote.

Mr. ORTIZ. Mr. Speaker, I would like to state strong support of H.R. 1722, the Natural Gas Decontrol Act, under suspension of the rules.

This legislation will formally remove the Federal Government from involvement with the control of natural gas prices.

Existing market conditions for natural gas have effectively eliminated the need of current price control and manipulation by the Federal Government.

Recordkeeping and bureaucratic requirements remain however, and H.R. 1722 will contribute to easing these burdens upon natural gas producers and customers.

Natual gas represents a clean and valuable energy source, that should be utilized to help reduce America's ever increasing dependence upon foreign sources of oil.

Decontrol will enable various producers and users to fully explore appropriate technologies and potential uses for natural gas.

I encourage my colleagues to support this legislation, which will contribute to our Nation's energy security in a clean and environmentally sound manner.

In my opinion, that is a double-win situation and this opportunity should be seized by the Congress today.

Mr. BLILEY. Mr Speaker, I am pleased to be an original cosponsor of H.R. 1722, the Natural Gas Decontrol Act of 1989.

This consensus bill puts the finishing touches on the good work begun by the Natural Gas Policy Act of 1978 by allowing market forces to drive the production of natural gas. By removing the artificial, inefficient price controls in a phased approach, this act gives both incentives to producers as well as protection to the consumer.

Increased production and use of natural gas makes us less dependent on foreign oil and gives us tremendous environmental benefits. Mr. Speaker, I feel that passage of this act is vital to our efforts to allow natural gas to play a larger role in this Nation's energy future.

Mr. SLATTERY. Mr. Speaker, I am pleased to rise in support of H.R. 1722, legislation that eliminates remaining wellhead price controls on natural gas by January 1, 1993. I am an original cosponsor of this bill, which would decontrol upon enactment gas to which a contract did not apply. I would like to take this opportunity to commend the chairman of the Energy and Commerce Committee, JOHN DINGELL, and the chairman of our Energy and Power subcommittee, PHIL SHARP, for their swift movement of this legislation through committee so early in this session of Congress.

After enactment, the bill decontrols gas upon the expiration, termination, or renegotiation of contracts. Natural gas from wells spudded after enactment would also be free of wellhead price controls. The transition period between enactment of the bill and the complete decontrol date will give pipelines and producers an opportunity to adjust their contracts in anticipation of complete decontrol.

This legislation will benefit both consumers and producers of natural gas by providing cleaner air, reducing oil imports, improving our national energy security, and lowering our trade deficit by moving the United States toward increased use of an abundant domestic fuel.

Decontrol will ease artificial Government restrictions and subsidies and allow market oriented decisions, ending a system of economic discrimination that needlessly adds to the already large problems of our depressed energy producing regions.

We have already decontrolled the majority of our Nation's gas supplies in the past few years, and these prices are now as low as they were in 1979, when the partial decontrol process began.

Less than 10 percent of the Nation's gas supply is now "old" price controlled gas. Average prices to local gas companies are set by the market and capped by oil prices. A series of regulatory rules, court decisions and new industry practices have ended the old world of inflexible long-term contracts between producers, pipelines, utilities, and consumers, and replaced it with new arrangements that allow buyers at each level to choose and price shop among multiple supply options.

Cold winters or an oil embargo would push up gas prices indefinitely until the blended mix of free and controlled gas hit free market levels. Thus, controls no longer provide any shield for consumers against free market prices and, in fact, have not done so for years.

I urge my colleagues to join me in supporting this measure. I hope that the other body will follow our lead and take this legislation up quickly so we can place it before the President as soon as possible.

Mr. LELAND. Mr. Speaker, I am extremely pleased that the House will finally vote on passage of this important legislation. I only regret that it has taken us so long to reach a consensus.

Just a decade ago, this Nation was in the midst of an energy crisis. Gasoline shortages led to long lines at the pumps. Rising energy prices fueled inflation and choked economic activity. Natural gas was similarly plagued with escalating prices and short supplies. These circumstances led Congress to enact the Fuel Use Act.

Today, with lower fuel costs and reliable supplies, the policies of the 1970's are ill suited for the 1980's. To adequately deal with these new circumstances, I was a chief architect of legislation which repealed the Fuel Use Act. This action provided industrial consumers with the flexibility needed to adjust to changes in energy markets.

Just as changed conditions dictated the need to repeal the Fuel Use Act, it is now time to eliminate the remaining price controls under the Natural Gas Policy Act. The conditions that warranted enacting NGPA no longer exist. Currently, certain controlled gas is priced slightly above the market price. Ending controls will allow this gas to gravitate toward a lower price.

For many years I have supported the natural gas industry. When this latest debate began, I favored a 5-year decontrol program because immediate decontrol was tantamount to changing the rules in the middle of the game. Although H.R. 1722 accelerates decontrol, it is a viable compromise, and I wholeheartedly support its passage.

Natural gas must and will be a central component of our national energy policy. Increased production will help invigorate a slumping energy industry. Increased consumption by industry, utilities, and consumers will reduce our growing dependence on imported oil, and thus improve our energy security. Furthermore, as Congress wrestles with issues like global warming and clean air, it is inescapable that we must increase our reliance on natural gas. Deregulation is a positive step in these directions.

In closing Mr. Speaker, I want to commend my colleagues for the bipartisanship demonstrated on this issue. Additionally, much credit goes to the natural gas industry for crafting a unified position. I urge my colleagues to pass H.R. 1722.

□ 1450

Mr. SHARP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIKORSKI). The question is on the motion offered by the gentleman from Indiana [Mr. SHARP] that the House suspend the rules and pass the bill, H.R. 1722, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such Act.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1722, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 5, rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today, in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 20, by the yeas and nays, and H.R. 1385 de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1989

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 20, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. SIKORSKI] that the House suspend the rules and pass the bill, H.R. 20, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yes 297, nays 90, not voting 45, as follows:

[Roll No. 28]

YEAS—297

Ackerman	Fascell	Lewis (GA)
Akaka	Fazio	Lipinski
Alexander	Feighan	Livingston
Annunzio	Fish	Lloyd
Anthony	Flake	Long
Applegate	Flippo	Lowey (NY)
Atkins	Foglietta	Luken, Thomas
AuCoin	Foley	Machtley
Bates	Ford (MI)	Manton
Bentley	Frank	Markey
Bereuter	Frost	Martin (IL)
Berman	Gallo	Martin (NY)
Bevill	Garcia	Martinez
Bilbray	Gaydos	Matsui
Bilirakis	Gejdenson	Mavroules
Boehlert	Gephardt	Mazzoli
Boggs	Gibbons	McCloskey
Bonior	Gilman	McCurdy
Borski	Glickman	McDade
Boxer	Gonzalez	McDermott
Brennan	Goodling	McGrath
Brooks	Gordon	McHugh
Brown (CA)	Goss	McMillen (MD)
Bruce	Grandy	McNulty
Buechner	Grant	Mfume
Bustamante	Gray	Michel
Byron	Guarini	Miller (CA)
Campbell (CA)	Hall (OH)	Miller (WA)
Cardin	Hall (TX)	Mineta
Carper	Hamilton	Moakley
Carr	Hammerschmidt	Molinari
Chapman	Harris	Mollohan
Clarke	Hastert	Montgomery
Clay	Hatcher	Moody
Clinger	Hawkins	Morella
Coelho	Hayes (IL)	Morrison (CT)
Coleman (TX)	Hayes (LA)	Morrison (WA)
Collins	Hefner	Murphy
Conte	Hoagland	Murtha
Conyers	Hochbrueckner	Myers
Cooper	Holloway	Nagle
Costello	Horton	Natcher
Coyne	Hoyer	Neal (MA)
Crockett	Hubbard	Neal (NC)
Darden	Hughes	Nelson
Davis	Jacobs	Nielson
de la Garza	Jenkins	Nowak
DeFazio	Johnson (CT)	Oakar
Dellums	Johnson (SD)	Oberstar
Derrick	Johnston	Obey
DeWine	Jones (GA)	Olin
Dicks	Jones (NC)	Ortiz
Dixon	Jontz	Owens (NY)
Donnelly	Kanjorski	Owens (UT)
Dorgan (ND)	Kaptur	Pallone
Downey	Kastenmeier	Panetta
Duncan	Kennedy	Parker
Durbin	Kennelly	Parris
Dwyer	Kildee	Pashayan
Dymally	Kolter	Patterson
Dyson	Kostmayer	Payne (VA)
Early	LaFalce	Penny
Eckart	Lancaster	Perkins
Edwards (CA)	Lantos	Petri
Emerson	Leath (TX)	Pickett
Engel	Lehman (CA)	Pickle
English	Lehman (FL)	Poshard
Erdreich	Lent	Price
Espy	Levin (MI)	Pursell
Evans	Lewis (CA)	Quillen
Rahall	Shuster	Torres
Rangel	Sikorski	Towns
Ravenel	Sisisky	Traficant
Regula	Skaggs	Udall
Rhodes	Skelton	Unsoeld
Richardson	Slattery	Upton
Ridge	Slaughter (NY)	Valentine
Rinaldo	Smith (FL)	Vento
Robinson	Smith (IA)	Visclosky
Roe	Smith (NJ)	Volkmer
Rose	Smith (VT)	Vucanovich
Rostenkowski	Smith, Robert (OR)	Walgren
Rowland (CT)	Solarz	Walsh
Rowland (GA)	Solomon	Waxman
Roybal	Spence	Weiss
Russo	Spratt	Weldon
Sabo	Staggers	Wheat
Saiki	Stallings	Whittaker
Sangmeister	Stark	Whitten
Sarpalius	Stenholm	Williams
Savage	Stokes	Wilson
Sawyer	Studds	Wise
Saxton	Sundquist	Wolpe
Schaefer	Swift	Wyden
Scheuer	Synar	Yates
Schneider	Tallon	Yatron
Schroeder	Tauzin	Young (AK)
Schumer	Thomas (CA)	Young (FL)
Sharp	Thomas (GA)	
Shays		

NAYS—90

Archer	Gradison	Oxley
Armey	Green	Packard
Baker	Gunderson	Paxon
Bartlett	Hancock	Porter
Barton	Hansen	Ritter
Bateman	Hefley	Roberts
Bellenson	Henry	Rogers
Bennett	Herger	Roth
Bliley	Hiler	Roukema
Brown (CO)	Hopkins	Schiff
Bunning	Hunter	Schulze
Burton	Hyde	Sensenbrenner
Callahan	Inhofe	Shaw
Coble	Ireland	Shumway
Coleman (MO)	James	Skeen
Combest	Kolbe	Slaughter (VA)
Coughlin	Kyl	Smith (MS)
Cox	Lagomarsino	Smith (NE)
Craig	Leach (IA)	Smith (TX)
Dannemeyer	Lewis (FL)	Smith, Robert (NH)
DeLay	Lightfoot	
Dickinson	Lukens, Donald	Snowe
Douglas	Madigan	Stearns
Dreier	Marlenee	Stump
Fawell	McCandless	Tauke
Fields	McCrery	Walker
Frenzel	McEwen	Weber
Gallegly	McMillan (NC)	Wolf
Gekas	Meyers	Wylie
Gillmor	Miller (OH)	
Gingrich	Moorhead	

NOT VOTING—45

Anderson	Edwards (OK)	Pease
Andrews	Florio	Pelosi
Aspin	Ford (TN)	Pepper
Ballenger	Hertel	Ray
Barnard	Houghton	Rohrabacher
Bosco	Huckaby	Schuette
Boucher	Hutto	Smith, Denny (OR)
Broomfield	Kasich	
Bryant	Kleczka	Stangeland
Campbell (CO)	Laughlin	Tanner
Chandler	Leland	Torricelli
Clement	Levine (CA)	Traxler
Courter	Lowery (CA)	Vander Jagt
Crane	McCollum	Watkins
Dingell	Mrazek	
Dornan (CA)	Payne (NJ)	

□ 1511

The Clerk announced the following pairs:

On this vote:

Mr. Tanner and Mr. Hertel for, with Mr. Crane against.

Mr. Kleczka and Mr. Lowery of California for, with Mr. McCollum against.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION EXTENSION ACT

The SPEAKER pro tempore (Mr. SIKORSKI). The pending business is the question of suspending the rules and passing the bill, H.R. 1385.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. SAWYER] that the House suspend the rules and pass the bill, H.R. 1385.

The question was taken.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 305, noes 84, not voting, 43, as follows:

[Roll No. 29]

AYES—305

Ackerman	Dixon	Hayes (IL)
Akaka	Donnelly	Hayes (LA)
Alexander	Downey	Hefner
Annunzio	Duncan	Henry
Anthony	Durbin	Hertel
Applegate	Dwyer	Hoagland
Atkins	Dymally	Hochbrueckner
AuCoin	Dyson	Horton
Barton	Early	Hoyer
Bates	Eckart	Hubbard
Bennett	Edwards (CA)	Hughes
Berman	Engel	Hunter
Bevill	English	Inhofe
Bilbray	Erdreich	Jacobs
Bliley	Espy	James
Boehlert	Evans	Jenkins
Boggs	Fascell	Johnson (CT)
Bonior	Fazio	Johnson (SD)
Borski	Feighan	Johnston
Boxer	Fish	Jones (GA)
Brennan	Flake	Jones (NC)
Brooks	Flippo	Jontz
Brown (CA)	Foglietta	Kanjorski
Brown (CO)	Foley	Kaptur
Bruce	Ford (MI)	Kastenmeier
Buechner	Frank	Kennedy
Bustamante	Frost	Kennelly
Callahan	Gallegly	Kildee
Campbell (CA)	Gallo	Kolbe
Cardin	Garcia	Kolter
Carper	Gaydos	Kostmayer
Carr	Gejdenson	LaFalce
Chapman	Gekas	Lagomarsino
Clarke	Gephardt	Lancaster
Clay	Gibbons	Lantos
Coelho	Gillmor	Leach (IA)
Coleman (TX)	Gilman	Leath (TX)
Collins	Gingrich	Lehman (CA)
Conte	Glickman	Lehman (FL)
Conyers	Gonzalez	Leland
Cooper	Goodling	Lent
Costello	Gordon	Levin (MI)
Coughlin	Goss	Lewis (CA)
Cox	Gradison	Lewis (GA)
Coyne	Grant	Lipinski
Crockett	Gray	Lloyd
Darden	Green	Long
Davis	Guarini	Lowey (NY)
de la Garza	Gunderson	Luken, Thomas
DeFazio	Hall (OH)	Lukens, Donald
Dellums	Hamilton	Machtley
Derrick	Harris	Madigan
Dicks	Hatcher	Manton
Dingell	Hawkins	Markey
Martin (IL)	Patterson	Smith (IA)
Martin (NY)	Payne (VA)	Smith (NJ)
Martinez	Penny	Smith (TX)
Matsui	Perkins	Smith (VT)
Mavroules	Pickett	Snowe
Mazzoli	Pickle	Solarz
McCloskey	Porter	Spratt
McCrery	Poshard	Staggers
McCurdy	Price	Stark
McDade	Pursell	Stokes
McDermott	Rahall	Studds
McGrath	Rangel	Swift
McHugh	Ray	Synar
McMillen (MD)	Regula	Tallon
McNulty	Richardson	Tauke
Mfume	Rinaldo	Tauzin
Michel	Robinson	Thomas (CA)
Miller (CA)	Roe	Thomas (GA)
Miller (WA)	Rose	Torres
Mineta	Rostenkowski	Towns
Moakley	Roth	Traficant
Mollohan	Rowland (CT)	Udall
Montgomery	Rowland (GA)	Unsoeld
Moody	Roybal	Upton
Morella	Russo	Valentine
Morrison (CT)	Sabo	Vento
Morrison (WA)	Saiki	Visclosky
Murphy	Sarpalius	Volkmer
Murtha	Savage	Vucanovich
Nagle	Sawyer	Walgren
Natcher	Saxton	Walsh
Neal (MA)	Scheuer	Waxman
Neal (NC)	Schneider	Weber
Nelson	Schroeder	Weiss
Nowak	Schulze	Weldon
Oakar	Schumer	Wheat
Oberstar	Sharp	Whittaker
Obey	Shaw	Whitten
Olin	Shays	Wilson
Ortiz	Shuster	Wise
Owens (NY)	Sikorski	Wolf
Owens (UT)	Sisisky	Wolpe
Oxley	Skaggs	Wyden
Pallone	Skeen	Wylie
Panetta	Skelton	Yates
Parker	Slattery	Yatron
Parris	Slaughter (NY)	Young (AK)
Pashayan	Smith (FL)	

NOES—84

Archer	Hancock	Rhodes
Armey	Hansen	Ridge
Baker	Hastert	Ritter
Bartlett	Hefley	Roberts
Bateman	Herger	Rogers
Beilenson	Hiler	Rohrabacher
Bentley	Holloway	Roukema
Bereuter	Hopkins	Schaefer
Bilirakis	Hyde	Schiff
Bunning	Ireland	Sensenbrenner
Burton	Kyl	Shumway
Byron	Lewis (FL)	Slaughter (VA)
Clinger	Lightfoot	Smith (MS)
Coble	Livingston	Smith (NE)
Coleman (MO)	Marlenee	Smith, Robert (NH)
Combest	McCandless	
Craig	McEwen	Smith, Robert (OR)
Dannemeyer	McMillan (NC)	
DeLay	Meyers	Solomon
Dickinson	Miller (OH)	Spence
Douglas	Molinari	Stallings
Dreier	Moorhead	Stearns
Emerson	Myers	Stenholm
Fawell	Nielson	Stump
Fields	Packard	Sundquist
Frenzel	Paxon	Walker
Grandy	Petri	Williams
Hall (TX)	Quillen	Young (FL)
Hammerschmidt	Ravenel	

NOT VOTING—43

Anderson	Dorgan (ND)	Payne (NJ)
Andrews	Dornan (CA)	Pease
Aspin	Edwards (OK)	Pelosi
Ballenger	Florio	Pepper
Barnard	Ford (TN)	Sangmeister
Bosco	Houghton	Schuette
Boucher	Huckaby	Smith, Denny (OR)
Broomfield	Hutto	
Bryant	Kasich	Stangeland
Campbell (CO)	Kleczka	Tanner
Chandler	Laughlin	Torricelli
Clement	Levine (CA)	Traxler
Courter	Lowery (CA)	Vander Jagt
Crane	McCollum	Watkins
DeWine	Mrazek	

□ 1525

Mr. CRAIG and Mr. MOORHEAD changed their vote from "aye" to "no."

Mr. RAHALL changed his vote from "no" to "aye."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DORGAN of North Dakota. Mr. Speaker, on rollcall 29, the vote on the authorization for the Martin Luther King, Jr., Federal Holiday Commission Act Extension, I was unavoidably detained.

Had I been present, I would have voted "No".

□ 1530

OLDER AMERICANS MONTH

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 45) designating May 1989 as "Older Americans Month", and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Reserving the right to object, Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN], as one of the chief sponsors of this legislation.

Mr. GILMAN. Mr. Speaker, I rise in strong support of Senate Joint Resolution 45 designating the month of May 1989 as "Older Americans Month".

I feel it is fitting that we designate a month in which we call upon all Americans to recognize the contributions of our older Americans. Today, over 15 percent of our older Americans are continuing to work by sharing their expertise and energies through volunteering their time to assist others in their communities. They possess a wealth of knowledge and experience that should not be allowed to go idle. Our older Americans are a very diverse group of individuals who want to continue to be a productive, valuable, and integral part of our society.

Our older Americans have made our Nation what it is today, and in countless ways are shaping our future. Designating this special month for them gives us the opportunity to recognize older persons for their determination to mold and defend our democratic values, for their strong work ethic to

revive our economy, for their continued contributions to our Nation.

Mr. Speaker, I urge my colleagues to join me in honoring our older Americans by supporting this resolution, so that we can all learn from the accomplishments of our older Americans, past and present.

Mr. RIDGE. Continuing my reservation of objection, Mr. Speaker, I would like to point out that our colleague, the gentleman from Florida [Mr. MCCOLLUM], who is the chief sponsor of Senate Joint Resolution 45, was unavoidably detained and is not here. I just wanted to note his good effort on this resolution.

Mr. MCCOLLUM. Mr. Speaker, I rise in support of the passage of Senate Joint Resolution 45 calling on President Bush to declare May of this year as "Older Americans Month." This resolution is the Senate version of House Joint Resolution 60 that I introduced along with 244 of my colleagues.

This resolution expresses our appreciation and gratitude to all of the senior Americans who have given so much to make our country great. Older Americans are our country's most vital reservoir of knowledge and experience. None of us has to look very far to see how much our senior citizens have done for our country, and continue to do. They have developed a strong working relationship with the Federal Government as well as an interest in the issues that affect their neighbors and themselves. Through their active involvement in the political process Congress is able to better understand the special concerns of older Americans and pinpoint the best ways to meet them.

This measure calls on the President to make the official designation and asks citizens to plan special activities to commemorate the month long observance. It is a great honor to be part of this observance which celebrates one of America's greatest assets and which means so much to our Nation's older Americans.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 45

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas older Americans should be acknowledged for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities acknowledge older Americans during the month of May: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the traditional designation of the month of May as "Older Americans Month" and the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation, the President is authorized and requested to issue a proclamation designating the month of May 1989 as "Older Americans Month" and calling on the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 45, the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CHAIRMAN ANDERSON'S FIRST YEAR IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore (Mr. DORGAN of North Dakota). Under a previous order of the House, the gentleman from Arkansas [Mr. HAMMERSCHMIDT] is recognized for 5 minutes.

Mr. HAMMERSCHMIDT. Mr. Speaker, it has been 1 year since our colleague, GLENN ANDERSON of California, became chairman of the Committee on Public Works and transportation and, as the ranking Republican member, I wish to commend him for an outstanding job.

There have been few chairmen who have assumed their posts under more difficult circumstances than did GLENN ANDERSON. Following the sudden death of our long-time chairman, JIM HOWARD, committee members and staff had feelings of uncertainty about the future.

Although it was not easy, GLENN turned that around. We went on to have a productive legislative session that resulted in the passage of bills on virtually all aspects of the committee's jurisdiction.

By the time the 100th Congress was finished, we had enacted into law the Pipeline Safety Reauthorization Act, the Water Resources Development Act, public buildings amendments, the Ocean Dumping Ban Act, the Federal Aviation Administration Drug Enforcement Assistance Act, the Truck and Bus Safety and Regulatory Reform Act, and the disaster relief and emergency assistance amendments.

That is a very impressive list of accomplishments for the committee and it is due in no small part to the leadership of our chairman.

During this time, he has also assumed the leadership role on the many issues of national significance that our committee faces regularly. He is the acknowledged national leader in the very important fight to prevent an increase in the motor fuels tax for deficit reduction. He has taken the reins on a general infrastructure program and on our committee's continuing battle to obtain adequate funding for our programs.

GLENN ANDERSON has five decades of public service at all levels of government. His experience has produced a quiet, effective style of leadership that has provided widespread benefits for the people he has represented and the Nation as a whole. I urge him to keep up the good work.

EXCELLENCE OF MISSISSIPPI AIR NATIONAL GUARD UNITS

Mr. MONTGOMERY. Mr. Speaker, I want to bring to your attention the recent accomplishments of three Air National Guard units from Mississippi, the 172d Military Airlift Group from Jackson, the 186th Tactical Reconnaissance Group from Meridian, and the 255th Tactical Control Squadron from Gulfport.

The 172d Airlift Group participated with four crews and aircraft in the emergency airlift of supplies to the Armenian earthquake victims. The unit also recently underwent its first operational readiness inspection [ORI] since converting to C–141B aircraft. The unit received an overall rating of excellent on the ORI from the Military Airlift Command inspection team from Scott Air Force Base, IL.

The 186th Tactical Recon Group also recently underwent its operational readiness inspection [ORI] from the Tactical Air Command at Langley Air Force Base, VA. The 186th received an overall rating of excellent as a result of the inspection.

The 255th Tactical Control Squadron recently received high praise from Gen. Robert Russ, commander of the U.S. Air Force's Tactical Air Command at Langley Air Force Base, VA. General Russ had observed the 255th in action and had cited the unit for its professionalism and superior performance.

I just wanted to share with you something that I've always known, the units in the Mississippi National Guard are of the highest caliber and continuously exhibit their professionalism day in and day out.

CALLING ON CONGRESSIONAL PANEL TO LOOK INTO EPA MONITORING OF OCEAN SLUDGE DUMPING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I would like to take this opportunity today to reflect on a report prepared by the Environmental Protection Agency's Inspector General's Office, which was released on March 31, and found that the Environmental Protection Agency has failed to develop a plan for handling a sludge spill or the potential environmental crisis that could be touched off by such an accident off the Jersey shore.

As you know, Mr. Speaker, the House passed legislation in the last session that would require the end of ocean dumping of sludge off the coast

of New Jersey by the end of 1991. The EPA is now in the process of implementing that legislation; however, there is concern and there has been concern on the part of environmentalists, as well as commercial fishermen, off the Jersey coast about the long-term effects of ocean dumping of sludge at a site both 12 miles off the coast of New Jersey and also at 106 miles where the sludge is currently being dumped.

Our concern is echoed in the EPA Inspector General's report which basically shows that the EPA has used inaccurate or ineffective scientific methods for evaluating the long term environmental drawbacks of on-going dumping at the 106 mile site off the New Jersey coast.

The report identifies three areas where the EPA needs to take action to protect the marine environment, including the reduction of discharge rates at the site, development of contingency plans and coordination of research results throughout the scientific community.

Basically, Mr. Speaker, I am asking and calling today for a congressional hearing to conduct a detailed study into the report and to show what can be done on behalf of Congress basically to remedy the situation that has been identified in the report.

I have written to the chairman of the Subcommittee on Oversight Investigations and also the chairman of the Oceanography Subcommittee of the Merchant Marine and Fisheries Committee to request that these charges of EPA's lax monitoring be part of an agenda at a planned 2-day hearing on ocean dumping that the two subcommittees are holding. I hope we can get to the bottom of this problem as a result of the action of the subcommittees and the hearings that will take place.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 586

Mrs. UNSOELD. Mr. Speaker, I ask unanimous consent to have my name withdrawn from the list of cosponsors of the bill, H.R. 586.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

REPORT FROM COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, on the Committee on Banking, Finance and Urban Affairs, of the U.S. House of Representatives, going on 28 years, I have seen the proof, time and time again over many issues, many years, some dating back to the first credit crunch of 1966.

□ 1540

Unfortunately one can only be a Congressman for a district, and even in his own district can hardly be acclaimed as a prophet, but it reminds me of the beginning of our country and some of the leadership then which, contrary to the opinion we have today of these great heroes, used to engage in rather bitter and controversial confrontations. John Adams, for instance, detested George Washington. He used to refer to him as the tall Virginian, who thought that he, like the ancient Hebrew judges, used to be selected by their height, not by their ability. He also said,

> There is that tall Virginian who believes he has been heaven sent, booted, spurred and ready to ride on the hapless back of mankind.

I have seen that this is the attitude of some of those who, because of money power and because they have accumulated tremendous collateral power, tend to be arrogant and seem to be aggressive about it. The aggressive legal beagles at Citicorp are at it again. A Citicorp subsidiary, Citibank, Delaware, recently underwrote 47 million dollars' worth of mortgage-backed securities by outrunning the jurisdiction of a New York Federal court that recently ruled a similar undertaking by Security Pacific National Bank, approved by the Office of the Comptroller of the Currency, was a violation of the Glass-Steagall Act. A Citicorp spokesman said that its Delaware subsidiary had notified the Federal Deposit Insurance Corporation about its plan to engage in the underwriting.

What are these underwritings? These are just the foot in the door in order to continue what the Chairman of the Federal Reserve Board authorized in the case of five banks including Citicorp last January 20 to engage in what is today the calamity of America, the exchange of equity for debt in the belief that debt can relieve debt, that debt can ensure prosperity, that debt can make up for a bad balance account and involve themselves in that risky aspect of the business. This cannot help but militate against the safety and soundness of not only the financial institutions generally but the insurance fund specifically known as the FDIC.

These maneuverings are representative of the basic overall thrust of these powerful institutions who have gotten our country into the dilemma expressed in the Third World debt.

How could anybody imagine the leading financial wizards of our country as early as 1977 raising their debt overload from $3 billion in less than a year-and-a-half time to over $45 billion to nations that we knew, they knew, and everybody else knew would not be able to pay then and cannot pay now? This is the substance of our financial well-being. Yet, these were the outstanding wizards of the most powerful financial institutions in the world, and they did it knowingly, intentionally, and premeditatedly, all because of greed. Yes, there is a saying in Spanish also of many centuries, "Don Dinero, poderoso caballero," "Mr. Moneybags, powerful gentleman, indeed."

The aggressive legal beagles at Citicorp are at it again. A Citicorp subsidiary, Citibank, Delaware, recently underwrote $47 million worth of mortgage-backed securities by "outrunning" the jurisdiction of a New York Federal Court that recently ruled a similar undertaking by Security Pacific National Bank—approved by the Office of the Comptroller of the Currency [OCC]—was a violation of the Glass-Steagall Act. A Citicorp spokesman said its Delaware subsidiary notified the Federal Deposit Insurance Corporation [FDIC] about its plan to engage in the underwriting. I find these recent events discouraging because the banks, with the backing of their patron regulators, continue to expend scarce resources in an effort to evade activity limits placed in law by the Congress. This activity is most wasteful in light of the fact that banks have a poor record of channeling their resources toward fulfilling the credit needs of low- and moderate-income neighborhoods.

COMPTROLLER SCOLDED

The deregulatory-minded OCC received a needed setback on December 19, 1988, when Kevin Thomas Duffy, U.S. district judge for the U.S. District Court, Southern District of New York, held illegal an OCC ruling that would have permitted Security Pacific National Bank to underwrite shares of private mortgage-backed pass-through certificates.

The Federal court judge was highly critical of the OCC's interpretation of the Glass-Steagall Act. Commenting on the Comptroller's interpretation, Judge Duffy said,

> . . . although the Comptroller recognizes legitimate concerns of the banking industry, he does not sufficiently consider the banking laws' purpose of protecting the investing public. If I (Judge Duffy) were to agree that the trust certificates purchased by the public were not securities, then the public would not receive the full disclosure that is one of the protections of the securities laws. A bank could relegate those mortgages which it saw as most likely to be a problem and full disclosure would not have to be made. Having once purchased the security, the innocent investor would be bereft of any of the protection of the securities laws, a situation repugnant to the present state of the law.

Judge Duffy went on to say,

> In sum, the Comptroller's statutory analysis is incomplete and inconsistent with the legislative intent (of the Glass-Steagall Act) and therefore must be rejected.

The Judge's decision is applicable to all national banks within the Southern District of New York and is being appealed.

ENTER CITICORP

Since Judge Duffy's ruling applied to all national banks within the Southern District of New York, Citicorp decided it could circumvent the Judge's ruling by underwriting mortgage-backed securities through its nonmember, State-chartered bank subsidiary in Delaware. With the Federal Deposit Insurance Corporation's approval, Citicorp's Delaware bank subsidiary proceeded to underwrite the $47 million issue of mortgage-backed securities.

RESTORING CONFIDENCE AND STABILITY IN THE FINANCIAL SYSTEM

The House and Senate Banking Committees, the Federal bank regulatory agencies and the administration are currently devoting their energies to restructuring the savings and loan industry and recapitalizing the Federal Savings and Loan Insurance Corporation [FSLIC]. The FDIC has now taken control of over 100 thrifts and is devoting massive resources and personnel to stabilizing the FSLIC. The Federal Reserve [FED] has contributed over 200 of its employees to resolving the thirft industry crisis. Over the past several months depositors have withdrawn record amounts of deposits from the S&L industry. These facts help reveal the depth of the problem.

The FSLIC crisis and a record number of bank failures over the last couple of years have had a negative impact on consumer confidence in the banking system. It is critically important that the Banking Committee act responsibly and take the lead in restoring stability and confidence in our financial system.

GLASS-STEAGALL REFORM

In light of the need to ensure safety and confidence in the banking system, an incremental approach to Glass-Steagall reform is appropriate. Glass-Steagall modification will require strong firewall provisions that will ensure full disclosure to consumers as well as safeguarding the commercial bank insurance fund from the risks associated with additional bank securities powers. Proper enforcement of stringent firewall provisions will require a vigilant regulatory environment. A wholesale repeal of the Glass-Steagall Act at a time when the bank regulators are preoccupied with the S&L industry restructuring would excessively burden the regulators, and hinder their ability to properly police the new securities activities of banks. Also, let's not forget that S&L's got into trouble because they suddenly ventured into new activities they were not familiar with. The Banking Committee would be acting irresponsibly if it were to let the same thing happen in the banking industry. While reform is long overdue, the committee must carefully balance the need for reform against the goal of having a safe, sound and stable financial system.

There is no doubt that financial services industry reform is overdue as advances in computer and telecommunications technologies have brought about fundamental changes in the consumption and delivery of financial services. Nevertheless, while reform is needed, it is rightfully the role of Congress to determine the breadth and degree of such changes. Congress cannot continue to stand by as the banks, the OCC, FDIC and the FED agressively promote a piecemeal dismantling of the Glass-Steagall Act.

Judge Duffy's decision provides a meaningful and needed setback to the aggressive agenda of the deregulatory-minded OCC. The Comptroller's and FDIC's actions are but another example of the aggressive tactics used by the Federal bank regulatory agencies to restructure the financial system without the consent of Congress. The resources of the regulators could be better utilized by pressuring banks to improve existing services. As Judge Duffy so aptly stated,

The present financial plight of the banking industry is more appropriately addressed by the Comptroller and other bank regulatory agencies in their review of bank performance in the banking industry rather than by ignoring the restrictions placed on banks entry into the securities industry.

Citicorp's actions prove more than ever that the big banks, backed by their patron regulators, will continue to hunt for loopholes that will enable them to evade the limits imposed on them by Congress and the courts. This is wasteful because loophole exploitation diverts scarce resources that could be better used to help consumers.

Settling turf battles between industries conducting rhetorical warfare over which should have more economic power is not the function of the Banking Committee. The primary responsibility of the Banking Committee is to ensure that the financial service industry is suitably configured to meet the needs of all consumers of financial services. Banks and their regulators would be better off inventing and promoting new methods of meeting the credit needs of consumers in low- and moderate-income communities, rather than wasting precious time and resources evading limits imposed by Congress and the courts.

BREAKING THE IMPASSE: THE QUIET CRISIS CONTINUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. SLATTERY] is recognized for 15 minutes.

Mr. SLATTERY. Mr. Speaker, I rise today to discuss an issue which has great implications for the future of rail service in America.

Nearly 6 months ago, I stood here and expressed my concerns about the continuing impasse between rail labor and management with respect to the issue of short-line sales and labor protection conditions.

I noted that this impasse has led to a quiet crisis in the rail industry—a crisis which cries out for prompt and final action.

Today, I would like to report on the current status of these issues and again strongly urge rail labor and management to resolve their differences voluntarily.

First, let us review the legal situation.

Rail labor and management have taken their disputes regarding line sales to the courts for resolution.

The district court's opinion in the Pittsburgh & Lake Erie case, rendered in October 1987 sharply focused the attention of the rail industry on these issues and had an immediate and dramatic impact.

The third circuit court of appeals affirmed the decision of the lower court last April.

And last fall, the Supreme Court agreed to review the Pittsburgh and Lake Erie decision.

Oral argument in the case took place March 29 and a decision could be rendered any time before the Court recesses this summer.

But while a decision in this case will reflect the Supreme Court's view of the statutory issues before it, it is very doubtful that such a decision—no matter which side wins—will settle these contentious matters once and for all.

The Court's ultimate decision in the P&LE case will be based on the facts of that particular case and may have limited, if any, applicability to other situations.

Even when the Supreme Court agreed to review the P&LE case, it let stand other similar cases which reached far different results, thus complicating an already tangled legal scenario.

The simple fact of the matter is that the legal battles will lead only to a partial resolution of the basic issues.

While one side may claim victory in a particular case, it will be a hollow victory for the rail industry if the parties cannot settle their differences outside of the courtroom.

Once the P&LE case is decided by the Supreme Court, it will be much more difficult to get labor and management together.

We cannot afford to allow these matters to be decided in protracted and piecemeal litigation.

In the next few weeks, before the Supreme Court decides the Pittsburgh & Lake Erie, rail labor and management need to redouble their efforts to voluntarily reach an agreement.

With that in mind, Lets take a look at how talks on these important issues are proceeding.

When I stood here 6 months ago, I urged rail labor and management to sit down at the negotiating table and mutually resolve the short-line/labor protection issues.

Since that time, some progress has been made toward this goal, primarily as a direct result of the personal efforts of Paul Lamboley, Vice Chairman of the Interstate Commerce Commission.

Late last year, Commissioner Lamboley contacted leaders from both rail labor and management, as well as representatives of regional and short-line railroads, and offered to help them negotiate on these important issues.

The parties agreed to appoint representatives for this purpose and recently met in Florida with Mr. Lamboley to initiate these discussions.

From my conversations with Commissioner Lamboley, I understand that the parties have agreed to continue talking and they have agreed to place concrete proposals on the table.

I commend Commissioner Lamboley for his efforts to get the parties together.

And I strongly urge the parties to continue their talks in a serious and meaningful manner.

The window of opportunity for successful resolution of these issues is open.

But the window will not be open for long.

All affected parties need to recognize the need for reaching a voluntary agreement on these issues now.

Before I close today, lets take a look at how the impasse continues to affect our shippers and communities.

Between the time that the Staggers Act was passed and the time when the P&LE case was decided in the fall of 1987, railroad abandonments steadily decreased.

The lowest level in this decade was reached in fiscal year 1987, when only 818 miles were abandoned.

But since the P&LE case, abandonments have sharply increased.

In fiscal year 1988, abandonments increased by 58 percent from the 1987 level, as 1,293 miles of track were taken out of service.

And from the available figures from 1989, the trend continues.

Meanwhile, the dramatic surge in regional and short-line railroad operations has been completely reversed since the P&LE case.

A recent survey found that over 17,000 miles of unprofitable or marginal track could eventually fall into the abandonment category if current trends continue.

Unfortunately, the legal battles between rail management and labor do not involve only these parties.

America's shippers and communities stand helplessly on the sidelines while attorneys for rail labor and management fight it out in the courtrooms.

The current impasse threatens the transportation lifeblood of many communities and shippers.

If the current trend continues, railroad lines will be ripped up instead of fixed up.

Shippers and communities will lose rail service forever, depriving them of transportation competition and alternatives.

Loss of rail service will further deteriorate America's highways, and States and local governments will have to help pick up the tab when this happens.

And increased abandonments will mean fewer jobs in the long term for railroad employees.

I have discussed my concerns about these issues with other Members of Congress, including Chairman DINGELL of the Energy and Commerce Committee and Chairman LUKEN of the Transportation Subcommittee.

They join me in urging the parties to get down to the nuts and bolts of an agreement which will avoid the need for any congressional action.

And they join me in urging the parties to do so before the Supreme Court rules on the P&LE case.

In approaching these issues, I do not mean to suggest that thousands of miles of railroad lines should be auctioned off in a wholesale manner, when the labor protection issue is settled.

Line sales do not always make good sense, either economically or politically.

But we need to assure our shippers and communities, as well as the rail industry, that options exist when the economic viability of continuing rail service is questioned.

Carriers need to work with State and local governments, as well as interested shippers and others, to assure that reasonable efforts are made in planning responses to the ever-changing economic environment.

Abandonment of lines may be justified in certain situations, although further provisions for enhanced notification and planning may be necessary.

Simply put, we will need all available options to ensure America's shippers and communities—particularly in rural areas—that essential rail service is preserved and enhanced.

Voluntary resolution of these difficult issues by the parties will require concessions.

But in the long run, all parties—and our entire transportation system—will reap the benefits.

I remain committed to finding solutions to these problems and look forward to addressing this quiet crisis that threatens rail transportation to much of rural America.

TRIBUTE TO PAUL KIRK, PAST CHAIRMAN, DEMOCRATIC NATIONAL COMMITTEE

The SPEAKER pro tempore (Mr. DORGAN of North Dakota). Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS of Utah. Mr. Speaker, I yield to the distinguished gentleman from Washington [Mr. FOLEY], our majority leader.

Mr. FOLEY. Mr. Speaker, I thank the gentleman from Utah for yielding and wish to congratulate him for taking this special order in recognition of the contributions of Mr. Paul Kirk, the immediate past chairman of the Democratic National Committee.

Mr. Speaker, our country's political system is widely admired throughout the world. It does provide for the existence of potentially many political parties, but it is widely known as the two-party system because for most of our political history, and certainly today, two major political parties are the preeminent instrumentalities through which candidates come forward and present their campaigns in contested elections, by which the American people make their judgments with respect to the positions and examination of national problems by those two parties. So it is in the national interest that we have strong political organizations and performances by our two major political parties.

The gentleman from Utah [Mr. OWENS] and I are both Democrats. In taking this special order today we wish to recognize the enormous contributions of the immediate past chairman of the Democratic National Committee, Mr. Paul Kirk. I would argue he has done a service not only to the Democratic Party and to those who adhere to the Democratic Party, but the entire American political system by the diligence, the vision, and the capacity with which he has conducted this important responsibility until February of this year when he was succeeded by another extraordinarily able chairman, Mr. Ron Brown, the present chairman of the Democratic National Committee. Paul Kirk served over the past 4 years in that post. His judgment, his fairness, his concern for all aspects of the Democratic Party have been proved again and again, and I think Democrats have widely admired and respected his performance as part of a tradition, a part of a longstanding tradition of able, dedicated chairmen of our party.

This is not, on the one hand, a professional position. It pays no salary. On the other hand, it requires the utmost professionalism, and it reflects again the condition of political parties in the United States that have the broadest national character, that reach into every geographic area, that deal with a fairly wide diversion of opinions. Our former speaker, Tip O'Neill, used to say that if the Democratic Party were a European party, it would probably be five separate political parties ranging from among the most conservative views to among the most liberal in the country, and its tradition has been the oldest of our political parties. No party in the Western World, no political instrumentality in any of the modern parliamentary democracies has existed for so long as the Democratic Party has existed. But that is because both in its membership and its leadership the Democratic Party has spoken to the issues and

problems of Americans in all regions at all times in our history, since its inception.

I want to say that the last 4 years under Paul Kirk have been, despite some major disappointments, particularly with respect to the Presidential election last fall, a credit to him, and I think the party is stronger today than when he took over his responsibilities. And despite many difficulties, he has earned our thanks and appreciation, and he has left a record of achievement and commitment which will be for all of those who follow him a standard and a challenge.

I want to congratulate again the gentleman from Utah [Mr. OWENS] for taking this special order.

Mr. Speaker, I would like to express my gratitude to the gentleman from Utah [Mr. OWENS] for taking this special order so that we may well pay tribute to our former Democratic National Committee Chairman, Mr. Paul Kirk.

His mantle has been passed and the stewardship of the Democratic National Committee now rests in the able hands of Ron Brown, but Paul Grattan Kirk, Jr., left with the crowd still cheering.

In talking about his role as chairman, Paul insisted that "The question Americans want answered, is not 'How could the Republican Party have defaulted on so many responsibilties?' rather, 'can the Democratic Party bring us together again and restore our goodness and greatness as a people and as a nation?'" His reforms with the Democratic Party began to reach that growing portion of the American electorate which no longer cling to a party label—the swing voters who—before viewing themselves as members of a political party—see themselves individuals and families. The focus within the Democratic Party was increasingly on those issues central to the American family—education, jobs and job training, available and affordable housing, and a sense of strength and resolve in national defense.

He didn't do it single handedly, but, guided by Paul Kirk's leadership, the party's message found a growing audience. In the 1986 midterm elections the Democrats regained control of the Senate despite President Reagan's 16-State crusade on behalf of Republican candidates.

The election of a Democrat in the White House remains a major goal, but as chairman, Paul Kirk succeeded in giving the DNC a broad-based agenda which not only makes it possible, but inevitable—the election of Democrats at all levels of the political process, an increase in campaign funds, the enhancement of the party's image, strengthened cohesion at the State level, and a focus for all Democrats on those issues central to the Nation and the American family. This did not come by turning our backs on the traditional bases of Democratic Party support. As Paul frequently said, "our strength is in our diversity, but we're strongest when we're unified."

We have not ceased to listen to Paul Kirk's message, and our debt to his leadership is not a historic footnote, it's a legacy.

Mr. OWENS of Utah. I thank my distinguished leader for those extraordinary remarks about a very extraordinary individual.

Mr. Speaker, I yield to my distinguished colleague, the gentleman from Iowa [Mr. NAGLE].

Mr. NAGLE. Mr. Speaker, I thank the gentleman for yielding. I too wish to join our distinguished majority leader in recognizing the outstanding contributions of the chairman of the Democratic National Committee over the last 4 years, Mr. Paul Kirk.

In modern political society and in modern public life it is quite fashionable to criticize individuals, to focus on their shortcomings, and the minute a person crosses that magic threshold from private life to public life he immediately subjects his judgment, his character, and indeed sometimes even his heritage, to public debate. Lost in all of that is the extraordinary sacrifice of a man like Paul Kirk, who without just compensation stepped forward to lead a Democratic Party desperately in need of revitalization, a Democratic Party that definitely needed to serve the function of a political party in articulating to the governments in resident Democratic policies. Paul Kirk did that magnificently. different from many in public life, he did it not only with distinction and capability, he also did it in a manner that never once called into question his character, indeed his judgment. It is an extraordinary record of achievement of a man, of Paul Kirk's ability to step from the private sector and the rewards of the private sector and subject himself to public life and the public debate that surrounds the formation of public policy.

As a person who has served as a party chair, I know the hours and the frustration and the lack of reward and the lack of recognition that sometimes can fall upon those who do the most magnificent and outstanding job. Clearly Paul Kirk in the annals of the political party will stand in the high marks for his accomplishments and for his ability, for his reason, for the good humor with which he went about his task.

He found a political party in difficulty financially, and he rebuilt it. He found a party in difficulty within itself, and he brought it together. And while his last major election endeavor, that of the presidency on behalf of his party's candidate, was not successful, there is not one reasoned political scientist or one knowledgeable of the science of politics who could say Paul Kirk did anything other than all that was possible to bring about a successful campaign.

It is a pleasure and an opportunity for someone like myself, a practitioner of the art, to stand today before the Congress of the United States and say a few kind words about Paul Kirk, our past Democratic National Committee chairman.

Mr. OWENS of Utah. Mr. Speaker, I thank my distinguished friend from Iowa.

Mr. Speaker, I am pleased to yield to my colleague, the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I compliment the gentleman who took out this special order to say some nice words about a very great Massachusetts native.

Mr. Speaker, I am pleased and proud to be here today as the House of Representatives recognizes the contributions of another Massachusetts native to the American electoral process. Former Democratic National Committee Chairman Paul Kirk, whose accomplishments we are honoring this afternoon, achieved a great deal in his 4 years as chairman. A former Senate staffer himself, Paul came to this job with the greatest of respect for the electoral process itself. His chairmanship dealt with the nuts and bolts of electioneering, the mechanics of getting elected, and the integration of deciding what needs to be done once the office is achieved.

His tenure as chairman was marked by compromise, by an honest and exhaustive effort at insuring that as great a number of people as possible are involved in the process itself.

In this way, it could be said that Paul's chairmanship was truly bipartisan insofar as it recognized the best that our uniquely American system offers could be attained only with the assistance of quality candidates and an informed electorate. Paul's efforts in both of these areas were Herculean. Certainly the Democratic Party, and I dare say the Republican Party as well, owe Paul a debt of gratitude for his efforts at emphasizing and restoring American values to the electoral process honesty, integrity, responsibility, coupled with more than a small dose of old New England class.

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Mr. OWENS of Utah. Mr. Speaker, I thank my colleague from Massachusetts for his contribution.

Mr. Speaker, recently, a distinguished national leader and long time friend of mine, Paul Kirk, stepped down after 4 outstanding years as Democratic National Committee chairman, having rebuilt a divided party. In his acceptance speech for the chairmanship in 1985, Paul challenged the party to "win back the intellectual respect of the American electorate by showing that * * * we are tough enough to govern, strong enough to lead and wise enough to listen to the many voices in America." His vision for a stronger, more unified Democratic Party with a truly national conscience and vision, is today a reality.

He leaves the party a vibrant, competitive institution.

The Paul Kirk legacy is one of transition and new direction; transition from disarray to focused party building, discord to consensus, and inertia to energy. Today we are proud to be Democrats and we honor him for his inspiring leadership and dedicated service to the party and the Nation. Because he made truly bipartisan contributions, and such contributions are national in scope, it is appropriate to take the time of the House of Representatives to pay tribute to this remarkable man.

In January 1969 Paul and I joined the staff of Senator TED KENNEDY and shared an office for 2 years. I have enjoyed a close friendship with Paul ever since and have the greatest respect and admiration for him as a person of genuine integrity. He is one of the most impressive individuals I have ever associated with, ideologically and intellectually. Paul Kirk is a man of strong principles and his efforts to assert our true beliefs more boldly led the party to achievements never before realized. His personal attributes have been influential in shaping the character and purpose of our party.

Paul Kirk inherited a party struggling to ensure a financial future. He left a legacy of financial security. Saddled with over $1 million in outstanding debts he formulated an ambitious fundraising strategy to pay off the existing debt and expand the party's financial base. He promoted new fundraising programs and brought the direct mail division in-house where they increased donations by one-third. By 1987 the party was able to retire its longstanding debt and move on to raising funds for the highly competitive general election campaign in 1988. He raised $60 million during the general election, 2½ times what was raised in 1984; and for the first time the DNC was able to distribute funds to every State party—$23 million in 1988, compared to only $3 million in 1984. By the time he retired as chairman, he had raised $89 million—more money than any previous Democratic Party chairman—and left a surplus to his successors. Paul Kirk leaves our party with a sound, competitive financial base for future political wars.

The Paul Kirk legacy is also one of nuts and bolts party building and organization. He strengthened State party affiliates and organized a Democratic infrastructure State by State. Much of the money the party raised was used to close the technical gap between the Democratic and Republican parties. The DNC coordinated in-depth polling and targeting, increased the direct mail capacity of the States, provided technical assistance and staff training, and organized a professional force of election field officers. Kirk gave State and local parties the support they needed to build their organizations and assist local candidates.

He also led the challenge to increase voter turnout and remove obstacles to participation in the electoral process. Voter lists were updated and expanded and as part of his massive campaign to increase voting in the 1988 general election, the party registered over two million new voters. We are now approaching equal technological and financial footing with the Republicans.

The Paul Kirk legacy is one of unity and inclusion. He reinforced the party's pledge to the average American by strengthening relationships with local elected officials. He involved them in the policy formation, decisionmaking and general business of the party. He formed the Democratic Policy Commission which was comprised of elected officials from across the country and chaired by my former Utah State Governor, Scott Matheson. The commission was summoned to travel the country spotlighting Democratic success stories and discussing the issues that reflect the real needs of Americans. This experience helped to prove that the institution of the party and its ideological base is strong. Once again, Paul Kirk was initiating progressive forward-thinking policies to further the party's goals.

He also charged the Democratic Platform Committee with creating a concise, readable communication to the American people that avoided the demands of special interests and spoke to the priorities of the average working family. He loosened special interest controls and discouraged factional disputes to maintain party unity while remaining responsive to what he called "the values of the many voices in our party." By including the American citizen and their local elected officials in the process he strengthened party unity and furthered policies which reflected the needs of the average American.

Paul Kirk had a vision to improve our party's image. His legacy is one of a proud Democratic Party. When he assumed the chairmanship, the party was embattled and divided into special interest factions. Because he perceived the party's diversity to be a strength, he built on those differences to create a healthy balance. He achieved unity and stability by anticipating conflicts and not allowing internal bickering to distract the party from its larger goals. The influence of special caucuses and powerful interest groups were subordinated to the party's national objectives. The Democratic Party became a single entity because Paul was fair and firm and trusted by all.

He petitioned special interest groups to hold back from making early endorsements of Presidential candidates. He urged candidates within the party to avoid negative campaigning that would ultimately hurt the entire party. Thus, the Presidential primary campaign was a positive, constructive experience. He staged an incredibly unified, spectacularly successful national convention that showcased the fundamental principles that guide our party and featured our national leaders who offered compelling ideological messages to the American electorate. The convention left Americans with a confident, positive message about the quality of our candidates and the direction of the Democratic Party in 1988.

Paul Kirk's legacy is one of results and winning elections. While Democrats did not win the Presidential contest, it was not Paul Kirk's fault. We gained ground at every other level. In 1986, the Democrats regained control of the Senate and continued to expand their majority in the House. A top priority for Kirk were the important State and local elections. Democrats gained two more gubernatorial seats in 1988, maintaining their majority; and picked up 147 State legislative seats in 1986 and 20 more in 1988.

Paul Kirk will be remembered as one of the truly great Democratic Party leaders. He worked diligently to overcome the party's hardships and replaced them with a legacy of a unified, vibrant institution that will lead America and steer our objectives into the 1990s and beyond. The party is stronger than ever and we thank Paul for the vitality of his leadership, his belief in the Democratic vision, and his ability to keep us working together.

For Governor Kirk, who lifted us to lofty goals and made us proud to be Democrats, and to his wife and constant companion Gail, the affectionate thanks of this old friend and our very best wishes for a future of ever-increasing triumphs.

Mr. STOKES. Mr. Speaker, I would like to thank the distinguished gentleman from Utah [Mr. OWENS] for reserving this time for us to praise one of the Democratic Party's most loyal leaders, Mr. Paul G. Kirk, Jr. As the former Chairman of the Democratic National Committee, he led our party from disorganization to unification within 4 years. Paul is one of the few people I know who could have accomplished this in such a short time.

The media has labeled his tenure as controversial, innovative, and competent. Everyone agrees that Paul Kirk did not have an easy task when he took the reins of command in 1984. There were divisions among the party's many factions—both on the right and left; the party was in debt; and we had lost another Presidential election. The National Convention in San Francisco personified the worsening problems of our party; the spark needed to infuse the party was missing.

Paul Kirk came on board in 1984 with a plan to reform and revitalize weakening party lines. As the new chairman, Paul Kirk relied less on rigid ideology and concentrated on developing a cohesive national strategy to entice Democrats who had departed from the party and to reach out to the growing political influence of the Sun Belt.

Mr. Speaker, today our party is more unified, better prepared institutionally, and better financed than it has been since 1964. The party has made dramatic improvements in its direct mail system and other fundraising and constituency contact machinery. Paul Kirk's plan to bring swing voters back to the Democratic Party has made significant gains among these voters. Thanks to Paul Kirk, our party is headed in a new direction, the right direction.

The biggest test of his leadership was to turn the negatives of 1984 into positives at last year's National Convention. Paul Kirk accomplished this feat by being what he is best known as—independent and tough.

Mr. Speaker, I have come to respect the direction in which Paul Kirk steered the Democratic Party during his 4 years as chairman. Paul Kirk brought to the Democratic Party a vision of recapturing the loyalty and confidence of the American people. The Democratic candidate in 1992 will have a party structure groomed to help him more than hurt him due to the innovations Paul Kirk initiated.

Mr. ROSTENKOWSKI. Mr. Speaker, 4 years ago I worked hard to help elect Paul Kirk as chairman of the Democratic National Committee. That turned out to be a valuable investment of my time. Paul did all he promised. He did it quietly and effectively and well. We are all in his debt.

The Democratic Party is stronger now than it was when we elected Paul Kirk. It is more popular in virtually every section of America. It is in sounder financial condition. It is more united. Largely because of his guidance, members of the party have again learned how to disagree without becoming destructive.

Being party chairman is always a tough balancing act. There is a need for the type of debate that will get people excited about the political process. But there's also a need for rules to guide that debate and ensure that it is a productive effort. In his low-key way, Paul Kirk provided that guidance.

He properly let our candidates have all the limelight. But he was always quietly backstage, keeping the production on track. We Democrats—and all Americans—owe Paul Kirk a debt of thanks for his exemplary performance.

Mr. DARDEN. Mr. Speaker, I must concede that when Paul Kirk was first elected chairman of the Democratic Party in 1985, I had some grave reservations about the kind of leadership he would offer. Like many other conservative Democrats, I feared that he would be an unyielding spokesman for liberalism, and that he would shut out the large and vital moderate and conservative elements within our party.

But Mr. Speaker, today I can testify to the extremely positive effect which Paul Kirk's chairmanship has had on our party over the past 4 years. He has proven himself able as a leader of the Democratic Party and everything for which the party stands, including maintenance of a broad base across the ideological spectrum.

Paul Kirk has made all of us—the liberals, the moderates, and the conservatives—proud to be Democrats. I join my fellow members of the Democratic Party in paying tribute to Paul Kirk and the progress he has brought to our party.

I wish Paul Kirk well in all his future endeavors, and I look forward to our continued association.

Mr. DE LA GARZA. Mr. Speaker, unfortunately all good things must come to an end and so it was recently when Paul Kirk stepped down as chairman of the Democratic National Committee. To say Paul Kirk will be remembered as one of the great Democratic Party leaders is an understatement. What is not an understatement, however, is to say Paul Kirk is a man of outstanding ability and resources—a man who welcomes a challenge and for whom I think the phrase "sometimes it only takes a little longer to accomplish the impossible" was coined.

As Paul moves on to new endeavors I can only feel this is an apropos occasion to say our loss is their gain. Let me also add that words alone cannot begin to express the debt of gratitude owed, but for a job magnificently done, muchas gracias mi muy amigo.

Mr. MATSUI. Mr. Speaker, I would like to take this opportunity to honor a man whose contributions to America's free and democratic political system will leave its mark on this Nation for many years to come. That man is Paul G. Kirk, Jr., former chairman of the Democratic National Committee.

When Paul took over as party chairman in 1985, he brought with him a vision. That vision was to reshape the party's image, strengthen its ties to local elected officials, expand voter outreach, form a solid financial base, and win elections on all levels of government. Four years later, that vision has become reality.

During his chairmanship, the Democratic Party retired its financial debt, registered millions of new voters, returned the Senate to Democratic control, laid to rest its image as a hostage to special interests, and increased its majorities in State legislatures across the entire country.

With a keen eye on the 1991 reapportionment, Paul Kirk made State races one of his party's top priorities. His attention paid off. The party won 147 State legislative seats in 1986 and 20 additional seats in 1988. His leadership in this area leaves a record of commitment that will long benefit all Democratic Members of this House as we enter the 1990's.

When Paul took over as chairman, the Democratic Party had a debt of over $1 million. During the following years, he not only eliminated that debt by raising a record $89 million during his 4-year tenure but also left a surplus to his successors. Such a goal had never been accomplished before.

One of Paul's greatest achievements was his ability to register over 2 million new voters by launching an aggressive $6 million voter registration drive and a dynamic get out the vote effort.

Paul Kirk leaves behind a legacy of fairness, vitality, unity, and strength. America's entire political process has been enriched by his many contributions.

Mr. NEAL of Massachusetts. Mr. Speaker, it is my pleasure to take part in this special order honoring the work for the Democratic Party by Paul G. Kirk. I want to thank my Democratic colleagues for requesting this time to pay tribute to a man who has given his all to build the Democratic Party. As chairman of the Democratic National Committee he has seen to it that the party structure remains strong at both the national and State level. The House of Representatives remains solidly Democratic with little indication that this advantage will be lost in the near future. In 1980, the U.S. Senate went to the Republicans during Ronald Reagan's election to the Presidency. In 1986, with President Reagan still enjoying high popularity ratings with the voters, Paul Kirk led the Democratic Party back to majority status in the Senate.

All Democrats owe a debt of gratitude to Paul Kirk for his work as DNC chairman and for his previous work as party treasurer. Financially, the Democratic Party is doing better than it has in years. The 1988 Democratic National Convention was one of the best ever. The DNC has a fine staff that is known for preparing excellent position papers on a wide range of issues. Democrats are in control or gaining at the State and local level in every region of the country. All of these positive signs for the Democratic Party are directly or indirectly the result of the work of Paul Kirk.

Mr. Speaker, I would like to congratulate Paul Kirk on his successful term as Democratic National Committee chairman. I am sure he will remain active in the party. He, and his wife Gail, have my best wishes in the years ahead.

Mr. FASCELL. Mr. Speaker, I am pleased to join our colleagues as we pay tribute to the former chairman of the Democratic National Committee, Paul Kirk. As our colleagues know, Paul is a man of determination and integrity who tackled the challenges of a tough job while, as the same time winning the admiration of his foes. As he returns to practicing law, we cannot thank Paul Kirk enough for all his dedicated service to the Democratic Party.

The years between 1984 and 1988 saw a rejuvenation of the Democratic Party. In cities, towns, and communities across this country, Americans let it be known that they believed in the Democratic agenda. They restored the Democratic majority in the Senate, strengthened the Democratic majority in the House of Representatives, and solidified our base of control at the State and local level. I strongly believe that it was not coincidence that Paul Kirk was the party chairman during this renaissance.

The party which Paul inherited was going in several directions, but through his leadership he built a solid financial foundation, showed us we could raise the necessary amount of money to compete in today's political campaigns and brought unity to the Democratic

Party. Paul Kirk has shown us that he can tackle any task he assumes, and today, for all he has done, we thank him and wish him the very best as he resumes his legal career.

Mrs. KENNELLY. Mr. Speaker, I rise today to commend the achievements of the former Democratic National Committee chairman, Paul Grattan Kirk, Jr.

In 1985, Paul Kirk was elected chairman of the Democratic National Committee. In his 4 years as chairman, Paul Kirk strove to strengthen and unify the Democratic Party on both the local and national levels. He is to be commended for his organizational ability in successfully creating a more harmonious and stable Democratic Party. By establishing the Democratic Policy Commission, Paul Kirk sought to enforce party discipline and to set an ideological foundation which would reflect the values of the many voices in our party. In addition, the commission would also draft ideas on a variety of subjects which would be a base for our candidates.

During his tenure, Paul Kirk was successful in returning the other body to the control of the Democrats. And with that, a national political momentum had begun. He furthermore established a Democratic Unity Task Force to enforce party discipline and to illustrate to the American people that the Democratic Party could manage itself effectively.

Paul Kirk has stood as a stabilizing influence and negotiator among our party's factions to skillfully balance the many interests that collectively formulate the Democratic Party. A collective and harmonious voice is essential to the Democratic Party and to its members. Paul Kirk has restored that voice to the Democratic Party.

During the 1988 Presidential campaign, Paul Kirk, through his fundraising and effective management efforts, brought a surplus to the Democratic National Committee treasury. Voter lists and direct mailing lists were enhanced through computers. Financially and technologically, the Democratic Party was prepared for that campaign.

Mr. Speaker, I commend the achievements of Mr. Paul Kirk under whose chairmanship the Democratic Party has benefited immensely. His leadership has been characterized by dedication, consistency, reliability, and respect. He has proven that the Democratic Party is and will continue to be a party of greatness.

Mr. YATRON. Mr. Speaker, I am pleased to be able to join in paying tribute to the former chairman for the Democratic National Committee, Paul Kirk. During Paul Kirk's tenure as chairman, many important strides were made within the party, strides that will benefit all Democrats for many years to come.

Paul's service within the DNC extends back to his position as treasurer, a post he maintained from 1983 to 1985. During that time, Paul became well known for his reasonable, fair, and honest approach and won many allies within the party. He further built upon that reputation while serving as DNC chairman and is, today, regarded as a reliable, effective, and efficient leader. Certainly his most important achievement has been the development of a stronger and more unified Democratic Party. Through Paul's interpersonal, administrative, and political skills, he was able to overcome long-standing hurdles within the party and put forth a political agenda that helped ensure for many Democratic victories in 1986 and beyond. His further hard work and leadership has allowed the Democratic Party to expand upon these successes and we can look forward to a bright and promising future. For all his efforts, Paul has well earned our gratitude, respect, and admiration and I know that he will be greatly missed.

Mr. Speaker, I know that I am joined by many of my colleagues in wishing Paul all the best in his future activities. I hope that his life ahead will be full of continued success, happiness, and good health.

Mr. ROSTENKOWSKI. Mr. Speaker, 4 years ago I worked hard to help elect Paul Kirk as chairman of the Democratic National Committee. That turned out to be a valuable investment of my time. Paul did all he promised. He did it quietly and effectively and well. We are all in his debt.

The Democratic Party is stronger now than it was when we elected Paul Kirk. It is more popular in virtually every section of America. It is in sounder financial condition. It is more united. Largely because of his guidance, members of the party have again learned how to disagree without becoming destructive.

Being party chairman is always a tough balancing act. There is a need for the type of debate that will get people excited about the political process. But there's also a need for rules to guide that debate and insure that it is a productive effort. In his low-key way, Paul Kirk provided that guidance.

He properly let our candidates have all the limelight. But he was always quietly backstage, keeping the production on track. We Democrats—and all Americans—owe Paul Kirk a debt of thanks for his exemplary performance.

GENERAL LEAVE

Mr. OWENS of Utah. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HUTTO (at the request of Mr. FOLEY), for today, on account of official and personal business.

Mr. TANNER (at the request of Mr. FOLEY), for today, on account of official business.

Mr. CLEMENT (at the request of Mr. FOLEY), for today, on account of official business.

Mr. DARDEN (at the request of Mr. FOLEY), for today, on account of official business.

Mr. KLECZKA (at the request of Mr. FOLEY), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. SAIKI) to revise and extend their remarks and include extraneous material:)

Mr. HAMMERSCHMIDT, for 5 minutes, today.

Mrs. ROUKEMA, for 60 minutes, on April 26.

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. TAUZIN, for 5 minutes, today and, for 5 minutes, on April 18.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. SLATTERY, for 15 minutes, today.

Mr. MCCLOSKEY, for 30 minutes, today.

Mr. LANTOS, for 15 minutes, on April 18.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. SAIKI) and to include extraneous matter:)

Mr. DAVIS.
Mr. KYL.
Mr. LAGOMARSINO.
Mr. BLILEY.
Mr. PARRIS.
Ms. SCHNEIDER.
Mr. MARLENEE.

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. MAVROULES.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. VENTO.
Mr. MATSUI.
Mr. STARK in two instances.
Mr. FUSTER.
Mrs. BOXER.
Mr. DORGAN of North Dakota.
Mr. FEIGHAN.
Mr. HOYER.
Mr. MILLER of California in two instances.
Mr. KENNEDY in two instances.
Mr. CLEMENT.
Mr. FLORIO.
Mr. MURTHA.
Mr. ROE.
Mr. SOLARZ.
Mr. HOCHBRUECKNER.
Mr. SLATTERY.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1750. An act to implement the Bipartisan Accord on Central America of March 24, 1989.

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

H.R. 1750. An act to implement the Bipartisan Accord on Central America of March 24, 1989.

ADJOURNMENT

Mr. OWENS of Utah. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 18, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

975. A letter from the Deputy Assistant Secretary of Defense for Resource Management and Support, transmitting a report on the review of the adequacy of pay and allowances for members of the uniformed services, pursuant to 37 U.S.C. 1008(a), 1009(f); to the Committee on Armed Services.

976. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the Army's plan to study conversion of the enclosed list of commercial activities function from performance by DOD civilian employees to private contractors during fiscal years 1991 and 1992 and completion during fiscal years 1992 and 1993, pursuant to 10 U.S.C. 2304, nt.; to the Committee on Armed Services.

977. A letter from the Comptroller of the Department of Defense, transmitting the contract award report for the period May 1, 1989 to June 30, 1989, pursuant to 10 U.S.C. 2431(b); to the Committee on Armed Services.

978. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to provide for a United States contribution to the interest subsidy account of the enhanced structural adjustment facility of the International Monetary Fund; to the Committee on Banking, Finance and Urban Affairs.

979. A letter from the Secretary of Education, transmitting a copy of final funding priority under the National Institute on disability and Rehabilitation Research for Rehabilitation of Infants, Children and Youth with disabilities or chronic illness, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

980. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of a proposed license for the export of defense articles or defense services sold commercially to Intelsat (Transmittal No. MC-11-89), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

981. A letter from the Director, Defense Security Assistance Agency, transmitting a report containing the status of each loan and each contract of guaranty or insurance to which there remains outstanding any unpaid obligation or potential liability and the status of each extension of credit for the procurement of defense articles or services, pursuant to 22 U.S.C. 2765(a)(11); to the Committee on Foreign Affairs.

982. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Defense Communications Agency proposed lease of defense articles to the United Kingdom (Transmittal No. 15-89), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

983. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Italy (Transmittal No. 14-89), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

984. A communication from the President of the United States, transmitting certification that Saudi Arabia does not possess chemical, biological, or nuclear warheads for its intermediate-range ballistic missiles purchased from the People's Republic of China, pursuant to Public Law 100-456, section 1307(b) (102 Stat. 2062) (H. Doc. No. 101-48); to the Committee on Foreign Affairs and ordered to be printed.

985. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by John Cameron Monjo, of Maryland, Ambassador Extraordinary and Plenipotentiary-designate of the United States to the Republic of Indonesia, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

986. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a report on the status of secondment with the United Nations by the Soviet Union and Soviet-bloc member-nations, pursuant to Public Law 100-204, section 701(b) (101 Stat. 1385); to the Committee on Foreign Affairs.

987. A letter from the Acting Coordinator for Counter-Terrorism, Department of State, transmitting a copy of the printed version of "Patterns of Global Terrorism: 1988," pursuant to 22 U.S.C. 2656f; to the Committee on Foreign Affairs.

988. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

989. A letter from the Comptroller General, General Accounting Office, transmitting the annual report for the General Accounting Office activities for the fiscal year ended September 30, 1988, pursuant to 31 U.S.C. 719(a); to the Committee on Government Operations.

990. A letter from the Director, Office of Personnel Management, transmitting a report on activities under the Freedom of Information Act during the calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

991. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

992. A letter from the Secretary of Health and Human Services, transmitting the final report and executive summary entitled "Evaluation of Status Clarification Projects Funded by the Administration for Native Americans During Fiscal Years 1981-1988;" to the Committee on Interior and Insular Affairs.

993. A letter from the Secretary of Transportation, transmitting the seventh annual report of accomplishments under the Airport Improvement Program, fiscal year 1988, pursuant to 49 U.S.C. app. 2220; to the Committee on Public Works and Transportation.

994. A letter from the Assistant Secretary of the Army, transmitting a report dated July 9, 1987, from the Chief of Engineers, Department of the Army, on the Upper Santa Ana River, CA—flood storage alternatives, with other pertinent reports; to the Committee on Public Works and Transportation.

995. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to the Secretary of Commerce for the programs of the National Institute of Standards and Technology for fiscal years 1990, 1991, and 1992, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Science, Space, and Technology.

996. A communication from the President of the United States, transmitting notification of his intent to suspend indefinitely Burma and the Central African Republic from their status as generalized system of preferences [GSP] beneficiaries, pursuant to 19 U.S.C. 2465(c) (H. Doc. No. 101-47); to the Committee on Ways and Means and ordered to be printed.

997. A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to construct, operate, and maintain a water treatment plant for the purpose of treating water discharged from the Leadville Mine drainage tunnel near Leadville, CO, in order to meet water quality standards, and to authorize the funding of such construction, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

998. A letter from the Secretary of Transportation, transmitting the 14th annual report of activities of the Department's administration of the Deepwater Port Act, pursuant to 33 U.S.C. 20; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1722. A bill to amend the

Natural Gas Policy Act of 1978 to eliminate wellhead price controls on the first sale of natural gas, and to make technical and conforming amendments to such Act. (Rept. 101-29). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

(Correction of the Record of April 13, 1989)

By Mr. BARNARD (for himself, Mr. FRANK, Mr. DREIER of California, Mr. ROTH, Mr. SHUMWAY. Mr. LA FALCE, Mr. FAUNTROY, and Mr. BARTLETT):

H.R. 1992. A bill to enhance competition in the financial services sector, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Energy and Commerce, and the Judiciary.

By Mr. VALENTINE:

H.R. 2001. A bill to suspend for a 3-year period the duty on Tfa Lys Pro in free base and tosyl salt forms; to the Committee on Ways and Means.

(Submitted April 17, 1989)

By Mr. GILMAN (for himself, Mr. ROSE, Mr. ACKERMAN, Mr. LAGOMARSINO, Mr. LANTOS, and Mr. DOUGLAS):

H.R. 2002. A bill to restrict exports to the People's Republic of China of defense articles for use in Tibet; to the Committee on Foreign Affairs.

By Mr. FRENZEL:

H.R. 2003. A bill to suspend for a 5-year period the duty on Dimethoate; to the Committee on Ways and Means.

By Mr. GORDON:

H.R. 2004. A bill to make appropriations for the Environmental Protection Agency for grants to States for radon assessment and mitigation and for conducting a study to determine the extent of radon contamination in school buildings; to the Committee on Appropriations.

H.R. 2005. A bill to ensure that amounts paid for home improvements to mitigate radon gas qualify for the tax deduction for medical care expenses; to the Committee on Ways and Means.

By Mr. KYL (for himself and Mr. CAMPBELL of Colorado):

H.R. 2006. A bill to expand the powers of the Indian Arts and Crafts Board, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

By Mr. McGRATH:

H.R. 2007. A bill to provide for the suspension of duty on castor oil and its fractions; to the Committee on Ways and Means.

By Mr. HOLLOWAY (for himself, Mr. SCHULZE, Mr. DONNELLY, Mr. ARMEY, Mr. RICHARDSON, Mr. GINGRICH, Mr. STENHOLM, Mr. HUTTO, Mr. HAYES of Louisiana, Mr. GRANDY, Mr. GRANT, Mr. HEFLEY, Mr. HOUGHTON, Mr. KYL, Mr. DONALD E. LUKENS, Mr. RAVENEL, Mr. RHODES, Mr. TAUZIN, Mrs. BENTLEY, Mr. BAKER, Mr. BUNNING, Mr. COBLE, Mr. COMBEST, Mr. DANNEMEYER, Mr. DORNAN of California, Mr. DOUGLAS, Mr. DREIER of California, Mr. EMERSON, Mr. GALLEGLY, Mr. HANCOCK, Mr. HASTERT, Mr. HERGER, Mr. HUNTER, Mr. LAGOMARSINO, Mr. LEWIS of California, Mr. LIVINGSTON, Mr. McCRERY, Mr. OXLEY, Mr. PACKARD, Mr. ROHRABACHER, Mr. SCHUETTE, Mr. SHUMWAY, Mr. SLAUGHTER of Virginia, Mr. SMITH of Texas, Mr. SMITH of Mississippi, Mr. SOLOMON, Mr. UPTON, Mrs. VUCANOVICH, Mr. WALKER, Mr. WEBER, and Mr. WELDON):

H.R. 2008. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit to parents for dependents under age 6, and for other purposes; to the Committee on Ways and Means.

By Mr. MONTGOMERY (by request):

H.R. 2009. A bill to amend section 902 of title 38, United States Code, to extend eligibility for burial allowance to certain additional veterans; to the Committee on Veterans' Affairs.

H.R. 2010. A bill to amend section 3203(a)(1) of title 38, United States Code, to increase the amount of pension payable to a hospitalized veteran under this section from $60 to $75; to the Committee on Veterans' Affairs.

H.R. 2011. A bill to amend title 38, United States Code, Chapters 15 and 51, to improve the death and disability pension program for veterans and their dependents; to the Committee on Veterans' Affairs.

H.R. 2012. A bill to amend title 38, United States Code, to provide hospital and medical care and non-service-connected disability pension to certain members of the Canadian Armed Forces; to the Committee on Veterans' Affairs.

H.R. 2013. A bill to amend title 38, United States Code, so as to provide a special pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 2014. A bill to amend section 903(b)(1) and (2) of title 30, United States Code, to increase the burial plot allowance for veterans from $150 to $250; to the Committee on Veterans' Affairs.

By Mr. SAVAGE (for himself, Mr. McEWEN, Mr. ANDERSON, Mr. HAMMERSCHMIDT, Mr. ROE, Mr. SHUSTER, Mr. MINETA, Mr. STANGELAND, Mr. OBERSTAR, Mr. CLINGER, Mr. NOWAK, Mr. BOEHLERT, Mr. RAHALL, Mr. LIGHTFOOT, Mr. APPLEGATE, Mr. DUNCAN, Mr. DE LUGO, Mr. BOSCO, Mr. BORSKI, Mr. KOLTER, Mr. VALENTINE, Mr. TOWNS, Mr. LIPINSKI, Mr. TRAFICANT, Ms. SLAUGHTER of New York, Mr. LEWIS of Georgia, Mr. CARDIN, Mr. HAYES of Louisiana, Mr. CLEMENT, Mr. PAYNE of Virginia, Mr. COSTELLO, Mr. JONES of Georgia, Mr. PARKER, Mr. LAUGHLIN, Mr. PERKINS, and Mr. CLARKE):

H.R. 2015. A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; jointly, to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation.

By Mr. STANGELAND:

H.R. 2016. A bill to provide for a marketing loan program for the 1991 through 1995 crops of wheat, feed grains, soybeans, and sunflowers; to the Committee on Agriculture.

By Mr. TORRICELLI:

H.R. 2017. A bill to extend temporary duty-free treatment of certain chemicals; to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 2018. A bill to provide for duty-free entry of chemical methanol; to the Committee on Ways and Means.

By Mr. FORD of Michigan:

H.R. 2020. A bill to amend the Higher Education Act of 1965 to restore a more reasonable balance in student assistance between grants and loans, and for other purposes; to the Committee on Education and Labor.

By Ms. SCHNEIDER:

H. Res. 130. Resolution requiring that disposable trays, dishes, and beverage containers used in the food service operations of the House of Representatives be biodegradable; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LIVINGSTON:

H.R. 2019. A bill to provide for the reliquidation of certain entries; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

61. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to solid waste landfill regulations; to the Committee on Energy and Commerce.

62. Also, memorial of the Legislature of the State of Idaho, relative to the Teton Dam reconstruction; to the Committee on Interior and Insular Affairs.

63. Also, memorial of the Legislature of the State of New Mexico, relative to taxation of state and local government bonds; to the Committee on the Judiciary.

64. Also, memorial of the Legislature of the State of Idaho, relative to a National Constitutional Commemorative Day; to the Committee on Post Office and Civil Service.

65. Also, memorial of the Legislature of the State of Idaho, relative to nuclear toxic waste removal; to the Committee on Science, Space, and Technology.

66. Also, memorial of the Legislature of the State of Nevada, relative to the Federal excise tax on gasoline; to the Committee on Ways and Means.

67. Also, memorial of the Legislature of the State of Idaho, relative to a highway maintenance driver and safety act; to the Committee on Public Works and Transportation.

68. Also, memorial of the Legislature of the State of Idaho, relative to national elections poll closing time; jointly, to the Committees on House Administration and Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 33: Mr. SCHUMER, Mr. RINALDO, Mr. SCHEUER, Mr. BARTON of Texas, Mr. WALGREN, Mrs. COLLINS, Mr. SYNAR, Mr. WYDEN, Mr. RICHARDSON, Mr. SLATTERY, Mr. SIKORSKI, Mr. BRUCE, Mr. ROWLAND of Georgia, Mr. MANTON, Mr. ACKERMAN, Mr. ATKINS, Mr. BROWN of California, Mr. CLAY, Mr. CROCKETT, Mr. DE LUGO, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. GREEN, Ms. KAPTUR, Mr. KILDEE, Mr. McCURDY, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. OWENS of New York, Mr.

PAYNE of New Jersey, Ms. PELOSI, Mr. STUDDS, Mr. WILLIAMS, and Mr. WOLPE.

H.R. 37: Mr. EVANS, Mr. SCHEUER, Mr. RIDGE, and Mr. SHAW.

H.R. 82: Mr. DORGAN of North Dakota, Mr. JACOBS, Mr. HALL of Ohio, Mr. FLIPPO, Mr. HARRIS, Mr. CLAY, Mr. PICKETT, Mr. APPLEGATE, and Mr. DURBIN.

H.R. 150: Mr. TOWNS.

H.R. 156: Mr. GORDON, Mr. MAVROULES, and Mr. HAYES of Illinois.

H.R. 222: Mr. JONTZ.

H.R. 418: Mr. GONZALEZ and Mr. YATES.

H.R. 425: Mr. MOLLOHAN and Mr. FLORIO.

H.R. 500: Mr. RIDGE, Mr. FORD of Michigan, and Mr. EDWARDS of California.

H.R. 539: Mr. TORRES, Mr. NIELSON of Utah, Mr. REGULA, Mr. PETRI, Mr. SABO, Mr. JOHNSON of South Dakota, and Mr. DORGAN of North Dakota.

H.R. 586: Mr. WEISS.

H.R. 638: Mr. OBERSTAR.

H.R. 658: Mr. BRYANT.

H.R. 665: Mr. DE LUGO, Mr. KENNEDY, and Mr. MORRISON of Connecticut.

H.R. 737: Mr. SLATTERY, Mr. LEWIS of Georgia, and Mr. MARLENEE.

H.R. 750: Mr. LEWIS of Florida, Mr. MINETA, Mr. PACKARD, Mr. SWIFT, and Mr. MARTINEZ.

H.R. 772: Mr. DORGAN of North Dakota.

H.R. 901: Mr. BURTON of Indiana and Mr. RAVENEL.

H.R. 982: Ms. LONG, Mr. LIGHTFOOT, Mr. SLAUGHTER of Virginia, Mr. RANGEL, Mr. SCHUMER, Mrs. VUCANOVICH, Mr. GINGRICH, and Mrs. BENTLEY.

H.R. 987: Mr. MATSUI, Mr. RICHARDSON, Mr. LEHMAN of Florida, Mrs. KENNELLY, Mrs. PATERSON, Mr. SHARP, and Mr. DORGAN of North Dakota.

H.R. 1008: Mrs. COLLINS and Mr. JENKINS.

H.R. 1101: Mr. MOLLOHAN, Mr. HUBBARD, Mr. FUSTER, and Mr. SABO.

H.R. 1102: Mr. MCDERMOTT.

H.R. 1129: Mr. MATSUI and Mr. WAXMAN.

H.R. 1134: Mr. ENGEL and Mr. WHEAT.

H.R. 1170: Mr. WHITTAKER.

H.R. 1176: Mr. TOWNS, Mr. ROBINSON, Mr. FAUNTROY, Mr. FAZIO, and Ms. KAPTUR.

H.R. 1184: Mr. JENKINS.

H.R. 1199: Mr. DONNELLY, Mr. GORDON, and Mrs. LOWEY of New York.

H.R. 1200: Mr. MAVROULES, Mr. WALGREN, Mr. TRAFICANT, Mr. MOLINARI, Mrs. MEYERS of Kansas, Mr. COBLE, Mr. HOYER, Mr. SAVAGE, Mr. BILBRAY, Mr. BOEHLERT, Mr. HASTERT, Mr. DURBIN, Mr. FAWELL, and Mr. RIDGE.

H.R. 1237: Mr. NEAL of North Carolina.

H.R. 1244: Mr. TORRICELLI.

H.R. 1280: Mr. CLAY.

H.R. 1281: Mr. KOLTER, Mr. COYNE, and Mr. NEAL of North Carolina.

H.R. 1295: Mr. WHITTAKER.

H.R. 1296: Mr. ANDREWS, Mr. MARTINEZ, Mr. FLIPPO, Mr. MCCURDY, Mr. DEWINE, Mr. POSHARD, Mr. LANCASTER, Mr. LELAND, Mr. PARRIS, Mr. FROST, Mr. OBERSTAR, Mr. DE LUGO, Mr. NELSON of Florida, Ms. SNOWE, Mr. RICHARDSON, Mrs. BENTLEY, Mr. ACKERMAN, Mr. ERDREICH, Mr. COMBEST, Mr. STALLINGS, Mr. TOWNS, Mr. MADIGAN, Mr. GARCIA, Mr. MATSUI, Mr. NEAL of North Carolina, Mr. WOLPE, Mr. KOLTER, Mr. HOAGLAND, Mr. AKAKA, Mr. BOEHLERT, and Mr. JONTZ.

H.R. 1356: Mr. DONNELLY, Mr. DORNAN of California, Mr. LEVINE of California, Mr. YATES, and Mr. TORRICELLI.

H.R. 1425: Mr. GARCIA and Mr. DWYER of New Jersey.

H.R. 1453: Mr. DURBIN.

H.R. 1470: Mr. WALKER.

H.R. 1484: Mr. STAGGERS, Mr. MOAKLEY, Mr. STALLINGS, Mr. GARCIA, Mr. CONYERS, Mr. BUECHNER, and Mr. WEISS.

H.R. 1485: Mr. KOSTMAYER.

H.R. 1515: Mr. ANNUNZIO and Mr. COLEMAN of Missouri.

H.R. 1525: Mr. ACKERMAN, Mr. DYMALLY, Mr. ROE, Mr. HUGHES, Mr. LAFALCE, Mr. BEREUTER, Mr. FAUNTROY, Mrs. COLLINS, Mr. CHAPMAN, Mr. FAZIO, Mr. HYDE, Mr. MCDERMOTT, and Mr. RAHALL.

H.R. 1583: Mr. COMBEST, Mr. LEACH of Iowa, Mr. WISE, Mr. GLICKMAN, and Mr. SMITH of Texas.

H.R. 1699: Mr. ROE, Mr. BROWN of Colorado, Mr. DURBIN, Mr. KLECZKA, Mr. PASHAYAN, Mr. ROGERS, Mr. SKEEN, Mr. PORTER, Mr. WILSON, Mr. WEISS, Mr. MOODY, Mr. KOLTER, and Mr. MARTINEZ.

H.R. 1722: Mr. ARCHER, Mr. BARTLETT, Mr. SMITH of Texas, Mr. COMBEST, Mr. DELAY, and Mr. ARMEY.

H.R. 1730: Mr. MCGRATH, Mr. HASTERT, Mr. PARRIS, and Mr. COURTER.

H.R. 1931: Mr. EVANS.

H.J. Res. 31: Mr. MOODY, Mr. KOSTMAYER, Mr. HAWKINS, Mr. MFUME, Mr. COYNE, Mr. PAYNE of New Jersey, and Mr. COURTER.

H.J. Res. 46: Mr. MORRISON of Connecticut, Mr. HAYES of Illinois, Mr. CROCKETT, and Mr. ACKERMAN.

H.J. Res. 60: Mr. SAWYER.

H.J. Res. 74: Mr. GEPHARDT, Mr. PEPPER, Mr. BONIOR, Mr. LEVINE of California, Mr. CONTE, Mr. CARR, Mr. BENNETT, Mr. OWENS of Utah, Mr. MARTINEZ, Mr. EVANS, Mr. QUILLEN, Mr. RICHARDSON, Mr. LANTOS, Mr. BEVILL, Mr. BLAZ, Mr. BOSCO, Mr. DELLUMS, Mr. GRAY, Mr. BUSTAMANTE, Mr. CAMPBELL of Colorado, Mr. KENNEDY, Mr. RAHALL, Mr. FASCELL, Mr. CARPER, Mr. COELHO, Mr. HAWKINS, Mr. CLARKE, Mr. FOGLIETTA, Mr. MCCLOSKEY, Mr. DEFAZIO, and Mr. DYSON.

H.J. Res. 104: Mr. MURTHA, Mr. KOLTER, Mr. COSTELLO, Mr. BLILEY, Mr. DWYER of New Jersey, Mr. FAWELL, Mr. BEVILL, Mr. BERMAN, Mr. BUSTAMANTE, Mr. CARPER, Mr. COELHO, Mr. FEIGHAN, Mr. DE LUGO, Mr. DEWINE, Mr. DORNAN of California, Mr. EVANS, Mr. FUSTER, Mr. GALLO, Mr. ERDREICH, Mr. FRENZEL, Mr. ROWLAND of Georgia, Mrs. BENTLEY, Mr. KOSTMAYER, Mr. BENNETT, Mr. HANSEN, Mr. STOKES, Mr. HYDE, Mr. HENRY, Mr. APPLEGATE, Mr. EMERSON, Mr. LANCASTER, Mr. LEACH of Iowa, Mr. LELAND, Mr. DONALD E. LUKENS, Mr. MANTON, Mr. KASICH, Mr. MCCLOSKEY, Mr. MCGRATH, Mr. MURPHY, Mr. ESPY, Mr. OWENS of Utah, Mr. MATSUI, Mr. RINALDO, Mr. MCDADE, Mr. ROE, Mr. SANGMEISTER, Mr. HORTON, Mr. MOODY, Mr. STARK, Mr. SWIFT, Mr. FAUNTROY, Mr. WHEAT, Mr. YATRON, Mr. SKELTON, Mr. JONTZ, Mr. SOLOMON, Mr. BRUCE, Mr. HUGHES, Mr. FAZIO, Mr. GAYDOS, and Mr. WALKER.

H.J. Res. 108: Mr. PERKINS, Mr. GEPHARDT, Mr. SAWYER, Mrs. BYRON, Mr. CARPER, Mr. COUGHLIN, Mr. FORD of Tennessee, Ms. SLAUGHTER of New York, Mr. APPLEGATE, Mrs. KENNELLY, Mr. YATRON, Mr. ROWLAND of Georgia, Mr. JOHNSTON of Florida, Mr. BILIRAKIS, Mr. HAMMERSCHMIDT, Mr. BILBRAY, Mrs. PATTERSON, Mr. HUTTO, Mr. VENTO, Mr. MOAKLEY, Mr. MILLER of Ohio, Mr. ORTIZ, Mr. GARCIA, Mr. FORD of Michigan, Mr. STENHOLM, Mrs. JOHNSON of Connecticut, Mr. BENNETT, Mr. ERDREICH, Mr. CAMPBELL of Colorado, Mr. SPENCE, Mr. FAZIO, Mr. OWENS of New York, Mr. BROWN of California, Mr. WYLIE, Mr. DIXON, Mr. LEWIS of Georgia, Mr. PALLONE, Mr. ATKINS, and Mr. PAYNE of New Jersey.

H.J. Res. 120: Mr. ACKERMAN, Mr. ANDERSON, Mr. BERMAN, Mr. BROWN of California, Mr. CARPER, Mr. COSTELLO, Mr. ESPY, Mr. FLIPPO, Mr. GALLO, Mr. GUNDERSON, Mr. HAYES of Louisiana, Mr. LELAND, Mr. LEVIN of Michigan, Mr. MARKEY, Mr. MATSUI, Mr. MOORHEAD, Mr. NATCHER, Mr. PALLONE, Mr. RAVENEL, Mrs. ROUKEMA, Mr. SPRATT, Mr. TRAXLER, Mr. WILSON, and Mr. YOUNG of Alaska.

H.J. Res. 123: Mrs. COLLINS, Mr. PORTER, Mr. BARTLETT, Mr. MATSUI, Mr. MCEWEN, Mr. GARCIA, Mr. STALLINGS, Mr. PAYNE of Virginia, Mr. HUCKABY, Mr. GRANT, Mr. SAVAGE, Mr. COELHO, Mr. DIXON, Mr. LANTOS, Mr. LEWIS of California, Mr. LELAND, Mr. SMITH of Florida, Mr. HEFNER, Mr. PEPPER, Mr. SOLOMON, Mrs. BOGGS, Mr. CLEMENT, Mr. GOSS, Mr. BATEMAN, Mr. HAYES of Louisiana, Mr. LEHMAN of Florida, and Mr. ROSE.

H.J. Res. 132: Mr. MAVROULES, Mr. COYNE, Mr. HOCHBRUECKNER, Mr. PACKARD, Mr. MRAZEK, Mr. SOLOMON, Mr. GUNDERSON, Mr. SANGMEISTER, and Mr. SMITH of New Jersey.

H.J. Res. 138: Mr. ECKART, Mr. SHAYS, Mr. BOSCO, Mr. BERMAN, Mr. FAUNTROY, Mr. ANDERSON, Mr. TAUKE, Mr. MARTIN of New York, Mr. BLILEY, Mr. FAWELL, Mr. MATSUI, Mr. ACKERMAN, Mr. KENNEDY, Mrs. COLLINS, Mr. FOGLIETTA, Mr. FAZIO, Mr. LEHMAN of Florida, Mr. ROE, Mr. RICHARDSON, Mr. OWENS of Utah, and Mr. RANGEL.

H.J. Res. 169: Mr. SARPALIUS, Mr. SABO, Mr. KOSTMAYER, and Mr. LEHMAN of Florida.

H.J. Res. 181: Mr. MACHTLEY.

H.J. Res. 186: Mr. COSTELLO, Mr. LIGHTFOOT, Mr. WOLF, Mr. SMITH of Florida, Mr. SKAGGS, Mr. HORTON, Mr. SAWYER, Mr. SAVAGE, Mr. UDALL, Mr. LAGOMARSINO, Mr. MCDERMOTT, Mr. FEIGHAN, Mr. HANCOCK, Mr. FAUNTROY, Mr. JONES of Georgia, Mr. BERMAN, Mr. MOAKLEY, Mr. KOSTMAYER, Mr. OLIN, Mr. GUNDERSON, Mr. DYMALLY, Mr. KOLTER, Mr. QUILLEN, Mr. FAZIO, Mr. RAHALL, Mr. DORGAN of North Dakota, Mr. ENGEL, Mr. MINETA, Mr. AKAKA, Mr. DICKS, Mr. BALLENGER, Mr. LEVINE of California, Mrs. COLLINS, Mr. DARDEN, Mr. OWENS of New York, and Mr. HAMILTON.

H.J. Res. 206: Mr. SMITH of Florida, Mr. SKEEN, and Mr. TOWNS.

H.J. Res. 223: Mr. DEFAZIO, Mr. GUNDERSON, Mr. FAUNTROY, Mrs. COLLINS, and Mr. HORTON.

H. Con. Res. 8: Mrs. LOWEY of New York.

H. Con. Res. 37: Mr. CRANE, Mr. RHODES, Mr. SCHIFF, Mr. TAUKE, Mrs. MEYERS of Kansas, Mr. LEACH of Iowa, Mr. GRANDY, Mr. CALLAHAN, Mr. BOEHLERT, Ms. SNOWE, Mr. LEWIS of California, Mr. ROGERS, Mr. MCCOLLUM, Mr. SHUMWAY, Mr. SANGMEISTER, Mr. DUNCAN, Mr. VENTO, Mr. MCMILLAN of North Carolina, Mr. HERGER, Mr. MURPHY, Mr. SKEEN, Mr. WALKER, Mr. IRELAND, Mr. INHOFE, Mr. GAYDOS, Mr. OWENS of Utah, Mr. COUGHLIN, Mr. CONTE, Mr. GEKAS, Mr. SISISKY, Mr. KOSTMAYER, Mr. MOAKLEY, Mr. PAXON, Mr. HOYER, Mr. MCNULTY, Mr. BORSKI, and Mr. RAHALL.

H. Con. Res. 41: Mr. ATKINS, Mrs. BENTLEY, Mr. MCMILLAN of North Carolina, and Mr. HAYES of Illinois.

H. Con. Res. 46: Mr. SOLOMON, Mr. DORGAN of North Dakota, Mr. TORRICELLI, and Mr. GILMAN.

H. Con. Res. 60: Mr. DANNEMEYER, Mr. NIELSON of Utah, Mr. FIELDS, Mr. BARTON of Texas, and Mr. WHITTAKER.

H. Con. Res. 74: Mr. GUNDERSON, Mr. ROE, Mr. DORNAN of California, Mr. SENSENBRENNER, Mr. SLAUGHTER of Virginia, Mr. WILSON, Mr. HATCHER, Mr. FAZIO, and Mr. BATEMAN.

H. Con. Res. 88: Ms. SCHNEIDER, Mr. SCHEUER, Mr. ENGEL, Mr. COURTER, Mrs. COL-

LINS, Mr. JONTZ, Mr. MRAZEK, and Mr. PENNY.

H. Res. 25: Mr. MACHTLEY.

H. Res. 122: Mr. COMBEST and Mr. HORTON.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 586: Mrs. UNSOELD.

H.R. 917: Mr. SYNAR.

H.J. Res. 169: Mr. RHODES.

EXTENSIONS OF REMARKS

VIOLENCE AGAINST WOMEN A SEVERE, WORLDWIDE HUMAN RIGHTS PROBLEM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. MILLER of California. Mr. Speaker, new research by the World Watch Institute shows that violence against women is one of the most widespread yet least recognized health and human rights problems in the world. It cuts across all cultures and affects every socioeconomic group.

In the United States, a woman is beaten every 15 seconds and, each day, four of these women die. Every 6 minutes, a woman in the United States is raped.

In parts of Africa and the Middle East, young girls are subjected to life-threatening circumcisions in order to ensure virginity until marriage.

In India, thousands of young brides have been murdered by their husbands in cases where the bride's parents did not pay the husband a dowry as large as he had expected.

In Austria in 1985, more than half of all murders were committed within the family, with women and children constituting 90 percent of the victims in those cases.

Tragically, governments and societies around the world have generally ignored this violence against women because much of it occurs in the home where historically such violence has been sanctioned by religious, cultural, and legal systems. In more than half of the States in our own country, for instance, there are circumstances under which it is legal for a man to rape his wife.

This week, the Washington Post published an excerpt of the new World Watch report, which I urge my colleagues to read.

The article follows:

[From the Washington Post, Apr. 9, 1989]

THE GLOBAL WAR AGAINST WOMEN

(By Lori Heise)

Violence against women—including assault, mutilation, murder, infanticide, rape and cruel neglect—is perhaps the most pervasive yet least recognized human-rights issue in the world. It is also a profound health problem sapping women's physical and emotional vitality and undermining their confidence—both vital to achieving widely held goals for human progress, especially in the Third World.

Despite its invisibility, the dimensions of the problem are vast. In Bangkok, Thailand, a reported 50 percent of married women are beaten regularly by their husbands. In the barrios of Quito, Ecuador, 80 percent of women are said to have been physically abused. And in Nicaragua, 44 percent of men admit to beating their wives or girlfriends. Equally shocking statistics can be found in the industrial world.

Then there are the less recognized forms of violence. In Nepal, female babies die from neglect because parents value sons over daughters; in Sudan, girls' genitals are mutilated to ensure virginity until marriage; and in India, young brides are murdered by their husbands when parents fail to provide enough dowry.

In all these instances, women are targets of violence because of their sex. This is not random violence. The risk factor is being female.

Most of these abuses have been reported in one or another country, at one or another time. But it is only when you begin to amass statistics and reports from international organizations and countries around the world that the horrifying dimensions of this global war on women come into focus. For me the revelation came only recently after talking with scores of village women throughout the world.

I never intended to investigate violence; I was researching maternal and child health issues overseas. But I would commonly begin my interviews with a simple question: What is your biggest problem? With unnerving frequency, the answer came back: "My husband beats me."

These are women who daily have to walk four hours to gather enough wood for the evening meal, whose children commonly die of treatable illnesses, whose security can be wiped out with one failed rain. Yet when defining their own concerns, they see violence as their greatest dilemma. Those dedicated to helping Third World women would do well to listen.

More than simply a "women's issue," violence could thwart other widely held goals for human progress in the Third World. Study after study has shown that maternal education is the single most effective way to reduce child mortality—not because it imparts new knowledge or skills related to health, but because it erodes fatalism, improves self confidence and changes the power balance within the family.

In effect, these studies say that a woman's sense of self is critical to reducing infant mortality. Yet acts of violence and society's tacit acceptance of them stand as constant reminders to women of their low worth. Where women's status is critical to achieving a development goal—such as controlling fertility and improving child survival—violence will remain a powerful obstacle to progress.

Measured by its human costs alone, female-focused violence is worthy of international attention and action. But it has seldom been raised at that level, much less addressed. Millions of dollars are spent each year to protect the human rights of fetuses. It is time to stand up for the human rights of women.

The Indian subcontinent is home to one of the most pernicious forms of wife abuse, known locally as "bride-burning" or "dowry deaths." Decades ago dowry referred to the gifts that a woman received from her parents upon marriage. Now dowry has become an important part of premarital negotiations and refers to the wealth that the bride's parents must pay the groom as part of the marriage settlement.

Once a gesture of love, ever-escalating dowry now represents a real financial burden to the parents of unwed daughters. Increasingly, dowry is being seen as a "get rich quick" scheme by prospective husbands, with young brides suffering severe abuse if promised money or goods do not materialize. In its most severe form, dowry harassment ends in suicide or murder, freeing the husband to pursue a more lucrative arrangement.

Dowry deaths are notoriously undercounted, largely because the husband and his relatives frequently try to disguise the murder as a suicide or an accident and the police are loathe to get involved. A frequent scam is to set the women alight with kerosene, and then claim she died in a kitchen accident—hence the term "brideburning." In 1987 the police officially recorded 1,786 dowry deaths in all of India, but the Ahmedabad Women's Action Group estimates that 1,000 women may have been burned alive that year in Gujurat State alone.

A quick look at mortality data from India reveals the reasonableness of this claim. In both urban Maharashtra and greater Bombay, 19 percent of all deaths among women 15 to 44 years old are due to "accidental burns." In other Third World countries, such as Guatemala, Ecuador and Chile, the same statistic is less than 1 percent.

Elsewhere in the world, the marriage transaction is reversed, with prospective husbands paying "bridewealth" to secure a woman's hand in marriage. In many cultures—especially in Africa—the exchange has become so commercialized that inflated bridewealth leaves the man with the distinct impression that he has "purchased" his wife.

The notion that bridewealth confers ownership was clearly depicted during recent parliamentary debates in Papua, New Guinea over whether wife-beating should be made illegal. Transcripts show that most ministers were violently against the idea of parliament interfering in "traditional family life." Minister William Wi of North Waghi argued that wife beating "is an accepted custom and we are wasting our time debating the issue." Another parliamentarian added: "I paid for my wife, so she should not overrule my decisions, because I am the head of the family."

It is this unequal power balance—institutionalized in the structure of the patriarchal family—that is at the root of wife-beating. As Cheryl Bernard, director of Austria's Ludwig Boltzmann Institute of Politics, notes: "Violence against women in the family takes place because the perpetrators feel, and their environment encourages them to feel, that this is an acceptable exercise of male prerogative, a legitimate and appropriate way to relieve their own tension in conditions of stress, to sanction female behavior . . . or just to enjoy a feeling of supremacy.

While stress and alcohol may increase the likelihood of violence, they do not "cause" it. Rather, it is the belief that violence is an acceptable way to resolve conflict, and that

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

women are "appropriate" and "safe" targets for abuse, that leads to battering.

Today's cultures have strong historical, religious and legal legacies that reinforce the legitimacy of wife-beating. Under English common law, for example, a husband had the legal right to discipline his wife—subject to a "rule of thumb" that barred him from using a stick broader than his thumb. Judicial decisions in England and the United States upheld this right until well into the 19th century. Only last week, a New York judge let off with only five years' probation a Chinese immigrant who admitted bludgeoning his wife to death. The judge justified the light sentence partly by reference to traditional Chinese attitudes toward female adultery.

While less overt, the preference for male offspring in many cultures can be as damaging and potentially fatal to females as rape or assault. The same sentiment that once motivated infanticide is now expressed in the systematic neglect of daughters—a neglect so severe in some countries that girls aged 2 to 4 die at nearly twice the rate of boys.

"Let it be late, but let it be a son," goes a saying in Nepal, a country that shares its strong preference for male children with the rest of the Indian subcontinent, as well as China, South Korea and Taiwan. In these cultures and others, sons are highly valued because only they can perpetuate the family line and perform certain religious rituals. Even more important, sons represent an economic asset to the family and a source of security for parents in their old age.

Studies confirm that where the preference for sons is strong, girls receive inferior medical care and education, and less food. In Punjab, India, for example, parents spend more than twice as much on medical care for boy infants as for girls.

In fact, the pressure to bear sons is so great in India and China that women have begun using amniocentesis as a sex identification test to selectively abort female fetuses. Until protests forced them to stop, Indian sex detection clinics boldy advertised it was better to spend $38 now on terminating a girl than $3,800 later on her dowry. Of 8,000 fetuses examined at six abortion clinics in Bombay, 7,999 were found to be female.

In parts of Africa and the Middle East, young girls suffer another form of violence, euphemistically known as female circumcision. More accurately, this operation—which removes all or part of the external female genitalia, including the clitoris—is a life-threatening form of mutilation. According to the World Health Organization, more than 80 million women have undergone sexual surgery in Africa alone.

While female circumcision has its origin in the male desire to control female sexuality, today a host of other superstitions and beliefs sustains the practice. Some Moslem groups mistakenly believe that it is demanded by the Islamic faith, although it has no basis in the Koran. Others believe the operation will increase fertility, affirm feminity or prevent still births. Yet ultimately what drives the tradition is that men will not marry uncircumcised women, believing them to be promiscuous, unclean and sexually untrustworthy.

The medical complications of circumcision are severe. Immedidate risks include hemorrhage, tetanus and blood poisoning from unsterile and often primitive cutting implements (knife, razor blade or broken glass), and shock from the pain of the operation, which is carried out without anesthesia. Not uncommonly, these complications result in death.

The long-term effects, in addition to loss of all sexual feeling, include chronic urinary tract infections, pelvic infections that can lead to infertility, painful intercourse and severe scarring that can cause tearing of tissue and hemorrhage during childbirth. In fact, women who are infibulated—the most severe form of circumcision—must be cut open on their wedding night to make intercourse possible, and more cuts are necessary for delivery of a child.

Despite these horrific health effects, many still oppose the eradication of this practice. As late as June 1988, Muslim religious scholars in Somalia argued that milder forms of circumcision should be maintained to temper female sexuality. Others defend circumcision as an "important African tradition." But as the Kenyan women's magazine Viva observes: "There is nothing 'African' about injustice or violence, whether it takes the form of mistreated wives and mothers, or slums or circumcision. Often the very men who . . . excuse injustice to women with the phrase 'it is African' are wearing three-piece pin-striped suits and shiny shoes."

Fortunately, women have not sat idle in the face of such abuse. Around the world they are organizing shelters, lobbying for legal reform and fighting the sexism that underlies violence.

Most industrial countries and at least a dozen developing nations now have shelter movements to provide refuge for abused women and their children. Brazil has established almost 30 all-female police stations for victims of rape, battering and incest. And in Africa, women are organizing education campaigns to combat sexual surgery.

Elsewhere women have organized in their own defense. In San Juan de Miraflores, a shantytown of Lima, Peru, women carry whistles that they use to summon other women in case of attack.

Yet it will take more than the dedicated action of a few women to end crimes of gender. Most important is for women worldwide to recognize their common oppression. Violence against women cuts across all cultures and all socioeconomic groups. Indeed, we in America live in our own glass house: In the United States a woman is beaten every 15 seconds, and each day four women are killed by their batterers.

Such statistics are as important as they are shocking. Violence persists in part because it is hidden. If governments and women's groups can expose violence through surveys and better documentation, then ignorance will no longer be an excuse for inaction.

Also critical is challenging the legal framework that undergirds male violence, such as unequal inheritance, discriminatory family laws and a husband's right to chastise. Especially important are the social inequities and cultural beliefs that leave women economically dependent on men. As long as women must marry to survive, they will do whatever they must to secure a husband—including tolerating abuse and submitting themselves and their daughters to sexual surgery.

Action against violence, however, must proceed from the international community down as well as from the grass roots up. Where governments tacitly condone violence through their silence, or worse yet, legitimize it through discriminatory laws and customs, international pressure can be an important impetus for reform. Putting violence against women high on the world agenda is not appeasing a "special interest" group. It is restoring the birthright of half of humanity.

THE COST OF HEALTH IN CANADA AND THE UNITED STATES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. STARK. Mr. Speaker, patients, employers, government complain about the almost uncontrolled inflation in the health sector. Doctors complain about the incredible paperwork and bureaucratic interference they must endure as the rest of society's attempts to get a handle on costs.

Perhaps other societies have done better. Following is a discussion from the March 2, 1989 New England Journal of Medicine of costs and cost controls in Canada. If doctors want an end to paperwork and clinical interference, perhaps they might like the Canadian program—even if it means less increase in income.

American interest in the Canadian health care system appears to be on the rise, as evidenced in a recent three-part article by Iglehart in the *Journal.* Such interest has been intermittent in the past, depending in part on the position of national health insurance on the U.S. political agenda. In the early 1970s, the most recent period during which national health insurance seemed imminent, Americans paid considerable attention to the structure, logic, and history of the Canadian system. At the time, that system had just been established in its entirety. Although its origins and organization were documented, there had been little experience with universal, public coverage, and data were not yet available on its performance. Universal hospital coverage was a decade or more old (in Saskatchewan, a quarter century), but the extension of insurance to cover physicians' services was very new. Then the moment passed, national health insurance moved off the American agenda, and after a variety of attempts to regulate the health care system at arm's length, competition and the marketplace became the dominant ideas of the 1980s. In this context the Canadian experience was of little relevance.

So far, however, market forces, at least as applied in practice, have been even less successful in containing the growth of health care expenditures than were the regulatory efforts of the 1970s. The one major success in this field, prospective payment and diagnosis-related groups, is virtually a pure type of regulatory intervention, despite its being occasionally clothed in market rhetoric. At the same time, the proportion of the American population with no insurance coverage or grossly inadequate coverage is believed to be both large and growing, and there is increasing uneasiness about the effect of market forces in health care on the interests of both patients and providers. In this contest, the radically different Canadian approach to funding may deserve a second look—not as a panacea, but as evidence that perhaps things could be different. By now

that system has generated nearly two decades of experience that can be compared with the American record.

To an American audience, the most striking feature of the Canadian experience may be the association of universal coverage with substantially lower expenditures for health services. Despite (or, as many Canadians would argue, because of) universal access on equal terms and conditions, overall costs in Canada have risen more or less in line with the growth of national income, rather than eating up a steadily increasing share of it, as in the United States.

Before 1971, when the Canadian funding system was more similar to the American one, health care costs consumed a share of national income that was virtually identical in both countries and was rising steadily. In 1971 it reached 7.4 percent in Canada, as compared with 7.6 percent in the United States. After 1971, however, the Canadian share remained stable, whereas in the United States it continued to rise. By 1981 their spending shares were 7.7 and 9.2 percent, respectively. In the 1982 recession, the share of expenditures for health care rose sharply in both countries, to 8.6 and 10.2 percent. In both systems, health care escaped the effects of the recession—an interesting and unstudied observation. But the Canadian share stabilized at its new level; preliminary estimates for 1987 show it still at 8.6 percent. In contrast, the United States share continued to rise. Estimates for 1987 are in excess of 11 percent.

The large and growing gap between the United States and Canada drives home the point that, for good or ill, the form of funding adopted by Canada does permit a society to control its overall outlays on health care. Furthermore, it is unnecessary to impose financial barriers to access in the process. In this paper we sketch some of the basic institutional and statistical facts of that process, and their implications for physicians in particular.

Cost control, although successful in general, can be a bruising political process, producing much sound and fury. External observers who rely on newspaper reports may not always get a clear picture, either of the critical issues in dispute or of the distinction between facts and rhetoric. Further confusion arises from casual interpretations of the comparative data, such as that by Feder et al. Looking at the period from 1970 to 1984, they noted that health spending in Canada rose faster than in the United States, but that the gross national product (GNP) rose faster still. They concluded that the apparent success of the Canadian system with cost control was illusory, and that the stability of the share of the GNP applied to the health care was simply the result of rapid economic growth. A more detailed look at the data shows this conclusion to be incorrect.

NATIONAL INCOME AND HEALTH EXPENDITURES IN CANADA AND THE UNITED STATES

Table 1 provides the relevant data for Canada and the United States over the period referred to by Feder et al. The Canadian GNP does in fact outpace the American by 2 percent per year. But after adjustment for the more rapid rate of inflation in Canada, our advantage shrinks to 0.7 percent. When adjusted further for the slightly faster growth of the Canadian population, the difference in real per capita growth rates is less than half a percent per year—respectable enough over the long term, but not enough to account for the divergence in the shares of the GNP spent on health. The oversight of confusing nominal with real rates of GNP growth leads Feder et al. to their erroneous conclusion.

The relevant base year for examining the effect of national health insurance on health spending is not 1970, however, but 1971. Quebec, the second-largest province, with about a quarter of the Canadian population, adopted its health plan in October 1970, and New Brunswick began its plan on January 1, 1971. Correspondingly there was a substantial jump, from 7 to 7.4 percent, in the share of the GNP applied to health care for all of Canada.

TABLE 1.—AVERAGE ANNUAL PERCENTAGE INCREASES IN GROSS NATIONAL PRODUCT (GNP), 1970 TO 1984.[1]

Measures of GNP	Canada	United States	Difference[2]
Current dollars	12.1	9.8	2.0
Constant dollars	3.4	2.7	.7
Constant dollars per capita	2.2	1.7	.4

[1] Data for the United States are from the Health Care Financing Administration and the Bureau of Economic Analysis, data for Canada are from the Department of Finance.

[2] Differences in annual growth rates must be calculated geometrically, not by subtraction $[d=(1+r_1)/(1+r_2)-1]$. Rates have been rounded after calculation.

Table 2 shows the annual rates of increase in total health spending in Canada and the United States since the completion of universal Medicare coverage in Canada. Spending in nominal dollars did rise somewhat faster in Canada, by 0.7 percent per year. But when account is taken of the more rapid rate of general inflation in Canada and the slightly faster rate of population growth, health spending in constant dollars per capita rose more slowly in Canada, by 1.6 percent per year.

To put this more concretely, in 1985 Americans spent an average of $1,710 each on health care. If their rate of cost escalation since 1971, in real terms, had been the same as that in Canada, they would have spent only $1,362, or 20 percent less. Preliminary estimates for 1987 show Americans spending just under $2,000 each for health care. Detailed Canadian data are not yet available, but the spending gap is clearly continuing to widen. One may estimate conservatively that if the Canadian rates of escalation in real cost since 1971 had prevailed in the United States, health spending would by 1987 be about $450 less, on average, for every person in the country, or at least $100 billion less in all.

CONGRESSIONAL SALUTE TO DANIEL T. MIYASAKI, D.D.S.

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to an outstanding individual in my community who truly deserves to be recognized for the outstanding leadership and dedication he brings to the field of dentistry. It is indeed an honor to share with my distinguished colleagues the remarkable career of Daniel T. Miyasaki, D.D.S.

Shortly after his graduation from Loyola University in Chicago, IL, Dr. Miyasaki started a dental practice in Sacramento, CA. Since then, Sacramentans have greatly benefited from his skills and dedication. Dr. Miyasaki spearheaded two very important community service projects that provided proper dental care for individuals who otherwise could not have afforded to properly care for their teeth. Under his guidance the Senior Dent and Denture Access Program in 1979 and the Dental Access Program for Children [DAPC] in 1980 brought smiles to the faces of both the elderly and to disadvantaged children.

The Senior Dent Program, developed at the State level, and the Denture Access Program, developed at the local level, are services designed to provide dental care at substantially reduced costs to elderly persons whose incomes are too high to qualify for Medi-Cal, but too low to pay regular dental fees. Likewise, the DAPC Program provides dental care at substantially reduced costs to preschool through sixth grade children who are not receiving necessary dental care because family incomes are too high to qualify for Medi-Cal, but too low to pay regular dental fees.

Coupled with these accomplishments, Dr. Miyasaki has also been an active member of the Sacramento District Dental Society for the past 29 years. He spent 12 of those years as a member of their board of directors providing his leadership and dedication in pursuant of their organizational goals. In recognition of his outstanding achievements, the Sacramento District Dental Society will be honoring Dr. Miyasaki with their Distinguished Member Award.

Mr. Speaker, Dr, Miyasaki is to be commended for his outstanding contribution to the field of dentistry and to the citizens of Sacramento and the State of California. I take great pride in saluting Dr. Miyasaki and know my colleagues join me in extending best wishes for continued success in all of his future endeavors.

TRIBUTE TO RUMEAL ROBINSON

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. KENNEDY. Mr. Speaker, I am proud and honored to represent such a fine scholar-athlete as Rumeal Robinson. Recently, Rumeal led the University of Michigan basketball team to the NCAA Division I title. Rumeal's two free throws with just seconds remaining in the championship game against Seton Hall proved to be the difference, leading the Michigan Wolverines in dramatic fashion to their first NCAA crown.

Success is nothing new to Rumeal, however. In high school, Rumeal led Cambridge Ringe and Latin to the Division 1 State title his senior year. Averaging better than 18 points per game, 10 rebounds per game and 12 assists per game, Rumeal was touted as one of the best point guards in the country and became a first team Parade All-American.

At Michigan, Rumeal came on strong this season, leading his team in steals, second in scoring and fifth in the Big Ten in field goal percentage. His hard work, dedication and "never say never" philosophy has contributed greatly to his success as a Wolverine. Also, Rumeal's strong leadership skills and team

concept philosophy often draws high praise from his teammates and coaches on and off the court.

The constituents of the Eighth District have a lot to be proud of in Rumeal Robinson.

TRIBUTE TO MR. O. LEE HORN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. LAGOMARSINO. Mr. Speaker, I wish to pay tribute to Mr. O. Lee Horn, on the occasion of his retirement from the Casitas Municipal Water District. During his time of service, Mr. Horn worked diligently with the Southern California Water Committee to improve the water resources of Ventura County and improve the operation and standing of the district. He provided leadership in reducing insurance costs, hiring experienced staff, and accomplishing district goals. Mr. Horn was instrumental in initiating computerization, which greatly improved the district's accounting and billing operations. He worked hard at developing relations with people in government and industry to improve service to the community. Through his honest and thoughtful management, the district has become a stable and steady organization in meeting the needs of the public. We will certainly miss Lee's dedication and hard work on the Southern California Water Committee and we wish him the best in his retirement.

CHILD ABUSE FATALITIES AND OVERALL MALTREATMENT ON THE RISE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. MILLER of California. Mr. Speaker, for yet another year in a row, I must regrettably recount that reports of child abuse and child abuse fatalities are on the rise. Over 2.2 million child abuse reports were filed in 1988, up 3 percent since 1987, and 1,225 children were reported to have died from battering or neglect in 1988, a 5-percent increase since 1987. California experienced a 26-percent increase in child abuse reports and reported 96 child abuse fatalities last year, up from only 27 in 1987. These figures, released last week by the National Committee for Prevention of Child Abuse [NCPCA], are especially disturbing given the professional wisdom they represent only a fraction of those children who are actually abused or die from abuse.

Parental substance abuse was a salient factor in over two-third of child abuse cases, NCPCA's study found. In Washington, DC, for example, almost 90 percent of the caretakers reported for child abuse are active substance abusers. Abusive caretakers are increasingly more violent and drug dependent, particularly those addicted to cocaine and crack, placing a greater number of children at considerable risk of injury or death and taxing an already overburdened child welfare system.

Unfortunately, the escalation of maltreatment reports has not been met with greater resources or services. NCPCA found that only 12 of the responding States had increased their child welfare budgets, which in most cases merely reflected cost of living increases. The majority of States cited either no change in their operating budgets (32 States), or a decline in funding (4 States), forcing most States to cut back on child protection workers and services for victims.

NCPCA's survey confirms what the Select Committee on Children, Youth and Families has found: that the system designed to protect children in crisis is in crisis itself.

Given that the Nation faces worsening plights of homelessness, drug abuse and poverty, there is little indication that the risk to children will diminish. To the contrary, it will probably grow, unless we accompany greater awareness and reporting with better leadership, enforcement of State and Federal laws, and expanded resources.

As a member of the new Presidential Commission on Child and Youth Deaths, which seeks to explore further how we might spare children from abuse-related deaths, I implore my colleagues to join me in renewing their commitment to protecting children from abuse and neglect.

THE AMERICAN JEWISH COMMITTEE ENDORSES H.R. 1190

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. STARK. Mr. Speaker, "The Semiautomatic Assault Weapons," H.R. 1190, currently has 75 bipartisan cosponsors. The House Judiciary Subcommittee on Crime and the House Ways and Means Committee Subcommittee on Trade recently held several days of hearings on the issue, with specific focus on the bill.

The testimony of the hearings was enlightening. Law enforcement and police organizations urged the Congress to promptly pass reasonable Federal legislation; the National Rifle Association announced that it will oppose any efforts to further restrict semiautomatic assault weapons in whatever form they appeared.

H.R. 1190 would treat 11 specific types of semiautomatic assault weapons in exactly the same manner as current Federal law for fully automatic machineguns. Future importation and domestic manufacture would be banned. Future purchase of the existing stock of semiautomatic assault weapons would be restricted to those who go through a background check and receive approval from their local police, pay a $200 transfer tax, and register their weapon with the Bureau of Alcohol, Tobacco and Firearms.

Thus, if Members believe the current ban on importation and domestic manufacture on fully automatic machineguns is working, then they should support H.R. 1190. If Members believe we ought to repeal the machinegun ban, then they should oppose H.R. 1190. It's that simple.

Mr. Speaker, several responsible national organizations have spoken out in favor of Federal assault weapons legislation, including the National Association of Police Organizations, the International Association of Chiefs of Police, the Fraternal Order of Police, the National Sheriff's Association, the National Education Association, and the U.S. League of Cities.

I am especially pleased that one very special national organization, the American Jewish Committee, has announced their soild support for H.R. 1190. The American Jewish Committee has a long track record on behalf of social justice, equality of opportunity, and progressive activism. They represent the highest public policy ideals and I am proud to enter their statement in the RECORD:

AMERICAN JEWISH COMMITTEE,
Washington, DC, April 5, 1989.

The American Jewish Committee strongly supports H.R. 1190, the Semiautomatic Assault Weapons Act of 1989, which was introduced by Representative Pete Stark on March 1, 1989 and is the subject of today's hearing. The goal of HR 1190 is to control the nongovernmental sale and use of assault weapons by treating 11 specific types of semiautomatic assault weapons by exactly the same manner as current federal law treats fully automatic machine guns. In addition, the bill addresses large capacity ammunition feeding devices.

AJC favors this approach for its simplicity. After all, the proliferation and availability of semi-automatic assault weapons has put our law enforcement officials, school children and others at risk in much the same way as machine guns did sixty years ago.

Contrary to the claims of its critics, HR 1190 does not in any way limit sportsmen's ability to purchase a legitimate hunting rifle or handgun. Current owners would be permitted to possess and transfer their large capacity ammunition feeding devices as long as they register their weapons with the Bureau of Alcohol, Tobacco, and Firearms (BATF). New owners would undergo a background check and receive approval from local police, pay a transfer tax of $200, and register the weapon with BATF.

As annual gun-related deaths approach 10,000 and hundreds of law enforcement officers are killed, victims of heavily armed criminals, Congress is faced with the opportunity to put an end to some of the violence by supporting reasonable initiatives such as Representative Stark's.

While we applaud the administration's recent decision to temporarily ban the importation of semi-automatic weapons, such a measure is insufficient. AJC believes that any curb on assault weapons should be both long-term and coordinated with a ban on the domestic manufacture and sale of such weapons. The Semiautomatic Assault Weapons Act meets these qualifications. Passage of this legislation would provide significant relief to our nation's law enforcement officers in their battle against well armed gangs, hate groups, and drug traffickers.

H.R. 1190 is supported by an unprecedented number of law enforcement and other groups, and has won the co-sponsorship of a distinguished group of Representatives. The AJC commends Representative Stark for his efforts and urges House members to support this initiative.

CONGRESSIONAL SALUTE TO MINNIE Y. ISERI

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to a remarkable individual in my community who truly deserves to be recognized for her dedication and service to the public. Today marks the end of Minnie Y. Iseri's 40-year career as a Federal employee. Mr. Speaker, it is indeed an honor to share with you and my distinguished colleagues the remarkable career of Minnie Y. Iseri.

In 1949, Minnie began her career as a Federal Government employee with the Social Security Administration in Washington, DC. Her abilities were significantly tested in one of Washington's toughest bureaucracies. She spent 13 years there building up an impeccable reputation as the model Government employee; hardworking, efficient, and dedicated to public service. These attributes served her well when she came to California in 1962 and took a position with the U.S. Army Corps of Engineers in Sacramento, CA. Her ability to meet and surpass objectives was a great asset to the agency. In 1970, she accepted a new challenge with the U.S. attorney's office in Sacramento whom she served for 19 years with the same efficiency and dedication that exemplified all that we come to expect from a public servant.

Mr. Speaker, we do not often see a person with this level of dedication matched with such a warm personality. I know that she will be missed by all in the John E. Moss Federal Courthouse Building in Sacramento, but we wish her well in her retirement.

TRIBUTE TO THE HARVARD HOCKEY TEAM

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. KENNEDY. Mr. Speaker, I would like to congratulate the Harvard Men's Hockey Team for capturing its first ever NCAA Division I hockey title on April 1, 1989. While some critics may have dismissed this feat as an April Fools' joke, you would have a tough time convincing the men in crimson and white from Cambridge, MA.

Coach Bill Cleary's—class of 1956—Crimson team fought long and hard to establish itself as the Nation's No. 1 collegiate hockey team, posting a spectacular 31–3 record. The season also marked a milestone in Coach Cleary's coaching career. He won his 300th collegiate hockey game, as Harvard won its first Beanpot Tournament title since 1981.

Forward Lane MacDonald became the third Harvard hockey player to win the Hobey Baker Award—given to the outstanding college hockey player—since its introduction in 1981. This victory also marks the first time a Harvard athletic team has won an NCAA Division I title.

After finishing first in the ECAC standings, the No. 1 seeded Crimson suffered a disappointing defeat at the hands of the sixth seeded University of Vermont in the ECAC playoffs. As is true with many a championship team, the Crimson regrouped and bounced back to move through the NCAA tournament with convincing victories over defending NCAA champion Lake Superior State, the No. 1 Western seed, Michigan State, and an exciting final victory over the University of Minnesota in overtime, on a goal by junior winger Ed Krayer of Acton, MA.

Under the leadership of Coach Cleary, Harvard hockey has transformed itself into a perrenial powerhouse, and more importantly, has given the East the respect it deserves for its host of quality universities and colleges both in the classroom and on the ice. Congratulations, Harvard, and keep up the good work.

PUERTO RICO MOVING TO DECIDE ITS FUTURE RELATIONSHIP WITH THE UNITED STATES

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. FUSTER. Mr. Speaker, once again I want to bring to the attention of my colleagues significant and appropriate information about the proposed political status plebiscite in Puerto Rico. As you may know, three bills have already been introduced in the other body that would authorize such a plebiscite in Puerto Rico in 1991 between the choices of statehood or independence or an enhancement of the existing commonwealth status.

I favor the latter status, Mr. Speaker, and while I and the 3.5 million United States citizens of Puerto Rico have great respect for the institution of statehood, I believe that the existing commonwealth status—which the Congress helped to create for us in the early 1950's—is in the best interests of both Puerto Rico and the United States. Commonwealth status has worked, and worked well, Mr. Speaker, for both Puerto Rico and the United States, although improvements are now needed to that status, and I will elaborate upon that at a later time.

Some of my colleagues may wonder why Puerto Ricans, as U.S. citizens, do not instead want statehood. Many do. But a 1967 plebiscite on this question showed Commonwealth prevailing with 60.4 percent of the vote to 38.9 percent for statehood and 0.6 percent for independence. Statehood sentiment may in fact be higher now, although not a majority and nowhere near what could, or should, influence Congress to make Puerto Rico the 51st State.

Moreover, many well-intentioned statehooders in Puerto Rico, and their sympathizers in Washington, sometimes have a strange perception of exactly what statehood, as a political construct, really means. To that end, Mr. Speaker, I would like to share with my colleagues today extracts from a perceptive editorial page column written by Mr. Frank Ramos, entitled, "Education Needed Prior to Statehood," which appeared in the San Juan Star of Monday, March 27, 1989. Mr. Ramos is a well-respected and eminently fair columnist who until relatively recently was managing editor of the San Juan Star.

Following are extracts from the column by Mr. Ramos:

It was a rare show of tripartisan unity on an issue involving, of all things, political status. There was the island's House of Representatives unanimously approving a resolution asking the U.S. Congress to allow the Puerto Rican government to impose controls on imported agricultural products that compete with products grown locally.

The fact that representatives of the three status alternatives—commonwealthers, statehooders and independentistas—were able to agree on this protectionist measure shows just how complex and even confusing this matter of Puerto Rico's political status can be * * *.

The position of the statehooders on this issue of protectionist legislation is the most puzzling. There is no way that Puerto Rico, as a state of the union, could impose tariffs, duties or quotas on goods shipped from another state or, for that matter, move on its own to impose such protectionist measures on goods imported from foreign countries. Yet, the statehood representatives voted in favor of the resolution.

I have to admit that I've always been somewhat bewildered by the views expressed by Puerto Rican statehooders. Generally speaking, statehooders rarely defend their cause on grounds that they want to be fully integrated into the U.S. nation. Rather, their main pitch is that Puerto Rico's interests would be best served by having elected senators and representatives in Congress. And they seek a host of special rights and privileges not enjoyed by any other state of the union: a separate language, favorable tax benefits during a lengthy transition period and a Puerto Rican Olympic team.

In my mind, this attitude, which stresses Puerto Rico's interests and relegates the U.S. interests to a secondary role, is not compatible with the concept of statehood.

Imagine how Congress will react if, on the one hand, it receives a petition for statehood while, on the other hand, it receives a legislative resolution—supported by statehooders—asking Congress to grant Puerto Rico the right to impose tariffs, duties, and quotas on U.S. agricultural goods shipped to Puerto Rico. I think the members of Congress, quite justifiably, would respond: "Thanks fellows, but please come back when you've made up your minds."

Mr. Speaker, there is much food for thought in those observations by Frank Ramos in his newspaper column. Statehood sentiment in Puerto Rico is nowhere near the magnitude it was in Hawaii and Alaska when they were admitted as the last two States, and I urge my colleagues to reflect upon that reality.

EDUCATION NEEDED PRIOR TO PLEBISCITE

(By Frank Ramos)

It was a rare show of tripartisan unity on an issue involving, of all things, political status. There was the island's House of Representatives unanimously approving a resolution asking the U.S. Congress to allow the Puerto Rican government to impose controls on imported agricultural products that compete with products grown locally.

The fact that representatives of the three status alternatives—common-wealthers,

statehooders and independentistas—were able to agree on this protectionist measure shows just how complex and even confusing this matter of Puerto Rico's political status can be. And, interestingly enough, it comes at a time when the three major political parties are locked in a bitter fight over the final resolution of the island's status dilemma.

The resolution, which is still pending Senate action, responds to a basic reality: Puerto Rico's agriculture is in deep trouble.

For a number of reasons, the island's agricultural and dairy products cannot compete effectively against similar goods imported from the United States mainland and foreign countries.

So the resolution asks Congress to grant the island's government the right to impose tariffs, duties, and quotas on competing agricultural and dairy products brought here from foreign countries and the United States. Presumably, these protective barriers will allow the island's agriculture to prosper.

In Puerto Rico, this matter of being able to protect local products has long been part of the status debate. Independentistas argue that as an independent republic, the island could impose protective tariffs and quotas, thus helping the economy to grow. Similarly, common-wealthers, with their "best of both worlds" philosophy, feel Puerto Rico should be given the right to protect its local agricultural products just as if it were an independent country, provided, of course, that the U.S. government doesn't reciprocate by taxing local products shipped to the U.S. mainland.

The position of the statehooders on this issue of protectionist legislation is the most puzzling. There is no way that Puerto Rico, as a state of the union, could impose tariffs, duties or quotas on goods shipped from another state or, for that matter, move on its own to impose such protectionist measures on goods imported from foreign countries. Yet, the statehood representatives voted in favor of the resolution.

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The fact is that most Puerto Ricans are deeply confused on the status question. We don't really know what it is we want.

Recently, a group of University of Puerto Rico professors made public a study showing that about half of those interviewed couldn't name a single attribute or characteristic of the island's two leading status alternatives, statehood and commonwealth. Independence fares only slightly better. Here we are talking about the final resolution of our status dilemma and half the population can hardly distinguish one status choice from another.

Perhaps we're approaching this whole status question in the wrong way. Maybe we need to wipe the slate clean and get back to the basics. We need an approach that will help to clear up the existing confusion by defining each status alternative more fully.

In other words, before we rush into another plebiscite, we need to educate the people.

Perhaps the best approach would be to hold public hearings on the status question in each and every town. Proponents of each of the status alternatives would present their views and the public would be able to comment and ask questions.

And, who knows, perhaps in this educational process we'll discover that our points of view—statehood, commonwealth, independence—are not always as diametrically opposed as we once thought; that there are areas of common ground that we all can share; that there are concepts and ideas and goals that all Puerto Ricans—be they common-wealthers, statehooders or independentistas—can agree upon.

Only then will we be on the path to reaching the consensus that we need to finally resolve our status dilemma.

TO THE MEMORY OF JOSEPH L. MUSCARELLE, SR.

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. FLORIO. Mr. Speaker, it is with great sorrow that I note the recent passing of Joseph L. Muscarelle, Sr. Joseph was a pillar of his community, a man who devoted his life to helping others. He brought out the best in those around him and all of New Jersey mourns the loss of an outstanding citizen.

Joseph Muscarelle was a hard-working man who succeeded in all of his pursuits. As a business man, he began as a carpenter's apprentice and proceeded to single-handedly create a widely respected construction company. The Joseph L. Muscarelle Co. employs more than 1,000 people and has developed notable projects for the Sony Corp., Fairleigh Dickinson University, and Memorial University in Canada.

Joseph was very generous and was dedicated to sharing his good fortune with the community. He was deeply involved in education interests and founded the Joseph L. Muscarelle Foundation in 1958 to provide college scholarships to deserving students. Furthermore, he and his wife have donated buildings to Fairleigh Dickinson University and to his alma mater, the College of William and Mary. Joseph was well aware of the important role education plays in a democratic society and worked to make it available to all.

Joseph's achievements have not gone unnoticed. He received the UNICO Man of the Year Award in 1965, the Pope John Paul II 1981 Humanitarian Award, and an honorary doctor of laws degree from Fairleigh Dickinson University.

I extend my deepest sympathies to Joseph's family and would like to share with my colleagues the following article.

JOSEPH L. MUSCARELLE SR., BERGEN COUNTY DEVELOPER

(By Dorine Bethea)

Joseph L. Muscarelle Sr., a Bergen county developer and philanthropist, died Sunday. The Hackensack and Palm Beach, Fla., resident was 85.

Mr. Muscarelle founded the Joseph L. Muscarelle Co., Maywood, in 1926 and was currently serving as chairman of the board. He also was president of the Joseph L. Muscarelle Investments Co.

The eldest of four brothers, Mr. Muscarelle worked his way through a premed curriculum at the College of William and Mary in Williamsburg, Va., by waiting on tables, chopping down trees, and doing other odd jobs. After graduating, he abandoned his plans for a medical career when his brother was killed in a car accident.

As an apprentice carpenter, Mr. Muscarelle assumed his brother's responsibility as the breadwinner and, in so doing, began a journey that led to his success in the construction industry.

He single-handedly began a construction company with the intention of engaging in alterations. Since then, the Joseph L. Muscarelle Co. has grown to employ more than 1,000 people at top construction periods, and now specializes in construction of single-family homes and industrial, commercial, and institutional work.

"If something did not work right, he made it work right," said Malcolm A. Borg, chairman of the board of The Record. "He was a very, very honest, very noble man."

Some of Mr. Muscarelle's recent projects include the Sony Corp. in Park Ridge, IBM in White Plains, N.Y., and buildings at Fairleigh Dickinson University and Essex County College.

In addition, he developed projects for Memorial University in Newfoundland, Canada; the administration building for the Province of Newfoundland; and residential and commercial buildings in the Panama Canal Zone for the U.S. Army Corps of Engineers.

Mr. Muscarelle also built the Garden State Plaza and Paramus Park shopping malls and The Record's headquarters in Hackensack.

"Probably the thing that made him most proud was satisfied clients," said Borg.

Mr. Muscarelle donated the Joseph L. Muscarelle Center for Building Construction Studies to Fairleigh Dickinson University in Teaneck and, with his wife, donated the Joseph & Margaret Museum of Art to the College of William and Mary.

He was named UNICO Man of the Year in 1965 and received UNICO's National Rizzuto Award in 1982, the Pope John Paul II 1981 Humanitarian Award, the Annual Humanitarian Award from the Essex County Civic Association, and the American Concrete Institute of New Jersey Ready Mixed Concrete Association Award.

Other honors included appointment to the President's Council of Fairleigh Dickinson University, Rutherford, the board of The Library of Presidential Papers, and the board of trustees of Bergen Community College and Hackensack Medical Center.

In 1963, he was appointed co-chairman of the Bergen County Conference of Christians & Jews.

A parishioner of Holy Trinity R.C. Church, Hackensack, Mr. Muscarelle had been recognized as a Knight of Malta. He also had received an honorary doctor of laws degree from Fairleigh Dickinson University, Teaneck.

Mr. Muscarelle was president of the Joseph L. Muscarelle Foundation, which, since its inception in 1958, has granted over 200 college scholarships.

He had served as president of the Master Builders Association of Bergen County and as a trustee of the Building Contractors Association of New Jersey.

In addition, Mr. Muscarelle was director of the National Community Bank of Maywood and a trustee of Columbus Hospital, Newark, the Bergen County Laborers' Welfare Fund, and the Pension Fund of Hackensack.

He was a member of the Tiero Segna Club and the Columbian Club, both in New York City, and the Beach Club of Palm Beach.

Surviving are his wife, Margaret Perrapato Muscarelle; a son, Joseph Jr. of Saddle River; two daughters, Carolyn Infante of Ridgewood and Marlene Flanagan of Winnetka, Ill.; a brother, Charles of Saddle River; two sisters, Concetta Corso of Wyckoff and Grace Calendrillo of Garfield; 15 grandchildren, and four great-grandchildren.

Mass will be said Friday at 10:30 a.m. at Holy Trinity Church, with entombment in Hackensack Cemetery. Visiting will be Wednesday from 7 to 9 p.m. and Thursday from 2 to 4 and 7 to 9 p.m. at the Muscarelle residence in Hackensack. Arrangements are by Gormley-Gentile Funeral Home, Hackensack.

Donations to the Joseph L. Muscarelle Foundation, 99 W. Essex St., Maywood, N.J. 07607, would be appreciated.

TRIBUTE TO BELLE VISTA-SIMPSON UNITED METHODIST CHURCH ON ITS 95TH AND 100TH ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. ROE. Mr. Speaker, it is with the deepest reverence and the greatest pride that I rise today to salute an outstanding house of worship in my Eighth Congressional District of New Jersey which, for a century, has been a spiritual focal point and a beacon of faith for countless numbers of worshippers in the greater northern New Jersey area.

I am speaking of the Belle Vista-Simpson United Methodist Church of Clifton, NJ, which will be celebrating a combined 100th and 95th anniversary with a special service and luncheon on Sunday, April 23, 1989, at the church. Mr. Speaker, I know this event will be a great source of pride to the church's distinguished pastor, Rev. Bo-Joong Kim; his wife, Young-Sook Kim, and his two sons, James and Sunhea.

At this point, I would like to commend those who have been working so vigorously to make this landmark event a great success; Chairman Ethel Smith, and cochairs, Mr. and Mrs. Ernest Crisman, Miss Myrtle Petty and Mrs. Emma Frederick. I am quite certain, Mr. Speaker, that their diligent efforts will be duly rewarded.

Mr. Speaker, this combined anniversary celebration recognizes the rich and eventful history of two great houses of worship: the Simpson Methodist Episcopal Church, which was established in Paterson, NJ, in March 1889, and the Belle Vista Methodist Episcopal Church, which was established 5 years later in nearby Clifton. These two churches merged in April 1970 after a fire destroyed the Simpson Methodist Episcopal Church in 1969, becoming the Belle Vista Simpson United Methodist Church of Clifton, NJ.

Mr. Speaker, both of these outstanding religious institutions were the product of a people with great foresight who yearned for the opportunity to worship in their own communities in the true American tradition.

According to the official history of Belle Vista-Simpson:

In the year 1887, two men, C.A. Winans and Charles Wardle, from the Market Street Church in Paterson were appointed to organize a Sunday School in South Paterson. The first session of the Sunday School was held December 11, 1887, in old Public School No. 8 on Marshall Street. The school was a success from the beginning, and soon had an average attendance of 75. The Market Street Church purchased the lots on the corner of Hine and Leslie Street and a building was erected in 1888 facing Hine Street. On March 20th and March 27th, 1889, Simpson Methodist Episcopal Church was officially organized with 25 charter members and 16 probationers.

The church was named to honor the memory of Bishop Matthew Simpson, a man who attained national fame for his remarkable gifts of mind and ability as an orator. He served in the national capital, Washington, D.C., and became one of President Lincoln's closest advisors, and in effect the Presidential Chaplain at the time of the Civil War. He is credited with helping Lincoln write the Emancipation Proclamation . . .

The church grew so rapidly that two years later, in 1891, it was determined to build a new and larger edifice. The original chapel was moved around to a location on Leslie Street where it was used as the Sunday School and Church Hall. The cornerstone of the new building was laid on October 30, 1891, and the new church building was dedicated on April 23, 1892. The early 1890s were years of depression . . . and the church faced grave financial problems. Yet there was a deep interest in religion and particularly in establishing Sunday Schools, which often grew into new churches.

Such was the case in the area of Clifton which was then the community of Albion Place. Ninety-five years ago, the Albion Place-Richfield area was an isolated farm community with no public service transportation . . . At the time, Albion Place had no churches and the only regular religious activities were Sunday School classes which, under the sponsorship of the Presbyterian Board of Paterson, were conducted in the local school building.

A small group of Methodists were meeting in a home on Van Houten Avenue in the Richfield section under the leadership of a Rev. Brower. This group was invited to unite with the residents of Albion Place to establish a new church . . . The setting for the church, high on the side of Garret Mountain, afforded an excellent view of the surrounding farmlands and a clear picture all the way to New York City . . . the church was given the name Belle Vista, or "beautiful view", and on March 18, 1894, Belle Vista Methodist Episcopal Church was officially incorporated.

As individual congregations, both Simpson Methodist Episcopal Church and Belle Vista Methodist Episcopal Church were not only beacons of faith to their parishioners, but pillars of service to the community and an integral part of many community activities. In the years since the union of these two congregations produced Belle Vista-Simpson United Methodist Church, this glowing tradition of community service has continued stronger than ever.

Mr. Speaker, among its multitude of activities, in the late 1970s Belle Vista-Simpson joined with the city of Clifton and the Passaic County Office on Aging in the development of a senior nutrition site located in its Fellowship Hall where 50 to 60 senior citizens are served lunch every day. As Belle Vista-Simpson enters its second century, I know its commitment of service to its faithful worshipers and the community will continue unabated.

It is with the greatest pride, then, Mr. Speaker, that I invite you and our colleagues to join me in saluting an outstanding house of worship in the greater northern New Jersey area whose long and storied history has made its community and State, and our Nation, a better place to live, Belle Vista-Simpson United Methodist Church of Clifton, NJ.

THE ORGANIZED VICTIMS OF VIOLENT CRIME

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. CLEMENT. Mr. Speaker, the Nation recently commemorated Crime Victims Week. As part of this commemoration, I was proud to join my fellow citizens in paying tribute to the Organized Victims of Violent Crime, an organization in my district which supports and assists middle Tennessee's victims of crime. This organization, headquartered in Madison, provides moral support and helps victims of crime and the survivors of crime victims.

The Organized Victims of Violent Crime provides contact with other bereaved persons, establishing self-help groups whose theme is "sharing is healing." Most importantly, the group works to increase society's awareness of the laws that make every citizen a victim, every time a violent crime is committed. The Organized Victims of Violent Crime are also concerned about the present judicial system and proposals that jeopardize the safety and welfare of law-abiding citizens.

The Organized Victims of Violent Crime have taken it upon themselves to increase society's awareness of the criminal justice system and the way it handles survivors of a victim of homicide. By closely following bills put before legislators, the organization voices concern about proposals that are detrimental to all citizens and then work to secure changes in these proposals.

One major goal of the organization is to implement and put before the Tennessee Gen-

eral Assembly a victim's bill of rights. Such a bill of rights would ensure that victims and witnesses are treated with dignity, respect, courtesy, and sensitivity. Another goal is to make victims more aware about their influence and participation in the criminal process. Rules requiring counseling, treatment, restitution, and job training programs would be included in the bill of rights.

Mr. Speaker, I am pleased to join my colleagues commemorating Crime Victims Week by paying tribute to the Organized Victims of Violent Crime and it's president, Edith S. Hammons. I look forward to working with such a fine organization that devotes its time to helping individuals and society at large. I commend their efforts and wish for their continued success in the future.

PRESIDENTIAL POLICY HIGHLIGHTS OPPORTUNITY FOR DEMOCRACY IN POLAND

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. LIPINSKI. Mr. Speaker, along with 40 others who cosigned my March 30 letter to President Bush urging the United States to play an active role in reforms in Poland, I greet today's policy announcement by the President with great enthusiasm. In a statement of strong conviction, President Bush made it clear that Poland offers a unique and important opportunity for America to promote freedom and democracy in Eastern Europe.

The administration's policy has sufficient substance to show Poland that we are serious about helping Poland's economic revival. At the same time, implementation of the aid package will be gradual and contingent on continued progress in political and social reforms. This conditional support is the only responsible way for the United States to respond to the overwhelming changes taking place in the Soviet bloc.

By granting GSP status and extending OPIC jurisdiction, the United States will take two important steps to enhance Polish economic reforms. Providing Poland access to Generalized System of Preferences should promote the production and export of consumer goods. Participation by the Overseas Private Investment Corporation in Poland will encourage private investment in Poland, allowing successful ventures to revitalize a devastated economy. The President looks to Congress to enact these legislative initiatives. I am optimistic that these proposals will be greeted with enthusiastic support by all Members who recognize this unprecedented opportunity for democratization of a communist state.

Additionally, the President recognized that international organizations will play a primary role in accommodating reforms in Poland. Rather than leave monetary policy strictly to the bankers and economists, the United States will take an active, constructive approach to monetary policy, encouraging our allies to aid the reform process through debt rescheduling and new programs. American leadership will help the Paris Club and the IMF reach a decision on how to aid Poland. This constructive approach further highlights the American commitment. At the same time, an active role in international organizations will help ensure that economic programs are not independent from political considerations.

Without question, a reforming Poland will offer limitless opportunities for creative exchanges and programs by private medical, educational, and church groups. I will be working to encourage such organizations to include Poland in their plans.

I am especially encouraged that the President has personally taken an active role in aiding the Polish people in their struggle for freedom. The President's conviction that the United States must uphold its commitment to democracy will play a key role in the peaceful evolution of democracy in Poland. Additionally, Poland will provide an important example to all Eastern Europe. When the democratization of Poland and the privatization of its markets proves successful, other Eastern European countries will know that the United States can be counted on to aid the struggle for self-determination and freedom.

The President's announcement will doubtlessly prove an important step in American foreign policy. It will prove even more important to the hopeful Polish people. I certainly hope that my colleagues in Congress will assign the same high priority to the changes in Poland that President Bush has today. Poland provides an unprecedented opportunity for democracy within the Soviet bloc, and United States policy toward Poland will have profound implications for all the people of Eastern Europe.

AMENDMENTS TO THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965 AND TO THE APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. SAVAGE. Mr. Speaker, today I have joined with several of my colleagues on the Public Works and Transportation Committee in introducing a bill, the Public Works and Economic Development Act Amendments of 1989, also called the National Development Investment Act, and the Appalachian Regional Development Act Amendments of 1989.

This bill is substantially the same as the bill that passed the House in the 100th Congress by a vote of 330 to 89 and is similar to those passed overwhelmingly in three previous Congresses. It provides urgently needed Federal investment dollars to severely depressed areas that have not benefited by national economic growth to assist in nurturing and diversifying the resources of those areas. It recognizes that all areas must contribute to the overall economic well being of the Nation.

The bill also recognizes that changing national and global economies have created new problems and challenges for our Nation. It affirms that it is in our national interest to develop a public and private sector partnership that will target economic development and adjustment activities to disadvantaged areas, and industries and groups within those areas, to meet those new challenges.

Title I of the bill, known as the National Development Investment Act, completely revises the Public Works and Economic Development Act of 1965. This revision consists of three titles. Title II of the bill contains amendments to the Appalachian Regional Development Act of 1965.

Title I of the National Development Investment Act provides grants for new construction or repair and rehabilitation of public facilities so essential to stimulate commercial and industrial development, and for establishing revolving loan funds that will foster small business growth and expansion of job opportunities and promote employee stockownership plans.

Title II provides grants for economic development, planning, including preparation of development investment strategies, and for universities, colleges, and other organizations to provide management and technical assistance. Provision is also made for evaluation of investment efforts and for demonstration programs.

Title III deals with administration of the National Development Investment Act.

Applicants may be States, counties, cities, towns, economic development districts, Indian tribes and development organizations. Applicants must certify that the area where a project is to be located meets at least one of three distress criteria: Per capita income 80 percent or less of the national average; an unemployment rate at least 1 percent above the national average for the previous 24 months; or significant job loss due to sudden economic dislocation.

A development investment strategy must be prepared specifically identifying several elements that will emphasize coordinated development efforts, mutually supporting projects in distress areas, and active participation by the private sector and non-Federal governmental units.

The bill would authorize $250 million annually for the 3 fiscal years 1990, 1991, and 1992 for development and planning programs and $26 million annually for salaries and administrative expenses. The limit on title I grants to each applicant is $4 million, other than grants to promote employee ownership organizations.

The Appalachian Act amendments, title II of the bill, reflect what the Appalachian Governors consider necessary to carry out expanded development activities aimed at making the region more competitive in world markets.

National and international economic events of the early 1980's undermined much of the Commission's earlier achievements in the region. In addition, because of reduced funding levels in recent years, the Appalachian Governors realized that their so-called finish-up program presented to the Congress in 1982 would no longer address their problems. Their programs have been refocused to address persistent problems and to improve the region's future prospects.

Authorizations included in this bill are for 3 years, 1990, 1991, and 1992 and provided $144 million annually for the highway programs, $37.5 million annually for nonhighway programs and $3.5 million annually for administrative expenses.

Mr. Speaker, this is the fifth Congress in which legislation to reauthorize these economic development programs has been introduced. Clearly, there is still concern for areas that have been bypassed in years of economic expansion and there is the same sense of urgency that we must encourage economic renewal and revitalization in our Nation's distressed urban and rural areas and help bring them into the economic mainstream.

As chairman of the Subcommittee on Economic Development I plan to hold hearings on the bill as soon as possible. I hope that when this legislation is reported out of committee and comes to the floor of the House, it will be passed by the same wide, bipartisan, margins as in previous Congresses and that the Senate will note the intensity of our concern and act on it in this Congress.

A summary of the bill follows:

HIGHLIGHTS OF PROPOSED BILL TO REVISE AND EXTEND EDA AND ARC LEGISLATION

Title I of the bill revises and extends Public Works and Economic Development Act of 1965; provides authorizations for Fiscal Years 1990, 1991 and 1992 at $250 million each year for programs and planning and $26 million for salaries and expenses.

To qualify, applicants must meet one of three distress criteria: (1) unemployment 1% above national average, previous 24 months, (2) per capita income 80% of national average (lastest statistics), (3) significant job loss due to sudden economic dislocation.

Qualified applicants: States, counties, cities, towns, economic development districts, Indian tribes and development organizations.

Program assistance provided:

Development Investment Assistance (Title I): Grants for new construction and improvement of public facilities (including site preparation)—up to 50% Federal share.

Grants to establish revolving loan funds to stimulate small business growth—$1 million limit and 50% Federal match.

Grants to establish revolving loan funds to set up employee stock ownership organizations—50% Federal match.

Grants to commercial development organizations to help small businesses by reducing interest rates for economic development project activities.

Technical assistance by Secretary:

$4 million limit on grants under this title to each applicant, except for grants to promote employee ownership organizations.

Strategy, Planning, Evaluation and Demonstration (Title II): Grants for economic development and strategy planning.

Grants to colleges, universities and other groups to provide management and assistance—75% Federal match of costs.

Authorizes evaluations and demonstration programs. Results to be reported to Congress within 90 days of completion.

Development Investment Strategy required, to include: inventory of community resources, industries and businesses; infrastructure available and needed; workforce skills; land available; showing of non-federal matching funds; showing of private sector willingness to invest; description of industry/businesss to be created or expanded; demonstration of participation by representative percentage of small business concerns owned and controlled by socially and economically disadvantaged individuals.

Application Procedure: Submit to Secretary of Commerce with Development Strategy.

Certify area meets distress criteria, and performance responsibilities.

Secretary reviews for approval/rejection based on consideration of several factors including severity of distress, anticipated increase in permanent employment, extent of private sector and non-federal involvement.

Subsequent applications must demonstrate new showing of distress.

Title II of the bill amends Appalachian Regional Development Act of 1965.

Provides authorizations annually for Fiscal Years 1990, 1991, 1992: For Development Highway and local access roads, $144 million (up to 80% Federal share); for nonhighway programs, $37.5 million (up to 50% Federal share); for salaries and expenses, $3.5 million.

Allows funds to be used for projects and programs to assist the most severely distressed and underdeveloped counties; for revolving loan funds for business assistance loans; for establishing business incubators; for community infrastructure projects; for on-site employee training and programs to enhance manpower skills; and for other initiatives directed toward developing and sustaining economic growth and stability.

AMERICA NEEDS TO EXTEND THE STEEL VRA PROGRAM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. MURTHA. Mr. Speaker, last week's report that the balance-of-trade figures for February had widened from a deficit of $8.6 billion in January to $10.5 billion reminds us that our trade problems are not behind us. Add in Data Resources' economist Sarah Johnson's prediction that the year's total trade deficit will show a decrease only from $120 billion to $117 billion and we are reminded that our previous bipartisan efforts on attacking the trade deficit need to continue in 1989.

Nowhere is this truer than the American steel industry where the voluntary restraint agreements have worked, and worked very well.

In the early 1980's, the steel industry was battered by massive unfair trade practices, an overvalued dollar and a deep recession. With the help of VRA Program, there has been a remarkable turnaround. Committing itself to a deep and painful restructuring, the industry, working with the United Steelworkers, has sharply reduced costs of production to a point where they are once again extremely competitive with foreign steel producers. In 1989, the American steel industry will once again be the most productive in the world—approximately 4.5 man hours per ton of steel produced.

And this has been achieved while still keeping prices in line. In fact, with certain types of steel, General Motors can purchase what they need more cheaply from American producers than Toyota can buy from Japanese producers.

The entire American economy has benefited from a stable American steel industry, and our economic and national security are enhanced by an industry that remains able to provide for America's steel needs.

The VRA Program has been a key to providing the environment where American industry and steelworkers could combine to bring the industry back to life. We now have 190 cosponsors on our steel caucus bill to extend the VRA Program for an additional 5 years, and the program deserves to be renewed and extended.

Between 1984 and 1988 steel imports have diminished by more than 6 million tons, roughly 15,000 jobs have been saved in steel and countless others in the steel using sector of the economy. In areas like western Pennsylvania, we have plants such as the Johnstown Bethlehem plant and smaller producers in Cambria and Westmoreland counties that literally could not have survived without the VRA Program.

When I read economists criticize the VRA Program, I think of those lyrics by the great composer Sammy Chan—"it seems to me I've heard that song before * * * it's from an old familiar score * * * I know it well, that melody." But in the 1980's and the 1990's, economic growth will come to those who reject the old lyrics and face the new economic reality of the times.

President Reagan listened to our arguments, recognized the realities, and implemented the strong VRA Program. President Bush's commitment to extend the VRA Program will insure that the Nation continues to have a healthy, viable steel industry, and that our steelworkers and steel communities can look forward to stability and employment.

The VRA Program works. It deserves to be extended.

U.S. COMMITTEE FOR REFUGEES: PUBLICATION OF WORLD REFUGEE SURVEY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. SOLARZ. Mr. Speaker, for 31 years, the U.S. Committee for Refugees has provided clear and objective information to policymakers and the general public on issues affecting refugees and displaced persons, the uprooted victims of human conflict. The U.S. Committee for Refugees serves as a critical resource for those of us concerned about refugee matters: the committee's reports are well researched and carefully written, and combine a humanitarian commitment with a keen understanding of the realities of the political process.

In 1988, the USCR sent factfinding missions to Thailand, southern Sudan, Uganda, and Kenya. USCR officials also testified before congressional committees; briefed Members of Congress, Government officials, and international organizations; spoke with civic and community groups; and issued reports on refugees and displaced persons from regions such as Indochina, southern Africa, the Horn of Africa, and South Asia. The USCR has also

reported on inequities in U.S. asylum policies, and has been an important source of information on refugee issues for the international and domestic media.

This year's World Refugee Survey, USCR's annual summary of refugee protection worldwide, contains important articles on refugees from Vietnam, Burma, and Afghanistan, as well as internally displaced persons, and asylum and immigration policy. The Survey also provides invaluable statistics and individual country reports from around the world. In his introductory article, "The Year in Review," USCR Director Roger P. Winter points out the importance of strong U.S. leadership in the effort to maintain and strengthen efforts within the international community to fashion compassionate responses that focus on the vulnerability of the victims of persecution and conflict. I ask that Mr. Winter's "Year in Review" be included for the RECORD.

I join today with many of my colleagues in once again commending and thanking the staff and volunteers of the USCR for the essential work of their organization.

THE YEAR IN REVIEW

(By Roger P. Winter)

Refugees need a permanent home. But, as victims of persecution and war, they have minimal control over their destinies. A solution for their homelessness must often seem utterly beyond their power to effect. That is because refugees are the flotsam of power struggles—world, regional, national, and local. The powerful, who have created the misery of the weak, have little regard for the tolls they have exacted and even less incentive for rectifying the losses incurred because of their actions. Therefore, the refugees are left to wait. And, if they retain the energy, to hope.

They hope that those who control the destiny of governments might take actions that will have the inadvertent bonus of affecting their destiny for the better as well. But the basic changes in the lives of common people that trickle down after negotiators have concluded their business are not easy to come by and don't materialize quickly. A year ago, we looked forward to the hope of Soviet withdrawal from Afghanistan, progress on the Central America peace plan, a peace accord in Sri Lanka, and the withdrawal of Vietnamese troops from Cambodia. A year later, progress has been made on a number of these situations. However, for most of the refugees another year has been added to their exile.

Still, progress between the superpowers and on some regional conflict offers hope that perhaps soon the worldwide refugee population—now at 14 million—will decrease rather than increase. The dramatic progress on a settlement in Namibia adds to this hope.

In the meantime, reality confronts us. Hundreds of thousands of new refugees have been created in 1988 in Africa, largely fleeing conflict in southern Sudan, northern Somalia, and Mozambique. The situation for Vietnamese refugees in Thailand degenerated early in the year, resulting in great loss of life and sparking an as yet unfinished fundamental reassessment of refugee policy throughout Southeast Asia. The end of the Iran-Iraq war, instead of bringing the repatriation of hundreds of thousands of refugees, actually resulted in the exile of an additional 100,000 Iraqi Kurds, and the internal displacement of perhaps ten times that number, as Iraq turned its guns—and more insidous weapons—away from its external enemy and onto troublesome elements within its own population.

While the resolution of so many refugee problems seems both tantalizingly close and as far away as ever, the interim protection of refugees through the offer of asylum and resettlement has noticeably deteriorated in 1988. Western Europe and North America continued a matrix of restrictive asylum policies and practices—particularly for refugees from the Third World—that are undermining the quality of refugee protection worldwide. The psychology, even the morality, of those in the developed world responsible for this latter situation is difficult to comprehend.

Despite serious poverty and other maladies in parts of the developed world, the very truth is that most of us in North America and Western Europe are materially well off, even fat by the standards of most of the world's people. In December, Bishop Herbert W. Chilstrom, head of the Evangelical Lutheran Church in America, recounted some of his recent experiences in the Third World. He said the sight of starving children and homeless people persuaded him that "never again will I be able to say I am middle class. The truth is I am a very rich person, and so are you." He said the chief sin that comes with acquiring possessions is that "we turn on ourselves."

Perhaps turning in on ourselves is not so different from turning our backs on others, protecting what we have. With the chasm that divides the world's rich from its poor growing wider and deeper, this may be the genesis of the new policies of restrictionism, an attempt to bar those other masses. But this approach ignores the fact that governments are specifically obligated by international covenant to deal with refugees and asylum seekers differently from other migrants. To avoid this, some have asserted that refugees are not refugees at all, but rather are economically motivated, simply trying to join us because of what we have.

We don't have the moral right to underestimate refugee pain. We have the moral obligation to consider their fears with ungerrymandered criteria and to respond generously. The moral wrong is the risk of rebuffing, to our later shame, deserving individuals and undermining, perhaps for years to come, the international refugee protection system, one of the most humanitarian systems the international community has yet constructed.

As usual, 1988 was a year of pluses and minuses for refugees. The most dramatic event early in the year was the action taken by Thailand to crack down on Vietnamese boat people. Beginning in late January, an interdiction blockade in the Gulf of Thailand deflected and redirected refugee boats headed to Thailand. Many boats were pushed back as they sought to land. In the process, several hundred refugees died. The changed psychology of the situation spawned a dramatic increase in pirate attacks against refugees. During the following months, attitudes in other first asylum countries of the region hardened. Pushbacks continued in Indonesia. Hong Kong rushed to implement a new screening program as a deterrent. Malaysia announced its intention to close its major refugee camp.

That these developments were tragic for individual Vietnamese refugees cannot be minimized. The events did, however, trigger movement towards a fundamental reassessment of the refugee situation in the region, including calls for a new international conference on the matter. It will be crucial in 1989 for the international community to resist pressures to wash its hands of the continuing exodus from Vietnam and to construct a truly principled approach that employs the full range of humanitarian solutions for these refugees—one that, while achieving improved control and minimizing less compelling flight, also fully protects refugees.

Thailand has unfortunately also allowed the deterioration of the screening program for refugees from Laos that it implemented in 1985. As a result, Hmong in particular continue to be pushed back into Laos. The U.S. quietly began to reconsider for resettlement some previously rejected Cambodians at Khao I Dang, a welcome change. Thailand made several important improvements in life quality and security for Cambodians located along the Thailand-Cambodia border, but inaction by Thailand and the international community permitted the dread Khmer Rouge to force thousands of refugees back into Cambodia. Finally, Thailand, which for years has provided unofficial haven for ethnic Karen and others who have fled fighting in Burma, also received a substantial number of students who fled political upheaval in most of Burma's major cities. Unfortunately, Thailand has not permitted UNHCR to fulfill its mandate regarding these refugees.

Aside from the successful final stages of the repatriation of Ugandan refugees from Sudan, the situation of refugees in Africa deteriorated markedly in 1988. The most predictable event was the continuing exodus from ravished Mozambique. The U.S. State Department released an invaluable report analyzing violence against civilians, attributing the great mass of it to the Renamo forces. Although the refugees have fled to every contiguous country, tiny Malawi has a refugee burden in many ways unmatched by any in the world. The refugee influx is a twelfth of the nation's own population.

Three other situations in Africa exploded into view in 1988. In August, ethnic violence in northern Burundi killed thousands and forced the flight of more than 50,000 to Rwanda.

Conflict in northern Somalia resulted in massive destruction in the major city of Hargeisa. In June, some 350,000 fled into nearby Ethiopia, which itself remains the Horn of Africa's largest refugee producer. The situation of the Somali refugees deteriorated in late 1988, resulting in substantial criticism of UNHCR by the nongovernmental organizations providing assistance.

The conflict in southern Sudan finally entered the world's focus. This current phase of the struggle between the Islamic, Arabized north and the non-Islamic, African south resulted in the deaths of at least 260,000 civilians in 1988 alone from direct violence and disrupted food production and distribution. Militias affiliated with the Sudan army targeted ethnic Dinka for violence, causing a trek of hundreds of miles for tens of thousands of young Dinka men and boys. In March, they began to arrive in Ethiopia in dramatic numbers, but even more dramatic condition. Relief workers said that as many as a quarter did not survive the journey, and that those who arrived in Ethiopia were in the worst physical condition of any refugee flow in decades. In all, 350,000 southern Sudanese refugees remain in Ethiopian camps.

The larger tragedy was that of southern civilians who remained in Sudan as "internally displaced people." A million made

their way to Khartoum to escape the direct fighting. There, the poorest of the poor, unassisted by a government that viewed them as a threat, they were the worst hit victims of August's massive Nile flooding. Most remain unassisted to this day. Interdiction of food supplies by authorities left many civilians in the transitional zone between north and south in absolute famine, as well as the victims of violent militias. And in the very south, the government was present in only a limited number of garrison towns. These towns, as well as towns like Kapoeta, controlled by the rebel Sudan People's Liberation Army, were ringed with thousands of the formerly proud, now dispossessed, often dying southern Sudanese.

It is hard to believe that a humanitarian tragedy of this dimension, fully known to governments including our own, could materialize with nary a murmur until the outcry of refugees and advocates, the beginnings of a media focus, and the burgeoning awareness of ordinary people of good will in many nations finally began to change the political equities and force a response.

Where was the UN? Where was the Organization of African Unity? Where was the world's humanitarian machinery in such a case? Sadly, there is little the international community is obliged to do, and little that it actually does. Such a situation is viewed as the "internal affair" of the country in question, whose government may well be fully or partially responsible for the very existence of the tragedy in the first place. Protecting and assisting internally displaced civilians—when the responsible government can't or won't respond adequately—is a major unresolved item for the international humanitarian agenda.

Millions of people remained internally displaced across South Asia and the Middle East as a result of unresolved civil conflicts, more often than not involving external powers. Two million displaced persons within Afghanistan were as obstructed from returning to their homes as the five million in exile in Pakistan and Iran. The exit of thousands of Soviet troops did not deter those remaining from continuing to engage in brutalities against the Afghan people and their land.

Hundreds of thousands of Sri Lankans remained internally displaced or in exile in India despite the signing a year ago of a peace accord meant to resolve the conflicts in that island nation. Hundreds of thousands remained displaced in Lebanon as well, as that country continued to be battered by competing warlords and militias. Palestinian refugees were still vulnerable to violence in Lebanon, as well as the occupied territories of Israel, where refugee camps were the scene of pitched battles and collective punishments.

Although the shootings stopped in the Iran-Iraq war, it produced the ironic result of new waves of repression against the internal enemies of both Saddam Hussein and Ayatolla Khomeini. An escalation of arrests and executions in Iran clearly signalled to Iranian refugees that it was not safe to return. Iraq, on the other hand, used the armistice as an opportunity to wage all-out war on the Kurds of the mountainous north, displacing hundreds of thousands within Iraq and causing tens of thousands to flee to neighboring Turkey and Iran. Turkey was particularly uneasy with the new influx, and continued to refuse to grant refugee status to refugees from either Iraq or Iran.

In Central America, civilians displaced by warfare and violence within their own countries, as well as refugees throughout the region and in North America, continued the wait for peace and security. Human rights conditions deteriorated in both Guatemala and El Salvador, with refugees continuing to flee those countries and spontaneously make their way north. Some Salvadoran refugees decided to return home, despite great turmoil and risk there. Their decision in part reflected the privations of their lives in Honduran refugee camps. Nicaraguans in Honduras fared somewhat better, but Honduras was indicating reluctance to continue to provide haven for either refugee group. Although fighting in the contra war reached a standstill late in the year, tens of thousands of Nicaraguans continued to flee the Sandinista regime and the shambles of an economy beset by war and natural disasters.

A dramatic increase in applications for asylum in the United States and Canada, especially from Central Americans, led both countries to make it increasingly difficult to file and pursue asylum claims. A U.S. federal judge ruled that the Immigration and Naturalization Service used methods "from subtle persuasion to outright threats and misrepresentations" to coerce and intimidate Salvadoran asylum seekers into abandoning their asylum claims.

Thanks to a continued relaxation of emigration policies in the Soviet Union, more than 70,000 people left in 1988, predominantly ethnic Germans, Armenians, and Jews.

These are welcome developments, although they challenge the United States and its resettlement partners to expand migration opportunities beyond a refugee context in order to accommodate such large numbers. While the reduction of east-west conflicts can pave the way for more constructive efforts to resolve some of the world's most trying refugee quandaries, among the greatest challenges will be the north-south variety, low intensity conflicts in the Third World, often involving brutal repression and wrenching dislocation.

The United States has a unique role to play in setting the tone for international response to these refugees and displaced people. The issue ultimately is one of moral, principled leadership, but too often that leadership does not surface without ordinary people supplying the motivation.

We are a people of cause. And when a cause catches us, strange and sometimes wonderful things happen. The little girl down the well, the ice-bound whales, the victims of earthquake in Armenia—all these caught us.

Refugees and displaced people are victims. A few are controversial. But the bulk are regular people caught up in persecution and violence. As a nation and as individuals, we have increasingly made the very tragic error of believing that refugees are one of our problems, rather than their becoming one of our causes.

We have a chance with a new Administration to change our course. While dealing with immigration enforcement, we should give the highest priority to preserving a humanitarian response to asylum seekers. While framing our foreign policy, we should give a priority of the highest order to human rights, to humanitarian assistance, to solutions to refugee movements, all in politically neutral terms that focus on the vulnerability of the victims of persecution and conflict.

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. MAVROULES. Mr. Speaker, I wish to extend my support for the Conscience Vigil for Soviet Jews, sponsored by the Union of Councils for Soviet Jews.

With the ascension of Mikhail Gorbachev to power and the spirit of perestroika sweeping the Soviet Government, there have been dramatic changes in many areas, including the increased emigration of refuseniks. This presents us with a historic opportunity, yet the United States has thus far failed to take complete advantage of it.

In 1979, prior to the Soviet Union's intervention into Afghanistan, Soviet Jews were emigrating at a rate of about 50,000 per year. Unfortunately, this figure was dramatically curtailed in subsequent years to an annual flow of just a few hundred.

For those committed to the cause of Soviet Jewry during this time, success was measure in small victories such as the release of Anatoly Shchransky and the freeing of Andrei Sahkarov from Gorky. However, the thousands of remaining refuseniks, persecuted by their countrymen, were not forgotten.

The liberalization of the Soviet's emigration policy resulted in the departure of almost 19,000 Jews in 1988. That figure is expected to reach about 30,000 this year. Yet, ironically our Government is not in sync. The State Department announced unofficially that because of the costs of relocating so many people, only 12,000 Soviet Jews can be processed this year.

In my judgment, the State Department's position is shortsighted. First, we must pressure the administration to increase funding to relocate emigres. We might consider the option of borrowing a portion of the $30 million balance in the State Department's Emergency Refugee and Migration Assistance Fund. Second, Jews leaving the Soviet Union are processed in Rome and Vienna. Eliminating the Vienna post would save time and money. Finally, more personnel should be added to the Immigration and Naturalization Service to process quickly the growing backlog.

Many have contended that the Soviet's motivation for their policy change is to see a discontinuation of the Jackson-Vanik amendment which links most-favored-nation trading status directly to freedom of emigration. It is my feeling that the Soviet Union still has much to prove on this front. Nevertheless, we must commend Mr. Gorbachev for his relaxed emigration policy and encourage him to go even further. Similarly, we must prod our own Government to go even further in relocating the Soviet Jews that have a unique and perhaps fleeting opportunity to emigrate. We must take advantage of this new chance to resettle refuseniks who have so long been denied the basic freedoms all Americans enjoy. To this end, I believe there is a lot that can still be done.

BIODEGRADABLE FOOD CONTAINERS IN THE HOUSE OF REPRESENTATIVES

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Ms. SCHNEIDER. Mr. Speaker, in conservation, as in so many areas, we in Congress must lead by example. Today, I am introducing a resolution to remove polystyrene foam products from the food services of the House of Representatives.

These nonbiodegradable foam products are not only a significant environmental hazard but a symbol of waste and litter. Although ozone-depleting chlorofluorocarbons [CFC's] are being phased out of polystyrene foam production, the problem of disposal has not been adequately addressed. When one throws away a polystyrene foam container, it goes to either a landfill—where it may survive for decades—or an incinerator—where its combustion increases air pollution.

My resolution would require that disposable trays, dishes, and beverage containers used in the food services be made of biodegradable material. This action is not meant to impugn the multiple uses of polystyrene foam products, which had widespread applications throughout our economy; rather, it is intended to promote the use of biodegradable or more readily recyclable materials in the food service sector, which has such a high consumption rate.

Mr. Speaker, I do not expect the House of Representatives to make a significant change in our Nation's solid waste disposal problems as a result of this action. Symbolically, however, eliminating polystyrene foam products would take advantage of the groundswell of public concern over the quality of our environment.

Today, Senator JOHN HEINZ and I are cointroducing resolutions to eliminate the use of nonbiodegradable, disposable containers in the U.S. Congress. I encourage my colleagues to join me and take a symbolic and actual step toward a more ecologically sound food services program.

TRIBUTE TO FATHER DAMIEN

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. AKAKA. Mr. Speaker, on Saturday, April 15, the people of Hawaii and Belgium will commemorate the centennial of the death of one of the greathearted humanitarians of all time.

The Blessed Reverend Joseph Damien Deveuster, in 1873, made a voluntary sojourn to live among the lepers at Kalaupapa on the island of Molokai.

Father Damien, who we commemorate in the Capitol's Statuary Hall, was the rarest kind of man. To the amazement of his bishop and his peers, he could not walk away from the apathy and rotting flesh that he found in Kalaupapa, a place that was called a living graveyard.

Instead, Father Damien established the Philomena Church. For 16 years he ministered to the physical and spiritual needs of Hansen's disease victims until he succumbed to the disease at age 49.

Those afflicted with Hansen's disease were banished from the conscience of society, yet Father Damien opened his heart, his eyes, and his arms to their needs and suffering. By living among them and restoring their dignity, he also uplifted mankind's dignity.

It gives me joy that we continue to revere Father Damien 100 years after his death.

LEGISLATION TO PROTECT INDIAN ARTS AND CRAFTS

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. KYL. Mr. Speaker, I rise today with my distinguished colleague from Colorado, the Honorable BEN NIGHTHORSE CAMPBELL, to introduce legislation to better protect Indian arts and crafts from counterfeiting and misrepresentation in the marketplace.

For many Native American families, the sale of their arts and crafts can be their sole source of income. In fact, several weeks ago, when I visited the small community of Sand Springs, AZ, I met just such a family, whose Navajo rugs yield their sole source of support. These are not wealthy people. They struggle from day to day to meet the expenses of a modest lifestyle. If they were allowed to keep more sheep, they told me, they could sell more rugs and improve their standard of living.

Yet, when hardworking Native American artisans try to market their crafts, they can find that prices are constrained by cheap counterfeit imports, or products that are simply misrepresented by merchants as being authentic Indian artwork.

The Commerce Department, in a 1985 report to Congress, estimated that imported imitation Native American handicrafts are siphoning off 10 to 20 percent from genuine manufacturers' markets. Commerce also found that much of the counterfeit market is made up of jewelry that undersells the genuine articles made by craftsmen such as the Navajo, Hopi, and Zuni by as much as 50 percent.

Misrepresenting products as genuine is not only an unfair marketing practice that shortchanges consumers; it is a threat to the historical and cultural traditions that are entailed in their manufacture. If artisans have to increase productivity at the expense of time-honored manufacturing techniques in order to compete with cheap imports, an important part of their heritage will have been compromised and lost. Similarly, if the income derived from their craftwork becomes too low, younger generations are discouraged from learning the crafts and they can die out altogether.

The legislation I am introducing today would amend and strengthen the provisions of current law which are intended to address these problems but which have been ineffective in doing so.

Specifically, the bill would improve the system by which the Indian Arts and Crafts Board can license and register trademarks. An improved system of marks would allow consumers to identify genuine products with a high degree of confidence.

The bill would also strengthen criminal penalties for misrepresentation of Indian products, and, more importantly, would provide new civil remedies by which artisans and others can obtain compensation from those who participate in fraudulent sales practices.

Provisions are also included to strengthen the ability of the Indian Arts and Craft Board to screen complaints for further action by the Justice Department.

I introduce the bill knowing that changes will likely be made, particularly in how the term "Indian" is defined. I am open to comment about how to deal with this very important, yet sensitive issue, and will look to the committee to help craft a definition during markup.

I invite my colleagues to join me and Congressman CAMPBELL in cosponsoring this initiative. I include the text of the bill to be reprinted in the RECORD at this point:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DECLARATION REGARDING REGULATION OF TRADE IN INDIAN ARTS AND CRAFTS.

Clause 3 of section 8 of article I of the Constitution of the United States confers on Congress the power to regulate commerce with the Indian tribes. In the recognition of this authority and the obligation it entails, the Congress finds and declares that trade in Indian arts and crafts shall be protected.

SEC. 2. POWERS OF INDIAN ARTS AND CRAFTS BOARD.

Section 2 of the Act entitled "An Act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes" (25 U.S.C. 305a) is amended—

(1) in the first sentence—

(A) by striking "the Board" and inserting "the Secretary of the Interior through the Board"; and

(B) by striking "Indian wards of the Government" and inserting "Indian individuals"; and

(2) by amending clause (g) to read as follows: "(g)(1) to create for the Board, or for an individual Indian or Indian tribe or group, trademarks of genuineness and quality for Indian products and the products of an individual Indian or particular Indian tribe or group; (2) to establish standards and regulations for the use of Government-owned trademarks by corporations, associations, or individuals, and to charge for such use for such licenses; (3) to register any such trademark owned by the Government or a trademark owned by an individual Indian, or Indian tribe or group, in the United States Patent and Trademark Office without charge: and (4) to pursue in the courts any appeal or defense proceeding with respect to any final determination of that office;".

SEC. 3. REFERRAL FOR CRIMINAL AND CIVIL VIOLATIONS.

(a) CRIMINAL.—The Indian Arts and Crafts Board may receive complaints of violations

of section 1159 of title 18, United States Code, and refer complaints of such violations to the Federal Bureau of Investigation for appropriate investigation. After reviewing the investigation report, the Indian Arts and Crafts Board may recommend to the Attorney General of the United States that criminal proceeding be instituted under that section, which shall be prosecuted in appropriate cases.

(b) CIVIL.—The Indian Arts and Crafts Board may recommend that the Secretary of the Interior institute a civil action under section 1159(c) of title 18, United States Code, which shall be commenced in appropriate cases.

SEC. 4. MISREPRESENTATION OF INDIAN PRODUCED GOODS AND PRODUCTS.

(a) IN GENERAL.—Section 1159 of title 18, United States Code, is amended to read as follows:

"§ 1159. Misrepresentation of Indian produced goods and products

"(a) It is unlawful to offer or display for sale any good, with or without any Government trademark, as Indian produced, an Indian product, or the product of a particular Indian or Indian tribe or group, resident within the United States, when such good is not Indian produced, an Indian product, or the product of the particular Indian or Indian tribe or group.

"(b) Whoever knowingly violates subsection (a) shall—

"(1) in the case of a first violation, be fined in accordance with this title, imprisoned for not more than one year, or both; and

"(2) in the case of subsequent violations, be fined in accordance with this title, imprisoned for not more than 1 year and 6 months, or both.

"(c)(1) Whoever is aggrieved by a violation of subsection (a) may, in a civil action—

"(A) obtain injunctive or other equitable relief;

"(B) recover the greater of—

"(i) treble damages,

"(ii) in the case of each aggrieved purchaser, liquidated damages of not less than $1,000 for each violation;

"(iii) in the case of each aggrieved individual Indian, Indian tribe or group, or competing producer, supplier, or retailer, not less than $1,000 for each day on which subsection (a) is violated.

"(2) In addition, a court may award punitive damages and the costs of suit and a reasonable attorney's fee.

"(d)(1) A civil action under subsection (c)(1) may be commenced—

"(A) by the Attorney General of the United States upon request of the Secretary of the Interior on behalf of an Indian or an Indian tribe or group;

"(B) by the Attorney General of the State in which the violation occurred; or

"(C) by an Indian tribe or group on behalf of its members.

"(2) Any amount recovered pursuant to paragraph (1) shall be paid to the individual Indian or Indian tribe or group concerned, except that—

"(A) in the case of paragraph (1)(A), the Attorney General may deduct from the amount recovered the amount for the costs of suit and reasonable attorney's fees awarded pursuant to subsection (c)(2) and deposit the amount of such costs and fees as a reimbursement credited to appropriations currently available to the Secretary at the time of receipt of the amount recovered;

"(B) in the case of paragraph (1)(B), the amount recovered for the costs of suit and reasonable attorney's fees pursuant to subsection (c)(2) may be deducted from the total amount awarded under subsection (c)(1), and if the violation does not concern an individual Indian, Indian tribe or group, then the entire award may be retained by the State; and

"(C) in the case of paragraph (1)(C), the amount recovered for the costs of suit and reasonable attorney's fees pursuant to subsection (c)(2) may be deducted from the total amount awarded under subsection (c)(1).

"(e) As used in this section—

"(1) the term 'Indian' means any individual who is a member of an Indian tribe;

"(2) the terms 'Indian product' and 'product of a particular Indian tribe or group' has the meaning given such term in regulations which may be promulgated by the Secretary of the Interior; and

"(3) the term 'Indian tribe' means any Indian tribe, band, nation, Alaska Native village, or other organized group or community which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.".

(b) CONFORMING AMENDMENT.—The item relating to section 1159 in the table of sections for chapter 53 of title 18, United States Code, is amended to read as follows:

"1159. Misrepresentation of Indian produced goods and products.".

SEC. 5. PENALTY FOR COUNTERFEITING INDIAN ARTS AND CRAFTS BOARD TRADE MARK.

Section 1158 of title 18, United States Code, is amended by striking "fined not more than $500 or imprisoned not more than six months," and inserting "fined in accordance with this title, imprisoned not more than 1 year and 6 months,".

A TRIBUTE TO FATHER JOSEPH DORSEY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. WALSH. Mr. Speaker, it is with sadness that I bring this matter to the attention of the House. But it is with great pride as well. Because surely those of us who believe in God and the hereafter have good reason today to rejoice that one more holy person has joined the ranks of the favored in Heaven.

Father Joseph Dorsey, my cousin, was born in Syracuse, NY, the son of John and Margaret Dorsey. He died on December 28, 1988.

As a proud Irish Catholic, he knew many politicians, whom he never failed to see the good in.

His life was marked by inspiration. Perhaps his greatest show of strength came at the time of his death. He had been hospitalized several times. The future was so uncertain, but he had tremendous faith in the providence of God. In the hospital he told a friend, "I remember my father once saying win, lose, or draw, you've got to accept the decision. I've had a wonderful life. I've been surrounded by a loving family, by wonderful friends. I've loved my priesthood and I am grateful to God."

It was said at his funeral that Father Dorsey did some of his finest teaching in that hospital room. He saw in his sufferings his final ministry to God, to the people around him, to the Church, and to the world. Those of us who knew him are assured that he still looks upon us—still willing to minister to us.

This great man was also a humble man who would have been honored, and perhaps is honored today, to have his name mentioned inside the walls of this institution, which reflects the values and qualities he so admired in our great country.

CONGRATULATIONS TO S. SGT. JOHN E. RHODES

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. DAVIS. Mr. Speaker, I would like to take this time to extend congratulations to S. Sgt. John E. Rhodes, a native of Negaunee, MI, who was named the 1988 Army Aviation Soldier of the Year on April 7. The award Staff Sergeant Rhodes received honors him for making an outstanding individual contribution to Army aviation during 1988.

As the allied shops platoon sergeant, Task Force Phoenix, 4th Brigade, 1st Armored Division, Staff Sergeant Rhodes' performance was unparalleled throughout Army aviation in 1988. He took tremendous initiative in programming and organizing a work order system which ensured a timely maintenance performance. He played a key role in improving his battalion's operational readiness rate. John Rhodes' supervision of the soldiers in his platoon helped lead them to a 100-percent skill qualification test [SQT] pass rate.

Staff Sergeant Rhodes has a long list of accomplishments with the Army. He is a recent basic noncommissioned officer [NCO] course honor graduate. In 1988, he was inducted into the prestigious Sergeant Morales Club. His performance level has improved the image of aviation NCO's across Europe where he was last stationed. John also spends much of his off-duty time participating in civilian education. He received his bachelor of science degree in aeronautical engineering and is now working toward earning his masters.

Through example John has steered many soldiers on successful paths in the Army. Two of Staff Sergeant Rhodes' soldiers were selected as brigade soldier of the month and one noncommissioned officer was selected as brigade NCO three times and is now competing for induction into the Sergeant Morales Club.

Staff Sergeant Rhodes' enthusiasm and dedication to serving our country exemplifies the type of soldier that keeps the United States out front as the world's most powerful nation. John's example to others helps create an armed services network known for dedication and strength. It is this reputation which keeps our Nation peaceful. I, on behalf of the Congress, my district, and Americans everywhere who live in peace because of the efforts of men and women like John Rhodes, would like to thank and congratulate Staff Sergeant Rhodes for his successful efforts and

receipt of the Aviation Soldier of the Year Award.

REPEAL INTERNAL REVENUE CODE SECTION 89

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, section 89 of the Internal Revenue Code was enacted as part of the Tax Reform Act of 1986, before I was elected to Congress. The goal of this provision was to encourage employers to provide health and insurance benefits to all employees on an equal basis. The Technical and Miscellaneous Revenue Act of 1988 included some changes to reduce the complexity of section 89. The Internal Revenue Service [IRS] published additional regulations explaining section 89 on March 7, 1989. The IRS regulations fill up 44 pages of the Federal Register and still do not provide a simple, complete explanation of how to comply with section 89.

Section 89 was designed to ensure that employer-sponsored benefit plans do not favor top level employees. It requires all business owners to conduct a series of complicated tests to determine if their health and life insurance plans are distributed fairly among their highly paid employees and the rank and file. To do this, it would be necessary for businesses to undertake costly data-gathering and to master complicated rules for determining the value and eligibility of different benefit options.

I have received letters from all sectors of Long Island's business community expressing concern about section 89. According to the National Federation of Independent Businesses [NFIB], section 89 would cost employers thousands of dollars in unnecessary fees and paperwork and increase the cost of benefit plans.

Congressman JOHN LAFALCE, chairman of the House Small Business Committee, introduced H.R. 634 to repeal section 89. I have cosponsored H.R. 634 because of my concern about the nonproductive burden this regulation places on businesses, and because of the strong possibility that section 89 may result in a reduction in employer provided health benefits instead of their expansion to all employees, which was the intention of the provision.

The prospects for reform of section 89 are very good. H.R. 634 currently has 275 cosponsors. I am pleased that Ways and Means Committee Chairman DAN ROSTENKOWSKI has announced that he will introduce legislation to streamline provisions of this section. I look forward to new hearings on section 89 being held soon.

I plan on fully supporting repeal of section 89. I support the goal of nondiscrimination in employee benefit plans. However, I believe that given a little more work, a simpler and more effective system to accomplish this goal can be developed.

HONORING THE CALIFORNIA MARINE MAMMAL CENTER

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mrs. BOXER. Mr. Speaker, I rise today to speak in honor of the California Marine Mammal Center, based at Fort Cronkhite in the Golden Gate National Recreation Area and winner of the President's 1989 Voluntarism Award. This is the only environmental group or individual winning this award and, I'm proud to say, the second Voluntarism Award to go to residents of the Sixth Congressional District of California in the past 5 years.

This important center was founded 14 years ago to rescue and rehabilitate sick, injured, or distressed marine mammals. Almost 95 percent of the 350-member staff comprises volunteers. They include attorneys, carpenters, x-ray technicians, homemakers, and educators who staff the fight shop and information desk, handle public relations, head major departments, and lead hospital-care crews.

This group's work is even more poignant to us today as similar efforts are underway to save the marine mammals and wildlife suffering from the toxic oil spill poisoning Prince William Sound, AK. These efforts reflect well on our humanity and stewardship of our natural resources.

In 1984, Elizabeth Terwilliger of Marin County received the President's Voluntarism Award for her tireless efforts teaching thousands of local youngsters the beauty and wonder found in the natural world around them. Now another Marin institution is here today to receive our thanks. The volunteers of the California Marine Mammal Center deserve our praise for their selfless devotion to the protection and rehabilitation of these magnificent creatures of the sea.

PERSONAL EXPLANATION

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. BALLENGER. Mr. Speaker, I was not present during House consideration of H.R. 20, the Federal Employees' Political Activities Act. Had I been present for rollcall vote 28, I would have voted "nay" on final passage of the bill.

In addition, Mr. Speaker, I was not present during consideration of H.R. 1385, the Martin Luther King, Jr., Federal Holiday Commission Act Extension. Had I been present for rollcall vote 29, I would have voted "nay" on final passage of the bill.

CHICAGO HAS THE POWER

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. LIPINSKI. Mr. Speaker, few people paid much attention to the grizzled veteran of soccer Karl-Heinz Granitza at the beginning of the 1988–89 American Indoor Soccer Association season when he claimed that the Chicago Power would reach the AISA finals.

The Power was in its first season of existence. There was no way Granitza, the 37-year-old coach of the Power who also is one of the league's greatest scoring threats, could create a winning expansion team. Nevertheless, Granitza freely made the claim that the Power would compete in the finals.

But the Chicago Power has made AISA fans believers in Granitza's mysticism. Not only did the Power reach the AISA finals via a 20 to 4 trouncing of Milwaukee, but they have evened the championship series at 1 to 1 and are heading back to the friendlier confines of the hometown Rosemont Horizon.

On April 13, the Power had one game between themselves and the AISA Championship series. Ignoring the pressure produced by a coach who predicts championships, the Power controlled Milwaukee from wire to wire. Displaying the awesome firepower that drove the expansion team all season, the Power silenced the Milwaukee sellout crowd with an awesome 20 to 4 victory. Granitza's prediction had come true.

But as any Chicago fan knows, the Power success story is far from over. The perennial AISA powerhouse Canton Invaders had visions of winning the first two games of the series at home and cruising to another championship. But just yesterday, player-coach Granitza scored two fourth quarter goals to give the Power an 8 to 6 victory over the Invaders, and tie the series at one game apiece.

With the Power returning to their home crowd support at the Horizon, I do not imagine my colleague from Canton, the Hon. RALPH REGULA, is feeling very confident about our friendly wager on the AISA championship series. I can assure him that I am looking forward to some Superior Ice Cream with Smuckers toppings. Judging from the recent striking force of the Chicago Power, I regret that Canton may have to wait to enjoy Nick Perino's world famous Home Run Pizza until another year.

MINIMUM WAGE ADJUSTMENT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, nearly 8 years have passed since there has been an increase in the minimum wage. Almost 4 million people who work for the minimum wage in this country have seen the purchasing power of their earnings erode by over 30 percent.

I believe we need to make a modest adjustment in the minimum wage, but I did not support the bill that was reported from the committee because I felt the recommendations were too high.

I want to see a modest but fair adjustment in the minimum wage with sufficient protections for small businesses and, for that reason, I supported the substitute amendment. The substitute provides for a three-stage increase over 3 years that would take the minimum wage from $3.35 an hour to $4.55 an hour.

In addition, the substitute provides an increase in the size of the small businesses exempted so that those with under $500,000 in gross receipts will not be affected by the minimum wage. Finally, the first year covered by the substitute allows for a training wage that starts at $3.35 for a 60-day period for those first-time employees who are entering the work force as trainees. The training wage would be pegged at 85 percent of the minimum wage until 1992.

All in all, this is a satisfactory compromise. I did not support those who felt we should increase the minimum wage to $4.65 in a short period of time and I did not support those who would not offer a significant exemption for small businesses. My concern about our small businesses being able to deal with increased costs led me to support this compromise. It exempts many small businesses from its provision and embodies a more modest step to increase the minimum wage for those who are struggling to make ends meet.

UNITED STATES SALE OF MILITARY EQUIPMENT TO SECURITY FORCES FOR USE IN TIBET

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. GILMAN. Mr. Speaker, today I am introducing legislation (H.R. 2002) which will ensure that United States military equipment is not used by Chinese authorities in Tibet to support martial law or repress Tibetans in Tibet.

The United States Congress has on numerous occasions strongly condemned the mistreatment of the Tibetan people by Chinese authorities in Tibet—See for example section 1243, Foreign Relations Authorization Act, fiscal years 1988 and 1989, attached. The Department of State has also expressed concern and confirmed that "the United States Government strongly supports human rights in Tibet."

In recent months authorities in Tibet have used increasingly harsh measures to repress the expression of the widespread anti-Chinese and nationalist feelings in Tibet, in particular in preventing the open demonstration of such feelings. Thus, most protest marches that have taken place in Tibet's capital, Lhasa, have been met with excessive force by Chinese security forces using firearms, tear gas, wooden and iron clubs with nails protruding from them, and electric cattle prods—the wooden clubs and electric cattle prods are also regularly used as torture instruments during interrogation of detainees.

On March 7, 1989, martial law was declared in Lhasa and surrounding areas following 3 days of large-scale demonstrations and rioting by Tibetans demanding an end to oppressive Chinese rule.[1] Latest reports indicate that over 100 Tibetans were killed. (New York Times, Apr. 13, 1989.) All foreign press and tourists were expelled from Lhasa and thousands of People's Liberation Army [PLA] troops took up positions throughout the city and surrounding areas to enforce the martial law decrees,[2] to conduct house-to-house searches, arrest Tibetans suspected of participation in demonstrations, and to monitor all movements by Tibetans.

The Government of the United States must ensure that no police or military equipment sold to the Government of the People's Republic of China, the PLA, or other organs and agencies of that government are used to suppress demonstrations by the Tibetan people or enforce martial law and other measures that violate or restrict the Tibetan people's human rights and democratic freedom.

There are credible reports that indicate the United States helicopters have been and will be used to support Chinese actions against the Tibetan people.

According to a report which appeared in the South China Morning Post citing "military experts," the Chinese Central Government deployed about 170,000 troops, including paratroopers, within striking distance of Lhasa immediately following the declaration of martial law on March 7, 1989. The report stated that the force, which included "a large air force of fighters, bombers and U.S.-made Sikorsky helicopters," could be supplemented by six CX-47 helicopters recently acquired from the United States." (See attached FBIS report.)

Chinese reports stated that following the September and October 1987 demonstrations in Lhasa PLA airborne units were rushed to Tibet in what was described by the official Xinhua agency as the "largest airlift of troops" in Chinese history.

According to "Aviation Week and Space Technology," the U.S.-built Sikorsky S-70C Black Hawk helicopters were used by the PLA to help monitor the Lhasa demonstration in the fall of 1987. (Black Hawk Helicopters Assist Tibetan Military Operations, Aviation Week Oct. 19, 1987.) A licensed United States pilot who was in Lhasa in the summer of 1987 also reported the use of these helicopters in intimidating manuevers over the Tibetan city of Lhasa.

In July 1988 PLA airborne units underwent training on the Tibetan plateau for the first time. The units are described in Zhangguo Xinwen as "an essential force of China's mobile and quick reacting troops [which] can meet the requirements of limited warfare and eventualities." (See attached FBIS report.)

The PLA wishes to purchase the CH-47 Boeing helicopters, among the largest U.S. military troop and cargo transport helicopters, for transportation of PLA airborne units similar to those which were rushed to Lhasa in October 1987 and again in March 1989. (See attached articles from Seattle.) Boeing was asked to ship a helicopter to Tibet for several weeks of demonstration flights there before the PLA could decide to purchase the helicopters.

Under the Foreign Assistance Act, section 502B, "no security assistance may be provided to any country or government of which engages in a consistent pattern of gross violations of internationally recognized human rights." Licenses may not be issued under the Export Administration Act of 1979 for the export of equipment to such a country's security forces.[3]

In Tibet, the police—Public Security Bureau personnel—paramilitary units, and PLA units work together closely in suppressing what are termed "counter revolutionary forces" in Tibet. The enforcement of martial law is perhaps the clearest expression of this cooperation which, however, exists even when martial law is not in effect.

The United States should therefore withhold licenses for the export of any equipment, including helicopters, which may be used by security forces—military, paramilitary, or police—against the Tibetan people.

Accordingly, I urge my colleagues to support the bill, and I ask that a copy of the full text be inserted at this point in the RECORD:

H.R. 2002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESTRICTIONS ON EXPORTS OF DEFENSE ARTICLES TO THE PEOPLE'S REPUBLIC OF CHINA FOR USE IN TIBET.

(a) CONGRESSIONAL CONCERNS.—The Congress notes with deep concern the worsening situation in Tibet, in particular—

(1) the continuing gross violations of human rights by Chinese authorities in Tibet against the Tibetans as individuals and as a people;

(2) the exclusion of foreign press and human rights organizations; and

(3) the restrictions imposed on other travelers and the imposition of martial law in Lhasa and surrounding areas.

(b) RESTRICTION ON MUNITIONS EXPORT LICENSES.—A license may not be issued under section 38 of the Arms Export Control Act for the export to the People's Republic of China of any defense article on the United States Munitions List, including helicopters and helicopter parts, unless the President certifies to the Congress that the Government of the People's Republic of China is not using any such defense articles in any of the activities described in paragraphs (1), (2), and (3) of subsection (a).

[1] The order imposing martial law, signed by Premier Li Peng took effect at midnight on March 7.

[2] Tibet People's Government martial law decrees, FBIS-CHI-89-044, p. 10, Mar. 8, 1989. Under these decrees freedom of movement and expression have been severely curtailed.

[3] An exception can be made if the President certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate that extraordinary circumstances exist warranting provision of such assistance and issuance of such licenses.

TIBET REGIONAL PEOPLE'S GOVERNMENT CHAIRMAN DOJE CERING

[7 March 1989]

170,000 TROOPS DEPLOYED NEAR LHASA

[HK0803031589 Hong Kong South China Morning Post in English 8 Mar 89 p 1]

[Text] The Central Government has deployed about 170,000 troops, made up of 17 divisions of the People's Liberation Army, within striking distance of Lhasa, according to military experts.

The divisions are largely artillery units, equipped with howitzers, mortars and anti-aircraft guns, infantry and paratroopers but no armor.

A large air force of fighters, bombers and U.S.-made Sikorsky helicopters could be supplemented by six CS-47 helicopters recently acquired from the United States.

There are two or three divisions of the People's Armed Police (PAP), numbering about 30,000 officers and men.

Military experts said deployment in Tibet provided for internal security purposes as well as for national defence, particularly following border tension with India in 1987.

The situation has since eased and only an estimated 50,000 troops were deployed along the border with India.

MILITARY IMPLEMENTS MARTIAL LAW

[HK0803125889 Lhasa Tibet Regional Service in Mandarin 1130 GMT 8 Mar 89]

[Text] The Tibet Military District immediately dispatched its units to undertake duties in Lhasa as soon as the State Council issued its decree on martial law. The officers and men have stood firm at their posts and strictly carried out the State Council decree. The masses universally declared: We feel a sense of security with the PLA patrolling the streets. We will cooperate in implementing the State Council's martial law decree and completely smash the separatist conspiracy.

Within 24 hours of entering the cordoned area the fully armed PLA officers and men, who are carrying their own food, have overcome all kinds of difficulties and displayed great vigilance in checking pedestrians and vehicles and not allowing a single scoundrel to escape. They have strictly observed mass discipline and implemented the party's policy on nationality and religion. Their actions have been deeply welcomed by the cadres, masses, clergy, and laity.

Tibet Military District leaders Zhang Shaosong and Liu Yongkang inspected the units' peformance on 8 March. They expressed the hope that, through our station's broadcast, more of the masses will be able to understand the security check measures being undertaken by the units during martial law and will further step up Army-people cooperation to ensure stability in Lhasa.

"MASS ARRESTS" CARRIED OUT

[HK0803145889 Hong Kong AFP in English 1435 GMT 8 Mar 89]

(By Patrick Lescot)

[Text] Beijing, March 8 (AFP)—The Chinese Army carried out mass arrests in Lhasa during the first day of martial law Tuesday in the Tibetan capital, according to foreigners reached there by telephone.

"Helmeted soldiers armed with machine-guns are everywhere. I can see at least 100 in our street alone," French traveler Jacques Launey said.

The 27-year-old Parisian said guests had been told not to leave the hotel he was staying in and added that police had woken them during the night and told them they must leave the city within 48 hours.

Tibetans in the hotel, located in the center of Lhasa, said they had seen the army carry out hundreds of arrests during house-to-house searches in the city's Tibetan quarter.

LHASA UNDER MARTIAL LAW—UNITED STATES, BRITAIN EXPRESS CONCERN FOR RIGHTS

[From SETH FALSON in Beijing and agencies]

CHINA declared martial law in the Tibetan capital of Lhasa from midnight last night following three days of bloody anti-Government rioting.

Police imposed a temporary curfew and cleared the streets in the afternoon, threatening to shoot anyone found in the central square or in the Tibet, an section nearby, an American witness said.

Last night, the Chinese representative at the United Nations Human Rights Commission in Geneva said the rioting was triggered by terrorists sent from outside the mountain region.

Mr. Li * * * told the 43-nation panel that the violence "endangered the security and sovereignty of China" and therefore forced authorities to take "corresponding measures."

He said "a few separatists do not wish to see progress and better living standards in Tibet" because they fear that would end "their daydream of separating Tibet from China".

"They even sent desperate elements to Tibet for terrorist activities like murders and explosions in an attempt to undermine the stability and normal construction in Tibet," he said.

The British Government last night said it was "very concerned" about the loss of life in the demonstrations and urged Beijing to begin negotiations with the Dalai Lama to try to bring an end to the clashes, which have led to at least 15 deaths and an unspecified number of injuries since Sunday.

A Foreign Office spokesman said: "We are gravely concerned at reports of the loss of life there.

"We have repeatedly made clear to the Chinese Government our concerns on human rights there."

The United States also said it deplored this week's violence.

"We particularly deplore the use of weapons that has apparently resulted in numerous deaths and injuries," State Department spokesman Charles Redman said.

China imposed martial law in Lhasa to keep foreigners out of the riot-torn Tibetan capital and shield China from world opinion, a spokesman for the Dalai Lama said yesterday.

"Martial law, as far as Tibetan people are concerned, will not make much difference because Tibet has been under martial law for the past 30 years," said Tashi Wangdi, New Delhi representative of the exiled Tibetan spiritual leader.

"It's mainly aimed at foreigners in Lhasa who have been courageously sending out information about the situation in Tibet," Mr. Wangdi said.

Under one of three directives issued by the Tibetan Regional Government yesterday foreigners are prohibited from entering Lhasa without permission and those who were already in the capital would be required to leave when told to do so.

All parades and gatherings have been banned and strikes outlawed in the martial law zone which covers the capital and the surrounding area between Lamu township of Dagze County in the east and Doagga township of Doilungdeqen County in the west.

The People's Armed Police and People's Liberation Army were empowered to "take necessary measures" to put down disturbances. They may search suspects and enter homes.

Only authorized people or vehicles may pass a security check to enter the cordoned-off area.

"No one is allowed to instigate separatist actions by any means in any places, create disturbances, urge people to attack government institutions, destroy public property, or commit any illegal activities such as beating, smashing, looting and burning," the order says.

Offenders were to be severely punished according to the law.

In London, the Foreign Office said Sir Geoffrey Howe raised the issue of human rights in China when he met his Chinese opposite number during the funeral of Emperor Hirohito in Tokyo last month.

"The Chinese Government and the Tibetan people, including the Dalai Lama, must engage in dialogue to solve the country's problems," a Foreign Office spokesman said.

In Washington, Mr. Redman said Secretary of State James Baker, accompanying President George Bush on his visit to Beijing, had raised US concern over human rights in Tibet with the Chinese Foreign Minister, Mr. Qian Qichen.

The US had previously condemned the use of firearms against unarmed demonstrators in Tibet, Mr. Redman said, and had expressed its concern over human rights there, particularly in regard to reports of maltreatment of prisoners.

"We believe the interests of all parties would be better served by the restoration of calm and resumption of efforts to address the legitimate concerns of the inhabitants of Tibet."

HOW BEIJING RADIO ANNOUNCED THE DECISION

"The Chinese State Council has decided to impose martial law on Lhasa, the capital city of the Tibet Autonomous Region, from midnight.

The order was signed by Prime Minister LiPeng in Beijing today.

The decision was made in view of the fact that some separatists have been constantly causing disturbances in the city over the past few days, severely disrupting social stability there.

The decision is aimed at maintaining social order, protecting people's lives and property, and preventing encroachment upon public property.

The order was made in accordance with Item 16 of the 89th Article of the Chinese Constitution, giving the State Council the authority "to decide on the enforcement of martial law in parts of provinces, autonomous regions and municipalities directly under the Central Government".

The order and related concrete measures are to be carried out by the People's Government of the Tibet Autonomous Region as required."

170,000 POISED NEAR CAPITAL

The Central Government has displayed about 170,000 troops, made up of 17 divisions of the People's Liberaties Army, within striking distance of Lhasa, according to military experts.

The divisions are largely artillery units, equipped with Howitzers, mortars and air-

craft gases, infantry and paratroopers but no armour.

A large air force of fighters, bombers and US-made Sikersky helicopters could be supplemented by six CS-47 helicopters recently acquired from the United States.

There are two or three divisions of the People's Armed Police (PAP), numbering about 30,000 officers and men.

Military experts said deployment in Tibet provided for internal security purposes as well as for national defenses, particularly following border tension with India in 1987.

The situation has since eased and only an estimated 50,000 troops were deployed along the border with India.

PLA AIRBORNE UNITS TRAIN ON TIBETAN PLATEAU

[HK0108021388 Beijing ZHONGGUO XINWEN SHE in Chinese 0356 GMT 30 Jul 88]

[Text] Xining, 30 Jul (ZHONGGUO XINWEN SHE)—China's airborne units underwent experimental parachute training for the first time on the Qinghai-Tibet plateau. The training indicates that the airborne units have basically mastered the laws of air-dropping and parachuting on the plateau and are capable of conducting operations there.

China's airborne force was founded in the early 1950's. After 30-odd years of development, it is now capable of moving and reacting quickly. Its parachute techniques and ability to exist in the field can match the advanced airborne units of other countries. As an essential force of China's mobile and quick reacting troops, it can meet the requirements of limited warfare and eventualities.

Prior to the current training, it has been reported that the airborne units successfully conducted training under various topographic conditions including the cold region in the northeast, the paddy fields in the south, the tropical forests in the southwest, and rivers and marshes.

Various types of parachutes were used and some new airborne unit equipment was tested in the training exercise conducted in the Gobi desert at the foot of the Kuniunshan; the "parachutist—9" type parachute made by the airborne force was particularly noticeable. The data of the experiment indicated that this parachute was applicable for parachuting on the plateau and its functions surpassed advanced world levels.

Apart from parachuting, the airborne units also underwent training in field existence on the plateau. The parachutists fulfilled the tactical training which included marching, cooking meals, and camping on the Gobi desert and the Kuniunshan mountain area, providing operations of the airborne units with theoretical figures and some experience.

Following the streamlining of the Chinese Army, a senior commander of the airborne units said that the units, as a reserve force, have increased their sense of mission.

[From the Seattle Times, Aug. 29, 1988]

CHINA CONSIDERS BOEING COPTERS

BEIJING.—Boeing Helicopters is optimistic it will sell its CH-47 helicopters to the Chinese People's Liberation Army (PLA) after successful demonstration tests in Tibet.

China, in a move that could provoke criticism from its neighbors, is considering buying military helicopters from the United States for deployment in a new airborne attack force. Chinese and American sources said.

Boeing rented a transport plane from the U.S. Air Force to ship an Army helicopter to Tibet last month for several weeks of demonstration flights for Chinese officials. Bob Torgerson, Boeing Helicopters spokesman in Philadelphia, said today.

He said the purpose of the demonstration flights was to show that the craft could perform at altitudes of up to 20,000 feet.

"It met or exceeded all of the tests," he said.

Chinese sources said the PLA is considering purchasing up to a dozen updated Boeing CH-47s, the largest helicopter flown by U.S. forces, but Torgerson refused to say how many Boeing expects to sell.

He said Boeing is continuing to talk with the Chinese and is "very encouraged" that a sale may occur. "But we don't have a contract yet," he added.

With each helicopter priced at about $15 million, it would be one of the largest military deals between the two nations.

The huge, two-rotor helicopter, used by U.S. forces during the Vietnam war, can transport up to 80 combat troops, haul cargo or carry heavy equipment such as artillery and armored vehicles.

The official said the PLA wants the helicopters for its ongoing plan to establish an "army air corps" with a rapid-deployment attack capability. Western military analysts said such a squadron would need a minimum of a dozen helicopters.

But the sale could elicit criticism from China's neighbors, including Taiwan and India. China has never renounced the use of force to retake Taiwan, and its border with India, has been the scene of past conflict.

The U.S. Embassy declined formal comment. One diplomat noted the helicopter sale does not involve advanced technology and would likely be approved by Washington, although a sale could face "policy restrictions."

U.S. manufacturer Sikorsky sold 12 medium-sized Blackhawk helicopters to China several years ago.

CHINESE ARMY EYES BOEING COPTERS FOR ITS ATTACK FORCE

(By David R. Schweisberg)

BEIJING.—China, In a move that could provoke criticism from its neighbors, is considering buying large U.S. military helicopters to be deployed in a new airborne attack force. Chinese and American sources say.

The Chinese interest was sufficient to prompt The Boeing Co. to rent a transport plane from the U.S. Air Force to ship a helicopter to Tibet last month for several weeks of demonstration flights for Chinese officials.

The Chinese People's Liberation Army is considering purchasing as many as a dozen of an updated version of the Boeing CH-47, the biggest helicopter flown by U.S. forces. Chinese sources said.

With each helicopter priced at about $15 million, the sale of 12 and related equipment could match the second-largest U.S. military sale negotiated with China, a nearly $250 million deal for naval torpedoes.

An official of Poly Technologies Inc., the Chinese army's commercial weapons trading company, said the flight tests ended last week and data is still being assessed, but said the CH-47 is the "only type of helicopter we are considering this year."

The huge, two-rotor helicopter, used by U.S. forces during the Vietnam War, can transport up to 80 combat troops, haul cargo or carry heavy equipment such as artillery or armored vehicles.

The official acknowledged the Chinese army wants the helicopters for its ongoing plan to establish an "army air corps," with a rapid deployment attack capability it now lacks. Western military analysts said such a squadron would need a minimum of about 12 craft.

But the sale could invite criticism from China's neighbors, including Taiwan and India. Western analysts, however, noted that while the CH-47 would be the Chinese army's largest, the small number under consideration would not permit China to mount a major offensive.

An official of Boeing Helicopters, the subsidiary negotiating the deal, said the flight tests in Tibet had "no political implications." The mountainous Himalayan region was selected for its rough terrain and high altitudes, where the CH-47 could reach its operating ceiling of 20,000 feet, he said.

When rioting erupted in Tibet last fall against Chinese rule there, thousands of paramilitary troops were flown by airplane into the capital, Lhasa, to reinforce local police.

The U.S. Embassy declined formal comment.

One diplomat noted the helicopter sale does not involve advanced technology and would likely be approved by Washington, although it still could face "policy restrictions."

The U.S. manufacturer Sikorsky sold 24 medium-sized Blackhawk helicopters to China several years ago.

[From the Hindustan Times (New Delhi), Aug. 11, 1988]

TERRORISTS DEVELOP LINKS WITH CHINA

(By Ashutosh Handoo)

NEW DELHI, August 10.— Top Sikh terrorist leaders staying in Pakistan have reportedly developed contacts with Chinese officials to help them in the supply of fresh consignments of arms for keeping their "movement" which has suffered a setback, from collapsing, reliable sources said today.

It is learnt that there had been meetings recently mainly between top terrorist leader Wassan Singh Zaffarawal and some undercover Chinese officers after the terrorists experienced serious difficulties in keeping up the flow of arms into Punjab.

According to the contents of a letter written by Zaffarawal to a strike squad chief Sukhdev Singh Jhamke, that was intercepted by one of the security agencies in Punjab, the top notcher had been able to establish rapport with the Chinese and present his demands to them.

In this letter, Zaffarawal had written to the effect that the Chinese were kind enough to respond favorably. "They have considered my request sympathetically and Kanwar Singh (former chief of Akal Federation) would be handling this task," Zaffarawal said in the letter.

Zaffarawal had also pointed in the letter that a lot of "saman", meaning arms and ammunition, had been lost during a three-month period. "Quite a number of our stores were lost and the ammunition had also been wasted," the letter further stated. It said the Chinese were likely to use the Nepal border for supplying the arms.

Though it was still being debated whether the Nepal route would be effective for smuggling arms, sources pointed out that the attempts to rope in China into the Indian terrorists scene that was so far being handled only by Pakistan, added a new dimension to the Punjab problem.

The letter of Zaffarawal at the same time reflected a certain degree of despondency in the terrorist heirachy for not being able to penetrate the Indian border more frequently with arms. This has led to a situation when the terrorists are using the ammunition sparingly and in very small quantities.

Sources said there have been incidents of late when the terrorists though holding guns did not use them and instead beat victims to death with lathis. In a way the AK-47 itself was now proving to be a problem for the terrorists as no Indian ammunition could be fed into its magazines. All ammunition for these guns had to come from across the border.

To relieve the terrorists of this ammunition shortage problem. Ganganagar border was tried a couple of times in a big way. But on these occasions there were long-drawn encounters involving hot pursuit of up to 30 km leading to the death of the intruders and seizure of the arms. Rajouri sector in Jammu was also being tried, sources said.

The strength of the security forces on the Punjab border has been increased almost three times making it difficult for the terrorists to smuggle in the arms. This has led to a downward trend in the terrorists killings. Besides, slain KCF leader Labh Singh's soul searching letter to some of his friends in the field is also said to have played some role in terrorists avoiding mass killing of families.

However, sources stated that about 190 hardcore terrorists were still in the open in Punjab and there were also a few highly rated hitmen to take on any new "assignments". Avtar Singh Bhrama, who had come to Mand area from across the border, had returned to Pakistan after fearing the closing grip of the Indian agencies. He is said to have lost three fingers of his right hand by an accidental shot.

Besides Zaffarawal, Kanwar Singh of the Akal Federation, Dassuwalia and three more top category terrorists were staying in Pakistan. Manochahal is said to have been on a short trip to Punjab to give his helping hand at reorganising the terrorist ranks. About Tarvinder Singh, the Indian agencies were still not sure whether he had come to Punjab from Canada via Pakistan at all.

[From the Deccan Chronical Secunderabad Aug. 14, 1988]

CHINESE AIRBORNE TROOPS BEING TRAINED IN TIBET

NEW DELHI, August 13 (PTI).—For the first time on the Qinghal-Tibet plateau, China's airborne units have been imparted parachute training, which, defence experts here say, has demonstrated its capability to deploy troops rapidly in inaccessible and mountainous terrains.

This is a new capability which the Chinese did not enjoy earlier, though their air force has traditionally maintained four airborne divisions on its strength, the experts say.

The China News Service (Zhongguo Xinwen She) had reported on July 30 that the recent experimental parachute landing and survival training on Qinghai-Tibet plateau indicates that the airborne units have basically mastered the laws of airdropping and parachuting on the plateau and are capable of conducting operations there.

China's airborne founded in the early 1950's is now capable of moving and reacting quickly, the report said.

Its parachute techniques and ability to exist in the field can match the advanced airborne units of other countries. As an essential force of China's mobile and quick reacting troops, it can meet the requirements of limited warfare and eventualities.

The experts say the high-altitude training of paratroopers, along with China's newly-tested rapid deployment capability, has implications to countries in Asia, particularly India, Vietnam and the Soviet Union. These could be dispatched within 12 hours to remote border areas if required.

The news service said the training was conducted in the Gobi Desert at the foot of Kulnunshan mountain, which separates China's Xinjiang province from Chinese-occupied Aksai Chun in Ladakh, the "parachutist-9" type parachute was particularly noticeable, it added.

RELUCTANT VOTE AGAINST H.R. 1385

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. BEREUTER. Mr. Speaker, this Member reluctantly voted against H.R. 1385, a bill that would make Martin Luther King, Jr., Federal Holiday Commission permanent.

During the 98th Congress I joined the majority of my colleagues in voting in support of legislation to make the birthday of Martin Luther King, Jr., a Federal holiday. Earlier I had introduced legislation which I preferred to freeze the numbers of Federal holidays at the then-current number of nine. Each year, one holiday would not have been observed, with the exception of Christmas. This strategy would have permitted the celebration of additional Federal holidays without increasing the number of such days annually, thus deterring additional costs to the taxpayers.

This Member believes that it is certainly symbolically important to observe the birthday of an individual whose contributions to the cause of racial equality in this country are still unequaled. But making the Commission permanent, with an authorization of $500,000, simply goes too far. While Congress has provided authorizations for commissions for special celebrations, no other annual holidays have similar permanent federally funded commissions.

The Commission was established in 1984 in order to encourage celebrations and appropriate activities nationally to honor Dr. King. Since his birthday is now celebrated in 44 States and 140 nations, it seems that the Commission has fulfilled its mandate to make the holiday a success. Further Federal support and intervention may be appropriate for a short additional period to continue the nationwide events that celebrate the contributions to racial justice that Americans have come to associate with Martin Luther King, Jr., but a permanent authorization with probable annual appropriations is inappropriate.

TOO MANY PEOPLE HAVE DIED

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. FEIGHAN. Mr. Speaker, I would like to draw my colleagues' attention to an article in today's New York Times which contains some very startling information about our Nation's firearms problem. I think the most upsetting was the report that more Americans were killed by guns in the past 2 years than during 16 years of hostile actions in Vietnam. I am reminded of a song from the Vietnam era: "How many deaths will it take 'til we learn that too many people have died?"

The article also reports that each hour about four Americans die in shootings. Is it not time for Congress to take a courageous stand and invoke some reasonable restraints on the purchase of firearms? Why are we allowing civilians to purchase semiautomatic assault weapons capable of firing more than 200 rounds per minute? Why, in the words of San Jose Police Chief Joseph McNamara, do we require three tests and a license to drive a car and nothing but cash to purchase a powerful firearm,

In San Jose, CA, in the month of January 1989 there were 10 killings by gun. Reporter Andrew Malcolm has written a disturbing article chronicling these homicides and the dangers the firearms explosion poses to our country and especially to our Nation's law enforcers. I commend this article to my colleagues and hope that they will consider the insights it provides when they vote on bills which reasonably address our Nation's assault weapon and handgun crisis. Mr. Speaker, the New York Times article follows:

[From the New York Times, April 17, 1989]

FROM THE POLICE BLOTTER: EIGHT STORIES THAT END IN DEATH

(By Andrew H. Malcolm)

SAN JOSE, CA.—At a time when Americans are negotiating disarmament internationally, they continue to arm themselves against one another at a frantic pace.

Each hour, about four Americans die in shootings. Each year, 33,000 die from guns; 18,000 of those deaths are suicides. Guns, which are used in 60 percent of all homicides, are now the eighth leading cause of death in the United States, well behind cancer and heart attacks, but ahead of liver disease.

There is no cure in sight. President Bush has temporarily stopped imports of semiautomatic weapons, but they are only part of the problem. Conservative estimates put the total number of firearms of all kinds in the United States at 130 million, one-third of them handguns. The National Rifle Association estimates the total at 200 million, nearly one for each American. A new gun comes off an assembly line every nine seconds.

More Americans were killed by guns in the past two years than during 16 years of hostile actions in Vietnam.

"It's incredible," said Joseph McNamara, Police Chief of San Jose, one of the cities experiencing a surge of gun murders. He wants tougher handgun control: "To drive a car we require lessons, a written test, a prac-

tical test, an eye test, a license. To buy an assault rifle we require only money. They check your credit card closer than your background."

Researchers say a major motivation for buying guns is self-protection. But 58 percent of all those arrested for murder are friends or relatives of their victims. Only 20 percent of murders occur in connection with other crimes, leading experts to suggest that, instead of offering safety, more guns in more homes simply make homicide—and injuries—more common.

As the shootings increase, the gun issue may become more a debate over public health than over constitutional rights. "A gun in the home is 18 times more likely to kill a household member than an intruder," said Dr. Garen Wintermute, who teaches family medicine at the University of California-Davis. "Twenty years from now, we'll see keeping guns in the home as just as foolish as lighting up a cigarette.

"Ten years ago, even the worst criminals needed a reason to shoot," said Police Sgt. Gregory Mills of Kansas City, MO. "Now, a bad look can set it off."

Taken together—with details provided by scores of interviews and access to police, court and coroner records—one month's fatal shootings in one city can present an alarming pattern killing made easy.

In 1987, San Jose had 26 murders, only 7 involving guns. Last year, 39 murders were committed, 19 of them by gun. This year, Lieut. Richard Gummow's homicide squad has already logged 25 murders, 13 by gun.

January was a month of 13 murders in San Jose, with a population of 740,000 the nation's 13th-largest city. There were 10 killings by gun. The stories here are of those 10 deaths, and the weapons that killed.

JANUARY 6—FOR THE HIS OWN SAFETY: DEATH IN A HOME

Fourteen months ago, the Sacramento Police Department began issuing new rapid-fire 9-millimeter pistols to the 577 officers. It was a popular decision, the kind being used across the United States by hundreds of police departments concerned over criminals' more powerful, faster-firing weapons. The old revolvers were auctioned off, as usual with surplus city property, to a local wholesaler, who resold them to gunshops in and out of California. That is how, last Sept. 22, the blue-steel Smith & Wesson 38, serial number SK 68076, came to be lying in the lighted display case at Reed's Sporting Goods store on Alum Rock Avenue.

The shop, which also sells bicycles and Boy Scout handbooks, is a few minutes' drive from the small, aging house at 269 Chalet Drive where Carlos Oliveira lived.

Mr. Oliveira, a 24-year old grocery store clerk, was angry; like millions of Americans every year, he had been visited by burglars, who ransacked his car. He talked, too, of concern for the safety of his 19-year-old girlfriend, Maria Barros.

Mr. Oliveira paid $195, plus tax, for the gun while the clerk completed a background form. According to California law, the police have 15 days to check a would-be handgun buyer for drug use, felony convictions or mental instability. No police warning was received, so on Oct. 7 Mr. Olivera proudly picked up his new gun.

When, in late December, Miss Barros began living in the same house, Mr. Oliveira kept the gun by the bed. On New Year's Eve, he showed the weapon off to friends and dramatically fired five rounds into the midnight sky. One bullet remained.

Six days later, or Friday night, the couple got into an argument over Miss Barros's fidelity. A few minutes later, she sought to make up, but Mr. Oliveira shoved her aside. "Get the hell out of here" he yelled.

Furious, Miss Barros grabbed the gun, pointed it at the ceiling and pulled the trigger.

Click.

Then she aimed it at her own ear. "Go ahead," said Mr. Oliveira.

Instead, Miss Barros slowly turned the gun toward Mr. Oliveira and fired. The bullet entered the man's face just below his right eye and tore through the brain.

JANUARY 8.—ONE OF THE FAMILY, AND PART OF ITS GRIEF

The Smith and Wesson .38 Special with its worn wooden handle and four-inch barrel made Margaret Velarde very nervous. She didn't know where it came from. But her 58-year-old husband, Raymond, had had the gun so long it seemed like a member of the family. Since the operations on his leg, however, and the problems with water on his brain, Mrs. Velarde had hidden the gun between the mattresses in the bedroom.

Her husband was frequently depressed and sometimes abusive, which he was on her return from a bar where she had watched the 49ers' playoff game that afternoon. Clay Hinshaw, Mrs. Velarde's 33-year-old son from another marriage, exchanged angry words with his chair-bound stepfather.

About 7 P.M., Mrs. Velarde was seen leaving. Mr. Hinshaw left, too, and wandered around the apartment complex. When Mrs. Velarde returned 30 minutes later, her arms loaded with hot dogs and buns, she found the door locked, which was strange. A neighbor with keys opened the apartment and stood, stunned. The rug around Mr. Velarde's chair was soaked in blood.

He had been shot four times, in the neck, chest and left arm. Detectives David Harrison and Santiago Trejo found the murder weapon, the old gun tucked back between the mattresses. But they were intrigued by the locked door. The killer had a key.

When the report of a fatal shooting went out on the police radio, Patrolman James Werkema recognized the Velarde's Checkers Drive address. He remembered family disturbance calls there. He also remembered the address of the stepson's female friend.

When the two policemen arrived at her house, they stepped to both sides of the front entry, as police officers instinctively do, in case someone shoots through the door.

When another officer was in place in the dark out back, they knocked.

Slowly, the door opened. Standing there was the 6-foot-3-inch, 230-pound Mr. Hinshaw. "I'm the one you want," he said.

JANUARY 8—MEN COME AND GO AND DEATH STAYS

As Detectives Harrison and Trejo were examining the Velarde apartment, a gun with no known history that would cause their third assignment in as many days was about to be carried into a living room on Wonderama Drive.

About a dozen young Vietnamese men had gathered on cushions strewn about the floor that Sunday evening. They talked, smoked cigarettes, drank beer, played cards and sipped tea.

Throughout the evening, some men came and left the room. When Khang Thuc Huynh returned, he casually pulled out a Smith & Wesson .357 magnum. Before anyone could scream, he shot Hoia Hai Le three times in the head and once in the neck. Then he swiftly put the barrel of the powerful revolver just in front of his right ear. The bullet blew off the back of his head.

Mr. Huynh was one of the city's two gun suicides in January. Surrounding Santa Clara County, with a population of 1.4 million, had nine others, making it "a quite normal month," according to John Manok, the medical examiner's chief investigator.

JANUARY 15—WHAT PRICE HONOR? A PAYMENT IN BLOOD

It began at a traffic light as a Saturday night scuffle between two youths on a motorcycle and others in a car: one of those teen-age confrontations in which more words and gestures are exchanged then punches. It ended 24 hours later in front of the barrel of a 12-gauge Mossberg shotgun.

Seeking retaliation after the traffic confrontation, the 18 year-old cycle driver, Scott Pierce, and his rider, Luis Contreras, 19, assembled six friends the next night and headed for a party where the youths in the car were rumored to be. On the way, they picked up another friend, Tony Williams.

The party, with 50 or 60 youths, was on busy McLaughlin Avenue in an impressive two-story house with a front balcony, stone fence and double front door. The Pierce group was admitted only after promising to "be cool." A shoving match followed.

The 18-year-old Mr. Williams, nicknamed Green Eyes, went out to fetch Anthony Nelson's new shotgun from the car. The 21-year-old had purchased the weapon on Oct. 22 from a Big 5 Sporting Goods store for about $200, saying it was for self-protection. Because it is a long gun, no wait is required.

Mr. Nelson helped Mr. Williams load the weapon, which was then swung toward a gathering of party-goers and fired. One youth was wounded.

Mr. Williams then aimed the barrel at the door and fired again. But that cartridge did not contain pellets; it held a shotgun slug, a lead ball about the size of a man's top thumb joint. That slug blew a hole in the door nearly two inches in diameter.

Behind the door was Angel Cevallos, Jr., a 20-year-old bystander trying to avoid the trouble outside. The slug caught him in the back of the neck. It came out his right eye.

Many fled, but the police got descriptions. At the 7 A.M. roll-call, officers were told to watch for a black male named Tony Williams. "Green Eyes," thought Sgt. Randy Cooper, who knew him from off-duty security work at the youth's school, Sylvandale.

Sergeant Cooper was working the security detail that morning at Cahill Street station, as hundreds of black boarded the annual Freedom Train to a celebration in San Francisco marking the birthday of the Rev. Dr. Martin Luther King Jr. In the crowd, Sergeant Cooper spotted the Williams family.

"Hey, Tony," the sergeant said casually. "C'mere."

JANUARY 18—GUN AGAINST GUN IN EARLY MORNING

After two undercover drug buys, simultaneous police raids were set for 7 A.M. at 2606 Lombard Avenue and three nearby houses. Because the residents were known to be heavily armed with pistols, rifles and at least one double-barrel shotgun, officers assigned the specially trained Mobile Emergency Response Group and Equipment team, San Jose's SWAT unit.

Early-rising neighbors of Roosevelt Williams saw eight officers walking down the

dead-end street. But near the end, they melted into the palms and shrubbery around the Williams house. The officers, sweating in their bulletproof vests, crouched in the dim light, close enough to read a sign on the door: "This House Guarded by Shotgun 3 Nights Per Week, You Guess Which Three."

After four and a half years on the dangerous Merge unit, earning an extra nickel for each dollar of his salary, Officer Jerry Smith was making his last raid before returning to regular patrol work. Like his colleagues, he had slung over his shoulder an MP-5, a German 9-millimeter weapon made by Heckler & Koch that offers the speed and reliability of a powerful pistol with the accuracy of a rifle. Lightweight and shiny black, it can fire 30 rounds in two seconds, but officers train for weeks to squeeze off only two bursts of two rounds, each enough to "take out" any human target. The lethal snub-nosed weapons are normally kept inside policy headquarters and only removed from special suitcases minutes before an assignment.

The William's two pit bulls were nowhere in sight when a voice crackled through the officers' earphones, "GO!" One man kicked in the door and leaped aside. Officer Smith, a family man and eight-year police veteran, lobbed in a concussion grenade, designed to disorient occupants.

So practiced are these teams that the men don't seem to move so much as they flow. Each had his assignment, and Mr. Smith, the third man in, was to dart to the back of the first floor. But instinct suggested deliberation. From near the bathroom, he saw a long, dark object moving slowly around the bedroom door.

"Police! Drop it!"

Then two quick sounds, like metal burps.

Two bursts of two rounds each went through Mr. William's chest. His double barrel shotgun, a 12-gauge Russian model that Mr. Williams had purchased in 1977, fell to the floor, cocked and loaded.

The police also seized another 12-gauge sold to someone else in 1984, a .22 rifle sold to someone else in 1986, a .410 shotgun with no sales record, two .30-caliber rifles with no records and a .38 pistol reported stolen from a San Jose house in 1978.

JANUARY 20—LAST PLEA FOR HELP: "HELP ME, CONTROL!"

It was 11:55 A.M., and Gene Simpson, a 19-year veteran of San Jose's 1,019-member Police Department, was trying to give his location to the communications center, a routine procedure when an officer leaves his patrol car. Although every officer wears a portable radio, the precaution is also an unstated invitation to nearby colleagues to cruise by soon as insurance.

But this day the dispatcher asked Officer Simpson, whose code name is King Two, to keep the channel open for another officer who had just stopped a suspicious car.

Since Officer Simpson was only checking a dazed, homeless man, he did not wait for help and left the car anyway, wearing his standard .357 magnum and bulletproof vest. Suddenly, 35 seconds later:

"Code 30!"

It is the universal signal of police distress. The dispatcher misunderstood, and Officer Simpson repeated:

"No. Code 30. Fifth and Santa Clara."

The dispatcher repeated "King Two. King Two. Man with a gun. Fifth and Clara. Units respond."

"Negro male has my pistol!"

"Negro male with King Two's pistol. Fifth and Clara. Units to respond."

In a flood, other cars reported they were racing to help. Though unarmed, a breathless Officer Simpson kept reporting the suspect's whereabouts as he was being stalked.

"By the donut shop!"

"He's shooting."

The dispatcher replied in code that she understood: "Ten-four. The male is shooting the gun behind the donut shop."

"Going north on Santa Clara Street."

"Ten-four. He's running on Santa Clara from Fifth. What's the direction of travel?"

"All over the place on Santa Clara Street."

"Ten-four. In front of the doughnut shop. Fifth and Clara. A male with King Two's revolver."

"Help me, Control. Hurry!"

"Ten-four. Units, he is shooting. King Two, have you been hit? . . . King Two? . . . Be advised King Two has been hit."

Officer Simpson dodged between cars in the donut shop parking lot. Raising his head by a truck fender, the policeman found himself staring down the barrel of his own gun.

"I got you now," said the stranger. And he fired into his face.

Within seconds, other officers arrived and exchanged gunfire with the suspect. Pretending to fire his now empty pistol, the man ran into the intersection in full view of a half-dozen officers and fell in a hail of gunfire, hit by 28 bullets and shotgun pellets. He was Dale Randell Connors, the 35-year-old son of a retired policeman in Alton, Ill. He had just been released from a 15-day jail sentence for stealing a loaf of bread.

Only as officers approached the body did they realize that a second patrolman, 39-year-old Gordon Silva, was lying fatally wounded nearby. He had tried to call for help on another radio channel. A ricocheting police shotgun pellet had severed his aorta.

Moments later, a shaken Chief McNamara arrived. The son and brother of New York City patrolmen, Mr. McNamara himself walked a beat in Harlem for 10 years. This was his third day back at work after medical leave for problems. On his first day back, a man named Patrick Purdy had opened up with an assault rifle on a schoolyard in nearby Stockton, killing five children.

JANUARY 21—SETTLING A GRUDGE OVER A MESSY CAT

Later on Jan. 20, Jerry Demilte, a 20-year-old unemployed car salesman, confronted his roommate, Michael Hulsey, a 20-year-old unemployed laborer, in their small, stucco house on Ardis Drive. The dispute was over whose turn it was to clean up some cat droppings on the rug.

The cat mess was forgotten as the evening wore on, but the hard feelings were not. Friends arrived with more beer. Twice, witnesses recalled, the men got into shoving matches. After the first, Virginia Henzie remembered, Mr. Hulsey threatened to kill his roommate and pulled out a .38 Smith & Wesson revolver.

Computerized state and Federal records show that the weapon, a model very familiar to homicide detectives like Jeff Ouimet, was first sold at a Southern California store on Jan. 15, 1976. But so loose are the required reports in the United States—sales between private individuals are not even recorded—that the authorities have no way of knowing how it got into Mr. Hulsey's hands.

After the second shoving match, Mr. Hulsey picked up the gun from his dresser. He fired six times into Mr. Demilte's chest and fled. Within an hour, Mr. Hulsey surrendered at a friend's house. The pistol was in his truck.

JANUARY 26—A FAVORITE PISTOL, A DEADLY ILLUSION

Walter McCabe led a troubled life after his mother and father left him with grandparents as a child. For nearly 34 years he had been in trouble, fighting, drinking, taking drugs.

A long criminal record would show up one day on the desk of Sgt. Steve Ronco. But then Mr. McCabe's troubles would stop for a while. He'd work hard at a new job and save money.

He always loved guns, especially if they had some history, like the 19th-century Winchester rifle he owned until it was stolen. Or the antique pistol that resembled a German Luger.

Late in January, his companion, Kari Williams, saw a change. "Something snapped," she said. "He was giving up on everything and talked crazy about hurting people."

On Jan. 25, Miss Williams and Mr. McCabe's close cousin, James Rocca, took Mr. McCabe to a psychiatric unit. The next morning, however, he was released and appeared at Miss Williams's workplace to borrow her white Toyota pickup. Two days earlier, he had caused a scene, asking her where she had hidden his German pistol. To avoid trouble, she lent him the truck, hoping that would keep him from smoking any more of the hallucinogen PCP, his current addiction.

About 7 P.M., Patrolman Mark Airhart heard a radio call about armed robberies on Lido Street: suspect last seen in a white Toyota pickup truck. A block away, Officer Airhart spotted the truck in front of an autoparts store and radioed for help.

With the door open and motor running, the vehicle looked abandoned. As the officer approached, he glanced at the store. Customers and clerks, some with raised hands, were staring at a man taking money from the cash register and holding a gun in his right hand.

Two other officers arrived. Fearing a hostage situation, they waited for the robber to leave the store.

He walked across the lot without appearing to notice the officers crouching by their cars.

"Police! Drop it!" Mr. Airhart shouted. The man stopped. The order was repeated.

Instead, he started to turn toward them and raise the pistol. The officers fired their magnums simultaneously several times.

Mr. McCabe fell with two holes in his head. In his hand was his favorite old pistol. It was not loaded and the trigger was broken.

THE AFTERMATH: DEATHS TO NIGHTMARES

For many involved in these fatal incidents, the shootings were only the beginning. All the accused are in custody or on bail. On April 7, after long negotiations with Deputy District Attorney Ken McCullough, Maria Barros pleaded guilty to involuntary manslaughter and likely faces two to four years in prison.

Hearings have yet to be held in the Cevallos, Velarde and Demilte shootings. With tests on the Vietnamese murder-suicide showing both men with cocaine in their blood, that case is considered closed. "We never did get a motive," said Detective Trejo.

Families of the shooters and the victims still struggle in private to grasp their loss.

Officer Simpson left a wife and an 18-year-old son, Officer Silva a financée. Miss Williams says Mr. McCabe gave police no choice that evening. Mr. McCabe's grandmother believes she has seen him since the shooting. He is smiling and sits in his favorite chair.

Grand juries have exonerated all the officers involved. Each was given time off and offered psychiatric counseling. "You feel so empty at first," said Officer Airhart, who went into policework because he wanted to help people. Patrolman Airhart is sleeping better now, although every once in a while the shooting dreams return.

Holiday lights still decorate the empty Oliveira house. The Demilte home has been remodeled and is on sale for $245,000. Life goes on in the parking lot where Officer Simpson died, with nightly arrests for soliciting and panhandling. And three more surplus Sacramento Police Department .38's are still available on the end shelf at Reed's. "Just be a good boy and bring your money," a salesman told a recent shopper.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 18, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 19

9:00 a.m.
Armed Services
To hold hearings on the military strategy and operational requirements of the maritime oriented unified commands and U.S. Forces, Korea.
SR-222

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the recent oil spill in Prince William Sound, and to review the adequacy of efforts to prevent air and water pollution at the Trans-Alaska Pipeline's Valdez terminal.
SH-216

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of AMVETS, Vietnam Veterans of America, Veterans of World War I, and the Non-Commissioned Officers Association.
334 Cannon Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253

Judiciary
Constitution Subcommittee
Business meeting, on S. 386, to control the sale and use of assault weapons.
SD-234

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on proposed legislation to improve agricultural programs.
SR-332

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for defense programs.
SD-138

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Commerce.
S-146, Capitol

Finance
To continue hearings to review and evaluate certain child care proposals.
SD-215

Foreign Relations
To hold hearings on UNESCO.
SD-419

Labor and Human Resources
Business meeting, to consider S. 345, to grant employees family and temporary medical leave under certain circumstances, S. 372, to provide certain resettlement assistance for certain Central Americans, and to consider the nominations of James O. Mason, of Georgia, to be Assistant Secretary of Health and Human Services for Health, Nancy Mohr Kennedy, of Maryland, to be Assistant Secretary of Education for Legislation, and John T. Sanders, to be under Secretary of Education.
SD-430

1:00 p.m.
Foreign Relations
To resume hearings on the future of U.S.-Soviet relations.
SD-419

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 198, the Copyright Act to protect certain computer programs.
SD-226

3:00 p.m.
Senate Impeachment Trial Committee
Closed business meeting, to further deliberate on the pretrial issues in the impeachment of Judge Alcee L. Hastings.
EF-100, Capitol

APRIL 20

8:30 a.m.
Armed Services
To hold hearings on the military strategy and operational requirements of the unified commands oriented to Third World defense and unconventional warfare.
SR-222

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Architect of the Capitol and the General Accounting Office.
SD-116

Rules and Administration
To resume hearings on S. 7, S. 56, S. 137, S. 242, S. 326, S. 330, S. 332, S. 359, and S. 597, bills to provide for spending limits and public financing for Federal elections.
SR-301

Select on Indian Affairs
To hold hearings on the U.S. Civil Rights Commission's effects on the White Mountain Apache Tribe.
SR-485

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Oceanic and Atmospheric Administration.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 566, to authorize a new corporation to support State and local strategies for achieving more affordable housing, and to increase homeownership.
SD-538

Energy and Natural Resources
To hold hearings on S. 318, to facilitate the national distribution and utilization of coal.
SD-366

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

Foreign Relations
To hold hearings to review an international environmental agenda for the 101st Congress.
SD-419

Governmental Affairs
To hold hearings on the nomination of Michael W. Farrell, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals.
SD-342

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Finance
Medicare and Long-Term Care Subcommittee
To resume hearings on physician payment reforms under the Medicare Program.
SD-215

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

3:15 p.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
To hold hearings in open and closed session on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on submarine shipbuilding.
SR-222

APRIL 21

10:00 a.m.
Finance
To hear and consider the nomination of Constance Horner, of the District of Columbia, to be Under Secretary of Health and Human Services.
SD-215

Finance
Social Security and Family Policy Subcommittee
To hold hearings on independent agency status for the Social Security Administration.
SD-215

Labor and Human Resources
To hold hearings on proposed legislation to promote and encourage national and community service, including S. 3, S. 232, S. 322, S. 382, S. 408, S. 539, S. 540, S. 541, S. 576, and S. 650.
SD-430

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on global warming and Corporate Average Fuel Economy (CAFE) standards.
SR-253

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

Finance
To hold hearings on the European Community's (EC) program to complete its internal market by 1992.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan, and Afghanistan.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Army Corps of Engineers.
SD-192

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on risk retention.
SR-253

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Energy and Natural Resources
To hold hearings on S. 694, to extend the authority for the Strategic Petroleum Reserve.
SD-366

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

Finance
To hold hearings to examine the financial condition of rural hospitals and their ability to deliver health care to Medicare recipients.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Reclamation, Department of the Interior.
SD-192

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs for the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 9

10:00 a.m.
Finance
To hold hearings on impact of Section 89 nondiscrimination rules applicable to employer-provided fringe benefits.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics.
SD-192

MAY 10

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-192

MAY 11

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To hold hearings on rural development.
SR-332
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Rules and Administration
To hold joint hearings with the Select Committee on Indian Affairs on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

Select on Indian Affairs
To hold joint hearings with the Committee on Rules and Administration on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To resume hearings on rural development.
SR-332

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-116

MAY 17

10:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on trading practices in the commodity futures markets.
SR-332

MAY 18

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
S-126, Capitol
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

JUNE 1

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on refugees and migration.
SD-138
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

JUNE 2

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

2:00 p.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

JUNE 6

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 7

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253
Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

JUNE 8

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

JUNE 13

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

CANCELLATIONS

APRIL 18

2:00 p.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Legislative Branch.
SD-116

APRIL 19

9:30 a.m.
Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

APRIL 20

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

HOUSE OF REPRESENTATIVES—*Tuesday, April 18, 1989*

The House met at 12 noon.

The Reverend Lamar N. Denkins, pastoral counselor, Anniston, AL, offered the following prayer:

O Lord our God! The Psalmist in the Old Testament cried for all creation to be still and know that You are God. The Founding Fathers of our Nation had the wisdom to acknowledge Your presence in the early providence of our Nation.

Today as this session begins we continue that great tradition and ask Your divine favor upon the deliberations of this day.

On this special day the people of the Third District of Alabama will take the mantle the late Congressman Bill Nichols wore with great distinction and pass it to Congressman-elect GLEN BROWDER. May a special dispensation of divine grace be upon him as he accepts this special trust bestowed by his constituents.

In the name of the Heavenly Father we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MONTGOMERY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the yeas appeared to have it.

Mr. MONTGOMERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 290, nays 102, answered "present" 2, not voting 38, as follows:

[Roll No. 30]

YEAS—290

Ackerman	Atkins	Bevill
Akaka	AuCoin	Bilbray
Alexander	Barnard	Boggs
Anderson	Bateman	Bonior
Andrews	Bates	Borski
Anthony	Beilenson	Bosco
Applegate	Bennett	Boxer
Archer	Bereuter	Brennan
Aspin	Berman	Brooks
Broomfield	Hochbrueckner	Pickett
Brown (CA)	Hopkins	Pickle
Bruce	Houghton	Porter
Bryant	Hoyer	Poshard
Bustamante	Hubbard	Price
Byron	Huckaby	Pursell
Callahan	Hughes	Quillen
Campbell (CA)	Hutto	Rahall
Campbell (CO)	Jenkins	Rangel
Cardin	Johnson (SD)	Ravenel
Carper	Johnston	Ray
Carr	Jones (GA)	Regula
Chapman	Jones (NC)	Richardson
Clarke	Jontz	Rinaldo
Coelho	Kanjorski	Ritter
Coleman (MO)	Kaptur	Robinson
Coleman (TX)	Kasich	Roe
Collins	Kastenmeier	Rohrabacher
Combest	Kennedy	Rose
Conte	Kennelly	Rostenkowski
Conyers	Kildee	Rowland (CT)
Costello	Kleczka	Rowland (GA)
Coyne	Kostmayer	Roybal
Crockett	LaFalce	Russo
Darden	Lancaster	Sabo
Davis	Lantos	Saiki
de la Garza	Lehman (CA)	Sangmeister
DeFazio	Lehman (FL)	Sarpalius
Derrick	Leland	Savage
DeWine	Lent	Sawyer
Dicks	Levin (MI)	Saxton
Dingell	Levine (CA)	Scheuer
Dixon	Lewis (GA)	Schiff
Donnelly	Lipinski	Schulze
Dorgan (ND)	Livingston	Schumer
Downey	Lloyd	Sharp
Duncan	Long	Shumway
Durbin	Lowey (NY)	Shuster
Dwyer	Luken, Thomas	Sisisky
Dymally	Manton	Skaggs
Dyson	Markey	Skeen
Early	Martinez	Skelton
Eckart	Mazzoli	Slattery
Edwards (CA)	McCloskey	Slaughter (NY)
Engel	McDade	Smith (FL)
English	McDermott	Smith (IA)
Erdreich	McHugh	Smith (NE)
Espy	McMillen (MD)	Smith (NJ)
Evans	McNulty	Smith (VT)
Fascell	Meyers	Solarz
Fawell	Mfume	Spence
Fazio	Miller (CA)	Spratt
Feighan	Miller (WA)	Stallings
Fish	Mineta	Stark
Flake	Moakley	Stenholm
Flippo	Mollohan	Stokes
Foglietta	Montgomery	Studds
Foley	Moody	Swift
Ford (MI)	Moorhead	Synar
Frank	Morella	Tallon
Frenzel	Morrison (CT)	Tanner
Frost	Morrison (WA)	Tauzin
Gallo	Mrazek	Thomas (GA)
Garcia	Myers	Torres
Gaydos	Nagle	Torricelli
Gejdenson	Natcher	Towns
Gibbons	Neal (MA)	Traficant
Gillmor	Neal (NC)	Traxler
Gilman	Nelson	Udall
Gingrich	Nowak	Unsoeld
Glickman	Oakar	Valentine
Gonzalez	Oberstar	Vento
Gordon	Obey	Visclosky
Gradison	Olin	Volkmer
Grant	Ortiz	Walgren
Guarini	Owens (NY)	Watkins
Gunderson	Owens (UT)	Waxman
Hall (OH)	Packard	Weiss
Hall (TX)	Pallone	Whitten
Hamilton	Panetta	Williams
Harris	Parker	Wilson
Hawkins	Patterson	Wise
Hayes (IL)	Payne (VA)	Wolpe
Hayes (LA)	Pease	Wyden
Hefner	Pelosi	Wylie
Hertel	Penny	Yates
Hiler	Perkins	Yatron
Hoagland	Petri	

NAYS—102

Annunzio	Herger	Ridge
Armey	Holloway	Roberts
Baker	Hunter	Rogers
Ballenger	Inhofe	Roukema
Barton	Ireland	Schaefer
Bentley	Jacobs	Schroeder
Bilirakis	James	Schuette
Bliley	Kyl	Sensenbrenner
Boehlert	Lagomarsino	Shays
Brown (CO)	Leach (IA)	Sikorski
Buechner	Lewis (CA)	Slaughter (VA)
Bunning	Lewis (FL)	Smith (MS)
Clinger	Lightfoot	Smith (TX)
Coble	Lukens, Donald	Smith, Denny (OR)
Coughlin	Machtley	Smith, Robert (NH)
Courter	Madigan	Smith, Robert (OR)
Cox	Marlenee	Snowe
Craig	Martin (IL)	Solomon
Crane	Martin (NY)	Stangeland
Dannemeyer	McCandless	Stearns
Dickinson	McCollum	Stump
Dornan (CA)	McCrery	Sundquist
Douglas	McEwen	Tauke
Dreier	McGrath	Thomas (CA)
Emerson	McMillan (NC)	Upton
Fields	Michel	Vucanovich
Gallegly	Miller (OH)	Walker
Gekas	Molinari	Walsh
Goodling	Murphy	Weber
Goss	Nielson	Wheat
Grandy	Oxley	Wolf
Hancock	Parris	Young (FL)
Hastert	Pashayan	
Hefley	Paxon	
Henry	Rhodes	

ANSWERED "PRESENT"—2

Clay	Matsui

NOT VOTING—38

Bartlett	Green	McCurdy
Boucher	Hammerschmidt	Murtha
Burton	Hansen	Payne (NJ)
Chandler	Hatcher	Pepper
Clement	Horton	Roth
Cooper	Hyde	Schneider
DeLay	Johnson (CT)	Shaw
Dellums	Kolbe	Staggers
Edwards (OK)	Kolter	Vander Jagt
Florio	Laughlin	Weldon
Ford (TN)	Leath (TX)	Whittaker
Gephardt	Lowery (CA)	Young (AK)
Gray	Mavroules	

□ 1224

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentleman from Florida [Mr. Goss] to come forward and lead us in the Pledge of Allegiance to the flag.

Mr. GOSS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
April 17, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a copy of the Certificate of Election received from the Honorable Glen Browder, Secretary of State, State of Alabama certifying that, according to the official returns of the Special Election held on April 4, 1989, the Honorable Glen Browder was elected to the Office of Representative in Congress from the Third Congressional District of Alabama.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

STATE OF ALABAMA

I, Glen Browder, Secretary of State, of the State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that the pages hereto attached contain a true, accurate and literal copy of the proclamation issued by the Governor and the certificate issued by the Secretary of State regarding the Special General Election held in the Third Congressional District in the State of Alabama on Tuesday, April 4, 1989. The same appears on file and of record in this office.

STATE OF ALABAMA—PROCLAMATION BY THE GOVERNOR

Whereas, a Special General Election was held in the Third Congressional District in the State of Alabama on Tuesday, April 4, 1989, for the purpose of electing a Representative to the United States Congress for the Third Congressional District in the State of Alabama; and

Whereas, Alabama Code Section 17-14-20 (1975) requires that all of the election returns sent to the Secretary of State must, within fifteen days after such election, be opened and counted in the presence of the Governor, the Secretary of State, and the Attorney General, or two of them; and

Whereas, on Wednesday, April 12, 1989, said election returns so sent to the Secretary of State were, in the presence of the Governor, Attorney General, and the Secretary of State, opened and tabulated; and

Whereas, it appears from said tabulation that the votes cast in said election were as follows:

For Alabama Third Congressional District:

Glen Browder, Democrat, received 47,294.
John Rice, Republican, received 25,142.
Jim Corley (write-in), received 1.

Now, therefore, I, Guy Hunt, Governor of the State of Alabama, do hereby proclaim that the following person has been elected to the office named and is entitled to receive commission as such, that is to say:

For Alabama Third Congressional District.

Glen Browder (D).

THE STATE OF ALABAMA, DEPARTMENT OF STATE

I, Glen Browder, Secretary of State, in accordance with Section 17-14-24 of the Code of Alabama, 1975, do hereby certify that as shown by the returns of the Election on file in this office Glen Browder was elected Member of the United States House of Representatives for the Third Congressional District at the Special Election held in this state on Tuesday, the 4th day of April, 1989.

SWEARING IN OF THE HONORABLE GLEN BROWDER, OF ALABAMA, AS A MEMBER OF THE HOUSE

The SPEAKER. This is a significant moment. Will the gentleman from Alabama, the Honorable GLEN BROWDER, kindly step forward and take the oath of office.

Mr. BROWDER appeared at the bar of the House and took the oath of office.

The SPEAKER. Congratulations; you are a Member of the United States House of Representatives.

WELCOME TO THE HONORABLE GLEN BROWDER

(Mr. BEVILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include therein extraneous material.)

Mr. BEVILL. Mr. Speaker, it is my honor to rise today to introduce our newest colleague, Congressman GLEN BROWDER, of Jacksonville, who will represent Alabama's Third Congressional District.

This is the district which our friend Bill Nichols served so faithfully until his death last December. We all know those are some mighty big shoes to fill and that no one can ever really take Bill Nichols' place.

But, I have the utmost confidence in GLEN BROWDER. In fact, he reminds me of Bill Nichols when he first came to Congress. He is soft spoken, but he has strong leadership qualities. He is a man of integrity who will dedicate himself to serving his constitutents, his State, and his Nation.

Our newest Member. He taught political science at Jacksonville State University and served in the Alabama State Legislature. In 1986, he was elected to be Alabama's secretary of State and served in that post until now.

I know that GLEN BROWDER will be a most outstanding Member of Congress. I certainly look forward to working with him during the remainder of the 101st Congress and I hope that all my colleagues will take the opportunity to welcome him to Washington.

GLEN BROWDER: BIOGRAPHICAL PROFILE

Glen Browder has bridged the gap between classroom political science and real-world government.

As Professor of Political Science at Jacksonville State University for sixteen years, Dr. Browder taught thousands of Alabama college students the important principles of American democracy. Now as a U.S. Congressman, Representative Browder plays a key role in America's governmental process.

Browder believes that his two careers have worked hand-in-hand. His years as a teacher have helped him understand the issues facing our country, and his service as a Congressman (and previously as Alabama's Secretary of State and a state legislator) has helped him appreciate the opportuntities and responsibilities of political leadership.

"Leadership is not simply making bold decisions and giving orders. Political leadership means addressing public problems and then helping citizens deal with those problems. To do this, you have to use both the powers of your office and your own personal powers of persuasion; and you have to respect the views of those who represent different viewpoints. But, most importantly, you have faith in the collective 'goodness' of the people."

Browder's priority as Secretary of State was clean elections and progressive administration. He wrote and helped pass the Fair Campaign Practices Act (1988) which requires financial disclosure by elected officials, candidates, and political action committees; and he automated that constitutional office without additional taxpayer funds. As a state representative, Browder championed a variety of reform-oriented legislation. He promoted improvements in Alabama's election laws, and he was the primary sponsor of some major education reform legislation and a program which forces lawbreakers to pay compensation to innocent victims of crime.

Browder was born in Sumter, South Carolina, and attended Presbyterian College (B.A. in History) and Emory University (M.A. and Ph. D. in Political Science). His occupational background includes work as an investigator with the U.S. Civil Service Commission and Sportswriter for the Atlanta Journal. He came to Jacksonville State University directly from graduate school and has been a member of that institution since 1971. An active political scientist, he is currently on leave of absence without pay from JSU. He served one term in the Alabama House of Representatives (1982-86) prior to his election as Secretary of State (1987-89).

Browder, 46, and his wife, Becky, have been married for twenty-two years; and they are the parents of 14 year-old Jenny Rebecca. The family holds membership in Jacksonville First United Methodist Church and resides in Jacksonville.

I PLEDGE TO BEAR TRUE AND FAITHFUL ALLEGIANCE TO THE CONSTITUTION OF THE UNITED STATES

(Mr. BROWDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWDER. Mr. Speaker, Members of the House, I take this oath with seriousness, with personal gratitude to my family, with commitment to the people of the Third District of Alabama, with reverence to our former Congressman and your colleague Bill Nichols, with great respect to this institution and with the request that the Members of this House help me, as this oath prescribes, to bear true and

faithful allegiance to the Constitution of the United States.

APPOINTMENT AS MEMBERS OF THE UNITED STATES DELEGATION TO ATTEND MEETING OF THE CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of 22 U.S.C. 276d, the Chair appoints as members of the United States delegation to attend the meeting of the Canada-United States Inter-Parliamentary Group the following Members on the part of the House:

Mr. GEJDENSON of Connecticut, chairman;
Mr. FASCELL of Florida, vice chairman;
Mr. HAMILTON of Indiana;
Mr. DE LA GARZA of Texas;
Mr. OBERSTAR of Minnesota;
Mr. LAFALCE of New York;
Mr. KOSTMAYER of Pennsylvania;
Mr. BROOMFIELD of Michigan;
Mr. HORTON of New York;
Mr. STANGELAND of Minnesota;
Mr. MARTIN of New York; and
Mr. MILLER of Washington.

APPOINTMENT AS MEMBER TO ADVISORY COMMITTEE OF THE WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SCIENCES

The SPEAKER. Pursuant to section 5 of Public Law 100-382, the Chair appoints the following individual on the part of the House as a member to the Advisory Committee of the White House Conference on Library and Information Sciences to fill the existing vacancy thereon:

Mr. Gordon Ambach.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2. An act to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2) "An act to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes," and requests a conference with the House on the disagreeing votes of the two Houses thereon.

PROVIDING FOR PARTICIPATION OF MEMBERS OF BOTH HOUSES IN CEREMONIES MARKING 200TH ANNIVERSARY OF IMPLEMENTATION OF U.S. CONSTITUTIONAL FORM OF GOVERNMENT

Mrs. BOGGS. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 96) providing for participation by delegations of Members of both Houses of Congress in ceremonies to be held in April 1989 in New York City marking the 200th anniversaries of the implementation of the Constitution as the form of government of the United States, the convening of the First Congress, the inauguration of President George Washington, and the proposal of the Bill of Rights as the first 10 amendments to the Constitution, and I ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 96

Whereas the Constitution officially became the form of government of the United States on March 4, 1789;

Whereas the First Congress convened in New York City on March 4, 1789;

Whereas New York City served as the first capital of the United States;

Whereas George Washington was inaugurated as the first President of the United States in New York City on April 30, 1789;

Whereas while meeting in New York City, the first Congress passed legislation creating the executive departments of the Federal Government and the Federal court system; and

Whereas while meeting in New York City, the first Congress, under the leadership of Representative James Madison of Virginia, framed and proposed to the States the ten constitutional amendments known today as the Bill of Rights: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Speaker of the House of Representatives and the President pro tempore of the Senate, in consultation with the Minority Leaders and the Bicentennial Committee Chairmen of their respective Houses, are authorized and directed to appoint Members of their respective Houses to serve on a delegation of Members of the Congress, which will take part in ceremonies to be held in New York City in April 1989 commemorating the 200th anniversaries of the implementation of the Constitution as the form of government of the United States, the convening of the First Congress, the inauguration of George Washington as the first President of the United States, and the proposal of the Bill of Rights as the first ten amendments to the Constitution, and shall invite the President to join the delegation in participating in the ceremonies.

(b) The specific planning of the ceremonies described in subsection (a) shall be coordinated directly with the Historian of the Senate, under the jurisdiction of the Secretary of the Senate, and the Historian of the House of Representatives, under the jurisdiction of the Speaker of the House of Representatives.

Mrs. BOGGS (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

The SPEAKER. The gentlewoman from Louisiana [Mrs. BOGGS] is recognized for 1 hour.

Mrs. BOGGS. Mr. Speaker, this resolution provides for the participation by delegations from the House and the Senate in the ceremonies scheduled to be held in New York City the last weekend in April to celebrate the 200th anniversary of the inauguration of George Washington as the Nation's first President and the implementation of our Government under the terms of the Constitution.

The resolution empowers the Speaker of the House and the President pro tempore of the Senate, in consultation with the Republican leadership and the House and Senate Bicentennial Commissions, to designate delegations to participate in the New York City ceremonies later this month. Responsibility for coordinating this effort is vested with the House and Senate historians.

Legislation with virtually the same effect, with only a slight difference in wording, passed the House and Senate last year as House Concurrent Resolution 115. There were 162 House cosponsors and the vote in the House was 421 to 0. We must revisit this matter again this year because the delegation was not appointed during the 100th Congress, therefore the 101st Congress must give its approval.

I do not know how many of you watched television, heard the radio or saw the newspapers, but on Sunday there began a reenactment of George Washington's journey to the Federal Hall in New York City for his inauguration. It began at Mount Vernon and traveled through Alexandria and Georgetown last Sunday and Monday. The reenactment will conclude with the oath-taking in New York City on Sunday, April 30, and in related festivities sponsored by the New York Commission, there will be fireworks, concerts, and a tall ships flotilla.

Mr. Speaker, this resolution has been cleared with the Committee on Post Office and Civil Service and with the Republican leadership, and I ask unanimous consent for its approval.

The SPEAKER. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 2, FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PREFERENTIAL MOTION TO INSTRUCT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. DANNEMEYER, moves that the managers on the part of the House at the Conference on the disagreeing votes of the two Houses on the bill, H.R. 2, are hereby instructed to agree to section 204 of the Senate amendment.

The SPEAKER. The gentleman from California [Mr. DANNEMEYER] will be recognized for 30 minutes, and the gentleman from California [Mr. HAWKINS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker and Members, one of the growing controversial matters that all of us must confront in this Congress is the growing awareness on the part of senior citizens of America that the catastrophic bill that we passed last year will assure a significant tax increase to be experienced by tens of thousands of senior citizens across this country. This motion that this Member from California has filed at the desk to instruct conferees will have the effect of permitting those of us in this House to go on record as supporting holding hearings on this subject during this Congress. That is what the thrust of this motion is all about.

The technical way of reaching that is to instruct our conferees to agree to a provision that was adopted in the Senate that expressly does nor requests the same thing, namely to hold hearings in the Senate. Our motion, this one now pending, asks that those hearings take place and accordingly this will be a means whereby we in this House have a chance to say that we would like to hold hearings on the implications of the catastrophic bill that is now a part of the law of this country.

□ 1240

Mr. HAWKINS. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker it is my understanding that the gentleman from California is requesting that we instruct the conferees to agree to the section in the Senate bill which suggests that it is the sense of the Senate that the Senate Committee on Finance review Public Law 100-360, specifically including the financing mechanisms, and further that it is the sense of the Senate that the Committee on Finance hold hearings on this issue.

While I do not know that it is the purpose of this body to direct the other body as to their procedures, I can see nothing wrong with that, and I would have no particular objection to directing the Senate, if that is what the gentleman is concerned about.

Mr. DANNEMEYER. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Speaker, I think as has already been indicated, that the intention on this side of the aisle is to be able to express as best as we can at any rate not only the endorsement of the Senate decision to pass the amendment expressing their views that there ought to be hearings in regard to the passage last year of the Medicare Catastrophic Coverage Act, there ought to be those hearings in the Senate, but we believe that by inference, at any rate, we are expressing ourselves that that ought to be the case over here also in the House, although the words do not directly state that.

As one who has been relatively active in this area, I know that I do have a lot on my mind on the subject, and just about everybody I talk to here in the House on both sides of the aisle also seem to have an awful lot of points on their mind that they would like to express but let me just summarize very quickly my feelings, why I believe it is so very important that we do have hearings on the pros and cons of the Medicare Catastrophic Coverage Act.

The seniors all over America have had a good time now to look at the Medicare Catastrophic Coverage Act, and I think what they are saying to Members is that they have a lot of objections. They believe that the Catastrophic Act zeroed in on what at least they feel is one of the lowest priorities in terms of the expansion of Medicare. I have always felt we have three basic areas we can expand into, and that is first, hospital and physician coverage services, and then into the whole in-home health care area, and last but not least, the most important, of the highest priority, I should say, of seniors, long-term custodial nursing home care. Seniors believe that not only are they being asked to self-finance, they are being asked to do a lot more than that, they are being asked to subsidize for others. Congress, in fact, has placed a mandated benefits responsibility on the seniors of this country, and what seniors are saying is that at least Members should have asked them where their taxes should be spent, that is, which area of Medicare should be expanded. I think most seniors will say, inasmuch as Medicare does now cover acute hospital care and physician services, and 70 percent of seniors do have coverage with employer-provided insurance and with Medi-Gap policies and since 10 percent have Medicaid coverage, it seems as though we ought to, that Congress ought to, when it thinks in terms of expanding Medicare, ought to be thinking of expanding in an area that is not covered by Medicare, that is, long-term custodial nursing home care. It is a practical matter. People simply cannot get insurance to cover it. So they are saying to Members that they think that the Medicare Catastrophic Coverage Act ought to be completely reevaluated. They also believe that to have used the income tax as the basic way of having seniors self-finance, was unfair. The tax surcharge is a tax upon a tax, which means that every time that there is a change in the definition of what is taxable income, there is a double hit on seniors. So it is a matter that insofar as the income tax is concerned, it is, I think, one of the worst ways in which to have seniors self-finance an expansion of Medicare.

We have, Mr. Speaker, also breached every promise which we have made in passing the Tax Reform Act of several years ago, in 1986, when we took away from the seniors as well as many others, a lot of tax deductions, tax credits, and exclusions of income. We promised then not to raise the income tax rates. Yet, of all the people in this great land of ours, we have chosen to raise the income tax rates only upon senior citizens. That, I think, is not fair. We are asking the seniors as a practical matter, constituting roughly 40 percent of the beneficiaries here who are paying taxes under this act, that in effect, they will pick up about two-thirds of the cost. And we brought in a new program insofar as the prescription drug program is concerned, and already the HCFA has advised the Members of Congress that in their view the drug prescription program which does not even start until 1991, will at the end of 1991, be a half billion dollars in debt. By the end of 1993, will be $4 to $5 billion in debt.

Of course we see here what Congress is notoriously very good at doing, and that is always seemingly underestimating the amount of money that we are going to be spending upon various programs. Indeed, back in 1965, Congress estimated that the Medicare Program will be costing about $8.8 billion, come 1990, and we are already over $100 billion in the financing of Medicare. So, with all due respect to those who labored very hard and assiduously on

the passage of the Medicare Catastrophe Coverage Act, seniors are saying that they think it is only the beginning of unanticipated costs! And it is the middle-class seniors, Mr. Speaker, make no mistake, who will pay! The very rich and the very poor through Medicaid can afford this. But not the middle-class seniors who have done everything we have ever asked them to do. They put aside money, for instance, so that they would not have to rely totally upon Social Security, and lo and behold, we turn around and we break our word in regard to the Income Tax Reform Act and zero in on them, and say seniors are elected to carry the basic cost of this new catastrophic care program. I believe we have a number of bills we ought to evaluate as alternatives to the Medicare Catastrophic Coverage Act. And I hope that all Members here in the House and certainly those who have labored hard in the Committees on Ways and Means and Energy and Commerce who certainly deserve a lot of credit, will look long and hard at what the Senate has and is doing here and will take the very same steps and open up their committees to hear what seniors have to say about the Medicare Catastrophic Coverage Act.

□ 1250

Mr. DANNEMEYER. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Speaker, there is a fundamental problem, as we all probably recognize now, with the catastrophic health insurance. More accurately put, it is in fact catastrophic income tax to the elderly in the context that it is mandatory and in the context that the people are paying 3 to 4 times what the true value of the premium is worth, and in the context that many of the middle-class people who are paying it already have the same benefits if they are Federal employees.

There are many flaws with the theoretical approach to it. We return in effect to a progressive income tax technique that we supposedly left in 1986 because something like 50 brackets are involved when you pay a 50-percent surtax on a $5,000 income. So really it is more like 20 percent of the elderly are carrying the basic part of the package. A husband and wife can pay up to $1,600 as a premium for something that is of marginal benefit in comparison to something they could fund privately. It is sort of like taxing the homeless to pay for the homeless.

The retired people are the least able to pay this income tax surcharge. The reason I say it is a return to the old progressive income tax system is because of the elevated categories that are involved. So we can use the "duck" argument argument or use the "rose" argument, that a rose is a rose by any other name. It is mandatory. It is in fact nothing more than a tax for at least three-quarters of the premium on the elderly. It is unfair.

I have had over 1,300 letters objecting to it in the State of Florida because we have a large elderly population there, and we had better believe that they understand it. They have sat down with a pencil and figured it out. Of course, they did not catch on to it immediately because it was billed as a way to fund nursing home care for their spouses, and they thought that was a great idea when it was initially sold to the public. But by the time the committee got through with it, it did anything but that for extended nursing home stays, and it wound up being a tax. I do not believe that was the intention of the Congress or the people who voted on it or even the committee.

Mr. DANNEMEYER. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. INHOFE].

Mr. INHOFE. Mr. Speaker, we made a mistake. Despite our intentions, we did not give the people what they wanted when we passed the Catastrophic Health Coverage Act. We have watched our offices fill with mail, heard the angry protests, and I cannot believe that there are any of us left who doubt that we committed a monumental blunder. The time and place to correct the blunder is here and it is now.

Consider what this law does and does not do:

First, this law does impose a huge tax on the elderly, a 15-percent surcharge;

Second, this law does not expand protection where it is needed most—long-term nursing home care;

Third, this law does single out those over 65 for additional taxes;

Fourth, this law does not benefit the vast majority of older Americans, only about 5 percent will ever use it;

Fifth, this law does play havoc with budget estimates, figures vary wildly; and

Sixth, this law does not really offer "catastrophic coverage," it doesn't cover many common medical costs.

I have held 12 town meetings in the last 3 months, and this issue has dominated every one of them. I can tell you Mr. Speaker, the people are not just disturbed, they are angry. They are angry that their well laid financial plans, decades of saving, could be obliterated by the cost of health coverage that they do not need or want. What do we say to the older Americans who can't afford our idea of proper health coverage? We should say we made a mistake and then take our hands off their wallets.

We should not be in the business of picking a health plan and forcing it on our constituents. And they should not have to take it. I have introduced a bill with Congressman ROBIN TALLON to give people a choice, they can take this health plan or not. This is the right way, the American way.

If this health care coverage is as good as its sponsors suggest, they should not fear making it optional. If it's not good coverage then the people will let us know. In any event, we should not be telling older Americans what is best for them, they should be telling us.

Mr. DANNEMEYER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, my district may be somewhat atypical because it has a great many senior citizens, but I think it is very fair to say that senior citizens throughout the country seem to be in accord that there are very devastating flaws in the well-intentioned catastrophic health bill. These flaws are clearly causing more harm than help to our senior citizens whose needs are still somewhat unmet, particularly in the area of long-term health care. Certainly it is not a formula that is equitable, and we owe it to our constituents to go back and make some changes. It is very fair to say that anxieties are extemely high. As far as I am concerned, the voice is loud, the voice is clear, and it says, "Fix the catastrophic health bill, please."

Mr. Speaker, I urge my colleagues to take this opportunity to correct this situation.

Mr. DANNEMEYER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Speaker, there is not a Member of this body who does not now know how extremely unhappy the retired citizens of this country are with the Medicare Catastrophic Coverage Act of 1988. There is not a Member of this body who has not been told in loud, clear tones just exactly how unhappy those Medicare beneficiaries are, and there is not a Member of this body who has not been pleaded with to do something about it.

I want to suggest to the Members here that today it is possible to do something about it, and that is by supporting the Medicare Catastrophic Coverage Reform Act of 1989, which was introduced today by the gentleman from Illinois [Mr. MADIGAN], the gentleman from Florida [Mr. BILIRAKIS], by myself, and 27 other original cosponsors. That act seeks to remedy the worst features of the catastrophic act which we passed last year. It most specifically does repeal the income surtax that is the major financing mechanism of that act. Furthermore, it takes the most expensive and the potentially fiscally most disastrous provision in that act, the prescription drug benefit, out of Medicare. It elimi-

nates it entirely from Medicare and provides a prescription benefit from Medicaid for those who are most in need of this benefit.

Mr. Speaker, I suppose there could be Members of this body who think the income surtax is fair, and that it is the proper way to finance this expansion of Medicare, but I urge Members, if they happen to think that, to look at the numbers which have been developed by the Health Care Financing Administration as it relates to the financing of the prescription drug benefit alone and says it is not enough. It is not enough by a little, it is not enough by a lot, by half a billion dollars in the second year of the program and by $3.5 to $4 billion in the third year of the program.

If we do not have an inequity in the financing, which I believe we do, we have a ticking time bomb in the cost of the prescription drug benefit.

Mr. Speaker, I urge my colleagues to please take a good hard look at the Medicare Catastrophic Reform Act of 1989, because I think the message is clear. We should reform what we did, and this is a good mechanism to use to do it.

Mr. Speaker, I include with my remarks the following materials under leave to include extraneous matter:

RHODES INTRODUCES CATASTROPHIC CARE REFORM ACT OF 1989

The mail bags in Congress are overflowing with angry letters from senior Americans across the nation. The reason: senior Americans have begun to receive the bill for the Medicare Catastrophic Coverage Act of 1988. This is the new expansion of Medicare that many initially believed would cover all "catastrophic" medical expenses, including nursing home expenses. It was also going to reduce private sector MediGap policy premiums and guarantee that no senior American would pay more to the government for this coverage than to private sector insurers. As many of us predicted, however, seniors throughout the country are now paying higher Medicare premiums, higher taxes, and are being forced to drop MediGap policies which provide better protection than this expansion of Medicare. Moreover, because this program is mandatory, it forces many to pay for benefits they already enjoy from private and certain governmental retirement plans.

In order to fund the expanded Medicare benefits authorized in the 1988 Act, many Americans over the age of 65 must now pay an income surtax of $22.50 added to every $150 owed in regular incomes taxes. In essence, this is a "tax on a tax." To add to this financial burden, the new law increased the monthly Medicare premium by $4 from $27.90 to $31.90. This year, 11 million senior Americans, 35 percent of all retirees, will be forced to pay the surtax. More alarming, the tax rate and the percentage of senior Americans paying the tax will continue to grow in the years to come. The Congressional Budget Office (CBO) estimates that 14 million retirees, or 42 percent, will be paying the new surtax by 1993. This year, because of the surtax, senior Americans are paying an average of 15% more in income taxes than the rest of America. And, by 1993, seniors will be paying up to 28% more than non-seniors!

What does the 1988 Act do for all this money? Maybe not enough. First, it limits out-of-pocket spending for Medicare services to $600 for hospital expenses and $1,370 for physician and out-patient services in 1990. In 1991, the Act covers out-patient prescription drug expenses, available to all Medicare eligible beneficiaries, with a $600 annual deductible. And, beginning in 1993, the law offers limited coverage for nursing home care, home health care services, and respite care service.

It is inherently clear that the 1988 Act is the wrong solution to catastrophic and long-term care coverage. This is why I voted against the Act last June. My vote was not against providing needed long-term care and catastrophic illness coverage; it was against this particularly costly and inadequate bill. I am now working for passage of my recently introduced reform of this "catastrophic" Act.

RHODES MEDICARE CATASTROPHIC COVERAGE REFORM ACT OF 1989

On April 18, 1989, I introduced the Medicare Catastrophic coverage Reform Act of 1989 along with 30 co-sponsors. There have been a few bills introduced that either delay or repeal the current law, which I have cosponsored, but to date, none of the legislation offers senior Americans needed catastrophic and long-term protection at a reasonable cost. My reform bill is the answer.

The Catastrophic Coverage Reform Act of 1989 is a revised version of the Republican alternative introduced last year as a substitute to the bill that became law. It ensures your right of choice, in that it is a voluntary program. Most important, it retains almost all the vital provisions in the Medicare Catastrophic Coverage Act of 1988 at a much lower cost.

The key feature of this legislation revises the manner in which catastrophic protection is financed. This bill eliminates the mandatory "surtax" on America's senior citizens. It returns to the traditional financing method, relating cost paid to benefits received, through the optional Medicare Part B premiums. It also raises the out-of-pocket expenses ceiling from $1,370 to $2,230 per year.

Unlike the current law, the Reform Act directly addresses long-term care by stimulating private sector development of long-term care insurance through tax incentives. My legislation allows for the tax-free roll over of funds from a life insurance policy and/or from an Individual Retirement Account (IRA) for the purchase of long-term care insurance. Additionally, it allows employers the same tax deductions for long-term care insurance as are currently used for health and life insurance benefits.

My bill also provides a prescription drug benefit for those elderly who truly need it. Currently, it is estimated that only 17 percent of senior Americans are expected to incur prescription drug expenses in excess of the $600 deductible dictated in the law passed last year. The Reform Act targets the prescription drug benefit to those most in need: Americans 65 or older who live at below 150 percent of the poverty rate. Additionally, this select group in need will only pay a $50 annual deductible.

In short, my legislation provides more needed services for the elderly at about half the cost of the current law. Since it is financed through optional Medicare Part B premiums, senior Americans who currently enjoy adequate protection are not forced into a progam they do not need. And Americans who need this protection have the opportunity for coverage at a reasonable cost.

I feel this Reform Act is the fair and equitable answer to the needs of millions of senior Americans. Moreover, it is the right thing to do.

LAST CHANCE TO BE AN ORIGINAL COSPONSOR OF THE MEDICARE CATASTROPHIC COVERAGE REFORM ACT

DEAR COLLEAGUE: All of us have now heard from many of our constituents whom the "Medicare Catastrophic Coverages Act of 1988", P.L. 100-300, was designed to benefit. The majority of senior citizens believe that the benefits unrelated to catastrophic illness, are unnecessary and are paid for by an inequitable tax levied upon the elderly, the so-called supplemental premium (surtax).

On Tuesday, April 18, we will introduce legislation, the "Medicare Catastrophic Reform Act of 1989" to remedy many of the legitimate concerns that have been raised about P.L. 100-360. This bill is very similar to the Republican substitute that won 190 votes when the catastrophic bill was considered on the House floor. It repeals the surtax as well as a number of the non-catastrophic benefits, such as respite care and mammography screening.

The "Medicare Catastrophic Reform Act of 1989" provides benefits addressing the true catastrophic health care needs of the elderly. It is not designed to fund the routine costs of medical care. Under our bill, the new set of catastrophic Medicare will be financed by a modest increase in the existing Part B premium which will be indexed annually to fully fund the costs of the benefits. For example, under current law beneficiaries will be required to pay $33.90 a month next year for the Part B premium as well the income related surtax. Under our proposals, beneficiaries will have to pay an additional $6.90 for the Part B premium but they will not be liable for the supplemental premium.

The main features of our bill:

Repeals the income related supplemental premium (surtax);

Retains those provisions of current law that expand the scope of Part A Medicare benefits because these are all legitimate catastrophic expenses, including: removing the limit on days of inpatient hospital services and on hospice care; expanding coverage of skilled nursing facilities; and improving home health care coverage;

Changes the cap on beneficiary expenses to $2230 for FY 1990;

Repeals coverage for mammography screening, respite care, and home administered intravenous drugs;

Repeals the costly prescription drug benefit and replaces it with a drug benefit under the Medicaid Program for persons over 65 who are at or below 150% of the Federal poverty level. This benefit will be administered through state Medicaid agencies and includes a $50 deductible.

Retains those provisions in current law that provide protection of income for individuals whose spouse are receiving nursing home care.

We also begin, in this package, to address the overwhelming concerns of the elderly, long-term care. The second title of this bill makes the tax code revisions necessary for the development of the long-term care insurance market.

Adoption of the "Medicare Catastrophic Reform Act of 1989" will result in a package

of benefits designed to meet the true catastrophic health care needs of the elderly. It accomplishes this goal without unfairly taxing those elderly who have been fortunate enough to be able to maintain some savings. We strongly urge you to join us as an original cosponsor of this legislation. To co-sponsor, contact Tracy King at 5-2635 or Pattie DeLoatche at 5-5755.

JOHN J. RHODES III,
MICHAEL BILIRAKIS,
EDWARD R. MADIGAN,
Members of Congress.

RHODES-BILIRAKIS-MADIGAN MEDICARE CATASTROPHIC COVERAGE REFORM ACT OF 1989

SPONSORS

Rep. John J. Rhodes III.
Rep. Michael Bilirakis.
Rep. Edward R. Madigan.

ORIGINAL COSPONSORS

Rep. Doug Bereuter.
Rep. Steve Bartlett.
Rep. Richard H. Baker.
Rep. Harris W. Fawell.
Rep. James V. Hansen.
Rep. J. Dennis Hastert.
Rep. Clyde C. Holloway.
Rep. Bob McEwen.
Rep. Dana Rohrabacher.
Rep. Dan Schaefer.
Rep. Norman F. Lent.
Rep. Robert J. Lagomarsino.
Rep. Howard C. Nielson.
Rep. Larry Combest.
Rep. Jim Kolbe.
Rep. Henry J. Hyde.
Rep. Bill Grant.
Rep. Lamar Smith.
Rep. Bob Stump.
Rep. Sonny Callahan.
Rep. Bill McCollum.
Rep. Craig T. James.
Rep. J. Alex McMillan.
Rep. Thomas J. Bliley, Jr.
Rep. Carlos J. Moorhead.

HIGHLIGHTS OF THE RHODES-BILIRAKIS-MADIGAN MEDICARE CATASTROPHIC COVERAGE REFORM ACT OF 1989

Eliminates income tax surcharge and replaces it with traditional Medicare Part B financing.

Provides tax incentives for the development of the long-term care insurance market.

Retains current protection for individuals whose spouses are receiving nursing home care.

Retains vital Medicare Part A catastrophic coverage provisions in the current law.

Repeals costly drug benefit; institutes a $50 deductible Medicaid Program drug benefit for Medicare beneficiaries over 65 who are living below 150% of the Federal poverty level.

Changes the cap on beneficiary expenses to $2230 for FY 1990.

Repeals coverage for mommography screening, respite care, and home administered intravenous drugs.

WHAT AMERICA'S SENIOR CITIZENS ARE SAYING . . .

"As I look through this act I see I must pay for something that I will never use. I like many others have insurance that will take care of us if need be. . . . Now why must I pay for another insurance that I will never use?"—D.R., a resident of Phoenix, Arizona.

"What we really need is some kind of coverage for LONG TERM CARE. . . . Actually, most of us didn't need the bill. We had our own insurance and were doing o.k. It isn't right to lay an age-targeted surtax on people who have worked hard all their lives and saved toward their retirement years. Now, everything we have saved will be double taxed."—G.W., a resident of Phoenix, Arizona.

"It looks to me that what passed as catastrophic coverage has totally missed the mark. It should be called catastrophic legislation."—a resident of New Port Richey, Florida.

"This is my first letter to my congressman in my lifetime. I am 64—my husband 72—senior citizens and we are outraged at the new catastrophic health bill and the unfair tax that has been tacked on to us. . . . We are middle income seniors. We are not on the poverty level nor do we live high on the hog. This 'seniors only' tax is absolutely unacceptable and the long-term health bill leaves much to be desired. Surely our Congress can come up with something better than this mess."—L.T., a resident of Seneca, Illinois.

"My wife and I are Medicare eligible. We already have hospital and medical insurance that covers anything and everything that this catastrophic insurance has to offer. Therefore, we need it like we need two sets of wheels for our Plymouth auto. . . . About the surtax funding, for the U.S. government to force a relatively small number of citizens, segregated by age, not necessarily overly laden with worldly goods, or money, to pay for a large unlimited number of citizens who cannot or will not maintain themselves, is a gross injustice. . . .—C.R., a resicent of Clinton, Illinois.

"My wife and I worked for many years and saved part of our income which we invested for our retirement years . . . we expect to buy and pay for our insurance . . . you are taking my savings without my permission."—K.M., a resident of Lincoln, Nebraska.

"The Medicare Catastrophic Coverage Act may bring peace of mind to those who pay no tax. But for those of us who live on the lower end of the fixed middle income bracket, the effect is altogether different."—J.S., a resident of Lincoln, Nebraska.

"Call it 'Senior Confiscation Tax Health Insurance."—a resident of Illinois.

"Confronting long-term custodial nursing home care should be made a priority"—a resident of Illinois.

SUMMARY OF MEDICARE CATASTROPHIC COVERAGE REFORM ACT OF 1989

Provisions retained, without change, from Medicare Catastrophic Coverage Act of 1988 (MCCA).

1. Expanded scope of Medicare Part A benefits, including:

a. Removing day limit on inpatient hospital services.

b. Expanding skilled nursing facility services to 150 days each calendar year.

c. Removing limit on days of hospice care.

d. Limiting inpatient hospital deductible to 1 each year.

e. Restricting coinsurance for skilled nursing facility care to 20% of national average daily rate (for 1989 the figure is $22.50) for each of the first 8 days in each year.

f. Placing the part A buy-in premium (for those not otherwise eligible for Medicare) on an actuarial basis.

2. Expanding number of consecutive days of home health services to 38 days.

3. Expanded medicaid benefits including:

a. Expanded coverage of pregnant women and infants with income below the poverty line.

b. Protection of income and resources of couple for maintenance of community spouse—prevention of "spousal impoverishment").

4. Miscellaneous provisions, including:

a. Improvements in medigap certification program.

b. U.S. Bipartisan Commission on Comprehensive Health Care.

c. Maintenance of employer efforts, various demonstration projects and studies, and Advisory Committee on Medicare Home Health Claims.

Provisions deleted from MCCA:

1. "Supplemental Medicare Premium" (tax surcharge).

2. Coverage of prescription drugs and insulin.

3. Coverage of home intravenous drug therapy services.

4. Coverage of screening mammography.

5. In-home care for chronically dependent individuals. (Respite care)

Provisions retained, but modified from MCCA:

1. Limit on Medicare Part B cost-sharing changed to $2,230 per year, rather than $1,370.

2. Recomputation of additional Part B premium to cover costs of modified catastrophic benefits.

3. Freezing the Medicaid buy-in provision at 85 percent of the federal poverty level instead of going with the 100% phase in proposal.

Additional provisions:

1. Requiring Medicaid coverage of individuals 65 years of age or older with incomes below 150 percent of poverty level with a $50 deductible. (Substitute drug benefit).

2. Changes in the tax law to promote provision of long-term care insurance.

PRELIMINARY COSTS ESTIMATES FOR JJR'S MEDICARE CATASTROPHIC COVERAGE REFORM ACT OF 1989

According to Don Muse of CBO the overall costs of the catastrophic bill for fiscal year 1990 will be between $3 to 3.5 billion.

According to Don, this figure is high due to the "front-end loading" of the original catastrophic bill. At this point, it is actually reducing the deficit with its financing.

They are still working on the premium estimates. He told me that the language was somewhat tricky. Therefore, it was taking some time.

He was able to give me the cost estimates for the reformed drug benefit and all of Title II.

Drug Benefit Costs: 1990—$200 million, 1991—$377 million, 1992—$470 million, 1993—$560 million, and 1994—$620 million.

1. Number of elderly who will benefit from drug provision: 1990—1,850; 1991—2,265; 1992—2,590; 1993—2,830; 1994—2,880.

Percentage of Medicare eligible: 1990—5.6 percent; 1991—6.8 percent; 1992—7.6 percent; 1993—8.2 percent; 1994—8.2 percent.

The way current law is drafted the deductible determines the amount of beneficiaries. Thus, the law dictates that 16.8 percent of medicare eligible benefit from the drug provision. CBO determined the deductible to be $600 to meet the requirement.

In CBO's re-estimate the numbers of beneficiaries have actually dropped.

New estimate of those receiving drug benefit under current law: 1990—16.6 percent; 1991—16.4 percent; 1992—16.8 percent; 1993—16.8 percent.

TABLE 4.—PREMIUMS PAID BY MEDICARE ENROLLEES, CALENDAR YEARS

[In dollars per month per enrollee]

	Calendar years					
	1989	1990	1991	1992	1993	1994
MONTHLY FLAT PREMIUMS						
New premiums—Proposed Law:						
Catastrophic	4.00	9.70	10.80	11.90	13.10	14.50
Drug	0	0	0	0	0	0
Total new catastrophic premiums	4.00	9.70	10.80	11.90	13.10	14.50
SMI basic premium [1]	27.90	31.10	34.50	36.10	37.80	39.40
Total flat premium	31.90	40.80	45.30	48.00	50.90	53.90
CBO Baseline—Current Law:						
Catastrophic	4.00	4.90	5.46	6.75	7.18	8.00
Drug	0	0	1.94	2.45	3.02	3.00
Total catastrophic premiums	4.00	4.90	7.40	9.20	10.20	11.00
SMI basic premium	27.90	29.00	30.40	31.90	33.40	34.80
Total flat premium	31.90	33.90	37.80	41.10	43.60	45.80
Difference:						
Catastrophic	0	4.80	5.34	5.15	5.92	6.50
Drug	0	0	−1.94	−2.45	−3.02	−3.00
Total catastrophic premiums	0	4.80	3.40	2.70	2.90	3.50
SMI basic premium	0	2.10	4.10	4.20	4.40	4.60
Total difference	0	6.90	7.50	6.90	7.30	8.10

[1] The SMI basic premium reflects the proposal to set the SMI basic premium to cover 25 percent of basic SMI costs.

	1989	1990	1991	1992	1993	1994
New premiums—Proposed law (not deficit neutral):						
Catastrophic	4.00	9.70	10.80	11.90	13.10	14.50
SMI basic premium	27.90	31.10	34.50	36.10	37.80	39.40
Total flat premium	31.90	40.80	45.30	48.00	50.90	53.90
New premiums—Proposed law (deficit neutral):						
Catastrophic	4.00	9.70	10.80	11.90	13.10	14.50
Additional premium	0	11.70	1.30	3.10	1.40	.50
SMI basic premium	27.90	31.10	34.50	36.10	37.80	39.40
Total flat premium	31.90	52.50	46.60	51.10	52.30	54.40
Current law:						
Catastrophic	4.00	4.90	5.46	6.75	7.18	8.00
Drug	0	0	1.94	2.45	3.02	3.00
Total catastrophic premium	4.00	4.90	7.40	9.20	10.20	11.00
SMI basic premium	27.90	29.00	30.40	31.90	33.40	34.80
Total flat premium	31.90	33.90	37.80	41.10	43.60	45.80

Mr. DANNEMEYER. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Speaker, I want to commend my colleagues, the gentleman from California [Mr. DANNEMEYER] and the gentleman from Illinois [Mr. FAWELL] for bringing this motion to the floor.

This motion involves a conference and hearings, but let us not make any mistake about it. What we are trying to do with this motion is to repeal the catastrophic illness surtax on senior citizens. That is the point of this motion, to get that process started.

I have heard from seniors in my district at many town meetings and many forums; they do not like this tax, which will cost them hundreds of dollars a year and in some cases up to a thousand dollars a year.

They do not like it for two reasons: No. 1, it is a group tax, a tax on one group, senior citizens. The second reason they do not like it is because the proceeds are going to catastrophic illness insurance and not to meet the nursing care needs most seniors need more acutely.

Mr. Speaker, let us get on with this. Let us fix the catastrophic insurance bill and repeal the surtax.

Mr. DANNEMEYER. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, I would like to quote from some of the correspondence that I have received from my constituents in Florida.

It looks to me that what passed as catastrophic coverage has totally missed the mark. It should be called catastrophic legislation.

That is from a resident of New Port Richey, FL.

Here is what another resident of New Port Richey, FL said:

We have scrimped and saved all our lives to save money to live comfortably in our old age. Because we have interests on those savings, we are taxed on that interest. Now, through the new surtax, we will pay unfairly for not being a burden on our community or our country.

This is from a resident of Palm Harbor, FL:

I feel the catastrophic income tax is extremely unfair to the senior citizens of this country, especially those trying to get by on income from social security. Therefore, I am asking for your help in changing this legislation.

The last quote I have is from a resident of Holiday, FL:

Not one single retired persons or anyone over 65 whom I have talked with has yet accepted this program. We violently object to this method of financing.

Mr. Speaker, we must listen to those whom we represent. After all, the Founders intended that this be a republic, which means that we represent those people and we should be their voices in Washington. They are telling us to listen to them. We listened in 1983 when, after a lot of hardheadedness and stubbornness in this body, we finally got around to rescinding the income tax or the withholding of income tax on interest and dividends, as we may recall, and that was after we finally decided to listen to our constituents.

□ 1300

I said so earlier this year when the people who hired us said that you do not deserve a pay raise, at least not the way it was being conducted, and finally when it looked to be a virtual certainty we finally listened to them, and I say to my colleagues that we must listen to them again. They are telling us that what they did, although well-intentioned, was bad, that it was wrong, so they are saying to take another look at it, open it up.

I might add at this point, Mr. Speaker, that when we talk about catastrophic, let us take a look at the drug provision in the current bill. It is catastrophic in the sense that it does not help the poor. It has a $600 deductible attached to it.

It has been proven that less than 10 percent of the people out there actually spend as much as $600 on prescription drugs. Therefore, who are we really helping when it comes to this piece of legislation? The new pieces of legislation which are being considered would lower that deductible to $50, if you will, and apply itself only to those over 65 and those who are up to 150 percent of the poverty level, the people we really should be intending to help here.

So basically I say to you, Mr. Speaker, and to our colleagues, let us open up our minds. Let us be broad-minded. We have a group of people out there who are telling us, "Look, you made a mistake." Let us admit it and at least open it up and take another look at it, particularly the financing provisions.

Mr. DANNEMEYER. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. Mr. Speaker, if I could extrapolate on a famous Churchillian quote:

Never have so many given so much for so little.

It is very clear that we must repeal this tax. Why? Because it hurts most those it is intended to benefit, and it is a tax upon a tax.

When we look at the prescription trust fund, if you go all the way up to 1993, the shortfall has been estimated by HCFA at $4.5 billion. It is $500 million in 1991, $2.5 billion in 1992, and $4.5 billion by 1993.

With all these things in mind, we clearly want to repeal the tax, but that is not what Mr. DANNEMEYER is calling for. He is simply asking that we support the concept of hearings, and while we are here in this Capitol under great attack from the media and others, how can we possibly oppose more hearings, more democracy, a greater opportunity to address this issue?

Mr. Speaker, I wholeheartedly support the efforts of the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I commend the gentleman from California [Mr. DANNEMEYER] and the gentleman from Illinois [Mr. FAWELL] for offering instructions to the conferees to hold hearings on the catastrophic bill. The catastrophic bill is in need of surgery and that surgery can be applied

after the hearings that should be held by this deliberative body.

You know, when the bill passed, and it has a lot of good components in it, people did not realize the real impact of it. It was only after it went into effect that they did, and indeed once they did, we realized the deleterious effects of our senior citizens whose quality of life and health care we want to preserve.

Indeed, retirees on fixed incomes are finding that they cannot even afford it. Retirees on fixed incomes are finding that even if they are eligible, but they do not receive benefits, they must pay. Federal retirees, of whom I represent about 26,000, are finding that despite amendments that were placed on the bill, it is duplicating what they already have in abundance.

Indeed, my office is probably no exception, I have heard from more people on that issue, who realize the impact of the catastrophic bill, than I did even on the pay raise issue.

It is time for us to hold hearings and it would be appropriate for us to review the funding mechanism so that we can make changes and so that we can prepare for the real need, which is long term care.

Mr. Speaker, I ask this body to support the language for H.R. 2.

Mr. DANNEMEYER. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in support of the motion to instruct House conferees to insist on the Senate provision of H.R. 2 calling for a reexamination of the finding mechanism for the Medicare Catastrophic Coverage Act of 1988.

I have heard from thousands of retired Federal employees, retired military employees, and retired private sector employees who are concerned about the inequities in the new law. Many of these retired Americans have related their concerns that they are paying for expanded Medicare coverage which duplicates coverage they have from private sources at a much lower cost.

I believe that the 101st Congress must reevaluate the funding mechanism of the new law that will subject retirees, regardless of whether they are already covered under Federal, military, or other employer-provided health insurance plans, to a supplemental premium based on Federal income tax liability.

Throughout the consideration of the new law, I worked to alert my congressional colleagues to the effect that the proposed expansion of the Medicare system would have on those retired Americans who were already protected from catastrophic expenses. I also have consistently believed that the most significant catastrophic expense faced by the elderly relates to long-term health care costs—which were not addressed in the Medicare Catastrophic Coverage Protection Act.

I have been in close contact with representatives of retiree groups, including the National Association of Retired Federal Employees [NARFE] and the Retired Officers Association [TROA] to determine strategies for most effectively changing the new law. The first step, however, must be for the Congress to convene hearings and to listen to the elderly of this Nation who are directly affected by and who are paying for this new Medicare Program.

There is a growing and united front of retired Americans known as the Coalition for Affordable Health Care who are concerned about the new law and are represented by the following groups:

National Association of Retired Federal Employees.

The Retired Officers Association.

American Foreign Service Association.

Mail Handlers.

National Association of Postal Supervisors.

National Association of Letter Carriers.

National Association of Postmasters.

National Association of Postal Supervisors.

International Federation of Professional and Technical Engineers.

American Foundation for the Blind.

Florida Seniors for Medicare Equity.

Marine Corps Reserve Officers Association.

E.X.P.O.S.E.

Rural Letter Carriers Association.

U.S. Army Warrant Officers Association.

National Association for Uniformed Services.

Air Force Association.

Non Commissioned Officers Association.

National League of Postmasters.

National Treasury Employees Union.

Marine Corps League.

Naval Reserve Association.

Council of Sacramento Senior Organizations.

Association of Military Surgeons of the United States.

International Association of Fire Fighters.

California State Employees Association.

United Seniors of America/San Diego.

National Association for Public Health Policy.

Air Force Sergeants Association.

Reserve Officers Association.

The Retired Enlisted Association.

U.S. Coast Guard Chief Petty Officers Association.

Seniors Opposing the Surtax/Trenton, NJ.

Heritage Harbour Homeowners Association Committee on Catastrophic Coverage/Annapolis, MD.

National Alliance of Senior Citizens.

Pennsylvania Association of School Retirees.

We owe it to every older American to provide fair and equitable health care and it's time we address the growing concern of thousands upon thousands of the Nation's senior citizens that the Medicare Catastrophic Coverage Act of 1988 is in need of revision.

Mr. DANNEMEYER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, I thank the gentleman from California for yielding me this time. I commend the gentleman from California for bringing this bill up at this time and join wholeheartedly with him.

I do not believe that my office has received any mail in the quantities that we have received in opposition to the catastrophic health bill. The seniors feel that they have been had. The seniors who for many, many years, as they were working and were setting aside money so they would be taken care of when they retired, find now that that money is being taken from them through the catastrophic health bill. They provided for themselves. They do not need this coverage. This is not what they wanted and they are saying, "Do something about it, U.S. Congress."

So Mr. Speaker, I urge my colleagues to join in support of the proposal of the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding me this time.

I would just like to have a colloquy, if I could, with the gentleman. It was suggested a little earlier that we are dealing here with simply a procedural issue.

Let me ask the gentleman, is it his feeling, as it is mine, that we are dealing here primarily with the first step toward repeal of what we regard as a bad program?

Mr. Speaker, I am glad to yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Speaker, the gentleman is exactly correct. This Member would like to have put that expressly in the motion to instruct, but the rules of germaneness prohibit us from doing so. So we are using this vehicle or asking that we accede to the Senate version which asks for hearings on the subject.

Mr. WALKER. But in bringing the issue to the floor, it is my understanding that what the gentleman is really intending to do is to get us hearings where hopefully we can outline how bad this program is, how outrageous the tax really is, so that we can take that step toward actual repeal of the

program, particularly getting rid of the tax. That is the direction the gentleman wants to move, if I understand correctly.

Mr. DANNEMEYER. Mr. Speaker, if the gentleman will yield further, I hope that the Ways and Means Committee in our House will hold hearings on it, that the Committee on Energy and Commerce which has partial jurisdiction and the Republican Study Committee, by the way, is holding a hearing this Thursday at 9 o'clock on this subject, and I think there are other committees of our body that might also want to hold hearings to determine the impact on the senior citizens of this country.

Mr. WALKER. So no one voting on this motion should kid themselves. It is the intent of the people bringing the motion to the floor to have this be the first step in repeal of the catastrophic health bill of last year and that those who vote yes on the motion to instruct are really voting for taking that first step toward repealing the program; is that correct?

Mr. DANNEMEYER. Mr. Speaker, if the gentleman will yield further, the gentleman has properly spoken and I thank him for making this contribution.

Mr. LEWIS of Florida. Mr. Speaker, at long last we have an opportunity to take positive action to begin reexamining the Medicare Catastrophic Coverage Act.

Every Member of this House has heard from retirees who are upset about the financing of this act and want it changed. The refusal of the relevant committees in both Houses of Congress to hold hearings on this issue has been a source of frustration for those of us who want to review the Catastrophic Coverage Act. Today we have an opportunity to get the ball rolling by expressing our wish that the Senate Finance Committee hold hearings.

This act must be reformed to ensure the fairness of its financing. By voting in favor of this motion to instruct, we put ourselves on record in support of taking another look at the Catastrophic Coverage Act in the Senate and, by inference, in the House. I urge my colleagues to support this motion.

Mr. DANNEMEYER. Mr. Speaker, I yield back the balance of my time.

PARLIAMENTARY INQUIRY

Mr. JACOBS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JACOBS. Mr. Speaker, "Read my lips, make my day." Who signed this new tax into law? Is that a proper parliamentary inquiry?

The SPEAKER. That is not a proper parliamentary inquiry.

Without objection, the previous question is ordered on the preferential motion to instruct.

There was no objection.

The SPEAKER. The question is on the preferential motion to instruct offered by the gentleman from California [Mr. DANNEMEYER].

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 408, nays 0, not voting 25, as follows:

[Roll No. 31]

YEAS—408

Ackerman	Crockett	Hall (TX)
Akaka	Dannemeyer	Hamilton
Alexander	Darden	Hammerschmidt
Anderson	Davis	Hancock
Andrews	de la Garza	Hastert
Annunzio	DeFazio	Hatcher
Anthony	DeLay	Hawkins
Applegate	Dellums	Hayes (IL)
Archer	Derrick	Hayes (LA)
Armey	DeWine	Hefley
Aspin	Dickinson	Hefner
Atkins	Dicks	Henry
AuCoin	Dingell	Herger
Baker	Dixon	Hertel
Ballenger	Donnelly	Hiler
Barnard	Dorgan (ND)	Hochbrueckner
Bartlett	Dornan (CA)	Holloway
Barton	Douglas	Hopkins
Bateman	Downey	Houghton
Bates	Dreier	Hoyer
Beilenson	Duncan	Hubbard
Bennett	Durbin	Huckaby
Bentley	Dwyer	Hughes
Bereuter	Dyson	Hutto
Berman	Early	Hyde
Bevill	Eckart	Inhofe
Bilbray	Edwards (CA)	Ireland
Bilirakis	Edwards (OK)	Jacobs
Bliley	Emerson	Jenkins
Boehlert	Engel	Johnson (CT)
Boggs	English	Johnson (SD)
Bonior	Erdreich	Johnston
Borski	Espy	Jones (GA)
Bosco	Evans	Jones (NC)
Boxer	Fascell	Jontz
Brennan	Fawell	Kanjorski
Brooks	Fazio	Kaptur
Broomfield	Feighan	Kasich
Browder	Fields	Kastenmeier
Brown (CA)	Fish	Kennedy
Brown (CO)	Flake	Kennelly
Bruce	Flippo	Kildee
Bryant	Florio	Kleczka
Buechner	Foglietta	Kolbe
Bunning	Foley	Kostmayer
Burton	Ford (MI)	Kyl
Bustamante	Ford (TN)	LaFalce
Byron	Frank	Lagomarsino
Callahan	Frenzel	Lantos
Campbell (CA)	Frost	Leach (IA)
Campbell (CO)	Gallegly	Leath (TX)
Cardin	Gallo	Lehman (FL)
Carper	Garcia	Leland
Carr	Gaydos	Lent
Chapman	Gejdenson	Levin (MI)
Clarke	Gekas	Levine (CA)
Clay	Gibbons	Lewis (CA)
Clement	Gillmor	Lewis (FL)
Clinger	Gilman	Lewis (GA)
Coble	Gingrich	Lightfoot
Coelho	Glickman	Lipinski
Coleman (MO)	Gonzalez	Livingston
Coleman (TX)	Goodling	Lloyd
Collins	Gordon	Long
Combest	Goss	Luken, Thomas
Conte	Gradison	Lukens, Donald
Conyers	Grandy	Machtley
Costello	Grant	Madigan
Coughlin	Gray	Manton
Courter	Green	Markey
Cox	Guarini	Marlenee
Craig	Gunderson	Martin (IL)
Crane	Hall (OH)	Martin (NY)
Martinez	Petri	Smith (TX)
Matsui	Pickett	Smith (VT)
Mavroules	Pickle	Smith, Denny (OR)
Mazzoli	Porter	Smith, Robert (NH)
McCloskey	Poshard	Smith, Robert (OR)
McCollum	Price	Snowe
McCrery	Pursell	Solarz
McCurdy	Quillen	Solomon
McDade	Rahall	Spence
McDermott	Rangel	Spratt
McEwen	Ravenel	Stallings
McGrath	Ray	Stangeland
McHugh	Regula	Stark
McMillan (NC)	Rhodes	Stearns
McMillen (MD)	Richardson	Stenholm
McNulty	Ridge	Stokes
Meyers	Rinaldo	Studds
Mfume	Ritter	Stump
Michel	Roberts	Sundquist
Miller (CA)	Robinson	Swift
Miller (OH)	Roe	Synar
Miller (WA)	Rogers	Tallon
Mineta	Rohrabacher	Tanner
Moakley	Rose	Tauke
Molinari	Rostenkowski	Tauzin
Mollohan	Roth	Thomas (CA)
Montgomery	Roukema	Thomas (GA)
Moody	Rowland (CT)	Torres
Moorhead	Rowland (GA)	Torricelli
Morella	Roybal	Towns
Morrison (CT)	Russo	Traficant
Morrison (WA)	Sabo	Traxler
Mrazek	Saiki	Udall
Murphy	Sangmeister	Unsoeld
Murtha	Sarpalius	Upton
Myers	Savage	Valentine
Nagle	Sawyer	Vander Jagt
Natcher	Saxton	Vento
Neal (MA)	Schaefer	Visclosky
Neal (NC)	Scheuer	Volkmer
Nelson	Schiff	Vucanovich
Nielson	Schroeder	Walgren
Nowak	Schuette	Walker
Oakar	Schulze	Walsh
Oberstar	Schumer	Watkins
Obey	Sensenbrenner	Waxman
Olin	Sharp	Weber
Ortiz	Shaw	Weiss
Owens (NY)	Shays	Wheat
Owens (UT)	Shumway	Whitten
Oxley	Shuster	Williams
Packard	Sikorski	Wilson
Pallone	Sisisky	Wise
Panetta	Skaggs	Wolf
Parker	Skeen	Wolpe
Parris	Skelton	Wyden
Pashayan	Slattery	Wylie
Patterson	Slaughter (NY)	Yates
Paxon	Slaughter (VA)	Yatron
Payne (VA)	Smith (FL)	Young (AK)
Pease	Smith (IA)	Young (FL)
Pelosi	Smith (MS)	
Penny	Smith (NE)	
Perkins	Smith (NJ)	

NAYS—0

NOT VOTING—25

Boucher	Horton	McCandless
Chandler	Hunter	Payne (NJ)
Cooper	James	Pepper
Coyne	Kolter	Schneider
Dymally	Lancaster	Staggers
Gephardt	Laughlin	Weldon
Hansen	Lehman (CA)	Whittaker
Harris	Lowery (CA)	
Hoagland	Lowey (NY)	

□ 1327

Mr. RAVENEL and Mr. FASCELL changed their vote from "nay" to "yea."

So the preferential motion to instruct was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The Chair appoints the following conferees:

For consideration of the House bill, and the Senate amendment (except section 115 and title II), and modifications committed to conference: Messrs.

HAWKINS, MURPHY, FORD of Michigan, CLAY, WILLIAMS, HAYES of Illinois, PERKINS, PAYNE of New Jersey, GOODLING, PETRI, BARTLETT, ARMEY, and FAWELL.

For consideration of section 115 and title II of the Senate amendment, and modifications committed to conference: Messrs. ROSTENKOWSKI, JACOBS, and ARCHER.

PERSONAL EXPLANATION

Mr. HOAGLAND. Mr. Speaker, I was unavoidably detained today during rollcall vote No. 31. Had I been present I would have voted "aye."

PERSONAL EXPLANATION

Mr. McCANDLESS. Mr. Speaker, during rollcall No. 31 on the Dannemeyer motion to instruct conferees on H.R. 2 to accept the Senate language calling for a hearing on the Medicare Catastrophic Coverage Act, I was unavoidably detained.

If I had been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. JAMES. Mr. Speaker, on House rollcall vote No. 31, Mr. DANNEMEYER'S resolution to instruct the minimum wage conferees to support the Senate amendment requiring hearings on the Catastrophic Health Care Act, let the record show I would have voted "aye" on the measure.

I spoke in favor of the resolution, but was detained away from the floor and was unable to get back in time to cast my vote.

In fact, I did vote orally, however, before the rollcall vote for the motion to instruct conferees.

CONDITIONAL ADJOURNMENT OF THE HOUSE FROM TUESDAY, APRIL 18, 1989, TO TUESDAY, APRIL 25, 1989, AND CONDITIONAL RECESS OR ADJOURNMENT OF THE SENATE FROM WEDNESDAY, APRIL 19, 1989, THURSDAY, APRIL 20, 1989, FRIDAY, APRIL 21, 1989, OR SATURDAY, APRIL 22, 1989, TO MONDAY, MAY 1, 1989

Mr. FOLEY. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 97) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 97

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Tuesday, April 18, 1989, it stand adjourned until 12 o'clock meridian on Tuesday, April 25, 1989, or until 12 o'clock meridian on the second day after members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on Wednesday, April 19, 1989, or Thursday, April 20, 1989, or Friday, April 21, 1989, or Saturday, April 22, 1989, pursuant to a motion made by the majority leader, or his designee, it stand in recess or stand adjourned until 1 o'clock post meridian on Monday, May 1, 1989, or on the second day after members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the majority leader of the Senate, acting jointly after consultation with the minority leader of the House and the minority leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

□ 1330

PARLIAMENTARY INQUIRY

Mr. GINGRICH. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. TAUZIN). The gentleman will state it.

Mr. GINGRICH. Mr. Speaker, I just want to inquire if the gentleman from Washington [Mr. FOLEY] is going to have any time to explain to the House precisely what this means in terms of some Members' concerns about the schedule.

The SPEAKER. Without objection, the gentleman may proceed for 1 minute.

There was no objection.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the majority leader.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Speaker, this resolution is required by the constitutional provision that neither house shall adjourn for more than 3 days without the permission of the other.

We are planning to adjourn from tonight until Tuesday at noon in recognition of the Passover holiday. This had been planned for some time. It is unusual, however, for us to adjourn in the circumstance which requires the consent of the Senate. And the Senate will be, if the House agrees, sent this resolution.

That is all it does; it just permits the technical adjournment of the House until next Tuesday.

Mr. GINGRICH. If I might then inquire of the distinguished majority leader so that all of our colleagues and their staffs can be very clear, there will be no votes on Monday; Members, as long as they are back by noon on Tuesday, are protected. I just wanted to clarify that because we had several questions about that.

Mr. FOLEY. Yes.

We will probably have an amendment of the schedule this afternoon. But for this purpose the gentleman is correct; if this resolution is agreed to by both Houses, Members can be assured there will be no session or meeting of the House of Representatives until noon of Tuesday next.

The SPEAKER pro tempore. Without objection the concurrent resolution is agreed to.

There was no objection.

A motion to reconsider was laid on the table.

LET US ACT IMMEDIATELY ON THE SUPPLEMENTAL APPROPRIATION FOR OUR VETERANS AND NOT CHRISTMAS-TREE IT WITH UNNECESSARY EXPENDITURES

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, Ann Landers in her column yesterday pointed out that families of patients of the Veterans' Administration are bringing soap and other incidentals, due to the severe shortage of supplies, to Veterans' hospitals across our Nation.

Some weeks ago the new Secretary of the Veterans Affairs requested of the Congress an additional $300 million to meet the immediate shortfall for care of our veterans in the Veterans' hospital system. It has now come to the attention of many Members of Congress that perhaps this supplemental appropriation requested by the President, the Secretary and desired by so many of us is attempting to be added to, to be piggybacked by a whole series of requests that as of yesterday now totals in excess of $2 billion.

Mr. Speaker, the President has said that he will not support such a supplemental appropriation. In the process the veterans of America will once again be injured.

Mr. Speaker, I call upon the leadership to act immediately upon the supplemental appropriation for our veterans and to not Christmas-tree the package with unnecessary expenditures.

CUT UP YOUR EXXON CARDS AND MAIL THEM TO EXXON

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, the 1¼ million gallons of oil that spewed from the *Exxon Valdez* caused a horrifying amount of environmental damage.

Exxon's irresponsible behavior before the accident as well as Exxon's tepid and glacial response after the catastrophe have likewise shocked the Nation.

Exxon's environmental record over the years—the Everglades, the Hudson River, and now, Prince William

Sound—is among the worst in the oil industry.

I am voting to give vent to my outrage by cutting up my Exxon card and sending it to Exxon.

And I am not going to buy Exxon products until Exxon shows it means business about paying for the awful damage it has done.

Why don't we all empower ourselves as gasoline customers?

Why don't we all cast our votes of total disgust with Exxon's gross irresponsibility?

Cut up your Exxon cards.

Mail them to Exxon.

Exxon must clean up the mess it created.

The Coast Guard says the job must be done by September 15 because of winter weather.

So let us not buy Exxon products, until Exxon shows that it will clean up the mess by September 15, until it commits legally to paying for cleaning up the entire oilspill, to paying for all the damage Exxon did to the $100 million Alaskan fishing industry, and to paying to restore the devastated wildlife.

We will never know how many of our credit cards are returned to Exxon. But our vote of collective outrage made in the marketplace will be a signal that Exxon will understand, and it will be the shot that is heard around the world.

CATASTROPHIC COVERAGE REFORM ACT OF 1989

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, today, Congressmen RHODES, MADIGAN, and myself are introducing the Medicare Catastrophic Coverage Reform Act of 1989—an issue of paramount importance to older Americans throughout Florida and the United States. As a Member of Congress representing one of the highest percentages of seniors in the country, I have received thousands and thousands of communications from irate constitutents who are outraged by provisions in the Medicare Catastrophic Coverage Act.

Our bill would repeal the catastrophic surtax, provide incentives for development of long-term care policies, guard against spousal impoverishment, and pursue a more reasonable and affordable solution to this serious issue.

The endorsement we have received from our colleagues on this bill is wonderful, and I am hopeful that we will continue to receive support from both Republicans and Democrats in this endeavor.

I believe that our bill is a rational and reasonable alternative to the current law which seniors do not want, and in many cases, may not need. It is time for Congress to heed the cry of our seniors and take action. I believe that the Rhodes-Bilirakis-Madigan bill is a step in the right direction.

NATIONAL CANCER AWARENESS MONTH

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, it is with a sense of urgency that I address you today. As you may know, last week I introduced House Joint Resolution 236, a bill designating April as National Cancer Awareness Month. It was my hope to have the needed 218 cosponsors by yesterday, however, this did not occur.

Mr. Speaker, I think we all know the devastating effects brought on by cancer. I doubt there is a person in this Chamber, or in the gallery, that has not been affected by this killer. It has destroyed lives, families, and loved ones. In 1988 alone, an estimated 494,000 Americans died of cancer. It is expected that cancer will strike in three out of four American families this year. I will not continue to cite these shocking statistics, because I think most of us recognize the devastation caused by cancer.

My urgency in trying to pass this resolution did not stem entirely from my own commitment to heightening America's awareness of cancer. Rather, it was the courage and commitment of a gentleman from my district, Mr. William Croker. It was only a short time ago that I learned that he would be arriving here in Washington on Monday to help promote National Cancer Awareness Month, to encourage people to get cancer checkups. This unselfish individual did not fly into Dulles Airport on a wide-body jet. He did not arrive by Amtrak at Union Station. Mr. Croker didn't even attempt to make the long journey by car. No, Mr. Speaker, this individual, known to us in California as "Walkin' Willie," made the 3,000-mile cross-country journey on foot. That is correct. He walked the entired country for over 65 days, arriving here in Washington Sunday night.

Why did "Walkin' Willie" make this, his second cross-country journey? It was not for personal gain. It was not for money. It wasn't even to lose a few extra pounds. Willie, lost his mother, father, and sister to cancer, and made this journey as a special way to tell America to pay attention to this killer disease, and take steps to prevent it.

I walked down to this Chamber to stand before you and make a pitch for a bill I introduced last week. I now ask you to look into the gallery at a man who walked across the country in support of this bill. Although William Croker resides in my district, his message is global. I applaud this heroic individual and I ask you to give him the appreciation he deserves by cosponsoring this bill, passing it, and sending it to the President.

□ 1350

IN HONOR OF BAYLOR UNIVERSITY'S DR. WIMPEE

(Mr. FIELDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FIELDS. Mr. Speaker, tomorrow, April 19, 1989, my alma mater, Baylor University, will honor a man loved by many generations of Baylor students. That man is Dr. W.J. Wimpee.

Dr. Wimpee has dedicated 44 years, more than half of his life, to Baylor University, its students, and the surrounding community.

From 1936 through 1940, Dr. Wimpee was a student, himself, at Baylor. He was an outstanding athlete as well as a campus leader. After graduation from Baylor, Dr. Wimpee earned a master and a doctorate of theology from Southwestern Baptist Theological Seminary.

In 1945, Baylor University called Dr. Wimpee back to serve as director of religious activities. Later, Dr. Wimpee became the first chaplain of Baylor. In 1955, he became executive assistant to the president of the university. Among many other accomplishments, Dr. Wimpee has been active in expanding Baylor's International Exchange Program.

But, most of all, Dr. Wimpee is respected, admired and loved by the students and faculty, alike, for his kindness, compassion and concern for each and every person he meets.

My life is better for having known Dr. Wimpee. And, I know many people all around the world who can say the same thing. I can think of no higher commendation for any man than to be held in high esteem by those who have crossed his path.

A DOUBLE STANDARD?

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, while the gentleman from Texas, the Speaker of the House, JIM WRIGHT, is under the microscope today, Ronald Reagan is sunbathing in California.

Now, I do not mean to take off on the former President, the truth is, he did not even pay for the pool. Eighteen wealthy friends bought the President, former President and First Lady, a brand new home, pool, and all. What

is evident to me down here is we have two standards, one that will allow Ronald Reagan to live high on the hog and another one that would force the gentleman from Texas, the Speaker of the House, to wallow in the mire.

Now, let us face it. This JIM WRIGHT ordeal is not about rules, it is about politics, pure and simple. Republican and Democrat. Let me remind my Democrat colleagues that we were not sent down here to attend a Rotary convention. Let us get serious. It is time for the Democrats to tell the Republicans to take their hands off our Speaker.

THE 71ST ANNIVERSARY OF ESTONIA'S DECLARATION OF INDEPENDENCE

(Mr. CAMPBELL of California asked and was given permission to address the House for 1 minute.)

Mr. CAMPBELL of California. Mr. Speaker, the territories of the three Baltic States of Estonia, Latvia, and Lithuania have had a harsh history, having served as battlefields in several wars. Nevertheless, the love of freedom is still burning brightly in all three countries and has been, indeed, strengthened mightily in the last 2 years. Having for decades smoldered as a suppressed protest, it broke out last summer as an open popular demand for an end of Soviet Russian occupation, or at least a self-rule in the realm of economics and political decision-making—apart from the oppressive central command system in the Kremlin. Huge public meetings of up to 300,000 people repeatedly voiced these ardent aspirations of Estonians to the world.

As Estonians solemnly mark the 71st anniversary of Estonia's declaration of independence declared in 1918, our country can take pride in having steadfastly refused recognition of the forcible takeover of the Baltic States by the Soviet Union. This honorable position of not according legality to an illegal act of occupation has been a source of hope to the Estonians through the many rough years. I sincerely expect the United States to let this beacon of hope shine even more strongly and clearly in support of democratic freedoms and an eventually regained national independence in Estonia, as first proclaimed 71 years ago and then successfully defended against the onslaughts of both the Soviet and German troops in 1918–20.

And I am proud to associate myself with Mr. Heino Jogis, an American and an Estonian, a lover of freedom, whose eloquent words, with humility, I have just delivered.

A CALL FOR DELAYED TED REGULATIONS

(Mr. ORTIZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ORTIZ. Mr. Speaker, I rise today to introduce legislation to correct a serious problem in my congressional district and in many districts along the coast of the Gulf of Mexico.

The dedicated and hard-working men and women who own and operate shrimp fishing vessels are being threatened by Federal regulations which may cause many of these people to lose their businesses.

According to the 1988 Reauthorization of the Endangered Species Act, shrimpers will be required to attach turtle excluder devices [TED's] to their fishing nets beginning on May 1, 1989.

Due to the potential impact of these TED's, the endangered species reauthorization also required a study be completed on sea turtle conservation and sea turtle mortality.

This study is to be conducted by the National Academy of Sciences, with the findings transmitted to the Secretary of Commerce by April 1, 1989.

This deadline was established to allow the Secretary of Commerce and the Congress consider all existing methods of protecting sea turtles prior to the imposition of TED's regulations.

Unfortunately, the National Academy of Sciences has barely completed the introductory steps required to conduct the study.

The panel has recently been appointed, and is scheduled to hold their initial meeting on May 4, 1989.

This is over a full month past the due date for the study's findings.

The legislation that I am introducing today will delay any TED's regulations for 2 years after the Secretary of Commerce provides the study's findings to appropriate committees of the U.S. Congress.

This delay will provide adequate time and opportunity for the Congress to review all findings of the National Academy of Sciences' study.

In addition, this legislation allows the Secretary of Commerce to suspend all TED's regulations if the study determines that alternative means of protecting the sea turtles are effective.

I encourage my colleagues to support this legislation, which will allow the National Academy of Sciences to investigate sea turtle preservation without burdening a group of hard-working fishermen and women.

□ 1350

SALUTE TO CONGRESSIONAL INTERNS

(Mr. BUECHNER asked and was given permission to address the House for 1 minute and include extraneous matter.)

Mr. BUECHNER. Mr. Speaker, I rise today to applaud the efforts of the unsung heroes of congressional staffs: our interns. From every State and county, they gather and learn here at the world's monument to democracy. The spirit and enthusiasm which guides these young men and women serve as potent reminders of our mission in this Chamber. That mission is the challenge to make each of their futures brighter and more engulfed in optimism than any generation before them.

Indeed there is reason for this optimism, for these are distinguished young men and women. Tomorrow's leaders have come to our offices to help solve today's problems. These volunteers go beyond their pursuits on Capitol Hill—they are scholars, athletes, and community volunteers as well. But most importantly, they are role models, not just for their own generation, but for all of us. Interns choose the difficult path of balancing academics, extracurricular activities and their work here, not just to advance their own dreams, but to advance the American dream.

I have been very fortunate to have had an exceptional team of young people at my side over the past 2 years. I would like to express my deepest appreciation to them and to salute their efforts on and off Capitol Hill. I wish them all the success that they have earned as they pursue their own, uniquely American dreams.

Mr. Speaker, I submit a list of my interns to be placed in the RECORD:

LIST OF CONGRESSMAN BUECHNER'S INTERNS

Paul Sumner.
Michelle Althoff.
Elaine Kaufman.
Kathleen Kelley.
Zoe Lindeman.
Victor Sedaka.
Paul LeBeau.
Steve Lynum.
Lisa Dunford.
Angela Bronner.
Maria Morris.
Kimberly Huefner.
Danielle Conger.
Jeremy Crandell.
Andrew Jacus.
Dan Walsh.
Jennifer Wilson.
Paul Mamalian.
Charles Silverston.
Michael Keller.
Howard Opinsky.
Allyn Matlack.
Cheryl Litzsinger.
Stephanie Ortbals.
Frank Purcell.
Jonathan Schwartz.
Lenny Genovese.

Bryan Tramont.

A TRIBUTE TO SPEAKER WRIGHT

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, it was just 2 years ago this month during the Easter break of 1987 that 20 House Members, 11 Democrats and 9 Republicans, took a trip to the Soviet Union. It was a trip led by our House Speaker JIM WRIGHT. It was during the fourth month that JIM WRIGHT had been our House Speaker.

The 19 Members of Congress who were with Speaker WRIGHT on that trip know for certain how effective JIM WRIGHT was as the leader of our delegation. Many of us on that trip, Republicans and Democrats alike, know that the real thaw between Soviet Union and United States relations began about the time Mikhail Gorbachev and JIM WRIGHT had some long conversations during that trip 2 years ago. It was so obvious that Mikhail Gorbachev was very fond of and admired JIM and Betty WRIGHT.

As a congressman from western Kentucky, I would like to make the comment that many Kentuckians are very appreciative of the support of Speaker WRIGHT and have great admiration for House Speaker JIM WRIGHT. We in western Kentucky definitely remember the 3 trips JIM WRIGHT has made to our district to help us with the huge U.S. Department of Energy plant in Paducah, and we remember the support the Speaker gave us for the Tennessee Valley Authority's Land Between the Lakes.

Western Kentuckians know how helpful Speaker JIM WRIGHT has been with legislation concerning Kentucky Lake and Kentucky Dam, Lake Barkley and Barkley Dam, as well as the Nation's largest job corps center at Morganfield, KY and, yes, Fort Campbell, the home of the 101st Airborne Division.

So, Mr. Speaker, as a Congressman from western Kentucky, I stand here today and say, thank you, JIM WRIGHT, for what you have done for our country and what you have done for the First Congressional District of Kentucky.

A FEELING OF PRIDE FOR THE INSTITUTIONS OF GOVERNMENT

(Mr. DREIER of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, over the past several weeks we have all witnessed the attacks which have come from the media on this institution, and I argue that the scrutiny which we are under is unfortunately a bad reflection not just on the Democratic Party and the Republican Party but on this entire institution and also on the American people. I will say that the most recent article I have seen on this subject is one entitled, "How Congress Really Works," which appears in this week's Newsweek magazine. I am sure some of the Members have had an opportunity to see it. The caption says: "The world of Congress; it's a fortress of unreality with its own laws, logic, and codes of behavior."

Well, that may be true, but I have to say, Mr. Speaker, that I still get a tingle down my spine when I walk by and look at the Capitol dome. When I come back from having visited some of the most troubled spots in the world I realize that the world still looks to the United States of America as the last bastion of freedom. I want to say that as a Member elected from California, I for one am very proud to have the privilege to serve in the greatest deliberative body ever known to man.

POLISH ROUNDTABLE NEGOTIATIONS

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, it is not often that I come to the House floor in wholehearted support of an action taken by the administration. But today, Mr. Speaker, I stand in support of the President's plan for encouraging the positive momentum of change in Poland.

A couple of weeks ago the Polish Government and Solidarity signed important agreements on free elections, power sharing, and pluralism. Remarkable events are occurring in Poland only months ago thought impossible—just yesterday the Polish Government legalized Solidarity.

Government and opposition negotiations are enabling political organizations and trade unions to play a substantive role in Polish society. Upcoming free, and what we trust will be fair, elections in June should pave the way for the institutionalization of reform. It is only right that the United States respond to Poland's request for moral, political, and economic support. I think the administration's plan announced yesterday will demonstrate our commitment to the people of Poland in their quest for democratic reform.

Poland has severe economic problems that warrant the attention of the United States. United States willingness to work with the IMF and the World Bank for loans to Poland will help the Government manage its foreign debt. GSP status and OPIC loans will also assist in Poland's economic reforms. Encouraging private sector investment in Poland and the possibility of a negotiated agreement to help the Polish private sector will go a long way to improve the economic climate.

I commend the President for demonstrating his commitment to the Polish people. The administration and Congress must work together to ensure that real reform is solidly based and not easily destroyed by changing political winds.

TAKE ME OUT TO THE BALLPARK

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, baseball is America's pastime. Every spring the ritual begins.

In Baltimore we are proud to have the Orioles who have been the host of eight American League playoffs and six World Series. Last season the Birds finished poorly, but we knew they would be back, and in the third week of the new season the Orioles are actively battling to get into first place.

In Congress we do not have the luxury of waiting until next year. Our budget problems abound. But we can learn from the spirit of the fans who never quit believing in their team. We must believe that Americans can build better products; we must believe that Americans can and will compete, if Congress would let them. We must believe that America will have and be a first place team. We will if we place faith in our team, the American worker.

DISAPPROVING RECOMMENDATIONS OF COMMISSION ON BASE REALIGNMENT AND CLOSURE

The SPEAKER pro tempore (Mr. TAUZIN). Pursuant to the order of the House of Tuesday, April 11, 1989, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 165) disapproving the recommendations of the Commission on Base Realignment and Closure.

□ 1359

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 165) with Mr. BRUCE in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. When the Committee of the Whole rose on Wednes-

day, April 12, 1989, 8 hours of general debate had expired.

Pursuant to the order of the House of Tuesday, April 11, 1989, 2 hours of general debate remain.

The gentleman from Wisconsin [Mr. ASPIN] will be recognized for 1 hour, and the gentleman from New Jersey [Mr. COURTER] will be recognized for 1 hour.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

□ 1400

Mr. ASPIN. Mr. Chairman, I yield one-half of my time, one-half hour, to the gentleman from New York [Mr. MARTIN].

Mr. Chairman, I reserve the balance of my time.

PARLIAMENTARY INQUIRY

Mr. COURTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COURTER. Mr. Chairman, I just want to know how much time I am allotted in the debate.

The CHAIRMAN. The gentleman from New Jersey [Mr. COURTER] has been allotted 1 hour.

Mr. COURTER. I thank the Chair.

Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I thank the distinguished gentleman from New Jersey [Mr. COURTER] for yielding me this time.

Mr. Chairman, we are being asked to vote today on a recommendation that we disapprove the work of the Base Closure and Realignment Commission. Mr. Chairman, we are not ready to vote on that subject today, at least not ready to vote intelligently upon it. We have never had an independent analysis of the work that the Commission has done, and indeed there is a great deal of information about that indicates, in fact, that the savings that are projected by the Commission at $693 million a year will not be anywhere near that sum.

Mr. Chairman, I supported the Commission, as did 85 percent of the House and the Senate Members. I did so because I think we all realize that our Nation's security cannot depend upon politics, but rather upon sound judgments about what our Nation needs for defense purposes and neither can we fail to expend the taxpayers' money other than efficiently and wisely in the pursuit of those purposes.

Mr. Chairman, in supporting the Commission I obviously knew that Fort Sheridan in my 10th District of Illinois was at risk. It has been on past closure lists for at least 20 years. Some in the media had depicted it as a base that has nothing but a golf course and a beach, and nothing could be further from the truth, or less intelligent, or understanding, or researched. But I supported it with the understanding that the Commission would approach its job honestly and fairly and that, if they did so, Fort Sheridan would not be on the closure list. They would understand that a viable Reserve component is important to our Nation's defense, larger now than our active duty forces, that the training at Fort Sheridan of 74,000 National Guardsmen and the command of 54,000 reservists is important to that Reserve component, that having 4th Army headquarters and the Recruit Command, the entire recruiting apparatus of the U.S. Army, at Fort Sheridan was an important place to have them and that, at the bottom line, that in the event our Nation needed to mobilize, that Fort Sheridan would be essential to being together, to muster, large numbers of troops in the Midwest as it has always done throughout its entire 100-year history.

Beyond that, Mr. Chairman, I knew that the Commissioners would understand that Fort Sheridan was a beautiful, historic fort, that Holibird and Roche designed the buildings when Holibird was a young architect in his twenties and went on to become one of Chicago's most famous architects, that Gen. George Patton lived here, was a lieutenant when he lived at Fort Sheridan, that one of his children was born here and that the fort had a very rich history in addition to being a place of beauty.

In fact, when the Commission came to deciding about Fort Sheridan, they found that it did not meet their own formula for closing that in fact it had a high military utility rating of 8 out of 10, that it was fourth among the administrative headquarters installations, ahead of 10 others that were in fact not closed on the final base closure list of 86. But it was put on the closure list anyway, Mr. Chairman. It was put on the closure list anyway.

Why was that so, Mr. Chairman? Why would it have been there when it did not meet the criterion of the Commission's own closure standards? Well, we found out about 10 days ago when they declassified the Commission's deliberations, Mr. Chairman, and there are 2,000 pages of transcript; it says in their deliberations. "If we had Fort Sheridan, which everybody says has got to be closed," it's been in every piece I've ever read, one of the Commissioners said that, "Fort Sheridan is doomed. "Now, if we have that, you will have to testify," speaking to the Chairman of the Commission having to testify," that it failed the formula, but that we added it because our gut said that it ought to be added."

One of the Commissioners in another part of the testimony said, "What could you sell it for? What did your studies show you could sell it for?

Staff: "We didn't have land value there."

Commissioner: "You didn't do land value?"

Staff: "Because it was up there we didn't do any analysis of it because it was up there."

At another point they demean the city of Chicago and many of its citizens when they say on relocating the 4th Army, "If they go to South Chicago, we could give them combat pay."

Very frankly it took us a great deal of time to get this information because the Department of Defense stonewalled our requests, as they stonewalled every Member's request for information about how the Commission came to its conclusions, and finally, after putting this kind of information in a secret status where Members could see it but not divulge it, they finally decided that it was not really necessary to have it classified at all, so finally, about 10 days ago, DOD released it.

Prior to getting that information we had joined in a request for a GAO study of the Commission's work. Were the cost savings real or not? If not, obviously this Congress, this House of Representatives, should not support the Commission's work.

The GAO did as good a job as they possibly could in a very short period of time. But they did not complete their analysis and their report would not be finished until, we are told, sometime in the fall. They did spend 3 weeks at Fort Sheridan with a team, but the complete data and analysis are not yet available.

We are voting today in the dark. We do not have the information on which we can make an intelligence judgment about the Commission's work.

We did find out some things about it, though. For example, the Commission said that new construction to move 4th Army and the Recruiting Command to Fort Benjamin Harrison under their plan would cost $26.8 million. The GAO says, no, that it will cost $85.3 million. They are off by a factor of three. The relocation costs: The Commission said $11.4 million; the GAO said at least $25 million, off by a factor of at least two. In force reduction the Commission said that we are going to save 746 positions if we close Fort Sheridan. GAO says we might save 172 positions. On the transportation costs, not considered by the Commission, the commanding general of the Recruiting Command told me last week that if you move the command down to Fort Benjamin Harrison, they will continue to require about 3,000 flights per year in the pursuit of recruiting for the U.S. Army, and all of those flights are going to go out of the Indianapolis airport and most are going to have to come through O'Hare at great additional

cost, but no one on the Commission bothered to consider this.

The bottom line: The cost of moving could be as high as $120 million, and, if so, they would not meet the 6-year payback requirement of the law.

The Commission said, "If we close Fort Sheridan, we're going to save $40.8 million." GAO says, "If you close Fort Sheridan, you may save $17.6 million a year." That would not meet the 6-year payback.

But, Mr. Chairman, we do not have a complete GAO analysis on all of the bases. We have a partial analysis on some of them. So, Mr. Chairman, we do not have a bottom line, and to convince Members of the House and to convince Members of the Senate that the report should be rejected we really do have to have complete information and an independent analysis.

There are further quotes that seem important to me:

On the sale of land the Commissioners said, "We invented the property values." On the Commissioners' view of their own work: "Let's don't admit we've done a lousy job." On military utility standards, the standards by which bases would be judged, "Change the scores."

These are not the words of an objective, fair, and honest Commission charged by the Congress to bring forward a nonbiased list of bases to be closed.

□ 1410

This is not a Commission that did a job for the American people. The Commission did not have the courage to stand up and tell the truth about Fort Sheridan. The Commission was gutless, afraid to stand up to the national media and say that this base, in truth, should not be on the list because it does not meet the Commission's own base closing standards.

Mr. Chairman, the Commission concept was a fair and correct concept. We do need to address the wise and efficient expenditure of taxpayers' money. We do need to address our Nation's defense outside of a purely political context, but we have the right to expect from the people that we charge with this responsibility in advising Congress, we have the right to expect competence. We have the right to expect honesty and we have the right to expect fairness.

What we got at Fort Sheridan and the evidence is exactly the same at Chanute where they said the base was deficient in the very things for which the base was being recognized by the Department of the Air Force, we got bias.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ASPIN. Mr. Chairman, on our side, we yield the gentleman from Illinois 5 minutes.

Mr. PORTER. Mr. Chairman, I thank the gentleman for yielding this further time.

Mr. Chairman, in Fort Sheridan and Chanute we got bias. We got uninformed judgment. We got an unintelligent approach to a very, very important decision.

Obviously, regarding this base, at least, the Commission has not done the job we charged them with doing and we ought to reject it.

I know the difficulty of that. The vast majority of the Members of the House of Representatives are not affected by the Base Closure Commission's work. The full GAO report is not ready, so we cannot have an independent and definite appraisal regarding the entire work product of the Commission that would show the Congress that they have not done overall the job that we charged them with doing.

Mr. Chairman, at the bottom line the House ought to look at the record that we have and understand that there is before us a substantial body of information that leads us to the conclusion that the Commission acted improperly, outside the scope of the law which created them, and certainly not in a way that we can point to with pride and say that this work was done intelligently, fairly, and honestly.

For those reasons, Mr. Chairman, I recommend to the House that they reject the Commission's work, support the resolution of disapproval, and send them back to the drawing board to do the work that we required them to do and to do it in an honest, fair, and unbiased manner.

Mr. MARTIN of New York. Mr. Chairman, I yield 1½ minutes to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Mr. Chairman, I rise today to express my strong opposition to the resolution of disapproval of the recommendations of the Commission on Base Realignment and Closure.

Mr. Chairman, there is no more pressing an issue before us today than the need to cut wasteful Federal spending. My constituents, along with Americans everywhere, have been sending Congress a very clear message that it is time to get serious about deficit reduction. Americans will simply no longer tolerate $150 billion deficits and a national debt of $2.7 trillion.

While closing unnecessary military installations is not by itself going to end our fiscal problems, it is an important step which we have a unique opportunity to take. Obsolete military bases for too long have drained scarce Federal resources, and Congress acted properly last year in passing legislation to expedite closing them. As one who served in the Navy for more than 5 years, I clearly understand that an abundance of military installations does not necessarily serve the interests of national defense.

No one, including myself, is suggesting that the recommendations of the Base Closure Commission are perfect. We can certainly all find some area of disagreement with nearly every matter which comes before the floor of this body. However, these recommendations offer Congress the only viable option for cutting truly unnecessary expenditures of Federal funds, and I urge my colleagues to vote against this effort to disapprove them.

Mr. MARTIN of New York. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman, I am going to vote against this resolution of disapproval, but I do want to go on record as saying that this Commission left a lot to be desired.

The U.S. Navy stonewalled the Commission, it appears, and took hardly any hits at all. The Army got away with closing no serious installations at all, while two parts of our country, the State of California and the U.S. Air Force took unbelievably serious hits. The two bases in the southern California area, Norton, a key air transportation command center, a key part of the newly formed transportation command, a great part of the military airlift command, and George Air Force Base, where I flew for most of my career F-100 Supersabers, one of the finest fighter bases in the whole world, to have these bases closed just seems incredible.

I know we have to start somewhere. I know this Congress and the other body did not have the guts to face up to this and apply all the skills in this House to share the pain here properly. We did in the blind, as we have done a lot of things by commission, but I hope the Air Force will consider keeping a part of George Air Force Base open as an Air National Guard facility. When I was assigned to that base in 1955, I thought I was arriving on the greatest base in the world, and yet now there is a new hospital, a new chapel, a new administration building, a new enlisted men's club, new pool facilities, computer facilities, simulators for advanced jet aircraft, a new officers' club; it is phenomenal to me in that area of the country where we first broke the sound barrier, where Edwards Air Force Base is, where Palmdale Air Force facility is, that one of the prime fighter bases of the world with 363 good flying days a year is going to close down. Its proximity to the Army National Training Center at Barstow, everything indicated this base should not have been touched, but so be it.

I will support the decision of the Commission with some anger and hope

that the next time we do this that we do it with a little more skill.

Mr. ASPIN. Mr. Chairman, I yield 4 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Chairman, I am pleased to rise in strong support of the base closing recommendations, which will provide us with much-needed cost savings by closing military bases that are no longer necessary for the security of our Nation. This measure is estimated to save approximately $693 million in fiscal year 1990 alone, making a significant contribution to our deficit-reduction efforts.

I would also like to make one important point about the recommended base closings. They will, indeed, save large sums of taxpayer dollars. But there is a way to save even more money in the long run—by making the closed bases available to States and the appropriate Federal agencies for conversion into prison facilities or drug treatment centers.

If the Federal prison facilities in other States are like those in New York, and I know they are, more space is critical to fighting an effective war against crime and drugs. New York has three Federal installations, two are at nearly double their capacity while the third is at more than twice its intended level. Nationwide, Federal prisons are between 37 and 73 percent over their capacities. The pressure from overcrowding is building, resulting in increased pressure for early releases which are, in many cases, totally inappropriate.

From 1980 to 1987, total U.S. prison population, including State and Federal prisoners, increased from slightly over 300,000 to almost 600,000. This jump in prison population is not just the result of more crime. Since 1980 the number of incarcerations compared with reported crimes has risen steadily. In 1980, 25 offenders were committed to prison for every 1,000 murders, manslaughters, rapes, robberies, aggravated assaults, and burglaries reported to the police. In 1986, 43 people were incarcerated for every 1,000 such offenses.

This trend of increased enforcement needs to continue. But there is a very real and serious constraint—space.

In addition, the need for drug treatment facilities is unquestioned. To win the war on drugs we must fight it from both the supply and demand sides. Fifty-one percent of the cocaine consumed in America is being used by only 10 percent of cocaine addicts. Demand for cocaine is clearly driving the supply.

But, even if an addict wants to get out of the cycle of addiction, treatment is available for very few of those who need it—6.5 million addicts need help to break the habit. Two million of those addicts are willing to pay for available, affordable treatment every year. But there are only 250,000 treatment slots available nationwide. Even if an addict wants to rid his life of drugs, the chances of finding treatment are slim and delays can often cost lives in this deadly business. We can't win this war on drugs without curbing demand. Affordable, available treatment is critical if we seriously want to win that war. Converting at least some of these closing military bases into drug treatment centers would be a major contribution to that end.

Closing and realigning our unneeded military facilities will save large sums of taxpayer dollars, and for that we must be thankful. But I believe we can do even better. I believe that converting the closed bases into Federal or State prisons or drug treatment centers will help us respond to the dangerous national shortage of prison space—a shortage that will prove extremely expensive and risky if we do not act now.

Mr. Chairman, let's give serious consideration to turning these bases into prisons and drug treatment centers.

□ 1440

Mr. COURTER. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Chairman, the recommendations of the Base Closure Commission are flawed and based on inaccurate, out-of-date information. The process has not served us well. The transcripts have become an embarrassment for the Commission and the Congress.

As pointed out in the debate last week, the Commission transcripts show that data was invented and substantially altered in order to meet their proposed recommendations.

Speaking from these transcripts, here are three examples.

Could a base be closed that did not meet the savings test, "I think we have some room to do that because what we do is we change the way. We go back into the arrays. This may sound complicated to you, but you go back in and you change things." "But you'd be changing the formula." "No. You'd be changing the scores."

"This says that we evaluated all bases against five factors. We didn't do that. As a matter of fact, there were 2,000 bases we didn't look at against any factors."

Commission members, the military services, and the General Accounting Office have all acknowledged that there are major errors in the recommendations. GAD says 84 percent have to come from reduction in personnel, but the Commission recommends that these people just be moved.

Chanute Air Force Base should not be on any closure list. It does not meet the criteria set by the commission. It is clear from the transcripts that commission members were not familiar with Chanute. No one from the commission took the time to see Chanute firsthand, no staff, no communication of any kind. Deficient? 80 awards—44 to Chanute. Yet, Chanute is the second costliest base to close and the economic impact on this rural area of central Illinois will be devastating. The Commission says the economic impact would be minimal. Chanute represents one-half of the population; one-third of all the homes are owned by Chanute personnel; 65 percent of elementary students are children of Chanute personnel.

The base closure law was enacted because Congress was told that cost savings could be achieved. In fact, very little money is going to be saved, if any savings are realized at all. There is a home buy-out program that was not looked at, and nobody from the commission visited Chanute to find out what the cost was until 2 months after the Commission released its report. There is a joint sewer system, brand new, that has to be bought out by the Department of Defense.

The base closure account is not going to be self-sustaining because the savings simply are not there. If Congress accepts these closure recommendations, then Congress is going to have to accept the funding realities and responsibilities involved. Too many major expenses associated with closure were not considered by the Commission. Even today, no one knows what the true dollar cost will be.

No one knows the cost of what will be lost if we embrace these flawed recommendations. What will be lost is a readiness training capability already in place and already paid for. What will suffer is the quality of life our military men and women deserve. Without this quality of life standard, which has been recognized and funded by the Congress during this past decade, the All-Volunteer Force faces serious problems in recruiting and retaining qualified experienced personnel.

The concerns voiced by Members during this debate are too substantial to be dismissed as simply parochial interests. I will be happy to meet with any Member before the vote today to detail the serious inaccuracies regarding Chanute Air Force Base. I urge my colleagues to reject the Commission's flawed and very expensive recommendations and to vote for the motion of disapproval.

Mr. MARTIN of New York. Mr. Chairman, I yield 6 minutes to the gentleman from New Hampshire [Mr. SMITH].

Mr. SMITH of New Hampshire. Mr. Chairman, when it was originally con-

sidered by the House in October of last year, I voted for the bill creating a commission to recommend closing military installations.

Most everyone wants Government to cut expenses and balance the budget, but no one wants the cuts in their own back yard. The main reason the Base Closing Commission was formed was to circumvent a Congress that is willing to accept any Government expense to secure benefits for the home district.

For more than 10 years, no military bases have been closed primarily due to political, not military reasons. This was a situation that Congress clearly felt was intolerable and that had to be changed. The establishment of a nonpartisan Commission of experts to examine and recommend bases for closure was, in my view, probably the best solution to deal with this difficult political problem.

Although I supported this legislation, I frankly did not expect the Commission would recommend the closure of Pease Air Force Base, which is located in the district I represent, the First District of New Hampshire. For more than 30 years, Pease has been at the forefront of our national defense. It has received numerous awards and commendations, and currently serves as the home of the 509th Bombardment Wing as well as the 157th Air Refueling Group of the Air National Guard. Given its history and contribution to our national defense, I did not believe the Commission would abandon Pease completely.

Therefore, when the Commission announced its recommendations, my initial reaction was one of shock and dismay. No Member of Congress wants to see his or her district lose a major military base or any other major Federal installation. It is a natural reaction for each of us to ensure our constituents are not cheated and get their fair share from the Federal Government. I am also certain that there are other bases left off the Commission's list that should have been on it.

After voting to create a commission to select military bases for closure, I now find myself in painful position of having a base in my own district on the list. The easy vote for me would be to vote to reject the Commission's recommendations and save Pease Air Force Base in New Hampshire. That would be the easy vote—but it would not be the right vote. It is that type of parochial attitude that has led to America's $2 trillion national debt and has reduced America to a "government by commission."

The people of New Hampshire sent me to Congress to be fiscally conservative and to protect and promote our national security. Supporting the base closure recommendations does both. The closure of the 86 bases on the list makes sense from a strategic as well as a financial viewpoint.

The Commission recommended the closure of Pease because the military value of Pease is, in its words, "lower than other strategic-bomber bases because of low pre-launch survivability from submarine-launched ballistic missiles." I know of no military experts that have disputed this analysis. Indeed, if Pease is left open, it would be the only strategic bomber base located along either the Atlantic or Pacific coast. All other strategic bomber bases are located inland, and for good reason.

While I have not examined the Commission's analysis of other bases as closely as I have examined Pease, I do not believe that the Commission made mistakes of such magnitude that they would warrant rejection of all of their recommendations.

There might have been some miscalculations, but overall I feel the Commission did a good job and that their recommendation will strengthen, not weaken our national defense. If this were not the case, I am confident that then-Secretary of Defense Frank Carlucci or the House Armed Services Committee would have rejected this list.

I also believe the Commission's recommendations provide us with an excellent opportunity to achieve savings without weakening our national defense. While the Commission may have underestimated some costs and did not include others, such as environmental cleanup costs, the fact is that GAO, in testimony before the Senate Armed Services Committee on April 12 stated that substantial savings will occur if we move forward with reductions in military personnel. Specifically, with regard to Pease, GAO's revised projections estimate annual savings of $88.9 million, only $7 million less than the Commission's estimate. Also, any costs that are necessary to close the base, will be essentially one-time costs while the savings will last for a lifetime. In short, the opportunity to achieve savings is there. We just have to have the courage to take advantage of it.

While I will support the recommendations of the Commission, I intend to hold the Air Force's feet to the fire on a number of matters that will directly impact the citizens and towns affected by the closure of Pease.

First, the Air Force must take full responsibility for cleaning up any environmental problems at Pease, specifically the problems of contamination of the drinking water supply, potential hazardous waste sites, the condition of the wastewater treatment plant, and the possibility of leaky underground storage tanks.

Second, while the primary mission of a military base is to defend America, not to provide benefits to retirees, military retirees have sacrificed for our country and their needs should not be ignored. I would hope that the Department of Defense could make some arrangement to keep the hospital open in order to continue to serve our retirees.

Third, and most importantly, the Department of Defense and the Air Force must work closely with the towns affected by the closure in order to ensure a smooth transition at Pease. Already a local redevelopment commission has been formed to address the fate of the land and facilities at Pease, and they are doing an excellent job. However, there are a maze of laws governing the base closure process, and the Air Force needs to work closely with the commission to answer any questions they may have and to ensure that they understand the base closing process.

The closing of a military base certainly presents a major challenge to the community in which it is located, but I believe it should be looked upon as an opportunity, not a problem. If the local, State, and Federal Governments can all work together, I am confident that the closing of Pease can actually work toward the economic and social advantage of the region. I for one intend to make sure that all agencies of the Federal Government extend their fullest cooperation to the government of New Hampshire and the Pease Redevelopment Commission.

Mr. Chairman, the people of New Hampshire are proud, independent, fiscally conservative, and patriotic. When Pease Air Force Base opened in New Hampshire in 1956, it opened because we wanted and needed that base for our national security. New Hampshire was proud to contribute to our military readiness. We in New Hampshire don't look upon Pease as a pork-barrel project or a jobs program. We don't measure our successes by how much money comes to us from the Federal Government.

Mr. Chairman, Pease has been part of the seacoast of New Hampshire for 33 years. We are proud of its mission and feel privileged that we could contribute to our national security. We are saddened that soon Pease will no longer be a part of us, but prepared to accept the decision.

Mr. Chairman, 33 years ago the citizens of New Hampshire opened Pease Air Force Base to promote our national security. We are now ready to close it for our national security.

I urge a "no" vote on House Joint Resolution 165.

□ 1430

Mr. COURTER. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, last week during the considerable debate on this resolution, I spoke at great length about the recommendations and some of the information, used to arrive at those recommendations. I said then, as I have said throughout, that I would withhold my decision about a vote until we had all the information available, more specifically until I had an opportunity to hear the briefing from the General Accounting Office which has been looking into the Base Closing Commission's recommendations.

I received that briefing yesterday. Unfortunately, they have not been able to get on the ground at either Fort Huachuca or Fort Devens, MA, the two bases involved in the particular swap that I have had questions about.

However, in my discussions with the GAO and with what we heard last week on the floor, it is very apparent there are serious flaws in the Commission's work. I think this may be indicative of the quality of the entire report. For instance, there was a major error found in the data at Fort Dix. Part of it was a transmission error and part of it was a very simple typographical error. The fort amended the information 4 days later. The new information never got into the Commission's consideration. If it had, instead of being ranked seven out of eight this group in terms of viability as a base, Fort Dix would have been ranked first out of the TRADOC posts.

Further, my staff, when they looked at the transcript of the Commission's deliberations, found there were errors in the numbers of people that were involved in the swap between Fort Huachuca and Fort Devens, MA. Most startling, however, was a small error she found in another State relating to another service. The Commission staff indicated a particular facility was in one State when it was actually in another. A discussion of several minutes ensued concerning whether one base's mission could be moved to the other when the first facility closed. There were factual errors about the location, the length of the runway, and the weather conditions. Most startling was the fact that it was never mentioned during the discussion that one was an Air Force base and one was a Navy base. The Commission decided not to close one of the facilities and then merge the two, with very different missions, based partly on the statement of one commissioner that the Navy base is in really a nifty town and is a good place to live.

In the GAO briefing on the situation at Fort Huachuca, they stated their concern there was $200 million stated as a given in the land sale at Fort Meade to pay for this particular move. However, the law does not allow for that. Congress may change the law to permit the land sale, but it does not permit it now. Therefore, there is no $200 million that can be considered a given. The State of Maryland may well want to have the land at Fort Meade.

Overall, the General Accounting Office has estimated the predicted savings of each of the components of the swap has been overestimated by about $10 million, though they concede there are significant savings overall to be realized.

Mr. Chairman, I had not made up my mind about how I would vote on this until I had all of the information in hand. However, based on the information we have, and more importantly based on the information we do not have, I think this body would be well advised to reject these recommendations. We should urge the Defense Department to go back and come up with more serious recommendations, recommendations that this body can support.

Mr. Chairman, I include with my remarks the briefings by the Information Systems Command after the decision was announced which clearly shows the cost savings the Commission suggested would be realized are not there.

BRIEFING BY U.S. ARMY INFORMATION SYSTEMS COMMAND, FEBRUARY 21, 1989, CONCERNING COST EFFECTIVENESS OF RECOMMENDATION TO CONSOLIDATE INFORMATION SYSTEMS COMMAND AT FORT DEVENS, MA

INTRODUCTION

The purpose of this briefing is two fold. First, to present the updated USAISC cost estimate, and second, to present several serious short falls in both the Commission's model and report which will have dramatic impact upon DA and DOD.

The cost estimate presented there today is version 4, that is the fourth iteration of the overall costing effort. All four have been in the $500 million ballpark for one time costs and in excess of $20 million dollars for annual recurring costs.

The following table shows both the total dollar estimate of this iteration and a comparison of the USAISC estimated costs to those presented by the Commission in their study.

ISC/ISD MOVE—COST SUMMARY

[In millions of dollars]

	Recommended solution			
	Rehab Fort Devens barracks area w/o Vicksburg	Rehab Fort Huachuca w/some const	Total relation costs	Commission study costs as published
One-time costs:				
Construction	95	162	257	102
IMA requirements	39	1	40	0
Equipment moves	9	3	12	2
Personnel moves	104	6	110	83
Transition	42	Note 3	42	36
Contract support	1	NA	1	0
Other	8	0	8	5
Total one time	298	172	470	228
Recurring annual:				
Premium pay 1	2	NA	2	0
Contract support	21	NA	21	0
Dase ops/staff spt	1	7	8	1
Space shavings/mil 2	1	(1)	0	(19)

ISC/ISD MOVE—COST SUMMARY—Continued

[In millions of dollars]

	Recommended solution			
	Rehab Fort Devens barracks area w/o Vicksburg	Rehab Fort Huachuca w/some const	Total relation costs	Commission study costs as published
Total recurring	25	6	31	(18)

Note 1.—Annex G premium pay addresses two alternatives; the higher costs alternative is displayed.

Note 2.—Space savings/military entitlements Annex I displays unsubstantiated personnel savings estimated by the Commission, thus they were excluded here.

Note 3.—Only minimal transition costs for ISD have been identified at this time as related to the ISC part of the realignment.

This table shows the total costs which have been estimated for both the move of ISC to Fort Devens and ISD to Fort Huachuca. These are totaled in the third column and compared to the Commission's cost estimates as directly as possible using the fourth column. It must be noted that the lack of detail within the Commission's report made some comparison impossible, hence the "other" category.

Those areas where there are great differences will be addressed in detail during this briefing.

ISC/ISD MOVE—MANPOWER

Location	USAISC to Devens			USAISD to Huachuca		
	Mil.	Civ.	Total	Mil.	Civ.	Total
Huachuca	765	1,326	2,091	0	0	0
Belvoir	134	606	740	0	0	0
Monmouth	65	299	364	0	0	0
Devens	0	0	0	1,156	263	1,264
Students	0	0	0	1,760	0	1,760
Total			3,195			3,024
Devens augment			126			

The single biggest factor in the estimation of the costs associated with this relocation is the number of spaces being relocated to and from Forts Huachuca and Devens. This table shows the numbers which have come to be known as the USAISC-recommended manpower strengths. These numbers take into account the FY 1988 TDA authorizations and the need to retain the Software Development Center, Washington in the DC area due to the number of activities this organization supports which are collocated in the Washington area.

Most of the numbers are self explanatory. The Devens augment represents those personnel who will be relocated to Fort Devens to increase the current garrison strength. This will bring the Devens garrison to a manning level which will allow it to adequately support an Army MACOM.

ISC/ISO MOVE—CONSTRUCTION

USAISC construction rehabilitation requirements

USAISC will take over two buildings currently under construction at Fort Devens.

Brick barracks buildings on Fort Devens will be rehabilitated for use by ISC elements.

The Vicksburg Square area will not be rehabilitated but will be backfilled by other existing Fort Devens activities.

USAISD construction rehabilitation requirements

USAISD will take over one building currently under construction at Fort Huachuca.

Greely Hall and other buildings vacated by ISC elements will be rehabilitated for use by ISD elements.

Some new construction will be required, however as of the date of this briefing the actual quantity has not been identified.

During earlier analyses three construction scenarios were engineered and costed. For the purposes of this briefing those scenarios have been narrowed to one.

Construction here include both construction and rehabilitation of existing facilities at Fort Huachuca and Fort Devens.

For the ISC move, two buildings currently under construction at Fort Devens will be completed and used to house ISC personnel. In addition to this a number of brick barracks buildings will be rehabilitated and used to house the remainder of ISC assets. The buildings in what is known as the Vicksburg Square will not be rehabilitated. But rather backfilled by existing Fort Devens organizations.

The ISD move will include the use of one building currently under construction at Fort Huachuca. This building will be used to house ISD personnel. In addition to this building, Greely Hall, which houses the majority of ISC assets at Fort Huachuca, will be rehabilitated once those assets vacate. This building is expected to be used for classroom facilities. There will be some additional construction required under this plan, however, the amount of that additional construction has yet to be determined.

ISC/ISO MOVE—COST DRIVERS

[Dollars in millions]

Cost driver	Most likely cost	Percent of total	Key factors
One-time costs	$462	100	
Construction rehab	257	56	Number of personnel, amount of new construction and rehabilitation.
Personnel moves	104	23	Number of personnel and spaces due to relocate.
Annual recurring costs	31	100	
Contract support	21	68	Cost of contract hours number of contract hours required, availability of government labor force.
Premium pay	2	7	Types of personnel to receive premium pay, rate of premium pay.

This table shows the major cost drivers associated with the costing, and their relative percentage of the overall costs of the ISC/ISD relocation. There are two primary cost drivers associated with each category of cost. It should be noted that these are not the only costs associated with this relocation, just the ones with the greatest single effect.

One time cost drivers include construction and rehabilitation at $257 million which represents 56 percent of the total one time costs, and personnel moves at $104 million which represents 23 percent of the total one time costs. These two drivers combined account for almost 80 percent of the total one time costs and are both heavily dependent upon the number of spaces being relocated. For the purposes of this briefing we have used the personnel numbers shown earlier.

Annual recurring cost drivers include contract support at $31 million which represents 68 percent of the total recurring costs, and premium pay at $2 million which represents 7 percent of the total recurring costs. These two drivers combined represent 75 percent of the total recurring costs. Contract support costs are dependent upon the higher cost of contract labor in the Fort Devens area compared to the Fort Huachuca area and the amount of contract work required by USAISC at its new location. The amount of contract work required is in turn dependent upon the availability of qualified, trained personnel for hire into those spaces which are vacant within USAISC after the relocation. The premium pay costs are dependent upon the number of personnel who will receive this benefit and the basic rate above their current salary which will be paid as a premium incentive.

ISC/ISD MOVE—SENSITIVITY ANALYSIS

[Dollars in millions]

Cost driver	Cost range				
	Low	Percent change	Most likely	High	Percent change
Effect on total one-time costs	$436	−5	$462	$488	+5
Construction/rehab	231	−10	257	283	+10
Effect on total one-time costs	452	−2	462	472	+2
Personnel moves	94	−10	104	114	+10
Effect on annual recurring costs	29	−6	31	33	+6
Contract support	19	−10	21	23	+10
Effect on annual recurring costs	31	0	31	31	0
Premium pay	2	−10	2	2	+10

This table represents the outcome of a cursory sensitivity analysis. The purpose of such an analysis is to determine the overall effect on total cost if one of several cost driver values is varied by a certain percentage. This enables us to identify those cost drivers whose accuracy will have a definitive impact on the credibility of our estimate.

For the purposes of this briefing the low value represents a 10 percent reduction in cost and the high value represents a 10 percent increase in the cost of the particular driver.

As this is an exercise in identifying the impact of variations in a single cost driver, only one cost driver is increased/decreased at a time to maintain the empirical testing methodology required in sensitivity analysis.

As shown, reducing the construction/rehabilitation cost driver by 10 percent has the effect of reducing overall relocation costs by 5 percent. Similarly, increasing the construction/rehabilitation cost by 10 percent has the effect of increasing overall costs by only 5 percent. This tells us that the overall cost is relatively sensitive to any sizable changes in the construction/rehabilitation costs, and as this cost is based on the number of spaces relocated, that number must be as accurate as possible to provide the most accurate overall cost possible. We feel that the numbers used in our calculations are the most accurate possible, and therefore our construction costs are also the most accurate possible.

The same logic holds true for personnel move costs which when varied by 10 percent effected total costs by only approximately 2 percent in either direction. This is not considered significant and therefore overall costs are not considered sensitive to changes in this driver unless those changes should become drastic, say 30 to 40 percent.

For recurring costs, the only cost driver with any effect on overall relocation cost was the contract support. When varied by 10 percent, this driver had an overall effect on recurring costs of plus or minus 6 percent. This leads to the determination that total recurring costs are rather sensitive to changes in contract support dollars. As this cost driver is based on the number of contract hours required by USAISC and the cost of these hours in the Fort Devens area, these two factors must be as accurate as possible. The number required is an historical factor and therefore very accurate. The cost of contracting hours is also an historical factor provided by units currently contracting for similar services in the Fort Devens area, and is therefore also very accurate.

To sum up the sensitivity analysis effort and findings, those cost drivers which are responsible for the majority of the costs associated with this relocation are very accurate. Therefore, the same can be said of the overall estimate.

ISC/ISD MOVE—COSTS NOT CONSIDERED BY BASE CLOSER/REALIGNMENT COMMISSION

[In millions of dollars]

Cost category	Estimated cost to Federal Government
One time costs:	
Information management area costs	$40
Contract support	1
Systems furniture	8
Environmental restoration	51
Disposal assistance	(?)
Total one-time costs	100+
Annual recurring costs:	
Premium pay	2
Contract support	21
Total recurring costs	22

During the creation of our estimate, we were required to examine the Commission report and model to determine which costs and cost factors were used therein and insure we had not ourselves omitted any expected costs.

In the course of this examination, certain costs were identified which were not addressed by the Commission either in their basic cost estimate or in the pay back calculations which followed.

The one time costs omitted by the model include:

The IMA costs shown here consist of such necessary items as telephone switch purchase and installation, installation of a local area network, creation of a video teleconferencing facility, and basic communications plant (trunks) upgrades which must be made to Fort Devens before USAISC can hope to conduct normal operations at that site. The Commission model did not address this cost at all.

I briefly explained contract support earlier, and will only point out that the Commission model made no attempt to address this cost.

Fort Huachuca, especially Greely Hall which houses the majority of the administrative work force and the command headquarters, has recently converted its space to systems furniture at some sizable cost. This furniture is currently under warranty and if relocated would have to be deinstalled, transported, and reinstalled by Westinghouse contractor personnel. This being the case, and understanding that systems furniture is designed for each specific work area, it would be more cost effective to purchase new systems furniture and have it installed at Fort Devens than to attempt to relocate the existing furniture with the command. The Commission did, in fact, allow some administrative furniture moving costs. However, the amount allowed in the model will not be sufficient to relocate our files and safes. The costs shown by the Commission would

not be sufficient to move any desks we may have had in the past.

The Commission was chartered to consider the possible closure of facilities and the relocation of others which would be in the best interest of the Army. Part of their consideration was to be the environmental impact of clean up of hazardous materials. Section 204, paragraph (a)(3) of Pub. L. 100-526 (the law creating the Commission) states that funds for these clean up efforts would be "appropriated to the Department of Defense." This means that any cost to clean up would be a cost to the Federal Government, and more specifically to DOD proper. As the sale of Fort Meade was included in the ISC/ISD relocation the costs associated with that clean up must be included as a cost of the relocation. The Commission ignored this cost.

This section of the law also allows for the Department of Defense to seek assistance in the disposal, or sale, or property. If this is done, the costs associated with this assistance must be reimbursed. The Commission did not address this cost.

The annual recurring costs not considered by the Commission are:

Premium Pay: The Commission model does not have the capability to address the additional cost of premium or incentive pay given to employees in high cost areas. This shortfall in the model made it impossible for the Commission to address premium pay like that currently authorized for GS-OB and below employees at Fort Devens.

Contract Support: This is a very important cost to the relocation as USAISC is heavily supported by contractor personnel. The validity of this cost was discussed during the sensitivity analysis portion of my presentation.

The omission of one time costs exceeding 50 percent of the Commission's cost estimate of one time cost and over 200 percent of the recurring cost by the Commission could easily result in the Department of Defense being presented with a multibillion-dollar bill with no funds available or appropriated for payment.

ISC/ISD MOVE—ISSUES NOT ADDRESSED BY BASE CLOSER/REALIGNMENT COMMISSION

Issue	Estimated impact
Disposal of property	Increased cost to DOD. No reimbursement.
Funding of the Commission recommendations.	Severe under estimation—budgetary short falls. Must fund for all costs to the Federal Government.
Critical payback period calculations.	Inability to reimburse fund. Inability to complete required moves by FY 1995. If realistic costs considered—ISC/ISD move never recoup expenditures. Actual payback period is year 15.

This table sums up the key issues which we feel were not addressed by the Commission in its report. These must be addressed and definitive answers provided to important questions stemming from these issues before any serious work can begin on the recommended closures and relocations.

The disposal of property is basis for the majority of the savings presented by the Commission. This savings does not address any costs associated with environmental restoration or clean up. Environmental restoration, in fact, represents a sizable cost to the Department of Defense, and the funding of that cost must be identified early on to avoid any decrement in DOD funding to cover the Commission's oversight. Section 204 of Public Law 100-526 also allows the Secretary of Defense to "transfer such property, facility, or portion, without reimbursement" to any department or other instrumentality (including NAF). If this is to be done, then the savings projected by the Commission report will not materialize. Other difficulties with legal claims to the lands proposed for sale were not considered by the Commission, and given their task and the time frame this is understandable. However, these considerations will have dramatic impact on the savings projected by the Commission and must be considered before any further actions are taken into effect the recommended closures and relocations.

The funding required for the Commission's recommendations was not addressed in the study. However, realistic costs of these recommendations must first be identified. Our efforts have concluded that the Commission has severely underestimated the cost of the ISC/ISD one time relocation by approximately $234 million or 81 percent. The recurring costs created by the Commission for this effort have been underestimated by approximately $49 million or 272 percent for each year following the relocation. Under normal conditions estimates which fluctuate 25 percent are required by DA and DOD guidance to be recreated and validated by an independent agency.

This underestimation could result in either the requirement for DOD to decrement their already reduced budget to fund for the short falls, or the postponement of relocation efforts past the FY 1995 target date. Either would be unacceptable to Congress, and the former would stand the best chance of being reality if these estimates are not corrected before the Commission's recommendations become law.

There are those costs of the Commission report which fall outside DA. As all public funds for Federal Government must originate with Congress, we must insure that we have estimated all costs associated with the recommended closure and relocations when presenting the total bill to Congress. This type of estimate would preclude difficulties such as I have already discussed as we move towards implementation of the Commission's recommendations.

The Commission used as its yardstick the break even point of each closure or relocation. This point was calculated using net present value techniques the in-depth understanding of which is not key to grasping the problem with the report as written. However, for your benefit I will provide a cursory explanation. In essence this method uses inflation factors and discount rates to set all dollar values equal. That is to say a dollar spent today is worth as much as a dollar saved today, and we must insure that we don't try to pay back our investments with cheaper, future dollars. The resultant costs and savings are accumulated by year until all costs have been exceeded by expected savings. The key to successful use of this method is the accurate estimation of all costs associated with the effort being evaluated and the accurate and realistic estimation of all savings to be realized from the same effort.

The Commission in its charter was given a six year pay back as a rule of thumb. Any closures or relocations whose savings would not exceed its costs within six years after the completion of the effort were not to be favorably considered. The ISC/ISD relocation was estimated in the Commission's report to reach its break even or pay back point sometime in that sixth year.

I have pointed out any number of fallacies in the Commission's cost and savings estimation. These fallacies will have dramatic effects on this pay back period, and in fact if the $31 million annual recurring costs to the Department of Defense will insure that this relocation will never pay for its one time expenditures.

If, for the sake of argument, we assume the Commission has accurately estimated its $18 million annual savings, and include the $51 million clean up costs and the $12 million addition mistake found in the Commission model's personnel relocation costs, the resultant pay back will occur in the 15th year.

ISC/ISD MOVE—RECOMMENDATIONS

Accept USAISC cost estimate.

Analyze entire Commission study/report.

The estimate I have presented to you today represents the best possible cost and funding estimate available at this time. While these figures will undoubtedly change as events and assumptions continue to change, I would recommend that the current USAISC be accepted as the Army position and used for planning purposes. As more accurate assumptions and additional environmental changes are known, this estimate will be updated and provided through normal reporting chains for use in the planning and programming efforts.

There have been presented today a number of sizable omissions and over sights found, to be lacking from the Commission's cost estimates and estimated savings. These short falls have resulted in the understating of the ISC/ISD relocation one time costs by 81 percent or $234 million and understating of annual recurring costs by 272 percent and showing an $18 million savings when in fact there will be a $31 million additional cost annually.

Whether or not these percentages or even these omissions and oversights can be applied to the overall Commission report and model is anyone's guess. My final recommendation is that we no longer allow this critical item to be allowed to be just a guess. Instead the Army should charter a valid analytical organization to review the entire study with the mission to either validate the costs and savings contained therein or identify omissions and short falls, which ever is the case.

This recommendation would without doubt require the expenditure of some minimal amount of Army funds. It would, however, be well worth the effort as the findings and estimates developed by this review team would enable the Army to adequately plan, program, and budget for any and all costs associated with the Commission's proposed closures and realignments.

Summary

One-time costs	$462,000,000
Annual recurring costs	31,000,000

There has to date been a great deal of effort expended to develop a valid estimate of the costs and benefits associated with the ISC/ISD. What I have presented to you today is a valid, realistic estimation of what monies the Department of Defense will require to fund for this transfer or organizations. There exists a problem in that the Commission's estimate, severely underestimated as it is, is part of the recommendations which were provided to Congress, and will become law unless actions are taken quickly to alert Congress of these short falls. If we fail to do this, we stand to inherit the tasking to implement the recommended closures and relocations with severely inadequate funds for the required efforts.

For our portion of the Commission's recommendations, we have estimated $462 million in one time costs and $31 million in annual recurring costs. These figures have been subjected to sensitivity analyses, and the scrutiny of any number of highly qualified analysts. I believe these figures to be a true and unbiased representation of the funding requirements which will exist as a direct result of this relocation, and submit them to you for your scrutiny and eventual inclusion in the DOD planning and programming cycles. We must remember that proper and timely planning and programming will serve to preclude last minute decrement drills for OMA funds, and are the only way we in DA and DOD can hope to have adequate funds to operate our MACOMS after this relocation.

Mr. ASPIN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, let me at the outset express my appreciation to the distinguished chairman of the Armed Services Committee for yielding this time to me.

Mr. Chairman, I rise in opposition to H.R. 165 to disapprove the Base Closing Commission's recommendations. At the outset, I want commend all those on both sides of the aisle who were instrumental in passing the Defense Savings Act last year.

Military base closure is an issue on which Members of both parties can work together to reduce wasteful Pentagon spending. It is estimated that by passing base closing legislation, we could save between $600 to $700 million a year from the Defense budget without reducing our capability at all. If we are serious about trying to reduce the deficit and eliminate waste in Government, there is simply no excuse for not voting down this resolution of disapproval today.

Too often in the past, base closures have been a political rather than an economic or strategic issue. Members of Congress afraid of losing jobs in their district have been so successful in blocking base closings that no American base has been closed in the last 12 years. The Pentagon has also been accused of playing politics when preparing their list of bases to be closed by rewarding or punishing Members for votes. However, no one has questioned the credibility or professionalism of the Base Closing Commission. While some have disapproved of specific recommendations, it is clear that, for the most part, politics was not a factor in the Base Closing Commission's decisionmaking process.

Eliminating wasteful and unnecessary military spending and the political obstacles surrounding it are important for several reasons. Obviously, the budget deficit continues to be a major problem and cutting military spending without compromising national security is a critical component of any overall deficit reduction program. I want to note, that this same type of military spending reduction can be made in many areas of the Defense budget, not just with military bases. This process could be facilitated by a program of economic conversion which I have been advocating and which is incorporated in H.R. 101, the Defense Adjustment Act of 1989.

Economic conversion helps address two fundamental imperatives in our society—the need to halt the nuclear arms race, and the need to reverse our Nation's current economic decline. It is the latter imperative which is so relevant to today's debate. Most Americans have been led to believe that military spending provides a stimulus to the economy, especially in the area of job creation, and a solution to economic ills. Indeed, this is why most Members of Congress are terrified of having a base close in their districts.

In fact, mainstream economists are beginning to realize that our Nation's overemphasis on military production is resulting in economic deterioration. The relationship between excessive military spending and economic problems such as declining productivity, a deteriorating infrastructure, high unemployment, and a lack of competitiveness is being exposed, and concerned Americans are beginning to realize that military spending is not the solution to the problem of industrial decline, but a chief cause. The public favors redirecting our policies to emphasize civilian production and international competitiveness, and it is economic conversion that will permit us to accomplish this in an orderly and economically efficient manner.

Economic conversion takes the precedent set by the Base Closing Commission and extends it to all defense-related enterprises. Our debate today proves that the role of job creation in spurring unnecessary defense spending is increasingly coming under close scrutiny. It does not require a huge leap of the imagination to understand that this problem pervades defense spending in general, not just spending on military bases. In fact, it is clear that we too often sacrifice opportunities for arms control simply because of the job creating power of weapons systems.

Just as most Members agree that politics should be removed from our policy on military bases, I hope that Members will also agree that it should be removed from defense spending decisions in general. With the repeated disclosures of Pentagon procurement scandals, many have come to realize that it is time to restore some sense to our defense decisions. By creating viable alternatives to military spending, economic conversion would assure the millions of workers in military-dependent industries that their jobs would not be sacrificed in the effort to achieve meaningful arms control. As a result, proposals for increased military spending would be more likely to be assessed on their merits, rather than for reasons of job creation. This would significantly enhance the prospects for ending the nuclear arms race.

I am pleased to report that I have been working with Representatives MAVROULES, GEJDENSON, and OAKAR to develop a consensus bill on economic conversion. We have made great progress and have been informed by Chairwoman OAKAR that her Subcommittee on Economic Stabilization will begin hearings on economic conversion in a few weeks. I hope that we will be able to build on the work of Base Closing Commission and enact legislation which will apply the same antiwaste principle to all defense-related industries in this country.

Mr. Chairman, I am also pleased that the Base Closure Commission, during its review, chose to recommend three of the planned naval homeports for closure. I have spoken on many occasions of my concerns about the homeports, and specifically about the plan to base a homeport in New York Harbor. The General Accounting Office recommended 3 years ago that Congress require "a demonstration of the strategic benefits and more definitive and complete cost estimates before approving funds for the new homeports." No such demonstration has ever been made, but that has not stopped the Navy from proceeding with homeporting.

Former Senator Barry Goldwater, who along with our colleague, Mr. ARMEY, has been one of the most forceful spokesmen for base closing legislation over the years, called homeporting "one of the biggest political boondoggles I ever heard of." Indeed, it is perhaps one of the best examples of a case where politics rather than strategy or economics has determined the placement or status of a military base. There continues to be no convincing strategic rationale for the homeporting plan, and there continues to be no justification for the huge expenditures that have been and will continue to be required to construct homeports around the Nation.

It is therefore unfortunate that even in the seemingly nonpolitical atmosphere of the bipartisan Base Closing Commission, the Navy's homeporting plan may not have been fairly judged. Former Senator Thomas Eagleton, a member of the Commission, in an additional view included as part of the Commission's report, has said that the Navy stonewalled the Base-Closing Commission, allowing it to fare better than the Army or the Air Force on the list of cutbacks. Considering the lack of strategic rationale, the environmental problems, and the huge expenditures required for the three remaining homeports, it is conceivable that they too may have been recommended for

closure had the Navy given the Commission its full cooperation.

Senator Eagleton recommended that any future Base Closing Commission start by looking at the Navy, and I hope that such a Commission will be created and that it will seriously consider closing the Staten Island homeport. The Navy contended that it would not locate a homeport in an area where there is substantial community opposition, and yet opposition in New York City has been consistent, widespread, and adamant. Area residents are strongly opposed to any plan that contemplates basing nuclear weapons in the harbor of our Nation's most populous city, and this concern is far from frivilous. According to an unclassified General Accounting Office report, the Department of Defense has experienced a significant number of nuclear accidents and incidents in the past 20 years, and the threat of an accident at homeport sites is real.

New Yorkers are also concerned that the Navy has no plans to house needed homeport personnel, that it has overstated the economic benefits of the homeporting plan, and that it has ignored key environmental laws in preparing and executing the homeport plan. Concerned residents have fought a long and hard battle against the homeport which has included numerous legal efforts to block homeport construction. As the Representative of the constituents of the 17th District, I have cooperated with these ongoing efforts.

Mr. Chairman, I want to compliment once again all my colleagues who have worked to create successful and nonpartisan base closing legislation, and congratulate all the members of the Commission for bringing us their report. I hope that approval of the Commission's recommendations today will signal the beginning of a new era of responsible defense spending decisions.

□ 1440

Mr. COURTER. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky [Mr. HOPKINS].

Mr. HOPKINS. Mr. Chairman, there are no illusions about the outcome of today's vote.

The bases in question will be closed.

Before that happens, there are some points each Member of this body needs to be aware of before you vote, points that need to be made a part of the official record to serve as a benchmark for future reference.

Many see this as a classic conflict between parochial and national interests. It may look that way, but it isn't.

In fact, very little about this proposal is as it appears.

The longer it is examined, the less it resembles what we thought we were getting when the base closure process began last year.

We thought we were getting annual savings of $3 to $5 billion. Now we're told it will take 20 years—two decades—before all the annual savings stacked on top of each other will add up to our original expectations.

In consumer protection language, that is "bait and switch" at its worst.

We wanted real savings; what we're getting is false economy.

Evidence mounts every day that any savings to be realized from this proposal have been greatly exaggerated while its costs have been understated.

By its own accounting, the Base Closure and Realinement Commission acknowledge that its plan could save less than one-tenth of 1 percent of the annual Defense budget.

On further investigation, even that amount overstates the case.

In the specific instance I am familiar with—that of Lexington Army Depot in my district—we have found that the data on which the Commission formed its judgment was in error by up to 200 percent.

Only last Friday, I was told by GAO investigators who had spent the past 2 weeks in Lexington that the Commission's payback projections for that installation appear to be wildly optimistic.

Instead of the 6 years the Commission said it would take before savings could be realized by closing Lexington Army Depot, GAO's preliminary estimate is that it will now take 11 and possibly up to 15 years.

Other Members familiar with other bases throughout the country have reported similar discrepancies.

What these and other investigators are finding is that there will be far more costs involved in closing these bases than the Commission allowed.

If you thought the Pentagon was the home office of cost overruns, wait until you get the revised bill for this exercise.

Already, the estimated startup costs have doubled.

And nobody at the Pentagon is talking about the largest cost of all: the cost of cleaning up the environmental problems that have been covered up over the years.

You've heard the distinguished gentleman from Indiana [Mr. HAMILTON] express his concern about a multibillion dollar problem at the depot in his district.

In Lexington, the original environmental cost estimate was $6 million.

Now, that has been multiplied all the way from 3 to 10 times the initial estimate.

That's just the bad news; it gets worse; and read my lips on this:

I am telling you that there is no money to pay the enormous environmental cleanup costs at these bases.

So, what happens next?

Six, eight years from now, there will be new faces in Washington.

A new Secretary of Defense.

A new Secretary of the Army.

New Under Secretaries, Deputy Secretaries, and their staffs.

And these new people are going to take one quick look at this mess and say, "I didn't make any of these promises, I wasn't around then, its a local problem."

So, the point is this:

Today's vote isn't only about savings, it's also about expenditures.

And it is these expenditures that raise the very real possibility that Congress could be voting today to create abandoned toxic waste sites throughout the country.

As I said a moment ago, the issue before us is not what it seems and is certainly not what we had in mind when the Commission was created last year.

The base closure plan is of questionable parentage born prematurely and deposited on the doorstep of Congress like the illegitimate child it is.

But today, this House will adopt it.

The question is:

Will we follow through and be good parents?

Or will we abandon the child when the cost of carrying out that responsibility starts to hit home?

There has to be a better way, and the first step toward the real savings we need to make in defense spending can begin today by disapproving the plan before us.

We can slow down this mindless process, get answers to the questions that we've raised, sort out the glaring mistakes that have been made, close those bases we all clearly know should be closed, and avoid the environmental and eocnomic nightmares that are such an obvious part of the ill-conceived and tainted package we are asked to judge today. And at the very least, wait for the General Accounting Office to present its figures.

□ 1450

Mr. ASPIN. Mr. Chairman, how much time remains for debate?

The CHAIRMAN. The gentleman from Wisconsin [Mr. ASPIN] has 19 minutes remaining, the gentleman from New York [Mr. MARTIN] has 20½ minutes remaining, and the gentleman from New Jersey [Mr. COURTER] has 36 minutes remaining.

Mr. ASPIN. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I stand here today as one of the Members whose district is directly affected by the Base Closing Act. The Fort Wingate Army Depot in Gallup, NM, is 1 of 145 domestic military installations recommended for closure or reduction in size by the Commission on Base Realignment and Closure. I want

to take this opportunity to clarify my position on this issue.

I strongly oppose the closing of Fort Wingate because I believe the Gallup facility serves an important Army function and the base employees do a good job. Fort Wingate ships, receives, renovates and stores ammunition, and components and is responsible for the disposition of unserviceable ammunition. The base is strategically located on a major transportation route from the west coast to the Rhode Island Arsenal. It is also in the vicinity of the Sandia and Los Alamos National Laboratories, and Kirtland Air Force Base. Furthermore, the employees of Fort Wingate have always served proudly and kept operations at the base running smoothly. Fort Wingate has served this country well and I believe it deserves to continue operating.

I want to do everything I can to save the Fort Wingate base and help it's employees. I cannot, however, single Fort Wingate out of the entire base closing package. The base closing Commission's recommendations cannot be amended, only the entire package can be opposed. The base closing package as a whole is beneficial to both New Mexico and the entire Nation.

New Mexico stands to benefit a great deal from the base closing package. Kirtland would gain the Air Force Inspection and Safety Center from the closing of the Norton Air Force Base in California. This would bring Albuquerque an additional 346 military personnel and 138 civilian jobs. Cannon Air Force Base would gain 1,102 military personnel and 57 civilian positions as the F-111 tactical fighter squadrons are moved from the Mountain Home Air Force Base in Idaho.

Passage of the base closing package is an important step in our efforts to reduce the country's budget deficit. A strong vote in favor of the Commission's recommendations would also signify that politics will not prevent us from reaching our budget reduction goals. The Commission estimates that the base closing package will save this country $693.6 million annually. It is important that we unite behind this issue and support the Commission's recommendations.

For these reasons, I will vote against House Joint Resolution 165, a resolution to disapprove the recommendations of the Commission on Base Realignment and Closure. I will, however, devote my energies to make sure that the transition of Fort Wingate will be as smooth and equitable as possible for the employees and the Gallup community. First of all, I want to make the Fort Wingate facility into a National Guard unit so that all the employees can keep their jobs. Discussions toward this end are already underway. Should this fail, I want to make sure that all the employees will be well taken care of through job placement programs, homeowners assistance programs, and economic adjustment assistance. I have already undertaken discussions with the Department of Defense to make Fort Wingate into a National Guard facility. They will be coming to Gallup, NM, this spring to speak about this possible transition. I commend the Department of Defense for their help in this painful transition. I will also work with the Gallup community to develop strategies and coordinate action plans to generate new job opportunities and social benefits as we convert the Fort Wingate facilities.

Mr. COURTER. Mr. Chairman, I yield 8 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding me this time.

I have listened carefully to the opponents of this resolution. The opponents who would have us close these bases pursuant to the recommendations that have been made by the Commission. I listened carefully because I wanted to be able to pick out carefully what the objections were to our resolution which would disapprove the list. They have been consistent and there has been just one objection to our motion to disapprove the list, and that is that there is a belief among the the proponents of the closure list, to quote one of the previous speakers, "There is no greater need today than the need to reduce spending." I could not agree more.

I think my colleagues on both sides of the aisle who are in support of today's resolution could not agree more, either, but let me tell all of my colleagues, this resolution which would disapprove this list does not go against cutting spending, because this list simply does not save money.

I spoke for a while the other day here on the same subject in the same debate and I pointed out why. Those Members who were here or listened, listened to those arguments, but let me repeat them very briefly. The Commission has grossly underestimated the costs of realignment. This chart which I showed Members the other day shows that the Commission estimated in terms of the cost in blue for closing several bases. Then DOD was asked what it would cost to close the same base and they gave an estimate, and that estimate is represented in red. It might be called red ink, because in the case of my base at Fort Dix in New Jersey that we have all talked about and we all know about, and I think all Members of the House recognize that it should be on the list. In the case of the base in New Jersey, the Commission recommended that it would cost $245 million to realign the base. That we all, at this point, know it should not be on the list. When DOD was asked for their estimate, it estimated $372 million, the red ink. It is not just Fort Dix, it is George Air Force Base, it is Norton Air Force Base, it is the Presidio, it is Chanute, it is Mather, and we could have listed probably two dozen others. So cost estimates are underestimated.

Second, they have overestimated savings. I would not go into a great detail, but at Fort Dix alone, the General Accounting Office says they overestimated savings by $20 million. Third, the Army Audit Agency did a study of the TRADOC bases where basic training was done. They were asked to do that by the Secretary of the Army to determine how basic training could be done more efficiently and at less cost. They recommended that savings could be made by closing down facilities at Fort Knox, not the whole base, and Fort Leonard Wood, and using existing space that exists at Fort Jackson and at Fort Dix. As a matter of fact, let me read the final paragraph in that audit report. "Recruits should be scheduled for basic training at installations where adequate barrack space is available to avoid additional barracks constructions or barracks modernization costs." And, "Based on the fiscal year 1989 through fiscal year 1993 training program, all recruits and trainees attending basic training, advanced individual training, can be housed in adequate barracks if the training workload is decreased at Fort Knox and Fort Leonard Wood and increased at the six remaining centers."

"Additional basic training companies could be established at Fort Jackson and Fort Dix where there is 10,763 excess barracks spaces." But instead, the Commission recommends that we spend $245 million to build new facilities at Fort Knox and Fort Leonard Wood.

Finally, fourth, there has been a great deal of talk about military value. When we could not understand why certain bases were placed on the list, the Commission informed the Members begrudgingly, without detail, that those bases were placed on the list because they had a low military value, arrived at through a formula of computations based on facts gathered from those bases.

With regard to Fort Dix, specifically was my main concern, I was told that eight bases were ranked in terms of their military value, No. 1 through No. 8.

□ 1500

Fort Dix ended up next to last in terms of military value until the GAO did its report, and the GAO said, and I will quote from their preliminary report, "We have reviewed two categories of bases, Army training centers

and Air Force technical training bases, to test the Commission's phase 1 process with regard to military value. We found that the analysis of Army training centers, which includes Fort Dix, erroneous data were used. These errors affected the relative ranking of bases. Had accurate data been used, Fort Dix would have been ranked first of the eight bases in the category rather than seventh."

So, Mr. Chairman, I just point out to my colleagues that in terms of savings that I do not believe they are there. In terms of expenditures, I believe they are underestimated. In terms of the audit, Army Audit Agency's report says, "Don't build more bases. Just use the surplus bases we've got at Fort Jackson and Fort Dix."

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am sorry to interrupt the discussion of the gentleman from New Jersey [Mr. SAXTON] here, but it seems to me we ought to inject a little light into this process.

However, Mr. Chairman, did the gentleman say to the House that after the GAO analyzed the material that was used by this Commission that they found that Fort Dix should not be rated as No. 8 in terms of training facilities, but No. 1?

Mr. SAXTON. Mr. Chairman, the gentleman from California [Mr. LEWIS] is correct. It should not be rated as No. 8; it should be rated as No. 1.

Mr. LEWIS of California. Mr. Chairman, is the gentleman from New Jersey [Mr. SAXTON] seriously saying that this Commission miscalculated data that would have them be that far off?

Mr. SAXTON. Mr. Chairman, this appeared in the GAO testimony that was delivered at 9:30 in the morning at the other House on April 12.

Mr. LEWIS of California. Mr. Chairman, I cannot quite imagine that. I mean what the gentleman from New Jersey [Mr. SAXTON] is suggesting is that this Commission, first of all, was created because we in the Congress were not willing to do the job we were elected to do in the first place; we transferred our responsibility to bite the tough bullets to a commission, and then apparently they incompetently handled it at that level; their responsibility?

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. SAXTON] has expired.

Mr. COURTER. Mr. Chairman, I yield 1 additional minute to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. To finish, Mr. Chairman, given what we know about the Commission's gross errors with regard to the raw data, gross errors in terms of military logic and just plain commonsense, I refuse to believe that there is one Member of this House that would vote to put Fort Dix on this list.

Mr. Chairman, let us face it. We created a commission as part of a good-faith effort to obtain some genuine savings, but this blue ribbon Commission, this blue ribbon panel whose efforts simply were not worthy, simply were not worthy of that blue ribbon.

The bottom line is that they did an extremely poor job.

PARLIAMENTARY INQUIRY

Mr. COURTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COURTER. Mr. Chairman, how much time did the gentleman from New Jersey [Mr. SAXTON] use?

The CHAIRMAN. The gentleman from New Jersey [Mr. COURTER], has 27 minutes remaining; the gentleman from New York [Mr. MARTIN] has 20½ minutes remaining; and the gentleman from Wisconsin [Mr. ASPIN] has 17 minutes remaining.

Mr. COURTER. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, this House finds it is in a very uncomfortable posture today. We did it to ourselves. First we tried to evade the tough decisions and questions of what bases ought to be closed. Now we do not like the result, so we are trying to get back into the process.

I believe this is an unhappy end to an unfortunate procedure. The intensity of this debate proves once again that we might be able to run, but we are never really able to hide. We may be able to postpone the inevitable, but at a high cost both in terms of dollars and public support.

Our debate today is a profile of congressional cowardice. It is yet another unsuccessful effort by Congress to evade its responsibility to government. I think it is a monument to our appetite for government by autopilot and a reminder that such efforts usually fail. They succeed only in bringing this institution into disrepute.

Mr. Chairman, when we come up with these mechanical procedures to avoid making tough decisions, it makes our constituents back home wonder why we came to Washington. They elected us to make the decisions in their behalf, not to come up with clever devices that allow us to duck tough decisions. If we really cannot stand the heat, we ought to really get out of the legislative kitchen.

Further, today's debate is another proof that such schemes simply do not work. Whether it is Gramm-Rudman, or the Quadrennial Commission on Pay Raises or the Base Closing Commission we are talking about today, the tough decisions ultimately return to us and get dumped right back in our laps.

The one such commission that succeeded was the 1983 Greenspan Panel on Social Security reform that did little more than provide cover for what a bipartisan coalition of thoughtful Congressmen wanted to do right from the start. We tried to duplicate that performance with the National Economic Commission. The NEC tried, but ultimately quit acknowledging that it was powerless to convince others to face the hard facts. Again the result is simply a delayed decision and wasted time and money.

Mr. Chairman, I am ready for the strenuous debate with my colleagues about which military bases should be closed. I am willing to argue that the cuts suggested for Illinois are wrong, and I am able to accept the decision of this House, whatever it may be. I am equally prepared for a similar discussion about tough choices that must be made to bring our budget deficit under control. I remind my colleagues that that is the broader issue that today's debate is really all about, but I do not have the patience to go through this exercise of evasion again.

Mr. Chairman, I am somewhat disgusted with government by commission. Our institution is demeaned by it. It is our job to decide what is worth the expenditure of Federal funds. I think it is time that we started doing our job.

Mr. Chairman, I yield back the balance of my time.

Mr. MARTIN of New York. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to House Joint Resolution 165. Our subcommittee spent considerable time over the course of the last 2 years trying to fashion a piece of legislation initially and all through the process at the urging of the gentleman from Texas [Mr. ARMEY] to come up with a means of addressing the issue of base closure and realignments in a way that could not be attacked as being political. To that extent I think we were successful.

Mr. Chairman, I ask for a no vote on the resolution which would do away totally with the recommendations of the Base Closure Commission. To be sure, and my colleagues have heard a number of comments here today that there were some mistakes made without question. In some instances decisions in part at least were made on erroneous information. But the decision before the House is whether or not, notwithstanding those errors, we are going to do away with the complete work product of the Commission, and I do not think that would be appropriate.

Mr. Chairman, we have had a number of budgets come to us this

year, and we are going to have another defense budget come to us probably next week. Those numbers are going to be very difficult to meet. Military construction, personnel and, yes, procurement are going to take big, big cuts.

□ 1510

There is a disappointment on the part of all of us that the recommendations of the Base Commission did not come up with more savings than they alleged they did, but at this point we have no other choice but to do away completely with the recommendations of the Commission or to accept them in total. For that reason, I urge a no vote on House Joint Resolution 165 and the membership ought to be advised to keep in mind and think about it before the vote, because if you are in favor of the base closure recommendations by the Commission, you should vote no on final passage.

Mrs. SCHROEDER. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Chairman, I thank the gentlewoman from Colorado for yielding this time.

Mr. MATSUI. Mr. Chairman, I rise today in opposition to the resolution before us, a resolution which would disapprove the recommendations of the Commission on Base Closure and Realignment.

The Commission's report, presented to the Secretary of Defense last December 29, recommended closing Mather Air Force Base, located in my district in Sacramento, CA. Despite that recommendation, I have come to the conclusion that the findings of this Commission are, in the aggregate, in this country's best interests.

I have made this judgment knowing full well that there are errors in the Commission's report. Let me cite two examples. In the case of Mather AFB, the Commission did not include in its calculations the maintenance function for the airplanes used by the navigator training school. The Commission itself has acknowledged this error, which accounts for roughly $10 million of Mather's annual budget.

The Commission also estimated the military construction requirements for relocating Mather's missions to Beale AFB, but neglected to include an accounting of the requirements for relocating several of the missions to neighboring McClellan AFB. It has been estimated that these one time costs may approach $40 million.

After meeting with Air Force officials, as well as officials of the Commission on Base Closure and Realignment, I have concluded that the closure of Mather AFB will save Federal tax dollars. Whether or not the exact level of annual savings estimated by the Commission will be realized remains to be seen. In fact, the General Accounting Office has determined that the cost model may have underestimated the savings associated with closing Air Force bases. Nevertheless, what I believe the Commission has demonstrated is that savings can be realized, and that efficiencies within our base structure can be identified.

Let us make no mistake about it. The process of analyzing each of the bases operated by the Department of Defense as a candidate for closure is a monumental task. Each one of us who has a base in their district on the closure list has spent a great deal of time critically examining the Commission's recommendations. We have put our bases under a microscope, and each of us came up with a laundry list of concerns. Each base on the list presents a unique set of questions and issues associated with the closure. The Commission had the unenviable task of sifting through each base, looking for bases that could yield savings.

Some have suggested that there are two conflicting ways to analyze the Commission's recommendations. One way is to try to validate the data that the Commission used, to analyze the cost model, and to appraise the overall framework that was used to determine which military facilities should be closed or realigned. The second way is to step back and simply examine whether the Commmission acted in a responsible and straightforward manner.

I do not think that there is a conflict between these two methods of judging whether these recommendations are in our best interests.

I have carefully gone over the data used by the Commission when they considered Mather AFB. I have looked closely at the cost model, and examined the larger framework that was used to develop the list of facilities to be closed. I have also looked for, but did not find, evidence that the Commission acted improperly, or in a fashion that violated their charter or the base closure law passed by Congress.

We knew when we approved this base closing process that it was an all-or-nothing deal. In approving this process, Congress acknowledged the difficult nature of closing military bases. But we resolved to create a process whereby an independent commission could, on a nonpartisan basis, make base closure recommendations to the Secretary of Defense, and to the Congress. We resolved to give this difficult process a chance to work.

We are being asked today whether we agree with the results. Most assuredly, a number of our colleagues will answer with a resounding "no."

Some will argue that, for one reason or another, their base did not deserve to be included on the list. I cannot come before you and say that every single facility on the list has equal justification for closure. The Commission's job was to determine whether there was compelling justification to close each base. Now it is our turn. Is there, on balance, sufficient justification to close all of the bases recommended by the Commission? I believe the answer to that question is "yes." I think it is in this Nation's best interests to allow this base closing process to move forward.

The closure of Mather AFB is not a new issue for Sacramento. Two years ago, the Air Force announced its intention to study Mather for possible closure. At the time, I fought the Air Force proposal because the methodology behind the announcement was flawed. Quite frankly, Mather was singled out by the Department of Defense to demonstrate an interest in base closures. At that time, the Air Force could not provide any rationale for studying the base for closure. We prevented the Air Force from closing Mather AFB in 1987 because it was an arbitrary action.

The closure of Mather AFB will present a significant change in the lives of many people who live on or near the base. This transition in the Rancho Cordova community and the entire Sacramento area will be a difficult one. Businesses have thrived due to Mather's presence in the community, and the closures we are contemplating here today will drastically alter the way of live for thousands of people in my district, and countless more across the country.

The time has come to plan for the future. Following the announcement of the Commission's recommendations, I created a special commission in Sacramento to coordinate and develop a reuse plan. This commission is composed of experts in military issues, local business officials, and community leaders. Their job will not be an easy one. Planning the future use of almost 6,000 acres amid a host of sometimes conflicting interests will require a heightened spirit of cooperation. The planning process will require a commitment to our common goal of putting together a planning document that will allow the Rancho Cordova community and the Sacramento area to grow and prosper from this closure.

The time has come to look to the future. The closure of Mather AFB presents several problems for the Sacramento community. There are over 43,000 military retirees in the Sacramento area, many of which depend on the hospital facility at the base for their medical care. Simply closing the hospital, thereby forcing each retiree and their eligible dependents to participate in CHAMPUS, will cause a dramatic increase in CHAMPUS costs, and will pose a greater financial burden on individual retirees. Abandoning the hospital is simply unac-

ceptable. We cannot walk away from this issue. We have a commitment to these retired military personnel, and we cannot violate that trust.

The time has come to protect our future. The Air Force has found ground water contamination at Mather, and is currently preparing a study to define the extent of the contamination and to develop a plan to clean up the base. As we all know, cleaning up ground water contamination is a difficult and time consuming process. I am committed to ensuring that the Department of Defense cleans up toxic contamination at Mather AFB. We must not and we cannot allow these communities who are losing a military installation to be further hampered by the lingering hazards of toxic wastes left behind by the Defense Department. We must have a commitment from the Defense Department, and we must have a commitment from the Congress to remove these contaminants from our bases.

Mr. Chairman, I will support the recommendations of the Commission on Base Closure and Realignment, despite the fact that Mather AFB in my district will be closed. After a painstaking review of these recommendations, I believe that the base closure process will, in the long run, result in a more efficient and cost-effective use of our military base structure.

In view of the time constraints on Commission members and certainly in view of the enormity of the issue, it was very difficult for them to make a decision that everybody would agree with.

I would say, however, in opposing the resolution, I do have some concerns. I appeared before the committee of the gentlewoman from Colorado [Mrs. SCHROEDER] and talked with other members of the Armed Services Committee as well. The two concerns I have, one deals, of course, with toxic wastes, which I believe every Member has raised when they have expressed concern about this particular resolution. It will not be known at Mather Air Force Base until the spring of 1990 the extent of the damage by way of the toxic problem. I am just hopeful and I am relying upon the good faith of the Air Force that in fact that issue will be addressed before the land and property is transferred to private sources.

Second, of course, we have 43,000 military retirees in Sacramento County. Many of those retirees are there because of the inducement of Mather Air Force Base being located in Sacramento County. It is my hope that we are going to be able to solve the issue of health care facilities for these retirees.

Obviously, if Mather should close, that would in fact impact the health care of these people and I am relying upon the good faith of the Air Force to deal with that issue as well.

Knowing these concerns, I still support the recommendations of the Commission and certainly believe that the committee has done an excellent job in analyzing this matter.

Mr. COURTER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman and my colleagues, we find ourselves at a fascinating point in our 101st session of the Congress. We meet today to discuss a thing called base closing. In the name of saving taxpayers' dollars and protecting the world at large, a commission is proposing to us a series of recommendations that purportedly will make a significant difference in terms of both our national defense and our national deficit.

Mr. Chairman, if this process were not so painful to my district and the county that the gentleman from California [Mr. BROWN] and I represent, it would almost be a laughable suggestion that is before us.

Indeed, I am here to suggest to you that this is a classic demonstration to the American public of just how incapable the Congress is of handling the most fundamental of our responsibilities. Our people elect us every 2 years to come to the Nation's Capital, to sit on the floor of the House, to sit within our committee chambers, to listen to debate regarding the pro and con issues affecting our taxpaying public.

The Commission process is almost a classic illustration of our own admission that the Congress has totally failed in its ability to carry out those responsibilities. In the name of proving that Congress has the courage to make the hard decisions of deficit reduction, we stand before the American people with a commission report which is really about creating a massive new military construction program for the 1990's. Having improperly delegated the authority given to us by the taxpayers of this country, many Members see few alternatives but to accept the Commission's recommendations. Such a conclusion is not supported by the facts.

When we began Members believed that the Commission's work could save from $3 billion to $5 billion annually a year by closing down these bases. That number has been progressively cut back to the point where even the Commission's estimate of $693.6 million in annual savings is admittedly lacking in credibility. We have gone from multibillion estimates of real savings to the point where the chairwoman of the Military Installations Subcommittee can only say, "The bottom line is that it saves money."

It is suggested by some of my colleagues that we may even lose money by the process that we are going through here.

To illustrate that point in very simple fashion, I cite the case of Norton Air Force Base, which is a strategic airlift facility recommended for closure by the Commission.

□ 1520

We will really achieve annual savings of $67.9 million within 6 years by moving it 9 air-miles away to March Air Force Base? If so, this Congress will have to find new funds for expedited environmental cleanup. Norton is on the Superfund list. While the Commission is willing to spend millions of taxpayer dollars to move a base 9 air-miles, the EPA is insisting that the same base must be cleaned to the best standards available before it can fall into private use. Strangely, there are no new moneys for this costly expedited cleanup.

Mr. Chairman, the general who is most familiar with this subject tells me that we could tear all the buildings down at Norton, rebuild them as brandnew facilities, and spend about half as much as we will by realigning the Norton mission to March AFB. That general further suggests that in a very short time the Norton airlift wings transferred to March Air Force Base will so overwhelm the SAC responsibility there that they will have to move on to some other base and probably cause more expenditure at a new location.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I appreciate the gentleman bringing up the point about Norton Air Force Base, which is of deep concern to me also. I concur with the analysis that he has just made, and it is my hope that even if we cannot succeed in preventing the closure of this base that we could certainly have an impact on the quality of the analysis that is being made in connection with this whole base-closing operation.

If it turns out that we have gone through this exercise and we do not actually save the money that was projected, we may reduce military readiness or security in some ways, then the best we can hope for is that we do not make the same mistake twice.

Mr. LEWIS of California. Mr. Chairman, let me suggest that the gentleman from California who just spoke represents Norton Air Force Base; that is, Norton Air Force Base is specifically within his district, not within

mine, but many of the employees from that base live and spend their taxpayers' dollars in my district. It is very apparent that the community where this base is actually located has one of the greatest unemployment problems in the entire State of California. Their most stable base of employment over the years has been Norton Air Force Base, and as we are facing the challenge of establishing an economic base that is sound in that community, the Federal Government is about ready to pull the plug. In the name of cost savings in defense, we will have to increase other Government expenses for such needs as unemployment and welfare. But that's what you get if the Congress decides to delegate decisions in order to prove it can be courageous when it comes to the national deficit.

Let me move on to another item that is suggested as an advantage of the commission process. It is suggested that this Commission in some way could evaluate the bases of the country and improve the mission and force structure of our armed services. George Air Force Base, a Tactical Air Command facility, in my district is the classic case for illustrating why the Base Closure Commission may have failed in its efforts to improve military value. The Commission would close George because of air traffic congestion and because of the distance between George and what the Commission notes is its single training and gunnery range.

Let me suggest on both counts that the Commission's analysis is almost ridiculous. First of all, there are mountain ranges on both sides of George Air Force Base. Those mountain ranges force the overflights of major airlines to be at about 20,000 feet as they approach Los Angeles Airport. There is no way that they interfere with those fighter aircraft that are taking off and landing at George Air Force Base. The F-4 flies in restricted airspace at altitudes below 10,000 feet. It is absolutely a ludicrous suggestion that there is some interference in that connection. That is why the Air Force is concluding an agreement with the FAA and the county of Los Angeles for a new 400-flight-a-day facility at Palmdale even as we find the Commission closing Air Force bases using a bogus standard: air traffic congestion in the Los Angeles to Las Vegas flight corridor.

Further, it is suggested that in some way the training process is improved by moving the George location to Mountain Home. Mountain Home is located in Idaho. Mountain Home currently uses George as its alternative flying facility for 4 months out of the year because of winter weather conditions. We can fly almost 365 days a year at George Air Force Base in perfect weather conditions, and yet this transfer is being made to improve the Air Force mission.

George Air Force Base does not have just one range. George has access to six different gunnery and target range complexes—Superior Valley, Chocolate Mountain, Whiskey range, Leach Lake, and the Golf and Echo ranges.

This mix of highly sophisticated training arrays is not duplicated anywhere in the world. The replacement facility, Mountain Home AFB in Idaho, has one range which the Air Force rates as "marginal." If you really understand training missions, you know that avionics checks, visual lookout, and flight formations cannot be undertaken at a range which is only 22 air miles from Mountain Home. In other words, the Commission was ill-informed about the availability of ranges as well as the real role that distance plays in training pilots for sophisticated tactical fighter missions. Indeed, George AFB is the logical home for the next generation of American tactical fighters.

Today, this Congress will ratify the recommendations of a nonelected commission that met behind closed doors. It is not a mistake to revise our base structure. It is possible to save significant dollars by closing antiquated military installations. To do that, however, Congress must make the tough choices. Unfortunately, however well-intentioned the Commission was, it's process was flawed by a dependence upon the very services whose goal was to protect what they had or at least to justify massive new military construction in the 1990's.

Mr. Chairman, we have questionable savings in this process. We have injured many a community. We may very well have violated the mission of the various branches of the military that are involved in the process. We can pound our chests, and suggest that we are even willing to cut spending insofar as the defense budget is concerned. But that is not what the commission process has given this Congress.

Mr. Chairman, I appreciate the patience of my colleagues.

Mrs. SCHROEDER. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, I rise in support of the resolution to disapprove the recommendations of the Commission on Base Closings.

When the authorizing legislation for this process was debated, I joined with a majority of my colleagues in this body to establish the Base Closing Commission. I did so because I viewed it as a realistic way to deal with the politically intractable problem of closing obsolete military installations, and also because we were led to believe that from $2 to $5 billion could be saved annually if obsolete facilities were closed and their operations consolidated. Indeed, I would be happy if I thought there would be any savings or the public interest would be otherwise served.

Only after the vote have we come to discover that these estimates were greatly inflated, and that the costs of closing the bases on the Commission's list were grossly underestimated. According to the Commission's own report, we should expect the base closing process to result in savings of no more than $5.6 billion, spread over the next two decades. And, because of the flawed and inaccurate data relied on by the Commission, these savings are mostly illusory.

Let's face it—the closing of these facilities will entail much more than turning out the lights and locking the doors. The Commission reports that $2.7 billion will be needed just for military construction costs associated with the closings. Add to that the environmental and cleanup costs, economic assistance to local communities, and other costs ignored by the Commission, and you arrive at a figure that could exceed $4 billion. So where are the savings?

And where will the money come from to cover the costs of closing these facilities? With the Pentagon budget proceeding on a no-growth basis for the foreseeable future, other vital defense programs will have to be sacrificed to fund the base-closing plans. We surely cannot afford to be so penny wise and pound foolish when our national security is involved.

In my home State of New Jersey the closing of Fort Dix will mean the elimination of 12,000 jobs, and the certain prospect of economic upheaval for the region. The Commission estimates savings of $84.5 million annually from shutting down Fort Dix, but the General Accounting Office could find only $17 million in potential savings—and most of that amount is the result of cuts in personnel. The same holds true for many of the other bases on the Commission's list.

Mr. Chairman, the Commission's mandate from the Congress was to close obsolete bases, not to unnecessarily and without justification hand out pink slips to thousands of hard-working, taxpaying Americans without some significant gain for the public interest.

Politically, it would be the easy thing to go ahead and defeat this resolution, accept the Commission's recommendations, and try to convince the American people of the great strides we have made in cutting Government waste. But that would amount to little more than budgetary blue smoke and mirrors.

Agreeing to this resolution of disapproval, however, will not signal an end to identifying and cutting military waste. On the contrary, it will mean a

chance for a more detailed examination of our military facilities, including overseas installations, and hopefully a more accurate and cost-effective set of recommendations.

If we defeat this resolution and accept the Commission's recommendations, we may be washing our hands of the tough decisions temporarily. But we won't be able to escape for long the harsh consequences of our actions on the economy, on our military readiness, or on the lives of tens of thousands of working men and women.

I urge my colleagues to vote in favor of the resolution.

□ 1530

Mr. MARTIN of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I just want to rise to ask my colleagues to follow the Commission's recommendations. I want to say, first of all, the gentleman from Texas [Mr. ARMEY] deserves a lot of credit.

I must say that we are only going to save projected in this bill about $700 million, and I am not quite sure we are going to save the $700 million. The tragedy is that we had a window of opportunity that would have permitted us to save or target somewhere in the neighborhood of about $2.5 billion. The tragedy about this is that it will not be possible to come back in any relatively short period of time to close even more bases down that need to be closed because that window of opportunity is open for such a very short period of time. It is going to be difficult to come back and get that window open again because of political considerations.

I do not blame the Members who are here and talk about the difficulties they have with their bases. In fact, in some cases there may be even some justification, and there might even be some real facts to their arguments and not just hyperbole or emotional pleas. They may in some cases by exactly right. The difficulty, as the gentlewoman from Colorado [Mrs. SCHROEDER], chairwoman of the committee, knows, and also the ranking Member, the gentleman from New York [Mr. MARTIN], is that in the process of putting a formula together to allow us to close military bases down there was a strong effort made in the other body to skewer the formula to prevent as many bases closing as is possible.

So what may have happened in fact, ladies and gentleman, is that some bases that ought to be closed will not close because of the nature of the formula, and bases that will not yield the kinds of savings that we would like to see yielded are going to be the ones that are going to be closed. So because those opponents of the bill made a very strong effort to limit the impact of the base closing legislation, we are not going to get the kinds of savings that we ought to get, and in fact I think it is very easy to make an argument that the dirtiest bases in the country, the ones that have the most pollution in this country, are the bases that are going to stay open because they are the most difficult ones to clean up and the ones that take the longest payback time.

So while we have some success with this Commission report, I must say that it is not as thorough and as complete as we would like. Rather than being able to save the $2.5 billion, we may save only as much as $700 million. The tragedy, of course, is that this Congress year in and year out keeps cutting the defense budget. We have a $400 billion shortfall in some major weapons systems projected over the next 5 years, and yet we as a Congress, while we criticize the Pentagon and criticize everybody for an overbloated Pentagon budget, are unwilling to cut the waste from the areas where it ought to be cut so that we can have an effective and efficient military budget, something we all talk about and something the American people believe in.

I think it is a missed opportunity, but yet I guess in this body sometimes half a loaf is better than no loaf at all.

I do think that the gentleman from Texas [Mr. ARMEY] deserves an awful lot of recognition, as does the gentlewoman from Colorado [Mrs. SCHROEDER], and the gentleman from New York [Mr. MARTIN] who had a lot of hearings and tried to accommodate the concerns of Members, some of whom have had some real arguments, and unfortunately for them this formula was written in such a way that we are not going to get at the kinds of things we want to get at, and some of them are going to pay the price as a result.

Mr. COURTER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I certainly appreciate the generosity of the gentleman from New York for yielding me time. I want to commend also my colleague, the gentleman from California [Mr. LEWIS] for the eloquent statement that he made, which in effect summarized many of the major problems with the recommendations of the Base Closing Commission.

Mr. Chairman, I have made my case against the recommendations of the Commission on Base Realignment and Closure. I am confident that when the results of these closures are assessed years from now, many of the points I have made will be borne out. I rise today not to argue against the Commission's recommendations, but rather to remind my colleagues, and the Department of Defense, of a very important commitment which comes with this base closure package. This commitment is that environmental contamination at the bases be fully cleaned up by the time the bases are closed.

While the base closing legislation did not explicitly require that environmental restoration work be completed by 1995, the Commission clearly operated on this assumption. The savings predicted by the Commission depend on the sale of the base property. If this property remains contaminated when the bases are closed, then the property cannot be sold, and the funding necessary to implement the base closures will have to come from other defense programs. Although the Armed Services have made it clear that they will clean up the bases, they have not committed themselves to doing so by the 1995 target date for the bases' closure.

There is another, much more important reason for cleaning up the bases. In order to offset the economic impact of the base closures, the affected communities must be able to acquire base property and convert it to job-producing civilian uses. Indeed, the affected communities have been told not to worry, because the civilian reuse of bases will restore the jobs lost from the base's closure.

This rosy scenario sounds great, but it will not happen unless Congress and the Pentagon make available the necessary funding for base cleanup. The General Accounting Office estimates that it will cost over $800 million to clean up the 86 bases recommended for closure. Cleaning up the rest of our Nation's military bases will cost nearly $20 billion. It is unclear where this money will come from. Implementing the base closures will cost nearly $3 billion, and the administration has requested only $1 billion for the base closure account.

Mr. Chairman, this base closing package has wide support, and it is no mystery how this vote will come out today. The majority in the House has jumped aboard the base closing bandwagon, and most are enjoying the ride. I just wonder how many will be on board when it comes time to pay for the cleanup of these bases. I am encouraged by recent indications that the Air Force will live up to its commitment to clean up the bases slated for closure. With regard to Norton AFB in my district, an interagency agreement between the Air Force and EPA is expected soon, and the Air Force has provided me with a schedule showing that the cleanup would be largely completed by 1995. I will be watching closely to ensure that this schedule is met. I can tell you one thing for sure: I will not remain silent if the Air Force tries to leave my district without spending the money to clean up the base it's leaving behind. I will not allow my community to be left

twisting in the wind so that the Members of this body can congratulate themselves for closing obsolete military bases.

A vote today in favor of closing military bases is not a vote that can be walked away from. It is a vote commiting the Congress, in addition to the executive branch, to a process that will take place over the next 5 years, a process that will require ongoing support from the Members of this institution. The commitment from Congress to cleaning up these military bases must be as great as has been the commitment to closing these bases. It's a package deal that we are paying for today, and there will be downpayments to be made for years to come. I do not plan on letting anyone forget the obligation implied by their vote against the resolution of disapproval.

□ 1540

Mr. COURTER. Mr. Chairman, how much time is left between the three sides here?

The CHAIRMAN. The Chair notes the gentleman from New Jersey [Mr. COURTER] has 13 minutes remaining, the gentleman from New York [Mr. MARTIN] has 10½ minutes remaining, and the gentleman from Wisconsin [Mr. ASPIN] has 10 minutes remaining.

Mr. COURTER. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. BRUCE].

Mr. BRUCE. Mr. Chairman, I thank the gentleman from New Jersey for yielding this time to me.

Mr. Chairman, parents often ask their children what they have learned each day when they come home from school. I suppose if my daughters were to ask me what I learned in Congress today about this base closure report, I would tell them that Congress, by commission, is a failure. It is true many of the military bases slated for closure should be shut down but also that many obsolete foreign bases, never considered by the commission, should likewise be shut down.

But we now know from the testimony received both here and in the body that some of these bases should never have been included in the Commission's base closure recommendation.

They are costly mistakes both in terms of national security and our defense dollars. Much of this is not the fault of the Commission. The mandate they were given was flawed from its inception, overblown in its beginning and in its expectations.

The Commission was told to save between $2 billion and $5 billion. But the Commission found early on that that mission was absolutely impossible.

In its own report the Commission estimated that its recommendation should lead to an annual savings of about $694 million. But, my colleagues, you should realize that this estimated savings rests entirely upon defense policy changes, defense policy changes, not in closing and in realigning bases.

It is important to note that most of the savings are hinged upon reductions of personnel. In fact, the GAO study shows that 84 percent of the estimated savings of this Commission report is in the reduction of personnel. At the same time for the Air Force they are expecting a surge in students by 1994 of almost 20,000 new students and they will need to expand their facilities and their personnel, not reduce them.

The whole tone of the Commission, as you reread that report, is one of manipulation of data, changing the ratings, fudging the dollar figures, misleading both Congress and the public.

In Illinois, for example, the Commission said that, "We have an empty military base, Chanute." That base is not empty. This Congress has appropriated $150 million in the last 8 years to expand facilities and housing and improve facilities at Chanute. It is not empty.

Yet the Commission thought it was empty, an empty base. It has been rated, as Mr. MADIGAN pointed out, highest in its category in more than 44 different ratings. Yet it is on the proposed closure list. Even the Commission admitted that it was "right on the margin in cost savings."

If you review the transcripts and the GAO's preliminary report, they repeatedly show us that the expected "big savings" on the Commission's list will end up costing taxpayers money. And when this shell game of moving around is all over, the administration and Members of this body who support the Commission's closure and their recommendations will not allow, they will not allow the reductions in personnel that are needed to make this savings take place. So that no savings will be achieved and in fact we are going to be adding to the defense budget by rebuilding the transfer and receiving bases with new facilities for all the functions that are going to be changed and added.

Mr. Chairman, I strongly urge the Members to vote in favor of this resolution of disapproval because now or later we have to exercise as a Congress our right, our responsibility to govern, to correct errors made by this Commission.

Errors were made. Congress has to be alert to those errors, and correct those errors. We will either today or we will correct those in the future.

Mr. COURTER. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN pro tempore (Mr. BROWN of California). The gentleman from New Jersey is recognized for 9 minutes.

Mr. COURTER. I thank the Chairman.

Mr. Chairman, what I would like to do at this particular juncture is certainly congratulate the gentleman from Texas [Mr. ARMEY] for the work that he has done and the inspiration in honestly trying to make sure that our Defense Department and our Nation's security are run on as few dollars as we possibly can.

Mr. Chairman, I also want to recognize the gentleman from New Jersey, JIM SAXTON, who has fought long and hard and I think has carried the water with regard to an important basic training base in New Jersey, Fort Dix. I think that Congressman SAXTON has clearly shown beyond any reasonable doubt that important and egregious errors were made when it comes to the analysis of Fort Dix, whether it should be considered for realignment, as in fact it has. And I would say, after examining the record, as I have over the past number of weeks and months, I think that the conclusion that I and many Members will have to come to is that although the Base Closing Commission's job in general was commendable, they worked diligently and hard, in a few instances they made irreversible error.

One of those instances is Fort Dix, NJ.

One of our north Jersey papers, not one that prints or mails or has a circulation near the south Jersey area in which Fort Dix is located, is the Record of Bergen. I think their comments in an editorial of April 18, entitled "Unbelievable Error on Dix," is an appropriate editorial. They say:

It's hard to believe that a commission, studying a subject as sensitive as the closing of military bases would be sloppy enough to make an error that could jeopardize its findings. But that's exactly what happened with the Commission on Base Realignment and Closure. A clerk transposed a couple of figures, and the commission failed to notice that the Army had not provided updated information. The result: New Jersey's members of Congress now have a solid reason for opposing the commission's recommendation that Fort Dix be scaled down to semi-active status.

The errors were discovered by the General Accounting Office, the congressional watchdog agency. While the base-closing commission officially went out of existence after filing its report last December, a staff member last week said he would not challenge the GAO findings.

Mr. Chairman, there is an old country and western song saying that, "If you hang them all you get the guilty. If you hang them all you cannot miss. If you hang them all you get the guilty, there has been a lot of problems solved like this."

Mr. Chairman, that is not our system of jurisprudence in the United States. That is not the system of the burden of proof and justice on the floor of the U.S. Congress. Fort Dix is innocent. JIM SAXTON pointed out, and it was read last week and read again

today, that the GAO report indicated that had Fort Dix been looked at with proper data, with real information, not misinformation, with the proper information given without clerical error, Fort Dix on the important criterion of military value, Mr. Chairman, would have been ranked not seventh but first.

I would argue and I would clearly hold that if that information was properly given without clerical error, without mistake to those good people sitting on that Commission, Fort Dix would not be a topic of debate today, Fort Dix would look forward for another 50 years of carrying out well the basic training function in south Jersey.

Not only was there a clear egregious error, fatal flaws in the Commission's conclusion based on fatal flaws in the information they received, but also the GAO came to other conclusions as well. The GAO also found that the Commission's cost savings were in error and that the cost payback was not during the timeframe that was required under the legislation in the first instance.

Second, the annual savings are 22-percent less than the Commission stated.

Third, the personnel costs of maintaining Fort Dix in semiactive status has, according to the GAO, not been examined by the Army itself.

I might also add that when the two Chairmen of the Commission testified before the appropriate subcommittee of the Committee on Armed Services, Mr. Chairman, they indicated that they were not privy to a most important document prepared by the Army's Audit Agency, June 1988.

□ 1550

That audit said that the U.S. Army's basic training activities at Fort Dix should not be reduced but increased. The audit was conducted and written by the Department of the Army's Audit Agency and it recommends that report, that audit recommended that basic training be expanded and not reduced. Expanded for the sole purpose of saving money. This is the responsibility of the Audit Agency. The Audit Agency is not there to waste money, spend money, find new missions, expand patrols. It is there to save money, taxpayers' money. The Army Audit Agency said if Members want to save money, transfer basic training functions from other forts such as Knox and Leonard Wood to Fort Dix.

Finally, Mr. Chairman, as we have heard time and time again, the Commission itself admitted the fact that about 80 percent of their savings came about by reducing the number of people that serve in our armed services. That was not their charge, that was not their mandate. They were under our mandate supposed to come up with all their savings, within a certain timeframe, and leave the decision as to whether fort levels should be increased, remain the same or reduced, to the Congress of the United States and to the Secretary of the Defense Department, and they did not do that. Their cost savings came about in a hollow way by saying they had to eliminate approximately 20,000 individuals from the Department of Defense.

All I can say, Mr. Chairman, is that because of that tragic flaw, because the committee by their own admission did not take valuable information in hand, rank Fort Dix almost last when it should have been ranked first in military value, I stand here urging my colleagues to think about how they would feel if Dix were in their towns, if Fort Dix were in their congressional districts, or Dix were inside their State. They would be standing here arguing for justice. They would be standing here arguing that this Commission's report is fatally flawed and must be rejected.

I urge my colleagues to vote yes on the resolution of disapproval.

Mr. MARTIN of New York. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I strongly oppose the resolution of disapproval we are considering today and I urge my colleagues to reject it as well. We have the opportunity, after prolonged and painstaking work, to close or realign a number of obsolete military bases in this country and the time has come for us to do it.

Despite the objections of some of my colleagues to the closure or realignment of the recommended military installations, the fact remains that the recommendations made by the Secretary's Commission on Base Closure and Realignment will save the Federal Government a very significant amount of money. Actually, the amount, over a 20-year period is estimated by the Secretary's Commission to be $5.6 billion.

The administration rejects this measure for exactly the reason I do. We should reject this resolution because we should lay aside parachial concerns and do what is best for the fiscal well-being of the country. Of course, this principle should be applied across the board to all money wasted on pet programs funded with taxpayer dollars. Today, we have an opportunity to cut a form of wasteful spending. In cutting these installations we also have the opportunity to actually enhance our national defense posture. Both Democrats and Republicans on the Armed Services Committee reported this measure unfavorably, in part, because failure to enact the recommended closure and realignment of these military installations will hurt rather than help our military strength by weighing down our forces with unneeded excess. If we want a leaner, more effective military with resources channeled to programs and systems that will actually make our military posture stronger, and with a greater capacity to meet the challenges confronting our security interests, then this measure before us should be rejected. I urge my colleagues to reject this resolution for the good of the country fiscally and militarily.

Mr. MARTIN of New York. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. ARMEY], who should have the last word on the subject from our side.

Mr. ARMEY. Mr. Chairman, the Commander in Chief of the U.S. military forces is the President of the United States. In order to comply with his responsibilities under that designation, the President of the United States has the Department of Defense, and the Department of Defense is charged with supervising our branches of the military for the defense of this Nation. In order to achieve those objectives of maintaining a secure America, the Commander in Chief and his Department of Defense must be able to deal with the technologic and the geographic changes in the threat to our Nation.

Historically, that has meant the Department of Defense and the Commander in Chief must define the nature and the types of weapons systems, the nature and types of the personnel needed, and the basing of these military men and materials to maximize the efficiency of our defense operations. By and large this process has continued until after World War II. After World War II the technology defense began to increase and accelerate. The changes were enormous and massively threatening to all nations of the world.

The geographics of the threat to our Nation's defense also changed, and it became necessary to make decisions in the deployment of our men and materials.

Now what we have seen happening after World War II is the emergence of the Congress in this process, not because the Congress is charged with the responsibility of deploying and basing men and materials, but because Members of Congress cherish bases in their district. They began the process of obstructing the movement of the men and materials and the rebasing of our military defense services. This became a fine art and craft. The felony was compounded by administrations, I grant you. Congress has had in the past a real concern, reality base and valid concerns about administrations using the threat of base closures as a coercive element in the process of getting this or that vote.

By 1977 these two combined elements of Members of Congress to protect their turf and administrations unhappily politicizing the basing decisions had results in passage of legislation that made it impossible to close military bases. The last major military installation closed in America was 1977. There have been efforts to close

bases in this country since then, including, in fact, Fort Dix, by the Army on more than one occasion that have been frustrated by congressional intervention.

A couple years ago, some Members said there must be a way to resolve this dilemma, and we worked together and we came up with legislation that made it possible to close these bases and remove the congressional obstructions to these base closings. Initial legislation was marked up by three separate committees of the House, was debated at length on the floor of this House and was passed by a vote of 370 to 31. We all agreed it was not a matter of the Members of Congress' responsibility to second guess a professional and politically objective process. The results of that process were announced on December 29 and there were Members all over the country that were upset, communities were upset. This was anticipated. The Members of this Congress that represented those affected communities have clearly expressed their opposition by way of second guessing that professionally and politically objective Commission's report.

But the fact of the matter is the Secretary of Defense, Frank Carlucci, enforced and accepted that work. The current Secretary of Defense, Dick Cheney, has enforced and accepted that work, and most importantly, in terms of responsible congressional reputations, the Committee on Armed Services, that committee charged with overseeing the defense needs of our country, endorsed the work by a vote of 43 to 4. The fact of the matter is this work has passed the test.

This objective nonpolitical work has passed the test, been validated by the responsible parties. I would suggest to Members of this body if they want to complete the job that we did of breaking a 12-year impasse that crippled our Nation's defense capability, in its ability to respond to changing world threat, that we vote no today and let this decision go forward. I know it is painful for the community involved, but the bottom line is, defense directors are for defense needs, not for community development.

Mr. COURTER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LEWIS], for the purpose of a discourse with the gentleman from Texas [Mr. ARMEY].

Mr. LEWIS of California. Mr. Chairman, I appreciate the gentleman's yielding me this time.

I wonder if the gentleman, first I would like to say it is most noteworthy that the gentleman from Texas so broadly endorsed selective hearings on the work. As Members listen to the testimony, is it in your mind conceivable that there is maybe even one base that may be on this list for closing that is a miscalculation?

□ 1600

Mr. ARMEY. Mr. Chairman, it is in my mind conceivable. Let me remind the gentleman that all three of the committees that had jurisdiction over this legislation insisted that we have an all-or-nothing package.

Mr. LEWIS of California. Mr. Chairman, is it the gentleman's presumption that if the Commission is in error on one base or the other, maybe that can be corrected in the appropriations process? Is that the gentleman's conclusion?

Mr. ARMEY. No. Mr. Chairman, if the gentleman will yield, that is not my presumption. The deal we passed in such uniform agreement in this Congress was that we would take an all-or-nothing proposition. Neither the former Defense Secretary nor the current Defense Secretary nor the Armed Services Committee found a critical error in this list of recommendations.

Mr. LEWIS of California. So regardless of whether there is error on the Commission's part, whether there are bases for closing on the list that should not be closed, the gentleman says that we should accept the report regardless of that? Is that what the gentleman has said?

Mr. ARMEY. Unhappily, that is the option.

Mr. LEWIS of California. That is what the gentleman said, then; am I correct?

Mr. ARMEY. Unhappily, that is the option we were left with by agreement with this Congress a year ago.

The CHAIRMAN. The time of the gentleman from California [Mr. LEWIS] has expired.

Mrs. SCHROEDER. Mr. Chairman, I yield myself our remaining time.

The CHAIRMAN. The gentlewoman from Colorado is recognized for 10 minutes.

Mr. KANJORSKI. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I rise today in strong opposition to House Resolution 165, a measure to reject the recommendations of the Commission on Base Realignment and Closure. We have had ample time to review and evaluate the Commission's report, and I feel that its findings and suggestions are both sound and timely.

In the course of our consideration of this resolution, Mr. Chairman, we must remember—and honor—the responsible and reasonable commitment Congress made last summer to establish this Commission and to authorize a thorough and comprehensive review of our domestic military installations.

We sent a clear and unequivocal message last July, that while a strong national defense is critical to our Nation's well-being, we must strive to invest our tax dollars prudently in this area. We recognized that certain facilities had become obsolete and that specific functions were being unnecessarily duplicated.

And while each of us hoped at the time that the Commission would not target a depot or a base in our district for closure or manpower reduction, we agreed collectively to submit to a diagnosis on the state of our domestic military operations. Furthermore, we adopted the position that the findings would be all or nothing, that we would judge the report as a single package rather than seeking to delete specific line items at the impetus of our colleagues.

From a purely parochial and political standpoint, the Commission's recommendations have prompted some of us to declare victory—where bases will be expanded and jobs created—and have led others to pledge to fight against the suggestion that their installations should be reduced or closed entirely.

I submit, however, that the issue before us is not whether or not, in the short run, we can return to our districts and report that we will gain or lose jobs as a result of the Commission's findings. Rather, we should conclude that this era of fiscal restraint compels us to tighten our belts, and to make every effort to cut spending in our defense budget where we will not sacrifice the strength of our national defense.

In addition, this difficult but indeed mandatory review of our domestic military installations should be conducted also for our bases overseas, where we reportedly devote in excess of $35 billion each year. In fact, I intend to introduce legislation in the near future to establish a commission to investigate and to report to Congress which bases overseas should be closed or reduced in size.

More personally, I feel especially proud that my district in northeastern Pennsylvania includes the Tobyhanna Army Depot. Since its inception in 1953, the Tobyhanna facility has provided state-of-the-art communications and electronics services for our military. In fact, Tobyhanna is one of only a select few depots nationwide that is responsible for the maintenance, overhaul repair, and fabrication of communications and electronics.

With its talented and devoted work force of over 3,800 military and civilian personnel, Tobyhanna supports our Nation's defense satellite and radar systems and our surveillance and radio activities. I am delighted that the Commission on Base Realignment and Closure has recognized the valuable and indispensable services that Tobyhanna provides and pleased that over 430 new positions will be created if the Commission's recommendations move forward after today's vote.

I urge my colleagues to reject the resolution so that we may give the green light to the Secretary of Defense to proceed with the Commission on Base Realignment and Closure's recommendations.

Mrs. SCHROEDER. Mr. Chairman, I rise to urge the Members to vote no on this disapproval resolution that we have before us. It is painful to rise and ask that Members vote no because very many of my friends have testified in front of my subcommittee and made very, very eloquent pleas for their bases in their areas, telling us of the pain that their areas are going to feel by the closing of those bases. So it is not a happy task.

Let me make it very clear to members of the committee that the subcommittee spent hours and hours on this testimony. We did have the GAO come in and get more figures and facts for us. We did insist that the Commission release its figures and facts so that we would understand finally what was going on. They had been stonewalling Members whose bases have been closed, and we did get that changed.

Let me address some of the issues that were discussed here. The gentleman from California [Mr. BROWN], whose resolution this is, made a very, very eloquent and profound statement about his environmental concerns, and he is absolutely right to be concerned. His concern is that they are going to close bases and then not allocate the money to clean them up. And he is right. Let us hope that that does not happen. The one thing I want to tell him is that if I am chairman of this subcommittee, we are going to do everything we can to make sure the DOD does everything they can do to clean them up. But I think one of the other motivating factors to the DOD is that they want to generate money from the whole event, and, therefore, they would not be able to sell these things unless they were cleaned up. So I think the DOD will be more inspired to clean them up than they normally would because they will want to get funds back into the till to be able to turn them into something else. Hopefully, they will see an investment, and cleanup funds will come out that way. But if that does not happen, I want to assure the gentleman from California that we heard his plea, and we are very sympathetic because we know that California has been mistreated before.

I also want to answer some of the comments of Members about the GAO. They are right in what they say. GAO came in and they found all sorts of incidents where the Commission could have come out the other way, and that there were some errors made one way or the other. But the bottom line in the GAO report was, putting all these errors aside, that we still save money if we vote no. That is a very important bottom line. Maybe we do not save as much money on some of the bases, maybe they disagreed with the models used on some of the bases, but they never said on one of these bases that it was going to cost money to close them if you look at over a 6-year period.

Mr. ASPIN. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, let me just echo the comments of the gentlewoman from Colorado [Mrs. SCHROEDER] and reinforce her comments. I would like to say that I commend the gentlewoman and her subcommittee for the review she has done of this base closing work being accomplished by the Commission.

Again let me say that I think the gentlewoman's conclusion is absolutely right. We set up this procedure, and we set up a process. The process worked its will. It did a job which outside observers said was a fair job, a competent job, a perfectly reasonable job, and they came up with a list of bases to close. I think it is incumbent upon the rest of us now, having examined the issue, having looked at it, having had a chance for all the people who objected to having their bases closed, and having listened to their case, to say that this is a good job and we ought to complete the job, finish what we have done here and vote down this resolution of disapproval. I think that is a very, very important job.

Let me also say that from that point on it is incumbent upon all of us to make sure that this base closing list gets implemented, that we not have any end runs in the appropriations process, that we not have any language stuck in some continuing resolution somewhere. I just want everybody to go on notice that all of us, including the gentlewoman who is the chairman of the Milcon Subcommittee, and the chairman of the committee, should make sure that there is no fooling around with this list, and that we are going to be watching all legislation from now on to make sure that there is no end-running of this list, because we cannot end-run this list and make an exception in the appropriations process for one base without unraveling the whole package and making a case for other Members to make a base exception, because then pretty quickly we will be right back where we started from.

Mr. Chairman, I commend the gentlewoman from Colorado, and commend the gentleman from Texas [Mr. ARMEY] for his sponsorship of the legislation. I would also like to commend the former Secretary of Defense, Mr. Carlucci, as the person who picked up the idea and instituted it as an initiative from the administration. I think that this was a job well done, and I think, therefore, what remains to be done is for the Congress to vote down this motion of disapproval and for us to keep our eyes on the continuing resolution and the appropriation bills to make sure that this thing goes through as advertised.

Mr. Chairman, I thank the gentlewoman for yielding.

Mrs. SCHROEDER. Mr. Chairman, I thank the distinguished chairman of the committee. I also want to thank the ranking minority Member, the gentleman from New York [Mr. MARTIN], who has been tireless in listening and helping us as we go through this. He and I have been very concerned about all the issues I mentioned, plus the issue of the retired military that the gentleman from California [Mr. MATSUI] talked about. We certainly want to do everything we can to make sure we do not break our commitments to the retired military. The bottom line is that last year when the Congress voted on this, they had read George Bush's lips, and he said, "No new taxes," that we have got to find ways to cut money. The bottom line is that GAO said this is the way to cut money, no matter what. The bottom line is, once we voted this package through, there were only two reasons we could really derail it. We could find out that the Commission acted politically, which no one has found, or that they acted irresponsibly and whimsically, and they certainly have not.

No one has quarreled with their models. They just said that maybe they would quarrel with some of their numbers. But we still end up saving money. That is the real issue. So we decided to start down this road, and here we are, finding out whether or not we have enough guts to stay on the road.

I agree with many of the people who say that foreign bases should be included. We will be introducing a bill next week to look at foreign bases, too. A third of them are overseas. That is a great oversight, and we will be looking at that, I am sure. But that comes next. We should not use that as a "duck" on this. That saves money. This starts down the road. The gentleman from New York and I would like to assure our colleagues that we are going to take many of their concerns about the environment, about the retired military, and about all the other things they came up with. We really are going to take those things into account, but we want them to know that we need to save money at this time.

Mr. MARTIN of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the distinguished ranking minority member.

Mr. MARTIN of New York. Mr. Chairman, I would briefly underscore what the gentlewoman has said. We have heard much about the testimony of the General Accounting Office, and for the most part that has been accurately characterized. But let me just briefly paraphrase the ultimate statement from the General Accounting Office. This is the General Accounting Office: "I need to emphasize that the issues I have discussed and the questions raised about the Commission's work are not intended at this point to imply disagreement with the Commission's overall conclusions."

□ 1610

With that, Mr. Chairman, I thank the gentlewoman from Colorado [Mrs. SCHROEDER] for yielding, and I commend her for her work and leadership on the subcommittee.

Mrs. SCHROEDER. Mr. Chairman, the gentleman from New York [Mr. MARTIN] said it very well. The bottom line is this saves money. The bottom line is people do not want to raise taxes, and they do not want to cut anywhere else, and I think we have to look at the hearing report that we have had, and that is the conclusion that we came to.

So, Mr. Chairman, I urge the Members of this body to vote no on this resolution to show that we are going to stay on the road that we said we were going to stay on.

Mr. COURTER. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentlewoman from Colorado [Mrs. SCHROEDER] for yielding.

The purpose for asking the gentlewoman to yield is to basically comment on the statement made by the gentleman from New York [Mr. MARTIN] with regard to the GAO report when they said in their statement that there was real error does not necessarily mean that they disagree with the committee's recommendation. I think the way it was said, that implies that they agree, but it should not be read that way. The GAO did not have the time to second-guess the committee. All they are saying is that on a very crucial, important piece of information the Commission received the wrong information and that they cannot really go beyond that.

Mrs. SCHROEDER. However, Mr. Chairman, if I may reclaim my time, the gentleman from New Jersey [Mr. COURTER] knows that the Commission received its information from the services, and, if the services gave them the wrong information, they still acted in good faith. It is very important to point that out, and GAO still finds no matter what base they close, they save money over a 6-year period, and so, while I understand the gentleman feels very strongly about this, and I understand that, the other side of it is that they did not say that the Commission acted capriciously or politically and that there are still savings there to be found, and they just said that maybe some of the information from the services was not comprehensive enough.

Mr. Chairman, this is very important to remember and to put into context, and I urge a no vote.

The CHAIRMAN. The time of the gentlewoman from Colorado [Mrs. SCHROEDER] has expired.

Mr. MARTIN of New York. Mr. Chairman, I yield back the balance of my time.

Mr. HANSEN. Mr. Chairman, I rise in opposition to House Joint Resolution 165, legislation to disapprove the recommendations of the Commission on Base Realignment and Closure.

Let me say that it's an easy matter to stand up and take credit for bringing jobs into the district. It's easy to hold a press conference announcing to your constituents some good news event. But it's another matter entirely to stand up in favor of a petition that may not be politically popular to support back home, even if it is good for the Nation as a whole.

The day the closure list was released, over 100 congressional staff waited nervously in line to receive their copy of the Commission's report. They entered the Armed Services Committee room with apprehension written all over their faces, and exited either smiling or ashen-faced.

The report contained recommendations affecting 145 installations: 86 for closure, 54 for realignment, and 5 others for partial closure. Fort Douglas, UT, was listed for closure. I supported the Commission's list, even though it included Fort Douglas, UT, which employs many of my constituents.

As I saw it, I had two choices. I could take the politically popular approach of fighting like a wildcat over the closure of Fort Douglas, or I could accept the fact that the Commission was probably correct in its recommendation. I took the latter. I decided to support what I honestly believed made good public policy and good sense, and then resolved to turn the closure into a positive for my constituents and my State.

When the Commission released its report, I immediately introduced legislation to transfer all of the excessed property of Fort Douglas to the University of Utah to be used for educational and research purposes. With the recent nationwide attention the university has received over the results of a fusion experiment conducted by Dr. B. Stanley Pons and a British colleague, Martin Fleischmann, I can think of no better way to use this land than to expand the fusion research capabilities of the university.

Mr. Chairman, maybe the recommendations of the Commission won't save $5 billion as some have suggested. Maybe there will be some initial pain back home in some districts, but I believe we all stand to gain in the long run if Congress can accept the fact that obsolete military bases should close. Certainly, with my bill, Utah stands to gain.

We are very close. Very close to shutting down the first major military installation in 11 years. However, if we pass House Joint Resolution 165, we will never shut down a military base. It's now or never, Mr. Chairman.

Mr. GEJDENSON. Mr. Chairman, I rise in opposition to the motion of disapproval.

I wish to commend the Defense Secretary's Commission on Base Realignment and Closure for its thorough work, and to thank its cochairs, former Senator Abraham Ribicoff of Connecticut and former Congressman Jack Edwards of Alabama.

The Commission has rendered valuable assistance to Congress by making impartial recommendations, which are vital because base closings and relocations have such a potentially devastating impact on local economies.

Closing national defense facilities is always a difficult and onerous task. I'm sure the merits of each selection were difficult to weigh. The Commission made its selections based on determinations of cost and efficiency, for the purpose of eliminating waste and redundancy in our national security structure.

Today's debate must include not only the savings which will accrue to the Nation as a whole, but also the local impact of the base closings. Phaseout of defense facilities clearly poses difficulties for localities, which face job losses and the need to attract replacement industries and develop alternative uses for the closed facilities. It is our responsibility to assist with the economic revitalization of the affected areas. These are communities which have contributed generously to our Nation's defense.

Economic diversification is the key to the continuing economic health of any region, especially those which now face cutbacks in defense dollars. The process of national security decisionmaking must be responsive to local needs as well as to national security needs by providing economic alternatives to communities which face defense-related cutbacks.

In addition to the economic assistance provisions of the base closing bill, we must provide an ongoing means of economic diversification and revitalization, not only for the communities affected by these closings, but for the future.

At the request of the Speaker, Congressman WEISS, Congressman MAVROULES, and I have been drafting legislation to facilitate economic diversification and development of alternative use plans for defense facilities, in order to maintain economic health in the event of fluctuations in defense spending. The legislation will make aid available to communities with large defense contracts so that they can begin to diversify now, before future cutbacks cause political and economic anguish. Communities already affected by the base closings would also be eligible for additional economic adjustment assistance.

In southeast Connecticut we are proud to contribute to the naval strength of this Nation. Because we derive a large percentage of our livelihoods from defense dollars, we are sensitive to defense budget issues such as cuts and competition designed to produce savings for the Nation.

I ask my colleagues to join me in support of economic diversification and revitalization for communities whose labor produces the tools for this Nation's defense. You will have an opportunity to support such legislation later in the session. For now, let us support the streamlining of our national security structure by voting down the motion of disapproval.

Mr. FOGLIETTA. Mr. Chairman, I rise in opposition to House Joint Resolution 165: to disapprove the recommendations of the Defense Secretary's Commission on Base Realignment and Closure.

Last year, I voted against passage of the base closure law. I argued that the claimed savings were illusory—that the safeguards against potential abuse were weak—that the

law avoided the power and responsibility of this House. I stand by those arguments.

Instead of seeing savings of $5 billion as some Members claimed, the Commission predicts a little over 10 percent of that number, and I remain skeptical. Furthermore, I believe Members have made legitimate arguments against recommended closure of many bases.

However, I do not believe that is sufficient reason to overturn the entire list. If Congress is to vote to overturn the list, the Commission's findings must be fundamentally flawed—top to bottom. I just do not believe that is true.

While I believe the base closure law may be a bad one, I do not believe the Commission's findings are so flawed that they must be scrapped.

Mr. HOUGHTON. Mr. Chairman, I rise today in opposition to House Joint Resolution 165—a resolution to disapprove the Base Closing Commission's recommendations. I hope my colleagues join me in this "no" vote.

We have been down this road over and over again. For more than a decade, the Department of Defense has been stopped from realigning and closing unnecessary bases. The reason—legislative hurdles that have sprung up between Congress and the executive branch. Now there is virtually general agreement within the entire Government that national defense could be improved, and costs reduced through the use of fewer bases.

I served on the Grace Commission in 1982. It's recommendation: That a nonpartisan, independent commission be established to study the base closure issue. Well, finally here it is. We've come a long way. The legislation before us today follows the recommendations of the Commission on Base Realignment and Closure. They were approved by Secretary of Defense Carlucci, and supported overwhelmingly by the House Armed Services Committee. Now it's our turn.

The Commission has done its homework. The recommendations reflect information received from experts in private industry, military services, and other parts of the Defense Department. The results reflect a broad independent judgment. Let's move on this issue and show we are serious about reducing the deficit and eliminating a major source of waste in the Federal Government.

Mr. ROTH. Mr. Chairman, today, I rise in opposition to House Joint Resolution 165 which would reject the recommendations of the Commission on Base Closings and Realignments.

It has never been easy to close military bases that have outlived their usefulness. In fact, the Defense Department has been trying for years to close obsolete bases, some of which date back to the days of muskets and sabers. At every turn, the Defense Department has run into a congressional roadblock.

Last year, a breakthrough was finally achieved when Congress passed the Base Closure and Realignment Act, which I cosponsored. Our plan was that a bipartisan commission would identify obsolete military bases for closure or realignment. The impetus behind the commission approach was to achieve needed budgetary savings and streamline our defense structure withoiut the taint of partisan wrangling. In a show of support for the plan, the House of Representatives passed the final base closure legislation by an overwhelming margin of 370 to 31.

The Commission has executed a difficult task admirably and we in this body owe it to the American people to carry out the nonpartisan Commission's recommendations. Congress is charged with the duty of removing inefficiencies and waste in our Nation's defense structure. If Congress blocks the Commission's proposals, a clear message will be sent to the taxpayer that this body lacks the intestinal fortitude to reduce the deficit by eliminating wasteful spending.

Implementing the Commission's recommendations will still save $694 million annually—a substantial amount by any yardstick. Some Members would have us believe that saving this amount will not make a difference in the budget deficit. Saving $694 million annually will make a significant difference and by closing these bases now, we can prevent future pork barrel spending which would be necessary to upgrade or rehabilitate these bases if kept in active service.

Contrary to popular belief, a base closing does not spell certain economic disaster, but rather offers an opportunity for an economic boon to a community. Former military bases have been turned into industrial parks, municipal airports, colleges, and historical sites. In fact, Pease Air Force Base in New Hampshire will likely be converted into a commercial airport to help meet the increased demand from the Boston area. Such a conversion will generate new tax revenues and jobs for the local community.

With our budget deficit still out of control, the implementation of the Commission's proposals to close and realign obsolete military bases is a good way to achieve needed savings. It is a responsible step to eliminate waste in defense spending and trim budget deficits. Moreover, this plan will permit the Defense Department to reallocate funds to better support our men and women in uniform, who are manning the more critical bases needed for national security.

Mr. Chairman, I urge my colleagues to remember their responsibility to our Nation's taxpayers. We must reject this attempt to derail the Commission's plan to streamline our defense structure and achieve critical budgetary savings.

Mr. FRENZEL. Mr. Chairman, last year the Congress passed the military base closing bill. By passing this bill, we agreed by an overwhelming vote of 370 to 31, to allow a commission to recommend bases for closure or realignment. Our goal by setting up such a commission, as you all know, was to strive for efficiencies in the Department of Defense that could help reduce the budget deficit. Now some Members of Congress want to disregard the Commission's findings. I believe that the Commission accomplished what it set out to do. Therefore, I rise in opposition to House Joint Resolution 165, and in support of the Commission on Base Realignment and Closure's recommendations.

It's true that the savings from closing or realigning these bases will not be as great as the estimated $2 billion to $5 billion, but a savings of $700 million a year, and $5.6 billion savings over 20 years, is still a savings, and I believe well worth the effort. Also, I hope the savings will stimulate us to revisit this potential savings area soon.

Some in the Congress have complained that the Commission's recommendations are flawed or the information they used is not accurate. Following five public hearings with expert witnesses, visits to 44 installations by Members and staff, and information from the Military Services and other elements of the Defense Department, the Commission on Base Realignment and Closure formulated their recommendations. I believe that the Commission, a highly qualified, nonpartisan group, executed the task assigned them with a great deal of care. My only regret is that more bases were not recommended for closure and the savings were not greater.

Finally, Mr. Chairman, I cannot let this occasion pass without a special tribute to the distinguished gentleman from Texas [Mr. ARMEY]. Enactment of legislation is never a solo effort here, but without DICK ARMEY's wisdom, persistence, and ingenuity, there would have been no base closings and no savings. Congressman ARMEY has earned his own, and all of our, salaries by his brilliant work on this bill.

Mr. CRANE. Mr. Chairman, back in October of last year, I supported the base realignment and closure bill, which represented a remarkable and overdue accomplishment by our distinguished colleague from Texas [Mr. ARMEY]. There is no question that some base closings are in order. Back in 1978, President Carter made recommendations for base closings. Ironically, Fort Sheridan was on President Carter's list. Owing to the level of functions at Fort Sheridan—which in the intervening years have been expanded—I requested of the Secretary of the Army, Clifford Alexander, a cost-benefit study that would justify such action. As it developed, the Army could not demonstrate that the transfer of functions to Fort Benjamin Harrison in Indianapolis represented a cost savings that would justify the transfer. Thus, I was surprised to find that Fort Sheridan was again on the base closing list. But I assumed that the Commission had done its homework and that on an objective examination of the facts, Fort Sheridan legitimately belonged on the list.

Then, our distinguished colleague from Illinois [Mr. PORTER] showed me information from the declassified Commission transcripts. I was shocked to learn that the Commissioners had improperly included Fort Sheridan on the list despite the fact it failed the formula for closing. The Commission's only apparent reason for adding Fort Sheridan to the list was "because our gut said that it ought to be added." The truth of the matter is, the Commission was simply responding to media pressure rather than a study of the merits of their recommendation in this case. The lack of rationale for closing Fort Sheridan throws the entire Commission report in question. Mr. ARMEY's initial plan was developed to save the taxpayers money, not waste it. How many base closures were recommended based upon Commissioner's gut feelings?

It would appear the waste of taxpayers' money came out of paying for this study

which drew conclusions upon gut feelings rather than proper study as was anticipated by the sponsor of the bill. At least with regard to Fort Sheridan, the Commissioners betrayed the taxpayers, the military, and the Congress. For this reason, I must oppose the recommendations of the Commission on Base Realignment and Closure and urge my colleagues to do likewise. In fact, there is a case to be made for a congressional investigation into how the Commission spent the taxpayer dollars involved in preparing this flawed report.

Mr. DOUGLAS. Mr. Chairman, I support the substantial savings which can be achieved by following the recommendations of the independent Base Closing Commission. I was not a Member of Congress when that Commission was established, but I supported its mission. And now that its work is complete, I support the Commission's findings.

New Hampshire's only military base is on the final list. Pease Air Force Base, and 90 other military installations across the country are affected. These closings are essential to achieve a projected $5.6 billion savings over the next 20 years.

Although this was a difficult decision for me, I believe in the long run, it is in the best interest of our State and our Nation for us to follow the Commission's recommendations. If we are realistically going to attack our huge budget debt the tough choices must be made. Through this action New Hampshire is making its contribution to cutting the deficit, I hope the rest of the Nation will follow. We are putting our money where our mouth is when it comes to cutting the budget.

Now I believe we must turn this action into an opportunity for New Hampshire. Let's create openings out of this base closing—plant openings, job openings, and open houses. With proper oversight and planning this valuable property near our sea coast can become a boon to our entire State.

My chief concern at this point, in addition to what happens to the land, is for the people. I want to be assured that the welfare of the civilian employees at the base is taken care of. I also am concerned that retired military personnel and their families continue to have convenient access to medical services, and PX supplies. We will continue to work for these things.

Mr. ANNUNZIO. Mr. Chairman, I rise to express my support for House Joint Resolution 165, a bill to disapprove the recommendations of the Commission on Base Realignment and Closure.

Let me say that all of us in Congress are deeply concerned about reducing the Federal deficit, and we all support the closing of obsolete military installations and taking all other steps to reduce and eliminate waste and duplication in the military. However, many facts which have been uncovered by my Illinois colleagues concerning the activities and determinations of the Commission on Base Realignment and Closure are most troublesome.

For years, Fort Sheridan has always been mentioned as being targeted for closure, and it has always been high on the list when anyone discussed the closing of bases. Yet by the criteria clearly established by the Commission, Fort Sheridan scored fourth among Army administrative headquarters installations. In fact, this score was ahead of 10 other bases that were not selected for closure. Yet Fort Sheridan was selected. I have to ask my colleagues why Fort Sheridan was targeted by the Commission, and why the Commission ignored its own formula in this instance.

With regard to Chanute Air Force Base in Illinois, it is most disturbing to find out that not one member of the Commission ever visited this Air Force base and not one official at Chanute was ever contacted by the Commission. Under these circumstances, it is not surprising that a General Accounting Office report stated that the information used by the Commission on Chanute was incorrect. Chanute is among the oldest of the installations and technical training centers in the Air Force, but over the last decade over $170 million has been spent to modernize this facility. That the Commission chose to call Chanute "an empty air base" is inconceivable when Chanute continues to train and graduate about 24,000 students annually representing 25 allied countries. Over 50 courses taught at Chanute are not taught elsewhere, and Chanute continues to receive awards for excellence. Yet this base was also recommended for closure by the Commission.

There is absolutely no rational basis for closing these two facilities, yet both Chanute and Fort Sheridan are slated for closure. If these problems exist regarding the reasoning of the Commission when considering Illinois bases for closure, it is possible that the same problems exist in the Commission's conclusions on installations in other States it listed for closure and realignment.

Because the recommendations of the Commission are so badly flawed, I urge my colleagues to support House Joint Resolution 165, disapproving these recommendations. Instead of dismantling our viable and productive military facilities, we should work toward achieving an objective and fair evaluation of these facilities so that we may truly work toward saving money, while at the same time improving and preserving useful and important bases in our defense system.

Ms. SNOWE. Mr. Chairman, I rise in support of this resolution, which would disapprove the recommendations of the Defense Secretary's Commission on Base Realignment and Closure.

I approached the work of this Commission with considerable skepticism last year, and I voted against the legislation which authorized it for a number of reasons.

My own experience with past efforts by the Defense Department to close a major Air Force base in my district did not encourage me to look favorably on the task this Commission was given. Hasty, misguided, and misinformed attempts by the Pentagon to close down Loring Air Force Base in the late 1970's left me with considerable doubt that this Commission could fulfill its mandate to "take the politics out of base closings," by objectively taking into account the full range of military, economic, environmental, and community concerns unique to each base in the Commission's sweeping review of all of our Nation's domestic military facilities.

Certainly, I am satisfied that the Commission chose not to include Loring or other military facilities in Maine on its list of bases to close and realign, despite relentless press speculation and misinformed public commentary that Loring would be a natural or inevitable candidate for the Commission's ax. Clearly, the Commission did its job in this respect, and concluded that on the basis of the extensive criteria in its character which the Commission was required to consider, Loring is a highly unsuitable base to close, with far too great a strategic value to our country to merit such premature extinction.

But the law which Congress passed to authorize the work of this Commission is an extraordinary and restrictive one. Changes, compromises or amendments to the Commission's report are not allowed, either by the executive branch or by the legislative branch. Both the administration and the Congress were required either to accept the entire list of changes or to reject it as a whole.

The Defense Secretary moved quickly to accept the report last January, but Congress is now faced with the unenviable task of holding one up or down vote on the entire proposal, while the legislative clock ticks and our opportunity to disapprove the report will soon expire.

It is for this reason that my original objections to the procedures used in this matter remain unchanged. I have grave doubts about the wisdom of Congress delegating its constitutional rights and its political powers to the executive branch and to unelected public commissions, merely because some issues are extremely sensitive politically and may present no easy or painless political options. We are elected to make those tough decisions, and to preserve the historically vital prerogatives of the legislative branch in our system of government.

The proponents of this extraordinary base closing exercise have asserted from the beginning that it is a one-time only endeavor, designed to make a valuable contribution at a time of special political transition, but that argument does not correct the more fundamental mistake of using such a special and sanitized process in the first place.

Mr. Chairman, I submit that it is impossible in fact to "take the politics out of base closings," however distinguished and balanced a commission of experts the Government may wish to appoint and to invest with the authority to do so. It is an inherently political issue, and should be dealt with by the political process our democratic system provides.

The need to reform the military infrastructure and to realize savings in the defense budget is a real and compelling one, but if Congress or the administration wish to close military bases, they should propose to do so with legislation that will face the same congressional scrutiny and debate that has so well served our country's overall interests for 200 years.

I will therefore support this legislation to disapprove the Commission's report, and I urge my colleagues to consider this vote carefully in light of the constitutional and procedural questions it poses.

Mr. WELDON. Mr. Chairman, I rise today in opposition to House Joint Resolution 165, and in support of the base closure process.

We are going to hear from many Members today who have bases in their districts that the Commission erred in its selections, that its savings calculations were incorrect and in fact that the base closure process was flawed.

I respect Members' concerns and think we have an obligation to hear them out. In fact, the Armed Services Committee has already done a good bit of listening on this subject.

Most members of the committee acknowledge that the base closure process itself was not and by its very nature never could be 100 percent objective because it required choices. But we found that the Commission carried the process out in the most objective manner possible, and that it was fundamentally sound.

As you listen to the concerns of those opposed to the base closure process, keep in mind what forced us to adopt it. Specifically, most Members acknowledged that there are some military bases out there which no longer serve vital functions, and that there are others which could be made more efficient through realignment with others. Based on past experiences, we knew that if we wanted to eliminate or consolidate such bases, we would have to remove politics from the selection process. Adoption of the base closure process did that.

After reviewing the concerns we are hearing today, the Armed Services Committee recognized that this process is probably the closest we will come to making rational base closure choices. If we derail this process, we will probably have closed the door on any opportunity for closing existing military bases and achieving critical savings over the long term.

I respect the concerns of Members representing districts with bases targeted for closure. I represent a district adjacent to the Philadelphia Naval Shipyard—a frequent candidate for closure on previous base closure lists. I, too, was concerned about the impact closure might have on the economy of the region and on the thousands of shipyard employees who reside in my district.

I have always believed that the Philadelphia Naval Shipyard's mission and work record justified its existence. But I felt it was appropriate—actually, a good idea—to have an independent group review it and other military bases to make an objective determination about continued base viability. So I supported base closure fully prepared to accept its consequences. Obviously, I was pleased that the Commission agreed on the need for the Philadelphia Shipyard after its exhaustive review. But if it had not, I was prepared to search for other economic development alternatives for the region.

We can no longer afford to keep unnecessary military bases at the expense of other vital national needs. If we are serious about reducing defense spending, we can start here by putting petty politics aside. I hope other Members will support this view and show the American people that we are prepared to start making some difficult choices necessary for deficit reduction.

I want to commend former Secretary of Defense Frank Carlucci for his support of the base closure process, and ask his successor and our former colleague Richard Cheney for his continued efforts to see it through to completion.

Finally, I would add that approval of this base closure list is just a beginning step in the move toward a leaner and meaner national defense. It is one of the first coherent attempts to logically reduce spending. But we must continue looking for greater efficiencies in the Defense budget.

During consideration of the base closure bill last year, the House adopted my amendment directing the Commission to give priority consideration to closure or realignment of bases in which the local community has formally expressed an interest in such action. Although this directive was superceded by adoption of the Armey amendment, I hope that the Secretary will give it serious consideration. He has the power to overcome the resistance that sometimes exists within the military itself to closure of unnecessary installations, and I think it is just as critical that we seek out these opportunities as it is to push ahead with the closures which are being resisted externally. Continued attention to opportunities for greater efficiencies in our military system can only benefit American taxpayers.

Mr. SHARP. Mr. Chairman, I strongly support the recommendations of the nonpartisan Commission on domestic military base closings, and I would urge my colleagues to remember the confidence we rightfully placed in the members of that Commission when this body overwhelmingly approved legislation establishing this process last year.

No one ever suggested that cutting obsolescence and waste from the Federal Government was going to be without some displeasure. Anticipation of that displeasure is one of the reasons Congress has avoided the issue for so many years. Last year, we decided to place that issue before an independent commission, and the legislation we passed contained certain safeguards to prevent tampering with the closure list, or political intrigue from tainting the choices or the process.

At that time, no one suggested that this Commission, cochaired by our able former colleagues Senator Abraham Ribicoff and Representative Jack Edwards, was lacking judgment to make good decisions. Nor was it alleged that our former colleagues were incapable of analyzing the data—and challenging it, if need be.

If anything, I am disappointed that the Commission did not go further and recommend additional savings, which most of us realize are absolutely necessary if we are ever to get control of the Federal budget deficit. And for those who criticize the Commission's estimated savings, which are lower than we expected, how can we possibly justify to our constituents our indifference over $700 million a year, or our failure to implement even this modest amount of deficit reduction?

When the House Armed Services Committee considered this resolution of disapproval, the result was a very lopsided 43-to-4 vote rejecting it. Evidence presented during the committee's hearings supports a conclusion that the Commission properly carried out its mandate and did not err significantly in its conclusions.

I would hope our vote in the House would send a similarly strong signal so that that signal is heard by the American people—and by those who might attempt to thwart the process to which we have agreed through the appropriations process. This shouldn't be the end of our efforts to conserve Federal resources. We should use the precedent of this effort to examine similar waste in our defense installations overseas.

Far from being antidefense, this exercise in efficiency is good for the military because it means we get more real defense for the buck. I urge my colleagues to remember the commitment we made last year, and vote against House Joint Resolution 165.

Mr. MILLER of Washington. Mr. Chairman, last year I supported the base closing bill. In fact, I was a cosponsor of Representative ARMEY's original legislation. At the end of last year, the Commission on Base Closure and Realignment in its recommendations included a base in my district—Naval Station Puget Sound—to be realigned. Because of this, you might expect me today to support this resolution against the recommendations of the Commission. But today, Mr. Chairman, I continue to support the Commission's recommendations. I do so obviously not out of parochial interests, but in the national interest.

I do have reservations on how the Commission came up with the cost-savings figures for Naval Station Puget Sound. I cannot disagree, however, with the Commission that it makes sense, logistically, to move the parts of Naval Station Puget Sound which support the Everett Homeport to Everett.

But in considering this resolution, my decision was not determined by the effect on my district, though this was a factor. My decision was determined by the needs of the Nation. And the Nation needs and deserves a more efficient military. Obsolete and unnecessary bases should be closed and consolidated. When considering what bases to close or realign, the major factor must be the military value of the base. Military decisions, especially in this time of limited resources, must come above politics. The Commission was set up because of this and has rightly made military value its primary criteria in examining bases for closing and realignment.

This, Mr. Chairman, is why I support the Commission's recommendations and urge my colleagues to oppose this resolution.

Mr. HEFLEY. Mr. Chairman, last year Congress indicated to the American taxpayers it was responsible and willing to cut special interest and fat out of the Federal budget. On July 12, 1988, it passed the base closure measure with a resounding majority of Members in support. At that time, no one could deny the savings from closing obsolete bases. Politics were set aside for the sake of saving billions of dollars. Savings and a more efficient military establishment was the common goal.

Now we have a measure in front of us today to disapprove the recommendations of the Defense Secretary's Commission on Base Realignment and Closure. If this measure is approved, American taxpayers can effectively say goodbye to the savings they supported.

The question before Congress is whether the Commission acted honestly and responsibly when preparing the data to base their decision. I believe they did.

The House Armed Services Committee approved the Commission's actions and conclusions. The methodology used by the Commission was sound, the data supplied by the services were accurate. Even the cost model showed minor mathematical errors that the General Accounting Office discovered—but such errors were insignificant.

Despite the argument that the savings are less than what was projected by the Grace Commission, the Base Closure Commission found the savings to still be exceptional—$693.6 million annually or $5.6 billion over 20 years.

We did it last year—we set aside parochial interests and allowed a commission to do the dirty work for us. They did and their conclusions are accepted by most. I remind my colleagues that no major base has been closed for over a decade—since 1977. This proves it is next to impossible to get a base closure through. If we should fail here, it could be many, many years to rectify the situation. Nobody wants waste in our defense budget and moreover, we can't afford waste in our defense budget. We have a measure in front of us that would deny savings this country desperately needs. I urge my colleagues to vote "no" on the resolution.

Mr. DREIER of California. Mr. Chairman, today, I wish to express my support for the recommendations of the Defense Secretary's Commission on Base Realignment and Closure.

The Commission was chartered on May 3, 1988, to recommend military installations within the United States, its Commonwealths, territories, and possessions for realignment and closure. The Congress and President Reagan subsequently endorsed this approach through legislation that removed some of the previous impediments to successful base closure actions. The President signed this measure into law—Public Law 100-526—on October 24, 1988. I should remind my colleagues that the House passed the conference report on this legislation by a vote of 370 to 31.

As provided by Public Law 100-526, we are now considering a resolution to disapprove the recommendations of this 12-member bipartisan Commission. A vote for the resolution constitutes rejection of the Commission's recommendations; a vote against the resolution allows the Department of Defense to proceed to close and realign bases as recommended in the Commission's report, subject to appropriations.

After reviewing the Commission's report, the Armed Services Committee concluded that the Commission acted "honestly and responsibly." The committee recently overwhelmingly recommended against passage of this resolution.

While the estimated savings from the Commission's recommendations may not be as high as originally hoped for, the Commission estimates that $693.6 million can be saved annually if the Department of Defense acts to close and realign the bases included in its report. If these recommendations are implemented, they would represent the first base closures in 15 years and would eliminate a major source of waste in the Federal Government. Further, our national defense will be improved and unneeded Federal land will be restored and put to productive private or public use.

Mr. Chairman, we have spent a great deal of time crafting a nonpartisan, equitable process for closing and consolidating obsolete military bases. The process is working and the House and Senate should reject efforts to invalidate the Commission's recommendations.

Mr. DENNY SMITH. Mr. Chairman, I rise today to express my opposition to the passage of House Resolution 165, to disapprove the recommendations of the Commission on Base Realignment and Closure. I fully support the work of the Commission, have faith in the accuracy of its findings, and applaud this rare exhibition of good sense by Congress to deal with a sensitive issue.

As most people know, I am a strong believer in responsible military reform. Thanks principally to a well-established record of opposition to wasteful and ineffective weapons systems such as the Sergeant York antiaircraft gun and the Aegis missile system, I have earned the title of "Cheap Hawk." Critics may have intended the comment in a derogatory manner, but I am proud to think that I have so distinguished myself. As a veteran of the Vietnam war and former Air Force pilot, I am firmly committed to ensuring that the U.S. Armed Forces remain strong and soundly able to carry out their constitutional duty to defend this country and their moral duty to defend the free world. At the same time, however, I believe we must recognize the limits to our resources and make a concerted effort to use what we have in the most effective manner possible.

Thus I support the Commission's efforts and oppose this resolution to disapprove its recommendations for the same reasons that I have occasionally found myself battling the Pentagon and the military-industrial complex. If America wants a strong military, she cannot fill her arsenals with guns that don't shoot, planes that don't fly and bombs that don't explode. I am not ashamed to be known as a "Cheap Hawk," and I challenge any Member of Congress to tell me why we should spend billions of dollars on weapons we don't need or that don't work.

Similarly, I have long advocated a reexamination of our military bases as a necessary step for military reform. As far back as the 98th Congress, I introduced the Military Real Property Disposal Act of 1982 to initiate the base closure process. I felt then—and still believe—that in times of mounting pressure on the Federal budget, we cannot as a nation afford to keep military bases operating for any reasons other than purely military ones. Given these budgetary constraints, I believe more than ever that we must spend taxpayers, dollars wisely: On weapons we need, on military facilities with the maximum amount of value, and on domestic programs which meet the legitimate needs of our population.

Some people who are unhappy with the results of the Commission have criticized the rationale behind its creation. And I agree that establishing a commission to decide which bases are needed and which are not is in some respects an abdication of responsibility by Congress. I certainly regret the fact that we are unable to sit down as a legislative body to make the tough choices that need to be made. Congress' handling of the budget deficit is a perfect example of the inability on the part of a great many in this body to say "no" to anybody for anything.

Nevertheless, the business of government must continue. One way or another, we must cut the fat out of the budget, from both military and domestic spending, in order to reduce a deficit of truly scandalous proportions. In an attempt to do just that, the Commission on Base Realignment and Closure was created to carefully, thoughtfully, and objectively examine our Nation's military bases and to make a rational, apolitical judgment about them. The Commission has effectively accomplished the job it was intended to do. While I heartily sympathize with those communities losing a substantial source of income because of the closures, I do not sympathize with those wishing to overturn the results of this exhaustive review, which represents Congress' best effort to begin the process of facing up to fiscal reality.

For these reasons, I applaud the Commission's hard work and wish to go on record in support of its recommendations. Issues like these must be frankly and honestly faced—and overcome—if we are to begin to responsibly govern this Nation.

Mr. COLEMAN of Texas. Mr. Chairman. I rise in opposition to this resolution of disapproval of the recommendations of the Commission on Base Closures and Realignments. I have thought over this question carefully. As a member of the Appropriations Subcommittee on Military Construction, I am aware of the administration's fiscal year 1990 funding request for the base closure account. That request is for $500 million.

As the representative of the 16th Congressional District of Texas, which includes Fort Bliss, I have looked at the Commission's recommendations from a second angle. I am not convinced that the proposed relocation of the Basic Combat Training mission component from Fort Bliss to Fort Jackson, SC, makes sense either in terms of cost savings or in terms of readiness. Fort Bliss is a mobilization post, and it appears to make good sense to have a basic training function at an installation where you want to call up the reserves and remote units in the event of a conflict. I have also heard and read about realignments and outright closures at a number of other installations around the country where the cost savings to U.S. taxpayers are far from evident and where the economies of local communities are certainly going to be damaged.

The difficulty lies in the bill we enacted last year. We made the package indivisible. The Congress prejudiced itself from being able to pick and choose among the recommendations once the report was submitted. I would have liked to have included overseas bases among those open to the Commission's recommendations. I would have preferred that the Commission had had more time and resources available to it—and I would have wished that the Commission had been able to testify before the Congress during its deliberations on issues such as force modernization. The point to consider in reference to the Resolution on the floor today is that we did not provide for these kinds of oversight in last year's

bill—and we did not provide for them because of the demonstrated near-impossibility of passing a bill subject to being broken out and cannibalized in the future.

A substantial amount of evidence regarding realigned force structure, the regional medical needs of the active duty and retired military populations and community dependence on military installations has already been gathered during the 3½ months since Secretary Carlucci submitted the Commission's report. That evidence should be weighed in the context of whether or not the Congress wants to implement the findings as they have been referred to us. The question of implementation lies within the jurisdiction of the Committee on Appropriations. We should be prepared to look at it there—and we should look at the report in the context of whether or not it does what the Congress originally intended it to do—achieve real and lasting budgetary savings. Like all the other legislation we will be considering this year, the first test ought to be the impact on the deficit. In my view, this is still an open question where base closure is concerned. But we cannot at this time cavalierly pretend that the question is moot—and that is what a yes vote here amounts to. I urge that you vote down this resolution of disapproval.

Mr. MILLER of Washington. Mr. Chairman, last year I supported the base closing bill. In fact, I was a cosponsor of Representative ARMEY's original legislation. At the end of last year, the Commission on Base Closure and Realignment in its recommendations included a base in my district—Naval Station Puget Sound—to be realigned. Because of this, you might expect me today to support this resolution against the recommendations of the Commission. But today, Mr. Chairman, I continue to support the Commission's recommendations. I do so obviously not out of parochial interests, but in the national interest.

I do have reservations on how the Commission came up with the cost savings figures for Naval Station Puget Sound. I cannot disagree, however, with the Commission that it makes sense, logistically, to move the parts of Naval Station Puget Sound which support the Everett Homeport to Everett.

But in considering this resolution, my decision was not determined by the effect on my district, though this was a factor. My decision was determined by the needs of the Nation. And the Nation needs and deserves a more efficient military. Obsolete and unnecessary bases should be closed and consolidated. When considering what bases to close or realign, the major factor must be the military value of the base. Military decisions, especially in this time of limited resources, must come above politics. The Commission was set up because of this and has rightly made military value its primary criteria in examining bases for closing and realignment.

This, Mr. Chairman, is why I support the Commission's recommendations and urge my colleagues to oppose this resolution.

The CHAIRMAN. All time has expired.

Pursuant to the provisions of Public Law 100-526, the Committee now rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BROWN of California) having assumed the chair, Mr. BRUCE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution, (H.J. Res. 165) disapproving the recommendations of the Committee on Base Realignment and Closure, pursuant to Public Law 100-526, he reported the bill back to the House.

The SPEAKER pro tempore. Under the statute, the question is on the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASPIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 43, nays 381, not voting 9, as follows:

[Roll No. 32]

YEAS—43

Annunzio	Hamilton	Pelosi
Bentley	Hastert	Perkins
Boxer	Hayes (LA)	Porter
Brooks	Hopkins	Rinaldo
Brown (CA)	Hughes	Roe
Bruce	Hyde	Rostenkowski
Campbell (CO)	Kennedy	Roukema
Costello	Kolbe	Roybal
Courter	Lewis (CA)	Sangmeister
Crane	Lipinski	Savage
Donnelly	Madigan	Saxton
Durbin	Martinez	Smith (NJ)
Evans	McCloskey	Snowe
Florio	Michel	
Gallo	Pallone	

NAYS—381

Ackerman	Burton	Dorgan (ND)
Akaka	Bustamante	Dornan (CA)
Alexander	Byron	Douglas
Anderson	Callahan	Downey
Andrews	Campbell (CA)	Dreier
Anthony	Cardin	Duncan
Applegate	Carper	Dwyer
Archer	Carr	Dymally
Armey	Chapman	Dyson
Aspin	Clarke	Early
Atkins	Clay	Eckart
AuCoin	Clement	Edwards (CA)
Baker	Clinger	Edwards (OK)
Ballenger	Coble	Emerson
Barnard	Coelho	Engel
Bartlett	Coleman (MO)	English
Barton	Coleman (TX)	Erdreich
Bateman	Collins	Espy
Bates	Combest	Fascell
Beilenson	Conte	Fawell
Bennett	Conyers	Fazio
Bereuter	Cooper	Feighan
Berman	Coughlin	Fields
Bevill	Cox	Fish
Bilbray	Coyne	Flake
Bilirakis	Craig	Flippo
Bliley	Crockett	Foglietta
Boehlert	Dannemeyer	Foley
Boggs	Darden	Ford (MI)
Bonior	de la Garza	Ford (TN)
Borski	DeFazio	Frank
Bosco	DeLay	Frenzel
Brennan	Dellums	Frost
Broomfield	Derrick	Gallegly
Browder	DeWine	Garcia
Brown (CO)	Dickinson	Gaydos
Bryant	Dicks	Gejdenson
Buechner	Dingell	Gekas
Bunning	Dixon	Gephardt
Gibbons	Matsui	Scheuer
Gillmor	Mavroules	Schiff
Gilman	Mazzoli	Schroeder
Gingrich	McCandless	Schuette
Glickman	McCollum	Schulze
Gonzalez	McCrery	Schumer
Goodling	McCurdy	Sensenbrenner
Gordon	McDade	Sharp
Goss	McDermott	Shaw
Gradison	McEwen	Shays
Grandy	McGrath	Shumway
Grant	McHugh	Shuster
Gray	McMillan (NC)	Sikorski
Green	McMillen (MD)	Sisisky
Guarini	McNulty	Skaggs
Gunderson	Meyers	Skeen
Hall (OH)	Mfume	Skelton
Hall (TX)	Miller (CA)	Slattery
Hammerschmidt	Miller (OH)	Slaughter (NY)
Hancock	Miller (WA)	Slaughter (VA)
Hansen	Mineta	Smith (FL)
Harris	Moakley	Smith (IA)
Hatcher	Molinari	Smith (MS)
Hawkins	Mollohan	Smith (NE)
Hayes (IL)	Montgomery	Smith (TX)
Hefley	Moody	Smith (VT)
Hefner	Moorhead	Smith, Denny (OR)
Henry	Morella	Smith, Robert (NH)
Herger	Morrison (CT)	Smith, Robert (OR)
Hertel	Morrison (WA)	Solarz
Hiler	Mrazek	Solomon
Hoagland	Murphy	Spence
Hochbrueckner	Murtha	Spratt
Holloway	Myers	Staggers
Horton	Nagle	Stallings
Houghton	Natcher	Stangeland
Hoyer	Neal (MA)	Stark
Hubbard	Neal (NC)	Stearns
Huckaby	Nelson	Stenholm
Hunter	Nielson	Stokes
Hutto	Nowak	Studds
Inhofe	Oakar	Stump
Ireland	Oberstar	Sundquist
Jacobs	Obey	Swift
James	Olin	Synar
Jenkins	Ortiz	Tallon
Johnson (CT)	Owens (NY)	Tanner
Johnson (SD)	Owens (UT)	Tauke
Johnston	Oxley	Tauzin
Jones (GA)	Packard	Thomas (CA)
Jones (NC)	Panetta	Thomas (GA)
Jontz	Parker	Torres
Kanjorski	Parris	Torricelli
Kaptur	Pashayan	Towns
Kasich	Patterson	Traficant
Kastenmeier	Paxon	Traxler
Kennelly	Payne (NJ)	Udall
Kildee	Payne (VA)	Unsoeld
Kleczka	Pease	Upton
Kostmayer	Penny	Valentine
Kyl	Petri	Vander Jagt
LaFalce	Pickett	Vento
Lagomarsino	Pickle	Visclosky
Lancaster	Poshard	Volkmer
Lantos	Price	Vucanovich
Leach (IA)	Pursell	Walgren
Leath (TX)	Rahall	Walker
Lehman (CA)	Rangel	Walsh
Lehman (FL)	Ravenel	Watkins
Leland	Ray	Waxman
Lent	Regula	Weber
Levin (MI)	Rhodes	Weiss
Levine (CA)	Richardson	Weldon
Lewis (FL)	Ridge	Wheat
Lewis (GA)	Ritter	Whitten
Lightfoot	Roberts	Williams
Livingston	Robinson	Wilson
Lloyd	Rogers	Wise
Long	Rohrabacher	Wolf
Lowery (CA)	Rose	Wolpe
Lowey (NY)	Roth	Wyden
Luken, Thomas	Rowland (CT)	Wylie
Lukens, Donald	Rowland (GA)	Yates
Machtley	Russo	Yatron
Manton	Sabo	Young (AK)
Markey	Saiki	Young (FL)
Marlenee	Sarpalius	
Martin (IL)	Sawyer	
Martin (NY)	Schaefer	

NOT VOTING—9

Boucher	Kolter	Quillen
Chandler	Laughlin	Schneider
Davis	Pepper	Whittaker

□ 1633

Messrs. FOGLIETTA, STENHOLM, and DORNAN of California changed their vote from "yea" to "nay."

Ms. SNOWE changed her vote from "nay" to "yea."

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 165, the joint resolution previously rejected.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Kalbaugh, one of his secretaries.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 97. Concurrent resolution providing for a conditional adjournment of the House from Tuesday, April 18, 1989, until Tuesday, April 25, 1989, and a conditional recess or adjournment of the Senate from Wednesday, April 19, or Thursday, April 20, or Friday, April 21, or Saturday, April 22, 1989, until Monday, May 1, 1989.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time that I might inquire of the distinguished majority leader of the program for the next week, the next month.

Mr. FOLEY. Mr. Speaker, will the distinguished Republican leader yield?

Mr. MICHEL. I am happy to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, as the Members know, I believe, when the House adjourns tonight, it will adjourn under an adjournment resolution which will take us to Tuesday, April 25, at noon. The House will not be in session tomorrow, Wednesday, Thursday, Friday, Saturday, or Monday. We will be in session at noon, Tuesday, April 25.

There are five bills scheduled under suspension of the rules: H.R. 840, the Federal Maritime Commission authorization, fiscal 1990; H.R. 1223, the NOAA Marine Fisheries Program authorization, fiscal 1990–92; H.R. 1224, the Anadromous Fish Conservation Act, fiscal 1990–92; H.R. 1225, Interjurisdictional Fisheries Act authorization, fiscal 1990–92; and H.R. 1763, the Panama Canal authorization, fiscal 1990.

Mr. Speaker, on Wednesday, April 26, and Thursday, April 27, the House will meet at 2 p.m. on Wednesday and 11 a.m. on Thursday to consider, subject to a rule, an unnumbered H.R., the emergency supplemental appropriations for fiscal 1989, and H.R. 1486, the Maritime Administration authorization for fiscal 1990, subject to a rule, and House Resolution 87, to impeach Judge Walter L. Nixon of the U.S. District Court for the Southern District of Mississippi.

On Friday, April 28, the House will not be in session.

Members should be advised that on Tuesday, April 25, the House again will meet at noon. We will consider five bills on suspension of the rules. Recorded votes on suspensions will be postponed until after debate on all suspensions, but will be immediately taken thereafter. I will repeat, we will postpone votes on the suspensions debated on Tuesday until all suspensions have been debated, but any votes ordered will be immediately taken. Members would have to recognize the possibility that votes might occur very early in the afternoon. That is a possibility. I just cannot predict that there will be no undertaking to remove the votes to any particular hour of the day.

Because we are going into a relatively long period without session, I make that statement advisedly.

Mr. MICHEL. Mr. Speaker, might I inquire of the distinguished majority leader, noting that the distinguished chairman of the Committee on Appropriations is on the floor and may be in the mood to make a request for a late filing, could I anticipate that kind of move and inquire of the distinguished chairman of the committee whether that is in accord with the feeling of the gentleman from Massachusetts [Mr. CONTE]?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, this is for midnight filing, may I say, just permission to file by midnight tonight.

Mr. MICHEL. Would the distinguished chairman tell me, because I do not see the gentleman from Massachusetts [Mr. CONTE] on the floor, is that agreeable with him?

Mr. WHITTEN. I understood that the gentleman from Pennsylvania [Mr. MCDADE] was going to reserve all points of order.

Mr. MICHEL. We do not quite have agreement on that, and I wanted to make absolutely sure before the request was made that we clear up any problem there for the gentleman.

□ 1640

That is the only question I wanted to pose.

I would then ask the gentleman from Washington [Mr. FOLEY] if there is to be a rule granted would we be taking up that supplemental on Wednesday or on Thursday?

Mr. FOLEY. We take it up at the request of the chairman of the committee, and I assume that would be on Wednesday.

Mr. MICHEL. My point being, and the reason for my question being that if we are not here Monday and we will not have votes until late Tuesday, boy, it is going to be tough to get a corporal's guard to testify on the rule on the supplemental if we have a problem.

Mr. FOLEY. I would just again, if the gentleman will yield, remind the House that the debate on these suspensions can be relatively short, and it is not at all clear that votes on the suspensions would not occur until late in the afternoon. They might occur at 2 o'clock in the afternoon as the beginning of those votes, or theoretically even earlier. So we are not urging Members to delay their arrival in the House. Members should be here from the time the House convenes at noon.

Mr. MICHEL. I thank the gentleman, and we will make a decision on the other request.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday April 25, 1989, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore (Mr. BROWN of California). Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY APRIL 26, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednes-

day rule be dispensed with on Wednesday, April 26, 1989.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

RESIGNATION AS MEMBER AND ELECTION AS MEMBER OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION AND RESIGNATION AS MEMBER AND ELECTION AS MEMBER OF JOINT COMMITTEE ON PRINTING

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Public Works and Transportation.

Washington, DC, April 18, 1989.

Hon. JAMES C. WRIGHT, JR.,
The Speaker Office, of the Speaker, Washington, DC.

DEAR MR. SPEAKER: This is to advise you that I hereby resign my membership from the Committee on Public Works and Transportation.

Thank you.

Sincerely,

NEWT GINGRICH.

The SPEAKER pro tempore laid before the House the following resignation as a member of the Joint Committee on Printing:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 18, 1989.

Hon. JAMES C. WRIGHT, JR.
The Speaker, Office of the Speaker, Washington, DC.

DEAR MR. SPEAKER: This is to advise you that I hereby resign my membership from the Joint Committee on Printing.

Thank you.

Sincerely,

JAMES T. WALSH.

The SPEAKER pro tempore. Without objection, the resignations are accepted.

There was no objection.

Mr. MICHEL. Mr. Speaker, I offer two privileged resolutions (H. Res. 131 and H. Res. 132), and ask for their immediate consideration.

The SPEAKER pro tempore. The Clerk will report the first resolution.

The Clerk read House Resolution 131, as follows:

H. RES. 131

Resolved, That Representative Grant of Florida be and is hereby elected to the Committee on Public Works and Transportation.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The Clerk will report the second resolution.

The Clerk read House Resolution 132, as follows:

H. RES. 132

Resolved, That the following named Member be, and he is hereby, elected to the Joint Committee on Printing: Mr. Gingrich, Georgia.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON EMERGENCY SUPPLEMENTAL APPROPRIATIONS LEGISLATION, FISCAL YEAR 1989

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes.

Mr. MILLER of Ohio reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1493

Mr. HATCHER. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 1493, the Children's Health Protection Act of 1989. My name was placed on this bill inadvertently.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 125

Mrs. MEYERS of Kansas. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of House Joint Resolution 125. It was placed there in error.

The SPEAKER pro tempore (Mr. PRICE). Is there objection to the request of the gentlewoman from Kansas?

There was no objection.

THE RECOMMENDATIONS OF THE COMMISSION ON BASE REALIGNMENT AND CLOSURE

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, earlier we voted to uphold the recommendations of the Commission on Base Realignment and Closure. I supported the Commission's recommendations based on the intent of this legislation.

The intent of base closure was to allow the Federal Government to realize needed savings in our military expenditures. Estimated savings are expected to be $694 million a year.

The bipartisan backing this report has received shows the strong intent of Congress to cut unneeded spending, something which I heartly support.

REVISED DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-49)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, April 18, 1989.)

REPORT OF COMMODITY CREDIT CORPORATION, FISCAL YEAR 1987—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

(For message, see proceedings of the Senate of today, Tuesday, April 18, 1989.)

FEDERAL FOOD, DRUG, AND COSMETIC ACT AMENDMENTS

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, today I have introduced the bill (H.R. 2051) to amend the Federal Food, Drug, and Cosmetic Act to prescribe certain requirements with respect to the labeling of food products. The Food Labeling and Heart Disease Reduction Act of 1989 would direct that food labels be required to list the following information:

First, the percentage of calories from fat per serving.

Second, the total amount of fat per serving and the amounts which are saturated, polyunsaturated, and monounsaturated.

Third, the amount of sodium per serving.

Fourth, the amount of dietary cholesterol per serving.

There is also a component in this bill that calls upon the FDA to present this data in a format that would enable consumers to utilize the information in a manner that is significant in the context of a daily diet.

This additional information would give consumers an opportunity to select food products based on information that has been cited in studies and findings by Government, consumer organizations and industry as important factors in a healthy diet.

Currently, unless the food producer or manufacturer chooses to do so, the label that is required by FDA for certain foods does not contain any specific requirement for breakdown of fat content, or any requirement for dietary cholesterol reporting. Yet, these two factors in the diet are recognized in two major scientific reports, the Surgeon General's Report on Nutrition and Health and the National Research Council report: Diet and Health: Implications for Reducing Chronic Disease Risk, as a significant dietary link in the incidence of major chronic diseases afflicting our population, particularly heart disease, the Nation's No. 1 cause of death.

Although sodium content is required on FDA labels, it is included in this legislation to ensure that it remains part of any new labeling legislation. The link of sodium to hypertension and stroke is well documented and is recognized as a health factor. In a 1988 survey by the Food Marketing Institute, over half the consumers surveyed reported that they checked the sodium content of items frequently—as opposed to occasionally, rarely, or never.

Interest in American consumers for this specific information has grown significantly in the past 6 years. The Food Marketing Institute also surveyed shoppers asking "What is it about the nutritional content of what you eat that concerns you and your family?" Of the 27 choices—ranging from calories, fiber content, chemical additives, fat content et cetera—the three selected most often were fat content, salt/sodium content, and cholesterol levels. Certainly indicating that Americans are more aware of the importance of diet in overall health and adjusting their eating habits accordingly. However, current labeling requirements lack the necessary information for the consumer to make decisions on foods with regard to these important nutritional items.

My reason for selecting these four criteria in this new label focuses on heart disease, the Nation's leading killer. In 1987, heart disease was the cause of over 750,000 deaths in this Nation. This number accounts for over one-third of all deaths—including cancer and all accidents. More than half a million of these deaths were from coronary heart disease [CHD]. Over 1.25 million people—two-thirds of whom are men—suffered from heart attacks. In addition to the obvious tragedy of loss of a loved one, the cost to our society is enormous. In 1985, the cost for lost productivity and direct health care expenditures due to illness and deaths from coronary heart disease was an estimated, staggering $49 billion. We cannot afford such losses, either in dollars or loss of human life.

While the causes of coronary heart disease [CHD] are multifactorial, including a genetic link, there are generally accepted factors that can lessen the risks. According to the Surgeon General's Report on Nutrition and Health and the National Academy of Sciences' report Diet and Health: Implications for Reducing Chronic Disease Risk, there are three major modifiable risk factors for CHD: 1. High blood cholesterol, 2. High blood pressure, and 3. Cigarette smoking.

According to both these major studies—as well as numerous others—there is very strong evidence that with regard to high blood (serum) cholesterol, the intake of saturated fats and dietary cholesterol has significant influence on increasing the risk of atherosclerotic cardiovascular diseases. Recognizing and understanding the three types of fatty acids—saturated, polyunsaturated, and monounsaturated fats—and their differing impact on blood cholesterol levels is critical in determining the implications of one's diet. Saturated fats are primarily found in meats, animal fats, and certain types of vegetable oil—palm, palm kernel, and coconut oil. Clinical, animal and epidemiologic research have determined that saturated fats tend to raise serum total and the so-called bad LDL cholesterol levels in the blood. They also tend to lower the good HDL—thought to be protective against CHD—cholesterol. Both polyunsaturated and monounsaturated fats—found in most vegetable oils, whole grains and some types of fish—tend to lower serum total levels and the bad LDL cholesterol. However, recent studies have indicated that polyunsaturated fats may also decrease good HDL cholesterol, while monounsaturated fats to not appear to lower HDL levels.

Overall fat levels in the diet are also considered to be a factor in CHD. Currently the average American daily dietary fat consumption is 37 percent of total energy intake—calories. The upper limit recommended by the American Heart Association and the American Cancer Society is no more than 30 percent of daily caloric intake. Of that 30 percent, most experts recommend that half—15 percent—be monounsaturated, one third—10 percent—be polyunsaturated, and one sixth—15 percent be saturated.

The recommendation for dietary cholesterol is no more than 300 milligrams daily. Currently American diets are well above that figure at 400 to 500 milligrams per day. Since cholesterol is found only in animal products which contain saturated fat as well, it makes sense to cut back on those food products for both reasons.

For many years, there has been very strong evidence of the link of high sodium intake with the occurrence of high blood pressure or hypertension. This chronic medical problem is, according to the Surgeon General's report, responsible for a major portion of cardiovascular disease in the United States. Table salt contains about 40 percent sodium. Although sodium is necessary in the diet, Americans on the average consume levels of this element that are far above the levels considered to be safe and necessary for normal metabolic function. The recommended intake of sodium is from 1.1 to 3.3 grams per day. The current average U.S. adult consumption of sodium is from 4 to 6 grams daily. While many Americans are aware of the need to reduce intake of sodium and are perhaps making an effort to add less salt to foods prepared in the home, most processed and prepared foods, particularly canned foods contain very high amounts of sodium.

Mr. Speaker, for these and many other important health and dietary implications, I am introducing this legislation, which I believe will help consumers make better choices in the foods they select for themselves and their families. As I stated earlier, I think most Americans are becoming increasingly aware and interested in the role of nutrition in preventing certain diseases and in maintaining overall good health. Under current regulations, I do not think there is adequate information on food labels for making these important choices. This bill will be a small, but significant step in this goal.

Mr. Speaker, I would insert the text of the bill in the RECORD at this point.

H.R. 2051

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Food Labeling and Heart Disease Reduction Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that:

(1) Health authorities have reached a consensus that Americans should modify their diets in order to reduce their risk of serious chronic illnesses including cardiovascular diseases, including advice by—

(A) the Secretary of Agriculture and the Secretary of Health and Human Services that Americans should avoid too much fat, saturated fat, dietary cholesterol, and sodium,

(B) the Surgeon General of the United States that most Americans should reduce consumption of fat (especially saturated fat), dietary cholesterol, and sodium,

(C) the National Research Council of the National Academy of Sciences that Americans should reduce total fat intake to 30 percent or less of calories, saturated fat to less than 10 percent of calories, dietary cholesterol to less than 300 milligrams daily,

and limit daily salt intake to 6 grams (2.4 grams sodium), and

(D) the National Institutes of Health that Americans should lower consumption of total fat, saturated fat, and dietary cholesterol in order to lower blood cholesterol levels, in order to reduce the risk of coronary heart disease.

(2) Current food labeling practices and regulations do not enable Americans to follow the authoritative diet and health recommendations because—

(A) nearly half of processed, packaged foods regulated by the Food and Drug Administration lack nutrition labeling,

(B) even where it exists, current nutrition labeling does not provide information about several nutrients that these recommendations highlight,

(C) current labeling uses terms and formats that many consumers find difficult to understand and use, and

(D) many labels bear nutrition and health claims that may mislead the consumer because they omit information that is critical to evaluating the claims.

SEC. 3. LABEL REQUIREMENTS.

Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end the following:

"(q) If it contains fat, cholesterol, or sodium unless its labeling states—

"(1) the percentage of calories from fat per serving of the food,

"(2) the amount of total fat per serving of the food and the amounts which are saturated, polyunsaturated, or monounsaturated,

"(3) the amount of sodium per serving of the food, and

"(4) the amount of cholesterol per serving of the food.

The statements specified in paragraphs (1) through (4) shall be presented in such a manner as to enable consumers to readily observe and comprehend the required disclosures and to understand the relative significance of each nutritional content disclosure in the context of the total daily diet.".

SEC. 4. EFFECTIVE DATE.

The amendment made by section 3 shall take effect 1 year after the date of the enactment of this Act.

JAPANESE BURDENSHARING AND WORLD HUNGER

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BEREUTER. Mr. Speaker, the monthly news about our trade deficit with Japan is bad. The trade deficit has increased again. Relatedly, last week this Member introduced House Concurrent Resolution 91 which expresses the sense of Congress that the Government of Japan should use its foreign assistance funds to purchase United States agricultural commodities, and donate such purchases to international relief efforts to help fight world hunger.

Recently, the Japanese Government indicated its commitment to double its official development assistance from $25 million from 1983 to 1987 to $50 million between 1988 and 1992. Such an increase will make Japan the largest net bilateral development assistance donor.

Japan is to be commended for its increased commitment to developmental assistance. This increased commitment by the Japanese comes at a time when 750 million people worldwide continue to suffer from moderate to severe malnutrition, and where over 9,000 people, mostly children under the age of 5 die every day from hunger-related causes.

At the same time, Japanese trade barriers to many United States agricultural commodities continue to block their entry into the Japanese market. While some of these barriers are purely protectionistic, others are rooted in deeply cultural and politically sensitive issues.

House Concurrent Resolution 91 calls upon the Japanese Government to look to the United States as the principal source of supply for food aid purposes.

Japan's use of its foreign assistance funds for the purchase of United States agricultural commodities and products, would improve United States-Japanese trade relations, increase United States agricultural exports, increase farm income, lower our trade deficit, and most importantly, help feed millions of hungry people around the world.

Mr. Speaker, my colleagues' support and cosponsorship for House Concurrent Resolution 91 is requested.

H. CON. RES. 91

Whereas 750,000,000 people worldwide, more than three times the population of the United States, suffer from moderate to severe malnutrition and do not consume enough calories to perform sustained manual labor;

Whereas 9,240 people, mostly children under the age of five, die every day from hunger-related causes and others suffer brain damage due to malnutrition;

Whereas medical research documents that full economic productivity by adults and full mental development of young children both require adequate nutrition;

Whereas permanent impairment of body or mind due to chronic or temporary hunger contributes to a cycle of lowered economic productivity in which millions of individuals and families are incapable of generating sufficient income to escape from the cycle of hunger and lack of productivity;

Whereas adequate nutrition and other health measures have resulted in lowering rates of infant mortality below 50 per 1,000 during the twentieth century in countries containing over 50 percent of the world's population, and it is technically feasible to achieve such a reduction worldwide by the year 2000 through elimination of persistent hunger and other health measures;

Whereas sufficient food can be produced on a global basis to adequately feed the population of the world, to prevent brain damage due to malnutrition, and to eliminate lack of economic productivity due to hunger;

Whereas such food supplies must come from production both in the countries which are net exporters of agricultural commodities and products and also from increased food production in food-deficit countries in the developing world;

Whereas development assistance in the form of food can be productively used to alleviate hunger and malnutrition among impoverished people and also as a resource to promote improvements in local agriculture, health, sanitation, education, environmental sustainability and basic infrastructure;

Whereas private voluntary groups, other nongovernmental organizations, and international organizations have experience in the design and successful administration of projects using food assistance for development-related projects and for emergency relief;

Whereas the United States has demonstrated a sustained commitment to making food available for development and relief purposes through the Public Law 480 Food for Peace and other food donation programs, totaling $41,000,000,000 in gross value between 1954 and 1988;

Whereas the policy of the United States has been to encourage cooperation among the bilateral aid programs of various donor governments and international organizations such as the World Food Programme in pursuit of hunger alleviation and related developmental goals;

Whereas the Japanese commitment to double its official development assistance from $25,000,000,000 between 1983 and 1987 to $50,000,000,000 between 1988 and 1992 and to provide a larger proportion of its aid programs as grants will make Japan the largest net bilateral development assistance donor;

Whereas it is in the interest of both the United States and Japan to promote hunger alleviation, sustainable economic growth and political democracies in developing nations;

Whereas Japan has barriers to the important of certain United States agricultural commodities and products, such as rice;

Whereas there has been a lack of progress on negotiating reduced barriers to many United States commodities which would be highly competitive in an open Japanese market;

Whereas many Japanese barriers to United States agricultural commodities and products remain because they are politically and culturally sensitive;

Whereas it is also in the interest of both the United States and Japan to reduce bilateral trade tensions between the two nations, particularly in the area of agricultural trade; and

Whereas the United States' agricultural production capabilities and Japan's financial capabilities are complementary factors that must be coordinated for dramatic global progress to be made in reducing preventable deaths from hunger-related causes during the next decade: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the President should direct the Secretary of Agriculture, the Secretary of State, and the Administrator of the Agency for International Development to encourage the Government of Japan to use a portion of its increased foreign assistance funds to significantly increase the availability of international food aid supplies through bilateral or multilateral channels to meet the needs of the world's hungry people;

(2) Japanese aid resources could be channeled to finance, directly or indirectly, long-term contracts to purchase and deliver commodities from the United States and devel-

oping country agricultural producers as donations to nongovernmental or international organizations for use in hunger alleviation projects with developmental results;

(3) during the duration of any such long-term contractual agreement, such purchases of food and agricultural commodities and products produced in the United States which are purchased by the Government of Japan for donation and delivery to international hunger relief programs should be considered as the equivalent of increased importation into Japan of the same quantities of such product for the purposes of United States Trade Law in cases where this would be of advantage to Japan;

(4) during the time period of any such Japanese purchases from the United States, the value of United States Government purchases of the same commodities for use in food aid programs under Public Law 480 should be maintained at no less than fiscal year 1989 levels; and

(5) the commodities purchased under this program should be donated to organizations equipped to ensure that the food will be available only to projects that meet the following criteria:

(A) The use of the food will either be positive or neutral in its impact on the incomes of local agricultural producers in the recipient nation;

(B) The food will be targeted for use in improving the nutritional status of impoverished and malnourished people.

(C) To the maximum extent possible, the food will be used in such programs as food-for-work, school feeding, or other programs resulting in improved smallholder agricultural productivity, health, sanitation, environmental sustainability, education or basic infrastructure as well as improved nutrition.

Allowance should also be made for the monetization of up to 25 percent of the food donated for any particular project, subject to the three conditions listed above.

THE COUNTRY WAITS FOR ANSWERS FROM CLEAN COAL TECHNOLOGY

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. POSHARD. Mr. Speaker, thousands of coal miners in my district and in areas across the country are waiting to go back to work. Industry in this country is waiting for answers to the questions posed by high-sulfur coal. And communities dependent on the business produced by these sectors of our economy are waiting for revival. And what are they waiting on?

Well, if you listen to the General Accounting Office, they're waiting in part for the Department of Energy and others to get their acts together and get on with the business of clean-coal research.

The GAO recently reported on four demonstration projects funded in large part by DOE which are so far behind schedule the Department can't estimate when they might be done.

The projects are beset with any number of problems. It reads like a laundry list of bureaucracy and red-tape. Difficulties in getting environmental permits when faced with economic problems. Difficulties in obtaining private financing, or in finding buyers for the energy. And finally problems of coordination between the various groups participating in the project, problems complying with environmental requirements and the need to cut costs.

These four projects are notable because they have the highest rate of Federal money. Mr. Keith Fultz, a GAO energy expert, says he wonders if because they have the most Federal money if that means their commitment isn't as great. I wonder too.

I wonder about the future of districts like mine where unemployment in the coal fields runs almost beyond the imagination, where mines are working at half the work force they once did and people are leaving in search of something better or holding on to the hope that things will get better. Where do they draw this hope from? First, from their families, where coal mining is a tradition and an honored profession. Second, they draw it from a belief in the way of life we enjoy in this country, where someone with the willingness to try and with a little help can make a difference. That's what many of them see in clean-coal technology, an answer lying in wait for the right combination of brainpower and willpower. That they have to keep waiting aggravates and disappoints them, and I share their feeling.

I look around my district and see towns that once bustled with activity now struggling to hang on. Their dependence on coal mining and the economic activity it creates is impossible to miss, and although we can encourage diversification and alternatives to this lifestyle, we cannot ignore the vast resources which lie underground waiting to be discovered. The coal is plentiful, there's no argument about that. We have the work force and the means to bring it from the earth. No one can argue that relying more on a domestic resource would not improve our balance of trade, reduce our reliance on foreign energy, and give hope and opportunity to millions of working Americans. Our only argument seems to be with bringing the research and technology on line to make it all happen.

My colleagues, we are spending millions on clean coal technology, looking for answers that will help solve our environmental and economic problems at the same time. We must in all fairness applaud the joint ventures between Government and private industry. That partnership is critical to bringing this research out of the lab and into the marketplace. We should not be critical of the alliance, but we must be watchful, and if need be critical, when the projects which hold such promise fall so far behind we can't even predict when their work will be ready.

Mr. Speaker, we are currently considering measures to limit the effects of acid rain, and although it remains to many unproven, some establish a link between burning high sulphur coal and acid rain. As we move in this direction we must also include funding for clean coal research. The Federal Government has a distinct and important role in promoting the research and application of technology of clean coal. I hope the delays I am bringing to your attention today, which are not due to the failure of the product but rather the process, do not preclude us from aggressively searching for answers in the future.

The country is waiting, and growing impatient with the length of the wait.

I wish to enter this recent Associated Press account of the story and my remarks today for the RECORD.

GAO REPORT: SEVEN OF NINE CLEAN COAL PROJECTS BEHIND SCHEDULE

(By Katherine Rizzo)

WASHINGTON.—Four of the nine clean coal technology projects financed by the federal government are so far behind schedule the Energy Department can't estimate when they might be done.

Three other projects have experienced less serious delays, according to the department and the General Accounting Office.

But in testimony Thursday before a House subcommittee looking into whether the money can be put to better use, GAO energy expert Keith Fultz said it is too soon to tell whether the delays "will affect the timing of the commercial availability of the clean coal technologies."

The government, utilities and other private industries are sharing the cost of developing new ways of burning coal so the plentiful fuel can provide more power with less pollution.

Gasses from coal-burning power plants help cause both acid rain and the greenhouse effect, or overall warming of the globe.

In his report to the Energy and Power Subcommittee, Fultz blamed coordination, equipment and financing problems for delays in demonstration projects that account for about $8 million of the $42 million spent so far by the federal government.

Four clean coal technology projects "are in trouble at this point," he said.

Ohio Ontario Clean Fuels Inc.'s coal-oil coprocessing project at Warren, Ohio was about 13 months off track because of difficulty in getting environmental permits when it experienced economic problems. The Energy Department could not provide new estimates for when the project might be completed.

Energy International Inc.'s underground coal gasification project at Rawlings, Wyo., has postponed its completion date by 15 months because the company has been unable to get private financing.

M.W. Kellogg Co.'s advanced coal gasification project proposed for New York is nine months off schedule because of problems finding buyers for the power the project would generate.

Energy and Environment Research Corp.'s gas reburning project was delayed for a year because of problems coordinating

with utilities participating in the project, complying with environmental requirements and needed cost-cutting measures.

The GAO is concerned that the clean coal demonstration projects having the most difficulty are the ones in which the federal government has agreed to pick up a large share of the costs, Fultz said.

"These four projects have the highest rate of federal money," he said. "You wonder if because they have less non-federal money that that somehow means their commitment isn't as great."

J. Allen Wampler, the Energy Department's assistant secretary for Fossil Energy, said decisions on the future of those projects are expected by June 30.

Wampler conceded the clean coal program's results so far "are mixed with both progress and problems."

However, the agency learned a lot in the first round of the program and will apply those lessons as it continues, he told the congressional panel.

"We did not require a great deal of financial information (from project sponsors) which most certainly was a mistake," he said.

Both the GAO and the Energy Department said they don't have those kinds of worries about the largest amount of money spent so far—$25 million on a demonstration project in Brilliant, Ohio.

The federal government's total share of that project has been set at $60 million, and though it has fallen seven months behind schedule, a $10 million cost overrun is to be picked up by the sponsoring utility, the GAO report said.

"That project has slipped a little in time but is sound," Wampler said.

Fultz agreed a seven-month delay is not out of line considering the size of the endeavor at the American Electric Power Service Corp. facility.

Fultz also told the panel that efforts to impose new tougher limits on smokestack pollution could have a big effect on the long-term clean coal technology projects.

If Congress forces power plants to lower emissions levels before the new technologies are ready for widespread commercial use, power plants would be forced to put their money into the pollution control devices that are available now, he said.

The nine projects examined by GAO were the first financed by the clean coal program, which later was reorganized under an agreement with Canada.

As part of the reorganization, the United States agreed that the second round of clean coal financing would favor projects that would reduce acid rain. DOE expects to sign agreements for 16 new projects by October for about $537 million in federal aid and $800 million in private funds.

The federal government has made a long-range $2.5 billion commitment to the clean coal program.

Taxpayers in coal-rich Ohio are helping that state's programs with a $100 million bond issue.

WHAT IS AN ASSAULT WEAPON?

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MARLENEE. Mr. Speaker, the American public is being hoodwinked by the antigun crowd.

Hoodwinked into thinking that semiautomatic firearms are responsible for drug murders.

Hoodwinked into believing that semiautomatic firearms are evil instruments used to kill school children.

Hoodwinked into believing that if we outlaw semiautomatic firearms we will cure the drug problem.

Hoodwinked into believing that we will cure the Nation of the judicial ills that plague the system and that should put and keep criminals behind bars.

Hoodwinked by the antigun crowd using emotionalism of the moment to do away with legitimate and safe semiautomatic firearms.

[From the Washington Times, Apr. 17, 1989]

WHAT IS AN "ASSAULT WEAPON"?

Sen. Howard Metzenbaum is pushing the "Assault Weapon Control Act of 1989," which would forbid law-abiding Americans from buying semiautomatic firearms defined as "assault weapons." He says he wants to keep semiautomatics out of the hands of drug lords and murderers like Patrick Purdy, the convict who sprayed a Stockton, Calif., schoolyard with semiautomatic gunfire, killing five children. But his bill won't stop these crimes. It would restrict private ownership of an entire class of firearms without addressing the most glaring weakness in present gun-control laws, which is that hardened criminals serve no time for their gun crimes.

The bill seems reasonable, banning guns Arnold Schwarzenegger might use in movies like "The Terminator": the AK-47, the MAC-10, the "Street Sweeper" riot-control shotgun and others. It would require the Bureau of Alcohol, Tobacco and Firearms to register all "assault weapons" and demand that prospective buyers submit to BATF a mug shot, fingerprints and signed approval from the local police chief. The bill also requires the police to confiscate all detachable, more-than-10-round ammunition clips.

But what appears reasonable often isn't, like the bill's circular definition of assault weapons: "all other semiautomatic firearms which are determined by the Secretary of the Treasury, in consultation with the Attorney General, to be assault weapons."

Since all semiautomatics are "substantially identical," to use the bill's language, all firearms using this 100-year-old technology could be defined as "assault weapons." Yet the BATF says there is no real definition of "assault weapon" and that Purdy used "a semiautomatic that, except for its deadly military appearance, is no different from other semiautomatic rifles."

Enforcing the Metzenbaum bill would be a nightmare. Most semiautomatic owners keep 5- or 10-shot clips that don't carry serial numbers or other identification. Since Americans own 20–30 million semiautomatics, the police might have to round up as many as 100 million clips.

The bill also offers the false promise that it will cut down on mayhem in our midst. The fact is that "assault weapons" aren't used in very many crimes. In 1987, only 4 percent of homicides nationwide were committed with rifles of any kind, and in Washington, D.C. in 1987, only one murder was committed with a rifle—a huge class of firearms ranging from .22-caliber guns to high-powered, big-game rifles to Uzis and AK-47s.

Despite common perceptions to the contrary, many semiautomatic firearms really are used for hunting, and in giving BATF the power to ban them, the bill would punish sportsmen rather than drug lords. If Mr. Metzenbaum wants to curb the Patrick Purdys among us, he ought to address our real gun-control problem, which is that we don't even lock away the gun-toting criminals we catch.

□ 1650

MAYBE IT IS TIME FOR US TO CHANGE DIRECTION, WE SHOULD ENCOURAGE SAVINGS RATHER THAN PENALIZING THEM

The SPEAKER pro tempore (Mr. PRICE of North Carolina). Under previous order of the House the gentleman from Louisiana [Mr. TAUZIN] is recognized for 5 minutes.

Mr. TAUZIN. Mr. Speaker, yesterday was tax day in America. Yesterday was the deadline for millions of Americans to file with the Internal Revenue Service in our voluntary reporting system.

Some interesting things happened on yesterday. Yesterday, while adults all over America were filing their taxes, young adults were likewise in many instances filing their first IRS form.

My daughter was one of them. My daughter is 18 years old, she is a student at LSU, she is a first-year income earner and filed her first income tax.

This last year my daughter earned $2,700 in income working at a part-time job in Baton Rouge.

Now the good news for my daughter was that in our Internal Revenue Code we allow young people such as her to earn up to $3,000 without having to pay income taxes on that $3,000.

So the good news she discovered when she filed the return was that she owed no Federal income taxes on the amount of money she earned.

The bad news was that she discovered that on the some $60 she had earned as interest on her savings, which her father had encouraged her to accumulate, she owed a tax. She asked me, "Dad, what kind of a message is this? I thought you wanted me to save money. Is the Federal Government telling me it doesn't want me to save money? Had I not had that savings account and not earned that interest on that savings account, but spent that money, instead, I would have not had a tax liability."

I said, "Kristie, you are right. There are some mixed signals here, Kristie."

Maybe it is time we in the Congress take heed of the fact that we have created some mixed signals for Americans.

Newsweek magazine, I think it was March 12, published an article about our Tax Code and spoke about how, indeed, we ought to line up our income

and our expenses as best to avoid taxes legitimately as regards our children. In that article there was a statement that Congress must hate children who save money. They cited the very same example I just gave you about my young daughter.

The point being that for a long time in America we have built a Tax Code that discourages citizens from saving money. We penalize people when they do what fathers and mothers try to do with their children, encourage them to save money.

We, instead, encourage people to accumulate debt. We give deductions for interest on houses, we give deductions for interest accumulated for business purposes. We even still allow some personal interest deductions in the Tax Code although we are gradually phasing those out.

On the other hand, when some one saves money we tax it. In the case of my young daughter we tax it even though we do not tax her income.

Something is wrong with that kind of a signal. Maybe it is the reason that of all the industrialized nations of the world Americans save less of their disposable income than anyone else. Maybe it is the reason that our rate of savings has declined to a dismal 2½ percent this year. Maybe it is the reason why other industrialized nations the rate of savings in France, for example, is something like 9 percent, Germany something like 12 to 15, in Japan something like 22 to 28 percent, in Taiwan 34 percent.

Maybe there is a reason those nations are accumulating savings, so much that they are now providing capital to America, so much so that Japan and Germany have literally become the Standard & Poors of America deciding whether our credit is good; so much so that we have become the biggest debtor nation in the world; so much so that our savings rate is so low in America that interest rates are beginning to rise dramatically again.

Maybe it is time for us to change direction. Maybe it is time for us in America to say to Americans instead of penalizing you for saving we are going to encourage you.

In Germany there is a plan on the books that goes so far as to match the first $600 of savings that a person will accumulate in savings. I am not suggesting that we go that far.

But I am suggesting that it is time in America for us to say that as a general principle we will encourage our citizens to save money by not taxing a considerable portion of the interest earned on those savings accounts.

So I have offered a bill today, H.R. 2021, called the Save, America Act. Save, America, it might just be able to do it if you think about what it could do. This bill would for the first time provide for Americans the right to save money and to earn interest tax free on those accounts.

How does it work?

First of all it targets those savings accounts to our troubled S&L's and other federally insured accounts at banks and credit unions. It says in effect to every taxpaying citizen that if you are willing to begin accumulating money on your account we will give you up to $5,000 of tax-free interest on accounts you invest in federally insured banks and S&L's and credit unions provided you invest them in passbook savings, the low-interest-yielding accounts that have formed the basis of much of our low-interest money for housing in America.

H.R. 2021, I invite the other Members' attention to it, I invite America's attention to it, the Save, America Act, the first attempt to give Americans the incentive to save in our troubled Federal savings and loans, insured banks, and credit unions. Join with me, if you will, to provide this incentive not only to my daughter Kristie but to all Americans to begin building savings accounts in our great Nation.

The text of H.R. 2021 is as follows:

H.R. 2021

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; CONGRESSIONAL FINDINGS AND PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Save, America Act of 1989".

(b) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) at alarming rates, depositors are fleeing ailing federally insured savings and loans, compounding the challenge to save insolvent and marginally solvent thrifts by threatening even the strongest elements of the industry;

(2) the decline in the national savings rate from the mid 1970's level of 7.9 percent to the 1985–1987 rate of 2.1 percent increases the risk of recession and ultimately adversely affects growth in the standard of living;

(3) taxation of interest earnings on savings accounts penalizes those who choose to save for their future;

(4) because of the borrowing which is necessary to fund the growing Federal budget deficit, the Federal Government is absorbing an ever-increasing share of the funds available in the credit markets which decreases the amount of such funds which are available to the American consumer and increases the rates of interest at which any such funds are made available; and

(5) the United States has had, in recent years, the lowest per capita rate of personal savings among the world's industrial nations and the lowest rate of personal savings by the average American since 1949.

(c) CONGRESSIONAL PURPOSES.—The purposes of this Act are—

(1) to minimize the amount of Federal funds necessary for the savings and loan rescue through encouraging the infusion of private funds into savings accounts in federally insured financial institutions; and

(2) to increase both the national savings rate and the level of available private capital for investment, through a tax incentive for savings in federally insured low yielding passbook accounts.

SEC. 2. INTEREST EARNED ON CERTAIN PASSBOOK SAVINGS ACCOUNTS EXCLUDED FROM GROSS INCOME OF THE TAXPAYER.

(a) IN GENERAL.—Section 128 of the Internal Revenue Code of 1986 (relating to interest on certain savings certificates) is amended to read as follows:

"SEC. 128. INTEREST ON PASSBOOK SAVINGS ACCOUNTS IN FEDERALLY INSURED INSTITUTIONS.

"(a) IN GENERAL.—In the case of an individual, gross income does not include the amount received or accrued during the taxable year as qualified interest.

"(b) MAXIMUM DOLLAR AMOUNT.—The aggregate amount excludable under subsection (a) for any taxable year shall not exceed $5,000 ($10,000 in the case of a joint return).

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED INTEREST.—The term 'qualified interest' means amounts earned as interest (whether or not such amounts are designated as interest) on amounts on deposit in a passbook savings account in a qualified institution.

"(2) PASSBOOK SAVINGS ACCOUNT.—The term 'passbook savings account' means any account which is established, pursuant to a written agreement, in a statement, book-entry, or other form and into which deposits are made (or any other form of deposit which is represented by a transferable or nontransferable, or a negotiable or nonnegotiable, certificate, instrument, passbook, statement, or other document and which may be withdrawn only upon presentation of any such document) to the extent that, with respect to any deposit into such account (or any such deposit)—

"(A) the rate of interest on such deposit for any period between consecutive auctions of 52-week Treasury bills does not exceed the average investment yield for the first of such auctions reduced by 3 percentage points, and

"(B) no limitation is imposed on the amount, time, or manner of such deposit, or any withdrawal of such deposit, other than any limitation imposed by or pursuant to any act of Congress.

"(3) QUALIFIED INSTITUTION.—The term 'qualified institution' means—

"(A) a bank (as defined in section 581),

"(B) a mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar institution under Federal or State law, or

"(C) a credit union,

the deposits or accounts in which are insured under Federal law."

(b) TECHNICAL AND CONFORMING AMENDMENT.—Paragraph (2) of section 265(a) of such Code is amended by striking out "or to purchase or carry any certificate to the extent the interest on such certificate is excludable under section 128" and inserting in lieu thereof "or to purchase shares or make deposits the interest on which is qualified interest (as defined in section 128(c)(1)) to the extent such interest is excludable from gross income under section 128".

(c) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 128 and inserting in lieu thereof the following new item:

"Sec. 128. Interest on passbook savings accounts in federally insured institutions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1989.

TRIBUTE TO FORMER REPRESENTATIVE PHILLIP H. WEAVER, OF NEBRASKA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, I am saddened to inform my colleagues in the Congress of the death of one of the former Members of the U.S. House of Representatives. Former Congressman Phillip H. Weaver, of Falls City, NE, passed away Sunday afternoon.

It is especially poignant for me to make this announcement since Mr. Weaver held the seat in Congress that I now occupy. He was elected to the House of Representatives in 1954 as a Republican from Nebraska's First Congressional District and served honorably until 1963. Actually, he was elected from the old First District that covered much of the State south of the Platte River when the State had four House districts. He lost that seat only as a result of redistricting when he and another Republican colleague were placed in the same district.

While in Congress Mr. Weaver served on the House Veterans' Affairs Committee, Interior and Insular Affairs, and the Appropriations Committee where he served on its important Subcommittee on Defense. Each of these committees offered Representative Phil Weaver the opportunity to serve both the interests of his constituents and the national interest.

After leaving Congress, Mr. Weaver held a series of high posts in the administrations of Republican and Democratic Presidents. He was a special assistant in the Department of Agriculture during the Kennedy and Johnson administrations and remained during part of the Nixon administration.

In 1973 he retired from the Federal Government to return to his home in Falls City. He returned to Nebraska to resume his family's business interests. In 1975 he received an appointment to the Nebraska Liquor Control Commission which he chaired for 4 years.

Phil Weaver represented the best of Nebraska traditions and values. He was born and raised in Falls City. He learned to respect the importance of government and public service early in his life. His father, Arthur J. Weaver, served as Governor of Nebraska in 1929 and 1930. His grandfather, A.J. Weaver, served in Congress in the 1880's.

Upon graduating from the University of Nebraska in 1942, and receiving an ROTC commission in the U.S. Army, Phil Weaver served with distinction in World War II. He was awarded the Bronze Star for his military service and rose to the rank of lieutenant colonel in the Army Reserve Forces.

Throughout his professional and public life, Mr. Weaver was identified with organizations and activities that sought to promote Nebraska and improve the lives of the people he served so well. He will be buried with full military honors tomorrow, April 19, 1989, in his home community of Falls City, NE. He is survived by his wife of 43 years, Betty Jane Burner Weaver, five sons, a brother, two sisters, and seven grandchildren.

Well-done distinguished former colleague Phillip H. Weaver! Thank you for your dedicated public service. You made a difference for the better in your community, State, and Nation.

I did not have the privilege of knowing this fine man but I know that the citizens of Falls City, Richardson County, and southeast Nebraska held him in high esteem. He served them honorably and well in Washington, DC, but returned home to southeast Nebraska in 1973 where he lived the remainder of his life. He will be missed by all who knew him. My sincere condolences are extended to his wife and family.

□ 1700

The SPEAKER pro tempore (Mr. PRICE). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, one of the first gentlemen I met when I came to the Congress in 1966 was Turner Robertson, who was at that time, chief page. I was not aware of the importance of this position at that time, but later, due to subsequent events, it proved to be a most vital position, to protect the prestige and dignity of the U.S. House of Representatives.

Mr. Robertson was always most courteous and friendly with all the Members and their staffs, and most helpful to me in those early days.

On Friday, April 21, 1989, Turner will celebrate his 80th birthday, and so along with his many friends, I wish him health and happiness on that day as well as many years to come.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

[Mr. OWENS of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

DEFICIT REDUCTION GUARANTEE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. FRENZEL] is recognized for 10 minutes.

Mr. FRENZEL. Mr. Speaker, today I am introducing the Deficit Reduction Guarantee Act to grant the President enhanced rescission powers in the event that Congress is unable to achieve a balanced budget as required under the Gramm-Rudman law. This legislation, which would only go into effect if our national debt increases above proscribed levels, would give the President an additional tool to enforce the Gramm-Rudman's goal of a balanced budget in 1993.

Since the enactment of Gramm-Rudman, Congress has by hook or by crook, by smoke or by mirrors, found a way to meet—or delay—the required deficit targets. Unfortunately, the measures used to meet the targets and to avoid sequestration, have not translated into much actual deficit reduction. For example, in fiscal year 1989, CBO estimates that our true deficit will be $171 billion, $34 billion above the GRH target.

The problem with the current system of sequestration is that its power to enforce disappears after the deficit target is met at the beginning of the fiscal year. Congress needs an enforcement mechanism which, unlike sequestration, cannot be circumvented by budget gimmickry and supplemental appropriations bills.

The legislation I am introducing would provide such an enforcement mechanism by making the President's rescission authority contingent on the actual level of Federal debt held by the public. The GRH deficit targets are $136 billion in 1989, $100 billion in 1990, $64 billion in 1991, $32 billion in 1992, and zero in 1993. Adding these amounts to the accumulated public debt as of fiscal year 1988 yields $2.378 trillion—the amount designated in the bill as the trigger for enhanced rescission authority.

Once the designated level of public debt is reached, this legislation would grant the President authority to rescind appropriated budget authority by sending a special message to the Congress detailing each item of rescission. The rescission would automatically become law unless Congress passes, within 45 days, a resolution of disapproval. The President would have the option of vetoing this resolution.

Unlike current law where Congress can avoid a Presidential rescission simply by ignoring it, this bill would force Congress to vote to preserve rescinded appropriations. Fiscal dis-

cipline demands that if Congress cannot meet its budget goals, it should not be able to stonewall Presidential attempts to control excess spending.

Failure to reach our legally mandated goal of a balanced budget by 1993 will be a sure indication that the current balance of power for Federal budgeting is inadequate to run a sound fiscal policy. This legislation would provide the President a necessary tool to ensure that we meet our own deficit reduction goals.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LANTOS] is recognized for 15 minutes.

[Mr. LANTOS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

[Mr. GONZALEZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Goss) to revise and extend their remarks and include extraneous material:)

Mr. BEREUTER, for 5 minutes, today.

Mr. FRENZEL, for 10 minutes, today.

Mr. PASHAYAN, for 60 minutes, on April 25.

(The following Members (at the request of Mr. MCDERMOTT) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. LANTOS, for 15 minutes each day, on April 26 and 27.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Goss) to include extraneous material:)

Mr. BROOMFIELD in two instances.

Mr. MICHEL in two instances.

Mr. LEWIS of Florida.

Mr. DELAY.

Mr. YOUNG of Florida in two instances.

Mr. HENRY.

Mr. TAUKE in three instances.

Ms. SNOWE.

Mr. COURTER.

Mr. DOUGLAS.

Mrs. VUCANOVICH.

Mr. FISH.

Mr. SMITH of New Jersey.

Mr. BATEMAN.

Mr. RITTER in two instances.

Mr. MCEWEN.

Mr. RINALDO.

Mr. MILLER of Washington.

Mr. SAXTON.

Mr. YOUNG of Alaska.

Mr. BLAZ.

Mr. HYDE in two instances.

Mr. INHOFE.

Mr. HANSEN.

Mr. BOEHLERT.

Mr. SHUMWAY.

Mr. THOMAS of California.

(The following Members (at the request of Mr. MCDERMOTT) and to include extraneous matter:)

Mr. LANTOS.

Mr. STARK in three instances.

Mr. DONNELLY.

Mr. LIPINSKI.

Mr. MRAZEK in two instances.

Mr. MATUSI.

Mr. COELHO.

Mr. MCMILLEN of Maryland.

Mr. FORD of Michigan.

Mr. CAMPBELL of Colorado.

Mr. VENTO.

Mr. RICHARDSON.

Mr. MILLER of California.

Mr. LEVINE of California.

Mr. YATRON.

Mr. DYMALLY.

Mr. TAUZIN.

Mr. PENNY.

Mr. GUARINI.

Mr. WOLPE.

Mr. STAGGERS.

Mr. HOCHBRUECKNER.

Mr. KOSTMAYER.

Mr. DARDEN in two instances.

Mr. MFUME.

Mr. WHEAT.

Mr. HAWKINS.

Mr. TALLON.

Mr. FLORIO.

Mr. PEPPER.

Mr. TRAFICANT.

Mr. JENKINS.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 45. Joint resolution designating May 1989 as "Older Americans Month."

ADJOURNMENT TO TUESDAY, APRIL 25, 1989

Mr. DOWNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 97 of the 101st Congress, the House stands adjourned until 12 noon, Tuesday, April 25, 1989.

Thereupon (at 5 o'clock and 3 minutes p.m.), pursuant to House Concurrent Resolution 97, the House adjourned until Tuesday, April 25, 1989, at 12 noon.

OATH OF OFFICE, MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

> "I, Jill L. Long, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same and that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Members, Resident Commissioner, and Delegates of the 101st Congress, pursuant to the provisions of 2 U.S.C. 25:

Hon. JILL L. LONG, Fourth District, Indiana.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

999. A letter from the Secretary, Department of Defense, transmitting the national defense stockpile requirements report for 1989, pursuant to 50 U.S.C. 98h-5; to the Committee on Armed Services.

1000. A letter from the Secretary of Education, transmitting the Rochester Institute of Technology Overhead Study for fiscal year 1987, pursuant to 20 U.S.C. 4332; to the Committee on Education and Labor.

1001. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Charles Edgar Redman, of Florida, as Ambassador Extraordinary and Plenipotentiary-designate to Sweden; by Terence A. Todman, of the Virgin Islands, as Ambassador Extraordinary and Plenipotentiary-designate to Argentina, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1002. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 to authorize a multiyear economic assistance program for the Philippines, and for other purposes; to the Committee on Foreign Affairs.

1003. A letter from the Staff Assistant, U.S. Commissioner, Delaware River Basin Commission, transmitting a report on the evaluation of the Commission's internal control system, pursuant to 31 U.S.C.

3512(c)(3); to the Committee on Government Operations.

1004. A letter from the U.S. Commissioner, Susquehanna River Basin Commission, transmitting a report on the evaluation of the Commission's internal control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

1005. A letter from the Chairman, Merit Systems Protection Board, transmitting the tenth annual report of the Board's activities for fiscal year 1987, pursuant to 5 U.S.C. 1209(b); to the Committee on Post Office and Civil Service.

1006. A letter from the Secretary, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to revise the provisions relating to refinancing loans and manufactured housing loans to veterans, to modify the procedures for the sale of loans by the Secretary of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

1007. A letter from the Secretary of Health and Human Services, transmitting the Department's request for an extension on it's legislative proposal to refine the Medicare Prospective Payment System, pursuant to Public Law 99-509, section 9305(a); to the Committee on Ways and Means.

1008. A letter from the Secretary of Agriculture, transmitting the Department's request for a 6 month extension on it's findings concering reorganization proposals to improve management of agriculture international trade activities due April 30, 1989, pursuant to 7 U.S.C. 5214; jointly, to the Committee on Agriculture and Foreign Affairs.

1009. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to transfer administration of bridges and causeways over navigable waters from the Secretary of Transportation to the Secretary of the Army, and for other purposes; jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H.R. 2072. A bill making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes (Rep. 101-30. Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAUZIN (for himself, Mr. ANDREWS, Mr. FOGLIETTA, Mr. FLORIO, Mr. SMITH of Mississippi, Mr. NOWAK, Mr. ERDREICH, Mr. LAGOMARSINO, Mr. APPLEGATE, Mr. YOUNG of Alaska, Mr. HAYES of Louisiana, Mr. ECKART, Mr. MCCURDY, Mr. DARDEN, and Mr. STENHOLM):

H.R. 2021. A bill to provide that interest earned on certain passbook savings accounts shall be excluded from gross income of the taxpayer as an incentive to taxpayers to increase savings in local banks and savings institutions; to the Committee on Ways and Means.

By Mr. MORRISON of Connecticut (for himself, Mr. FRANK, Mr. SCHUMER, Mr. BERMAN, and Mr. FISH):

H.R. 2022. A bill to establish certain categories of nationals of the Soviet Union and nationals of Indochina presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Indochinese parolees; to the Committee on the Judiciary.

By Mr. ANDREWS (for himself, Mr. CONYERS, Mr. HORTON, Mr. GLICKMAN, Ms. KAPTUR, Mr. SPENCE, Mr. BEREUTER, Mr. STANGELAND, Mr. GUNDERSON, Mr. DERRICK, Mr. MILLER of Washington, Mr. LEATH of Texas, Mr. KOLTER, Mr. HENRY, Mr. RITTER, Mr. CHAPMAN, Mr. STENHOLM Mr. LAUGHLIN, Mr. WALSH, Mr. SARPALIUS, Mr. FRANK, Mr. GARCIA, Mr. PENNY, Mr. MCDERMOTT, Mr. LEHMAN of Florida, and Mr. ATKINS):

H.R. 2023. A bill to limit the liability of certain persons who, without compensation, transport human organs; to the Committee on the Judiciary.

By Mr. BLAZ:

H.R. 2024. A bill to amend the Organic Act of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CLAY (for himself, Mr. RAHALL, and Mr. WISE):

H.R. 2025. A bill to amend the National Labor Relations Act to give employers and performers in the live performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, to give to such employers and performers the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes; to the Committee on Education and Labor.

By Mr. COELHO (for himself and Mr. HERGER):

H.R. 2026. A bill to amend the Agricultural Adjustment Act to prohibit the importation of kiwifruit, peaches, pears, nectarines, and plums that do not comply with any grade, size, quality, and maturity provisions of a marketing order applicable under such act to the respective kind of fruit produced in the United States or with comparable restrictions promulgated under such act; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. COOPER (for himself, Mr. FLIPPO, Mr. GORDON, Mrs. LLOYD, Mr. CLEMENT, Mr. FORD of Tennessee, Mr. HARRIS, Mr. TANNER, Mr. QUILLEN, and Mr. DUNCAN):

H.R. 2027. A bill to provide that employees of the Tennessee Valley Authority who are covered by a collective bargaining agreement shall not be subject to any regulations which take employee efficiency or performance ratings into account in determining the order of retention of competing employees in a reduction in force; to the Committee on Post Office and Civil Service.

By Mr. COSTELLO (for himself, Mr. CLAY, Mr. DURBIN, Mr. GEPHARDT, and Mr. POSHARD):

H.R. 2028. A bill to amend the Act of May 17, 1954, relating to the Jefferson National Expansion Memorial, to eliminate the acreage limitation on park extension, to allow the acquisition of State lands by means other than donation, to authorize increased funding for land acquisition for the east St. Louis portion of the memorial, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DEFAZIO:

H.R. 2029. A bill to disallow the Secretary of the Interior from issuing oil and gas leases with respect to a geographical area located in the Pacific Ocean off the coastline of Oregon and Washington; to the Committee on Insular Affairs.

H.R. 2030. A bill to provide for an additional district judge in the district of Oregon; to the Committee on the Judiciary.

By Mr. DELLUMS (for himself, Mr. FAUNTROY, Mr. PARRIS, Mr. RAHALL, Ms. SCHNEIDER, Ms. OAKAR, Ms. KAPTUR, Mrs. KENNELLY, Mr. STARK, Mrs. MORELLA, Mrs. SCHROEDER, and Mr. DYMALLY):

H.R. 2031. A bill to authorize the conveyance to the Columbia Hospital for Women of certain parcels of land in the District of Columbia, and for other purposes; jointly, to the Committees on the District of Columbia and Government Operations.

By Mr. DONNELLY:

H.R. 2032. A bill to direct the Secretary of Health and Human Services to provide for demonstration programs for joint nursing undergraduate education under which the costs incurred by a hospital under such a program shall be allowable as reasonable costs under title XVIII of the Social Security Act, and to clarify such title to permit a nursing education program operated by a corporation under common control with a hospital to be treated as approved educational activities of such hospital; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. FRENZEL:

H.R. 2033. A bill to amend accounting procedures under section 313 of the Tariff Act of 1930; to the Committee on Ways and Means.

H.R. 2034. A bill to provide the President with enhanced rescission authority at such time as the debt of the U.S. Government held by the public reaches $2,378,000,000,000; jointly, to the Committees on Government Operations and Rules.

By Mr. GOODLING (for himself (by request), Mr. BARTLETT, and Mr. TAUKE):

H.R. 2035. A bill to reauthorize programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Education and Labor.

By Mr. GRADISON:

H.R. 2036. A bill to correct the tariff classification of linear motion guides; to the Committee on Ways and Means.

By Mr. GUARINI (for himself, Mr. VANDER JAGT, Mr. RANGEL, Mr. MCGRATH, Mr. SHAYS, Mr. FAWELL, Mr. ATKINS, Mr. PURSELL, Mr. CARR, Mr. SCHUETTE, Mr. NOWAK, Mrs. BENTLEY, Mr. CROCKETT, Mr. MCCLOSKEY, Mr. HEFNER, Mr. VALENTINE, Mr. BROWN of Colorado, Mr. TRAFICANT, Mr. WALGREN, Mr. SMITH of Florida, Mr. PENNY, Mr. WOLF, Mr. TORRES, Mr. MORRISON of Washington, Mr. FRANK, Mr. OXLEY, Mr. KOSTMAYER, Mr. LEATH of Texas, Mr. KOLTER, Mr. COURTER, Mr. BUNNING, Mr. HENRY, Mr. HORTON, Mr. QUILLEN, Mr. GRANDY, Mr. PARRIS, Mr. HILER, Mr. UPTON, Mr. ESPY, Mr. EM-

ERSON, Mr. HASTERT, Mr. IRELAND, Mr. DWYER of New Jersey, Mr. FIELDS, Mr. SLAUGHTER of Virginia, Mr. BALLENGER, Mr. DORNAN of California, Mr. WYLIE, Mr. RITTER, Mr. HAMMERSCHMIDT, Mr. MANTON, Mr. RUSSO, Mr. COUGHLIN, Mr. GUNDERSON, Mr. GLICKMAN, Mr. SAWYER, Mr. SOLARZ, Mr. PORTER, Mr. CHAPMAN, Mr. STUDDS, Mr. CONYERS, Mr. ROE, Mr. GOODLING, Mr. ACKERMAN, Mr. MCHUGH, Mr. COOPER, Mrs. COLLINS, Ms. PELOSI, Mr. STOKES, Mrs. MORELLA, Mr. TRAXLER, Mr. DINGELL, Mr. WOLPE, Mr. MAVROULES, Mr. DAVIS, Mr. DONALD E. LUKENS, Mr. COBLE, Mr. CLINGER, Mr. BURTON of Indiana, Mr. SCHEUER, Mr. KANJORSKI, Mr. HUGHES, Mr. MCEWEN, Mr. GILMAN, Mr. RAVENEL, Mr. GARCIA, Mr. AUCOIN, Mr. SHUMWAY, Mr. UDALL, Mr. KILDEE, Mr. FORD of Michigan, Mrs. SCHROEDER, Mr. DYMALLY, Mr. SOLOMON, Mr. WYDEN, Mrs. BOXER, Mr. CARPER, Mr. NELSON of Florida, Mrs. MARTIN of Illinois, Mr. OWENS of New York, Mr. MOODY, Mr. LAGOMARSINO, Mr. MCCOLLUM, Mr. FISH, Mr. FAZIO, Mr. BROOMFIELD, Mr. CRAIG, Mr. LANTOS, Mr. COYNE, Mr. MINETA, Mr. BONIOR, Mr. LEHMAN of Florida, Mr. ERDREICH, Mr. HERTEL, Mr. RHODES, Mr. PACKARD, Mr. TORRICELLI, Mr. BROWN of California, Mr. HAWKINS, Mr. DELLUMS, Mr. MCDADE, Mr. STALLINGS, Mr. MAZZOLI, Mr. FLORIO, Mr. WEISS, Mr. BORSKI, Mr. LANCASTER, Mr. NEAL of North Carolina, Mr. BERMAN, Ms. SLAUGHTER of New York, Mr. BUECHNER, Mr. MFUME, Mrs. ROUKEMA, Mr. KASTENMEIER, Mr. MARKEY, Mr. SKAGGS, Mr. LEHMAN of California, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. FRENZEL, Mr. BOEHLERT, Mr. HAMILTON, Mrs. SMITH of Nebraska, Mr. MILLER of Washington, Mr. BILBRAY, Mr. JACOBS, Mr. DEWINE, Mr. ARMEY, Mr. GORDON, and Mr. PRICE):

H.R. 2037. A bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion from gross income of amounts paid for employee educational assistance, and for other purposes; to the Committee on Ways and Means.

By Mr. HATCHER (for himself, Mr. BARNARD, Mr. DARDEN, Mr. JENKINS, Mr. JONES of Georgia, Mr. LEWIS of Georgia, Mr. RAY, Mr. ROWLAND of Georgia, and Mr. THOMAS of Georgia):

H.R. 2038. A bill to direct the Secretary of the Army to release a reversionary interest in certain land in Clay County, GA; jointly to the Committees on Government Operations and Public Works and Transportation.

By Mr. HAWKINS (for himself, Mr. MURPHY, Mr. MARTINEZ, Mr. OWENS of New York, and Mr. HAYES of Illinois):

H.R. 2039. A bill to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve adults and to youth, and for other purposes; to the Committee on Education and Labor.

By Mr. SWIFT:

H.R. 2040. A bill to extend eligibility for the Indian Claims Commission expert witness loan fund, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JENKINS:

H.R. 2041. A bill to amend the Internal Revenue Code of 1986 to allow income from the sale of certain used automobiles to be computed on the installment sales method, and for other purposes; to the Committee on Ways and Means.

By Mr. JONTZ:

H.R. 2042. A bill to amend title V of the Agricultural Act of 1949 to allow producers to provide the appropriate county committees with actual yields for the 1989 and subsequent crop years; to the Committee on Agriculture.

By Mr. JONTZ (for himself, Mr. GAYDOS, Mr. SMITH of Vermont, Mr. PENNY, Mr. PERKINS, Mr. OWENS of New York, Mr. RAHALL, Mr. TOWNS, Mr. PORTER, and Mr. ATKINS):

H.R. 2043. A bill to amend the Higher Education Act of 1965 to establish a program to improve the collections of defaulted student loans, and for other purposes; to the Committee on Education and Labor.

By Mr. KENNEDY (for himself and Mr. RIDGE):

H.R. 2044. A bill to direct the Secretary of Veterans Affairs to conduct pilot programs for the provision of assisting animals to quadriplegic and hearing-impaired veterans; to the Committee on Veterans' Affairs.

By Mr. LAGOMARSINO (for himself and Mr. GALLEGLY):

H.R. 2045. A bill to authorize the Secretary of the Army to develop and install a flood warning system for the Santa Clara River, Ventura, and Los Angeles Counties, CA; to the Committee on Public Works and Transportation.

H.R. 2046. A bill to authorize the Corps of Engineers to provide flood flight assistance to the Ventura County Flood Control District with respect to Santa Paula Creek, Ventura, CA; to the Committee on Public Works and Transportation.

By Mr. LELAND:

H.R. 2047. A bill to amend the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

By Mr. MCCANDLESS:

H.R. 2048. A bill to amend section 225 of the Federal Salary Act of 1967 to change the years in which the Commission on Executive, Legislative, and Judicial Salaries meets; to require that pay adjustments under that section be approved by recorded vote; and to delay the effective date of any such pay adjustments; jointly, to the Committees on Post Office and Civil Service Rules, and House Administration.

By Mr. MACHTLEY:

H.R. 2049. A bill to amend title XVIII of the Social Security Act to require the Secretary of Health and Human Services to use the most current data available in updating the hospital wage level adjustment factor; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself, Mr. ACKERMAN, Mr. APPLEGATE, Mr. ATKINS, Mr. BEVILL, Mr. BOUCHER, Mrs. BOXER, Mr. CAMPBELL of Colorado, Mrs. COLLINS, Mr. COSTELLO, Mr. DEFAZIO, Mr. DE LUGO, Mr. DURBIN, Mr. DYMALLY, Mr. EVANS, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FRANK, Mr. GORDON, Mr. KANJORSKI, Mr. KOLTER, Mr. LEWIS of Georgia, Mr. MCDERMOTT, Ms. OAKAR, Mr. OWENS of New York, Mr. PARRIS, Ms. PELOSI, Mr. PERKINS, Mr. POSHARD, Mr. RAHALL, Mr. RANGEL, Mr. ROE, Mr. SMITH of Florida, Mr. STAGGERS, Mr. WAXMAN, Mr. WISE, Mr. WOLPE, and Mr. YATRON):

H.R. 2050. A bill to permit certain coal miners and their survivors to have their claims reviewed under the Black Lung Benefits Act; to the Committee on Education and Labor.

By Mr. MOAKLEY (for himself and Mr. TRAFICANT):

H.R. 2051. a bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe certain requirements with respect to the labeling of food products; to the Committee on Energy and Commerce.

By Mr. MRAZEK:

H.R. 2052. A bill to amend the Clean Air Act to control emissions of dioxin from certain resource recovery points and municipal waste incinerators; to the Committee on Energy and Commerce.

By Mr. ORTIZ (for himself, Mr. CALLAHAN, Mr. HUTTO, Mr. TAUZIN, Mr. LIVINGSTON, Mr. HAYES of Louisiana, Mr. SMITH of Mississippi, Mr. LAUGHLIN, Mr. DELAY, Mr. FIELDS, Mr. DE LA GARZA, and Mr. BROOKS):

H.R. 2053. A bill to amend Public Law 100-478 to ensure the development of effective sea turtle conservation regulations by delaying the effectiveness of certain regulations until after the completion of a study pertaining to such conservation; to the Committee on Merchant Marine and Fisheries.

By Mr. OWENS of New York:

H.R. 2054. A bill to amend the Library Services and Construction Act to authorize grants for library and information technology enhancement; to the Committee on Education and Labor.

By Mr. RHODES (for himself, Mr. BILIRAKIS, Mr. MADIGAN, Mr. BAKER, Mr. BARTLETT, Mr. BEREUTER, Mr. FAWELL, Mr. HANSEN, Mr. HOLLOWAY, Mr. MCEWEN, Mr. ROHRABACHER, Mr. LENT, Mr. LAGOMARSINO, Mr. NIELSON of Utah, Mr. KOLBE, Mr. HYDE, Mr. GRANT, Mr. SMITH of Texas, Mr. STUMP, Mr. CALLAHAN, Mr. MCCOLLUM, Mr. JAMES, Mr. MCMILLAN of North Carolina, Mr. BLILEY, Mr. MOORHEAD, Mr. COMBEST, Mr. SCHAEFER, Mr. RAVENEL, Mr. PETRI, and Mr. MICHEL):

H.R. 2055. A bill to amend title XVIII of the Social Security Act and the Internal Revenue Code of 1986 to repeal the Medicare supplemental premium and certain Medicare part B benefits added by the Medicare Catastrophic Coverage Act of 1988, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. RICHARDSON (for himself and Mr. COOPER):

H.R. 2056. A bill to require the Federal Communications Commission to continue to require geographic toll rate averaging in the regulation of interstate long distance telephone rates; to the Committee on Energy and Commerce.

By Mr. SCHUMER (for himself, Mr. FISH, and Mr. SYNAR):

H.R. 2057. A bill to amend title 11 of the United States Code, the bankruptcy code, regarding swap agreements; to the Committee on the Judiciary.

By Mr. SENSENBRENNER:

H.R. 2058. A bill to abrogate off-reservation, usufructuary rights of Indian tribes to hunt, fish, and gather in the State of Wisconsin; to the Committee on Interior and Insular Affairs.

By Mr. SHUMWAY (for himself Mr. KOLBE, Mr. LAGOMARSINO, Mr.

HANSEN, Mr. RHODES, Mrs. VUCANOVICH, and Mr. HERGER):

H.R. 2059. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that owner-operated mines shall be exempt from certain provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Ms. SLAUGHTER of New York (for herself, Mr. DEFAZIO, and Mr. JONTZ):

H.R. 2060. A bill to amend the Internal revenue Code of 1986 to deny the deduction for any removal or liability cost attributable to an oil spill from a vessel in navigable waters; to the Committee on Ways and Means.

By Mr. STUDDS (for himself, Mr. JONES of North Carolina, Mr. YOUNG of Alaska, Mr. DAVIS, Mr. HUGHES, Mr. CARPER, Ms. SCHNEIDER, Mr. PALLONE, Mr. BRENNAN, and Mrs. UNSOELD):

H.R. 2061. A bill to authorize appropriations to carry out the Magnuson Fishery Conservation and Management Act through fiscal year 1992; to the Committee on Merchant Marine and Fisheries.

By Mr. TAUKE:

H.R. 2062. A bill to establish conditions to be imposed by the Interstate Commerce Commission for the protection of employees in certain rail transactions, and for other purposes; to the Committee on Energy and Commerce.

By Mr. TORRES:

H.R. 2063. A bill to amend the Clean Air Act to require incinerators located in nonattainment areas to periodically reduce emissions; to the Committee on Energy and Commerce.

By Mrs. UNSOELD:

H.R. 2064. A bill to amend the Carl D. Perkins Vocational Education Act to increase and extend the authorization of appropriations for the career guidance and counseling program, and for other purposes; to the Committee on Education and Labor.

By Mr. VENTO (for himself, Mr. VOLKMER, Mr. LAGOMARSINO, Mr. MARLENEE, and Mr. FUSTER):

H.R. 2065. A bill to provide for studies and planning activities for improvement of tropical forest management, including forest management of insular areas and jurisdictions and public lands of the United States, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mrs. VUCANOVICH:

H.R. 2066. A bill to designate certain National Forest System lands in Nevada as wilderness, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mrs. VUCANOVICH (for herself and Mr. BILBRAY):

H.R. 2067. A bill to transfer certain legal real property to the city of North Las Vegas, NV; to the Committee on Interior and Insular Affairs.

By Mr. WALSH (for himself and Mr. BOEHLERT):

H.R. 2068. A bill to establish a federally sponsored program for the restoration, conservation, and management of Onondaga Lake in Onondaga County, NY, and to provide for the sharing of costs of such cleanup, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. WATKINS:

H.R. 2069. A bill to delay implementation of the Catastrophic Coverage Act of 1988 for 2 years; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. CONTE:

H.J. Res. 243. Joint resolution designating December 21, 1989, as a national day of mourning for the victims of the crash of Pan American Airways Flight 103 and expressing the sense of Congress that the United States should take all appropriate and necessary actions to identify the cause and perpetrators of the crash; jointly, to the Committee on Post Office and Civil Service and Public Works and Transportation.

By Mr. ROYBAL:

H.J. Res. 244. Joint resolution to designate the last full week of October, October 22 through October 28, 1989, and the last full week of October hereafter as "National Adult Immunization Awareness Week;" to the Committee on Post Office and Civil Service.

By Mrs. BOGGS (for herself and Mr. SCHEUER):

H. Con. Res. 96. Concurrent resolution providing for participation by delegations of Members of both Houses of Congress in ceremonies to be held in April 1989 in New York City marking the 200th anniversaries of the implementation of the Constitution as the form of government of the United States, the convening of the First Congress, the inauguration of President George Washington, and the proposal of the Bill of Rights as the first 10 amendments to the Constitution; considered and agreed to.

By Mr. FOLEY:

H. Con. Res. 97. Concurrent resolution providing for a conditional adjournment of the House from Tuesday, April 18, 1989, until Tuesday, April 25, 1989, and a conditional adjournment of the Senate from Wednesday, April 19, or Thursday, April 20, or Friday, April 21, or Saturday, April 22, 1989, until Monday, May 1, 1989; considered and agreed to.

By Mr. GOODLING:

H. Con. Res. 98. Concurrent resolution expressing the sense of the Congress in favor of the more equitable and more uniform treatment of federally funded and federally administered retirement programs for purposes of any deficit-reduction measures; to the Committee on Government Operations.

By Mr. NOWAK (for himself, Mr. LAFALCE, and Mr. PAXON):

H. Con. Res. 99. Concurrent resolution expressing the sense of the Congress that Buffalo, NY, should host the 1993 summer World University Games; jointly, to the Committees on Education and Labor and Foreign Affairs.

By Mr. YATRON. (for himself and Mr. BEREUTER):

H. Con. Res. 100. Concurrent resolution condemning the deliberate and systematic human rights violations by the Government of Iraq; to the Committee on Foreign Affairs.

By Mr. MICHEL:

H. Res. 131. Resolution electing Representative GRANT of Florida to the Committee on Public Works and Transportation; considered and agreed to.

H. Res. 132. Resolution electing a member of the Joint Committee on Printing; considered and agreed to.

By Mr. McNULTY:

H. Res. 133. Resolution expressing the sense of the House of Representatives concerning the bombing of Pan American flight 103; and the steps that should be taken to ensure the future safety of airline passengers; to the Committee on Public Works and Transportation.

By Mr. NEAL of North Carolina:

H. Res. 134. Resolution expressing the sense of the House of Representatives that Federal excise tax rates should not be increased; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

69. The Speaker presented a memorial of the Legislature of the State of North Dakota, relative to the Federal highway trust fund, which was referred to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONYERS:

H.R. 2070. A bill for the relief of the estate of Woodrow Charles Herman; to the Committee on the Judiciary.

By Mr. OWENS of Utah:

H.R. 2071. A bill for the relief of Catherine Anne Bardole a.k.a. Kathleen Bardole and her minor children, Lisa Anne Farley and Elaine Mary Farley; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. PENNY.

H.R. 8: Mr. DWYER of New Jersey and Mr. HASTERT.

H.R. 14: Mr. HAYES of Illinois and Mr. ENGEL.

H.R. 15: Mr. ANDREWS, Mr. BOUCHER, Mr. CARPER, Mr. COELHO, Mr. DARDEN, Mr. DEFAZIO, Mr. FROST, Mr. HOCHBRUECKNER, Mr. JOHNSON of South Dakota, Mr. KOLTER, Mr. KOSTMAYER, Mr. MARKEY, Mr. MARTINEZ, Mr. MFUME, Mr. MILLER of Washington, Mr. MINETA, Mr. MOODY, Mrs. MORELLA, Mr. MURPHY, Mr. PANETTA, Mr. POSHARD, Mr. RAHALL, Mr. RANGEL, Mr. RAY, and Mr. WILLIAMS.

H.R. 22: Mr. SKEEN, Mr. LEVIN of Michigan, Mr. EVANS, and Ms. SLAUGHTER of New York.

H.R. 41: Mr. BOEHLERT, Mr. CAMPBELL of Colorado, Mr. COLEMAN of Texas, Mr. LANTOS, Mr. MRAZEK, and Mr. STARK.

H.R. 58: Mr. BILIRAKIS.

H.R. 60: Mr. TAUKE, Mr. PAXON, Mr. DANNEMEYER, Mr. MARLENEE, Mr. SMITH of New Hampshire, Mr. APPLEGATE, Mr. BEVILL, Mr. YATRON, Mr. HASTERT, and Mr. HAMMERSCHMIDT.

H.R. 63: Mr. MCCANDLESS, Mr. WATKINS, Mr. MORRISON of Washington, Mr. MILLER of Washington, Mr. MRAZEK, Mr. DYSON, Mr. JACOBS, Mr. THOMAS of Georgia, Mr. HERGER, Mr. NEAL of Massachusetts, Mr. COUGHLIN, Mr. JOHNSON of South Dakota, and Mr. SOLOMON.

H.R. 71: Mr. SHUMWAY.

H.R. 81: Mr. WOLF, Mr. DIXON, Mr. HORTON, Mr. NEAL of North Carolina, Mr. MORRISON of Connecticut, and Mr. DAVIS.

H.R. 91: Mr. COYNE and Mr. GALLEGLY.

H.R. 118: Mr. GOSS, Mr. RAHALL, Mr. LEWIS of Florida, and Mr. JONTZ.

H.R. 242: Mr. NEAL of North Carolina.

H.R. 283: Mrs. KENNELLY.

H.R. 303: Mr. INHOFE, Mr. WEISS, Mr. MINETA, Mr. WELDON, Mr. HALL of Ohio, and Mr. SARPALIUS.

H.R. 461: Mr. OXLEY, Mr. BUNNING, and Mr. SHUMWAY.

H.R. 467: Mr. GEJDENSON, Mr. CLAY, and Mr. LELAND.

H.R. 537: Mr. COYNE and Mrs. SCHROEDER.

H.R. 572: Mr. HALL of Texas and Mr. SMITH of New Hampshire.

H.R. 595: Mr. FIELDS, Mr. FLORIO, Mr. PORTER, Mr. PURSELL, and Mr. ROBINSON.

H.R. 622: Mr. BLILEY.

H.R. 623: Mr. BLILEY and Mr. LIGHTFOOT.

H.R. 628: Mr. MARTINEZ, Mr. COYNE, Mr. BRYANT, Mr. RANGEL, Mr. MINETA, Mr. FLORIO, Mr. WILSON, Mr. EVANS, Mr. SMITH of Florida, Mr. SAVAGE, and Mr. MCCURDY.

H.R. 664: Mr. ROBERTS, Mr. ERDREICH, Mr. BRUCE, Mrs. VUCANOVICH, Mr. WILSON, Mr. GINGRICH, and Mr. COLEMAN of Texas.

H.R. 672: Mr. SIKORSKI, Mr. GEJDENSON, Mr. LEVINE of California, and Mr. BATES.

H.R. 719: Mr. STUMP, Mr. PAXON, Mr. ROWLAND of Connecticut, and Mr. SHUMWAY.

H.R. 765: Mr. BUSTAMANTE, Mr. BATES, Mr. BILBRAY, Mr. ATKINS, and Mr. HALL of Ohio.

H.R. 774: Mr. STOKES, Mr. LAFALCE, and Mr. MCCURDY.

H.R. 794: Mr. FORD of Michigan.

H.R. 796: Mr. FORD of Tennessee, Mr. NIELSON of Utah, Mr. BUECHNER, Mr. HUGHES, Mr. MFUME, Mr. RICHARDSON, Mr. SAVAGE, Mr. QUILLEN, Mr. BEREUTER, Mr. SMITH of New Jersey, Mr. JOHNSON of South Dakota, Mr. WILLIAMS, Mr. GUNDERSON, Mr. DAVIS, Mr. RAHALL, Mr. THOMAS of Georgia, Mr. WILSON, Mr. FAZIO, and Mr. ERDREICH.

H.R. 806: Mr. KASTENMEIER, Mr. FAUNTROY, Mr. GEJDENSON, Mrs. COLLINS, Mr. BATES, Ms. PELOSI, Mr. WALGREN, Mr. SCHEUER, Mr. BUSTAMANTE, Mr. JOHNSON of South Dakota, Mr. OBERSTAR, Mr. FAZIO, Mrs. BOXER, and Mr. ATKINS.

H.R. 819: Mr. BUSTAMANTE, Mr. LAGOMARSINO, Mr. MINETA, and Mr. ROBERTS.

H.R. 832: Mr. FLORIO.

H.R. 833: Mr. FLORIO.

H.R. 906: Mr. SMITH of New Jersey.

H.R. 930: Mr. PICKETT, Mrs. KENNELLY, Mr. RHODES, Mr. GILMAN, and Mr. EVANS.

H.R. 939: Mr. MORRISON of Connecticut, Mr. KASTENMEIER, and Mr. MCDERMOTT.

H.R. 952: Mr. OWENS of Utah.

H.R. 956: Mr. SOLOMON, Mr. WEBER, Mr. MILLER of Ohio, Mr. BUECHNER, Mr. WHITTAKER, Mr. PORTER, Mr. DORNAN of California, Mr. PICKETT, Mr. EMERSON, Mr. RAHALL, and Mr. BOEHLERT.

H.R. 963: Mr. BENNETT, Mr. ECKART, Mr. SYNAR, Mr. WAXMAN, and Mr. WEISS.

H.R. 970: Mr. BOUCHER and Mr. ESPY.

H.R. 973; Mr. MARKEY and Mr. CONYERS.

H.R. 987: Mr. BUSTAMANTE, Mr. FORD of Michigan, and Mr. GINGRICH.

H.R. 993; Mr. ACKERMAN and Mr. DYMALLY.

H.R. 995: Mr. JOHNSTON of Florida and Mr. CAMPBELL of Colorado.

H.R. 1025; Mr. FAWELL and Mr. LANTOS.

H.R. 1044: Mr. TOWNS.

H.R. 1058: Mr. BARTLETT, Mr. IRELAND, Mr. MONTGOMERY, Mr. ARCHER, Mr. SMITH of Mississippi, and Mr. HUCKABY.

H.R. 1060: Mr. CHAPMAN, Mr. ROBINSON, and Mr. KILDEE.

H.R. 1109; Mr. HERTEL and Mr. REGULA.

H.R. 1131: Mr. MOAKLEY.

H.R. 1136: Mr. PENNY, Mr. NATCHER, Mr. HUBBARD, Mr. DWYER of New Jersey, Mr. EMERSON.

H.R. 1150: Mr. FOGLIETTA and Mr. MOODY.

H.R. 1161: Mr. MCMILLEN of Maryland, Mr. PENNY, Mr. CHAPMAN, Mr. JONTZ, Mr. DARDEN, Mr. SHUMWAY, Mr. STALLINGS, Mr. NIELSON of Utah, Mr. NEAL of Massachusetts, Mr. DORNAN of California, Mr. TRAFICANT, Mr. BRYANT, Mr. HENRY, Mr. JOHNSON of South Dakota, Mr. LIVINGSTON, Mr. ATKINS, Mr. BEREUTER, and Mrs. PATTERSON.

H.R. 1166: Mr. GORDON and Mr. BOEHLERT.

H.R. 1167: Mr. GORDON and Mr. BOEHLERT.

H.R. 1180: Mr. CARPER.

H.R. 1190: Mr. MARKEY and Mr. MOAKLEY.

H.R. 1196: Mr. ROBINSON.

H.R. 1232: Mr. CAMPBELL of California.

H.R. 1236: Mr. BRYANT, Mr. GOODLING, Mr. SANGMEISTER, Mr. SMITH of New Jersey, Mr. MORRISON of Connecticut, Mr. HUGHES, Mr. CROCKETT, Mr. BERMAN, Mr. CARDIN, Mr. SCHUMER, and Mr. CONYERS.

H.R. 1248: Ms. KAPTUR, Mr. FORD of Michigan, and Mrs. BENTLEY.

H.R. 1276: Mr. WAXMAN.

H.R. 1289: Mr. TOWNS, Mr. MARTIN of New York, Mr. DURBIN, Mr. EMERSON, and Mr. FUSTER.

H.R. 1307: Mr. HOCHBRUECKNER, Mr. KOLBE, Mr. HANCOCK, Mr. FEIGHAN, and Mr. HASTERT.

H.R. 1383: Mr. KOSTMAYER, Mr. GAYDOS, Mr. WISE, Mr. KOLTER, Mr. SIKORSKI, Mr. GRAY, and Mr. ESPY.

H.R. 1393: Mr. COYNE, Mr. OWENS of New York, Mr. DYMALLY, and Mr. OWENS OF UTAH.

H.R. 1425: Mr. KILDEE.

H.R. 1429: Mr. TORRES, Mr. CONTE, and Mr. MRAZEK.

H.R. 1436: Mr. TOWNS, Mr. MORRISON of Connecticut, and Mr. KOLTER.

H.R. 1461: Mr. PRICE, Mr. HORTON, Mrs. PATTERSON, Mr. TALLON, Mr. CLARKE, Mr. SPRATT, Mrs. BENTLEY, Mr. JENKINS, Mr. RAY, Mr. HAMMERSCHMIDT, Mr. HATCHER, Mr. MACHTLEY, Mr. RITTER, and Mr. DONALD E. LUKENS.

H.R. 1469: Mr. SMITH of New Jersey.

H.R. 1472: Mr. PURSELL, and Mr. CROCKETT.

H.R. 1475: Mr. DORNAN of California, Mr. BURTON of Indiana, Mr. HANSEN, Mr. LIGHTFOOT, Mr. CAMPBELL of California, Mr. STUMP, Mr. RIDGE, Mr. HENRY, Mr. CRAIG, Mr. BUECHNER, Mr. DONALD E. LUKENS, Mr. KYL, Mr. LOWERY of California, Mr. DANNEMEYER, Mr. TRAFICANT, Mr. ECKART, Mr. DENNY SMITH, Mr. SHUMWAY, Mr. MADIGAN, Mr. LAGOMARSINO, Mr. RHODES, Mr. SOLOMON, Mr. GILMAN, Mr. SMITH of Mississippi, Mr. BILIRAKIS, Mr. MACHTLEY, and Mrs. BENTLEY.

H.R. 1491: Mr. SOLOMON, Mr. ERDREICH, Mr. DORNAN of California, Mr. MARTINEZ, Mr. COLEMAN of Texas, Mr. ROE, Mrs. VUCANOVICH, Mr. BOSCO, Mr. OWENS of New York, Mr. KOLTER, Mr. FUSTER, Mr. SLAUGHTER of Virginia, Mr. MARKEY, Mr. SAXTON, Mr. HAWKINS, Mr. GIBBONS, Mr. NIELSON of Utah, Mr. LAGOMARSINO, Mrs. SAIKI, Mr. LENT, Mr. FAUNTROY, Mr. TOWNS, Mr. BATES, and Mr. PARRIS.

H.R. 1515: Mr. BAKER, Mr. GALLEGLY, and Mr. HORTON.

H.R. 1540: Mrs. BENTLEY.

H.R. 1544: Mr. MCDERMOTT and Ms. PELOSI.

H.R. 1560: Mr. SMITH of New Jersey.

H.R. 1561: Mr. BATES, Mr. ATKINS, and Mr. COELHO.

H.R. 1563: Mr. THOMAS of Georgia.

H.R. 1574: Mr. AUCOIN, Mr. FAZIO, and Mr. CAMPBELL of Colorado.

H.R. 1587: Mr. SMITH of Texas.

H.R. 1599: Mr. HEFLEY, Mr. ROHRABACHER, Mr. DORNAN of California, Mr. STUMP, Mr. PAXON, Mr. WILSON, and Mr. SHUMWAY.

H.R. 1601: Mr. HEFLEY, Mr. MARLENEE, Mr. ROHRABACHER, Mr. DORNAN of California, Mr. STUMP, Mr. PAXON, Mr. WILSON, Mr. SHUMWAY, and Mr. BUNNING.

H.R. 1602: Mr. MCMILLEN of Maryland, Mr. MINETA, Mr. ESPY, Mr. COLEMAN of Texas, and Mr. GARCIA.

H.R. 1605: Mr. FAUNTROY, Mr. HILER, Mr. BOEHLERT, Mrs. MORELLA, Mr. GORDON, Mr. MCHUGH, Mr. FAZIO, Mr. MACHTLEY, Mr. SABO, Mr. PAXON, Mr. LANTOS, Mr. CARDIN, and Mr. LEVINE of California.

H.R. 1641: Mr. LIPINSKI and Mrs. BENTLEY.

H.R. 1659: Mr. MINETA.

H.R. 1682: Mr. CONTE, Mr. NIELSON of Utah, Mr. BUSTAMANTE, and Mr. RAHALL.

H.R. 1687: Mr. WHITTAKER.

H.R. 1691: Mr. DYMALLY, Mr. FAUNTROY, Mr. FRANK, Mr. OWENS of New York, Mr. DONNELLY, and Mr. MORRISON of Connecticut.

H.R. 1757: Mr. BLILEY, Mr. NIELSON of Utah, Mr. SHUMWAY, and Mr. SCHIFF.

H.R. 1782: Mr. DORNAN of California and Mr. ROBINSON.

H.R. 1867: Mr. EMERSON and Mr. HASTERT.

H.R. 1918: Mr. RAHALL, Mr. MADIGAN, Mr. NEAL of Massachusetts, Mr. DE LUGO, Mr. LIPINSKI, Mr. BUSTAMANTE, Mr. FAUNTROY, Mr. OWENS of New York, Mr. PARRIS, Ms. OAKAR, Mr. JONTZ, Mr. DE LA GARZA, Mrs. BENTLEY, Mr. WEBER, Mr. WATKINS, Mr. PEPPER, Mr. BILIRAKIS, Mr. TOWNS, Mr. DELLUMS, Mrs. MEYERS of Kansas, Mr. KILDEE, Mr. DIXON, Mr. STAGGERS, Mr. OBERSTAR, and Mr. SABO.

H.R. 1935: Mr. EVANS, Mr. COURTER, Mr. ECKART, and Mr. AUCOIN.

H.R. 2015: Mr. EMERSON.

H.J. Res. 31: Mr. LEHMAN of California, Mr. DORGAN of North Dakota, Mr. MANTON, and Mr. CARDIN.

H.J. Res. 35: Mr. STUMP, Mr. MINETA, Mr. CHAPMAN, Mr. CAMPBELL of Colorado, Mr. OWENS of Utah, Mr. ENGEL, Mr. BROWN of Colorado, and Mr. WHITTAKER.

H.J. Res. 47: Mr. CAMPBELL of California, Mr. CONYERS, Mr. ESPY, and Mr. TRAXLER.

H.J. Res. 91: Mr. LIGHTFOOT.

H.J. Res. 104: Mr. SCHAEFER, Mr. BATES, Mr. LAGOMARSINO, Mrs. MORELLA, Mr. RANGEL, Mr. CLINGER, Mr. WALSH, Mrs. MEYERS of Kansas, and Ms. PELOSI.

H.J. Res. 136: Mr. SOLOMON, Mr. LEWIS of California, Mr. RHODES, Mr. MARTIN of New York, Mr. MOORHEAD, Mr. OXLEY, Mr. LENT, Mr. TORRES, and Mr. BILIRAKIS.

H.J. Res. 147: Mr. MCEWEN, Mr. COYNE, and Mrs. BENTLEY.

H.J. Res. 150: Mr. WOLF, Mr. ROBERTS, Mr. RICHARDSON, Mr. MILLER of California, Mr. ROWLAND of Georgia, Mr. KENNEDY, Mr. RAY, Mr. PALLONE, Mr. DENNY SMITH, Mr. SCHAEFER, Mr. MOORHEAD, Mr. RHODES, Mr. CRAIG, Mr. SABO, Mr. VOLKMER, Mr. STUMP, Mr. SUNDQUIST, Mr. SHUMWAY, Mr. DANNEMEYER, Mr. DOUGLAS, Mr. GALLEGLY, Mr. HASTERT, Mr. GOSS, Mr. HENRY, Mr. IRELAND, Mr. LEWIS of California, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mr. MCCANDLESS, Mr. MCCRERY, Mr. MICHEL, Mr. MOLINARI, Mr. ROGERS, Mr. YOUNG of Alaska, and Mrs. VUCANOVICH.

H.J. Res. 168: Mr. HORTON.

H.J. Res. 186: Mr. GOSS, Mr. CARDIN, Mr. RAVENEL, Mr. HEFNER, Mr. CLINGER, Mr. CLEMENT, Mr. ROWLAND of Georgia, Mr. DELLUMS, Mr. LEWIS of Georgia, Mr. DAVIS, Mr. TALLON, Mr. WILSON, Mr. HUGHES, Mr. VALENTINE, Mr. SPRATT, Mrs. BENTLEY, Mr. BUSTAMANTE, Mr. BENNETT, Mr. HUBBARD, Mr. ROE, Mr. ATKINS, Mr. NELSON of Florida, and Mr. FASCELL.

H.J. Res. 188: Mr. SHUMWAY and Mr. FAZIO.

H.J. Res. 204: Mr. ROE, Mr. DYMALLY, Mr. FAZIO, Mr. HATCHER, Mr. GEPHARDT, and Mrs. BENTLEY.

H.J. Res. 207: Mr. BUECHNER, Mr. GARCIA, Mr. FUSTER, Mr. MRAZEK, Mr. BRYANT, Mr. RICHARDSON, Mr. WALSH, Mr. OWENS of New York, Mr. MCDERMOTT, Mr. FOGLIETTA, Mr. DAVIS, Mrs. KENNELLY, and Mr. ANDREWS.

H.J. Res. 208: Mr. DEFAZIO, Mr. JOHNSON of South Dakota, and Mr. JOHNSTON of Florida.

H.J. Res. 228: Mr. TALLON, Mr. TOWNS, Mr. TRAXLER, Mr. WHITTAKER, Mr. WILSON, Mr. WOLPE, Mr. WYDEN, Mr. COUGHLIN, Mr. KASTENMEIER, Mr. CHANDLER, Mr. COBLE, Mr. COURTER, Mr. DEWINE, Mr. DORNAN of California, Mr. ENGEL, Mr. GOODLING, Mr. GRANT, Mr. GRAY, Mr. GUNDERSON, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HASTERT, Mr. KENNEDY, Mr. KOLTER, Mr. KOSTMAYER, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LIPINSKI, Mr. MCCANDLESS, Mr. MCDADE, Mr. MCGRATH, Mr. MCNULTY, Mr. PACKARD, Mr. PANETTA, Mr. PICKETT, Mr. RAHALL, Mr. ROYBAL, Mr. PAXON, and Mr. SCHAEFER.

H. Con. Res. 48: Mr. COYNE and Mr. VISCLOSKY.

H. Con. Res. 63: Ms. PELOSI, Mr. LANTOS, Mr. SOLOMON, and Mr. PORTER.

H. Con. Res. 72: Mr. WHITTAKER and Mr. STANGELAND.

H. Con. Res. 73: Mr. YATES, Mr. MCGRATH, Mr. LEVINE of California, Mr. GILLMOR, Mr. WAXMAN, and Mr. DONALD E. LUKENS.

H. Res. 104: Mr. MARTINEZ, Mr. GILMAN, Mr. LELAND, Mr. SMITH of Vermont, Mr. FORD of Michigan, Mr. MOODY, Mr. ROYBAL, Mr. HASTERT, Mr. LEVINE of California, and Mr. EDWARDS of California.

H. Res. 106: Mrs. BENTLEY, Mr. GUNDERSON, Mrs. JOHNSON of Connecticut, Mr. PORTER, and Mr. UPTON.

H. Res. 115: Mr. DONALD E. LUKENS, Mr. PAXON, Mr. SCHUETTE, and Mr. STANGELAND.

H. Res. 120: Mr. LANTOS and Mr. FAZIO.

H. Res. 129: Mrs. COLLINS, Mr. EMERSON, Mr. GUARINI, and Mr. ENGLISH.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1493: Mr. HATCHER.

H.J. Res. 125: Mrs. MEYERS of Kansas.

SENATE—*Tuesday, April 18, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable TIMOTHY E. WIRTH, a Senator from the State of Colorado.

The PRESIDING OFFICER. Today's prayer will be offered by the guest chaplain, Dr. Sam Wooldridge, of Calvary Bible Church in St. Mary's, WV.

PRAYER

The guest chaplain, Dr. Sam Wooldridge, offered the following prayer:

My dear Heavenly Father, we ask that You give to these men and women the wisdom to be able to lead our Nation today in all the decisions that they will make, and we pray that You will give them the divine wisdom that our Nation once again will be a nation under God as it is today. We pray that You will speak to them as they lead, Father, to make the proper decision realizing their positions are appointed by God. Father I pray that our Nation in all of its endeavors and policies will be a nation that will be pleasing to Thee. Guide us, we pray, dear Father, and those that are so infinitely involved with the direction of our country and, yes, with the direction of Christianity in the now known world. Bless these men and women, I pray today, in Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 18, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TIMOTHY E. WIRTH, a Senator from the State of Colorado, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WIRTH thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, there will be a period for morning business not to extend beyond 9:30 a.m. At 9:30, the Senate will resume consideration of S. 774, the Federal savings and loan reform bill.

I ask that all Senators and Senators' legislative aides who may be listening at this time to pay careful attention to what I am about to say. As of this moment, no amendments have been offered to the pending legislation. Two amendments have been left at the desk and have been printed. Other Senators have indicated an intention to offer amendments.

As I have said many times, therefore, it should come as a surprise to no one. It is my hope that we can complete action on this bill by tomorrow. That means that Senators who wish to offer amendments, Senators who intend to offer amendments, must do so. If no Senators come forward to offer amendments, then we will move to third reading, and to final passage of the bill.

We cannot simply remain suspended indefinitely in a state of inaction until Senators are somehow moved to come to the Senate floor to offer their amendments. If there is one criticism I have heard of the operations of the Senate by Senators themselves, it is the inordinate delay that occurs when legislation is pending. Senators ask that no action be taken because they want to offer an amendment but then refuse to come to the Senate floor to present their amendments.

So I want to put all Senators on notice so there can be no subsequent complaint of surprise or lack of proper notice that we are going to go to the bill at 9:30 this morning. The expressed, and repeatedly publicly stated purpose for doing so was to complete action on the bill. That cannot occur if Senators are unwilling to come to the Senate floor to present their amendments. In those circumstances the only alternative left is to move to third reading, and to a vote on final passage of the legislation.

So if any Senator has an amendment, he or she should now be prepared to come to the Senate floor at 9:30, or as soon thereafter as possible, to present the amendment. If no Senator does so, every Senator should understand that we are going to move to third reading, and complete action on the legislation.

Having now repeated myself four times in the last 5 minutes, I hope I have made my intention unmistakably clear so that no Senator will be able to later validly claim that they were unaware of what was to occur and what will occur.

Mr. President, in the event that Senators do come forward with amendments, Senators should be on notice that rollcall votes are possible throughout today's session extending into the evening as necessary. The Senate will stand in recess from 12:30 p.m. to 2:15 p.m. today to accommodate the party conference luncheons.

RESERVATION OF LEADERS' TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I also reserve the leader time of the distinguished Republican leader.

I yield the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 9:30 a.m. with Senators permitted to speak therein for not to exceed 5 minutes.

Mr. LAUTENBERG addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

(The remarks of Mr. LAUTENBERG pertaining to the introduction of S. 816 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. BAUCUS pertaining to the introduction of S. 816 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

REPORTERS NEED TO READ THE BUDGET

Mr. SANFORD. Mr. President, Sunday's shows teed me off again. I am constantly amazed that the hosts of the media's public affairs shows, and the hot shot economists whom they summon for their learned thoughts, and news people generally, apparently have never looked at the Federal budget documents. They continue to speak in outraged terms about interest at 15 percent of the budget, and they report with straight faces that the deficit has been reduced, and they seem to take seriously the Gramm-Rudman-Hollings figures.

They do not do research. They parrot self-serving news releases.

They can look at the budget document entitled "Historical Tables," section 7, and find that the deficit in 1988 was $255 billion, that it will be $268 billion in 1989, and that there is no end in sight to constantly increasing deficits. And they will find there has been no decrease at all, only an increase in Social Security and the interest paid on Social Security, both being used to conceal large parts of the real deficit.

They could find a lot more if they tried. They could find that interest was not 15 percent of the budget, but 20 percent, and if they bother to calculate interest paid against tax dollars collected for governmental operations—leaving out Social Security which is not available for paying interest or other costs of Government—they would be shocked. It is a fact that we pay for interest on the national debt about 32 cents of every tax dollar collected. They might check page 87 of the Budget in Brief, along with section 10-20 of the budget.

The public needs to know that the annual deficits are about a quarter of a trillion dollars and piling up as a tremendous debt that is draining our resources just to keep up with the interest.

We cannot expect to cure the problem if the press does not inform the public.

Mr. President, where have all the good reporters gone?

I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

The Senator from Minnesota is recognized.

Mr. DURENBERGER. I thank the Chair.

(The remarks of Mr. DURENBERGER pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DURENBERGER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CAMPAIGN SPENDING

Mr. REID. Mr. President, here in Washington we attempt to anticipate scandals, wrongdoing, and problems that come up in Government.

I think if we want to anticipate problems, we would be wise to take a very hard look at campaign finance reform and stop the political posturing that is going on in this issue.

Mr. President, during the 1986 Senate elections, a number of Senators running for office were exposed to various abuses of campaign laws and we all came here resolved to address the issue immediately. But now going on 3 years later there has been no remedy, there has been no rectification, in fact, there has been no change in the campaign spending laws in this country at all.

I think it is time that we here in Washington realize that we are going to have significant problems unless something is done.

Let us take one area that has been discussed on a number of occasions on this floor—independent expenditures. Mr. President, an independent expenditure is, for example, Japanese automobile dealers spending money in a Senate race like they did in the State of Nevada.

In the 1988 Senate race in Nevada the Japanese automobile dealers' PAC spent over $500,000. You would think that they would spend money on issues that would be relevant to Japanese automobile dealers—perhaps commerce, or trade. But, no, they spent their money on Social Security advertisements.

Mr. President, why are the Japanese automobile dealers so worried about Social Security? I would submit, that they are not. I would suggest that they were misleading the people in the State of Nevada and other States in a blatant effort to buy an election.

Under our campaign finance laws, a political action committee can contribute $5,000 in a primary election, and $5,000 in a general election—they can give a total of $10,000 to a candidate. But here they did not do that. Because this was a so-called independent expenditure, they were able to spend over a half million dollars, much more than they could have contributed to the candidate.

I think it is imperative that we set aside political differences and party issues and arrive at a few areas that we can agree on. Certainly we can agree that foreign automobile dealers should not be able to spend a half million dollars in a relatively small State like Nevada and mislead the public.

I think we can recognize that this is not an issue that affects Democrats only. It is an issue that next time could affect Republicans, because another political action committee may decide to spend millions of dollars attacking Republican candidates. That is wrong and this Congress should do something to stop that.

Mr. President, another area that this Congress should be concerned about is with the Federal Election Commission. I think it is important that the Federal Election Commission be something more than a toothless tiger.

We criticize the Federal Election Commission, but we have not given them the tools to be more than what they are. They are understaffed. The rules that we have given them to work with are vague and misleading. The Federal Election Commission should have the power to enforce the law.

So as we look down the road, Mr. President, I think it is important that we recognize that there really is a scandal brewing, that there really are problems that are going to overshadow elections. And for those of us who were elected in the 1986 election cycle, I am certain that we never would have believed that 3 years would pass without any change in our Federal election laws. We can wait no longer.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. FORD). The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Chair.

(The remarks of Mr. BREAUX pertaining to the introduction of S. 816 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Chair, exercising his prerogative as a Senator from Kentucky, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(Mr. WIRTH assumed the chair.)

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMEMORATING THE ANNIVERSARY OF THE AIRBORNE UNITS

Mr. FORD. Mr. President, on behalf of myself and Senators THURMOND and SANFORD, I am submitting a concurrent resolution to commemorate the 50th anniversary of the airborne units of the U.S. Armed Forces. July of 1990 will mark the creation of the first paratrooper units of the U.S. Army and the beginning of the "Airborne" era in American military history.

Airborne units contributed significantly to the Allied victory in the Second World War, including paratroop assaults in North Africa, Sicily, Italy, Normandy and Holland. Two of our own members were among them. As part of the 82d Airborne Division, Senator THURMOND participated in the Normandy invasion on a glider. Senator SANFORD jumped into southern France and the Battle of the Bulge as a member of the 517th Parachute Infantry Combat Team.

Airborne combat assaults—parachute jumps—were conducted in the Korean and Vietnam wars, as well as in other hostile military situations, such as the action in Grenada. Paratroopers continue to serve in various military units throughout the Army, from division-strenth units to specialized units such as Ranger Light Infantry and Special Forces Green Beret units.

Thousands of paratroopers have sacrificed their lives to protect the Republic, and thousands remain ready today to put their lives on the line for their Nation. I hope my colleagues will join me in cosponsoring this concurrent resolution and will thereby signal their strong support for the brave men on whose behalf I submit it.

Mr. President, I ask unanimous consent that this concurrent resolution be placed on the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FORD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A LETTER TO THE NEXT GENERATION

Mr. COATS. Mr. President, last fall at their request, I gave an address at the University of Notre Dame's Hesburg Program in Public Service. The title of my lecture was "Falling in Love Again: Children and Families in America."

I want to commend the University of Notre Dame's concern for family issues. This dedication is revealed yet again in a recent open letter from its famous football coach Lou Holtz to the future generation.

I recommend it to all.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

(In an "Open Forum" sponsored by Volkswagen, prominent figures in American culture pass on their ideas and views to those who'll inherit the earth * * * 100 years from now.)

A LETTER TO THE NEXT GENERATION FROM LOU HOLTZ, NOTRE DAME'S WINNING HEAD COACH

GREETINGS: This salutation was used because it was the customary way our government informed its males over 18 that their talents and abilities were needed to ensure the country's future security.

During my teen age years, I was of the opinion that the future and security of this country would be dictated by the combat readiness of our military forces. However, as I grew older and my eyesight diminished, I became increasingly aware that our greatest enemy is ourselves. I will never forget a cartoon of Pogo that said, "We have met the enemy and they is us." So many times we focus on the external problems of our culture when, actually, the vulnerability of most societies lies within. As long as we remain strong within, I feel our future is secure.

Our country has many outstanding assets—in both natural resources and people. This has made it possible for the U.S. to hold an international position of leadership for many years. However, I believe our focus of attention should be upon the future. I am basically an optimistic person, but from time to time, I am concerned about our ability to produce great leaders for the future. My concern falls into one main category and that is family.

The basis of any society is the strength of the family. This is true in 1989 and for sure, it will hold true in the year 2089. I am convinced that you will have many comforts of life due to inventions that we do not have, but that is to be expected.

As I write this, I am thinking that you will look back at our generation and refer to our times as the "dark ages," since the strength of a society is not found in the comforts of living but in its values, morals and concern for its fellow man. And I believe that these principles are predominantly developed in the family. The family is where our healthy values are formed and shaped, yet the chance of this happening is greatly reduced in a one-parent home. I am not saying that single parents aren't able to raise healthy children, since many great people come from single-parent homes. But I think it is safe to say that it is much easier to achieve a healthy society when children have two parents to look up to.

There is also a strong tendency these days for many parents to be overly concerned about their own careers. Too often parents achieve professional success at the expense of their families, especially their children. I say this from personal experience, because I am probably as guilty as anyone in this area and I deeply regret it. I am fortunate, for my wife's career has been to raise our children, and she has been very successful in this endeavor.

Any successful endeavor starts with a dream and a willingness to work, and this is usually the result of a positive attitude toward yourself. Only when you like and respect yourself can you develop a concern for your fellow human being.

Generally, when we are little, it is unnatural for us to like and respect other people; these qualities have to be taught and developed. An infant is basically selfish, undisciplined and unmotivated. Give him a toy and he'll claim it as his immediately; he won't wish to share it with anyone. The qualities that we admire in people—honesty, cheerfulness, thoughtfulness, cooperation—must be learned in our home and developed by society. Our future, in my humble opinion, is contingent upon parents successfully developing these qualities so we can evolve into responsible, intelligent, compassionate adults.

I know of no greater challenge or more important role in life than preparing our children to take their place in society as contributing citizens. We cannot relinquish this most important responsibility to gang leaders, drug dealers or even our own Government. I do believe that these qualities can best be nurtured in the church of your choice. If you help your children become aware of their real strengths and raise their self esteem, I firmly believe that our future is secure. I believe that this can be done only when we raise our children to become trusted citizens who care about other people and are committed to excellence.

One thing that I hope that you will not find in your generation is drugs. If you do, there's a chance that there isn't going to be a future generation. Nothing can destroy individuals or our country as quickly as drugs. It is not confined to a segment of our society, and it has created more damaged than anything else I have witnessed in my lifetime. I have never heard a successful man or woman get up and say, "I owe my success to drugs and alcohol." Yet I know of thousands of people who have said publicly, or in the press, that they have ruined their lives because of drugs or alcohol. Neither space nor time allow me to go into my feelings about this dreaded habit, but suffice it to say that the Government can't stop it, the police can't—but the family can.

When I was asked to write an open letter to the next generation, I hesitated because there are people far more eminently qualified to do this than myself. Your reaction to this article may be that Lou Holtz wasn't very smart, and this would be accurate. But I am convinced that if our generation leaves you a better world than the one we found, it will be because we have provided strong family leadership for our children—and given you, the children of the future, a better world in which to live and grow.

As Oliver Wendell Holmes said, "What lies behind and what lies ahead of us is of little importance when compared to what lies within." If trust, commitment, and love lie within your generation, you will know that our family values were strong.

LOU HOLTZ.

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume consideration of S. 774 which the clerk will report.

The legislative clerk read as follows:

A bill (S. 774) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of the Federal financial institutions regulatory agencies, and for other purposes.

The Senate resumed consideration of the bill.

Mr. RIEGLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. RIEGLE. I thank the Chair.

We are starting early this morning at the request of the majority leader so that we might move through the savings and loan FSLIC legislation today with the thought that, if necessary, we will be in late this evening, as the leader announced yesterday.

We have at the outset a matter that is really extraneous to the savings and loan issue, but, as the rules of the Senate allow, any amendment can be offered. The Senators from Pennsylvania and Washington have a sense-of-the-Senate resolution relating to the prospective D.C. jail that they wish to offer now. In the understanding that we have with them, this discussion will take a very brief period of time. Senator SPECTER indicates that he does want a rollcall vote on this.

So within a matter of a very short space of time, that issue will be put to a vote, and then we will proceed directly to amendments that will be germane and relate directly to the S&L bill. With that, I yield the floor.

Mr. SPECTER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

AMENDMENT NO. 49

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] for himself, Mr. ADAMS, Mr. FOWLER, Mr. GRAMM, and Mr. WARNER, proposes an amendment numbered 49.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

Since the Congress of the United States appropriated $50 million between fiscal year 1986 and fiscal year 1989 to construct a correctional treatment facility in the District of Columbia;

Since the construction of an 800-bed correctional treatment facility for the District of Columbia has been delayed because of pending litigation preventing the destruction of a building on the grounds of D.C. General Hospital which currently occupies the site of the proposed correctional treatment facility, pending a determination of whether the building is eligible for the National Register;

Since the Congress in September 1987, suspended all construction activities pending the outcome of an archeological survey and alternative site review. And that the Congress, in May 1988, informed the District of Columbia that it could proceed with this project;

Since the problem of crime generally and drug-related crime specifically has accelerated in Washington, DC, so that Washington has been referred to as the "murder capital of the United States" with 150 homicides having been committed in the District of Columbia since January 1, 1989;

Since a major Federal effort has been initiated on the drug-related crime problem in Washington, DC, as articulated on April 10, 1989, by Attorney General Richard Thornburgh, Housing and Urban Development Secretary Jack Kemp and Director of National Drug Control Policy William Bennett;

Since, the Mayor of Washington, DC, Marion Barry, Jr., in prepared testimony before the District of Columbia Subcommittee of the Appropriations Committee on April 17, 1989, at page six stated: "Finally, in the area of emergency assistance we request the help of the Committee to lead an expedited effort to clearly (perhaps legislatively) state the sense of the Congress that the long delayed 800 bed prison construction project in Southeast Washington is a local initiative being undertaken with a special federal appropriations. Currently, construction is delayed because of a court interpretation that the project is a federal initiative and, therefore, subject to review under federal historical preservation laws. Clarification by the Congress should be helpful to the Court in deciding that the project is local and need not be delayed further."

Since, at a hearing on April 17, 1989, Mayor Barry reiterated his request for a sense-of-the-Congress resolution as an aid to assist the District of Columbia in the construction of the 800-bed correctional treatment facility;

Since, the issue is in litigation in the case of *Flossie E. Lee, et al.* vs. *Richard Thornburgh, et al.* (89-0421), U.S. District Court for the District of Columbia, with a hearing schedule for May 18, 1989.

Since, the Congress expresses no opinion on any underlying legal issue which is the sole province of the Court, but does express its sense of urgency that the 800-bed correctional treatment facility be constructed at the earliest possible time consistent with other provisions of law.

Now, therefore, be it declared that it is the sense of the Congress that the 800-bed local correctional treatment facility be completed at the earliest possible date to assist against crime generally and drug-related crime specifically.

Be it further declared that Mayor Barry and all other officials of the District of Columbia be urged to move ahead as expeditiously as possible with all aspects of the local program directed against crime generally and drug-related crime specifically including but not limited to the construction of local prison and jail space including the 800-bed prison.

Mr. SPECTER. Mr. President, at the outset, I thank the respective member and ranking member for allowing me to offer this sense-of-the-Senate resolution. It is being offered at this time because it is a matter of some urgency relating to the construction of a prison in the District of Columbia.

This sense-of-the-Congress, actually, resolution is being offered at the request of Mayor Barry, who included in his prepared statement yesterday a request that there be a sense-of-the-Congress resolution on this issue to help many in getting this jail constructed. During the course of the hearings yesterday, presided over by the chairman, the distinguished chairman from Washington, Senator ADAMS, Mayor Barry renewed that request so that Senator ADAMS, Senator FOWLER, and I bring this amendment, a sense-of-the-Senate resolution, to the floor at this time. We have brought it to the floor at 9:30 at the outset of the proceedings on this bill, recognizing that it is not a matter that relates to the savings and loan bill, but have done so, as I say, because of the importance and urgency of getting it taken care of now. The urgency arises because this issue is in litigation as to a matter whether it would violate a requirement as to a building which currently exists on the site as being eligible for the National Register.

Mr. President, the history of this matter is that the Congress appropriated some $50 million between fiscal year 1986 and fiscal year 1989 to construct this jail. This initiative was undertaken at a time when this Senator was a chairman of the District of Columbia Subcommittee of the Appropriations Committee. The jail has been delayed in part because of pending litigation which prevents the destruction of the building on the grounds of the D.C. General Hospital, which currently occupies the site of the proposed correctional facility pending a determination of whether the building is eligible for the National Register.

In September 1987, the construction was halted pending the outcome of an archeological survey and alternative site review, and since May 1988 there has been no impediment to proceeding with the construction of this jail.

Mr. President, it is unnecessary for us to take the time of the Senate to articulate the need for a jail in the District considering the tremendous crime rate in the city generally and the tremendous crime rate induced by the problems of drugs.

Washington has been referred to as the "murder capital of the United States" with an astounding number of 150 homicides having been committed in the District since January 1, 1989. There has been, as we all know, a major Federal effort articulated on April 10 by Attorney General Thornburgh, HUD Secretary Jack Kemp, and the Director of drug control policy, Dr. William Bennett.

Mr. President, there may be others who would ask to join as original co-

sponsor at a later moment. We circulated the resolution late yesterday afternoon, after Mayor Barry made the request at about noon. So there may be others from subcommittee who will wish to join as original cosponsors.

Again, I thank the leader. Senator GRAMM has asked that he be added as an original cosponsor at this time.

With that, Mr. President, I yield to the distinguished chairman of the subcommittee.

Mr. ADAMS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mr. ADAMS. Mr. President, I thank the Senator from Pennsylvania. He and I have joined in his resolution this morning, and we will be very brief, but it is very important and very urgent.

Senator SPECTER, as chairman of the District of Columbia, Subcommittee on Appropriations, had his money appropriated in 1986 and 1987, and this has simply been sitting since then. As the new chairman of the Subcommittee on Appropriations, when the Mayor, the head of corrections, and the chief of police appeared before the District of Columbia Subcommittee yesterday morning, they made it very clear that they wished to move forward.

Mr. President, this is of the utmost urgency. We had, last night, the greatest number of homicides since the Hanafi takeover in Washington, DC. We have had 150 homicides since the beginning of this year. That is more than has occurred in the city of Beirut, Mr. President. Therefore, we must move forward and show it in each action. The reason we have singled out this particular one, and the reason Senator SPECTER and I have agreed to do this—and I asked him if he would be the chief sponsor—is that he had obtained the appropriation 3 years ago.

Mr. President, the sense-of-the-Congress resolution which we are offering today makes clear that the correctional treatment facility that the D.C. Columbia government intends to build in Southeast Washington is considered a local project.

The question arises within the context of a lawsuit, as Senator SPECTER has so carefully described, that members of the neighborhood have filed in an attempt to have a building on the proposed site protected under the National Historic Preservation Act. This amendment takes no position on the merits of the legal arguments that underline this suit. Rather, it is intended to express the sense of the Congress that this project is indeed a local project. The Mayor of the District of Columbia requested help in constructing a prison on January 2, 1985, and announced the selection of this site in April 1986. The prison was planned by the local government, the contract for construction was let by the local government, the contract is being executed by the local government, and the local government is defending itself against this suit.

The Appropriations Subcommittee on the District of Columbia has provided $50 million for this project, but it is a local project. The Federal Bureau of Prisons is not involved in this project, no Federal prisoners are involved.

Mr. President, this is a local project.

Mr. President, I want to express my appreciation to Senator RIEGLE and Senator GARN for giving us this opportunity. It is necessary that we adopt this amendment now, because one of the key statements that was made yesterday—Senator SPECTER I know will echo—is that time has passed by and people have been talking about things being done, and activities have not physically started. This is a project that was started. We want to indicate there is no objection in the Senate and that there be a sense-of-the-Senate statement.

Mr. President, I hope this will be adopted and I urge its adoption.

Mr. SPECTER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, just a word or two more. We have expressed here in a statement that we do not take a position on any existing law, because that is not our function. But this sense-of-the-Senate, this sense-of-the-Congress resolution, is designed to say in as forceful terms as possible that this jail ought to be constructed now; and to the extent that there is latitude, to the extent that there may be a permissible interpretation as to the underlying litigation issue, so that this construction may go forward, that is the intent that I, as draftsman, and Senator ADAMS has cosponsored, along with Senator FOWLER and Senator GRAMM.

So we want to express that it is the sense of the Senate and the sense of the Congress, to the court, so that it will be weighed appropriately, in the context that we obviously cannot take any position on existing law.

Mr. President, there is a second therefore clause here which urges the Mayor and city officials to move ahead at full speed on this war against crime and the war against the drug-related crime problems.

We have acted, Mr. President, within 22 hours on the request made by the Mayor. The Congress has cooperated with the Mayor in providing these Federal funds in an unusual way 3 years ago. Our action today, I submit, ought to be an impetus for the Mayor and the other city officials to act with equal speed in dealing with the important crime problem and the important problem of drug-related issues.

Mr. President, I have just been handed a note that Senator WARNER is on his way to the floor with the request that we wait his arrival to speak.

I yield the floor.

Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GARN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GARN. Mr. President, Senator WARNER has requested to speak on this particular measure. However, the staff is not able to locate him at the moment.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, while we are waiting to schedule this vote, the Senator from New Mexico has asked unanimous consent that we temporarily lay aside the bill so that he might make a statement, a morning business type statement, and I ask unanimous consent that the bill be set aside temporarily for that purpose alone.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I appreciate the manager of the bill allowing me to speak as if in morning business.

(The remarks of Mr. BINGAMAN pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. KERREY). Is there further debate on the amendment?

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, we are working to establish a time when the vote will start on the sense-of-the-Senate resolution proposed by Senator SPECTER and Senator ADAMS. Senator WARNER is here now and has remarks that he wants to make on that issue and, when he concludes, I will attempt then either to set the vote in motion or indicate the time that we will commence the vote.

Mr. WARNER. Mr. President, I wish to commend the distinguished Senator from the State of Washington and the Senator from Pennsylvania. I thank the managers of the bill for a minute or two to address their resolution.

First, Mr. President, I ask unanimous consent that I might be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I have worked with others here in the Senate for some years to try and assist the government of the District of Columbia, the several entities of that government, to construct the badly needed prison facilities here in the Nation's Capital. It is the judgment of Senators ADAMS and SPECTER that this resolution will move that prison a step nearer to reality. It is regrettable that it has taken these many years in which the D.C. government has tried to resolve the issue.

But I join with them because in my State, Mr. President, we have the Lorton facility which houses a considerable number of inmates who committed crimes in the District of Columbia. There are a number of us trying to work to try to resolve that issue. That too poses a serious problem and it is my expectation that this new prison will eventually try to relieve some of the pressures on Lorton.

Mr. President, I thank the managers for these few moments.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, we will shortly undertake a vote on the sense-of-the-Senate resolution by the Senator from Pennsylvania and the Senator from the State of Washington. Prior to doing that, there are a couple of pieces of business that we can transact here. I know that we have Senators who have amendments on the bill, including the present occupant of the chair, who are ready to bring those amendments forward, either before we have the vote on the sense-of-the-Senate resolution or immediately thereafter.

But in the interim, I want to bring to the attention of the Senate a letter dated today that I and Senator GARN, as the chairman and ranking member of the Senate Banking Committee, have just received from the Secretary of the Treasury, Nicholas Brady.

It reads as follows:

As the Senate begins consideration of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (S. 774), I want to commend you and the entire Senate Banking Committee for your swift action on this legislation. I am particularly pleased that you and your colleagues on the Committee have adopted many of the Administration's long-term regulatory reforms, including capital and accounting requirements, as well as the Administration's suggested financing mechanism.

I urge the Senate to pass S. 774 expeditiously to help restore public confidence, and to provide the additional financial and enforcement resources necessary to begin the long-term restoration of the savings and loan industry. On balance, the bill reported by the Committee is consistent with the objectives of the President's proposal. We do, however, have some reservations as expressed in the Statement of Administration Policy of April 17, 1989, which we will pursue with you in conference.

Thank you again for your strong leadership on this important issue. The Committee's rapid action and hard work have helped promote the public interest in strengthening the stability of our financial system and implementing significant and permanent reforms for the future.

Sincerely,

NICHOLAS F. BRADY.

We appreciate the letter and the spirit in which it is sent. I would hope, as we move through the day's work and take up amendments that Members may wish to bring to the floor, that we will be able to handle those as rapidly as we can today, so that later in the day we can bring this bill to a final vote.

I am hopeful that we can. We have been working with Senators on both sides, who have indicated an intention to discuss, if not present, a specific amendment to see what might or might not be possible under the circumstances we find ourselves in.

I will say that the bill that was reported unanimously by the 21 members of the Senate Banking Committee is extraordinarily complex. We have attempted to balance it in a way to create a bill that is workable and addresses the problems we face. That is why I appreciate this strong endorsement letter this morning from the Secretary.

So if any effort is made that in a material way would alter the bill or change it in a fashion that would open it up to further changes that in turn would take us off in, really, directions away from the central purpose of what has to be accomplished here, it is my intention to oppose those amendments.

I know that is the view of the members of the committee, as we have talked about it. So, I would hope that in the course of the day we can move through these matters as quickly as we can.

With that, Mr. President, we will have shortly the vote commence on the sense-of-the-Senate resolution.

I see the Senator from Nebraska is here. I know he has an amendment that he wishes to raise with respect to the bill.

The PRESIDING OFFICER (Mr. ADAMS). The Senator from Nebraska.

ORDER FOR VOTE AT 10:45 A.M. TODAY

Mr. RIEGLE. If the Senator will yield, I am informed by the majority leader that it would be best, if we were to schedule the vote on the sense-of-the-Senate resolution at 10:45. So, I now ask unanimous consent that the vote on the pending sense-of-the-Senate resolution begin at 10:45.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KERREY. Mr. President, I ask unanimous consent that the amendment of the Senator from Pennsylvania be set aside so that the Senate can consider an amendment to S. 774.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 50

(Purpose: To broaden the membership and qualifications of the members of the Oversight Board of the Resolution Trust Corporation)

Mr. KERREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska, Mr. KERREY, for himself and Mr. EXON, proposes an amendment numbered 50.

Mr. KERREY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with page 322, line 11, strike all through page 323, line 17, and insert the following:

"(d) OVERSIGHT BOARD.—

"(1) MEMBERSHIP.—

"(A) IN GENERAL.—The Oversight Board of the Resolution Trust Fund shall serve as the board of directors thereof, and shall consist of—

"(i) nongovernment members, and

"(ii) 3 ex officio members.

"(2) EX OFFICIO MEMBERS.—The 3 ex officio members shall be—

"(A) the Secretary of the Treasury,

"(B) the Chairman of the Federal Reserve Board, and

"(C) the Attorney General of the United States.

"(3) NONGOVERNMENT MEMBERS.—

"(A) IN GENERAL.—The 7 nongovernment members shall be appointed by the President, by and with the advice and consent of the Senate for terms of 5 years. Not more than one of such members shall be selected from any one Federal Reserve district. Not more than 4 of such members may be from the same political party.

"(B) QUALIFICATIONS.—The nongovernment members shall have experience in banking, financing, real estate, and business management.

"(4) CHAIRMAN.—The President shall appoint a Chairman from the nongovernment members. The Chairman shall have the business experience necessary to govern an orderly disposition of the assets held by the Corporation. The Chairman, at the time of his appointment may not hold a position other than as a member of the board of directors of a financial institution, real estate firm, or trade association.

"(5) TERMS OF OFFICE, SUCCESSION, DELEGATION, AND VACANCIES.—The term of each member shall expire when the Resolution Trust Corporation is terminated. Vacancies on the Oversight Board shall be filled in the same manner as the vacant position was previously filled.

"(6) COMPENSATION.—The nongovernment members of the Oversight Board shall be compensated in the same manner as the members of the Board of Governors of the Federal Reserve System under section 10 of the Federal Reserve Act.

On page 323, line 18, strike "(6)" and insert "(7)".

On page 324, redesignate paragraphs (7) through (9) as paragraphs (8) through (10), respectively.

On page 324, line 10, strike "3" and insert "5".

Mr. KERREY. Mr. President, yesterday I rose to compliment the Senator from Michigan and the Senator from Utah and the entire Banking Committee for their work in producing S. 774.

Mr. President, S. 774 represents an unusual accomplishment on the part of the chairman and the full Committee on Banking. It is an accomplishment, as I referenced yesterday, that I believe will get a round of applause from the American people, but it will also be an accomplishment that will be greater with some anger. It is an anger that I feel as well. As I observe this $157 billion 10-year spending program, I find myself feeling a sense of sadness, but I set-aside that anger and sadness and say that we must, in fact, do this. We must appropriate the money. We must make the regulatory changes that have proposed in S. 774, and I support that action.

However, Mr. President, my amendment to this piece of legislation calls attention to what I believe is a potential scandal of immense proportions if we do not change the structure of the Resolution Trust Corporation.

This entity will be charged with liquidating the assets of at least 350 savings and loan associations. This entity will have the task of liquidating at least $100 billion worth of assets. This entity will also be charged to do this as fast as possible, but also so it that returns to the taxpayers as high a dollar as possible because, Mr. President, every dollar that we receive from the liquidation of these assets will reduce the burden upon the American taxpayer.

Further, Mr. President, not only does this entity have to liquidate these assets in an expeditious fashion, they must do it so that there is no appearance of political conflict. Above all, it seems to me, Mr. President, that we in the U.S. Senate should be concerned that we not setup an institution that will almost, be definition, have a difficult time of carrying out its objective. We do not want the work of liquidating these assets in an expeditious fashion to be brought to a halt simply because we are concerned about potential political conflicts.

Mr. President, the current structure, as proposed in the bill, has the Attorney General of the United States of America, the Treasurer of the United States of America and the Chairman of the Federal Reserve as the three principal members of this five-person board. I observe that all three of these individuals have their hands full doing other work; that they simply will not have the time to spare on what will be the largest liquidation of assets in the history of the United States of America, a job that almost defies our imagination as we attempt to understand what work will be involved.

I offer this amendment not with hostility toward the Banking Committee, but constructively believing that we need to try to liquidate these assets in a fashion that will minimize community disruption, that will minimize unwarranted profiteering or double-dipping or other sorts of scandals that potentially can occur and will finally give you and I a window of accountability because, in the end, we are the ones spending the money; we are the ones voting to spend taxpayers' dollars, and we will be asked repeatedly to account for that appropriation. And only if we have some appropriate window, as I propose, will we be able to account. Otherwise, we may be reduced, as we were earlier this year, to requesting a General Accounting Office investigation to discover what has transpired.

My proposal calls for seven board members to be appointed by the President and to have the Attorney General, the Treasurer and the Chairman of the Federal Reserve serve as ex-officio members.

It is dependent upon a strong-Chair concept. I believe, above all, the President needs to look for an individual who has the integrity and the trust of the American people so that the Resolution Trust Corporation will, in the end, be trusted by the people who will depend upon it. It is, Mr. President, I think an instance where we are at once saying to the chairman of the Banking Committee and the full committee, thank you for a job well done, but I pause in this moment as well to say I believe the potential in this corporation for scandal is very, very great and that the need for action is urgent. I thank the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, let me say that I very much appreciate the kind comments of the Senator from Nebraska, and I appreciate very much his keen interest in this bill. I must say that I and others share the very concerns that he has raised. The whole question of the Resolution Trust Corporation's handling and disposing of an unprecedented amount of assets is a matter of great importance. The initial estimates are that some $400 billion in assets will have to be managed and disposed of over time. This is clearly an enormous assignment, and the potentials for impropriety or poor management are obviously inherent in anything of this size and of this unusual nature.

But, I want to say that Members of the committee have acted to do some things that we think appropriately address those concerns. First, we have added two private members to the Resolution Trust Corporation's Oversight Board. We have also, expect the RTC to have a full-time chief executive officer, a person of extraordinary capacity, background and expertise, who can carry out that very major public assignment.

We have, also, added 12 regional advisory boards to channel input of private persons into the RTC. We have done that because of the extraordinary problems that exist in different States and parts of the country. These regional advisory boards will consult with the RTC on strategic planning, marketing strategies and procedures to dispose of assets.

So, we have given this matter very careful thought and have made changes in the administration's bill that address concerns the Senator from Nebraska has raised. We have raised the issue of the Senator's amendment with the Administration as to how they would react to the amendment. They have gotten back to us, and they indicate they would oppose the amendment. We have discussed it back and forth on the committee. We think this amendment moves beyond what we have structured. We think it goes further than we want to go at this time.

So, it will be the intention of myself, on behalf of the majority side of the committee, to oppose the amendment, with no disrespect, obviously, to the Senator from Nebraska. I yield to my colleague from Utah.

Mr. GARN. I thank the Senator from Michigan. I also must oppose this particular amendment. I understand where the Senator from Nebraska is coming from because this is a very difficult problem and undoubtedly is the greatest collection of land, buildings, and real estate that has ever been put together as a result of the S&L crisis.

We had long hours of discussion about how we do this. One of the major conclusions was there were two things that you could do wrong. You can sell the property too fast and you can sell it too slow. So how you balance that in the middle, as the chairman has outlined, is with all of these advisory boards, regional advisory boards, to take care of difficult problems in the Southwest that are different than in other areas of the country. We do feel that in the bill we have addressed this issue properly to try to achieve that balance.

Treasury does oppose it because the taxpayers of this country are on the hook for a large amount of money, eventually over $100 billion, and I do think that the balance achieved on the board now with private members but leaving control and authority with Treasury is proper when that much money is at stake. So Treasury feels they would totally lose control, and it would gut the present board. I understand what the Senator from Nebraska is attempting to accomplish, and is correct in his goal, but I do believe we have balanced it properly in the bill. Therefore, I oppose the amendment on behalf of the minority.

Mr. KERREY. Mr. President, just one final comment. Again, I want to make it clear I have a great deal of respect for the amount of work that was done to produce this legislation, and I understand that amendments of this kind need to receive the approval of many different people in order to get support of the committee. I understand as well that in the end Treasury has to sign off on this proposal and that Treasury is relinquishing under my amendment some considerable amount of authority.

But that is the intent of the amendment. I urge my colleagues to consider that a year from now a question may come from a constituent about the liquidation of an asset, a question may be raised by an investigative journalists who says, "Senator, did you receive a campaign contribution from someone who has benefited from this liquidation?"

I say to you, if you answer that question yes, the appearance of conflict is going to be awfully difficult for each and everyone of us who intend to vote for the passage of this legislation. We should, I believe, have an entity to which we can go outside of Treasury. I do not want him to have to request information from Treasury every time I have a constituent with a question about how his money is being spent and about how these assets are being liquidated. I do not want to have to wait for an annual or a biannual report before I can look to see what is happening.

I suggest, with all due respect, all of us will regret action was not taken on this amendment or something like it that requires the President to appoint a strong Chair which the people themselves will trust.

Again, I have a great deal of respect for the Chair and what has been done. I feel the concern and the urgency to make this change is very great.

Mr. RIEGLE. Mr. President, I would like to add a couple of thoughts here, and then maybe we can move to resolve this particular issue. In order to get this material into the RECORD prior to the vote, let me ask unanimous consent that the vote scheduled to start at 10:45 start at 10:50, if I may.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered. The vote will be scheduled for and occur at 10:50.

Mr. RIEGLE. I do not think that will inconvenience anyone, but I have the material I think has to be presented on this very important point that the Senator from Nebraska has raised.

On page 342 of the bill we have a section that deals with asset disposition, and we indicate and spell out in the law the following:

"(1) IN GENERAL.—The Corporation shall develop a strategic plan and shall establish and implement policies and procedures to—

"(A) maximize the net present value of the return from the assets it owns or manages;

"(B) minimize the disruption to the local real estate markets and banking and thrift communities caused by the Corporation's operations; and

"(C) provide for an adequate level of capital for the operation of the Corporation.

The plan shall provide for the disposition of assets, consistent with the above stated objectives, in the most efficient and orderly manner. Such policies and procedures shall, at a minimum, take into consideration the current local market conditions, an appropriate financing standard, the value of the asset, the potential appreciation of and the expenses and risks associated with holding the asset for a period of time, and the sources and cost of funds to further develop the asset. The policies and procedures shall also provide for adequate competition and fair and consistent treatment of third parties seeking to conduct business with the Corporation. The Corporation's books and records shall contain evidence of the Corporation's adherence to its plans, policies, and procedures.

Now, I must say that great effort has gone into devising that very specific legislative language to lay out a roadmap that we think is appropriate to this assignment.

But, let me address the question of ethical safeguards, because that is another important point and it relates to an issue that the Senator from Nebraska raises. In the committee report on page 29 under ethical safeguards concerning the Resolution Trust Corporation we say as follows:

Under the proposed legislation, the RTC is not an agency of the federal government. Given the amount of public funding provided to the RTC, the Committee is concerned by the potential for the very types of fraud and abuse that caused problems at many failed thrifts. Therefore, the bill subjects agents and employees of the RTC to ethical standards at least as high as those that apply to FDIC employees. Further, the bill makes agents and employees of the RTC (such as attorneys, accountants, appraisers, brokers, and property managers) accountable for malfeasance and subject to the same criminal penalties as FDIC employees.

That is very specific, it is very deliberate, and it is there because it needs to be there. So, we are acutely sensitive to the issue that the Senator raises.

I said earlier and I repeat again, we established 12 regional advisory boards across the country to provide a level of specific geographic input to help us understand more fully exactly what we may be dealing with in different areas of the country.

I think we have addressed this problem in a workable way. I feel we have solid provisions worked out in this area. So, I feel we would have to oppose the amendment. I have talked with members of the committee. I say to the Senator from Nebraska, at an appropriate time, I will move to table the amendment. But, I will not do so, if the Senator decides he does not want to take it forward to a vote. That will be his judgment.

AMENDMENT NO. 49

The PRESIDING OFFICER. The hour of 10:50 having arrived, under the previous order, the vote will occur on the sense-of-the-Senate resolution. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

Mr. SIMPSON. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—98

Adams	Biden	Boschwitz
Armstrong	Bingaman	Bradley
Baucus	Bond	Breaux
Bentsen	Boren	Bryan

Bumpers	Hatch	Moynihan
Burdick	Hatfield	Murkowski
Burns	Heflin	Nickles
Byrd	Heinz	Nunn
Chafee	Helms	Packwood
Coats	Hollings	Pell
Cochran	Humphrey	Pressler
Cohen	Inouye	Pryor
Conrad	Jeffords	Reid
Cranston	Johnston	Riegle
D'Amato	Kassebaum	Robb
Danforth	Kasten	Rockefeller
Daschle	Kennedy	Roth
DeConcini	Kerrey	Rudman
Dixon	Kerry	Sanford
Dodd	Kohl	Sarbanes
Dole	Lautenberg	Sasser
Domenici	Leahy	Shelby
Durenberger	Levin	Simon
Exon	Lieberman	Simpson
Ford	Lott	Specter
Fowler	Lugar	Stevens
Garn	Matsunaga	Symms
Glenn	McCain	Thurmond
Gorton	McClure	Wallop
Graham	McConnell	Warner
Gramm	Metzenbaum	Wilson
Grassley	Mikulski	Wirth
Harkin	Mitchell	

NAYS—0

NOT VOTING—2

Gore Mack

So the amendment (No. 49) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FOWLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 50

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. RIEGLE. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. RIEGLE. Mr. President, if I can have order in the Chamber and the attention of my colleagues, we have just finished voting on the sense-of-the-Senate resolution which was, in a sense, extraneous to the savings and loan legislation which is before us. Just prior to that vote, we had been debating a potential amendment of the Senator from Nebraska. We had pretty much concluded that discussion. I know the Senator is on the floor. He may wish to indicate what his intention is.

Before he does, I want to say to others here that we are open and ready for any amendments that anyone has ready and wishes to offer. I would be quite happy, if there were no amendments. But, those who want to present them should be prepared to do so, because we are ready to take them up in immediate order.

Mr. SARBANES. Will the Senator yield for a question?

Mr. RIEGLE. I yield to the Senator from Maryland.

Mr. SARBANES. Does the Senator have any notion of how many amendments in fact might be pending which would have to be considered with respect to this legislation?

Mr. RIEGLE. Yes.

I might say that, since the bill was reported and the report was available, we have been working with a number of Members both on the committee and off, who have expressed an interest in possible amendments. Some formal amendments, we think, will be offered.

At last count it looked as if we had the potential for as many as maybe 17 amendments. Two of the Senators on that list of 17 had more than one item that they might raise.

But, discussions are ongoing, and I think it is fair to say that not all of the amendments will be offered, although some will be.

We are quite interested in taking them up in an orderly fashion and having the Senate work its will.

We do want to try to finish the bill this evening.

Mr. SARBANES. That was my next question to the chairman. What was his intention, if it is achievable, in terms of completing action on this measure?

Mr. RIEGLE. The majority leader has said that he wants to move as rapidly as possible on this legislation. He hopes to finish it today. He has indicated that we should plan to have a late evening, if that is required, with the hope of finishing the bill. We are ready to move along on these issues.

I am hopeful that we will be able to complete it today, but I cannot presume as to what the will of the Senate will be.

Mr. SARBANES. Has developing time agreements with people who want to offer amendments been explored or have we been able to develop a scenario of dealing with amendments and completing them?

Mr. RIEGLE. Discussions are underway now with Members who are considering the possibility of offering amendments. I do not think we are at a point now where time agreements would be the most useful course of action, because we may or may not have amendments being offered. Certainly, if we reach the point where it seems sensible to try to lock in a time agreement or seek one on the remaining amendments that will be offered, we will certainly consider doing that.

Mr. SARBANES. Mr. President, I simply want to support the chairman in his effort to try to get Senators to decide on offering amendments—hopefully decide not to—and allow the committee's product to move forward so we can act expeditiously on this legislation.

I think the chairman and the ranking member, and if I may say so, I think the other members of the committee on which I am privileged to serve have done a very effective job of working through this legislation. I think we need to move it as promptly as we can.

I know that the majority leader has a scheduling situation in which I think he anticipates the Senate will recess on time, I believe, and obviously we need to finish this legislation before that takes place, and I think if we can just get Senators who want to offer amendments to come to the floor and offer them and have a reasonable debate, and then dispose of them one way or the other and move through this matter, I would hope we could meet with the kind of schedule that the chairman has outlined.

Mr. RIEGLE. I should add one other thing in response to the inquiry of the Senator from Maryland. The majority leader has also said that he feels the need for the urgency of moving this legislation today, and that, if he were to find that periods of time were elapsing without amendments being offered, he would be prepared to move to a third reading.

I do not mean to speak for him, but I am paraphrasing what he has indicated to us as leaders of the bill.

I know it is his intention to proceed through this bill as quickly as we can today and hopefully finish it today and, if not, to finish it tomorrow. But, I know he feels very strongly about having amendments handled and the bill passed.

Mr. SARBANES. At times Members, when a bill comes to the floor like this, assume that the amending process is not going to start seriously until some time later. I just think it is important to underscore we are there now and ready to deal with amendments and, in fact, there is a constraint upon us to deal with amendments and to deal with them promptly.

So I support the chairman in his effort to get members to really present their amendments so we can work through them.

Mr. RIEGLE. I thank the Senator from Maryland.

Mr. EXON. Mr. President, I rise in support of the amendment offered by my friend and colleague from Nebraska, Senator KERREY. I know that we want to move this bill along. I know that we have worked very hard on it. I know that we are rush, rush, rushing and there is a reason to rush, rush, rush because the more we delay this bill, the more it is probably going to cost the taxpayers in the long run.

Talking about the cost to the taxpayers in the long run is the heart and soul of the amendment that has been offered by my colleague from Nebraska.

Under the measure as it stands and came out of the committee, there are three people in the Federal Government, administration people primarily, the Chairman of the Federal Reserve

Board who with two others make the decision as to where the money should go, to what bailout, what institution with taxpayer funds.

The amendment offered by Senator KERREY from Nebraska simply says that we should appoint a board of wise men, of specialists, if you will, to make this determination.

Certainly, the Chairman of the Federal Reserve and certainly the head of the Treasury Department are extremely busy people that I suspect are not going to have the time to make considered judgment on which choice should be made between two institutions that are in some degree of difficulty.

The obvious answer might be, well, then they both probably should be helped.

If you take that line of approach, it seems to me, Mr. President, that you are failing to recognize that we are trying to conserve the $50 billion plus, and I think it will be more than that before we finish, but a minimum of $50 billion of taxpayers' money that we are going to use to bail out the ailing S&L industry.

It seems to me, Mr. President, that the businesslike suggestion made by Senator KERREY is one that should be adopted. I know the administration is opposed to this. I know that the chairman of the committee and the ranking member thereof are, therefore, opposed to it or at least they are agreeing with the administration's position.

I just do not want to belabor this point. I simply want to say let us stop, let us listen, let us look, and above all, Mr. President, let us think.

If you were setting up your money to the tune of $50 billion would you not want a board with high expertise that could take the time to make timely decisions in a timely fashion rather than to saddle that on the relatively few busy individuals as proposed by the bill?

The fact of the matter are that if this bill is adopted, signed into law as proposed, bureaucrats are going to be making the decision as to where the money goes.

Senator KERREY is simply saying that if we are going to do this let us do it right and let us appoint some experts to this board who can make a measured judgment, therefore helping to conserve the heavy burden that we are saddling on the taxpayers with this measure regardless of the outcome.

Therefore, I hope that the Senate will pay careful attention to the amendment offered by Senator KERREY and give a measured thoughtful vote on what they think is right in this case rather than what I think is a hasty decision and an ill-conceived one by the administration to oppose the Kerrey amendment.

Mr. President, I yield the floor.

Mr. BUMPERS. Mr. President, I also rise in support of the amendment of the Senator from Nebraska. One reason I do it is because I have developed such a keen appreciation for his ability and his intellect and his concern. He has been here a very short time and I do not know of any time since I have been in the Senate that I have seen a freshman Senator develop as much credibility as quickly as Senator KERREY has. So when he called me yesterday and described the amendment and told me why he felt very strongly about it, I immediately began to think about it and told him that he may not get very many votes, because I know that the committee is committed to defeating all amendments.

I have, incidentally, been in the Senate now a little over 14 years and I have never subscribed to that "let's defeat all amendments" philosophy.

Everybody knows that the chairman of the Banking Committee is one of the best friends I have in the Senate and a man I hold in the very highest esteem and regard. He has worked relentlessly and tirelessly on this bill, as has the very distinguished Senator from Utah.

But I want to remind my colleagues that one of the reasons we are here today on this bill is because there was no oversight of the S&L industry. We deregulated that industry and turned them loose. If we had said to the S&L industry that we are going to deregulate you but we are going to watch you with an eagle eye and followed up on that, we would not be here today.

And so what the very able Senator from Nebraska is saying is, let us make sure this we do not come back here 3 or 4 years from now with oversight hearings and have the Secretary of the Treasury, who is going to be the chairman of the board which is charged with the responsibility of disposing of $400 billion worth plus of assets, to have him standing in front of a committee saying, "Well, you know I was all bogged down with that Third World debt. You remember the Brady plan on how we are going to relieve the Third World of their indebtedness, I just did not have time."

I must confess, it just seems crazy to me to have the Attorney General and the Secretary of the Treasury and the Chairman of the Federal Reserve Board as a three-man board. None of those men have one additional second in their day today to take on this added responsibility of overseeing the disposition of $400 billion—plus in assets. And for every dollar they lose, it comes right out of the long-suffering taxpayers who bellied up yesterday with all that money.

Now it is one thing to stand around here on April 15 and feel sorry for the taxpayers. I felt pretty sorry for myself yesterday, Mr. President. But I realize how important our whole tax collecting system is. It is the greatest in the world.

I was in Brazil the other day—this does not have a thing in the world to do wtih this amendment—but I was in Brazil the other day and I found that one of the reasons Brazil has unspeakable poverty is because it is a national pastime to avoid paying taxes—140 million people and 5 million taxpayers. Think about it.

In this country, we have 240 million people and 100 million taxpayers. And they deserve the attention of this body in dealing with this probelm.

It is estimated that this whole thing over a period of 10 years is going to cost $157 billion. They are going to use some of that money I paid yesterday. I have a daughter starting to an expensive law school and, believe you me, all I could think about was I paid enough to put her through law school yesterday. I did not enjoy a minute of it, but I understand it.

But I do not want this body to follow that up and say, "We are going to put three men on a board to dispose of all those foreclosed assets," and those men do not have time to go to the bathroom now. And I can tell you that 4 years from now, Secretary Brady, if he is still around, is going to come before the Banking Committee and say, "Gentleman, I had an uneasy feeling in my stomach that you should not have given us that responsibility. We just did not have time to oversee it."

And the Attorney General, testifying all over this Hill every day about drugs and what we are willng to do to bring the drug problem under control; and the Federal Reserve Board, the board chairman over there, worried about interest rates. And we say, "Gentleman, you ain't seen nothing yet. Wait until we give you this responsibility."

It is silly. It is irresponsible. And this body ought to face up to its responsibility.

I am not trying to break the dike on the committee by getting one amendment passed and then all the amendments start getting substantial votes, too. But as I said, I do not belong to the school of thought that 80 Senators should have no input into the final makeup of this bill. I again follow that by saying that members of the Banking Committee are all able people, but they are not the fountain of all wisdom and the other members of this body ought to have some say so about their bill, no matter how hard anybody worked to craft it.

I am saying that a seven-man working board charged with the actual responsibility, with these three men as ex officio members—make them ex officio; I am ex officio on everything. It means you do not have to do anything—let them be ex officio members, but appoint a seven-man board that is

going to honest-to-God delve into the policies of how we are going to dispose of $400 million worth of assets.

I commend the junior Senator from Nebraska for having the idea and, frankly, having the courage to come here, in the face of overwhelming opposition, and offer this amendment. I am going to support it, and I am going to support it happily. I hope other members of this body will also.

I yield the floor.

Mr. RIEGLE. Mr. President, I think we have had a good discussion of this and we will soon be ready for disposition of the amendment.

I know the Senator from Nebraska has indicated that he would like a vote on the amendment. At an appropriate time, I will move to table the amendment. I hope that, if anybody else wants to be heard on it, they will so indicate, because I want to make sure everybody has a chance to have their say.

I do want to say, in response to the very informed and compelling remarks of my colleague, who just spoke, my good friend, Senator BUMPERS, that we have added to the proposal of the administration two private sector members. We specify that they be individuals with substantial experience in managing large business organizations involved in real estate development, finance or disposition. We have moved in the direction of broadening-out this board to add those two, along with the Secretary of the Treasury, the Attorney General, and the Chairman of the Federal Reserve Board.

I also indicated earlier, in answer to a question from the Senator from Nebraska that the Senator may not have had a chance to hear, that we also have directly addressed the question of making agents and employees of the RTC subject to the same conflict of interest rules that govern the conduct of the FDIC employee, because we want the highest possible standards, and we are very sensitive to that issue.

We have, also, of course, set up the regional advisory boards around the country in areas that have been especially hard hit—and I know the Senator's State has been hard hit—to create still an additional level of input of how we manage and dispose of RTC's assets.

I would just say one other thing: I think the Senator is correct in saying that in years past the oversight really has not been sufficient, wherever you look, starting with the regulations, the industry itself, State regulatory authorities, Congress, the executive branch, and others. I think they really were not sufficiently vigilant in terms of monitoring the buildup of problems in the savings and loan industry and blowing the whistle early a long time ago. That should have been done, and it was not done.

I can tell you this, speaking for the committee from today and looking forward, the Senate Banking Committee is going to be very aggressive in its oversight responsibilities in this area and in all other areas.

Because I think the oversight responsibility is, in many respects, as important as, if not often more important than, the initial legislative responsibilities. Because, so often when these programs or activities are undertaken by the various bureaucracies, they take on a life of their own and momentum of their own that may, in fact, not follow through on the original legislative intent. I intend to monitor these activities very carefully. If I see anything wrong, I intend to blow the whistle.

Our committee will be actively involved in that way, and if we find we have problems developing, the Senator from Arkansas will not have to go out and do the detective work himself, because I view the job of our committee to be sufficiently aggressive and on top of these things that we will spot these things and bring them to the attention of the Senate. It will be my clear intention to do so. I feel very strongly about meeting that responsibility in that fashion.

I do not know if others wish to be heard. The Senator from Illinois, I think, wishes to seek recognition.

The PRESIDING OFFICER. Senator DIXON, the Senator from Illinois.

Mr. DIXON. Mr. President, I arise, frankly, with considerable reluctance to make these remarks, because the sponsor of this amendment, in my view, is a fine new Member of the Senate. He certainly is a warm friend, and I regard him highly. Under almost any other circumstances, quite frankly, Mr. President, I would like to support his amendment.

I talked to him at great length on the telephone and on one occasion in the hallway of the Hart Building about this amendment. I know he is motivated out of a deep personal conviction that there ought to be a change in this board, that is predicated in large measure, Mr. President, on an experience he had during his exceptionally fine service as Governor of Nebraska. I am frank to say that, independent of everything that has occurred in the development of this legislation, I believe I would be inclined to suppport his point of view because of my high regard for his ability and his past experience and his outstanding service as Governor of his State.

I hear what my friend from Arkansas says. He is certainly right when he says that all the intelligence and all the understanding of this problem does not reside in the separate minds of those 21 people, however able, that serve on the Banking, Housing, and Urban Affairs Committee. And I want to further state there will be a conference on this bill, Mr. President. There are many, many differences between the House bill and this Senate bill. There will be many opportunities in the conference—and I have been in some long conferences on legislation produced by the Banking Committee—to discuss this matter further.

I want to further make the point that we have looked at the composition of these boards. We have already changed the composition of the RTC. We changed the composition of the FDIC in the future, and so we have addressed some of these problems. We have given it considerable thought and discussion.

I guess that is the point I want to make here. The chairman of this committee and ranking member have been holding hearings all spring. I would want my colleagues in their separate offices who might be watching this debate to further understand, Mr. President, that we spent 3 days in very intense discussion, from early in the morning often until late at night, in the office of the chairman, every one of us there, everyone with staff there plus the committee staff there, going through almost in exquisite detail every single item of dispute in this bill.

Let me say on this floor for the first time in this public place so the people of my State know: Some of the things I wanted to do I could not get done in those conferences. I have yielded, Mr. President, on things I fought about tooth and nail in that private conference for days. Some of these things are, frankly, the accommodations that people of different strong views finally make in the committee.

Having been involved at the very heart of the discussions on the major Glass-Steagall legislation that we marked up in committee 18 to 2 last year and that finally passed on the floor of the Senate 94 to 2. I want to declare it is a major miracle that this legislation could come out of that committee unanimously. It is absolutely a tribute to a new chairman who has given all of his time up until this very moment to the production of this bill.

I am not that crazy about parts of this bill. I tell you, left to my own device, I could walk away from this bill to some extent. I mean that. But this is the product of 21 different people stretching the whole philosophical view from the left to the right in that committee, people of strong opinions who have come to accommodations on this, sometimes out of sheer respect for the chairman of the committee and the ranking member.

Now, at the end, we were divided on that very serious issue of financing. The chairman and others felt strongly about that. Probably we had a majority in the committee—may I say this candidly—to win the position of the

Chair against the administration position so dearly held and so strongly held by the Secretary of the Treasury, who took his time to talk to me for 45 minutes on a Sunday about that one issue. And some of us yielded on that; yielded, frankly, because we felt it was what we had to do to save this bill.

Now, there is over $100 billion in debt out there. Nobody knows how much debt there is out there, Mr. President. Nobody really has any idea. It is nothing but a guesstimate, a best guess. But it is a lot.

We put all the pain in the world we could on the institutions. The taxpayers will pay for some of this, obviously. There is a lot of hurt in this, for a long time. This issue is important. It is well presented by an exceptional new member on this side who has a long, I am satisfied, and distinguished career before him in this place. It is supported by, without any question, the most eloquent Senator in this body, in a very fine speech just now. But the central issue here is: Can we stand for this bill and take it to the conference?

Now we are divided on something that appeals to us emotionally, or somehow, every time we come to this. The last time, I remember quite well, my distinguished friend from Florida, Senator GRAHAM, had a strong feeling about something with respect to the powers. Some of us thought he was probably right. I thought he was right. And I opposed him at that time for this very same reason.

Let us take a bill out of here we can stand on.

This amendment has some merit. I want to say publicly I am open, in the conference, to some further consideration of changes in the composition of this board. I like the idea of the Senator from Nebraska, that there ought to be some more independent thought in this, independent of the people that hold these big offices, Attorney General, Secretary of State, Chairman of the Fed, and I think that my friend from Arkansas is right when he says their hands are full anyway. Although one can observe that they have the right to send someone in their place to act.

So there is an opportunity for discussing this further. But if we lose on this amendment, the committee, if we lose on this first amendment that is inherent in the question of composition of this bill, every single person that comes here is going to say: You have already adopted amendments, and here is one of merit.

Now, I happen to have the responsibility of being chairman of the Subcommittee on Consumer and Regulatory Affairs of the Banking Committee. My friend from Ohio has in mind four amendments, several of which we visited many times before, all of which have appeal, particularly from the standpoint of the consumers: on free check cashing, cheaper services for the poor, and a lot of things that have merit and the Democrats love. And it is going to be my duty to oppose him shortly here. I might even be able to make a decent argument that his has as much merit as this one; maybe more.

All have merit. We are not arguing merit here. We are arguing the greater merit and the greater value of a piece of legislation this thick, on which an administration, and all of its supporters, and 21 members of this committee have spent all this spring, 22 hearings and uncounted hours of private conference and a markup.

I say do not change it. Send it to the conference. We learned from this process. I talked to the chairman before I got up to make this speech. He has said we are open to further discussions in the conference. Do not say we will do it. Do not even say we will do it as my friend from Nebraska wants it exactly, but that we are open to it.

But this is going to be the first rollcall. When the bell rings, 100 Senators are going to come over here and decide whether they want to draw a new bill or keep this one.

I want to say this, there is more hurt than compliments in this bill. When we go back home, we will defend it more than we will take compliments and applause and handshakes for it. If somebody wants to rewrite it, that is OK with me. I am personally in favor of making it the Riegle bill, I say to my colleague.

Mr. President, it is not a perfect bill. There will be some who will not like it, but it is done to the best of our ability as members of that committee after a long time and in the best way we knew how. It is a better bill than the House bill, and we will find a better bill in the conference. I think we ought to leave it alone and get to that work as quickly as we can. The majority leader, in his wisdom, has said, let us conclude it by late tomorrow afternoon before Passover. I say to that, yea, verily; let us reject all the amendments, let us vote for the bill and let us send it to the conference.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland, Senator SARBANES.

Mr. SARBANES. Mr. President, I will be very brief, and I really want to respond to my very distinguished colleague from Arkansas who I think made a very strong statement for the amendment. I agree with him that all wisdom does not reside with the committee. I have been around this place long enough to realize there is a lot of wisdom in each one of the Members of the Senate. I am perfectly prepared to accept that point. I think it is a valid point.

I want to say to the very able Senator from Nebraska who has offered this amendment, the committee, in fact, took part of the rationale that has been advanced in this amendment and in fact incorporated it in the work of the committee because we did add two independent members to this board. It seems to me we have a board now that combines two things: the perspective of independent members and a targeted responsibility on highly significant and responsible officials of the administration: the Attorney General, the Secretary of the Treasury and the Chairman of the Federal Reserve Board. So that you have in each instance individuals who head up a major establishment, highly competent as a general proposition who continue to bear an obligation and responsibility. I think that is important. I think that is very important.

One of the difficulties in the past, frankly, is we have these independent boards and they did not prove to be independent. What happens is you set up these boards ostensibly independent and then different interests seek to gain their representatives on those boards, and the consequences of a board ostensibly set up to be independent proves to be just the opposite.

Second, when you do that, you diminish the direct responsibility of the current administration, whoever it may be, for how these activities are being conducted and, of course, they obviously have a strong interest because there are potentially significant costs involved.

It seems to me that what the committee has done, which is try to blend these two things, is a sensible proposition. We have tried, in effect, to put together both some independent members of the board to bring that perspective and at the same time keep a focus and a responsibility on these major officials: The Attorney General, the Secretary of the Treasury, and the Chairman of the Federal Reserve Board.

So I am frank to say I think what the committee has done is a sensible proposition. I think it will give us an oversight board which can do the job that will combine these two perspectives that will maintain a highly responsible focus, and I am, therefore, supportive of the chairman and his response to this amendment.

Mr. RIEGLE. Mr. President, I think we have discussed this pretty fully. I would like to go ahead and quickly offer the tabling motion. I see the Senator from Nebraska and the Senator from Arkansas are on their feet, and I assume they want to speak further on it.

Mr. KERREY. If the Senator will permit me to make one final comment on it.

Mr. RIEGLE. By all means.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, with respect to the time required, I want to make it clear, if this amendment fails to pass, I do not intend to oppose the bill. I intend to support the legislation.

I want to make it clear as well, when the Senator from Illinois made the statement that he in some way prefers not to vote for this bill, I share that feeling. I share that feeling for one very important reason, and that is the people of Nebraska whom I represent do not trust what has transpired. They feel as if they have been deceived, and I think their feeling is correct. They feel as if fraud has been perpetrated upon them, and I believe they are correct. They believe that insufficient oversight occurred over the past 8 years, and I believe they are correct. They believe that when they come to me and ask for relatively small appropriations and I tell them that we have a deficit and cannot spend more money on children, more money on health care, more money on rural development, they believed that there is a hypocrisy when I have just voted for the largest spending program since the Marshall plan. They believe something has gone wrong here. Their trust in their Government, I believe correctly, has been diminished. Their trust has been diminished.

What this attempts to do is direct our attention toward the need to restore trust, directs our attention to the need for accountability, to understand what is going on so that we can answer all the questions that will be asked over the coming years as to what is happening with the disposition of the assets.

Mr. President, the presence of three people out of five from this administration will give the administration practical control over what the RTC does and will require us, we who are voting the money, to go to the administration every time we have a question and want to get it answered.

It is precisely because I believe control must be taken away to some extent from the administration that I am proposing this amendment. I find myself to some extent in the same position as the honorable chairman of the committee as not long ago being told after supporting and working hard to develop this piece of legislation, after giving so much to it, was told that his reasonable amendment change, which essentially would save the taxpayers $4.5 billion, was going to be vetoed if sent to the administration in that form. I believe, in fact, that we who are appropriating the money need to have greater accountability so as to be able to reestablish trust, and it will not be easy to do. It will not be easy for those of us who intend to support the Chair and vote for this bill to go home and explain what we have done and why they should trust us now for having spent their money this way. It will not be easy for us and I believe, Mr. President, this amendment gives us an opportunity to increase the opportunity to do that.

I thank the Chair.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS].

Mr. BUMPERS. I will be very brief. I know the chairman wants to get on with this, the managing chairman of the bill. I want to just make two or three points.

No. 1, when I say that the Banking Committee is not the fountain of all wisdom, that is not intended to be pejorative or denegrating of the committee. Everybody in this body knows that this committee has been working night and day to fashion this document. But we are a deliberative body, Mr. President. To suggest that a document with 564 pages—that is thick—is somehow sacred and that every word is infallible, why, we do not have to honor the majority leader's commitment to try to finish this bill by 4 o'clock tomorrow afternoon. If that is in fact the case, we can leave now. If the other 80 Senators who are not on the Banking Committee are to have no say-so about trying to improve this document, we do not have to wait until 4 o'clock tomorrow afternoon.

I do not know when Passover starts, but we are going to leave here tomorrow night and we are not coming back; everybody is going to either go to Andrews Air Force Base and get on a plane and go home or do something else. I know how the herd instinct works around here. They can smell that adjournment hour tomorrow afternoon so everybody wants to defeat these amendments or discourage everybody else from offering one. No one wants to get overwhelmed by a vote, particularly by a freshman Senator from Nebraska. I admire his courage. He knows he is swimming against the tide with his amendment. But, Mr. President, I find it interesting that not one single word has been uttered to suggest that the amendment of the Senator from Nebraska is not an improvement over the board as constituted in the bill.

Mr. SARBANES. Will the Senator yield on that point?

Mr. BUMPERS. I will.

Mr. SARBANES. With all due respect to my dear friend from Arkansas, that is exactly the case I tried to make. Now, the Senator may not accept it, the Senator may feel that it fell short on the substance, and I have great respect for the judgment of the Senator from Arkansas, but I did not make the argument that this amendment should be rejected because there was not wisdom outside of the committee. I tried to address the amendment on its substance.

Now, I regret that that argument fell short in persuading my friend from Arkansas. I did not think it fell so far short that the assertion could be made it did not try to address the substance of the amendment in terms of arguing for the committee's position as being substantively a better position than the one contained in the amendment.

Mr. BUMPERS. Mr. President, I do not have a thing to do the rest of today and tomorrow, so I ask the Senator to make the argument for me.

Mr. SARBANES. As I told the Senator, the committee tried to combine the perspective of two independent members with continuing to put a focus of responsibility on these important officials in the administration: The Chairman of the Federal Reserve, the Secretary of the Treasury, and the Attorney General of the United States, all three of whom are backed by an extensive apparatus—in other words, highly competent people—within their departments, and we keep some burden on these officials. One of the things, as I have said, that we discovered in the past is that often the independent boards totally outside of an administration themselves become the captive of the interests and that in fact is one of the reasons that I think we have had this difficulty. That is exactly what occurs.

Now, the Senator may not agree with that, but that is a substantive argument.

Mr. BUMPERS. Let me tell the Senator one of the reasons I do not agree with it. It seems to me that the Senator from Maryland is making the argument that either he believes this board is going to fail and that we will have some high Presidential appointees, Cabinet members to hold accountable for that failure, or regardless of how it goes and particularly in case it fails, we will have somebody to call before the Banking Committee in a very highly visible position and blame them for it.

Mr. SARBANES. Will the Senator yield on that point?

Mr. BUMPERS. Not yet. Let me finish my statement, and then I will yield.

Mr. SARBANES. All right.

Mr. BUMPERS. The Senator from Nebraska is taking the very laudable, commendable, and I think sensible approach of saying let us give the board the best opportunity to succeed. Let us not worry right now about who we are going to blame in case of failure. What the Senator from Nebraska is saying is that you are putting three people on this board, the Attorney General, the Secretary of the Treasury, and the Chairman of the Federal Reserve Bank in addition to two other real

estate people, and it seems to me that the committee is arguing that is where it ought to be so we can focus the accountability.

I do not buy that. I want to improve it so that the taxpayers of America will know that they have had seven good people appointed, not to be held accountable particularly—that, too—but also to sell all of these 400 billion dollars' worth of assets for the top dollar and get every dime they can get for it so we as deliberative Senators can say to the American people we have done everything we can to protect you and to reduce the cost below $157 billion for this bailout. I just cannot think of a better argument than that.

The Senator from Illinois has stated let us take it to conference. Do not tinker with this document. It is sacred. It has been very carefully hammered out in the middle of the night. He is saying let us go to the House and go to conference with it.

Let me explain this. The House bill does not have the two real estate members in its bill. They only have the Attorney General, the Chairman of the Federal Reserve Bank and the Secretary of the Treasury. Now, under the technical rules of conferences you cannot exceed what the Senate has. I know that sometimes conferences do not work that way. They get in there and they just start rewriting the bill.

Mr. RIEGLE. Will the Senator yield just on that one point?

Mr. BUMPERS. I certainly will.

Mr. RIEGLE. The full House committee has not yet acted. They have a financial institutions subcommittee that has marked up a bill which will now go to the full Banking Committee. It is very unclear what the full Banking Committee may report out. They may very well address this issue in some fashion that we cannot anticipate, so as yet we do not really have a version from the full committee in the House with which to compare this work.

I thank the Senator for yielding.

Mr. BUMPERS. Let me say to the distinguished Senator from Michigan and the chairman of the Banking Committee, it seems to me it would be highly advisable for this body to widen the parameters so that the conference can operate within them. If we adopt the amendment of the Senator from Nebraska and put seven members on there, all appointed by the President, including naming the chairman, then you may go over to the House and find that the House only wants the three people, these three Cabinet officers, or they may want three Cabinet officers plus two others or they may agree with this. But you will have a lot more wiggle room in the conference on the makeup of this board if you adopt the amendment of the Senator from Nebraska than you will if you do not.

Mr. President, I do not want to take up all this time. I have said about all I want to say about it. I think—and it is not the end of the world for me—the Senator from Nebraska is trying to improve the bill. He is not trying to figure out who we are going to blame when it fails, and that is what the Senate ought to be trying to do. Good Lord, that makes commonsense to me. And so I intend to support it and I am going to vote for the bill when it passes. I am not going to vote against the bill. I like the bill in most parts, but I do not think it is a perfect document, I do not think it is incapable of being improved, and I do not think, if you adopt the amendment of the Senator from Nebraska, there is going to be a floodtide of amendments. Give the Senate the benefit of the doubt in being able to think and make up its mind on every amendment and not knee jerk it because there is something sacred about the document or that we have to defeat all amendments, otherwise we are not going to get out of here at 4 o'clock tomorrow afternoon.

I yield the floor, Mr. President.

Mr. SARBANES. Mr. President, I asked the Senator to yield earlier. I just wanted to make two points to him.

First of all, the existing Federal Home Loan Bank Board—we have had a lot of problems that flowed from that—is composed of three independent members. I just make that point for the RECORD.

Second, the fact that Cabinet officials can be held accountable is not in order to find someone to blame when things go wrong but I think gives you a greater likelihood that things will not go wrong since they are held accountable; the burden will be upon them to make sure that this oversight works—not only upon them but upon the establishment that backs them up, all the lawyers in the Attorney General's office, all the financial people in the Treasury, and all the economists at the Federal Reserve.

So there will be pressure on them to make this Board work because of the accountability. I think that is a very important point.

Mr. RIEGLE. I want to say, Mr. President, before moving to table the amendment, that I think the point just made by the Senator from Maryland is a very important one, and I think was persuasive to the members of the committee. That is, we want accountability very specifically attached to the highest ranking official in this Government. I dare say, when we get down the road, 6, 9, 12, 18 months from now, these two Cabinet officers and the Chairman of the Federal Reserve, who are going to have to see to it that this job is done and done in a competent fashion, will find that they have an enormous task on their hands. It will be out in the full light of day where it ought to be.

I like the idea of attaching the responsibility to the highest ranking officers in our Government. We add to that—I will not recite the whole argument—the two private members, and we have the advisory panels set up across the country to provide input and, in a sense, to be an oversight mechanism in their own way to comment and bring to light things that need to be heard, publicly or in the Congress.

I intend to see that we carry out a very aggressive oversight activity in this area, and with respect to the bill as a whole.

I think we have had a good debate. I respect the intention of the amendment as it has been offered.

I move at this time to table the amendment.

Mr. GARN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan to lay on the table the amendment of the Senator from Nebraska. On this question, the yeas and nays have been offered, and the clerk will call the roll.

Mr. CRANSTON. I announce that the Senator from Wisconsin [Mr. KOHL] is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in family.

The PRESIDING OFFICER (Mr. DECONCINI). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 66, nays 32, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—66

Adams	Garn	Matsunaga
Armstrong	Glenn	McCain
Baucus	Gorton	McClure
Bentsen	Gramm	McConnell
Biden	Grassley	Mikulski
Bond	Hatch	Mitchell
Breaux	Heflin	Moynihan
Burns	Heinz	Packwood
Byrd	Helms	Reid
Chafee	Hollings	Riegle
Coats	Humphrey	Roth
Cochran	Inouye	Rudman
Cohen	Jeffords	Sanford
Cranston	Johnston	Sarbanes
D'Amato	Kassebaum	Sasser
Danforth	Kasten	Shelby
Dixon	Kennedy	Simpson
Dodd	Lautenberg	Specter
Dole	Levin	Symms
Domenici	Lott	Thurmond
Durenberger	Lugar	Wallop
Ford	Mack	Wilson

NAYS—32

Bingaman	Burdick	Graham
Boren	Conrad	Harkin
Boschwitz	Daschle	Hatfield
Bradley	DeConcini	Kerrey
Bryan	Exon	Kerry
Bumpers	Fowler	Leahy

Lieberman	Pell	Simon
Metzenbaum	Pressler	Stevens
Murkowski	Pryor	Warner
Nickles	Robb	Wirth
Nunn	Rockefeller	

NOT VOTING—2

Gore Kohl

So the motion to lay on the table amendment No. 50 was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, could we have order in the Chamber? I know the Senator from North Carolina wishes to seek recognition and I want to make sure he is able to be heard.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

THE TIME HAS COME TO REFORM AND RESTORE CONFIDENCE TO THE SAVINGS AND LOAN INDUSTRY

Mr. SANFORD. Mr. President, I rise in support of S. 774, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. There is no doubt that the crisis facing the Federal Savings and Loan Insurance Corporation [FSLIC] represents the largest financial loss any Government-related institution has ever experienced. How we could have lost the billions of dollars that we have seen flow out of FSLIC insured institutions remains, in part, an unanswered question. But the Banking Committee, under the able leadership of our new chairman, Senator RIEGLE, has spent month after month examining that question and working with the administration to develop a plan that embodies both much needed reform to ensure that we never again face this type of crisis or scandal in our financial system, with a financing package to infuse $50 billion in new funds into the system to enable us to close insolvent institutions before they drag more healthy institutions down with them.

In looking at the question of how we got into this terrible mess, I am persuaded that a number of factors, taken together, led to the massive losses we have experienced. First, I must lay the blame on the confusion I believe the Reagan administration had between deregulation and desupervision. During the early 1980's, the industry was significantly deregulated, the caps on interest rates were phased out and thrifts were permitted to expand into a broader range of activities. Such deregulation might not have proved to be the disaster that it did had the examination force and enforcement of the regulations that remained on the books been tough and effective. Instead, the examination force was severely cut back, many institutions were not examined at all, and the others were able to get around regulations through phony transactions or inflated appraisals that the examiners were unable to spot.

Such lack of supervision was accompanied by lingering problems from the interest rate pressures that the thrifts suffered when their loans were made on a long-term basis at relatively low interest rates, while the rates thrifts were forced to pay to attract deposits were significantly higher, leading to tremendous cost pressures on thrifts.

The collapse of the economy in Texas and other energy States fueled the fires of the thrift crisis, as institution after institution failed, many only after last-ditch efforts to stay alive with risky investments and high-interest rate brokered deposits. The authority to expand into risky areas was used well by some thrifts, but was terribly abused by others who either didn't appreciate the risks they were taking or didn't care about taking risks with federally insured money.

All of these factors, coupled with the out and out greed of some thrift operators, and the lack of a sufficient capital cushion, led to the tremendous crisis we are facing today. To address the problem requires some fundamental changes in a system. The time has come to restore discipline to our deposit insurance system.

In all that we have read and heard about this issue, there is one point on which the Senate should be very clear. In voting for this bill, we are not voting to bail out the thrift industry or individual thrift executives, or thrift stockholders or creditors. What we are doing is standing behind the commitment the Federal Government made in the 1930's that savings of American citizens deposited in federally insured institutions, up to prescribed limits, are safe and sound. Today is, unfortunately, the day the Senate considers a very expensive package to do just that—to ensure that savings of thousands of people throughout this country are protected if the institution in which they have placed those savings becomes bankrupt. These are losses that have already occurred, and our task is to find the funds to pay for the losses in the cheapest, most efficient manner possible, and to take steps to prevent such losses from ever occurring again.

In addition, because so much has been said and written about the fraudulent operators, and the high-flyers gambling with depositors money, I think it needs to be said that many, indeed, most of the thrift operators in this country are solid, honest managers who have not forgotten their commitment to providing housing finance. Indeed, I am proud of the large, and generally healthy and well-managed thrift industry in North Carolina. Given the large number of thrifts in the State, we have experienced very few failures, and the North Carolina thrifts remain appropriately dedicated to providing home financing through honestly prudently run institutions.

After months of hard work, the Banking Committee has brought to the Senate a package that includes new funding for the insurance fund. These new funds are directly and appropriately linked to regulatory reforms and significant strengthening of the enforcement provisions of current law. These changes will ensure that the crooks and fraudulent managers who were responsible for a considerable portion of this loss can be caught, as much money as possible recovered from them, and where appropriate, they can and will be sent to prison.

Throughout consideration of the bill, there was also an emphasis on making the thrift industry pay as much of the overall cost as possible, without causing the industry to fail from excessive payment requirements. In my judgment, this bill has certainly met that goal. Indeed, I am somewhat concerned that in adding new insurance premiums to the indsutry, at the same time that we are reducing the dividend amount that most thrifts can expect to receive from the Federal home loan banks, at the same time that we are asking thrifts to double their capital, we may be placing an excessive burden on the industry, particularly some of our smaller thrifts. Placing too heavy a burden can only, in the end, cost the Government more, as institutions that might otherwise have survived and remained profitable could be put in jeopardy.

In looking at the demands that this bill places on the thrifts, I am particularly mindful of the new capital standards the bill imposes. There is no doubt that additional capital is needed, as such capital provides a cushion against losses and should exert some discipline over thrift managers who will have more of their own money at risk. I believe that we need to be firm, but realistic, about the amount of capital and the form of the capital we are expecting the thrifts to raise. Indeed, the Senate Banking Committee did not compromise on the date by which the thrifts are expected to meet the new capital requirements, nor did it permit significant forbearance provisions to avoid the tough capital standards.

The committee did, however, provide the regulator with some flexibility in setting the risk-based capital guidelines that will apply to thrifts. This flexibility reflects the concern many of us, including my colleague Senator GRAHAM, had regarding the difficulty some thrifts, particularly smaller institutions or those located in rural areas, may have in raising capital, especially if such capital must be raised only in the form of common equity or re-

tained earnings. The committee therefore provided the Chairman of the Office of Savings Associations with the authority to deviate from the national bank risk-based standards to reflect interest rate and other risks, so long as any such deviation, when taken as a whole, does not result in a materially lower risk-based capital standard than that applicable to national banks.

The standards that are to be set by the chairman could thus take into consideration, in establishing definitions for the components of risk-based capital, the proposed regulations promulgated in December by the Federal Home Loan Bank Board, especially as regards the use of subordinated debt, preferred stock, and similar securities instruments which are long term in nature, subordinate to the interests of depositors and the insurance fund, and result in increases in an institution's available cash funds.

The bill also sets up a new structure, which separates the insurance function from the regulatory function and which separates the credit function of the Federal home loan banks from their previous supervisory role. In so doing, it leaves the FDIC as the insurer for thrifts, with a clear mandate to the FDIC that first and foremost, it is to protect the safety and soundness of the insurance fund. The bill leaves the regulation and supervision of the thrifts in the hands of the Office of Savings Associations, which will function within the Department of the Treasury in much the same manner as the Comptroller of the Currency. Finally, the credit and lending function of the 12 regional home loan banks will be left independent of the Treasury, with a new, independent advisory board. This will leave the banks with their prime mission of providing liquidity and cash advances to thrifts in order to promote home financing. The bill also permits banks and credit unions that have demonstrated an adequate commitment to housing finance to join a Federal home loan bank.

As such, the bill strikes an appropriate balance between funding the resolution of cases already in the FSLIC's inventory as well as those expected in the near future, placing important new regulatory safeguards in place, and requiring the thrifts to raise substantial private capital to shore up their financial condition.

While changes and refinements to this package will be inevitable in the coming years, I believe that the basic plan the administration sent to the committee was a sound one and that the committee's amendments have strengthened the administration's approach without fundamentally altering the basic concepts of the administration's bill. I urge my colleagues to support this legislation.

Mr. RIEGLE. Mr. President, if I may, we are open for amendments to anybody that is interested in offering one. I know the caucus luncheons will be starting shortly, but if there is someone here that has an amendment that they would want to lay down at this point and begin a discussion on, we would be happy to have it at this time.

APPOINTMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair, as President of the Senate, appoints the Senator from oregon, MARK HATFIELD, to the Board of Trustees of the John F. Kennedy center for the Performing Arts, vice the former Senator from Connecticut, Mr. Weicker, pursuant to Public Law 85-874.

COMMENDING ELIZABETH (BETH) SHOTWELL-VALEO

Mr. MITCHELL. Mr. President, on behalf of myself, Senator BYRD and Senator DASCHLE, I send to the desk a resolution commending Beth Shotwell for dedicated service to the Senate and the Democratic Policy Committee upon her retirement after nearly three decades of work on Capitol Hill, and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DECONCINI). The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 107) commending Elizabeth (Beth) Shotwell-Valeo for faithful and outstanding service to the U.S. Senate.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, on April 30, Beth Shotwell-Valeo, the chief clerk of the Democratic Policy Committee, will retire after nearly three decades of life and work on Capitol Hill.

Her long and honorable career of public service began 28 years ago in the House of Representatives. Two years later, she came to the Senate, and for the past 17 years has been chief clerk of the Democratic Policy Committee.

Beth was appointed chief clerk in 1972 by then Senate majority leader Mike Mansfield. In that post she has served three different Democratic leaders and witnessed a host of changes in the institution itself.

When she came to the Policy Committee, the Senate voting records were maintained by hand on 3 by 5 cards. Beth was instrumental in computerizing these voting records and in automating the Policy Committee's recordkeeping and publications. She also handled DPC's finances and personnel records.

Beth has performed the responsibilities of her position effectively, and with grace and dignity. She has upheld the high standards and traditions of the Senate staff and acquired the confidence and respect of all who knew her and worked with her.

On behalf of myself and Senator DASCHLE, and Senator BYRD and former Senator Mansfield, I would like to thank Beth for the devoted service she has rendered to us, to the members and staff of the Policy Committee, and to all Senators, and for all that she has contributed to the accomplishments of the Senate during her tenure.

Beth leaves with the good wishes and admiration of all who knew her, but especially those who worked with her. She leaves behind a great number of friends and colleagues who wish her the best of everything in the future.

Mr. BYRD. Mr. President, I recognize with regret the impending retirement of one of our most faithful and dedicated Senate staff members.

At the end of this month, Elizabeth Shotwell-Valeo—known to most people who work with her simply as "Beth"—will be leaving us.

Twenty-eight years ago, Beth Shotwell began working for the Congress. Twenty-six of those years have been in service to the U.S. Senate, and for 16 years, she has been the chief clerk of the Democratic Policy Committee.

In that position, Beth has worked with three Democratic leaders: Senator MIKE MANSFIELD from Montana, ROBERT C. BYRD from West Virginia, and now, with Senator GEORGE MITCHELL from Maine.

As an integral member of the Democratic Policy Committee staff, Beth has served all Democratic Senators. In that service, she has been ever accurate, efficient, helpful, and pleasant.

I know that all Senators, especially our Democratic colleagues, will join me in wishing Beth the happiest and most interesting of futures, and expressing to her our deepest gratitude for the outstanding work that she has done for so many years in a position that can be exceptionally tedious but which is one of the most important posts in a legislative body. Beth will leave behind her many friends who will remember her for the particularly fine spirit and attitude that she brought to her work, and for the meticulous patience and thoroughness that she contributed to the legislative process here in the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 107) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 107

Whereas, Elizabeth (Beth) Shotwell-Valeo will retire from the U.S. Senate on April 30, 1989,

Whereas, Beth Shotwell-Valeo has served with dedication on the staff of the U.S. Congress for 28 years, of the U.S. Senate for nearly 26 years, and as Chief Clerk of the Democratic Policy Committee for 17 years.

Whereas, Beth Shotwell-Valeo has performed her duties under three different Senate Democratic leaders with great competence, dedication, and efficiency,

Whereas, Beth Shotwell-Valeo, in carrying out her responsibilities, has gained the trust and respect of the people with whom she has worked: Now, therefore, be it

Resolved, That the U.S. Senate hereby commends Beth Shotwell-Valeo for her faithful and outstanding service to the Senate and the Nation and expresses its deep appreciation for upholding the high standards and traditions of the staff of the U.S. Senate.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Beth Shotwell-Valeo.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, under the previous order, the Senate is scheduled to stand in recess at 12:30 p.m. until the hour of 2:15 p.m. to accommodate the party conference luncheons. The distinguished Senator from North Carolina has requested the opportunity to address the Senate as if in morning business for 5 minutes.

I ask unanimous consent that there be a period for morning business until 12:35 p.m., during which the Senator from North Carolina may be permitted to address the Senate, following which the Senate will stand in recess, as under the previous order, until 2:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

(The remarks of Mr. HELMS pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m. this afternoon.

Thereupon, at 12:33 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DASCHLE].

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Chair, in his capacity as the Senator from South Dakota, suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I thank the Chair.

Mr. President, I want to indicate that we are back under way now on the savings and loan package that is before the Senate. We disposed earlier this morning of one amendment, and we have had some commentary for other Members, and so forth. I would like to encourage, as we start this afternoon, all Members who wish to either be heard on the issue or to offer amendments to come to the floor. We are open and ready for business here, and we are prepared to take up any amendment that anyone wants to offer at this time.

I yield the floor.

While we wait someone who wishes either to speak or to present an amendment, I——

Mr. GARN. If the chairman will yield, I will make one comment to follow up. There has been a great deal of discussion about the need to finish this bill. I am sure it was discussed in both Republican and Democratic caucuses, and some were saying, well, we should not have arbitrary deadlines like finishing tomorrow. I agree, Thursday or Friday makes no difference to me.

I want to emphasize why this bill needs to be finished: because it is going to cost the taxpayers $1 billion a month, month in and month out. In 1986, when the Senate passed $15 billion of FSLIC recapping 2½ years ago, we were only losing around $300 million a month at that time. I thought it was important we do something about it. Congress has lollygagged long enough. We are going to have taxpayer revolt and let it go on.

So with my colleagues who are over there with amendments, fine, bring them over. Let us discuss them, vote them up or down, and get this bill under way, not because we want to adjourn tomorrow night. That has nothing to do with it. I will repeat it every hour if I have to. This bill's lack of being passed is costing the taxpayers $1 billion a month. It may not seem much like a lot of money to some people. To a Senator from a small State like Utah $1 billion is a lot of money. We run the whole State for about $2 billion for an entire year.

I suggest there is nothing more important for those who are in their offices to come over if they have amendments and offer them so that for the taxpayers we can get this bill finished, and get to conference with the House as rapidly as possible to stop this hemorrhage of taxpayers' dollars.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHELBY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I ask unanimous consent that excerpts of the star print of the report of the Committee on Banking, Housing, and Urban Affairs to accompany S. 774, together with additional views, be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989

INTRODUCTION

On April 12, 1989, the Senate Committee on Banking, Housing, and Urban Affairs marked up and ordered to be reported a bill, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, to reform, recapitalize, and consolidate the Federal deposit insurance system and to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes.

The Financial Institutions Reform, Recovery, and Enforcement Act is a substantially revised version of a bill, S. 413, introduced in the Senate at the request of the Administration. The Committee vote was 21 ayes and 0 nays to adopt the bill and report it to the Senate for consideration as promptly as circumstances permit.

PURPOSE OF THE LEGISLATION

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (the FIRRE Act) has two major purposes. First, the legislation seeks to recapitalize the Federal deposit insurance system and to provide for the resolution of outstanding and anticipated failures of insured institutions. Second, the legislation seeks to preserve a safe and stable system of residential housing finance. The bill accomplishes these purposes by creating new administrative and financial structures for resolving failures, recapitalizing the insurance funds, and by proposing a wide range of regulatory reforms to promote the soundness and integrity of insured institutions and the deposit insurance funds.

1. Mission of the thrift industry

For over 50 years, the thrift industry has promoted home ownership through home mortgage lending. Today, thrifts are the nation's primary lenders in the housing finance market. According to the Department of Housing and Urban Development, thrifts (savings and loans and savings banks) origi-

nated nearly 54 percent of all mortgages nationwide through the third quarter of 1988. By contrast, during the same period, commercial banks and mortgage bankers accounted for 27 and 17 percent of all mortgage originations, respectively, while life insurance companies and financial institutions originated less than 2 percent of all mortgages. Savings and loans were also the largest holders of residential mortgages with 35 percent of the nation's mortgage debt. Notwithstanding various deregulatory measures adopted by Congress and the Federal Home Loan Bank Board during the 1980s, mortgage assets continue to account for 70 percent of thrifts' asset portfolios, according to the General Accounting Office (GAO).

2. Dimensions of the current crisis

Undeniably, however, the thrift industry is now in crisis. The number of insolvent thrifts has risen dramatically during the late 1980's. A variety of testimonial and documentary evidence assembled by the Committee indicates that hundreds of commercial banks and thrifts have failed during the late 1980s. Between 1980 and 1988, over 500 thrifts failed—more than three and a half times as many as in the previous 45 years combined. Hundreds more thrifts remain insolvent or appear likely to become insolvent. Although the number of bank failures is roughly comparable, the proportion of commercial banks that have failed is less. Moreover, the problem in the commercial banking industry is less severe because of the greater resources of its insurance fund, the Federal Deposit Insurance Corporation (FDIC).

3. Cost of the crisis

Thrift failures have already cost the Federal Savings and Loan Insurance Corporation (FSLIC) an estimated $78 billion this decade. In attempting to meet its obligations, FSLIC, which insures deposits maintained by the nation's thrift industry up to $100,000, has become insolvent and illiquid. And the crisis is far from over; the GAO estimates at least 338 thrift institutions, over ten percent of all thrifts were insolvent as of December 31, 1988, even though the FSLIC liquidated or merged over two hundred insolvent thrifts during 1988. Current estimates of the remaining cost to the Federal deposit insurance system of resolving the problem range from $50 billion to more than $150 billion depending on the time period and economic assumptions.

4. Need for emergency legislation

In this context, the proposed bill constitutes emergency legislation, presented to and considered by the Committee at a time of crisis in the Federal deposit insurance system and the thrift industry. President Bush has made reform and recapitalization of the deposit insurance system a top priority of his new administration. On February 6, the President announced a plan to reform and recapitalize the system. This plan formed the basis of legislation presented to Congress on February 22, 1989. Despite the monumental scale and complexity of the problems this legislation is intended to address, the Committee has expedited its consideration of the bill in view of the high priority attached to it by the President and the urgent need to staunch massive losses in the thrift industry.

a. Need for resolution and recapitalization

Numerous witnesses appearing before the Committee stressed the urgent need to recapitalize the deposit insurance system and to provide for expeditious resolution of failed thrift institutions. In early February, one witness told the Committee that insolvent thrift institutions then in operation were losing more than $500 million per month. Because they have little or no capital at risk, such institutions have few incentives to avoid high risk activities. There is a danger that such thrifts will do business on terms more prudent thrifts would neither offer nor accept. As a consequence, healthier institutions competing with such insolvent thrifts may find that they must either accept similar risk or lose business. It is virtually impossible for the regulators to contain this danger. Consequently, the continued operation of insolvent thrifts impairs the profitability of healthier institutions and the industry as a whole.

To recapitilize the deposit insurance system and provide for resolution of outstanding and anticipated failures of insured institutions the bill creates a new entity, the Resolution Trust Corporation (RTC), to serve as legal custodian of failed thrift institutions. The bill authorizes the RTC to retain the FDIC or other entities to manage its caseload. The bill also calls for the establishment of the Resolution Funding Corporation (REFCORP) to raise funds for the RTC. REFCORP is authorized to issue up to $50 billion in long-term bonds to raise the funds needed by the RTC. The principal of these bonds will be paid by the thrift industry, through premiums paid by the thrifts and mandated contributions from the Federal Home Loan Banks. It appears likely that much of the interest on the bonds will be paid by the Federal government.

b. Need for Reform

The Committee has listened carefully to those experts who, both in their testimony before the Committee and in the media have questioned the continuing utility and viability of the thrift industry. On the whole, however, the Committee found most persuasive the testimony of those experts who concluded that good reasons to maintain a separate thrift industry still exist. Essential to that conclusion, however, is the assumption that the thrift industry will continue to play a distinct economic role, distinguishable from that fulfilled by the commercial banking industry, as the primary source of residential housing finance. Thus, former Federal Reserve Board Chairman Paul Volcker pointed out to the Committee that the most successful thrifts in the industry generally continue to concentrate on home mortgage lending. Mr. Volcker supported retention of a separate thrift industry, provided the industry continues to occupy a distinct market niche.

Nevertheless, the industry's deteriorating condition clearly demands substantial reform. Individuals testifying before the Committee alleged numerous possible causes of the widespread failures of insured institutions, including loss of capital resulting from the jump in interest rates in the late 1970's and early 1980's; forbearance and inadequate supervision by federal regulators; rampant fraud among owners and managers; severe weaknesses in energy, agricultural and real estate markets, especially in the Southwest; changes in the economic and technological environment that shifted the competitive balance among the different segments of the financial services industry; flaws in the process by which Congress and the regulators deregulated the thrift industry in the early 1980s; failure to prevent excessive risk taking by state-chartered thrift institutions; flaws in the system of deposit insurance that gave risk to inadequate or perverse incentives for depositors and shareholders of thrift institutions, encouraging excessive risk taking with federally insured deposits; and various combinations of these and other causes.

The Committee cannot determine which of these factors, or what combinations of these factors, truly caused the crisis, but the current system of regulation and supervision has many flaws that must be remedied by appropriate legislation. Accordingly, the proposed bill includes a variety of reforms addressed to several aspects of the current system of oversight and insurance. Among these reforms are major revisions in the supervisory and regulatory structures; limitations on the powers of state-chartered thrifts; an assortment of measures designed to curtail excessive risk taking by federally-insured institutions; specification of more exacting capital and accounting standards; limitations on commercial real estate lending and direct investments; reductions in permissible loans to one borrower; and reductions in certain permissible loan to value ratios.

c. Concerns

The Committee believes that, in combination, these reforms will restore and preserve a system of Federal deposit insurance in which all depositors can justifiably take confidence. However, some areas of uncertainty necessarily remain and the Committee intends to monitor closely progress achieved in resolving the crisis over the next few years.

There is always the chance that additional funds could be needed to deal with the unhealthy portion of the thrift industry. Fluctuations in economic conditions could alter substantially the total cost of resolving the crisis, for better or worse. Additional deposit insurance charges imposed by the legislation on the thrift industry will help fund the cost of resolving the crisis but will also increase expenses for a troubled industry and could affect the competitive balance between thrifts and commercial banks. The asset disposition program demanded by this crisis, and established by this legislation, will be large by any standard. It is possible that alterations to the program for resolving the thrift crisis as set forth in this bill may be needed in the future. The Committee intends to pursue diligent oversight to ensure that any new or additional problems are addressed.

SUMMARY OF MAJOR PROVISIONS

1. New regulatory scheme

Under the current regulatory scheme, primary responsibility for regulation of the thrift industry resides with the Federal Home Loan Bank Board (FHLBB, or Bank Board), which, under a complex arrangement, exercises its regulatory and supervisory powers primarily through employees of the regional Federal Home Loan Banks, but not through the Banks themselves. The regional Banks, in turn, are owned by the thrifts supervised by the FHLBB. Deposits maintained by these thrifts are insured by the FSLIC, which is itself under the administrative control of the FHLBB.

Several individuals testifying before the Committee faulted this arrangement and blamed it for some or all of the current problems in the thrift industry. In particular, these witnesses noted that the scheme entails a necessary conflict of interest between the FSLIC, charged with protecting

the integrity of the deposit insurance fund, and the Bank Board, which many witnesses viewed as a promoter of the thrift industry. Compounding this problem, several witnesses felt that the FHLBB has been so close to the thrift industry that it lacked sufficient independence to competently perform its regulatory function.

The Committee believes these criticisms are well founded. The proposed bill responds to them in three ways. First, the bill removes the FSLIC from the administrative control of the FHLBB and places it under the administrative control of the FDIC. The new arrangement will not only ensure the independence of the insurance fund from the industry, but it will also provide large amounts of additional staff and expertise to the fund at a time when such resources are badly needed. Second, the bill removes the employees performing thrift regulatory functions of the Federal Home Loan Bank Board from the Banks and places them in a newly-created bureau (the Office of Savings Associations) within the United States Department of the Treasury. This removal should eliminate the potential conflict of interest inherent in the present arrangement.

Finally, the bill creates a new Federal Home Loan Bank Agency (FHLBA) to ensure the Federal Home Loan Banks perform their credit function in a safe and sound manner so that this source of strength for home financing remains viable and well capitalized. To ensure that the FHLBA maintains an appropriate distance from the industry, the bill provides for the FHLBA to be governed by three experienced persons, who shall be appointed by the President to six-year terms.

As originally proposed by the President, the legislation would also have placed the functions of the FHLBA under the administrative umbrella of the Department of the Treasury. The Committee considered this proposal carefully, but rejected it. The Committee is concerned that, because the two entities are competitors in the capital markets, there is an inherent conflict of interest between the Treasury Department and the Federal Home Loan Banks. In view of this conflict, the Committee believes the most prudent course is to maintain the current administrative independence of the Federal Home Loan Banks and provide for a new and vigorous FHLBA to make this source of home financing independent from both political and industry pressures.

2. Financing

One of the major areas of debate over the last year has been the ultimate expense of resolving the savings and loan crisis. As noted above, the range of estimates has been large, depending on assumptions. However, it has long been clear that the price would be high and that the taxpayer would bear most of that cost.

The plan proposed by the Administration would provide $50 billion to fund the resolution of roughly 500 insolvent institutions between now and 1991 and up to $33 billion for the savings and loan insurance fund between 1991 and 1999. Over 30 years it would involve total expenditures of an estimated $260 billion in gross terms, including all interest payments and roughly $50 billion for expenses of the old FSLIC fund.

The Administration plan would be funded predominantly with public funds but with a considerable industry contribution, as well. Total net outlays scored in the budget during the first years would be only $60 billion using Administration assumptions and $70 billion assuming CBO interest rates and slower deposit growth. Increased bank deposit insurance premiums would offset roughly $20 billion of these outlays. The method used to spend such large sums while holding near-term on-budget costs at this low level has been a focus of the debate over this proposal.

The Administration would keep on-budget costs relatively low by requiring $50 billion for resolution of insolvent institutions in the next three years to be borrowed in the capital markets by a government-sponsored entity, the Resolution Funding Corporation (REFCORP). REFCORP would be owned by the Federal Home Loan Banks, which would pay the principal and part of the interest on its bonds. While Treasury would pay most of the interest on REFCORP bonds over their thirty-year life, REFCORP borrowing would not be considered government funding, and only Treasury's interest payments would be scored on-budget. This feature of the plan has been very controversial.

Considerable time and attention in Committee was devoted to finding an alternative formulation of REFCORP that would be funded with Treasury borrowing and consequently less costly to the taxpayer. The Committee considered placing REFCORP on-budget and fully funded by Treasury in FY 1989. The goal of this proposal was to eliminate the anticipated 30 basis point borrowing premium that REFCORP will likely pay over Treasury borrowing in an effort to save $150 million per year in financing costs. This plan promised $4.5 billion in gross savings over thirty years or roughly $1.5 billion in present value terms.

While the cost savings and on-budget scoring of this alternative were attractive to many members, there was dispute over whether projected savings would be realized and concern over budget precedents associated with FY 1989 financing. In addition, the Administration expressed strong opposition to an on-budget alternative. Altering REFCORP financing thus carried with it the threat that the bill could fail on the floor on a 60-vote budget point of order or face a veto.

Given the overriding concern of the Committee to put new funding and real reforms in place as quickly as possible, it was decided to adopt the Administration's funding mechanism. In so doing, the Committee has provided the Administration the full funding authority it requested to deal with the crisis at hand. As noted above, however, uncertainties over the scale of the problem remain, and the Committee intends to monitor closely the progress being made in resolving the crisis and the adequacy of resources for its resolution.

ORIGINS OF THE CRISIS

By all accounts, the causes of the crisis are multiple and complex. Testimony before the Committee highlighted three sets of factors that the Committee believes contributed substantially to the industry's decline. These factors include forbearance; major changes in the economic and legal environments; imprudent industry responses to deregulation, especially the increasing involvement of thrifts in risky, nontraditional activities; and fraud and insider abuse by thrift managers.

1. Changing conditions

Traditionally, thrifts earned their profits from the "spread" between the amounts of money they received as interest payments from borrowers and the amounts they were obliged to pay in interest to borrowers. From 1966 until 1980, the Federal Reserve Board's Regulation Q governed the amount of interest banks and thrifts could pay on deposits. In addition, until close to the end of this period, investors did not widely use the close deposit substitutes that the capital markets invented. In combination, the ceiling on interest rates imposed by Regulation Q and the slow adoption of alternative investments for depositors minimized the sensitivity of the nation's depositary institutions to interest rate fluctuations and helped virtually to guarantee their profitability.

In the late 1970s and early 1980s, however, several major developments in the financial and legal environments combined to substantially erode the thrift industry's more assured profitability. First, the growth of money market mutual funds, whose rates were not limited by Regulation Q, gave many investors a higher-yielding close substitute for deposits at bank and thrifts. Second, the high interest rates of that inflationary period—at times approaching or exceeding 20 percent—gave many investors a strong incentive to move their money from low-yielding banks and thrifts to higher paying investments, such as money market mutual funds. Large numbers of investors responded to this incentive, resulting in spectacular growth for money market mutual funds and unprecedented levels of withdrawals from banks and thrifts. Moreover, because thrifts have traditionally engaged in long-term mortgage lending, much of their portfolio was tied up in long-term loans at fairly low interest rates, while the cost of their funds increased dramatically.

2. Industry response to deregulation

Alarmed by the rate of disintermediation, the regulators began interest rate deregulation in 1978 and Congress in 1980 enacted the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96-221) to restore the competitive position of thrifts and banks. The Act phased out interest rate ceilings for both bank and thrift accounts and allowed thrifts to diversify into areas previously reserved for commercial banks. In 1981, the FHLBB authorized Federally chartered thrifts to make adjustable rate mortgages [ARMS].

These measures did not suffice, however, to restore the thrift industry to profitability. Although thrifts could now retain deposits by paying higher interest rates than Regulation Q previously permitted, payment of higher rates, coupled with increasing reliance by many thrifts on market-rate advances from the Federal Home Loan Banks, significantly increased the industry's cost of funds. According to the GAO, during 1982 the thrift industry's cost of funds exceeded 11 percent while the average return on mortgage holdings was under 11 percent. As a result of this interest rate squeeze, the thrift industry lost $8.8 billion during 1981 and 1982, substantially reducing the industry's capital.

In 1982, in the face of continuing concern over the industry's plight, Congress enacted the Garn-St Germain Depository Institutions Act (P.L. 97-320). That act created some new competitive opportunities for federally chartered thrifts by increasing their ability to make commercial and consumer loans. It did not expand their authority to engage in direct real estate or equity investments, however, which had been authorized in earlier legislation for up to 3 percent of assets.

When Congress gave federal thrifts additional powers in 1980 and 1982, some states followed the deregulatory model adopted earlier in Texas (which was then booming with the rise in the price of oil). These states extended the powers of their state-chartered institutions to enhance their profitability and discourage them from changing to federal charters. California, for example, enacted a very liberal set of powers in 1983.

It is easy to make mistakes when exercising new powers. An institution may enter the market too late, get only those projects that the experts avoid, be deceived or even defrauded. The new powers enticed "fast buck" artists into the industry. Some who wanted to get rich quick, bought small thrifts, had them grow rapidly, and engaged in insider lending. The owner could line his pockets and leave a bankrupt thrift to the deposit insurer.

In other instances, thrifts that were approaching insolvency used the new powers which promised high returns to gamble toward recovery. But high returns involve high risk. The many that risked and failed left the bill to FSLIC.

Given these new asset powers, particularly in state-chartered institutions, thrifts aggressively expanded their assets to diversify into new investment areas. From 1982 to 1984, thrift assets grew by nearly 40 percent, a rate substantially higher than the growth rates of either the GNP or commercial bank assets during the same period.

Evidence presented to the Committee suggests that many thrifts were not merely aggressive but imprudent in their exercise of new investment powers, using insured deposits to finance questionable, high-risk ventures. Thus, David W. Gleeson, President of the Lincoln Asset Management Company, told the Committee that "the total asset base of Texas thrifts grew from $42 billion in 1982 to $100 billion in 1986, a 250 percent increase in 4 years. What started out to be aggressive growth, led to imprudent lending fostered by greed and ended in fraudulent, questionable or irresponsible transactions in an attempt to cover all of the bad deals."

As the consequences of these imprudent and fraudulent investments came home to roost, the industry's rate of decay accelerated. Although only 21 FSLIC-insured institutions reported negative net worth under generally accepted accounting principles (GAAP) in June of 1981, by March 1988, the number had ballooned to 500 institutions. Many thrifts found they could no longer make money from their interest rate spread. Moreover, the value of their fixed rate assets had declined precipitously leaving over 90 percent of the industry insolvent on a market value basis. Such thrifts often found themselves obliged to make loans, almost regardless of quality, simply to generate actual or reported fee income with which to meet current obligations or increase reported earnings. Indeed, a review of the most "profitable" institutions of 1984 reads like a roster of today's horror stories. Federal Reserve Chairman Alan Greenspan testified that "in many cases loans were made with an eye principally focused on front end fees and without any reasonable assurance of repayment."

Throughout this period, the FHLBB with Congressional consent responded to the industry's decline by deploying a consistent policy of forbearance toward capital deficient thrifts, reducing minimum capital requirements and permitting the development and use of regulatory accounting principles (RAP) that served to artificially inflate the value of thrift capital. This policy was manifestly unsuccessful: despite forbearance, both the RAP and GAAP net worth of the thrift industry continued to decline. In February, 1987, the FHLBB announced it was unlikely to take administrative action to enforce minimum capital standards.

3. Fraud

Little doubt exists that fraud and insider abuse contributed substantially to the current crisis. According to the United States Department of Justice, the most prevalent forms of fraud and insider abuse included nominee loans, double pledging of collateral, reciprocal loan arrangements, land flips, embezzlement, and check kiting. In addition, witnesses have told the Committee of extravagant parties, exorbitant spending on frivolous corporate aircraft, lavish office suites, and numerous other squanderings of federally-insured deposit monies. "At the very least," related David W. Gleeson, President of Lincoln Asset Management Company, "there was an enormous failure of individuals to exercise their fiduciary responsibilities as managers, directors, auditors, appraisers, and lawyers. . . . The extent of irresponsible and questionable transactions was so pervasive, and reckless lending policies, wildly aggressive appraisals, and ludicrous deals were so widespread that each new round of transactions enticed the perpetrators on to larger, more complex, and more [creative] deals with an ever-increasing disregard for sound economics and market demand."

In his testimony before the Committee, United States Attorney General Richard L. Thornburgh estimated that fraud and insider abuse were involved in 25 to 30 percent of all savings and loan failures and caused over $2 billion in losses during 1988 alone. Other witnesses before the Committee estimated an even greater incidence of fraud and insider abuse.

4. Regional economic conditions

Inflation in the 1970s and the beginning of the 1980s was followed by a severe recession in 1981–82 and disinflation in commodity and producer prices. During the recession, the nation's manufacturing and agricultural sectors suffered. As the decade progressed, the manufacturing and agricultural industries recovered, but some producers of primary products, such as energy and metals continued to experience recession. These industries are heavily concentrated in the Southwest and Rocky Mountain regions.

The primary industries in these regions continued to decline after other sectors began to recover. Output and employment fell. Businesses became unprofitable and reduced their demand for plant, equipment and offices.

The primary industries most immediately affected by the regional recession laid off many of their workers. The unemployment rates in Louisiana, New Mexico and Texas, just three of the states adversely affected by disinflation, have been substantially higher than that of the United States as a whole. In 1986, for example, the unemployment rate in Louisiana approached 14 percent, more than twice the national average. As a result, the Southwest and Rocky Mountain regions ranked lowest in personal income growth among the nation's eight regions in the period 1982 through September 1988. Unemployed and under-employed workers reduced their expenditures. The recession spread to retailers and home-builders.

Some of the businesses and workers most severely affected became unable to repay their debts. Many of their banks and thrifts failed as a result.

It should be noted, however, that not all bank and thrift failures can be blamed on regional economic problems. The Far West, which ranked second highest in economic growth among the regions, experienced a disproportionately large number of failures. Moreover, there were insolvent institutions in operation in 41 states in fall 1988.

HISTORY OF THE LEGISLATION

On August 10, 1987, President Reagan signed into law the long-delayed Competitive Equality Banking Act of 1987 (P.L. 100-86). Title III of that act entitled the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, established a new corporation, the Financing Corporation. That Corporation was to be capitalized by the Federal Home Loan Banks and was to undertake a special financing program to recapitalize the FSLIC. The Title authorized the Financing Corporation to borrow $10.825 billion to recapitalize the FSLIC, but limited the Corporation's annual borrowings to $3.75 billion. The Administration's original plan called for $15 billion to be raised.

On May 19, 25, and 26, 1988, the Banking Committee held oversight hearings on the condition of the financial services industry. Industry experts along with the regulators of banks and thrifts testified. On May 19, 1988, the Committee heard from five expert witnesses on conditions in the thrift industry and the adequacy of FSLIC's resources to deal with those problems, including Frederick D. Wolf, Director, Accounting and Financial Management Division, U.S. General Accounting Office; William C. Ferguson, CEO, Ferguson and Company, Irving, Texas; Bert Ely, President, Ely and Company, Alexandria Virginia; Stanley C. Silverberg, Special Consultant, Golembe Associates, Washington, D.C.; and Stuart Greenbaum, Strunk Professor of Financial Institutions, Graduate School of Management, Northwestern University. On May 25, 1988, representatives of each of the Federal banking regulators appeared before the Committee. These representatives included Robert L. Clark, Comptroller of the Currency; L. William Seidman, Chairman, Federal Deposit Insurance Corporation; and H. Robert Heller, Member, Board of Governors, Federal Reserve System. On May 26, 1988, the Committee heard from M. Danny Wall, Chairman, Federal Home Loan Bank Board.

Later in 1988, on August 2 and 3, the Committee held its final oversight hearings on the savings and loan industry during the 100th Congress. Administration and senior managers at important private thrift institutions came before the Committee on August 2, 1988. The witnesses included George D. Gould, Undersecretary for Finance, U.S. Department of the Treasury; Herbert M. Sandler, CEO, World Savings and Loan Association of Oakland, California; Gerald J. Levy, President, Guaranty Savings and Loan Association of Milwaukee, Wisconsin; and Donald Shackelford, Chairman, State Savings Bank of Columbus, Ohio.

On August 3, 1988, the Committee heard from a panel of three former Chairmen of the Federal Home Loan Bank Board, including Jay Janis, Chairman of the Board, Gibraltar Savings, Beverly Hills, California;

Richard T. Pratt, Chairman, Merrill Lynch Mortgage Capital, Inc., New York, New York; and Edwin J. Gray, President and Chief Operating Officer, Chase Federal Bank, Miami, Florida.

While concerns about a growing crisis were voiced by some witnesses, there was no consensus opinion that urgent action was needed to recapitalize the FSLIC fund.

In October, 1988, the Congress adjourned until January, 1989. During the adjournment period, concerns mounted that FSLIC lacked sufficient resources to close failing thrifts and that, as a result, failed institutions were losing large amounts of insured deposits. Congressional concerns heightened in late December 1988, when the FHLBB arranged 34 assisted transactions involving 75 thrifts and billions of dollars in FSLIC notes, guarantees, and tax benefits as incentives to the acquiring institutions. The FSLIC used these notes, guarantees, and tax benefits because it did not have other resources available to close failed thrifts.

As soon as the new Congress convened and Committees were organized, the Banking Committee announced several weeks of hearings to examine every facet of the problems afflicting the thrift industry in order to develop legislation to resolve these problems.

The Committee held its first two hearings of the 101st Congress on January 31 and February 2, 1989. On January 31, the Committee heard from a very distinguished panel of experts from financial firms and the academic community. These witnesses included Andrew S. Carron, Vice President of Fixed Income Research, First Boston Corporation; Lowell L. Bryan, Director and Manager of Mortgage Research, McKinsey & Company; and Professor Paul M. Horvitz, Judge James A. Elkins, Professor of Banking and Finance, University of Houston.

On February 2, 1989, the Committee heard from the Honorable Charles A. Bowsher, Comptroller General of the United States, U.S. General Accounting Office.

On February 6, 1989, the day before the Committee's third hearing, President Bush announced that he would send the Congress a major reform and financing initiative to resolve the nation's savings and loan problems. Both the White House and the Department of the Treasury immediately issued information about the plan. Following the President's announcement, the Committee held hearings focused not only on problems afflicting the thrift industry, but also on the adequacy and impact of the President's proposed program for resolving these problems.

On February 7, 1989, the Committee heard from Paul A. Volcker, Chairman, James D. Wolfensohn, Inc., and former Chairman of the Board of Governors of the Federal Reserve System.

On February 9, 1989, the Committee heard from three witnesses who testified on the issue of fraud and the savings and loan problem. These witnesses, who presented comprehensive testimony regarding fraud problems in the industry, included Richard L. Thornburgh, Attorney General, U.S. Department of Justice; David W. Gleeson, President, Lincoln Asset Management Company; and H. Joe Selby of the Insignia Company, a former Deputy Comptroller of the Currency and former senior official at the Dallas Home Loan Bank.

On February 22, 1989, the Honorable Nicholas F. Brady, Secretary of the Treasury, presented to the Committee the Administration's proposal for solving the thrift crisis. That same day, the "Financial Institutions Reform, Recovery and Enforcement Act of 1989" (S. 413) was introduced in the Senate at the request of four members of the Senate Banking Committee. Twelve additional days of hearings followed the introduction of S. 413. From that day forward, testimony before the Committee focused on specific strengths and weaknesses of the proposed legislation.

On February 23, 1989, the Committee heard from Federal Reserve Board Chairman Alan Greenspan.

On February 28, 1989, the Committee heard from Federal banking regulators including L. William Seidman, Chairman, Federal Deposit Insurance Corporation; and Robert L. Clarke, Comptroller, Office of the Comptroller of the Currency. The next day, March 1, the Committee again heard testimony from M. Danny Wall, Chairman, Federal Home Loan Bank Board.

The Committee heard testimony on March 2, 1989, about the costs and financing mechanism of the President's proposal from Richard Darman, Director, Office of Management and Budget.

On March 3, 1989, the Committee heard from three witnesses concerned with the budgeting and financing aspects of the Administration's proposal. These witnesses included James Blum, Acting Director, Congressional Budget Office; Peter Treadway, Smith Barney; and William Ferguson, Chairman & CEO, Ferguson & Company.

On March 7, 8, and 9, 1989, the Committee heard from expert witnesses representing bank, thrift, and financial associations. Witnesses representing thrift groups on March 7, 1989, included Charles John Koch, Chairman, National Council of Savings Institutions; Mr. Barney R. Beeksma, Chairman, U.S. League of Savings Institutions; Kenneth D. Seaton, Vice Chairman, U.S. League of Savings Institutions; Professor Kenneth T. Rosen, Center for Real Estate & Urban Economics, University of California at Berkeley; and Jonathan E. Gray, Research Analyst, Sanford C. Bernstein & Co., Inc. On March 8, 1989, the Committee heard from members of the banking community, including Thomas P. Rideout, President, American Bankers Association; Jay O. Tomson, President, Independent Bankers Association of America; and William Haraf, Chairman, Issues Committee, Financial Services Council. More witnesses representing views of both bank and thrift organizations appeared on March 9, namely Charles J. Zwick, Chairman, Subcommittee on Legislative & Regulatory Issues, Association of Reserve City Bankers; Frank McKinney, Chairman, Association of Bank Holding Companies; and H.M. Osteen, Jr., Vice President, Association of Thrift Holding Companies.

On March 10, 1989, the Committee heard from representatives of the home building, real estate, and mortgage banking industries. These witnesses were Kent Colton, Executive Vice President, National Association of Home Builders; Jerome Blank, Chairman, Realtors Legislative Committee, National Association of Realtors; and Willard Gourley, Jr., President, Mortgage Bankers Association.

Representatives from consumer groups and credit unions testified on March 15, 1989. Consumer group witnesses were Peggy Miller, Legislative Representative, Consumer Federation of America; Michelle Meier, Counsel, Government Affairs, Consumers Union; and Robert L. Gnaizda, Public Advocates, Inc. Representing credit union organizations were Al Williams, Chairman, Credit Union National Association, Inc.; and Kenneth L. Robinson, President, National Association of Federal Credit Unions.

State regulators testified on March 16, 1989. These witnesses were Eugene W. Kuthy, Chairman, Michigan Financial Institutions Bureau, Conference of State Bank Supervisors; and John D. Seymour, Board of Directors, American Council of State Savings Supervisors.

The Committee held its final day of hearings March 17, 1989, when it heard from three distinguished industry executives namely Herbert M. Sandler, Chairman and CEO, World Savings and Loan Association, Oakland, California; Lewis Ranieri, Principal, Ranieri, Wilson, New York, New York; and Ernest M. Fleischer, Chairman, Franklin Savings Association, Ottawa, Kansas.

In total, to prepare itself to consider and report legislation to resolve the FSLIC crisis, the Banking Committee held 23 days of hearings during which it heard from over 50 witnesses.

SPECIFIC PROVISIONS

1. Restructuring of thrift industry regulation

a. The New Office of Savings Associations

The Chairman of the Office of Savings Associations (COSA) will assume the regulatory functions of the Federal Home Loan Bank Board. The COSA will be under the authority of the Treasury Department. In contrast to the existing FHLBB, which has three members, the Office of Savings Associations will have a single chairman. All regulatory functions and rule-making authority for federally chartered and state-chartered thrifts will be vested in the COSA, except to the extent specific provisions of the bill create certain powers for the FDIC. For example, COSA will set the capital and accounting standards for thrifts, but the FDIC will have the power to review compliance with a business plan requiring capitalization of an existing investment in a thrift subsidiary.

In general, the structure of the Office of Savings Associations will parallel the structure of the existing Office of the Comptroller of the Currency. However, the Office of Savings Associations will be funded by assessments on thrifts. The Secretary of the Treasury will be prohibited from intervening in particular cases or enforcement actions of COSA.

To maintain the independence necessary to the proper performance of their offices, the COSA and the Comptroller shall be allowed to submit testimony to Congress and propose legislation without prior approval from the Secretary of the Treasury. In addition, COSA and the Comptroller shall not be subject to restrictions by review by the Office of Management and Budget. Further, the salaries of COSA and Comptroller staff are exempted from federal pay caps to allow COSA and the Comptroller to offer compensation competitive with other federal banking regulators. Although the regional Federal Home Loan Banks have never had statutory responsibility to regulate thrifts, they employ persons who acted as agents of the FHLBB. Those agents will now be employed by COSA.

b. The New Federal Home Loan Bank Agency

i. Independence from Treasury.—The new Federal Home Loan Bank Agency will suc-

ceed to the FHLBB's authority to supervise the Federal Home Loan Banks. The principal function of the Federal Home Loan Banks is to promote economical home financing by serving as lending facilities for their member institutions.

Treasury Department oversight of the credit functions of the Federal Home Loan Banks is undesirable because of the inevitable tension between the budgetary and macroeconomic policies of the Treasury Department and the Federal Home Loan Bank's mandate to facilitate economical home finance. Treasury control over the Bank's housing credit function, or a significant threat of control could interfere with the Bank's mission of making loans to savings associations, and thereby ultimately with the availability of credit to home buyers. The Committee believes it preferable to create a new independent agency in the executive branch: the Federal Home Loan Bank Agency (FHLBA). The FHLBA will supervise and oversee the Federal Home Loan Banks and ensure that the Banks carry out their housing finance mission, remain adequately capitalized, and operate in a safe and sound manner.

Under the proposed legislation, the FHLBA's Board of Directors will consist of three persons appointed by the President and confirmed by the Senate. Members of the Board will serve six-year terms, and no more than two members may be from the same political party. The members should have extensive experience or training in housing finance. The Committee intends that the Agency be a small, effective and efficient governing body.

ii. Expanded Federal Home Loan Bank System Membership.—The Committee determined that current provisions of the Federal Home Loan Bank Act inappropriately preclude certain financial institutions from eligibility to become members and shareholders of the Federal Home Loan Banks. The Committee believes that certain banks and credit unions have demonstrated a commitment to residential mortgage lending and should be eligible to become shareholders of the banks. The Committee's bill therefore broadens the range of institutions eligible to become members and shareholders of the Banks, but makes eligibility contingent upon a demonstrated substantial commitment to housing finance. Specifically, the bill requires that, to become a member of a Bank after January 1, 1989, an insured institution must be a qualified thrift lender pursuant to Section 10(e). Further, in the judgment of the FHLBA, the insured financial institution's financial condition must be sufficiently strong that the Bank may safely advance monies to the institution. Finally, the character of the institution's management and residential lending policies must comport with sound and economic home financing.

iii. Federal Home Loan Bank Directors.—Because the regulatory employees of Federal Home Loan Banks are being removed and placed into the Office of Savings Associations, the Committee saw no need to alter the basic structure of current law with respect to the election of Bank directors. The Committee believes, however, that additional consumer representation on the Banks' boards of directors is appropriate. In the last decade, the public interest directors of the Banks have not adequately represented the interests of small depositors and home buyers. Accordingly, the proposed legislation requires that two of the directors appointed by the FHLBA be selected based on their qualifications as representatives of consumer or moderate income community interest.

iv. Federal Home Loan Bank loans for the SAIF.—The Administration proposed that the Federal Home Loan Banks be required to make loans to the FDIC for the use of the Savings Association Insurance Fund, at the FDIC's direction. The Administration's bill did not, however, require that such loans be adequately secured. The Administration's bill also did not require that interest on Federal Home Loan Bank advances be payable at the Banks' current marginal cost of funds. The Committee's bill rectifies these omissions.

v. Advances.—To operate safely, soundly, and profitably, the Federal Home Loan Banks must make only fully collateralized advances, considering all appropriate lending risks, including credit, interest rate, and liquidity risks. The Federal Home Loan Banks' future earnings are important because Bank dividends represent a significant source of income to their members. Moreover, under the proposed legislation, a portion of Federal Home Loan Bank earnings will be diverted annually to help meet interest obligations on borrowings for insolvent thrift resolution. The bill permits the Federal Home Loan Banks to pay dividends to their members up to 80 percent of the Banks' net earnings, calculated without regard to the Bank's purchases of capital certificates in the Resolution Funding Corporation and the Financing Corporation. The bill also requires that long-term advances be made only for home financing purposes.

2. Qualified thrift lender test

a. Current law

The qualified thrift lender test (or "QTL test") is intended to measure a thrift institution's involvement in housing finance.

The test requires a thrift institution to hold 60 percent of its total tangible assets in: (1) loans, equity positions, or securities that are in some way related to residential real estate or mobile homes; and (2) premises, furnishings, and equipment used by the institution or its subsidiaries. Up to 10 percentage points of the 60-percent requirement may be met by counting: (a) liquid assets (e.g., money-market mutual funds and short-term, investment-grade corporate debt securities); and (b) a mortgage-origination credit.

As interpreted by FSLIC, current law gives QTL credit for assets that may have little to do with residential mortgage lending, such as: brokered deposits in other thrift institutions; offices—no matter how lavish, and regardless of whether the office has anything to do with residential mortgage lending; corporate jets used by thrift executives; equity investments in real estate, including raw land zoned for residential use; home-equity lines of credit (even if the proceeds are used to finance videocassette recorders or foreign travel); credit-card debt used to buy items for the home; bonds issued by the FSLIC Financing Corporation; and any other assets that FSLIC's staff regards as housing-related.

In addition, thrift institutions are allowed to use different accounting for the numerator of the QTL test (qualifying assets) than for the denominator (total tangible assets). Some assets that have appreciated in value are included in the numerator at market value but in the denominator at historic cost. Intangible assets (such as the value attributed to mortgage-servicing rights, purchased deposits, and branch networks) and leasehold improvements are included in the numerator but not in the denominator. Likewise, the assets of subsidiaries are included in the numerator but not in the denominator. This inconsistent accounting has the effect of watering down the QTL test.

Under FSLIC's regulations, thrift institutions must meet the current test on only 18 days out of every 3 years. This infrequent averaging facilitates manipulation.

b. Revised QTL test

Section 301 of the bill reenacts the current QTL test and increases the consequences of failing to comply. Effective July 1, 1991, section 303 revises the QTL test—maintaining the test at 60 percent but tightening the standard and making the test more rational.

i. Qualifying assets.—The revised test requires that at least 60 percent of a thrift's "portfolio assets" (as defined below) consist of the following assets related to residential mortgage lending:

(1) residential mortgage loans;
(2) residential construction loans;
(3) home improvement loans;
(4) home repair loans;
(5) mobile-home loans;
(6) mortgage-backed securities; and
(7) home equity loans, to the extent that the loans are used to purchase, refinance, construct, improve, or repair residential housing or mobile homes (the regulator will determine a general percentage to be used based on a survey of industry-wide patterns).

In addition, there is a mortgage-origination credit for one-half the dollar value of residential mortgage originated and sold during the last 90 days, which may count up to as much as 5 percentage points of the 60 point test. (This is similar to current law.)

If a loan finances both residential and nonresidential property (e.g., both apartments and a shopping mall), only the residential portion of the loan counts toward the QTL test.

Because home equity loans are often made for a purpose that is not related to residential housing, the Chairman of the Office of Savings Associations is required to determine annually the average portion of home equity loans made by savings associations that is used to purchase, refinance, construct, improve or repair residential housing or mobile homes. Savings associations may then count towards the QTL test that percentage of their home equity loans.

The bill is intended to refocus the QTL test and prevent the inclusion of other assets by regulatory interpretation.

ii. Portfolio assets.—The base against which the 60 percent of housing assets is measured is "portfolio assets." Portfolio assets consist of total assets minus:

(1) the thrift's own premises, furnishings, and equipment;
(2) liquid assets that regulators require the thrift to hold; and
(3) goodwill and other intangible assets.

Subtracting these three items from total assets ensures that they are treated neutrally: they do not count either towards the 60-percent requirement or against the remaining 40 percent.

iii. Consistent accounting.—The same accounting would be used for the numerator of the QTL test (qualifying assets) as for the denominator (discretionary assets). If a thrift institution counts the assets of a subsidiary towards the numerator then those assets will also count towards the denominator.

iv. Averaging.—To reduce the potential for manipulations the QTL test would be calculated using daily or weekly averages of a thrift institution's assets during the preceding 2 years.

v. Consequences of failing to comply.—Under the bill, a thrift institution that persistently fails the QTL test will not be eligible to receive Federal home loan bank advances and must eventually become a bank. In addition, as under current law, a unitary thrift holding company may conduct a broader range of activities if its subsidiary thrift institutions meet the test.

vi. Effect on industry impact.—According to statistics produced by both the Federal Home Loan Bank Board and the GAO, the effect of the new test on the thrift industry will be significant but not dramatic. For example, according to the Bank Board's statistics, 83 percent of the assets of the thrift industry are in institutions that pass the current test, while institutions with 76 percent of the industry's assets would pass the proposed test.

vii. Effective date.—The new QTL test will not become effective until July 1, 1991.

3. Changes in thrift powers

a. Changes in powers of federally-chartered thrifts

Like the Administration's proposal, the Committee's bill does not change the *types* of activities and investments permitted for federal thrifts. There is a change, however, in the *amount* of permissible commercial real estate lending.

i. Lower commercial real estate loan limit.—Under current law, a federal thrift may make commercial real estate loans of up to 40 percent of assets, regardless of whether the thrift has any capital at all. The proposed legislation changes the standard so that a federal thrift may only make commercial real estate loans up to 4 times the thrift's capital. To illustrate, under a 6 percent minimum capital requirement, a thrift will be permitted to invest up to 24 percent of assets in commercial real estate loans. If the thrift has 10 percent capital it will be able to invest up to 40 percent of assets in such loans.

ii. Flexibility of limitation.—After some experience with the new requirement, COSA will have the authority to modify the standard consistent with safe and sound business practices, but only if such additional loans would not present a significant risk to the safe and sound operation of the association and the increased lending authority is consistent with prudent operating practices. If the Chairman permits lending in excess of the 400 percent limitation, he then must monitor the condition (including the lending activities) of the association.

The Committee expects that the Chairman would exercise this discretion sparingly. Investments in nonresidential real estate in excess of the new limitation set forth in this section could result in an overconcentration of the asset portfolio in an area that entails a greater-than-normal level of risk. Accordingly, a precondition for the Chairman's exercise of this discretion should be that the savings association is capitalized well in excess of the standards that will be in place on June 1, 1991. Only in this way would the association be positioned to take on the additional risk represented by this loan concentration in the asset portfolio.

iii. Rationale for the change.—Although current law places some limits on the amount that a savings association could lend for nonresidential real estate purposes, these limitations were not sufficient to prevent the high concentration of speculative real estate loans that were made recently by savings and loan associations. During the 1980's many savings associations made loans to commercial real estate ventures in amounts that were inconsistent with sound policies regarding diversification of exposure. In addition to representing a disproportionate share of the loan portfolio, these loans were subject to the dramatic swings of highly volatile real estate markets. The combination of the speculative nature of these loans, the lack of expertise in making these types of loans, and the concentration of these loans in the asset portfolio was disastrous for many savings institutions.

For these reasons, the commercial real estate lending activities of many savings associations were decisive factors in their subsequent unprofitability or insolvency. There appears to be a high correlation between the percentage of an institution's assets dedicated to nonresidential real estate lending and the probability that such an institution will encounter financial difficulty. In numerous Bank Board press releases announcing savings and loan association failures, the financial difficulties leading to insolvency have been attributed to "over-concentration in commercial real estate," "unsafe and unsound commercial real estate lending" and "commercial construction and speculative land loans."

The revised restriction should ensure greater portfolio diversification—which is one of the keys to safety and soundness in the financial industry—and decrease the possibility that savings institutions (particularly weak institutions) will in the future rely so heavily on a sector of the market in which returns are highly variable.

iv. No divestiture of existing loans.—Federal thrifts will not be required to divest any existing commercial real estate loan as a result of the new standard.

b. Changes in powers of State-chartered thrifts

There are 3 basic issues:

(1) What activities may a federally insured State thrift institution engage in *directly*, and on what conditions?

(2) What activities may the thrift institution engage in through a *subsidiary*, and under what restrictions? To what extent may depositors' funds be used in place of private capital to support the activities of the subsidiary?

(3) What firewall restrictions should be imposed to prevent *affiliates* of thrift institutions from putting federal deposit insurance at risk?

i. Activities conducted by State thrifts directly.—Under current law, State thrifts may engage in activities directly (rather than through a subsidiary) that are broader than the activities that federal thrifts are permitted to engage in directly. The proposed legislation imposes safeguards on these broader activities to protect the deposit insurance fund.

(A) General two-part test.—Under the bill, a state thrift could engage directly in a different activity, or in a greater level of a particular activity, than a federal thrift may engage in directly, only if two conditions are met.

First, the state thrift must have enough capital to satisfy the fully phased-in capital standard that will apply to thrifts by 1993.

Second, the FDIC must determine that the different activity or different level of activity does not pose a significant risk of loss to the deposit insurance fund. The Committee intends that the standard for assessing the significance of the risk of an activity is whether the activity may result in *any* loss whatsoever to the insurance fund. The significance standard does not relate to the relative or absolute size of potential losses that the insurance fund may suffer as a result of permitting the thrift to engage in the activity. Rather, the test is whether it is likely that permitting the activity to be carried on by a state thrift may cause any loss to the fund.

(B) Exception for agency activities.—The two-part test does not apply to broader agency activities permitted for state thrifts, because these activities are not risky.

(C) Exception for different levels of activity.—In general, a state thrift does not need prior FDIC approval under the two-part test to engage in a greater level of a particular activity than is permitted for a federal thrift. The FDIC could still restrict the activity on its own, using the same test, and would be expected in any event to monitor these greater levels of activities by state thrifts. In addition, this exemption from prior approval would *not* apply to greater levels of activity in two areas permitted for federal thrifts: investments in service corporations greater than the 3 percent limit; and commercial real estate lending above the new standard of 400 percent of capital.

(D) Direct real estate/equity investments prohibited.—Notwithstanding the two-part test, a state thrift, like a federal thrift, is prohibited from engaging in direct real estate or equity investments. These activities are too risky to be funded by insured deposits. However, a thrift may engage in these activities through a separately capitalized subsidiary, as discussed in more detail below.

(E) Special rule for junk bonds.—As discussed below, junk bond investments are subject to a special rule, whether engaged in by a thrift directly or through a subsidiary.

(F) No divestment of existing loans or investments.—A state thrift that did not satisfy the two-part test would not have to divest any existing loans or investments.

ii. Restrictions on direct real estate and equity investments.—The causes of the crisis in the thrift industry are many and varied. A major contributing factor, however, is the ability of institutions chartered under state law to assume unacceptable risks through the exercise of new and nontraditional powers granted under state law. These laws—enacted without regard to the potential harm to the federal insurance fund—allowed state-chartered thrifts to make direct investments in real estate and in many other assets.

This authority was granted at a time when the thrift industry was in a seriously weakened condition. New investment powers were viewed as a way to permit thrift institutions to return to profitability by allowing equity ownership, which generally provides higher returns than lending, and diversification into other sectors where returns were viewed as better. Such authority did not, however, take account of the lack of expertise of financial institutions in managing, operating, or controlling businesses in other industries, or the incentive such authority created, especially for weak institutions, to gamble on speculative investments as a method of recovery.

The Committee considered at length the question of whether and to what extent the bill should require limitations on direct investments in real estate and equity by thrifts. Several witnesses at the Committee's hearing expressed concern about direct

investments. Mr. Selby, for example, said that ". . . some of the institutions, some of them that have been mentioned today in Texas, had very large direct investments that contributed to their problems." Similarly, FSLIC staff expressed the opinion that direct investments or risky acquisition, development and construction loans have contributed to almost all of the failures the FSLIC has had to resolve. Many direct investments masqueraded as loans by having very high loan to value ratios and equity participation clauses. For example, the FHLBB's press releases on the failure of Gibraltar Savings Association and Height Savings Association, both of Houston, blamed the failures on "direct investments in speculative ventures."

Thrifts that are insolvent or approaching failure can remain liquid and keep operating because deposit insurance protects their customers (at least their insured depositors) from loss. Such severely troubled institutions have incentives to use the funds they receive to gamble on recovery. Some firms hope to profit from investing in projects that promise high returns. In general, direct investments offer higher returns than lending.

But the higher returns promised by direct investment are not a free lunch. The market demands a price for such returns: high risk. Although some investors profit handsomely from direct investments, many others lose heavily. In good years, most projects succeed, but in bad years many projects fail. The real estate markets, particularly the commercial real estate markets, have followed this pattern in recent years. Returns have been highly variable across the country and over different time periods.

Because of the risk associated with direct investments, banks and thrifts generally have little or no ability to make equity investments. Federally chartered thrifts, for example, may not make direct investments in real estate. Some states, however, have allowed their thrifts to make equity investments, and many thrifts in those states have seized the opportunity to become heavily involved in such investment activities. According to testimony before the Committee, state-chartered thrifts have made direct investments in a wide range of non-traditional investments, including windmill farms, fast food franchises, toxic waste dumps, and stud farms. There can be no doubt that unsuccessful investments of this type have been a major cause of the losses in the thrift industry.

In addition to ordinary market risks of such investments, thrifts face additional risk because they lack expertise in businesses so far removed from their core lending business. Without such expertise, a thrift may inadvertently enter the market too late, invest in unsound or fraudulent projects, or make managerial errors.

The risks of direct equity investments to thrifts are amply demonstrated by available data. While the thrift industry as a whole was unprofitable last year, the condition of thrifts without direct investments (over three quarters of the industry) was better than those with direct investments. Those without direct investments had 4.4 percent GAAP capital and broke even. As the data in Table I show, profitability varied inversely with the percentage of assets directly invested.

TABLE I.—DIRECT INVESTMENTS [1] REAL ESTATE AND OTHER ASSETS

Percentage of assets	Number of thrifts	Percentage		GAAP capital	Return on assets
		Unprofitable	Insolvent		
Over 20	8	87.5	75.0	(69.7)	(31.3)
10 to 20	14	85.7	57.1	(11.3)	(5.6)
5 to 10	42	53.7	34.1	(.5)	(2.9)
0 to 5	629	40.9	23.4	2.2	(0.8)
0	2,331	2.5	11.1	4.4	0.0
All S&Ls	3,024	27.6	14.3	3.0	(3.2)

[1] Direct investment includes real estate held for development and nonresidential property.

Source: Staff analysis using Federal Home Loan Bank Board data.

Last fall, for example, the eight thrifts that had more than 20 percent of their assets in direct investments had a GAAP capital deficiency of 70 percent of total assets and were losing money at the extraordinary rate of 31 percent annually. The FHLBB's broader study of direct investments found a statistically significant correlation between the amount of direct investment activity at a failed thrift and the eventual cost of the failed thrift's resolution. Thus, in a fundamental sense, thrifts that make such investments are gambling, and gambling with Federally insured deposit.

(A) Prohibited within thrift.—Section 223 specifically prohibits a state-chartered thrift institution from acquiring or retaining any equity investment of a type or in any amount not permissible for a federal thrift. This prohibition is intended to include any type of equity investment including common stock and preferred stock (whether voting or non-voting), options, warrants, and interests in partnerships (whether general or limited).

(B) Transition rule.—A State thrift that currently engages directly in such equity investments must divest itself of the investment as quickly as the FDIC deems prudent, with an outside limit of five years from the date of enactment.

iii. Restrictions on corporate debt securities not of investment grade

(A) Current law for Federal thrifts.—A Federal thrift's investment in corporate debt securities that are not of investment grade (commonly referred to as "junk bonds") is limited to 11 percent of assets under current law. National banks, by contrast, are prohibited from investing in junk bonds.

(B) Capital requirement.—Under the proposal, a state thrift may not maintain more than 11 percent of its assets invested in junk bonds (whether directly or through a subsidiary) unless it has enough capital to satisfy the new, fully phased-in capital standards that will apply to thrifts as of 1993.

(C) Application to FDIC.—In addition, a State thrift must apply to the FDIC within 90 days of the date of enactment for permission to maintain more than 11 percent of its assets in junk bonds.

(D) FDIC determination.—Within 10 months of the date of enactment, the FDIC must determine whether an institution's investment in junk bonds exceeding 11 percent of assets constitutes a significant risk to the deposit insurance fund. It may make this determination on a case-by-case basis or by regulation. In making the determination, the FDIC should consider, among other relevant facts, the risks and returns on such investment, the institution's capital ratios, and its management expertise and past performance in such investments.

(E) FDIC restrictions.—If the FDIC determines that any part of a thrift's junk bond investment does pose a significant risk of loss to the fund, it may require that part to be sold, separately capitalized, transferred to a separately capitalized subsidiary, or otherwise restricted.

(F) Transition rule.—The bill would not require a thrift to divest or separately capitalize any part of its junk bond portfolio during the time in which the FDIC is making its determination. In addition, a transition rule applies to a thrift that must divest or take a similar action as a result of the FDIC's determination. Beginning a year after date of enactment, the thrift will have four years to comply, achieving 25 percent compliance each year.

iv. Separate capital rule for subsidiaries

(A) Separate capital rule.—If a thrift's subsidiary is engaged in activities that are not permissible for a national bank, both the Administration's proposal and the Committee's bill require that the subsidiary be separately capitalized (i.e., that the thrift's investment in the subsidiary not be counted as part of the thrift's own capital). This requires that impermissible activities be funded with private capital, rather than insured deposits. Examples of such impermissible activities are equity investments, insurance underwriting, and (depending on the FDIC's determination) junk bond investment.

(B) Rationale.—The separate capital requirement prevents double leveraging, a practice in which the same capital supports the operation of both the parent and the subsidiary.

By definition, capital requirements establish the minimum levels of capital at which the thrift's traditional deposit and loan activities can be safely and soundly conducted, with minimum risk to the deposit insurance fund. That capital, which is there to absorb losses at the thrift and protect the deposit insurance fund, should not be diverted to support risky nonbanking activities. Including the capital that is at risk in subsidiaries in the depository institution's consolidated capital amounts to a form of double counting. If the capital is lost in the subsidiary, it is not available to support losses in the thrift organization and the federal safety net is directly put at risk.

It is necessary for effective implementation of the capital standards that separate capital be required for any subsidiary engaged in activities not permitted for a national bank. The bill requires that the capital standards for thrifts should be no less stringent than those applicable to national banks. If the capital deduction were not required for nonconforming activities, a thrift institution would functionally operate with less capital than a bank of the same size because the thrift would have greater risk in its operations.

Separate capitalization is not required for agency activities, even if such activities are not permissible for a national bank. Consequently, the separate capitalization requirement chiefly affects those activities carried out as principal through service corporations and which are typically of higher risk than other activities. These activities would include securities activities, insurance underwriting and real estate development. All of these activities carry risk that is different from that of lending. Therefore, if the thrift chooses to engage in these activities, the thrift should have capital over and above what is necessary to support its traditional activities.

Experience has already demonstrated that thrifts can suffer major losses by engaging

in real estate development. Losses require an immediate deduction from capital. If a savings association decides to engage in one of these types of activities through a subsidiary, the subsidiary should have its own capital on which to operate and should not be permitted to leverage the capital of its parent insured institution. Without separate capital, the deposit insurance fund would once again be exposed to the risk of loss occasioned by the conduct of high-risk activities subsidiaries, whereby the subsidiaries may drain off capital that is needed to support the operations of the insured thrift institution itself.

(C) Change from administration proposal.—The Committee's bill is less stringent than the Administration's proposal because it makes exceptions for agency activities and junk bonds. Agency activities are excluded because they are not risky. Junk bonds are subject to a special rule, as discussed above. If (directly or through a subsidiary) a thrift's total junk bond investments do not exceed 11 percent of its assets, it need not separately capitalize the investments made through the subsidiary: if the FDIC approved, additional junk bond investments could be made without requiring separate capitalizations.

(D) Five-year transition rule.—A thrift will have five years from the date of enactment to comply with the separate capital rule. Until June 1990, the thrift may include in its capital 100 percent of its investment in the subsidiary; from July 1990 through June 1991, 90 percent; from July 1991 through June 1992, 75 percent; from July 1992 through June 1993, 60 percent; and from July 1993 through June 1994, 40 percent. The FDIC would have discretion to require a given thrift institution to achieve more rapid compliance with the separate capitalization requirement if, under the circumstances, slower compliance would be an unsafe and unsound practice.

c. Affiliate firewall restrictions

The Administration's bill proposed changes in the treatment of transactions between a thrift and its affiliates. The Committee agrees that changes in this area are desirable, but has chosen to adopt a more stringent approach.

i. Current law.—A thrift cannot make any investment in an affiliated company, and it generally cannot engage without the FSLIC's approval in transactions with affiliates that involve purchasing, selling, or leasing assets. The exception is for transactions with an affiliate that engages only in activities that are permissible for a bank holding company. In such cases, the transactions are permissible under the standard applicable to banks, which is discussed below.

ii. The Administration's proposal.—The Administration's bill would have applied the bank standard to *all* transactions between a thrift and its affiliates. This standard is set forth in Sections 23A and 23B of the Federal Reserve Act. This standard is, in some respects, more permissive than the standard that applies to thrifts under current law, in part because affiliates of banks can engage in a much narrower range of activities than thrift affiliates. (In general, a thrift can be affiliated with any company, no matter what its activities.)

iii. Sections 23A and 23B.—Section 23A of the Federal Reserve Act limits the amount that a bank can loan to an affiliate to 10 percent of capital; it limits the total of all transactions with affiliates to 20 percent of capital; and it requires that all extensions of credit to an affiliate be fully secured. Section 23B further requires that transactions between a bank and its affiliates be on terms at least as favorable to the bank as comparable transactions with third parties.

iv. New standard.—The bill applies the provisions of Sections 23A and 23B of the Federal Reserve Act to every savings association in the same manner and to the same extent as if that savings association were a member bank. The Chairman of the Office of Savings Association may impose more stringent requirements on affiliate lending by a savings association, but cannot exempt transactions from the provisions of Sections 23A and 23B.

The bill limits further the types of transactions permissible between a savings association and its affiliates by permitting only loans and extensions of credit to an affiliated company; it specifically prohibits any other type of investment or transaction, including purchases of assets, otherwise covered by or described in Sections 23A or 23B. In addition, section 11(a) permits loans or extensions of credit only to savings association affiliates that engage in activities that are permissible under 4(c)(8) of the Bank Holding Company Act. The definition of an affiliate in Section 23A is carried over into the bill.

Notwithstanding COSA's authority to prescribe more stringent standards, a savings association may purchase or participate in a loan originated by an existing mortgage banking affiliate to the same extent that a member bank could engage in such transactions consistent with 12 C.F.R. 250.250.

Sections 23A and 23B are two of the most important prudential limits in federal banking law. Transactions with affiliates present a vehicle for transferring the benefits of deposit insurance to nonbanking, nondepository affiliates, and for transferring greater risk to banks and savings associations affiliated with nonbanking companies. The basis for the restrictions in Sections 23A and 23B is the danger that will not act at arm's length when extending credit for benefit of its affiliates. Sections 23A and 23B are self-executing, and do not require the promulgation of regulations before they become fully effective.

Because of the crucial importance of the prudential limits established by Sections 23A and 23B, it is appropriate that authority for granting exemptions from these provisions be vested in a single agency responsible for uniform interpretation or these provisions, without the possibility for fragmentary and conflicting agency interpretations. Furthermore, this is not an area where there is room for any competition in laxity. Accordingly, the Federal Reserve Board has sole authority for issuing regulations or orders pursuant to these sections, including making determinations that certain transactions or relationships should be subject to Section 23A or 23B. In granting exemptions under these provisions, the Board may distinguish between banks and savings associations if the situation warrants.

4. Capital standards

a. In general

i. S. 413.—The bill requires that thrift capital standards be no less stringent than the capital standards that apply to national banks, but it also permits deviations that do not result in materially lower capital standards for thrifts than national banks. In addition, the bill allows the inclusion of goodwill as a component of capital, which is generally not permitted for national banks (see discussion below). The new capital standard is to be fully phased-in by June 1, 1991.

ii. Two capital standards apply.—The capital standard that will apply to national banks in 1991 is actually the greater of two standards. The first is the risk-adjusted standard, which requires banks that hold assets with greater credit risk to have more capital than banks with assets with lesser credit risk. The second is the leverage ratio, which is a flat percentage of capital to total assets.

iii. Leverage ratio as absolute minimum.—The leverage ratio that applies to thrifts will be no less stringent than the leverage ratio that applies to national banks; no deviations to lessen this standard will be permitted.

iv. Risk-adjusted ratio may deviate.—The risk-adjusted ratio that will apply to thrifts may deviate from the risk-adjusted standard that will apply to national banks, especially to take into account interest rate risk. But the thrift risk-adjusted standard, taken as a whole, may be no less stringent than the national bank risk-adjusted standard.

v. The 1991 deadline remains in place.—As in S. 413, the deadline for meeting the new thrift capital standard will be June 1, 1991. But additional capital restrictions apply both before and after that date.

vi. Pre-1991 capital restrictions.—Between now and 1991, thrifts that fail to meet their capital requirements have an incentive to grow and engage in risky activities in order to build capital quickly. To address these problems, the COSA will maintain discretion to limit any asset growth of such thrifts. In addition, such thrifts will be required to submit a new business plan for increasing capital that is acceptable to the thrift regulator.

vii. Pre-1991 business plan for increasing capital.—The business plan must describe the types of activities the thrift intends to engage in to increase capital, and it must provide that any asset growth will be fully supported by tangible capital under the capital standard in effect. A thrift that violates its business plan will be subject to the full range of enforcement measures provided by existing law and this bill.

viii. Post-1991 capital restrictions.—The Administration proposed to prohibit thrifts failing to meet the new capital standard in 1991 from all asset growth. This is too inflexible. The bill will permit very limited growth under very limited circumstances as described below.

ix. Post-1991 growth limited to interest credited.—COSA may *permit* asset growth by undercapitalized thrifts up to a maximum amount equal to interest credited on deposits. At current interest rates this translates to a maximum of 5 to 7 percent annual asset growth. But COSA may in its discretion limit or stop this growth altogether.

x. Post-1991 growth permitted only in less risky assets.—An undercapitalized thrift may only grow in traditional, less risky thrift assets. These consist of assets that qualify for the qualified thrift lender test and consumer loans.

xi. Post-1991 growth must be fully capitalized.—The limited growth permitted for an undercapitalized thrift must generally be supported by 6 percent tangible capital. However, if the capital standard in effect at the time would otherwise require less tangible capital, COSA may in its discretion apply that standard instead.

b. Goodwill

i. 25-year grandfather period.—Goodwill shall have a maximum amortization period

of 25 years for purposes of determining compliance with capital standards. The bill makes no distinction between so-called "supervisory" goodwill and any other form of goodwill.

ii. Fully capitalizes asset growth.—An institution that meets its capital standards only by counting goodwill must fully support any asset growth with tangible capital. This tangible capital may be required to be as much as 6 percent of assets, but may never be less than the minimum level required under the new capital standard.

iii. Goodwill in prospective acquisitions.—Any goodwill, whether it arises from an assisted or unassisted transaction, that is created in a merger or acquisition consummated after April 12, 1989, shall not be counted for purposes of determining compliance with any capital standard promulgated or enforced by any Federal banking regulatory agency. The bill makes a narrow exception in the case of a thrift merger for which a completed application was filed and received by the FHLBB on or before March 12, 1989, if such merger or acquisition is later consummated in accordance with all the material terms and conditions of the original application. This narrow exception gives the new COSA limited discretion to include goodwill in determining capital adequacy.

c. Early intervention rule

The early intervention provision, Section 913 of the FIRRE Act, provides the FDIC with new procedures for suspending deposit insurance for any institution which has no tangible capital. These expedited procedures will allow the FDIC to suspend deposit insurance, without a prior administrative hearing, but subject to judicial review under the arbitrary or capricious standard.

When determining the tangible capital of savings associations, the FDIC is to include goodwill, but only to the extent that such goodwill is considered a component of the association's capital under section 5(t) of the Home Owners' Loan Act. Any association which would have no tangible capital, but for the inclusion of this goodwill, will be considered a special supervisory association.

While the FDIC may not suspend insurance based on the lack of tangible capital for a special supervisory association, the agency is given enhanced supervisory authority over the institution. First, it is the Committee's intent that the association enter into a capital improvement plan with both COSA and the FDIC. Further, the FDIC is authorized to suspend deposit insurance for such an association, utilizing the same expedited procedures as would apply to other insured financial institutions, if it determines that (1) the association's capital level has suffered a material decline after the date of enactment of the FIRRE Act; (2) the association, or its directors or officers, is engaging in an unsafe or unsound practice; (3) the association is in an unsafe or unsound condition; (4) the association, or its officers or directors, has violated any applicable law, rule, regulation, or order, or any condition imposed in writing by any Federal banking agency, or any written agreement with any Federal banking agency, or that the association has failed to enter into a capital improvement plan which is acceptable to the FDIC. Further, in light of the risk posed to the insurance fund by these special supervisory associations, the FDIC is directed to conduct a thorough examination of these institutions within 3 months of the date of enactment of the FIRRE Act, and on a quarterly basis thereafter.

It is important to note that these new procedures for suspension of insurance are in no way intended to restrict or limit the FDIC's current authority to terminate deposit insurance under Section 8(a) of the Federal Deposit Insurance Act. Thus this provision in no way affects the FDIC's authority under Section 8(a) to terminate the insurance of an institution which *has* tangible capital.

d. Accounting practices

The bill requires the federal banking agencies to establish uniform accounting standards for federally insured financial institutions. This is not an invitation to lower the overall standards to the lowest common denominator. The Committee is aware that in some instances (for example sale of assets with recourse) application to thrifts of Generally Accepted Accounting Principles for banks would have harsh results. In other instances (for example, discounting the value of general loan loss reserves) application of Generally Accepted Accounting Principles for thrifts would have harsh results on banks. The Committee expects the Federal banking agencies to develop uniform accounting standards that accurately measure the condition of the institution so that capital standards are not rendered meaningless. In their reports to Congress on capital standards, the federal banking agencies shall explain the deviations between their respective capital standards. For example, the Committee understands that one Federal banking regulatory agency has proposed risked-based capital requirements that depart from the other Federal banking regulatory agencies' treatment of mortgage servicing rights in computing core capital.

5. Resolution Trust Corporation

a. Introduction

The overall purpose of the RTC is to dispose of failed thrifts and assets of failed thrifts and to assist the FDIC in resolving future thrift failures at minimal cost. The emergency nature of this legislation requires that Congress give the Executive Branch latitude to fashion a system in which the Administration has confidence. If time had permitted, however, the Committee would have expanded its hearings to include discussion of alternative means to accomplish the Administration's goals.

b. Oversight of the RTC

i. Composition of Oversight Board.—The RTC will be governed by an Oversight Board composed of a mixture of private and public officials. The public officials on the Oversight Board are the Attorney General, the Chairman of the Federal Reserve, and the Secretary of the Treasury. The President shall also appoint two private persons to the board who have experience equivalent to that of a chief executive officer of a major corporation, including some experience in real estate matters. The Committee believes that such private persons will bring essential real estate and management expertise to the Oversight Board. In addition, the Committee fears that significant responsibilities of the public sector members of the Oversight Board will likely leave them limited time to monitor the RTCs activities in depth.

ii. Ethical safeguards.—Under the proposed legislation, the RTC is not an agency of the federal government. Given the amount of public funding provided to the RTC, the Committee is concerned by the potential for the very types of fraud and abuse that caused problems at many failed thrifts. Therefore, the bill subjects agents and employees of the RTC to ethical standards at least as high as those that apply to FDIC employees. Further, the bill makes agents and employees of the RTC (such as attorneys, accountants, appraisers, brokers, and property managers) accountable for malfeasance and subject to the same criminal penalties as FDIC employees.

iii. Reports to Congress.—Under the proposed legislation, the RTC will make pivotal decisions regarding allocations of federal funds to resolve large numbers of savings and loan insolvencies. Accordingly, the bill requires the RTC to report in detail on its actual and projected expenditures, commitments and guarantees to acquiring institutions, and future operating plans. This reporting requirement is similar to requirements imposed on the FDIC and requires financial information similar to that Congress requires of government corporations under 31 U.S.C. Section 9103(b)(2). The RTC's report shall set forth the results of an audit of the Corporation's financial statements performed by the Comptroller General or, at the Comptroller General's election, by an independent certified public accountant. Also, the RTC is required to report semiannually on its asset disposition efforts and expenses.

c. Orderly sales of assets

i. Goals.—The RTC's primary objectives will be: (1) to obtain the maximum net present value from the assets under its control; (2) minimize disruption to local economies; and (3) maintain an adequate level of capital. Obtaining maximum net present value from assets held by the RTC is essential to control the ultimate costs of the asset disposal program to the taxpayers. But the Committee expects the RTC to maximize net present value without damaging local markets by dumping large amounts of assets on the market all at once. For example, the Committee believes that the Department of Housing and Urban Development's auctions of large amounts of real property in Denver have depressed the entire Denver residential real estate market. The Committee believes such practices are not the best way to maximize value. The Committee believes maximum value may sometimes be obtained for certain properties by sales to public entities. For example, sales of certain structures to public housing agencies, on land with special environmental value to parks or similar public entities. Therefore, the bill requires that the RTC take certain business planning steps to provide for orderly disposal of assets.

ii. Distressed areas.—The bill further requires the RTC to take certain additional steps when selling land it owns in distressed areas. The Committee wishes to note, however, that it does not understand its market valuation requirement as a mandate to obtain an appraisal in all cases. Where other valuation methods are appropriate, an inflexible appraisal requirement could create intolerable delays. Although the Committee's bill gives the RTC maximum flexibility in disposing of assets, the Committee does not expect the RTC to structure transactions that meet the letter of the law but violate its purpose.

iii. Procedures for soliciting business.—The bill requires the RTC to prescribe procedures for the solicitation and selection of offers to acquire troubled institutions or assets held by the RTC, subject to review and approval by the RTC's Oversight

Board, and to document all decisions made during the solicitation and selection process. In the past, the process of soliciting and selecting offers to acquire troubled thrifts has been loosely structured and inadequately documented. In 1988, the Federal Home Loan Bank Board approved many assisted acquisitions using a bidding process that was administered inconsistently, governed by few formal controls, and insufficiently documented. As a result, the GAO and others have questioned whether the methods the Board used in arranging these acquisitions minimized costs to the government and served the public's best interests. Similar concerns have been raised about the asset disposition process.

The proposed legislation requires the RTC to develop procedures for the solicitation and selection process. The Corporation will have flexibility to structure its bidding procedures to accommodate unique circumstances presented by particular thrift and asset dispositions, within the bounds of existing law. To the greatest extent practicable, however, the Corporation's procedures must provide for fair competition and consistent treatment of qualified bidders, and must minimize costs to the Corporation and the federal government. In this context, costs to the federal government include not only any direct costs, but also indirect costs such as federal tax revenues foregone.

The Corporation is required to document the basis for its solicitation and selection decisions and to maintain this and any other relevant documentation in its offices. The central purpose of these requirements is to permit the Government to evaluate the Corporation's disposition activities and decisions.

d. Regional advisory boards

The tasks facing the RTC are formidable. The Committee believes that any expertise that can be brought to bear on this problem should be utilized. Because real estate markets are fundamentally local in nature, it is important to consult with talented, responsible people who understand local market nuances. This bill establishes regional advisory boards composed of such persons to advise the RTC.

e. Structural issues

i. Custodian of assets.—The RTC shall serve as legal custodian (conservator or receiver) of thrifts that fail after January 1, 1989. The RTC will assume responsibilities for such failed thrifts similar in scope to the responsibilities formerly exercised by the FSLIC when a thrift failed. Instead of employing a large internal staff to perform those custodial functions, however, the RTC will contract for management services with the FDIC. The proposed legislation also gives the RTC flexibility to contract with other entities. The Committee intends the RTC and the FDIC to use private persons or entities to the extent that such entities can further the RTC's general asset disposition objectives if, in the sole discretion of the RTC or the FDIC, such private persons or entities are available, practicable and efficient. For example, it may be prudent for the RTC to use asset management companies or real estate brokerages in order to obtain the maximum net present value from certain real estate assets. The Committee does not intend this provision to create a private right of action for frustrated private parties, however, but only to set forth a standard by which actions of the RTC and the FDIC may be reviewed by Congress.

ii. Assisted acquisitions of failed thrifts.—The RTC also will have responsibility for selling or otherwise resolving troubled thrifts under its jurisdiction. In performing this function, the proposed legislation authorizes the RTC to exercise the same powers that the FDIC may exercise. The Committee intends that the RTC endeavor to obtain a share of future potential gain for the government in assisted transactions in the form of warrants, profit sharing arrangements, participations in asset recoveries, or the like. The Committee recognizes that the RTC will need to balance this objective against its mandate to resolve problems at the lowest possible cost to the government. Of course, if material cost savings are available, the RTC may enter into transactions without warrants or similar arrangements.

iii. Changes from Administration proposal.—The Committee altered the Administration's proposal for the RTC only in certain technical and clarifying respects. For example, the Committee expanded the corporate powers of the RTC to facilitate the Corporation's performance of its asset disposition function and add flexibility to the manner in which the Corporation can dispose of assets. The Committee's bill clarifies that, when the Corporation is exercising the fiduciary powers of the FDIC as conservator or receiver of an insured institution, it will contract and otherwise act as the FDIC would be permitted to act under the Federal Deposit Insurance Act and regulations promulgated pursuant to that Act.

iv. Relationship between FDIC and RTC.—Because of the emergency nature of this legislation, the Committee did not alter the proposed statutory language that establishes the basic structure of the RTC and the functions it will be permitted to perform. The Committee notes, however, that there are potential structural issues which the Administration did not clarify. The Committee notes that the RTC could perform its principal intended functions as efficiently if the FDIC continued to serve as the actual legal custodian of institutions in conservatorship or receivership. The Committee is not entirely clear how the relationship between the RTC and its primary manager, the FDIC, will evolve. The Committee wishes to emphasize, however, its expectation that members of the Oversight Board and the FDIC's board of directors, and their respective staffs, will cooperate closely and fully with one another, and endeavor to avoid redundant decision-making.

7. Equalization of premiums and uncertainty about future rates

a. Equalization of premiums

i. Fixed insurance premiums through 1994.—Insurance premiums for banks and thrifts will be fixed through 1994 according to the following schedule (except that the FDIC maintains discretion to reduce the premiums):

Year	Basis points	
	Banks	Thrifts
1990	12	20.8
1991	15	23
1992	15	23
1993	15	23
1994	15	18

ii. Maximum premium of 30 basis points.—As under the Administration's proposal, the FDIC will have new authority to raise premiums. However, unlike the Administration's proposal this new authority may not be exercised at any time before 1995. In addition, the assessment rate will never exceed 30 basis points (rather than 35 basis points under the Administration's proposal).

iii. Equalization of bank and thrift premiums in 1998.—Thrift premiums will decline to 15 basis points on January 1, 1998 to coincide with the same 15 basis point premium that begins to apply to banks in 1991, unless the FDIC exercises its authority to raise premiums.

iv. Maximum annual increase of 5 basis points.—The FDIC's authority to raise insurance premiums by up to 50 percent in one year as proposed by the Administration is reduced to a maximum annual increase of only 5 basis points.

v. Premiums based on reserves.—The FDIC is permitted to raise premiums based on reserves falling below 1.2 percent only after both the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF) have become fully capitalized at a reserve ratio of 1.2 percent. This would prevent the FDIC from immediately increasing premiums based on the fact that the reserve ratios of both the BIF and SAIF funds are currently under 1.2 percent.

8. Contributions to the Resolution Funding Corporation by Federal Home Loan Banks

The Federal Home Loan Banks will provide a portion of the funds needed by Resolution Funding Corporation (REFCORP). These banks will contribute a lump sum of approximately $1.8 billion to be collected over the next two and one-half to three years plus $300 million per year, starting with this calendar year, until REFCORP's bonds are retired. The $1.8 billion equals the retained earnings of the banks as of year-end 1988, less amounts previously used or expected to be used for investments in the Financing Corporation.

The $300 million per year is roughly equal to 20 percent of current annual earnings. Because 20 percent of earnings would normally be added to legal reserves, the aggregate amounts available to pay dividends may not be greatly affected by the bill. However, the loss of their accumulated retained earnings will tend to lower the banks' annual investment earnings. In the event that the industry contracts over the next few years, income from advances could be reduced, making $300 million potentially a somewhat larger portion of earnings.

Dividends at some individual Federal Home Loan Banks also may be reduced because the distribution of both stock purchases and interest payments places a heavier burden, relative to resources, on some banks than on others. This is, at least to some extent, acceptable, as a distribution formula based solely on ability-to-pay might unfairly penalize banks that have been especially successful or that followed more cautious dividend policies. However, other formulas inevitably introduce some element of windfall gains and losses for different district banks.

a. Capital stock

The $1.8 billion plus the annual payments over the first three years, for a total of $2.7 billion, will be used to purchase all of the non-voting capital stock of REFCORP.

The distribution of these funds among the Federal Home Loan Bank will be determined according to a formula devised collectively by the Federal Home Loan Banks which combines these funds with approximately $800 million of investments in the Financing Corporation. There is an explicit percentage distribution of the first $1 bil-

lion. The remainder, roughly $2.5 billion, will be distributed according to each district's percentage of assets held by FSLIC- or SAIF-insured institutions nationwide as of the most recent year-end.

Because the total amount of stock to be purchased roughly equals all of the current and prospective retained earnings and the distribution is based on other criteria, some banks will have more than adequate funds and others less. The banks with an excess will purchase stock on behalf of others to the extent needed. Those with insufficient funds will have to set aside 20 percent of their earnings to repurchase these shares. The price of the shares will rise over time, starting 12 months after their initial purchase, at the rate of the average system-wide cost of funds.

This procedure represents a change from the Administration's bill which required banks that could not get their full allotment to use 75 percent of earnings for repurchasing stock bought by others. The Committee bill should reduce the need for sharp fluctuations and individual payments by stretching out the repurchases over a longer period.

b. Interest payments

The distribution of the annual interest payments among the Federal Home Loan Banks is based on a different formula. The $300 million annual payments for interest (starting in 1992 unless investments in the Funding Corporation and the Financing Corporation are less than $300 million in a previous year) are apportioned among the banks according to their respective average level of advances outstanding during the previous year. This formula more closely approximates an ability-to-pay measure than that in the Administration bill. Thus, it reduces the discrepancies among banks in the effects of the legislation on dividend yields that the banks will be able to offer.

c. Repeal of legal reserves requirement

Legal reserves of 20 percent of earnings will continue to be set aside through 1991. Those reserves will be used to help purchase the $2.7 capital stock. After 1991, there is no important need for such reserves, and the building of such reserves combined with the burden of the $300 million annual payments places an unnecessary constraint on dividends paid to members. Accordingly, the requirement is repealed starting in 1992.

9. Limits on loans to one borrower

Current law permits a thrift to make a loan to one borrower that is equal to 100 percent of the thrift's capital. The Committee feels this limit is too risky.

a. Application of national bank standards

A national bank's loans to one borrower are limited to 15 percent of capital. This general limit will apply to thrifts.

b. Accommodation for residential mortgage loans

A thrift may make a residential mortgage loan to one borrower of up to $500,000 even if this amount would exceed the general limitation.

c. Facilitation of the sale of foreclosed real estate

A thrift may lend up to 50 percent of capital to facilitate the sale of real estate owned as the result of foreclosure.

10. Loan to value ratios

Federal law does not limit the specific amount that banks and thrifts can lend for real estate in relation to the value of the collateral. In some states, thrifts were allowed to gamble and make loans to developers equal to 100 percent of the appraisal value of the land. The Committee's bill places general limits on these loan-to-value ratios for both banks and thrifts. Loan-to-value ratios are an important part of the bill's safety and soundness features. The FHLBB has studied the issue of real estate loans with collateral values equal or close to the amount of the loan and determined that the risk characteristics of such loans are essentially the same as direct investments in real estate. The bill limits the loan to value ratio depending on risk characteristics of the following categories of land.

a. Loans secured by residential property

In general, the loan-to-value ratio for a residential mortgage will be 95 percent of the value of the residence. A higher loan-to-value ratio is permitted for mortgages under federal guarantee programs such as VA and FHA mortgages.

b. Loans secured by developed commercial real estate

The loan-to-value ratio for loans secured by real estate with a completed building will be 80 percent.

c. Loans secured by raw land

The loan-to-value ratio for loans secured by real estate without a completed building will be 65 percent. This is not meant to affect loans to active farming operations secured by agricultural land.

d. Flexibility of limitations

Bank and thrift regulators will have the authority to modify these standards consistent with safe and sound business practices.

11. Real estate appraisals

Many loans and other transactions entered into by federally insured financial institutions are collateralized by real estate. While repayment ability forms the primary determinant of creditworthiness, the value of collateral and a reasonable ratio of loan to collateral value provide important protections against loss. Thus, the quality of real estate appraisals can significantly affect the soundness of insured institutions and, ultimately, the Federal deposit insurance system.

Evidence presented to the Committee indicates that poor quality and, in some cases, fraudulent appraisals have been associated with enormous losses at failed thrifts and contributed measurably to the thrift crisis. The Committee also notes that the House Government Operations Committee, after exhaustive hearings on the subject, concluded in a special report that appraisal abuse was "widespread" and "pervasive" and to blame for billions of dollars in losses to lenders.

Existing statutes and regulations do not require insured financial institutions to use standardized appraisal systems and certified appraisers. The proposed bill seeks to rectify this deficiency. The committee believes that appraisals of real estate collateral should be performed independently, competently, and in accordance with professional standards. Likewise, lending institutions should have policies, procedures, and controls to ensure that the appraisals forming the bases of their lending decisions do, in fact, merit reliance.

The Committee, in addressing the problem, decided to build upon work already being done by responsible elements of appraisal industry. The non-profit Appraisal Foundation, established in 1987, represents the major elements of the U.S. appraisal industry. Under its auspices, an independent Appraisal Standards Board has promulgated and promoted industry-wide standards for good appraisals. Similarly, under its auspices, an independent Qualification Board has recommended minimum requirements for education, experience, continuing education, a code of ethics and tests for use in certifying appraisers.

The bill requires each federal financial institution's regulatory agency to establish standards for the performance of real estate appraisals and for utilization of State certified and licensed appraisers on federally related transactions. The rules would, *at a minimum*, have to meet generally accepted real estate appraisal and certification standards as evidenced by those promulgated by the Appraisal Foundation. Each regulatory agency could exceed the standards if "additional standards are required in order to properly carry out its statutory responsibilities."

In order to monitor the Federal appraisal standards and the State certification and licensing standards, the title creates an Appraisal Subcommittee within the existing Federal Financial Institutions Examination Council. In addition to its monitoring functions, the Appraisal Subcommittee will maintain a national registry of State certified and licensed appraisers and submit annual reports to the Congress on how the law is being enforced.

The Committee believes this structure will assure not only quality appraisal standards and qualified appraisers, but create appropriate enforcement and monitoring mechanisms to assure compliance with the standards.

12. Credit unions

a. Current law

Under current law enacted in 1984, credit unions, unlike other federally insured institutions, do not pay insurance premiums to finance their deposit insurance fund, the National Credit Union Share Insurance Fund (NCUSIF). Rather, each federally insured credit union maintains a deposit equal to one percent of its insured shares with the NCUSIF. Credit unions are permitted to count this deposit as part of their capital.

b. Administration proposal rejected

The Administration's bill proposed to have credit unions pay an annual premium to finance their insurance fund and to write off their existing deposits with the NCUSIF over an eight year period. The Committee is not certain whether such a measure is required at this time. Instead, the Committee's bill includes the credit union capitalization issue among other deposit insurance issues to be studied over the next 18 months by the Secretary of the Treasury and banking regulators. The study will also consider whether administration of the credit union insurance fund should be separated from the National Credit Union Administration (NCUA), which regulates and promotes credit unions. The Committee's bill also includes the NCUA Chairman among the regulators designated to conduct the study of various deposit insurance issues.

c. Comprehensive studies required

As part of the study of deposit insurance required under the bill, the Treasury Department will be required to examine the credit unions' deposit insurance system and administration. The Chairman of the National Credit Union Administration will be included in the group of regulators conducting the study.

In addition, the Committee's bill directs the GAO to examine the financial condition of credit unions and their insurance fund. The GAO's report should also include information relating to how the "common bond" requirement that applies to credit unions has been implemented. The Committee's bill requires the GAO to complete this study within 18 months, to coincide with the deadline for the Treasury Department study.

d. Employee salary cap lifted

The Administration's bill proposed to lift the caps on salaries that may be paid to employees of the Bank Board System and the Comptroller of the Currency but not to lift the salary caps for employees of the NCUA. Thus, the bill would have left NCUA employees as the only financial institution regulators subject to federal salary caps. The Committee believes this arrangement would eventually create incentives for the most capable NCUA employees to seek employment with other regulators. The Committee's bill, therefore, provides the NCUA Board with discretionary authority to maintain a pay scale for certain of its employees comparable to that in effect at the other Federal bank regulatory agencies.

13. Federal Home Loan Mortgage Corporation

The proposed bill provides the Federal Home Loan Mortgage Corporation (FHLMC) with the market-oriented corporate structure that Congress established for the Federal National Mortgage Association (FNMA). This change is made necessary by the dissolution of the Federal Home Loan Bank Board, which has served a dual role as the FHLMC Board of Directors. The title creates a new, 18-member Board of Directors for FHLMC, with 5 members appointed annually by the President of the United States and the remainder elected by the voting common stockholders. Each outstanding share of FHLMC senior preferred stock will be converted to a share of voting common stock.

Other provisions of the title are intended to provide competitive parity between FHLMC and FNMA and to ensure that FHLMC's ongoing programs and activities will continue without interruption. The title grants the Secretary of HUD general regulatory authority over FHLMC that is identical, on all relevant matters, to its regulatory power over FNMA, including certain specific approval authority regarding FHLMC's mortgage programs and activities. These regulatory powers are granted to the Secretary for the purpose of assuring that FHLMC carries out its statutory responsibility for creating and maintaining secondary markets in conventional mortgages.

It is the intent of the Committee that the regulatory powers of the Secretary will not extend to FHLMC's internal affairs, such as personnel, salary, and other usual corporate matters, except where the exercise of such powers is necessary to protect the financial interests of the Federal Government or as otherwise necessary to assure that the purposes of the Federal Home Loan Mortgage Corporation Act are carried out. The title grants the Secretary of the Treasury certain approval authorities over FHLMC's issuance of unsecured debt obligations and mortgage-related securities. Treasury already possesses such powers over FNMA. The committee intends that the Treasury shall use these powers, as it does with FNMA, solely to ensure that FHLMC's financing activities are conducted in a way that promotes FHLMC's statutory purposes in appropriate coordination with financing activities of the Treasury and other government-sponsored enterprises. The title provides FHLMC with a line of credit that is identical, in amount and substance, with that of FNMA.

14. Enforcement

a. Administration proposal

The Administration bill provided additional authority for bank and thrift regulators to order restitution or indemnification, assess a civil money penalty, order affirmative action, or take action if an institution's books or records are in disorder. It also provided that an individual removed from an institution may not work at any other insured depository institution without regulatory approval. Finally, it increased civil penalties to $25,000 per day, or, if the violation is reckless, $1 million per day. The Committee's bill generally follows the Administration's proposal, with the following changes.

b. Standard of review for certain orders

The Committee's bill provides that suspension orders and temporary orders are to be reviewed under the arbitrary and capricious standard.

c. Definition of final order

Current law defines a "cease-and-desist order which has become final" and "order which has become final" as an order which was issued with the consent of the parties involved, or an order for which there is no further administrative review. The Committee's bill amends this definition so that either a cease-and-desist or other order issued by a Federal banking agency will be considered "final" when it is issued with the consent of the parties, or when there is no further administrative review. This will permit timely enforcement of agency decisions, while preserving the rights of all parties to obtain judicial review.

d. Independent contractors, appraisers, attorneys and accountants

The Committee's bill specifies that an independent contractor, including an appraiser, attorney or accountant may be considered an institution-related party, and thus subject to enforcement actions, if he or she knowingly or recklessly participates in a wrongful action that caused, or is likely to cause significant loss to a financial institution. An independent contractor, would also be considered an institution-related party if they are otherwise participating in the affairs of a financial institution or subsidiary thereof. Thus, for example, an attorney, accountant or appraiser who is on the board of a financial institution is to be considered an institution-related party, whether or not he or she engaged in any wrongful action.

e. Mitigating circumstances

The proposed bill provides that in considering imposition of a civil money penalty, the agency will consider the appropriateness of the penalty with respect to the size of financial resources and good faith of the institution or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

f. Department of Justice appropriations

The bill provides the Department of Justice with an authorization of appropriations of $50 million annually for fiscal years 1989 through 1991, to investigate and prosecute financial institution crimes. It is specifically intended that these additional appropriations be treated as additional funds, and not be used as replacement resources for funds already allocated from other functions for the investigations and prosecutions of financial institutions crimes.

g. Reimbursement, restitution and indemnification

In the case of *Larimore* v. *Conover*, 789 F.2d 1244 (7th Cir. 1986), the Court of Appeals held that section 8(b) of the Federal Deposit Insurance Act did not authorize the Comptroller to obtain reimbursement in an administrative proceeding from the director of a national bank who participated in a violation of the statutory lending limits.

The *Larimore* decision has resulted in some confusion about the extent of the Comptroller's authority to order restitution or reimbursement or other forms of indemnification. This bill clarifies the situation by specifically authorizing the Comptroller as well as the other Federal banking agencies to order a party to pay restitution, reimbursement, or indemnification and would thus allow the recovery of losses resulting from violation of laws or other improper conduct. It is the Committee's intent, however, that this power be used only in appropriate cases, for example, where the institution-related party has unjustly enriched himself at the institution's expense or where the institution-related party has acted in reckless disregard of the banking laws or regulation. It is not intended that this power will be used in cases where the institution-related party engaged in less serious violations or less serious conduct.

15. Other issues

a. Brokered deposits

A common trait among currently weak and insolvent thrifts is a history of rapid growth made possible, in many cases, by "brokered" funds. Former Federal Reserve Board Chairman Paul Volcker, among others, testified to the Committee that brokered deposits "often fueled the growth of institutions taking excessive risks" and questioned whether brokered deposits should be permitted at all. On the other hand, some witnesses, including present Federal Reserve Board Chairman Alan Greenspan, testified that brokered deposits can, if used prudently, enhance institutional liquidity, facilitate the efficient flow of funds, and allow institutions to better manage their asset and liability maturity structure.

The bill reported by the Committee gives the RTC discretionary authority to limit the use of brokered deposits by institutions within its jurisdiction. In addition, the bill requires a study of the deposit insurance system to include potential limitations on brokered deposits, among other things.

The Committee is concerned by the ready availability of brokered funds, obtained through the payment of above-market rates, to support risky and speculative asset investment by weak and insolvent institutions. Some Committee members advocated a different, broader, focus than that taken by the proposed bill, and suggested adoption of a provision restricting the acceptance of brokered deposits by insured institutions which did not meet required capital levels. Ultimately, however, the Committee chose to forego more sweeping legislative restrictions on the use of brokered deposits at this time.

The Committee's decision to forego legislative restrictions on brokered deposits was influenced by the FDIC's issuance on March 21, 1989, of a new proposed rule requiring prior notice by insured institutions planning

rapid growth. The FDIC notice proposal would cover not only growth based on brokered deposits, but also growth based on repurchase agreements and money deals. The Committee supports such rulemaking and specifically endorses the legal authority relied upon by the FDIC for its proposed rule. The Committee suggests, however, that the FDIC should carefully consider the appropriateness of the growth level proposed under the rule and ensure that adequate resources are provided for an effective and thorough review process. In addition, the Committee encourages the FDIC to amend its proposed rule to provide for compilation of information regarding the brokered deposit market, including the names of deposit brokers and institutions that receive brokered funds, and the amounts of fully insured brokered funds deposited at those institutions. The Committee believes such information would facilitate analysis of the extent and significance of the national market for fully insured brokered deposits.

b. Disclosure requirement

Banks and thrifts currently prepare and submit quarterly condition reports, but these reports contain insufficient information for regulators to assess accurately the risks that an institution is undertaking. Moreover, it is not now possible to distinguish income that a bank or thrift receives in the regular course of its business from that derived from assistance payments. Lack of information makes it more difficult for regulators to supervise the condition of institutions under their care.

While the FDIC releases virtually all of the information it collects, the FHLBB makes only limited portions of condition reports submitted to it available for public disclosure. Inadequate disclosure prevents uninsured customers from protecting their financial interests and isolates institutions from market discipline.

This legislation includes a provision that would require savings associations to submit information concerning their interest rate and credit risks, the assistance they receive, the identities of their subsidiaries and affiliates, and their equity investments in addition to other data the COSA may require. The bill further establishes a presumption that condition data will be disclosed to the public and accessible to Congress. Such disclosure should facilitate the democratic process and enhance the safety and soundness of the nation's thrifts.

c. Annual audit requirement

Current regulations require thrifts to be audited annually by auditors and in a manner satisfactory to federal regulators. Unfortunately, the audit requirement has not achieved its ostensible purpose. A recent GAO report concluded that, in six of eleven cases studied, "CPAs did not adequately audit and/or report the S&Ls financial or internal control problems in accordance with professional standards."

This failure of the accounting profession deprives federal regulators of a potentially invaluable source of critical information concerning the soundness of individual thrifts. The proposed legislation seeks to reverse this situation by supplementing the current regulatory requirement that audits satisfy federal regulators with a new power to postpone payment for the audit pending clarification or additional work by the auditor in instances where an audit report clearly falls short of regulatory standards. To ensure that auditors are not needlessly harmed by inadvertence or neglect, the bill permits a thrift to go ahead and pay its auditor if the regulator does not request any clarification or additional work within thirty days after the audit is filed with the regulator.

d. Consumer provisions and taxpayer protections

The proposed bill contains several provisions intended to protect and promote consumer interests in the home mortgage credit system.

i. Consumer directors of Federal Home Loan Banks.—As described above, the proposed legislation requires that, in making appointments to the boards of directors of the Federal Home Loan Banks, the FHLBA reserve two positions at each bank for representatives of consumer and moderate income interests. The Committee believes that existing public interest directors on the Banks' boards have not adequately represented consumer and moderate income interests. The Committee expects this legislation to rectify that deficiency.

ii. Asset purchases by housing authorities and non-profits.—The bill enables state housing finance authorities and non-profit entities to purchase residential housing assets from the RTC. The purchasers under this title are required to invest net income attributable to the ownership of such assets in the financing, refinancing, or rehabilitation of low and moderate income housing.

The Committee intends that governmental entities as well as non-profits be able to purchase residential assets, and notes the contributions made by neighborhood-based and national non-profit entities to providing assisted housing services.

As with sales of commercial real estate assets, the Committtee intends that the primary purpose of the sale of residential assets be the realization of maximum proceeds from such sales to offset the contributions made by the American taxpayer to insure savings deposits. In the view of the Committee, this is not consistent with enabling state housing finance agencies and non-profit entities to pursue opportunities presented by such sales to increase the availability of affordable housing to Americans of low an moderate income.

iii. Public interest uses of RTC assets.—Some of RTC's assets may be so decreased in value that no reasonable recovery is anticipated. The proposed legislation authorizes the RTC to allow assets to be used for public purposes, such as homeless shelters, child care centers, or other needs of moderate- and low-income communities. Such assets could be leased, sold, given away, or otherwise transferred for these public purposes.

iv. Report on loan discrimination.—Section 1407 of the proposed legislation requires all federal regulators of institutions which make mortgage loans to report to Congress on currently available statistical evidence of discriminatory mortgage lending practices. The regulators are required to include legislative recommendations in their reports. Such recommendations might inlcude increased disclosure requirements, the use of testers, or any other means which could effectively and efficiently assure nondiscrimination in lending practices.

v. Affirmative action.—The proposed legislation specifically provides that Executive Order 11478, which prohibits discrimination and requires affirmative action in employment, applies to the agencies and federally regulated corporations covered in the proposed legislation.

The bill also requires the executive heads of the agencies or federally regulated corporations covered to establish programs that encourage the participation of minority and women owned businesses in their procurement activities. These agencies and corporations are required to use the guidelines of the Small Business Administration in establishing the certification requirements for minority or female owned businesses. The Committee recognizes that procurement by federally related agencies and corporations must be consistent with prudent business practices. Procurement is defined as buying, purchasing and contracting for goods and services required to carry out regular business activities.

vi. RTC conflict of interest protections.—All employees and independent contractors of RTC shall be required to meet conflict of interest rules and other ethical standards which are at least as stringent as those applicable to FDIC employees.

vii. GAO audits.—To ensure adequate Congressional oversight over all aspects of this legislation and to safeguard the expenditures of taxpayer funds, the GAO is given comprehensive audit and access-to-records authority over all agencies, corporations, organizations and other entities which perform any functions or activities under this legislation. The GAO is given such authority with respect to, for example, the Resolution Trust Corporation, its Oversight Board, the Resolution Funding Corporation, and the FSLIC Resolution Fund.

e. Preemption of State law in emergency acquisitions

Section 218 of the bill amends the Federal Deposit Insurance Act by adding a limitation on preemption of State law. This limitation partially reverses the decision of the FHLBB in *The Statesman Group, Inc.* (March 11, 1988) by making clear that State law is preempted only to permit a company to acquire a failing institution. Congress has not displaced any State law that limits the institution's post-acquisition activities on behalf of an affiliate or any other entity. In addition, with a few narrow exceptions, Section 13(k)(1)(A) cannot be used to preempt State law.

f. Conversions of mutual thrifts

The bill preserves the existing provisions of Federal law concerning conversion of savings institutions from mutual to stock form except with respect to conversions instituted for supervisory reasons, current Federal regulations governing conversions from mutual to stock form as well as many state laws that have been patterned after Federal rules, require a converting institution to provide its depositors with various rights, including (i) priority subscription rights to the new stock and (ii) a liquidation account specifying what a depositor would receive in the event of a complete liquidation of the institution subsequent to conversion from mutual to stock form (unless such conversion is instituted for supervisory reasons as established under regulations of the Chairman of the Savings Association). A depositor is not entitled to a mandatory distribution from an institution's net worth or surplus under any other circumstances including in connection with the conversion from mutual to stock form. These rules thereby protect the interests of the depositors in the mutual institution and also permit a converting institution to raise capital and thus operate in a safe and sound manner for the benefit of depositors, other customers, and the deposit insurance fund. The COSA

would continue to apply these principles under the bill.

g. Acquisition of thrift institutions by bank holding companies

Section 601 facilitates the acquisition of thrift institutions by bank holding companies. Such acquisitions must, however, be made under section 4(c)(8) of the Bank Holding Company Act, subject to all of the requirements and restrictions applicable under that section. Section 601 does not authorize a thrift institution acquired by a bank holding company to engage in any activity that would otherwise be impermissible under section 4(c)(8).

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ADDITIONAL VIEWS OF SENATOR D'AMATO

The comprehensive and timely work of the Banking Committee on this bill is commendable. Under the able leadership of Senators Riegle and Garn, we have dealt with a problem of mind-boggling enormity in a most expeditious manner. Therefore, it is no crticism to say that this legislation is not perfect.

Certainly, while the Committee has done a fine job of addressing all the major issues, we have left many important issues for another day. This fact is understandable in the face of the urgent need to fund the resolution of failed institutions and close thrifts that are losing large amounts of money every day. This bill provides ample tools and direction to accomplish these priority goals.

As with all reforms of such comprehensive scope we cannot know every effect that will result from such sweeping changes. We are furthermore handicapped in our ability to comprehend the full impact of this legislation by the extraordinary speed with which this package has been assembled. For this reason it is important that the Committee and the Administration closely monitor the implementation on this legislation. In one respect, I fear that we have impaired our ability to control the new regulatory and deposit insurance regime that this bill creates.

This bill will create an unprecedented and sweeping new regulatory scheme. The FDIC will exercise broad new regulatory powers and it will also act as agent, exercising the powers of other organizations. It will continue to regulate State banks and will be a key regulator for the post-FIRREA thrift industry. It will be the agency responsible for management of failed institutions. The FDIC will have an increased scope of responsibility as an insurer, becoming the insurer of almost all deposits in the United States. In short, the FDIC will assume an unprecedented role in the regulation of the banking and thrift industries in America.

It comes as no surprise that in a time of a "crisis" such as the FSLIC insolvency that we look for a hero to take control of the situation, restore calm and return the world to normalcy. The current "hero" is the FDIC. Everyone is aware that the FDIC has done a good job of managing the banking insurance fund and I do not dispute the solid reputation that the Corporation and its current Chairman enjoy and deserve.

However, I believe that the Committee's bill engages in some excess by granting not only increased authority to the FDIC but increased autonomy. The Administration's version of S. 413 included two provisions that were important means of monitoring the work of the FDIC. It placed a cap on the borrowing authority of the FDIC at the lesser of 50 percent of adjusted net worth or $10 billion. While this cap may be somewhat overly restrictive, erring on the side of limiting borrowing is wiser than granting too much and running the risk of extraordinary losses, as we have just experienced with FSLIC.

Whether the Committee's modification of the Administration's limits grants too much borrowing authority to the FDIC is an issue of grave concern. With greater time for reflection, tempering our current sense of crisis, we may need to consider this matter more thoroughly.

Reports on the current financial condition of the FDIC funds are an excellent tool to assist both the executive and legislative branches of government in performing their supervisory functions over the FDIC. As recent events prove, we can no longer abide the myth that the Federal treasury is not exposed to the risks of deposit insurance. I strongly support the Administration's proposal for quarterly reporting by FDIC on the financial condition of its deposit insurance funds. These reports will contain the type of timely information that is useful both as early warning of potential problems and much needed reassurance when the funds are strong and growing. The original S. 413 would have required a report to both the Secretary of the Treasury and to the Director of the Office of Management and Budget. I believe that the Committee's elimination of the requirement to report to OMB as well as to the Treasury Department is as much compromise to the convenience of the FDIC as the Congress should allow.

In summary, I am proud to support this legislation as a solid and well-designed program for ending the debacle in the thrift industry and funding the FSLIC deficit. As we monitor the thrift industry and the deposit insurance funds of the future, we must bear in mind that no single solution to any problem of this magnitude is ever sufficient and we must therefore keep vigilant watch over both our old villains and our new heroes.

ALFONSE D'AMATO.

ADDITIONAL VIEWS OF SENATOR LARRY PRESSLER

During the hearings on this legislation, several well-informed witnesses strongly opposed the requirement that the new capital standard be fully phased in by June 1, 1991. They stressed that it is impossible for most of the savings and loan institutions to meet the capital standards timetable, especially considering the other provisions of the bill that will result in reduced earnings and discourage outside capital. What we see occurring in the marketplace and in the interest rate environment only worsens the situation.

The foregoing is especially true of small thrift institutions that are not different from other small businesses when it comes to increasing capital through earnings or attracting outside investment. They are at a great disadvantage, and this legislation makes no provision for them.

In recently reviewing the bill, I was struck by the fact that there is a heavy advantage toward the larger institutions. Provisions pertaining to amortization of goodwill and pending but not completed acquisitions are good examples. While provision is made for some large institutions, very few small thrifts benefit because very few are in those situations.

That is why, as I indicated in the markup, I would like to offer a small thrift business amendment to this legislation when the measure is considered by the full Senate. I would have liked to have pursued a Committee vote on this subject had we identified this problem earlier. Specifically, the amendment is designed to help small thrift businesses to meet the new 6 percent capitalization requirement on a more reasonable timetable if it is justified under certain conditions.

I would use the Small Business Administration definition of "small business" as it applies to this industry, which is an institution having assets of $100 million or less. This was the standard that was used in the Competitive Equality Banking Act of 1987 (Public Law 100-86). Significantly, it permitted any agricultural bank to amortize its loss on any qualified agricultural loan over a seven-year period, thus helping to maintain the bank's capital requirement.

Under the amendment, a qualified small thrift institution would be considered in compliance with uniformly applicable capital standards not less stringent than standards applicable to national banks if it maintains specified capital standards according to benchmarks extending over a period ending no later than June 1, 1994. Under my amendment, these small institutions would have to be solvent and be able to show they can meet the new requirements and timetable.

I encourage my colleagues to give this small business aspect of the thrift industry their most serious attention and review.

LARRY PRESSLER.

Mr. ROTH. Mr. President, I rise in support of S. 774. This legislation is urgently needed to put the thrift industry in order. The problem is serious and growing. Like others, I wish to compliment the Senator from Michigan, the chairman of the Banking Committee, for leading us through an exhaustive study of the problem under emergency conditions and quickly bringing this bill to the floor.

This is a complex subject. It is easy for the American public to become somewhat confused in watching Congress. This is not a bailout of a company or an industry found too important to fail. We are not bailing out the owners or managers of S&L's throughout the land. No, in fact, they are asked to bear a heavy burden. The guilty S&L's will be punished and the innocent will be required to help pay for the sins of the guilty.

The only person being bailed out in this legislation is the depositor. We do this to honor our commitment made decades ago that the Government guarantees all but the largest accounts. It has proved to be an expensive commitment. But we have no choice. We must act now.

The committee voted to report this legislation 21 to 0 to honor that commitment. There is no question that each of us, including the chairman, would have preferred legislation more in line with his personal thinking. But this legislation is the product of a clash of forces on many issues and rather accurately reflects a consensus of the committee.

The legislation has two functions. The first is to protect the depositor at

failed S&L's. The second is to reform the system to make sure that this problem never happens again.

The best way to analyze what steps need to be taken to prevent a recurrence is to assess why the problem first arose. In my opinion, the fundamental problem was that we allowed S&L managers to operate without capital. This way, when managers made their investment choices, they were betting not their money but ours. If they bet right, they kept the profits. If they bet wrong, there was deposit insurance.

Thus, as I see it, the lack of capital was the essential problem. Others might prefer to emphasize another truth—certain investment did not succeed. For such others, the solution is to look back over the history of investments in the eighties and prohibit, or at least restrict, the poorer investments.

While the argument may apppeal to some, I must say that Congress' track record as an investment manager should give one cause for concern. The legislation, like every compromise or consensus, reflects diverse elements, here the view that lack of capital was the problem and the view that certain investments should be prohibited or restricted as well as the views of those who disagree.

My personal view is that I am inclined to allow investments in nonbanking activities so long as the investors are betting their own money. I have found that that makes people think a lot harder about the wisdom of an investment. Moreover, the sharp line that others see between a safe investment and a risky investment is illusory. Yes, some investments are less risky than others. Treasury bills are safer than corporate bonds. But on the other hand, investments in home mortgages, which this bill finds to be the safest of investments, were the original cause of the thrift industry's problems in the late seventies. How quickly we forget! And the investments that failed in the eighties—such as direct investment in real estate—just skyrocketed in the seventies.

Therefore, I view with some skepticism the notion that we can help thrifts make better investments by curbing their powers. Most investments have their good years and their bad years. In contrast to such cycles, statutory language is static. Furthermore, the people who are elected to write statutes are not known for their market brilliance.

Thus, I would conclude that statutory prohibitions are clumsy guides to investment strategy. The best policy to protect the taxpayer from a recurrence is to require that investors risk real capital.

The bill embraces this policy in part. It requires that thrifts meet capital standards like banks by June 1, 1991. But there are exceptions. The most significant is for goodwill. Those with goodwill on their books may use it in lieu of real tangible capital for 25 years. While there is an explanation for this excessive exception, there is less justification.

The explanation is that Government regulators promised thrifts who bought failing thrifts that they could use goodwill as capital for various periods of time, ranging as high as 40 years. In some cases, the Government had to give less cash to induce the merger because the capital forbearance was worth money to the acquiring thrift. This goodwill is called supervisory goodwill, goodwill blessed by the regulators. However, since the committee could not distinguish between supervisory goodwill and other goodwill, all goodwill falls under the exception.

But the exceptions do not stop there. Whereas supervisory goodwill was buttressed by the argument that "a deal was a deal" and that the Government should not break a promise, no such argument supports the committee's decision to accord 10 years for goodwill with respect to deals that have not been consummated but for which application has been filed. This exception seems to have neither an explanation nor a justification.

While these exceptions to the bill's tough standards leave the taxpayer vulnerable to a recurrence, I do not believe that on these points the judgment of Congress will differ much from the judgment of the committee. But I retain the hope that in conference, where the legislation will receive its final cast, some improvements may be made.

In my opinion the mission of this legislation should be to raise capital standards and then to do whatever prudent and reasonable to invite capital into the thrift industry so that the standards might be met. That's the best way to assure the taxpayer that Congress will not have to call upon him in the future to resolve another thrift crisis. When thrifts fail, the insurance fund and, in turn the taxpayers are put at risk.

While it may be difficult to protect thrifts from economic forces that may cause failures, it should not be a mission of this legislation to itself eliminate thrifts. One aspect of this legislation, which I find a bit curious, does just that.

Perhaps the best way to explain this is by analogy. Let us return in time several centuries to the middle ages to a day when the plague swept the land. People were dying and the Government was called upon to assume the costs of burying the dead. But a theologian appeared who claimed that many healthy people had lost the faith and should be disposed of along with the dead even though they did not have the plague.

If this seems foolish today, I get the impression that only a few see it as such. Today's theologians are the idealogues who believe that healthy thrifts should be eliminated if they fail the test of faith, known as the qualified thrift lender test or QTL test.

The administration and the committee have joined together, one to refine and tighten the test, the other to provide the penalty for failure. While the American public is being asked to pay billions to bury unhealthy thrifts, the legislation will create a new test with severe penalties for failure. It will take institutions that are in no need of financial help and eliminate them because they lost the faith.

The new QTL test is designed to make thrifts focus their investments on home mortgages. Today, the function of the QTL test is to determine which thrifts get advantages, such as low-cost loans from the Federal home loan banks. Today's theologians say that the test is too loose and not rational.

My response is twofold: First, I do not necessarily buy the argument that it is good for thrifts to put more and more investments in one basket. Second, and this is the point of my analogy, when thrifts are dying, it is hardly the proper time to impose a tough purity test. It doesn't make sense—at this time—to drive healthy thrifts out of the business.

Formally, the bill would require thrifts that fail the test to become banks. Remember, this test differs from a capital standards test which attempts to define health. This test defines purity of housing purpose. Even the sound may fail.

The requirement to become a bank may carry all sorts of dire consequences. It may mean that substantial tax breaks must be paid back regardless of compliance with the Tax Code. It may mean that hefty fees must be paid to leave one fund and enter another. It may mean that thrift powers will be terminated to matter how profitable they were. Moreover, a thrift that is a mutual or owned by a nonbanking entity may not qualify as a bank.

These are severe penalties. In combination, they may spell death for a healthy thrift. At the least, this is the wrong time for this kind of test.

Unfortunately, the administration and the Congress seem to be in agreement. Both seem willing to bury the dead and the healthy heretics together. Perhaps this is something that the Nation should reconsider in view of the fact that burial costs run into the billions of dollars. If defense of heresy cannot raise legions, perhaps defense of the pocketbook can.

I do not criticize the new QTL test because I am soft on the thrift industry. It is because I am soft on the taxpayer. And the best thing for the taxpayer is to create a healthy thrift industry so that depositors do not face the risk of default. Thus, for the taxpayers' sake, the best policy is to invite capital to flow into this industry. But we make the invitation unattractive if we create new tougher tests of housing purity and limit investment options.

I recognize that the committee has a different view. It believes that the QTL test defines the essence of a thrift; if thrifts don't meet the QTL test, they should not be thrifts. And it believes that by channeling thrift investments into a narrower range, it is producing sounder institutions. I understand the argument but remain unpersuaded.

I do not mean to suggest by raising these concerns that I feel that this legislation is a bad bill. While I speak in stark terms to make a point, the bill is an amalgam of many viewpoints. Although my views may not be reflected perfectly in this legislation, no one's are. And while I question the direction of a few key provisions, it should be noted that there are dozens of key provisions and scores of others. So I do not speak to create opposition but rather in hopes of furthering the development of this legislation.

The committee has done a lot in a short time. It has done well. I compliment my colleagues on their labors and invite their attention to my views.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LIEBERMAN). Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, the business before us today is sweeping legislation to address the very real crisis in the savings and loan industry. No one questions the necessity for such legislation. No one questions the necessity for prompt enactment of legislation. No one questions our obligation to the savings and loan depositors. Certainly no one envies the job of the chairman and ranking member of the Senate Banking Committee in all this either.

I respect the fact that the chairman, who is a friend of mine, spend 17 full days having hearings in his committee, worked with the ranking minority member, a member for whom I have considerable respect as well, and the other members of the committee, to try to fashion a bill. Unfortunately, this Senator believes that the end product does not serve the purpose of the people of this country.

I am frank to say that I was just in a discussion having to do with the budget resolution that will shortly be coming before us.

In connection with that budget resolution, the discussion revolved around modest amounts of money, $2 billion, $1.5 billion, $3 billion, $4 billion, $6 billion. This bill involves in excess of $157 billion of the people's money.

I will return to that matter of money in a moment.

There are hundreds of insolvent thrifts and hundreds more tottering on the brink of insolvency, and some say as many as one-third of the more than 3,000 savings and loans are in serious trouble. The Federal Savings and Loan Insurance Corporation lacks the receipts needed to cover the deposits in these institutions. It is, therefore, imperative that we take action to protect American depositors who have their savings in these troubled institutions. But does it mean that we have to do it at this very minute? Or that we cannot wait a few days, a few weeks, to see if we can come up with a better answer? I think not.

We needed to restore confidence in these financial institutions so that the whole house of cards does not collapse. And any solution to the problem will undoubtedly be extremely expensive. Expensive enough to boggle the mind.

I say to my colleagues in the Senate and I say to the American people, this is the most expensive bailout in the history of the Nation.

I remember when this Congress spent many hours discussing, I think, a figure of $250 million to help Lockheed Corp. I remember because I was personally involved in the discussions and tried to be helpful.

When the $3 billion aid package for Chrysler came before this body, we fought that issue back and forth, back and forth. It was $3 billion, a tremendous amount of money.

We passed it. We loaned them money. We actually wound up making some money on that deal. But the fact is we are today talking about a deal more than 50 times as great as that one, and there is very little discussion being had as to the substance and the problems of the legislation.

The statement is made to me: "Do you have a better answer?" I could not have a better answer if I was a genius, which I am not, but the fact is I did not get a copy of this bill until 10:30 Saturday morning. I had four members of my staff over the weekend working on it calling me and telling me what is in it and trying to discuss it.

I know that the administration sent a bill up some weeks ago, but I know administrations send lots of bills up. Until those bills become a matter of the committee's effort, that is not the bill that is going to be considered by the Senate or the House.

I do not envy the task with which my colleagues on the Banking Committee were confronted. It was a tough job. There were no easy answers. But having said that, I rise to object. I want to make it clear, I object to the force with which the taxpayers of this country are about to take it on the chin. They are about to be handed the bill for these ailing thrifts which will wind up costing them billions and billions of dollars.

I am not sure—in fact, I am pretty sure—that the American public is not aware of that fact. I do not think they realize what is being considered on the floor of the Senate today. There are some who say we have to pass it before Wednesday. Why? The House is not going to act until sometime in May and even then that is not a definite date. I believe that is the date when it goes before their full committee, when it comes out of the subcommittee. There is no assurance it will happen then.

Why are we pushing? Why are we fighting? Why do we say we have to pass this bill so promptly? Why can't this committee call in some of those who have been expert in bailouts and renegotiations and restructuring of deals? I know that they have had experts, they have had professors, they have had 17 days of hearings, but I am not sure there is not somebody out there that does not have a gem of an idea.

Over the next decade, this savings and loan bailout package will cost in excess of $157 billion. This Senator believes that there are people—I do not know whether their brains have been picked or not—like former Secretary of Treasury Blumenthal; Felix Rohatyn, who did such a magnificent job for the city of New York. When it looked like the city of New York was going to go bankrupt, Felix Rohatyn, came in and put together a concept and made it possible for the city to issue new bonds, for the city to pay off those bonds, for the city to restructure itself and be on a sound financial footing. I think he is exactly the kind of man that should have been brought in to help us with the savings and loan bailout. I think there were others. There could have been Tony Salomon, one of the large investment banking firms in New York. There are dozens of people who I believe could have come up with a concept better than the one we are studying.

My colleagues say to me, tell us what your answer is. Give us a better answer. On Saturday at 10:30, I get a chance to see the bill, and I am supposed to read the 564 pages and then to come up with an answer at this point? I think there are improvements

that can be made, and I will address myself to some of those improvements before we get done.

But I believe the whole structure, the whole concept of one of the items—I know that Danny Wall is a friend of some of the Members of this body, a good friend of some of them, but what an unbelievable situation it is that this man who worked out the deals that occurred at the conclusion of last year, these bailout deals, these deals where the savings and loans were sold and the Government gave tax breaks, not only gave tax breaks but guaranteed the income with respect to the assets owned by the savings and loans where the Government guaranteed all of that, the Government put up hundreds of millions of dollars for that, those agreements made just before the December 31 deadline, and Mr. Danny Wall is the head who negotiated all of those deals. They have received all sorts of publicity. What an incredible fact of life. Danny Wall is going to be in the same position for the next 4 years, as I read the language of this bill.

The cost of this bill, if I can impress it upon my colleagues, is more than the combined wages of all the public school teachers in America. We are trying to do something about the public schoolteachers in this country; we are trying to do something about education in this country, and here is a bill in one fell swoop we will pay not just some increase to them, we will spend more than the combined wages of all the public schoolteachers in America, more than the total income of every active duty soldier, sailor, and airman in the U.S. Armed Forces. With $157 billion, you could pay for a 4-year college education for 12½ million American kids. With $157 billion, the U.S. Government could build and operate over 100 permanent space stations. For $157 billion, the U.S. Government could purchase—and this is incredible—a $280,000 home for every homeless person in America.

We fight here and fight for weeks. What an unbelievable reality. Last week, or maybe it was the week before, we were on the floor of the Senate fighting about a 30-cent increase in the minimum wage for working people in this country. The President of our Nation has said that if we provide that 30-cent increase, he is going to veto the bill. This is another issue. I understand that. But the fact is for 30 cents an hour, the President will veto the minimum wage bill, or $157 billion and more will bail out the savings and loan institutions of this country.

I see every committee in this Senate—the Appropriations Committee, the Budget Committee, the Defense Committee, the Education and Labor Committee—dealing with issues having to do with women and infant aid. I see problems that we have as far as finding enough funds to do research in the field of AIDS and in the field of Alzheimer's. I see this body that tax senior citizens to pay for their long-term hospital care. But now all of those items are peanuts, peanuts, little league items, as compared to the $157 billion and more that is involved in this bill. The taxpayers of this country are going to wind up paying a huge part of that $157 billion.

What the taxpayers do not pay generally is going to be paid by the depositors—the depositors, who are the same people. They are going to wind up paying because the bill requires the banks and savings and loans to pay higher Federal insurance premiums and these costs will be passed on to individual banking consumers. The depositors and the taxpayers of this country under this bill will pay and pay and pay, and they are the only ones who pay, no one else. They will pay it on their checking accounts, they will pay it on loans, loan fees, they will pay it on deposits and withdrawals. They will pay. Call them Mr. Sucker. They are the ones who are going to bail out the savings and loans that went belly up.

The Consumer Federation of America says that if insured financial institutions allocate these costs to consumers—and who in this body thinks they will not do so—the poorest 50 percent of the population, families who earn only about 18 percent of the Nation's annual income, would bear 36 percent of the burden—36 percent of the burden for a problem not of their making. The taxpayers of this country are going to wind up paying because funds for recapitalization are going to be raised through bonds floated by a complex web of quasi-public corporations. I might challenge any Member of the Senate to take out that 564-page bill, get to the section where the bonds are issued, and see if you can understand it.

Now, these new bonds will not be backed by the full faith and credit of the United States. As a matter of fact, it is my understanding the chairman of the committee wanted to do just that because he was aware of the fact that if they were backed by the full faith and credit of the United States then you could borrow at a lower rate, but, no, the interest rates will be higher than if they had been issued by the Treasury. The difference will be made up again by whom? The taxpayers and the depositors of this country. Why is that? Because they wanted these bonds off budget. They wanted these new bonds, about $50 billion of them, to be off the budget, but the fact is I do not know what difference it makes because this bill still violates the limits of Gramm-Rudman. At an appropriate time a point of order will be made either by those handling the bill or by this Senator in order to provide for a waiver.

Senator RIEGLE tried to fix this matter of it being off budget in committee. He did not prevail. So what is the result? The Government will spend more money to pretend it is spending less money. They do not want anybody to know we are violating Gramm-Rudman, so therefore it will be off budget. Somehow that makes everybody feel better—no violation of Gramm-Rudman, but it will cost I do not know how much more. If the rate at which these bonds could be issued by the U.S. Government was 9 percent, which is the rate as I understand it for 30-year Government bonds today, then these new bonds, which will not be backed by the full faith and credit of the U.S. Treasury, will probably go at a 10-, 10.5-, or 11-percent rate. I may be wrong in that figure. I am willing to be corrected. But that is my guess.

So the big losers in this catastrophe are apparent—the average taxpayer, middle-income Americans, families who have a right to expect more from their Government.

Now, are there any winners? Does anybody come out of this whole mess on easy street? You bet your sweet life they do. You bet your sweet life there are some who are just rolling in the money. Now, take the lawyers who are putting together the mergers and acquisitions of insolvent thrifts. Would it surprise anyone in this town that the most successful of these attorneys are former officials of the Federal Home Loan Bank Board? Isn't that the way it always is? Would it not surprise anyone that the former general counsel at the Bank Board under whose watch the industry began its slide has billed his clients $12 million for his work on savings and loan mergers?

Now, he is not alone, of course. According to the Wall Street Journal, another law firm includes no fewer than seven former regulators of the Bank Board.

Private citizens are not the only ones paying for this revolving-door expertise. Last year the Bank Board itself and FSLIC paid over $100 million to outside law firms for consulting work in mergers and acquisitions. Are they the biggest winners? No way are they the biggest winners.

Mr. President, most American shoppers know that the week between Christmas and New Years is an excellent opportunity for bargain hunting. In 1988, one particular yearend closeout attracted some of the smartest shoppers in America. In a frenzy of dealmaking and around-the-clock negotiating, the Federal Home Loan Bank Board put together what Business Week magazine called "The great savings and loan giveaway." Business

Week called those deals "The great savings and loan giveaway."

Attracted by expiring Federal tax breaks—the law was to expire as of December 31, 1988, that portion of it that permitted a 100-percent tax break—some of the world's savviest businessmen and most powerful dealmakers descended on Washington for a piece of the action. That should not be surprising. There is only one kind of person who can make use of multimillion dollar tax breaks, and that is the multibillionaire. So with surprisingly little money down, some of the biggest investors in the country, including even Ford Motor Co., received what another business journal described as "One of the best deals that a free society ever offered to its richest and most powerful citizens, a truly staggering opportunity for a few extremely wealthy persons to effect what is basically a Government-sponsored, no-risk leveraged buyout on a truly heroic scale financed with money taken from the ordinary taxpayer." That from a business journal.

According to the chairman of the House Banking Committee, "The manner in which the Bank Board enters into these transactions and commits taxes and other resources of the Federal Government is a far cry from the system of checks and balances and public disclosure which most of us believe is the core of a democratic society."

William Seidman, Chairman of the Federal Deposit Insurance Corporation, called the December deals "an unusual situation where a Government agency can add $30 billion to the Federal Treasury's obligations in 4 weeks without congressional actions."

I think the number, Mr. Seidman, is actually higher than that, but your point is well taken. "An unusual situation where a Government agency can add $30 billion to the Federal Treasury obligations in 4 weeks without congressional action."

Mr. Seidman added a very relevant comment. "I didn't know we regulators had such powers." I did not know they did either, and I am not sure how many Members of the House and Senate did.

Mr. President, I intend to get into the complex nature of these deals later in the debate. But let us back up a moment. Let us revisit some of the issues that forced us into this corner. What caused the problem? Who is to blame for the entire mess? On this question I agree with Bank Board Chairman Danny Wall. "There's plenty of blame to go around," said he. State banking laws allowed lending in risky ventures.

During the seventies, inflation, falling oil prices, and declines in the real estate market wreaked havoc in the Southwest. Now we have lived through 8 years of deregulation fever. In 1982 Federal deregulation of savings and loans allowed them to diversify their investments. It removed Federal interest rate ceilings, and it cut back on the amount of cash reserves the thrifts were required to hold.

Deregulation was followed up with relaxed supervision by the Federal Home Loan Bank Board. After all, the Reagan revolution held that the market regulates itself, and that any government intrusion in that market was unwarranted, unnecessary, and unwelcome.

With deregulation, a whole new frontier was opened to the savings and loan industry. Out went the Jimmy Stewart model—you know, George Bailey, of the building and loan. Out went low-risk home loans with low interest savings deposits by small-town America. In came the era of fast-paced wheeling and dealing—big cars, huge estates, fast planes. In came the era of the Ed McBirney, and it was a wonderful life all right.

Few Americans have heard of Ed McBirney but at one time he was a kingpin in the savings and loan industry. And he is a case study in the blind greed and reckless abandon that helped to bring us here today.

In 1982 as a 29-year-old real estate whiz, Edwin T. McBirney III headed an investment group that bought Sunbelt Savings, an obscure savings and loan headquartered in Stephenville, TX. They put up $6 million—$6 million.

In less than 4 years Sunbelt was a $3.2-billion financial empire. They made commercial real estate loans. They owned nationwide mortgage and development service companies. They had real estate interests all over America.

McBirney and other executives relied upon a fleet of seven company aircraft to shuttle them about. McBirney financed hundreds of high-risk loans—land, shopping centers, apartment projects, office buildings. Get this one. He financed the purchase of 84 Rolls-Royces from an Indian guru.

And the parties, oh, they were so lavish. According to Texas Monthly magazine, at a 1984 Halloween party Mr. and Mrs. McBirney served up lion, antelope, and pheasant. They rented fog machines. The American people are probably in a fog by this time as to what has happened to them. They rented fog machines and hired disco dancers. The next Halloween Mrs. McBirney created an entire jungle in a warehouse complete with a live elephant.

According to Business Magazine, "Sunbelt Savings shelled out $1.3 million for Halloween and Christmas parties in 2 years, including a $32,000 fee to Mrs. McBirney for orchestration."

What a party! And I imagine the taxpayers of this country who might be able to hear what I will say would be very surprised at the fact that Mrs. McBirney was paid $32,000 for orchestration in connection with the $1.3 million spent for Halloween and Christmas parties in that 2-year period.

The firm also picked up the tab at four-star restaurants like the Mansion at Turtle Creek and Jason's Steak House and, yes, at shops like Neiman Marcus. Total, $278,000.

Make no mistake about it, Mr. President. You, I, and the rest of the American taxpayers are paying for those parties today.

Ed McBirney was forced out as chairman of Sunbelt in 1986. But his legacy lives on. Now controlled by FSLIC, it will take an estimated $6.1 billion in Government funds in the next 10 years to restore Sunbelt.

Is Ed McBirney solely responsible for the crisis we face? No. Certainly not. Is the Ed McBirney case atypical? Is his an unfair example to raise? Certainly not.

According to GAO testimony before the House Subcommittee on Criminal Justice, given on March 22: "The huge losses which will ultimately be passed on to the Nation's taxpayers did not come about primarily because of such factors as economic conditions or deregulation. Instead, the bulk of the losses are directly attributable to the failure by management of a minority of the industry to follow basic prudent business practices, including the establishment of effective systems of internal control."

The GAO study in 26 failed institutions found that most of these institutions violated Bank Board regulations governing transactions with affiliates, regulations governing conflicts of interest, and limits on the amount of loans made to one borrower. They violated all of those limitations.

GAO ranked some of the common characteristics of these failed institutions: Inaccurate record keeping or inadequate controls, 26 out of the 26 they studied; change from traditional to high risk activity, 26 out of the 26 they studied; inadequate credit analysis, 24 out of 26; inadequate appraisals, 23 out of 26; excessive loans to one borrower, out of 26 institutions, 23 of them made excessive loans to one borrower; overreliance on volatile funding sources, 12 out of 26; transactions with affiliates, 21 out of 26; conflicts of interest, 20 out of 26; excessive compensation, 17 out of 26. My guess is that of the other 9 you would find that they did not need the compensation from savings and loans institutions because they had other private investments outside where the savings and loan was making the loan. It is no wonder the horror stories abound.

GAO reported one insolvent thrift paid the chairman of its board of directors a $500,000 bonus the same year

the thrift lost almost $23 million. That is absolutely unbelieveable. A bonus of $500,000 when the institution loses $23 million.

Some would say, well, Senator you are talking about yesteryear, and we are going to be better. I say to you this bill does not do enough about seeing to it that we will do better. This bill permits goodwill, for example, to be included as the equity base of the savings and loans.

This bill does not provide for the kind of capital base that is needed, and the Banking Committee had a little bit better bill and changed it on an amendment by one of its members. It should reverse that action.

The Wichita Federal Savings and Loan was talked into investing in the futures market by financial consultants. Into the futures market they went, and out it got a few months later, that is, after losing millions. Those consultants, of course, still received hundreds of thousands of dollars in fees for the bad advice that crippled Wichita Federal.

At one savings and loan, an $800,000 bonus was paid to an executive. That happened to be one-third of the total earnings of the thrift. When regulators questioned the amount as excessive management withdrew the bonus. Was that not wonderful? When the regulators questioned it, management said, "OK, we withdraw the bonus." They then paid the executive $350,000 to relinquish his right to future bonuses and increased his salary from $100,000 to $250,000 a year.

So they took it away with one hand and they gave it to him with the other hand.

North Amerian Savings and Loan of Santa Ana, CA, founded by a dentist named Duayne Christensen. In one series of illegal deals, a condominium complex was bought and resold—back and forth—by subsidiary companies of North American owned by Christensen—each time at a higher price. So North American thereby was able to inflate its assets on paper. In 1986, Christensen's top aide, Janet McKinzie, bought $97,000 worth of jewelry, ran up over $247,000 in department store bills, and bought Rolls Royces for herself and Christensen.

Unbelievable.

It is unbelievable that the American taxpayers are now going to be forced to cover those expenses.

One majority stockholder in an S&L used $2 million of the institution's funds to buy a beach house for his personal use. That was bad enough, but then he took another $500,000 for expenses while he stayed there.

The New York Times quoted the U.S. attorney in Dallas as saying "I have stopped predicting the extent of the fraud. It is greater than I expected."

Are we going to recoup any of those ill-gotten gains? Will these bank-fraud artists ever be brought to justice?

Do not hold your breath.

They will get the guy who does some little criminal act in the inner city. They will get those people all over the country and, yes, they should. But the fact is that these were the executives of companies who literally stole the money indirectly from the taxpayers of this country.

Thousands of individuals have been implicated. I saw John Chancellor on the nightly news not so long ago. He indicated that out of 4,000 who were waiting to be prosecuted, only 23 cases had moved forward—23 out of 4,000.

Precious little has been retrieved by the Government.

The party's over. The money's gone. Vanished. According to Joe Selby, a former regulator for the Federal Home Loan Bank of Dallas, "A lot of money got up into people's pockets and they've ratholed it somewhere. Some of it is in artwork, fancy homes, fancy airplanes, and Rolls Royces. Some of it went to Rolex watches, lizard shoes, hunting parties and yachts."

So here we are today—rushing to pass a complex 564 page Federal bailout of the savings and loan industry, a copy of which was not even available until Saturday.

And I say without fear of contradiction, that other than the members of the Banking Committee, and I am not sure how well they know this bill, but other than those members, 79 other Members of this body are not familiar with its contents.

But we are rushing to pass sweeping legislation to take care of a problem caused in large part by a corrupt group of characters who made free-wheeling investments under the sleepy eye of Federal regulators.

The argument has been made "We've got to do it now; can't afford another day's delay; the President wants the bill."

Well, I agree with the President that we ought to have a bill, and I agree we ought to have it as soon as possible. But the fact is it is not costing anything for the delay because they say that there are losses that are being incurred.

First, I heard where the losses were being incurred at the rate of a million dollars a day. That did not sound to be too persuasive. So next I heard the losses of present savings and loans were running up to $20 million a day. And today I heard one really pulled out of the hat, $200 million a day.

I do not know what the Banking Committee can say as to what the losses are but make no bones about it the minute this bill clicks into place the American taxpayers are on the hook for the cost of the interest on $50 billion or $100 billion.

And perhaps the chairman of the Finance Committee can advise me of that but as I see it, it is $100 billion they will be on the hook for and $100 billion means about $10 billion a year in interest. Figure that out for yourself, and you will see that it may be a bargain to take the present losses rather than taking this $10 billion a year hit in order just to pay the interest, just to pay the interest on the new bonds.

And what makes the whole thing even harder to swallow is the real concern that what we are doing today will not even prevent this type of crisis from happening again.

The bill does not protect against that kind of crisis happening again. It restructures some of the Federal agencies. It takes the authority away from FSLIC. It keeps Danny Wall in the position that he was before. It provides for a different kind of a new corporation and a new kind of trust, and today an amendment was offered to get more public members into that trust responsibility, but no, the amendment was defeated.

The safety and soundness of the system will still be in question after this bill is passed, and I expect it to pass.

I do not know that anybody else is going to join me in voting against it, but I will say this: Those who vote for this bill will look back in future years and say "I guess I made a mistake; I guess I made a mistake."

This bill will hang on the shoulders of the 101st Congress for many, many years into the future. It will be a burden that we are passing on to our children. It will not go away in 10 years. In fact the new bonds are to be financed over 30 years. For what purpose? Is there no better solution? The chairman might ask me, "Senator, do you have a better solution?"

"No." Do I think there is a better solution? Yes.

"Can you tell me what it is?"

"No."

That is because I just got ahold of the bill on Saturday and we are trying to deal with this on the floor with respect to amendments and with respect to addressing ourselves to the substance of the bill. And how do you contemplate, how do you construct something better under the pressure of that kind of time?

It is not an easy job. I am not saying I am capable of doing it. I think Felix Royhatan is capable of doing it. I think there are some other people in the country capable of doing it, former Secretaries of the Treasury.

I guess Paul Volcker was one of the witnesses. I do not know whether he thinks this is the greatest plan that ever came down the pike.

But I still say this: I cannot believe that this is the best solution we can come up with.

According to Consumers Union and Consumer Federation of America, this bill gets a failing grade on its provisions concerning future capital reserves.

The bill does not require thrifts to meet any specific core capital requirements. Instead it says—listen to this—that the Feds should devise minimum capital requirements similar to those higher standards required of banks.

They have not done that for the last 10 years. What makes us think there is a new group of players that they are going to do it now?

Why do we not write it into the law? Why do we not say what they have to do? What it also says is that S&L's can continue to count funny money as real money. Unlike banks, the bill lets thrifts count phantom assets like supervisory good will as real capital.

I was on the board of a large bank, the principal owner of that bank. I was familiar with both the banking industry and the savings and loan industry.

I must confess, as a business person, I have never before heard of supervisory good will. Somebody came up with a concept that this Senator never heard of. Maybe it is something I should have learned. But I do not know what supervisory good will is. Because if there is any supervisory good will for the kind of supervision that the savings and loans have been given to date, then it is a negative figure, not a positive one. But this bill specifically provides that supervisory good will can be used as a part of real capital.

It is sad to say that there is not much in this bill to make financial institutions more accountable to consumers, communities, and taxpayers. There is not a single word in this bill to protect those consumers who are the most vulnerable to any bailout plan and the least responsible for the whole mess.

I wrote to the chairman of the committee and I suggested a number of consumer amendments. That would not have solved the problems of the bill. It would not have made it a perfect bill, but it would have indicated a willingness to take into consideration some of the concerns of the low-income Americans and senior citizens of this country. Those are the people who are going to be driven out of the banking system by reason of this bill because of higher costs associated with this bill. They still will not have a place to cash their Government benefit checks. They still will not have low-cost banking accounts available to them, even though those high premium fees will force more people out of the banking system and more will be forced into paying high fees at the check-cashing stores to cash their Social Security and VA checks.

This bill will not correct the pernicious problem of discrimination by bankers lending money. According to the Atlanta Journal Constitution, savings and loan institutions reject black applicants for home loans twice as often as whites. The bill solution—oh, this is a doozy—a call for a study of the problem.

Now, come on. We can do better than that. Let us put some language in that says something about their obligation to treat members of minorities on as equal a basis as all other people.

I need not say to the distinguished Senator from Michigan, who is my friend and for whom I have a lot of respect, that his record with respect to civil rights and human rights is as good as any Member of this Senate.

The savings and loan bill does not have anything in it other than calling for a study. I urge you to draft an amendment and make it a committee amendment so that at least we make that little headway on that kind of problem. The problem exists. It is real.

Again, I repeat, there were no easy answers for the committee; no way to do this cheaply; no perfect or painless solutions.

It was not easy for me to come to this floor to speak against the bill which is being handled by DON RIEGLE. He and I sat next to each other for a good many years back there and we are long-time good friends. I salute him. I know that he has tried. I know that his heart is in the right place. I know it is the job of the committee chairman and the ranking member to reach a broad consensus.

But while we are taking these giant leaps to shore up this crisis in the financial community, did we take the small steps we could have taken to protect American consumers, American depositors, American taxpayers? I am sorry to say the answer is "No." No; Mr. President, consumers, depositors, and taxpayers are not being well served today.

Mr. President, that is my opening statement. I expect to be heard further on this bill. I expect to discuss with the managers various possible amendments. I do not expect the managers of the bill will be in full accord with everything I have said.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. GARN. Mr. President, I thank the Chair.

Mr. President, as I sat here listening to the distinguished Senator from Ohio, I debated with myself whether to just let it go or to stand up and respond. Because I think the Senator knows that, although we disagree more often than we do not on a wide variety of issues, I have great respect for his high intelligence and his integrity and the hard work he puts into his job. Whether I agree or not is not important. I feel this very strongly.

But I think his statement is misleading, although not intentionally. But particularly there is one point that I just have to correct.

I counted the Senator from Ohio saying at least seven or eight times about how we were bailing out S&L's, we were bailing out the S&L industry, an implication that somehow we were bailing out waste, fraud, and abuse, and Mercedes, and Rolls Royces, and things of that nature.

I want it to go out very clear from this Chamber that that is not true, and this is not in any way comparable to Lockheed, New York, or Chrysler. In those cases we were bailing out stockholders. We were bailing out management.

In this bill we are bailing out depositors, little people, poor people, rich people, in between; or this Senator would not be for it.

I voted against the Chrysler loan guarantee. I voted against Lockheed. I voted against New York. I do not feel that is the right of Government or should be, even if it worked. Chrysler worked and the Government made a profit. So what? The principle is still wrong. Businesses fail.

I am glad Chrysler is still in business, but so what if they had failed? It was not the taxpayers' responsibility to bail them out. I am glad it worked over my opposition.

Let us go back. I was not very old during the Depression. I was born in 1932, so I do not remember much about the Depression. I sure heard about it from my grandparents, and I sure heard about it from my father and mother, and I sure read about it when I was a banking and finance student at the University of Utah. I sure have seen the pictures of people jumping out of windows because they lost their deposits, they lost their money, the suicides that went on, and the utter chaos in this country through the 1930's.

I remember those black-and-white movies well about what went on and the devastation, what it did to families and those who worked for the Civilian Conservation Corps. The Government was the employer of last resort.

I do not think the chairman and I like this bill. There are no good answers. There is no good answer. In isolation, sure, we could all stand up; it is easy to come on this floor and criticize the bill. Certainly if I could write it, I have a better idea, the chairman has a better idea. Every single member of the Banking Committee, if he or she could write it as a dictator, obviously would do it differently.

The Senator from Ohio knows what the legislative process is all about. He

is one of the best ones at it. You go through a process of compromise.

And it is truly remarkable that with this difficult a problem, certainly the most difficult financial problem we have faced since I have been on the Banking Committee in 15 years, that 21 Senators of 2 parties could unanimously agree on a compromise package. I think that means a lot.

But I want to get back to my major point about talking about the Depression. We have to solve this problem, no matter how distasteful it is. And not one dime will go to a stockholder, not one dime will go to management. Management is being removed. Stockholders are losing their money.

This is going to depositors, and that is where it has to go. If we did not have the Federal Deposit Insurance system in place, the 1930's would have looked like a picnic compared to the way the money would have flown out of these institutions. And not just out of the S&L's. A collapse of the entire banking system of this country would have occurred with the runs if they did not feel safe in having a President, several Presidents, and Congressmen and Senators constantly saying: "The full faith and credit of the U.S. Government is behind your little savings account, whether it is $2,000 or $500 or $100,000." We cannot afford to drop that commitment. In the 15 years I have been here, I have heard it said over and over again on this floor.

So do not let anybody think from the Senator's remarks that one dime of this $157 billion is going to a stockholder or to management. It is going to the very taxpayers he is talking about. And we have to keep that commitment.

And, as fiscally conservative as this Senator is—and I certainly have a voting record to prove that—this money, as distasteful as it is, has to be appropriated, has to be done to keep the financial system of this country intact so that the people have confidence. We must not have a repeat of people jumping out of windows because they have lost their life savings. That is what this is all about. I do not want any implication to go out that that is not the case.

I see the Senator from Ohio on his feet. I yield for a comment, but I do not want to yield my right to the floor.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. GARN. Yes.

Mr. METZENBAUM. The Senator said that every dollar is going to the depositors. Is the Senator from Ohio not correct that something in the area of $40 to $50 billion of this will go to pay off the obligations that were made by Danny Wall and the Federal Home Loan Bank Board at the conclusion of last year, that they made promises but those dollars are not covered unless you get it from this bill?

Mr. GARN. Ultimately those dollars are so that the depositors in those failed institutions can be guaranteed to receive their deposits back. The simple way to have done this, Senator, and that would have been my next point because, I will be very candid about it, I resent the Senator personalizing it to one individual. I am going to talk a little bit about the history of this. I have been involved in it for 15 years. We are going to talk a little about the background and how we arrived at this point. But the simple thing would have been to go in and pay off depositors up to the $100,000 amount. It would have been much simpler to make no deals. Good heavens, how easy it is to be a critic.

I can look at those December 1988 deals in isolation and say, "Oh, those should not have been made. What a lousy deal." And most of them are. There is no doubt about that, they are.

But why? Because this miserable Congress would not give FSLIC the money, would not change the regulatory practices. Where was the House of Representatives in October 1986 when this Senator came back half cut open from a kidney transplant for my daughter. I was told by my doctor not to be here, but I stood back here in the reception room and begged the Senate Banking Committee to let the $15 billion of FSLIC recapitalization pass. I felt that this problem was that serious. It was then estimated to be a $25 billion problem.

What happened to it? DON RIEGLE helped me get it passed in the Senate. We sent it over to the House. They rejected it several times. They rejected the emergency provision, extension of title I and title II of Garn-St Germain which allowed interstate mergers and gave the regulators power, emergency powers, to handle situations like this. It expired September 30, 1986.

I said, "OK, if you will not give the Federal regulators more power and more money to handle this problem, at least extend current law." The House of Representatives did not.

So I submit that if the Senator from Ohio, the Senator from Michigan, the Senator from Utah, had been there in December 1988, faced with great frustration between a Congress who would not give the tools, House Members who begged for forebearance, without mentioning any names, who only wanted to pass $5 billion of FSLIC recap a year later. If my colleague were to sit in those conferences or to get a record of them, he would be appalled by what the House of Representatives would not do.

If there was ever an act that was irresponsible, it was October 1986, with the House of Representatives leaving session to go home for a 3-month recess, not only not giving new powers and new money, but taking away the existing powers for handling problems like this.

So, yes, they are lousy deals. But they did not have enough money to simply go in clean and quick and say "OK, every depositor gets his or her money back to $100,000. You are closed down." Boy, that is the ideal way to handle it and we would not be here today if that had been done.

But if you do not have enough money to do that, and you do not have the regulatory tools to expand your authority to close down existing institutions at an earlier time, you grasp for what you did.

If those deals had not been made, as lousy as they were, I will guarantee today we would be sitting here, in April, and I will bet there would be another $15 billion to $20 billion added to this ridiculous cost we are already talking about.

So I ask the Senator to put it into context.

I would be happy to yield to another question.

Mr. METZENBAUM. First I want to say that I recollect very well when the Senator from Utah came back after doing that magnificently wonderful job as a father for his daughter. And I think all of us share the kind of respect and concern for that which he had done. And I understand his point with respect to the House not having passed the bill in 1986.

I cannot accept the responsibility for that and neither can you.

The only point that I want to make is that the deals that were made, that $40 billion to $50 billion and maybe more than $50 billion—nobody knows for sure—besides the tax credits that they are going to get, the taxpayers in this country are subsidizing not the depositors: We are subsidizing those who made the deal. And it is reasonable to assume, and rightly so, and understandably so, that those who made the deals will make hundreds of millions of dollars extra, as you know.

One deal provided that the person who made the deal would agree to give the Government at least $30 million a year, or 30 percent of his tax savings for 10 years, but not less than $30 million a year, which means that that person expects to get at least $700 million for himself, in tax credits, paid, again, by the taxpayers.

The Washington Post did report that some deals were made in which it would have been cheaper to pay the depositors off directly rather than to have made the deal, because what we did in the deals is we guarantee the service charges, the interest, and costs of carrying certain properties that the savings and loans had, and we also agreed to give them tax credits. We also agreed to keep providing money

to service those accounts for 10 years—and I will come back to this later—but it is my understanding that we agreed to service those loans, to pay for those loans at not just what it cost them, not the cost of money in some of those loans in Texas, but 250 points, or 2.5 percentage points over the regular interest rate prevalent in the State of Texas.

So I believe that the facts are that the Senator will find in this bill considerable amount of subsidization, giveaways, to those who were able to make those deals. The Senator himself just said that they were terrible deals, a lot of them were very bad deals. But I am concerned that the American people do not realize exactly what this bill does besides what has already been done to them by the deals that were made at the last half of 1988.

I yield the floor.

Mr. GARN. I would say to the Senator, the December deals do not pay funds to old management and stockholders, as you were just saying. They do pay money to new acquirers. The reason for that is the indirect tax benefits which are a cost to the taxpayers. I obviously have not examined each and every separate deal to say that every single one of them, by my knowledge, would have been cheaper the way they were done than if the taxpayer or the depositors had simply been paid. But there is no doubt in my mind that overall it would have cost a great deal more and FSLIC simply did not have more money.

I wish FSLIC had had the money to do that: clean, simple, easy. "You are out of business." The stockholders lose, the management is gone, the depositors are made whole. That was not possible. And that is the context I was trying to place my remarks in.

But the major point I want to make, again, and again: I do not want people to think that any taxpayers' dollars are going to bail out fraud and mismanagement of the past. They are not. The important principle is these depositors know that their money is available. Even with that, we have had an outflow of deposits from the S&L's. So I think it is important that it be stated again.

I also cannot agree with the characterization of the bill. This is a tough bill, a very, very tough bill. There is one place I would agree with the Senator from Ohio—if he would listen to the one point of agreement. I did not favor extending goodwill to 25 years. And I think that is well known within the committee. I am convinced that the most important reform we can make is requiring real, tangible capital. Because when people invest their own money they are going to be more careful with it than they are with somebody else's. There is no doubt about it.

If I could have changed that to less than 25 years I would have done so. There are some offsets that we got into the bill: Early intervention, being able to close institutions down if they have not met capital requirements, and business plans. I think the chairman did a good job, while the time was extended, making some of the requirements tighter.

I would say to the Senator, too, that although he only received the bill on last Saturday, in the 15 years I have been on the Senate Banking Committee I have never known a subject that has been more fully publicly exposed, not only in the press but in extensive hearings.

(Mr. FOWLER assumed the chair.)

Mr. GARN. You mention Mr. Selby. He testified. If you would like some more ammunition for your horror stories, Joe Selby, is the regulator who told you about some of the Cadillacs and all of that. He told us, too. It is in the record. So we can add to your horror stories. I am not disputing that. They exist. No doubt about it.

Where we disagree is, I happen to think changing penalties from $10,000 a day to $1 million a day is a rather significant increase and deterrent. I also happen to think that putting $50 million more in the Department of Justice to beef up their enforcement arm, and separating FSLIC from the regulation and putting them under FDIC is important as well.

I think if you will examine this more carefully, you will find this is a tough bill. The House of Representatives' bill is not, and we must resist that. But this is a tough bill all the way along.

I want to say to the Senator as well, because he spoke about some of his amendments such as Government check cashing, lifeline accounts to all persons—he and I talked about those for years—I think he remembers last fall many of his items were included in S. 1886, the Proxmire bill which passed the Senate overwhelmingly. The House of Representatives, once again, stonewalled us and would not go along with that.

I wish the Senator would anwer this question for me because as I remember, Senator PROXMIRE and I felt very strongly once again about the fact that some of the things that were in that particular bill and were dying right at the end of the Congress, we pulled up the Andrew Wyeth coin bill, H.R. 593, and we said, "OK, S. 1886 is dead." We cannot get the overall reforms, but we would like to do some things. We would like an enforcement package that was proposed by FDIC, Federal Home Loan Bank Board, all of the regulatory agencies which allowed the agencies to obtain restitution or reimbursement from guilty parties. We felt that was important.

OK. The horror stories were there. We agree with you. How do we give it back? Give the regulators more authority. We define institution-related party to include more people involved in the affairs of a financial institution. So we wanted to broaden those who we could capture and say, "You are at fault for this." We want to permit the agencies to issue a corrective order on institution's book and records if they are in disarray; we made an agency removal order industry-wide so that a guilty party, one that had been found guilty in a savings and loan, could not transfer over and go to work for a bank.

In addition, we increased the civil penalties for certain violations of the banking laws. We toughened up the change in the Bank Control Act to make it easier to stop violations of that act. We provided that an employee of a bank cannot avoid agency sanctions by simply resigning before the agency notice is sent.

This was a tough new package of regulations the regulators wanted. We extracted that out and wanted to put it on this bill by an unanimous consent. The Senator from Ohio objected.

Now the December deals may be bad, but why did the Senator object? It is simply a regulatory package. I would have loved for these agencies to have had that power for the last 6 months, but they have not had it because the Senator from Ohio, for whatever reasons, and I am sure he had good reasons, objected to Senator PROXMIRE and I passing that package.

Mr. METZENBAUM. If the Senator form Utah will refresh my recollection, as I understand it, you were proposing a regulatory package. Did that package include the provisions I had with respect to check cashing and other consumer amendments?

Mr. GARN. No; it did not.

Mr. METZENBAUM. I think that was the reason I objected because I asked for it to be included because my friend Congressman St. Germain and his committee had not refused to move in connection with the consumer amendments I had but had actually strengthened them tremendously. The bill was killed when it got over there for other reasons but not because of my amendments.

So I think what happened was that I asked to put the same amendments on that the Senate had already passed onto that bill, if my recollection serves me well, and I am not certain that it does because I do not remember the specifics, but I would guess that if there were another banking bill coming down the pike at that particular moment that I would have insisted that I get the proconsumer amendments on that had already passed the Senate.

Mr. GARN. With all due respect, Senator, I agree and you stated accurately, the amendments you wanted to

go with the package were not added. There were objections to it. But what we were pleading for, OK, we are sorry, somebody objects. But I happen to think that because the Senator from Ohio did not get his way, it would have been important for the regulatory agencies to have these powers despite the fact you did not get your amendments. These were not Bill Proxmire's amendments; they were not JAKE GARN's. They were requested by the regulators to have tougher enforcement policies.

You can come on the floor and criticize the December deals just like I do, but I am still critical of not being able to have this package of enforcement in. I wish that we could have done your package for you. We did include most of them in S. 1886, but when we pulled it apart, it was not possible.

I expect you to fight for your issues. Do not misunderstand. I am not critical of that. You should stand up for what you believe in, but I think it would have been nice if you could have said, "OK, I understand the realities, I will let the package go through," because it is important to the very taxpayers you have been talking about today not to continue to lose money. I think that package would have saved some money.

Mr. METZENBAUM. Senator, I want to point out to you, I have been down the primrose path a number of times on the so-called consumer amendments that I have. One is the question of I see these beautiful, beautiful buildings that are set up all over for what purpose? To cash checks. And the main—well, many of those checks, the Social Security checks, Veterans' Administration checks, welfare checks, Government checks that are good checks, no question about it, and those people who are the least protected in society, those people have not been able to get any protection from the U.S. Congress.

I have not started on this just last week, last month, or last year. There were occasions when a bill came before the Senate, a banking bill. I indicated that I was prepared to offer an amendment and let it go on an up-or-down vote; let the Senate decide. I was prevailed upon by the then chairman of the Senate Banking Committee to hold off, please not to go forward, and that I was guaranteed I would have a hearing on my bill in the committee. I said not only a hearing, I want a markup. I want a chance for the Members to vote on it.

That never came to pass. There were hearings, there were discussions, the banks did not like it. We said we will give you some compromises. We have got it.

So I would say to you this. You go back and look at the record of the Banking Committee, and you tell me where in the last 6, 8, 10 years there have been consumer amendments enacted or that came out of that Banking Committee. The Banking Committee has done a good job. There is no Member of the Senate for whom I have more respect than Senator William Proxmire who has left this body. I certaintly have tremendous respect for Senator DON RIEGLE. Both of them are good friends of mine, and you I consider to be a good friend. But I have pled, I have fought, I have implored, I have entreated, I have tried time and time again to get some protection, not alone on only that consumer amendment, but other consumer amendments as well.

I will say to you now, I believe it belongs on this bill and I would hope—I wrote to the chairman about it, I wrote about a number of other issues and, if necessary, I am prepared to go forward on the floor in connection with those amendments. But I would hope that I would get the support of the Banking Committee instead of this idea, no, no amendments. What is so wonderful about that concept—no amendments?

I remember when that tax reform bill came along. Twelve-hundred-some-odd pages, and I remember when 30-some-odd Members of the Senate signed a piece of paper promising they would not support any amendment. I remember when the chairman of the Finance Committee said, "We're going to take no amendment." And I said that is not the way it is going to be, and we did change and the members of that same Finance Committee who said no amendments wound up agreeing to take amendments.

I am here this afternoon saying, I do not like your bill. I do not think it is a good bill, but I have also said that I do not intend to filibuster, but I intend to have consideration with respect to improvements in the bill. I intend to have consideration with respect to consumer amendments, and I intend to use as much time as necessary in order to let the people of this country know what a bad bill I consider this to be.

Now, having said that, I yield the floor.

Mr GARN. The Senator is correct, there is no one who has worked harder for consumer issues over the years. I certainly will stipulate and agree to that. And this Senator was willing to accept as part of the regulatory package the consumer provisions that were in S. 1886 and so was Senator Proxmire. We were not able to clear that.

My only point is we were willing to give the Senator those consumer provisions that were in S. 1886. I felt that even though the Senator lost, and I am sorry the Senator lost on that part, these regulatory changes should have gone through and I think they would have been very helpful.

I am going to answer one more question that the Senator talked about: why do this by tomorrow? With me it has nothing to do with getting out on recess, Passover or anything else. I will tell the Senator why. Because with this complex a bill I do not want the Senate of the United States lobbied during a week of recess. There are so many people out there. The purpose of all of the lobbying is to weaken this bill: to stretch out good will, to change the date of the capital requirement, it is to weaken the qualified thrift lender test which this bill tightens. I will guarantee you that they are out there in the halls; they are out there across the country; they will be in our home districts and our home States while we are there. So I do not care about the recess.

The Senator is right in that we cannot pass the bill into law until the House does theirs. But I will guarantee the Senator this will be a better bill if it is passed by tomorrow than if we go home for a week. I bet there will be 100 more weakening amendments that appear on this floor, after the lobbyists have had another week. The special interest groups that helped cause this problem will be at it all next week because they think the bill is too tough. I do not want it weakened one little bit.

Mr. METZENBAUM. I will guarantee my friend from Utah if there are any weakening amendments, they will not get adopted because I will hold the floor as necessary. This is a bad enough bill, and I said I do not intend to filibuster. If somebody comes with a weakening amendment, you have got me on board.

Mr. GARN. We would appreciate the help of the Senator this afternoon and tomorrow.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan, the chairman of the committee, Mr. RIEGLE.

Mr. RIEGLE. Mr. President, I listened with great interest to the presentation of the Senator from Ohio, my good friend, HOWARD METZENBAUM. I had to leave just briefly to go over and cast a vote in the Senate Budget Committee, so I was away for a very short period of time. But, I think I have heard all of the arguments he has made today and variations of that that he has related in other settings and to me personally. I want to say also, as he did, that we are, indeed, very good friends. We have sat beside one another on the Senate floor for many years. I recall with special fondness the fact that 10 years ago, when my wife, Lori, and I were married in Reed City, MI, it was HOWARD METZENBAUM and his wife Shirley who flew up in a small plane through very bad weather to be present on that very special day for us. So, our bonds are very deep

indeed. I have great respect for the Senator from Ohio, the work he does, the passion with which he takes the floor and supports issues, whether we always happen to agree or not.

That said, I think there is much he has said today that is, in a sense, a recounting of what we know about the worst of this problem. It is all public information. I thought it was a good recitation of the stories that have run in the national television features and national magazines, and on the front pages of newspapers across the country. These facts, troubling and as distressing as they are, are troubling to all of us. I can tell the Senator that the members of the Senate Banking Committee who worked through this legislation are as appalled at the history of this problem, the excesses that have been referred to, as anyone in the Chamber.

I can tell the Senator that this Senator and others do not stand second to the Senator from Ohio in terms of their outrage at many things that have taken place. We are determined to put a stop to it. We are determined to protect the system in the future the way it was not sufficiently protected in the past.

The Senator did in fact send a letter to me on March 22, which I have in front of me, where he raised the issues, some of which he has talked about today, particularly the Government check cashing services, the lifeline accounts which he has worked for over a period of time on other legislation, as he has just indicated, public disclosure, and also repeal of the special tax provisions and raised a concern about the FSLIC deals that were done at the end of the year.

All of these are issues that we have looked at, we have considered, and about which we have talked with the Senator's staff. I think we have incorporated in our bill some features that deal with parts of what the Senator has raised—not precisely all of them. There were some we felt we could not treat in this bill, but I think we have listened and considered those points of view.

Now, I have to say, with all due respect, when the Senator says he does not have a plan, I do not particularly expect that he would have a plan or that any individual Senator could compose a plan, because it is very difficult to do, particularly given the time pressures that all of us feel in this situation where the losses are mounting. I do not make light of the fact that the losses are mounting day by day, because the taxpayer is stuck to the extent that the losses get larger each day. I am very sensitive to wanting to get a wise and prudent package in place just as quickly as we can to put a stop to those losses.

If I can have the attention of the Senator from Ohio just for a minute——

Mr. METZENBAUM. I do not mean to be rude.

Mr. RIEGLE. I understand, but on this point, I want to particularly indicate to him that the administration's plan has been public for 8 weeks. It is no surprise. It has probably been as well publicized as anything the administration has done. It has been on the front page of every newspaper in the country; it was the lead on evening news. I think there have been few financial stories that have been as well covered in terms of detail and placement in the news and newspapers as this has been. So, the plan has been out. Our reactions to it as a committee have been out. They have been fully reported. They were reported each day, as we have come down the last 8-week period of time.

So, there are really not many surprises contained, I would say—and I will yield when I finish—in terms of the general intentions of the committee to try to work with this legislative package and produce something that we thought was sound, working off the essential elements of the Bush proposal, but making some changes, some modifications, and some strengthening.

But the Senator from Ohio or any other Senator was free to testify, if he felt the work was on the wrong track, that the administration's bill was wildly excessive or that what was being done by the committee was way off the track. He could have developed a plan just as any other Senator could develop a plan. I do not say it is easy. It is not easy. This is not the plan of a single Senator. This is a plan of all the members of the Senate Banking Committee, and it is significant that the committee reported the bill out unanimously. Not that it represents, as the Senator says, the view of any individual Senator, because by the very nature of the legislative process that does not happen any more than it would be the bill of the Senator from Ohio were he on the committee, the chairman or otherwise.

Let me tell the Senator who the members of the committee are, because I am very proud of the committee, and I think the committee has worked very hard and very thoughtfully. They have produced a good work product, and I think it ought to be seen for what it is. ALAN CRANSTON serves on the committee, has been very active in the work as have all the members, PAUL SARBANES, CHRIS DODD, ALAN DIXON, JIM SASSER, TERRY SANFORD, a former Governor; RICHARD SHELBY, BOB GRAHAM, another former Governor; TIM WIRTH, JOHN KERRY, RICHARD BRYAN, a new Member and another former Governor. On the minority side, the members were JAKE GARN, of course, who is here and has had long experience in this area, JOHN HEINZ from Pennsylvania, Senator D'AMATO, Senator GRAMM from Texas, Senator BOND from Missouri, another former Governor; Senator MACK, Senator ROTH, a former House Member, and Member here now for many years, Senator KASSEBAUM, and Senator PRESSLER.

Now, I can tell the Senator, he may have a better idea and, if he does, I am interested in it in part or in whole. But when he takes on the whole bill—and that is a large part of what I have heard today, is that the whole bill is defective—I would be very interested in looking at a package that is somehow materially different and better. I am open to that, because we did not start with a fixed view, and we did ask financial experts.

The Senator mentioned Paul Volcker. We had Paul Volcker in for an entire day. We spent probably 3 hours in extensive cross-examination with Paul Volcker and we incorporated his suggestions insofar as I can recollect standing here today from what he said about this bill. We heard from a number of other experts. We had countless people come in and ask to be heard outside the committee hearing process.

We had a number of witnesses who asked to submit testimony. All of those invited to do so are included in the committee record. That is not to say that we produced a perfect bill. When I took the floor yesterday, I indicated that I was not prepared to make that it was a perfect bill or even that it would necessarily work in precisely the manner that we would like to see it work, because we cannot know that on a matter of this complexity. It is just beyond the range of our certain knowledge to be able to do that.

But I also indicated that we intended in this committee to be far more aggressive in our oversight than this committee has been in the past. I am frank to say I am not satisfied with the record of the Congress in that particular area. We cannot do anything about that now. We can only go forward from this point.

So it is my intention to make very sure that this bill or whatever close variation of it becomes law is monitored very, very carefully to see that the provisions that are designed to have a certain effect will indeed have that effect. If they turn out to require modification or strengthening or any other change as we go down the track, I intend to insist that those things be done, and I will be back here on the floor, because that, to me, is a critical part of this job. It is not just enacting the bill, but, in effect, following through to see if it is implemented.

In a sense, it is a little awkward to stand up and tell the Senator this is a

good bill, when I have had a hand in drafting it. Let me give the Senator from Ohio a little bit of the outside comment that we have received by people like himself, who are lawyers, serious, and taking a searching look at it with a lot of work on it.

I was very pleased that the Washington Post in a major editorial just a few days ago commented that there was a different mood prevailing in the Senate Banking Committee, contrasted to the House in that instance. But its comment was that the committee's bill was tough, sharp and fair. I like that comment. I think it was an accurate comment, and I think it generally reflects opinion that we have heard from other outside experts. It does not mean the Senator from Ohio has to agree with that. But I assert to many, when he asks about whether there are persons whom we might have talked to or who might have made suggestions, that an enormous range of opinion of precisely that kind has been heard, and their views have been reflected in this bill.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. RIEGLE. Yes.

Mr. METZENBAUM. Was not that Washington Post editorial, the entire thrust of that editorial, complimentary to the Senator for insisting that this bill go on budget rather than off budget and said that Senator RIEGLE is right, and is that not the very point, that the committee did not take the position?

Mr. RIEGLE. I say to my good friend, no, it is not. He was kind to mention that other editorial.

Mr. METZENBAUM. There is a separate editorial.

Mr. RIEGLE. There are two editorials. I appreciate the Senator drawing attention to the first. They did in fact support the funding plan but there was a second and separate editorial on April 13. So this just ran a short time ago. But the fact is I think a number of people who have the same intensity of interest and concern as the Senator from Ohio has, and as the rest of us on the committee have, looked at our work product and feel it measures up very well.

I am open to an alternative, if one can be found. But I will tell the Senator this: When he gets into the heart of this issue, there are really two sides to it. There is how you pay for the problem, and the costs are inescapable. As the Senator from Utah says, this money is going to replace depositors' money that has been misinvested and lost. That is where the money goes. Make no mistake about that side of it. So, we are stuck with that.

We have imposed the largest burden on the savings and loan industry financially that we think we can without causing them to further sink beneath the waves. So we have tried to minimize the cost to the taxpayers.

But on the other side, there are the reforms, the changes in the structure, splitting off the insurance system, creating more independence in the system, at various levels, providing other kinds of safeguards, increasing the capital standards, requiring that there be an ability for the regulators not only to be strengthened in terms of who they are, but to be able to intervene and to be able to intervene rapidly and make things change, if things are not being done right.

There are many things—precisely the kind of things we have done—and, by the way, that list also was available 10 days ago. We put a summary out. It was available. I know it was available to the Senator's staff as it was to all Senators. He is exactly right. We did not have the final printed text of the bill in the form that he sees here until late on Friday. It was available, I am told, to his people on Saturday.

That is the nature of the squeeze that we have been in. That was certainly not intentional, not something we wanted, but make no mistake about it, the functional summary of the bill as you see it here was available 10 days ago, and the Bush bill itself, from which we worked, was available 8 weeks ago.

Mr. METZENBAUM. Is it not the fact the Senator considered something like 43 amendments within that last 10-day period?

Mr. RIEGLE. Yes, indeed, we did consider that many printed amendments in the committee markup process itself.

Mr. METZENBAUM. Does the Senator appreciate the fact that in a bill as complicated as this any one amendment which may be a one-line or two-line amendment can very substantially change the thrust of the bill?

Mr. RIEGLE. Absolutely.

Mr. METZENBAUM. So to expect any Member of the Senate to have studied first the administration bill, then to follow the hearings day by day while each of us are doing his or her own responsibility, then to study the bill until the 43 amendments have been brought up and disposed of, I think is a little bit unreasonable for the Senator to expect anyone to be able to.

The fact is a final product which we were asking for Thursday and Friday we did not get until 10:30 on Saturday morning. I am not blaming the Senator from Michigan. I am only asking him not to blame me when I am not willing to rush forward, bang, bang, bang, and pass this bill and hold that we have to do it before tomorrow night. I would like to ask the Senator.

Mr. RIEGLE. Let me just say because we are on my time at this point, on that particular issue the Senator from Ohio indicates that we had amendments brought up in the committee. In fact, we did. I would say for the most part of the 43 amendments, not all of the amendments were incorporated into the bill; some were, some were not. The Senator might look at them. But I am not going to make an assertion to him that is incorrect. The fact of the matter is, as he knows, there are 21 of us on that committee, including the majority whip who is sitting here. We all take our committee work just as seriously as the Senator from Ohio.

The Senator is diligent on the Judiciary Committee and in his other activities, we brought the same measure of diligence to our work and I am able to make an assertion to him that these amendments did not substantially change the bill. I think he can have some faith in what I am saying. I am not saying that would necessarily be his view. But the major issues were settled long before that, and the resolution was summarized in writing and available to the Senator and his staff, as it was to all Senators.

So I think it misstates the issue to some extent to say that suddenly he or others got blindsided on last Saturday, and there has been suddenly, in a very short period of time, a requirement to absorb everything in this bill. I can tell the Senator this: Most of what is in here has been on the front page of the business section or the front page of national newspapers for several days, and in some cases several weeks. So it is generally known. We have debated it. We have talked about it. I made a presentation in the caucus a week ago. A lot of their detail was discussed then.

So I think in fairness the issue of whether or not this whole thing just sort of popped out of nowhere on last Saturday is not accurate.

Mr. METZENBAUM. I do not say it popped out of nowhere. Let me ask a question. The Senator says it has been on the front page. Would he be good enough to recount for me what the original estimate was for the cost of this bill when the administration sent it up, and then how it went up by leaps and bounds to the point where now it is excess of $157 billion? I have some recollection it was substantially less in cost than this figure. Am I correct?

Mr. RIEGLE. Let me say to the Senator, if one goes back over the period of the last 2 or 3 years or the last several months, the estimates have changed all over the lot.

Mr. METZENBAUM. Always up.

Mr. RIEGLE. They have gone up.

Let me give the Senator the figures because he raised that question earlier, and it is a good opportunity for us to work off a common base of numbers, because the figures are every bit as large as he says. They are just as

distasteful to me to have to acknowledge as they are to him. In fact, if you take the 30-year cost, it is actually higher than the numbers that the Senator was quoting. Let me give you the figures so they will be in the RECORD.

Using the CBO assumptions about interest rates and deposit growth, and CBO budget scoring, the 3-year cost looking forward is some $83 billion. If we take the 10-year cost, the 10-year cost is estimated to be $152 billion.

Bear in mind that is dollar for dollar, not a present value discounted figure. And the 30-year cost is estimated to be $239 billion. I mean, that is enough to knock anybody off their feet, because these are extraordinary numbers. The Senator's assertions with respect to the size of this problem are exactly right. It is unprecedented. It is an enormous problem.

But that does not automatically lead to the conclusion, it seems to me, that we cannot devise a sensible adjustment to the financial system, a series of reforms to the system, and to stabilize the system now. Because, if the Senator is aware, there have been enormous withdrawals from the depository institutions over the last several months, the withdrawals continuing at the present time partly because there is uncertainty as to when this program is going to be enacted to strengthen the system and to make sure that everybody can feel confident about leaving their money in their deposit account.

There is an enormous degree of uncertainty, plus losses are running, because right now the tools are not in place to allow the liquidation of insolvent institutions.

So they are continuing to remain open, and the losses are mounting and the estimates vary. I have not heard an estimate, by the way, of less than $20 million a day.

I heard the Senator say earlier, "Well, let's take more time if time is needed."

If I was convinced that more time being spent would be a productive exercise, I would ask for it even before the Senator from Ohio.

But I think you have to accept the burden as well when we know the losses are mounting each day and are add-ons to what has already been squandered. To take time just for the sake of taking time, when we know the bill is increasing and is going to fall directly on the taxpayers, I do not view as a responsible course of action.

So I think specific amendments, whether it be a whole plan or amendments that address parts of the bill, may be made. That is why we are here, and I am happy to have them brought up at any time.

I hope, if the Senator wants to pursue it, that there will be amendments. We can hear them. We can debate them.

I think we, by the way, have addressed many of the issues that the Senator has raised. He talks about discrimination in lending. We were very sensitive to that issue. The Senator is exactly right. I am acutely sensitive to that issue, because I do not want to see discrimination in our lending patterns in this country, whether by savings and loans, banks, or anybody else. And I intend to do something about it.

That is one of the reasons why I welcome the chance to be the Banking Committee chairman.

Mr. METZENBAUM. In this bill?

Mr. RIEGLE. Yes, we take steps in this bill, appropriate steps in my view.

Mr. METZENBAUM. For a study?

Mr. RIEGLE. No. We go beyond study, I would say to the Senator.

In fact, I will just read it to the Senator. We go beyond study. We have laws in place now, as the Senator knows, that are designed to try to identify whether we have discriminatory lending practices, and to the extent that we can find them, they have to be stopped.

So, if the Senator looks in the bill, on page 542, line 17, section 1406, he will find the following:

> Not later than 60 days after the date of enactment of this Act, the Secretary of Housing and Urban Development, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, and the Chairman of the Office of Savings Associations, shall each transmit to the Congress a report containing—
>
> (1) findings, based on a review of currently available loan acceptance and rejection statistics, on the extent of discriminatory lending practices by mortgage lenders subject to regulation or supervision by such agency; and
>
> (2) recommendations for appropriate measures to assure nondiscriminatory lending practices.
>
> (b) SCOPE OF HUD REPORT.—The Secretary of Housing and Urban Development may exclude from the report under subsection (a) any data pertaining to mortgage lenders which are approved mortgagees—

Et cetera, some standard language there.

But the fact of the matter is we are using this bill to go out and get that issue directly into hand, not only with the hard data from everybody who is in a position to collect that data and make it available to us, but together with their recommendations for any further actions that are needed, and I intend to act. When the Senator comes in here——

Mr. METZENBAUM. Why not include it in the bill?

Mr. RIEGLE. Let me just finish.

When the Senator comes in here asking us to take an action—I am undertaking to take an action. This is not the central focus, I might say, of this legislation. It is to stop the disaster in the savings and loan system.

Mr. METZENBAUM. No. But the Senator is bailing out the savings and loan institutions.

Mr. RIEGLE. No. First of all, I do not accept that description, if I may say so.

Mr. METZENBAUM. The Senator is bailing out those who are in financial——

Mr. RIEGLE. The depositors of the savings and loan system.

Mr. METZENBAUM. The Senator is going beyond the depositors. He is taking those who have investments in it. He is doing more than that. I am not willing to accept it is the depositors only. It is more.

Mr. RIEGLE. We have a difference on that point.

Mr. METZENBAUM. The Senator is now talking about a figure beyond what I talked about, $239 billion.

Mr. RIEGLE. That is the 30-year cost.

Mr. METZENBAUM. 30-year cost.

Now, discrimination in America is not a new subject, and what the Senator has there is a whole rigmarole—this fund is going to do it and that one is going to look at it and that one is going to look at it, and then they are going to send someone up here, and nothing is going to happen and the savings and loans are still going to discriminate.

Why does the Senator not put it in the bill and say any savings and loan that is participant in the FSLIC or the new name shall not be permitted to discriminate and if so, thus and thus happens?

It is simple. The Senator does not need to make it complicated.

Mr. RIEGLE. I think it is fair to say, without going and reciting the existing law, but I am happy to do that if you want to pursue this today.

I do not think they are free to do that today. I think the discrimination today is illegal and improper, and I do not think it can be done. I think they already are under requirements not to do that.

Now, the Senator can ask me, by the way, as the chairman of this committee, and it could be anybody standing here as the chairman—I have been the chairman now for a very few number of weeks—I would like to get all of these things done at once, and it might well be that a different chairman in this job could somehow get all these jobs done at the same time. I have not found that to be a practical course of action.

But I would like to appeal to the Senator, when the Senator sees in the bill that kind of language that goes directly to the point that he is raising, and he hears also from the chairman that it is not there as a matter of accident, it is there as a matter of very

specific purpose, and that we intend to follow through on it, I would think that would have some value and some meaning.

Mr. METZENBAUM. The road to hell is paved with good intentions.

Mr. RIEGLE. This is more than a good intention, I may say.

Mr. METZENBAUM. And I would like to get there more rapidly.

Let me just ask: The Senator mentioned the Washington Post editorial. And the Senator said there were as all sorts of great support coming out for this bill. Is the Senator aware of the fact that Consumers Union and Consumer Federation held a press conference yesterday and they graced both the House and the Senate bills and gave them failing grades for capital standards and other provisions in the bill? Is the Senator aware of that?

Mr. RIEGLE. Yes, I am, and, of course, now when the Senator was citing before people like Felix Rohatyn and Paul Volcker and others, and so forth, I think the Senator now is talking about a different—important—but a different vantage point in terms of the consumers groups.

I must tell the Senator this, that the consumers groups appeared before our committee. We were very interested in their input. They came in, a number of them, and testified in person, and we also received written submissions from others. But let me tell the Senators what we put in the bill on consumer provisions. I do not know if the Senator had the opportunity to read the committee report, but on page 42 it summarizes the consumer provisions and the taxpayer protections, and I just want to read them into the RECORD because the proposed bill contains several provisions intended to protect and promote consumer interests in the home mortgage credit system. Our interests run, I think, precisely along the same line in that direction, I say to the Senator from Ohio.

But point No. 1, under the heading "Consumer Directors of Federal Home Loan Banks"—

As described above, the proposed legislation requires that, in making appointments to the boards of directors of the Federal Home Loan Banks, the FHLBA reserve two positions at each bank for representatives of consumer and moderate income interests. The Committee believes that existing public interest directors on the Banks' boards have not adequately represented consumer and moderate income interests. The Committee expects this legislation to rectify that deficiency.

I might say to the Senator from Ohio that we have added that provision. That is not in the administration bill. It is something that we added, and I might say that the Senator's emphasis on consumer interests in his letter to me helped spark our interest in that area, but that is just one part of what we have done.

In terms of asset purchases by housing authority and nonprofits:

The bill enables state housing finance authorities and non-profit entities to purchase residential housing assets from the RTC. The purchasers under this title are required to invest net income attributable to the ownership of such assets in the financing, refinancing, or rehabilitation of low and moderate income housing.

The Committee intends that governmental entities as well as non-profits be able to purchase residential assets, and notes the contributions made by neighborhood-based and national non-profit entities to providing assisted housing services.

As with sales of commercial real estate assets, the Committee intends that the primary purpose of the sale of residential assets be the realization of maximum proceeds from such sales to offset the contributions made by the American taxpayer to insure savings deposits. In the view of the Committee, this is not consistent with enabling state housing finance agencies and non-profit entities to pursue opportunities presented by such sales to increase the availability of affordable housing to Americans of low and moderate income.

It continues on with the "public interest uses of RTC assets." Again, this is the third paragraph up from the bottom of page 42.

Then the report on loan discrimination, which I have just gone through, which is very specific and which requires recommendations and which we intend to act on.

Then, finally, affirmative action. And that ought to be mentioned.

The proposed legislation specifically provides that Executive Order 11478, which prohibits discrimination and requires affirmative action in employment, applies to the agencies and federally regulated corporations covered in the proposed legislation.

So, I would just say to the Senator that there are provisions in here that I think address fumdamental areas that one might call consumer issues that relate to fairness, relate to access, and how the system works.

So this legislation is not insensitive to those issues. In fact, we have responded to them directly in the fashion that I have just indicated.

Mr. EXON. Will the Senator yield for a question?

Mr. RIEGLE. Yes, I yield to the Senator from Nebraska.

Mr. EXON. I do not want to interrupt the debate that is going on now. Earlier this morning, there were appeals going out for Senators to offer amendments and I am here. I am just wondering about how long would the two Senators from Nebraska have to wait to offer a noncontroversial amendment. I do not want to interrupt.

Mr. RIEGLE. I have one other point I wanted to raise with respect to the oversight issue which the Senator from Ohio raised, because this is a particularly important issue with me. I am intently committed to the proposition that we are going to have oversight in the future that cannot fail the way the regulatory system, I think, failed in the past. So there is a long list of oversight provisions that are all through this bill, because I have insisted, along with my colleagues on the committee, that they be in there. And they are in there.

I will just read the headings in terms of the oversight as it relates to the GAO audits. I will just read that one particular paragraph now because it is an important paragraph and may relate to other issues that come up.

I say to my colleague from Nebraska that I believe we may be close to ending this conversation and I am very anxious to have his amendment brought up.

Mr. EXON. I thank my colleague.

Mr. RIEGLE. I just want to say in this area, under GAO audits, that the report itself reads:

To ensure adequate Congressional oversight over all aspects of this legislation and to safeguard the expenditures of taxpayer funds, the GAO is given comprehensive audit and access-to-records authority over all agencies, corporations, organizations and other entities which perform any functions or activities under this legislation. The GAO is given such authority with respect to, for example, the Resolution Trust Corporation, its Oversight Board, the Resolution Funding Corporation, and the FSLIC Resolution Fund.

There are a host of other things I am going to have printed in the RECORD because I want to make one other point.

The Senator talks about deals in December. The Senator and I spoke about the deals in December at the time that they were taking place, because I was as concerned and as apprehensive about what I understood to be taking place, as the Senator was. So I decided that I would act at that time. I acted by directing several written inquiries to the Federal Home Loan Bank Board about some of the pending deals that we were reading about in the newspapers and which I did not like the sound of and the look of, and so we sought to get details.

We were given a response. We were told that we could not be given those facts, even though I was, in a sense, the incoming chairman of the Banking Committee in the next Congress. We had not yet fully rolled over from the old Congress to the new. The new Congress had not been sworn in as yet.

And so at that time, as the Senator from Ohio did, I also directed an inquiry to the Secretary of the Treasury, indicating at that time that I was very concerned about the deals that were pending—this is prior to year-end—and asked that he consider his ability to exercise whatever power he might have, as the person responsible for guarding the cash drawer of the Federal Government in the executive branch of the Government, to see what might be done.

He considered it and, as he himself has since stated in public settings, he felt that he did not have the power to intervene in those situations.

I was not satisfied with the situation being left that way. As the Senator, I believe, knows, on the 30th of December, I wrote a letter, with the full knowledge of the Federal Home Loan Bank Board. I wanted them to know that what they were doing was going to be looked at in the full light of day for however long it took for that to be done.

So I sent a letter at that time to Charles Bowsher, the Comptroller General of the United States, dated December 30, in which I asked that every deal, every deal done in the month of December of 1988, be examined in full detail by the Comptroller General and that he go back and reconstruct those deals, find out if there was favoritism, find out if we paid more than we should have, and so forth, and that we were determined to set a process in motion where every last fact would be put on the table in the full light of day and we would know exactly what happened.

I will tell you that they are still working on this, because some of these deals were so complicated that the documentation on the deal would probably stand this high off the top of this desk, just in terms of the legal papers required to finalize these things. So they are not simple matters to look at.

He has given us an interim report. He reported to the committee formally on some of the work that he had done, and he himself was very disturbed about many of the deals. The Senator from Ohio, in fact, cited some of his findings in his earlier comments. Those were findings in response to my letter to him setting this inquiry in motion and were in his testimony before our committee some weeks ago.

But they are still working on this, and it may take further weeks or months before we have final reports on any or all of the deals that were done in the month of December.

Mr. METZENBAUM. Apropos to that subject, the Senator has some language in the bill about restructuring of certain bills. I pointed out to him that, as a lawyer—and I am prepared to go up against any lawyer on this issue—the way the language is written, it does not give you a smidgen of a right to do anything. You do not have any right whatsoever, because it says you cannot restructure them unless it is provided in the bill that restructuring is permitted.

Now, I had discussed with the Senator a little bit ago the possibility of his considering amending that section, and we have some language that we have in mind.

Mr. RIEGLE. I would like to see it, and we will take a look at it. But let me tell the Senator something. I fully agree that the Senator from Ohio is a great lawyer and can go up against any lawyer around. But I have to tell him this: We now have some good lawyers on the Senate Banking Committee and we are very sensitive to this issue ourselves. The Senator from Ohio is not the only one that cares about that problem. The Senator from Michigan does profoundly.

But let me tell the Senator what steps we took.

Mr. METZENBAUM. I do not care if you get the best lawyer or worst lawyer, just give me someone who reads English. It says in English that you cannot open them unless the agreement says you can open them. So it is that simple.

Mr. RIEGLE. Well, this is where the legal analysis of the Senator from Ohio that has been done thus far may not be sufficient. Let me explain why.

The restructuring of the deals, that section of the bill is found on page 328, lines 19 to 23. And I am sure the Senator has read that.

Mr. METZENBAUM. I have.

Mr. RIEGLE. Let me tell the Senator how it is going to work in practice and how it is designed to work in practice because we have gone through a lot of these deals. The bill permits the FSLIC Resolution Fund or the Resolution Trust Corporation to buy back assets that are covered by an open-ended guarantee of income which is known, as you know, as a yield maintenance clause or agreement.

The yield maintenance clause is what I objected to, and what I think the Senator from Ohio objected to. It provides, for example, a tax-free return of up to 250 basis points above the average cost of funds for a Texas thrift.

On a pretax basis, that is estimated to be roughly an 18-percent annual return; that is an awfully rich return. I believe the Senator from Ohio would agree with me and find that objectionable.

But under our bill the FSLIC Resolution Fund or the RTC can exercise this buyback on about $20 billion of the assets, and that would save the taxpayers billions of dollars each year.

Furthermore, when the RTC puts a thrift on notice that the RTC or FSLIC Resolution Fund intends to exercise the buyback provision—and this will interest the Senator because of his own business background—we believe that the thrift itself will be motivated to renegotiate other items of the deal.

Let me explain. There are very substantial economic incentives. The power of being able to come in and buy out these yield maintenance agreements should make possible the restructuring of the economics of these deals.

It is our view that a thrift would be hard pressed to reinvest any substantial amount of money and get anything close to the guaranteed 18-percent annual return noted earlier.

Let me just finish.

Mr. METZENBAUM. Why is the Senator paying them 18 percent?

Mr. RIEGLE. We should not have been. That was part of what we were objecting to at the time.

But let me just finish and say it was our view and the view of the lawyers that worked with us to craft this provision, that this gives us the ability to go in and create not only a way to deal directly with the yield maintenance arrangements that many of us find objectionable and too expensive but also, provides the leverage to force a renegotiation of the whole package.

It is the view of this Senator, reinforced by the good lawyers that we have had available to us, that most of the deals that are out there will not be able to withstand that change. And the principals involved in those deals are going to have to sit down with the new players that are going to run the show in the Federal Government and renegotiate, in the view of this Senator, the whole package.

That is another way of getting at the whole that the Senator wishes to get to.

Mr. METZENBAUM. I respectfully say at this point that the Senator is guilty of wishful thinking.

The Senator's lawyers may think that. But I want to tell the Senator, I put time in with the lawyers who represented these buyers. Those lawyers used teams, they were experienced, they were out of the field. I am saying that the Senator has another provision about having the right to restructure and it is that provision—I am not sure which page it is on but we can find it easily enough—where the Senator says we have the right to restructure and then say "If the agreement says, we can restructure."

I am frank to say the Senator might as well throw the paragraph out because the Senator does not need the paragraph. If the agreement provides that we can restructure, then why is it needed in the legislation?

The reason to put it in the legislation is because the Senator is going to provide for restructuring that is already permitted.

Mr. RIEGLE. The answer to that is, that our intent is to direct them to do it.

Mr. METZENBAUM. What difference does that make?

Mr. RIEGLE. It makes all the difference in the world, because it is not something they can think about and not do. It is something they are directed to do.

Mr. METZENBAUM. But to direct somebody to do something? If I repre-

sent the savings and loan, I am going to say to the Senator: No way, it is not in the agreement.

Mr. RIEGLE. In most cases it is in the agreement. We are talking about——

Mr. METZENBAUM. I would like some confirmation of that representation. I would like some confirmation of that. I do not agree with that. I do not think that is right.

If the Senator will check with his staff? My staff tells me it is not in most of the agreements.

Mr. RIEGLE. The information that we have on that—and I want to put it in the RECORD now, and we will undertake to confirm it, but I am told that it is accurate—of the several dozen deals that were done, approximately two do not have that provision. The remaining deals that GAO looked at, I am told, do have that provision.

Mr. METZENBAUM. Those are deals that are limited to 10 percent buyback in any given year; is that not correct?

We have not been able to read all the agreements. We know we did read one——

Mr. RIEGLE. Let me say to the Senator. Obviously, there are differences as to what in fact is enabled under the bill as we have written it. And we ought to let our respective legal teams talk to one another on that issue. Maybe we can settle it.

If we cannot, the Senator, who is an expert at offering amendments on the floor, knows precisely how to do that. He could probably do that right now on the back of an envelope. That may or may not be necessary. I invite him to do it, if he thinks it is necessary.

But what I want my colleague to understand is that this is not a new issue to us. It is not an issue that we cared any less about than does the Senator from Ohio. This is one we have been working on for a long time and I am determined, just as the Senator is, to set that issue right. We think we have a mechanism to do it. The Senator from Ohio may disagree. He may think it needs strengthening and this is the process by which to go about trying to do that.

But I would want the Senator to understand that our view is as keen as his on this, in wanting to bring that problem into the full light of day and find a practical way to solve it.

Mr. METZENBAUM. We will try to come up with some ideas, to see whether or not the Senator from Michigan is prepared to accept them.

Mr. RIEGLE. Let me just indicate, I know the Senator from Nebraska may be in the cloakroom, because he has been waiting for some time to bring up an amendment that we are in a position to accept, because we have worked it out.

And I know the Senator from Pennsylvania is on the floor, too.

Having just a moment ago made that commitment to the Senator from Nebraska, I would like to be able to honor it, and I think it can be done very quickly, if he is present at this time.

If the Senator from Pennsylvania will indulge me, I would like to try to accommodate the Senator from Nebraska.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. CONRAD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I rise in support of the pending legislation addressing the savings and loan crisis. Indeed, I wish to express my sincere appreciation and admiration for the work and the leadership of the chairman of the Banking Committee, my friend Senator RIEGLE, in crafting this significant bill.

This legislation is vitally important. It sends a signal to the Nation that its savers' deposits are safe in savings and loans, as well as banks, and that its financial system is on a sound footing.

This legislation is not a bailout of the savings and loan industry. Rather, it is a rescue of depositors—a guarantee of continued public trust and confidence in the foundation of our economy.

But Mr. President, this is unpleasant legislation. It is the culmination of many, many diverse occurrences—some economic, some that were governmental, and some that were very human in nature.

Most of all this problem can be traced back to the high inflation and interest rates that beset this country at the end of the last decade. Those economic conditions—double digit inflation and a prime rate of over 20 percent—created a situation in which the savings and loans could not survive.

S&L's were used to taking in deposits at 5 percent and lending them out at 8 percent period. That was what they had done for 40 years.

Over those 40 years they were a safe repository for the Nation's savers and they were the driving force in housing finance.

But when interest rates went through the roof and the money market funds appeared on the scene, the S&Ls could not compete. People took their money out of S&Ls.

Mr. President, in talking about the S&L crisis, my constituents have a typical question: Senator, where did the money go? My first answer always is: It followed the high rates.

The response of government to the crisis, unfortunately and unwittingly, also contributed to the problem. First, we deregulated the interest rates that the S&L's could pay on their deposits so that they could be competitive with the money funds. That seemed to make sense and it was good for consumers.

Subsequently, the S&L's had money, but they had to pay more for it than they were earning on their 8 percent mortgages. They had a so-called negative spread problem—they were paying out more than they were taking in.

So we revisited the issue and decided that the S&L's needed to be deregulated on the investment side. They needed to be able to make different investments, other than mortgages. Investments that they could make more money on.

The trouble was all the S&L's knew how to do was make mortgages. Thus, the new powers meant more losses. Quite frankly, deregulation, particularly that permitted by State governments, was an invitation to fast buck artists and speculators to buy S&L's.

This was perhaps the biggest mistake, Mr. President. The Reagan administration in all its zeal to lessen government's role in the economy reduced regulation of the S&L's.

At the same time that the Reagan administration pushed for broad and expansive new powers for S&L's, it cut back on their supervision and examination. The Reagan administration invited the fox into the chicken coop and closed the door.

Unfortunately, Mr. President, the S&L bailout is yet another example of the cost of cutting back on government regulation. It is one area were government would have saved money by taking a more active role.

Investigations of the multitude of S&L's that ran into trouble indicate a shocking pattern of greed and lawless behavior not seen since the bank scandals of the late 1920's.

And it angers me to say Mr. President, that just about all of these people are still walking around. The Justice Department has been very slow in pursuing these people that were so quick to abuse the public trust.

Mr. President, with this legislation this is all going to change. This bill provides the money to back deposits, it greatly strengthens the regulatory system so that this cannot happen again, and it provides the tools to chase the fast buck operators from the S&L business to the jails.

Besides providing the necessary funds, I think one of the most important things that this legislation does is impose tough new capital standards on the S&L's.

Capital basically is the amount of money that the owner of a savings and loan has at risk. Obviously, the more

capital he has, the more he personally has to lose from a risky investment.

Most importantly, capital is the buffer between risky investments and the taxpayers. An S&L can afford to take some hits if it has enough capital. But if it doesn't have enough capital, the losses are all the taxpayers'.

Mr. President, why should the taxpayers stand behind institutions into which private investors are unwilling to put their own money?

Another important and sweeping provision of this legislation is the restructuring of the Federal Home Loan Bank Board. Under the bill, the regulator of the savings and loan industry will no longer be an independent agency. Rather, it will be placed under the Treasury Department like the regulator of national banks.

For too long the bank board has been too beholden to the S&L industry that it is supposed to be regulating. Incorporation in the Treasury Department will change all that.

However, the regional Federal Home Loan Banks will remain independent. And thereby could serve as an important credit source for housing.

Mr. President, this is one area of the bill that I feel is deficient. The Federal Home Loan Banks are a quasi-governmental entity with an enormous capital base and the ability to borrow massive sums at preferred interest rates.

Yet, a 1988 study by the General Accounting Office could not identify any significant way in which this massive funding system was serving housing credit needs. Indeed, the Federal Home Loan Banks do lend money to S&L's to fund any kind of investment or lending activity.

I believe that if we are to maintain the Federal Home Loan Banks as an independent financing system, then they should be helping the Nation meet its burgeoning housing problem.

Much has been made of the need to maintain the S&L's as a source for housing finance. Yet the trend is clearly that S&L's are playing less and less of a role.

Ten years ago S&L's held in their portfolios 44.6 percent of all the Nation's residential mortgages. Today they hold only 26 percent. Ten years ago S&L's originated 53 percent of all mortgages. Today they originate 38 percent.

Indeed, in my home State of Tennessee, S&L's are originating less than a third of all mortgages. Banks and mortgage bankers are serving the major portion of the need.

So if the S&L's are to maintain the privilege of having this preferred governmental source of credit—the Federal Home Loan Banks—then the Federal Home Loan Banks should assist housing directly.

We have before us a massive bailout. Over $100 billion will be spent to rescue depositors.

Much of this is cloaked in the mantle of housing. Yet when you pierce the veil, there is precious little in this bill that will arrest the Nation's growing housing crisis.

I believe that a reorientation of the Federal Home Loan Banks is one way that something positive can come from this legislation, Mr. President. I intend to continue to work on this aspect of the bill as we prepare for conference.

Lastly, Mr. President, I would like to address the budget issues posed by this legislation. As chairman of the budget committee, I find the budget treatment chosen by the administration for its S&L's rescue problematic. I have pointed this out on numerous occasions.

Yet, for their own reasons—and I do respect their reasons—the administration has chosen to maintain the off-budget treatment of its financing package.

The administration argues that this is an industry financed bailout. And that this justifies not including the financing in the Federal budget.

As part of the budget summit negotiations, my colleague in the House of Representatives, Chairman PANETTA, and I attempted to alter the budget treatment to one that we considered up front, more honest, and potentially cheaper. We were unsuccessful.

The Banking Committee, on the other hand, came up with a plan that had some elements on-budget, some off-budget, but involved blowing up the deficit to an historic level in 1989.

In the Banking Committee, with sincere respect for my colleagues who were advancing this proposal, I chose not to support it. I found the idea of back door spending by adding $50 billion to this year's Federal budget deficit offensive to budget principles and worrisome.

I agree with those who say that sending the deficit well over the $200 billion mark this year for this bailout could raise concerns internationally and at home about our commitment to deficit reduction.

As the Treasury Secretary points out, it will only require a 2-basis-point (two one-hundredths of 1 percent) increase in interest rates, for the purported savings from the so-called on-budget plan to be wiped out.

Most importantly, at the rate the FSLIC is losing money, we are using up the purported annual savings from the on-budget plan every 5 days. I repeat: every 5 days.

Mr. President, from a budget and a taxpayer perspective, this absolutely is not worth a partisan wrangle, particularly when the savings ventured to be gained are so illusory.

Mr. President, I yield the floor.

Mr. HEINZ. Mr. President, the Senate is about to launch one of the most extensive and expensive rescue missions in our Nation's history. Over the last decade, our country's savings and loan industry has been ravaged by harsh economic forces, plundered by criminals, and crippled by lax regulation and supervision. I am proud to say that the thrift institutions in my State of Pennsylvaina have acted honestly and prudently. They have weathered these adversities. Pennsylvania's savings and loans are healthy. However, other States, particularly in the Southwest, are strewn with hundreds of dead and dying financial institutions that continue to hemorrhage millions of dollars of federally insured deposits.

It is time, Mr. President, to bury the dead, to heal the wounded, to protect the healthy and to rescue the millions of depositors whose savings are backed by the full faith and credit of the United States.

From the start of the 101st Congress, Mr. President, both the Bush administration and the Congress have worked tirelessly and continuously in an effort to forge a solution to the savings and loan crisis. Within just a few weeks of taking office, President Bush outlined a comprehensive plan to fund this rescue effort and to reform the savings and loan industry, as well as our Federal Deposit Insurance System.

The Senate Banking Committee, under the leadership of our new chairman, Senator RIEGLE of Michigan, in a spirit of bipartisanship set out on an ambitious and rigorous course of hearings to explore every facet of this problem. My colleagues and I on the Banking Committee built upon the work of the President and the chairman to develop the legislative blueprint now before us that we believe most effectively deals with the problems of the past and provides the potential for a much better future.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 has the unanimous support of the Senate Banking Committee. It has my support as a member of that committee because it accomplishes four critical goals.

First and foremost, Congress will live up to its pledge to place the full faith and credit of the United States behind federally insured deposits. Two years ago, I sponsored, and this body supported, an amendment to the Competitive Equality Banking Act that assured Americans that Congress would keep its promise to protect federally insured deposits. That legislation was passed unanimously by this body. Since that time, no depositor has ever lost a single cent and, under this bill, no depositor will ever lose a single cent placed in an insured account.

The stability of our financial system depends on the confidence of those who entrust their savings to the safety of insured deposits. It is my view that Americans must never be forced to place their money in a mattress in order to get a good night's sleep.

Second, this bill will help to restore the savings and loan industry to health. The savings and loan industry and the taxpayer will provide $126 billion over the next 10 years to close the brain-dead institutions that must gamble with insured deposits to survive and which cheat the rest of the industry by bidding up the cost of deposits. This bill also prescribes a tough rehabilitation plan for the remainder of the industry that includes higher capital standards, tough restrictions on risky activities and constant and thorough examinations.

Third, the Federal Deposit Insurance Corporation will be given the weapons it needs to protect both depositors and taxpayers from any loss. While deposit insurance is surely good public policy, it is also an insurance policy. Congress, therefore, must give our deposit insurance agency the flexibility to change premiums when economic conditions or other risks change. Placing the full faith and credit of the United States behind insurance deposits was intended to keep healthy insurance institutions open. However, we must make certain that the industry's premiums, not taxpayers' funds, are used when sick institutions get closed.

Fourth and finally, this bill will strengthen our civil and criminal laws to crack down hard on those who treat an insured institution like a personal piggybank. The enforcement provisions contained in this bill will give our law enforcement authorities new, tougher laws to put those engaged in fraud behind bars. This bill also contains measures that I sponsored to facilitate efforts by the FDIC, with the aid of the legal profession, to go after and to get back every possible dollar taken by those responsible for the mismanagement of failed savings and loans. The taxpayers should not be asked to pay unless those responsible for these horrendous losses are also made to pay.

Mr. President, the Congress and the regulators have a lot of work to do. We need to act promptly to stem further losses by cleaning up the insolvent thrifts in the Southwest; to act fairly in distributing the cost of this $100 billion fix to this crisis by balancing the industry's financial burden against the need to keep its financial future secure; to act responsibly to minimize costs through intelligent asset management and by using every weapon at our disposal to recover stolen moneys; and to act wisely to enact reforms needed to prevent this kind of crisis from ever happening again.

Mr. President, we will know that we have turned the corner on this crisis when the public's confidence in the deposit insurance system has been restored; when the criminals who caused these losses are in jail and the money taken has been repaid; and when the entire thrift industry is back at work doing what it does best—making the dream of home ownership a reality for millions of Americans.

I hope, Mr. President, that at the conclusion of the debate on this bill and the amendments thereto that our colleagues will help put an end to this crisis by supporting S. 774.

I say that because I believe millions of depositors are looking to Congress to keep its pledge of full faith and credit. We cannot, and will not, break this long-standing and very important promise.

Mr. President, I said earlier that the Banking Committee did an extremely fine and commendable job on this legislation. But I believe there is one area where some improvement still could be made, and that is in strengthening the portion of this bill that expands the Racketeer Influenced and Corrupt Organizations Act—we know it as RICO. On my view RICO should include all the crimes that are now on the books to fight fraud against financial institutions and the Federal deposit insurance system. RICO, as most of our colleagues know, provides broad criminal and civil authority to combat and prosecute those who engage in the pattern of racketeering activity. RICO sets out a list of those crimes that, when repeatedly violated, constitute racketeering activity.

The amendment that I will send to the desk will enlarge the list of bank fraud crimes covered under RICO. I stress that they are existing crimes. They are on the books today. Those crimes would include all 10 Federal laws which involve fraud against financial institutions or the FDIC.

The amendment does not create any new Federal crimes. It simply makes existing Federal criminal laws relating to bank fraud subject to the tougher civil and criminal provisions contained in RICO. At the present time, our bill contains 3 of the 10 Federal criminal provisions that I refer to. It contains 18 U.S.C. 656, 657, and 1344, but it does not incorporate seven other statutes; namely, 18 U.S.C. 215, 1004, 1005, 1006, 1007, 1008, and 1014.

Mr. President, I ask unanimous consent that a description of those statutes be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINANCIAL INSTITUTIONS RACKETEERING ENFORCEMENT ACT

EXPLANATION OF THE AMENDMENT

This amendment expands the Racketeer Influenced and Corrupt Organizations Act (RICO) to include crimes against financial institutions and the federal deposit insurance system. RICO provides broad criminal and civil authority to combat and prosecute those who engage in a pattern of racketeering activity. RICO sets out a list of those crimes that, when repeatedly violated, constitute racketeering activity.

This amendment would enlarge the list of crimes covered under RICO to include fraud against financial institutions and the federal deposit insurance system. The amendment does not create any new federal crimes. It simply makes existing federal criminal laws relating to bank fraud subject to the tougher civil and criminal provisions contained in RICO.

The following ten federal criminal provisions would be added to the present list of crimes under RICO.

(1) Giving or soliciting a bribe to obtain a loan from a federally insured institution (18 U.S.C. 215);

(2) Theft, embezzlement, or misapplication of funds by a bank officer or employee (18 U.S.C. 656);

(3) Theft, embezzlement, or misapplication of funds by a savings and loan or credit union officer or employee (18 U.S.C. 657);

(4) False certification of checks by a bank officer or employee (18 U.S.C. 1004);

(5) False entries, reports or statements by a bank officer or employee with intent to defraud a bank or deceive a bank regulator (18 U.S.C. 1005);

(6) False entries, reports or statements by savings and loan or credit union officer or employee with intent to defraud a savings and loan or credit union or deceive a savings and loan or credit union regulator (18 U.S.C. 1006);

(7) False statements to defraud the FDIC (18 U.S.C. 1007);

(8) False statements to defraud the FSLIC (18 U.S.C. 1008);

(9) False statements or reports to defraud a federally insured institution (18 U.S.C. 1014); and

(10) Any scheme or artifice to defraud a federally chartered or federally insured institution (18 U.S.C. 1344).

Mr. HEINZ. Mr. President, I think it is really quite a simple amendment. I offer it simply to make sure that we have RICO's weapon to combat the kind of fraud that has occurred to make sure it does not occur again in the future and to ensure that taxpayers can go to bed with the recognition that the crime wave that has swept through our financial institutions will be stopped and, to the extent it has taken place, will be fully prosecuted with the strongest possible provisions of law. It is my view it is our responsibility to strengthen our laws to help put an end to bank fraud.

AMENDMENT NO. 51

(Purpose: To amend RICO to include additional predicate offenses relating to bank and financial fraud)

Mr. HEINZ. Mr. President, I send my amendment to the desk and ask for its immediate consideration. I ask the managers if they can support it as well.

The PRESIDING OFFICER. The legislative clerk read as follows:

The Senator from Pennsylvania [Mr HEINZ] proposes an amendment numbered 51.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 502, line 8, strike "and".

On page 502, line 10, strike the period and insert a semicolon.

On page 502, between lines 10 and 11, insert the following:

(3) by inserting after "Section 201 (relating to bribery)," the following: "section 215 (relating to receipt of commissions or gifts for approving loans),"; and

(4) by inserting after "section 894 (relating to extortionate credit transactions)," the following: "sections 1004, 1005, 1006, 1007, and 1014 (relating to fraud and false statements),".

Mr. RIEGLE. Mr. President, let me say, first of all, how much I appreciate the hard work and the splendid contribution that the Senator from Pennsylvania has made and all of the effort leading up to crafting this bill—the hearings, and the meetings we have held. He has been an essential part of the work, and I am very grateful for the time and the effort and the thought that he has contributed to this joint effort.

This is a good amendment. We were concerned for a while that the Judiciary Committee might have a problem with it. We are told they do not have a problem with it. So, I am prepared to accept the amendment. I have spoken to Senator GARN and that is his view.

So, on the strength of that, I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 51) was agreed to.

Mr. HEINZ. Mr. President, I move to consider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I thank the distinguished chairman of the committee, Senator RIEGLE, and the ranking member, Senator GARN, for their excellent job on this bill. I certainly do appreciate their support and acceptance of this amendment. I do think it helps the bill. As the Attorney General testified, some 25 to 30 percent of the savings and loan failures were due to fraud and insider abuse. I thank the committee for their support of this amendment which will materially toughen our determination to put all of those who would defraud these institutions and the taxpayers where they belong—in jail.

AMENDMENT 52

(Purpose: To make the financing provisions on budget, and for other purposes)

Mr. GRAHAM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 52.

Mr. GRAHAM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 351, line 20, strike the semicolon and "or" and insert a period.

On page 351, beginning with line 21, strike all through line 22.

On page 364, line 8, after the period, insert the following: "The Secretary of the Treasury shall purchase any obligation issued by the Funding Corporation under this paragraph, and for such purpose, is authorized to use the proceeds of obligations issued under chapter 31 of title 31, United States Code."

On page 367, line 15, strike "or".

On page 367, line 18, strike the end period and insert "; or".

On page 367, between lines 18 and 19, insert the following new subparagraph:

"(C) purchase direct obligations of the United States."

Beginning with page 367, line 19, strike all through page 369, line 21.

On page 371, line 25, strike "Except as provided in subsection (f)(7)(B), the" and insert "The".

Beginning with page 375, line 22, strike all through page 376, line 9, and redesignate paragraph (5) on page 376 as paragraph (4).

On page 381, between lines 14 and 15, insert the following new sections:

SEC. 506. BUDGETARY TREATMENT.

For the purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, to the extent that this subtitle has the effect of transferring an outlay of the United States from one fiscal year to an adjacent fiscal year, such transfer is a necessary (but secondary) result of a significant policy change.

SEC. 507. ISSUANCE OF BONDS TO THE RESOLUTION FUNDING CORPORATION.

(a) IN GENERAL.—Subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 3114. Issuance of bonds to the Resolution Funding Corporation

"The Secretary of the Treasury may—

"(1) issue bonds of the United States Government to the Resolution Funding Corporation established by section 21B of the Federal Home Loan Bank Act, and

"(2) buy, redeem, and make refunds of such bonds under section 3111 of this title.".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following new item:

"3114. Issuance of bonds to the Resolution Funding Corporation.'.

(2) Section 3108 of title 31, United States Code, is amended by striking out "and 3105-3107" and inserting in lieu thereof ", 3105-3107, and 3114".

(3) Subsection (a) of section 3121 of title 31, United States Code, is amended by inserting "and 3114" after "3102-3104".

Mr. GRAHAM. Mr. President, the subject of the amendment which I have just offered was discussed at some length yesterday and I will attempt to avoid being repetitious. It is essentially the amendment which had been developed by the chairman of our committee to provide an alternative means of financing the cost of resolving the thrift crisis.

I have, Mr. President, charts that indicate what this cost is going to be over the 30 years that we will be paying for it. The first chart is the administration's plan with their method of financing. That plan, which calls for paying the cost of those thrift resolutions already outstanding and issuing an additional $50 billion of bonds for those resolutions that are contemplated in the future, would have a cost over the next 30 years, which is the time period in which the bonds would be paid off, of $12 billion to the Federal Home Loan Bank Board, $51 billion to the S&L industry, primarily through assessments paid in the S&L insurance fund, and $176 billion to the American taxpayer.

The second cluster of bars indicates what the cost will be on some slightly different economic assumptions, the economic assumptions of the Congressional Budget Office. Those assumptions are at variance with the administration's in several areas. I would like to mention primarily one, that is, how much will the industry be able to contribute to the cost of this program. The administration has assumed that there will be a 7.2-percent annual growth in the deposits of institutions covered by the savings and loan insurance fund, and applying the annual premium against that expanded deposit base they arrived at their number of $51 billion.

The Congressional Budget Office took a more conservative estimate of the growth in the industry. Their estimate varies from year to year. For instance, in 1989, instead of being 7.2 percent, they estimated it to be 2 percent. I frankly think that 2 percent is optimistic, given the fact that during the first quarter of 1989 there actually has been a net reduction in deposits rather than any growth at all.

But taking the CBO's assumptions, they estimate that the S&L industry will be able to contribute $46 billion rather than the $51 billion assumed in the administration's plan.

The major difference is in the fact that the CBO has somewhat higher estimates of what interest rates will be over the next 30 years. The combination of that lessened ability of the industry plus the higher cost of financing this transaction over 30 years re-

sults in the CBO's estimate that the cost to the American taxpayer will be $216 billion. I repeat that number, Mr. President, $216 billion over the next 30 years is the Congressional Budget Office estimate of cost of this resolution.

There are many people including myself who feel that this plan is an understatement of the problem, that in fact rather than costing $50 billion to meet the future demands of this industry, the figure is likely to be substantially more than that. I submit that most of the thoughtful people who have testified before the committee were more likely to estimate higher rather than the administration's $50 billion number as the ultimate cost of resolving this crisis.

No one can give you a tablet of stone with the exact number engraved upon it but just to suggest what a modification of the base cost of this plan would do, if instead of costing $50 billion it were 50 percent more, thus costing $75 billion to resolve this crisis over the next 30 years, the effect of that is to further drive down the contribution of the S&L industry since the assumption is there is going to be less of the S&L industry available to pay assessments. And so from the $51 billion in the administration's plan that is reduced down to $42 billion, and to balloon the cost to the American taxpayer from the administration's $176 billion, as horrendous as that is, to the estimate that if this plan eventually costs $75 billion, it will cost the American taxpayer over the next 30 years $311 billion—$311 billion is the 30-year estimated cost of a $75 billion resolution of the thrift crisis.

Mr. President, I bring those numbers to your attention to then move to the subject of the amendment. We made the decision already that although our generation, particularly the last 10 years, largely caused this problem, presided over this problem, allowed by acquiescence this problem to proceed forward and, to an extent, benefited by the problem, we were the ones who cut the cake at the party. We are the generation that has created this horrendous, unprecedented, national economic crisis. We have made the decision, however, that we are not going to pay for it. We have read our lips and our lips say, "Children, grandchildren, you are going to have the benefit of paying for our party." So we are going to shift the cost of this $176 billion, $216 billion, $311 billion party to our children and grandchildren.

Do we owe them anything for this present that we are about to transfer to them? I think we owe them at least two things. One is we owe them basic honesty. We ought to state up front what we are doing so that when they read the will, the legacy that we are going to be giving them, it will not be obscured, obfuscated, difficult to understand. And second, we ought to do it at the lowest cost that we can to our children and grandchildren. There are not a lot of options available, Mr. President, in order to try to accomplish those two objectives of honesty and lowest cost.

The chairman spent a good part of the many days, weeks, and now months of hearings attempting to discern what would be the financing program that would meet those standards of honesty and lowest cost. I believe that he found the best alternative available. That alternative is to say we are going to put this transaction on the books. We are not going to try to hide it in off-budget financing methods. And we are going to finance it directly through the Treasury, not through a back door methodology.

The benefit that we get for those two is not only the moral uplift of having been slightly more candid about the scale of the problem and who is going to pay for it, but also we actually save some money. The administration in its work papers suggests that there will be a savings of approximately a quarter of 1 percent by financing this directly through the Treasury as opposed to doing it through an off-budget secondary source.

A quarter of 1 percent sounds almost like that old Broadway play, "Seven cents an hour, give it to me every hour, every day, 40 hours every week." It begins to mount up. Well, when you add a quarter of 1 percent to a problem of this scale it starts to mount up, too.

Mr. President, this chart indicates how much that quarter of 1 percent means. It does not mean too much in the first year as we are getting started, but by the time you get up just to 1992 or 1993, that quarter of 1 percent amounts to $150 million—$150 million is the difference of financing this on budget or off budget. When you add all of those $150 million up over the next 30 years, you are talking about a savings of approximately $4.5 billion. That is the difference that little quarter of 1 percent makes on this program.

This is predicated on the $50 billion total program. If you were to accept what I think is likely to be closer to reality, a $75 billion cost of resolution, you would add another 50 percent to each of those numbers to get some sense of what the potential savings are.

In this town of big numbers, some might say, well, honesty is not worth $150 million a year. For $150 million a year, let us do it off budget. Let us save some of the pain. Let us avoid having to face now the implications of our actions.

Well, we are going to be back here in a few days debating the budget. We are likely to be here a year from a few days debating the budget for the next fiscal year and on into the future. There are going to be some people asking, trying to secure the support of this Senate, this Congress, and the administration for projects of $150 million. Let me just mention what some of those are going to be in the current budget that will be presented to this Senate.

One of them was the subject of the amendment that we just adopted from Senator HEINZ: fraud. We are outraged at the fact that a substantial amount of this problem that can end up costing our children and grandchildren somewhat between $176 to $311 billion is the result of fraud. We want to find out who did it and bring them to account. So we proposed in this bill to spend $50 million to bring those who have trespassed against us to account. We are going to spend three times that every year for 30 years in order to keep off budget what the real cost of this party was.

Many of us, including, I know, the President, are very concerned about the drug issue and what it is doing to our society. The President has recommended some items based on the 1988 drug bill to wage this war against drugs. He has recommended that we spend $91.4 million at the Federal Bureau of Investigation for investigators and increased arrest powers relative to drug offenses; $91.4 million is what the President feels we commit of this Nation's resources to that aspect of the war on drugs.

Mr. President, we are proposing to spend $150 million every year for 30 years in order to disguise the cost of the thrift crisis.

The President has recommended that we spend $113 million for additional U.S. attorneys so that we can prosecute those people who violate our drug laws. We are now considering whether we are going to spend $150 million every year for 30 years in order to avoid having to honestly face the cost of the party that we have just had for the last decade through our thrift industry.

For one final example, the President has recommended that we spend $115 million through the Department of State for international narcotics control so that we can do a better job in the source countries at eradicating drugs, stop it at the point of production before it gets into the United States—$115 million is what we think the Nation should spend on that effort. Subject to this amendment is whether we should spend $150 million every year for the next 30 years in order to disguise what we have just done to ourselves over the last 10 years with the thrift crisis.

Mr. President, I think that is the fundamental issue of both honesty, and fiscal prudence.

Mr. President, this will probably be the only opportunity that we will have as we debate this savings and loan resolution legislation to cast a vote that will indicate that we want to resolve this crisis at the lowest cost, and at the greatest degree of honesty to those to whom we are eventually going to be accountable.

There is an issue that the public has, only I suggest begun to awaken to. When the public understands what they are going to be spending to resolve this crisis, when the public understands the depth of the public deception, deceit, acquiescence that has allowed this to fester, we are the ones who are going to be held to account.

I want to be able to say when I am brought to account that at least when I had the opportunity to ask the American people today, 10 years from now, 20 years from now, 30 years from now as they pay for this resolution that at least I voted for a proposition that would make that burden as limited as possible.

So, Mr. President, I urge the adoption of this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. RIEGLE. Mr. President, Senator GARN obviously has a very strong feeling on this and wants to be heard. He had to leave to attend a meeting briefly and will be back. He wanted me to so indicate. I know others also will want to be heard on it.

I want to recap, if I may, some of the facts that led to the development of this alternative which the Senator from Florida has now brought to the Senate floor. When we started out to develop legislation to overhaul, strengthen, and refinance the Federal Home Loan Bank System, the savings and loan regulatory structures, and the deposit insurance fund, it became clear to us at the outset that one of the main objectives of our work should be to try to keep the cost down to the lowest possible level that we could. We recognized early that the taxpayers, because of the Federal deposit guarantees, were going to have to pay a very substantial part of this bill. We wanted to see if there was any way in which we could reduce the cost, so the taxpayers would pay less and not more.

After some considerable period of time we hit upon this method of using the direct Treasury financing as a way to lower the financing cost, because direct Treasury instruments sell in the market at lower interest rates than the securities of any quasi-government entity do, and we saw an opportunity to save the differential in the financing cost.

We thought for a while as to how we would do it: whether to seek a waiver from Gramm-Rudman, which the Gramm-Rudman law allows, in order for us to finance directly from the Treasury—and realize savings, spread over a 30-year period, of some $4.5 billion—or to charge all of the costs off in the budget year of fiscal 1989. We are now at a point on the calendar where that would be another way to accomplish the same effect, namely, to handle the accounting absorption of that charge without disrupting the Gramm-Rudman-Hollings targets.

We decided upon the second approach, because that seemed to be the one that dovetailed most neatly with the administration's financing plan. In other words, we could use the direct Treasury financing, save the $150 million a year or $4.5 billion over 30 years, and otherwise synchronize the funding method into the resolution scheme that the administration had developed.

As that idea was looked at and circulated, it picked up a lot of support.

It picked up a very strong lead editorial in the New York Times, and a strong lead editorial in the Washington Post. I am quite proud of the fact that the Wall Street Journal also in looking at the Treasury plan and our plan decided that they liked our plan better. They were not in love with it. They had some reservations about it. But they thought on balance it was the better plan.

Outside analysts looking at our plan also supported our point of view.

Coming back the other way, however, the Treasury Secretary, a former colleague, a person whom we all respect and I particularly respect, felt very strongly that the financing alternative that we were recommending was one that should not be done. He felt so strongly about it that he was prepared to recommend that the bill be vetoed, if it used this alternative funding mechanism. He said that repeatedly. He said it to me personally on more than one occasion. I believe, based on those conversations, that that is not an idle threat. I believe he feels that strongly about it. That is his best professional judgment.

I happen not to agree with that judgment, but that does not in any way diminish my respect for him or my respect for his differing point of view on the issue. Clearly, he carries the responsibility as Treasury Secretary for our country to try to make policy decisions in that area.

On the strength of that, we came into the committee, and I was prepared to recognize and accept the difference of opinion that we have and to allow the matter to be settled by voice vote in the committee. It turns out that there was a recorded vote; it was decided by a one-vote margin with members on both sides of the aisle voting different ways. That, too, was as it should be, because we had in every instance on every vote that occurred within the committee a bipartisan majority. We never split across party lines.

That is the story as it relates to the Treasury Secretary.

I might say with respect to the Senator from Texas, that Senator GRAMM obviously also felt very strongly about the financing provisions and what he saw as its implications for what is left of the Gramm-Rudman-Hollings law, which most people around here refer to now—I do not say it disrespectfully—as the Gramm-Rudman law, because Senators HOLLINGS has sort of disowned it. He does not think it is honest anymore, and there are many of us who share that view.

The Senator from Texas was very emphatic in saying that not only would he lead a vigorous and lengthy floor fight against any budget waiver on the Senate floor, which, of course, requires a 60-vote margin, but also that that in itself would become another impediment along with the direct veto threat that was made by the Secretary of the Treasury.

So, those two factors became very compelling realities to the chairman and to others on the committee, as we looked at the problem of bringing this package to a resolution, getting the financing mechanism into place, and starting to resolve the problems of the insolvent thrifts. We needed to put a stop to the ongoing loss that is accumulating at a rate of at least $20 million a day.

So, that is where we found ourselves.

I should make at least one other point. It should be noted that both funding plans require a budget waiver. The plan that was developed by the committee under my direction would require a budget waiver of the entire amount of the financing on the front end, and the budget waiver required by the administration plan would require a waiver of a very small amount. I think the figure is $200 million in comparison to our much larger figure. In any event, both plans would require a necessary budget waiver and, of course, the 60-vote test.

That is a recap of the history of what has brought us to this point.

Before yielding the floor I will just say again that many of us felt strongly that, if there was any plausible way to squeeze down the cost of this package and minimize the amount of money the taxpayers would have to pay, that was part of our job. It was to find those kinds of opportunities and to seize them and effect a cost saving.

Four-and-a-half billion dollars over 30 years is a lot of money. I realize that the present value of that would be a figure of about one billion four hundred million dollars.

But I might just say to the President in the Chair and people in North Dakota and other places that, when it comes time to make those payments,

you do not pay them in present value dollars; you pay them each year for the next 30 years, and by the time all those checks are written the cost is going to add up to $4.5 billion.

That was the impasse that developed, and that was the manner in which we undertook to resolve it in the committee.

When a vote was asked for in the committee, the administration's financing plan prevailed. As I say, the vote was mixed between the members of the parties within the committee, and the administration financing plan is, of course, within the committee document.

The Senator from Florida is, of course, moving to replace that aspect of the plan with the approach that we had developed earlier.

With that, I know that other colleagues wish to speak, and I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I do not know how quickly this is all going to go tonight. I have been busy working on the budget resolution and trying to do the Lord's work here and there around the Capitol, and so I have not been over here during some of the debate.

I would like to say to my chairman that I congratulate him on his great leadership on this bill.

Our chairman is new as chairman of the Banking Committee, and I think that this is a great accomplishment and a testament to his leadership. I would like to congratulate him not only for strong leadership but absolute bipartisanship in putting this bill together.

I hold him in very high regard as a result of this important work, and I think the Nation will be in his debt when this bill is finally signed into law.

I could go into a long harangue in answering my dear colleague from Florida, but I am not going to.

I would just like to make several points, and then I am going to raise a point of order under the budget.

The first point I would like to make is that this is a rather unusual financial arrangement no matter which method is adopted. The plain truth is we can rejoice in the fact that we do not go around giving $50 billion bailouts on a continuing basis.

So no matter how this is scored, no matter how it is organized, this is going to be a financial transaction that is virtually without precedent in the financial history of the country.

Now, the question is how should we do it? I believe the right way to do it is the way the Treasury did it.

The Senator from Florida thinks the right way to do it is the way that he is proposing.

I submit, Mr. President, that no way is good. There is no way you can fill a $50 billion hole except with $50 billion. I submit, however, that the Treasury plan has several advantages. First of all, it conforms to the traditional financial structure that we have followed, to the degree that an unprecedented process can conform to a standard. Let me explain what I mean.

Under this extraordinary agreement, the savings and loan industry will borrow $50 billion, and they will, in essence, be subject to a procedure where they pay back the principal. The principal is not the debt of the Federal Government. It is the debt of the savings and loan industry.

In an extraordinary financial transaction, the Federal Treasury will pay interest on this note for 30 years. So you have the Federal Government paying interest; you have the savings and loan industry paying principal.

The decision was reached by the Treasury, a decision that I strongly support, which was the only way that we can reasonably set this up on the books of the Federal Government, that every time the Federal Government pays a dollar of interest or engages in any borrowing that counts as an outlay.

That produces the situation that is before us in this bill. The savings and loan industry borrows the $50 billion. We are going to expect them to pay back the $50 billion. We do not expect, nor will this bill allow, the taxpayer, in any way to payoff the principal on this note. That principal never shows up on the Federal Government's books. What does show up is each and every interest outlay.

Mr. President, the proposal that is made by the Senator from Florida is a substantial break with the reality of this agreement. His proposal is that we have the Federal Government, not the savings and loan industry, borrow the $50 billion. Then, under his proposal, we set up this requirement whereby, even though this is the debt of the Treasury, it will be paid back by the savings and loan industry.

By doing that, the $50 billion is brought on budget. We need a budget waiver to raise the deficit by $50 billion in 1989. Then, as the program continues to play out, as the proceeds of this borrowing or outlays go toward the rebuilding of the insurance fund to protect the depositors, you have a deficit impact in fiscal years 1990, 1991, and 1992.

Mr. President, my arguments against it basically are that, first, of the two proposals, the one the Treasury chose more nearly fits the standard procedure of the Federal Government. It has the advantage that it is clear from the very beginning that the savings an loan industry is borrowing the money, not the taxpayer.

Second, the proposal of the Senator from Florida has two really bad impacts in terms of setting precedents. The first precedent is that it would have us waive, with a 60-vote waiver, the Gramm-Rudman prohibition on adding new outlays, since we have adopted a budget for fiscal year 1989, and that budget is already over the targets. We have to get a 60-vote waiver to raise the deficit another $50 billion in order to implement this plan.

Mr. President, what I think is the problem in terms of this precedent is that if we vote today to waive the budget and to allow this $50 billion to be outlaid through the borrowing of this money by the Treasury, we are setting a precedent that in my opinion will make it easier for people to come to the floor of the Senate later this year and say, "We waived the Budget Act and raised the deficit in this fiscal year to bail out the savings and loan industry, why do we not do it to deal with the problems of the war on drugs? Why do we not do it with regard to education? Why do we not it with regard to housing? Are not those problems as severe as the savings and loan problems?"

I submit, Mr. President, that the problem with waiving Budget Acts is that you get people accustomed to waiving them, and I think we are inviting a tremendous run on the Federal Treasury if we follow the proposal of the Senator from Florida.

The Secretary of the Treasury believes that. I have letters here from various financial houses around the country that believe that, that believe the net impact of weakening the budget laws of the country would be to send interest rates up, not just on the amount of money we are borrowing here but on the whole Federal debt.

That is the first precedent we set that is a negative precedent, and in my opinion it is the reason why we ought to reject this proposal more than anything else.

The second reason is that we are setting a dangerous precedent if we agree to a policy that says that, if it is cheaper for the Treasury to borrow the money than it is for some quasi-governmental entity like FSLIC to borrow the money, then we ought to have the Treasury do it directly. What are we going to do when all of these Government agencies that borrow money, like the REA, or like the various credit institutions that actually go into the marketplace now in some cases and borrow money, what are we going to do when they come to the Treasury and say, "We could actually save money if we had the Treasury borrow the money for us and lend it to us"?

I think, Mr. President, that we have set up the structure of our fiscal system with sound principles in mind.

And the basic principle here is that the Treasury is not borrowing this money. The savings and loan industry is borrowing the money. They are going to pay the principal back. So I do not think we ought to set this precedent either, the precedent that if it is cheaper for the Treasury to borrow, we ought to have the Treasury borrow it rather than an entity that is going to use it.

Mr. President, I could go on and on. We are going to hear others if we debate the budget point of order or a ruling of the Chair, or whether to waive the Budget Act, but you also have the problem, Mr. President, that this destroys our bipartisan agreement. This is going to jeopardize this bill. We are going to spend tremendous amounts of money by delaying the ultimate passage of the bill. And so I submit, Mr. President, that this is a bad idea and that it ought to be rejected.

I do not impugn the motives of the distinguished Senator from Florida. It is not that his proposal is a phony one, and the one of the Treasury is not phony. The plain truth is you could set up a legitimate accounting system and do it either way. The point is that doing it this way conforms to the way the Treasury has always done it, whereas the proposal of the Senator from Florida does not. And, second, the amendment clearly is subject to a budget point of order.

I know others want to speak on this, and I might just pose a question to my colleagues who want to speak on the amendment: Whether I should go ahead and raise the budget point of order and then have the debate on the budget point of order or whether they would like to speak on the issue itself.

I yield to the distinguished Senator from California.

Mr. CRANSTON. I thank the Senator for yielding.

I wish that he would withhold the motion for just a moment. I think that the debate should be first on the merits and then we could debate the point of order. I would like to speak very briefly. I do not know of any other Senator who wishes to speak. Perhaps the Senator from Florida wishes to rebut a bit.

Then I urge the Senator from Texas to make his motion at the earliest moment that is appropriate so we can get to the decision. We have a lot of work to do, and we hope a rather short time to do it in.

Mr. GRAMM. Mr. President, maybe I should propound a unanimous consent request, that I would yield the floor, allowing the distinguished Senator from California to speak and the distinguished Senator from Florida to speak, if he wishes to, but then I be recognized to make the point of order. If no one has an objection to that, I would put that unanimous consent request forward. The distinguished Senator from Utah would also be included.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The agreement then is that the Senator from Utah, the Senator from California, and the Senator from Florida would all have opportunities to speak, then the Senator from Texas would be recognized for the purpose of putting a point of order to the Chair.

The Senator from California.

Mr. CRANSTON. Mr. President, I want first to applaud the Senator from Michigan for the very fine leadership that he has provided to the committee and that of the Senate in dealing with this incredible, complex, costly problem that confronts us and confronts the Nation. The committee acted with, I think, incredible speed yet with great care and I think very wisely on most of its decisions in one day of markup, after a lot of preliminary work and exhaustive hearings, where many witnesses came in, very expert people, to give us their advice.

I also applaud the Senator from Michigan for his effort to save as much money as he can by offering the proposal that is now before us in the form of an amendment offered by the Senator from Florida, that would put the enterprise and the task of paying the costs of this matter on budget with the hope, as expressed by the Senator from Michigan, the Senator from Florida, and other supporters of the effort, to save $4.5 billion. I also applaud the work and leadership of the Senator from Florida in offering the amendment on the floor at this point.

However, it is not absolutely certain that the proposal would save $4.5 billion. I hope that it would and it is quite possible that it would. But perhaps it would not. Perhaps, it would turn out to cost significantly more than it is intended to save.

In that respect I would like to read what Nicholas F. Brady, the Secretary of the Treasury, has had to say on that score. In an article that appeared in the Los Angeles Times on March 29, the following appeared in a summary of the views of the Secretary of the Treasury as expressed in a series of speeches in Texas.

> Brady also warned Congress, which will begin work on the S&L legislation next week, not to try to finance the whole $50-billion cost of the Bush Administration's S&L rescue plan in a single up-front appropriation, as some lawmakers want, because that would risk blowing apart the effort to reduce the federal budget deficit.
>
> During a series of speeches and press conferences, Brady said to do so would push total government outlays far above the spending ceilings established under the Gramm-Rudman budget law and would "completely . . . render a sham the budgetary discipline" that the government is seeking.
>
> That in turn would send interest rates up sharply and push the government's own borrowing costs out of control, he contended. "If interest rates rise by as little as one-tenth of a percentage point," he said, it would "overwhelm any cost savings" that might come from financing the S&L rescue package all at once instead of stretching it out over several years.

That is the end of the article.

I would like also to read very briefly from a letter dated April 4, an extract from it, to all Members of the Senate. In that letter Secretary Brady stated:

> If we fail to honor Gramm-Rudman-Hollings the effect on financial markets could raise Government borrowing rates. If these rates increase by as little as 2 basis points the resulting increased interest costs would dwarf any potential cost savings derived from direct Treasury financing of the savings and loan plan.

That is the other side of this issue. Frankly, I do not know, and I do not think anyone knows, which side is correct. But given that uncertainty, I think that it is wiser to go with the proposal offered by the Bush administration and by the Secretary of the Treasury and by the Republicans led by Senator GARN, the ranking minority member on the Banking Committee.

One of my reasons for coming to that view, apart from the uncertainty, is that if for any reason interest rates go up after we finished action on that bill, if we have adopted the Riegle-Graham plan, the Bush administration will blame the Democrats for the failure of the bill, for the havoc to the economy, and for failing to save money and for, on the other hand, taking a step that has caused a loss of significant funds.

After thinking it over with great care and deliberating at length with myself and with others, that is the conclusion I came to on the Banking Committee. That is why I voted as I did, against the Riegle plan and for the Treasury plan, in the Banking Committee. And that is why that is the way I will vote now when the matter comes to the floor of the Senate and comes to a vote on the point of order.

I believe that the point of order is a valid one. I believe that it should be sustained. And I believe that we should then go basically with the Treasury plan on financing as we are basically going with the Treasury plan with the Bush administration's submission of legislation in general on this matter.

I think we have made some improvements in the legislation submitted to us in committee. Perhaps we will make further improvements on the floor. But basically I think we should follow the proposal by the administration. That generally was the philosophy in the committee. We stuck to that philosophy basically in what we did in

that committee and I think we should follow that philosophy now on the floor.

Mr. President, the overwhelming costly crisis faced by the country and Congress regarding the thrift industry has been caused by a minority of mismanaged or fraudulently run thrift institutions and inadequate regulation rather than by an industrywide crisis. At least 50 percent of the FSLIC loses occurred because of the rapid growth of new entrants into the industry who were inexperienced, incompetent or unscrupulous. These institutions should be closed as soon as possible and the fraudulent players should be prosecuted to the fullest extent.

Seventy percent of the Nation's thrift institutions are healthy and prudently managed. The vast majority of their funds are invested in residential mortgages. The savings and loan industry is still vital to the home mortgage industry. Over 50 percent of home mortgage originations in 1988 were made by thrifts.

While I believe that S. 774 is a move in the right direction and addresses many of the causes of thrift failure, I am concerned that if it is not modified in several ways, it could ultimately impair the healthy segment of the thrift industry causing billions of dollars in added cost to the crisis. These are some of my concerns:

DIRECT REAL ESTATE INVESTMENTS

The bill prohibits thrifts from direct investment in real estate inside the thrift. All real estate investments are required to be placed in a subsidiary and 100 percent capitalized. The 100-percent capitalization is very onerous and in fact will have the effect of prohibiting this activity altogether. Additionally, many State-chartered banks have real estate investment authority, and they are not required, as thrifts are in this bill, to put these activities in a subsidiary. Under S. 774, there appears to be no reasonable basis for the distinction in rules on this subject between State-chartered banks and all thrifts.

It is true that losses from fraud and abuse of direct real estate investments have been enormous. However it would appear that those thrifts that have survived are acting responsibly in this area. It is equally true that many thrifts have failed from interest rate risk on the traditional home mortgage products. In California, State chartered banks have 5 percent direct investment authority in real estate—the same as California thrifts. Mr. Cardenas, the California State Banking Commissioner, has informed our office that there has never been a failure of a California bank because of this activity while at the same time many thrifts in California have failed when exercising the same real estate investment authority. This comparison of thrift and bank exercise of real estate powers clearly shows that direct real estate investment is not inherently risky and can be adequately supervised. Adequate examination and regulation should be the primary sources of risk control in this area. Strengthened capital is also the primary source of protecting the Government against loss in this area. The administration's proposal already subjects thrifts to higher capital requirements for investments with greater risk, and the Federal Home Loan Bank Board's capital standard would require an 18-percent capital against real estate development activities compared to 3 percent against residential real estate mortgage.

Analysis of the past 1987 direct investment activity by adequately capitalized thrifts by the Federal Home Loan Bank Board study in 1989 indicates that properly supervised real estate investments are both profitable and relatively safe. It states that while direct investments have been a factor in many FSLIC resolutions, such investments are only one factor and not an overriding one. Risk-based capital standards have been proposed by every Federal banking agency as a more effective way to control risk in this area by penalizing thrifts that do not have the capability to perform the activity. Such ill-prepared thrifts would not be able to raise the capital necessary to meet the guidelines. This would be a much better approach than prohibiting all direct investments, or setting conditions for the activity that will be impossible for most thrifts to achieve.

Once risk-based capital is adopted, there is no longer any logical reason to maintain the bill's onerous treatment of activities conducted by thrifts in subsidiaries that are not permissible for national banks.

HIGH YIELD BONDS

The committee takes a somewhat similar though, less onerous approach to high yield bonds. Even here, there has been no evidence presented on the record to show that high yield bonds are inherently any riskier than traditional mortgage products. In fact the GAO and the Wharton Business School study in 1988 found that high yield bond investments have not contributed to the current crisis nor caused a single thrift failure. Many State and federally chartered thrifts have prudently, responsibly, and perhaps more importantly, profitably engaged in this activity.

The mandatory 100-percent capital requirements for both real estate and high yield bond activities will achieve the perverse result of wiping out the capital of many healthy thrifts that will have to meet the 1991 capital standards while having to raise 100 percent capital for direct investment activities at the same time. The future of the thrift industry depends, in part, on a degree of investment flexibility and innovation. Without some diversification, thrifts will simply be unable to compete for investment dollars, the very capital they will need to sustain them in the future. The administration's bill anticipates that investors will find thrifts an attractive investment. Confining thrifts to traditional mortgage products will not enhance their ability to raise capital in the future.

QUALIFIED THRIFT LENDER TEST

The new qualified thrift lender test [QTL] in section 303 of the bill represents a significant tightening of the QTL test and could pose real problems for savings institutions that choose to maintain a healthy diversified portfolio. The new QTL removes liquidity as an eligible asset, and diminishes the maximum credit for mortgages originated and sold in the secondary market from 10 percent to 5 percent of tangible assets. Originating and selling loans supports housing while creating fee income for saving institutions without exposing them to future interest rate risks. This provision is weighted against institutions that function more like mortgage bankers in favor of those that retain mortgages in their portfolios. By doing so, we may be trading the problems of the late 1980's dominated by loans of poor quality with the problems of the late 1970's dominated by saving institutions losing money on underwater portfolios as market interest rates ratcheted up in response to inflation. The legislation allows the thrift regulator to suspend the QTL when interest rates are high and mortgage demand is reduced, but does not permit adjustment when interest rates are low. This tells thrifts to load up on fixed rate mortgages when rates are low, which is what most consumers demand. Such behavior could set the stage for massive interest rate risk in a rising interest rate market in the future.

The penalties for not meeting the QTL test in the bill are: prohibiting thrift access to the advance window of the Federal Home Loan Banks; revoking thrift status as an S&L holding company; revoking the thrift charter, these penalties are particularly onerous and could trigger a very expensive recapture of the bad debt reserve used by most savings institutions. I would hope that we would be able to look at the issues raised by the new QTL test as we move forward on the consideration of this important legislation.

In summary, undoubtedly many factors contributed to the current financial problems facing the savings and loan industry and the FSLIC fund. I firmly believe that this bill addresses overall in a substantial and reasonable manner many of the regulatory breakdowns that have occurred over the past years. I trust it will put an end to

the excesses we have witnessed in the thrift industry. As with all comprehensive reform, many compromises have been made and will be made, and we cannot know every effect that will result. It will be important for the administration and the Congress to monitor closely the implementation of this legislation in the time ahead.

The PRESIDING OFFICER. Does any Senator seek recognition?

The Chair recognizes the Senator from Utah. [Mr. GARN].

Mr. GARN. Mr. President, my comments will be brief but I do not intend to make them before the point of order. I understand the Senator from Florida will make a motion to waive the point of order and I will speak after he makes that motion.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida, Senator GRAHAM.

Mr. GRAHAM. Mr. President, first a point of parliamentary inquiry. It is my intention to move to waive the Congressional Budget Act pursuant to the stated intention of the Senator from Texas. At what point should the motion to waive be placed before the body?

The PRESIDING OFFICER (Mr. ROBB). The motion to waive can be made at this time or at any time prior to the Chair's ruling on the point of order.

Mr. GRAHAM. Mr. President, I will withhold some of my comments relative to the statements that have been made until we discuss the specific questions of the waiver of the Budget Act. I would agree with the statements that have been made by the Senator from Texas, that this is an economic crisis circumstance for which there is no historical precedent. So whatever we do, we are charting new and, unfortunately, extremely stormy waters.

I would also agree that there are no easy answers to an issue that is as enormous as how to fill the void of educational standards, the void of prudent regulatory behavior, the void of acquiescence and the void of over $50 billion that we attempt to do with this legislation.

In terms of what we are actually doing here, it has been stated that these bonds do not have to be on budget because these are not really the obligation of the U.S. Government. They are the obligation of the savings and loan industry. The taxpayers are just as an acquiescing spectator somewhere up in the third deck of the stands, watching as the main action takes place on the S&L industry's field.

I would like to point out just who is paying the costs to get into the stadium. The S&L industry, through the assessments that will be levied over the next 30 years, will pay a total of $51 billion, of which $11 billion is in principal and $40 billion is in interest. That is under the economic assumptions of the administration.

The taxpayers who are the acquiescing, noninvolved people up in the stands, over the same period under the same economic assumptions of the administration are going to be paying a total of $176 billion; $81.9 billion in principal and $94.1 billion in interest.

So, to say that this is a commercial transaction involving the S&L industry and should therefore be treated as, in some way, divorced from the legitimate concern of the American taxpayer, I think substantially misstates who the real party at interest is and who the real party at payment of the interest is going to be.

I would also point out that while it is true that these bonds are going to be issued by a third party, the Resolution Trust Corporation, the reality is that these bonds are going to be seen as and treated as, and we would if called upon, deal with them as, obligations of the U.S. Government.

So whether legally, yes, or legally not advisable, the reality is that the credit of the U.S. Government is going to be behind the bonds that are going to be issued. This is, in everything other than the most cosmetic sense, a financing of the U.S. Government and, therefore, as such, we as the responsible representatives of the people of the United States should assure that it is done in the least expensive manner.

So, Mr. President, with that said, I move that pursuant to section 904 of the Congressional Budget Act that titles III and IV be waived as they would apply to this amendment.

The PRESIDING OFFICER. Is there further debate on the motion? The Chair recognizes the Senator from Texas [Mr. GRAMM].

Mr. GRAMM. Mr. President, I was prepared to raise 311 point of order, which is a 60-vote point of order. There are numerous points of order against this amendment. I was not listening at the moment, and forgive me for that, Mr. President, but the point of order that the distinguished Senator from Florida wishes to waive, among those points of order listed, was 311(a), which is a 60-vote point of order in that list?

The PRESIDING OFFICER. It is the understanding of the Chair that the way the Senator states the motion, that is correct.

Mr. GRAMM. So it will require 60 votes to waive, as it has been propounded by the Senator from Florida.

The PRESIDING OFFICER. The Senator is correct.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah, Senator GARN.

Mr. GARN. I thank the Chair. This is a very difficult subject. From the very beginning when we started discussing it with Treasury last November and started talking about funding, it became very evident very rapidly that there simply was not a good solution to the problem. No matter what type of financing we looked at, you were trying to find the lesser of evils.

Let us face it, when you have a $50 billion hole to fill that Senator GRAMM of Texas said, you can only fill it with $50 billion, and that is an enormous sum of money. So how do you devise and plan? I have to admit, I did not have the background in finance to even start thinking about how you did it. You had to deal with experts making suggestions and alternatives and then try to winnow it down to something that was acceptable. So I can remember when Treasury first asked me if I could support their plan. I looked at it and I said, well, of all the plans that are available, it is the least worst.

So I am not out here in glowing terms to defend any of these plans, but after several months of looking at them, there is no doubt in my mind that the Treasury plan is the best of what is available, although certainly not one that any of us wish we were here having to vote on or even having to take a look at this particular problem. We wish it was not here. We wish it would go away, but it will not.

As I look at the on-budget versus off-budget, obviously you start from the premise, well, it is more open to put it on budget. However, certainly the administration's plan has not been hit. It was announced openly and early by the President. It has been discussed at great detail. It is partially on-budget. The interest is on-budget. The $50 billion is off-budget, but I think an important point to be made is that the industry caused the problem and is in trouble as the one who will be on the hook for that $50 billion. I do not think the taxpayers should. I think that is an important division to make. We let them borrow the money and the taxpayers are involved in paying the interest. This is the No. 1 reason why I think we need to do it.

I take no back seat to any Senator on wanting to save money. Certainly my voting record by anyone who wants to look at it for 15 years would indicate that I have voted on the side of fiscal responsibility virtually all of the time.

So I would like to be able to save $4.5 billion. That is a lot of money. But I am not sure the $4.5 billion is there. It could be more; could be less. Alan Greenspan testified before the Senate Banking Committee and we were talking about estimates as the size of the problem, what he thought that was, how much he thought we could save and his reply, to paraphrase, is he could not tell us what interest rates would be next month, let alone over the next 30 years. I think

that is a fair statement that everybody would agree with.

There is no one in this body that could with certainty predict even an average interest rate for the next 30 years. But let me assume that $4.5 billion is a correct figure. Every Member of this Senate, I am sure, would like to be able to save that amount, but there is also no doubt in my mind that the method that is suggested by the distinguished Senator from Florida would cause an increase in cost.

First of all, I am absolutely convinced that Secretary of Treasury Brady means it when he says if the financing method is changed he will veto this bill. Whether people agree with that stand or not, Secretary Brady is very sincere about that. That would cause delay. If you take the minimum estimate that runs from half a billion dollars to a billion dollars a month—take the minimum, a half a billion dollars a month—if we delay this bill's implementation for a few months because of a fight over a veto, we have eaten up all of the $4.5 billion worth of savings.

I am also convinced from people on Wall Street that I have talked to that are certainly big market players, that if we suddenly increase the deficit by $50 billion by agreeing with the Senator from Florida that we should waive the Budget Act to increase the budget for fiscal year 1989 by $50 billion, that that will raise interest costs on the overall deficit. That is estimated at a half a billion dollar increased interest cost to the public. We save $150 million apparently by going to the Senator's budget plan for thrifts bailout. That is a net loss of $350 million per year to the taxpayer.

If the Senator from Florida could convince me that his plan, would actually save $4.5 billion, I would be standing here defending it. I think it probably will in isolation, but there is no doubt in my mind that it will have impacts on the overall budget and particularly disturbing to me is 1990, an estimate of some $22 to $25 billion of outlays on budget that under Gramm-Rudman-Hollings we all know you only have two choices if you want to put more money into a particular function, whether it is housing, whether it is the environment, whether it is NASA, whether it is EPA; you have to take it out of another function or raise taxes.

We have decided in a budget summit that taxes will not be raised, and so you suddenly put $22 to $25 billion into that budget summit that was just agreed to last Friday and you have blown that entire agreement between the leadership of the Congress and the President totally out of the water.

I know I do not want $5 billion taken out of NASA, and that every Member of this body is trying to find $22 to $25 billion, they would defend for all of their pet projects, just like I would—general science, function 250, NASA, EPA, science education. There are people who would defend the veterans and on and on and on, and Congress has decided we are not going to raise taxes for next year. So where does it come from? From a practical matter, this plan causes serious problems in the markets for fiscal year 1989, a raise in interest rates and difficult expenditure outlay problems in fiscal year 1990.

It is clearly a violation of the budget and that is why the Senator from Florida has to make a motion to waive the Budget Act.

To sum up what we are doing, and I certainly am not going to be a party to this, a vote to waive the Budget Act is a vote to increase the budget deficit for fiscal year 1989 by $50 billion. I hope my colleagues are listening because I do not want to do that. I do not want to go home and explain to my constituents why I voted for a $50 billion increase in the deficit. I realize it can be said $50 billion has to be spent anyway and we might as well put it on budget and be realistic about it. I could accept that argument, I suppose, if it were not going to increase overall interest costs and increase the cost of this plan from a net standpoint to the taxpayers of this country. They are already bearing an unfair burden of a problem that they did not create. This Senator will not vote for a $50 billion increase in the 1989 budget.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. I thank the Chair.

I wanted to take this opportunity to make several comments with respect to the proposal to waive the Budget Act. There have been several reasons mentioned why this proposal to put the financing on budget makes sense. One of those is that it is more honest and the second is that it saves money.

I would raise the question about the honesty from two points of view. One could make the argument, if we are being totally honest, that every bit of financing done by the Federal Government's agencies or bodies should in fact be on budget, so that argument by itself does not sway me that this should be put on budget.

In addition to that, I think you have to look at the method of repayment. We have agencies that have issued bonds that have not in essence guaranteed repayment through the pledging of assets. Under the Treasury proposal, we actually see the savings and loan industry providing some $6 billion in assets that will be invested in zero coupon bonds that over a period of 30 years will guarantee, if you will, the payoff of that $50 billion used to make whole the depositors at failed savings and loan institutions. So my point is, we have a very unusual type of financing that I think in fact states it ought to be treated in a different way and should be treated off budget.

With respect to saving money, I introduced the Gramm-Rudman legislation in the House and I am very concerned about the amount of money that is spent. I am also very concerned about protecting the validity of the Gramm-Rudman proposal, I am convinced that if we are to go on budget with this, waive the Budget Act, and raise the Federal Budget deficit by $50 billion in fiscal year 1989, we will send a signal throughout this country, to the financial markets and, frankly, throughout the world to the world financial markets, there is no value any longer to Gramm-Rudman, that the targets are meaningless. The end result of that is an increase in interest rates.

I believe the Senator from California indicated by a letter from the Secretary it is possible we would see an increase in interest rates as a result of breaking our objective of reaching the Gramm-Rudman targets. So I for one do not believe we are going to save money under this proposal. As a matter of fact, if it were to go through and be a budget item, increasing Federal borrowing by $50 billion in a single year would actually increase the cost of Federal borrowing, and it would ultimately increase the cost to the American taxpayer.

Again I think you have to break this financing down into two components: The first is principal and ask the question how the principal is going to be repaid. Again, I would make the argument that the principal is going to be repaid through the defeasance of some six billion dollars' worth of S&L assets.

The second aspect of it is the interest. It is true there will be some interest cost that is going to be picked up by the taxpayer but that portion of the bill calls for interest to be on budget, and so I think we have the best method of financing under the Treasury proposal and therefore I will be voting in opposition to the waiver. I thank the Chair.

Mr. SASSER. Mr. President, as chairman of the Senate Budget Committee, I rise in opposition to the amendment of the Senator from Florida.

I do so because this amendment takes advantage of several loopholes in the budget process. And it will result in the second highest Federal budget deficit in American history.

We are certainly facing a very expensive proposition here in the S&L bailout. However, it is not clear that the amendment will save the taxpayers any money.

Moreover, this is an abuse of the budget process. As part of the budget summit negotiations, my colleagues in the House of Representatives, chairman PANETTA, and I attempted to alter the budget treatment to a true on-budget approach—one that we considered up front, more honest and potentially cheaper. We were unsuccessful; the administration absolutely refused a clean up front on-budget approach—an approach that did not involve abusing loopholes.

I strongly urge my colleagues not to waive the Budget Act point of order on this amendment. This type of massive back door spending is precisely what Budget Act points of order are designed to guard against.

The amendment of the Senator from Florida is designed to replace the FSLIC financing plan contained in the President's bill.

Under President Bush's proposal, the savings and loan industry will finance the principal of the $50 billion bailout, while the Treasury pays most of the interest. Because the savings and loan industry is financing the principal, the bailout is deemed to be off budget.

The amendment of the Senator from Florida would put the bailout on-budget, but only in fiscal year 1989. He would still maintain the off budget entity in post-1989 spending. The amendment really combines two separate abuses of the budget process.

Indeed, since the outlays for case resolutions would necessarily have to occur in subsequent years, the amendment could even cause sequester.

The Federal deficit for fiscal year 1989 is already some $25 billion over the Gramm-Rudman-Hollings target of $136 billion for this year.

This amendment would send the deficit another $50 billion higher—well over the $210 billion mark. The fact that Congress can possibly do this kind of back door spending once you are in a fiscal year is a loophole in the budget laws.

Furthermore, the abuse of this loophole could send a signal to our international creditors as well as the American people that we are not serious about deficit reduction. Therein, Mr. President, lies the danger.

If our international creditors do not think that we are serious, and creating the second highest deficit in history could indicate a lack of seriousness—they may begin to worry, and demand a higher rate of return on our Treasury debt. This could easily wipe out the savings that would occur under Senator GRAHAM's proposal.

Mr. President, beyond whether or not this plan is cheaper, it is simply contrived to get around the Gramm-Rudman-Hollings law. It makes swiss cheese of the budget rules.

If we set this precedent of massive back door spending, there would be nothing to prevent this from occurring in every fiscal year.

Moreover, Mr. President, the amendment by the Senator from Florida also raises the potential for sequestration. It is very possible that OMB would consider the financing vehicle contained in the amendment to be on-budget. Therefore, outlays by the agency could be scored in fiscal year 1990.

If this happened, spending would be $25 billion over the Gramm-Rudman ceiling. OMB could order a sequester that would force an approximately 20 percent cut in domestic discretionary programs.

In sum, Mr. President, it is not clear that the savings are there. Moreover, its irresponsible to belabor this issue when the FSLIC is losing eight times per month what this amendment would supposedly save per year. Mr. President, from a budget and a taxpayer perspective, this is absolutely not worth a partisan wrangle.

We tried to get the administration to do a clean honest on-budget approach. The administration rejected it.

The amendment is an abuse of the budget process and sets bad precedents. The time to have considered a true and honest on-budget approach has long past. I urge my colleagues not to waive the Budget Act for consideration of this amendment. I yield the floor.

The PRESIDING OFFICER. Does any other Senator wish to speak to the motion?

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAHAM. Mr. President, I ask unanimous consent to close on the motion to waive before the vote commences.

Mr. GARN. Reserving the right to object, I simply did not hear the Senator's request.

Mr. GRAHAM. I ask unanimous consent to be able to close on the motion to waive before the vote commences.

The PRESIDING OFFICER. The Senator has the right to recognition and the floor at this time.

Mr. GRAHAM. Mr. President, I appreciate the high standards of debate because this is a serious issue that has received the serious attention of both the Members of this body and the administration. I would like to point out the fact that there are substantial similarities between the approach which the administration has suggested and the approach which the chairman and I have proposed. Both approaches are going to require a budget waiver. We are now about to vote on the budget waiver to allow the consideration of the alternative which the chairman has developed and which I have advanced. At some point in the future I assume we will be debating a budget waiver on the method of finance which the administration has provided. I underscore that by however we resolve the amendment that is before us and the request for budget waiver, we will not avoid the necessity for another budget waiver on the underlying financing that is contained in the bill.

Second is that whichever approach is suggested, the same relative contribution will be made by the American taxpayers and by the S&L industry. Under both approaches, the S&L industry will pay the principal on the purchase of the zero coupon $50 billion bonds, a cost which is estimated in the range of $6 billion to $7 billion. The American taxpayers will pay the interest on those bonds, which is estimated under the administration's plan to be slightly in excess of $90 billion.

I believe that it would be important and appropriate in the total context of this legislation if the Senate were given the opportunity to vote on the amendment which the chairman developed and which I have offered. It would allow us to deal with a greater sense of honesty. Yes, it is going to require that we place on budget some significant amounts of expenditures. To do otherwise is not to cause them to vanish. To do otherwise is not to cause the American taxpayer not to have to pay less. In fact, by virtually all accounts it will cause the American taxpayer to pay more. The only benefit is that we create this fiction that we have a debt that does not really exist.

Third, Mr. President, I believe it is important that we do this so that we can begin dealing with substance rather than envelope ourselves in layer after layer of process. Gramm-Rudman-Hollings was passed by this Congress as a means of providing some discipline, as a means of setting some goals to reduce the Federal deficit and then to implement year by year a stairstep down to a balanced Federal budget. That is a goal that has tremendous support in this body and by the American people. What we are doing is making a travesty of those goals. We are substituting process for the achievement of the objective. We have effectively taken $50 billion of the American taxpayers' obligation and moved it off budget.

I would respond to my friend from Texas, if we can do this in this proposal, why can we not shred Gramm-Rudman in every other difficult and expensive problem, whether it is cleaning up nuclear facilities where we

know we have an enormous problem ahead of us or whether it is dealing with the issue of America's crumbling infrastructure, where we have an enormous problem ahead of us.

Why do we deal with all of those by this convoluted manipulative financings to take it off budget so it will not count on Gramm-Rudman? I believe we are doing this in order to shift to the future, and to a hidden future, an obligation that should in fact be our generation's to pay.

Mr. President, I close by urging that we waive the process so we can deal with honest substance and by giving us an opportunity to vote for the least costly method of financing a financial crisis without precedent in American history. At least, we will be able to point to this one vote when asked where were you in April 1989 when the American people were asked to come forward and pay in this the next and the next generation for the last 10 years of economic indiscretions.

Thank you, Mr. President.

The PRESIDING OFFICER. If there is no further debate, the question occurs on the motion——

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DIXON].

Mr. DIXON. I yield to the Senator from New Mexico.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, the amendment offered by the Senator from Florida would change the way we fund the resolution of failed savings and loan institutions.

The administration has proposed establishing a Government-sponsored enterprise—the Resolution Funding Corporation or Refcorp—to raise money for this purpose. Refcorp would borrow $50 billion from the public and make these funds available to close down failed thrifts.

Under the administration's plan, the expenditure of the borrowed $50 billion would not increase the deficit. That is because of the off-budget status of Refcorp.

The Senator from Florida has offered an amendment which some have described as the on-budget alternative. It would maintain the administration's financing plan virtually intact with one major exception—Refcorp would borrow from the Treasury, rather than from the public.

When the administration was putting together its plan, it had to make a choice: either use Treasury funding and seek an exemption from the Gramm-Rudman-Hollings deficit targets or use a nongovernmental entity and pay a slightly higher cost.

The administration decided that private borrowing was the best way to go. In their judgment, it was better to pay a slight premium than to establish the precedent of exempting this activity from the Gramm-Rudman-Hollings targets.

There are differing views on this issue, but I respect the reasoning used by the administration.

The problem with the Graham amendment is that it doesn't make the choice. It attempts to have it both ways—Treasury funding and no GRH exemption.

As I understand it, the intent of the amendment would be to have Refcorp borrow $50 billion from the Treasury in fiscal year 1989, at least on paper. This would allow all of the outlays to be scored in the current fiscal year and avoid adding to the deficit in fiscal year 1990 and beyond.

The only way that this works is if Refcorp continues to be considered a nongovernmental entity—in other words, off budget.

I oppose the Graham amendment on the grounds that it would create a dangerous loophole in budget accounting. Surely we cannot establish a corporation, allow it to borrow from the Treasury, and suggest that this is somehow not a Government activity.

If this model works, it would set a precedent for all manner of new initiatives funded after the start of the fiscal year—that is, after danger of a sequester under Gramm-Rudman-Hollings has passed.

I am equally concerned that this amendment may not work in the way that its proponents have suggested. The Office of Management and Budget has advised that all of the outlays probably would not be scored in fiscal year 1989, thus increasing the fiscal year 1990 deficit by $22 to $25 billion.

I am not unsympathetic with those who seek to minimize the cost of this package. In the exercise of budget discipline, however, let us not establish a precedent that could cost us far more in the long run than any savings that would be achieved here.

Mr. President, Members of the Senate, sometimes we come to the floor on a Budget Act waiver and one of two things is before us. On some occasions, the issue is not a very significant one and the Budget Act is being used for technical reasons. At other times we come and it is very serious. The Budget Act is vitally involved in the future of our fiscal policy, and that is being violated.

For most of my years in the Senate, I have been one who has approached budget waivers on the substance. I try not to do it when they are technical kinds of things. I would not stand here tonight if it was a technical issue. Let us assume that someone is opposed to something, says it violates the Budget Act, and needs a waiver. I would not necessarily be persuaded. I am here tonight because this is substantive.

The funding plan proposed by the amendment has many problems in terms of the Budget Act and its logical interpretation. I am concerned about what happens to fiscal policy under the few valid constraints that we have. I must say to the Senate I hope we do not waive the Budget Act tonight. I believe it is there for a purpose.

I am not going to try to talk about the history of the act. Suffice it to say from my standpoint, as one who has been involved a long time, it is tough to get fiscal discipline, and it is easy to open the floodgates. It is easy to change perceptions of what we are doing.

This amendment will not only have an effect from the standpoint of perception but it will have a very large negative on the substance. The committee was prudent, I believe, in not doing it this way, and I urge that the Budget Act not be waived.

I yield the floor.

The PRESIDING OFFICER. Does any other Senator desire to debate the motion to waive titles III and IV of the Congressional Budget Act?

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, to accommodate many Senators who are involved, some who are off the Hill and some who will be leaving, I ask unanimous consent that this vote commence at 6:40 p.m. and be a 20-minute vote lasting until 7 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the question is on agreeing to the motion of the Senator from Florida to waive titles III and IV of the Congressional Budget Act. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 48, nays 50, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—48

Adams	Fowler	Metzenbaum
Baucus	Glenn	Mikulski
Bentsen	Graham	Mitchell
Bingaman	Harkin	Moynihan
Boren	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pressler
Bumpers	Johnston	Pryor
Burdick	Kennedy	Reid
Byrd	Kerrey	Riegle
Conrad	Kerry	Robb
Daschle	Kohl	Sanford
DeConcini	Lautenberg	Sarbanes
Dodd	Leahy	Shelby
Exon	Levin	Simon
Ford	Matsunaga	Wirth

NAYS—50

Armstrong	Gorton	McConnell
Biden	Gramm	Murkowski
Bond	Grassley	Nickles
Boschwitz	Hatch	Packwood
Burns	Hatfield	Rockefeller
Chafee	Heinz	Roth
Coats	Helms	Rudman
Cochran	Humphrey	Sasser
Cohen	Jeffords	Simpson
Cranston	Kassebaum	Specter
D'Amato	Kasten	Stevens
Danforth	Lieberman	Symms
Dixon	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	McCain	Wilson
Garn	McClure	

NOT VOTING—2

Bradley	Gore

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 50. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. MOYNIHAN. May we have order, Mr. President.

Mr. GARN. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. RIEGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, pursuant to section 311(a) of the Budget Act, I raise a point of order against the pending amendment.

The PRESIDING OFFICER. Adoption of the amendment would cause outlays to exceed the ceiling for outlays established in the fiscal year 1989 concurrent resolution on the budget. The point of order is well taken. The amendment falls.

The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, for the benefit of Senators we will now take up the request for a waiver on the bill itself which will require a vote and which will be the subject of what I hope is relatively brief debate. There will be another vote in the near future.

Mr. DOLE. Will that be a rollcall vote?

Mr. MITCHELL. Yes; it has been requested.

At this time I would like to ask for those Senators who intend to offer amendments to make their intentions known. It is my hope that we can obtain an agreement that would identify the amendments and provide reasonable time for their consideration and then agree to a time certain for disposition of the bill itself.

I understand that the distinguished Senator from Ohio has indicated an intention to offer one or more amendments. I would ask him if he could advise us on his intention at this time.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I would like to cooperate with the majority leader but at this point I am not in a position to give the majority leader any specific understanding with respect to amendments. We learned about the bill, the exact language of the bill, Saturday at 10:30.

There are 23 committee member amendments that were added to the bill in the closing hours of the committee meeting. It is 564 pages and I understand there is also a final committee amendment that we have not as yet seen.

I would say at this point I am not in a position to come to an agreement with the leader as to how many additional amendments I would have.

Mr. WARNER. Mr. President, the distinguished Senator from Georgia and myself would have an amendment. It deals with hostile takeover situation where one financial institution in our judgment has an advantage by virtue of the fact there is a substantial investment by the Federal taxpayers through the FDIC.

We are now meeting on that and we are not able to give the leader a time agreement at this time.

Mr. MITCHELL. The Senator is not able to?

Mr. WARNER. We are not able to.

Mr. CONRAD. Mr. Leader, could I ask just a question?

If the small bank problem that I had earlier identified for the chairman of the Banking Committee has not been satisfactorily resolved, then I would have an amendment on the small banks with respect to the level of fines. I do not know if that was satisfactorily resolved or not, but if it has not been, I have an amendment on it.

Mr. GARN. Will the majority leader yield?

Mr. MITCHELL. I have been informed by the chairman that it has not yet been satisfactorily resolved.

Do I understand that the Senator, if it is not resolved to his satisfaction, will have an amendment that he intends to offer?

Mr. CONRAD. I hope it will be worked out and not require an amendment but, if it is not, I will offer an amendment.

The PRESIDING OFFICER (Mr. BRYAN). The Senator from Washington.

Mr. GORTON. The majority leader should understand that I have an amendment at the desk which I am willing to settle by a colloquy. We have been unable to reach an answer on that colloquy and until we are able to do so I am not in a position to agree to a unanimous-consent agreement.

Mr. RIEGLE. Will the majority leader yield on that point?

Mr. MITCHELL. I yield.

Mr. RIEGLE. We have gone back and forth on that issue. It is still up in the air, and we are trying to see if we can find a way to settle it short of an amendment, but we are not there yet.

So I think it is appropriate that the Senator be protected, which he in effect has done by stating his intention to be prepared to offer an amendment, if we are not able to work it out.

Let me also indicate that Senator ADAMS has indicated that he has an amendment that deals with the Canadian acquisition issue that he also would ask us to put on the list.

Mr. MITCHELL. That is five amendments which have been the subject of an intention to offer and the distinguished Republican leader has just provided me with a list that includes three more. So that is eight.

My next question, then, addressed to the Senators is: Are any of the eight Senators who intend to offer an amendment prepared to do so?

Mr. EXON. Mr. Leader, the Senator from Nebraska has been trying to offer an amendment since noon. Although there have been appeals: Please offer an amendment; I could not get it in.

I am ready to offer an amendment right now that I think is acceptable on both sides, if that will help the majority leader a little bit.

Mr. MITCHELL. By gosh, I want to assure the Senator from Nebraska I will use all my influence to get that amendment considered carefully.

After several hours, you deserve some attention. I will speak to the manager about that.

My question is as to the eight amendments that have been suggested. Are any of those Senators prepared to offer an amendment at this time so we can debate them and vote on them?

Mr. NICKLES. If the majority leader will yield, I have an amendment. I believe I am included in that list, and I will be happy to offer it at this time. Whether or not it will be accepted remains to be seen. It provides for discretion for FDIC to charge assessments on foreign deposits. It does not mandate it.

Mr. MITCHELL. If the Senator will be prepared, we can proceed to that this evening. That gives us some idea of what we are doing.

Are there any other of the eight Senators who are offering amendments prepared to do so? Understand now, anything we do not do tonight we will likely end up doing on Friday or possibly later.

Mr. GARN. Will the majority leader yield? I think the majority leader is aware we do intend to take care of the other budget waiver tonight.

Mr. MITCHELL. Yes; I already indicated that. That will be this evening.

Then for the benefit of Senators, there will be five more amendments taken up this evening: Senator EXON's, which will not require a vote; Senator NICKLES', which will require a vote, and the budget waiver on the bill itself. I understand that there are few requests for time on the budget waiver itself. The distinguished Senator from Ohio has indicated he intends to speak for 10 or 15 minutes on it. Could the Senator from Oklahoma give other Senators an indication of the amount of time he feels would be appropriate to consider his amendment?

Mr. NICKLES. This Senator would probably only take about 10 minutes. I think the Senator from Iowa would like a comparable amount of time. There may be additional Senators, but my guess is 20 minutes on our side and an equal amount on the other side would be fine.

Mr. METZENBAUM. Will the Senator from Oklahoma be good enough to advise us what his amendment is?

Mr. NICKLES. I will be happy to. The essence of the amendment will be simple. Maybe by explaining it, it will save us some time. It basically gives the FDIC the authority to make assessments on foreign deposits. Right now, foreign deposits have no assessments.

Mr. METZENBAUM. I thank the Senator from Oklahoma.

Mr. MITCHELL. If 20 minutes on a side would make 40 minutes for consideration of the Nickles amendment; 20 minutes total, 10 minutes on each side to the budget waiver would make a total of 60 minutes and the Exon amendment does not require a vote, therefore, if the distinguished Republican leader has no objection, it would be my intention to propound a unanimous-consent request that would stack those two votes at or about 8:30. Senators could then be protected until then. Those would be the only two remaining votes, and in the intervening time we could dispose of those three amendments as indicated.

Mr. DIXON. Will the distinguished majority leader yield for a question? I wonder if I misunderstood what the distinguished majority leader said when he indicated we would have to work Friday. I thought my math indicated that we have only about six amendments left that were identified, and since we have until 4 or so tomorrow afternoon, I wonder whether the distinguished majority leader, working with the distinguished Republican leader and the managers, might not see if we could develop a unanimous-consent agreement to identify those amendments and limit the time and get an agreement for a rollcall on the bill itself at 4 o'clock tomorrow afternoon?

My sense of it is that most of this was considered pretty extensively in committee. There is not any great movement on the floor here, nor is anybody indicating to me they want to spend a lot more time on this bill. But I say that respectfully to the majority leader.

Mr. METZENBAUM. Without propounding the unanimous-consent request, I say to my friend from Illinois, I would not be in a position to agree to a unanimous-consent request.

Mr. MITCHELL. Three Senators have expressed that sentiment. The best way to do it is do it in steps. Overnight we will try working with the Senator from Ohio and others to work out an agreement that is acceptable.

Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the request for a budget waiver for the bill itself under the time agreement, a total of 20 minutes, 10 minutes each side in the usual form and subject to the same designation; that immediately following the completion of that 20 minutes, the Senate proceed to consideration of the Nickles amendment under a 40-minute time agreement, 20 minutes to each side; that no second-degree amendments be in order and that immediately upon completion of the vote on the first amendment, there be a vote on the Nickles amendment with no intervening action.

I amend my request to ask unanimous consent that the Senate proceed first to the amendment of the Senator from Nebraska under no time agreement and that as soon as that is disposed of it go to the request for the budget waiver, then to the Nickles amendment and that the vote on the budget waiver occur at 8:15.

Mr. GARN. Reserving the right to object, and I shall not object, but it has been the intention of both the chairman and I to table most amendments. On the Nickles amendment, I would want the right to be able to table.

Mr. MITCHELL. Does the Senator from Oklahoma understand that?

Mr. NICKLES. Yes.

Mr. MITCHELL. The vote on the budget waiver occur at 8:15 to be followed immediately by a vote on the Nickles amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the majority leader?

Mr. NICKLES. It may well be that we could expedite that even quicker. I would hope that would be the case, so maybe we would want to have it no later than 8:15?

Mr. MITCHELL. The problem with that is there are Senators coming and going. I think it is better to set a specific time, then Senators will know what it is. There is a constant problem. Some want to leave and come back; others are away and want to come. So I think it is best to leave it at 8:15 so that Senators will know for certain there will be two votes at 8:15. The first vote will be on the budget waiver on the bill itself. The second will be on the motion to table the amendment of the Senator from Oklahoma, so there will be no misunderstanding about that.

Prior to both of those amendments being taken up, the amendment of the Senator from Nebraska will be taken up. I understand that is acceptable, and it will just take a few minutes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the majority leader?

Without objection, it is so ordered.

Mr. MITCHELL. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

AMENDMENT NO. 53

(Purpose: To provide for credit union audits)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself and Mr. KERREY proposes an amendment numbered 53.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 470, after line 20, insert the following:

SEC. 969. AUDIT REQUIREMENT.

Section 202(a) of the Federal Credit Union Act (12 U.S.C. 1782(a)) is amended by adding at the end thereof the following new paragraph:

"(6) AUDIT REQUIREMENT.—

"(A) IN GENERAL.—Before the end of the 120-day period beginning on the date of the enactment of the FIRRE Act, and notwithstanding any provision of Federal law, the law of any State, or the constitution of any State, the Board shall prescribe, by regulation, audit standards which require an outside, independent audit of any insured credit union by a certified public accountant for any fiscal year (of such credit union)—

"(i) for which such credit union has not conducted an annual supervisory committee audit;

"(ii) for which such credit union has not received a complete and satisfactory supervisory committee audit; or

"(iii) during which such credit union has experienced persistent and serious recordkeeping deficiencies, as determined by the Board.

"(B) UNSAFE OR UNSOUND PRACTICE.—The Board may treat the failure of any insured credit union to obtain an outside, independent audit for any fiscal year for which such audit is required under subparagraph (A) as an unsafe or unsound practice within the meaning of section 206(b).".

At the end of the part of the table of contents relating to subtitle C of title IX, insert the following:

"Sec. 969. Audit requirement.".

Mr. EXON. Mr. President, the amendment I am offering, along with my colleague from Nebraska, Senator KERREY, would provide further enforcement capabilities to the National Credit Union Administration in detecting fraud and misuse of funds by federally insured credit unions. This amendment is both warranted at this time and is relevant to the measure at hand.

Mr. President, just last November, the Franklin Community Credit Union of Omaha, NE, was closed by the National Credit Union Administration which suspected that fraudulent activities were taking place at that institution.

Days later, the NCUA released the shocking news that the Franklin Community Credit Union had been maintaining a separate set of books and had received over $37 million of certificates of deposits of which the credit union held no corresponding assets. An institution that had supposedly held assets of $2½ million was closed at a cost of over $33 million to the NCUA.

The top executive of the Franklin Credit Union, Mr. Lawrence King, now faces civil and probable criminal lawsuits regarding his role in this fiasco.

As more details of this financial catastrophe were released, we learned that the Franklin Community Credit Union had not been subjected to an independent, outside audit since 1984.

The credit union had been able to forestall such audits for several years for what now are obvious reasons. In hindsight, it is clear that the NCUA should have required an outside, independent audit which may have exposed this fraudulent scheme earlier and limited the losses to the NCUA.

The amendment now before the Senate will increase the enforcement capabilities of the NCUA and will help prevent another situation such as the one we have witnessed in Omaha from taking place elsewhere in this country. The amendment requires the NCUA to obtain an outside independent audit of any credit union having serious recordkeeping deficiencies or not completing its supervisory committee audits in a satisfactory manner.

Fraud and mismanagement are two of the causes of the problem that we are now attempting to resolve. The bill before us expands our efforts against fraud in our federally insured financial institutions including credit unions. Other sections of the bill now before the Senate bolster the regulatory powers of the NCUA over its member institutions.

This amendment clearly complements those sections and is certainly relevant to our efforts today.

Mr. President, the NCUA is not opposed to this amendment, and I urge that it be adopted as part of this bill.

Mr. President, this has been cleared on both sides of the aisle. It has been incorporated in the House bill. It merely requires an audit annually for credit unions to make sure that we do not have further difficulties in this area that are starting to crop up with regard to a recent failure of a credit union in Omaha, NE.

I think it is a good amendment. I think it has been cleared on both sides. If possible, I would like to ask that the Chair recognize my colleague from Nebraska, who has some very brief remarks in this area.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, my remarks really are not all that brief.

Mr. President, today I rise to cosponsor with my colleague from Nebraska, Senator EXON, an amendment that bolsters the National Credit Union Administration's ability to require an outside audit of a credit union when that credit union's internal audit is less than satisfactory.

My interest in this amendment arises out of a situation in Omaha, where the Franklin Community Credit Union failed at the end of 1988 leaving some $35 million unaccounted for and missing. The credit union had not been subjected to a professional audit since early 1985, although credit unions are required to conduct annual audits. Lawrence E. King, Jr., the treasurer and manager of the Franklin Credit Union since 1970, faces possible civil and criminal penalties stemming from the missing funds.

We want to propose this amendment in order to avert a similar situation from being repeated in any credit union. This amendment would remove the discretion of the NCUA to allow credit unions to go unaudited for more than a year, and would require the NCUA to mandate outside audits for credit unions which meet any of the three criteria:

Either they have not conducted an audit that year; or that audit has been unsatisfactory; or their recordkeeping has been persistently and seriously deficient.

In light of Franklin Credit Union's failure, we believe that this provision would be a worthwhile addition to S. 774 and we ask that it be included in the bill.

Mr. President, the senior Senator from Nebraska, Senator EXON, not only identified this problem and brought it to my attention, but also worked very closely with Congressman PETER HOAGLAND in developing an amendment that we believe will correct the likelihood of an incident recurring in other cities of this Nation similar to the one that occurred in Omaha, NE, with the Franklin Credit Union. The failure to pay depositors would produce a monumental disaster. In the case of the credit union in the city of Omaha, depositors were fully insured and fully paid and a disaster has been averted. Nonetheless, there has been a substantial loss of faith and trust on the part of the citizens of the city of Omaha as a consequence of the failure of the NCUA to properly regulate and properly request the audits for which the statute appeared to call.

The amendment that Senator EXON has offered would correct that deficiency and simply make it mandatory to do these audits and thus I believe enable deposits to be even more protected than they were previously. I applaud the senior Senator from Nebraska for bringing this amendment forth. It is a good one. I thank the chairman and the ranking minority member for permitting this amendment to be attached to S. 774.

Mr. EXON. Mr. President, I thank my colleague and good friend from Nebraska. It is true that the primary author of this amendment is Congressman PETER HOAGLAND from the Second Congressional District in Nebraska which encompasses Omaha. He proposed the same amendment or one very similar to it in the House version of the bill that is before us.

I do not think we need a rollcall vote on this and in the interest of saving time, if we could get the endorsement from the two managers, I believe we could pass this by voice vote.

Mr. RIEGLE. I say to the Senator from Nebraska that I appreciate the work he has done on this. I think this is a valuable amendment. We have worked with him. We feel this is a useful addition to the bill and we are delighted to accept it.

Mr. GARN. Mr. President, on behalf of the minority, we are willing to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 53) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

29-059 O-90-41 (Pt. 5)

The motion to lay on the table was agreed to.

BUDGET WAIVER

Mr. GARN. Mr. President, pursuant to section 904 of the Budget Act, I move to waive titles III and IV of the Budget Act for purposes of the bill S. 774, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The PRESIDING OFFICER. Under the previous order, the time for debate is limited. The Senator from Michigan is recognized.

Mr. RIEGLE. I thank the Chair. I know the Senator from Ohio wants to be heard on this issue. We are faced with a requirement for a budget waiver with the plan as drafted, as it came out of the Budget Committee. I think the figure is $200 million for the current fiscal year. In light of the vote that the Senate took earlier on the alternative offered by Senator GRAHAM that I and others worked to develop, it is obvious and necessary that this budget waiver be passed, and so I rise in support of the waiver that the Senator has just brought forward, because we need that now as an integral part of implementing the bill.

I reserve the remainder of the time. I believe the time, however, is under the control of Senator GARN.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. METZENBAUM. Mr. President, what is the time situation, please?

The PRESIDING OFFICER. Twenty minutes evenly divided.

Mr. METZENBAUM. How much does the Senator from Michigan have?

Mr. RIEGLE. I would say, if I may, if I could have the attention of the Chair, the Senator from Ohio is in opposition to the amendment and he ought to be in control of the 10 minutes in opposition, if that is agreeable.

Mr. METZENBAUM. I thank my friend from Michigan.

The PRESIDING OFFICER. The Senator from Ohio will control the time.

Mr. METZENBAUM. Mr. President, I rise on the question whether we ought to agree to this amendment because this amendment says we ought to waive the budget bill.

Now, we do not waive the budget bill for matters of human concern, health concerns, research money, any one of a host of other areas. I heard the Senator from Utah say that there is only $200 million involved. Now, I do not know the facts about this, but I had asked some staffers who are with the Budget Committee and they told me there is something approaching $6 billion involved.

Mr. GARN. If the Senator will yield, the minimum is $200 million in fiscal year 1989. The maximum is estimated at $500 million.

Mr. METZENBAUM. How much?

Mr. GARN. Five hundred million. The reason for the range is that it depends on when the bill is passed and when they start borrowing the money. Obviously, if the bill passed today, they borrowed the money tomorrow, interest would be higher and that is where they would come up with a $500 million estimate. The longer it takes to pass the bill the amount of money goes down. So the estimate is it would be not more than $500 million, not less than $200 million but that range depends on when the bonds could be sold.

Mr. METZENBAUM. Can the Senator from Utah tell me how it occurred that when one of the staff members of the Budget Committee was asked how much is involved, I was told a figure approaching $6 billion?

Mr. GARN. I have no idea. I have the figures here. Treasury payments for bonds, REVCO interest in fiscal year 1989, 0.5, which is $500 million. So I have no idea where a $6 billion figure would come from unless they are talking about future years. We are only talking about fiscal year 1989.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum and ask that it be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I just went back to speak to three members of the staff of the Budget Committee. One of the persons on the Budget Committee was advised this morning by an analyst that the dollars involved would approach $6 billion. Another member of the staff indicated that CBO thinks the figure is $200 million to $500 million. I gather that we are not going to resolve that and really it is not determinative of this Senator's position.

I am not sure Gramm-Rudman was ever a good idea, but maybe it works in such a way that we ought to try to live with it. Here we have a situation where we are talking about billions and billions of dollars of giveway, and that really is not violating the budget because it will violate it next year, the year after, and probably for the next 30 years as well.

And the $50 billion under this proposal, the way this bill comes to the floor, is off budget. I think the budget waiver just serves to emphasize the absurdity of the position we find ourselves in. We find ourselves in the position that we are passing a bill that will strike at the Treasury for at least $50 billion, maybe indirectly another $50 billion, and we are told that it will cost a total of $239 billion by the manager of the bill $239 billion. I do not mean all in this year. I do not mean it involves that you need a budget waiver for that.

But I think that it is symbolic. I think it is symptomatic of what the whole problem is about this bill.

The whole problem about this bill has to do with the fact that we come out here and beg, borrow, and do anything we can to help some poor program whether it is in Utah, Idaho, Oklahoma, Iowa or Ohio or wherever the case may be. We come out here and we try to provide money for the sick, we try to provide money for the infirm, we try to provide money to clean up the air, and we try to provide money for a host of issues. And we cannot do it day in and day out because it violates the budget. We are told, no, that violates the budget. We come out here, and we vote no when it comes to violating the budget.

Now we are here today, and it is a pittance. It is a nothing; only $200 to $500 million, or if the other figure is right, up to $6 billion. But whatever, we should not be violating Gramm-Rudman restrictions for a savings and loan bailout. We do not do it for human service needs. We do not do it for research. We do not do it for education. We do not do it for jobs. We do not do it in areas across the whole panoply of issues with which we deal.

I say to my colleagues on the other side who are always so ready to raise budget issues, how can you go out and vote for a budget waiver on a bill that is going to cost the American people $239 billion? Although it is fair to say that the budget waiver only has to do with a much more modest amount of money, the fact is it is a budget waiver. If you believe what you say day in and day out around here when we came to you and plead with you on issues of concern for the kind of quality of life that there is in America, then you ought to vote no on a budget waiver to bail out the savings and loans institutions of this country. I reserve the remainder of my time.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I think that was a great speech of my colleague from Ohio. I do not remember. I may be wrong. I do not remember voting for a budget waiver before, and I do not like to now. I am sure the chairman did not like to stand up and say he was going to either.

I do not care what financing plan you take, the one by Senator GRAHAM of Florida, the one by the administration or any of the alternatives. There were none of them that did not require a budget waiver of some sort or

another, not because we like it. That is just the facts of life.

I do not want to get back into my impassioned speech about bailing out depositors, but we have to. We cannot have the financial system of this country collapse, and people have runs on the banks and savings and loans like they did in the 1930's.

So I am not up here to defend budget waivers. I am a little bit puzzled after another magnificent speech about budget waivers why the Senator from Ohio just voted for a $50 billion one but now will not vote for a half-billion dollar one.

Mr. METZENBAUM. I think the question is a perfect one. If the Senator had not asked me, I was going to answer it next.

The fact is I thought there was something basically honest about what Senator GRAHAM was attempting to do. Senator GRAHAM was proposing that we put on budget the whole $50 billion that is involved. There was an ethic about that, put it on the budget. There is not an ethic about waiving the budget, the restrictions of the budget, the Graham-Rudman restrictions in this instance. I voted for that because I felt very strongly and still feel very strongly that we ought to put this item on the budget. This is gimmickry. There is a sham to say that we are going to spend $50 billion and we are going to do it over here, take it off the budget. Come on. Who are we kidding?

So Senator GRAHAM came forward with a proposal to put it on the budget. In order to do that, it was subject to a point of order. But because I felt there was a legitimacy and a rightness about his basic proposition, and the only way he could get a vote in connection with his basic proposition was if we first took care of the waiver issue. I voted to waive under those circumstances. But that was a different issue. That was because I was trying to support the position that the chairman of the committee took in the committee, and that is that if you are going to spend $50 billion out of the Treasury, if you are going to cost the taxpayers of this country that kind of money, you ought to put it right out there, and let it stand up and be counted. That is what Senator GRAHAM was attempting to do with his amendment. I supported him in his basic thrust, and I noted that the vote was a very strong one in support of his position and support of the waiver, notwithstanding the fact that the Banking Committee is solidly against any amendments, and pretty much of the leadership is voting that way as well.

I hope that answers the question.

Mr. GARN. I would suggest I was rather pleased that 50 Senators voted not to. That was half the Senators. It required 60 votes to waive and 50 Senators said no. We only needed 40 to defeat that proposal.

I would only add that I do not see the distinction of these budget waivers, particularly when the very people, the Senators speaking now for the poor, the underprivileged, the environment—I would like to throw in NASA, I want to build a space station and so on. We adopted that plan. There is no doubt in my mind it would have cost $350 million more per year. I do not want to get back into that argument. We have done it several times in the last 2 days.

There is a fundamental difference of opinion on the net effect. Those 50 Senators who voted against the other waiver said it cost more money to do it that way, including the chairman of the Senate Budget Committee and the ranking Republican on the Senate Budget Committee. I think that is a very telling argument.

I do not know whether anybody else wishes to speak. I am willing to yield back my time if the Senator from Ohio is.

Mr. METZENBAUM. I yield back the remainder of my time.

Mr. GARN. I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma is recognized.

Mr. METZENBAUM. Parliamentary inquiry. Has a rollcall been ordered in connection with the waiver motion?

The PRESIDING OFFICER. The yeas and nays have not yet been requested.

Mr. GARN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were orderd.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

AMENDMENT NO. 54

(Purpose: To provide discretionary authority for the treatment of certain deposits as deposits for insurance purposes)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 54.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 157, between lines 14 and 15, insert the following:

SEC. . DISCRETIONARY EXPANSION OF FDIC ASSESSMENT BASE.

(a) IN GENERAL.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding a new subsection as follows:

"(m)(1) Notwithstanding subsection (1)(5) of this section, the Board of Directors may, after consultation with the Comptroller of the Currency and the Board of Governors of the Federal Reserve System and after taking into account the economic effects of such action, find and prescribe by regulation that obligations described in such paragraph or in subparagraph (A) or (B) of such subsection are deposit liabilities.

"(2) The annual assessment rate for obligations described in paragraph (1) may be less than the assessment rate provided under section 7 of this Act."

(b) CONFORMING AMENDMENTS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is further amended by redesignating the existing subsection "(m)" as "(n)" and redesignating the remaining subsections accordingly.

Mr. NICKLES. Mr. President, I will try to keep my statement very short. Hopefully we can move and complete this bill.

I would also like to compliment the managers for the excellent job they have done, not only in committee, but putting together a very complicated and difficult bill. I think they and their staffs have worked an unbelievable number of hours, and I compliment them for their efforts. This is not an easy undertaking. It is certainly not a chore that I think anybody relishes. I think the managers and their staffs have done a very commendable job. I congratulate them for their efforts.

Mr. President, the amendment I offer today is an amendment that calls for equity. Basically, it gives the FDIC, the Board of Directors of the FDIC, the authority to be able to assess premiums on foreign deposits. Right now we have foreign deposits estimated to be something like $350 million in U.S. banks that do not pay anything into the FDIC insurance fund on these foreign deposits. But, in effect, they have been insured.

We have had a policy in this country, dating all the way back to the Continental Illinois failure, that big banks have not been allowed to fail. We have had several large banks that have failed, but in effect we had the FDIC make all of the deposits whole in the large banks.

This is not the same case for smaller banks. Smaller banks in my State and other States that have failed have not been made whole. Actually, they have closed some of those institutions and anybody who had a deposit above the $100,000, in some cases, they were told "We are sorry," and they did not receive anything but the insured amount and whatever was settled after they foreclosed on the remaining assets. That is inequitable. It is not fair.

It is particularly not fair when you look at foreign deposits that have not paid one dime, not one thin dime of money into FDIC to insure these de-

posits. When you see a large bank like Continental Illinois you are looking at a $69 billion institution. A significant portion of that was in foreign deposits. All those foreign deposits were made whole, but yet they did not contribute anything to the FDIC fund.

The first thing that this amendment does not do—it does not mandate that FDIC assess a premium on all foreign deposits.

I have introduced legislation [S. 360] that would do that. I would like to see that bill passed.

I understand some of the concerns that have been raised by Senator GARN and his staff and others, saying "We do not want to scare off foreign deposits." I talked to the chairman of FDIC and he said, "If we assess them at the increased premium rate of 15 basis points, we might have an exodus of foreign capital and that could be quite damaging to the major banks and maybe damaging to the economy of the United States."

I do not want that to happen. So I altered the amendment.

The amendment that we have before us just provides discretion for the FDIC after consulting with the Comptroller of the Currency, after consulting with the Federal Reserve about any economic impact that it would have if we did assess foreign deposits. If they determined that it would be wise and to the advantage of the fund and to the advantage of the economy of the country to assess those deposits, then they could do so. Unless we change the law, they can never assess foreign deposits.

So, the inequity that I stated earlier where we assess 100 percent of domestic deposits and assess nothing on foreign deposits, even though in effect we are guaranteeing those deposits, would remain.

I hope that we could change that. This amendment would give discretion to FDIC to change that.

I hope they would take a look at the situation, and if they agree that it would not have any detrimental impact on the economy, they would have an assessment.

We even gave FDIC the authority in this amendment to where if they so desired they could have the assessment. It would not have to be 15 basis points. They could do something less than that if they were concerned that 15 basis points might be detrimental to the economy or cause an exodus of capital.

So again, we are not dictating, we are not mandating; we are simply providing that authority, if this amendment should pass.

I might also mention that once before the Senate voted on this provision, a similar provision, in 1986. Senator Proxmire and several others spoke in favor of assessing foreign deposits. That amendment was agreed to, 63 to 32. The Senate was in favor of assessing foreign deposits by a vote in 1986 of 63 to 32.

I might also just read one comment that our former colleague and former chairman of the Banking Committee stated in the floor debate which was on September 19, 1986. He said, and I quote, and this is Senator Proxmire:

> In effect, foreign depositors in large U.S. banks enjoy the benefits of deposit insurance without having to pay for it. Instead, the cost is shifted to the FDIC and ultimately to the rest of the banking industry and their customers. Thus, smaller and medium-sized banks are forced to pay for the excesses of the largest banks.

He says:

> Let me repeat that. The smaller and medium-sized banks are forced to pay for the excesses of the largest banks. This works to the disadvantage of about 98 percent of banks in this country. This built-in discrimination against smaller banks will become even worse now that we have firmly established the precedent that will not allow large banks to fail. Large banks now have de facto 100 percent Federal deposit insurance on all their deposits, including foreign deposits, while the depositors in small banks are at risk if their deposits exceed $100,000. This difference gives a substantial and unjustified competitive advantage to the big money center banks.

I think Senator Proxmire was correct in that statement.

Again, this amendment does not go as far as we did in 1986. What we are doing in this is simply giving discretion to the FDIC to assess foreign deposits, not a dictate, not a mandate.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, let me say at the outset that I appreciate the kind comments of the Senator from Oklahoma and the care and thought that he has given this amendment.

I rise in opposition to the amendment. As he knows, the administration bill in title X called for the Secretary of the Treasury in conjunction with the bank regulators and the OMB to carry out a study of various deposit insurance issues and among the issues to be evaluated and reported on to the Congress within 18 months is whether this very question should be answered in the affirmative, whether premiums should be paid on foreign deposits.

The committee bill in what is our title XIII keeps the administration's proposal for a study as to whether or not these insurance premiums should be charged on foreign deposits.

I am told that the administration opposes the amendment as well. We have checked.

I know the Senator has modified this to leave the discretion with the regulator, the FDIC. But I have just been informed by Senator GARN that the administration would hold to the view that we ought to keep it the way we have it in the bill.

But let me just make two or three points here that I think are important to have in this debate.

I am sympathetic to the fact that 6,000 independent community banks have to pay premiums on all $300 billion of their deposits, while the money centered banks are not required to pay premiums on their foreign deposits.

Although foreign depositors did indirectly benefit from the FDIC's action in the Continental-Illinois case, we have to also make clear the fact that these foreign deposits are not presently insured. There is not an explicit insurance guarantee.

If we are going to charge the large banks premiums on their foreign deposits, then we in all fairness ought to officially insure those deposits.

There may well be good public policy reasons for not doing so or for doing so.

But I think that is something where the FDIC and others are going to have to very carefully assess what the risks to the insurance fund might be with that extension, and I think those risks are different in profile than what we have with onshore risks.

Also the large money centered banks contend that they do not want their foreign deposits insured, because paying deposit premiums of such deposits would make them uncompetitive with their foreign bank competitors in the foreign market.

I think it would be much better to have these issues studied as part of the deposit insurance study that we have set forth in the bill, and then we could have hearings on this issue once the studies are completed.

But I think to just turn this thing over willy-nilly, this kind of a policy decision of the magnitude where there are important foreign policy implications, is something that we ought not to do. We ought to bring that issue back here, debate it in this setting.

As the Senator points out, we have had one prior vote on this, but it also shows that there was a substantial division of opinion at that particular time, and I would assume that it probably did not split on a party line basis; it probably was a bipartisan vote on both sides.

So I think we have responded to the concern that the Senator has in a different way, and that is by initiating the study and bringing it back here later for decision, and it would be my hope that we could stay with that.

I know that the ranking minority member wants to be heard as well.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. GARN. Mr. President, I rise in opposition to the amendment and I do not enjoy opposing my good friend from Oklahoma.

Just a few years ago, as I told him privately, I was on Bill Proxmire's side. It sounded absolutely fair to me that these foreign deposits should pay their share of premiums even though they were not actually insured deposits but some would imply that because of Continental Illinois they in effect are.

However, I think it is interesting that the market does not seem to indicate that. They believe they are not risk-free. The yields required by investors on uninsured 3-month CD's issued by large banks exceeded the yields on 3-month U.S. T-bills by an average of 101 basis points in 1987 and by 96 basis points in 1988.

So the market is at least saying they think there is more risk in these types of deposits.

Again it sounds fair that this ought to be done, but in the time I have been in the Senate, particularly on the Senate Banking Committee, over 15 years, the issue and the policies that have changed so dramatically that absolutely amaze me is the internationalization of the capital markets.

When I first got here, we used to argue about the savings and loan across the street, the credit union a couple of blocks down, and domestic competition. The entire 15 years I have been in the Senate that has been the focus of debate among the various players, the some 15,000 institutions in this country.

What has not been noticed is the tremendous outflow of funds, part of it due to the trade deficit. But the internationalization of the capital markets is absolutely remarkable.

About 25 years ago, it is amazing that 7 out of 10 of the biggest banks in the world were U.S. banks. Today, 10 out of 10 of the biggest banks in the world are Japanese banks. And Citicorp, depending on when you look at it, runs about 17th to 23d. We have dropped dramatically in overseas competition.

We hear all the time on the floor about the problems of the trade deficit. We have not looked at the money markets. We have not looked at the securities funds to find out what has happened in Nomura and other big Japanese firms. If we think the automobile invasion and TV's and wristwatches was tremendous, the capital markets are shifting overseas and with the advent of computers and being able to transfer funds in seconds by electronic means, those markets have changed very dramatically.

I do not see that this would help the small banks at all. All it would do is hurt our international competition.

I also think that the amendment is irrelevant to this bill because it has nothing to do with FSLIC. It is controversial. I think it could be addressed separately. I do not think it would increase collections at all. That is why I say I do not think it would benefit the small banks because the deposits would not be in U.S. banks.

The spreads are so thin and the competition so great in international markets that the deposits would leave the U.S. banks. Overseas branches of American banks raise between two-thirds and three-fourths of their funds in the inner bank deposit market, which is a counterpart to the U.S. Federal funds market. The market is highly competitive and the spread between the rates at which banks bid for and offer deposits is usually very, very narrow.

No major industrialized country today insures or assesses inner bank deposits in its bank's foreign branches. Thus, assessing premiums on foreign branch deposits would raise the cost of doing business to American banks only, while leaving foreign bank costs unaffected.

So that is the major reason I oppose this. I really think it hurts our international banking, with no benefit to the small banks. I do believe that the problem is not to do with premiums anyway. Really, after having been involved in the middle of this for years, all of my banks in Utah are small banks. There is not a big bank by anybody's definition in my State. I have heard the arguments before and I think it makes them feel good.

But what the real problem is is not the issue of premiums. If you tax or add premiums on foreign deposits, even if they did not take the deposits out, it is not going to reduce the premiums on the other FDIC members. It simply is not going to take place.

What they are concerned about is what they think is the unfairness that big banks are too big to fail and that their depositors over $100,000 are protected even beyond the insurance amounts, but a little bank can just be closed down and they are not protected. I think that is the fundamental issue and it is coming out in this form.

I certainly would recommend to the chairman—it is not my right to do so—that we hold a hearing on this particular issue of how the bank failures are handled by the FDIC relative to size and look at that issue and see if there is some changes we could make. I personally do not think anybody should be protected over $100,000. I think that leads to problems and people should know that if you put your savings in any bank, big or small, up to $100,000 you are going to be guaranteed by the full faith and credit of this country, but if you have $101,000 or $500,000 or whatever it is over that amount, you better recognize that you have the possibility of losing that. I do not think that is our responsibility.

I do not disagree on the issue with the small banks. I think that is an issue we ought to address. But I do not think it solves the problem by giving even the FDIC the right. I think it sends the wrong signal. I think you could see an outflow of deposits. And if there is anything we need it is an inflow of deposits, not an outflow of all the big Japanese and English and European banks.

Mr. President, I reserve the remainder of my time.

Mr. NICKLES. Mr. President, I thank Senator GARN for his comments. I would encourage the Banking Committee—I see the Banking Committee chairman is now gone—but I would very much like to participate in a hearing before the Banking Committee and with the FDIC and others in talking about bank closures and how they are handled and the differences between large and small banks.

I believe Penn Square is the largest bank that was actually closed where depositors were not made whole. I am reading from an article that I ask unanimous consent to have printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From American Banker, Feb. 19, 1988]

THE MAJOR BANKS HAVE PAID TOO LITTLE FOR FULL FDIC COVERAGE

(By Irvine H. Sprague)

Congressman Gerald D. Kleczka, D-Wis. on Thursday introduced legislation to have the Federal Deposit Insurance Corp. assess premiums on the foreign deposits held by U.S. banks. As a member of the House Banking Committee, Mr. Kleczka should get a hearing. At stake is about $300 million in assessments against a handful of mega-banks.

The proposed legislation revives an issue that has been lurking in the background for years and addresses an effort I have carried out with notable lack of success since the failure of Continental Illinois National Bank and Trust Company of Chicago in 1984. Sen. William Proxmire, D-Wis. joined the effort at that time and had legislation drafted similar to Mr. Kleczka's bill.

The largest banks in the United States simply do not pay their fair share for the protection of FDIC insurance. Eight pay on less than half of their deposits. The other 14,000 banks across the nation pay on 100% of theirs.

To rub in the discrepancy, the biggies who pay on only a fraction of their deposits are all in the "TBTF" category; too big to fall. There is no way our government will allow any of the largest banks to go under. Not only are they exempt from much of the assessment costs, they are de facto guaranteed that all of the deposits are protected.

In 1984, I was cautioned by fellow FDIC board members not to rock the boat on the assessment issue: "Why do this?" I was asked. "Nothing is going to happen, and you are making the big banks mad at us."

In 1986, I outlined the unfair assessment system in my book, "Bailout," and since then I have pursued the subject in speeches to community bankers in Minnesota, Califorina, Florida, Georgia, Iowa, and Illinois. In every instance, the response was strong support for change.

This support was evidenced in 1986 during the closing days of the 99th Congress when

the Senate voted 63 to 32 to assess all deposits, foreign and domestic alike. The reform was misplaced in the budget bill and it disappeared in conference.

FDIC assessments can be used only by the FDIC and have nothing whatever to do with general government. However, the administration counts FDIC profit or loss in its consolidated budget account. Thus more FDIC profits do reduce the reported budget deficit. But the fact is, these dollars have absolutely no impact on government spending or the federal budget.

FDIC Chairman L. William Seidman has noted the phoniness of the budget issue. He said that assessing foreign deposits raises several complicated issues and that the appropriate forum to consider them is the House and Senate banking committees.

The hearings should be volatile. The community bankers are vocal about getting the short end of the stick. This is a guaranteed winning issue for any congressman in 1988. How often do you find an issue that is fair, right, long overdue, and also popular with your constituents? The congressmen need only balance the financial support from and the pressures by a dozen big city institutions against the votes of their local constituents. The choice is easy.

The distinction between foreign and domestic deposits dates back to 1933 when the FDIC was created. The law states that assessments will be made on "domestic deposits." The reasons for this language are lost to history, but it certainly was not because of any dependency on foreign deposits in 1933.

Before Continental there was no real reason to question the lack of payment for the protection of foreign deposits. After all, we figured that it was theoretically possible for a big bank to fail and that the uninsured foreign deposits would be at risk. Four years earlier, we had bailed out First Pennsylvania, but foreign deposits were not a major factor.

Continental caused me to reconsider the assessment rules. The more the system is examined, the clearer it becomes that it is patently unfair.

The Continental bailout protected the entire $69 billion holding company structure: the book and off-book liabilities, the insured and uninsured depositors, foreign and domestic. At the time of the failure, there was just under $3 billion in insured domestic deposits, on which only $6.5 million in assessments had been paid.

The message was clear. Big banks with foreign deposits pay on only a fraction of their total deposits, yet all of the deposits are protected. The Continental cost appears to have leveled off at about $1.75 billion, and in the process all banks have lost the assessment rebate they had been receiving for more than 50 years.

The accompanying chart shows that eight institutions are paying on 50% or less of their deposits, while nearly all other banks in America pay on 100%. The table reports on the 10 institutions that had the most foreign deposits in 1987.

* * * * *

Citicorp, the unchallenged leader in American banking, with over $200 billion in holding company assets, paid $34 million to the FDIC in 1987, the assessment based on just 38% of its deposits. At the same time, BankAmerica, less than half as large as Citicorp, paid $42 million, the assessment based on 69% of its deposits.

Does anyone believe that either Citicorp or BankAmerica would be allowed to fail? The answer, of course, is no. So we have a situation in which two of America's megabanks, both receiving the same kind of protection, pay vastly different rates.

Since Mr. Kleczka's proposed change in law will affect only a handful of institutions, the lobby is narrowly focused. The base argument against the legislation is that the imposition of a one-twelfth of 1% charge on foreign deposits will make the megabanks noncompetitive in foreign markets.

WHO PAYS LEAST FOR FDIC PROTECTION?

[Ten institutions with most foreign deposits in 1987, in billions of dollars]

	Assets Dec. 31, 1987	Domestic deposits Sept. 30, 1987	Foreign deposits Sept. 30, 1987	FDIC 1987 assessment	Percent of deposits on which assessment paid
Morgan Guaranty	$75	$15	$34	$11	31
Bankers Trust	57	11	23	9	32
Citicorp	204	40	66	34	38
Republic National	19	5	8	3	39
First Chicago	44	12	17	9	41
Chase Manhattan	99	27	36	24	43
Continental Illinois	32	8	10	7	44
Manufacturers Hanover	73	23	23	18	50
Chemical	78	26	13	20	67
BankAmerica	93	50	23	42	69

Source: Federal Deposit Insurance Corporation.

This kind of reasoning would be analogous to Lee Iacocca arguing that Chrysler should not have to pay taxes so it could better compete with Toyota.

The lobbyists are chasing their tails with this argument. Either the margin is so low that it is immaterial, or it is so high that it is intolerable for these banks to maintain such an advantage over their American rivals.

The Citicorp lobbyist, Bob Barnett, a former FDIC chairman and savvy politician came up with a new twist in talking to Congressman Kleczka. Changing the assessment would hurt foreign trade, he argued. Trade is a buzzword in this election year, so I guess Mr. Barnett decided to throw it into the pot, relevant or not.

The words used to describe the deals are different. But the total protection for all depositors exists whether the bank is given open bank assistance, bailed out, sold, or handled in what is called a purchase and assumption transaction. The uninsured depositors are at risk only in a payoff, whether direct or through a deposit transfer, when the bank is closed and the insured depositors receive their money.

In fact, there has been only one closure and payoff of a bank over $200 million in the entire history of the FDIC: Penn Square. In addition, there have been five payoffs over $100 million and eight more over $50 million. Only in these cases was there any significant loss to depositors.

My original proposal was to assess all deposits and use the added income to reduce the basic rate for all banks. Mr. Kleczka follows this approach with a reduction of the rate from one-twelfth to one-fourteenth of 1%.

Today, with the FDIC operating with a record low surplus in 1987 of $50 million, it would be more prudent to use the added income to build up the FDIC fund.

Mr. NICKLES. The article was in the American Banker on February 19, 1988. The title is "The Major Banks Have Paid Too Little For Full FDIC Coverage." It is written by Irvine Sprague. He mentions Penn Square was the only bank with over $200 million that actually closed and had a payoff. So those people that had over $100,000 in the bank did not get any more than $100,000, except until after they foreclosed on assets. And it really set off a very negative chain in the economy of Oklahoma.

I think the FDIC learned that was not the way to close a bank. It is one of the reasons why, when Continental Illinois failed, they said, "We can't afford to do that because it would pull down a lot of other banks."

Actually, the way they closed Penn Square contributed greatly to the failure of the Continental Illinois Bank. I think the FDIC and others were concerned about how Continental Illinois, if they were closed in a similar fashion, if they only did make depositors good for $100,000, what might happen. So what they did, they guaranteed the deposits of $69 billion, including a lot of foreign deposits.

I think, likewise, when we have seen recent failures in MCorp or Republic Bank, large banks, multibillion-dollar banks in Texas, they made the depositors whole. They did not want to start a run.

And so I think the FDIC knew what they were doing. I do not fault them for handling it in that manner. I think they were trying to minimize the loss and minimize the exposure to the FDIC. So I think that is important.

I have a couple of more comments. One, Senator GARN mentioned an exodus of foreign capital. I certainly do not want to see an exodus of foreign capital. There is something in excess of $350 billion worth of foreign capital in U.S. banks. I do not want to do anything to cause that exodus of capital. That is one of the reasons I made it discretionary.

I have talked to Chairman Seidman. He said if we put on 15 basis points, we might see an exodus of foreign capital. I do not want that to happen, so I made it discretionary.

Certainly, as someone who is in charge of regulating and saving failed banks, I think the FDIC would be in a good position. Also in our amendment we say that he would consult with the Comptroller of the Currency and also with the Director of the Federal Reserve Board. So they would have input and so they would not be making any rash statements. They would not commit to a 15-basis points premium assessment on all foreign deposits.

My guess is they would study it which, incidentally, I might tell the chairman, they committed to study it 3 years ago. I think the FDIC did a small study, but we have not seen much results from that. My guess is that they would look at it and maybe they would come up with some type of

an assessment and maybe they would not.

I have enough confidence in the FDIC that I think this amendment would be a good amendment to go forward. Right now, they could not do it, even if you had the Chairman of the Federal Reserve and the Comptroller say that it would make good sense to do so, they do not have the authority. Right now the statute prohibits them from assessing foreign deposits.

This statute goes back 50 years. When it was written in 1933, foreign deposits were prohibited from being assessed. Certainly, foreign deposits were not a significant item 50 years ago.

Mr. RIEGLE. Will the Senator yield on that point?

Mr. NICKLES. I am happy to yield.

Mr. RIEGLE. The Senator has seen a lot of issues down the track and I have had a chance to see quite a number, too, over the years. Every time you give discretion away to an executive bureaucracy, and the discretion or decisionmaking authority now resides here, it may or may not be exercised the way it ought to be exercised or the way you would end up feeling satisfied with later.

A long-established decision authority that resides here, and properly, I think is here for a reason. When we just give that away and hand it over to somebody else down in the bowels of that bureaucracy, I am not sure that it is such a wise course of action to take.

I think there is a big burden of proof that ought to be there against us saying: Look, even though this has been a power we exercise, we should not do it. We cannot do it. We will not do it. We are not up to it. And let us just hand it off to somebody else.

Let me say one other thing. My colleague has seen a lot of regulators come and go and so have I, and sometimes we get a good one. A lot of times we do not. It has nothing to do with party.

I feel more confident in the end, on issues of consequence, where we have primacy, to want to exercise our judgment and not hand it off to somebody else.

Mr. NICKLES. I appreciate the Senator's comments. I would say, generally, I would be in agreement. But I also will tell my colleagues that less than 3 years ago we passed this amendment almost by a 2-to-1 vote. I think it was 63 to 32.

Senator Proxmire, who was the ranking member in September 1986, was very supportive of this effort and I think it was a good effort.

Mr. GARN. If the Senator will yield, I would simply say it was done in my absence. I was occupied at Georgetown Hospital at the time or I would have been here to at least cut it down to 60 to 40 or something.

Mr. NICKLES. I am sure that is the case with my friend from Utah, if he feels that way. But possibly at that time he had the earlier inclination to support this effort. I am not sure.

But I do think it was a good measure, a measure that did pass by a large margin in the Senate a couple of years ago. Even this approach is a good approach, although it does not go quite as far. But I think it is the right thing to do, the equitable thing to do. It would be supported by a strong majority of the bankers throughout the country.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. RIEGLE. Mr. President, the way that came about, and it is hard to recall something that far back without examining the record, but in checking with colleagues here, my recollection is, and they confirm it, that the way that came about is it came out of budget reconciliation.

People were shopping for revenue, and this looked like a way to pick up a piece. This is all part of the blue smoke and mirrors. It is like waste, fraud, and abuse, and some of the other things we have seen in the past. That is, you need a dollar figure. Well, let us get it this way.

When that was examined in the cold light of day, it was found not to be a workable way to do it and, in fact, while that one vote was taken, it was later undone.

So that is how it originated. It did not originate as a policy initiative within the Banking Committee itself, insofar as I understand it, but rather was born out of this sort of strange budget reconciliation process.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I congratulate the chairman and ranking member of the Senate Banking Committee for their expert handling of this issue. They have addressed the complex issues and have made the tough decisions.

Unfortunately, there has been an oversight, in my opinion. That oversight is the failure to recognize that the smaller community banks will bear the brunt of the increased premium assessment. Small community banks, which rely almost exclusively on the basic business of deposits and loans from their neighbors, have little or no flexibility on how to absorb these additional costs.

This amendment, which I cosponsor with Senator NICKLES, gives the FDIC the authority to assess U.S. banks for their deposits in foreign branches. It gives the FDIC the ability to balance the effect of the increased insurance premiums. This balance is possible if the chairman elects to broaden the base on which the premiums will be assessed.

I am not arguing about the amount of the assessment. I only ask for a chance to distribute the costs of that assessment more fairly.

I believe that the assessment should include those banks which now pay proportionately little into the deposit insurance fund.

There are two phrases which are overused more than any others when banking legislation comes before the Senate. One of those phrases is "Give us a level playing field," and the other is "This is simply a matter of equity."

We have heard these statements in relation to this bill. I am sure they are aptly applied, for the most part.

We have forgotten, however, about a significant part of the Industry and we have denied it equity. We have excluded them from the level playing field. That portion of the industry is represented by small rural banks.

The increased insurance premium required in this bill, 12 cents per $100 upon enactment and 15 cents in 1991, unfairly perpetuates the inequities that now favor large commercial banks.

The small bank pays an insurance premium on all of its deposits—every dime. Yes, the bank's depositors will be covered if it should be closed by the Federal Deposit Insurance Corporation. That is, for all of its deposits up to $100,000 per account.

The big banks, however—primarily the biggest 150 banks in the country—do not pay an assessment on the majority of their deposits. In fact, they pay assessments on only 38 percent of their obligations.

Community banks, on the other hand, pay insurance assessments on about 88 percent of their liabilities.

The large regional banks also have the benefit of knowing that their depositors will be secure in the event of failure. Even those deposits which exceed $100,000 and those which are held in foreign countries can be assured of that.

Perhaps even more significantly, big banks are much more likely to receive FDIC assistance, instead of being closed or merged, because they are too big to fail.

FDIC is directed to implement the alternative of least costs. I suspect that the FDIC includes the potential costs associated with the foreign deposits of those banks when deciding how to resolve problems with the big banks.

This is blatantly unfair.

Mr. President, there are 10,500 community bankers across the country with assets of less than $100 million. These bankers are sprinkled in every State, and serve a large number of our constituents.

Only 150 U.S. banks have deposits in foreign branches. And the largest share of these will be held by only a dozen banks.

I know that the opposition will argue eloquently about international competitiveness. They will argue that the United States cannot afford to allow the Japanese and European banks to dominate the international market place.

That is well and fine. But it gripes me that the U.S. Senate would just roll over for these banks. They are big enough to take care of themselves. At least they are better equipped than the small rural banks which comprise the very fabric of our small and rural communities.

I thank the Senator from Oklahoma for taking the lead on this amendment and am pleased to join him in this effort. I certainly hope the Senate will support it.

Mr. RIEGLE. Mr. President, I was almost persuaded. That was such a compelling statement by the Senator from Iowa that it almost turned me around on the amendment.

Mr. President, I would indicate to the Senator from New York [Mr. D'AMATO] I think there are 4 minutes remaining or thereabouts.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. If I am in control of time I yield to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Thank you, Mr. President.

Mr. President, let me suggest that it is absolutely, totally fallacious to suggest that the taxing—and that is exactly what placing the FDIC premium would be—placing a tax on offshore deposits is in any way going to inure to the benefit of the Treasury, the financing of this plan, or to the strengthening of the competition that should exist. It is simply not going to take place.

Let me tell you what will take place. Today the United States is in a tremendous competition as it relates to our financial institutions. We have the markets which are international in scope. We have London, we have Tokyo, we have the competition coming in throughout the world.

And if we place a premium on these offshore deposits, we will ensure the flow of these dollars into the other international sectors.

We are not going to enhance competition between the smaller banks, the smaller institutions and the large money center banks. That is not going to be accomplished.

We are not going to raise any dollars as it relates to helping the FDIC meet its insurance obligations. But, indeed, we will see a flow of revenues from our offshore institutions, from our money center banks. We will become uncompetitive. And let me suggest to you that the premiums that the FDIC will be placing on those offshore deposits will be more than enough to see to it that we cannot compete with the Japanese, with the English, and with others.

So, Mr. President, while it is good rhetoric for domestic political consumption, I suggest to you that no one can say that Senator D'AMATO has been a friend of the big banks. Because I have taken them on when I think they have gone far afield, when they have crossed that line, when they have engaged in activities or seek to engage in activities that will place at risk the taxpayers' money. I have suggested that if they are going to get into other areas of competition that there be strong firewalls.

But fair is fair. To place them at a competitive disadvantage in the world market is absolutely wrong.

It may make great sense to the small, independent banker who says, "Well, this is one way of getting at big banks," do not do it that way. You are going to cut down on their earnings. You are going to cut down on the ability for them to compete in the international market. It is going to weaken their overall competitiveness, Mr. President, and it simply does not make sense.

This amendment is a mischievous amendment which will not help us in the present crisis. It will not ensure financial stability, but will make us less competitive and it should be defeated.

Mr. President, I appreciate the concerns expressed by my colleague from Oklahoma. New York has many small banks also. However, I join my colleagues Senators RIEGLE and GARN in opposition to this amendment for many additional reasons.

This amendment is based on some erroneous assumptions. It assumes that premiums obtained on foreign deposits will allow reduction in small bank premiums. This is wrong because the cost of insurance will make U.S. banks noncompetitive in foreign markets and foreign deposits of U.S. banks will shrink; therefore we will have a much reduced foreign deposit base to assess and any revenue gain is a phantom.

Senator NICKLES argues that large banks get a free ride. This is wrong because large banks have many deposits over the insurance limit of $100,000, however they still pay insurance premiums on all domestic deposits even though cash in accounts of more than $100,000 is not covered by deposit insurance.

The arguments of the Senator from Oklahoma implies that large banks pose the same risk to the insurance fund as small banks. This is wrong because the FDIC has found that small bank failures are more costly: 33 percent of the assets of failed small banks are worthless while banks with more than $1 billion in assets have had only 5 to 11 percent of bad assets when they have failed.

In general, Mr. President, no real benefit will accrue from assessing the foreign deposits of U.S. banks. Commercial banks, especially small banks, already have a competitive advantage over their thrift competitors by having a substantially lower deposit premium for the next decade.

Futhermore, foreign deposits are not like domestic deposits. Overseas branches of U.S. banks raise between two-thirds and three-fourths of their funds in the interbank market, a highly liquid, highly competitive, multicurrency market. The profit margins, or "spreads," on these funds are very narrow. Deposit insurance assessment would impair the competitive position of U.S. banks in the interbank market.

I would like to address one more argument. It is said that Continental Illinois was too big to fail. But the real reason Continental Illinois was bailed out was that had it not been, over 200 smaller banks which had money on deposit at Continental would have gone down with it. Mr. President, the small banks cannot have it both ways.

U.S. banks have been losing market share since 1983; only one of the top 25 banks in the world is a U.S. bank—further erosion is unthinkable.

This issue has been slated for study; it will be fully aired pursuant to the dictates of S. 774. I see no problem with hearings on this issue. In particular, I would welcome hearings, as suggested by Senator GARN, on FDIC treatment of smaller banks in resolutions.

Therefore, I restate my opposition to the amendment. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, to my knowledge there are no other requests for time. I think we have finished the debate on this issue. I know the unanimous-consent agreement calls for the vote sequence to begin, I believe, at 8:15. So, not being aware of any other time requests, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Without objection, it is so ordered.

Mr. GARN. Mr. President, all time having expired on the Nickles amendment, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on agreeing to the motion of the Senator from Utah to waive titles III and IV of the Congressional Budget Act of 1974 with respect to the pending bill. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 88, nays 11, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—88

Adams	Garn	Moynihan
Armstrong	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Graham	Nunn
Biden	Gramm	Packwood
Bingaman	Hatch	Pell
Bond	Hatfield	Pressler
Boren	Heflin	Pryor
Boschwitz	Heinz	Reid
Breaux	Hollings	Riegle
Bryan	Inouye	Robb
Burdick	Jeffords	Rockefeller
Burns	Johnston	Roth
Byrd	Kassebaum	Rudman
Chafee	Kasten	Sanford
Coats	Kennedy	Sarbanes
Cochran	Kohl	Sasser
Cohen	Lautenberg	Shelby
Cranston	Leahy	Simon
D'Amato	Levin	Simpson
Danforth	Lieberman	Specter
Daschle	Lott	Stevens
DeConcini	Lugar	Symms
Dixon	Mack	Thurmond
Dodd	Matsunaga	Wallop
Dole	McCain	Warner
Domenici	McClure	Wilson
Exon	McConnell	Wirth
Ford	Mikulski	
Fowler	Mitchell	

NAYS—11

Bradley	Grassley	Kerrey
Bumpers	Harkin	Kerry
Conrad	Helms	Metzenbaum
Durenberger	Humphrey	

NOT VOTING—1

Gore

So the motion was agreed to.

The PRESIDING OFFICER. On this vote the yeas are 88, the nays are 11. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion to waive is agreed to.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the benefit of Senators this will be the last rollcall vote tonight.

We will come into session tomorrow morning at 8:30, and be on the bill at 9 with the possibility of rollcall votes shortly thereafter if we can arrange for an amendment to be offered this evening to begin at 9 o'clock in the morning.

So Senators should be aware that rollcall votes could occur tomorrow morning as early as 9:30.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion by the Senator from Utah to lay on the table the amendment of the Senator from Oklahoma [Mr. NICKLES]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 62, nays 37, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—62

Adams	Hatch	Mitchell
Bentsen	Hatfield	Moynihan
Biden	Heflin	Murkowski
Bond	Heinz	Pell
Bradley	Inouye	Reid
Breaux	Kassebaum	Riegle
Bryan	Kennedy	Robb
Chafee	Kerrey	Roth
Coats	Kerry	Rudman
Cochran	Kohl	Sanford
Cohen	Lautenberg	Sarbanes
Cranston	Leahy	Shelby
D'Amato	Lieberman	Simon
Danforth	Lott	Simpson
Daschle	Lugar	Specter
Dixon	Mack	Stevens
Dodd	Matsunaga	Thurmond
Garn	McCain	Wallop
Glenn	McConnell	Wilson
Graham	Metzenbaum	Wirth
Gramm	Mikulski	

NAYS—37

Armstrong	Durenberger	Levin
Baucus	Exon	McClure
Bingaman	Ford	Nickles
Boren	Fowler	Nunn
Boschwitz	Gorton	Packwood
Bumpers	Grassley	Pressler
Burdick	Harkin	Pryor
Burns	Helms	Rockefeller
Byrd	Hollings	Sasser
Conrad	Humphrey	Symms
DeConcini	Jeffords	Warner
Dole	Johnston	
Domenici	Kasten	

NOT VOTING—1

Gore

So the motion to lay on the table was agreed to.0

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr PACKWOOD. Mr. President, I would like to call attention to an article in the Wall Street Journal entitled, "Tax Act of 1986 Proves a Winner: It Spawns a Lot of Rich Losers." The Wall Street Journal provides numerous examples of how tax reformed has worked.

The Tax Reform Act has not, as many naysayers expected, caused the real estate market to collapse or investment money to disappear. To the contrary, the real estate market is still strong and funds are still available for investment. As the author, Hilary Stout, notes, real estate and investment decisions are now being made on the basis of how best to produce income instead of how best to avoid taxes. I might mention that the article makes reference to the public perception that tax reform did not do what was expected. I believe this perception is wrong. Tax reform has worked, it is working, and I'm sure will continue to perform as expected. I urge all my colleagues to read the Wall Street Journal article of April 17, 1989.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

DAY OF RECKONING: TAX ACT OF 1986 PROVES A WINNER: IT SPAWNS A LOT OF RICH LOSERS

(By Hilary Stout)

WASHINGTON.—Being a millionaire isn't what it used to be. Now, you have to pay taxes.

For years, the tax code allowed some of the nation's wealthiest people to shelter their income from federal clutches. But this year. David Bradt, a tax partner at Arthur Anderson & Co. here is watching some well-heeled clients write some very large checks.

"It's virtually impossible," he says, "to eliminate tax liability."

Chalk it up the Tax Return Act of 1986. Today—tax day—millions of Americans feel the first full effects of the nation's latest, two-year experiment in tax revision. The new rules have mostly taken effect, and new tax rates were in place in 1988 for their first full year.

The experiment is working. The law's overriding purpose was to make the tax system fairer. Although the effects are uneven and the full impact is uncertain, the burdens are clearly more evenly balanced, and among individuals, at least, winners vastly outnumber losers.

WIDE-RANGING EFFECTS

This morning, while some millionaires write their first checks in years to the Internal Revenue Service, millions of the poor, now removed from the tax rolls, aren't filing returns at all. Tax reform is diverting billions from wastefull tax-avoidance schemes to presumably productive investments. And the law is altering the borrowing and saving habits of families across an array of income levels, mostly to the benefit of the national economy.

In one glaring respect, however, the new code has failed. Americans still consider the federal income tax system the least fair of all taxes, a perception fostered by years of publicity about millionaires and multinational corporations getting off scot-free. And to varying degrees, the changes have wrought some potentially negative effects-encouraging people to borrow against their home equity, for instance, and to spend

money they once saved in Individual Retirement Accounts.

In addition, the benefits aren't so clearcut for some middle-income families. And although it's now nearly impossible for the rich to avoid taxes, a few still succeed.

But one thing is certain: Tax revision has affected nearly every American.

FINDING A DEDUCTION

"It changed the way we lived, the things we had," says Wayne Faust, a 29-year-old auto-parts salesman in Charlotte, N.C. He and his wife, a secretary, have all but quit using credit cards because the law now limits how much interest they can deduct; soon, they won't be able to deduct any installment-debt interest. They also bought a house. "We had to have a tax deduction somewhere," he explains.

Recently few deductions are left. In its most sweeping change, the tax law restricted deductions for "passive losses" in ventures in which investors didn't actively participate—deductions that total $98 billion in 1986 alone. It eliminated the tax break for long-term capital gains. And in addition to wiping out deductions for nearly all consumer interest payments, it reduced the tax benefits of IRA's.

What taxpayers got in return was lower rates—a stated maximum of 28% (but 33% for many high-income taxpayers)—compared with the former top rate of 50%. And the law not only preserved but expanded the so-called standard deduction and the personal exemption—benefits available to rank-and-file taxpayers who don't itemize deductions.

INCOME TRANSFERS

The changes have left the economy awash in income transfers. Velteen McGhee of Memphis, Tenn., will buy clothes this spring, thanks to a $500 refund check; in the year before tax revision, the Catholic-charities worker got back all of $3. As a working parent earning less than $18,000 a year, she qualifies for a now-expanded earned-income tax credit.

In large part, Ms. McGhee can thank the likes of John and Marilyn Sothras of San Diego, who were involved in about 30 tax-reducing limited partnerships when the tax laws were revised. In 1986, they paid the IRS a scant $903 on income of $101,640. This year, they could deduct only 40% of their passive losses—and their tax bill leaped to $10,625.

"It devastated us," Mrs. Sothras says. When such losses are phased out altogether in 1991, their tax bill will rise further.

But although the rich are the biggest losers, they're also the biggest winners. The billions in income transfers have moved mostly from the affluent who formerly used tax shelters to those who didn't. "The wealthy and near-wealthy, the executive and professional class—they've all done very well except for the tax-shelter junkie," says Warren Shine, a tax partner at Ernst & Whinney in New York.

The redistribution of upper-class wealth is evident to Stephen Ballas, the tax manager of the personal financial services group in Coopers & Lybrand's Los Angeles office. One client, the president of a British corporation's U.S. subsidiary, had no shelters. With the maximum tax rate cut sharply, the executive's 1988 liability was slashed to $60,000 from $90,000.

But another client in the accounting firm's same office had been sheltering much of his income by investing $3 million in real-estate partnerships and an orchard. "I would say his tax bill has increased by 50%," Mr. Ballas says, to about $90,000.

Although the new law's effects are plain at both ends of the income spectrum, they are somewhat mixed in the middle. Previously, a family with $30,000 of income faced a maximum rate of 25%. Now, it may be paying 28% on a small portion of that income—and with IRA deductions and other popular write-offs gone, the final tax bill for some may have risen slightly.

The number of taxpayers in precisely these circumstances isn't large, but James Reid, a retired draftsman in San Diego, feels the sting. "They reduced tax rates for very wealthy, so they benefit. The low income benefit," he says. "I don't have any complaints about that, but the guy in the middle picks up tab for both."

The effects on the national economy are illustrated by Mr. Ballas's clients at Coopers & Lybrand. The executive whose 1988 tax bill declined put his $30,000 windfall into a bigger house. And the now unsheltered client put much of his partnership money into municipal bonds and other economically more productive investments.

Indeed, the new tax law is transforming the investment landscape. In the past year, "We've seen very few, if any, abusive shelters, whereas before they were common," says Fuhrman Nettles, vice president of Robert A. Stanger & Co., an investment-research firm. Now, adds Emil Sunley, the director of tax analysis at Deloitte, Haskins & Sells in Washington, "People have got to be looking at the real economics of their investments."

George Hays is. Before the tax overhaul hit, the investment banker in Little Rock, Ark., had joined a partnership that bought 50,000 head of cattle—a high-risk investment he says he wouldn't have made, except that by writing off the cost of feed he reduced his top tax bracket to 33% from 50%. Now, with the tax benefits done. Mr. Hays is out of the cattle business. "We're looking for something that makes some economic sense," he says.

Some of his money has already gone into mutual funds, ultimately helping corporations finance their operations. By the tens of billions of dollars, tax-shelter money is also shifting into Treasury securities, helping the U.S. finance its budget deficits; into certificates of deposit, helping banks fund their operations; and into individual stocks and municipal bonds.

The law is redistributing cash and credit in other ways. With most consumer interest deductions being phased out—but not those on home-loan interest—many homeowners are putting their homes at risk with second mortgages. In the two years since tax revision, home-equity loans have more than doubled to $80 billion. Though much of this borrowing is being used to repay other debts—on credit cards, for instance—much is also going into cars, college educations and playthings.

Money certainly isn't pouring into IRAs as it once did, however. Eliminating the IRA deduction for many people has caused many who had faithfully contributed to IRAs to spend the money instead—eroding the nation's weak savings base but also pumping cash into the economy. At First Colorado Bank & Trust in Denver, which lends money interest-free to people opening IRA accounts, even the bank's chief executive officer, Charles Ferguson, admits that he has stopped contributing to an IRA.

In addition to affecting everyone, tax revision has touched many in multiple ways. Right after the bill passed, Timothy Temple, a public-utility consultant here, and his wife took out a home-equity loan and paid off installment debt, cutting their charge-account interest expense to about $200 last year from $2,565 in 1985. They spent the cash that they otherwise would have put into IRAs. But by the time Mr. Temple could sell a Capitol Hill apartment building that had been tied up in a legal battle, he had to pay $60,000 rather than the $36,000 he would have paid under the former capital-gains rate.

The elimination of preferential capital-gains treatment is, in fact, one of the most controversial aspects of tax revision—something that many economists warned would choke off investment, innovation and entrepreneurship. State treasuries have been hurt by some investors' reluctance to incur taxes by selling assets. Many experts contend that people have been discouraged from buying stocks. President Bush wants to restore the capital-gains tax break. But in general, the doomsayers appear to have overstated their case.

Morgenthaler Ventures, a venture-capital fund in Cleveland, has $4 billion invested in more than 1,000 growth companies. "That hasn't changed since '86," says Bob Pavey, a general partner. Orville Bloethe, a tax attorney in Victor, Iowa, recently handled the sale of farm land that would have changed hands with or without capital-gains treatment. "It didn't seem to be a consideration," he says. Similarly, Arthur Andersen's Mr. Bradt doubts that people base decisions about buying or selling capital assets on their "being taxed at 28% as opposed to 20%."

Even the industries that once fed on passive-loss write-offs remain healthy, and some are flourishing. Cattle are still getting fattened. Real-estate people are at least happy that fly-by-night developers have been mostly driven out. Even jojoba-bean growers that once drew millions from write-off-crazed investors are raising the capital they need.

"A lot of the dire predictions were made at the time: Investment, commercial construction would dry up," says Joseph Pechman, an economist at the Brookings Institution in Washington. "None of that has come about."

One important area of investment has been hurt by tax revision, though. Low-income housing, already crimped by Reagan-era subsidy cuts, lost tax breaks that often made the difference between a profitable and unprofitable investment. Daniel Grady, a developer in Southern California, used to build 600 to 700 apartments a year. "I have not built any new projects since the passage of the act, and until something else happens, I won't," he says.

But the biggest failing of tax revision involves perceptions—the rock-bottom perceptions toward the tax system. In 1988, for the 10th year in a row, Americans rated the federal income tax the worst tax—the least fair—in a survey for the Advisory Commission on Intergovernmental Relations. Polls by Money Magazine and others show the same sentiments. One reason, perhaps, is the vast number of loopholes that Congress slipped into the law to help favored constituents.

Eventually, some experts hope, perceptions will change. "There's pretty much no doubt that it's much fairer," says Robert S. McIntyre, the director of Citizens for Tax Justice. It was his organization that helped spark tax revision by publicizing the ability

of 128 hute, profitable U.S. corporations to avoid paying any income tax for at least one year from 1981 through 1983. Recently, the group reported that only 16 of the same corporations avoided federal income tax in 1987, the first year under the new law.

"I can tell you that certainly from my vantage point, after having spent five years trying to administer the statute, there's no question in my mind that the tax code is fairer today than pre-'86," says Roscoe Egger, a former IRS chief and now a consultant to the Price Waterhouse accounting firm. "No question about it."

Mr. MITCHELL. Mr. President, if I could have the attention of the Senate and the Republican leader.

The PRESIDING OFFICER. The Senate will be in order. The Senators will take their conversations to their respective cloakroom.

The majority leader.

Mr. MITCHELL. It is my intention, momentarily, to propound a unanimous-consent agreement under the terms of which the Senate would, upon the completion of business this evening, recess until 8:30 in the morning and be back on this bill at 9 o'clock.

Hopefully, we will have word then that the two pending amendments, one by Senator GRAHAM and one by Senator MURKOWSKI, would be ready for disposition, each requiring 1 hour equally divided. That would take us through much of the morning, and I understand that by then, we should be aware of the intentions of almost all of the other Senators with respect to possible further amendments.

It remains my hope and intention to complete action on the bill by 4 p.m. tomorrow, and I know that the managers will be working in good faith toward that end overnight.

I am waiting to hear, with respect to one of the two Senators, who may have an amendment available at 9 o'clock in the morning.

ORDERS FOR TOMORROW

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes the business today, it stand in recess until 8:30 a.m. tomorrow morning; that following the time for the two leaders, there be a period for morning business, not to extend beyond 9 a.m. tomorrow morning, with Senators permitted to speak therein for up to 5 minutes each. At 9 a.m. tomorrow morning, the Senate will return to consideration of S. 774, and that the Graham amendment, an amendment to be offered by the distinguished Senator from Florida [Mr. GRAHAM] then be the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. And that there be a total of 60 minutes equally divided for consideration of the Graham amendment, with allocation of that time to be in the usual form; that there be no second-degree amendments permitted, although the managers retain the right to move to table the amendment; and that at 10 o'clock or earlier if any of the time is yielded back, there will be a rollcall vote on the Graham amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. That following disposition of the Graham amendment the Senator from Alaska [Mr. MURKOWSKI] be recognized to offer an amendment on terms and conditions identical to those which I have just described for the Graham amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. That at the conclusion of the 60 minutes for consideration of the Murkowski amendment or earlier if any time is yielded back, there be a vote on the Murkowski amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. That the vote be on the amendment or in relation thereto, thus reserving to the managers the right to move to table the amendment.

The PRESIDING OFFICER. The Chair understands.

Mr. MITCHELL. That the agreement refer to the amendments as follows: The Graham amendment to require the current chairman of the Office of Savings Associations to be confirmed and the Murkowski amendment to be on broker deposits.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. MITCHELL. I yield.

Mr. DOLE. As I calculate it, if all time were used, that will take us up to about, after the votes, 11:30 or thereabouts, and we will continue to work on this side to dispose of all the amendments on this side.

I think that only leaves about three, and I understand maybe one of those or maybe even two of those might be able to be worked out.

That is right. There is one sense-of-the-Senate resolution, an amendment by Senator GORTON and an amendment by Senator WARNER. Maybe those can be resolved.

I might say that I may have an amendment only if it is agreeable to both sides.

Mr. DIXON. Mr. President, will the majority leader yield?

Mr. MITCHELL. Certainly.

Mr. DIXON. In view of what the distinguished Republican leader has said, may I inquire of the majority leader or the manager who is at his side whether there are any more identifiable amendments on this side exclusive of the Senator from Ohio, because my sense of it is, and I frankly say this as in my capacity as chief deputy whip, I am going to be here Thursday and Friday, may I say to the leader, but a good many of our people are telling me in view of what has been said earlier that they had planned to leave, and so I think it is only fair to some of our Members to inquire whether we had reduced this number, exclusive of the position of the Senator from Ohio, to an identifiable amount, which seems minuscule on the other side and perhaps only one or two on our side to the extent that one could represent that if we can accommodate every Member we could be out tomorrow.

Mr. MITCHELL. There is no doubt that if the amendments of the Senator from Ohio are presented and disposed of tomorrow that we will be able to complete action by 4 o'clock tomorrow. I leave to the manager the recitation of the specific amendments, but there is no question in my mind that we will be able to, between 9 o'clock and 4 o'clock tomorrow, dispose of all remaining amendments other than those of the Senator from Ohio, and I hope we can dispose of those.

So in response to the question from the distinguished Senator from Illinois, the answer is that it is as I said earlier, I repeat, it is my hope and intention to complete action by 4 o'clock tomorrow including the amendments of the Senator from Ohio. And I notice the Senator from Ohio is on the floor and I again ask him whether he will be prepared to present his amendments for debate and vote tomorrow.

Mr. METZENBAUM. I am happy to respond to the majority leader.

We are not certain how many amendments we will have. That depends upon the action of the managers of the bill. We will present them in the morning with a package. If they see fit to accept the package, the Senator from Ohio will still be totally opposed to the legislation but would not be inclined to go forward with any other amendments unless there were some that they agreed to and say we will put these several others to a vote.

At this moment I do not know whether they will accept any of the amendments because they came to the floor saying no amendment. If they take a position no amendments, then I will say to the majority leader we will be here tomorrow, we very possibly will be here Friday, whatever time the majority leader says we should be here, and I am not certain we could conclude by Friday because if we do not come to some agreement this Senator believes this legislation deserves far more attention, far more changes than I may be able to achieve by negotiation.

If I can achieve them, we will then settle back and accept that as a package and let it go. If not, I would say to the majority leader we will definitely

be here, if he wants us to be here. I will be here Friday in order to present my amendments. If he wants to work on Saturday, I will be here on Saturday; if he wants to work on Monday, I will be here on Monday.

I hope we can work it out. The Senator who is the manager of the bill is a good friend of mine, and if he is as reasonable as I always am, I know we will have no difficulty in coming to an agreement.

Mr. RIEGLE. Mr. President, will the majority leader yield at that point?

Mr. MITCHELL. I yield.

Mr. RIEGLE. The manager of the bill is a friend and a good friend, and will continue to be, of the Senator from Ohio, and I know his feeling on it. We had a chance to have a good debate earlier today.

We will certainly look at anything he brings in.

I must say that I do not think the Senator from Ohio would expect, nor should he expect, that we are necessarily going to rewrite the entire bill to suit his individual liking, if it runs contrary to the views of the rest of the Members. We vote around here and, if we can work things out, fine; if we cannot, then I think the Senate ought to work its will, and we will take the votes.

As I said to the Senator, I feel just like he does. I am not leaving either.

So there is nobody I would rather spend the time with than the Senator from Ohio down through the week and into the weekend or whatever.

I hope we do not have to have that happen. But if we do, we will make it an agreeable occasion at least between the two of us.

Mr. METZENBAUM. Mr. President, will the colleague from Michigan yield for a question at this point?

Mr. RIEGLE. I yield.

Mr. METZENBAUM. The majority leader has arranged for two amendments to be taken up at I think 9 o'clock and 10 o'clock.

Can the Senator from Ohio be assured that no other amendments will be accepted by the managers of the bill until sometime after 11 o'clock?

Mr. RIEGLE. No other amendments accepted? I am not quite sure.

Mr. METZENBAUM. There may be others who appear on the floor with amendments. What I am asking the manager of the bill to do is to protect those of us who will not be on the floor in the event somebody comes forward with amendments other than those two only so we can get over here to debate them or to agree or whatever the case may be.

Mr. RIEGLE. Let me just indicate, in response to the earlier comments, what other ones we are aware of in addition to the ones that the Senator intends to propose tomorrow. We have an indication of a Conrad amendment on small bank fines that, as things stand now, he would intend to pursue. I do not think that will take a long period of time.

There is an Adams amendment on a Canadian acquisition issue. He has asked for 20 minutes, equally divided.

There is a Leahy amendment on loan-to-value ratios for family farms. That is 15 minutes, equally divided.

There is a Bumpers amendment on financial institutions' relationships with vendors, 20 minutes, equally divided.

There is also a Fowler-Warner-Sasser hostile takeover amendment that we are trying to work out in the form of a colloquy and not have to see an amendment on that subject. We may be able to resolve that particular one that way.

The only other ones that I am aware of are two amendments by Senator HEFLIN on judicial process, 20 minutes, equally divided on each.

Now, those are the ones that have been indicated to us. I cannot assert with certainty that, in fact, those amendments will be brought up tomorrow. But each Member has asked to have their rights protected in the sense that they have such an amendment and they may very well bring them up.

Mr. METZENBAUM. And the floor is open to other amendments, is it not?

Mr. RIEGLE. It would be, absent a unanimous-consent agreement, although I do not have of any others that are coming.

Mr. MITCHELL. There is a certain irony here, if the Senator will yield for a moment, that the reason that the bill would be open to other amendments is because we have been unable to get a unanimous-consent agreement specifying the amendments and the time for their consideration, and the reason we have not been able to get it is because the Senator from Ohio has objected to that. It now remains open for that reason.

Mr. METZENBAUM. And I have no objection to it being open and I have no objection to them being considered. All I am asking is whether or not, while we are not on the floor until 11 o'clock, whether or not those of us who are not on the floor will be protected so that the committee will not be accepting other amendments. I am not asking for there not to be amendments offered. But we have two amendments we know are going to be offered and I am asking only for normal procedure that if you call them up and say on a hotline that we are going to take up this amendment, at least we can come over and protect ourselves in the event we are uncomfortable with it. That is all I am asking.

Mr. RIEGLE. By all means, I would certainly see to it to protect the Senator from Ohio and others that I have indicated who have an interest in offering amendments.

I should also indicate that we will also have a Riegle-Garn manager's amendment that will come presumably at the end of the activity. We have shared this already with the Senator from Ohio at his request.

Mr. METZENBAUM. We have some problems with that.

Mr. RIEGLE. That may be so.

Mr. METZENBAUM. I just wanted to alert the Senator to that.

Mr. RIEGLE. That may be so. I just make the point that we have given that list to the Senator from Ohio.

You know, it is late in the evening, and we are all good friends. There are 100 of us here, and on these issues we can bring them up and we can vote. If we have the votes to prevail, we will prevail. I did not prevail today on some things I might have liked, but that is the way we work around here. I hope no Senator—and I know my friend from Ohio has been around long enough to know this—I hope we would never get into a situation where the insistence is that we write the bill to suit a Senator without regard to the view of the other 99.

I am new to this chairmanship and the handling of these bills. But we cannot legislate that way and I know the Senator from Ohio does not want to legislate that way.

Mr. DIXON. Will the manager yield?

Mr. RIEGLE. Yes.

Mr. DIXON. I wonder if the manager might yield to me to address the majority leader to ask whether my distinguished friend from Ohio would be tolerant of exploring the possibility in the morning when he could be here—say at 11 o'clock—to get a UC exclusive of the distinguished Senator from Ohio where we would limit the list to those already identified and then reserve our discussions with the Senator from Ohio.

It occurs to me that as recently as the other day on the Contra aid question, we had a UC on everything except unlimited debate on amendments by the Senator from North Carolina. I am only trying to package this in such a way that we could get some concept of what is left.

Would the distinguished majority leader consider that?

Mr. MITCHELL. Certainly it is our intention to try to do that in the morning and we will do that. Senators have left now and, therefore, it is not possible to do that now. We will attempt to do that in the morning.

I just want to repeat something I have said previously several times so there can be no misunderstanding by any Senator with respect to the schedule of the remainder of the week. I hope we can complete action on this bill by 4 o'clock tomorrow. That may not be possible. The Senator from

Ohio clearly has it within his ability, if he chooses to do so, to prevent that from occurring, as does any other Senator.

We but were going to finish this bill before we go on recess. If we do not finish it tomorrow, we will be in session the remainder of the week. There will be no rollcall votes from 4 o'clock tomorrow through Thursday, but we will be back on Friday and we will stay here until this bill is finished, however long it takes. If that means no recess, then so be it. Every Senator ought to be aware of that fact.

Now, I am not saying anything new. I have said exactly the same thing in almost exactly the same words several times over the past several days. So we are going to finish before we go on recess and if we do not finish, then we are not going to go on recess. We have to try to be accommodating and fair to every single Senator, but the public's business comes first.

And so I hope we can do this to accommodate all of the Senators. We will try our best. I certainly respect the concern of the Senator from Ohio for many aspects of this complicated bill. He has made very clear his position. He has made some very eloquent and persuasive arguments. But there comes a time when I hope the Senator will present his amendments.

Mr. METZENBAUM. I hope that I can accommodate the Senator from Maine. But I want to point out, I do not know what the sense of urgency is. The House has just put this bill out of subcommittee and, as I understand it, it will not go before the full committee until sometime in the middle of May. Is that correct?

Mr. RIEGLE. It is unclear.

Mr. METZENBAUM. Sometime at the end of April. They are not expecting to really get to the legislation until at least sometime in May, even if the committee acts upon it in the latter part of April. So I am not exactly sure what all——

Mr. MITCHELL. May I explain what the urgency is?

Mr. METZENBAUM. Certainly.

Mr. MITCHELL. The House will be in session next week. They will not be in recess. They will be acting.

Now, if we take the position that we are not going to move a bill until the House moves a bill, what is to prevent the House from taking the position they are not going to move a bill until we move the bill?

Mr. METZENBAUM. Did not the majority leader say something today in getting a unanimous-consent request about the House adjourning next week?

Mr. MITCHELL. No. The Senate is going to recess next week. The House is not. The House will be in session next week. The Senate is now scheduled not to be.

But this is a nationally critical situation. I cannot say for sure what the costs to our Government and taxpayers are by continuing inaction. They vary widely. As the Senator from Ohio has pointed out today, there are some costs associated with it.

Mr. METZENBAUM. I am not even certain of that because as soon as we borrow the $100 billion, you have $10 billion a year in interest. So I am not sure whether it is less expensive or more expensive.

But let me say to the Senator from Maine that I have no useful purpose in attempting to delay deliberations of the Senate. I do have a concern about this bill, which is the biggest giveaway of the taxpayers' money in the history of this Nation in any one single bill, $239 billion.

I said $157 billion earlier. My friend, the chairman of the committee pointed out it is $239 billion.

So, the majority leader is anxious to move along with the progress in the Senate, and I appreciate that. But the fact is we do have a responsibility, and the majority leader said something about the fact of the public's business.

The public's business has to do with whether or not we move through so expeditiously that we keep the wheels moving but in doing so we may be doing more harm than good.

That is the reason the Senator from Ohio has raised questions and indicates he intends to continue raising questions and continue offering amendments. Because I firmly believe that, although it has been in the papers many times, the American people do not have the slightest idea of how much they are going to be called upon to pay by reason of the enactment of this bill.

Mr. MITCHELL. The Senator knows this is not the time for debate on the subject. That has occurred here on the floor earlier today with the manager. We can all characterize things in any manner we want. The Senator characterizes it as a $239 billion giveaway. I have heard proponents of the bill characterize it as the U.S. Government honoring its commitment to ensure the deposits of millions of Americans all over the country.

Certainly we could save money if we now wanted to renege on the commitment of the U.S. Government to ensure the deposits of American citizens.

Mr. METZENBAUM. Obviously that is not my position. I believe we must meet that commitment.

Mr. MITCHELL. Then in terms of the characterization of what the legislation will do, we can save that for tomorrow, hopefully tomorrow only. Possibly later in the week.

I merely wanted to make clear to the Senator from Ohio and others that we are going to finish the bill; however long it takes, for whatever period we have to stay here.

The Senator has every right to press his views as vigorously and effectively as he can. And we all know he will. And I hope we can finish by tomorrow.

If not, all Senators should be on notice, we will be back until we do finish.

Mr. METZENBAUM. I hope we can also.

Mr. DOLE. I would just say I have always found the Senator from Ohio to be reasonable, in most cases.

Mr. MITCHELL. And we hope this is one of those most cases.

BYRD ACID RAIN SPEECH

Mr. MITCHELL. Mr. President, earlier this week a remarkable thing occurred in Washington. Before a national meeting of the National Coal Association, my predecessor as majority leader, the senior Senator from West Virginia, informed the coal industry that the time has come to stop stalling and start talking. He told the coal industry that an acid rain bill was almost inevitable and it was time to come to the negotiating table. This is a courageous and visionary statement.

Senator BYRD's opposition to acid rain legislation is well known. He has been an extremely able advocate for his constituents on this issue. This week, he demonstrated true leadership by suggesting that it is time for the coal industry to begin serious negotiations on an acid rain bill.

I am aware there is unease about the market impacts of acid rain legislation. It is not now, nor has it ever been, my intention to disrupt coal markets through acid rain controls. I understand that acid rain legislation necessarily affects coal markets and I want to work with those who are affected to minimize any potential disruption. I again invite all interested parties to join in crafting a fair and reasonable proposal that achieves meaningful reductions in a timely fashion.

I applaud the efforts of the senior Senator from West Virginia. As ever, I look forward to working with him to develop an equitable and effective acid rain proposal.

I ask unanimous consent that the statement by Senator BYRD be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY SENATOR ROBERT C. BYRD, NATIONAL COAL ASSOCIATION

Thank you for that kind introduction. It is an honor for me to be invited to address the National Coal Association's first-ever Washington Legislative and Regulatory Conference. Let me also take this opportunity to congratulate the National Coal Association for putting together this "Coal Issue, '89" Conference. It is important for the coal industry to come together in conferences such as this to identify, discuss,

and work towards a consensus on those legislative and regulatory issues that impact the production and use of coal.

In my judgement, the next two years are going to be critical to the future of the coal industry.

I believe that the need for a national energy policy has never been greater. We are witnessing some all-too-familiar and disturbing energy supply and demand trends.

Energy consumption, which remained fairly constant from 1973 to 1986, has suddenly increased sharply. Despite GNP growth of one-third during the period 1973 to 1986, U.S. energy consumption during that period was never greater than 74 quadrillion British thermal units (quads). U.S. Energy consumption in 1988, however, increased to 80 quads.

Energy efficiency, which reduced America's energy demand by as much as 29 percent during the period 1973 to 1986, has seriously eroded. In 1988, the growth in energy demand exceeded GNP growth for the first time since 1973.

Domestic oil production has dropped to its lowest level in 25 years, while domestic consumption of petroleum products has been increasing at a rate of 2 percent a year. As a result, our dependence on imported oil has increased by 2 million barrels per day since 1985, and now accounts for 43 percent of our domestic consumption. According to the energy information administration, 48 percent of the oil we now import comes from the Persian Gulf.

Our demand for electricity is also increasing. Electric output in the U.S. in 1988 was up 5.1 percent over 1987. Reserve margins in some regions of this country have become dangerously thin. The Department of Energy estimates that we will need in excess of 100,000 megawatts of additional generating capacity by the year 2000.

The evidence is clear: the United States must have an energy policy. Our economy and our national security depend upon it. The centerpiece of our energy policy must involve finding ways to expand this Nation's ability to exploit our most abundant domestic energy resource: coal. Coal reserves amount to 82 percent of our national energy resources. Of the existing electric power generating capacity in the United States, 57 percent is now coal-based.

But, as I look to the 101st Congress, I must confess to you that I am concerned that we will not be able to deal effectively with this Nation's energy problems. I am concerned because I see an almost unavoidable collision between the need to increase the available domestic supplies of energy and the need to foster more stringent environmental regulation.

The most recent and perhaps the most salient example of the tension that exists between our energy and environmental policies is what is occurring in the aftermath of the accident in Alaska's Prince William Sound involving the tanker Exxon Valdez. Not only has this accident affected significantly the prospects for legislation to open the Arctic National Wildlife Refuge (NAWR) to oil and gas exploration, but the Governor of Alaska has indicated that he may close the terminal at the end of the Trans-Alaska Pipeline which provides essential access to 20 percent of our domestic oil supply.

We must, however, work hard to try and avoid a conflict between this Nation's energy and environmental priorities. Failure to avoid this conflict could have serious consequences. Jobs are at stake. Communities are at stake. Our national security is at stake.

Nowhere is this conflict more acute than in the debate over acid rain and clean air. I have believed for some time that we should be looking for ways to compromise on these issues. As I predicted last year, growing public concern and a change in the administration have made the likelihood that a clean air bill will pass during this congress almost inevitable.

The time has come for the coal industry to pull itself up to the negotiating table. Working together, we must try to bring about a fair arbitration of this Nation's competing energy and environmental concerns.

Our ability to accomplish this, however, will require consensus. The coal industry cannot remain as bitterly divided as it is today over possible legislative solutions to the acid rain problem. We have reached a critical juncture: United, we could seize this opportunity to eliminate the regulatory uncertainties that continue to undermine the stability, the reliability, and the competitiveness of coal as a fuel source; or we could remain divided, high sulfur versus low sulfur, the east versus the west, in which case, I believe, the entire industry will suffer. The temptation for many to "cut your own deals" and "rig the game" in the hopes of increasing market share will be great. I hope that such a temptation will be resisted. We must work together, because as a very wise man once said, "We either hang together, or we just hang."

I would like to suggest five fundamental principles around which I believe we might attempt to forge such a consensus:

First, any new acid rain control legislation should ensure that significant, but not excessive, emission reductions of sulfur dioxide and nitrogen oxides are achieved:

Second, any new acid rain control legislation should be based on a reasonable schedule, with reasonable deadlines;

Third, any new acid rain control legislation should ensure that compliance deadlines for emission reductions be linked with the expected commercial availability of emerging clean coal technologies;

Fourth, any new acid rain control legislation should ensure that existing coal market shares are preserved or are allowed to increase, but should not engender a loss of coal market share; and

Fifth, any new acid rain control legislation should include cost-sharing to ensure regional equity and to provide incentives for the use of clean coal technologies.

I have been your "watchman" on the bridge up there in the Senate for going on twelve years now. We have worked well together. We should continue to work together. But, now we are confronted with some very tough choices.

The purpose of this conference is to identify, discuss, and work towards a consensus on those issues that will have a significant impact on the coal industry. As important players, you are all expected to "spread the word" in the Congress regarding the coal industry's views on these issues. I urge you to consider carefully the five principles which I have just outlined. If you can reach a consensus here in this conference, it would certainly enhance prospects for a workable acid rain bill in the Congress. This Nation's energy security and the future of the coal industry may well hang in the balance.

INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

Mr. KENNEDY. Mr. President, in September, the Inter-American Commission on Human Rights [IACHR] was granted permission by the Government of Panama to send a delegation to investigate the human rights situation in that country. The delegation recently returned from Panama and issued a report on the visit.

While in Panama, members of the delegation met with Government officials, various representatives of Panamanian society, and individuals with specific human rights complaints. The delegation also visited several prisons.

The Commission has expressed its concern about the irregularities in the current electoral process and outlined conditions necessary, including the reopening of sectors of the media which were forced to close, to assure free and fair elections which are scheduled for May 7. The Commission also protested the Government's refusal to permit the delegation to visit the newspaper, La Prensa.

I believe that the preliminary observations of the IACHR will be of great interest to all of us who are concerned about the situation in Panama. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Press Communique]

INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

1. The Inter-American Commission on Human Rights (IACHR) carried out an on-site visit to Panama from February 27 to March 3 of this year, for the purpose of becoming familiar with and examining the human rights situation in that country, pursuant to the norms established in the American Convention on Human Rights, to which Panama is a state party.

2. The Commission, during its 75th period of sessions, having received the report prepared by the delegation which visited Panama, wishes to make some preliminary observations regarding the recommendations made to the Panamanian authorities at the time of the Commission's on-site visit. These observations have to do with the circumstances which the Commission found during its mission and which constitute central aspects of the investigation which it is carrying out regarding the situation of human rights in Panama.

3. During its visit the Commission received a large number of complaints of alleged human rights violations, which it is processing pursuant to the terms of the American Convention on Human Rights. These complaints refer fundamentally to cases of torture, injuries which occurred during political demonstrations, abuse of authority, factual impediments to the return of certain persons who were made to involuntarily abandon the country, various attacks on freedom of expression, harsh treatment of political and common prisoners, harassment, illegal detentions, lack of independence of courts, delay in the processing of judgments, inefficacy of the writ of Habeas

Corpus, detainees held in a prolonged incomunicado state, confiscation of private property belonging to commercial companies and serious irregularities in the electoral process.

4. For the Commission, as the press communique of March 4th indicated, the complete observance of human rights constitutes an essential prerequisite for the holding of a legitimate election.

5. In this regard, the Commission considers that the exercise of political rights presupposes the complete observance and respect of the following rights:

(a) personal liberty

(b) freedom of expression

(c) judicial guarantees and judicial protection

(d) the right to hold meetings and

(e) freedom of association.

6. As regards personal freedom, the Commission received numerous complaints which state that political leaders are frequently detained in Panama without the most basic formalities. Many of the cases are of persons who allege having been savagely beaten and then detained for the sole reason of having participated in a pacific political demonstration organized by the opposition to the government. During their detention, these persons denounced having been subjected to torture and harsh treatment by the guards, as well as by the common prisoners. Some pointed out that they had been kept incomunicado for long periods of time.

7. In this context it is also worth mentioning the case of an important number of Panamanians who have involuntarily had to leave the country and the fact that their return is impeded due to the pending legal actions against them. Some of them are outstanding leaders of the panamanian political world, whose marginalization, without doubt, weakens the credibility of the current electoral process.

8. Freedom of expression, as the Commission has stated on repeated opportunities, constitutes one of the fundamental pillars of a democratic form of government. This right occupies a more important role during an ongoing electoral process, since it is the fundamental vehicle of communication between the various political forces and public opinion and permits the electors to form an objective and responsible opinion at the time of emitting their vote.

9. In this context the Commission was able to attest that in Panama, during a period which requires the most absolute and comprehensive freedom of expression, the following communications media are still closed down: the newspapers "La Prensa," "El Siglo," and "Extra," the weekly "Quiubo," Channel 5 (Television) and the radio-broadcasters Mundial and KW Continent. On the other hand, Channel 4 (Television) informed the Commission that it is required to engage in certain kinds of self-censorship in its presentation of the national news and, in particular, as regards the political scene. Also, the Commission was informed that the attempted publication of the new newspaper "Hoy" has been totally fruitless given the negative responses of the governmental authorities as regards granting the permission required.

10. Furthermore, several cases of journalists who have committed no crime but who have been detained have been denounced to the Commission. Some of them have spent a long time in jail. The most recent case was that of the journalist Aurelio Jiménez Vélez, who was detained on March 20 and recently released, with no charges having been presented. It was also possible to document several cases of journalists, who following their detention, were expelled from the country and who are impeded from returning. In this regard, the case of Mr. Alberto Conte, is illustrative.

11. Finally, on this point, the Commission would once again like to lament the fact that, during its visit to Panama, it was impeded from visiting the "La Prensa" newspaper facilities, which have been closed for several months. Following repeated requests to the governmental authorities to visit "La Prensa's" offices, which are being occupied by the military at the present time, at the last minute the authorities denied the authorization. This act constitutes a serious failure to comply with the terms of the agreement between the Commission and the Government of Panama, in the sense that the Commission is to be free to visit those places which it considers appropriate and relevant to the carrying out of its investigation.

12. The Commission has pointed out on repeated occasions that the independent and efficient administration of justice constitutes one of the fundamental grounds upon which the rule of law is based and represents an essential guarantee for the respect of human rights.

13. In this context, in the opinion of the Commission, the institution of the *Corregidores,* as it has been set forth in Panamanian legislation, separates itself totally from the principles and norms consecrated in the American Convention. In effect, pursuant to the Panamanian Administrative Code, a large number of crimes, termed misdemeanors, are subject to the jurisdiction of the *Corregidores.* Persons who have not been trained but have simply reached the age of 18 and who have been appointed by mayors are charged with imposing penalties which can be as long as one year in prison, in an oral and summary procedure and without the benefit of judicial control or supervision. In effect, what is occurring is that the Executive Branch is removing an essential tool of responsibility from the Judicial Branch, and this has been used abusively, and as the Commission has been informed, for political persecution.

14. The Commission has also received complaints alleging that the writ of Habeas Corpus is not an efficient legal instrument, and that it does not receive the required attention and speed, on the part of the courts, to safeguard the requisite respect for human rights. In this regard it does not cease to concern the Commission that during the duration of the state of emergency, the suspension of the writ of Habeas Corpus was permitted, which contradicts firmly entrenched legal principles which protect individual rights, such as the Inter-American Court on Human Rights pointed out in its Advisory Opinion, Number nine.

15. The Commission was also able to verify that there is an extraordinary delay in the courts as regards the processing of trials. The large majority of the prison population has not been sentenced. If it is taken into consideration that the vast majority of the prisoners are in preventive detention and that, pursuant to official information, a large part of the trials end in the definitive or temporary dismissal of the case, it is a fact that, *prima facie,* the principle of the presumption of innocence consecrated in the American Convention on Human Rights is being attacked. This is aggravated by the fact that these prisoners are in crowded conditions despite the remodelling of the principal centers of incarceration.

16. In the opinion of the Commission the relevance which the right to hold meetings and the right to association acquire in the course of an electoral compaign is self-evident. In this regard the Commission was able to meet with leaders of the principal political forces of Panama, who were able to make known their points of view regarding the panamanian political scene and the existing guarantees. On this same subject, human rights groups informed the Commission regarding the legal restrictions prevailing as concerns public demonstrations, and the series excesses and abuses committed by the public forces in repressing the opposition demonstrations. In this regard the Commission received testimony from persons who had suffered serious physical injuries, provoked by birdshot used by the police forces. Pursuant to the information presented, the police forces, enthusiastically seeking to dissolve the demonstrations, have used an indiscriminate and excessive use of this means. In addition, tear gas has been used frequently in closed places.

17. The Commission has received an abundant amount of information also about the participation of armed civil elements, called paramilitary forces, in the repression of the demonstrators. These groups, according to the allegations, act in the face of the absolute passivity of the forces entrusted with maintaining public order.

18. The Commission was also informed of various cases of political parties who have suffered serious internal divisions in confusing disputes before the Electoral Court. In this regard, the Commission expresses its serious concern as to what appears to be a practice, in which, according to the information received, the governmental authorities are responsible for promoting the internal division in certain parties, and then recognizing the minority fractions as the official governing bodies of the same. There are already four political parties in the opposition which have suffered this experience. The most recent case affected the Partido Panameñista Auténtico, of which Mr. Guillermo Endara, the opposition candidate for the presidency, claims to be the legitimate leader. It is evident that these facts do not contribute to creating the necessary climate for the people to elect, in a free and authentically informed manner, among the various political options.

19. Opposition political parties expressed serious doubts regarding some substantive aspects of the Panamanian electoral system to the Commission. In effect, they stated their lack of confidence as regards the institutions which are charged with monitoring the process, as regards their membership, which offer no guarantees of impartiality, nor permit the participation of members of the opposition parties. At the same time, the laws which regulate the electoral process, it was pointed out, facilitate certain kinds of electoral fraud, from the moment that, for example, members of the Panamanian Defense Forces are permitted to vote at any voting table, without the requirement of appearing on the voter registration lists and with the sole requirement of showing their identity card and a certificate issued by the Electoral Court. Also, the electoral law does not provide for the use of indelible ink or any other similar mechanism which prevents the voter from voting more than once. According to the complaints presented, the current electoral law does not

provide sufficient guarantees to assure that a person cannot vote more than once.

20. The Commission also noted that the opposition political parties are in the minority as regards the composition of the voting tables. This acquires real importance from the moment that, in accordance with the information presented by the authorities, any dispute which takes place the day of the voting is to be resolved, in principle, by the majority of the persons who comprise the voting table.

21. Lastly, some complaints were presented regarding the massive alterations made in the electoral lists; factual impediments and harassment during the demonstrations held by the opposition; pressures on public functionaries; retention and or premature performation of the identity card of the members of the opposition parties, presumably, with the intent to prevent their participation in the election; use of fiscal goods and official vehicles to transport government adherents to political demonstrations.

22. In any case, the premature perforation of the identity card, pursuant to the information received from the Electoral Court, does not, in itself, prevent that the voter exercise his right to vote. In effect, for the authorities, the perforation of the identity card only constitutes one piece of evidence that the voter has exercised his right to vote, so that if the voter's signature does not appear next to his name in the respective registration list, the voter can still vote.

23. Article 23 of the American Convention on Human Rights, consecrates the right of every person to take part in the conduct of public affairs, directly or through freely chosen representatives. The election of these persons must be carried out by universal and equal suffrage and by secret ballot that guarantees the free expression of the will of the voters. Pursuant to this norm, the State is not only obligated to respect these rights but also to guarantee their full and free exercise. As the Inter-American Court has stated, regarding the legal nature of the obligations which derive from the American Convention on Human Rights, the "duty of the States Parties to organize the governmental apparatus and, in general, all the structures through which public power is exercised, so that they are capable of juridically ensuring the free and full enjoyment of human rights." (I/A Court H.R., Velásquez Rodriguez Case, Judgment of July 29, 1988. Series C No. 4.).

24. In synthesis, the Commission wishes to express its concern to the Government of Panama as regards the current electoral process, in which serious irregularities are occurring which directly undermine the minimum conditions which an act of this nature requires and prevent the creation of an environment which permits the political parties, the candidates and the voters from expressing themselves with entire liberty in the exercise of their political rights.

WASHINGTON, DC., *April 11, 1989.*

FAIRNESS DOCTRINE

Mr. PRESSLER. Mr. President, today the Commerce, Science, and Transportation Committee reported S. 577, the Fairness in Broadcasting Act of 1989. This legislation would reinstate the fairness doctrine, which requires broadcasters to provide adequate coverage of issues of public importance, and coverage of differing viewpoints on those issues. I voted against the bill in committee and would like to take a few minutes to explain why I took that position.

The fairness doctrine was first instituted in 1949. It remained in effect until 1987, when it was repealed by the FCC. The FCC had sound reasons for establishing the doctrine in 1949. Spectrum is scarce and there were very few radio and television stations on the air. Beyond that, there was no cable television or satellite delivered television. The fairness doctrine was a good policy—even necessary.

But things are not so clear now. The broadcast marketplace has changed substantially. There are now over 9,000 radio stations and over 1,000 television stations on the air in the United States. Alternative sources of news and information have blossomed. There is a real question whether the fairness doctrine is necessary today. On the one hand, spectrum is still a scarce resource and cannot be totally deregulated. On the other hand, there is a greater number of sources of news and information available today.

I have supported the fairness doctrine before, but it was not easy to do so and it was never offered as a separate, free-standing proposition. Other issues were included in the legislation under consideration. Today I had the first opportunity to vote on this issue on its own separate merits, and it was not an easy decision.

I looked at our experience since 1987 when the FCC abolished the fairness doctrine. Based on the record since then, or lack thereof, it appears that broadcasters generally have acted very responsibly during that time. But the record has not been developed. So I feel we must give them the benefit of the doubt, at this point. Therefore, I voted against legislating the fairness doctrine today.

The fairness doctrine represents an important public goal. The public deserves good information on all sides of important public issues. I am a firm supporter of the rationale behind the fairness doctrine, and it may become necessary to reinstitute it again in the future. But for now the system appears to be working and I have decided, with some hesitation, to let broadcasters prove that they can continue to provide fair coverage of issues in the absence of the fairness doctrine.

MEMORIAL FOR GREEN BERETS

Mr. COHEN. Mr. President, on March 12, 11 Green Berets from the 5th Special Forces Group were killed in a helicopter crash in the desert in Arizona. This tragic accident serves as a stark reminder of the risks undertaken by the men in our special operations units both in war and in peacetime.

According to information provided to me by the Congressional Research Service, the 5th Special Forces Group suffered 546 fatalities and 2,704 wounded during the conflict in Vietnam, a very high casualty rate for a unit that had an average annual troop strength of roughly, 2,800 during its 8-year involvement in the war. Out of an estimated 850 Distinguished Service Crosses awarded in Vietnam, 100 went to members of the Special Forces—a figure far out of proportion to their numbers. And today members of the Special Forces continue to accept extraordinary risks in the defense of their country through assignments as trainers and advisers to Third World countries where combat with guerrillas and terrorists is an almost daily occurrence. For example, 2 years ago Special Forces Staff Sgt. Gregory Fronius was killed in a guerrilla attack on a base in El Salvador, in which it appears that he was deliberately singled out by the insurgents. And, as last month's tragic helicopter accident indicates, even the training for their unique missions can involve an unusual degree of danger for those who volunteer for duty with Special Operations Forces.

It is important that we do not take for granted those who volunteer for unusually rigorous and dangerous military assignments. These individuals do not receive great financial remuneration. The least we can do, it seems to me, is to let them know that we appreciate the sacrifices and risks that they assume for the benefit of our country.

In that regard, Mr. President, I would like to take note of Senator KENNEDY's recent remarks at a ceremony held at Fort Bragg, NC, to honor those killed in last month's tragic helicopter accident. Senator KENNEDY has been a leader in ensuring that the men and women of our Special Operations Forces receive the consideration and appreciation they deserve, not only in terms of recognition, but in terms of policy and budgetary considerations. As the sponsor of a number of initiatives to improve the capabilities of U.S. Special Operations Forces, I have been deeply appreciative of Senator KENNEDY's support and involvement. He has repeatedly been willing to devote a great deal of time to these matters, despite the fact that there is no public acclaim to bask in and these issues do not involve the big ticket defense items that are the focus of so much attention in this body.

Mr. President, I would ask that Senator KENNEDY's statement at the ceremony honoring the Green Berets who were killed last month be entered into the RECORD in its entirety.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF EDWARD M. KENNEDY, MEMORIAL FOR GREEN BERETS, FORT BRAGG, NC, MARCH 21, 1989

We are here today to mourn the loss of 11 brave men—men of the Green Berets.

My brother Jack had a very special relationship with the Green Berets. He was involved in their founding. He understood the importance of their role in meeting the new threats that now challenge our security. He, as I, sincerely believed that to deal with these new threats, we needed the most dedicated, the most well-trained, the most selfless soldiers. These are the Green Berets.

Because we are at peace today, people often fail to recognize the sacrifice of those who offer their lives for their country. But these men are no less gallant, their sacrifice no less noble, their dedication no less important than during war. Indeed, it is exactly because of their sacrifices that we are able to maintain the peace.

Our peace is not an accident. Our freedom does not come without a price. It is the consequence of the enormous dedication and frequent sacrifices of the men and women of our armed services. And it is particularly the consequence of those, like the 11 men we recognize today, who offered their lives in defense of their country. We honor those who give their lives in training equally with those who give their lives in war.

In his address to the graduating class at the U.S. Military Academy in 1962, President Kennedy spoke of the Special Forces and their essential role in defending freedom against war by ambush and infiltration instead of combat and aggression.

He had put the Special Forces in Green Berets as a mark of excellence and honor, and I know he would have been honored by the green beret that you placed on his grave in Arlington.

In closing his remarks on that day 27 years ago at West Point, he spoke in words that are equally appropriate today: "You have one satisfaction—however difficult these days may be—when you are asked by the President of the United States or by any other American what you are doing for your country, no man's answer will be clearer than your own."

I am honored to be here with you today and to join in this tribute to these 11 heroes. They have served their country well.

THE LAST HAPSBURG EMPRESS

Mr. PELL. Mr. President, recently we witnessed the passing of an era. On March 14 of this year, Empress Zita, the Empress of Austria and Apostolic Queen of Hungary died. She was the last surviving former monarch of the Hapsburg family, a family that had ruled parts of central Europe for over 600 years.

Empress Zita reigned with her husband for but 2 brief years. Caught in the tumult of the First World War, she struggled hard to bring peace to the Austro-Hungarian Empire from 1916 to 1918. Unfortunately, these efforts brought her censure by those factions who placed honor and empire over the cause of peace and justice.

Today I submit for insertion in the RECORD a homily by the Reverend Winthrop Brainerd of St. Matthew's Cathedral in Washington. His statement commemorates the life of a woman who gave so much of herself to improve our world. We are the poorer for her passing.

Mr. President, I ask unanimous consent that Reverend Brainerd's homily be printed in full at this point in the RECORD.

There being no objection, the homily was ordered to be printed in the RECORD, as follows:

SERMON FOR THE REQUIEM MASS OF HER IMPERIAL MAJESTY, THE EMPRESS OF AUSTRIA AND APOSTOLIC QUEEN OF HUNGARY, ST. MATTHEW'S CATHEDRAL, WASHINGTON, APRIL 1, 1989

Today we hold before the throne of the King of Kings the life and witness of Her Imperial Majesty, the Empress of Austria and Apostolic Queen of Hungary.

Today, we are here not only to thank God for the life of the Empress Zita, but to offer that life to God for his sanctifying and perfecting.

Certainly, few lives in this century have striven so hard, and tried to give as much to our world, and rarely have so many gifts been as brutally rejected and scorned for the very act of trying.

At the death of the Emperor Franz Joseph, in 1916, the Austro-Hungarian Empire was faced with extraordinary demands upon its structure. And when the Emperor and Empress were summoned to the onerous responsibility of the thrones of Austria and Hungary, Bohemia, and of all of their other dominions, these burdens of rule demanded from them an extraordinary devotion to the peoples that God had called them to serve.

When, to the difficulties facing the Empire, were added the multitude of tragedies of the First World War, the formidable tasks facing this young couple demanded from them a response which neither of them ever tried to evade, and to which both of them gave full measure of their talents, always sustained, in perplexity and challenge, by the strength and grace of the Faith.

It was the profound wish of both the Emperor and the Empress to seek peace. This quest for peace came both for the sake of the Empire, increasingly divided by the horrors of that conflict. Both the Emperor and the Empress could see that the problems facing the Empire could only be solved through the construction of peace.

This desire for peace came as well, through a profound sense of unity with the Holy Father, Pope Benedict XV, whose voice never ceased to plead for the sanity of peace in a world made deaf by the hatreds of war.

Kaiser Karl, "the Peace Emperor" expended every resource at his disposal to achieve this end. And the Empress Zita did not spare herself, nor did she count the danger to the life of her brother, Prince Sixtus, too high a cost in this search for peace.

It is the tragedy of our century that what might have been achieved in the victory of peace, was squandered by the universal defeat of victor and vanquished alike. When we reflect on the gifts to our world that peace might have brought, and contrast that with the torturous and often squalid imposition of punitive terms which sowed the seeds of Fascism, Nazism, Communism, and the Second World War, truly the figures of The Emperor and Empress assume prophetic stature.

Had their example been followed; had their voices been heeded; had their duty, made glorious and sure by the grace of faith, been upheld; been allowed to flourish; so many tragedies might have been averted; so much death and so many wounds; so many horrors that still cry to God for vengeance might have never happened.

Instead the whirlwind of selfish and vindictive decisions, made with a cynical disregard by the victors upon a dismembered Europe made yet more hideous and polluted by the venom of class-hatred, finally engulfed both victor and vanquished alike in a yet more horrible cataclysm, at the end of which the constituent parts of the Empire, Felix Austria alone excepted, fell under the brutal and vicious despotism from which, only now, do we see the beginnings of hope.

Yet, instead of admiration for the anguish of personal cost and sacrifice; instead of appreciation for the lives given in service to the people of the Empire; instead of sympathy for a just solution to a War which they inherited and tried to end; instead of understanding the principles for which they stood, the Emperor and Empress were treated with vindictive and cynical calumny.

Yet even when the rapacity of the allies and the inflammation of revolutionary politics caused their exile, the courage and dignity of the Emperor and Empress never faltered. As a measure of their devotion and service to the exalted station to which they had been called, the Emperor never abdicated his responsibilities. And, when the Emperor made the two attempts to serve his people, he was faced with the threat of armed aggression, not from his people, but from those who scorned him.

Nor did the Empress ever lay down the burden of her duty, even when this would have allowed some alleviation of her poverty and exile.

Throughout their exile, the same measure of dignity which comes from the faith, allowed the Emperor and Empress to uphold, in serenity, their principles in a most unprincipled world.

Worn out by the scorn and persecution of his enemies, the Emperor died in exile, sixty-seven years ago today. And the Empress added the loneliness of her widowhood to all the other burdens laid upon her. Truly, the nobility of their lives reflect the words of the gospel, "Blest are you when they insult you and persecute you and utter every kind of slander against you because of me. Be glad and rejoice, for your reward is great in heaven." (Mt. 5:11)

Europe has now been at peace for a longer period than any other in her recorded history. That this peace, fragile though it has so often been, fragile though it may yet become, stems from the principles of peace as an end in itself; from the principles of national cooperation; from the principle of the dignity and service of individuals in a cause greater than themselves. These are all the principles espoused, lived, and proclaimed by the example of the Emperor and Empress. These principles, this example, have not been forgotten They live in the service of their son, who, ever mindful of the example of his parents, still serves in the Parliament of Europe.

Now this life has passed from among us. This life, filled with challenge and pain; with grief, exile, and disappointment bourn without complaint, and in a dignity which elevated and consoled all those who know her; this life, in the mercy and consolation of God, is now made whole and holy, per-

fected in his love, and filled with the radiance of a faith fulfilled.

A few hours ago, the mortal remains of Her Imperial Majesty were laid among the dust of her predecessors in the Imperial Vault of the Capuchin Church in Vienna. In one of those peculiarities of history, her burial falls on the anniversary of the Emperor's death. Now in that Kingdom where there is no pain or grief they who loved on earth are reunited.

That the Government of Austria has granted her, her proper place to lie in death among the members of the House of Hapsburg, it a splendid and moving act of piety and generosity. Yet this act recognizes as well, that the Empress, through a life long and nobly lived in faith and service, has earned, through her merit, the right to lie among these illustrious dead.

In the ancient "Spanish Ceremonial" at the burial of an Empress, entrance was demanded in the fullness of the Imperial titles. This was refused. Then, entrance was demanded for the burial of an Empress and Queen. This was refused.

The final demand that the subjects of the Empire could pay to their sovereign was to make on her behalf, the request for a miserable sinner needing burial.

Today, that final service has now been done for her, and here today, before her Sovereign Lord and God, we commit into his merciful and loving hands the soul of Zita, his servant.

DEATH OF WILLIAM ATTWOOD

Mr. PELL. Mr. President, it is with very real sadness and regret that I bring to the attention of my colleagues the death of William Attwood, one of the America's most distinguished and finest authors and public servants. His death is a real loss and cause of sadness to all of us who knew or worked with him through the years. His service to our Nation and his contribution to the public weal are legion and will be much missed.

His accomplishments are well set forth in his obituary in the New York Times, April 16, 1989, which I ask unanimous consent to be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 16, 1989]

WILLIAM ATTWOOD, 69, JOURNALIST; WAS PUBLISHER AND AMBASSADOR

(By Susan Heller Anderson)

William Attwood, an author, journalist, former publisher of Newsday and a former ambassador, died of heart failure yesterday at his home in New Canaan, Conn. He was 69 years old.

Mr. Attwood pursued several careers, all with success and élan. As a foreign correspondent for The New York Herald Tribune, he wrote compellingly of a Europe reeling from the devastation of World War II. While a European correspondent for Collier's, from 1949 to 1951, he also wrote a nationally syndicated column on foreign affairs.

He joined Look magazine in 1951, holding several editorial positions.

When he returned to the United States, Mr. Attwood, with his wife, Simone, traveled the nation and produced his first book, "Still the Most Exciting Country," published in 1955 by Alfred A. Knopf.

WROTE SPEECHES FOR KENNEDY

For 10 years, he worked for Look, taking a leave in 1960 to write speeches for Adlai E. Stevenson, then a candidate for the Democratic nomination for President. The nomination went to John F. Kennedy and Mr. Attwood joined his speech-writing staff.

When Kennedy became President, he named Mr. Attwood ambassador to Guinea in 1961. While there, he contracted polio, which left him partially lame in one leg. "He could still play tennis, but you had to give him two bounces," said Robert Yoakum, the writer and a close friend of Mr. Attwood.

After that success, Mr. Attwood was named by President Kennedy as special adviser on African affairs to the United Nations, a post he held until he was appointed ambassador to Kenya by President Lyndon B. Johnson in 1964.

He developed his own style of personal, unconventional diplomacy. When President Johnson addressed the Congress on his new voting-rights bill, Mr. Attwood sent copies of the speech, along with a personal note, to every member of the cabinet of Kenya, itself struggling with racial issues.

He resigned as ambassador in 1966 to become editor in chief of Cowles Communications, where he oversaw several periodicals including Look. During his tenure, the magazine serialized "The Death of a President," William Manchester's account of President Kennedy's assassination, which caused Jacqueline Kennedy Onassis to file suit against the magazine. The suit was dropped when Look agreed to modify some passages.

Mr. Attwood joined Newsday as president and publisher in 1970. He became chairman of the board in 1978 and retired in 1979 to write books.

The year before, Mr. Attwood was appointed by President Carter as the United States delegate to the UNESCO conference in Paris. In 1979, he was named to the United States National Committee for UNESCO.

He wrote "The Twilight Struggle: Tales of the Cold War," in 1987, published by Harper & Row. It combined his diplomatic experience with his journalistic skills in cautioning against the ultimate failure of the Cold War. At his death, he and Mr. Yoakum had completed a political satire, a handbook for politicians, to be published by Harper & Row.

Mr. Attwood was born in Paris. He graduated from Princeton University. Among his many journalism awards were the George Polk Memorial Award and the Newspaper Guild Page One Award.

He was a former trustee of Princeton and a former trustee of the Samuel H. Kress Foundation. He was a member of the Council on Foreign Relations and the Century Association, the Council of American Ambassadors, the American Foreign Service Association and the Overseas Development Council.

Surviving are his wife, Simone; a son, Peter, of Los Angeles; two daughters, Janet Hoglund of Greenwich, Conn. and Susan Attwood of New Canaan and three grandchildren.

PRESQUE ISLE AS PARADISE

Mr. COHEN. Mr. President, I would like to call the Senate's attention to an article that appeared recently in the Maine Times dubbed "The Littlest TV Station, Life at Channel 8 in Presque Isle."

Now channel 8, which sits in the far northern reaches of my State, is not really the littlest TV station, although it comes close. There are 213 television markets in the United States, and Presque Isle ranks 205.

The article has another headline, "Presque Isle as Paradise," which I would have to agree with. Probably few, if any, of those other 212 television markets can boast of a station in such picturesque surroundings, nestled among potato blossoms in summer and in a beauteous snow field in winter.

Channel 8 may be small, but what it lacks in size, its staff, under the able stewardship of news director Sue Bernard, makes up for in enthusiasm, dedication and hard work bringing the news of Maine and the world to its loyal following of viewers.

It should also be noted that Lincoln Furber, the author of the article, although a professor at American University here in Washington, also has New England roots. He summers in our own Boothbay Harbor and hails from Massachusetts.

I thought the Members of the Senate would be interested in reading about channel 8, and I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Maine Times, Mar. 31, 1989]

PRESQUE ISLE AS PARADISE

(By Lincoln M. Furber)

For some people in the television news business, working at a TV station in one of the smallest markets in the country would seem like a job out at the farthest point in the universe. Take WAGM-TV, Channel 8 in Presque Isle, for example. The station sits on the edge of a potato field three miles north of town. Bangor is the nearest big city, 120 miles to the south. The station's salaries are ridiculously low in an industry that pays some people more than a million dollars a year. It does not have "state of the art" technical equipment. News reporters have to use compact cars to get around. Compared with most television markets, there are very few people in the area to watch their programs. And, there are other drawbacks as well, like the tough Maine winters, rural isolation, and even the roof of the station building itself.

To the people who work there, though, it is something else. In fact, to one anchorman, a person who has had substantial experience in a far larger market, it is paradise.

On the list of television market sizes in the U.S. Presque Isle ranks very close to the smallest. There are 213 such markets in all, starting with New York and ending with Glendive, Mont. Presque Isle is 205. The little city has a population of 11,000. WAGM counts some 33,000 TV households in the U.S. and a similar number across the nearby border in Canada. This is a viewing audience that is a fraction of most television stations.

For such a small market, however, WAGM-TV has a respectable contingent of news people. The news director, Sue Bernard, has enlarged the staff from three when she took over the job seven years ago, to its present complement of two anchor/reporters, six reporters, and three photographers.

These broadcast journalists seem to fall into two groups: those who are really at home there and the ones who are starting out in the business and are just passing through. For both groups in this eighth smallest television market, life and work are satisfying and personally profitable.

Sue Bernard feels at home there. She is a native of Fort Fairfield, a few miles away, where she still has family. She spent some time working in stations in Boston and Portland, but found that she was spending a lot of money coming home weekends, so she moved back. Her love for her work is obvious as she expresses her affection for her reporting staff and her continuous excitement about the kinds of stories she covers. She anchors the important 6 p.m. newscast and has a deep pride in its success. It garners 80 percent of the viewing audience at that hour and while it is true that there is no competitive local station for viewers to watch, that figure is still startling, given the increase in cable and VCR use everywhere. In fact, she says, it is the highest rating of any such newscast in the country. News director Bernard has had offers to go elsewhere, but, as she says, they came at inconvenient times, which means she was so embroiled in her job and felt so loyal to the station, that she would not consider moving.

A man who used to be the news director and now is the agriculture and forestry specialist for the news department is even more devoted to his life in Presque Isle. John Logan lives on a 40-acre farm and says he can walk out his back door and head west for 40 miles and not come upon a road. "Long ago," he says, "I decided that lifestyle was a lot more important than making money."

Logan drives to work with a 20-foot canoe strapped to the roof of his jeep. and he delights in explaining how successful his unique "Potato Pickers Special" program is. The annual offering is for potato farmers when harvest time arrives. Starting at 4 a.m., in a highly informal setting (which includes volunteers in the background making breakfast for the people on the program) information is offered about weather conditions, available workers, which farmers need workers that day, and anything else of interest to people whose livelihood depends on the potato harvest. The program is presented daily throughout the harvesting season.

Reporter Joe Clukey got married to a local girl a year ago and they do not plan to go anywhere else if they can help it. Joe is from Island falls, some 75 miles away. His occupation has put an unusual burden on him. The sports director at the station is Rene Cloukey and it was felt that Clukey and Cloukey were so close there might be some confusion for the viewers. So, Joe Clukey took a family name, Prescott, for his on-air name. Which has been fine, he said, except when he deals as a newsman with people he's known all his life and they can't figure out who he is.

Being from the area, as Bernard Logan, Clukey, and some others are, can have other disadvantages too. Every day they have to go out and cover people in the news and if you have been around long enough, there will come a time when you are put in the position of covering someone with whom you have a very close connection. News cameraman Orpheus Allison lives with his grandmother and mother. His mother is active in politics. She is even a member of the Presque Isle school board, which puts her son in what can be, as he put it, "an odd position:" namely, that someday he may have to run the camera in an interview with his own mother.

Joe Clukey had the unpleasant experience last summer of seeing an uncle become a central figure in a story one of Clukey's fellow reporters was covering. The story involved the rebuilding of a small dam, allegedly carried out by several men, including the uncle, without the required state permission—a possible civil crime. Also, Clukey's wife not long ago played golf in a foursome that included the husband of a woman who was later found dead on someone else's lawn in town. As Sue Bernard says, "We are always running into people we know as we do our job."

A non-native who has found a happy home at WAGM-TV is Andy Harvey. He brought several years of television experience with him when he arrived, having been with the CBS network and the CBS station in Los Angeles for almost 10 years. He had run his own television production business as well. The job at WAGM was his chance to do what he had hoped to do when he was a journalist major at college in Nevada. It put him on the air as a news anchorman, plus let him report one day a week, too. "It offers all I want," he says. He is responsible for producing the 11 p.m. news, as well as anchoring it, and he spends a lot of his time editing videotapes and writing scripts.

He brings a mellow view to the inevitable frustrations of a small market station, one that has equipment problems and occasional lapses of expertise on the part of people just learning their jobs. He says the equipment is better than he thought it would be. And the problems are essentially the same as they were in Los Angeles, the second biggest market in the country—time constraints, equipment allocation and personalities.

For this 34-year-old ex-Angeleno, the quality of life in the city of Presque Isle is equally gratifying. "L.A. is really bad," he says, "You'll wait a half an hour to an hour to eat in a restaurant. Here, you go in and sit down, and it's 'Hi, how are you honey? What do you want?' "

Harvey may or may not move on one day. While he stays, he is getting the experience he needs, and so are some others for whom the station is that critically important first job in TV.

For Sara Coddington, it was her first job after graduating from what she calls "Edward R. Murrow's school, Washington State University." The Seattle native has been at WAGM for two years, "paying her dues" and getting better at her profession. She takes to the pressure of nightly television news, finding it exciting to have only 30 minutes to put together a video package for the newscast. One of the most valuable parts of the experience for her and others just passing through is having to do almost everything herself. She comes up with a story idea, goes off and covers it, writes it, edits the videotape, and goes on the air with the final report. Having control over so much of the story is a boon and a far cry from the biggest markets where several people are involved in the production of every story. Her goal is a Charles Kuralt-type roving reporter job. She also has tentative hopes for a sideline, writing mysteries. In this, she calls upon the expertise of her new fiance, a Maine state trooper. It is television news that absorbs her primarily, though. "It's just fun," she says, "I can't imagine doing anything else."

Another reporter who felt lucky to land an on-air job at WAGM was Susan Raff. A New York native armed with a master's degree in communication from Boston's Emerson College, she jumped into the arena of small station news and got a chance to report, write, edit, produce and, like the others in the newsroom, even host a public affairs program every few weeks.

Presque Isle may be a small town but the stories the newspeople get to cover are not small time. News director Sue Bernard has been to Europe twice for the station. Once she covered the landing in France of the first transatlantic balloon flight, an achievement that was launched from Presque Isle. And thanks to the presence of Loring Air Force Base, she went abroad last summer on a defense story.

There are, of course, those stories that seem unique to rural stations. A recent transmission over the police scanner, the device that provides the newsroom with all radio communications among local police officers, referred to an incident at the Canadian border, just 12 miles away. "There's a small lamb running around at the P.O.E. Someone nearly hit it, the dispatcher announced. "I'll go over and take a look around," an intrepid officer replied. The reporters in the newsroom ignored this one.

For stories that are too far away to be covered by station personnel, WAGM benefits from an arrangement with sister affiliate stations WABI in Bangor and WGME in Portland. Those stations can beam their news stories via satellite to WAGM and such stories frequently flesh out WAGM's newscast providing broader coverage of other happenings in Maine.

An excellent resource of experts on virtually any topic is right in town on the campus of the University of Maine-Presque Isle.

The station also has developed a small network of stringers, people who own video cameras and will cover a story and bring it in, in hopes of making $25 if it gets used. Such people can prove invaluable when the newsroom's reporters and cameramen are all tied up, or the distance to a story is just too far to go.

There is no question that the life of a broadcast journalist in Presque Isle has great similarities to that of news people in Boston, New York, and Los Angeles. Though on a smaller scale, the excitement is there, the pressures are there, and the satisfaction of knowing you have done a good job on a tough story is there. But, there are quantum differences, too. There is a need to do everything yourself because the staff is so small. There is a need to travel many miles to get a story, not just a few blocks, because the population is so spread out. And, as is the case in the station's only studio, there is a need for the anchors doing a newscast to speak up good and loud during thunderstorms because the pelting rain on the station roof creates a din which the microphones pick up.

All this does not seem to matter, though. Several resumes of eager applicants from around the country arrive every week on Sue Bernard's desk. The news director reflects why they keep coming. "I have fun in the job," she says, and that really is some-

thing which anyone can do in one of the smallest television markets in the country.

THE STRATEGIC IMPORTANCE OF THE MIDDLE EAST—A WELL-KEPT SECRET

Mr. HELMS. Mr. President, last week our country was honored with the visit of two distinguished world leaders—Prime Minister Yitzhak Shamir of Israel, and President Hosni Mubarak of Egypt. The Senate Foreign Relations Committee was privileged to meet with both.

The visits of these two world leaders provided an opportunity for the administration, Congress, and many Americans to focus on the affairs of the Middle East. During the week of the visits, some incisive opinion pieces were published in the New York Times, the Wall Street Journal and the Washington Post. Each warned of the risk to our country should we fail to look at the true complex situation in the Middle East which lies beyond the simple explanations of the major media.

Charles Krauthammer, writing in the Washington Post on April 7, pointed out how the media has made a sympathetic figure out of the young Palestinians throwing rocks to further a liberation movement. But, as Krauthammer observes, it should be recognized that the young rock throwers will not be the ones who would rule a PLO state; it would be armed PLO terrorists, each quickly becoming a pawn in the large Middle East conflict. A PLO state, Krauthammer concludes, would be economically and politically unviable, and a constant force for instability in the region, directly threatening America's closest friends.

The New York Times of April 4, A.M. Rosenthal did what too few in the media have done—expose the massacre the Lebanese are now suffering at the hands of a Syrian effort to destroy and dominate Lebanon. Rosenthal points out that Syria will not rest until it fulfills the dreams of President Assad for a Greater Syrian Empire, and asks if Syria will not spare its own Arab brethren in Lebanon, how can it be expected to spare Israel?

In a Wall Street Journal editorial of April 5, entitled "Middle Eastern Realities," the editors discuss the sober realization gained by a visit to Judea and Samaria of the precarious strategic military position in which Israel would be forced if it were to relinquish the territories.

Mr. President, it was during a similar visit to Judea and Samaria a few years ago that I was similarly struck by the strategic importance of these lands and came to the realization that forfeiting this territory could prove fatal to Israel—and disasterous to America's strategic interests in the Middle East.

I have always found Bill Safire to be a most incisive writer. His column in the New York Times of April 6 recounts Mr. Safire's recent conversation with President Mubarak. He discussed Prime Minister Shamir's proposal for elections in the territories. As Mr. Safire points out, the Middle East would likely be a more stable and peaceful place if more of its leaders were selected at the ballot box—which is no doubt the reason why the PLO is so opposed to elections.

Mr. President, the situation today in the Middle East holds many potential dangers for America's interests in the region.

With the PLO continuing along the path of its phased plan for the destruction of Israel, with Syria annihilating the remains of Beirut at the rate of 20,000 shells a day, and with Libya building a chemical weapons plant and buying long-range fighter-bombers it is incumbent on all Senators to direct attention to the true story in the Middle East.

Mr. President, I ask unanimous consent that all four articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 6, 1989]

"YOU, TELL HIM THIS"

(By William Safire)

WASHINGTON.—Israel's Prime Minister, Yitzhak Shamir, sent this invitation to Egypt's President, Hosni Mubarak: Stay an extra day in Washington and let us meet in President Bush's office. The Egyptian refused.

Mr. Bush, who had been asked by Israel to facilitate these talks, did nothing to bring the Israeli and Arab leaders together. Instead, he damaged his credibility as mediator by calling for "the end of the occupation" of territories Israel considers vital to its security.

Why did Mr. Bush gratuitously insult Israel's elected leader by announcing his conclusion before Mr. Shamir could even make his case?

At a reception for Mr. Mubarak in the home of the Vice President, I put that to Brent Scowcroft, our national security adviser. He would say only, "We did not intend to make news."

If that is true, then the State Department, the N.S.C., which cleared it, and the President who spoke the blunt words did not consider as newsworthy a U.S. call for Israel to get out of the West Bank. Such ignorance of a change of position would reveal incredible ineptitude at all levels.

I think the statement was not a mistake, but was a Bush-Baker calculation, more heavy-handed than evenhanded, to pressure Israel and placate the P.L.O. Many in the diplomatic press corps swallowed State Department protestations that nothing was new, but Barry Schweid of the A.P. and Tom Friedman of The New York Times put that major change in their leads.

The Egyptian Ambassador, Raoufel-Reedy, spotted me at the fruitkebab table and motioned me over to meet his boss. I cheerfully identified myself as a right-wing pro-Israeli hawk and asked Mr. Mubarak why he had refused to meet Mr. Shamir in the Oval Office.

"I once offered to go to Jerusalem," said President Mubarak animatedly, "and he issued the invitation, but then he started talking about his three 'no's,' so how could I go? What would be the public opinion?"

He left out the part about conditioning his visit on Israeli acceptance of an international conference, but my concern was this week's snub: What would have been the harm in meeting in Washington, since both were in town?

"To talk about what?" he counterqueried.

Free elections on the West Bank and Gaza, for a starter.

"Free?" He made a skeptical face. It's not for the press to negotiate for anybody, but since he was asking, I threw in the compromise being bruited about: free elections under some sort of international supervision.

As if he had been waiting for that precise formulation, The President of Egypt leaned forward and put his finger on my chest. "You tell them this. You tell him if he is willing to have elections under international supervision, I'll help."

How much will he help?

"I'll help to the maximum."

As God, and the V.P., our national security adviser, the Egyptian Ambassador and our nail-nibbling Chief of Protocol are my witnesses, that's what the man said. It's a good bet that's also what Mr. Mubarak said privately to Mr. Bush and Mr. Quayle.

Let us now review the state of play. Israel can be expected to hedge its free-elections proposal with restrictions, among them: not until the intifada violence stops; no P.L.O. candidates; the first stage only for municipal offices, and the polls supervised by Israelis with invited observers.

This opening position will be frowned on by Egypt as "not enough," dismissed by ABC News as "warmed-over Camp David" and denounced by Yasir Arafat, who worries about losing his authority to freely elected local Palestinian leaders.

However, the Shamir offer provides running room for mediators—even those who impose settlement terms before negotiations begin.

The intifada could cool it without agreeing to ice it; non-P.L.O. candidates could proclaim their P.L.O. affection; the municipal officers could have a territories-wide function; and while the Zionism-is-racism U.N. would hardly be disinterested, supervision by a few countries with democratic experience would be acceptable.

Now watch how the bash-Israel crowd tries to turn "free elections" into dirty words. Not "new"? Nothing could be newer to most Arabs than a secret ballot. Arab regimes do not tolerate elections that offer genuine choices; they do not want West Bank and Gaza Palestinians to lead the way because democracy is contagious.

But President Mubarak says to tell Mr. Shamir he is ready to "help to the maximum" to conduct such elections under international supervision. Message passed. Worth following up.

[From the Washington Post, Apr. 7, 1989]

A STONE'S THROW TO A PLO STATE

(By Charles Krauthammer)

Iraq is acquiring nuclear bombs. Syria already has poison gas. Saudi Arabia has long-range missiles. And now we learn that Libya, which is building a chemical weapons factory, is acquiring long-range fighter-

bombers. At which country do you think these weapons of extermination will be aimed?

The target, in Arab parlance, is not a country at all, but the "Zionist entity." (The fact that not a single Arab country has recognized Israel following Yasser Arafat's much heralded "recognition" of Israel last December shows that the rhetorical device, meant to impress eternally gullible Americans, was thoroughly understood by the Arabs to be meaningless.)

Nuclear bombs and poison gas and long-range missiles do not show up on American television. What shows up nightly are 16-year-old boys throwing stones at Israeli soldiers. The viewer can be foregiven for believing that Israel is threatened by no more than 16-year-old stone-throwers and for wondering at the hardheartedness of the Jews in denying these youths their own state on a small piece of Middle Eastern territory.

But in a Palestinian state, 16-year-old boys will not rule. The armed factions of the PLO will. The West Bank will become the locus of murderous conflict between PLO factions, each backed by an Arab patron, precisely as has happened in Lebanon for the last 14 years. (Today's Lebanese lineup card has, among other things, Iraqis arming Christians, Syrians arming Druze, and Iranians arming Shiites). After the occupation, the West Bank, now Belfast, becomes Beirut.

The real danger from a West Bank state is not stones thrown into Tel Aviv, but inherent instability. Being nonviable economically and politically, a West Bank state would need to expand into its neighbors—Israel and Jordan—in order to become viable. The resulting irredentist turmoil and agitation would invite intervention from states such as Syria and Iraq.

These states, implacably opposed to Israel's existence and now possessing not only huge tank armies but also weapons of mass extermination, await two developments before risking a war for the final liberation of Palestine; a gravely weakened Israel (i.e., an Israel that had given up the strategic depth of the West Bank) and the opportunity to intervene on behalf of a beleaguered state of Palestine. A PLO state provides both of these indispensable conditions for war.

A PLO state, an idea now as fashionable as the checkered kafiyeh, is a trap. What is the alternative? The alternative, outlined by Israeli Prime Minister Shamir on his visit this week in Washington, is a peace process that rests on two principles: a transitional period and elections.

Whatever arrangements Israel and the Palestinians make, no ultimate solution is attainable now. There has to be a transition period during which each side can demonstrate to the other its bona fides. An Israeli poll taken last week shows that two-thirds of Israelis believe that the Palestinians will not be satisfied with a West bank state. They have reason so to believe. Only two weeks ago, Arafat said that "the Declaration of Palestinian Independence constitutes a beginning of the real confrontation of the Zionist project on the land of Palestine itself." Leila Khalid puts it more bluntly: "We will return to Nablus and then move on to Tel Aviv." Only time will permit a demonstration that the Palestinians do not truly intend what they now say they intend for Israel.

The second idea is elections on the West Bank to produce an indigenous Palestinian negotiating authority. The ferocity with which this idea has been attacked by non-West Bank Palestinians makes one wonder what they are so afraid of. Prof. Rashid Khalidi, writing from Chicago, says there could be no real election under the harsh conditions of Israeli occupation.

The idea that a secret ballot cannot be conducted honestly by the Israelis is simply false. No one disputes the honesty of the West Bank municipal elections conducted in 1976. (In fact, they were so honest in expressing Palestinian discontent that the Israeli government eventually fired the elected mayors.)

Moreover, Palestinian propagandists never hesitate to use polling data from the West Bank to prove the fealty of the West Bankers to the PLO. An opinion poll is an open ballot. Polls require conditions of far more political freedom than do secret ballots. Khalidi and other PLO propagandists freely invoke West Bank polls, yet now pretend that a secret ballot is not to be trusted. The argument is bogus. It reflects a deep fear by Palestinian exiles—most of whom come from (and thus want to take over) not the West Bank but Israel—that with elections they are going to lose the initiative to West Bankers, who might ultimately be more prepared for compromise.

Shamir's peace initiatives are already being derided as Camp David "old ideas." Old? Do treaties now carry a 10-year statute of limitations? At Camp David, Israel gave up all of Sinai in return for certain arrangements and promises. Israel is now being asked to give up more land in return for more arrangements and promises. Will Israel be told 10 years later that these arrangements and promises are "old," that Israel is now required to come up with "new ideas" to satisfy new and more expansive Palestinian aspirations for—who knows?—the Galilee? Trashing Camp David does not give Israel confidence that the United States will stand by its commitments when the Arabs, having pocketed Israel's concessions today, demand more tomorrow.

Elections, autonomy, transition. Shamir's ideas may not be new—novelty is a highly overrated diplomatic commodity—but they are realistic. They are the best way toward Bush's proclaimed goal of "Palestinian political rights." Only Israel can grant these rights. And only under conditions of prudence and reciprocity will Israel grant them.

[From the Wall Street Journal, Apr. 5, 1989]

MIDDLE EASTERN REALITIES

The Middle East, its problems normally far away, is on America's doorstep this week. Israel's Yitzhak Shamir and Egypt's Hosni Mubarak are both making separate visits to talk with President Bush. With Secretary of State Baker in the lead, Mr. Bush is talking about an international peace conference and the need for "a new atmosphere." Over the years, Washington probably has spent more time sitting in rooms in Washington talking about the Middle East than any other foreign-policy problem. We suspect the quality of that talk would benefit greatly if both George Bush and Jim Baker personally toured those portions of the old Palestine Mandate that sit at the heart of this matter.

We did so recently, particularly the hills of Samaria. The United Nations had allotted these hills to the Jordanians in 1947. They would still have them but for the fact that in 1967 during the Six Day War, when it looked as if Israel would be destroyed by Syria and Egypt, Jordan belatedly joined the fray, only to lose Judea as well as Samaria. Arab attacks in 1973 failed to destroy Israel, and Jordan abandoned its claim to the lands last year.

We entered by car northeast of Tel Aviv, at a point where according to the old lines of 1949, Israel was but nine miles wide. The rocky hills rise sharply (some, but not all, have enough grass to graze goats, and in the valleys there is increasing agriculture by Arabs and Jews). In 1977 in Judea and Samaria there were 25 Jewish settlements and two more under construction; today there are 138. Our guide—Ariel Sharon, who was a minister involved in the development of this region when much of the expansion was planned—routed us near or through a dozen of these towns, neat concrete and stucco housing, some with factories, university or agricultural buildings.

To the Israelis, the most striking thing about this area is its military significance by three important measures: depth (from the Samarian hills one can scan with the naked eye the Israeli coast and its main population centers); the eastern front (a quick drive inland and one is looking at the Jordan River and the potential invasion routes of Jordan, Syria and Iraq); and Jerusalem (these hills feed to the approaches of Israel's capital). Jewish towns now overlook the most important military vantage points, intersections and roads.

It is sobering to stand in the Samarian hills with General Sharon, to listen to his explication of their military significance and to be reminded by him that Czechoslovakia's key defensive positions lay in the Sudetenland, which was lost through peace negotiations at Munich. One thing the visitor notices is how small the perspectives are in this region, which is why global strategists worry about a conflict today escalating out of control. Imagine, for instance, the implications of Iraqi chemical weapons being launched indiscriminately aboard inaccurate missiles. Israel would no doubt take what measures it thought necessary to end an assault by such weapons.

It is difficult to find in Israel a responsible official who doubts that the Arab riots and the current peace overtures are part of a broader military strategy. While the PLO's chairman, Yasser Arafat, is talking peace to the Americans and the Western press, his PLO colleagues are reminding the Arabs of the "phased plan" adopted in 1974 by the Palestine National Council in Cairo. The plan eyes the destruction of Israel in phases, starting with the declaration of a PLO state on any land that can be gained and operating from there.

As recently as November of last year, the PLO journal Al-Yom Al-Sabah quoted Abu Iyad, Mr. Arafat's key deputy, as saying that the PNC decisions last year in Algiers, which set the stage for the current peace overtures, "are a refinement of the Palestinian position as adopted in the Phased Plan in Cairo 14 years ago.

The PNC session in Algiers in 1988 was meant to revitalize this program and to create a mechanism to get it moving."

In January, the Agence France Press quoted Nayif Hawatmeh, chairman of the Democratic Front for the Liberation of Palestine, a PLO constituent, as saying, "The Palestine struggle should now be aimed at creating a state in the West Bank and Gaza. This will not prevent us from achieving our final aim of liberating all of Palestine." Mr. Bush's State Department Arabists undoubt-

edly can provide him with reams of this documentary material.

Even in the volatile politics of the Middle East it's important to note gradations of responsibility among the players. Egypt concluded and has honored a peace with its Israeli neighbor. In resolving the Taba dispute recently. Egypt showed an ability to negotiate responsibly toward a goal, rather than bluster for the world media. Jordan obviously wants out of this conflict. It is harder to guage precisely the intentions of a Saudi Arabia that is embarking on a $30 billion arms-buying binge.

But can Israel assume that any of these could stand aside in a war provoked by Arab hotheads such as Iraq and Syria? Israel faces on its eastern front more combat divisions than the 21 active divisions that exist in the U.S. Army; Iraq's army alone has ballooned since 1979 to 47 divisions from seven. Israeli analysts have little doubt that were a Palestinian state to be set up on the West Bank the region's forces would gradually (or suddenly) be brought forward and, without a buffer, the Jewish state would be in mortal peril.

To put it plainly, what is at stake in any "new" political arrangement is Israel's survival. And in turn what is at stake for the United States is the credibility of this country's commitment to an embattled nation that has remained a democratic outpost for 40 years. Rather than see Israel destroyed in any war, the U.S. almost certainly would feel forced to intervene, politically and perhaps militarily. If, however, it remains the goal of U.S. policy to prevent war in this region, it is no doubt easier to do so by making its loyalties clear now, rather than when the armies are moving.

[From the New York Times, Apr. 4, 1989]

(By A.M. Rosenthal)

THE SYRIAN EMPIRE

Every day, artillery shells and rockets launched by Syria fall on Beirut. They come from within the city itself or bases just outside it.

Every day, Lebanese die under the bombardment—a dozen, 30, maybe 50. Year after year of war and terror have made collecting precise numbers of the dead and maimed a fantasy. It is enough to live through the day.

The Lebanese Ambassador to the United States, Dr. Abdallah Bouhabib, says Syrian attacks are wiping out crops, water and power stations and strangling the country. He says on the phone he has formally appealed to President Bush to try to get the Syrians to cease fire.

The Ambassador also says the 35,000 Syrians are stepping up the shelling—20,000 shells in one day. And he says Syria now is asking Iran to order Hezbollah, Teheran's terror organization in Beirut, into action against the Lebanese Government.

But the world pays virtually no attention. No protest demonstrations, no United Nations denunciatory resolutions, none.

The Syrians, who hold down 70 percent of the country, are free to murder as many Lebanese as their shells can reach; nobody seems to mind very much.

Western journalism is largely absent. The danger of being kidnapped and held a chained hostage is too high—another victory for terrorism.

The Soviet Union is Syria's ally and military supplier. The third world obviously does not think that Arab killing Arab is anything to make a fuss about.

The silence chills the marrow. So does the astonishing fact that Israel, next door to Lebanon and Syria, is being pressured to risk its survival on the mad assumption that the Syrians would not try to do to the Jews what they have so eagerly done to their Arab brothers; slaughter them in the cause of Syrian empire.

Western nations and the Soviet Union lecture Israel solemnly about its obligation to prepare the way at once for another Palestinian state under the domination of the Palestine Liberation Organization.

Yet the major powers know Syria has sworn it will never rest until Israel is destroyed. The Soviet treaty with Syria contains clauses that challenge the very existence of Israel by equating Zionism with colonialism and racism.

They know high P.L.O. officials still tell their followers that a small, new Palestine state would be the first phrase of a plan to eradicate Israel.

And the major powers know the Syrian dream goes much further—that one day all of the area, including Lebanon, Jordan and all of Palestine after Israel's destruction, will be part of a Greater Syrian Empire.

But in all the lectures to Israel, not a word is said to acknowledge that it would be only a matter of time, not much time, before the Palestine would begin to boil with the demand for expanding into Israel.

Would Yasir Arafat resist that pressure? Could he? How long before Palestinian groups began killing each other with mortar fire and rockets, as rival Lebanese and Palestinian groups do in Lebanon?

Does anybody really believe Syria would not foment civil war in the new Palestine and not contribute its own bombardment?

Israel would have only two choices: to wait for Palestinian or Syrian rockets to land in Israel, or move its troops first.

If Israelis want to gamble their destiny on a change of heart in Syria and the Palestinian irredenists, that will be their affair. But for the West and the Soviet Union to pressure them into it and for individual Americans, Jew or non-Jew, to add to that pressure, seems to me sad and dangerous.

It would also be dangerous for the Israelis to go on ignoring the Palestinian reality, as their Governments did for so many years. Prime Minister Yitzhak Shamir, who is due in Washington this week, will propose West Bank elections to pick Palestinian negotiators. That would begin the laborious process of discussion and testing outlined in the Camp David agreement a decade ago, which he once opposed.

The Palestinians will reject that at first. Why not? The insurrection has created world sympathy for them and has made hostility toward Israel not merely respectable but terribly fashionable.

But Palestinians know the insurrection has lasted so long—15 months—because the Israelis are unwilling to do what the Syrians do to opposition in Lebanon and their own country: end it with slaughter. In a Syrian empire, any Palestinian rock-throwing intifada would last about one day.

Israel watches what happens in Lebanon, hour by hour. It is likely that the lesson Syria is teaching is also being studied on the West Bank.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE COMMODITY CREDIT CORPORATION MESSAGE FROM THE PRESIDENT—PM 33

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the provisions of Section 13, Public Law 806, 80th Congress (15 U.S.C. 714k.), I hereby transmit the report of the Commodity Credit Corporation for fiscal year 1987.

GEORGE BUSH.

THE WHITE HOUSE, *April 18, 1989.*

REVISED DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 34

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified on April 11, 1986, was referred jointly to the Committee on Appropriations and the Committee on the Budget:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report five revised deferrals of budget authority now totaling $649,663,811.

The deferrals affect programs in the Departments of Agriculture, Defense-Civil, Energy, Health and Human Services-Social Security Administration, and Justice.

The details of the deferrals are contained in the enclosed report.

GEORGE BUSH.

THE WHITE HOUSE, *April 18, 1989.*

MESSAGES FROM THE HOUSE

At 2:44 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 45. Joint resolution designating May 1989 as "Older Americans Month".

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 96. Concurrent resolution providing for participation by delegations of Members of both Houses of Congress in ceremonies to be held in April 1989 in New York City marking the 200th anniversaries of the implementation of the Constitution as the form of government of the United States, the convening of the first Congress, the inauguration of President George Washington, and the proposal of the Bill of Rights as the first ten amendments to the Constitution; and

H. Con. Res. 97. Concurrent resolution providing for a conditional adjournment of the House from Tuesday, April 18, 1989, until Tuesday, April 25, 1989, and a conditional recess or adjournment of the Senate from Wednesday, April 19, or Thursday, April 20, or Friday, April 21, or Saturday, April 22, 1989, until Monday, May 1, 1989.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 45. Joint resolution designating May 1989 as "Older Americans Month".

At 5:34 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

For consideration of the House bill, and the Senate amendment (except section 115 and title II), and modifications committed to conference: Mr. HAWKINS, Mr. MURPHY, Mr. FORD of Michigan, Mr. CLAY, Mr. WILLIAMS, Mr. HAYES of Illinois, Mr. PERKINS, Mr. PAYNE of New Jersey, Mr. GOODLING, Mr. PETRI, Mr. BARTLETT, Mr. ARMEY, and Mr. FAWELL.

For consideration of section 115 and title II of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. JACOBS, and Mr. ARCHER.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 20. An act to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes;

H.R. 1385. An act to make permanent the Martin Luther King, Jr., Federal Holiday Commission;

H.R. 1487. An act to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes; and

H.R. 1722. An act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act.

The message further announced that pursuant to section 5 of Public Law 100-382, the Speaker appoints Mr. Gordon Ambach, from private life, as a member on the part of the House to the Advisory Committee of the White House Conference on Library and Information Sciences, to fill the existing vacancy thereon.

The message also announced that pursuant to the provisions of 22 United States Code 276d, the Speaker appoints as members of the United States delegation to attend the meeting of the Canada-United States Interparliamentary Group the following Members on the part of the House: Mr. GEJDENSON, Chairman, Mr. FASCELL, Vice Chairman, Mr. HAMILTON, Mr. DE LA GARZA, Mr. OBERSTAR, Mr. LAFALCE, Mr. KOSTMAYER, Mr. BROOMFIELD, Mr. HORTON, Mr. STANGELAND, Mr. MARTIN of New York, and Mr. MILLER of Washington.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 20. An act to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Governmental Affairs.

H.R. 1487. An act to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes; to the Committee on Foreign Relations.

H.R. 1722. An act to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act; to the Committee on Energy and Natural Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-61. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Appropriations.

HOUSE JOINT MEMORIAL NO. 14

"Whereas, the Idaho National Engineering Laboratory (INEL), a Department of Energy facility, is sited over the Snake River aquifer which is the sole source of domestic and irrigation water for thousands of Idaho's residents and a major tributary to the Snake River; and

"Whereas, over 4.3 million cubic feet of transuranic waste is currently held in above ground storage or buried in shallow trenches; and

"Whereas, some of these wastes were not stored or buried in a manner meeting current requirements; and

"Whereas, officials of the Department of Energy have agreed to commit substantial resources to accelerate the cleanup process; Now, therefore, be it

Resolved, by the First Regular Session of the Centennial Legislature, the House of Representatives and the Senate concurring therein, that we commend the Department of Energy for this significant step in providing a solution to the waste storage problem; and be it further

Resolved, That we request the Congress of the United States to support the efforts of the Department of Energy by appropriating the funds necessary for the cleanup of the nuclear and toxic waste improperly stored or buried at the INEL site, for the safe transportation of these materials from the state of Idaho and/or for the storage of these materials in a facility designed for that purpose; and be it further

Resolved, That there should be a continuation of full, open debate about the political, economic, and environmental questions of future projects, of waste disposal, and the possible impact of these projects upon the irreplaceable natural resource of the Snake River aquifer; and be it further

Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this memorial to the honorable President of the United States, George Bush, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-62. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Commerce, Science and Transportation.

"HOUSE JOINT MEMORIAL NO. 9

"Whereas, Congress enacted the Commercial Motor Vehicle Safety Act of 1986 to establish minimum standards for state testing and licensing of commercial motor vehicle drivers and to require certain information to be shown on commercial drivers' licenses; and

"Whereas, the vehicles affected are defined by the act as those vehicles certified by the manufacturer to be over 26,000 pounds gross weight; and

"Whereas, approximately 40,000 highway maintenance trucks operated by local government entities come under the provisions of the Commercial Motor Vehicle Safety Act of 1986; and

"Whereas, drivers of local highway, road and street maintenance trucks are trained employees and are committed to the integrity of organizational discipline; and

"Whereas, local-entity highway maintenance vehicle drivers operate only within city and county boundaries and normally during periods of lowest daily traffic volumes, thus presenting limited exposure in predominantly low-speed areas; and

"Whereas, the described maintenance vehicles are in the lower range of gross weights in excess of 26,000 pounds, have a satisfactory safety record, and are not involved in hauling for commerce. Now, therefore, be it

"*Resolved* by the members of the First Regular Session of the Centennial Idaho

Legislature, the House of Representatives and the Senate concurring therein, that we petition the United States Congress to exempt local-entity highway maintenance vehicle drivers from the requirements of the Commercial Motor Vehicle Safety Act of 1986; and be it further

"*Resolved*, That the Chief Clerk of the House of Representatives and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, the Secretary of the United States Department of Transportation, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and the congressional delegation representing the state of Idaho in the Congress of the United States."

POM-63. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources.

"RESOLUTION NO. 156

"Whereas, many nations previously without nuclear weapons are now joining the "Nuclear Club" by developing the capacity to produce nuclear weapons, including many nations with extremely volatile and anti-western governments; and

"Whereas, as the number of nations with nuclear capabilities grows, it is less and less likely that international safeguards and limits on these dangerous weapons will be approved by all the nations that possess them, and as nations already in the Nuclear Club are producing newer, more accurate, and more destructive nuclear arms, the threat of nuclear war through accident or provocation looms ever larger over all the inhabitants of Earth; and

"Whereas, as leader of the free world, guardian of the Western democracies, and model of democracy in a world where the majority of inhabitants are denied basic human rights, the United States should employ its technology, as far as resources permit, to hold the threat of nuclear blackmail or annihilation at bay, and therefore should supplement its present strategic deterrence capabilities by developing and displaying strategic defense systems; and

"Whereas, America's policymakers should implement a strategy of defense, rather than a strategy of offense alone, to ensure that problems with the verification of existing or future agreements limiting strategic offensive weapons do not impinge upon the safety or freedom of Americans, a viable strategic defense system increasing the chances that Americans, and indeed all of humanity, could escape the specter of nuclear holocaust and conflagration, and, thus, American leaders should emphasize to Soviet leaders that the United States has embraced the concept of defense over offense, and regards a strategic defense system as a prerequisite to world stability in the nuclear age; Now, therefore, be it

"*Resolved*, That the Nineteenth Guam Legislature does hereby on behalf of the people of Guam endorse the concept of a viable strategic defense system that would increase our chances of surviving a nuclear attack, and does call upon Congress to fund the research and development of such a system to protect the United States and reduce the threat of nuclear was; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President and Vice President of the United States; to the Speaker of the United States House of Representatives; to Congressman Ben Blaz; and to the Governor of Guam."

POM-64. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL NO. 7

"Whereas, the Legislature of the state of Idaho finds and declares that there is a need for additional reservoir storage in the upper Snake River Basin to meet existing and future water needs during periods of drought; and

"Whereas, the resolution of federal reserved water rights in the Snake River Basin whether through a negotiated process or through litigation will involve the acquisition of additional storage to meet existing water uses; and

"Whereas, the Teton Dam and Reservoir Project authorized by Congress in 1964 for irrigation, flood control, power, recreation and fish and wildlife remains as a moral if not legal obligation of the federal government to the state of Idaho; and

"Whereas, the economic feasibility of rebuilding the Teton Dam and Reservoir Project should be based on the planning criteria including the interest rate in effect at the time the project was authorized in 1964; and

"Whereas, some of the project facilities which remain after the tragic loss of Teton Dam in June, 1976, are usable and will contribute toward the economical rebuilding of the project; and

"Whereas, the local people strongly support the need for the Teton Dam and Reservoir Project and request that it be rebuilt at the earliest opportunity: Now, therefore, be it

"*Resolved* by the members of the First Regular Session of the Centennial Idaho Legislature, the House of Representatives and the Senate concurring therein, that we do hereby petition the Congress of the United States to act immediately to authorize and appropriate funds to the U.S. Bureau of Reclamation for an evaluation of the feasibility of reconstruction of the Teton Dam and Reservoir Project; and be it further

"*Resolved*, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of the United States Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

"HOUSE JOINT MEMORIAL NO. 13

"Whereas the state of Idaho is large and diverse in area and generally not densely populated; and

"Whereas the problems regarding solid waste facing Idaho and other intermountain western states are much different than the problems regarding solid waste facing highly urbanized states; and

"Whereas regulations dictated for solid waste management practices by the final adoption of 40 CFR Parts 257 and 258 Solid Waste Disposal Facility Criteria referred to as Subtitle D regulations will severely impact our state; and

"Whereas Idaho has not experienced major problems because of past solid waste management practices; and

"Whereas the costs of implementing the final adoption of Subtitle D regulations will severely impact our limited population by placing substantial financial burden on our citizens;

Now, therefore, be it

"Resolved by the members of the First Regular Session of the Centennial Idaho Legislature, the House of Representatives and the Senate concurring therein, that we commend the Environmental Protection Agency for this significant step in providing a solution to the potential pollution problems that can occur with landfills and that we request the Environmental Protection Agency to develop Subtitle D regulations that provide for consideration of site-specific conditions that warrant exemptions; and be it further

"Resolved, That we request the Congress of the United States to support the efforts of the Environmental Protection Agency by appropriating the funds necessary to implement the final adoption of Subtitle D; and be it further

"Resolved, That the Legislature of the State of Idaho requests that the Environmental Protection Agency consider and incorporate recommendations, that will be forthcoming from Idaho, into the Subtitle D regulations; and be it further

"Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copy of this Memorial to the honorable President of the United States, George Bush, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States and to the Administrator of the Environmental Protection Agency, William Reilly."

POM-66. A petition from a citizen of the city of Silver Spring, Maryland, to conduct public hearings on operation and enforcement of the Foreign Agents Registration Act of 1938 as amended; to the Committee on Foreign Relations.

POM-67. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary.

"HOUSE JOINT MEMORIAL NO. 6

"Whereas, a well educated citizenry is crucial to a self-governing nation; and

"Whereas, the Constitution of the United States is the fundamental document of the constitutional system of government under which we prosper; and

"Whereas, as a society we hold the Constitution of the United States, and the governmental system established pursuant to the Constitution, in high esteem; and

"Whereas, a thoughtful study of the Constitution is appropriate to each individual citizen and will serve as an opportunity to commit, along with our President ". . . to preserve, protect and defend the Constitution of the United States"; and

"Whereas, it is desirable that a national day of recognition be designated for the purpose of honoring the work of our nation's founders and studying the concepts embodied in their great work, the Constitution of the United States; and

"Whereas, September 17, 1787, is the date on which the Constitution was approved by all twelve state delegations at the Constitutional Convention, and signed by 39 of the 42 delegates present; Now, therefore, be it

"*Resolved* by the members of the First Regular Session of the Centennial Idaho Legislature, the House of Representatives and the Senate concurring therein, that we

urge the Congress of the United States to take steps necessary to designate September 17 as a National Constitutional Commemorative Day. National activities should be established and state and local jurisdictions should be encouraged to establish activities which would serve to enhance the level of knowledge about the Constitution of the United States and appropriately honor the work of the Constitutional Convention; and be it further

"Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, George Bush, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-68. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Rules and Administration.

"HOUSE JOINT MEMORIAL No. 11

"Whereas, the American citizens, in the western United States as well as the eastern United States, are equal partners in the democratic process; and

"Whereas, with the advent of the eastern-based news media's early evening election projections, voters in the western United States have been taken for granted in presidential elections; and

"Whereas, early projections, made when polls in the western states are still open, create the impression that western voters have no role to play in the selection of our president; and

"Whereas, it is therefore time to restore the electorate of the western states to its rightful place in the political process; Now, therefore, be it

"Resolved by the members of the First Regular Session of the Centennial Idaho Legislature, the House of Representatives and the Senate concurring therein, that the Idaho Legislature does petition the 101st Congress to reconsider legislation, introduced in its last session, to mandate that all polls in the continental United States close at the same time, 9:00 p.m. Eastern Standard Time, according to the following schedule: 9:00 p.m. Eastern Standard Time, 8:00 p.m. Central Standard Time, 7:00 p.m. Mountain Standard Time and 7:00 p.m. in the Pacific Time Zone, according to Daylight Saving Time; and be it further

"Resolved, in order to accomplish this closing time schedule, that Daylight Saving Time would be extended for two weeks in the Pacific time zone in presidential election years; and be it further

"Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-69. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Veterans Affairs.

"JOINT RESOLUTION

"Whereas, many Maine Atomic Veterans have died of cancer, luekemia and other radiation-induced illnesses; and

"Whereas, Public Law 100-321 provides compensation to Atomic Veterans for certain illnesses but invokes a latency period of 40 years for certain cancers and 30 years for certain leukemias; and

"Whereas, Atomic Veterans who have either been diagnosed as having, or are deceased as a result of, colon cancer or cancer of the parotid gland are denied benefits by Public Law 100-321; and

"Whereas, colon cancer and cancer of the parotid gland are internationally recognized as being caused by radiation exposure; and

"Whereas, no concrete scientific evidence of the type that would be supported by application of the Reasonable Man Doctrine exists to substantiate latency periods; now, therefore be it

"Resolved: That We, your Memorialists, respectfully recommend and urge the Congress of the United States to grant presumptive compensation to Atomic Veterans for cancer of the colon and the parotid gland and to delete latency period requirements for radiation compensation from the law; and be it further

"Resolved; That a duly authenticated copy of this Memorial be immediately submitted by the Secretary of State to the Honorable George H.W. Bush, President of the United States, the President of the Senate and the Speaker of the House of the Congress of the United States, to each Member of the Senate and House of Representatives in the Congress of the United States from this State and to the Governors of the 50 United States."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BURDICK, from the Committee on Environment and Public Works:

William G. Rosenberg, of Michigan, to be an Assistant Administrator of the Environmental Protection Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations:

Reginald Bartholomew, of Virginia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Under Secretary of State for Coordinating Security Assistance Programs;

Paul D. Coverdell, of Georgia, to be Director of the Peace Corps;

Michael Hayden Armacost, of Maryland, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Michael H. Armacost.

Post: Japan.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse, Roberta B., none.

3. Children and spouses, Scott, Timothy, and Christopher, none.

4. Parents names, George H. and Verda H. Armacost (mother deceased). No good record, but estimated $2,500 for four years to various GOP candidates.

5. Grandparents names, deceased.

6. Brothers and spouses names, Samuel H. and Mary Jane Armacost (brother):

$4,000.00, 1984, Bank of America PAC.

$1,000.00, 1985, Bob Dole.

$1,000.00, 1985, Lincoln Club.

$3,000.00, 1986, PAC.

$1,500.00, 1986, Ed Zschau, U.S. Senate.

$1,000.00, 1987, Pete Wilson, U.S. Senate.

$500.00, 1988, Tom Campbell, U.S. House.

Peter and Sue Armacost (brother): $1,000.00 in contributions to various GOP candidates in Florida over past four years.

7. Sisters and spouses names, Mary and Jack Hulst, none.

James Roderick Lilley, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: James Roderick Lilley.

Post: Beijing, F.R.C.

Nominated: February 1, 1989.

Contributions, amount, date and donee:

1. Self, none.

2. Spouse, Sally Booth Lilly:

$125, 1986, GOP Victory Fund.

$120, 1986, Republican Presidential Task Force.

$30, 1986, Republican Party.

$195, 1987, Republican Presidential Task Force.

$250, 1987, George Bush for President.

$90, 1988, George Bush for President.

$60, 1988, Republican Presidential Task Force.

3. Children and spouses names, 3 sons, Douglas Taylor Lilley, Michael Bush Lilley, Jeffrey Beall Lilley, no known contributions.

4. Parents names, Frank Walder Lilley, deceased 1961. Inez Bush Lilley, deceased 1983.

5. Grandparents names, Frank Walder Lilley, deceased 1939, Rose O'Gorman Lilley, deceased 1943.

6. Brothers and spouses names, John Malcom Lilley and Ellen Lilley, no known contributions.

7. Sisters and spouses names, Elinore Lilley Washburn, and William Washburn, no known contributions.

Terence A. Todman, of the Virgin Islands, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Terence A. Todman.

Post: Ambassador to Argentina.

Contributions, amount, date and donee:

1. Self, none.

2. Spouse, Doris W. Todman, none.

3. Children and spouses names, Terence Jr., Patricia and Elike Rhymer, Kathryn and David Browne, Michael and Lynn Todman, none.

4. Parents names, Rachel Callwood, Alphonse Todman, (deceased 1945) none.

5. Grandparents names, deceased 1915 and 1918.

6. Brothers and spouses names, Robert and Emelda Frazer, Bristol (deceased) and Edith Frazer, none.

7. Sisters and spouses names, Gladys and Elisha Jackson, none.

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation:

Elaine L. Chao, of California, to be Deputy Secretary of Transportation;

Wendell Lewis Willkie, II, of the District of Columbia, to be General Counsel of the Department of Commerce;

Rear Adm. Howard B. Thorsen, USCG as Commander, Atlantic Area, United States Coast Guard with the grade of vice admiral while so serving;

The following officers of the United States Coast Guard for appointment to the grade of rear admiral:

Joseph E. Vorbach
George D. Passmore, Jr.
Ernest B. Acklin, Jr.

The following officers of the United States Coast Guard for appointment to the grade of rear admiral (lower half):

John N. Faigle
Peter A. Bunch
David F. Ciancaglini
William J. Ecker

Mr. HOLLINGS. Mr. President, for the Committee on Commerce, Science, and Transportation, I report favorably three nomination lists in the Coast Guard which were printed in full in the CONGRESSIONAL RECORDS of January 3, February 8 and 22, 1989, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to request to appear and testify before any duly constituted committee of the Senate.)

By Mr. LEVIN, from the Committee on Armed Services:

Donald J. Atwood, of Massachusetts, to be Deputy Secretary of Defense.

(The above nominations were reported with the recommendation that it be confirmed, subject to the nominees' commitment to respond to request to appear and testify before any duly constituted committee of the Senate.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 3, February 21, March 1, March 6, March 7, March 9, and March 17, 1989 at the end of the Senate proceedings).

*In the Air Force there are 51 appointments to the grade of brigadier general (list begins with George K. Anderson) (Reference No. 73)

*In the Marine Corps there are 12 promotions to the grade of brigadier general (list begins with Wayne T. Adams) (Reference No. 83)

*In the Marine Corps Reserve there are two promotions to the grade of brigadier general (list begins with John Thomas Coyne) (Reference No. 84)

*In the Navy there are 22 promotions to the grade of rear admiral (list begins with Ralph Whitaker West, Jr.) (Reference No. 90)

*In the Navy Reserve there are 7 promotions to the grade of rear admiral (list begins with Stephen Gordon Yusem) (Reference No. 94)

**In the Army there are 94 promotions to the grade of colonel (list begins with Michael D. Benner) (Reference No. 114)

**In the Army there are 1,209 promotions to the grade of lieutenant colonel (list begins with Ralph P. Aaron) (Reference No. 115)

*In the Naval Reserve there are 8 promotions to the grade of rear admiral (lower half) (list begins with Thomas Christopher Irwin) (Reference No. 160)

**In the Army Reserve there are 605 promotions to the grade of colonel and below (list begins with Joseph E. Abodeely) (Reference No. 165)

**In the Navy there are 342 promotions to the grade of captain (list begins with Randall Otto Abshier) (Reference No. 166)

*Col. Robert E. Brady, USA, to be brigadier general (Reference No. 172)

*Vice Adm. Robert F. Dunn, USN, to be placed on the retired list in the grade of vice admiral (Reference No. 173)

*Vice Adm. Edward H. Martin, USN, to be placed on the retired list in the grade of vice admiral (Reference No. 174)

*Vice Adm. Stanley R. Arthur, USN, to be reassigned in the grade of vice admiral (Reference No. 175)

**In the Army Reserve there are 80 promotions to the grade of colonel and below (list begins with Howard M. Bowe) (Reference No. 186)

**In the Army Reserve there are 79 promotions to the grade of colonel and below (list begins with Naman X. Barnes) (Reference No. 187)

**In the Army Reserve there are 79 promotions to the grade of colonel and below (list begins with Charles W. Ackerman) (Reference No. 188)

**In the Army Reserve there are 3,045 promotions to the grade of colonel and below (list begins with Merritt J. Aldrich) (Reference No. 189)

*Rear Admiral (Selectee) John K. Ready, USN, to be vice admiral (Reference No. 192)

**In the Air Force there are 7 promotions to the grade of major (list begins with Linda L. Boyle) (Reference No. 198)

**In the Army there are 190 promotions to the grade of lieutenant colonel and below (list begins with Jose Aguirre) (Reference No. 202)

**In the Naval Reserve there are 462 promotions to the grade of captain (list begins with Bruce Charles Adams) (Reference No. 204)

**In the Air Force there are 19 promotions to the grade of lieutenant colonel (list begins with Elmer D. Ballard) (Reference No. 211)

*Lt. Gen. John L. Ballantyne III, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 213)

**In the Air Force there are 5 promotions and appointments to the grade of lieutenant colonel and below (list begins with Darrell L. Cook) (Reference No. 219)

**In the Army there are 2,402 promotions to the grade of major (list begins with George W. Abbott) (Reference No. 220)

*Maj. Gen. George L. Butler, USAF, to be lieutenant general (Reference No. 244)

*Brig. Gen. Philip G. Killey, ANG, to be major general (Reference No. 245)

*Maj. Gen. Henry Viccellio, Jr., USAF, to be lieutenant general (Reference No. 246)

*Col. Donald W. Sheppard, ANG, to be brigadier general (Reference No. 247)

*Lt. Gen. Edward Honor, U.SA, to be placed on the retired list in the grade of lieutenant general (Reference No. 248)

*Vice Adm. Jonathan T. Howe, USN, to be admiral (Reference No. 249)

*Vice Adm. John A. Baldwin, USN, to be reassigned in the grade of vice admiral (Reference No. 250)

*Maj. Gen. James S. Cassity, Jr., USAF, to be lieutenant general (Reference No. 264)

Total: 8,733.

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry:

Jack Callihan Parnell, of California, to be Deputy Secretary of Agriculture; and

Richard Thomas Crowder, of Minnesota, to be Under Secretary of Agriculture for International Affairs and Commodity Programs.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to request to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DURENBERGER (for himself, Mr. LAUTENBERG, Mr. BREAUX, Mr. BAUCUS, Mr. CHAFEE, Mr. BURDICK, Mr. MITCHELL, Mr. MOYNIHAN, Mr. WARNER, Mr. GRAHAM, Mr. JEFFORDS and Mr. LIEBERMAN):

S. 816. A bill to control the release of toxic air pollutants to reduce the threat of catastrophic chemical accidents and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRASSLEY (for himself, Mr. INOUYE, Mr. MCCAIN, and Mr. BURDICK):

S. 817. A bill to amend title VII of the Social Security Act to authorize appropriations for the Office of Rural Health Policy and to establish a National Advisory Committee on Rural Health, and for other purposes; to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 818. A bill to authorize a study on methods to pay tribute to the late Senator Clinton P. Anderson of New Mexico for his significant contribution to the establishment of a national wilderness system; to the Committee on Energy and Natural Resources.

By Mr. EXON (for himself, Mr. DANFORTH, Mr. KASTEN and Mr. ADAMS):

S. 819. A bill to strengthen the enforcement of motor carrier safety laws, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BOSCHWITZ:

S. 820. A bill to amend section 1503 of title 18, United States Code, relating to protecting officers and jurors from threats or force, to extend protections against threats to jurors after they have been discharged of their duties; to the Committee on the Judiciary.

By Mr. HELMS (for himself, Mr. DECONCINI, Mr. GRASSLEY, Mr. HUMPHREY, Mr. PRESSLER, Mr. THURMOND, and Mr. COATS):

S. 821. A bill to abolish the Commission on Executive, Legislative, and Judicial Salaries, establish a procedure for adjusting pay rates of certain Federal officers, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN:

S. 822. A bill to prohibit the importation into the United States of certain articles originating in Burma; to the Committee on Finance.

By Mr. LEVIN (for himself, Mr. DIXON, Ms. MIKULSI, Mr. MURKOWSKI, and Mr. SIMON):

S. 823. A bill to provide OPIC insurance, reinsurance, and financing to eligible projects in Poland; to the Committee on Foreign Relations.

By Mr. ROTH:

S. 824. A bill to create a Federal initiative for affordable quality child care, and for other purposes; to the Committee on Finance.

By Mr. FOWLER (for himself and Mr. NUNN):

S. 825. A bill to direct the Secretary of the Army to release a reversionary interest in certain land in Clay County, GA; to the Committee on Environment and Public Works.

By Mr. BENTSEN:

S. 826. A bill for the relief of River Publishers, Inc. of Wharton, TX; to the Committee on Governmental Affairs.

By Mr. PELL (by request):

S. 827. A bill to amend the Foreign Assistance Act of 1961 to authorize a multi-year economic assistance program for the Philippines, and for other purposes; to the Committee on Foreign Relations.

By Mr. DOMENICI (for himself, Mr. BOREN, Mr. DOLE, Mr. NICKLES, Mr. WALLOP, Mr. GARN, Mr. BINGAMAN, Mr. JOHNSTON, Mr. MCCLURE, and Mr. GRAMM):

S. 828. A bill to amend the Internal Revenue Code of 1986 to provide incentives for the removal of crude oil and natural gas through enhanced oil recovery techniques so as to add as much as 10 billion barrels to the U.S. reserve base, to extend the production of certain stripper oil and gas wells, and for other purposes; to the Committee on Finance.

By Mr. ROTH:

S. 829. A bill to provide the President with enhanced rescission authority at such time as the debt of the U.S. Government held by the public exceeds $2,378,000,000,000; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977 with instructions that if one committee reports, the other committee has 30 days of continuous session to report or be discharged.

By Mr. PELL (for himself, Mr. CHAFEE, Mr. KENNEDY, and Mr. KERRY):

S. 830. A bill to amend Public Law 99-647, establishing the Blackstone River Valley Heritage Corridor Commission, to authorize the Commission to take immediate action in furtherance of its purposes and to increase the authorization of appropriations for the Commission; to the Committee on Energy and Natural Resources.

By Mr. THURMOND:

S. 831. A bill for the relief of Maria Eduarda Lorenzo; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 832. A bill to amend title 23, United States Code, to provide funds for skill training; to the Committee on Environment and Public Works.

By Mr. METZENBAUM (for himself and Mr. LIEBERMAN):

S. 833. A bill to amend the Cable Act regarding cable communications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM (for himself, Mr. PRESSLER, and Mr. LIEBERMAN):

S. 834. A bill to amend the Clayton Act regarding cable communications, and for other purposes; to the Committee on the Judiciary.

By Mr. BRADLEY (for himself and Mr. HATCH):

S.J. Res. 103. Joint resolution to designate the period commencing February 18, 1990, and ending February 24, 1990, as "National Visting Nurse Associations Week"; to the Committee on the Judiciary.

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. BOND, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. D'AMATO, Mr. DURENBERGER, Mr. GORTON, Mr. JEFFORDS, Mr. LUGAR, Mr. MCCAIN, Mr. WILSON, Mr. MURKOWSKI, Mr. MCCONNELL, Mr. WARNER, Mr. PACKWOOD, Mr. GRASSLEY, Mr. HATCH, Mr. BUMPERS, Mr. CONRAD, Mr. DECONCINI, Mr. EXON, Mr. FORD, Mr. GORE, Mr. HARKIN, Mr. HOLLINGS, Mr. KOHL, Mr. MATSUNAGA, Mr. NUNN, Mr. PELL, Mr. REID, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SHELBY, and Mr. SIMON):

S.J Res. 104. Joint resolution to express the sense of the Congress with respect to the health of the Nation's children; considered and passed.

By Mr. DOLE (for himself, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. LUGAR, Mr. INOUYE, Mr. STEVENS, Mr. HUMPHREY, Mr. COCHRAN, Mr. WILSON, Mr. CONRAD, Mr. SIMPSON, Mr. MURKOWSKI, Mr. HELMS, Mr. HEFLIN, Mr. DURENBERGER, Mr. RIEGLE, Mr. SIMON, Mr. HATCH, Mr. WARNER, Mr. LEAHY, Mr. MCCAIN, Mr. ROBB, Mr. BOND, Mr. SANFORD, Mr. BURNS, Mr. COATS, Mr. GARN, Mr. GRASSLEY, Mr. JEFFORDS, Mr. MCCLURE, and Mr. WALLOP):

S.J. Res. 105. Joint resolution to designate October 7 through October 14, 1989, as "National Week of Outreach to the Rural Disabled"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself, Mr. BYRD, and Mr. DASCHLE):

S. Res. 107. Resolution commending Elizabeth (Beth) Shotwell-Valeo for faithful and outstanding service to the U.S. Senate; considered and agreed to.

By Mr. MITCHELL (for himself, Mr. BOSCHWITZ, Mr. PELL, Mr. DOLE, Mr. HELMS, Mr. CHAFEE, Mr. GRASSLEY, Mr. MACK, Mr. GRAHAM, Mr. HEFLIN, Mr. KERRY, Mr. BREAUX, Mr. SHELBY, Mr. COATS, and Mr. MURKOWSKI):

S. Res. 108. Resolution expressing the sense of the Senate concerning the situation in Lebanon; placed on the calendar.

By Mr. FORD (for himself, Mr. THURMOND, and Mr. SANFORD):

S. Con. Res. 28. Concurrent resolution to commemorate the 50th anniversary of the Airborne units of the United States Armed Forces; considered and agreed to.

By Mr. PRESSLER:

S. Con Res. 29. Concurrent resolution to the closing of recreation facilities at Corps of Engineers civil works projects; to the Committee on the Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURENBERGER (for himself, Mr. LAUTENBERG, Mr. BREAUX, Mr. BAUCUS, Mr. CHAFEE, Mr. BURDICK, Mr. MITCHELL, Mr. MOYNIHAN, Mr. WARNER, Mr. GRAHAM, Mr. JEFFORDS, and Mr. LIEBERMAN):

S. 816. A bill to control the release of toxic air pollutants, to reduce the threat of catastrophic chemical accidents, and for other purposes; to the Committee on Environment and Public Works.

TOXICS RELEASE PREVENTION ACT

Mr. DURENBERGER. Mr. President, I am pleased to join today with 11 of my colleagues from the Committee on Environment and Public Works to introduce legislation to control the release of toxic air pollutants and to prevent the catastrophic chemical accidents which all too often fill the headlines of our newspapers.

This is the first of three bills on air pollution which the committee will be introducing over the next few weeks. It reflects the input of almost every member of the committee and I am particularly grateful for participation of Senator LAUTENBERG and Senator BREAUX in the preparation of this bill. Over the course of 2 years working on this bill, we have also had excellent technical assistance from the staff of the Environmental Protection Agency and from knowledgeable individuals from industry and the environmental community.

Toxic air pollutants are generally cancer-causing substances, but other health and environmental problems may also be caused by toxics. There are hundreds of air toxics of concern. Some examples are mercury, arsenic, asbestos, benzene, radionuclides, trichloroethylene, a solvent; perchlorethylene, dry cleaning fluid; ethylene oxide, hospital sterilant; toluene, a constituent of gasoline; ammonia; ethylene and propolyene, building blocks

in plastics, methyl isoncyanate, the Bhopal chemical and a pesticide feedstock; and dioxin, a product of combustion whenever there is chlorine in the fuel.

OSHA regulates 500 toxics in the workplace. A few States with active programs have regulated a total of 708 different air toxics. Recently major manufacturing facilities were required to report their air toxics emissions. The total for the firms reporting was 2.7 billion pounds per year. That is estimated to be about one-quarter of all emissions.

Under the Clean Air Act, EPA is to regulate these toxics by setting emissions standards limiting the amount of the pollutant that can emitted by any particular source. The standard is to be set at a level which provides an ample margin of safety to protect public health. The law has worked poorly. In 18 years, EPA has regulated only some sources of only seven chemicals. One reason the law has worked poorly is the standard of protection required. "An ample margin of safety" has been interpreted by many to mean zero exposure to carcinogens, because any amount of exposure may cause a cancer. EPA has not been willing to write standards that tough because they would shut down major segments of American industry. The legislation to be proposed and described here will entirely restructure the existing law, so that toxics might be adequately regulated by the Federal Government.

The toxics problem can be divided into three parts: One, everyday, up-the-stack emissions from major sources like chemical plants, oil refineries and computer manufacturers; two, everyday emissions from small but numerous sources like dry cleaners, cars and trucks, gasoline stations, wood stoves, and pesticide applications; and three, accidental and catastrophic releases of extremely hazardous substances that kill or injure immediately.

Mr. President, on April 12 of this year EPA issued its toxic release inventory compiled from reports required by the Emergency Planning and Community Right-to-Know Act of 1986. The EPA data indicated that toxic releases to the air from major manufacturing facilities were approximately 2.7 billion pounds in 1987. The largest amounts of emissions were in Texas, 240 million pounds; Ohio, 173 million pounds; Louisiana, 138 million pounds; Tennessee, 135 million pounds; and Virginia, 132 million pounds.

Chemicals most frequently released included toluene, ammonia, acetone, methanol, carbon disulfide, trichloroethane, methyl ethyl ketone, xylene, dichloromethane, and chlorine. Actual emissions are likely to be two to five times higher, as the reporting requirement only applied to a fraction of the sources which are known to emit toxic pollutants.

In a 1985 study examining the potential cancer-causing effects of exposure to air toxics, EPA estimated a national annual cancer incidence of approximately 2,000 cases as the result of exposure to some 15 to 40 toxic air pollutants. This would mean that 140,000 of the Americans now alive—2,000 annually times 70-year lifespan—might be expected to contract cancer from exposure to air toxics. Again, this estimate may be low as a much larger number of air pollutants have been identified as potentially toxic.

In 1987 the South Coast Air Basin, Southern California pollution control agency, released a study on ambient concentrations of approximately 20 air toxics in the Los Angeles area. Based on that data and extrapolating to the whole Nation, cancer incidence attributable to toxic air pollutants was projected to be as high as 500,000 cases for those Americans now alive.

Another aspect of the air toxics problem is the very high risk of health problems experienced by individuals living near large industrial facilities or in highly developed urban corridors. EPA has examined cancer risks at more than 2,600 industrial facilities across the United States as part of its effort to promulgate air toxics regulations. At more than one-quarter of these facilities, toxic emissions produced cancer risks greater than 1-in-10,000—that is 1 additional cancer for each 10,000 persons exposed—for people living nearest these plants. If these sites were abandoned waste dumps, risks of that magnitude would qualify them for cleanup under the Federal Superfund program.

The 1987 South Coast Air Basin study found cancer risks in the Los Angeles area for the mix of air pollutants from industrial sources, highway fuels, and small business to exceed 1 in 1,000. Based on the actual ambient concentrations recorded as part of the study, cancer deaths in the area were projected at 222 per year.

In addition to the cancer and other adverse health effects caused by exposure to air toxics, these air pollutants also cause widespread environmental degradation. It is estimated that a large percentage of the toxics in the Great Lakes—up to 80 percent of the toxics in Lake Superior—are deposited from the air rather than from surface runoff. Lakes all across the northern tier of States are now posted with warnings for pregnant women and children because of high mercury levels in fish attributable to mercury emissions from coal-fired powerplants.

Beyond these routinely occurring emissions, another aspect of the toxic problem is the sudden and potentially catastrophic chemical accident. In August of 1988 EPA prepared an update of its acute hazardous events data base, which was released on April 8, 1989, covering 11,048 events in the United States involving the accidental release of extremely hazardous substances between 1982 and 1986. These events caused 309 deaths, 11,341 injuries, and the evacuation of 464,677 people from homes and jobs. Evacuation information was only reported for about one-half of the recorded events, so the actual figure may be much higher.

As part of its work on the accident data base, EPA analyzed 29 events with the highest potential for damage to health and the environment. These events were compared to the release at Bhopal, India which killed 3,000 and injured over 200,000. Considering only the toxicity and volume of the chemicals released in the 29 United States events, 17 of these events had the potential for more damage than Bhopal and all 29 had a potential of 50 percent or more of the Bhopal effects. That few were killed or injured in these accidents—650 people were injured in 1 event and 5 killed in another—is due principally to the location of the facilities and climate and operating conditions at the time of the release.

Section 112 of the Clean Air Act adopted in 1970 requires EPA to list each hazardous air pollutant which is likely to cause an increase in death or serious illness. Within a year after listing EPA is to establish emissions standards which would apply to sources of the listed pollutant providing an ample margin of safety to protect public health.

In the 18 years of administering section 112, EPA has listed only eight pollutants: mercury, beryllium, asbestos, vinyl chloride, benzene, radionuclides, inorganic arsenic, and coke oven emissions. No standard has been promulgated for coke oven emissions and for many of the other pollutants only a few of the source categories emitting the substance are actually regulated. There is only one standard for benzene, while sources in several categories contribute significant emissions. Mercury is a listed substance, but mercury emissions from powerplant boilers, exempt from standards, are contributing to high mercury levels in the flesh of fish taken in the Great Lakes region.

While EPA has listed only eight substances from regulation, a handful of States with active air toxics programs developed on their own have set standards for 708 substances. In 1983 and upon his return to EPA, William Ruckelshaus committed to make decisions within 1 year on approximately 25 toxic air pollutants that had been under review since 1977. Subsequently EPA decided that 14 of the substances did not require regulation, that 10

may be listed at some point in the future, and that 1, coke oven emissions, was to be listed.

In 1985 EPA announced a new air toxics strategy shifting the focus from the regulation of hazardous air pollutants under section 112, to actions under other laws and by the States. The 1985 strategy elevated concern for emissions from the small, area sources like automobiles, dry cleaners, small combustion units, and so on. One action announced in the strategy has been completed—a new source performance standard for wood stoves, but few of the other elements proposes have been implemented.

In 1987 the Court of Appeals for the District of Columbia reviewed decisions made by EPA with respect to vinyl chloride emissions. As with actions on other standards, EPA had considered cost in a decision to withdraw vinyl chloride standards that had been proposed during the Carter administration. The court found that cost cannot be considered when establishing a safe level of exposure to toxic air pollutants. It is only in determining the margin of safety that EPA is authorized to consider cost and other factors. Because cost had been considered in several of the other hazardous pollutant standards established by the Agency, 5 of the 7 standards that had been issued will be reconsidered. The first proposed revisions for benzene and radionuclides are due in August 1989.

The legislation is designed to address each of the air toxics problems in turn: major sources; area sources; and catastrophic accidents.

MAJOR SOURCES

The bill establishes a list of pollutants which will be regulated by EPA. The list in the Clean Air bill reported in 1987 included 224 substances. The list was drawn from various other lists, but at a minimum each of the pollutants was already regulated by a State or is among the top 100 pollution threats as identified by the Agency for Toxics Substances and Disease Registry. EPA has reviewed the list we reported in the last Congress and has suggested some additions and deletions. After further consultation with the Agency, we may modify our list as EPA has suggested. The EPA list contains 186 substances.

Any facility which emits more than 10 tons of any one of these listed pollutants or 25 tons of any combination is considered a major source and will be subject to regulation under this section.

EPA will organize major source into categories and subcategories like chemical plants, steel mills, oil refineries, cotton gins, glass manufacturing plants, uranium mines, boilers, industrial dry cleaning, automobile manufacturing, and so on. There will likely be about 90 to 150 categories and subcategories of this type.

EPA will be required to promulgate emission standards for each category or subcategory on a phased schedule provided in the bill which mandates the promulgation of standards for all sources by 10 years from enactment. These initial standards will not be based on the potential health effects of each pollutant as provided in existing law. They will instead reflect the level of control that can be achieved by installing best available control technology. Determining what can be accomplished by available technology is much easier than determining the safe level of exposure to a carcinogen. Sources will have 3 years to comply with standards, once they come into force.

Major sources are allowed an option to control their emissions voluntarily. Any source achieving a 90 percent reduction in its emissions of hazardous air pollutants before December 31, 1992, would be exempt from the BACT standards. This provision trades early reductions for the opportunity to avoid the complexity of long-term standards.

It may be that the technology standards will not eliminate all the health and environmental effects that are of concern. In cases where they don't, EPA will have authority to tighten up the standards to eliminate significant residual risks. For carcinogens, no source will be allowed to expose people living nearest the source to a risk greater than 1 in 10,000, (1 additional cancer for each 10,000 persons exposed). And if it is possible, the technology is available, sources will have to reduce emissions to a level presenting no more than a 1- in 1-million risk, a traditional safety threshold. Sources not able to meet the 1 in 10,000 standard will have to shutdown. Sources not able to meet the 1 in 1-million standard will be given more time.

Each source subject to these standards will be required to apply for a permit. The permit and enforcement aspects of the program will be managed by the States.

AREA SOURCES

Again area sources are the small, but possibly numerous sources, of toxic pollutants. Although the risks from each source are small, EPA believes that in the aggregate they may cause as much as 75 percent of the cancers in some urban areas.

This part of the bill works off the same list of 224 substances. The Administrator can also list an area source category just as he would a major source category and require installation of best available control technology.

But for some sources this standard may be too costly, in which case the Administrator would likely not list the source category and no control would result. So the bill establishes an alternative area source control program that asks the Administrator to prepare a national urban air toxics strategy to reduce the risks from area sources. As part of this strategy, major metropolitan areas would be required to monitor for a broad range of pollutants. And the Administrator would be authorized to promulgate standards that would apply to small sources, nationally.

EPA would report on the reductions achieved at 8- and 10-year intervals.

ACCIDENT PREVENTION

The purpose of this section of the bill is to prevent chemical accidents like that which occurred at Bhopal and require preparation to mitigate the effects of those accidents that do occur.

Each owner or operator of a facility handling an extremely hazardous substance would have a general duty to operate a safe facility meaning that EPA, on inspection, could require modifications in equipment or operational processes, that are unsafe.

The Administrator is to establish a second list of pollutants—those extremely hazardous substances that when released in a sudden event can cause death or serious injury. This list is to include not less than 50 substances which have the greatest potential to cause death, injury, or evacuation in the event of an accidental release.

Facilities which handle large amounts of these extremely hazardous substances would be required to prepare hazard assessments—an engineering analysis to determine what kinds of accidents might occur and how the surrounding community would be affected, if an accident did occur.

The bill establishes a Chemical Safety Board, like the National Transportation Safety Board, to investigate chemical accidents to determine their causes. The Board would have five members, a chairman confirmed by the Senate, two members appointed by EPA, one by OSHA and one by DOT.

The Safety Board may make recommendations to EPA on regulations that would prevent or mitigate accidents and EPA has authority to issue such regulations. The President would conduct a review of the accident prevention authorities of the Federal Government and report to the Congress.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 816

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This act may be cited as the "Toxics Release Prevention Act of 1989".

SEC. 2. Section 112 of the Clean Air Act is amended to read as follows:

"HAZARDOUS AIR POLLUTANTS

"SEC. 112. (a) DEFINITIONS—

"(1) The term 'major source' means any stationary source (including all emission points and units of such source located within a contiguous area and under common control) of air pollutants that emits considering installed and operating controls, in the aggregate, ten metric tons per year or more of any hazardous air pollutant or twenty-five metric tons per year or more of any combination of hazardous air pollutants. The Administrator may establish a lesser quantity, or in the case of radionuclides different criteria, for a major source than that specified in the previous sentence, on the basis of the potency of the air pollutant, other characteristics of the air pollutant, or other relevant factors.

"(2) The term 'area source' means any stationary or mobile source of hazardous air pollutants that is not a major source.

"(3) The term 'stationary source' means any facility or installation or unit of such facility or installation which emits or may emit any hazardous air pollutant.

"(4) The term 'new source' means a source the construction of which is commenced after the Administrator first proposes regulations under this section establishing emissions standards applicable to such source.

"(5) The term 'hazardous air pollutant' means any air pollutant listed pursuant to subsection (b).

"(6) For purposes of this section, the term 'adverse environmental effects' means any threat of significant adverse effects, which may reasonably be anticipated, to wildlife, aquatic life or other natural resources including disruption of local ecosystems, impacts on populations of endangered or threatened species, significant degradation of environmental quality over broad areas, or other comparable effects.

"(7) The terms 'owner or operator' and 'existing source' shall have the same meaning as such terms have under section 111(a).

"(b) List of Pollutants.—

"(1) Not later than three months after the date of enactment of the Toxics Release Prevention Act of 1989, the Administrator shall publish a list of air pollutants to which the provisions of this section shall apply and which shall include each of the air pollutants on the list of the air pollutants contained in Committee Print 101-XX published by the Committee on Environment and Public Works of the United States and entitled "Air Pollutants Subject to Section 112 of the Clean Air Act."

"(2) The Administrator shall, from time to time, but not less often than every five years, review and revise the list established by paragraph (1) adding pollutants which present, or may present, a threat of adverse human health effects (including, but not limited to, substances which are known to be, or may reasonably be anticipated to be, carcinogenic, mutagenic, teratogenic, neurotoxic, which cause reproductive dysfunction, or which are acutely or chronically toxic but not including effects for which a pollutant has been listed pursuant to section 108 of this Act) or adverse environmental effects whether through ambient concentrations, bioaccumulation, deposition, or otherwise, but not including releases subject to regulation under section 129 as a result of emissions to the air. No substance, practice, process or activity regulated under part B of this Act shall be subject to regulation under this section solely due to its adverse effects on the environment.

"(3)(A) Any person may petition the Administrator to modify the list established by paragraph (1) by adding or deleting a substance. Within twelve months after receipt of a petition the Administrator shall either grant the petition or publish a statement of the reasons for not granting the petition. The Administrator may not deny a petition on the basis of inadequate resources or time for review.

"(B) The Administrator shall add a substance to the list upon a showing by the petitioner or on the Administrator's own determination that the substance is an air pollutant and that emissions or ambient concentrations of the substance are known to cause or may reasonably be anticipated to cause adverse effects to human health or adverse environmental effects, or that the substance is an air pollutant that qualifies for addition to the list established under section 313 of the Emergency Planning and Community Right-to-Know Act of 1986.

"(C) The Administrator shall remove a substance from the list upon a showing by the petitioner or on the Administrator's own determination that there is adequate data on the health and environmental effects of the substance to determine that emissions or ambient concentrations of the substance may not reasonably be anticipated to cause any adverse effects to the human health or adverse environmental effects, or that the substance qualifies for deletion from the list established under section 313 of the Emergency Planning and Community Right-to-Know Act of 1986. Action by the Administrator pursuant to section 313(d)(3) of such Act prior to the date of enactment of this paragraph shall constitute a deletion for the purposes of this section.

"(4) If the Administrator determines that information on the health or environmental effects of a substance is not sufficient to make a determination required by this subsection, the Administrator may use the authorities of section 104(i) of the Comprehensive Environmental Response, Compensation and Liability Act and other information-gathering authorities under such Act and other laws administered by the Agency to acquire such information.

"(5) The Administrator may establish test measures and other analytic procedures for monitoring and measuring emissions and ambient concentrations of hazardous air pollutants.

"(c) List of Source Categories.—

"(1) Not later than twelve months after the date of enactment of the Toxics Release Prevention Act of 1989 and after notice and opportunity for public comment, the Administrator shall publish (and from time to time revise) a list including all categories and subcategories of major sources of hazardous air pollutants which shall, to the extent practicable, be consistent with the list of source categories established pursuant to section 111 and part C of this Act.

"(2) The Administrator shall list under this subsection and designate for regulation under subsection (d) each category or subcategory of area sources which the Administrator finds presents a threat of adverse effects to human health or the environment (by such sources individually or in the aggregate) warranting regulation under this section.

"(3) In addition to those categories and subcategories of sources designated for regulation pursuant to paragraphs (1) and (2), the Administrator may at any time designate additional categories and subcategories of sources of hazardous air pollutants according to the same criteria for designation applicable under such paragraphs and at the time of designation shall establish a date for the promulgation of emissions standards under subsection (d).

"(4) At the time of setting a standard for any category or subcategory of sources pursuant to subsections (d), (f), or (g), the Administrator shall also establish a minimum emissions rate for each hazardous air pollutant emitted by sources in the category or subcategory reflecting the criteria for listing a hazardous air pollutant established by subsection (b)(2). All sources in the category or subcategory emitting more than the minimum emissions rate for any hazardous air pollutant shall be subject to standards promulgated under subsection (d), (f) or (g). In no event shall the minimum emissions rate be greater than ten metric tons per year for any one hazardous air pollutant or twenty-five metric tons per year for any combination of such pollutants.

"(5) Notwithstanding the provisions of paragraph (4), the Administrator may establish a minimum emissions rate of more than ten metric tons for a category or subcategory and a pollutant for which a health effects threshold can be established, provided that, the minimum emissions rate assures, with an ample margin of safety, such threshold will not be exceeded within the vicinity of the sources in the category and that no adverse environmental effects will occur as the result of emissions from the sources individually or in combination with emissions from other similar sources.

"(d) EMISSIONS STANDARDS.—

"(1) The Administrator shall promulgate emissions standards for every category or subcategory of sources of hazardous air pollutants designated for regulation pursuant to subsection (c).

"(2) Emissions standards promulgated under this subsection and applicable to new or existing sources of hazardous air pollutants shall require the maximum degree of reduction in emissions of each air pollutant subject to this section (including a prohibition on such emissions, where achievable) that the Administrator, taking into consideration the cost of achieving such emissions reduction, and any non-air quality health and environmental impacts and energy requirements, determines is achievable for new or existing sources in the category or subcategory to which such emissions standard applies, through application of measures, processes, methods, systems or techniques including, but not limited to, measures which—

"(A) reduce the volume of such pollutants through process changes, substitution of materials or other modifications,

"(B) enclose systems or processes to eliminate emissions,

"(C) collect, capture or treat such pollutants when released from a process, stack, storage or fugitive emissions point,

"(D) are design, equipment, work practice, or operational standards, or

"(E) are a combination of the above.

"(3) The degree of reduction in emissions that is deemed achievable for new sources in a category or subcategory shall not be less stringent than the most stringent emissions level that is achieved in practice by a source in the same category or subcategory, as determined by the Administrator, and may be more stringent where feasible. Emissions

standards under this subsection for existing sources in a category or subcategory may be less stringent than standards for new sources in a similar category or subcategory, if the Administrator determines that the level of control applicable to new sources is generally technically or economically infeasible for existing sources in the category or subcategory and, considering, sequentially, the level of control achieved by existing sources in the category or subcategory beginning with the most stringent such level, establishes an emissions limitation which is generally feasible and assures the maximum total reduction in emissions from all sources in the category or subcategory. The Congress finds that a reduction of 90 per centum from uncontrolled levels is an appropriate benchmark for emissions standards applicable to existing sources under this subsection.

"(4) With respect to pollutants for which a health threshold can be established, the Administrator may consider such threshold level, with an ample margin of safety, when establishing emissions standards under this subsection.

"(5) With respect only to categories and subcategories of area sources listed pursuant to subsection (c)(2), the Administrator is authorized, in addition to the authorities provided in paragraph (2) and subsections (f) and (g), to promulgate standards or requirements applicable to sources in such categories or subcategories which provide for the use of cost effective and generally available control technologies or management practices by such sources to reduce emissions of hazardous air pollutants.

"(6) The Administrator shall review, and revise as necessary (taking into account developments in practices, processes and control technologies), emissions standards promulgated under this section no less often than every seven years.

"(7) No emissions standard or other requirement promulgated under this section shall be interpreted, construed or applied to diminish or replace the requirements of a more stringent emission limitation or other applicable requirement established pursuant to section 111, part C, section 172(b) (3) or (6), or other authority of this Act or a standard issued under State authority.

"(8) Emissions standards promulgated under this subsection shall be effective upon promulgation.

"(e) Schedule for Standards and Review.—

"(1) The Administrator shall promulgate regulations establishing emissions standards for categories and subcategories of sources designated for regulation pursuant to subsection (c) as expeditiously as practicable, assuring that—

"(A) emissions standards for categories or subcategories of sources of acrylonitrile, benzene, butadiene, cadmium, carbon tetrachloride, chloroform, ethylene dichloride, ethylene oxide, methylene chloride, perchloroethylene, trichloroethylene and coke over emissions are promulgated not later than twenty-four months after the date of enactment of this subsection;

"(B) emissions standards for 25 per centum of the categories and subcategories designated pursuant to subsection (c)(1) and (c)(2) shall be promulgated not later than three years after such date;

"(C) emissions standards for 50 per centum of the categories or subcategories designated pursuant to subsection (c)(1) and (2) shall be promulgated not later than five years after such date; and

"(D) emissions standards for all categories and subcategories designated for regulation pursuant to subsection (c)(1) and (2) shall be promulgated not later than ten years after such date.

"(2) In determining priorities for scheduling the promulgation of standards pursuant to subparagraphs (1)(B), (C) and (D), the Administrator shall consider—

"(A) the known or anticipated adverse effects of such pollutants on human health and the environment;

"(B) exposure to and the location of major sources of such pollutants including risks to individuals most exposed and the consequent urgency of a national standard;

"(C) the quantity of hazardous air pollutants that sources in each category or subcategory emit; and

"(D) the efficiency of grouping the categories or subcategories according to the pollutants emitted or the processes or technologies used.

"(3) Not later than twenty-four months after the date of enactment of this subsection and after opportunity for comment, the Administrator shall publish a schedule establishing a date for the promulgation of emissions standards for each category and subcategory of sources listed pursuant to subsection (c)(1) and 2) which shall be consistent with the requirements of paragraphs (1) and (2). The determination of priorities for the promulgation of standards pursuant to this paragraph is not a rule-making and shall not be subject to judicial review, except that, failure to promulgate any standard pursuant to the schedule established by this paragraph shall be subject to review under section 307 of this Act.

"(4) If, under other provisions of this Act, the Administrator is proposing or promulgating requirements applicable to a class of sources similar to a category or subcategory listed pursuant to this section, the Administrator may simultaneously propose or promulgate emissions standards under this section for such category or subcategory notwithstanding the priorities established by paragraph (2). Nothing in this paragraph shall be construed applied to stay a deadline for control requirements otherwise applicable under this or other law.

"(5)(A) Not later than three years after the initial promulgation of emissions standards for a category or subcategory of sources pursuant to subsection (d), the Administrator shall commerce an evaluation of the risks to human health and the environment resulting from emissions of hazardous air pollutants by sources in the category or subcategory remaining after application of such standards. If the Administrator finds as the result such evaluation, that emissions of hazardous air pollutants from sources in the category or subcategory (or portion thereof), individually or in the aggregate, after application of the prescribed standards, present a significant risk of adverse effects on public health or a threat of adverse environmental effects, the Administrator shall complete, within two years after the date of commencement, such evaluation and revise standards applicable to such category or subcategory (or portion thereof) using the authorities of subsections (f) or (g), as appropriate.

"(B) The Administrator shall take such steps as are necessary, including studies pursuant to section 104(i) of the Comprehensive Environmental Response, Compensation and Liability Act, to assure that adequate data on the health and environmental effects of any hazardous air pollutant emitted by sources in a category or subcategory subject to review under this paragraph are available at the commencement of the evaluation.

"(C) To the extent that standards promulgated under subsection (d) do not eliminate lifetime risks of carcinogenic effects greater than one in one million to the individual in the population who is most exposed to emissions of a pollutant (or stream of pollutants) from a source in the category or subcategory (as determined according to Guidelines for Carcinogenic Risk assessment published by the Administrator), the Administrator shall use the authorities of subsection (f) to revise the standards applicable to such pollutant (or stream of pollutants) and categories or subcategories. To the extent that standards promulgated under subsection (d) do not reduce emissions to a level at or below the threshold for adverse health effects, with an adequate margin of safety, for pollutants other than carcinogens, the Administrator shall use the authorities of subsection (g) to revise the standards applicable to such pollutants and categories or subcategories. With respect to any hazardous air pollutant which is both a carcinogen and causes adverse health effects for which a threshold exists, the Administrator shall establish standards pursuant to subsection (f) for sources of such pollutant, unless a more stringent standard than would be promulgated pursuant to subsection (f)(1)(A) is necessary to assure that such threshold, with an ample margin of safety, will not be exceeded. The Administrator shall in any such case establish a standard under subsection (g) in lieu of the standard which would be applicable under (f)(1)(A).

"(f) Additional Regulation of Carcinogens.—

"(1) The Administrator is authorized to promulgate emissions standards under this subsection applicable to categories or subcategories of sources of any hazardous air pollutant which is a known, probable or possible human carcinogen. For each such pollutant (or stream of pollutants containing carcinogens) the Administrator shall establish two simultaneously applicable standards including—

"(A) a standard which eliminates all lifetime risks of carcinogenic effects greater than one in ten thousand to the individual in the population who is most exposed to emissions of a pollutant (or stream of pollutants) from a source in the category or subcategory; and

"(B) a standard which eliminates all lifetime risks of carcinogenic effects greater than one in one million to the individual in the population who is most exposed to emissions of a pollutant (or stream of pollutants) from a source in the category or subcategory.

No consideration of cost, cost effectiveness, economic, energy or other factors or technological feasibility shall be included in the determination of the appropriate level of any emissions standard under this subsection.

"(2) Any standards promulgated under this subsection shall be effective upon the date of promulgation.

"(g) Standards to Protect Health and Environment.—

"(1) The Administrator is authorized to promulgate emissions standards under this subsection applicable to categories or subcategories of sources of any hazardous air pollutant which is not a carcinogen. The Administrator shall establish any emission standard or standards under this subsection at the level which, in the judgment of the

Administrator, provides an ample margin of safety to protect the public health, unless a more stringent standard is required to protect the environment. No consideration of costs, cost effectiveness, economic, energy or other factors or technological feasibility shall be included in the determination of the appropirate level of any emission standard or the margin of safety to protect the public health under this subsection.

"(2) Any emission standard established pursuant to this subsection shall become effective upon promulgation.

"(h) Work Practice Standards and Other Requirements.—

"(1)(A) In addition to any numerical emissions limitation established under this section, the Administrator is authorized to promulgate a design, equipment, work practice, or operational standard, or combination thereof, applicable to sources in categories or subcategories listed pursuant to subsection (c) and consistent with the provisions of subsection (d), (f), or (g). The Administrator shall promulgate such standards whenever it is not feasible to prescribe or enforce an emissions standard for a category or subcategory for control of hazardous air pollutants (or a stream of such pollutants). In the event the Administrator promulgates a design or equipment standard under this paragraph, the Administrator shall include as part of such standard such requirements as will assure the proper operation and maintenance of any such element of design or equipment.

"(B) for the purpose of this paragraph, the phrase "not feasible to prescribe or enforce an emission standard" means any situation in which the Administrator determines that (i) a pollutant (or stream of pollutants) listed pursuant to subsection (b) cannot be emitted through a conveyance designed and constructed to emit or capture such pollutant, or that any requirement for, or use of, such a conveyance would be inconsistent with any Federal, State or local law, or (ii) the application of measurement methodology to a particular category or subcategory of sources is not practicable due to technological and economic limitations.

"(C) If after notice and opportunity for public hearing, any person establishes to the satisfaction of the Administrator that an alternative means of emission limitation will achieve a reduction in emissions of any air pollutant (or stream of pollutants) at least equivalent to the reduction in emissions of such pollutant achieved under the requirements of subparagraph (A), the Administrator shall permit the use of such alternative by the source for purposes of compliance with this section with respect to such pollutant.

"(D) Any standard promulgated under subsections (d), (f) or (g) shall include a numerical emissions limitation whenever it is feasible to promulgate and enforce a standard in such terms.

"(2) For the purposes of developing or assisting in the development of any standard, requirement or regulation, conducting any study, or enforcing the provisions of this section, the Administrator (or a State with an approved program under subsection (1)) may require the owner or operator of any facility which emits air pollutants subject to this section or stores any substance subject to section 129 of this Act to monitor for the presence of such pollutant in the emissions (both point and nonpoint) from such source and in the ambient air within the vicinity of the facility, to install and maintain leak detection systems, and to keep records and make reports on the results of such monitoring and leak detection.

"(3)(A) Emissions standards promulgated pursuant to this section shall include, where appropriate, leak prevention, detection and correction requirements consistent with the provisions of subsection (d)(2) and may include monitoring, record-keeping, reporting, vapor recovery, secondary containment, or other requirements, which shall be applicable to devices and systems (including pumps, compressors, valves, flanges, connectors, containers, and vessels) from which there may be emissions of any pollutant subject to this section.

"(B) Regulations under this paragraph may require the owner or operator of a source to carry out an annual audit and safety inspection to locate and correct all leaks and other preventable routine or episodic releases of any air pollutant subject to this section. The results of such inspection and the results of any other safety inspection, survey or audit carried out with respect to the source shall be available to the Administrator, to the State in which the source is located, and to the public, consistent with the provisions of sections 322, 323, and 324 of the Emergency Planning and Community Right-to-Know Act of 1986.

"(4) Any design, equipment, work practice, or operational standard, audit or monitoring requirement or any combination thereof, described in this subsection shall be treated as an emission standard for purposes of the provisions of this Act (other than the provisions of this subsection).

"(i) Schedule for Compliance.—

"(1) After the effective date of any emissions standard under this section, no air pollutant may be emitted from any source in violation of an emissions standard under this section, except in the case of an existing source, the Administrator shall establish a compliance date or dates for each category or subcategory of existing sources, which shall provide for compliance as expeditiously as practicable, but in no event later than three years after the effective date of such standard, except as provided in paragraphs (2) through (7).

"(2) With respect to standards established pursuant to subsection (f)(1)(A), the Administrator (or a State acting pursuant to a program approved under subsection (1)) may grant an extension permitting an existing source a period of up to five additional years to comply with such standard, if the Administrator (or the State) determines, based on specific information submitted by the owner or operator of the source and other available information, that—

"(A) the owner or operator would experience extraordinary economic hardship in compliance with such standard and requires that such source or category of sources comply with the emissions limitation promulgated pursuant to subsection (d); and

"(B) during the period of the extension emissions limitations applicable to the source shall assure that the health of persons will be protected from any imminent and substantial endangerment.

Compliance with standards promulgated pursuant to subsection (f)(1)(A) shall not be stayed during the pendency of any judicial proceeding to review a determination made under this paragraph.

"(3)(A) With respect to standards promulgated pursuant to subsection (f)(1)(B) the Administrator (or a State acting pursuant to a program approved under subsection (1)) may grant an existing source a temporary exception from the standard, if the Administrator (or the State) determines, based on specific information provided by the owner or operator of the source and other information, that the standard cannot be achieved by the source using all available technology and operational controls and that the source will implement a risk reduction program employing all such technology and controls. For purposes of this subparagraph the phrase "all available technology and operational controls" shall include all measures which are technically feasible including process modifications and materials substitution to reduce emissions of hazardous air pollutants from the source. The Administrator (or the State) may require the owner or operator of the source to conduct research and development on improved or more effective control technologies or management practices as a condition for any temporary exception or permit renewal pursuant to this paragraph.

"(B) Any request for an exception under this paragraph shall be submitted within six months of the date of promulgation of the applicable standard and shall include all information necessary for the Administrator (or the State) to make a determination with respect to the eligibility of a source for an exception. The Administrator (or the State) shall review and approve or disapprove any request within one year of submittal. Any request failing to meet the requirements of this subparagraph shall be deemed denied.

"(C) An exception may only be granted under this paragraph, if the Administrator (or the State) has provided notice of the proposed exception and has provided an opportunity for public comment and a public hearing on the conditions of the proposed exception. The Administrator may review, on appeal by any person or on the Administrator's own motion, and reverse any exception granted by a State under this paragraph. The Administrator shall make a determination with respect to any appeal within one hundred and eighty days.

"(D) An exception granted under this section shall be reviewed upon renewal of the permit for the source, and may be extended after a further determination subject to the same terms and conditions as applicable in the first instance.

"(4) The President may exempt any source from compliance with paragraph (1) for a period of not more than two years if the President finds that the technology to implement such standards is not available and the operation of such source is required for reasons of national security. An exemption under this paragraph may be extended for one or more additional periods, each period not to exceed two years. The President shall make a report to Congress with respect to each exemption (or extension thereof) made under this paragraph.

"(5)(A) The Administrator may exempt any existing source from an emissions standard promulgated pursuant to subsection (d) upon a showing by the owner or operator of such source that it has achieved a voluntary reduction of 90 per centum or more in emissions of hazardous air pollutants from the source on or before December 31, 1992.

"(B) The reduction shall be determined with respect to verifiable and actual emissions in a base year not earlier than calendar year 1985, provided that, there is no evidence that emissions in the base year are artifically or substantially greater than emissions in other years prior to implementation of emissions reduction measures.

"(C) For each source granted an exemption under this paragraph there shall be established by a permit issued pursuant to subsection (j) an enforceable emissions limitation for hazardous air pollutants reflecting the reduction which qualifies the source for an exemption under this paragraph. An exemption under this paragraph shall not include an exemption from standards or requirements promulgated pursuant to subsections (f) or (g) and the Administrator shall review emissions from sources granted exemptions under this paragraph according to the provisions of subsection (e)(5) at the same time that other sources in the category or subcategory are reviewed.

"(D) For purposes of this paragraph, the term "voluntary" means not otherwise required by a Federal, State or local air pollution control law or regulation.

"(E) The Administrator shall promulgate regulations to carry out the provisions of this paragraph as expeditiously as practicable, but not later than twelve months after the date of enactment of the Toxics Release Prevention Act of 1989. Such regulations may include fees sufficient to offset the costs of reviewing applications for exemptions submitted under this paragraph. Revenues from such fees received by the Administrator shall, notwithstanding the provisions of the Miscellaneous Receipts Act, be used for the purpose of administering this section.

"(F) With respect to pollutants for which high risks of adverse human health effects may be associated with exposure to small quantities including, but not limited to, chlorinated dioxins and furans, the Administrator shall by regulation limit the use of off-setting reductions in emissions of other hazardous air pollutants from the source as counting toward the 90 per cent reduction in such high risk pollutants qualifying for an exemption under this paragraph.

"(6) Notwithstanding the requirements of this section, no existing source that has installed—

"(A) reasonably available control technology,

"(B) best available control technology (as defined in section 169(3)),

"(C) technology required to meet a lowest achievable emissions rate, or

"(D) or has voluntarily achieved (as certified to the Administrator) on or after January 1, 1993 a reduction of 90 per centum in the emissions of the hazardous air pollutants emitted by the source,

prior to the promulgation of a standard under this section applicable to such source and the same pollutant (or stream of pollutants) controlled pursuant to an action described in subparagraph (A), (B), (C) or (D) shall be required to comply with such standard under this section until the date five years after the date on which such installation or reduction has been achieved, as determined by the Administrator. The Administrator may issue such rules and guidance as are necessary to implement this paragraph.

"(7)(A) If at any source a hazardous air pollutant is subject to regulation under this section because the source emits more than the minimum emissions rate of other pollutants, the Administrator (or a State acting pursuant to a program approved under subsection (1)) may, at the request of the owner or operator of the source, waive the requirements applicable to such pollutant where emissions of the pollutant are in de minimis amounts and do not present a significant risk of adverse effects to human health or adverse environmental effects and control of the pollutant would require installation of additional and separate control technologies for that pollutant only.

"(B) Applications for waivers under this section shall be submitted not later than four months after the effective date of the relevant standard and the Administrator (or the State) shall make a determination on any application within six months of submission. Applications which are not complete shall be deemed denied without further opportunity for reapplication. An application for a waiver under this paragraph shall not stay the applicant's obligation to comply with emissions standards applicable to other pollutants. Applications shall be accompanied by fees adequate to offset all direct and indirect costs of reviewing such applications. Not later than eighteen months after the date of enactment of this paragraph, the Administrator shall publish guidance on procedures for application and review.

"(j) Permit Program.—

"(1) Except as provided in paragraph (2) and after the date of enactment of this section, it shall be unlawful for any person to construct a new source, or for the owner or operator of any source to emit any air pollutant, subject to any emissions standard under this section, except in compliance with a permit issued by the Administrator (or a State acting pursuant to a program approved under subsection (1)) under this subsection. The Administrator shall promulgate within twelve months after the date of enactment of this subsection regulations establishing the minimum elements of a permit program. These elements shall include—

"(A) requirements for permit applications, including a standard application form and fees sufficient to offset the direct and indirect cost of processing applications;

"(B) monitoring and reporting requirements;

"(C) a requirement that permittees pay an annual fee sufficient to offset all direct and indirect costs of administering the program (if such fees are paid to the Administrator, the Administrator may, notwithstanding any requirement of the Miscellaneous Receipts Act, expend such receipts for the purposes of administering the provisions of this section); and

"(D) a requirement that any State seeking approval of a program pursuant to subsection (1) have adequate personnel and funding to administer the program and adequate authority to—

"(i) issue permits that apply, and assure compliance by all sources within the State with, each applicable standard, regulation or requirement under this section;

"(ii) issue permits for a fixed term, not to exceed five years;

"(iii) terminate or modify permits for cause, including establishment of a new emissions standard applicable to the source;

"(iv) enforce permits and the requirement to obtain a permit, including adequate civil and criminal penalties;

"(v) provide public notice of each application for a permit and an opportunity for public hearing before a determination on each such application; and

"(vi) ensure that no permit will be issued if the Administrator timely objects to its issuance.

No fee schedule established by the Administrator under this subsection shall be designed with the purpose of supporting other aspects of any State air pollution control program including elements for control of area sources or prevention of accidents. Nothing in this subsection shall prevent a State from imposing additional permit fees, except that, the Administrator shall not approve any program pursuant to subsection (1), if revenues from such fees are used for purposes other than the development and implementation of programs to control the emissions of hazardous air pollutants. When issuing permits in the absence of an approved State program, the Administrator shall comply with the guidelines issued to implement this paragraph.

"(2)(A) Notwithstanding the requirements of paragraph (1), a source in a category or subcategory subject to an emissions standard under this section may commence (in the case of a new source) or continue (in the case of an existing source) operations prior to the issuance of a permit, provided that, the owner or operator of the source certifies to the Administrator (or to the State) that the source will comply with all applicable standards and requirements under this section. Certification pursuant to this paragraph shall be provided for new sources before operations commence and for existing sources six months after the effective date of any applicable standard or revision of a standard under this section. The certification shall be accompanied by a compliance plan describing means by which the source intends to achieve the standard on and after the compliance date established by subsection (i) and shall be signed by a responsible official of the business concern owning or operating the source.

"(B) Upon receipt of any certification, the Administrator (or the State) shall issue a temporary operating permit for the source, unless within 30 days the Administrator (or the State) notifies the owner or operator of the source that the certification does not adequately demonstrate compliance with all applicable standards and requirements under this section. Any temporary permit issued under this paragraph shall be enforceable to the same extent as any standard or other requirement promulgated under this section.

"(C) Within six months of the issuance of any temporary operating permit for any source under this paragraph, the Administrator (or the State) shall commence a review of the operations of such source, including an inspection at the site of the source, to determine whether a full operating permit under this subsection should be issued. If upon conclusion of such review (including any right to administrative appeal, but not including pendency of any judicial proceeding), the Administrator (or the State) determines that a permit should not be issued, the temporary permit granted under this paragraph shall be suspended immediately.

"(D) The owner or operator of each source receiving a temporary permit under this subsection shall recertify annually as to its compliance with all standards or requirements applicable to such source under this section. The Administrator may require emissions monitoring and reporting as a condition of recertification. The Administrator shall require that certifications (including any annual recertifications) under this paragraph be accompanied by a fee sufficient to offset the full administrative costs of reviewing certifications.

"(3)(A) In the event that the Administrator fails to promulgate a standard for a category or subcategory of sources by the date established pursuant to subsection (e)(1)(A)

or (3), and beginning six months after such date, it shall be unlawful for the owner or operator of any source in such category or subcategory to emit any hazardous air pollutant except in compliance with a permit issued by the Administrator (or a State acting pursuant to a program approved under subsection (1)) under this paragraph.

"(B) The permit shall be issued pursuant to the provisions of paragraph (1) and such other provisions as are necessary to carry out the objectives of this Act. In preparing applications for permits under this paragraph, the owner or operator of the source shall commit to the installation and operation of technology and practices to control emissions of hazardous air pollutants which are the best technology and practices available for such source, as certified by an independent, registered professional engineer.

"(C) Each permit issued under this paragraph shall include an enforceable emission limitation for each hazardous air pollutant emitted by the source and no such pollutant may be emitted in amounts exceeding the applicable limitation immediately for new sources and, as expeditiously as practicable, but not later than the date three years after the permit is issued for existing sources.

"(D) If the administrator subsequently promulgates a standard which would be applicable in lieu of the emissions limitations established by permit under this section, the administrator (or the State) shall revise such permit upon the next renewal to relect the standards promulgated by the Administrator.

"'(E) Paragraph (2) shall not be available to any source requiring a permit under this paragraph.

"(4) The Administrator shall suspend the issuance of permits by the Agency in any State promptly upon approval of a program for that State under subsection (1).

"(5)(A) Each State shall transmit to the Administrator a copy of each permit application (but not including certifications for temporary permits) and including any application for an extension or modification submitted under this section, and shall provide for notice of each permit proposed to be issued by the State.

"(B) No permit shall issue if the administrator within sixty days objects in writing to its issuance as not in compliance with the requirements of this section. The Administrator shall provide with the objection a statement of the reasons for the objection and the terms and conditions that the Administrator would impose if the permit were issued by the Administrator.

"(C) If the State fails within 90 days after the date of the objection to submit a permit revised to meet the objection, the Administrator shall have authority to issue or deny the permit.

"(D) Nothing in this paragraph shall be interpreted, construed or applied to require the Administrator to review each permit to be issued by a State, provided that the Administrator conducts an audit program which assures that State permitting activities are consistent with the goals and objectives of this section.

"(6) To the maximum extent practicable, permits issued under this section shall be consolidated with other permits required under this Act.

"(k) AREA SOURCE PROGRAM.—

"(1) The Congress finds that emissions of hazardous air pollutants from area sources may individually, or in the aggregate, present significant risks to public health in urban areas. It is the purpose of this subsection to achieve a substantial reduction in emissions of hazardous air pollutants from area sources and an equivalent reduction in the public health risks associated with such sources. Considering the large number of persons exposed and the risks of carcinogenic and other adverse health effects from hazardous air polutants, ambient concentrations characteristic of large urban areas should be reduced to levels substantially below those currently experienced.

"(2) The Administrator shall, after consultation with State and local air pollution control officials, conduct a program of reseach with respect to sources of urban pollution and shall include within such program—

"(A) ambient monitoring for a broad range of hazardous air pollutants (including, but not limited to, volatile organic compounds, metals, pesticides and products of incomplete combustion) in a representative nubmer of urban locations;

"(B) analysis to characterize the sources of such pollution with a focus on area sources and the contribution that such sources make to public health risks from hazardous air pollutants; and

"(C) consideration of atmospheric transformation and other factors which can elevate public health risks from such pollutants.

Health effects considered under this program shall include, but not be limited to, carcinogenicity, mutagenicity, teratogenicity, neurotoxicity, reproductive dysfunction and other acute and chronic effects including, but not limited to, the role of such pollutants as precursors of ozone or acid aerosol formation. The Administrator shall report the preliminary results of such research not later than three years after the date of enactment of this paragraph.

"(3) The Governor of each State receiving a grant under section 105 of this Act and containing a Metropolitan Statistical Area, with a population exceeding 250,000 persons shall commence, not later than 18 months after the date of enactment of this subsection, a monitoring program in each such area to detect and measure the ambient concentration of hazardous pollutants in the air. The Administrator shall, after consultation with the States, prescribe a list of hazardous air pollutants and detection methods (including frequency and location) for purposes of this paragraph which shall reflect those pollutants likely to be emitted by area sources in metropolitan areas and which present the greatest risk to public health. To the extent practicable, monitoring under this paragraph shall be conducted at various times of the day and seasonally and at a variety of locations within each metropolitan area. The Governor shall prepare a biennial report on the results of the monitoring program which shall be made available to the public at a hearing within the metropolitan area and which shall be transmitted to the Administrator. The report shall identify sources or categories of sources contributing to the presence of hazardous pollutants in the air and shall quantify the risks to public health. The Administrator may promulgate such regulations as are necessary to carry out this paragraph, including provisions which—

"(A) phase in the monitoring program over a longer period, but not to exceed 3 years;

"(B) provide for a reduction in the frequency of monitoring in areas which have detected low ambient concentrations or health risks in previous monitoring cycles; and

"(C) which extend the monitoring program to other areas.

"(4) Taking into account the information developed through the monitoring programs authorized by paragraphs (2) and (3), the Administrator shall, not later than five years after the date of enactment of this subsection and after notice and opportunity for public comment, prepare and transmit to the Congress a comprehensive strategy to control hazardous air pollutants released by area sources in urban areas. The strategy shall include a schedule of specific actions to substantially reduce the public health risks posed by the release of hazardous air pollutants from area sources which will be implemented by the Administrator under the authority of this or other laws or by the States. The strategy shall identify particular pollutants and area source categories or subcategories which present public health threats, those specific actions to reduce emissions which will be taken with respect to the identified pollutants and categories, the authorities (whether under this Act or other laws including, but not limited to, the Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act and the Resource Conservation and Recovery Act, administered by the Agency) which will be relied upon to achieve reductions and a schedule for implementing the proposed actions. The strategy may also identify research needs in monitoring, analytical methodology, modeling or pollution control techniques and recommendations for changes in law that would further the goals and objectives of the strategy. In selecting pollutants and categories or subcategories of area sources for control under the strategy, the Administrator shall consider those pollutants and sources that present the highest risks to public health in the largest number of communities. Nothing in this subsection shall be interpreted to preclude or delay implementation of actions with respect to area sources of hazardous air pollutants under consideration pursuant to this or any other law and which may be promulgated before the strategy is prepared. The Administrator shall implement the strategy as expeditiously as practicable.

"(5) In addition to the national urban air toxics strategy authorized by paragraph (4), the Administrator shall also encourage and support areawide strategies developed by State or local air pollution control agencies which are intended to reduce risks from emissions by area sources within a particular urban area. From the funds available for grants under this section, the Administrator shall set aside not less than ten per centum to support areawide strategies addressing hazardous air pollutants emitted by area sources and shall award such funds on a demonstration basis to those States with innovative and effective strategies. At the request of State or local air pollution control officials, the Administrator shall prepare guidelines for control technologies or management practices which may be applicable to various categories or subcategories of area sources.

"(6) The Administrator shall report to the Congress at intervals not later than eight and ten years after the date of enactment of this subsection on actions taken under this subsection and other parts of this Act to reduce the risk to public health posed by the release of hazardous air pollutants from area sources. The reports shall also identify specific metropolitan areas which continue to experience high risks to public health as the result of emissions from area sources.

"(7) The Administrator of the Environmental Protection Agency shall prepare a report with recommendations on health impacts of mobile source benzene emissions considering both fuel and vehicle-based control strategies to be submitted to the Environment and Public Works Committee of the Senate and the Energy and Commerce Committee of the House of Representatives not later than twenty-four months after the date of the enactment of the Toxics Release Prevention Act of 1989.

"(l) STATE PROGRAMS.—

"(1) Each State may develop and submit to the Administrator for approval a program for the implementation and enforcement (including a review of enforcement delegations previously granted) of emission standards and other requirements for air pollutants subject to this section or requirements for the prevention and mitigation of sudden, accidental releases pursuant to section 129. A program submitted by a State under this subsection may provide for partial or complete delegation of the Administrator's authorities and responsibilities to implement and enforce emissions standards and prevention requirements but shall not include authority to set standards less stringent than those promulgated by the Administration under this Act.

"(2) Not later than twelve months after the date of enactment of this paragraph, the Administrator shall publish guidance which would be useful to the States in developing programs for submittal under this subsection. Guidance shall, at a minimum, include permitting requirements for new and existing sources of air pollutants subject to this section. The guidance shall also provide for the registration of all facilities producing, processing, handling or storing any substance listed pursuant to section 129 in amounts greater than the threshold quantity. The Administrator shall include as an element in such guidance an optional program for the review of high-risk point sources of air pollutants including, but not limited to, hazardous air pollutants listed pursuant to subsection (b).

"(3) The Administrator shall establish and maintain an air toxics clearinghouse, control technology center, and risk information center to provide technical assistance and information to the States on measures, methods, practices and techniques effective in reducing the emissions of air pollutants subject to this section or section 129.

"(4) Upon application of a State, the Administrator may make grants, subject to such terms and conditions as the Administrator deems appropriate, to such State for the purpose of assisting the State in developing and implementing a program for submittal and approval under this subsection. Programs assisted under this paragraph may include program elements addressing air pollutants other than those specifically subject to this section or section 129. Grants under this paragraph may include support for high-risk point source review as provided in paragraph (2) and support for the development and implementation of areawide area source programs pursuant to subsection (k).

"(5) Not later than one hundred and eighty days after receiving a program submitted by a State, and after notice and opportunity for public comment, the Administrator shall either approve or disapprove such program. The Administrator shall disapprove any program submitted by a State, if the Administrator determines that—

"(A) the authorities contained in the program (including conditions in permits) are not adequate to assure compliance by all sources within the State with each applicable standard, regulation or requirement established by the Administrator under this section;

"(B) adequate authority does not exist, or adequate resources (including revenues from permit fees) are not available, to implement the program;

"(C) the schedule for implementing the program (including the schedule for issuing permits) and assuring compliance by affected sources is not sufficiently expeditious; or

"(D) the program is otherwise not in compliance with the guidance issued by the Administrator under paragraph (2) or is not likely to satisfy, in whole or in part, the objectives of this Act.

If the Administrator disapproves a State program, the Administrator shall notify the State of any revisions or modifications necessary to obtain approval. The State may revise and resubmit the proposed program for review and approval pursuant to the provisions of this subsection.

"(6) Whenever the Administrator determines, after public hearing, that a State is not administering and enforcing a program approved pursuant to this subsection in accordance with the guidance published pursuant to paragraph (2) or the requirements of paragraph (5), the Administrator shall so notify the State and, if action which will assure prompt compliance is not taken within ninety days, the Administrator shall withdraw approval of the program. The Administrator shall not withdraw approval of any program unless the State shall have been notified and the reasons for withdrawal shall have been stated in writing and made public.

"(7) Nothing in this subsection shall prohibit the Administrator from enforcing any applicable emission standard or requirement under this section or section 129.

"(m) STATE AUTHORITY.—Nothing in this section shall preclude, deny, or limit any right of any State or political subdivision thereof to adopt or enforce any regulation, requirement or standard (including any procedural requirement) which is more stringent than a regulation, requirement or standard in effect under this seciton or that applies to a substance not subject to this section.

"(n) HYDROGEN SULFIDE.—The Administrator is directed to assess the hazards to public health and the environment resulting from the emission of hydrogen sulfide associated with the extraction of oil and natural gas resources. To the extent practicable, the assessment shall build upon and not duplicate work conducted for an assessment pursuant to section 8002(m) of the Solid Waste Disposal Act and shall reflect consultation with the States. The assessment shall include a review of existing State and industry control standards, techniques and enforcement. The Administrator shall report to the Congress within twenty-four months of the enactment of this paragraph with the findings of such assessment, together with any recommendations, and shall develop and implement a control strategy for emissions of hydrogen sulfide as appropriate to protect human health and the environment, based on the findings of such assessment, using authorities under this Act including sections 111 and this section.

"(o) SAVINGS CLAUSE.—No amendment to this section made by the Toxics Release Prevention Act of 1989 shall affect any emission standard for a hazardous air pollutant which has been promulgated prior to the enactment of such Act. Emission standards for categories of sources of radionuclides may be established in accordance with section 112 of the Clean Air Act as in effect prior to the enactment of the Toxics Release Prevention Act of 1989.

"(p) STUDY OF RISK ASSESSMENT.—The Administrator shall conduct a review of risk assessment methods used by the Agency to determine the carcinogenic risks associated with exposure to various hazardous air pollutants and source categories and subcategories subject to the requirements of this section and report to the Congress the results of such review not later than twenty-four months after the date of enactment of this subsection. As element of such review, the Administrator shall examine the factors which may contribute to overestimating or underestimating such risks including the exposure parameters used in establishing carcinogenic risk estimates for the most exposed individual. The Administrator shall compare the parameters used in risk assessments for hazardous air pollutants conducted by the Agency with actual conditions of exposure and comparable assumptions made for exposure to other environmental threats and shall seek the views of the National Research Council on such parameters. The Administrator shall include in the report a description of the range of risk, the number of persons exposed at various levels of risk and the cancer incidence for source categories and subcategories which are listed pursuant to subsection (e)(1)(A). The report shall also include a summary of information and methods for assessing the risk of adverse human health effects for pollutants and effects other than carcinogenicity (including, but not limited to, inheritable genetic mutations, birth defects and reproductive dysfunctions) where no threshold for safe exposure may be determined.

"(q) ANNUAL REPORT.—Not later than January 15, 1991 and within 105 days of the close of the fiscal year for each fiscal year thereafter, the Administrator shall prepare and transmit to the Congress a comprehensive report on the measures taken by the Agency and by the States to implement the provisions of this section and section 129. The Administrator shall maintain a database on pollutants and sources subject to the provisions of this section and shall include aggregate information from the database in each annual report. The report shall include, but not be limited to—

"(1) a status report on standard-setting under subsections (d), (f) and (g);

"(2) information with respect to compliance with such standards including the costs of compliance experienced by sources in various categories and subcategories;

"(3) development and implementation of the national urban air toxics program;

"(4) recommendations of the Chemical Safety and Hazard Investigation Board with respect to the prevention and mitigation of sudden, accidental releases; and

"(5) such recommendations for additional legislation to achieve the purposes of this section and section 129 as the Administrator may deem appropriate.

"(r) AUTHORIZATION.—There are authorized to be appropriated such sums as are necessary to carry out the provisions of this section.".

SEC. 3. The Clean Air Act is amended by adding the following new section:

"PREVENTION OF SUDDEN, ACCIDENTAL RELEASES

"SEC. 129. (a) PURPOSE AND GENERAL DUTY.—It shall be the objective of the regu-

lations and programs authorized under this section to prevent the sudden, accidental release and to minimize the consequences of any such release of any substance listed pursuant to subsection (b) or any other extremely hazardous substance. The owners and operators of facilities producing, processing, handling or storing such substances have a general duty to identify hazards resulting from such releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of sudden, accidental releases which do occur. Nothing in this subsection shall be interpreted, construed or applied to create any liability for compensation for bodily injury or property damages to any person which may result from sudden, accidental releases of such substances.

"(b) LIST OF SUBSTANCES.—The Administrator shall, not later than twelve months after the date of enactment of this section, proposed and, not later than twenty-four months after such date, promulgate, a list of not less than 50 substances which may, as the result of sudden events, be released in concentrations that may reasonably be anticipated to cause acute adverse health effects in humans. The list shall be drawn from, but not be limited to, those substances on the list established by section 302 of the Emergency Planning and Community Right-to-Know Act of 1986 and shall include those substances with the greatest likelihood to cause death, injury, property damage or evacuations as the result of sudden, accidental releases. The initial list shall include sulfuric acid, chlorine, anhydrous ammonia, hydrochloric acid, sodium hydroxide, methyl chloride, phosphoric acid, ethylene oxide, toluene, vinyl chloride, methyl alcohol, nitric acid, styrene, tetrachloroethylene, ammonia, hydrogen, sulfide, acetone, methylene chloride, benzene, methyl ethyle ketone, toluene diisocyanate, phosgene, polyvinyl chloride, sulfur dioxide (10 percent or more by volume), formaldehyde, butadiene, hydrofluoric acid, and acrylonitrile. The Administrator shall from time to time (but not less often than every five years) review and revise the list established by this subsection adding substances which, as a result of sudden events, may be released in concentrations that may reasonably be anticipated to cause acute adverse health effects in humans. At the time any substance is placed on such list, the Administrator shall establish a threshold quantity for such substance, taking into account the toxicity (including short- and long-term health effects), reactivity, volatility, dispersability, combustability or flammability of the substance.

"(c) HAZARD ASSESSMENTS.—

"(1) Not later than twelve months after a substance is listed under subsection (b), the owner or operator of each facility at which such substance is present in amounts greater than the threshold quantity shall conduct and complete a hazard assessment for each such substance present at the facility. The purpose of such assessment shall be to anticipate the consequences of a range (including worst case events) of sudden, accidental release of such substances from the facility and to provide information that may aid in the prevention, or mitigation, of or response to such releases.

"(2) Not later than twelve months after the date of enactment of this subsection the Administrator shall propose and not later than twenty-four months after such date publish guidance with respect to the preparation of hazard assessments. In preparing such guidance the Administrator shall reveiw and require, as appropriate, each of the following elements—

"(A) basic data on the facility, units at the facility which contain or process substances listed under subsection (b) (including the longitude and latitude of such units), facility operating procedures, population of the nearby communities, and the meteorology of the area where the facility is located;

"(B) an identification of the potential sources of sudden, accidental release from the facility of substances listed under subsection (b);

"(C) an identification of any previous such releases from the facility for which a report was required under this or other laws including the amounts released, frequencies and durations;

"(D) an identification of a range (including worst case events) of potential releases from the facility including an estimate of the size, concentration, and duration of such potential releases and a correlation of such factors with the distance from the source of release;

"(E) a determination of potential exposure (including the concentration and duration of exposure) for all persons who may be put at risk as the result of a sudden, accidental release from the facility;

"(F) a determination of the probability of exposure as the result of various release scenarios including consideration of meteorological factors;

"(G) information on the toxicity of the substances listed under subsection (b) present at the facility;

"(H) a review of the efficacy of various release prevention and control measures; and

"(I) a sensitivity analysis with respect to the uncertainties and assumptions incorporated in the hazard assessment.

"(3) Each hazard assessment prepared pursuant to this subsection shall be updated biennially. Hazard assessments shall not be required to include potential releases from rolling stock infrequently and temporarily located at the facility but shall consider hazards with respect to the substances contained in rolling stock which are regularly present. For purposes of this subsection, the term "facility" does not include the right-of-way of a railroad outside of any railroad yard.

"(4) To the maximum extent practicable, the Administrator shall coordinate requirements for hazard assessments under this section with any comparable requirements that may be imposed by the Occupational Safety and Health Administration including joint promulgation of regulations, provided that, impacts of potential releases on human health and property outside the boundary of the facility are fully considered in any such regulation, that hazard assessments be available to the public as provided in this subsection and that nothing in such regulation is interpreted, construed or applied to preclude or diminish the right of any State or a political subdivision thereof to impose requirements for hazard assessment or accident prevention and mitigation more stringent than those established under such regulations.

"(5) To the extent practicable, and where there are a large number of small facilities with similar business and operating characteristics which are likely to present similar risk of sudden, accidental releases of extremely hazardous substances, the Administrator shall facilitate compliance with the requirements of this subsection by designing generic hazard identification and assessment tools including training manuals, checklists and workbooks which would be useful to the owners and operators of such facilities. The Administrator is authorized to cooperate with trade associations and other organizations representing such facilities and other advisory groups to develop hazard identification and assessment materials and to conduct training programs in the use of such materials.

"(6) Hazard assessments prepared pursuant to the requirements of this subsection shall be available to the Administrator, to the Chemical Safety and Hazard Investigation Board, to the State in which the facility is located, to any local emergency planning entity or public safety agency having responsibility for planning or response to sudden, accidental releases which may occur at such facility, and to the public subject to the conditions of sections 322, 323, and 324 of the Emergency Planning and Community Right-to-Know Act of 1986.

"(7) As a part of the guidance published pursuant to paragraph (2), the Administrator may collect and publish information on accident scenarios and consequences covering a range of possible events for substances listed under subsection (b). The Administrator shall establish a program of long-term research to develop and disseminate information on methods and techniques of hazard assessment which may be useful in improving and validating the procedures employed in the preparation of hazard assessments under this subsection.

"(C) CHEMICAL SAFETY BOARD.—

"(1) There is hereby established within the Environmental Protection Agency an independent safety board to be known as the Chemical Safety and Hazard Investigation Board.

"(2) The Board shall consist of five members including a chairperson who shall be appointed by the President, by and with the advice and consent of the Senate. Two members of the Board shall be appointed by the Administrator of the Environmental Protection Agency, one member shall be appointed by the Secretary of Labor and one member shall be appointed by the Secretary of Transportation. With the exception of the chairperson, members may be designated from personnel of agencies of the United States. Members of the Board shall be appointed on the basis of technical qualification, professional standing, and demonstrated knowledge in the fields of accident, reconstruction, safety engineering, human factors, chemical safety, toxicology or chemical regulation.

"(3) the terms of office of members of the Board shall be five years. Any member of the Board, including the chairperson as determined by the President, may be removed for inefficiency, neglect of duty, or malfeasance in office.

"(4) The chairperson shall be the chief executive officer of the Board and shall exercise the executive and administrative functions of the Board.

"(5) The Board shall—

"(A) investigate (or cause to be investigated), determine and report to the public in writing the facts, conditions, and circumstances and the cause or probable cause of any sudden, accidental release involving the production, processing, handling or storage of chemical substances resulting in a fatality, serious injury or substantial property damages;

"(B) issue periodic reports to the Congress, Federal, State and local agencies, including the Evironmental Protection Agency and the Occupational Safety and Health Administration, concerned with the safety of chemical production, processing, handling and storage, and other interested persons recommending measures to reduce the likelihood or the consequences of sudden, accidental releases and proposing corrective steps to make chemical production, processing, handling and storage as safe and free from risk of injury as is possible and may include in such reports proposed rules or orders which should be issued by the Administration under the authority of this section or the Secretary of Labor under the Occupational Safety and Health Act to prevent or minimize the consequences of any release of substances that may have an acute adverse effect on human health as a result of sudden events; and

"(C) establish by regulation requirements binding on persons for reporting accidental releases subject to the Board's investigatory jurisdiction under this paragraph, provided that reporting releases to the National Response Center, in lieu of the Board directly, shall satisfy such regulations, and provided further that, the Center shall promptly notify the Board of any releases which are within the Board's jurisdiction.

"(6) The Board shall coordinate its actions under paragraph (5) with investigations and studies conducted by other agencies of the United States having a responsibility to protect public health and safety, but in no event shall the Board forego an investigation where a sudden, accidental release involving the production, processing, handling, or storage of a chemical substance causes a fatality or serious injury among the general public. The Board shall enter into a memorandum of understanding with the National Transportation Safety Board to assure coordination of functions and to limit duplication of activities which shall designate the National Transportation Safety Board as the lead agency for the investigation of releases which are transportation related.

"(7) The Board is authorized to conduct research and studies with respect to the potential of the sudden, accidental release of substances subject to section 302 of the Emergency Planning and Community Right-to-Know Act of 1986 and other extremely hazardous substances, whether or not an accidental release has occurred, where there is evidence which indicates the presence of a potential hazard or hazards. To the extent practicable, the Board shall conduct such studies in cooperation with other Federal agencies having emergency response authorities, State and local governmental agencies and associations and organizations from the industrial, commercial, and nonprofit sectors.

"(8) No part of the conclusions, findings, or recommendations of the Board relating to any event or the investigation of such event shall be used as evidence in any suit or action for damages resulting from a release which the Board investigates under this section.

"(9) Not later than eighteen months after the date of enactment of this section, the Board shall publish a report accompanied by recommendations to the Administrator on the use of hazard assessments in preventing the occurrence and minimizing the consequences of sudden, accidental releases of extremely hazardous substances. The recommendations shall include a list of extremely hazardous substances (including threshold quantities for such substances) and categories of facilities for which hazard assessments would be an appropriate measure to aid in the prevention of accidental releases and to minimize the consequences of those releases that do occur. The recommendations shall also include a description of the information and analysis which would be appropriate to include in any hazard assessment. The Board may from time to time review and revise its recommendations under this paragraph.

"(10) Whenever the Board submits a recommendation with respect to the safety of chemical production, processing, handling and storage to the Administrator, the Administrator shall respond to such recommendation formally and in writing not later than one hundred eighty days after receipt thereof. The response to the Board's recommendation by the Administrator shall indicate whether the Administrator will—

"(A) initiate a rule-making or issue such orders as are necessary to implement the recommendation in full or in part, pursuant to any timetable contained in the recommendation;

"(B) decline to initiate a rule-making or issue orders as recommended.

Any determination by the Administrator not to implement a recommendation of the Board or to implement a recommendation only in part, including any variation from the schedule contained in the recommendation, shall be accompanied by a statement from the Administrator setting forth the reasons for such determination.

"(11) The Board, or upon authority of the Board, any member thereof, any administrative law judge employed by or assigned to the Board, or any officer or employee duly designated by the Board, may for the purpose of carrying out duties authorized by paragraph (5)(a)—

"(A) hold such hearings, sit and act at such times and places, administer such oaths, and require by subpoena or otherwise attendance and testimony of such witnesses and the production of evidence and may require by order that any person engaged in the production, processing, handling, or storage of chemical substances submit written reports and responses to requests and questions within such time and in such form as the Board may require; and

"(B) upon presenting appropriate credentials and a written notice of inspection authority, enter any property where a sudden, accidental release causing a fatality, serious injury or substantial property damage for a proper investigation pursuant to paragraph (5)(a) and inspect at reasonable times records, files, papers, processes, controls, and facilities and take such samples as are relevant to such investigation.

"(12) The Board is authorized to establish such procedural and administrative rules as are necessary to the exercise of its functions and duties. The Board is authorized without regard to section 5 of title 41 of the United States Code to enter into contracts, leases, cooperative agreements or other transactions as may be necessary in the conduct of the duties and functions of the Board with any other agency, institution, or person.

"(13) The Administrator shall provide to the board such support and facilities as may be necessary for operation of the Board.

"(14) Any records, reports or information obtained by the Board shall be available to the public, except that upon a showing satisfactory to be the Board by any person that records, reports, or information, or particular part thereof (other than release or emissions data) to which the Board has access, if made public, is likely to cause substantial harm to the person's competitive position, the Board shall consider such record, report, or information or particular portion thereof confidential in accordance with section 1905 of title 18 of the United States Code, except that such record, report, or information may be disclosed to other officers, employees, and authorized representatives of the United States concerned with carrying out this act or when relevant under any proceeding under this Act. This paragraph does not constitute authority to withhold records, reports, or information from the Congress.

"(15) The Board shall submit an annual report to the President and to the Congress which shall include, but not be limited to, information or sudden, accidental releases which have been investigated by or reported to the Board during the previous year, recommendations for legislative or administrative action which the Board has made, the actions which have been taken by the Administrator or the heads of other agencies to implement such recommendations, an identification of priorities for study and investigation in the succeeding year, progress in the development of risk reduction technologies and the response to and implementation of significant research findings on chemical safety in the public and private sector.

"(16) There are authorized to be appropriated to carry out the provisions of this subsection not to exceed $12,000,000 in each of the fiscal years ending September 30, 1990, 1991, 1992, 1993, and 1994.

"(d) ACCIDENT PREVENTION.—In order to prevent the release of substances listed pursuant to subsection (b) or other extremely hazardous substances (which may cause acute adverse effects on human health as the result of sudden events) from devices and systems (including, but not limited to, pumps, compressors, valves, flanges, connectors, containers, and vessels but not including rolling stock), the Administrator may promulgate release prevention, detection, and correction requirements which may include monitoring, record-keeping, reporting, training, vapor recovery, secondary containment, and other design, equipment, work practice, and operational requirements. Regulations promulgated under this subsection may make distinctions between various types, classes, and kinds of facilities, devices and systems taking into consideration factors including, but not limited to, the size, location, process, process controls, quantity of substances handled, potency of substances, and response capabilities present at any facility. In carrying out the authority of this subsection, the Administrator shall consult with the Secretary of Labor and seek to coordinate any requirements under this subsection with any requirements established for comparable purposes by the Occupational Safety and Health Administration.

"(e) ORDER AUTHORITY.—

"(1) In addition to any other action taken, when the Administrator determines that there may be an imminent and substantial endangerment to the public health or welfare or the environment because of an actual or threatened release of a substance listed pursuant to subsection (b) or other extremely hazardous substance from a facility, the Administrator may secure such relief as may be necessary to abate such danger or threat, and the district court of the United States in the district in which

the threat occurs shall have jurisdiction to grant such relief as the public interest and the equities of the case may require. The Administrator may also, after notice to the State in which the facility is located, take other action under this subsection including, but not limited to, issuing such orders as may be necessary to protect human health, welfare or the environment.

"(2) Any person who willfully violates, or fails or refuses to comply with, any order of the Administrator under paragraph (1) may, in an action brought in the appropriate United States district court to enforce such order, be fined not more than $25,000 for each day in which such violation occurs or failure to comply continues.

"(3) Within one hundred and eighty days after enactment of this section, the Administrator shall publish guidance for using the order authorities established by this subsection. Such guidance shall provide for the coordinated use of the authorities of this subsection with other emergency powers authorized by section 106 of the Comprehensive Environmental Response, Compensation and Liability Act, sections 311(c), 308, 309 and 504(a) of the Federal Water Pollution Control Act, sections 3007, 3008, 3013, and 7003 of the Solid Waste Disposal Act, sections 1445 and 1431 of the Safe Drinking Water Act, sections 5 and 7 of the Toxic Substances Control Act, and sections 113, 114, and 303 of this Act.

"(e) PRESIDENTIAL REVIEW.—The President shall conduct a review of release prevention, mitigation and response authorities of the various Federal agencies and shall clarify and coordinate agency responsibilities to assure the most effective and efficient implementation of such authorities and to identify any deficiencies in authority or resources which may exist. The President may utilize the resources and solicit the recommendations of the Board in conducting such review. At the conclusion of such review, but not later than twenty-four months after the date of enactment of this section, the President shall transmit a message to the Congress on the release prevention, mitigation and response activities of the Federal Government making such recommendations for change in law as the President may deem appropriate. Nothing in this subsection shall be interpreted, construed or applied to authorize the President to modify or reassign release prevention, mitigation or response authorities otherwise established by law.

"(f) STATE AUTHORITY.—Nothing in this section shall preclude, deny or limit any right of a State or political subdivision thereof to adopt or enforce any regulation, requirement or standard (including any procedural requirement) that is more stringent than a regulation, requirement or standard in effect under this section or that applies to a substance not subject to this section.

"(g) AUTHORIZATION.—There are authorized to be appropriated to the Administrator such sums as may be necessary to carry out the provisions of this section.".

SEC. 4. (a) Section 113(c)(1) of the Clean Air Act is amended by striking "shall be punished" and all that follows through the end of the paragraph and inserting in lieu thereof "shall be punished by a fine of not less than $5,000 nor more than $50,000 per day of violation, or by imprisonment for not more than three years, or by both. If a conviction of such person is for a violation committed after a first conviction of such person under this paragraph, punishment shall be by a fine of not more than $100,000 per day of violation, or by imprisonment of not more than six years, or by both.".

(d) Section 113(c)(2) of the Clean Air Act is amended by striking "$10,000" and inserting in lieu thereof "$25,000"; and by striking "six months" and inserting in lieu thereof "two years".

(c) Section 111(d)(1) of the Clean Air Act is amended by striking "112(b)(1)(A)" and inserting in lieu thereof "112(b)".

(d) Section 111 of the Clean Air Act is amended by striking paragraphs (g)(5) and (g)(6) and redesignating the succeeding paragraphs accordingly. Such section is further amended by striking "or section 112" in paragraph (g)(7).

(e) Section 113 of the Clean Air Act is amended by striking "112(c)" wherever it occurs and inserting in lieu thereof "112".

(f) Section 113 of the Clean Air Act is amended by inserting "section 129 (relating to accident prevention)," before "or 119(g)" in subsection (a)(3). Such section is further amended by inserting "section 129 (relating to accident prevention)," before "subsection (d)(5)" in subsection (b)(3). Such section is further amended by inserting "section 129," after "section 112," in subsection (c)(1)(C).

(g) Section 114(a) of the Clean Air Act is amended by striking "or" after "section 111," and by inserting ", or any accident prevention regulation under section 129," after "section 112".

(h) Section 118(b) of the Clean Air Act is amended by striking "112(c)" and inserting in lieu thereof "112(i)(3)".

(i) Section 302(k) of the Clean Air Act is amended by adding before the period at the end thereof ", and any design, equipment, work practice or operational standard authorized by this Act constitutes a violation of an 'emission standard' whether or not an air pollutant is emitted to the ambient air.".

(j) Section 304(b)(1) of the Clean Air Act is amended by striking "112(c)(1)(B)" and inserting in lieu thereof "112".

(k) Section 307(b)(1) is amended by striking "112(c)" and inserting in lieu thereof "112".

Mr. LAUTENBERG. I am pleased this morning to join Senator DURENBERGER, Senator BREAUX and other members of the Senate Environment Committee in introducing the Toxics Release Prevention Act of 1989. This bill requires EPA to establish a new program to control routine and accidental emissions of air toxics which can cause illness and death and poison our environment.

Earlier this year, Senator BAUCUS, chairman of the Environmental Protection Subcommittee, announced his schedule for addressing clean air legislation this year. He decided that air toxics legislation would be developed first and he asked me, Senator DURENBERGER and Senator BREAUX to work to develop legislation which all three members could support. The Toxics Release Prevention Act of 1989 represents the work of myself, Senators DURENBERGER and BREAUX, and other members of the Senate Environment Committee. I want to thank all of the members who have joined as cosponsors, and I particularly want to thank, Senator DURENBERGER and Senator BREAUX for their efforts in developing this legislation.

This bill represents a compromise. And as with any compromise, there are aspects of the bill which I would have drafted differently had I introduced this bill on my own. But I believe we have significantly increased the likelihood of passing strong air toxics legislation by working cooperatively at this time. And, what is most important is passing a strong air toxics bill.

Mr. President, this bill is long overdue. Toxics air pollutants presents one of the most serious threats to human health. An EPA study of just 20 toxic air pollutants concluded that these pollutants resulted in 1,700 to 2,000 cancer cases a year. EPA's own 1987 comparative analysis of risks concluded that toxic air pollutants posed a high risk of cancer and noncancer health risks when compared to other sources of pollution.

And an EPA evaluation of 2,650 facilities emitting 16 hazardous air pollutants concluded that almost one-fourth of the sources presented risks of cancer at greater than 1 in 10,000 persons to the most exposed individual. One source actually presented a risk greater than 1 in 10 of getting cancer.

Air toxics also are increasingly believed to be a cause of environmental contamination of our precious water resources. Air toxics account for roughly 25 percent of the total toxic loading to the Great Lakes. And while EPA has yet to examine the effect of air toxics on coastal waters, EPA scientists believe that the air toxics problems identified in the Great Lakes are likely to be found also in coastal waters.

Last week, EPA released air toxics emissions data under the right-to-know legislation which I sponsored. This data showed that 2.7 billion pounds of air toxics were released in 1987 by companies required to report under the right-to-know law. Eighty of these chemicals were emitted in amounts greater than 1 million pounds in the year. I ask unanimous consent to include a section of a report prepared by the National Wildlife Federation, "Danger Downwind: A Report on the Release of Billions of Pounds of Toxic Air Pollutants," which describes the health and environmental effects of the 25 chemicals emitted in the largest quantities.

And what is even more staggering is that the 2.7 billion pound total does not include releases of toxics from mobil sources, facilities which did not comply with the reporting requirements, and facilities not covered by the right-to-know legislation. This later category includes Federal facilities, which account for one-third of all Superfund sites, tank farms, incinerators, and other hazardous waste treatment, storage, and disposal facili-

ties. The total emissions of air toxics could be three to four times higher than the reported level.

Yet, since the Clean Air Act was first enacted in 1970, EPA has designated just eight chemicals as hazardous air pollutants. It's clear that the existing regulatory system is floundering.

The staggering amount of air toxics releases, together with the threat to public health and environment which they pose, and EPA's failure to act, make an overwhelming case to enact air toxics legislation.

But we also need to be concerned about catastrophic accidents involving acutely toxic air pollutants, not just routine emissions. EPA says that between 1980 and 1985, it has data that there have almost 7,000 accidents resulting in roughly 4,700 injuries and 140 deaths and evaculations of of more than 217,000 people. And EPA believes that this is one-third to one-half of the number of actual chemical accidents.

The right-to-know legislation, which I authored, partially addresses this problem by requiring industry to make information available to communities which can then plan for emergencies. But the record of accidents in the United States makes it clear that more needs to be done to protect the public from accidents like the one which occurred in Bhopal. We need to ensure that industry handles extremely hazardous substances with extreme care. If there is anything to learn from the massive oil spill in Prince William Sound, it is that we must take all feasible actions to prevent accidents from occurring.

The Toxics Release Prevention Act of 1989 addresses both routine and catastrophic releases of air toxics. It requires EPA to regulate categories of sources which release certain levels of hazardous air pollutants. Last year's bill included a list of 224 hazardous air pollutants. EPA has proposed a list with 186 chemicals. Eleven of the top 100 emissions of air toxics identified in the right-to-know data are not on either list. The Environment Committee will be refining this list based in large part on the right-to-know data.

Facilities emitting these air toxics in certain amounts will be required to install the maximum available control technology. This can include process changes and materials substitution to reduce or eliminate the generation of toxic air pollutants and a prohibition on such emissions where achievable. If after installation of this technology, remaining emissions present a significant risk of adverse effects on human health or a threat of adverse environmental effects, facilities will have to further reduce their emissions to protect against adverse effects to human health, with an adequate margin of safety, and the environment.

For carcinogens, facilities are required to reduce their emissions to levels which eliminate all lifetime risks of carcinogenic effects greater than 1 in 1 million to the individual in the population who is most exposed to emissions of the pollutant. Facilities would be able to seek an exception to this requirement only where they could show that the emission poses a risk no greater than 1 in 10,000 and that the facility cannot achieve the 1 in 1 million standard using all available technology and operational controls including process modifications and materials substitution. This exception must be renewed every 5 years.

Mr. President, the bill allows for an additional 5-year extension for facilities which cannot achieve the 1 in 10,000 standard within the prescribed timeframe. I am, quite frankly, troubled by this provision. During discussions with other Members, I proposed limiting this extension. I have been assured by Senator BAUCUS, Chairman of the Environmental Pollution Subcommittee, that the subcommittee will continue to work on limiting and tightening this extension.

The bill also establishes a process for addressing the problem of urban air toxics. In urban areas, there is a soup of hazardous air pollutants which create health risks. Many of the sources of these pollutants are smaller facilities which in and of themselves would not cause a health risk but cumulatively cause significant problems. The bill for the first time establishes a process for EPA and the States to identify the scope of the urban air toxics problem and to initiate actions to address the problem.

Finally, the bill builds upon the program we created in the emergency planning and community right-to-know law by requiring facilities to prepare hazard assessments which are designed to prevent accidents from occurring when they handle acutely hazardous substances. The bill also establishes an independent Chemical Safety and Hazard Assessment Board, modeled after the National Transportation Safety Board, to investigate accidents and make recommendations on measures to prevent accidents from occurring. EPA would be required to respond to each recommendation made by the Board.

Mr. President, the introduction of this legislation is the first but not the final step in passing air toxics legislation in the Senate. There are a number of areas that the Environment Committee still needs to work on. These include refining the list of hazardous air pollutants and the floor for determining maximum achievable control technology, and addressing issues regarding regulating facility modifications and mobil sources of air pollution. We also need to review whether to strengthen the program to address urban air toxics.

But this legislation represents an important step. It makes clear our determination that the clean air amendments we will enact this Congress include a strong program to address routine and accidental emissions of toxic air pollutants. I urge my colleagues to join in cosponsoring this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPENDIX D—PROFILES OF THE 25 CHEMICALS EMITTED IN LARGEST QUANTITIES

The profiles include the total amount released, the three states with the most significant emissions, and brief toxicological summaries for each of the 25 chemicals emitted in largest quantities according to the EPA Toxic Release Inventory report.

The toxicological summaries are derived from several sources including: the Hazardous Substance Data Bank maintained at the National Library of Medicine, EPA's TRI Fact Sheets, the Agency for Toxic Substances and Disease Registry's Toxicological Profiles, the Installation Restoration Program's Toxicology Guide, and Casarett and Doull's Toxicology.

TOLUENE

Over 235 million pounds of toluene were emitted into the air by industries in 1987. Toluene ranked #1 for air emissions in 1987, according to the EPA's Toxic Release Inventory data. The three states releasing the most toluene were North Carolina (22.39 million), Michigan (15.74 million), and Illinois (13.70 million pounds).

Toluene is a flammable, colorless liquid. It is used as a solvent in the manufacture of perfumes, medicines, dyes, explosives, detergents, aviation gasoline, and other chemicals. Toluene can cause mutations in living cells and damage developing fetuses. It can also damage the liver, kidney, brain, and bone marrow (resulting in low blood cell count). Acute exposures can irritate the nose, throat, and eyes, cause confusion, headache, slowed reflexes, loss of consciousness, and death.

AMMONIA

Over 233 million pounds of ammonia were emitted into the air by industries in 1987. Ammonia as released into the air in quantities second only to toluene, according to the TRI report. The three states releasing the most ammonia were Louisiana (70.23 million), Alaska (30.18 million), and Arkansas (17.57 million pounds).

Ammonia is used in the manufacture of fertilizers, explosives, and other chemicals. Chronic exposure damages the lungs, possibly causing bronchitis. Acute ammonia exposure irritates the skin, burns the eyes causing temporary or permanent blindness, and causes pulmonary or laryngeal edema, which may lead to death.

ACETONE

Over 186 million pounds of acetone were emitted into the air by industries in 1987. Acetone ranked 3rd in the TRI report. The three states releasing the most acetone were Tennessee (40.11 million), Texas (17.76 million), and Virginia (14.79 million pounds).

Acetone is a flammable, colorless liquid. It is found in paints, varnishes, and lacquers, and is used as a solvent for cements in the leather and rubber industry. Chronic acetone exposure can damage the skin, liver,

and kidneys. Acute exposure can irritate the skin, eyes, nose, and throat, and may cause dizziness, lightheadedness, and loss of consciousness.

METHANOL

Over 182 million pounds of methanol were emitted into the air by industries in 1987. Methanol ranked 4th in the TRI report. The three states releasing the most methanol were Georgia (33.29 million), South Carolina (17.25 million), and Virginia (15.44 million pounds).

Methanol is a flammable, colorless liquid used as a solvent and cleaner. Chronic methanol exposure can damage the liver. Expulsion from the body is relatively slow, such that repeated exposures can cause a build up of methanol in the blood and tissue. Acute exposure can irritate the eyes, nose, mouth, and throat, and at high concentrations can cause headaches, nausea, vomiting, dizziness, and death. Breathing the vapor or absorbing the liquid through the skin may cause permanent blindness.

CARBON DISULFIDE

Over 137 million pounds of carbon disulfide were emitted into the air by industries in 1987. Carbon disulfide ranked 5th on the TRI report. The three states releasing the most carbon disulfide were Virginia (49.48 million), Alabama (43.73 million), and Tennessee (22.35 million pounds).

Carbon disulfide is a flammable liquid used in the manufacture of viscose rayon, cellophane, carbon tetrachloride, and flotation agents. Chronic exposure can damage developing fetuses, and may cause sperm abnormalities in men and spontaneous abortions in women. Carbon disulfide can cause severe changes in the brain and nervous system, tingling, pain, weakness in the legs, coordination and balance disorders, stomach trouble, and very severe mood, personality, and thought changes including nightmares and poor concentration. Carbon disulfide may also cause increased cholesterol, atherosclerosis, high blood pressure, and heart disease. Acute exposure irritates the eyes, skin, and nose, and causes headaches, nausea, lightheadedness, dizziness, unconsciousness, and death. Mental changes may occur and last for months or years.

1,1,1 TRICHLOROETHANE

Over 130 million pounds of 1,1,1 trichloroethane (methyl chloroform) were emitted into the air by industries in 1987. It ranked 6th on the TRI report. The three states releasing the most 1,1,1 trichloroethane were California (15.42 million), Connecticut (9.58 million), and Ohio (9.25 million pounds).

1,1,1 trichloroethane is a colorless liquid used as a cleaning solvent. It can cause mutations in living cells, and may damage the liver, kidneys, and skin. Acute exposures may irritate the skin and eyes, and may cause dizziness, lightheadedness, unconsciousness, irregular heartbeat, and death.

METHYL ETHYL KETONE

Over 124 million pounds of methyl ethyl ketone were emitted into the air by industries in 1987. It ranked 7th on the TRI report. The three states releasing the most methyl ethyl ketone were Michigan (12.41 million), Ohio (11.46 million), and Viginia (7.04) million pounds).

Methyl ethyle ketone is a flammable, colorless liquid used as a solvent and in making plastics, textiles, and paints. Methyl ethyl ketone is a teratogen (an agent which causes birth defects) in animals, and is a suspected teratogen in humans. Repeated exposure, in conjunction with other solvents, can damage the nervous system, causing weakness and numbness in the hands and feet. Acute exposures can burn the skin and eyes, leading to permanent damage. The vapors also can irritate the nose, mouth, and throat, and cause dizziness, lightheadedness, headache, nausea, blurred vision, and loss of consciousness.

XYLENE (MIXED ISOMERS)

Over 120 million pounds of xylene were emitted into the air by industries in 1987. Xylenes ranked 8th on the TRI report. The three states releasing the most xylene isomers were Michigan (16.92 million), Ohio (11.25 million), and Illinois (7.53. million pounds).

Xylenes are flammable liquids used as solvents and in making drugs, dyes, insecticides, and gasoline. Chronic xylene exposure may damage the liver, kidneys, skin, eyes, and bone marrow, as well as developing fetuses. Acute exposures can irritate the eyes, nose, and throat, and may cause headache, nausea, vomiting, tiredness, stomach upset, dizziness, lightheadedness, loss of consciousness, and death.

DICHLOROMETHANE

Over 112 million pounds of dichloromethane were emitted into the air by industries in 1987. It ranked 9th on the TRI report. The three states releasing the most dichloromethane were New York (13.24 million), Illinois (10.57 million), and Indiana (10.24 million pounds).

Dichloromethane is a clear liquid used as an industrial solvent and a paint stripper. It is also used in certain aerosol and pesticide products and in the manufacture of photographic film. Chronic effects of exposure in animals include changes in the liver and kidneys, and cancer. Memory loss was also noted as a chronic exposure effect. Acute dichloromethane exposure results in respiratory tract irritation, sluggishness, intoxication, lightheadedness, nausea, headache, tingling in limbs, unconsciousness, and death.

CHLORINE

Over 103 million pounds of chlorine were emitted into the air by industries in 1987. It ranked 10th on the TRI report. The three states releasing the most chlorine were Utah (68.34 million), Georgia (4.61 million), and Michigan (3.92 million pounds).

Chlorine is a greenish-yellow gas used in making many solvents, disinfectants, cleaners, and other chemicals. Chronic exposure can damage the teeth and irritate the lungs, causing bronchitis, coughing, and shortness of breath. Acute exposure to chlorine can severely burn the eyes and skin causing permanent damage, and may cause throat irritation, tearing, coughing, nose bleeds, and chest pain, pulmonary edema and death.

ALUMINUM OXIDE

Over 73 million pounds of aluminum oxide were emitted into the air by industries in 1987. It ranked 11th on the TRI report. The three states releasing the most aluminum oxide were Texas (14.32 million), Washington (10.95 million), and Kentucky (6.90 million pounds).

Aluminum oxide is used in chemical reactions and in the manufacture of alloys and cements; it is also found in paints, varnishes, and ceramics. Aluminum oxide appears to irritate and damage the respiratory system. Some researchers believe that it plays a role in a type of brain disease, although aerosols besides those of aluminum oxide may be responsible for documented cases.

ETHYLENE

Over 54 million pounds of ethylene were emitted into the air by industries in 1987. Ethylene ranked 12th in the TRI report. The three states releasing the most ethylene were Texas (41.89 million), Louisiana (6.37 million), and Iowa (1.56 million pounds).

Ethylene is a flammable, explosive gas (or liquid at lower temperatures) which is used as a refrigerant and in welding and cutting metals. Exposure to ethylene can cause dizziness, lightheadedness, and loss of consciousness. Contact with liquid ethylene can cause frostbite. Little evidence is available about the chronic effects of ethylene exposure. Ethylene can contribute to low-level ozone pollution.

HYDROCHLORIC ACID

Over 50 million pounds of hydrochloric acid were emitted into the air by industries in 1987. It ranked 13th on the TRI report. The three states releasing the most hydrochloric acid were Georgia (10.91 million), New York (6.35 million), and Ohio (4.03 million pounds).

Hydrochloric acid is a colorless, corrosive liquid used in metal processing, chemical synthesis, and analytical chemistry. Chronic exposure irritates and damages the skin, teeth, and possibly the lungs. Acute exposure can cause severe burns of the skin and eyes, leading to permanent damage with loss of sight. The inhalation of hydrochloric acid vapor irritates the mouth, nose, throat, and lungs, causing coughing, shortness of breath, pulmonary edema, and death.

FREON 113

Over 49 million pounds of Freon 113 were emitted in 1987. It ranked 14th on the TRI report. The three states releasing the most Freon 113 were California (5.72 million), New York (3.39 million), and Massachusetts (2.70 million pounds).

Exposure to Freon 113 irritates the eyes, nose, and throat. Breathing Freon 113 vapors causes sleepiness, confusion, irregular heartbeat, and possibly death. Freon 113 also destroys the ozone layer which serves to shield the Earth from the Sun's harmful ultraviolet radiation. As the ozone layer is depleted, malignant melanomas and other skin cancers are expected to increase as a result of increasing intensity of ultraviolet radiation. Freon 113 is also a major contributor to the greenhouse effect.

TRICHLOROETHYLENE

Over 47 million pounds of trichloroethylene were emitted into the air by industries in 1987. Trichloroethylene ranked 15th in the TRI report. The three states releasing the most trichloroethylene were Indiana (5.94 million), Illinois (5.91 million), and New York (3.32 million pounds).

Trichloroethylene is a colorless liquid used as a solvent for metal degreasing (roughly 80% of US production) and dry cleaning. The chemical is also used in printing inks, paints, lacquers, varnishes, and adhesives. Trichloroethylene is a suspected human carcinogen and teratogen (agent which causes birth defects). Chronic exposure can damage the skin, liver, kidneys, and facial nerves, and cause memory loss, headache, alcohol intolerance, depression, and weakness in the arms and legs. Acute exposure can irritate and damage the skin, eyes, nose, throat, and lungs, and at high levels may cause lightheadedness, dizziness, visual disturbances, nausea, vomiting, irregular heartbeat, unconsciousness, pulmonary edema, and death.

PROPYLENE

Over 37 million pounds of propylene were emitted into the air by industries in 1987. It ranked 16th on the TRI report. The three states releasing the most propylene were Texas (24.41 million), Louisiana (4.20 million), and Ohio (3.55 million pounds).

Propylene is a highly flammable, colorless gas used in the production of many organic chemicals including resins, plastics, synthetic rubber, and gasoline. Chronic propylene exposure may damage the liver. Acute exposure causes, dizziness, loss of consciousness and death. Propylene can contribute to low-level ozone pollution.

GLYCOL ETHERS

Over 32 million pounds of glycol ethers were emitted into the air by industries in 1987. It ranked 17th on the TRI report. The three states releasing the most glycol ethers were Michigan (5.24 million), Ohio (4.42 million), and Montana (2.92 million pounds).

Glycol ethers are used in industry as solvents in the manufacture of lacquers, varnishes, resins, printing inks, textile dyes, brake fluid anti-icing additives, and as gasoline additives. They are also found in latex paints and cleaners. Glycol ethers are reproductive toxicants and teratogens in animals, causing infertility and birth defects. Some animal studies suggest they are carcinogens. Acute glycol ether exposure can irritate upper respiratory passages, and the eyes, and may cause drowsiness, vertigo, headache, anorexia, stomach pain, nausea, vomiting, coma, and death.

TETRACHLOROETHYLENE

Over 28 million pounds of tetrachloroethylene were emitted into the air by industries in 1987. It ranked 18th on the TRI report. The three states releasing the most tetrachloroethylene were California (5.85 million), Connecticut (2.88 million), and Iowa (2.74 million pounds).

Tetrachloroethylene is a clear liquid used in dry cleaning (roughly 70%), metal degreasing, and chemical synthesis. Tetrachloroethylene causes liver cancer in animals, and is a suspected human carcinogen. Chronic exposure may damage developing fetuses. Acute exposure to tetrachloroethylene irritates the skin, eyes, nose, mouth, and throat, damages the liver, kidneys, and lungs, and may cause dizziness, headache, sleepiness, confusion, nausea, difficulty in speaking and walking, irregular heartbeat, unconsciousness, pulmonary edema, and death.

N-BUTYL ALCOHOL

Over 27 million pounds of n-butyl alcohol were emitted into the air by industries in 1987. It ranked 19th on the TRI list. The three states releasing the most n-butyl alcohol were Texas (4.11 million), Michigan (2.57 million), and Ohio (2.23 million pounds).

N-butyl alcohol is a flammable, colorless liquid used as a solvent for fats, waxes, shellac, resins, gums, and varnish. Chronic exposure to n-butyl alcohol can damage the liver, skin, hearing and sense of balance. Acute exposure can irritate the nose, throat, eyes, and skin, and may cause headaches, dizziness, lightheadedness, and loss of consciousness.

METHYL ISOBUTYL KETONE

Over 25 million pounds of methyl isobutyl ketone were emitted into the air by industries in 1987. It ranked 20th on the TRI report. The three statres releasing the most aluminum oxide were Georgia (2.55 million), Alabama (2.19 million), and New York (1.81 million pounds).

Methyl isobutyl ketone is used in chemical synthesis and dry cleaning preparations, and as solvent for lacquers, paints, varnishes, and coatings. Exposure to methyl isobutyl ketone can irritate the eyes, nose, and throat, and may cause weakness, headache, nausea, vomiting, dizziness, loss of coordination, stomach pain, insomnia, and liver damage.

BENZENE

Over 24 million pounds of benzene were emitted into the air by industries in 1987. Benzene ranked 21st on the EPA's Toxic Release Inventory report. The three states releasing the most benzene were Texas (6.06 million), Ohio, (2.23 million), and Illinois (1.93 million pounds).

Benzene is a flammable, colorless liquid used as an industrial solvent, and found in small amounts in gasoline. Benzene is a carcinogen and chronic exposure can cause leukemia. Benzene may also cause birth defects. Long-term or chronic benzene exposure can cause death by damaging the blood-forming organs (aplastic anemia). Acute or severe exposure causes irritation of the eyes, nose, and throat, lightheadedness, headache, vomiting, convulsions, coma, and death.

STYRENE

Over 24 million pounds of styrene were emitted into the air by industries in 1987. It ranked 22nd on the TRI report. The three states releasing the most styrene were Texas (4.01 million), Ohio (1.72 million), and Washington (1.72 million pounds).

Styrene is a colorless, oily liquid used in making polystyrene plastics protective coatings, polyesters, resins, and other chemicals. Chronic exposure to styrene can cause genetic mutations, headaches, numbness, upset stomach, memory and concentration difficulty, trouble with learning, slowed reflexes, and balance disorders, and may damage developing fetuses, and decrease fertility in women. Styrene may also cause lung cancer in animals, and is possible carcinogen for humans. Acute exposure irritates the eyes, nose, throat, and skin, and can cause dizziness, lightheadedness, loss of consciousness, brain damage, liver damage, and death.

CHLOROFORM

Over 23 million pounds of chloroform were emitted into the air by industries in 1987. It ranked 23rd on the TRI report. The three states releasing the most chloroform were North Carolina (3.53 million), Virginia (3.09 million), and Alabama (1.97 million pounds).

Chloroform is a colorless liquid used as a solvent and in making dyes, drugs, and pesticides. Chloroform is a probable carcinogen in humans, and has been shown to cause liver, kidney, and thyroid cancer in animals. There is evidence that chloroform is a teratogen in animals. Chronic chloroform exposure can also damage the skin, liver, kidneys, and nervous system. Acute exposure can irritate and burn the skin, eyes, nose, and throat, and cause dizziness, lightheadedness, headache, confusion, and irregular heartbeat which may lead to death.

CHLOROMETHANE

Over 20 million pounds of chloromethane were emitted into the air by industries in 1987. It ranked 24th on the TRI report. The three states releasing the most chloromethane were Illinois (6.66 million), Indians (6.66 million), and Texas (1.15 million pounds).

Chloromethane is a flammable, colorless gas used as a refrigerant and in the manufacture of other chemicals. Evidence suggests that chloromethane causes cancer in animals. In humans, chloromethane may effect the testes causing decreased production of male hormones and sperm. Chronic chloromethane exposure also can irritate the lungs, damage the liver, kidneys, and blood-forming organs, and interfere with brain function, causing clumsiness, headache, dizziness, poor judgement and memory, slurred speech, sleep disturbances, and personality changes and depression and irritability. Acute exposure may damage the liver, kidneys, and eyes, and can cause blurred vision intoxication, dizziness, nausea, vomiting, diarrhea, drowsiness, unconsciousness, convulsions, pulmonary edema, and death.

CARBONYL SULFIDE

Over 19 million pounds of carbonyl sulfide were emitted into the air by industries in 1987. It ranked 25th on the TRI report. The three states releasing the most carbonyl sulfide were Tennessee (10.00 million), Mississippi (6.00 million), and Louisiana (2.11 million pounds).

Carbonyl sulfide is used as an intermediate in the synthesis of a variety of organic compounds. Exposure to carbonyl sulfide can irritate the eyes and skin, and can cause nausea, vomiting, diarrhea, giddiness, headache, vertigo, amnesia, confusion, sweating, irregular heartbeat, and unconsciousness. Respiratory paralysis may occur, causing death.

Mr. BAUCUS addressed the Chair.

The ACTING PRESIDING pro tempore. The Senator from Montana.

Mr. BAUCUS. Mr. President, first, I want to thank the Senator from New Jersey [Mr. LAUTENBERG] who has been very helpful and a very key Senator in putting together the air toxics bill that the Senator just mentioned.

There are various Senators in the Senate who are working very hard to fashion a clean air act, and I can think of none who are working harder than the Senator from New Jersey. He is a very, very forthright and very valuable member of our committee. Frankly, Mr. President, he is a necessary and essential member of our committee, if we are going to have a clean air bill. I thank the Senator for his very important statement.

Two months ago I asked several of my colleagues to work together to develop air toxics legislation. Today we are introducing the product of their efforts, as well as the efforts of other members of the Environmental Public Works Committee. We are addressing the issue because of the breakdown of the current air toxics program, authorized under section 112 of the Clean Air Act.

In 1970, Congress provided EPA with the authority to control toxic air emissions. It is now 1989, 19 years later, and EPA has set standards for 7 pollutants. States have set standards for 708.

Data available from the Superfund Title III, and released earlier this month, indicates that 2.4 billion

pounds of the listed pollutants are released into our country's environment each year. And over 5 million pounds were released in Montana. Eight states released more than 100 million pounds each. These pollutants have varying effects. They include substances that cause cancer, deplete the ozone layer, and harm fish and wildlife.

We use almost 70,000 chemicals in this country. Two years ago EPA looked at just 20 of those chemicals and concluded that these pollutants could cause more than 2,000 cancer cases per year.

Unfortunately, recent litigation in various courts requires EPA to review the way they set standards for the seven pollutants. This litigation has frozen EPA's toxic program. That is the major problem we are facing today.

For that reason, Congress must act. We begin that process today by introducing air toxics legislation. I am pleased that the team I asked to spearhead this effort has been so successful. Senators DURENBERGER, LAUTENBERG, and BREAUX deserve great credit for the hard work invested in this product.

The bill we are introducing today is a compromise. For my part, I am particularly aware of concerns raised by western industries and I will give them careful consideration. In our discussions last week, it was clear that these are difficult choices. Not all issues have been resolved; not all impacts are clear. We will review the comments we receive on this legislation very carefully and try to address all reasonable concerns.

This is the first stage of a three-part process. Next, Senator CHAFEE and I will begin the process of developing an ozone and carbon monoxide non-attainment proposal. We hope to have this proposal ready in early May. Third, we will focus on acid rain.

Senator MITCHELL and I will focus on acid rain legislation which should be introduced in early June.

These are all difficult issues. There is no perfect solution. But there is a public health crisis that will worsen if we do not act.

This first step on air toxics is a good one. At this morning's hearing on health effects of air pollution, health professionals will tell us how important the next two steps will be in the battle to protect the public health from dirty air.

Mr. President, we are also today requesting the cost estimates of the bill we are introducing from CBO, CRS, and OCA. It is very important that we get those cost estimates, and it is also very important that the Environmental and Public Works Committee be the entity that requests those studies, so that we have the best information available.

Mr. BURDICK. Mr. President, today I join my colleagues of the Committee on Environment and Public Works as a sponsor of the Air Toxics Release and Accident Prevention Act of 1989. This legislation is long overdue and it is necessary.

Toxic air pollution has long been recognized as a threat to public health. Only last week, EPA released documentation that 2.7 billion pounds of air toxics went into the air in 1987. These data tell us the existing act needs to be fixed.

The bill being introduced is the product of 6 weeks of deliberation and compromise. I want to acknowledge the efforts of Senators DURENBURGER, BREAUX, and LAUTENBERG in developing this vital piece of comprehensive Clean Air Act amendments.

My neighbor from Minnesota has worked tirelessly for many years in crafting an effective alternative to section 112 of the Clean Air Act. I commend him for his efforts. My thanks to Senators LAUTENBERG and BREAUX—both major players in forging this bill.

Their spirit of cooperation has been heartening. This is the first of three bills which make up the committee's comprehensive Clean Air Act amendments. Like any compromise, not everyone is completely happy with this bill.

I believe this bill will go a long way to address the many shortcomings of section 112 of the Clean Air Act. We now move on to nonattainment and acid rain. I urge all my colleagues to share their concerns with members of the committee.

Clean air legislation will be considered this year. We need your comments and suggestions if we are to develop a bill which is representative of the Senate as a whole. This is a positive first step. I thank the Chair.

Mr. MITCHELL. Mr. President, I am pleased to support legislation introduced today to control toxic air emissions. As recent data indicates, this is a very important health problem.

It is also a more serious problem than many of us previously believed. In 1986, we required, as part of Superfund reauthorization, facilities handling toxic substances to collect information about their releases of toxic pollutants. This was required despite strenuous opposition from industries.

Almost 2.5 billion pounds of toxic pollutants are released each year. This number may represent only 25 percent of the total amount because not everyone was required to report and not all those subject to this requirement did report their emissions.

Toxic air emissions can be deadly. For example, 3 in 10 people living around a butadiene plant are expected to develop cancer due to toxic air emissions. This cancer risk is well above what any responsible health professional would accept.

This legislation will reduce emissions significantly. By using technology-based controls, EPA will have the authority for a more effective and broader program. We provide a health-based backup to assure that if the technology is not there, health protection is.

In addition, we protect the environment. This is important in Casco Bay in Maine, where air toxics—including formaldehyde emissions that are suspected of causing cancer—are part of the contamination problem in that area.

I am especially pleased the team designated by Senator BAUCUS has been able to work through differences to develop this strong but feasible approach. This bill is a reflection of the hard work Members and staff have put into the issue. No legislation is perfect, but this a solid approach that I hope will be carefully reviewed by other Members.

This morning, Senator BAUCUS is also chairing a hearing on the health effects of ambient air pollutants such as sulfur dioxide, ozone, and acid aerosols. Two years ago I chaired health hearings during which we were told that 2 to 5 percent of all illness and death in this country is attributable to air pollution. Unless we act to improve air quality, this number can only increase.

We must consider clean air legislation this year. I have previously told my colleagues that we will have a vote on this issue this Congress.

Today's dual effort on clean air is testament to Senator BAUCUS' vigorous leadership. I applaud his efforts and look forward to continuing to work with him on clean air issues.

Mr. BREAUX. Mr. President, I am pleased to rise today as a cosponsor of important and aggressive legislation to amend portions of the Clean Air Act dealing with emissions of toxic air pollutants. Our amendments would put in place a program of technology-based standards for the control of these pollutants, a program that we expect would lead to very significant reductions in the emissions of these compounds across the Nation. The current section 112 program within the act which was intended to deal with these pollutants has resulted in regulation of only a handful of pollutants. The current program is unworkable, and it is essential that the Congress address this important piece of the clean air puzzle as we work to strengthen and refine this important statute during this Congress.

On February 28 of this year, a group of Senators who are members of the Committee on Environment and Public Works came to the Senate floor to discuss the committee's plans with regard to the reauthorization of the Clean Air Act. At that time, our respected chairman of the Environmen-

tal Protection Subcommittee, Senator BAUCUS, announced that the committee would tackle the issue of air toxics as its first order of business, and indicated a target date of April 3 for introduction of a bill on this subject. At the request of Senator BAUCUS, I joined Senators DURENBERGER and LAUTENBERG in focusing on the air toxics issue. We were aided in that effort by other interested members of the committee, and the legislation we introduce today is the product of our discussions. Our schedule was forced to slip a bit, but I believe our work product has benefited from the few extra days we have consumed in producing today's bill.

The issue of air toxics, Mr. President, is one of particular interest to me and to my home State of Louisiana. As many of my colleagues know, Louisiana is home to very significant elements of the oil, gas, and chemical industries. These industries, and those related industries that depend upon them for their existence, still employ many thousands of Louisianians at a time when my State has the sad distinction of the highest unemployment rate in the country. Many individuals have been forced to relocate to other States because of our difficult economic times. This industrial base is important to Louisiana, and, while efforts to diversify the State's economy continue, these industries are likely to be of economic importance to us for years to come. The actions we take in dealing with air emissions have important economic consequences for these industries and, therefore, for the economic health of Louisiana.

But Louisiana faces other serious problems in addition to its difficult economic situation. Of particular relevance in the context of today's bill, Louisiana ranks third in the Nation in emissions of hazardous air pollutants, with over 135 million pounds of releases reported in 1987. This must be addressed. While it is difficult to know with certainty what the possible implications for public health may be, it is clear that industry can and must do a much better job in dramatically reducing its emissions, and the Federal and State government must do a much better job of ensuring that the public health and our environment are protected. Public health and environmental protection cannot be sacrificed to the economic health of an industry, but this does not mean that we should be blind to the cost of the programs we enact into law. Rather, we must work to find ways to minimize the costs while meeting our objectives of protecting the health of our citizenry and the quality of our environment.

Mr. President, the legislation we are introducing today is tough. Hundreds of chemicals emitted by tens of thousands of businesses will be subject to aggressive new regulations requiring the installation of technology to assure the maximum achievable control of those emissions. This will be a monumental undertaking, and we are putting in place a new program from the ground up to accomplish this task. Within 2 years of enactment, EPA must have promulgated regulations for all major emitters of the most dangerous chemical compounds, and maximum controls must be in place and functioning on those industries within an additional 3 years. It is not unreasonable to expect that these aggressive controls will reduce emissions by up to 90 percent or more from these industries. That is a tough program and, I might add, it will be an expensive program, both for the industries subject to the regulations and to the Federal and State governments that administer the program.

What industries are likely to be affected by these regulations? In the first round of regulation alone, the list is a who's-who of American industry, including, but by no means limited to: Chemical manufacturing; steel industry; industries that produce plastics and other consumer products; rubber manufacturers; producers of basic metals; pharmaceutical manufacturers; municipal sewage treatment plants; wood products manufacturers; oil and gas refining and distribution industries; cement plants; electroplating industries; municipal waste incinerators; pesticide producers; hospital sterilizing facilities; producers of foam products; food processors; electronics industry; air-conditioning coolant manufacturers; paint and adhesive formulators; dry cleaners; and equipment and engine degreasers. These industries and others that would be subject to this first round of regulations account for about 900 million pounds of the most potentially threatening air emissions.

After this first round of regulation, EPA would be required to move promptly through subsequent rounds of regulation, until all major sources of these emissions have regulations in place. Under our bill, this could not be longer than 10 years for even the least hazardous pollutants to be listed in the legislation. Of course, EPA is obligated to prioritize its efforts so that the compounds and sources that pose the most significant risks to the public are regulated sooner rather than later.

Mr. President, I do want to emphasize for other Senators that the introduction of this legislation is the beginning of the process that I sincerely hope will lead to enactment of improvements to the Clean Air Act. My message to my colleagues today remains the same as it was on this floor on February 28. We can and we must, for the well-being of our citizens, break the impasse that has prevented passage of amendments to the Clean Air Act for years. To accomplish that requires discussion and it requires compromise. It requires that we listen with an open mind to all of our constituents who have an interest in this legislation, and that we work to resolve rather than create differences. This legislation will be the starting point for discussions on air toxics and will be a vehicle in our efforts to establish a regulatory scheme that will ensure the quality of our air, the protection of the public health, and efficient yet flexible regulation that will allow American industry to meet the needs of our society and remain competitive in the global market.

As a member of the Environment and Public Works Committee, I believe we have a special obligation to work with all interested parties to achieve these goals. The Bush administration has committed itself to producing a comprehensive legislative proposal on clean air issues, which I understand we may expect to see by about the end of May. I look forward to reviewing that proposal carefully, and to working to find a common ground on the issues. I know that many other Senators have strong interests in the air toxics provisions and other legislative proposals that will be forthcoming, and I encourage them to work with the committee to address their concerns. Senators certainly have my personal commitment that I will work with them as a member of the committee to produce a final bill that deserves to become law.

I want to congratulate my colleagues on the Environment and Public Works Committee for the hard work they have put into helping to produce air toxics legislation. Without wishing to exclude any of my colleagues who have put their time and energy into this legislation, let me recognize in particular the important efforts of Senators LAUTENBERG and DURENBERGER, with whom I worked diligently on this bill. The efforts of our able subcommittee chairman, Senator BAUCUS, were likewise essential in producing a bill today. And, of course, the distinguished chairman of the full committee, Senator BURDICK, and our ranking member, Senator CHAFEE, were instrumental in guiding our work. I sincerely thank them and their staffs for their long hours in helping to shape our bill, and promise my continued involvement in further refining this legislation.

Mr. CHAFEE. Mr. President, today I join my colleagues, Senator DURENBERGER, Senator LAUTENBERG, and Senator BREAUX in introducing the Toxics Release Prevention Act of 1989.

This is the first of three bills the Committee on Environment and Public Works will be developing in connection with the reauthorization of the Clean Air Act.

Perhaps one of the biggest challenges we face today in cleaning up our environment is toxic waste. In the

past we have focused much of our attention on combating acid rain and unhealthy levels of ozone. But reports are showing the discharge of toxic air pollutants is much higher than previously estimated.

Recently EPA released a report showing that 2.7 billion pounds of toxic pollutants were released nationwide in 1987. These are incomplete estimates and do not even represent the actual total which may be two to five times greater. Little wonder that the Agency estimates toxic air pollutants cause 2,000 cancer cases a year.

My colleagues have ably outlined the provisions of the bill so I need not explain all the fine points of the proposal. However, I would like to touch on several key aspects of the legislation.

I think everyone realizes section 112 of the Clean Air Act—the section that currently regulates hazardous air pollutant emissions—is simply not working. This is because the law requires a pollutant-by-pollutant approach to regulation and requires that standards for each pollutant provide an ample margin of safety. The phrase "ample margin of safety" can be interpreted to mean zero exposure to carcinogens. Consequently, EPA has been reluctant to list and regulate pollutants where regulation could mean shutting down major segments of American industry. Instead, the Agency has spent years and years studying risks associated with a handful of pollutants. And it has regulated some sources of only seven substances.

This legislation deals with the situation by taking a two-pronged approach.

First, it requires a technology-based standard, maximum achievable control technology [MACT], for industries that emit 1 or more about 200 hazardous pollutants. This technology is to be established without time-consuming pollutant-by-pollutant risk assessments, thus doing away with a major impediment in getting these sources controlled. Determining what can be accomplished by available technology is much faster than determining the safe level of exposure to a carcinogen.

This approach has worked well under the Clean Water Act. Frustrated by trying to establish controls based on water quality, Congress rewrote the law to make it technology-based. The result has been installation of best controls on industries throughout the Nation that have, on average, reduced their effluent discharges by over 90 percent.

To assure that MACT technology standards in the bill are as at least as strong as those that EPA achieved under the Clean Water Act, we included language under subsection (d)(3) to make sure the degree of reduction in emissions for new sources is not less stringent than the most stringent emissions level achieved in practice by a source in the same category or subcategory. We also included language that finds a reduction of 90 percent is a benchmark for MACT for existing sources. However, I want to stress that the 90 percent figure is not a ceiling. EPA should set standards above the 90 percent whenever possible.

Under the MACT program, the EPA is to promulgate standards by prescribed deadlines. If these deadlines are missed, and thus the MACT controls are not established, permits are required under section (j)(3) to assure compliance with the objectives of the act. This means that EPA shall, in the absence of MACT standards, write permits for facilities which require the installation of maximum control technology know at the time. These best judgement permits, similar to those written under the Clean Water Act, may not get the facility to reduce by 90 percent or better, but will require the most stringent controls available at the time the permit is being written.

The second component of the control strategy deals with controlling hazardous air pollutants after the MACT controls have been installed. Since the MACT standards will not eliminate all the health and environmental effects that are of concern, EPA will have the authority to tighten up the standards to eliminate significant residual risks.

For carcinogens, no source will be allowed to expose people living nearest the source to a risk greater than one-in-ten thousand, and if technologically possible, one-in-a-million. Sources unable to meet the one-in-ten thousand will have to shutdown.

The Administrator may grant a 5-year extension for cases involving extraordinary economic hardship. I want to make it clear that this extension should be used by EPA in only very limited circumstances. We fully expect the administrator to shut down sources that are posing significant health threats to the people around them. Extraordinary economic hardship means that the facility will have to stop operating (as determined by the administrator); it doesn't necessarily mean only that workers will be laid off, that company profits may be diminished or plans for expansion cannot go forward.

Finally, the accident prevention section of the bill is aimed at preventing accidents like that which occurred at Bhopal, India.

Under the bill owners and operators of facilities handling extremely hazardous substances would have a general duty to operate a safe facility. This means that EPA, after inspection could require modifications in equipment or operational processes which are unsafe.

The bill lists a number of pollutants which are extremely hazardous and when released in a sudden event can cause death or serious injury. Facilities which handle large amounts of these extremely hazardous substances would be required to prepare hazard assessments—an engineering analysis to determine what kinds of accidents might occur and how the surrounding community would be affected if an accident did occur.

A five-member chemical safety board would investigate chemical accidents to determine their causes. The safety Board may make recommendations to EPA on regulations that would prevent or mitigate accidents and EPA has authority to issue such regulations.

Mr. President, this is good bill. Senators DURENBERGER, BREAUX, and LAUTENBERG are to be commended for their efforts in addressing this important and very complex issue. It will move us far ahead of where we are now in controlling hazardous air pollutants. As we move forward with this legislation in hearings and markup, I stand ready to work with my colleagues and other interested parties to see that legislation controlling hazardous air pollutants becomes law this Congress.

Mr. WARNER. Mr. President, I am pleased to join my colleagues today in cointroducing the Air Toxics Release and Accident Prevention Act of 1989, to control the routine and accidental releases of toxic chemicals into our air.

This legislation is the first of three clean air bills that the Committee on Environment and Public Works intends to consider this session. The committee has set an ambitious agenda to report three related clean air bills—one on ozone nonattainment, one on acid rain and one on air toxics.

I hope that the committee can report and will consider effective, responsible clean air legislation in all of these areas before the end of the year.

The problem of toxic air pollution is particularly important to the Commonwealth of Virginia. The recent results of the EPA's reports required by the title III, community right-to-know provisions of SARA on toxic air emissions is further evidence that the time to act is now.

The Congress must move forward with an effective, yet responsible proposal to control this complex problem. The committee's efforts are a promising first step in drafting legislation that will reduce in the very near future a significant portion of these unwarranted emissions.

I would like to emphasize that I believe that we are at the beginning of the legislative process regarding the problem of air toxics. It is important to get this process started and put leg-

islation on the table for the purposes of discussion.

I do have some reservations, however, about the committee's ambitious provisions contained in phase II. I welcome the thoughtful review by many of the expert witnesses who will appear before the committee during our hearing process and remain open to other views which may be just as effective as the approach we present today.

I also want to assure you that I plan to carefully consider the legislation soon to be forwarded by the administration. I trust that the committee will welcome the administration's legislative program to control the release of these chemicals and that the administration's bill will receive the active consideration of the committee during our hearings on this bill.

The toxic emissions reports support our efforts to reform section 112 of the Clean Air Act. The levels of toxic releases in Virginia are intolerable. The State of Virginia has performed an adequate job in gathering this information which shows we rank fifth in the Nation in the annual amount of these emissions. We must recognize, however, that this information is only as accurate as the information reported by the affected industries and the aggressiveness of the State in complying with SARA title III.

Finally, let me stress that few bills of this complexity and with the enormous social and economic ramifications are introduced in the form in which they are finally enacted. I believe that this will be the case with this bill. There are many questions to be answered. That is why we have hearings. I look forward to a full committee schedule of hearings so that all the interested parties will have the opportunity to comment.

I believe that the bill we are introducing today is a positive and constructive start. I am pleased to add my name to the list of cosponsors and I intend to work with my fellow committee members, the administration, and interested parties to report a meaningful, yet practical solution to the problem of air toxics.

Mr. LIEBERMAN. Mr. President, I rise to support the Air Toxics and Prevention Act of 1989, the first installment of one of the most important legislative initiatives of the year—the Clean Air Act.

Controlling the pollutants that enter our air is an imperative that is absolutely fundamental to the American people. "Our health, our ecosystem and our economy may depend on our success," says the Christian Science Monitor about clean air legislation.

Our health is at risk because, according to EPA statistics, about 140,000 Americans alive today will one day die of cancer caused by air toxics. This risk is particularly high for those who live in urban areas, where one excess cancer death for every 1,000 persons is not unusual.

In my State of Connecticut, the threat is very real, and the people are understandably very concerned. Right now we're rated third in the country in the amount of hazardous air pollutants released per square mile, according to EPA's recent report based on data collected from industries under the Superfund right to know law. Every year, 58 million pounds of chemicals are released into the environment by Connecticut companies, with almost half of that going into air and, potentially, into our lungs.

This legislation represents an important first step toward controlling the risk posed by hazardous air pollutants. As a first phase, industries will have to install the best available technology to control air emissions, with the EPA determining what "best available" means, not the industries themselves. It is estimated that this step alone can reduce up to 92 percent of the pollutants now going into the air.

Industries that still emit too much pollution even with state-of-the-art controls will be required to take additional steps on a continual basis to further restrict their emissions.

The legislation also encourages industries to act immediately to reduce their emissions by 90 percent. Such incentives will speed up the cleansing of our air while new technologies are introduced and implemented.

The second phase of the Air Toxics and Prevention Act of 1989 deals with accident prevention. That's a subject of greater interest in the wake of the *Exxon Valdez* disaster. We've learned an important lesson in this case: while we always hope for the best, we must be prepared for the worst. The legislation contemplates worst-case scenarios and proposes methods to deal with them promptly and effectively.

For we know all too well that what can go wrong, will go wrong. The *Exxon Valdez* caused an oilspill, but accidental spills of pollutants into the air are a constant danger, and a potentially more devastating one. During the years between 1980 and 1985, EPA statistics show that there were 6,928 accidents releasing 400 million pounds of toxic chemicals into the air, causing 138 deaths, 4,717 serious injuries, and the evacuation of 217,000 people. New York State, which keeps records of chemical accidents, reports two serious releases of chemicals into the environment every day.

Between 1983 and 1987, the accident toll in New York alone was 26 killed, 378 injured, and another 4,000 people evacuated from home or workplace.

Some argue that all economic development involves risks and costs. They say accidents cannot totally be prevented. A recent article in the New York Times questioned whether further efforts to reduce air toxics was worth the price. There is a price to cleaning up the air, to be sure, but there is also a price to leaving it dirty, and letting industrial accidents continue. One report, which documented 64 accidents over a 28-year period, estimated that, on average, each chemical release accident cost $30 million in damages. One event resulted in more than $100 million in property damages.

Then there is Bhopal. A catastrophic failure at that pesticide manufacturing plant released a cloud of a highly toxic chemical over a densely populated city. More than 2,850 people died, and 200,000 were injured. Just a few months later, after it-can't-happen-here assurances, 129 residents of Institute, WV, were hospitalized by a chemical release at another plant. A follow-up inspection at the plant showed 221 safety and health violations.

The American public is not prepared to accept the environmental—and human—cost of a Bhopal or an *Exxon Valdez*, and the American people want us to do something to make their world, their neighborhoods, safer places in which to live and work and raise families.

That is why this legislation will require industries to perform a hazard assessment. It would be nice to think that all companies have already done this, as a matter of good organization and good public policy. But think again. It just isn't happening in an unregulated market. The American people deserve to know what will happen to them if the worst happens. How many deaths and injuries could result?

If the chemical plant down the street had a major malfunction, what could possibly happen to the people who live in the houses nearby? What is the potential cost of living near a chemical plant, and what steps have been taken to prepare for the worst?

Perhaps that's why we weren't ready for something like the *Exxon Valdez* disaster. No one involved in the industry wanted to contemplate how bad such a large spill could be, and how much would be needed to deal with it, so those in charge simply said it couldn't happen. It's human nature.

Well, one of the things that the law must do is recognize the frailties of human nature and force people to take action that is in the public interest, even if it isn't in their private interest to do so.

The American people have a right to know what they are living with in their backyards.

The Air Toxics and Prevention Act goes a step beyond requiring companies to assess their potential impact on the environment and the health of their neighbors. The legislation pro-

vides for the creation of an independent safety board, to be known as the Chemical Safety and Hazards Investigation Board, to investigate all chemical accidents. This Board is modeled after the National Transportation Safety Board, an independent Federal agency which investigates accidents in the transportation industry. The NTSB has an impressive record of responsiveness to disasters, and its studies have yielded important information to help industries prevent catastrophes in the future. Untold numbers of people are alive today thanks to the work of this Board.

It is our hope that a Chemical Safety and Hazards Investigation Board can amass a similar record of accomplishment. It would be sent out to the scene of a chemical accident immediately after it happens to take charge of the cleanup, and to assess the reasons why it happened and make recommendations on how to prevent it from happening in the future. This information would be shared with communities and industries nationwide, so that the lessons of one accident can be easily applied to prevent others.

By addressing two real problems—the ongoing, routine release of chemicals in the air, and the unplanned, accidental release of chemicals—this legislation goes a long way toward securing a safer enviroment for ourselves and our children. It takes advantage of technological advances to control emissions, and it takes heed of historical disasters to plan for uncontrolled emissions.

I am pleased to cosponsor the legislation, and I look forward to its speedy passage, so that all Americans can begin to look forward to a cleaner world.

By Mr. GRASSLEY (for himself, Mr. INOUYE, Mr. MCCAIN, and Mr. BURDICK):

S. 817. A bill to amend title VII of the Social Security Act to authorize appropriations for the Office of Rural Health Policy and to establish a National Advisory Committee on Rural Health, and for other purposes; to the Committee on Finance.

NATIONAL ADVISORY COMMITTEE ON RURAL HEALTH

● Mr. GRASSLEY. Mr. President, today I am introducing a bill, on behalf of myself and Senators INOUYE, MCCAIN, and BURDICK, which, if it becomes law, will enhance the importance and viability of the Office of Rural Health, the National Advisory Committee on Rural Health, and the Rural Health Research Centers Program. The bill would not break new ground, in that the activities it authorizes are already underway. But the bill would provide greater certainty or viability for these activities, and it would indicate that the Congress is truly serious about addressing the problems involved in providing health care in rural communities.

SUMMARY

This bill would do six things: First, it would create an Office of the Deputy Assistant Secretary for Rural Health reporting to the Assistant Secretary for Health in the Department of Health and Human Services, and would make that official the Director of the Office of Rural Health. Second, it slightly refines the mission of the Office of Rural Health. Third, it authorizes $3 million for operation of the Office—the Office has been authorized, but not funds for it. Fourth, it authorizes $10 million for the Rural Health Research Centers Program—$1.5 million has been appropriated, but not authorized, for this program. Fifth, the bill would require that the Office of Rural Health manage the Interdisciplinary Training Grant Program in rural health initiated last year by Senators INOUYE and BURDICK and authorized by amendment to title VII of the Public Health Service Act. Sixth, this bill would establish by statute the National Advisory Committee on Rural Health and require it to report periodically to the Congress—the committee was administratively established by the Secretary of Health and Human Services.

BACKGROUND

In the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), Congress authorized creation of an Office of Rural Health, but did not authorize funds for it, and no funds were appropriated specifically for its operating costs. Congress apparently assumed that the parent Department of Health and Human Services would divert sufficient funds for the Office from within the resources Congress made available to the Department. As a practical matter, this has meant that staff, and such funds as have been necessary to run the Office, have come from the Health Resources and Services Administration.

Unfortunately, HRSA has been on a very tight budget, and has had difficulty in providing adequate funds to the Office. In fact, HRSA has taken some funds, for support of the administrative overhead the agency incurs in providing an administrative home for the Office, from the very minimally funded Rural Health Research Centers Program which the Office of Rural Health has been responsible for managing.

In addition to managing the Rural Health Research Centers Program, the Office has had also to provide staffing for the National Advisory Committee. This is a body to which the Congress is looking for guidance and advice on the very difficult health care problems facing our rural communities.

Furthermore, some of us have been concerned that the Office is not sufficiently highly placed in the Department structure to enable its currently very capable leadership to have the effect on policy development that the Congress wishes the Office to have when it authorized its creation.

In short, Congress has created an Office of Rural Health to spearhead Federal efforts to come to grips with the serious problems faced by our rural communities as they try to provide adequate health care for their citizens, but it hasn't provided it with the wherewithall to do the job we expected it to do.

DISCUSSION

Therefore, I am introducing this bill today to address some of those concerns. The creation of a Deputy Assistant Secretary for Rural Health, who will oversee the Office of Rural Health, should increase the importance of rural health among the Department's priorities. Some Members have told us that if the Secretary of Health and Human Services wants rural health to be a priority and the Office to be an important adviser on policy issues, they will be. And I agree with that sentiment in principle, with one caveat. And that is that in a bureaucratic setting every level of review has an opportunity to dilute policy recommendations from lower organizational levels. I also believe that, in a bureaucratic setting, formal organizational status can be an important asset in getting things done.

The mission of the Deputy Assistant Secretary and his Office of Rural Health would be slightly refined by stipulating that this individual would advise the Secretary "on programs and policies of the Department which affect the availability, accessibility, and quality of health care in rural areas." All other aspects of the mission of the Office are left as they were in the original authority. I think that this terminology will make it clear that the Office is to focus on the large questions that we are all wrestling with with respect to our national health care system, but with respect to rural communities.

The bill would authorize $3 million for the operating costs of the Office. If enacted, this authority should make it easier for the Appropriations Committees to provide funds directly to the Office. This, in turn, should enhance the clout of the Office within the Department, and vis-a-vis the Health Care Financing Administration, making it easier for it to achieve the mission Congress wishes it to achieve.

With respect to the Rural Health Research Centers Program, it seems to me that, if Congress is serious about creating a Rural Health Research Centers Program, it should do more

than fund it on an annual ad hoc basis through the appropriations process. The program administrators and the center directors need to have some guarantee that support will be available for the period of time needed to mount a research effort and carry it to fruition.

Furthermore, it is obvious that $1.5 million is not a large amount of money with which to run a research program from which the Congress wishes to generate knowledge which will help it make health policy. With the fiscal year 1988 money, the Office was able to support five research centers. On average, the centers received about $220,000 each. Welcome as this new program is, and as helpful as the research it sponsors will be, even modestly greater funds would help this program have the impact Congress wishes it to have. For these reasons, the bill I am introducing authorizes $10 million for each of the next 3 years for the research centers program.

The bill stipulates that the Office of Rural Health manage a rural health interdisciplinary training grant program authorized last year by an amendment to title VII of the Public Health Service Act. This is a program designed to get more health and allied health care workers to practice in rural communities through providing interdisciplinary training grants. The academic component of these training programs will be required to develop a relationship with a rural health care provider and to provide supervised training opportunities for students with those rural providers.

This program will benefit from management by staff of the Office of Rural Health, who are well versed in the personnel problems of rural communities. The Office will benefit by gaining additional insights into rural health care problems through the experience of managing this program.

Finally, providing legislative authority for the National Advisory Committee will enhance its importance within the Department, and send a signal to the Bush administration that the Congress is serious about making sure that we have adequate health care in rural communities. The problems our rural communities face in providing health care to their citizens are surely going to be with us for some time, and we need to make sure that this advisory committee is able to help the Congress deal with these problems over the long haul.●

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 818. A bill to authorize a study on methods to pay tribute to the late Senator Clinton P. Anderson of New Mexico for his significant contribution to the establishment of a national wilderness system; to the Committee on Energy and Natural Resources.

COMMEMORATING THE CONTRIBUTIONS OF CLINTON P. ANDERSON TO THE NATIONAL WILDERNESS SYSTEM

● Mr. BINGAMAN. Mr. President, I rise today to introduce legislation to authorize a study of how to best pay tribute to one of New Mexico's greatest citizens, the late Senator Clinton P. Anderson, for his contribution to the establishment of the national wilderness system.

Senator Anderson was the leader of the Conservation Congress, which earned its name by passing a sparking collection of conservation measures in 1963 and 1964. The jewel in that particular crown was the Wilderness Act, which Anderson shepherded through the 88th Congress. The act was signed by President Johnson, on September 3, 1964, with Senator Anderson at his side.

This year is the silver anniversary of the Wilderness Act and an appropriate time to commemorate Senator Anderson's role in that vital legislation. Senator Anderson had a distinguished career. He served four terms in the U.S. Senate, beginning in 1949. He was chairman of the Senate Interior Committee and the Joint Committee on Atomic Energy. Elected to three terms in the U.S. House of Representatives, he answered the call of President Harry S Truman and left the House to serve as Secretary of Agriculture.

But for all his fine accomplishments, his lasting legacy is wilderness. Today, thanks to Anderson and his colleagues, including Representative Wayne Aspinall of Colorado, Senator Hubert Humphrey of Minnesota, and Senator Frank Church of Idaho, there are 474 units in the National Wilderness Preservation System. Nearly 91 million acres are protected for future generations, a valuable natural history that will always serve America. Anderson's contribution cannot be overstated. "Without Clinton Anderson," said U.S. Forest Service Chief Richard McArdle, "there would have been no Wilderness Law."

Anderson wrote and spoke eloquently about wilderness. His words continue to inspire his colleagues and the public. Among my favorite quotations is a statement Senator Anderson wrote for American Forests magazine in 1963:

> There is a spiritual value to conservation and wilderness typifies this. Wilderness is a demonstration by our people that we can put aside a portion of this which we have as a tribute to the Maker and say—this we will leave as we found it.
>
> Wilderness is an anchor to windward. Knowing it is there, we can also know that we are still a rich nation, tending our resources as we should—not a people in despair searching every last nook and cranny of our land for a board of lumber, a barrel of oil, a blade of grass, or a tank of water.

We all owe a debt to Senator Anderson for helping protect these special, pristine lands that provide valuable solitude, critical watershed, wildlife habitat and a legacy of our natural history. As the act says so well, "A wilderness—is hereby recognized as an area where the Earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain."

Senator Anderson was influenced by the great New Mexico conservationist, Aldo Leopold, who played a role in this wilderness story. It was Leopold, as a U.S. Forest Service officer, who in 1924, helped establish the Nation's first administratively designated wilderness, the Gila Wilderness in the Gila National Forest in New Mexico. That wilderness served as my backdoor recreation area while I grew up in nearby Silver City. I have spent many rewarding hours backpacking in the Gila, as have countless other New Mexicans and visitors to my State. I am thankful to Senator Anderson for making permanent the wilderness designation. While the Gila and other areas were protected administratively before 1964, the act was necessary to ensure protection forever. Administrative designation of wilderness was subject to the whims of ever-changing administrations; the act is firm testimony to the national will to preserve pristine lands, regardless of who might be elected President.

We can help repay our debt to Senator Anderson by passing this bill to authorize a study by the Secretary of Agriculture to find the most appropriate method of acknowledging Senator Anderson's contribution. The study would include an evaluation of the feasibility of establishing a campground, monument, wilderness museum or other facility bearing Senator Anderson's name. Appropriately, the study focuses on the Gila National Forest where wilderness was first recognized as a valued resource.

The study would be completed within 6 months after funds are appropriated. My hope is that the Secretary will have a recommendation ready before September of this year, when the 25th anniversary of the act will be marked in a celebration in the Gila National Forest.

Senator Anderson was among the Senate's most distinguished Members and he helped enact one of our most noble laws. I urge my colleagues to support this bill.●

● Mr. DOMENICI. Mr. President, I rise today to join my colleague from New Mexico [Mr. BINGAMAN] in introducing a bill to authorize a study on methods to pay tribute to the late Senator Clinton P. Anderson of New Mexico for his significant contribution to the establishment of a national wilderness preservation system.

In 1972, I was elected to serve in this body when Senator Anderson retired after 24 years of service to New Mexico and the Nation. Senator Anderson left a large legislative legacy, including the Price-Anderson Act and the Wilderness Act of 1964.

This year marks the 25th anniversary of the Wilderness Act, which established the national wilderness preservation system. On February 28, I introduced Senate Joint Resolution 67 to commemorate the 25th anniversary of the Wilderness Act of 1964 by designating the week of September 3-9 as National Wilderness Week. Senate Joint Resolution 67 currently has 67 cosponsors and I am looking forward to its approval by the Senate in the coming months.

The Wilderness Act of 1964 was signed into law by President Johnson on September 3, 1964, thus culminating over 16 years of congressional study and debate. Senator Anderson played a major role in shaping and resolving this debate.

The bill that was to become the Wilderness Act of 1964 was introduced by Senator Anderson, who was the chairman of the Senate Interior Committee at that time, at the outset of the 88th Congress.

In May 1962, Stewart Udall, Secretary of the Interior under President Kennedy, stated, "When Clinton Anderson of New Mexico became chairman of the Interior Committee in 1961, the wilderness bill had a tenacious advocate who would not be denied." Mr. Udall's assessment has not diminished over the years. Recently, he commented that based on his knowledge of the history of wilderness legislation, Senator Anderson was the hero of the passage of the Wilderness Act.

By 1956 Senator Anderson was in his second term as a Senator. That particular year three major national conservation proposals were introduced. One was the wilderness bill introduced for the first time by Senator Hubert Humphrey of Minnesota. The other two proposals were the outdoor resources recreation review and the multiple use sustained yield policy.

Senator Anderson was convinced that it was paramount to deal with the issues associated with these latter two proposals before tackling the wilderness issue through legislation. He directed his legislative skills accordingly. In the final analysis he was instrumental in the passage and success of each of these proposals—first the outdoor review, then the multiple-use principle, and finally wilderness preservation.

I consider the tribute sought in the bill introduced today by Senator BINGAMAN and I to be a fitting tribute to Senator Anderson and his work on the Wilderness Act of 1964, which established the National Wilderness Preservation System, especially as we mark the 25th anniversary of the Wilderness Act. This tribute is consistent with Senate Joint Resolution 67—to commemorate the 25th anniversary of the Wilderness Act of 1964—which I introduced earlier this year.

I am pleased to cosponsor this measure and I congratulate Senator BINGAMAN for his work on it.●

By Mr. EXON (for himself, Mr. DANFORTH, Mr. KASTEN, and Mr. ADAMS):

S. 819. A bill to strengthen the enforcement of motor carrier safety laws, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MOTOR CARRIER SAFETY ACT

● Mr. EXON. Mr. President, I am pleased today to introduce the Motor Carrier Safety Act of 1989. This legislation continues an effort that has been underway for the last several Congresses to improve motor carrier safety.

In 1982, as part of the Surface Transportation Assistance Act, Congress authorized creation of the Motor Carrier Safety Assistance Program [MCSAP] which is widely viewed as a highly successful safety program. MCSAP provides Federal funding to assist States in conducting roadside inspections of commercial trucks and buses. Approximately 1.3 million roadside inspections were conducted in 1988 as a result of MCSAP, compared with 36,000 in 1983, prior to initiation of the program.

In 1984, in the Motor Carrier Safety Act, Congress mandated that the Department of Transportation issue standards to require more frequent equipment inspections and required that DOT review the safety programs of nearly 185,000 unrated carriers, a process which is continuing. We further established requirements for the uniform single State licensing of commercial drivers, set stiff penalties for individuals who operate trucks or buses under the influence of alcohol or drugs, and significantly increased funding for MCSAP as part of the Commercial Motor Vehicle Safety Act of 1986.

Last year, through adoption of the Truck and Bus Safety and Regulatory Reform Act of 1988, we statutorily eliminated an administrative exemption which had previously allowed commercial trucks and buses to operate in certain metropolitan areas—known as commercial zones—without being subject to the Federal Motor Carrier Safety Regulations, and developed study and report requirements to improve driver compliance with hours of service requirements, as well as looking to options to improve truck braking performance.

The progress begun with each of these safety initiatives should continue. The legislation that is being introduced today is intended to build on that progress.

I am delighted to work with Senator DANFORTH, who joins me as a sponsor of this important safety legislation, as well as with Senators KASTEN and ADAMS, who are original cosponsors. This bill contains a number of important safety-related provisions. Among these are provisions which will call upon DOT to make publicly available the names of all motor carriers that receive an unsatisfactory safety rating from the Federal Highway Administration. Currently, this information is difficult, at best, for anyone to obtain. With this new provision he will enable the marketplace to encourage the use of safety-conscious carriers by identifying those carriers with unsatisfactory ratings. In addition, this provision will prohibit carriers with unsatisfactory rating from transporting hazardous materials and operating passenger buses.

Another provision in the Motor Carriers Safety Act of 1989 would require DOT to develop operational guidelines for suspending the operation of any motor carriers which pose an imminent hazard to safety. The bill also seeks to discourage drug trafficking at truck stops and drug usage by truck and bus drivers by doubling the Federal penalty levels for distributing drugs at truck stops. This builds on the drug-free school zones provision in last year's omnibus anti-drug bill and recognizes that areas frequented by those involved in transportation should be similarly free from drugs.

Some of the other issues addressed in this bill include a rulemaking on whether brake improvements are needed; a random MCSAP reinspection program for vehicles placed out of service for previous infractions; and a DOT procedure requiring Federal Highway Administration [FHWA] inspectors to initiate an enforcement action against any motor carrier found guilty of a serious safety violation. The need for many of the provisions contained in this bill is well documented in congressionally requested motor carrier studies conducted over the last 2 years by the Office of Technology Assessment and the Congressional Research Service.

An issue not included in the bill at this time, but one that will be addressed over the next few months, is driver training standards for operators of commercial motor vehicles. We hope to utilize the training approach developed by the FHWA in 1984, as well as obtain input from the States, representatives of motor carriers, operators of commercial motor vehicles, commercial motor vehicles safety experts and providers of training.

I am committed to working with Senators DANFORTH, KASTEN, ADAMS

and others to ensure passage of this legislation.●

● Mr. DANFORTH. Mr. President, over the past decade Congress has passed a variety of laws to ensure the safe operation of heavy trucks and buses on our Nation's highways. Two years ago, the President signed into law the Commercial Motor Vehicle Safety Act of 1986. That legislation stops drivers from spreading their bad driving records over numerous licenses. It also eliminates the 20 State practice of giving a commercial license to applicants who may have taken a driving test in nothing more than a subcompact car.

Most recently, I sponsored the Truck and Bus Safety and Regulatory Reform Act of 1988—a bill that became law as an amendment to the Omnibus Drug Initiative Act of 1988. This legislation eliminates a loophole allowing heavy trucks and buses to operate within vast urban commercial zones without meeting critical Federal safety regulations. The act also requires a Department of Transportation [DOT] rulemaking on driver compliance with the hours-of-service regulations, which help to prevent driver fatigue.

Although these laws represent great progress, we have a long way to go. In 1987, medium and heavy truck and bus accidents accounted for almost 6,000 deaths in this country. Eighty percent of those killed were not truck drivers, but the occupants of passenger cars. In addition to the immeasurable tragedy of lost lives, truck and bus accidents have a very tangible economic cost. In 1985, DOT received reports on 39,273 motor carrier accidents that resulted in $394 million in property damage. A single truck accident on Washington, DC's beltway in September 1988, required over half a million dollars to clean up.

Mr. President, the majority of motor carriers and commercial drivers take their safety responsibilities seriously. This bill focuses on the few operators who disregard safety.

SAFETY RATING SYSTEM

The DOT currently operates a system to rate the safety fitness of motor carriers. Each motor carrier receives a rating of satisfactory, conditional, or unsatisfactory. A motor carrier must have a number of serious safety violations before earning an unsatisfatory rating. And yet, these carriers are free to continue operating. They are even allowed to operate trucks carrying hazardous materials or passenger buses. Because unsatisfactory carriers are most likely to be involved in an accident, our bill bans all carriers with an unsatisfactory rating from transporting hazardous materials or passengers on our Nation's highways. In addition, this legislation requires DOT to make available to the public, and to periodically update, a list of all carriers who receive an "unsatisfactory" rating.

DRUG-FREE TRUCK STOPS

Mr. President, drugs are everywhere in our society today. The trucking industy is no exception. For example, in January 1988, the California attorney general's office released the results of a 6-month sting operation in which 130 people were arrested for selling cocaine, speed, and other drugs to truck drivers at truck stops. Undercover officers reported that the drug trade was so active, in many instances by the time they could reach a drug pusher advertising drugs over his CB radio, the sale was already completed. Such drug sales at truck stops and over CB radios are common.

Drug use by truck and bus drivers is not a victimless crime. Last May, a truck driver rammed more than two dozen vehicles on an L.A. freeway. Miraculously, he caused only minor injuries. Police found drug paraphernalia, a partly smoked marijuana cigarette, and other narcotics in his cab. In October, near Fort Hancock, TX, a truck driver forced several motorists off the highway, killing a woman. After shooting a police officer, he tried to run him down with his tractor-trailer. The police on the scene said the driver was on drugs. There was a similar tragedy over the Christmas holidays. The driver of a tractor-trailer rig went on an 80-mile long rampage down Interstate 10 and through rush hour traffic in San Antonio. During this rampage, the huge truck crashed into more than 20 other vehicles and seriously injured two people. When the driver was arrested, he did not seem to know he had done anything wrong. Police later found cocaine in the cab of the truck and filed drug charges against the driver.

We must stop these tragedies. Since truck stops are the most common places for drug sales to commercial drivers, our bill doubles the penalty level for persons convicted of distributing drugs within 1,000 feet of a truck stop. This provision is modeled after a provision in the Omnibus Drug Initiative Act of 1988, which establishes drug-free zones around our Nation's schools. Drug-free school zones protect our children from drug dealers by doubling penalties for pushers who sell drugs near schools or playgrounds. By establishing similar zones around our Nation's truck stops, we can reduce the supply of drugs to truck drivers.

IMPROVING BRAKES

This legislation contains a number of other provisions that will enable trucks and buses to operate more safely. Our bill requires DOT to conduct a rulemaking on whether brake performance improvements, such as antilock braking systems and better brake compatibility, are needed. In March 1987, DOT completed a congressionally-ordered study, which determined that poor brake performance contributed to one-third of all truck accidents. Since that time, both the National Transportation Safety Board [NTSB] and the Office of Technology Assessment [OTA] have concluded truck safety studies that find brake performance a leading factor in truck accidents.

In the mid-1970's, DOT wrote a rule requiring antilock brakes which were primitive in design. Because these brakes had mechanical problems, the DOT rule was struck down by the courts. Over the past decade, a new generation of successful antilock brakes has emerged. These brakes are widely used in Europe, and will be required on all European Economic Community [EEC] registered commercial vehicles in 1991. Moreover, there is already a large stopping distance differential between cars and large trucks and buses, which is being exacerbated because many cars are being equipped with antilock brakes. With technological advances in antilock brakes and the documented safety problem posed by current truck braking systems, the time has come for a DOT rulemaking on whether to require brake performance improvements.

OTHER PROVISIONS

Finally, this measure requires DOT to create a random reinspection system for trucks and buses placed out-of-service for safety infractions, to ensure that repairs are actually performed; to develop guidelines for suspending any motor carrier operation that poses an imminent safety hazard; to determine how visibility improvements can prevent trucking accidents; and to set the pay of senior Federal Highway Administration [FHWA] inspectors at a level closer to that of Federal Railroad Administration [FRA] and Federal Aviation Administration [FAA] inspectors.

CONCLUSION

I urge all my colleagues to support this important truck and bus safety legislation.●

● Mr. ADAMS. Mr. President, I am pleased to join Senator EXON, Senator DANFORTH, and Senator KASTEN in sponsoring legislation to improve the safety of trucks operating in our Nation's roads. This bill continues the job that we began last year when we passed the Truck and Bus Safety Act of 1988. I do not say that this bill finishes the job of improving truck safety, because we can never be satisfied with our effort when more than 5,000 people die every year in truck accidents.

This bill will improve truck safety in several ways.

First, it would prevent unsafe carriers from transporting hazardous materials or carrying passengers. Every

year, the Department of Transportation conducts safety audits of thousands of trucking firms, giving them a satisfactory, conditional, or unsatisfactory safety rating. While this is a worthwhile effort, the problem is that the Government allows the firms with unsatisfactory safety ratings to continue to drive. Under our bill, these unsafe firms would be barred from transporting hazardous materials or operating passenger buses.

Second, this bill includes a provision that we were unable to enact last year calling for antilock brakes on trucks. In the 1988 truck safety bill, we were only able to require continued review of these systems by DOT and a report to Congress. This year, we will not be satisfied with simply another study. Antilock brakes work, and it is time that we required the best equipment on our trucks.

Third, this bill steps up our system of inspecting trucks on the road and removing those with dangerous defects. In Washington State alone, over half of the 23,951 trucks inspected on the highways in 1987 were cited for safety violations because of faulty or defective equipment. We need to make sure that when these trucks are cited for safety violations, they are fixed before they go back on the road. This bill would require reinspections on a random basis for trucks placed out of service and a system of accountability for correcting safety violations.

This bill is one more step in reducing the frightful carnage on our highways. As a U.S. Senator and a former Secretary of Transportation, I will continue to urge through and ongoing investigation by the Congress and the administration into the causes of highway accidents, and ways to prevent them.●

By Mr. BOSCHWITZ:

S. 820. A bill to amend section 1503 of title 18, United States Code, relating to protecting officers and jurors from threats or force, to extend protections against threats to jurors after they have been discharged of their duties; to the Committee on the Judiciary.

JUROR PROTECTION ACT

● Mr. BOSCHWITZ. Mr. President, I rise today to introduce legislation that I believe will aid in the administration of justice in our Federal courts.

The Juror Protection Act of 1989 will extend statutory protections against threats to jurors after they have been discharged of their duties. Current law protects jurors from threats, acts of violence, and other forms of harassment before and during a trial for which they are sitting, but unfortunately the same protections are not afforded jurors after they have completed their service.

The laws we have on the books to protect officers of the court from harassment before and during a trial are there not only to protect them, but also to ensure that they can approach their task without fear of reprisal. It only stands to reason that jurors may face similar threats after they have handed down a decision. In an especially controversial case, it may be very difficult for some jurors to approach their duty in a clear-thinking, objective manner.

The purpose of this measure is to provide jurors the protection and peace of mind they deserve and need after they have completed their service to the court. I ask that my colleagues join me in supporting a bill that will help ensure that justice is served.●

By Mr. HELMS (for himself, Mr. DECONCINI, Mr. GRASSLEY, Mr. HUMPHREY, Mr. PRESSLER, Mr. THURMOND, and Mr. COATS):

S. 821. A bill to abolish the Commission on Executive, Legislative, and Judicial Salaries, establish a procedure for adjusting pay rates of certain Federal officers, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL PAY ACCOUNTABILITY ACT

Mr. HELMS. Mr. President, when the Senate voted in February to disapprove the recommendations of the Quadrennial Commission, I trust that some valuable lessons were learned—one of the most important being that the American people will no longer tolerate the existing arbitrary system under which pay levels are set for high-level executive, judicial, and legislative branch personnel.

Today, I am offering the Federal Pay Accountability Act of 1989, and I am honored that Senators DECONCINI, GRASSLEY, HUMPHREY, PRESSLER, THURMOND, and COATS are cosponsoring the measure. We have drafted this legislation to address the concerns raised by citizens all over the country in response to the Quadrennial Commission proposal that precipitated a justified roar of protest all over America.

Mr. President, I'm also pleased to announce that the bill we are offering today has been endorsed by both the National Taxpayers Union and by Congress Watch. I am grateful to both organizations for the assistance they have given us in developing this legislation.

Mr. President, the outcry from Americans was not merely in response to the size of the pay increase proposed by the Quadrennial Commission. Citizens were clearly upset—understandably so—about the manner in which the proposals were made, particularly the fact that the proposed pay increases would have gone into effect automatically if both Houses of Congress had not voted to disapprove them. Such a system is a blatant abdication of responsibility by Congress and an affront to the American people. They had every reason to protest.

Mr. President, my distinguished colleagues and I are introducing this bill today to change in a significant way the system for determining pay increases for all Federal personnel who come under the purview of the Quadrennial Commission.

I would emphasize that this legislation makes no recommendations or proposals as to pay levels or pay increases. Many of us will differ, I'm sure, on these questions. We are simply attempting to establish a simple, straightforward system under which these decisions can be made.

Our bill would: First, abolish the Quadrennial Commission; second, repeal the automatic cost-of-living adjustment for Members of Congress; third, require the appropriate committee in the Senate and in the House to consider the pay levels of the personnel now under the purview of the Quadrennial Commission and report original legislation authorizing recommended increases; fourth, require a rollcall vote on that legislation; and fifth, amend the permanent appropriation for Members' pay so that no pay increase for Members of Congress can take effect until the first pay period of the following Congress.

Mr. President, it is clear that the Quadrennial Commission is unlikely to be further useful. I'm sure that the members of the Commission were well-intentioned in making their recommendations for approximately a 50-percent pay increase for Members of Congress and other high-level judiciary, and executive branch officials. However, they failed to consider the predictable reaction of the average taxpayer who has to foot the bill, yet who makes nowhere near as much as any of the officials who would have received the pay increase.

Furthermore, it appears unlikely that the Commission will be able to consider that factor in any future recommendations. Without that ability, the Commission might continue to make well-intentioned but unrealistic proposals. Thus, our legislation would repeal section 225 of the Federal Salary Act of 1967, the provision that created the Quadrennial Commission in the first place.

Mr. President, some Members of Congress expressed their reluctance to vote on the recent pay raise proposal out of concern that it would be a conflict of interest for them to vote on their own pay. Our bill addresses that concern for our colleagues in the House and, to the extent possible, our colleagues in the Senate, by amending the permanent appropriation for Members' pay so that no pay increase would go into effect until the first pay

period of the Congress following that in which the pay raise is authorized.

If the people back home don't feel their Representative deserves a pay increase for which he or she voted, they will have an opportunity to express themselves at the ballot box before the Representative ever receives the pay increase. This will be true also for one-third of the Members of the Senate, and the rest will have plenty of time to hear from their constituents, through many and various channels, before any pay raise takes effect.

Mr. President, the most important provision of our legislation will restore accountability for our decisions on the issue of compensation. I believe this is essential if the American people are to retain any faith in this institution.

Our bill would accomplish this in two ways:

First, it would repeal section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31). That is a provision that provides an automatic pay adjustment for Members of Congress whenever the pay rates for the statutory pay systems are adjusted by the President pursuant to 5 U.S.C. 5305. I believe it is important to remove all provisions which provide automatic pay increases for Members of Congress.

Second, the legislation would require the committee with appropriate jurisdiction in the Senate and in the House to review the pay levels of the personnel who now come under the purview of the Quadrennial Commission. After making the review, the committee in each body would report legislation containing any recommended pay increases or any other proposals regarding appropriate pay levels. The legislation would then be considered by the full House or Senate, and a rollcall vote would be required on final passage. A rollcall vote would also be required on any conference report authorizing pay increases.

If any pay increases are approved, they would be appropriated through the normal appropriations process, except, as I mentioned previously, for Members of Congress. Members would still be paid through the permanent appropriation provision that was enacted in 1981; however, the pay increase would not take effect until the first pay period of the next Congress.

Mr. President, we have left one issue to be determined during the markup process. The legislation only provides that the "congressional committee with appropriate jurisdiction" will review the pay levels of those people now under the purview of the Quadrennial Commission. It is our expectation that when the Government Affairs Committee holds hearings on our bill, we would determine then which committee in the Senate and the House should be designated to consider the pay levels and report authorizing legislation.

I commend my colleagues who have joined me in introducing this legislation. I urge the Government Affairs Committee to hold hearings promptly so that the Senate can act on this proposal expeditiously.

● Mr. DECONCINI. Mr. President, I am proud today to join Senator HELMS and others in sponsoring the Federal Pay Accountability Act of 1989. The legislation would hold Congress accountable for determining its future pay-raises. It would dissolve the outdated Quadrennial Commission. It would require rollcall votes to approve a pay raise. This legislation is truly a step in the right direction.

This bill has been drafted to address the concerns raised by citizens nationwide about the method by which Congress and the other branches of Government receive a raise. In my State of Arizona, the negative reaction to the pay raise last January was overwhelming.

Citizens were clearly upset with the manner in which the proposals were made. The fact that the pay increases proposed by President Reagan would have gone into effect automatically unless both the House and the Senate had not voted to disapprove them is an example of an irresponsible lack of accountability. The current system is clearly an abdication of responsibility by Congress. Fortunately, the voice of the people was heard and the raise was resoundingly rejected.

Our bill would abolish the Quadrennial Commission, repeal the automatic cost-of-living adjustment for Members of Congress, and require Congress to consider pay rates for all three branches of the Government and report original legislation recommending any necessary increases. The bill would also require a rollcall vote on such legislation.

Finally, Mr. President, under the new proposal, any pay increase approved would not take effect until after the next election. This will provide the ultimate employer—the American people—the opportunity to ratify any approved pay raise at the ballot box. To me that is the most important aspect of our proposal—being responsible to our constituents in the truest sense.

I commend my colleagues who have helped produce this legislation, and I urge the Governmental Affairs Committee to promptly hold hearings on this legislation.●

By Mr. MOYNIHAN:

S. 822. A bill to prohibit the importation into the United States of certain articles originating in Burma; to the Committee on Finance.

TRADE SANCTIONS AGAINST BURMA

● Mr. MOYNIHAN. Mr. President, I rise to introduce a bill that will ban the importation of teak wood and fish products originating in Burma. I believe such a ban is necessary to prevent the further financial subsidization of the present Burmese regime.

I also note with pleasure Thursday's decision by President Bush to indefinitely suspend GSP trade benefits for Burma due to its failure to protect internationally recognized workers' rights. The bill I am introducing today would have the same effect as the President's commendable decision: To further the economic isolation of the Burmese military government until such time as it commits itself to the respect for human rights, political liberalization and national reconciliation.

On August 11, 1988, the Senate unanimously adopted Senate Resolution 464 which condemned the brutality of the present regime and called for restoration of democracy in that nation. Our resolution was adopted in the midst of widespread popular demonstrations calling for democracy. It was only adopted in the aftermath of a brutal spree of murder of innocent, unarmed, peaceful demonstrators by the Burmese Armed Forces. Although tentative steps were taken to reform Burma's political system after the Senate spoke, on September 19, the Burmese Armed Forces undertook a massive crackdown, killing thousands and seizing full control of the political apparatus in Burma.

Burma's terrible human rights record also made it the subject of a resolution adopted by the U.N. Human Rights Commission on March 8. I am pleased that our delegation, despite the opposition of some of Burma's current economic partners, was successful in its efforts to bring the case of Burma to world attention.

In response to the September suppression of dissent by the Burmese military, the United States suspended aid to Burma. Japan and the European Community, Burma's largest aid donors, followed. Although Japan has recently resumed some assistance, Burma remains starved for cash. Burma's foreign debt stands at $5.3 billion. Its debt-servicing ratio is expected to approach 100 percent this year. After 26 years of the "Burmese Way to Socialism" the economy is in shambles. Rice production has been stifled by unrealistic production quotas and low government prices, and annual rice exports have fallen from about 2 million tons in the 1950's and 1960's to 20,000 tons in 1988. Legal trade has for many years been supplanted by black market cross-border trading in consumer goods, precious stones, and teak. According to the Institute of Asian Studies in Bangkok, two-thirds of all goods imported into Burma in 1985 were smuggled from Thailand. The annual value of smug-

gled trade is estimated to be $3 billion, or 40 percent of GNP.

To stay alive, the Burmese military junta is cynically selling away what Burma has left: Teakwood and fish. And the cynicism of the Burmese regime has, regrettably, found ready partners amongst Burma's neighbors.

For example, a large number of Thai companies, including B&F, Thai Sawat, Chaophyra Irrawaddy, Santo Forestry, Sirin Technology, Thaiphong Sawmill, Muang Pana, Union Par, Patumthani Sawmill, Thai Teakwood Veneer, Patumthani Tangkakorn, Mea Mery Forest Industry, Maesod Forestry, Zilar International Trading, Silom Complex, and Thip Tharn Thong have, with the cooperation of the Thai Government, signed concessions to cut millions of tons of logs inside Burma. These logging agreements followed Thai army chief Chaovalit Yongchaiyut's visit to Rangoon on December 14, 1988. They also coincided with the Thai Government's decision to forcibly repatriate dissident Burmese students who had sought refuge on Thai soil. More recently, the Thai Agriculture Minister, Sanan Kachornprasat, also reportedly signed agreements giving Burmese teak concessions to two Thai state enterprises, the Forestry Industry Organization and the Thai Plywood Company. Firms from other countries, including Hong Kong, Japan, Singapore, and Europe have reportedly participated in the teak concession bonanza in Burma.

In addition, at least 15 fishing concessions worth over $17 million have gone to Japanese, Thai, Malaysian, Singaporean, Australian, and South Korean fishing companies. These include the Japanese firms Nippon Suisan, Taiyo-Gyogyo, and Daimaru, the Thai firms Supachoke Fisheries, Narongchai Canning, Sirichai Fisheries, Tip Tharn Thong, Mars & Co., and Atlantis Corp., the Korean firms Dongwon Industries and Woushin Sanghap, the Hong Kong firm Adnes Enterprises, the Malaysian firm Sophia Industries, the Singaporean firm Hsing Chaio, and the Australian firms Seafood Traders of Australia, Kailis and France, Australian Marine Export, and Semarine.

The money from these concessions will not help ordinary Burmese. Already, 100 Burmese fishing boats are reportedly lying idle on the Andaman Sea coast because fishing rights have been sold to foreign interests. Rather, the profits will prolong the life of the current government and equip the Burmese military for yet more violence. Indeed, Professor Joseph Silverstein of Rutgers University has estimated that 50 percent of the Burmese Government budget is devoted to military expenditures. Even the very act of felling trees has a military value. For the jungle trails cut by the loggers will provide the Burmese army access to isolated jungle strongholds of the ethnic minority resistance.

Further, the Burmese military has undertaken an effort to invite foreign investors into Burma. Still with an eye to earn the money to maintain their power—not for the purpose of developing the nation. And the previous record of foreign economic investment in Burma is encouraging. Until this year, the only joint venture the Burmese Government permitted with a foreign company was a small arms and ammunition plant run by the West German firm Fritz Werner. And despite Germany's suspension of aid to the Burmese regime, this plant still efficiently produces the weapons of death used by the Burmese military. It is long past the time when the German Government should have taken actions to stop all such assistance.

The massive Burmese logging concessions are all the more troublesome in light of the need to control deforestation. In 1900 there were 2.49 million square kilometers of virgin forest in Southeast Asia, outside of Papua New Guinea. Today only 602,000 square kilometers remain. In a recent report, the Bangkok-based Economic and Social Commission for Asia and the Pacific concluded that "floods, mudslides, even earthquakes and droughts can be directly related to deforestation."

Last October, deforestation in Thailand caused floods that claimed the lives of at least 350 people. In January, the Thai Government banned all logging concessions within its borders. Whereupon Thai logging companies moved their operations across the border to Burma. Burma reportedly has 80 percent of the world's remaining teak reserves, but the Burmese military has no interest in protecting this resource or its environment—the goal is the money to remain in power. U Nu, Burma's last freely elected leader, says of this activity: "Our forests will disappear." Similarly, the Bangkok-based newspaper, The Nation, has expressed reservations about the environmental consciousness of Thailand's logging companies now racing into Burma: "Given their questionable record in Thailand, there appears little hope that these firms will adhere to the rules of selective cutting in our neighboring countries. The massive forest depletion in those countries will not only take their toll on those societies, but will also affect Thailand's already vulnerable environment in the long run."

It should be noted that America has had nothing but admiration for Thailand's ever-increasing commitment to democracy. Our hope that Burma might some day enjoy democracy is strengthened by our knowledge that Thailand has already achieved it. Democracy has made Thailand prosperous and prosperity has made it powerful. I trust that it will use its power to support, rather than hinder, democratic forces in Southeast Asia.

In the meantime, the United States must do what it can to keep hard currency, and the guns that hard currency buys, from the Burmese military. I, therefore, urge my colleagues to support the swift passage of this legislation to ban the importation of teak and fish products from Burma. The United States cannot reward the Burmese military by purchasing the resources it is stealing from its own people.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD. Also that a recent article from the Bangkok Nation entitled "Saw Maung Sells Burma To Survive" be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 822

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION.

After the date of enactment of this Act—

(1) teak that is cut in Burma,

(2) any product that contains teak cut in Burma,

(3) any fish or other aquatic animal taken from the territorial waters of Burma, and

(4) any product containing any fish or other aquatic animal taken from the territorial waters of Burma,

may not be imported into the United States or into any territory or possession of the United States.

SEC. 2. ENFORCEMENT.

(a) IN GENERAL.—The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

(b) CERTIFICATIONS.—The regulations prescribed under subsection (a) shall—

(1) require any importer of teak, or of any product containing teak, to submit to the Secretary of the Treasury at the time of the importation of such teak or product into the United States, or into any territory or possession of the United States, a statement certifying the origin of the teak, and

(2) require any importer of—

(A) fish or other aquatic animals, or

(B) any product containing any fish or other aquatic animal,

that is imported from, or has passed through, Burma (or any foreign country whose nationals are allowed to fish in the territorial waters of Burma by a treaty or agreement between Burma and the foreign country or such nationals) to submit to the Secretary of the Treasury at the time of the importation of such fish, aquatic animal, or product into the United States, or into any territory or possession of the United States, a statement certifying the territorial waters from which the fish or aquatic animal was taken.

SAW MAUNG SELLS BURMA TO SURVIVE

(By Tom Heneghan)

Burma, one of the world's poorest countries, has lost most of the crutches keeping its crippled economy going and is now selling the few left.

Rice and teak exports, tourism, foreign aid, industrial output—all slumped to zero by last September after months of anti-government unrest and a bloody army takeover.

Prices have soared so high that many wage-earners cannot afford enough to feed their families. Many middle-class households now run black market shops to earn extra money.

Desperate for hard cash to pay for imports, the army has been selling off timber and fisheries concessions to foreign companies at a rate that has diplomats and businessmen here talking about "the rape and pillage of Burma's resources."

"It was hard to see how things could have got much worse, but they have," said one Western diplomat. "People are absolutely stone broke and prices have still gone up."

Last year's unrest hit the country not long after Rangoon's secretive leaders admitted that a quarter-century along the "Burmese road to socialism" had led the country into a dead-end. Per capita annual income was only $264.

Classified by the United Nations in 1987 as one of the "least-developed countries," Burma was hoping Western donors would write off much of its $4 billion foreign debt.

Once the world's largest rice exporter, it also loosened controls on trade in grains that year to boost output.

This clumsy liberalization backfired, sparking student protests that grew into a popular uprising that toppled three leaders and seemed set to force a return to democracy.

When the army crushed the democracy movement by force last September, foreign donors stopped all aid programmes—worth about $500 million a year—and cancelled any plans to write off earlier debts.

Much of the aid, mainly from Japan, West Germany and the United States, used to pay for needed imports, Western diplomats said.

The overall outlook for trade is bleak, they said, but the rock-bottom state of the economy and the lack of statistics since the unrest made it hard to say just how bad it was.

Rice exports, which stopped in July, restarted sluggishly after the state doubled procurement prices and the army began to coerce supplies from farmers.

They will probably only hit 80,000 tonnes in the fiscal year ending on March 31, compared with 624,300 tonnes the previous year, and could reach only half the 600,000 tonnes goal for 1989/90, the diplomats said.

"They (the government) are buying for twice the old state price, but still only about a third of the black market price," one envoy said. "It is losing money."

The army has also sold off concessions to foreign timber and fishing companies so quickly and cheaply that opposition politicians are warning about lasting environmental damage.

"We have had forestry conservation since the British were here but there is no provision for it," said U Nu, Burma's last freely-elected leader. "Our forests will disappear. There will be no more fish in our waters."

Diplomats said Rangoon had sold 17 concessions to Thai timber companies eager to start logging in the thick forests of teak and other hardwoods along the Thai-Burmese border.

The government has also sold off nine concessions to Thai, Malaysian, Singaporean and South Korean fishing companies to tap Burma's rich maritime resources in the Andaman Sea.

"There will be no policing so they can carry off as much as they want," a diplomat said. "This will end up clearing out Burmese waters in three or four years."

The average Burmese, earning monthly wages worth only $15 at black market rates, has been forced to tighten his already small belt and find ever more ingenious ways to tap the black market.

Rice prices—the poor man's inflation index—are five times higher than before the unrest. Cooking oil costs three times as much.

Fares on Rangoon's 1940s Chevrolet buses can be up to 10 times higher because fuel is scarce and expensive.

Official petrol prices have jumped from 3.50 kyats (0.55 cents) a gallon to 16 kyats ($2.50) but the rate on the black market, the only place one is sure to find supplies, is 85 kyats ($13.50).

The government has responded by opening shops selling subsidized goods. Long queues appear there before dawn and passing groups of begging monks, a traditional sign of Buddhist ascetism, can look better off than the shoppers.

There are fewer newspapers than before—only two are allowed—but more hawkers selling them because they charge black market rates of double the normal price.

People with telephones at home rent them out to neighbors at four to six times the normal rate for a call.

"The people's main worry is inflation," said one resident running a black market shop and telephone stand.

"A lot don't care what kind of government there is—even the communists could come in and they would be welcome—as long as the prices come down."—Reuter.●

By Mr. LEVIN (for himself, Mr. DIXON, Ms. MIKULSKI, Mr. MURKOWSKI, and Mr. SIMON):

S. 823. A bill to provide OPIC insurance, reinsurance, and financing to eligible projects in Poland; to the Committee on Foreign Relations.

INVESTMENT IN POLAND'S PRIVATE SECTOR

● Mr. LEVIN of Michigan. Mr. President, today I am introducing legislation similar to legislation I introduced last year, that would allow the Overseas Private Investment Corporation [OPIC] to assist United States businesses wishing to invest in the Polish private sector. I am offering this bill because I believe that Poland, today more than ever, presents us with a genuine opportunity to support meaningful democratic change in a Communist country. I am pleased that once again Senator DIXON, Senator MIKULSKI, Senator MURKOWSKI, and Senator SIMON have joined me in offering this bill.

After years of bravely insisting on at least minimal freedoms, the Polish people have won an agreement relegalizing the banned Solidarity Union and providing for the first genuinely free elections since World War II. Although we can neither guarantee the successful implementation of the accord, nor second guess the Soviet response, we can act swiftly and clearly to demonstrate our support.

The legislation I am offering today is a first step toward promoting political and economic change by permitting OPIC to help U.S. businesses invest in small scale private enterprise. The bill would allow OPIC to operate in Poland if and only if, OPIC and the State Department certify that four carefully defined conditions are met.

This bill would establish four conditions for OPIC involvement in Poland.

The first condition ensures that OPIC would only be involved in projects affecting the Polish private sector, or projects sponsored by the Catholic Church or other independent social organizations.

The second condition ensures that workers' rights are respected in the enterprises involved in OPIC-sponsored projects, even though government policies in Poland do not now meet all the requirements of an acceptable standard.

The third condition would reinforce existing statutory language requiring that OPIC projects not adversely affect U.S. employment or import sensitive U.S. industries. And the fourth condition would make OPIC involvement in Poland contingent on the Polish Government taking further steps to liberalize the economy. This means both enacting and implementing reforms that would improve the climate for private businesses in Poland.

As they push for democratization, the Polish people are at a crossroad in their history. They should be encouraged by the weight of their tradition of independent activity in the Catholic Church, the unions and the underground press. They have been led by an outspoken, dedicated and unrelenting advocate—Lech Walesa. However, today they are faced with serious threats to their economic security—rapid inflation, extreme disequilibrium in supply and demand, and a $39 billion trade deficit. In light of all this, they know how unprecedented and significant the Roundtable Reforms are.

But the Polish people and the members of Solidarity also know how quickly the crush of marshal law can come. They know that to reach agreement on reform is only half the battle. Actually implementing the agreed upon changes is the other half.

The legislation I am offering today was drafted in consultation with a number of interested groups and institutions. It has been endorsed by the Polish American Congress. Edward J. Moskal, president of the organization said, "We strongly endorse and support this initiative, which should assist and encourage meaningful development for the market-oriented economy in Poland."

If it is successful, the bill's effects will not be limited to just the economic sphere. It will be part of the bigger trend toward economic, social and political liberalization. While the bill's impact would be modest, it would be one important step which the United States can take to foster further reform in Poland.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 823

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) not withstanding any other provision of law, the Overseas Private Investment Corporation (hereafter in this Act referred to as "OPIC") may issue insurance or reinsurance, guarantee loans, or extend financing for eligible investors, in accordance with section 234 of the Foreign Assistance Act of 1961, with respect to projects in Poland only if such projects are undertaken in conjunction with the nongovernmental sector in Poland.

(2) For purposes of this Act, the term "nongovernmental sector" includes private enterprises, cooperatives (insofar as they are not administered by the Government of Poland), joint ventures (insofar as none of the partners is the Government of Poland or an instrumentality thereof), "Polonia" firms (businesses in Poland wholly or partly owned by United States citizens of Polish descent), the Catholic Church, and other independent social organizations.

(b) Each fiscal year, OPIC shall certify to the Congress that businesses in Poland with respect to which OPIC has undertaken any of the activities described in subsection (a) do not violate any of the internationally recognized workers rights defined in section 502(a)(4) of the Trade Act of 1974, including the right of workers to be represented by the union of their own choice, including the independent trade union "Solidarity".

(c) OPIC shall not issue any insurance or reinsurance, guarantee loans, or extend financing to an eligible investor with respect to any project in Poland which fosters unfair competition with import-sensitive United States industries or leads to significantly adverse impacts on United States employment.

(d) OPIC shall not undertake any of the activities described in subsection (a) with respect to projects in Poland until the Secretary of State has certified that the Government of Poland has enacted and implemented laws which significantly improve the operating conditions for private enterprises (domestic and foreign) in Poland. Such improvements shall include reform of the present laws governing joint ventures and the licensing of new businesses.●

By Mr. ROTH:

S. 824. A bill to create a Federal initiative for affordable quality child care, and for other purposes; to the Committee on Finance.

CHILD CARE DEVELOPMENT ACT

● Mr. ROTH. Mr. President, I am pleased to reintroduce my child care initiative, which today is reborn as the Child Care Development Act of 1989. This legislation represents a flexible, fiscally responsible, and coordinated approach to the growing need for affordable, quality child care. It will improve the quality and increase the availability of child care, without introducing undue Federal interference or regulation.

The need for a Federal child care initiative is clear, given the profound changes that are taking place in the American labor force and the American family. Simply stated, more and more mothers are working, often out of economic necessity. In fact, it has been projected that by 1995, two-thirds of all preschool children and four out of five school age children will have mothers in the labor force. Many families, particularly those headed by single parents, are facing increasing difficulty in finding good, affordable care for their children. The lack of such care imperils the safety and development of a generation of children, and stifles economic development in those communities where companies may be reluctant to locate or expand.

But before we commit to Federal involvement in child care, Mr. President, we must make certain that any plan we adopt is flexible, fiscally responsible, and coordinated. The best way to assure flexibility is to promote innovative, locally conceived approaches to child care within each State. The most fiscally responsible way to accomplish this goal is to redirect funding from other sources within the budget. The enormity of the budget deficit compels us to take a hard look at the usefulness of other programs before we spend Federal money in a new area. And as as we contemplate a new Federal child care initiative, we must take care to insure that we avoid unnecessary duplication and overlap with existing programs.

Flexibility, fiscal responsibility, and coordination are the guiding principles behind the Child Care Development Act of 1989. The centerpiece of the bill authorizes $250 million each year for the next 3 fiscal years to be provided to the States for child care programs. The States are to distibute the funds as grants or loans to child care providers for capital expenditures, furnishings, operating expenses, or training. The possible uses for these funds are, by intention, broadly defined, to permit maximum flexibility for the States in funding innovative approaches to child care. States may also use portions of their grants to provide child care training to adults receiving Aid to Families with Dependent Children. This provision is designed to increase the number of qualified child care workers while at the same time helping welfare recipients to become self-supporting.

The requirements that the States must meet in order to receive funding under my legislation are modest, yet sensible: Each State must adopt its own child care accreditation standards along with methods of inspection and certification of child care facilities; each State must certify that at least 25 percent of the persons receiving assistance under the act will be from low-income families; and each State must coordinate any programs funded as a result of the act with other child care services available in the State. The bill also provides that States may transfer child care funds provided under other Federal programs for use in accordance with this act.

The cost of the grant program established by the bill would be offset by the repeal of the Appalachian Regional Development Commission, the economic development programs of the Tennessee Valley Authority, and the public works construction program administered by the Economic Development Administration. While it is never easy to terminate any Federal programs, we must face reality, Mr. President: The Federal budget deficit remains unconscionably large. Now, more than ever, we must make difficult choices, and establish priorities rather than increase Federal spending indiscriminately. I believe that a program aimed at confronting the shortage of child care throughout the Nation must take priority over three programs that target economic development in a few, selected communities. As we are all aware, the availability of child care is itself a stimulus to economic development. Bearing this in mind, I am confident that the Child Care Development Act of 1989 would have a more positive effect on economic development than the programs from which its funding is derived.

Another provision of the bill would establish, at minimal cost, an incentive for a largely untapped labor pool—Social Security recipients aged 62 to 69—to get actively involved in child care. Many older Americans have already chosen to begin second careers caring for children. However, many more are reluctant to enter this rewarding field for fear that they will sacrifice their Social Security benefits. My bill would exempt income earned in child care from consideration under the Social Security earnings test for recipients aged 62 to 69. Earnings for those 70 or over are already exempt. At the same time as helping to alleviate the shortage of qualified day care providers, the bill would help promote a valuable interaction between generations.

Finally, the bill provides for a study of child care programs funded by the Department of Health and Human Services, with the intent of enhancing cooperation and coordination between

those programs. This provision will ensure maximum efficiency and adaptability in the Federal response to child care.

Mr. President, in the year since I first introduced my child care initiative, the need for affordable, quality child care has surely grown. I call on my colleagues to join me in responsibly addressing this need by supporting the Child Care Development Act of 1989.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS ON CHILD CARE DEVELOPMENT ACT OF 1989

Section 1. Section 1 states the short title of the bill, "The Child Care Development Act of 1989," and contains the table of contents.

Section 2. Section 2 describes the Congressional findings on which the legislation is based, and the precise purposes of the legislation. The thrust of the findings is that the rapidly growing numbers of households in which mothers are working outside the home is creating a growing need for affordable child care services. This section explains that Congress recognizes that the availability of child care programs is an important spur to economic development and that child care needs vary from place to place. Accordingly, the legislation is designed to provide maximum flexibility to the states to promote the availability of child care.

Section 3. Section 3 defines certain terms used in Sections 5 through 11, which describe the child care block grant program established by the legislation. In defining "eligible entities," this section makes it clear that the legislation is intended to promote the involvement of public, non-profit and private organizations. Also, in defining "eligible providers," this section leaves the program created by the bill open to a variety of child care settings as determined by the Secretary of HHS or the lead agency of each state.

Section 4. Section 4 authorizes $250 million each year for fiscal years 1990, 1991 and 1992, to establish a child care block grant program.

Section 5. Section 5 establishes the formula for the distribution of the child care block grant. The formula, the specifics of which will be prescribed by the Secretary, is based on the number of children under the age of 16 in the state and the number of women in the workforce in relation to the total numbers of children under the age of 16 and women in the workforce in all states.

This section also establishes a minimum allotment of the greater of one half of one percent of the funds appropriated or $2 million to ensure that each state can establish a viable program. The Secretary of Health and Human Services will use the most recent data available to allot funds.

This section further provides that funds received by the states under the child care block grant may be carried over into the following fiscal year when not obligated in the fiscal year for which the allotment was made.

This section also establishes a mechanism for distributing additional allotments to the states in the event that funds become available as a result of a state not being able to use its allotment or part of its allotment.

Section 6. Section 6 provides that the governor of a state must designate a lead state agency for the purposes of administering the child care block grant to be able to participate in the program. This underscores the bill's purpose to coordinate programs, consolidate information, and streamline the processing of paperwork related to the block grant program.

Section 7. Section 7 stipulates that federal child care block grant funds may be used by the states to make grants or loans to public, non-profit, and private organizations and child care centers or family day care providers for capital expenditures, furnishings, operating expenses and training.

This section also specifies that a state may use child care block grant funds to provide child care training to adult recipients of Aid to Families with Dependent Children, if the lead agency determines that such recipients are qualified to receive training.

In addition, this section establishes that not more than 7 percent of the federal funds received by the state may be used for administrative expenses.

Section 8. Section 8 establishes the application process by which states qualify to receive federal child care block grant funds.

In its application, a state must certify the following: that it will coordinate child care services initiated with federal child care block grant funds with other child care services available in the state; that child care block grant funds will supplement and not supplant efforts to provide quality child care; that standards or accreditation or licensing for family-based and group child care providers have been adopted and methods of inspection and certification have been implemented; and that not less than 25 percent of the persons benefiting from the assistance provided with child care block grant funds will be below the higher of the federal poverty level or 50 percent of the state's median income.

This section also provides that the application submitted by the state must include a plan. The plan must identify the lead agency which has been designated by the governor to administer the funds, and describe how the state has complied with the requirements set forth in subsection (b)(1). The plan must also provide the method and means for collecting data on the need for child care services, in the state, as well as the availability of child care services and the number and income levels of persons in need of child care services.

In addition, the plan must describe the following: what child care activities will be supported with the child care block grant funds; how information will be disseminated to individuals seeking child care services and providers seeking grant or loans through the funds provided; and the procedures that the state will use to consider and approve applications. The plan must also include assurances that priority will be given to applicants who demonstrate the ability to continue services undertaken with funds provided through the child care block grant without continued federal support. Finally, the plan must provide that fiscal control and accounting procedures are in place to ensure the proper accounting of federal funds.

Section 9. Section 9 provides for payment of federal funds to the state when the Secretary of Health and Human Services has approved the state's application.

This section also provides that a state may require in cash or in kind contributions from applicants for funds provided through the child care block grant.

Section 10. Section 10 provides that a state may transfer federal child care funds from other sources—the Title XX Social Services Block Grant, the Community Services Block Grant, and Dependent Care Development Grants—to the agency which has been designated by the governor to administer the child care block grant program.

Section 11. Section 11 requires that, within six months after the end of each fiscal year in which a State has received child care block grant funds, the governor must submit a report to the Secretary of Health and Human Services describing how funds received through the program were utilized.

Section 12. Section 12 amends Section 203(f)(5)(C) of the Social Security Act, which currently provides that Social Security beneficiaries under the age of 65 may earn up to $6480 per year in wages or self-employment income, and those between the ages of 65 and up to $8880 per year, without any effect on their benefits. For each $2 earned above those amounts, the beneficiaries lose $1 (although starting in 1990, those between the ages of 62 and 69 will lose $1 for every $3 they earn). The exempt amounts are adjusted each year. Those over 70 may keep all their benefits no matter what they earn. This section would exempt for the earnings test all earnings and self-employment income from the provision of child care for those between the ages of 62 and 69.

Section 13. Section 13 authorizes the Secretary of Health and Human Services to promulgate regulations through "negotiated rulemaking," in accordance with procedures described in the Federal Register by the Administrative Conference of the United States. The procedure involves seeking the participation of interested parties in the development of regulations from the very beginning of the process.

Section 14. Section 14 requires that the Secretary of Health and Human Services, together with the Administrator of the Family Support Administration, study all child care programs administered by the Department of Health and Human Services and issue a report, within a year of the date of enactment. The report will contain an evaluation of all programs and recommendations for additional regulatory and legislative changes that would further the purposes of the legislation.

Section 15. Section 15 repeals the statutes authorizing and pertaining to the Public Works provisions of the Economic Development Act of 1965. This section also specifies that all unobligated funds made available for the Appalachian Regional Development Commission and the economic resource activities of the Tennessee Valley Authority shall be used to carry out the purposes of the Child Care Development Act of 1989.●

By Mr. FOWLER (for himself and Mr. NUNN):

S. 825. A bill to direct the Secretary of the Army to release a reversionary interest in certain land in Clay County, GA; to the Committee on Environment and Public Works.

RELEASE OF REVERSIONARY INTEREST IN CERTAIN LANDS

● Mr. FOWLER. Mr. President, I rise to introduce, with my senior colleague from Georgia, legislation to allow the

citizens of Clay County, GA, the flexibility they need to help themselves.

Clay County, like much of rural Georgia and rural America, is going through hard times. Its community leaders have worked quite diligently to lift the standard of living and to bring economic development to this corner of Georgia.

Among the county's most important assets is a piece of land, some 50 acres in size, on the shores of Lake Walter F. George, a reservoir built and managed by the U.S. Army Corps of Engineers. The county purchased this tract in 1963 from the corps, which declared the land surplus to their needs, but the deed contains a restriction that the property be used "solely for the development of public ports facilities."

Such development has never taken place, and the leaders of the county would now like to use this land to bring jobs and economic activity to this depressed area. Officials of the county and its Economic Development Council are working with a reputable organization to plan a retirement community for this site, a project that has great potential for Clay County and the surrounding area.

Working with Senator NUNN and Congressman CHARLES HATCHER, I have attempted to find an administrative solution to this dilemma. The Corps of Engineers, while acknowledging the potential for this site to bring greater prosperity to southwest Georgia, believes that it does not have the necessary authority to release its reversionary interest in this land. I have looked into other scenarios, involving other Government agencies and requiring the land to change hands several times before possibly coming back into Clay County's ownership, but no administrative alternative exists that will protect and promote the interests of Clay County.

That is why I am today introducing legislation that would direct the Secretary of the Army to release any restrictions that the U.S. Government has on this tract. This legislation will not cost the Federal Government anything. It will not add to the deficit. And yet it will provide the opportunity for clean, safe, responsible development in this economically stressed region. It only seeks to do what's right by the citizens of Clay County.

I hope that my colleagues will join Senator NUNN and me in supporting this legislation and in working for its prompt passage.●

By Mr. BENTSEN:

S. 826. A bill for the relief of River Publishers, Inc. of Wharton, TX; to the Committee on Governmental Affairs.

RELIEF OF RIVER PUBLISHERS, INC.

● Mr. BENTSEN. Mr. President, I am introducing today a private relief bill to require that the Postal Service reconsider its demand that one of my constituent companies, River Publishers, Inc., immediately remit payment of $26,491.95 to satisfy an obligation incurred as a result of erroneous postage rates it was quoted and charged by the Bay City, TX, Postmaster in 1983. Several years ago, River Publishers mailed a publication called Mid-Coast Advertiser to persons in Wharton county, TX. Shortly thereafter, a postal inspector advised the local post office that it had computed postage rates for the publication on the wrong form which resulted in a postage deficiency in the amount demanded by the Service.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That River Publishers, Inc. of Wharton, Texas, is hereby relieved of all liability for payment to the United States of the amount of $26,491.95, which is the difference between the amount that should have been paid and the amount actually paid by River Publishers, Inc. for postage on second class mailings of the Mid-Coast Advertiser for the period from May 5, 1983, through January 4, 1984. Such liability resulted from the reliance of River Publishers, Inc. upon postal rates specified in good faith by the appropriate postmaster although such rates were erroneous.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay to River Publishers, Inc., out of the money in the Treasury not otherwise appropriated, an amount equal to the sum of any payments paid by River Publishers, Inc. to the United States on account of the liability referred to in the first section of this Act.

SEC. 3. No part of the amount of liability relieved pursuant to the first section (including any amount appropriated pursuant to section 2) in excess of 10 per centum thereof shall be paid to or received by any agent or attorney on account of services rendered in connection with such liability, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be guilty of a misdemeanor, and upon conviction thereof shall be fined a sum not to exceed $1,000.●

By Mr. PELL (by request):

S. 827. A bill to amend the Foreign Assistance Act of 1961 to authorize a multiyear economic assistance program for the Philippines, and for other purposes; to the Committee on Foreign Relations.

ECONOMIC ASSISTANCE PROGRAM FOR THE PHILIPPINES

● Mr. PELL. Mr. President, on April 17, the Department of State transmitted, on behalf of the President, a bill to authorize a multiyear program of economic assistance for the Philippines. The bill authorizes the appropriation of $1 billion over a multiyear time frame, but limits the initial appropriations of funds to $200 million for fiscal year 1990.

This legislation fulfills the Bush administration commitment to participation with the mutilateral financial institutions and other bilateral donors in a coordinated economic reform and development program, including voluntary debt reduction programs, in the Philippines. The bill explicitly links provision of assistance under this new initiative to progress by the Government of the Philippines in the implementation of its economic, structural, and administrative reform program.

Mr. President, I ask unanimous consent that the text of the bill as well as a section-by-section analysis prepared by the administration be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Multilateral Assistance Initiative for the Philippines Act of 1989".

MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES

SEC. 2. Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 6 the following new chapter:

"CHAPTER 7—MULTILATERAL ASSISTANCE INITIATIVE FOR THE PHILIPPINES

"SEC. 471. FINDINGS AND STATEMENT OF POLICY.—(a) The Congress finds as follows:

"(1) The people of the Philippines and the people of the United States continue to enjoy a longstanding relationship of mutual respect and cooperation;

"(2) The return of democracy to the Philippines under the leadership of President Corazon Aquino has brought our two countries closer together and offers an opportunity to the Philippines to become an economic, social, and political leader in southeast Asia;

"(3) The Philippines is currently facing a domestic insurgency which threatens the Aquino government's efforts to broaden the participation of the people of the Philippines in the development of their country;

"(4) It is in the mutual interest of our two peoples that the Philippines be provided all possible assistance, including voluntary debt reduction programs under appropriate circumstances, in its efforts to redress the problems caused by economic deterioration and social inequity which have fueled the domestic insurgency; and

"(5) The promotion of democracy and achievement of sustainable economic growth require a partnership among the Philippines, multilateral institutions, bilateral donors, and the private sector to help the Philippines restructure its economy and alleviate its debt service in order to achieve broadly-based, self-sustaining growth and to improve the quality of life of the people of the Philippines.

"(b) It is the sense of the Congress that—

"(1) The United States should participate with the multilateral financial institutions

and other bilateral donors in a coordinated economic reform and development program, including voluntary debt reduction programs, in the Philippines; and

"(2) A multi-year commitment of resources by the United States, other bilateral donors, and the multilateral financial institutions with a continued reform effort and leadership role by the Government of the Philippines, will be necessary in order to ensure continued economic growth in the Philippines and enhanced participation of the people of the Philippines in the democratic process.

"SEC. 472. USES OF ASSISTANCE.—The President is authorized to provide assistance on such terms and conditions as he may determine to carry out the purposes of this chapter. Such assistance shall have as its ultimate objective, in conjunction with assistance provided by other donors, support of the newly reestablished democracy in the Philippines, promotion of sustained economic growth led by the provate sector, and improvement of living conditions for the people of the Philippines, and shall build upon the progress that the Government of the Philippines has made in the development and implementation of economic, structural, and administrative reforms. The provision of assistance will be linked to progress by the Government of the Philippines in the implementation of its economic, structural, and administrative reform program. Assistance may include support for—

"(1) economic, structural, administrative reforms and voluntary debt reduction programs, necessary to stimulate private sector-led growth, such as import liberalization, export growth and diversification, and the privatization of state enterprises;

"(2) infrastructure needed by the private sector, particularly in rural areas;

"(3) strengthening the private sector, including promoting greater participation of the United States private sector in the development of the Philippines; and

"(4) such other programs as are consistent with the purposes of this chapter.

"SEC. 473. REPORT TO CONGRESS.—For each year, beginning with the budget request for the fiscal year 1991, as soon as possible after the transmittal by the President of the Budget of the United States, the Secretary of State and the Administrator of the Agency for International Development shall submit a report to the Congress on progress in implementing the objectives of the program, to include a review of—

"(1) the actions of the Government of the Philippines related to this assistance effort, including implementation of economic, structural and administrative reforms;

"(2) the participation of the other bilateral donors and multilateral financial institutions in the program, including the level of their assistance, and the effectiveness of efforts to coordinate assistance activities;

"(3) the progress being made toward the achievement of the objectives of the program and the obstacles to such achievement; and

"(4) the budget request for the relevant fiscal year.

"SEC. 474. AUTHORIZATION.—(a) There are authorized to be appropriated to the President for the purposes of this chapter, in addition to amounts otherwise available for such purposes, $1,000,000,000, of which not more than $200,000,000 may be appropriated under this subsection for the fiscal year 1990. Funds appropriated under this subsection are authorized to remain available until expended.

"(b) None of the funds appropriated pursuant to the authority of this section for the fiscal year 1990 may be made available for the Philippines until the President has received a document, developed by the Government of the Philippines and acceptable to the major bilateral donors and appropriate representatives of multilateral financial institutions participating in the assistance programs, which sets forth the overall framework and specific objectives of macroeconomic, administrative and structural reforms, and voluntary debt reduction programs under appropriate circumstances, which the multilateral assistance program is designed to support. It is the sense of the Congress that, prior to requesting additional amounts to carry out this chapter, the President shall take into account the progress being made by the Government of the Philippines towards achieving such reform objectives, the extent of financial and other participation of other bilateral donors and multilateral financial institutions, and efforts to coordinate the assistance program. Such considerations will be primary factors in decisions by the Congress to provide additional appropriations to carry out this chapter.

"SEC. 475. DONOR COORDINATION.—It is the sense of the Congress that critical to the success of the Multilateral Assistance Initiative for the Philippines will be the ability of the bilateral donors, the multilateral financial institutions, and the Government of the Philippines to coordinate effectively their objectives and programs. It is further the sense of the Congress that all bilateral donors to this program should take steps to simplify procurement and disbursement procedures and to ensure that any conditions on the provision or use of assistance are complementary, and that the Government of the Philippines should establish such internal procedures and processes as will ensure the most effective use of the resources provided by the bilateral donors and the multilateral financial institutions.".

SECTION-BY-SECTION ANALYSIS

The Bill, entitled the "Multilateral Assistance Initiative for the Philippines Act of 1989," authorizes a multi-year economic assistance program for the Philippines.

Section 2 of the bill amends part I of the Foreign Assistance Act of 1961 to add a new chapter 7. Section 471 of the new chapter contains the policy framework within which the economic assistance program will operate. Among other things, section 471 states the need for a multi-year and multilateral approach to address the economic problems confronting the Philippines, with the Government of the Philippines primarily responsible for the development of the policy framework within which donor assistance will be provided.

New section 472 contains several examples of the kinds of assistance programs it is anticipated that the United States assistance effort will support. Additionally, in recognition of the importance of economic reform to the success of the multi-donor program, the provision of assistance is linked to progress by the Government of the Philippines in the implementation of its reform program.

New section 473 provides for an annual report to the Congress concerning progress being made in the multi-donor program.

New section 474 authorizes the appropriation of $1 billion over the life of the program, limiting to $200 million the amount that may be appropriated for fiscal year 1990. Funds appropriated for fiscal year 1990 may not be made available unless the President has received a Government of the Philippines proposal (acceptable to major donors and appropriate representatives of multilateral financial institutions participating in the program) which sets forth the overall framework of macroeconomic, administrative, and structural reforms, and voluntary debt reduction programs under appropriate circumstances, which the multilateral assistance program is designed to support.

New section 475 expresses the sense of the Congress that a critical element in the success of the multilateral program will be the willingness and ability of the bilateral donors, the multilateral financial institutions, and the Government of the Philippines to coordinate their activities effectively.●

By Mr. DOMENICI (for himself, Mr. BOREN, Mr. DOLE, Mr. NICKLES, Mr. WALLOP, Mr. GARN, Mr. BINGAMAN, Mr. JOHNSTON, Mr. MCCLURE, and Mr. GRAMM):

S. 828. A bill to amend the Internal Revenue Code of 1986 to provide incentives for the removal of crude oil and natural gas through enhanced oil recovery techniques so as to add as much as 10 billion barrels to the U.S. reserve base, to extend the production of certain stripper oil and gas wells, and for other purposes; to the Committee on Finance.

ENHANCED OIL AND GAS RECOVERY TAX ACT

Mr. DOMENICI. Mr. President, I am today introducing the Enhanced Oil Recovery Tax Act of 1989, legislation to encourage a dramatic expansion of America's oil production in a manner that is sound economically and sound environmentally.

This bill restores incentives for the oil industry, incentives that will lead to the extraction of far more oil per well, reducing the demand for oil imports that have cost our economy so dearly.

My bill accomplishes this through the use of a modest Federal tax incentive, one that will produce a major benefit to the American economy.

Specifically, assuming today's oil prices, this bill would increase America's oil reserves by 25 percent, at a cost in lost Federal revenues of about 35 cents a barrel.

Let me explain the situation faced by the oil industry today.

There has been a significant decline in world oil prices over the past decade, a decline that has spread economic problems throughout that area of the Nation known as Oil Patch, lowering exploration and cutting back production.

Certainly, there have been major problems in New Mexico, where oil is a key industry. New Mexico produced 76 million barrels of oil in 1984. Output since then has dropped, with production expected to fall to 24 million bar-

rels in 1995, unless we adopt incentives such as those in my bill.

Low prices have had an impact well beyond the decline in exploration that has occurred. Low oil prices have reduced the options that for various oil recovery techniques. The cost of those techniques is simply greater than the value of the oil that could be extracted.

This is a dangerous trend for a nation that is ever more dependent upon foreign energy sources, sources that leave us vulnerable to manipulation, and sources that cost us billions in our annual trade deficit. Petroleum represents 28 percent of our trade deficit. This past January, for example, over half America's oil came from foreign sources.

What do we do about it? We could finance a massive federally sponsored program for new exploration, but we won't. We could adopt policies that push up oil prices in a dramatic way. But we won't do that, either.

A better way exists, one that will use our existing production system more efficiently, one that will do it so the overall public sector receives more revenues, and one that will do it at no additional cost to energy users.

My proposal is based on a simple fact: Standard oil recovery techniques leave 65 to 70 percent of the oil in the ground.

Let me repeat that: When the oil industry drills a well and extracts all that it can economically, about two-thirds of the oil is left behind. The oil is left in the ground because it is uneconomic to extract more than a third of the oil from a typical well in today's market.

When the well is drilled, the primary recovery of the oil comes as a result of natural reservoir energy, which pushes the oil through the reservoir rock to the production well.

The oil industry also uses what is termed "conventional secondary recovery," which injects water or gas, under pressure, into the oil formation, forcing more oil to the surface.

With these two production techniques, America's petroleum industry obtains that 30 to 35 percent recovery.

Yet techniques exist to extract far more oil per well. Unfortunately, those techniques are expensive; they require considerable capital investment beyond what is generally economic under today's tax structure.

These tertiary or enhanced oil recovery methods involve techniques such a miscible flooding—injecting carbon dioxide into the oil reservoir—or injecting what in effect is a soap that scrubs more oil out of the formation or the use of steam that in effect melts some of the most viscous oils so they too, can flow to the well.

The Department of Energy estimates America's current reserves of oil at 26 billion barrels, assuming today's prices of around $20 a barrel and existing Federal tax policy.

Yet what would happen if the Federal Government alters its tax policy to encourage wider use of those enhanced recovery techniques?

Using the provisions I have included in this bill, DOE estimates that America's oil reserves would be increased by 6.9 billion barrels, assuming $20 a barrel oil. If world oil prices were to rise to $24 a barrel, the provisions of my bill would expand our national oil reserves by 9.4 billion barrels.

Let me reiterate that. DOE estimates that this bill will expand America's $20 a barrel oil reserves by approximately 25 percent. The increase in reserves is even greater at $24 a barrel.

The incentives in my bill could stimulate more than 400 million barrels of new enhanced oil recovery reserve additions in as many as four States, California, Louisiana, New Mexico, and Texas. Enhanced oil recovery potential in five other States, Alaska, Arkansas, Kansas, Oklahoma, and Wyoming, could increase by over 100 million barrels depending on the oil price considered.

By comparison, the range of estimates for the recoverable oil reserves at the Alaska National Wildlife Refuge run between 600 million barrels and 9.2 billion barrels.

The gains that would be produced with my bill does not involve the drilling of thousands of new wells. The gains would be achieved simply through far greater productivity from each well existing now, or each well that would be drilled in any event.

And this increase is achieved with no rise in the price of oil to consumers.

Further, this bill will attract investment and jobs, cutting unemployment in areas of relatively high unemployment. Inevitably, that will produce a ripple effect as economic activity increases, but I have not included any secondary tax revenues in my calculations.

In New Mexico alone, enhanced oil recovery could more than double our recoverable reserves, creating 8,000 new jobs by the year 2000.

Now, Mr. President, let me explain the precise provisions of the Enhanced Oil Recovery Tax Act of 1989.

The bill restores the oil depletion allowance to its historic level of 27½ percent, but only for the "incremental" oil that is pumped as a result of enhanced oil recovery techniques. Under this bill, current law applies to current reserves; the new depletion allowance applies only to the extra reserves produced with the new investment.

The bill clarifies that a 10-percent research and development tax credit will be available for the costs of enhanced oil recovery projects.

The bill suspends the intangible drilling costs and percentage depletion preferences for the alternative minimum tax so long as the price of oil remains below $30 a barrel. Should the price rise above that $30 figure, much of the benefits I propose would disappear.

The bill permits the States to determine which projects would qualify as enhanced oil recovery projects.

The bill would increase the net income limitation on oil and gas to 100 percent of taxable income.

The bill cuts off the new depletion allowance and tax credit once the producer recovers its investment.

What would this cost the U.S. Treasury? The Department of Energy estimates the loss in Federal revenues at 35 cents a barrel on each additional barrel of $20 crude that would be recovered.

So if this bill leads to the extraction, as DOE has estimates, of an additional 6.9 billion barrels of oil, the total loss in Federal revenues over several decades will be $2.4 billion.

That sounds like a pretty good investment to this Senator: A 25-percent increase in our national oil reserves at a Federal cost, over many years, of $2.4 billion.

If world oil prices rise by $4 a barrel, the increase in oil reserves as a result of this legislation would be 9.4 billion barrels. That would produce a long-term revenue loss to the Federal Treasury of $5.5 billion, or less than 60 cents a barrel.

What is key to this bill is that it will lead to the production of oil that otherwise will not produced in the United States.

If American consumers were to purchase that same 6.9 billion barrels of oil on the world market—as we inevitably will do if we are unable to increase at-home reserves—we will spend $138 billion in foreign markets. We'll spend that money in the Middle East, not America, further aggravating our balance-of-payments deficit.

Let me make that point once again. If we leave this $20 a barrel oil in the ground, we, as a nation, will end up spending $138 billion to purchase that amount of oil from the Middle East and elsewhere.

But if we pass by bill, that volume of oil will flow from American wells, at a cost that DOE estimates at $2.4 billion in lost Federal tax revenues.

Isn't that a sound investment: Lose $2.4 billion in Federal taxes to save $138 billion that would otherwise be spent to purchase foreign oil.

So this bill makes sense economically. And this bill makes even greater sense from the point of view of America's security.

I would point out further that the Canadian Province of British Columbia has adopted incentives to encour-

age enhanced oil recovery there. With the Free Trade Agreement between our two nations, it is time we matched the incentives available in Canada.

I urge my colleagues to study this bill with care, and I hope they will join with me in sponsoring it and seeing that it receives early and favorable action by the Senate.

In addition, Mr. President, I wish to thank the Department of Energy, particularly its Bartlesville Project office and its Tertiary Oil Recovery Information System, for DOE's excellent study on this issue.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Enhanced Oil and Gas Recovery Tax Act of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Enhanced oil and gas recovery depletion allowance.
Sec. 3. Alternative minimum tax provisions.
Sec. 4. Research and development credit.

SEC. 2. ENHANCED OIL AND GAS RECOVERY DEPLETION ALLOWANCE.

(a) IN GENERAL.—Section 613A of the Internal Revenue Code of 1986 (relating to limitations on percentage depletion in case of oil and gas wells) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) OIL AND GAS RECOVERED THROUGH ENHANCED RECOVERY TECHNIQUES.—

"(1) IN GENERAL.—In the case of so much of the taxpayer's production of domestic crude oil or natural gas during the enhanced recovery period which is incremental tertiary oil or incremental tertiary gas—

"(A) the allowance for depletion shall be computed in accordance with section 613, and

"(B) for purposes of section 613(a), the percentage determined under paragraph (2) shall be deemed to be the percentage specified under section 613(b).

"(2) ENHANCED OIL RECOVERY DEPLETION PERCENTAGE.—

"(A) IN GENERAL.—The percentage determined under this paragraph shall be 27.5 percent.

"(B) PHASE-OUT AS OIL PRICES INCREASE.—In the case of production during any calendar year, if the average annual removal price during the calendar year exceeds $30, the percentage under subparagraph (A) shall be reduced (but not below 15 percent) by 1 percentage point for each dollar of such excess.

"(C) AVERAGE ANNUAL REMOVAL PRICE.—For purposes of subparagraph (B), the average annual removal price for any calendar year shall be determined by dividing the taxpayer's aggregate production of domestic crude oil during the calendar year by the aggregate amount for which such domestic crude oil was sold (determined after application of paragraphs (2), (3), and (4)) of section 4988(c) by the taxpayer.

"(D) INFLATION ADJUSTMENT.—In the case of any calendar year after 1990, the $30 amount under subparagraph (B) shall be adjusted by multiplying such amount by the inflation adjustment factor for such calendar year determined under section 29(d)(2)(B) by substituting '1989' for '1979'.

"(E) NATURAL GAS.—The percentage under this paragraph with respect to incremental natural gas shall be determined in the same manner as for incremental tertiary oil.

"(3) INCREMENTAL TERTIARY OIL OR GAS.—For purposes of this subsection—

"(A) INCREMENTAL TERTIARY OIL.—The term 'incremental tertiary oil' has the meaning given such term by section 4993, except that—

"(i) the date of the enactment of this paragraph shall be substituted for each of the following:

"(I) March 31, 1979 in section 4993(b)(1),

"(II) 1978 in section 4993(b)(1)(A), and

"(III) May 1979 in section 4993(c)(2)(B),

"(ii) reservoir improvements (including infill patterns and pattern conformance) shall be treated as part of a project which is otherwise a qualified tertiary recovery project,

"(iii) nonhydrocarbon gas flooding, tight formation gas as defined in Section 107(c)(3)(4) and (5) of the Natural Gas Policy Act, and tight formation oil with a 5 millidarces permeability standard shall be treated as meeting the requirements of Section 4993(c)(2)(A), and

"(iv) any expansion (either horizontally or vertically) after the date of the enactment of this paragraph of a project begun on or before such date shall be treated as a separate project.

"(B) INCREMENTAL TERTIARY GAS.—The determination as to whether domestic natural gas is incremental tertiary gas shall be made in a manner similar to the manner as the determination whether domestic crude oil is incremental tertiary oil is made. For purposes of the preceding sentence, directional drilling in a tight sands formation shall be treated as meeting the requirements of section 4993(c)(2)(A).

"(4) ENHANCED RECOVERY PERIOD.—For purposes of this subsection.

"(A) IN GENERAL.—The secretary shall publish a schedule of enhanced recovery periods for projects which—

"(i) is based on the average period which is required for a project to recover the expenses of the type of qualified tertiary recovery project involved, and

"(ii) takes into account regional differences.

"(B) TRANSITION RULE.—An enhanced recovery period shall not end before the later of—

"(i) the date which is 6 months after the publication of the schedule under subparagraph (A), or

"(ii) the date specified in the schedule.

"(5) SPECIAL RULE FOR EXISTING PROJECTS.—In the case of a project the beginning date for which begins on or before the date of the enactment of this paragraph—

"(A) oil or gas produced after such date of enactment which (but for the project beginning date) would be treated as incremental tertiary oil or gas shall be so treated solely for purposes of this subsection, and

"(B) paragraph (2)(A) shall be applied by substituting '18 percent' for '27.5 percent'.

"(6) OTHER RULES.—For purposes of this subsection—

"(A) COORDINATION WITH OTHER PROVISIONS.—Unless the taxpayer elects not to have this subsection apply to incremental tertiary oil or gas, such oil and gas shall not be taken into account in computing the taxpayer's depletable oil quantity under subsection (c).

"(B) REFERENCE.—Any reference to a section of chapter 45 (relating to windfall profit tax on crude oil) shall be a reference to such section as in effect before its repeal.

"(7) TERMINATION.—This subsection shall not apply to production after December 31, 2009, except that in the case of production after December 31, 1999, and before Janaury 1, 2010, this subsection shall apply only to production from projects the beginning date for which is before January 1, 2000.".

(b) Net Income Limitation on Percentage Depletion Not To Apply.—Section 613(a) of the Internal Revenue Code of 1986 (relating to percentage depletion) is amended—

(1) by striking out "(a) GENERAL RULE.—" and inserting:

"(a) PERCENTAGE DEPLETION ALLOWED.—

"(1) IN GENERAL.—", and

(2) by adding at the end thereof the following new paragraph:

"(2) SPECIAL RULES FOR INCREMENTAL TERTIARY OIL AND GAS.—In the case of any property from which incremental tertiary oil or gas to which section 613A(e) applies is produced—

"(A) paragraph (1) shall be applied separately with respect to such oil or gas and other production from such property,

"(B) income and deductions shall be allocated (for purposes of paragraph (1) and section 613(A)(c)(7)(A) or (B)) to such production in proportion to the gross income during the taxable year from such production, and

"(C) the second sentence of paragraph (1) shall be applied with respect to the incremental tertiary oil or gas by substituting '100 percent' for '50 percent'."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to production after the date of the enactment of this Act.

SEC. 3. ALTERNATIVE MINIMUM TAX PROVISIONS.

(a) IN GENERAL.—Section 57 of the Internal Revenue Code of 1986 (relating to items of tax preference) is amended by adding at the end the following new subsection:

"(c) SPECIAL RULES FOR OIL AND GAS REMOVED THROUGH ENHANCED RECOVERY TECHNIQUES.—

"(1) IN GENERAL.—If the average annual removal price for the calendar year in which the taxable year begins is less than $30, paragraphs (1) and (2) of subsection (a) shall not apply to—

"(A) the deduction for depletion for incremental tertiary oil or gas determined under section 613A(e), or

"(B) any intangible drilling costs property allocable to incremental tertiary oil or gas.

"(2) ALLOCATION RULES.—No amounts properly allocable to incremental tertiary oil or gas shall be taken into account under paragraphs (1) and (2) under subsection (a) in determining any deduction for depletion, adjusted basis, excess intangible drilling costs, or net income.

"(3) AVERAGE REMOVAL PRICE.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'average annual removal price' has the meaning given such term by section 613A(e)(2)(C).

"(B) INFLATION ADJUSTMENT.—The $30 amount under paragraph (1) shall be adjusted in the same manner as provided in section 613A(e)(2)(D).

"(4) TERMINATION.—This subsection shall not apply to production, or costs paid or incurred, after December 31, 2009, except that this subsection shall apply to production, or costs paid on incurred, after December 31, 1999, and before January 1, 2010, only with respect to projects the beginning date for which is before January 1, 2000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to production, or costs paid or incurred, after the date of the enactment of this Act.

SEC. 4. RESEARCH AND DEVELOPMENT CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to research and development credit) is amended by adding at the end thereof the following new subsection:

"(j) SPECIAL RULES FOR RESEARCH RELATING TO OIL AND GAS TERTIARY RECOVERY PROJECTS.—For purposes of this section—

"(1) any research to discover or improve (in accordance with sound engineering principles) 1 or more tertiary recovery methods for domestic crude oil or natural gas shall be treated as qualified research,

"(2) this section shall be applied separately with respect to such research (including the computation of separate base period research expenses), and

"(3) subsection (a)(1) shall be applied by substituting '10 percent' for '20 percent'."

(b) EFFECTIVE DATE.—the amendment made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act and before January 1, 2010, except that amounts paid or incurred before such date shall be taken into account for determining base period research expenses.

By M. ROTH:

S. 829. A bill to provide the President with enhanced rescission authority at such time as the debt of the U.S. Government held by the public exceeds $2,378,000,000,000; to the Committees on Budget and Governmental Affairs, jointly, pursuant to the order of April 4, 1977.

PROVIDING THE PRESIDENT WITH ENHANCED RESCISSION AUTHORITY

● Mr. ROTH. Mr. President, I rise to introduce the Deficit Reduction Guarantee Act, legislation to provide the President with enhanced rescission authority in the event that other efforts to reduced the deficit are unsuccessful. Having agreed to the Gramm-Rudmand law, the Congress and the President have embarked together on a path to a balanced budget by 1993. My legislation reinforces the pursuit of that goal, providing our system of checks and balances with an additional tool to achieve fiscal discipline.

If the deficit is below the annual maximum amounts established by Gramm-Rudman and we maintain a balanced budget thereafter, this enhanced rescission authority will not take effect. If, however, the deficit repeatedly exceeds the annual maximum amounts set by Gramm-Rudman thus causing the public debt to grow faster than envisioned by the established targets, the enhanced rescission authority would take effect by 1993.

A major problem with the Gramm-Rudman law is that once the target for the year is met and the the threat of sequestration has passed, there is little restraint on actual spending, supplementals, or transfers of spending from one year to an adjacent year. While we may be meeting the targets on paper, we are doing little to actually reduce the deficit.

The triggering mechanism in this legislation is the amount of Federal debt held by the public as published by the Department of the Treasury. This debt increases approximately by the amount of the unified budget deficit. If the Federal Government continues to exceed the annual targets established by the Gramm-Rudman law, the enhanced rescission authority will take effect prior to 1993. The maximum deficit amounts are $136 billion in 1989, $100 billion in 1990, $64 billion in 1991, $32 billion in 1992, and zero in 1993. The accumulated impact of these deficits is an increase in the public debt of $232 billion. Adding this amount to the public debt at the end of fsical year 1988 equals $2.378 trillion—the amount provided in the bill which will trigger the enhanced rescission authority.

Mr. President, I believe this legislation is necessary to break a pattern of budget deficits and spending growth beyond our means. Between 1980 and 1988 Federal revenues jumped 76 percent. Federal spending grew at a faster rate. The Office of Management and Budget estimates that between 1989 and 1994, Federal revenues will increase by $370 billion. Spending will grow at a similar pace. I believe the source of our deficit is not that America is undertaxes, but that the Federal Government spends too much. It is critical that we restrain spending growth. And I strongly believe that we should provide the President with this enhanced rescission authority if other means fail to cut the deficit.

The legislation allows the President to rescind budget authority as bills are presented to him, provided he transmits to the Congress a special message detailing his rescission. The permanent rescission would take effect if Congress fails to pass, within 45 days, a resolution of disapproval. If Congress votes to disapprove the rescission, the President would have the option of using his veto power to protect the rescission. Thus, a two-thirds majority in both Houses could be necessary to revive the vetoed budget authority.

As part of the rescission message, the President must specify the amount rescinded, the governmental functions which will be effected, the reasons why the rescission was requested, and the fiscal, economic, and budgetary impact of the rescission.

In his budget message to Congress, President Bush expressed his support for enhanced rescission authority. While the President can now rescind spending, this authority is quite limited. Under the present process, Congress can simply reject the President's rescissions by inaction. Unfortunately, this allows the Congress to easily disregard the President's efforts. Since the Budget Act was enacted, all too many times the Congress has used inaction to block the President's rescissions. I believe the President is entitled to an up-or-down vote by Congress. This is the minimum we must do in the quest for fiscal responsibility. And this is precisely what my legislation does.

The net result is that the President is given enhanced rescission authority if other procedures continue to fail. This authority would be on the same terms that he has constitutional authority to veto legislation in its entirety. Enactment of this bill will be a valuable tool in guaranteeing the fiscal discipline the Federal Government sorely lacks and pushing the Federal deficit down.●

By Mr. PELL (for himself, Mr. CHAFEE, Mr. KENNEDY, and Mr. KERRY):

S. 830. A bill to amend Public Law 99-647, establishing the Blackstone River Valley National Heritage Corridor Commission, to authorize the Commission to take immediate action in furtherance of its purposes and to increase the authorization of appropriations for the Commission; to the Committee on Energy and Natural Resources.

AMENDING PUBLIC LAW 99-647

Mr. PELL. Mr. President, we take a great deal of pride in the fact that America's industrial revolution was born on the banks of the hardworking Blackstone River, which flows from Worcester, MA, to Pawtucket, RI.

The national historic value of this area, and its role as cradle of our industrial revolution, was recognized by the Congress with the enactment of the Blackstone Valley National Heritage Corridor Act (Public Law 99-647) in 1986.

The Blackstone Corridor Commission, created by this law, has done an excellent job of planning to create a chain of linear parks along the banks of the river to preserve, protect, and tell the national story of the Blackstone Valley.

That task, however, requires more Federal assistance to complete. To that end, I am introducing legislation to amend this law by increasing the annual authorization for fiscal year 1990, fiscal year 1991, and fiscal year 1992.

This is truly a bipartisan effort and I am delighted that my colleagues, the junior Senator from Rhode Island [Mr. CHAFEE], the senior Senator from Massachusetts [Mr. KENNEDY] and the junior Senator from Massachusetts

[Mr. KERRY] are joining me in introducing this important measure.

Our legislation, which also is being introduced in the House of Representatives in identical form, would increase the annual operating authorization of the Commission to $350,000 and would authorize funding for matching grants: $700,000 for fiscal year 1990, $1 million for fiscal year 1991, and $1 million for fiscal year 1992.

These operating funds will allow the Commission to bring additional experts in to the planning process and the matching grants funds will help preserve historic structures, develop visitors centers, protect threatened properties, and encourage additional public participation in the parks.

The Blackstone River Heritage Corridor includes the Blackstone Canal, built in the 1820's, which connected Pawtucket, RI, with Worcester, MA, a distance of 46 miles.

This canal became a major trade route and the Blackstone Valley flourished while the canal tied together the mills and businesses that fed our industrial revolution.

When I testified in 1986 in support of the original authorization, which was sponsored by my colleague, the junior Senator from Rhode Island [Mr. CHAFEE], I noted that the Blackstone River is our link not only to the past, but to the future.

That, I think, is the most important point we can make about the Blackstone River Valley Heritage Corridor. By preserving and highlighting our pioneering industrial past, we can foster a better future and an increasing sense of pride for our citizens.

That was the vision I had back in the spring of 1983. It was then I initiated the first meeting of the National Park Service, the Rhode Island and Massachusetts Departments of Environmental Management, and representatives of congressional delegations from both Rhode Island and Massachusetts to coordinate plans for the Blackstone River.

The Rhode Island Department of Environmental Management, back in the early days of this initiative, shared a report which helps to underscore the importance of this Heritage Corridor to those who live in the Blackstone Valley.

The report notes:

The Blackstone Valley has suffered from economic problems since the Great Depression. The loss of the textile industry has been an embarrassment for the people of the valley which has taken away what should be pride in their industrial and cultural heritage.

The Heritage Corridor legislation would give national recognition to the history of the valley and thus restore the self-image of its people. This is essential if the communities within the valley are to participate in saving the heritage of the Blackstone.

The people of Rhode Island clearly support our effort to develop a heritage corridor. They passed the Heritage bond issue in November 1985 which provides $1 million for land acquisition and development of the park system.

Clearly, the desire and commitment was there and remains there on the part of our citizens to create a heritage corridor that would preserve and highlight an important part of our national history.

The birthplace of the American industrial revolution is well worth preserving and we, on the Federal level, should do what we can to support that effort. When we look at historic battlefields throughout America, we should not overlook one or our most important battles—the economic battle of the industrial revolution.

In these times of increasing international competition throughout the world's marketplaces, we owe it to ourselves and our children to make sure that this economic battle site is preserved and that we learn from its lessons.

Mr. President, I ask that this statement and the text of my legislation be printed in the CONGRESSIONAL RECORD as if read.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACTION PRIOR TO PLAN APPROVAL.

Section 6(c) of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99-647, 16 U.S.C. 461 note) (referred to in this Act as the "Act") is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (1), the Commission may make the following grants prior to plan approval—

"(A) historic structure preservation and restoration matching grants, determined in accordance with the Commission's cultural resources inventory and upon consultation with the Massachusetts and Rhode Island State Historic Presevation Officers regarding emergency preservation need and project viability;

"(B) interpretation exhibit grants for interpretive exhibit design and development to encourage the development of Blackstone Valley interpretation for the public;

"(C) cultural and educational program grants; and

"(D) matching grants to assist private and public agencies in acquiring and protecting threatened properties containing exemplary natural and cultural resources.".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the Act is amended by striking all of the text and inserting the following:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 10. (a) GENERAL OPERATIONS.—There are authorized to be appropriated to the Commission, for general operations, $250,000 for each of fiscal years 1988 and 1989 and $350,000 for each of fiscal years 1990, 1991, and 1992, except that the Federal contribution to the Commission for general operations shall not exceed 50 percent of the annual operating costs of the Commission.

"(b) GRANTS.—There are authorized to be appropriated to the Commission, for grants authorized by section 6(c)(3), $700,000 for fiscal year 1990, $1,000,000 for fiscal year 1991, and $1,000,000 for fiscal year 1992, to remain available until expended.".

● Mr. KERRY. Mr. President, I am pleased to cosponsor legislation introduced today by Senator PELL increasing the appropriation for the Blackstone River Valley National Heritage Corridor Commission. I would like to take this opportunity to thank the senior Senator from Rhode Island for his leadership role in this important undertaking.

The Blackstone River Valley is the birthplace of the Industrial Revolution and represents an enormous economic, cultural, historical, and recreational resource not only to New England but our entire Nation. The Commission is responsible for coordinating the efforts of 2 States and 20 communities in a public-private venture to preserve and enhance the numerous resources of this area. In undertaking this task, this project represents an outstanding example of how to best use limited Federal dollars to preserve our heritage and natural resources, while allowing for appropriate and necessary economic growth.

This is a most critical time for the Corridor Commission. They are in the process of completing the primary planning stage and moving into the initial coordination and implementation stage of the project. In particular, resources are needed to accomplish the goals set forth when Congress established the Blackstone River Valley National Heritage Corridor in November 1986. Grants must be made available for the preservation and restoration of historic structures and valuable open space lands. Further, resources are also needed for cultural and educational programs.

Mr. President, this legislation gives us the opportunity to follow up on our commitment, and help preserve an area which represents a major part of our country's history. I look forward to working with my colleagues toward the timely passage of this important measure.●

● Mr. CHAFEE. Mr. President, I am delighted to join with my distinguished colleagues from Rhode Island and Massachusetts today in introducing important amendments to the Blackstone River Valley National Heritage Corridor Act.

As the cradle of the Industrial Revolution, the Blackstone Valley has left an indelible impression on our Nation's development. This history and culture of the 46-mile area between Worcester and Pawtucket is an important element of our national heritage,

and is a source of pride for all New Englanders.

Three years ago, to recognize and preserve the significance of the valley, the Rhode Island and Massachusetts delegations introduced the Blackstone River Valley National Heritage Corridor Act. This legislation established a unique type of urban park: a park to highlight the cultural, historic, and economic resources of the corridor. The act set the boundaries of the corridor, and created the Blackstone River Valley National Heritage Corridor Commission to implement a land management plan for the future of the corridor.

Mr. President, the Blackstone River Valley Commission recently gave a presentation on its achievements over the past 3 years and its goals for the future. As an author of the original Blackstone Valley legislation, I was pleased to learn of the corridor's progress. Thanks to the Commission's hard work, and the hard work of local community members, the corridor's development has gone far and fast. It is truly on its way to becoming a "living corridor."

New land has been acquired, new projects have been started, and a comprehensive management plan has been developed. Most importantly, the area's strong sense of pride and community spirit has been revitalized. Everyone is pitching in to help, and enthusiasm is running high.

The legislation that we are introducing today will help the Commission achieve their future plans by fine tuning the original legislation. It provides the necessary funding for the corridor's completion. The Commission will be able to develop visual exhibit centers, restore historic structures, and obtain critical open space areas. It will have the resources to hire land planning and historical specialists. And it will be able to cosponsor special historical and educational events in conjunction with local communities.

Our two States are united in their support for these amendments to the act. I have received several letters expressing support for this legislation from the communities of Woonsocket, Cumberland, Central Falls, and Worcester among others, as well as from Governor DiPrete, the assistant majority leader of the Massachusetts House of Representatives, and the Massachusetts Department of Environmental Management. I ask unanimous consent that a copy of the letter from the Blackstone Valley Tourism Council be included in the RECORD as an example of local support.

Mr. President, the legislation we are introducing today will help the corridor reach its full potential for the benefit of New Englanders and all Americans. I urge my colleagues in the Senate to join me in support of this measure.●

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BLACKSTONE VALLEY
TOURISM COUNCIL, INC.
Cumberland, RI, April 4, 1989.

U.S. Senator JOHN CHAFEE,
SD-567 Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR CHAFEE: We are writing to express our strong support for the efforts of the Blackstone River Valley National Heritage Corridor Commission as outlined in the Commission's recent Congressional briefing session.

Specifically, we fully support the Commission's proposed amendments to the Enabling Act, P.L. 99-647 to correct the deficiencies in the sections pertaining to Commission Membership, Terms of Commissioners and Authorization of Appropriation. We also support the federal funding needs for the Blackstone River Valley Natural Heritage Corridor for: (1) Historic Structures Preservation and Restoration Grants ($1,000,000); (2) Critical Areas (Open Space) Preservation Grants ($500,000); (3) Interpretive Development (Visual Center Exhibit Design and Construction) ($1,000,000); (4) Cultural Heritage Program ($200,000); (5) Annual Operation Budget ($350,000); (6) Annual Park Service Appropriations ($50,000).

We are aware of your past leadership and support for the establishment of the Corridor, and want to take this opportunity to commend you and thank you for that support. The recent unparalleled growth in the Valley increases the urgency for strong action at this time to implement the Commission's emerging cultural heritage preservation and land management planning guidelines. This cannot be done without the significant Federal support requested by the Commission.

Any assistance you can provide in helping the Heritage Corridor Commission to achieve its objectives will be greatly appreciated. Thank you for your interest.

Sincerely,

ROBERT BILLINGTON,
President.

By Mr. DOMENICI:

S. 832. A bill to amend title 23, United States Code, to provide funds for skill training; to the Committee on Environment and Public Works.

PROVIDING FUNDS FOR SKILL TRAINING

● Mr. DOMENICI. Mr. President, today I am introducing a bill which is quite simple. It doesn't cost the Federal taxpayer one additional penny, but it does provide an opportunity to restore an important highway program.

Under the Federal-Aid Highway Act, there is a program called the Supportive Services, On-the-Job Training Program. The purpose of this program is to provide skill training to minority groups and women.

In New Mexico, this has been a particularly important program in training unskilled individuals.

Unfortunately, however, the fiscal year 1989 appropriations bill eliminated the program. The program was zeroed out at the administration's request because of some abuses that had been identified in two inspector general reports.

However, those abuses were limited and occurred in only a few States. Consequently, despite the fact that this has been a highly successful program in many States, everyone has suffered because of the abuses of a few.

Therefore, I am introducing legislation that allows this program to continue in those States that believe it is a sound one.

Specifically, the bill allows the program to continue in those States that are willing to commit a portion of their Federal-aid highway apportionments for skill training. The bill provides States with the authority to expend up to one quarter of 1 percent of their interstate, primary, secondary, urban, bridge, hazard elimination, and rail-highway crossing apportionments for skill training.

Mr. President, by turning over the decision to the States on whether or not to use Federal highway funds for the On-the-Job Training Program, we should ensure that the kinds of abuses cited in the IG reports will not occur again. The bill allows those States where this program has been a success, to continue this valuable service to unskilled individuals.

I urge prompt consideration of this legislation, and I ask unanimous consent that the text of the bill be included at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 140(b) of title 23, United States Code, is amended by adding the following:

"A State may expend not to exceed one-fourth of one percentum of the funds apportioned to it under sections 104(b), 130, 144, and 152 of this title to pay for skill training provided under this subsection."●

By Mr. METZENBAUM (for himself and Mr. LIEBERMAN):

S. 833. A bill to amend the Cable Act regarding cable communications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM (for himself, Mr. PRESSLER, and Mr. LIEBERMAN):

S. 834. A bill to amend the Clayton Act regarding cable communications, and for other purposes; to the Committee on the Judiciary.

CABLE TELEVISION LEGISLATION

● Mr. METZENBAUM. Mr. President, today I am introducing two bills that will promote competition and protect millions of consumers across the country from abusive pricing practices by an unregulated monopoly. The bills I

am introducing today will help right the imbalance of power that characterizes the relationship between consumers and producers in the cable television industry. That imbalance of power exists because well over 90 percent of the 8,000 cable systems nationwide are subject to neither competition nor regulation. Potential competitors have encountered numerous obstacles in their efforts to enter the cable market, many of which have been thrown up by the cable industry itself. Meanwhile, the FCC has made it virtually impossible for cities to restrain the rates charged by cable systems. Since neither competition nor regulation is present, millions of cable consumers have no means of protection against unrestrained hikes in cable rates.

The results of the cable industry's exemption from the rules of the market are predictable: since 1987, when cable rates were deregulated, prices have spiraled upward. In my home State of Ohio, the General Accounting Office found that basic rates for the largest cable systems increased an average of 27 percent in the 2 years following deregulation. Nationally, the Wall St. Journal reports that in 1987, cable rates jumped 20 percent; inflation that year increased only 4.4 percent. The trend has continued: nationwide cable costs rose 14 percent over the last year, more than three times as great as the inflation rate for that same period. Department of Labor statistics reveal that last year the price of cable television rose at a higher rate than any commodity or service category tracked by the Consumer Price Index. A number of communities have suffered rate hikes of over 100 percent since deregulation. The steep increases in cable rates illustrate that absent competitive or regulatory constraints, the only protection consumers have against rate hikes are the good graces of a monopolist.

Mr. President, that's not how things are supposed to work in our economic system. And that's not how the Cable Communications Policy Act of 1984 was supposed to work. Contrary to popular belief—and industry assertion—the 1984 Cable Act was not designed to completely deregulate the cable industry. I invite my colleagues to go back and read the act. One of the express purposes of the act is to "promote competition in cable communications and minimize unnecessary regulation * * *." Section 623 of the Cable Act makes it crystal clear that where there is no competition in the delivery of cable services, regulation is necessary. That section explicitly authorizes cities to regulate basic cable rates in the absence of effective competition.

But the competition that was promise has not materialized. In 1984, when Congress passed the Cable Act, the cable industry told us that consumers would have a choice among competing cable systems; today, less than 1 percent of the communities across the country have such a choice. No wonder that one Wall Street analyst—in the course of recommending that investors purchase stock in the largest cable company in the country, TCI—referred to the cable revenue stream as "a monopolistic annuity."

While head-to-head competition among coaxial cable companies has not materialized the chief barriers to entry encountered by noncable technologies have been erected by the cable industry itself. When the 1984 Cable Act was under consideration, wireless cable, direct broadcast satellite, and home satellite dishes were loudly touted—by the cable.

The impetus for deregulation was driven, in part, by the belief that these noncable technologies would emerge as effective competitors in the delivery of cable programming. Noncable technologies such as wireless and satellite dishes have the means to deliver the programming; what they don't have is the programming itself. Since the early 1980's, the cable industry has been sending a clear message to new or potential cable programmers: if you want carriage on the large cable systems, you'd better give us a piece of the action. As a result, the industry has a substantial equity interest in the overwhelming majority of popular cable programs.

Last year, my Antitrust Subcommittee conducted a survey which documented the problems which the noncable technologies—such as satellite dishes and wireless cable—have faced in trying to get the programming that's needed to compete. For example, premium programming such as HBO and Showtime—both of which are owned by large multisystem cable operators [MSO's]—are only available to backyard dish owners on unfair terms. And with few exceptions, such premium programming is unavailable to wireless cable. A few wireless operators have obtained this programming, but only after litigation or because of grandfather clauses in contracts which predate both the spurt of vertical integration in the cable industry and the development of wireless cable as a multichannel distribution service. In addition, some wireless operators who do carry cable programming network are prevented from making those channels available to their customers who live in areas wired for cable.

The cable industry bears much responsibility for stifling the development of competition in the market for delivery of cable programming. But the FCC bears full responsibility for denying cities any ability to control the rates charged by the cable monopolies. The FCC defined effective competition in a manner that precludes rate regulation nationwide but fails to provide consumers with any protection against rate hikes. The FCC's definition holds that a cable company is subject to effective competition if three grade B broadcast signals are available to homes in the cable community.

There are several things wrong with this definition. First, the FCC chose an extremely unreliable measure of signal availability. The grade B contour is essentially a circle drawn around a broadcast transmission tower which describes a geographic area in which 50 percent of the homes near the outer limit of the contour can receive a reasonably clear picture of the station's signal 90 percent of the time. The D.C. Circuit Court of Appeals has termed the grade B signal measure as highly imperfect, noting that "the fact that a particular house falls within the grade B contour of a station does not mean that that station can in reality be picked up on a television set in that house." This is so in part because the grade B signal contour fails to take account of factors which affect reception, such as uneven terrain and densely packed tall buildings.

The end result of the FCC's reliance on this highly imperfect measure of signal availability is that scores of communities across the country technically meet the FCC's definition of effective competition even though, in reality, they are not served by three broadcast's signals. In other words, the use of the grade B contour means that the FCC treats broadcast channels which some viewers cannot receive as competitive alternatives to cable. The Commission can grant waivers authorizing rate regulation in localities which technically meet the FCC definition, if the locality can demonstrate through engineering studies that it does not actually receive three broadcast channels. This procedure is of little help since such studies are expensive and time-consuming, and are not likely to go unchallenged by the local cable system.

But the fundamental problem with the FCC's definition is not the use of the grade B signal standard. The Commission's definition of effective competition fails because its premise is that three free over-the-air broadcast channels represent an effective substitute for the array of programming provided by cable. Cable television is in more than half of America's households because its basic tier of service offers viewers television channels which can't be received free over-the-air either because: First, such channels are unavailable due to poor signal reception; or second, such channels (such as ESPN, CNN, C-SPAN, and the superstations) cannot be received over-the-air because they are transmitted via satellite. And this basic tier of service is the gateway to programming

like HBO, Showtime and other premium services which are also unavailable to viewers over-the-air.

Consumers are paying billions of dollars in subscription fees because cable television offers access to a package of programming which cannot be duplicated by over-the-air television. I'm sure most consumers would find Prof. Janusz Ordover's description of the cable product market far more accurate than the FCC's:

As a product, basic cable now is available 24 hours a day and seven days a week of all of the following: news (including the specialties of financial, sports, weather, headline, feature, live, local and general national news), sports (or different sports and multiple games within most sports), children's variety, adult variety, religious offerings, shopping (ranging from fashionable clothes to bizarre geegaws), and movies. In terms of the continuous availability of this smorgasbord of programming, no three broadcast stations, even taken as a group, can compare; basic cable offers a distinct product.

Professor Ordover's description of the cable product market comports with antitrust principles, economic theory, and consumer behavior. When defining a product market for the purposes of antitrust law or economic theory, it is axiomatic that a firm may acquire market power by offering consumers a unique package or cluster of services. This cluster analysis is especially appropriate for the cable television industry since, for a single monthly fee, cable offers television households a diverse menu of information and entertainment programs.

Mr. President, not only does the FCC's definition of the cable product market ignore fundamental economic and antitrust precepts, it also ignores consumer reality. If three free broadcast channels are interchangeable with the services available on cable, then rate hikes should be prompting consumers in areas served by over the air television to drop cable and switch to the cheaper substitute.

It is obvious that this is not happening. Although basic rates have jumped over 30 percent since deregulation, subscribers are not dropping cable service. Such stability in the face of significant price increases suggests little cross-elasticity of demand between cable and broadcast. In plain English, Mr. President, the FCC has defined a market substitute for cable—three broadcast channels—which resoundingly fails to correspond to consumer behavior in the market.

We need a definition of effective competion which reflects the realities of the marketplace. The first bill I am introducing today—The Cable Television Subscriber Protection Act of 1989—retains the framework of the 1984 Cable Act, in that cities may only regulate cable rates in the absence of effective competition. This bill does not alter the structure of the 1984 Cable Act. However, the bill legislates a definition of effective competition which will substitute for the definition promulgated by the FCC in 1985.

The bill provides that effective competition for a cable system is present if another multichannel program distributor offers consumers the opportunity to receive in their home a range of programming comparable to that offered by the cable system. This competing multichannel provider could be another cable system, a wireless cable operator, a satellite program distributor, perhaps someday the telephone company, or some other distribution service which delivers multiple channels of video programming to consumers in their homes.

Specifically this legislation provides that a cable system is subject to effective competition if: First, comparable video programming is available to two-thirds of the homes in a particular franchised area from a competing multichannel video programming distributor; and second, 30 percent of the homes in the franchised area which subscribe to multichannel programming services actually rely on this competing multichannel distributor—or combination of competing multichannel distributors—to obtain such programming. In other words, for effective competition to be present, 30 percent of the homes in the franchised area which receive multichannel programming services must be relying on a program distributor other than the cable system in that area.

The first part of this definition ensures that a competitive alternative to cable is available to the bulk of consumers in a particular community. The second part of the definition ensures that consumers view the available competitive alternative—or alternatives—as a viable substitute for cable. The easiest way to measure viability is by examining whether consumers are actually utilizing the alternative.

To ensure that consumers have a choice of real competitive alternatives, the bill also provides that only competing multichannel distributors which are independent of the cable system serving a particular community shall be included in any determination regarding the presence of effective competition. Thus, a cable system would not be able to avoid the objectives of this act by launching a competing cable system or wireless operation in its franchised area. Similarly, dish owners living in areas served by cable who can only get programming from the local cable system, would not be included in any effective competition determination.

The bill exempts from rate regulation cable systems which have achieved less than 30 percent penetration in their franchised area; the rationale for this exemption is that a cable system with such low penetration has little incentive or ability to charge monopoly prices for basic cable service. The bill also provides that a cable operator may go to Federal court to seek judicial review of allegedly erroneous effective competition determinations.

The term "comparable video programming" is similar to language included in the National League of Cities—National Cable Television Association compromise bill which passed the House Energy and Commerce Committee in 1984. The compromise bill passed by the committee included a provision which gave a cable system a right to hook up its service to any multiunit apartment building being served by a private cable system which did not offer equivalent programming. This provision was deleted from the bill which finally passed, though not at the request of either the cable industry or the cities. A discussion of this provision is contained in the committee report which accompanied passage of the 1984 Cable Act.

The notion of equivalent programming discussed in the 1984 Cable Act committee report is similar to the notion of comparable video programming embodied in my bill. As suggested in that report, it is not necessary that the competing multichannel program distributor exactly duplicate the quantity or type of programming available from the incumbent cable system. Comparable video programming means a mix of video entertainment and information program channels which could reasonably be deemed substitutable for the range and categories of program channels offered by the incumbent cable system operator.

Finally, let me say a word about the other cable bill I'm introducing today, the Competition in Cable Television Act of 1989. Thirteen years ago, Congress enacted compulsory copyright license legislation which ensured that the fledgling cable industry would have access to broadcast programming on fair terms. Now Congress must pass a law that will enable the fledgling technologies that compete with cable to get access to cable programming like HBO and Showtime on fair terms.

This bill will require cable programmers which are vertically integrated with the big cable companies—programmers such as HBO, Showtime, Turner Broadcasting System, SportsChannel America—to make their programming available for purchase on fair terms to multichannel video programming distributors, regardless of the kind of technology which these distributors use to effectuate delivery to subscribers. The bill does not mandate the sale of programming to every multichannel distributor. A cable programmer covered under this act is, of

course, permitted to impose reasonable requirements on prospective distributors regarding, for example, financial viability and signal security. The point is that a cable programmer should not be permitted to deny programming to a competing wireless or satellite dish program distributor solely because of the technology being utilized.

In addition, the bill is designed to prevent wholesale price discrimination by cable programmers which favor the large MSO's at the expense of small cable operators and competing noncable technologies. The big cable MSO's have been receiving huge volume price discounts, that are not being passed onto consumers but instead are fueling horizontal and vertical integration in the industry. My bill tracks the Robinson-Patman Act by permitting price differentials which are attributable to differences in cost in the sale, delivery or transmission of such programming. However, it prohibits price differentials which are not cost-justified, but are imposed solely because of the size of a cable system or the type of technology being utilized by a distributor.

Finally, this bill also limits horizontal concentration in the cable industry by prohibiting any one cable company from controlling more than 25 percent of the cable subscribers in the country. Similar limits are in place with respect to control of broadcast stations. These limits will ensure that control over the conduit of information and entertainment into the home does not fall into the hands of just a few vertically integrated MSO's which have the incentive to favor their own program holdings. They will also protect small cable operators from the expansive appetites of the big MSO's. And these limits should help stimulate competition at the local level.

I am pleased to include Senator LIEBERMAN as an original cosponsor of both these bills. As attorney general of Connecticut, Senator LIEBERMAN joined a court challenge to the validity of the FCC's effective competition definition. He has some prior experience in this area and recognizes the need to take action to protect cable television subscribers.

I also am pleased to include Senator PRESSLER as a cosponsor of the Competition in Cable Television Act of 1989. Senator PRESSLER has a similar bill designed to stimulate competition in the delivery of cable programming, and I look forward to working with him on this issue.

I urge my colleagues to support these bills.●

By Mr. BRADLEY (for himself and Mr. HATCH):

S.J. Res. 103. Joint resolution to designate the period commencing February 18, 1990, and ending February 24, 1990, as "National Visiting Nurse Associations Week"; to the Committee on the Judiciary.

NATIONAL VISITING NURSE ASSOCIATIONS WEEK

● Mr. BRADLEY. Mr. President, I rise today to introduce a joint resolution establishing the week of February 18 to 24, 1990, as "National Visiting Nurse Associations Week." This joint resolution, cosponsored by my colleague from Utah [Mr. HATCH], is intended to focus attention on the importance of home health care in the United States.

As many of my colleagues in this body know, Senator HATCH and I have been advocates for expanded home health care for a long time. Experience has demonstrated that providing health services to many kinds of patients in the comfort and security of their homes is a better alternative—physically and psychologically—than hospitalization or nursing home care. In many cases the delivery of health care in the home is more cost effective, and, for the patient, far more comfortable.

The growth of home health care services in the past decade has been nothing short of phenomenal, due, in part, to the Government's encouragement as well as to a general recognition of the need for care in the home.

One organization, the Visiting Nurse Association, recognized that need more than 100 years ago. Originally called the District Nurse Association of Buffalo, NY, the Visiting Nurse Association was founded in 1885. It is the oldest continuously operated home nurse association.

In recognition of the care and support the VNA's have provided we propose to name the week of February 18 to 24, 1990, as the National Visiting Nurse Associations Week.

I think it is important to note that the Visiting Nurse Associations generally remain in the background, doing their work quietly but efficiently, without fanfare. Every year, their trained professionals and community volunteers assist almost 1 million American men, and women, children, and infants. Their services range from neonatal care, to hospice services, to physical therapy, to home IV therapy.

Home care providers have been in the forefront of working with AIDS, cancer, and ventillator-dependent patients.

One of the unique aspects of the VNA's is their strong community support. A board of directors composed of health care professionals and community leaders oversees each association to ensure high standards of care. The United Way, funded by contributions from local businesses, and individuals, is one of the primary financial backers for indigent care services provided by every VNA. United Way also monitors the quality of care provided by local VNA's. VNA services are supported by a combination of individual and corporate contributions within their communities, in addition to some Federal and State Government funding.

Care is the primary responsibility of the VNA's and the quality of that care is one of the hallmarks of the Visiting Nurse Associations.

But the VNA's provide more than health care. They also offer tender loving care, and for that and more they rely on volunteers in each community to assist the professional health care staff. These volunteers are engaged in such activities as cheering up patients with visits, delivering meals on wheels, reading to patients, and running errands. Volunteers do many of the little things that make a patient's stay at home more comfortable and uplift their spirits to make recovery a little speedier.

For all of these reasons, we today introduce this joint resolution commemorating the Visiting Nurse Associations and wish them well as they embark on their second century of service.●

By Mr. DOLE (for himself, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. LUGAR, Mr. INOUYE, Mr. STEVENS, Mr. HUMPHREY, Mr. COCHRAN, Mr. WILSON, Mr. CONRAD, Mr. SIMPSON, Mr. MURKOWSKI, Mr. HELMS, Mr. HEFLIN, Mr. DURENBERGER, Mr. RIEGLE, Mr. SIMON, Mr. HATCH, Mr. WARNER, Mr. LEAHY, Mr. MCCAIN, Mr. ROBB, Mr. BOND, Mr. SANFORD, Mr. BURNS, Mr. COATS, Mr. GARN, Mr. GRASSLEY, Mr. JEFFORDS, Mr. MCCLURE, and Mr. WALLOP):

S.J. Res. 105. Joint resolution to designate October 7 through October 14, 1989, as "National Week of Outreach to the Rural Disabled"; to the Committee on the Judiciary.

NATIONAL WEEK OF OUTREACH TO THE RURAL DISABLED

Mr. DOLE. Mr. President, today I rise to introduce a joint resolution to designate October 7-14, 1989, as National Week of Outreach to the Rural Disabled.

The facts show that one out of every four Americans afflicted with a work disability lives in rural America. Yet, for the most part rehabilitative services are found almost exclusively in urban centers leaving the rural disabled alone and with few resources to call upon. This effect is worsened by the hardships of rural life—rigorous and physically demanding activity is a reality in these areas and is often a measure of productivity. The disabled require more possibilities, and the National Week of Outreach to the Rural Disabled is a step in the right direction.

As my colleagues know, without innovation progress halts. This measure fosters innovation by focusing public

attention upon the plight of the rural disabled and will result in generating new solutions.

Various organizations have helped the rural disabled discover their potential. Our legislative institution is no different. Since 1945, Federal law has designated October as a time to foster public support and interest in the employment of the disabled. This is a tradition that must be continued.

American innovation has a history of turning ideas into reality. A foundation I established and chair, the Dole Foundation for Employment of People with Disabilities, has been providing assistance to people with disabilities in rural areas. Last November I visited one of our beneficiaries, the Heritage Farm in upstate New York, where mentally and developmentally disabled individuals gain farm experience. While touring the facilities I met a 67-year-old man who was working at his first job when most folks are retiring. Seeing the pride he took in his job convinced me that outreach organizations serving rural disabled Americans are investments in human potential.

Another program, initiated by the Future Farmers of America, is known as BRIDGE, Building Rural Initiative for the Disabled through Group Effort. Since virtually every rural community has a local chapter, the FFA has proved to be an effective manager in its effort to mobilize America's farm youth to assist the rural disabled. In addition, BRIDGE has a scholarship program which encourages disabled individuals in rural areas to pursue a higher education.

In addition, Purdue University's Department of Agriculture Engineering planted and grew the national program Breaking New Ground, which provides assistance to disabled farmers who want to continue farming as their fathers did.

With programs like the Dole Foundation, BRIDGE, and Breaking New Ground, Americans can learn how to reach out to their disabled neighbors. By designating a National Week of Outreach to the Rural Disabled, we recognize the extraordinary contributions such programs have made to our Nation's disabled.

Mr. President, I urge my colleagues to support this measure. I ask unanimous consent that the text of the joint resolution be printed in the CONGRESSIONAL RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 105

Whereas approximately 3,400,000 rural Americans of working age are disabled;

Whereas work disabilities are proportionately more prevalent in rural areas than urban areas and the rural disabled are more disadvantaged than their urban counterparts;

Whereas insufficient attention has been given to the unique problems faced by the rural disabled in the United States; and

Whereas there is a need to focus more attention on the unmet needs of the rural disabled, to underscore their potential, and to encourage outreach programs by rural communities to their disabled members: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 7 through October 14, 1989, is hereby designated "National Week of Outreach to the Rural Disabled", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 16

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 16, a bill to require the executive branch to gather and disseminate information regarding, and to promote techniques to eliminate, discriminatory wage-setting practices and discriminatory wage disparities which are based on sex, race, or national origin.

S. 148

At the request of Mr. PRESSLER, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the golden anniversary of the Mount Rushmore National Memorial.

S. 155

At the request of Mr. ARMSTRONG, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 155, a bill to amend the Impoundment Control Act of 1974 to provide for enhanced rescission procedures.

S. 231

At the request of Mr. MOYNIHAN, the names of the Senator from Vermont [Mr. LEAHY] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 243

At the request of Mr. MCCLURE, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 243, a bill to provide for the extension of regional referral center classification of certain hospitals under the Medicare Program and to continue the payment rates for such hospitals.

S. 247

At the request of Mr. METZENBAUM, the names of the Senator from North Carolina [Mr. SANFORD], the Senator from Arkansas [Mr. BUMPERS], the Senator from Colorado [Mr. WIRTH], the Senator from Nebraska [Mr. KERREY], and the Senator from Connecticut [Mr. LIEBERMAN], were added as cosponsors of S. 247, a bill to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such act, and for other purposes.

S. 253

At the request of Mr. BINGAMAN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 253, a bill to establish a coordinated national nutrition monitoring and related research program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 255

At the request of Mr. HARKIN, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 255, a bill to authorize appropriations for the Local Rail Service Assistance Program.

S. 344

At the request of Mr. NICKLES, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 344, a bill to require certain work on aircraft to be performed by a domestic repair station.

S. 369

At the request of Mr. BOSCHWITZ, the names of the Senator from Colorado [Mr. WIRTH], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Nebraska [Mr. EXON], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Nebraska [Mr. KERREY], were added as cosponsors of S. 369, a bill to seek the eradication of the worst aspects of poverty in developing countries by the year 2000.

S. 416

At the request of Mr. DOMENICI, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost of living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 419

At the request of Mr. SIMON, the names of the Senator from Connecticut [Mr. DODD], the Senator from New Jersey [Mr. BRADLEY], the Senator from Louisiana [Mr. BREAUX], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 419, a bill to provide for the collection of

data about crimes motivated by race, religion, ethnicity, or sexual orientation.

S. 424

At the request of Mr. THURMOND, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 424, a bill to provide a minimum monthly annuity for the surviving spouses of certain deceased members of the uniformed services.

S. 431

At the request of Mr. NUNN, the names of the Senator from New York [Mr. D'AMATO] the Senator from Maine [Mr. MITCHELL], the Senator from Nevada [Mr. BRYAN], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

S. 435

At the request of Mr. REID, the name of the Senator from Arkansas [Mr. PRYOR] was added as cosponsor of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules of determining contributions in aid of construction.

S. 439

At the request of Mr. PELL, the name of the Senator from North Carolina [Mr. SANFORD] was added as cosponsor of S. 439, a bill to establish a program of grants to consortia of local educational agencies and community colleges for the purposes of providing technical preparation education and for other purposes.

S. 448

At the request of Mr. SIMON, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States.

S. 476

At the request of Mr. SIMON, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 476, a bill to increase the number of refugee admission numbers allocated for Eastern Europe/Soviet Union and East Asia.

S. 488

At the request of Mr. FOWLER, the names of the Senator from Washington [Mr. ADAMS] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 488, a bill to provide Federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 494

At the request of Mr. DURENBERGER, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 654

At the request of Mr. PRYOR, the names of the Senator from North Carolina [Mr. SANFORD], the Senator from Tennessee [Mr. SASSER], the Senator from Vermont [Mr. LEAHY], and the Senator from Louisiana, [Mr. JOHNSTON] were added as cosponsors of S. 654, a bill to amend the Internal Revenue Code of 1968 to provide for the establishment of simplified health arrangements meeting the requirements of section 89, to modify the definition of part-time employee for purposes of section 89, and to simplify the application of section 89.

S. 659

At the request of Mr. SYMMS, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 659, a bill to repeal the estate tax inclusion related to valuation freezes.

S. 691

At the request of Mr. LAUTENBERG, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 691, a bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel.

S. 702

At the request of Mr. MITCHELL, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 702, a bill to amend title XVIII of the Social Security Act to increase the amount authorized for a patient outcomes assessment research program, to transfer supervisory authority for such program to the Assistant Secretary for Health, to create a practice guidelines development program, to define the missions, priorities, and scope of such programs, to establish an advisory committee for such programs, and for other purposes.

S. 708

At the request of Mr. BRADLEY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 708, a bill to amend title V of the Social Security Act to promote the integration and coordination of services for pregnant women and infants to prevent and reduce infant mortality and morbidity.

S. 714

At the request of Mr. MCCLURE, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 714, a bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993.

S. 754

At the request of Mr. PACKWOOD, the names of the Senator from Alaska [Mr. MURKOWSKI] and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 754, a bill to restrict the export of unprocessed timber from certain Federal lands, and for other purposes.

S. 755

At the request of Mr. PACKWOOD, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 755, a bill to authorize the States to prohibit or restrict the export of unprocessed logs harvested from lands owned or administered by States.

S. 763

At the request of Mr. MACK, the names of the Senator from Tennessee [Mr. GORE], the Senator from New York [Mr. D'AMATO], the Senator from Kentucky [Mr. FORD], the Senator from Mississippi [Mr. LOTT], and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 763, a bill to require a report on the extent of compliance by the Palestine Liberation Organization [PLO] with its commitments regarding a cessation of terrorism and the recognition of Israel's right to exist, and for other purposes.

S. 814

At the request of Mr. DOMENICI, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 814, a bill to provide for the minting and circulation of $1 coins, and for other purposes.

SENATE JOINT RESOLUTION 2

At the request of Mr. DOLE, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Indiana [Mr. COATS], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Joint Resolution 2, a joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget and tax limitation.

SENATE JOINT RESOLUTION 48

At the request of Mr. HOLLINGS, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 48, a joint resolution proposing an amendment to the Constitution of the United States relative to contributions and expenditures intended to affect Congressional and Presidential elections.

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 57, a joint resolution

to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 65

At the request of Mr. SIMON, the names of the Senator from Washington [Mr. GORTON], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of Senate Joint Resolution 65, a joint resolution designating June 12, 1989, as "Anne Frank Day."

SENATE JOINT RESOLUTION 71

At the request of Mr. HELMS, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Nevada [Mr. BRYAN] were added as cosponsors of Senate Joint Resolution 71, a joint resolution designating April 16 through 22, 1989, as "National Ceramic Tile Industry Recognition Week."

SENATE JOINT RESOLUTION 88

At the request of Mr. WIRTH, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of Senate Joint Resolution 88, a joint resolution to establish that it is the policy of the United States to reduce the generation of carbon dioxide and for other purposes.

SENATE JOINT RESOLUTION 91

At the request of Mr. ROCKEFELLER, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Joint Resolution 91, a joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day."

SENATE JOINT RESOLUTION 95

At the request of Mr. MCCLURE, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Utah [Mr. GARN], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Alaska [Mr. STEVENS], the Senator from New Mexico [Mr. DOMENICI], the Senator from Maine [Mr. MITCHELL], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Joint Resolution 95, a joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Check-Up Week."

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. BOSCHWITZ, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Rhode Island [Mr. PELL], the Senator from Illinois [Mr. DIXON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Delaware [Mr. ROTH], the Senator from Indiana [Mr. LUGAR], the Senator from Rhode Island [Mr. CHAFEE], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of Senate Joint Resolution 16, a concurrent resolution calling for the Government of Vietnam to expedite the release and emigration of all political prisoners.

SENATE CONCURRENT RESOLUTION 25

At the request of Mr. GRASSLEY, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Illinois [Mr. DIXON], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 25, a concurrent resolution expressing the sense of the Congress that the number of refugees admitted to the United States and the appropriation for programs for refugee migration and resettlement should be increased and that the Department of Justice should reestablish the presumption that Jews and members of other religious minorities emigrating from the Soviet Union qualify for refugee status for admission to the United States.

SENATE CONCURRENT RESOLUTION 28—SUBMISSION OF A CONCURRENT RESOLUTION COMMEMORATING THE 50TH ANNIVERSARY OF THE AIRBORNE UNITS

Mr. FORD (for himself, Mr. THURMOND, and Mr. SANFORD) submitted the following concurrent resolution, which was considered and agreed to:

S. CON. RES. 28

Whereas, the United States Army did not have a parachute or glider troop until 1940;

Whereas, on April 25, 1940, the War Department directed the organization of a test platoon of 2 officers and 48 enlisted men to experiment with the airborne concept;

Whereas, on August 16, 1940, the test platoon carried out the first live parachute jump from a B-18 bomber aircraft;

Whereas, on September 16, 1940, the War Department authorized the development of the first parachute battalion;

Whereas, the first Parachute Battalion received the designation of the 501st Parachute Battalion and later moved to the Panama Canal to reinforce defenses;

Whereas, the Airborne Command was activated at Fort Benning, Georgia, following the declaration of war after the Pearl Harbor attack;

Whereas, at Fort Benning, the Airborne Command activated, trained and equipped for combat the parachute and glider units which participated valiantly in all of the major invasions of World War II;

Whereas, paratroops fought in the Korean War, protected our Vice President in Central America, and fought in Vietnam and Grenada;

Whereas, airborne troops participated in all wars since World War II, protected the citizens of this country during a period of unrest in the 1960's, and continue to be on alert status to defend the freedom of the citizens of this country; and

Whereas, the Airborne units of the United States Armed Forces, a distinct segment of the defense force, have the capability of being deployed anywhere in the world on short notice and are able to fight and win: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress congratulates the Airborne units of the United States Armed Forces for 50 years of faithful service to the United States.

SENATE CONCURRENT RESOLUTION 29—RELATING TO THE CLOSING OF CERTAIN RECREATIONAL FACILITIES

Mr. PRESSLER submitted the following concurrent resolution; which was referred to the Committee on Environment and Public Works:

S. CON. RES. 29

Whereas the Corps of Engineers is responsible for the planning, design, construction, operation and maintenance, and real estate activities related to rivers, harbors, and waterways;

Whereas the Corps of Engineers has developed 2,500 recreation areas at Corps of Engineers flood control and multi-purpose projects throughout the United States for the enjoyment and benefit of the general public;

Whereas 20 million Americans utilize these Corps of Engineers recreation areas for activities as varied as swimming, boating, and fishing;

Whereas many communities near Corps of Engineers recreation areas enjoy the benefit of additional tourist traffic leading to a substantial economic impact;

Whereas annual visitation levels at some Corps of Engineers recreation sites have increased in recent years;

Whereas the President's Fiscal Year 1990 budget recommendations to Congress call for a lower level of funding for operation and maintenance of Corps of Engineers facilities; and

Whereas the Corps of Engineers has announced plans to fully or partially close 654 recreation areas in 41 States to make up for the proposed funding reduction: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Assistant Secretary of the Army for Civil Works should refrain from fully or partially closing Corps of Engineers recreation areas or taking any other action resulting in a decline in the availability of Corps of Engineers recreation areas.

Mr. PRESSLER. Mr. President, in these days of ballooning deficits and Federal budget reductions, it's not unusual for a Government agency to scale back some programs. On occasion, these efforts to trim the fat away from the bureaucracy create a more efficient Government.

On the other hand, budget reduction sometimes results in ridiculous, shortsighted proposals. One such proposal involves the Corps of Engineers' attempt to fully or partially close a number of recreation areas throughout the country, including some along the Missouri River in South Dakota.

The corps' budget for operation and maintenance [O&M] of these recreation areas in fiscal year 1989 is $1.37 million. The proposed budget for fiscal year 1990 calls for a reduction to $1.09 million. Because its O&M budget would be cut by nearly 25 percent, the corps has responded by announcing it may close 25 percent of what it calls lower priority recreation areas.

Nationwide, there are over 2,500 corps-operated recreation areas that are enjoyed by nearly 20 million

people annually. The corps proposes to fully or partially close 654 of these areas in 41 States.

In South Dakota, for example, this would be devastating. Forty-nine corps recreation areas in the State are on the chopping block. Sixteen have been scheduled for total closure. The remainder would be partially closed. Considering the substantial contributions made by these areas to tourism alone, such closures are unacceptable.

Today, I am introducing a sense-of-the-Senate resolution to fight the corps' proposal. My bill would express congressional sentiment that the Corps of Engineers should refrain from closing these vital recreation areas.

Since 41 States are affected by the proposed closing of recreation areas, I am confident of substantial congressional support for my initiative. We need to send a clear signal to the Corps of Engineers that its proposal to close recreation areas is unacceptable.

I strongly support balancing the budget. But a proposal such as this could actually end up costing taxpayers more to implement than the amount of savings realized. This is a classic example of the Federal Government being penny-wise and pound-foolish.

I urge our colleagues to support this resolution, and ask unanimous consent that a complete list of all Corps of Engineers' recreation areas scheduled for full or partial closure be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CLOSURE AND PARTIAL CLOSURE OF LOWER PRIORITY RECREATION FACILITIES AT CORPS OF ENGINEERS CIVIL WORKS PROJECTS

State and project name	Name of recreation area	Fiscal year 1990 closure [1]
(Operating and Maintenance, General)		
Alabama		
Alabama-Coosa River	Jones Bluff Pk	Partial.
	Steeles Landing	Do.
	Davis Fr Access	Total.
	Bridgeport Park	Do.
	Black Creek	Do.
	Lower Peach Tre	Do.
	Bridgeport Park	Partial.
	Six Mile Cr Pk	Do.
	Gulletts Bluff	Total.
	W. Bk Fish Area	Partial.
	Clifton Ferry	Do.
Black Warrior and Tombigbee Rivers.	Old Lock No. 7 E	Do.
	Lock No. 4	Total.
	Bankhead Pua	Do.
	Old Lock No. 6	Partial.
	McCarty Ferry	Do.
	Daniel Creek	Total.
	Finches Ferry	Partial.
	Old Lock No. 7 W	Do.
Apalachicola, Chattahoochee and Flints Rivers.	Col Area PK	Total.
Walter F. George Lock and Dam	Damsite L P Al	Partial.
	Hatchechubbee	Do.
West Point Lake	Dewberry	Do.
	Rocky Point	Do.
Arkansas		
Beaver Lake	Starkey	Do.
	War Eagle	Do.
Blue Mountain Lake	Ashley Creek	Total.
	Lick Creek	Do.
Bull Shoals Lake	Bull Shoals	Partial.
	Point Return	Do.
De Queen Lake	Rolling Fork	Total.
	Story Creek	Do.
Dierks Lake	Blue Ridge	Do.
Gillham Lake	Cossatot Point	Do.
Greers Ferry Lake	South Fork	Do.
	Hill Creek	Partial.
	Cherokee	Total.
	Mill Creek	Do.
Lake Dardanelle	Dwight Mission	Do.
	Horsehead	Do.
	O'Kane	Do.
	Cabin Creek	Do.
Lake Greeson	Rock Creek	Do.
	Buckhorn	Do.
	Pikeville	Do.
	Laurel Creek	Do.
	Parker Creek	Partial.
Lake Ouachita	Avant	Total.
	Highway 27	Partial.
	Rabbit Tail	Total.
	Twin Creek	Do.
	Big Fir	Do.
	Buckville	Do.
	Irons Fork	Do.
	Cedar Fourche	Do.
	Spillway	Partial.
McClellan-Kerr Ark Riv Nav Sys	Huffs Island	Do.
	Potoon	Total.
	Cypress Creek	Do.
	Point Remove	Do.
	Wild Goose Bayo	Do.
	Bigelow	Do.
	Dam Site 6 West	Partial.
Millwood Lake	Okay Landing	Total.
	River Run East	Do.
	Paraloma Landing	Partial.
Nimrod Lake	Carden Point	Total.
	Project Point	Do.
Norfork Lake	Howard Cove	Partial.
	Buzzard Roost	Do.
	Tracy	Do.
	Hand Cove	Do.
Ozark Lake	White Oak	Total.
	River Ridge	Do.
California		
Black Butte Lake	Orland Buttes	Do.
Buchanan Dam H.V. Eastman	Codorniz	Do.
Coyote Valley Dam Lake Mend	Bu-Shay	Do.
Dry Creek Warm Springs Lake	Bummerpeak Camp	Do.
	Broken Ridge Cmp	Do.
	Quicksilver Cmp	Do.
	Homestead Camp	Do.
	Loggers Camp	Do.
	Lonepine Camp	Do.
	Black Mtn Camp	Do.
	Buckpasture Cmp	Do.
	Thumb Camp	Do.
	Falconsnest Cmp	Do.
	Rustlers Camp	Do.
	Madrone Pt Camp	Do.
	Islandview Camp	Do.
	Skunk Creek Cmp	Do.
	Sawmill Camp	Do.
Hidden Dam Hensley Lake	Buckridge	Partial.
	Park Hq	Do.
	Hidden View	Do.
Isabella Lake	Live Oak	Total.
	Pioneer	Do.
	Main Dam	Do.
	Boulder Gulch	Do.
	Hungry Gulch	Do.
New Hogan Lake	Acorn Camp West	Do.
	Oak Knoll	Do.
Pine Flat Lake	Island Park	Partial.
Success Lake	Rocky Hill	Total.
Terminus Dam Lake Kaweah	Horse Creek	Do.
Florida		
Jim Woodruff L D Lake Seminole	Damsite W Bank	Partial.
Georgia		
Allatoona Lake	Little River Pt	Total.
	Wilderness Camp	Do.
	Coopers Branch	Partial.
	Allatoona Creek	Total.
	Cherokee Mills	Partial.
	Upper Stamp Prk	Total.
	Little Rvr Pua	Do.
Carters Lake	Ridgeway	Do.
Hartwell Lake	Mary Ann Branch	Do.
	Duncan Branch	Do.
	Cleveland	Do.
	Powder Bag	Do.
Jim Woodruff L D Lake Seminole	Desser	Do.
	Hutchinsons Fry	Do.
	Big Slough	Do.
	Reynoldsville	Do.
J. Strom Thurmond Lake	Below Dam	Do.
	Amity	Do.
	Clay Hill	Do.
	Parkway	Do.
	Leathersville	Do.
	Hesters Ferry	Do.
	Petersburg T&T	Partial.
	Fishing Creek	Total.
	Pistol Creek	Do.
Lake Sidney Lanier	Wahoo Creek	Partial.
	Charleston Park	Do.
	Bethel Park	Total.
	Burton Mill	Partial.
	Bolling Mill	Do.
	Shady Grove Pk	Do.
	Little River	Do.
	Gainesvil Mar R	Total.
	Lumpkin Co Park	Do.
	Long Hollow	Do.
	Big Creek	Partial.
	Little Hall	Do.
Richard B. Russell Lake	PPVC	Total.
Walter F. George L&D	Damsite L P Ga	Partial.
	Riverbend	Do.
West Point Lake	Wehadkee Creek	Total.
	McGee Bridge	Partial.
	Earl Cook	Do.
	Yellow Jacket	Do.
	Autry Park	Total.
Iowa		
Coralville Lake	Sandy Beach	Partial.
	Curtis Bridge	Total.
	Mid River	Do.
Lake Red Rock	Wallashuck East	Do.
	Fifield	Do.
Rathbun Lake	Rolling Cove	Do.
	Bridgeview	Partial.
	Island View	Do.
Saylorville Lake	Walnut Ridge	Total.
	Sandpiper	Partial.
	River Bend	Total.
	Oak Grove	Partial.
	Laurie Park	Total.
	Bob Shetler	Partial.
	Dogwood	Total.
Idaho		
Dworshak	Bruce's Eddy	Do.
	Little North Fk	Do.
	Dent Acres	Partial.
	Magnus Bay	Total.
	Mini-Camps	Partial.
	Picnic Glen	Total.
Lucky Peak	Deer Flat	Do.
	Chimney Rock	Do.
	Macks Creek	Do.
Illinois		
Carlyle Lake	Coles Creek Rec	Do.
Lake Shelbyville	Sullivan/Okaw	Partial.
	Opossum Creek	Total.
	Lone Point	Do.
Mississippi River Pool 13	Ld 13 Rec Area	Partial.
	Fisherman's Corn	Do.
	Park–N–Fish	Total.
Rend Lake	N Sandusky Day	Do.
	N Sandusky Camp	Do.
Indiana		
Brookville Lake	Overlook	Partial.
Cagles Mill Lake	Dam Area	Do.
Cecil M Harden Lake	Picnic Area Dam	Do.
Huntington Lake	Observ Mound	Do.
Mississinewa Lake	do	Do.
Monroe Lake	Overlook Dam	Do.
Patoka Lake	Dam Overlook	Do.
Salamonie Lake	Lagro/Tailwater	Do.
Kansas		
Clinton Lake	Outlet	Do.
	Woodridge	Total.
	Bloomington	Partial.
Council Grove Lake	Dam Site	Total.
	Rickey Cove N	Do.
Fall River Lake	Rock Ridge N	Do.
	Browns Cove	Do.
John Redmond Reservoir	Hartford	Do.
Strawn Ramp	Do.	
Kanopolis Lake	Venango Point	Partial.
Marion Lake	Durham Cove	Total.
Marion Cove	Do.	
Melvern Lake	Turkey Point	Do.
Arrow Rock	Do.	
Milford Lake	Timber Creek	Do.
Outlet Area	Partial.	
School Creek	Total.	
Pearson-Skubitz Big Hill Lake	Cherryvale Park	Partial.
Perry Lake	Sunset Ridge	Total.
Perry		Partial.
Paradise Point		Total.
Old Town		Partial.
Longview		Total.
Pomona Lake	Wolf Creek	Partial.
Carbolyn Park		Total.
Cedar Park	Do.	

[1] Footnote not present.

CLOSURE AND PARTIAL CLOSURE OF LOWER PRIORITY RECREATION FACILITIES AT CORPS OF ENGINEERS CIVIL WORKS PROJECTS—Continued

State and project name	Name of recreation area	Fiscal year 1990 closure [1]
Tuttle Creek Lake	Stockdale	Do.
Wilson Lake	Minooka Park	Partial.
Sylvan Park		Total.
Lucas Park		Partial.
Kentucky		
Barkley Lock and Dam Lake Barkley.	Boyds Landing	Do.
Buzzard Rock		Total.
Eureka		Partial.
Grand Rivers		Total.
Devils Elbow		Partial.
Barren River Lake	Browns Ford	Total.
Dam Area		Partial.
Narrows		Total.
Buckhorn Lake	Confluence	Partial.
Leatherwood		Total.
Carr Fork Lake	Littcarr	Do.
Damsite		Partial.
Cave Run Lake	Stoney Cove	Total.
Dewey Lake	C.E. Shore Area	Do.
Fishtrap Lake	Lick Creek	Do.
Grayson Lake	Damsite	Partial.
Green River Lake	Smith Ridge	Do.
Orv		Total.
Laurel River Lake	Damsite Area	Partial.
Nolin River Lake	Iberia	Total.
Site 1	Do.	
Dog Creek	Do.	
Rough River Lake	Peter Cave	Do.
Laurel Branch	Do.	
Taylorsville Lake	Dam Area	Do.
Wolf Creek dam, Lake Cumberland.	Fall Creek	Partial.
Cumberland Pt	Do.	
Waitsboro	Do.	
Fishing Creek	Do.	
Louisiana		
Ouachita-Black	Finch Bayou	Total.
Jonesville L&D	Do.	
Catahoula Lake	Do.	
Prairion Bayou	Do.	
Maryland		
Jennings Randolph Lake	Maryland Overlo	Do.
Youghiogheny River Lake	Selbysport	Do.
Minnesota		
Lac Qui Parle Lakes Minn Riv	Marsh Lake	Do.
	Lac Qui Parle	Do.
Lake Traverse and Bois De Sioux.	Mustinka Park	Do.
	Reservation Dam	Do.
	Browns Valley	Do.
Mississippi R. Between Mo and Mn.	Milstone	Do.
Res. at Headwaters of Miss Riv	Winibigoshish	Do.
	Pokegama Lake	Do.
Missouri		
Bull Shoals Lake	Spring Creek	Partial.
	Kissee Mills	Total.
Clarence Cannon Dam and Mark	Ray Behrens	Do.
Clearwater Lake	Bluff View	Partial.
	Webb Creek	Do.
Harry S. Truman Dam and Res	Brush Creek	Total.
	Sac River	Do.
	Berry Bend	Partial.
	Sparrowfoot	Total.
	Talley Bend	Do.
Pomme De Terre Lake	Quarry Point	Do.
	Pittsburg Landg	Do.
	Bolivar	Partial.
Stockton Lake	Master	Total.
	Ruark Bluff	Partial.
	Orleans Trail	Do.
	High Point	Total.
	Hawker Point	Partial.
	Old Mill	Total.
	Mutton Creek	Partial.
Table Rock Lake	Cow Creek	Total.
	Joe Bald	Do.
	Eagle Rock	Do.
Mississippi		
Okatibbee Lake	East Bank	Partial.
	Gin Creek	Do.
Montana		
Fort Peck Project	Nelson Creek	Total.
	Devil's Creek	Do.
	Duck Creek	Do.
	Bear Creek	Do.
North Carolina		
B. Everett Jordan Dam and Lake	Poe's Ridge	Do.
Cape Fear R. above Wilmington	Lock and Dam No. 2	Partial.
	Lock and Dam No. 1	Do.
	W O Huske L&D	Total.
John H. Kerr Dam and Reservoir	Grassy Creek	Partial.
W. Kerr Scott Dam and Reservoir.	Dam Site Park	Do.
	Warrior Ck Park	Do.
North Dakota		
Garrison Dam Lake Sakakawea	Little Missouri	Do.
	Downstream	Do.
	Riverdale	Total.
	Douglas Creek	Partial.
	Intake Picnic	Total.
	Spillway Overlk	Do.
	Wolf Creek	Partial.
	Deepwater Creek	Total.
Homme Dam and Lake	Spillway Overlo	Do.
Lake Ashtabula and Baldhill Dam.	Old Highway 26	Do.
	Katie Olson's	Do.
Oahe Dam Lake Oahe	Cannon Ballriv	Do.
	Kimball Bottom	Partial.
	Winnona/Cattail	Do.
	Badger Bay	Total.
	Little Heart	Do.
	Ft. Rice	Partial.
Nebraska		
Harlan County Lake	North Cove	Total.
	Outlet South	Do.
New Mexico		
Cochiti Lake	Tetilla Peak	Partial.
Ohio		
Alum Creek Lake	Damsite	Do.
Berlin Lake	Mill Cr Camping	Do.
	German Church	Total.
Caesar Creek Lake	Corps Rec Area	Partial.
Clarence J. Brown Dam	Dam Area	Total.
Deer Creek Lake	Damsite	Partial.
Delaware Lake	do	Do.
Mohawk Lake	do	Do.
Mosquito Creek Lake	Dam Site Picnic	Do.
	Lakeview Picnic	Do.
	Tailwater Acces	Total.
	Mosq Cr Picnic	Partial.
North Branch Kokosing River	Damsite	Do.
Paint Creek Lake	do	Do.
Tom Jenkins Dam and Burr Oak	do	Do.
West Fork Mill Creek Lake	Dam Area	Total.
William H. Harsha Lake	W.H. Harsha	Partial.
Oklahoma		
Birch Lake	Twin Cove Point	Do.
Broken Bow Lake	Panther Creek	Total.
Canton Lake	Fairview	Do.
	Longdale	Do.
Chouteau Lock and Dam	Pecan Park	Do.
Copan Lake	Osage Plains	Do.
Denison Dam—Lake Texoma	Willafa Woods	Partial.
	Hickory Creek	Do.
	Lebanon Resort	Total.
	Roads End	Do.
	Little Glasses	Partial.
	Butcher Pen	Total.
Eufaula Lake	Cardinal Point	Do.
	Hickory Point	Do.
	Juniper Point	Do.
	Holiday Cove	Do.
	Crowder Point	Do.
Fort Gibson Lake	Jackson Bay	Partial.
	Wahoo Bay	Total.
	Longbay Landing	Partial.
	Chouteau Bend	Do.
	Mission Bend	Total.
Fort Supply Lake	Supply Park	Do.
Great Salt Plains Lake	South Spillway	Do.
Heyburn Lake	Dam Site	Do.
Hugo Lake	Rattan Landing	Do.
	Kiamichi Park	Partial.
Hulah Lake	Caney Bend	Total.
	Skull Creek	Do.
	Boulanger Landg	Do.
Kaw Lake	Washunga Bay	Do.
	McFadden Cove	Partial.
	Bear Creek Cove	Do.
	Traders Bend	Total.
Keystone Lake	Old Mannford	Do.
	Keystone Ramp	Do.
	Cowskin Bay No	Partial.
	Osage Point	Total.
	Cowskin Bay S	Do.
Newt Graham Lock and Dam	Rocky Point	Do.
Oologah Lake	Double Creek	Do.
	Winganon Ramp	Do.
Optima Lake	Angler Point	Do.
	Overlook Park	Do.
Pine Creek Lake	Lost Rapids	Do.
	Billybellshoals	Do.
Robert S. Kerr Lake	Keota Landing	Do.
	Sallisaw Creek	Do.
	Short Mt. Cove	Do.
Skiatook Lake	Bull Creek	Do.
Tenkiller Ferry Lake	Dam Site	Do.
	Carters Landing	Do.
W.D. Mayo Lock and Dam	Wilson Rock	Do.
Waurika Lake	Wichita Ridge	Do.
	Moneka Park	Do.
Webbers Falls Lock and Dam	Hopewell Park	Do.
	Arrowhead Point	Do.
Wister Lake	Damsite South	Do.
Oregon		
Cottage Grove Lake	Shortridge Park	Do.
Fall Creek Lake	Upper End Area	Do.
Fern Ridge Lake	Kirk Park	Do.
Green Peter-Foster Lakes	Andrew Wiley Pk	Partial.
McNary	Sand Station	Total.
Pennsylvania		
Conemaugh River Lake	Picnic Area	Partial.
Cowanseque Lake	South Overlook	Total.
	Visitor Center	Do.
Crooked Creek Lake	Dam Site	Partial.
	Cr Cr Camping	Do.
East Branch Clarion River Lake	Outflow Access	Total.
	E Br Campground	Partial.
Kinzua Dam and Allegheny Res	Big Bend Outflo	Do.
	Big Bend Ovrlk	Do.
Loyalhanna Lake	Bush Area	Do.
	Dam Picnic Area	Do.
Mahoning Creek Lake	Dam Picnic Area	Do.
	Outflow Fishing	Do.
Raystown Lake	Corbin's Island	Total.
	Ridenour Overlo	Do.
	Weaver's Falls	Do.
Shenango River Lake	Clark Area	Do.
	Mahaney Pu Area	Partial.
	Shenango Rec A	Do.
	Bayview Boat Ac	Total.
	Parkers Landing	Do.
	Mercer Rec Area	Do.
Tioga-Hammond Lakes	Hammond Overloo	Do.
Tionesta Lake	Lackey Flats	Do.
	Outflow Camp Lb	Partial.
	Glasner Run	Total.
	Tionesta Rec A	Partial.
Union City Lake	Overlook	Total.
	Dam Site	Do.
Woodcock Creek Lake	Bossard Nat A	Partial.
	Fishing Access	Do.
	Overlook Area	Do.
	Dam Site-Rt Bk	Do.
Youghiogheny River Lake	Yough Rec Area	Total.
	Outflow Camping	Do.
South Carolina		
Hartwell Lake	Honea Path	Do.
	Cove Inlet	Do.
	Tabor	Do.
	Island Point	Do.
	Townville	Do.
	Asbury	Do.
	Jarrett	Do.
	Riverbend	Do.
	Apple Island	Do.
	Durham	Do.
	Double Spring	Do.
J. Strom Thurmond Lake	Hawe Creek	Do.
	Scotts Ferry	Do.
	Leroys Ferry	Do.
	Mt. Pleasant	Do.
South Dakota		
Big Bend Dam Lake Sharpe	Lower Brule	Do.
	North Shore	Partial.
	Counselor Creek	Total.
	Iron Nation	Do.
	Fort Thompson	Partial.
	Tailrace	Do.
	Spillway	Total.
	Cedar Creek	Partial.
Coldbrook Lake	Coldbrook	Do.
Cottonwood Springs Lake	Cottonwood Sprg	Do.
Ft Randall Dam Lk Francis CSE	South Wheeler	Do.
	North Point	Do.
	Tourgeon Well	Total.
	Elm Creek	Do.
	Chamberlain W	Partial.
	South Scalp	Do.
	Randall Creek	Do.
	North Wheeler	Do.
	White Swan	Do.
	Tailrace	Total.
	Pease Creek	Partial.
	Dude Ranch	Total.
	Whetstone Bay	Partial.
	Joe Day Bay	Do.
	American Creek	Do.
	South Shore	Do.
	Spillway	Do.
Gavins Point Project	Pierson Ranch	Total.
	Nebr Tailwaters	Partial.
Lake Traverse and Boise De Sioux.	White Rock Dam	Total.
Oahe Dam Lake Oahe	Little Bend	Partial.
	West Pallok	Do.

CLOSURE AND PARTIAL CLOSURE OF LOWER PRIORITY RECREATION FACILITIES AT CORPS OF ENGINEERS CIVIL WORKS PROJECTS—Continued

State and project name	Name of recreation area	Fiscal year 1990 closure [1]
	Bushs Landing	Do.
	Dowstrm North	Total.
	Beaver Ck	Partial.
	Foster Bay	Do.
	Downstrm South	Do.
	Vandervorstabay	Total.
	Minneconjou Cr	Partial.
	Walth Bay	Do.
	Bowdle Beach	Total.
	Thomas Bay	Partial.
	Shaw Creek	Do.
	East Shore	Do.
	Blue Blanket	Total.
	Chantier Creek	Do.
	Indian Creek	Partial.
	Grand River	Total.
	Hazelton	Partial.
	Peoria Flats	Do.
Tennessee		
Barkley Lock and Dam—Lake Barkley.	Saline Creek	Total.
Center Hill Lake	Johnsons Chapel	Partial.
	Hurricane Brdge	Do.
	Cove Hollow	Total.
	Holmes Creek	Partial.
Cheatham Lock and Dam	Johnson Creek	Do.
	Sams Creek	Total.
	Che Dam L Bank	Partial.
	Bull Run Creek	Total.
Cordell Hull Dam and Reservoir	Indian Creek	Do.
	Salt Lick Creek	Partial.
	McClure Bendwma	Total.
Dale Hollow Lake	Willow Grove	Do.
	Cove Creek	Partial.
	Pleasant Grove	Do.
	Obey River Park	Do.
J. Percy Priest Dam and Reservoir.	Fall Creek	Total.
	Gregory Mill	Do.
	Poole Knobs	Partial.
	Cook	Do.
	Four Corners	Do.
	Lamar Hill	Total.
Old Hickory Lock and Dam	Old Union	Do.
	Lock 4	Do.
	Second Creek	Do.
	Sandy Chapel	Do.
	Dickerson Chpl	Do.
	Walton Ferry	Do.
	Shutes Branch	Partial.
	Lone Branch	Total.
	Liberty Branch	Do.
Texas		
Bardwell	Love	Do.
	Little Mustang	Do.
Belton	Leona	Do.
	Rogers	Do.
	White Flint	Do.
	Owl Creek	Do.
	Miller Springs	Do.
Benbrook	Longhorn	Do.
Canyon	Jacobs	Partial.
	North Park	Total.
Denison Dam—Lake Texoma	Highport	Partial.
	Paradise Cove	Total.
Granger	Friendship	Do.
	Willis Creek	Do.
Grapevine	Meadowmere	Do.
	Rockledge	Do.
Hords Creek	Friendship	Do.
Lake Georgetown	Russel	Do.
Lake O' the Pines	Cedar Springs	Do.
	Johnson Creek	Partial.
	Alley Creek	Do.
	Hurricane	Total.
	Shady Grove	Do.
Lavon	Pebble Beach	Do.
	Caddo	Do.
	Elm Creek	Do.
	Twin Groves	Do.
	Brockdale	Do.
	Bratonia	Do.
Lewisville	Westlake	Do.
	East Hill	Do.
	Arrowhead	Do.
	Copperas Branch	Do.
Navarro Mills	Wolf Creek	Do.
O.C. Fisher	Highland Range	Do.
Pat Mayse Lake	Pat Mayse East	Do.
	Lamar Point	Do.
Proctor	High Point	Do.
	Promontory	Partial.
Sam Rayburn	R. McAllister	Total.
	Rayburn	Do.
	Jackson Hill	Do.
	Monterrey	Do.
	Etoile	Do.
	Marion Ferry	Do.
Somerville	Yegua	Do.
Stillhouse Hollow Lake	Cedar Gap	Do.
	Stillhouse	Do.
Town Bluff	Campers Cove	Do.
	Bluff View	Do.
	Sandy Creek	Do.
Waco	Speegleville	Partial.
	Koehne	Total.
Whitney	Cedar Creek	Do.
	Walling Bend	Do.
	Plowman	Do.
	Soldier's bluff	Do.
	Steele Creek	Do.
Wright Patman	Oak Park	Do.
	Intake Hill	Do.
	Spillway Park	Do.
	Herron Creek	Do.
	North Shore	Do.
Virginia		
John H. Kerr Dam & Reservoir	Buff Spgs Wside	Do.
	Eagle Point	Do.
	Longwood	Do.
	Eastland Creek	Do.
	Staunton View	Do.
	Ivy Hill	Do.
	Rudds Creek	Do.
	Buffalo Rec Ar	Do.
	Palmer Point	Total.
John W Flannagan Dam and Philpott Lake	Lower Twin	Do.
	Jamison Mill	Do.
Washington		
Ice Harbor	Matthews	Do.
	Levey Park	Do.
John Day L&D	Cliffs Park	Do.
Lower Granite	Wawawai Landing	Do.
	Knoxway	Do.
	Offield Landing	Do.
McNary	McNary WRA	Partial.
	Madame Dorian	Total.
The Dalles L&D	Spearfish	Do.
Wisconsin		
Eau Galle River Lake WI	Lousy Creek Ac	Do.
	Northwest Area	Do.
	Northwest Area	Do.
	Dam Outlet	Partial.
Mississippi R. Between Mo & Mn.	Jays Lake	Total.
West Virginia		
Beech Fork Lake	Damsite	Partial.
Bluestone Lake	Downstream No. 2	Total.
Burnsville Lake	Falls Mill Area	Do.
	Bulltown Villge	Do.
East Lynn Lake	Lick Creek	Do.
R.D. Bailey Lake	Big Branch Area	Do.
Summerville Lake	Salmon Run	Do.
Sutton Lake	Baker Run/Mill	Do.
Tygart Lake	Dam Picnic Area	Partial.
(Flood Control, Mississippi River and Tributaries)		
Mississippi		
Arkabutla Lake	Plantation Pt	Total.
	South Abutment	Partial.
Enid Lake	Chickasaw Hill	Total.
	Long Branch	Do.
	Outlet Ch River	Do.
	Bynum Creek	Do.
Grenada Lake	Wolf Creek	Do.
	North Abutment	Do.
	Cape Retreat	Do.
	Skuna Turkey	Do.
	Piney Woods	Do.
	Upper Torrance	Do.
	Graysport North	Do.
	Upper Yalobusha	Do.
Sardis Lake	Pats Bluff	Partial.
	Shady Cove	Total.
	Hays Crossing	Do.
	Clear Creek	Partial.
	Thompson Ldg	Total.
	Lower Lake	Partial.
	Graham Lake	Total.

[1] The following definitions were used in developing the total/partial closing list:

Total closure: One of our first actions will be to offer state and local governments the opportunity to assume responsibility for recreation areas subject to closure. When recreation areas must be closed, facilities such as movable picnic tables may be removed, rest rooms and other permanent facilities mothballed, and parking areas closed. However, the public will continue to have the same general pedestrian access they have to the Federal reservation at large.

Partial closure: Partial closures involve closing a portion of the facilities within a recreation area. For example, if an area has a low use picnic facility and a boat launch ramp, the launch ramp might remain available after the picnic area is closed.

SENATE RESOLUTION 107—COMMENDING ELIZABETH (BETH) SHOTWELL-VALEO FOR HER SERVICE TO THE SENATE

Mr. MITCHELL (for himself, Mr. BYRD, and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 107

Whereas, Elizabeth (Beth) Shotwell-Valeo will retire from the U.S. Senate on April 30, 1989,

Whereas, Beth Shotwell-Valeo has served with dedication on the staff of the U.S. Congress for 28 years, of the U.S. Senate for nearly 26 years, and as Chief Clerk of the Democratic Policy Committee for 17 years,

Whereas, Beth Shotwell-Valeo has performed her duties under three different Senate Democratic leaders with great competence, dedication, and efficiency,

Whereas, Beth Shotwell-Valeo, in carrying out her responsibilities, has gained the trust and respect of the people with whom she has worked: Now, therefore, be it

Resolved, That the U.S. Senate hereby commends Beth Shotwell-Valeo for her faithful and outstanding service to the Senate and the Nation and expresses its deep appreciation for upholding the high standards and traditions of the staff of the U.S. Senate.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Beth Shotwell-Valeo.

Mr. MITCHELL (for himself, Mr. BOSCHWITZ, Mr. PELL, Mr. DOLE, Mr. HELMS, Mr. CHAFEE, Mr. GRASSLEY, Mr. MACK, Mr. GRAHAM, Mr. HEFLIN, Mr. KERRY, Mr. BREAUX, Mr. SHELBY, Mr. COATS, and Mr. MURKOWSKI) submitted the following resolution; which was placed on the calendar.

Senate Resolution 108, concerning the situation in Lebanon will appear in a later issue.

AMENDMENTS SUBMITTED

FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT

SPECTER (AND OTHERS) AMENDMENT NO. 49

Mr. SPECTER (for himself, Mr. ADAMS, Mr. FOWLER Mr. WARNER, and Mr. GRAMM) proposed an amendment to the bill (S. 774) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, as follows:

At the end of the bill insert the following:

Since the Congress of the United States appropriated $50 million between fiscal year 1986 and fiscal year 1989 to construct a correctional treatment facility in the District of Columbia;

Since the construction of a 800-bed correctional treatment facility for the District of

Columbia has been delayed because of pending litigation preventing the destruction of a building on the grounds of D.C. General Hospital which currently occupies the site of the proposed correctional treatment facility, pending a determination of whether the building is eligible for the National Register.

Since the Congress in September 1987, suspended all construction activities pending the outcome of an archaeological survey and alternative site review. And that the Congress, in May 1988, informed the District of Columbia that it could proceed with this project;

Since the problem of crime generally and drug-related crime specifically has accelerated in Washington, DC, so that Washington has been referred to as the "murder capital of the United States" with 150 homicides having been committed in the District of Columbia since January 1, 1989;

Since a major Federal effort has been initiated on the drug-related crime problem in Washington, DC, as articulated on April 10, 1989, by Attorney General Richard Thornburgh, Housing and Urban Development Secretary Jack Kemp and Director of National Drug Control Policy William Bennett;

Since, the Mayor of Washington, DC, Marion Barry, Jr., in prepared testimony before the District of Columbia Subcommittee of the Appropriations Committee on April 17, 1989, at page six stated:

"Finally, in the area of emergency assistance we request the help of the Committee to lead an expedited effort to clearly (perhaps legislatively) state the Sense of the Congress that the long delayed 800 bed prison construction project in Southeast Washington is a local initiative being undertaken with a special federal appropriations. Currently, construction is delayed because of a court interpretation that the project is a federal initiative and, therefore, subject to review under federal historical preservation laws. Clarification by the Congress should be helpful to the Court in deciding that the project is local and need not be delayed further."

Since, at a hearing on April 17, 1989, Mayor Barry reiterated his request for a sense-of-the-Congress resolution as an aid to assist the District of Columbia in the construction of the 800-bed correctional treatment facility;

Since, the issue is in litigation in the case of *Flossie E. Lee, et al. vs. Richard Thornburgh, et al.* (89-0421), U.S. District Court for the District of Columbia, with a hearing scheduled for May 18, 1989.

Since, the Congress expresses no opinion on any underlying legal issue which is the sole province of the Court, but does express its sense of urgency that the 800-bed correctional treatment facility be constructed at the earliest possible time consistent with other provisions of law.

Now, therefore, be it declared that it is the sense of the Congress that the 800-bed local correctional treatment facility be completed at the earliest possible date to assist against crime generally and drug-related crime specifically.

Be it further declared that Mayor Barry and all other officials of the District of Columbia be urged to move ahead as expeditiously as possible with all aspects of the local program directed against crime generally and drug-related crime specifically including but not limited to the construction of local prison and jail space including the 800-bed prison.

KERREY (AND EXON) AMENDMENT NO. 50

Mr. KERREY (for himself and Mr. EXON) proposed an amendment to the bill S. 774, supra, as follows:

Beginning with page 322, line 11, strike all through page 323, line 17, and insert the following:

"(d) OVERSIGHT BOARD.—

"(1) MEMBERSHIP.—

"(A) IN GENERAL.—The Oversight Board of the Resolution Trust Fund shall serve as the board of directors thereof, and shall consist of—

"(i) 7 nongovernment members, and

"(ii) 3 ex officio members.

"(2) EX OFFICIO MEMBERS.—The 3 ex officio members shall be—

"(A) the Secretary of the Treasury,

"(B) the Chairman of the Federal Reserve Board, and

"(C) the Attorney General of the United States.

"(3) NONGOVERNMENT MEMBERS.—

"(A) IN GENERAL.—The 7 nongovernment members shall be appointed by the President, by and with the advice and consent of the Senate for terms of 5 years. Not more than one of such members shall be selected from any one Federal Reserve district. Not more than 4 of such members may be from the same political party.

"(B) QUALIFICATIONS.—The nongovernment members shall have experience in banking, financing, real estate, and business management.

"(4) CHAIRMAN.—The President shall appoint a Chairman from the nongovernment members. The Chairman shall have the business experience necessary to govern an orderly disposition of the assets held by the Corporation. The Chairman, at the time of his appointment may not hold a position other than as a member of the board of directors of a financial institution, real estate firm, or trade association.

"(5) TERMS OF OFFICE, SUCCESSION, DELEGATION, AND VANCANCIES.—The term of each member shall expire when the Resolution Trust Corporation is terminated. Vacancies on the Oversight Board shall be filled in the same manner as the vacant position was previously filled.

"(6) COMPENSATION.—The nongovernment members of the Oversight Board shall be compensated in the same manner as the members of the Board of Governors of the Federal Reserve System under section 10 of the Federal Reserve Act.

On page 323, line 18, strike "(6)" and insert "(7)".

On page 324, redesignate paragraphs (7) through (9) as paragraphs (8) through (10), respectively.

On page 324, line 10, strike "3" and insert "5".

HEINZ AMENDMENT NO. 51

Mr. HEINZ proposed an amendment to the bill S. 774, supra, as follows:

On page 502, line 8, strike "and".

On page 502, line 10, strike the period and insert a semicolon.

On page 502, between lines 10 and 11, insert the following:

(3) by inserting after "Section 201 (relating to bribery)," the following: "section 215 (relating to receipt of commissions of gifts for providing loans),"; and

(4) by inserting after "section 894 (relating to extortionate credit transactions)," the following: "sections 1004, 1005, 1006, 1007, and 1014 (relating to fraud and false statements),".

GRAHAM AMENDMENT NO. 52

Mr. GRAHAM proposed an amendment to the bill S. 774, supra; as follows:

On page 351, line 20, strike the semicolon and "or" and insert a period.

On page 351, beginning with line 21, strike all through line 22.

On page 364, line 8, after the period, insert the following: "The Secretary of the Treasury shall purchase any obligation issued by the Funding Corporation under this paragraph, and for such purpose, is authorized to use the proceeds of obligations issued under chapter 31 of title 31, United States Code."

On page 367, line 15, strike "or".

On page 367, line 18, strike the end period and insert "; or".

On page 367, between lines 18 and 19, insert the following new subparagraph:

"(C) purchase direct obligations of the United States."

Beginning with page 367, line 19, strike all through page 369, line 21.

On page 371, line 25, strike "Except as provided in subsection (f)(7)(B), the" and insert "The".

Beginning with page 375, line 22, strike all through page 376, line 9, and redesignate paragraph (5) on page 376 as paragraph (4).

On page 381, between lines 14 and 15, insert the following new sections:

SEC. 506. BUDGETARY TREATMENT.

For the purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, to the extent that this subtitle has the effect of transferring an outlay of the United States from one fiscal year to an adjacent fiscal year, such transfer is a necessary (but secondary) result of a significant policy change.

SEC. 507. ISSUANCE OF BONDS TO THE RESOLUTION FUNDING CORPORATION.

(a) IN GENERAL.—Subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 3114. Issuance of bonds to the Resolution Funding Corporation

"The Secretary of the Treasury may—

"(1) issue bonds of the United States Government to the Resolution Funding Corporation established by section 21B of the Federal Home Loan Bank Act, and

"(2) buy, redeem, and make refunds of such bonds under section 3111 of this title.".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following new item:

"3114. Issuance of bonds to the Resolution Funding Corporation.".

(2) Section 3108 of title 31, United States Code, is amended by striking out "and 3105-3107" and inserting in lieu thereof ", 3105-3107, and 3114".

(3) Subsection (a) of section 3121 of title 31, United States Code, is amended by inserting "and 3114" after "3102-3104".

EXON (AND KERREY) AMENDMENT NO. 53

Mr. EXON (for himself and Mr. KERREY) proposed an amendment to the bill S. 774, supra, and follows:

On page 470, after line 20, insert the following:

SEC. 969. AUDIT REQUIREMENT.

Section 202(a) of the Federal Credit Union Act (12 U.S.C. 1782(a)) is amended by adding at the end thereof the following new paragraph:

"(6) AUDIT REQUIREMENT.—

"(A) IN GENERAL.—Before the end of the 120-day period beginning on the date of the enactment of the FIRRE Act, and notwithstanding any provision of Federal law, the law of any State, or the constitution of any State, the Board shall prescribe, by regulation, audit standards which require an outside, independent audit of any insured credit union by a certified public accountant for any fiscal year (of such credit union)—

"(i) for which such credit union has not conducted an annual supervisory committee audit;

"(ii) for which such credit union has not received a complete and satisfactory supervisory committee audit; or

"(iii) during which such credit union has experienced persistent and serious record-keeping deficiencies, as determined by the Board.

"(B) UNSAFE OR UNSOUND PRACTICE.—The Board may treat the failure of any insured credit union to obtain an outside, independent audit for any fiscal year for which such audit is required under subparagraph (A) as an unsafe or unsound practice within the meaning of section 206(b).".

At the end of the part of the table of contents relating to subtitle C of title IX, insert the following:

"Sec. 969. Audit requirement.".

NICKLES AMENDMENT NO. 54

Mr. NICKLES proposed an amendment to the bill S. 774, supra; as follows:

On page 157, between lines 14 and 15, insert the following:

SEC. . DISCRETIONARY EXPANSION OF FDIC ASSESSMENT BASE.

(a) IN GENERAL.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding a new subsection as follows:

"(m)(1) Notwithstanding subsection (1)(5) of this section, the Board of Directors may, after consultation with the Comptroller of the Currency and the Board of Governors of the Federal Reserve System and after taking into account the economic effects of such action, find and prescribe by regulation that obligations described in such paragraph or in subparagraphs (A) or (B) of such subsection are deposit liabilities.

"(2) The annual assessment rate for obligations described in paragraph (1) may be less than the assessment rate provided under section 7 of this Act."

(b) CONFORMING AMENDMENTS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is further amended by redesignating the existing subsection "(m)" as "(n)" and redesignating the remaining subsections accordingly.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, April 18, 1989, at 10 a.m. to hold a hearing to review and evaluate the numerous child care proposals under the committee's jurisdiction.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SECURITIES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs, be allowed to meet during the session of the Senate today, Tuesday, April 18, 1989, at 10:30 a.m. to conduct hearings on legislation making authorizations for the Securities and Exchange Commission, and related matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, April 18, 1989, at 9:30 a.m., to hold a hearing on modification of the McCarran-Ferguson Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 18, 1989, at 2 p.m. to hold a hearing on motor carrier safety.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, April 18, beginning at 9:30 a.m., to consider the nomination of William Rosenberg, nominated by the President to be Assistant Administrator for Air and Radiation, U.S. Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, April 18, beginning at 10 a.m., to conduct a hearing on the health effects of air pollution.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, April 18, 1989, to vote on the nominations of Jack Parnell to be Deputy Secretary of Agriculture, and Richard Crowder to be Under Secretary of Agriculture for International Affairs and Commodity Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TERRORISM, NARCOTICS AND INTERNATIONAL OPERATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 18, 1989, at 2 p.m. to hold hearings on treaties relating to mutual legal assistance in criminal matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 18, 1989, at 10 a.m. to consider pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on April 18, 1989, at 9 a.m. in open session with the possibility of an executive session following, to receive testimony on the military strategy and operational requirements for NATO defense and rapid reinforcement.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, April 18, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 18, 1989, at 9:30 a.m. to receive testimony from Secretary of State Baker on the for-

eign assistance and State Department authorization bills and to vote on pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,494th day of captivity for Terry Anderson in Beirut.

I ask that an article from the January 20, 1988, Christian Science Monitor providing a profile of Peggy Say, Terry Anderson's sister, be printed in the RECORD.

The article follows:

[From the Christian Science Monitor, Jan. 20, 1988]

SISTER OF HOSTAGE ANDERSON URGES ACTION

(By Clint Jones)

BOSTON.—From her home in Batavia, N.Y., Peggy Say feels a certain closeness today with the family and friends of Anglican Church envoy Terry Waite on the one-year anniversary of his captivity in Lebanon.

She had similar feelings on March 16, 1986, a year after Terry Anderson, her brother and the Associated Press's chief Middle East correspondent, was taken hostage in Beirut. "I don't understand why he [Mr. Anderson] is not home. I don't understand why the others are not home," Mrs. Say says.

It is only a matter of weeks before Anderson's family and friends will solemnly mark the third anniversary of his captivity. Anderson has been a hostage longer than any of the other Americans being held captive in Lebanon.

Say is frustrated that the hostage situation is viewed as a political issue rather than a human rights issue. Say watched the television coverage of Soviet leader Mikhail Gorbachev's visit to Washington, and saw the groups of Americans demonstrating and demanding freedom for Soviet Jews. She supports such protests, she says, but wonders why Americans aren't outraged by the treatment of American hostages in Lebanon.

"There are eight Americans that are being deprived of their human rights, living in basements, chained and blindfolded most of the time. I can't understand why there seems to be almost a lack of concern," says Say. She presumes part of the answer is that Americans are simply tired of hostage situations.

Say expresses renewed frustration with the Reagan administration. Before the disclosure of United States arms sales to Iran, Say complained vociferously that the administration wasn't doing anything to free the hostages. After the scandal broke, Say and the families of other hostages were told there was a new policy concerning the hostages.

They were told nothing would be done either overtly or covertly to gain the hostages' release and the families would never again have access to government officials other than through an appointed State Department liaison.

"I'm given bare bones since the Iran-contra scandal." In a soft but firm voice, Say adds, "I didn't sell arms to Iran, nor did I persuade President Reagan to, but I'm certainly being punished as if I had." Say and other relatives of the hostages received hate mail from some Americans who blamed the families for pressuring the administration into the Iran arms sales.

Say says she simply cannot accept the State Department contention that everything that can be done is being done, and that the hostage situation calls for quiet diplomacy. She doubts that would be the case if another plane load of Americans was taken hostage. "I saw the TWA hijacking in 1985 resolved in 17 days," says Say. She notes the terrorists' initial demand in that instance was the same one being made for the release of Anderson and other Americans, the release of 17 terrorists in Kuwait. Eventually the TWA passengers were released, in exchange for Palestinians being held by Israel.

"People don't see this current hostage situation in the context of other hostage situations. No one ever criticized the way the TWA or Achille Lauro were resolved," Say says. In October 1985, Palestinian guerrillas seized the Achille Lauro, an Italian liner, and demanded the release of Palestinian prisoners. One person was killed.

Say wants the administration to negotiate with the terrorists and find some solution that will allow both sides to save face.●

STEEL USERS SUPPORT VRA EXTENSION

● Mr. HEINZ. Mr. President, recently we have heard some criticism of voluntary restraint ageements from a few, rather vocal, steel-consuming companies. I would like to take a few moments to share with Senators, and with VRA critics, letters from some companies that are also steel users.

For example, the Calgon Carbon Corp. is representative of a vast number of steel-related businesses. It is a midsized company of 1,300 employees who produce steel fabricated carbon goods. These people and their families favor extension of VRA's so that the steel industry can continue to restore itself to international competitiveness, which has been so threatened by unfair trade practices.

In point of fact, companies of all sizes support VRA extension. From small ones such as Eagle Iron & Metals Inc., which employs 15 people to Crown Cork & Seal Co., composed of approximately 5,000 workers, support for VRA's runs deep. As one letter states, "the U.S. steel industry is just beginning its recovery, and continued support of the VRA's will ensure that its progress continues."

VRA's are an important step in the total recovery of the American steel industry. Their success or failure will have an impact far beyond the mills themselves. As these letters demonstrate, many companies have a vital stake in the health of the steel industry, including many who use steel products. I hope that as Senators consider this issue they will not be taken in by the arguments of a small group which account for only a small fraction of steel purchases. Steel users that support VRA extensions are far more numerous.

Mr. President, I ask that these letters be printed at this point in the RECORD.

The letters follow:

TUBE CITY IRON & METAL CO.,
Bala Cynwyd, PA, March 8, 1989.

Hon. JOHN H. HEINZ II,
Russell Office Building, Rm. 277, Washington, DC.

DEAR SENATOR HEINZ: Enclosed please find VRA Fact Sheet from the American Iron and Steel Institute. I am sure you probably have this in your possession—but just in case. It is important to me that VRA's continue in effect. It is critical to the recovery of the American steel industry. Just because there have been two decent years is not a reason to open the dam. One robin does not indeed make a Spring.

The United States steel industry has suffered for many years because of unfairly traded steel imports, mainly because of foreign country subsidy. We must learn from the past and understand that we almost lost our entire steel industry that took so many years to build and has served us so well. In preparation for national defense, I couldn't imagine what our country would do without a viable steel industry in time of global emergency. Even though our country has many friends who are major producers of steel today, in the past our philosophies have clashed and I would sincerely doubt whether they might be convinced to be our suppliers in a time of adversarial confrontation.

The VRA's have been very helpful in allowing the steel industry to virtually catch its breath. The industry has responded in kind. American steel companies have invested heavily in new plants and equipment and have shut down old, out-of-date facilities. Entrepreneurs have been availed of the opportunity to reclaim some facilities and make them profitable once again, and by doing this, have saved many jobs.

Let us not yield to academic pressure that fails to consider our realistic economic climate. Let's understand that these newly planted flowers need to grow strong, so let's not yank them up by the roots to see how they are doing. Let them grow and prosper so that what was once the admiration of all the world steps into the spotlight again.

Very truly yours,

I. MICHAEL COSLOV,
Chairman & CEO.

CARBON DIOXIDE CORP.,
Lyndhurst, NJ., March 16, 1989.

Senator JOHN HEINZ,
277 Russell Senate Office Building, Washington, DC.

DEAR SENATOR HEINZ: Implemented in 1984, the Voluntary Restraint Arrangements (VRA's) and Steel Import Stabilization Act were key factors in the recovery of the domestic steel industry during the financial crisis it suffered in the early 1980's. As you know, these programs will expire in September of this year unless extended. The extension of the VRA's and Steel Import Stabilization Act would ensure continued growth of the domestic steel industry toward full international competitiveness in every respect.

Liquid Carbonic is a user of the U.S. steel industry's products as well as a supplier to them. As such, we are requesting your support for the renewal of these programs.

Thank you.
Sincerely,

JOANNE RANSING,
Sales Representative.

UNITED ENGINEERS
& CONSTRUCTORS,
Philadelphia, PA., March 6, 1989.
Re voluntary restraint arrangement.
Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR SENATOR HEINZ: I am writing this letter in support of the extension of the Voluntary Restraint Arrangement program for the Iron and Steel Industry.

As long as other countries subsidize their steelmakers or own the steel mills, as long as imports to their countries are restricted, and as long as there is a surplus of steelmaking capacity in the world, there will be no "free trade" in the sense that we understand it.

Our country cannot take the chance that its steel industry will survive the onslaught of foreign government-subsidized steel which is certain to assault our shores if the subject program is allowed to expire.

Continuation of the Voluntary Restraint Arrangement will enable our steel industry to continue the modernization program on which it has embarked in 1983 and maintain its competitiveness, which is vital to its survival.

Because of the foregoing, I urge you to support the extension of the Voluntary Restraint Arrangement.

Respectfully yours,

I. ARDITI,
Vice President,
Industrial Division.

UNITED ENGINEERS
& CONSTRUCTORS,
Philadelphia, PA, March 28, 1989.
Re voluntary restraint arrangements.
Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR SENATOR HEINZ: I am writing this letter to enlist your support for the extension of the current Voluntary Restraint Arrangements (VRA's) for Iron and Steel Industry.

The present VRA's have a positive impact on domestic steel industry and had contributed to the modernization programs started by many steel producers. If the VRA's are allowed to expire the domestic market will be flooded by the foreign subsidized steel. This will seriously jeopardize the Steel Industry's sustained recovery. We should not allow this to happen but support the industry which is vitally important to our economy.

I urge you to support the extension of Voluntary Restraint Arrangements.

Respectfully yours,

M.A. MIRZA,
Project Engineering Manager.

ROYAL HYDRAULIC
SERVICE & MFG., INC.,
Cokeburg, February 21, 1989.
Senator JOHN HEINZ,
Russell Building, Room 277,
Washington, DC.

DEAR SENATOR HEINZ: Please support the VRA extension as you know how important the steel and mining industry is to this country and also to our business and others.

Thank you for your help.

Yours truly,

GEORGE MORRELL,
President.

EAGLE IRON & METALS INC.,
Pittsburgh, PA, March 29, 1989.
Hon. JOHN J. HEINZ,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR HEINZ: I write on behalf of my company and our 15 employees in support of extension of the steel Voluntary Restraint Arrangements (VRAs). We are a scrap metal dealer of ferrous and non-ferrous materials.

With VRAs due to expire in September of 1989, we strongly feel that prompt action to extend this program for a five-year period is critical for the domestic steel industry's further restructuring and modernization. We view VRA renewal as the key step by government to ensure that the domestic steel industry's progress in reinvestment, improved productivity and overall efficiency continues uninterrupted.

As you know, the condition of the domestic steel industry sharply deteriorated over many years as a result of growing foreign government intervention in steel industries abroad and resulting massive foreign unfair trade practices. Such practices were pervasive when the VRA program was instituted in 1984 and they continue today. Two clear examples are (1) the enormous foreign government subsidies that have perpetuated structural world excess capacity in steelmaking and (2) the widespread dumping of foreign steel in the U.S. market.

We strongly believe the VRA extension is critical to the long term sustained recovery of the American steel industry from one of the worst depressions in its history. Most importantly, the U.S. steel industry is just beginning its recovery, and continued support of the VRAs will ensure that its progress continues.

As a key investment in America's future, we respectfully urge your support for the extension of the steel VRA program. Thank you for your prompt consideration of this issue.

Sincerely,

R.A. SCHULTZ,
President.

CALGON CARBON CORP.,
Pittsburgh, PA, March 29, 1989.
Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR SENATOR HEINZ: I am writing to you on behalf of my company and our 1,300 employees, 700 of whom are in the United States, in support of extending the steel Voluntary Restraint Agreements (VRAs). Our firm produces and markets activated carbon and related equipment as well as providing contracted services for activated carbon users. The equipment we sell is fabricated mostly from steel. Our worldwide sales in 1988 were $226 million of which $148 million was in the United States or as exports from the U.S. Our U.S. plants are in Pittsburgh, Pennsylvania and Catlettsburg, Kentucky.

With VRAs due to expire in September 1989, we feel that prompt action to extend this program for a five-year period is critical for the U.S. steel industry's restructuring, modernization and long-term viability. We view VRA renewal as the key step government can take to ensure that the domestic steel industry's progress in reinvestment, improved productivity and increased efficiency continues.

As you know, the condition of the domestic steel industry sharply deteriorated over many years as a result of growing foreign government intervention in steel industries in their countries and led to massive foreign unfair trade practices. Such practices were pervasive when the VRA program was initiated in 1984 and they continue today. The two clearest examples are the enormous foreign government subsidies that have perpetuated excess capacity in steel making and the widespread dumping of foreign steel in the U.S. market.

As a firm that has itself faced stiff entry barriers in selling our products in several countries and has seen foreign competitors gaining easy access to U.S. markets aided by subsidies from their governments, we can understand what the American steel industry has faced. It is largely on that basis that I am writing to you.

The U.S. steel industry is just beginning its recovery and continued support of the VRA's will allow that progress to continue. We strongly believe that VRA extension is critical to the recovery and long-term health of the American steel industry. We respectfully urge your support for the extension of the steel VRA program.

Thank you for your consideration of this issue.

Sincerely,

T.A. MCCONOMY,
President.

CROWN CORK & SEAL CO., INC.,
Philadelphia, PA, March 22, 1989.
Hon. JOHN HEINZ III,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: I write in behalf of my Company and our 5,000 employees in support of extension of the Steel Voluntary Restraint Arrangements (VRAs). Crown is a major manufacturer of containers for the Food, Beverage and Aerosol Industries. We operate 24 manufacturing plants in the United States.

With VRAs due to expire in September of 1989, we strongly feel that prompt action to extend this program for a five year period is critical for the domestic Steel Industry's further restructuring and modernization. We view VRA renewal as the key step by Government to ensure that the domestic Steel Industry's progress in reinvestment, improved productivity and overall efficiency continues uninterrupted.

As you know, the condition of the domestic steel industry sharply deteriorated over many years as a result of growing foreign government intervention in steel industries abroad and resulting massive foreign unfair trade practices. Such practices were pervasive when the VRA program was instituted in 1984 and they continue today. Two clear examples are (1) The enormous foreign government subsidies that have perpetuated structural world excess capacity in steelmaking and (2) The widespread dumping of foreign steel in the U.S. Market.

We strongly believe that VRA extension is critical to the long term sustained recovery of the American Steel Industry from one of the worst depressions in its history. Most importantly, the U.S. Steel Industry is just beginning its recovery, and continued support of the VRAs will ensure that its progress continues.

As a key investment in America's future, we respectfully urge your support for the extension of the Steel VRA Program. Thank you for your prompt consideration of this issue.

Sincerely,

RONALD R. THOMA,
Vice President, Procurement and Traffic.

HENRY MILLER SPRING & MANUFACTURING CO.,
Pittsburgh, PA, March 21, 1989.
Senator H. JOHN HEINZ III,
Senate Office Building,
Washington, DC.

MY DEAR SENATOR: This note is to indicate my support for V.R.A. agreement extension.

Although not the single cause for recovery of the steel industry, it apparently was certainly a strong contributor.

I would suggest the investment of a percentage of the profits into machinery and equipment for the basic industry.

Very truly yours,

DONALD F. MELAMPY,
President.

PITT-DES MOINES, INC.,
Pittsburgh, PA, April 11, 1989.
CAROLYN FRANK,
TPSC Secretary, Office of the U.S. Trade Representative, Washington, DC.

GENTLEMAN: In answer to your request for written comments on the President's Steel Program (VRA), we would like to offer the following.

Pitt-Des Moines, Inc. provides a wide-range of heavy custom engineered products, structures and facilities for commercial, industrial, municipal and governmental customers in addition to processing and distributing a general line of carbon steel products. We have 16 plants located in the United States, we have revenues of approximately $330 million and employ about 2,500 people. In 1988 we purchased well over 200,000 tons of steel products. Less than 20% came from foreign sources.

We heartily support the consideration of a three to five year extension to the current VRA Program.

The present VRA Program has contributed to the renaissance of the steel industry, giving the steel industry an opportunity to survive and rebuild. It has provided the opportunity for them to build new facilities that have developed and are serving our industry with a quality product, which was greatly needed for us to compete with foreign fabricators and with the certainty of receiving our shipments to meet the needs of our customers.

While steel products have increased in price and VRA has given the steel industry the opportunity to increase prices, the price of steel today is at a base where we think it should be. We have heard it stated and I believe it is a fact, that taking into consideration inflation, the average price of steel today is lower than it was in the early 1980's. Steel pricing today is still competitive with other construction products.

Without a VRA Program we'll go right back to the days when the steel industry was concerned with subsidized steel brought in by other countries and the dumping problems we are all too familiar with, with any action taken by Government agencies having little or no effect in solving the problem.

In our own company we feel the present VRA Program has contributed to increased employment and the initiation of a capital spending program all of which have not been available to us for several years.

The President's Steel Program is a defense and not a protection situation.

Yours very truly.

JOHN H. LONG,
Chairman of the Board.●

FEDERAL AND STATE INCOME TAX RETURNS FOR 1988

● Mr. CRANSTON. Mr. President, in keeping with my practice of making my tax returns public, I ask that my Federal and California income tax returns for 1988 be printed in the RECORD. As I announced to the press last year, I no longer accept honoraria.

The returns follow:

U.S. INDIVIDUAL INCOME TAX RETURN, 1988
1040, ALAN AND NORMA CRANSTON

Presidential Election Campaign

Do you want $1 to go to this fund? Yes.

If joint return, does your spouse want $1 to go to this fund? Yes.

Filing status

2. Married filing joint return (even if only one had income).

Exemptions

6a. Yourself.

b. Spouse.

e. Total number of exemptions claimed, 2.

Income

7. Wages, salaries, tips, etc. (*attach Form(s) W-2*), $89,500.

8a. Taxable interest income (*also attach Schedule B if over $400*), $29,984.

9. Dividend income (*also attach Schedule B if over $400*), $11,115.

10. Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of instructions, $50.

12. Business income or (loss) (*attach Schedule C*), $21,900.

13. Capital gain or (loss) (*attach Schedule D*), $10,571.

16a. Total IRA distributions, $3,816.

17a. Total pensions and annuities, $63,743.

18. Rents, royalties, partnerships, estates, trusts, etc. (*attach Schedule E*), $115,074.

21a. Social security benefits (see page 13), $27,372.

b. Taxable amount, if any, from the worksheet on page 13, $13,686.

22. Other income (list type and amount) see page 13) Schedule attached, (39).

23. Add the amounts shown in the far right column for lines 7 through 22. This is your total income, $359,030.

Adjustments to income

24. Reimbursed employee business expenses from Form 2106, line 13, $3,233.

30. Add lines 24 through 29. These are your total adjustments, $3,233.

Adjusted gross income

31. Subtract line 30 from line 23. This is your adjusted gross income. *If this line is less than $18,576 and a child lived with you, see "Earned Income Credit" (line 56) on page 19 of the instructions. If you want IRS to figure your tax, see page 16 of the Instructions,* $355,797.

Tax computation

32. Amount from line 31 (adjusted gross income), $355,797.

33a. Check if: You were 65 or older, 1.

34. Enter the larger of: Your standard deduction (from page 17 of the Instructions), or Your itemized deductions (from Schedule A, line 26), $42,243.

35. Subtract line 34 from line 32. Enter the result here, $313,554.

36. Multiply $1,950 by the total number of exemptions claimed on line 6e, $3,900.

37. Taxable income. Subtract line 36 from line 35. Enter the result (if less than zero, enter zero), $309,654.

38. Enter tax. Check if from: Tax Rate Schedules, $87,795.

40. Add lines 38 and 39. Enter the total, $87,795.

Credits

47. Subtract line 46 from line 40. Enter the result (if less than zero, enter zero), $87,795.

Other taxes

53. Add lines 47 through 52. This is your total tax, $87,795.

Payments

54. Federal income tax withheld (if any is from Form(s) 1099, $19,135.

55. 1988 estimated tax payments and amount applied from 1987 return, $81,200.

61. Add lines 54 through 60. These are your total payments, $100,335.

Refund or amount you owe

62. If line 61 is larger than line 53, enter amount overpaid, $12,540.

64. Amount of line 62 to be applied to your 1989 estimated tax, $12,540.

SCHEDULE A—ITEMIZED DEDUCTIONS

Taxes you paid

5. State and local income taxes, $25,928.

6. Real estate taxes, $2,996.

8. Add the amounts on lines 5 through 7. Enter the total here. Total taxes, $28,924.

Interest you paid

9a. Deductible home mortgage interest you paid to financial institutions (report deductible points on line 10), $5,566.

11. Deductible investment interest (see page 24), $1,220.

12a. Personal interest you paid (see page 24), $1,782.

b. Multiply the amount on line 12a by 40% (.40). Enter the result, $713.

13. Add the amounts on lines 9a through 11, and 12b. Enter the total here. Total interest, $7,499.

Gifts to charity

14. Contributions by cash or check. (If you gave $3,000 or more to any one organization, show to whom you gave and how much you gave.) $5,820.

17. Add the amounts on lines 14 through 16. Enter the total here. Total contributions, $5,820.

Job expenses and most other miscellaneous deductions

20. Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 in some cases. See Instructions.) $754.

21. Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount. Schedule attached, $2,759.

22. Add the amounts on lines 20 and 21. Enter the total, $3,513.

23. Multiply the amount on Form 1040, line 32, by 2% (.02). Enter the result here, $7,116.

Total itemized deductions

26. Add the amounts on line 4, 8, 13, 17, 18, 19, 24 and 25. Enter the total here. Then enter on Form 1040, line 34, the LARGER of this total or your standard deduction from page 17 of the Instructions, $42,243.

SCHEDULE B—INTEREST AND DIVIDEND INCOME

Part I—Interest income

2. Other interest income (list name of payer) Schedule attached, $29,984.

3. Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8a, $29,984.

Part II—Dividend income

4. Dividend income (list name of payer—include on this line capital gain distributions, nontaxable distributions, etc.). Schedule attached, $11,115.

5. Add the amounts on line 4. Enter the total here, $11,115.

9. Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9, $11,115.

Part III—Foreign Accounts and Foreign Trusts

10. At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 27 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.) No.

11. Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926. No.

SCHEDULE C—PROFIT OR LOSS FROM BUSINESS

Name of proprietor: Alan Cranston.

A. Principal business or profession, including product or service (see Instructions): Honoraria for speeches and articles.

C. Business name and address: 112 Hart Senate Office Building, Washington, DC 20510.

F. Accounting method: Cash.

H. Are you deducting expenses for business use of your home? (If "Yes," see Instructions for limitations.) No.

I. Did you "materially participate" in the operation of this business during 1988? (If "No," see Instructions for limitations on losses.) Yes.

Part I—Income

1a. Gross receipts or sales, $23,421.

c. Subtract line 1b from line 1a. Enter the result here, $23,421.

3. Subtract line 2 from line 1c and enter the gross profit here, $23,421.

5. Add lines 3 and 4. This is the gross income, $23,421.

Part II—Deductions

10. Commissions, $200.

26. Travel, meals, and entertainment: a. Travel, $1,321.

30. Add amounts in columns for lines 6 through 29. These are the total deductions, $1,521.

31. Net profit or (loss). Subtract line 30 from line 5. If a profit, enter here and on Form 1040, line 12, and on Schedule SE, line 2. If a loss, you MUST go on to line 32. (Fiduciaries, see instructions.) $21,900.

SCHEDULE D—CAPITAL GAINS AND LOSSES

Part II—Long-Term Capital Gains and Losses—Assets Held More Than One Year (more than 6 months if acquired before 1/1/88)

12. Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries, $10,571.

16. Add all of the transactions on lines 9a and 9c and lines 10 through 15 in columns (f) and (g), $10,571.

17. Net long-term gain or (loss), combine columns (f) and (g) of line 16, $10,571.

Part III—Summary of Parts I and II

18. Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, also enter the gain on Form 1040, line 13, $10,571.

SUPPLEMENTAL INCOME SCHEDULE

Part I—Rental and royalty income or loss

4. Rents received, $150,434.

20. Total expenses other than depreciation and depletion. Add lines 6 through 19, $27,528.

21. Depreciation expense (see Instructions), or depletion (see Pub. 535), $6,212.

25. Profits. Add rental and royalty profits from line 23. Enter the total profits here, $116,694.

27. Combine amounts on lines 25 and 26. Enter the net profit or (loss) here, $116,694.

29. Total rental or royalty income or (loss). Combine amounts on lines 27 and 28. Enter the total here. If Parts II, III, IV, and V on page 2 do not apply to you, enter the amount from line 29 on Form 1040, line 18. Otherwise, include the amount from line 29 in line 42 on page 2 of Schedule E, $116,694.

Part III—Income or loss from estates and trusts

Passive Income and Loss, ($1,620).

Part VI—Summary

42. Total income or (loss). Combine amounts on lines 29, 33, 37, 38, and 41. Enter the total here and on Form 1040, line 18, $115,074.

SOCIAL SECURITY SELF-EMPLOYMENT TAX

2. Net profit or (loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming). See the Instructions for other income to report, $21,900.00.

3. Add lines 1 and 2. Enter the total. If the total is less than $400, do not file this schedule, $21,900.00.

4. The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1988 is, $45,000.00.

5. Total social security wages and tips from Forms W-2 and railroad retirement compensation (tier 1), $89,500.00.

6. Subtract line 5 from line 4. Enter the result. (If the result is zero or less, do not file this schedule.), 0.

EMPLOYEE BUSINESS EXPENSES

Part I—Employee business expenses

1. Vehicle expense from Part II, line 15 or line 22 (other than meals and entertainment), $42.48.

3. Travel expense while away from home, including lodging, airplane, car rental, etc. Do not include meals and entertainment (other than meals and entertainment), $8,441.19.

4. Business expenses not included in lines 1 through 3. Do not include meals and entertainment (other than meals and entertainment), $45,833.17.

5. Meals and entertainment expenses. (See Instructions,) (meals and entertainment), $54.19.

6. Add lines 1 through 5 and enter the total expenses here (other than meals and entertainment), $54,316.84; (meals and entertainment), $54.19.

7. Reimbursements for the expenses listed in Step 1 that your employer did not report to you on Form W-2 or Form 1099 (other than meals and entertainment), $51,083.41; (meals and entertainment), $54.19.

10. Subtract line 7 from line 6. If zero or less, enter zero (other than meals and entertainment), $3,233.43.

13. Add the amounts on line 12 of both columns and enter the total here. This is your fully deductible reimbursed expenses. Also enter the total on Form 1040, line 24 (meals and entertainment), $3,233.43.

Part II—Vehicle expenses—Section B.—Standard Mileage Rate (Do not use this section unless you own the vehicle.)

11. Enter the smaller of Part II, line 3, or 15,000 miles, 177 miles.

13. Multiply line 11 by 24¢ (.24) (see Instructions if vehicle is fully depreciated), $42.

15. Add lines 13 and 14. Enter total here and on Part I, line 1, $42.

Name: Alan Cranston. [redacted].
Address: 112 Hart Senate Office Building.
City, State, Zip: Washington, DC. 20510.

I hereby certify that I was in travel status in the Washington, DC., area, away from my home in my home state of California, in the performance of my official duties as a Member of Congress for 178 days during the year 1988 and that my deductible living expenses while in such travel status amounted to $3000.

ALAN CRANSTON
March 14, 1989.

(NOTE: If such living expenses exceeded $3,000, the deduction is limited under section 162(2) in the Internal Revenue Code of 1954 to $3,000.)

Part I—Depreciation

9. MACRS deduction for assets placed in service prior to 1988 (see instructions), $54.

11. ACRS and/or other depreciation (see instructions), $6,158.

12. Total (add deductions on lines 5 through 11). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 5.), $6,212.

ALTERNATIVE MINIMUM TAX—INDIVIDUALS

1. Taxable income from Form 1040, line 37 (can be less than zero), $309,654.

3. Add lines 1 and 2, $309,654

4. Adjustments: b. Personal exemption amount from Form 1040, line 36, $3,900.

e. Taxes from Schedule A, line 8, $28,924.

g. Interest from Schedule A, line 12b, $713.

i. Combine lines 4a through 4h, $33,537.

5. Tax preference items: e. Accelerated depreciation of real property placed in service before 1987, $479.

k. Add lines 5e through 5j, $479.

6. Combine lines 3, 4i, 4u, 5d, and 5k, $343,670.

8. Alternative minimum taxable income (subtract line 7 from line 6). If married filing separate returns, see instructions, $343,670.

9. Enter: $40,000 ($20,000 if married filing separately; $30,000 if single or head of household), $40,000.

10. Enter: $150,000 ($75,000 if married filing separately; $112,500 if single or head of household), $150,000.

11. Subtract line 10 from line 8. If -0- or less, enter -0- here and on line 12 and go to line 13. If this line is more than -0-, go to line 12, $193,670

12. Multiply line 11 by 25% (.25), $48,418.

14. Subtract line 13 from line 8. If -0- or less, enter -0- here and on line 19. If this line is more than -0-, go to line 15, $343,670.

15. Multiply line 14 by 21% (.21), $72,171.

17. Tentative minimum tax (subtract line 16 from line 15), $72,171.

18. Regular tax before credits (Form 1040, line 38) minus foreign tax credit (Form 1040, line 43). See instructions, $87,795.

PASSIVE ACTIVITY LOSS LIMITATIONS

Part I—Computation of 1988 passive activity loss

1a. Activities with net income, Worksheet 1, Part 1, column (a), $116,694.

1c. Combine lines 1a and 1b, $116,694.

1g. Net income or (loss). Combine lines 1c and 1f, $116,694.

1i. Combine lines 1g and 1h, $116,694.

2e. Activities with net loss, Worksheet, Part 2, column (b), $1,620.

2f. Combine lines 2d and 2e, $1,620.

2g. Net income or (loss). Combine lines 2c and 2f, $($1,620).

2i. Combine lines 2g and 2h, $($1,620).

3. Combine lines 1i and 2i. If the result is net income or -0-, see instructions for line 3. If this line and line 1c or line 1i are losses, go to line 4. Otherwise, enter -0- on lines 8 and 9 and go to line 10, $115,074.

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN

		Federal	California
Taxes:			
Real estate—402 Constitution Avenue, Washington, D.C.		$1,328	
Real estate—2024 Camden Avenue, Los Angeles, CA		1,045	
KRAG Ranch (5 percent interest)		623	
Subtotal		2,996	$2,996
California income		25,928	
Total		28,924	2,996
Interest expense:			
Home mortgage—2024 Camden Avenue, Los Angeles		5,566	
Kim Cranston	$1,732		
Franchise Tax Board	50		
Total	1,782		
	×.40	713	
Investment interest—partnerships		1,220	
Total		7,499	7,499
Contributions:			
Various Cash contributions		5,325	
From trusts as partnership passthru		495	
Total		5,820	5,820
Miscellaneous deductions:			
Employee business expenses:			
Congressional expenses—office and miscellaneous		754	754
Safe deposit box		40	40
Income tax preparation		2,150	2,150
Partnership portfolio deductions—schedule attached		269	270

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN—Continued

		Federal	California
Alan Cranston Qualified Blind Trust—tax preparation fees		300	300
Total		3,513	3,514
Form 2106—Line 6, Part I:			
Employee business expenses:			
Living expenses—Washington D.C.		3,000	
Travel		5,441	
Meals and entertainment		54	
Expenses in maintaining office in home state		45,833	
Automobile expenses—177 miles × 24¢		42	
Total		54,370	
Less reimbursements		51,137	
Total		3,233	
Dividend income:			
Dreyfuss Liquid Assets, Inc		6,642	
Fidelity Investments		1,646	
Cranston Community Qualified Blind Trust:			
Alan Cranston	1,383		
Norma Cranston	1,382	2,765	
Partnerships—Schedule attached		62	
Total		11,115	11,115
Interest income:			
Wells Fargo NOW account		437	
American Security Bank:			
NOW Account		941	
Savings		6,595	
Alan Cranston qualified blind trust		21,893	
Total		29,866	29,866
Partnerships		118	117
Total		29,984	29,983
Other income:			
Portfolio income—partnerships—Schedule attached		11	11
State income tax adjustment		(50)	
Total		(39)	11
IRA distribution:			
Total distribution from Merrill Lynch		3,816	3,816
Basis recovery—California:			
Basis	4,000		
Recoveries:			
1984	170		
1985	329		
1986	450		
1987			
Total	949		
Available basis			3,051
Total		3,816	765

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN

	FICA	W/H	Federal	California
Salary:				
U.S. Senate, Washington, DC	$3,380	$19,135	$89,500	$89,500
California W/H	5,472			
Retirement Pay: State of California Legislators' Retirement System			62,907	62,907

Annuity income:

Company	Travelers
Contract	02421955
Starting date	12/19/79
First payment date	12/19/79
Monthly installment	$69.70
Annual amount	$836.40
Investment in contract	$6,390.40
Expected return	$14,425.28
Exclusion ratio	.4430
Received in 1988	836.40
Excludable at 44.3 percent	370.53
Taxable	465.87

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN

	Partnership [1]	Portfolio income: Dividends	Portfolio income: Interest	Charitable deduction	Other deductions
TRUST INCOME (LOSSES)					
(A) Alan Cranston Community Qualified Blind Trust Fed. ID #95–6817334	$1,383				
(B) Norma Cranston Community Qualified blind Trust Fed. ID #95–6817334	1,382				
(C) Alan Cranston qualified blind trust Fed. ID #95–6386948			$21,893	$495	$300
Lakewood & Gardendale Ltd	($201)				
Venice and Canfield Ltd	(1,419)				
Total	(1,620)	2,765	21,893	495	300

[1] Activity required after Oct. 22, 1986.

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN

	Portfolio income: Interest	Portfolio income: Dividends	Portfolio income: Other	Deductions Re: Portfolio income	LT capital gain	Investment income	Investment interest expense	Investment expenses
Partnership income (losses)—Federal:								
Five Area Properties, Ltd., Fed. I.D. #95–6323158	$92			$95	$10,108	$10,200	$1,220	$95
Four Area Properties, Fed. I.D. #95–6319195	26			11	463	489		11
Simi-Moorpark Freeway Properties, Fed. I.D. #95–6230970		$62	$11	163		73		163
Total	118	62	11	269	10,571	10,762	1,220	269
California—Schedule attached	117	62	11	270	10,571	10,762	1,220	270
California adjustments	(1)			1				1
Partnership income (losses)—California:								
Five Area Properties, Ltd., Fed. I.D. #95–6323158	92			95	10,108	10,200	1,220	95
Four Area Properties, Fed. I.D. #95–6319195	25			12	463	489		12
Simi-Moorpark Freeway Properties, Fed. I.D. #95–6230970		62	11	163		73		163
Total	117	62	11	270	10,571	10,762	1,220	270

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN

[Depreciation—Rental Properties]

	Date Acqd.	Basis	Prior Depn.	Method	Life or ACRS percent	1988 Depn.	California		
							Prior Depn.	Method Rate	1988 Expense
215–225 Main Street, Los Altos:									
Building	Var	$12,846.00	$12,846.00	SL	30 years				
Improvements	Var	4,533.00	4,533.00						
Improvements	1970	2,506.00	2,506.00						
New roof	Oct. 1981	7,024.75	4,390.50	SL	10 years	$702.48			
Total		26,909.75	24,275.50			702.48	$24.275.50		$702.48
501–517 San Mateo Avenue, San Bruno:									
Building	March 1969	6,075.00	3,978.13	SL	28 years	216.96	3,978.13	SL 2.5	216.96
New toilet, sink and pipes	Dec. 1981	1,300.00	790.84	SL	10 years	130.00	790.84	SL 10	130.00
Roof	Sept. 1986	5,895.00	689.72	ACRS	8.1 percent	477.50	655.00	SL 8⅓	491.25
Total		13,270.00	5,458.69			824.46	5,423.97		838.21
483–490 San Mateo Avenue, San Bruno:									
Building	Var	31,500.00	31,500.00	SL	25 years		31,500.00	SL	
Improvements	Var	13,290.00	13,290.00	SL	15 years		13,290.00	SL	
Improvements	Var	3,000.00	3,000.00	SL	15 years	3,000.00	SL		
Heater	July 1977	500.00	500.00	SL	10 years		500.00	SL 10	
Carpeting	June 1978	1,026.00	1,026.00	SL	5 years		1,026.00	SL	
Heater	Sept. 1978	62.50	62.50	SL			62.50	SL	
Roof	April 1980	4,029.75	3,089.51	SL	10 years	402.98	3,089.51	SL 10	402.98
Back door	Dec. 1981	1,232.00	749.47	SL	10 years	123.20	749.47	SL 10	123.20
Roof	Nov. 1986	5,793.07	590.89	AGRS	8.3 percent	480.82	563.22	SL 8⅓	482.76
Total		60,433.32	53,808.37			1,007.00	53,780.00		1,008.94
318–324 University Avenue, Palo Alto:									
Building	Oct. 1957	23,205.50	18,886.52	SL	28 years	828.77	18,886.52	SL	828.77
Improvements	1960	333.25	333.25				333.25		
Improvements	1965	162.00	162.00				162.00		
Improvements	1966	187.50	187.50				187.50		
Improvements	April 1977	6,350.54	3,413.45	SL	20 years	317.53	3,413.45	SL 5	317.53
Improvements	April 1977	1,835.70	1,835.70	SL	10 years		1,835.70		
Air conditioning	Dec. 1981	2,880.00	1,944.00	SL	10 years	288.00	1,944.00	SL 10	288.00
Steel door	Feb. 1984	720.00	295.20	ACRS	10 percent	72.00	197.28	SL 7	50.40
Improvements—Gaskills	Nov. 1985	6,976.19	1,290.59	ACRS	7.5 percent	523.21	1,007.67	SL 6⅔	465.08
Underground electrical lines	June 1987	1,700.00	29.24	MACRS	3.175 percent	53.98	29.24	SL 3.175	53.98
Total		44,350.68	28,377.45			2,083.49	27,996.61		2,003.76
161–165 Main Street, Los Altos:									
Building	Oct. 1957	20,113.25	14,619.70	SL	28 years	718.33			
Improvements	1967	250.00	250.00						
Improvements	Feb. 1968	125.00	125.00						
Air conditioner	Oct. 1968	205.00	205.00						
Air conditioner	July 1970	375.00	375.00						
Total		21,068.25	15,574.70			718.33	15,574.70		718.33
402 Constitution, Washington, D.C.:									
Building	Feb. 1977	26,280.00	9,563.00	SL	30 years	876.00	9,563.00	SL 3⅓	876.00
Total		192,312.00	137,057.71			6,211.76	136.614.48		6,147.72

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN

[Income from rents]

	Total	215–225 Main, Los Altos	501–517 San Mateo, San Bruno	San Mateo, San Bruno (½ interest)	University, Palo Alto (½ interest)	Main, Los Altos (¼ interest)	402 Constitution, Washington, D.C.
Rents collected	$150,434	$50,335	$16,795	$20,574	$44,019	$13,911	$4,800
Expenses:							
Real estate taxes	4,693	953	362	333	2,088	293	664
Insurance	8,112	2,469	1,356	1,825	1,590	592	280
Management fee	7,303	2,554	833	1,032	2,188	696	
Repairs and maintenance	1,807	122	105	275	480	335	490
Lease commission amortization	3,095	1,119	394	668	762	152	
Utilities	992				27		965
Dues	47	47					
Office rent	300				300		
Pest control	70						70
Miscellaneous	309				309		
Total	26,728	7,264	3,050	4,133	7,744	2,068	2,469
Income before depreciation	123,706	43,071	13,745	16,441	36,275	11,843	2,331
Depreciation	6,212	702	825	1,007	2,084	718	876
Total	117,494	42,369	12,920	15,434	34,191	11,125	1,455
(Less)—Accounting	(800)						
Net rental income	116,694						
Depreciation adjustment—California	64						
Net rental income	116,758						

ALAN AND NORMA CRANSTON, 1988 INDIVIDUAL INCOME TAX RETURN

[Amortization of lease commissions]

	Date acquired	Cost	Prior amortization	Life in months	1988 amortization
215–225 Main, Los Altos:					
Loom	Apr. 1, 1982	$2,304.60	$2,304.60	60	
Women's World	June 1, 1984	1,542.00	1,105.10	60	$308.40
Quilt Bee	Apr. 1, 1987	4,052.00	607.80	60	810.40
Total		7,898.60	4,017.50		1,118.80
Remove fully amortized items		(2,304.60)	(2,304.60)		
Total		5,594.00	1,712.90		
501–517 San Mateo Avenue, San Bruno—Town Cobbler	Apr. 1, 1986	1,973.00	690.48	60	394.60
482–490 San Mateo Avenue, San Bruno	1984	924.00	677.60	60	184.80
Bike Route	1986	1,242.00	248.40	60	248.40
Bike Route	1987	1,173.00	234.60	60	234.60
Total	3,339.00	1,160.60	667.80		
318–324 University Avenue, Palo Alto:					
	1979	1,824.00	1,489.74	120	182.40
	1982	517.50	517.50	60	
	Oct. 1985	2,898.00	1,304.10	60	579.69
Total		5,239.50	3,311.34		762.00
Remove fully amortized items		(517.50)	(517.50)		
Total		4,722.00	2,793.84		
161, 163, 165 Main Street, Los Altos	1982	652.80	652.80	60	
Uptown Cafe	Nov. 1985	759.00	328.90	60	151.80
Total		1,411.80	981.70		151.80
Remove fully amortized items		(652.80)	(652.80)		
Total		759.00	328.90		
Total		16,387.00	6,686.72		3,095.00

CALIFORNIA LONG TAX FORM 1988

Name and address

Alan and Norma Granston.

Filing status

2. Married filing joint return (even if only one had income).

Exemptions

7. Personal: If you checked box 1 or 3 above, enter $52. If you checked box 2, 4 or 5, enter $104, $104.

9. Elderly: If you or your spouse is 65 or older, enter $52. If both are 65 older, enter $104, $104.

11. Total exemption credits. Add lines 7 through 10. Enter here and on line 20 below, $208.

Taxable income

12a. Wages (included in your federal adjusted gross income) from line 7 of your Form 1040, line 7 of your Form 1040A, or line 1 of your Form 1040EZ, $89,500.

12b. Federal adjusted gross income from line 31 of your Form 1040, line 13 of your Form 1040A, or line 3 of your Form 1040EZ, $355,797.

13. California adjustments—subtractions. Enter amount from Schedule CA, line 14, $16,788.

14. Subtract line 13 from line 12b. If less than zero, enter the result in brackets. See instructions, $339,009.

15. California adjustments—additions. Enter amount from Schedule CA, line 21, $114.

16. California adjusted gross income. Combine line 14 and line 15. If $19,850 or less, see instructions, $339,123.

17. Enter the larger of: Your itemized deductions (from Schedule CA, line 26), $16,316.

18. Taxable income. Subtract line 17 from line 16. If less than zero, enter zero, $322,807.

Figure your tax and credits

19. Enter tax. Check if from Tax Table, $27,568.

20. Exemption credits. Enter amount from line 11 above, $208.

23. Total credits. Add lines 20 through 22, $208.

24a. Subtract line 23 from line 19. If less than zero, enter zero. $27,360.

Special credits

24b. Amount from line 24a on front side, $27,360.

30. Subtract line 29 from line 24b. If less than zero, enter zero, $27,360

Other taxes

33. Total tax. Add lines 30 through 32, $27,360

Payments

34. California income tax withheld. Enter total from your 1988 W–2 forms, $5,472.

35. 1988 California estimated tax and amount applied from 1987 return. Include amount paid with any extension request (form FTB 3502), $20,400.

38. Total payments. Add lines 34 through 37, $25,872.

Overpaid tax or tax due

42. Tax due. If line 33 is larger than line 38, subtract line 38 from line 33, $1,488.

Voluntary contributions

49. California Election Campaign Fund

49. Your Political Party Democratic Amount (25 max), $25.

50. Spouse's Political Party Democratic Amount ($25 max), $25.

51. Total Contributions. Add lines 43 through 50, $50.

Refund or amount you owe

53. AMOUNT YOU OWE. Add line 42 and line 51. Attach check or money order for full amount payable to "Franchise Tax Board." Write your social security number and "1988 Form 540" on it. Mail it with your return to Franchise Tax Board, P.O. Box 942867, Sacramento, CA 94267–0001, $1,538.

SCHEDULE CA—CALIFORNIA ADJUSTMENTS 1988

Part I—Adjustments to Federal adjusted gross income

1. State income tax refund from federal Form 1040, line 10, $50.

3. Social security benefits from federal Form 1040, line 21b, $13,686.

7. IRA distributions. See instructions, $3,051.

13. Other subtractions:

b. Other. See instructions. Specify Partnership—Portfolio income, $1.

14. Total subtractions. Add lines 1 through 13b. Enter here and on Form 540, line 13, $16,788.

17. Depreciation and amortization from Form FTB 3885A, line 6b and line 9b, $64.

20. Other additions.

b. Other. See instructions. Specify State income tax adjust, $50.

21. Total additions. Add lines 15 through 20b. Enter here and on Form 540, line 15, $114.

Part II—Adjustments to Federal itemized deductions

22. Federal itemized deductions from federal Schedule A, line 26, $42,243.

23. State and local income taxes from federal Schedule A, line 5 and foreign income taxes. See instructions, $25,928.

24. Subtract line 23 from line 22, $16,315.

25. Other adjustments. See instructions. Specify Miscell. deductions—Schedule attached, $1.

26. California itemized deductions. Combine line 24 and line 25, $16,316.

SCHEDULE P (540)—ALTERNATIVE MINIMUM TAX—INDIVIDUALS 1988

Part I

1. Taxable income from Form 540, line 18 (may be less than zero), $322,807.

3. Add line 1 and line 2, $322,807.

4. Adjustments:
d. Taxes, $2,996.
e. Interest from federal Schedule A (Form 1040) (computed for California purposes), line 12b, $713.
r. Total adjustments. Combine lines 4(a) through 4(q), $3,709.
6. Combine lines 3, 4r and 5h, $326,516.
8. Alternative minimum taxable income. Subtract line 7 from line 6, $326,516.
9. Enter: $40,000 ($20,000 if married filing separately; $30,000 if single or head of household), $40,000.
10. Enter: $150,000 ($75,000 if married filing separately; $112,500 if single or head of household), $150,000.
11. Subtract line 10 from line 8. If zero or less, enter zero, $176,516.
12. Multiply line 11 by 25% (.25), $44,129.
14. Subtract line 13 from line 8. If zero or less, enter zero, $326,516.
15. Multiply line 14 by 7% (.07), $22,856.
17. Tentative minimum tax. Subtract line 16 from line 15, $22,856.
18. Regular tax before credits (Form 540, line 19) (excluding tax on lump-sum distributions) minus credit for taxes paid to another state, $27,568.

CALIFORNIA FORM 3885A—DEPRECIATION AND AMORTIZATION ADJUSTMENTS 1988

1. Passive Activities (see Instruction C): Real estate—Schedule attached.
(g) Depreciation for this year—$6,148.
Total Passive. Add column (g) and column (j) amounts of line 1: $6,148.●

LINE-ITEM VETO AND ENHANCED RESCISSION

● Mr. McCONNELL. Mr. President, for those of us who have been ever supportive of constitutional line-item veto authority for the President, it has been a frustrating exercise. Today, I ask my colleagues to consider the merit of a different approach to this problem. Senator DOLE and Senator MCCAIN have introduced S. 6, the Spending Control Enhancement Act of 1989.

This is a statutory line item veto or enhanced rescission bill. It is simple, straightforward, and designed to minimize political maneuvering and uncertainty. It will allow the President, within 10 days after signing an appropriations bill, to inform the Congress that he would like to rescind, in part or in full, budget authority provided in that bill for items he opposes. The Congress then may overturn the rescission by joint resolution passed within 10 days.

This is not a new approach to line item veto power. It has its history in the debate of the 1974 Budget Act. The resulting rescission procedure has proved ineffective. There were no rescissions requested in 1988 and only 1 percent in 1986 and 1987 were approved. The wagon is broke.

As a cosponsor, I encourage my colleagues to consider this budget reform proposal. I hope we have the opportunity to vote on this proposal in the full Senate this year—we certainly owe it to the taxpayers.●

UNITED WAY VOLUNTEERS OF POLK COUNTY, IA

● Mr. HARKIN. Mr. President, with National Volunteer Week recently behind us, I rise today to commend the individuals who give freely of their own time and energy to help others. Today I want to especially thank the 1,000 United Way volunteers of Polk County, IA, for their contributions to that community.

These older adults have provided direct, as well as administrative, service to over 200 nonprofit agencies and have contributed over 162,000 hours in their last program year.

The volunteers give more than just their time. Equipped with knowledge and experience accumulated over a lifetime, they come to the assistance of others, and offer a vital link with our cultural heritage.

Nora Crumb of Des Moines is a fine example of someone selflessly giving her time to others. Recently, Nora helped guide the students at Woodside Middle School Students in making a quilt of Iowa, designing a block for each of the 99 counties. Not only did the students learn the dying art of quilting, but they also learned more about the history of their home State. Through her effort, Nora shared a part of her life with the students as well as demonstrating to them the act of giving. The finished quilt will be displayed at the Iowa State Fair this summer.

The actions of the Polk County volunteers are in the finest tradition of the American character—people helping people. In a time when we hear so much about what is wrong with our country, I think it is very worthwhile to pay tribute to a group of people who give so much to their community.●

HON. FORREST "FROSTY" SCHWENGELS

● Mr. GRASSLEY. Mr. President, I rise to pay tribute to a friend and a statesman: Hon. Forrest "Frosty" Schwengels, who passed away on Monday, April 10, at the age of 73.

Frosty Schwengels—among the many accomplishments of his lifetime—served as an Iowa State Senator for 16 years, from 1972 until 1988.

Born on August 27, 1915, in Sheffield, IA, Frosty attended schools in Sheffield; Chicago, IL; and Kirksville, MO.

He attended Northeast Missouri State Teachers College in Kirksville and eventually received a bachelor's degree in 1940 from Parsons College in Fairfield, IA, where he played football and track. He received a master's degree from Georgetown University and also completed work toward a doctoral degree at Indiana University.

In 1943, Frosty and Betty Pickett married. They have two sons, one daughter, and six grandchildren.

Among his three siblings, Frosty counts a former colleague of ours; Hon. Fred Schwengel, who served Iowa in the House of Representatives and who is now the president of the U.S. Capitol Historical Society.

Frosty served in the U.S. Air Force for 23 years, attaining the rank of lieutenant colonel.

Upon his retirement from the Air Force in 1963, Frosty returned to Fairfield and began a second career as a professor of American government, international relations, and Western civilization at his alma mater, Parsons College.

In the tradition of another champion of the environment, Theodore Roosevelt, Frosty is known for his staunch defense of our natural resources, especially the preservation of our soil and water.

During his service in the Iowa State Senate, Frosty led the effort and authored the legislation that pioneered soil erosion control and soil-conservation cost-sharing policies with Iowa farmers. These have become model environmental statutes for the Nation.

Despite his somewhat crusty demeanor, there was an impish grin that was never too far from the surface. He was a determined fighter for what he believed was the right thing to do, and this belief was based on his fierce drive to work hard for the good of all Iowans, no matter what their philosophy.

Iowa has lost a great advocate and a loyal son, and we have lost a friend. I know that we all extend our deepest sympathies to Betty and the rest of Frosty's family.

There was only one Frosty Schwengels, and he will be missed.●

WIRETAPPING

● Mr. SIMON. Mr. President, recently the Chicago Tribune had a story by Tom Hundley from Cincinnati that is a disquieting story, indeed.

It is a story of wiretapping gone far beyond anything anyone at all concerned with civil liberties could imagine happening in the United States.

I will ask that the Hundley article be inserted in the RECORD.

The Constitution prohibits unreasonable searches and seizures, and it certainly is going far beyond anything those who wrote our Constitution envisioned for people to be listening to conversations.

Even legal wiretapping should be very restrained. We have far too much that is legal. Those who are involved in legal wiretapping, when they retire, too often move on to make a living in illegal wiretapping.

At least, that is the impression that I have from my conversations with a few people.

Is what is described in the article only taking place in Cincinnati?

I hope so, but I doubt it.

The unusual situation of 2 people admitting to setting more than 1,200 illegal wiretaps, including one in the room where former President Gerald Ford visited.

When I was in the State legislature, I was pleased to sponsor a bill that would dramatically curb wiretapping in Illinois. I'm pleased to say that the chief sponsor of that legislation was Representative Jeanne Hurley, who has been my wife now for almost 29 years. That law is still largely intact in Illinois.

I am writing to the Government Accounting Office [GAO] requesting any information they may have as to how common what has apparently taken place in Cincinnati is. I'm also writing to Attorney General Richard Thornburgh requesting the same information.

I am sending a copy of this article to the chairman of the Senate Judiciary Committee, asking him to join me in requesting the GAO study on this and to look into the possibility of hearings on this subject after we hear from the GAO.

I ask that the article be printed in the RECORD.

The article follows:

TAPPING INTO A SCANDAL—FIRED WORKERS SAY CINCINNATI BELL, POLICE BUGGED LINES

(By Tom Hundley)

CINCINNATI.—The Pete Rose gambling affair isn't the only story that has Cincinnatians scratching their heads these days.

In what some have dubbed the "reach out and tap someone" scandal, two former telephone installers for Cincinnati Bell claim they set more than 1,200 illegal wiretaps from 1972 to 1984 on orders from city police and phone company supervisors.

Among the alleged targets of the snooping: past and present members of Congress, federal judges, scores of the city's most prominent politicians, business executives, lawyers and media personalities.

Leonard Gates and Robert Draise say they even tapped the hotel room where then-President Gerald Ford stayed during two visits to Cincinnati, a tale substantially corroborated by the hotel's retired security chief.

Newspaper accounts have given Cincinnatians a disquieting inside look at a Police Department that apparently spied on itself, and at a grand jury probe that has prompted one former FBI official to suggest that the Justice Department seems more interested in discrediting the accusers than in seeking the truth.

The phone company says Gates and Draise are just trying to get even with the company for firing them. But disclosures thus far suggest there is at least some truth in what the two are saying.

The men portray themselves as mere foot soldiers in the alleged conspiracy who never paused to question the motives behind the wholesale wiretapping.

But their allegations have raised concerns about possible stock manipulations, industrial espionage and political blackmail. Gates and Draise say they tapped phone lines at the Cincinnati Stock Exchange and at General Electric's aircraft engine plant in suburban Evendale.

A federal grand jury began looking into the case last September, but so far no indictments have been returned. The city has hired a private detective to conduct its own investigation. And four alleged targets of the wiretapping have brought a class-action suit against the city and the phone company.

The phone company is fighting back with a libel suit against Gates and Draise, who, in turn, have countersued Cincinnati Bell. The company also has gone public with the unseemly details of an extramarital affair by Gates.

The conspiracy began in 1972, according to Draise, when he was approached by a Cincinnati police sergeant who said he was from the department's clandestine intelligence unit. The sergeant wanted him to tap the lines of black militants and suspected drug dealers, Draise said.

The officer assured him that the wiretapping would be legal, and that top phone company officials had approved, Draise said. He agreed and suggested the recruitment of Gates, a co-worker. Soon the two were setting several wiretaps a week at the request of their police handlers, he said.

But in the mid-'70s, the direction and scope of the operation changed, according to Draise and Gates. The wiretap requests no longer came from the police; instead, they came directly from James West and Peter Gabor, supervisors in Cincinnati Bell's security department, Draise and Gates say.

And the targets no longer were criminal elements; instead, Draise and Gates say they were asked to tap the lines of politicians, business executives and police officers.

Draise said he "began to have doubts about the whole thing in 1979" when he was asked to tap the phone of a newspaper columnist. "I told them I'm not gonna do this anymore," he said last week.

Gates said he got cold feet in 1984 when West asked him to tap the phone lines connected to GE's computers at the Evendale plant.

"This is a fantasy of two renegades, both of whom we fired for good cause and who seek retribution," said Dwight Hibbard, Cincinnati Bell's chairman.

Indeed, Draise was fired in 1979, after he pleaded guilty to a misdemeanor in connection with an unauthorized wiretap—which Draise says he set for a friend who wanted to listen in on his girlfriend's conversations.

Gates was fired in 1986 for insubordination. He claims the company was retaliating against him for taking the side of two employees who sued the company for sexual harassment, but his firing was upheld in court.

The scandal began to unfold last August when Gates and Draise took their story to the Mt. Washington Press, a fiesty suburban weekly.

At first, police denied the existence of the intelligence unit. Later, when called before the grand jury, five retired officers, including the former chief, took the 5th Amendment. But last month, the five issued a statement admitting to 12 illegal wiretaps from 1972 to 1974.

Evidence of a much larger wiretapping scheme began to mount when Howard Lucas, the former security chief of Stouffer's Hotel in Cincinnati, recalled a 1975 incident in which he stopped Gates, West and several police officers from going into the hotel's phone room about a month before a visit by President Ford.

Two days later, Lucas found a voice activated recorder and wiretapping equipment in the locked room. He said he told the Police Department and the phone company about the equipment, "but I couldn't get anybody to claim it, so I just threw it in the dumpster."

The allegations of industrial espionage prompted GE executives to meet with Draise and Gates. According to Draise, GE counsel David Kindleberger expressed astonishment when told the extent of the tapping at the plant and linked it to the apparent loss of proprietary information to Pratt & Whitney, a competing manufacturer of aircraft engines.

Kindleberger, through a GE spokesman, now says he never discussed Pratt & Whitney or any competitive situation with Draise, but an attorney who sat in on the meeting supports Draise's version.●

NATIONAL RECYCLING MONTH

● Mr. CHAFEE. Mr. President, on April 5 the Senate unanimously approved Senate Joint Resolution 61, a joint resolution I introduced designating April as National Recycling Month. The passage of this joint resolution signifies our recognition of the importance of recycling in reducing the waste generated by Americans.

I was pleased to learn that the President has shown a significant interest in my joint resolution. I understand that President Bush is planning to issue a proclamation in commemoration of National Recycling Month.

Recycling is a concept whose time has come. We are facing a crises in solid waste management in the United States. A few simple facts and figures serve well to illustrate the magnitude of the problem.

Each year, the United States generates about 160 million tons of solid waste—almost twice the amount generated 20 years ago. If this trend continues, the United States will be generating annually almost 200 million tons by the year 2000. Towns and cities in my home State, and across the Nation, are realizing that many of their city dumps will be full, and forced to close their gates in just a few short years. They have good reason to be concerned. Since 1970 the number of landfills accepting solid waste has reduced dramatically—from almost 30,000 to only 6,000. It has become virtually impossible to establish any new landfill sites due to both the rising value of land and real estate and what I call the "not in my backyard syndrome."

In the coming weeks, Senator BAUCUS and I will introduce legislation to establish a national policy for dealing with municipal solid waste, emphasizing the importance of recycling of waste.

A successful U.S. recycling effort will require the cooperation of every citizen. To encourage that cooperation we must increase awareness among Americans about the benefit and importance of recycling, through public education. Reducing the amount of household garbage we generate poses the most difficult of public policy problems: changing human habits. The purpose of designating April as National Recycling Month is to make people aware that their actions do have a critical impact on reducing the amount of garbage entering the waste stream. All of us must understand that our garbage does not disappear when a sanitation worker loads it into a truck. Our society must be made aware that there are very real costs, both financial and environmental, associated with the continued proliferation of municipal garbage.

How can consumers contribute to the total reduction of garbage entering the solid waste stream? There are two concrete actions they can take. First, to show a preference for store items which can be recycled, and which do not use an excessive amount of packaging. Consumers must be made aware that there is an additional price to be paid for the 16 billion disposable diapers, the 2 billion disposable razors, 1.6 billion pens, and 220 million tires discarded each year. By some accounts up to 40 percent of all household garbage is packaging. In 1985, consumers paid $29 billion for food packaging, a cost exceeding the total price paid to farmers for the contents of those packages. Consumers can reduce waste by using goods that are durable and reusable, such as ceramic plates instead of paper plates; by reusing microwave serving plates; and by using a diaper service, which in most cases is competitive with the cost of disposable diapers; by composting yard wastes such as leaves; and by repairing, instead of disposing of, broken home appliances.

Second, all Americans can learn about and practice sound disposal methods at an early age, so that by adulthood those practices will be automatic. The primary reason we have selected April as National Recycling Month is to provide schools with an opportunity to organize appropriate educational activities to promote recycling activities before the summer recess. I hope that my colleagues will encourage schools in their states to observe recycling month with such activities.

The designation of April as National Recycling Month will be a success if more Americans are made aware that their personal handling of recyclable waste can save energy, improve our ability to store or treat waste, and protect the environment. I hope all of my colleagues will work with their home States to promote National Recycling Month.●

HIGHER EDUCATION: THE REAL CRISIS

● Mr. SIMON. Mr. President, I would like to submit an article by the distinguished president of Columbia University, Michael I. Sovern, titled "Higher Education: The Real Crisis."

Mr. Sovern is on the frontline of the struggle to improve the availability and quality of higher education in the United States. His article explores several important issues. There are clearly some issues that we, as legislators, cannot answer directly with legislative solutions. However, we can do more. We can do more to improve our schools. We can do more to make teaching a respected profession and to pay teachers as professionals. We can do more to improve our facilities and to preserve important academic and literary documents from decay. We can do more to encourge young Americans to pursue higher education through increasing the availability of student financial aid, including grants and work-study programs.

Mr. President, Michael Sovern is doing more. I would like to recognize his contributions and commitment to education.

I ask that a copy of "Higher Education: The Real Crisis" be printed in the RECORD.

The article follows:

[From the New York Times Magazine, Jan. 22, 1989]

HIGHER EDUCATION: THE REAL CRISIS

(By Michael I. Sovern)

On the afternoon of May 18, 1988, Commencement Day at Columbia University, more than 25,000 people—including 7,000 degree candidates and their families—sat outdoors beneath a driving rain, wondering what would happen to the graduation exercises.

Watching the torrential skies from the podium, I was moved to announce that in my hand was an important, if somewhat dampened, commencement address, but I would not inflict it on anyone in this weather. Not surprisingly, the crown cheered wildly. To shorten the ceremony further, I asked the deans of the university's schools and colleges to stand together and confer their degrees all at once, dispensing with the traditional school-by-school ritual. This time, the graduates booed.

It was strong evidence that the young men and women graduating today from our institutions of higher learning are as proud as ever of their academic achievements. The message that never got delivered was a warning that the next generation might not be so lucky. In my address, I would have told the audience that American young may soon be deprived of what has long been recognized as the best higher education in the world. This sector of the economy—currently educating more than 12.5 million people and employing 2 million more, including a large number of the world's Nobel Prize-winners—still surpasses the foreign competition. But I am convinced that it will be irreversibly damaged unless Congress and President Bush—whose campaign included a promise to be the "education President"—act promptly.

A unique blend of public and private effort, higher education is so much a part of our national life that most Americans take its excellence for granted. Few are aware of the grave danger of decline posed by the aging of the nation's professors. By the year 2000, many of our great teachers will have retired, and too many of those with the potential to become great teachers will have been lured into far more lucrative careers in business and the professions.

A generation ago, many students graduating at the heads of their class were convinced that an academic career represented their finest opportunity. When I graduated from Columbia Law School in 1955 and accepted an invitation to become an assistant professor of law, I considered myself very lucky. Not only would I fulfill my deepest aspirations, I would enjoy the prestige of a highly respected profession and, believe it or not, make more money than those who took an entry-level job at a major law firm. Throughout the 50's and well into the 60's, Columbia's most sought-after graduates frequently chose law faculties over law firms.

The world of the 1980's is vastly different. My son commanded a higher salary when he began at a prestigious law firm than I did when I became dean of the law school. When he later opted for an academic career, he took a one-third cut in pay. Many of his contemporaries have been unwilling to make that choice. As I looked out over the sea of faces on that rainy Commencement Day, I wondered how many of those graduates we were losing as future faculty members. I recalled a party for first-year law students some years back. Chatting with a quartet of bright freshmen, I was astonished to discover that all four were Ph.D.'s. Indeed, three had been assistant professors of humanities. They had come to the conclusion late, but they were not unusual: for them, the practice of law held brighter prospects than a life in the university.

I could multiply these instances by the dozen at Columbia alone; nationally there are thousands, those very thousands we need to replace our maturing faculty. At Columbia, nearly half of the tenured professors in the arts and sciences will retire in the 1990's. Colleges and universities all over the country are facing a massive wave of retirements.

This is the real threat our universities face—not the intellectual decay that highly publicized critics allege is being fomented by new curricula. Prof. Allan Bloom of the University of Chicago, author of the provocative book, "The Closing of the American Mind," laments the passing of traditional general education—a report of our death which is, as Mark Twain would say, greatly exaggerated. In his obituary, Professor Bloom writes, "Those great universities—which can split the atom, find cures for the most terrible diseases, conduct surveys of whole populations and produce massive dictionaries of lost languages—cannot generate a modest program of general education for undergraduate students."

This is simply not true. A number of institutions—like my own—never abandoned their core curricula. Lionel Trilling stated Columbia's academic creed when he insisted that a student "must experience and understand . . . a certain minimum of our intellectual and spiritual tradition . . . to be called educated." Not all colleges found the courage and vision to sustain that idea during

the assault on curricula in the 1960's. But some did, and others have been returning to the fold.

Professor Bloom's polemic is tardy, more appropriately addressed to higher education 20 years ago than to the colleges of today. He is also a victim of the "golden age" fallacy. There may have been a time when our nation's institutions of higher learning did a better job than they do now, but I doubt it, especially when we consider that the number of students being served has risen 10-fold in our lifetime, five-fold since World War II. Diversity is an inescapable consequence—in my view a healthy one.

Before the war, one out of every 10 young Americans sought a college degree. Today, more than half do. Federal aid to students, beginning with the G.I. Bill of Rights in 1944, has been a crucial factor in this development. Tuition and living-expense benefits were also made available to veterans of the Korean War. The launching of Sputniks I and II in the fall of 1957 led the following year to the National Defense Education Act, proposed by President Eisenhower, directing Federal loans and graduate fellowships to students in the sciences.

The landmark Higher Education Act of 1965, a mainstay of President Johnson's Great Society programs, put in place the three major elements of student aid—grants, loans and work-study. Military service and subject areas linked to national defense were no longer criteria. Federal aid was available to anyone with financial need who wished to pursue higher education.

In 1971, Rhode Island Senator Claiborne Pell introduced legislation, developed by the White House and Congress, for what became known as "Pell grants," broadening access to college and other post-secondary education. Student aid's last growth phase was nurtured by the Middle Income Student Assistance Act of 1978, liberalizing eligibility for Pell grants and guaranteed student loans.

An abrupt new era of austerity in Federal education policy was ushered in with the change of Administrations in 1981. Benefits to college-age dependents under Social Security were eliminated and student grant and loan eligibility was slashed. By 1987, the purchasing power of Federal student aid had been cut by nearly 18 percent. The maximum Pell grant, which paid for about half of private college tuition when first enacted, today covers no more than 30 percent. Roughly half of all Federal aid to students is now in the form of loans, raising important questions for career choice and the financing of graduate education.

The problems we face are rooted in a seldom-discussed phenomenon of the 1960's—the post-Sputnik boom, when our universities granted tenure to thousands of young professors. As a result, a bumper crop of Ph.D's in the 1970's found an inhospitable marketplace: the faculty jobs they sought were filled and would stay filled until the waning days of the century. Seeing their fate, many of our most promising young people went to professional schools in pursuit of other careers. Many, if not most, of a generation of top scholars were lost forever to our colleges and universities. The pattern has been particularly marked in the humanities and the social sciences. Engineering education is also threatened, not because teaching jobs have been hard to get, but because the needs of industry are so great that companies have been willing to pay what it takes to attract many of the best young engineers away from an academic career.

What will happen now? As more faculty vacancies occur, and competition for the most talented graduate students intensifies, relatively few universities will be able to replenish their academic strength. The fate of the remainder—the majority of America's institutions of higher learning, including many important universities—is in doubt. If they are forced to grant tenure to the second-rate, the downward spiral could become irreversible. Many institutions will have little choice: even as the supply of talent dwindles, the demand for college teachers will boom. In the mid-90's, we will enter a period of sustained increase in the number of 18-year-olds. Applications to colleges will soar.

High-quality graduate education is very costly to provide. The actual charges to students come nowhere near covering the costs, but tuition is still a formidable burden for any recent college graduate. To earn a Ph.D. at an independent university costs considerably more than $100,000 for tution and living expenses. The choices for potential Ph.D. candidates are clear: Go to work at once, go to law or business school and earn a high salary in a few years, or spend a longer time earning a Ph.D. to earn less as a professor. It is remarkable that over the years so many people have made that last choice, but fewer of the best have been making it lately.

Those who do enter the academy may be disappointed by what they find. The role of our research universities as world centers of excellence, engines of our national high-technology enterprise, is threatened by the decay of physical facilities as well as by the loss of faculty and students to other careers. Washington University in St. Louis estimates its basic renovation and modernization needs at a cost of $150 million. Vanderbilt University reports a maintenance backlog of $132 million.

Almost three years ago, the White House Science Council's Panel on the Health of the United States Colleges and Universities cited the "aging facilities, obsolete equipment and growing shortages of both faculty and students in many important areas." The panel, headed by David Packard, chairman of the Hewlett-Packard Company, noted that "our universities today simply cannot respond to society's expectations for them or discharge their national responsibilities in research and education without substantially increased support." A small step in the right direction was taken this fall when Congress enacted a new National Science Foundation program for the construction of facilities. But this modest effort only calls attention to the magnitude of the need.

Construction and renovation of university laboratories have not been supported by a Federal program since the 1960's. With new experiments requiring more sophisticated and expensive equipment, Federal funds for instrumentation are woefully insufficient. On our library shelves, millions of books that form the chain of human heritage, linking our past and our future, are slowly being destroyed. The average life of books printed on acid-based paper is less than half a century. Columbia University, where it is estimated that 30 percent of our almost 6 million volumes are in brittle condition, supports one of the most active preservation programs in the country, but the problem is a national one. The National Endowment for the Humanities has proposed a 20-year effort to meet the need, and Congress recently appropriated $12.5 million for this year. Future support is essential if we are to save our great respositories of knowledge for succeeding generations.

Many elements of our society must bear the fiscal responsibility for maintaining excellence and opportunity in higher education—students and their families, states, corporations, foundations and colleges and universities themselves. Students and their families are already called upon to make substantial sacrifices before receiving help. America's institutions of higher learning are doing their share, adding scarce dollars to student aid and intensifying their efforts to insure opportunities for women and minorities. At Columbia, a $25 million gift from John W. Kluge, an alumnus, for minority scholarships will also allow us to forgive a portion of undergraduate loans to Columbia College graduates who later earn a Ph.D. at Columbia or elsewhere. This is a small but important step toward building the ranks of minority teacher-scholars in the nation.

In the weeks ahead, dozens of worthy programs will be considered by the new Bush Administration, only to be rejected on the grounds of fiscal responsibility. I submit that the preservation of American higher education is the very essence of fiscal responsibility, an indispensable investment in our national future.

Without excellence in our colleges and universities, we will damage our prospects for a coherent foreign policy, supported by knowledge of other cultures, that will advance international trade and the cause of world peace. We will lose our lead in the biotechnology race, delay possible solutions to cancer and AIDS, weaken the basic research that has made us the nation we are. And we will dash our hopes for an informed and cultivated citizenry, a vibrant economy, a future rich with promise for our children.

SIX IMPERATIVES FOR THE 1990's

In the next phase of American higher education, extending through the 1990's, the key issues requiring Federal attention will be the education of new faculty, the revitalization of research facilities and opportunities for minorities.

If ever there was a nationwide emergency, seen clearly in advance so that those about to assume power could plan timely action, it is the critical need to recruit the best possible graduate students and prepare them to take the place of their teachers.

I urge President Bush and Congress to take these six steps:

Fund a sufficient number of graduate fellowships—to be awarded on the basis of merit—to assure a flow of the highest-quality faculty to America's campuses. This means a thorough overhauling of the underfunded, poorly administered Title IX program of the Higher Education Act, and greater funding for such efforts as the National Science Foundation graduate fellowships and the new Department of Defense fellowships in science and engineering. To enhance minority opportunity in graduate education, the Federal Graduate and Professional Opportunity Program—which has been severely underfunded and limited mainly to students in engineering, law and the natural sciences—should be made available to more students and expanded to other fields.

Pay the full costs of federally sponsored research, including the costs of instrumentation, libraries and laboratories. This need not entail an overall increase in research funding. A modest shift from applied defense research to basic research would be

more productive in general, strengthening our economy and yielding advances that could have a civilian as well as a military purpose.

Establish a long-term program to repair the damage to the physical plant that has already occurred and prevent further erosion.

Restore the real dollar value of Pell grants, work-study and related programs so that the American dream of attending the best possible college is once again within the reach of every high school senior who possesses the requisite talent and commitment.

See that the tax laws serve, not subvert, the national interest in education and research. Recent tax amendments do serious harm to higher education while yielding only modest revenues—e.g., taxing employees when the companies that employ them pay their tuition for graduate school. Others discriminate against independent institutions and diminish traditional incentives for private support of higher education.

Promote the newly authorized Federal education savings bonds—the interest on which would be tax-free when used for the payment of college tuition, thus encouraging national saving and helping families meet the cost of higher education. Since these bonds could carry a lower interest rate than other United States bonds, the savings in government interest costs would cover some of the revenue loss attributable to the tax-exempt feature.

All six of the proposals I have outlined above—affecting graduate fellowships, research, facilities and instrumentation, undergraduate aid, tax policy and savings bonds—together would cost only a fraction of 1 percent of the Federal budget. They would repay that investment many times over, strengthening our nation's most fundamentally productive asset—an enterprise that pays immense dividends in knowledge, technology and, above all, in the people who lead America to greatness.—M.I.S.●

COMMUNITY CARE OPTIONS ACT

● Mr. SIMON. Mr. President, I am honored to be an original cosponsor of the Medicaid Home and Community Care Options Act with my distinguished colleague, Senator ROCKEFELLER.

This is an important step in the continuing fight for comprehensive long term health care for all Americans.

There are only two countries in the industrialized world that do not provide care for it's older citizens; South Africa and the United States. I know we can do better.

Too many older Americans are forced into institutionalized care. Too often older Americans are denied the dignity and comfort of being able to stay at home. A typical example is an older women who is getting frail, whose husband suffers a stroke and no longer can bathe himself. She is too weak to help him. Their children live thousands of miles away and they don't know what to do. They worry about their mother's health as well as their father's well being. Finally, they send him to a nursing home. Where do they turn?

They are not ill. They do not need medical attention. Yet, they are forced into a nursing home because there is no other option.

This bill would allow more older Americans to stay at home and keep their independence. An independence they deserve and cherish.

I am proud to be apart of this much needed bill.●

JACKSON-VANIK AMENDMENT/ REMARKS BY HELEN JACKSON

● Mr. DECONCINI. Mr. President, the ongoing debate surrounding the question of a Jackson-Vanik waiver is intensifying as the administration and the Congress wrestle with the issue of how to respond to Mr. Gorbachev's reform initiatives. In light of this, the remarks made recently by Helen Jackson, wife of the late Senator Jackson one of the authors of the Jackson-Vanik amendment, seem particularly appropriate. Mrs. Jackson contends that the Jackson-Vanik amendment has played an important role in exercising the leverage it was designed to exert; namely, the expansion of commercial relations with the Soviet Union is contingent upon that country's willingness to implement as national policy the right of the individual Soviet citizen to emigrate.

Mr. President, many believe the Jackson-Vanik amendment has not been successful. They point to the precipitous drop in emigration numbers—until recently—since the amendment was adopted in 1974. The other side of the argument, however, makes a strong case for the amendment's efficacy. It is, as Mrs. Jackson observes, "at the heart of the ongoing bargaining with Moscow for freer emigration." It is a point of leverage now more than ever.

The Soviet Union is in the midst of a severe economic crisis. The application of western technology in several domestic Soviet industry sectors and the resulting revenues from hard currency exports to the West, which expanded trade with the Soviet Union would presumably generate, are seen as key components to a successful economic solution to Mr. Gorbachev's troubles. The Jackson-Vanik amandment has acted as a strong reminder to the Soviet leadership that access to our domestic market through the liberalized tariff schedule which most-favored-nation [MFN] status would give them will not come without an institutionalized implementation of the individual's right to emigrate.

The underlying nature of Mr. Gorbachev's crisis is not just economic, however. It is indicative of a broader, systemic failure in the Kremlin's traditional philosophy of government. It goes to heart of what the Helsinki accords were designed to address. Agreed to in 1975 by the United States, Canada, the Soviet Union and 32 Other West and East European nations, the accords are based on the principle that trust among nations comes primarily from the degree of trust which exists between each country's citizens and those who govern them. The accords speak to the right of the individual to expect that certain basic freedoms will be honored in practice as well as on paper. The right to emigrate is, as Senator Jackson said, "the touchstone of human rights, the lifesaving liberty of last resort."

Yes, emigration numbers in the Soviet Union have risen dramatically. But is the right of each Soviet citizen to emigrate being honored and implemented as national policy? The answer regretably is no. Soviet citizens are still subjected to an arbitrary emigration policy which, absent the protection of institutional safeguards, could be reversed at any moment. Restrictions such as a regulation which requires would be emigres to be sponsored by a first degree relative in the West is currently the rule of law. This stricture immediately eliminates thousands from even applying. The refusenik community, those who have applied to emigrate but have been denied permission, still numbers far too many. And, we understand that the much-touted reforms in emigration law will not be published this spring as expected. In fact, according to a recent conversation with Arkady Vaxberg, a well-known member of Moscow's liberal intelligentsia, the only probable change in emigration law this year will be to allow members of national minorities with first degree relatives in the West to emigrate.

This is not reform, Mr. President. It is business as usual. Until we see emigration laws which truly reflect on paper and in practice compliance by the Soviet Union with its Helsinki obligations, it would be a betrayal of those whose cause we have been supporting for so many years to release one of the few remaining instruments of leverage we have. A Jackson-Vanik waiver depends on how the Soviet leadership reforms its policy, not on whether we in the United States intend to change ours.

Mrs. Jackson speaks eloquently to these concerns and I respectfully ask that her remarks be reprinted, at this point, in the RECORD.

The remarks follow:

REMARKS BY HELEN JACKSON, JEWISH FEDERATION'S BUSINESS AND PROFESSIONAL FORUM

Not surprisingly, the Jackson-Vanik amendment is again becoming a "hot topic." I believe my husband would have enjoyed this. The amendment is just where he hoped it would be: at the heart of ongoing bargaining with Moscow for freer emigration.

Perhaps as much as any member of Congress in his time, he saw the preservation

and nurturing of human rights as a central obligation of the United States. His flag and standard was the Universal Declaration of Human Rights. And of all the individual freedoms affirmed in the Declaration, none was more fundamental to him than the right to emigrate. He called the right to emigrate the "touchstone of human rights, the life-saving liberty of last resort."

While championing respect for human rights as a national obligation, my husband was always enormously sensitive to the particular individuals struggling for freedom—Andrei Sakharov, his wife Elena Bonner; refuseniks Alexander Lemer, Vladimir Slepak, and Professor Naum Meiman; the Baptist pastor Georgi Vins; Ida Nudel, inspiration to countless prisoners of conscience; Simas Kudirka, who didn't make it on his first jump to freedom; Valery and Galina Panof, denied the chance to dance; the poet Huber Matos, imprisoned in Cuba and so on.

By the late 1960s my husband had been deeply moved by the courage and heroism of the many hundreds behind the Iron Curtain who were prepared to risk everything to gain freedom in Israel and the West. Then, in 1972, the Kremlin instituted the notorious "education tax" designed to further curtail and deter emigration efforts—particularly Jewish emigration. That was, for Scoop, the last straw.

At about this same time, the Nixon-Kissinger Administration was seeking legislation from Congress that would make the Soviets eligible for most-favored-nation tariff treatment and subsidized U.S. government lending. Scoop saw the opportunity and seized it. He initiated his amendment which would allow the granting of these concessions to the Soviet Union and other nonmarket countries only if they showed respect for the right of citizens to emigrate. The Jackson-Vanik amendment does not affect trade on a pay-as-you-go basis. And it applies to Jews, Christians and others without discrimination on the basis of race, religion or national origin.

It took an historic two-year struggle to secure passage of the amendment. Finally, in the fall of 1974 the Congress and the Administration reached a compromise. In exchange for explicit Soviet assurance for freer emigration—reported to the Congress by letter and in testimony by Secretary of State Kissinger and confirmed by President Ford—provision was made for a Presidential waiver of the amendment. A President was authorized to grant a waiver, annually subject to congressional approval, if he reports to Congress that he has determined such waiver will substantially promote the objective of free emigration, and that he has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of free emigration.

The amendment then became the law of the land by overwhelming votes.

In January 1985, the Soviets renounced the trade agreement with the United States of which the provision of MFN was to be a part and withdrew from the assurances that had been conveyed to the congress by Secretary Kissinger. The Soviets have never given an explanation for this abrupt reversal.

Today they remain ineligible for U.S. trade benefits and special subsidies unless the President meets the conditions of Jackson-Vanik, including reporting to Congress that Moscow has provided the requisite assurances to permit freer emigration in the future.

The Jackson-Vanik amendment has had important success. Moscow backed away and shelved its infamous "education tax;" tens of thousands of Jews and many non-Jews have gained their freedom in Israel and other Western countries in no small part because of the amendment; the stage was set for the inclusion of freedom of emigration and other human rights provisions in the Helsinki Final Act; successive U.S.-Soviets summit meetings have been impelled to put the issue of freedom of emigration on the agenda; Moscow has discovered that improvements in U.S.-Soviet relations cannot be made without a change in its approach to freer emigration and other fundamental rights.

We are now in the early years of Mikhail Gorbachev. The Soviet economy is in grave disaray and Gorbachev is seeking help from the West in his efforts at economic reform and recovery. To get help he knows he must alter his image in the West-and that means cleaning up the Soviet human rights record. This situation gives us and our government a great opportunity for substantial successes. The danger is that we and our leaders may fumble the chance.

Gorbachev has gained much attention by allowing the emigration of high-visibility prisoners and well-known refuseniks. The level of emigration is rising over that of recent years. But will the trend continue? And how far will it rise? In comparison with the 400,000 Jews who have made their first step to emigrate, current numbers allowed to emigrate are still small.

And what about the recent Soviet law providing that only those with first-degree relatives living abroad have the right to apply for a visa? In effect this means that of the 400,000 Jews who wish to emigrate more than 90% cannot even apply for a visa.

I see that at a January meeting the governing council of the American Jewish Congress voted to recommend to other ogranizations that they agree to support a waiver of the Jackson Amendment, on the basis of *current* Soviet performance. I also note that Congressman Vanik has proposed the granting of a two-year waiver of Jackson-Vanik, presumably also on the basis of *current* improvements of Soviet practice.

That won't do for me. In fact, the law does *not allow* that. There must be assurances about *future* improvements *first*, conveyed to the congress. And a waiver longer than a year would require amending the law. Opening Jackson-Vanik to modification involves serious risks that changes might be legislated—some might overburden the amendment with issues beyond the right to emigrate; some might delete key provisions and, in effect, emasculate the amendment.

What about the required assurances? That is what we need to focus on.

For one thing, we should challenge the Soviet law which stipulates family reunification as the sole legal base of emigration, in effect, limiting visa applicants to first-degree relatives. In their time and on their watch, Scoop and his colleagues took on the "education tax" and won. Today, the Soviet leaders should receive *no* encouragement that we will settle for less than the abolition of the "family reunification" restriction on visas.

Beyond this, I am glad to see that Natan Sharansky and other leaders in the Jewish community are now proposing that the Soviet put strict legal and administrative procedures in place, such as establishing a short time frame for the handling of applications to emigrate and providing the opportunity for legal appeal in the cases of refusal on security grounds.

In short, we should use the opportunity given by Jackson-Vanik to help fashion a set of assurances, to be negotiated by the Administration with Moscow, comparable in significance to the 1974 assurances for freer emigration. These were, after all, the precondition for Congressional assert to the waiver provision in the first place. It would now be a grave mistake to settle for less than the Jackson-Vanik Amendment requires—and less than it was possible to negotiate fifteen years ago.

In 1986, Natan Sharansky came to the Capitol in Washington, D.C. Appearing before a congressional committee, he said, "Experience has taught the Jews of the Soviet-Union—has taught me while I was in the camps struggling against the KGE, that lesser demands and fewer expectations lead to a situation where our aggressors feel that they should be rewarded for cosmetic concessions."

The challenge for all of us is clear. In the days ahead we must see to it that Congress and the Administration do not reward Mikhail Gorbachev for cosmetic concessions. They must not only maintain the integrity of the Jackson amendment; they should be persuaded to use it faithfully and wisely for futher success in the cause of individual liberty.●

RULES OF THE COMMITTEE ON THE BUDGET

● Mr. SASSER. Mr. President, pursuant to rule XXVI(2) of the Standing Rules of the Senate, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on the Budget for the 101st Congress as adopted by the committee this morning.

The rules follow:

RULES OF THE COMMITTEE ON THE BUDGET
101ST CONGRESS

I. MEETINGS

(1) The Committee shall hold its regular meeting on the first Thursday of each month. Additional meetings may be called by the chairman as he deems necessary to expedite committee business.

(2) Each meeting of the Committee on the Budget of the Senate, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee determines by record vote in open session of a majority of the members of the committee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(b) will relate solely to matters of the committee staff personnel or internal staff management or procedure;

(c) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the inves-

tigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

(e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(i) an act of Congress requires the information to be kept confidential by Government officers and employees; or

(ii) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

II. QUORUMS

(1) Except as provided in paragraphs (2) and (3) of this section, a quorum for the transaction of committee business shall consiste of not less than one-third of the membership of the entire committee: *Provided,* That proxies shall not be counted in making a quorum.

(2) A majority of the committee shall constitute a quorum for reporting budget resolutions, legislative measures or recommendations: *Provided,* That proxies shall not be counted in making a quorum.

(3) For the purpose of taking sworn or unsworn testimony, a quorum of the committee shall consist of one Senator.

III. PROXIES

When a record vote is taken in the committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may vote by proxy if the absent member has been informed of the matter on which the vote is being recorded and has affirmatively requested to be so recorded; except that no member may vote by proxy during the deliberations on Budget Resolutions.

IV. HEARINGS AND HEARING PROCEDURES

(1) The committee shall make public announcement of the date, place, time, and subject matter of any hearing to be conducted on any measure or matter at least 1 week in advance of such hearing, unless the chairman and ranking minority member determine that there is good cause to begin such hearing at an earlier date.

(2) A witness appearing before the committee shall file a written statement of his proposed testimony at least 1 day prior to his appearance, unless the requirement is waived by the chairman and the ranking minority member, following their determination that there is good cause for the failure of compliance.

V. COMMITTEE REPORTS

(1) When the committee has ordered a measure or recommendation reported, following final action, the report thereon shall be filed in the Senate at the earliest practicable time.

(2) A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the chief clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusions shall be noted on the cover of the report. In the absence of timely notice, the committee report may be filed and printed immediately without such views.●

THE HONORABLE WILFRED L. EBEL

● Mr. DECONCINI. Mr. President, the efforts of American veterans have molded the free world into a place where we can enjoy freedom and liberty. I have long believed that we Americans fail to recognize the benefits flowing from the sacrifices of our veterans. In an attempt to recognize those sacrifices, I have always striven to provide American veterans with the quality facilities and services that they need and deserve.

This is a hallmark year for Arizona veterans. We look forward to the construction and renovation of several VA facilities. We recently broke ground on an $11.1 million domiciliary; we will finish a $6 million 60-bed nursing home next month in Prescott; and we gained additional money to assure the on-time construction of a $6.573 million 120-bed nursing home in Tucson. In addition, we are presently in the design phase of a $60 million bed-addition to the VA Medical Center in Tucson. As always, I will continue to work hard to protect the interests of Arizona veterans.

Not only must we care for veterans during their lives, but we must also care for them in their final rest as heroes in the hallowed grounds of a national cemetery. Last Saturday, we Arizonans celebrated the introduction of the Arizona Veterans Memorial Cemetery into the U.S. Department of Veterans' Affairs National Cemetery System. The landmark ceremonies culminated years of effort to achieve the objective of creating a national cemetery at this beautiful site. When I looked across the grounds of the cemetery, I was reminded of the many times that I have been there to honor the brave men and women who served our country with courage, devotion, and unsurpassed loyalty to the American ideals of freedom and justice. I remembered the dedication and lighting of the eternal flame which still burns brightly in memory of the heroes who rest there. The introduction of the Arizona Veterans Memorial Cemetery into the VA National Cemetery System indeed culminated the collective dream to memorialize those heroes.

This landmark event brought to mind the devotion of the Honorable Wilfred L. Ebel, Chief Memorial Affairs Director for the Veterans' Administration in Washington, DC. Director Ebel has prioritized the creation and expansion of cemetery facilities for veterans in an effort to make the national cemeteries "places to rejoice as much as to grieve."

In remembrance of the veterans who died in World War II, Mr. Ebel addressed the Pearl Harbor Survivors Association at the U.S.S. *Arizona* Anchor, Bolin Plaza, in Phoenix, AZ, on a very notorious day in American history: December 7, 1988. That day marked the 47th anniversary of Pearl Harbor Day, the day that Franklin Delano Roosevelt referred to as "a date which will live in infamy." In his address, Mr. Ebel reminded us of the 2,000 victims that died that day, and of our need to keep the same faith in them that they had in our country. We as a nation must never forget the sacrifice that all veterans have made for us, that we might share in the liberty and freedom that make this Nation the great bulwark of the free world. Like Mr. Ebel, I am a strong supporter of the elevation of the VA to a Cabinet-level department. In his address, Mr. Ebel presented the challenge to all Americans to fulfill their responsibilities to America's veterans as a matter of professional pride and personal honor. This Senator accepts Mr. Ebel's challenge and pledges continued support of veterans.

Mr. Ebel delivered a powerful message that deserves the attention and recognition of not only veterans, but lawmakers and the entire public. For that reason, I ask that his speech be entered at this point in the CONGRESSIONAL RECORD.

The remarks follow:

THE WORLD WAS FOREVER CHANGED THAT DAY

(By Wilfred L. Ebel)

It's a special privilege to pay tribute to Pearl Harbor survivors. Through your heroic performance a great cause was served.

On December 7, 1941, without warning, all hell broke loose. By the time the sun set that catastrophic Sunday, many of you had experienced the worst day of your life—and over 2,000 of your comrades had experienced the last day of their life.

The world was forever changed that day. I'm struck with awe by what it must have been like for you to personally witness our nation's being thrust into war. I wonder if anyone here was on board the USS Destroyer Ward when it fired the first American shots of World War II.

"The terrible loss of life, ships and planes at Pearl Harbor galvanized the American spirit and purpose in a national determination to fight."

The next day President Franklin Roosevelt told Congress "with confidence in our Armed Forces, with the unbounded determination of our people, we will gain the inevitable triumph, so help us God."

The terrible loss of life, ships and planes at Pearl Harbor galvanized the American spirit and purpose in a national determination to fight. We were quickly on the offensive, following the formula that Admiral William Halsey was to give for waging war: "Hit hard, Hit fast. Hit often."

President Roosevelt's confidence in you and your buddies in uniform was rewarded. The very same flag that flew over Pearl Harbor on Dec. 7, 1941, was flying over the White House when the enemy accepted surrender terms on Aug. 14, 1945.

The unit of purpose that made our forces victorious was part of the same American strength that has produced war heroes from the nation's earliest days. After all, this country was founded, and its ideas pre-

served, by young men and women who gave back to their country some of what this nation had given them, so that all of us and generations to come can enjoy the liberty and bounty of America.

"Being prepared for defense has as much to do with how we treat those who already have served. . . ."

American fighting men have always given their best. American history is what it is because these young Americans kept faith with their country. Now it's up to us to keep faith with them.

Being prepared for defense has as much to do with how we treat those who already have served as how we treat those we would recruit in the future. For it would be unthinkable to ask Americans to risk their lives for their country without being able to assure them that their country will be ready to do the same for them.

Starting next March, a person who speaks for all veterans will sit at the President's table with the other cabinet members of our government. Veterans' voices will be heard. And that's crucial in today's America. Because the longer we enjoy our peace, the harder it is to remember on what—and with whom it rests.

We must ensure, as America grows away from thoughts of war and, hopefully, into a future of peace, that the voice of Americans who were there when they had to be, will be heard at the highest level.

The elevation of the VA to a Cabinet department is an important step toward keeping this country's commitments to generations of America's veterans.

One of those commitments is to provide a forever hallowed resting place for them among their comrades. In the VA National Cemetery System we have a commitment to preserve and perfect our national shrines into perpetuity to maintain the tradition begun in 1862 with President Lincoln's signing legislation to create this burial privilege. To do it with dignity and compassion.

"We pledge to continue to fill our responsibilities to America's veterans as a matter of pride and personal honor."

In VA we have the challenge of developing new facilities in regions that will serve the most veterans. We expect to open a new veterans cemetery in Northern California in 1991. Congress has asked VA to look at properties available for national cemetery development in Chicago, Cleveland, Seattle, and Albany, N.Y.—four areas with large veteran population but no national cemetery close by. We are working with community groups in other cities to try to expand certain facilities that would otherwise close very soon.

Our goal is to make our national cemeteries places to rejoice as much as to grieve, places for the living as much as for the deceased. This is important not only because it's a bond with our future, between the veteran, the next-of-kin and the government that called the citizen to arms. We pledge to continue to fill our responsibilities to America's veterans as a matter of professional pride and personal honor.

Those of you who served at Pearl Harbor that fateful day were a diverse group. You came from differing backgrounds, differing walks of life, differing political viewpoints. But you were united in one respect—your love of our counry and your willingness to defend it.

Your sacrifices won for us the most precious gift of all—the gift of freedom. America is the land of the free because it is the home of the brave.●

JACKSON-VANIK

● Mr. D'AMATO. Mr. President, I rise to bring to the attention of my colleagues an article written by my good friend and distinguished colleague on the Helsinki Commission, Senator DECONCINI, that appeared in the Wall Street Journal on April 14, 1989. It is entitled, "Don't Waive Jackson-Vanik Yet."

As Chairman of the Helsinki Commission, Senator DECONCINI has rare insight into the tumultuous changes occurring in the Soviet Union. This article is striking in its clear statement of the complex questions regarding Soviet emigration, and in my view could not be more timely. I think other members would benefit from taking the time to study his analysis.

I can add little to his lucid and forthright assessment. Mr. President, I ask that the article be entered into the RECORD, and reprinted in its entirety.

The article follows:

DON'T WAIVE JACKSON-VANIK YET

(By Dennis DeConcini)

The debate over the Jackson-Vanik Amendment, which limits U.S. trade with the Soviet Union because of that country's restrictive emigration practices, illustrates the central question governing U.S. policy toward Soviet reforms. Should the U.S. indicate a good-faith belief in the future of the reforms and, for example, expand trade by exercising an annual waiver of Jackson-Vanik, or should it wait until the right to emigrate becomes Soviet policy by law and in practice?

Recall Mikhail Gorbachev's words after the December 1987 Washington summit: "I must tell you that if one sticks firmly to the facts and does not slip into exaggeration, then it is too early at the moment to speak about a fundamental turning point in our relations. Too early yet."

The events of the past 15 months have not changed the relevance of these words. Although the forces for change that Mr. Gorbachev has set in motion are contributing significantly to the Soviet Union's improving human-rights record, the mix between rhetoric and reality in such areas as emigration does not yet warrant the kind of substantive shift in U.S.-Soviet trade policy that a Jackson-Vanik waiver would signal. The U.S. must be careful to keep in perspective the difference between developing a policy that mirrors the degree of reform actually taking place in the Soviet Union and one that is driven by an impatience to grasp at unconfirmed announcements made by the Kremlin.

Glasnost and *perestroika* are still in an experimental stage. If the U.S. acts prematurely and thereby assigns them a definitiveness the facts do not yet substantiate, there is a risk of inflating expectations in the West as well as in the East. This is not a prescription for lasting, fundamental change in East-West relations; it is a possible prelude to an even greater disillusionment than that which existed in the chilling years of Mr. Gorbachev's predecessors.

In any serious discussion of a Jackson-Vanik waiver, it is important to keep in mind that this legislation is aimed at eliciting changes in Soviet emigration policy as well as a quantitative increase in emigration levels. Here's a rundown of recent progress on that score:

In 1988 the number of Soviet emigrants jumped to 79,845 from 25,939 in 1987 and 1,797 in 1985. The picture is promising for this year, with projections of the number of Jews being allowed to emigrate reaching as high as 35,000 to 40,000. When the number of Jews is combined with Armenians, ethnic Germans, Pentecostals and others, the overall emigration figure could top 100,000. This is an encouraging development, but it is not yet grounded in law. Publication of a draft emigration law, scheduled for spring, reportedly will be delayed until fall as Kremlin policy planners struggle with the realities of drafting and agreeing on substantive reforms.

In January, at the Vienna meeting of the Conference on Security and Cooperation in Europe, the Soviet Union agreed to respect "the right of everyone . . . to leave any country, including his own, and to return to his country." This is the most explicit language yet agreed to by the Soviets with respect to the right to emigrate. Given the Soviet Union's record of unkept promises, it wise to wait at least until a more complete pattern of compliance has emerged. A group of Soviet women refuseniks recently participated in a three-day hunger strike to remind the world that they and thousands of others have not yet benefited from these commitments.

The refuseniks are evidence of an emigration policy that remains arbitrary and unnecessarily restrictive. Take the case of the Emmanuel Lurie family. On Feb. 10, Mr. Lurie was denied permission to emigrate for the ninth consecutive year because he allegedly had access to "state secrets" in a job he held 25 years ago as a junior chemist. Mr. Lurie's work in 1964 was not considered classified at the time, yet it somehow became a threat to national security when he applied to emigrate more than a decade later. Although Soviet authorities may indeed be formulating laws designed to reverse this situation, it is only fair to those who have been waiting years for tangible evidence of this to require proof up front. This places the ball in the Soviet's court, not America's.

Many in the U.S. business community concede that a Jackson-Vanik waiver would be more of a political than an economic boost to U.S. Soviet trade; there aren't many Soviet products competitive enough to export. A Jackson Vanik waiver would not remedy the Soviet Union's economic crisis—a crisis that can be resolved only through tough internal political decisions.

Until Soviet leaders effectively implement policies that will provide for the rapid growth of a desperately needed consumer industry, and until they transfer significant funds from the defense budget to pay for the domestic restructuring—to name just two of the difficult, tasks facing Mr. Gorbachev—U.S. trade with the Soviets will remain fairly static. U.S. economic cooperation will benefit both sides only when it is a response to reform, not a substitute for it.●

VOLUNTEER SERVICE

● Mrs. KASSEBAUM. Mr. President, I take this opportunity to join the Nation in paying tribute this month to the more than 80 million Americans who volunteer their time each year on behalf of others.

President Bush has made volunteer service a cornerstone of his vision for a "kinder, gentler America." At long last, it would seem, America's volunteers are beginning to receive the recognition and encouragement they deserve.

From health care to politics to education, volunteers make quiet, though indepsensible, contributions to America's quality of life. All of us benefit, either directly or indirectly, from the selfless efforts of those who donate their time and talent to nursing homes, schools, libraries, and parks all across the country.

As an example of voluntarism at its best, I would like to highlight the Retired Senior Volunteer Progam [RSVP]. This organization, which coordinates the volunteer efforts of more than 400,000 older Americans nationwide, is notably active in my home State of Kansas.

Each of the 15 local RSVP programs in Kansas designs its own volunteer activities. RSVP volunteers provide services as diverse as hospice counseling and sewing clothes for children of low-income families. In Finney County, just one of the many areas in Kansas served by RSVP, 300 volunteers have donated more than 55,000 hours of community service over the past year.

Woodrow Wilson once wrote that "there is no idea so uplifting as the idea of the service of humanity." Indeed, few endeavors are more worthy of praise than volunteer service. The tireless contributions of volunteers make the world a better place for all of us, and I salute them for it.●

THE CHICAGO ACADEMY FOR THE ARTS

● Mr. DIXON. Mr. President, I rise before you today to commemorate a very special event, a benefit for the J. Daniel O'Connor Academy Alumni Foundation, to be held at the Blackstone Theatre in Chicago, August 18 and 19, 1989. This permanent scholarship will fund students at the Chicago Academy for the Arts, a unique high school for young people exceptionally talented and gifted in the performing and visual arts.

Danny O'Connor, the foundation's namesake, was murdered on March 4, 1989, the victim of an apparent street crime that turned violent. Danny, an alumnus of the Chicago Academy for the Arts and a talented and aspiring actor, had been giving 1,000 percent of his time, energy and soul to the planning of this benefit at the time his life was so tragically ended. Danny, who was passionate about life, wanted so desperately to give something back to the school that had nurtured his talent. Indeed, Danny intended the benefit to be an event where the alumni of the academy would be able to recapture the magic of their blossoming time together as students.

A prebenefit for the J. Daniel O'Connor Academy Alumni Foundation is being held this Sunday, April 23, 1989, on Division Street, Chicago, where Danny worked as a bartender. Butch McGuire's, P.S. Chicago, She-Nanigan's and Mother's will donate proceeds collected between 8 p.m. and midnight to the foundation on behalf of Danny. Division Street was another placed where Danny touched the hearts of so many.

The Chicago Academy for the Arts is one of only a half-dozen high schools in the United States that specialize in the education of young artists. Founded 8 years ago, the academy is an independent, day high school that combines a college preparatory academic program with preprofessional training in visual art, dance, music and theater. Its alumni have made numerous contributions to their fields nationwide.

The academy's curriculum is rigorous and its students are talented and driven. The staff is composed of dedicated professional artists, who, having immersed themselves in their fields, enthusiastically nurture their students' talents. The arts are the lifeblood of the academy. Education is personal and the atmosphere is family-like. The student body is diverse and many walks of life are represented.

Fundraising at the Chicago Academy for the Arts is constant and sometimes disheartening. Tuition stands at $5,500 per year, placing it out of the reach of many families. The academy's facilities are functional, though makeshift, and it has outgrown them; a search for a larger facility is currently taking place.

The previously dormant parish school at old St. Patrick's Church, which has been home to the academy, will be reopened as an elementary school in the near future by the pastor there, Father Jack Wall. The success of the academy housed at old St. Patrick's School, just steps from Sears Tower, has helped to phenomenally transform a former warehouse district with no families or residences into a thriving parish and neighborhood; this transformation has no parallel in the United States.

Needless to say, then, fundraising for the Chicago Academy for the Arts remains a high priority. Future generations of artists are passing through the academy, and the academy needs everyone's help in order to survive and thrive. Many dedicated Chicagoans are committed to the academy and the contribution it continues to make to all; art enriches our lives at every level. So, let us hope that Danny O'Connor's dreams and contributions live on through the Chicago Academy for the Arts and its alumni!●

SUPREME COURT RULES ON SECRECY PLEDGE

● Mr. PRYOR. Mr. President, this morning the Supreme Court reaffirmed Congress' constitutional right to legislate in the area of national security matters, including the control of national security information.

In their ruling, the Court struck down a U.S. district court ruling that granted broad power to the White House on national security policy in a case regarding the use of a controversial secrecy pledge for Federal employees.

In 1987, Congress passed legislation to ban for 1 year the use of a secrecy agreement that had been forced on roughly 1.7 million Federal employees. The secrecy pledge was vague and far reaching and it was feared that the pledge would be used to silence whistleblowers who would otherwise report fraud and abuse in Government to their Representatives in Congress.

Several of us in Congress and the American Foreign Service Association filed suit in Federal district court in 1988 after it became apparent that the CIA, the State Department, and certain military services were continuing to use the secrecy form in violation of the congressional ban.

We were deeply concerned by the district court's very broad decision in the case in favor of the executive branch's action.

The opinion follows:

[Supreme Court of the United States, No. 87-2127]

AMERICAN FOREIGN SERVICE ASSOCIATION, ET AL., APPELLANTS *versus* STEVEN GARFINKEL, DIRECTOR, INFORMATION SECURITY OVERSIGHT OFFICE, ET AL.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

[April 18, 1989]

PER CURIAM.

As a condition of obtaining access to classified information, employees in the Executive Branch are required to sign "nondisclosure agreements" that detail the employees' obligation of confidentiality and provide for penalties in the event of unauthorized disclosure. Two such nondisclosure forms are at issue in this case. One, Standard Form 189, was devised by the Director of the Information Security Oversight Office (ISOO) (now appellee Garfinkel); the other, Form 4193, was created by the Director of Central Intelligence (DCI) (now appellee Webster). Both of these forms forbade employees to reveal classified *or* "classifiable" information to persons not authorized to receive such information, App. 15, 19, and made clear that employees who disclosed information in violation of these agreements could lose their security clearances, their jobs, or both. *Id.*, at 16, 21. Neither form defined the term "classifiable." The Director of ISOO eventually promulgated a regulation that defined the term "classifiable" in Form 189 to include only unmarked classified information or unclassified information that was "in the process of a classification determination." Under this regulation, moreover, an employee would violate the nondisclosure

agreement by disclosing unclassified information only if that employee "knows, or reasonably should know, that such information is in the process of a classification determination and requires interim protection." 52 Fed. Reg. 48367 (1987). For those employees who signed Form 4193, however, the DCI did not attempt to define "classifiable." More than half of the Federal Government's civilian and military employees have signed either Form 189 or 4193. Brief for Appellants 5.

Section 630 of the Continuing Resolution for Fiscal Year 1988, Pub. L. 100-202, 101 Stat. 1329-432 enacted by Congress in 1987, prohibited the expenditure of funds in fiscal year 1988 for the implementation or enforcement of Form 189, Form 4193, or any other form that violated one of its five subsections.* In response to this statute, appellee Garfinkel ordered agencies to cease using Form 189, but several agencies nevertheless required approximately 43,000 employees to sign the form after § 630 was enacted. Brief for Appellants 10. The DCI, in contrast, continued to require employees to sign Form 4193, but attached a paragraph to the form stating that the nondisclosure agreement would "be implemented and enforced in a manner consistent with" the statute of which § 630 was a part. App. 26-27. Three months after § 630 became law, the DCI replaced Form 4193 with Form 4355, which eliminated the term "classifiable," *Federal Employees* v. *United States*, 688 F. Supp. 671, 680, n. 11 (DC 1988).

Appellant American Foreign Service Association (AFSA) and several Members of Congress brought the present lawsuit challenging appellees' use of Forms 189 and 4193 on the ground that they violated § 630. They sought declaratory and injunctive relief that would (1) bar appellees from requiring employees to execute or sign Form 4193 during fiscal year 1988; (2) compel appellees to treat any Form 4193 agreement signed after December 22, 1987 (the effective date of § 630), as void; and (8) direct appellees to notify all employees who signed Form 189 or 4193 after December 22, 1987, that these agreements were void and that the terms of such forms signed before that date could not be enforced in fiscal year 1988. App. 10. This lawsuit was consolidated with two other cases, brought by the National Federation of Federal Employees and the American Federation of Government Employees, which sought to enjoin the use of Forms 189 and 4193 because, among other things, they violated § 630 and because the term "classifiable" was so vague and overbroad that it inhibited employees speech in violation of the First Amendment.

The District Court for the District of Columbia concluded that appellant AFSA had standing to challenge the nondisclosure forms on behalf of its members, but that the Members of Congress lacked standing to challenge the use of the forms, 688 F. Supp., at 678-682. The court then assumed that "the Executive's actions since enactment of section 630 do not comply with the requirements of that legislation,," 688 F. Supp., at 683, and n. 16, because the DCI had continued to require employees to sign Form 4193 for three months after enactment of § 630 despite § 630's specific prohibition on the use of that form. Acknowledging that, during that time, the DCI had added a paragraph to Form 4193 stating that the agreement would be enforced in a manner consistent with § 630, the District Court nevertheless concluded that this action was not "true to the congressional mandate from which it derives authority,'" 688 F. Supp., at 683-684, n. 16, quoting *Farmers Union Central Exchange, Inc.* v. *FERC*, 236 U.S. App. D.C. 203, 217, 734 F. 2d 1486, 1500 (1984), and that review of the Executive's action under the Administrative Procedure Act, 5 U.S.C. § 706, "likely" would show that the Executive's action was contrary to law, 688 F. Supp., at 684, n. 16. Having thus skirted the statutory question whether the Executive Branch's implementation of Forms 189 and 4193 violated § 630, the court proceeded to address appellees' argument that the lawsuit should be dismissed because § 630 was an unconstitutional interference with the President's authority to protect the national security. Concluding the § 630 "impermissibly restricts the President's power to fulfill obligations imposed upon him by his express constitutional powers and the role of the Executive in foreign relations," 688 F. Supp., at 685, the court entered summary judgment in favors of appellees.

Appellants took a direct appeal from the District Court's judgment pursuant to 28 U.S.C. § 1252, and we noted probable jurisdiction, 488 U.S.——(1988). In spite of the importance of the constitutional question whether § 630 impermissibly intrudes upon the Exeuctive's authority to regulate the disclosure of national security information—indeed, partly because of it—we remand this case to the District Court without expressing an opinion on that issue.

Events occurring since the District Court issued its ruling place this case in a light far different from the one in which that court considered it. Since issuing the decision that we now review, the District Court has ruled on the constitutional challenge presented by the cases with which the present one was consolidated, and has decided that the unadorned term "classifiable" used in Forms 189 and 4193 is unconstitutionally vague. See *Federal Employees* v. *United States*, 695 F. Supp. 1196, 1201-1203 (DC 1988). The court further held that ISOO's definition of the term "classifiable," see *supra*, at 1-2, would remedy this vagueness, and ordered appellees to notify employees either that this definition was in force or that no penalties would be imposed for the disclosure of "classifiable" information. 695 F. Supp., at 1203-1204. Appellees thereafter deleted the word "classifiable"—a primary focus of appellants' challenge to Forms 189 and 4193—from all nondisclosure forms, and replaced it with the definition given in ISOO's regulation. They also furnished individualized notice of this change to employees who signed either Form 189 or Form 4193. 53 Fed. Reg. 38278 (1988); Motion to Affirm 13. According to appellants, however, appellees have notified only current employees of the refinement of the term "classifiable"; former employees, who signed Form 189 or 4193 but have left the employment of the Federal Government, have not received such notice. Brief for Appellants 15. The controversy as it exists today is, in short, quite different from the one that the District Court considered.

Indeed, appellees urge us to hold the case moot to the extent that it challenges the use of the term "classifiable" in Forms 189 and 4193. Brief for Appellees 31-32. As to current employees who have been notified that the term "classifiable" no longer controls their disclosure of information, the controversy is indeed moot. Appellants emphasize, however, that former employees have not been informed of the switch in terminology; as to them, the controversy whether they should have received notice of this change remains alive. Brief for Appellants 20. We decline to decide the merits of appellants' request for individualized notice to these employees, however, because the questions whether individual notice is required by § 630 and whether appellants' complaint can be read to request such notice for *former* employees, see Brief for Appellees 32, n. 24 (arguing that it cannot be so read), are questions best addressed in the first instance by the District Court.

A second reason why we remand this case for further proceedings rather than ordering it dismissed is that appellants argue that the definition of "classified information" now supplied by ISSO, 53 Fed. Reg. 38279 (1988) (to be codified in 32 CFR § 2003.20(h)(3)), does not comply with § 630. They contend that ISOO's definition prohibits disclosure of information that an employee reasonably should have known was classified, whereas subsection (2) of § 630 refers only to information that is "known by the employee" to be classified or in the process of being classified. Brief for Appellants 19-20. In contrast, appellees and the Senate as *amici* argue that there is no inconsistency between § 630(2) and this new definition. Brief for Appellees 39-41; Brief for United States Senate as *Amicus Curiae* 17-18. It appears that, in order to press this issue, the appellants would be forced to amend their complaint in order to take into account the new definition of the term "classified." Brief for Appellees 41. Because the decision whether to allow this amendment is one for the District Court, and because appellants' argument raises a question of statutory interpretation not touched upon by the District Court, we leave these matters for that court to decide in the first instance.

In addition, there remains a question whether the forms comply with subsections (3), (4), and (5) of § 630, dealing with disclosure of classified information to Congress. Both appellants and appellees apparently agree that these subsections simply preserve preexisting rights, rights guaranteed by other statutes and constitutional provisions. Brief for Appellants 38-40; Brief for Appel-

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*Section 630 provides:

"No funds appropriated in this or any other Act for fiscal year 1988 may be used to implement or enforce the agreements in Standard Forms 189 and 4193 of the Government or any other nondisclosure policy, form or agreement if such policy, form or agreement:

"(1) concerns information other than that specifically marked as classified; or, unmarked but known by the employee to be classified; or, unclassified but known by the employee to be in the process of a classification determination;

"(2) contains the term 'classifiable';

"(3) directly or indirectly obstructs, by requirement of prior written authorization, limitations of authorized disclosures, or otherwise, the right of any individual to petition or communicate with Members of Congress in a secure manner as provided by the rules and procedures of the Congress;

"(4) interferes with the right of the Congress to obtain executive branch information in a secure manner as provided by the rules and procedures of the Congress;

"(5) imposes any obligations or invokes any remedies inconsistent with statutory law: *"Provided*, That nothing in this section shall affect the enforcement of those aspects of such nondisclosures policy, form or agreement that do not fall within subsections (1)-(6) of this section."

Section 630 applied only to fiscal year 1988; however, § 619 of the Treasury, Postal Service and General Government Appropriations Act, 1989, Pub. L. 100-440, 102 Stat. 1756, includes restrictions on expenditures of funds during fiscal year 1989 that are identical to those contained in § 630.

lees 48. The only relief appellants request with respect to this portion of the case is notice to employees informing them that Forms 189 and 4193 did not alter those preexisting rights. Brief for Appellants 38. No actual instance in which an employee sought to disclose information to Congress, and was prohibited from doing so, has been brought to our attention. There thus exists a substantial possibility that this last portion of the case is not ripe for decision, and this is exactly the argument pressed by several *amici*. Brief for American Civil Liberties Union as *Amicus Curiae* 28-48; Brief for Speaker and Leadership Group of House of Representatives as *Amicus Curiae* 12-16; Brief for United States Senate as *Amicus Curiae* 15-21. We are not, however, disposed to decide for ourselves whether this is so. Since the District Court analyzed the interaction between § 630 and the Executive Branch's nondisclosure policy to help us decide whether the case is ready for decision or, if it is, to guide our own resolution of the merits. Again, therefore, we return these questions to the District Court to allow it to sort them out in the first instance.

Because part of the controversy has become moot but other parts of it may retain vitality, we vacate the judgment below and remand for further proceedings consistent with this opinion. *See, e.g., United States Dept. of Treasury* v. *Galioto*, 477 U.S. 556, 560 (1986); *United States* v. *Munsingwear, Inc.*, 340 U.S. 36, 39-40 (1950). In doing so, we emphasize that the District Court should not pronounce upon the relative constitutional authority of Congress and the Executive Branch unless it finds it imperative to do so. Particularly where, as here, a case implicates the fundamental relationship between the Branches, courts should be extremely careful not to issue unnecessary constitutional rulings. On remand, the District Court should decide first whether the controversy is sufficiently live and concrete to be adjudicated and whether it is an appropriate case for equitable relief, and then decide whether the statute and forms are susceptible of a reconciling interpretation; if they are not, the court may turn to the constitutional question whether § 630 impermissibly intrudes upon the Executive Branch's authority over national security information. See, *e.g., Ashwander* v. *TVA*, 297 U.S. 288, 345-456 (1936) (Brandeis, J. concurring) *Rescue Army* v. *Municipal Court of Los Angeles*, 331 U.S. 549 (1947); *Clark* v. *Jeter*, 486 U.S. ——, —— (1988) (slip op., at 3).

The judgment of the District Court for the District of Columbia is vacated, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.●

HONORING CARL AND THELMA POSTON

● Mr. LEVIN. Mr. President, I would like to take a minute to recognize Mr. and Mrs. Carl C. Poston, Jr., who were recently honored as living legends during Saginaw County's Black History Month.

Carl Poston, Jr., moved to Saginaw County in 1955. In no time at all, he was involved in public life. He was appointed to the Saginaw City Council, and was later elected to that office. He served as Saginaw City mayor pro tem. He headed numerous community development projects including Project Open Community, and the Saginaw County Youth Protection Council.

Mr. President, Carl and Thelma Poston are community builders. Their fight for equal rights has made Saginaw County better for us all. Monuments to their work can be seen throughout the area. In housing. In economic development projects. In a more equitable society.

It is hard to imagine what Saginaw would be like without the Postons. Fortunately, we don't have to. Their leadership has earned them the name: Saginaw's living legends.

I salute them and their four sons for their award. We can never honor Carl and Thelma Poston as much as they have honored us.●

PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE CONGRESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 97 to provide for adjournment of the House and Senate.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 97) providing for a conditional adjournment of the House from Tuesday, April 18, 1989, until Tuesday, April 25, 1989, and a conditional recess or adjournment of the Senate from Wednesday, April 19, or Thursday, April 20, or Friday, April 21, or Saturday, April 22, 1989, until Monday, May 1, 1989.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 97) was considered and agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE HEALTH OF THE NATION'S CHILDREN

Mr. MITCHELL. Mr. President, I am pleased today to introduce with my distinguished colleague, Senator DOLE, and Mr. BOND, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. D'AMATO, Mr. DURENBERGER, Mr. GORTON, Mr. JEFFORDS, Mr. LUGAR, Mr. MCCAIN, Mr. WILSON, Mr. MURKOWSKI, Mr. MCCONNELL, Mr. WARNER, Mr. PACKWOOD, Mr. GRASSLEY, Mr. HATCH, Mr. BUMPERS, Mr. CONRAD, Mr. DECONCINI, Mr. EXON, Mr. FORD, Mr. GORE, Mr. HARKIN, Mr. HOLLINGS, Mr. KOHL, Mr. MATSUNAGA, Mr. NUNN, Mr. PELL, Mr. REID, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SHELBY, and Mr. SIMON, a joint resolution aimed at enhancing the health and well-being of America's children. I send the joint resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 104) to express the sense of Congress with respect to the health of the Nation's children.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. MITCHELL. Mr. President, each day over 10,000 babies are born in the United States. Unfortunately, each of these children does not have a similar chance at having their basic health and safety needs met. Rather, it is a sad reality that many of these children will not reach adulthood, or even adolescence. The probabilities are that over 100 of the babies born today will die before their first birthday. This sad statistic ranks our great Nation behind 18 other industrialized countries in infant mortality rates.

Furthermore, 700 of every 10,000 babies born will remain hospitalized for low birthweight and other health problems because their mothers either lacked proper prenatal care, were under age 15, or were substance abusers.

Too many children and adolescents suffer death or injury from preventable causes. Each day in the United States, five teenagers commit suicide; seven children or adolescents are homicide victims; three children die from gunshot wounds, and thousands are the victims of child abuse. The list of unfortunate statistics goes on and on; and the upward trends are alarming.

As legislators, we can help reduce these numbers. It will take a long-term commitment—after all, the underlying social problems were years in the making—but it is clear that more can be done to protect our children. And most Americans want us to do more. A recent Harris poll indicated that more than 74 percent believe that the problems of children have increased, and 63 percent believed that we do too little to address these disturbing issues. Another poll revealed that by a 3-to-1 margin, respondents were willing to pay higher taxes to provide health-related programs for children.

It is time to make a greater commitment. We have surveyed the problems, heard testimony to the issues, and too often have seen, first hand, the need. We know that 1 in 4 children under age 6 lives in poverty. We know that 13 million children under age 18 are uninsured. We know that we have the

highest teen pregnancy rate among developed nations. We have heard these numbers and many other disheartening facts.

Now I would like to see us concentrate on the solutions. Last year we were able to increase Medicaid coverage for women and children up to 100 percent of the poverty line, but this was just a modest step forward.

I hope that this resolution, "Health of America's Children" can help us gather our collective wisdom to serve 64 million constituents without their own political voice. I hope that as we go about our legislative business, we can keep programs to benefit children at a high prominence; that we can be more creative in designing programs to protect our young; and that we can accomplish, this session, legislation that will move us forward toward the goal of removing barriers to quality health care for every child and pregnant woman.

Mr. DOLE. Mr. President, I can think of no better commitment to America's future than ensuring a better future for our children. Our very survival depends upon their well-being—their education, their health, and their hopes for a fair shot at the American dream.

Unfortunately too many of America's young now face a future that seems to be filled with doubts, uncertainties and, yes, fear. I am talking about the millions of children threatened by teenage pregnancy, suicide, violence, inadequate health care, and the scourge of drugs.

Statistics tells us that each day in America, 121 children are born to women under the age of 15; that five teenagers commit suicide; that three children die from unintentional gunshots, and who knows how many from intentional ones; and that 1 in 4 children under 6 lives in poverty.

Mr. President, these are chilling numbers. Clearly, the time for action is now as our women and children confront these terrible challenges on a 24-hour-a-day basis—and that every day we do not deal with these issues, we are another 24 hours' worth of disturbing statistics behind the curve.

Our children deserve more education, better health care, more job opportunities, better nutrition, and much, much more.

That's why I am pleased today to help introduce along with the distinguished majority leader Senate Joint Resolution 104. A measure that says loud and clear that America's children are a top priority on Capitol Hill.

All of us can make a difference. That is why we are here. I ask my colleagues to join in the battle to make the world a better place for our children. If we do, the future will look better for all of us.

The joint resolution (S.J. Res. 104), with its preamble, was considered, ordered to a third reading, read the third time, and passed.

The joint resolution, with its preamble, is as follows:

S.J. RES. 104

Whereas, children are our most precious resource;

Whereas, the future of this great country depends on their healthy development, in a safe environment, with a sound education which meets their individual needs and allows them to achieve their maximum potential;

Whereas, our national commitment to this Nation's children and pregnant women is not commensurate with our resources or our knowledge;

Whereas, we recognize that the health needs of our children are changing, with health problems intertwined with behavioral and psychological disturbances often related to social and economic conditions;

Whereas, there are alarming trends in preventable diseases and deaths among our children, as evidenced by the increase in childhood diseases, injuries, and substance abuse;

Whereas, despite our technological advances in the treatment of newborns, the United States ranks 18th among industrialized nations in infant mortality and our position has not improved since 1980;

Whereas, we know that low birth weight is the major contributor to infant deaths, 34 percent of all pregnant women receive insufficient or no prenatal care, with infants born to teens significantly more likely to be born at low birth weight;

Whereas, children ages 21 and under represent only 33 percent of the total United States population, they constitute nearly half of the uninsured, with gaps particularly profound for children 0–2 and adolescents 18–21;

Whereas, the majority of children who are uninsured have parents that work full or part time, only 12 percent of all uninsured children live in nonworking families;

Whereas, Congress has sought to improve and expand Medicaid, fewer than half of poor children are currently receiving Medicaid coverage, and even those who are, encounter significant barriers of limited benefits and frequent periods of discontinuity;

Whereas, a wide variety of children's programs are administered at many different levels of Federal and State bureaucracies, they have resulted in fragmentation and duplication of services, especially for chronically ill children: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That we declare that access to quality health care is a goal for every child and pregnant women; and be it further

Resolved, That it is a shared responsibility of both the public and private sectors at the Federal, State, and local levels, and that we collectively commit ourselves to take the necessary steps to remove existing barriers toward that end.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Idaho.

TRIBUTE TO GLEN LOCKERY

Mr. McCLURE. Mr. President, in May a very special occasion will take place at the University of Idaho, my alma mater, that I would like to share with my colleagues in the Senate.

This year marks the centennial of the University of Idaho and as a part of the planned festivities, the University of Idaho choir, the Vandaleers, is having a reunion. I sang in the Vandaleer choir for 4 years while I was in college and law school. My years singing in the choir hold many particularly fond memories for me, not the least of which is that is where I met my wife, Louise, who was a voice major.

The Vandaleers have always been known as a first rate choir and have traveled extensively. At the May reunion, past and present members of the choir will be honoring the man who is, more than any other person, responsible for building the choir's reputation—Mr. Glen Lockery.

Glen came to the university to direct the Vandaleers in 1947. He, like so many of us, was out of the service and came to the university after singing with the very first Robert Shaw Chorale.

Right from the very beginning, Glen commanded a loyalty and a friendship among his students that I have not seen before or since. Forty years later, many of Louise's and my closest friends are people we met in the choir.

I know that Louise would join me in saying that Glen Lockery brought quality music and quality instruction to the Vandaleer Choir. He taught us to love music and to appreciate the very best—in both the classics and in modern compositions. Glen demanded the best in his students. Not only was it technical perfection but we performed difficult works ranging from Brahms, Handel and Bach to Paul Hindemith's "Old Joe Has Gone Fishing." Included with the classics was always a smattering of Broadway tunes.

He brought, too, the extra dimension so essential to good music—emotion. To be truly memorable, music must excite the emotions! Whether it was the light-hearted humor of "The Blue Tick Fly" or the deeper mood of the Bach chorales Glen Lockery gave of himself and responded to the music. He asked us to do the same, and as we became emotionally involved in the music, something magical happened. We were transformed into something better than we had been. We knew it and the audiences felt it and responded. It is that magic imparted to us by a warm and gifted man that made the experience of singing for him and with him the experience of a lifetime for those of us lucky enough to be associated with him. Glen Lockery had a real, lifelong affect on his students. Probably most of the Vandaleers

Louise and I knew, no longer perform. But I can guarantee that we are better listeners and have a deeper appreciation of music and support of all the arts because of this man. He taught us to participate and to be productive members of a group working together toward a single goal. Because he touched so many lives during his years at the University of Idaho, Glen truly made Idaho a better place to live.

Mr. President, Louise and I are looking forward to joining the Vandaleers in May to pay tribute to Glen Lockery. We will be able to tell him in person how much he means to us and how he helped shape our lives. It has been my privilege today to speak on the floor of the U.S. Senate about the extraordinary accomplishments of an excellent teacher, an inspiring musician, and our good friend.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 98-29 as amended by Public Law 98-459, appoints Mrs. Mary J. Majors, of Iowa, to the Federal Council on the Aging, vice Dr. Russell Mills, and effective March 22, 1989.

APPOINTMENT BY THE PRESIDENT OF THE SENATE

The PRESIDING OFFICER. The Chair, on behalf of the President of the Senate, pursuant to Public Law 85-874, appoints the Senator from Maine [Mr. MITCHELL] to the Board of Trustees of the John F. Kennedy Center for the Performing Arts, vice the Senator from Oregon [Mr. HATFIELD].

RESOLUTION PLACED ON THE CALENDAR—SENATE RESOLUTION 108

Mr. MITCHELL. Mr. President, I send a resolution to the desk on behalf of Senators BOSCHWITZ, PELL, DOLE, and myself, and ask unanimous consent that the resolution be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I spoke at length yesterday on the Senate floor regarding the current tragedy in Lebanon. I explained that I had written to President Bush and Secretary of State Baker to encourage them to increase their efforts to end the violence and division in Lebanon.

To emphasize the urgency of the situation, I am today submitting, along with my distinguished colleagues Senator BOSCHWITZ, Senator PELL, and Senator DOLE, a resolution expressing the sense of the Senate regarding Lebanon. This resolution conveys the concerns that we and many other Americans have about the future of Lebanon.

The resolution commends the administration for calling for an immediate cease-fire in Lebanon and urges the President to renew his efforts and his support for international efforts to halt the fighting. The resolution condemns those parties that have failed to accept this call.

It is my hope that the entire international community will join the United States, France, the League of Arab States, and others in pressing Syria and all Lebanese factions to halt the horrendous shelling and slaughter of civilians.

The resolution also calls for the withdrawal of all foreign forces, including Syrian forces, as well as the abolition of all militias within Lebanon. Only in this way can a central authority be restored and the Nation's unity be ensured.

Finally, the resolution calls upon the Lebanese parties to commit themselves to a process of internal reconciliation and expresses support for international efforts to achieve this goal.

As the ultimate responsibility for Lebanon's future lies with the Lebanese themselves, they must begin the difficult but crucial task of political reform and compromise. If the state is to survive, Lebanon's people must fulfill the mandate to elect a President. They must agree upon a formula for governing and choose one government to guide Lebanon. They must demonstrate their willingness to take control of their destiny and rebuild the nation they once knew.

In their efforts, they will have the strong support of the United States. America remains, as always, committed to a free, independent and unified Lebanon.

This resolution offers the Senate an opportunity to express its concerns regarding Lebanon and to encourage the President to reinvigorate his efforts to end the mindless violence now tearing Lebanon apart.

I encourage my colleagues to join us in supporting this important Sense of the Senate resolution regarding the tragedy in Lebanon.

Mr. DOLE. Mr. President, I am pleased to join the distinguished majority leader in submitting this resolution, though I am deeply saddened that this kind of resolution is needed.

Sometimes we use certain words with such frequency that they lose their impact. Tragedy may be one such word. But certainly there is no place on Earth where the word tragedy may be more aptly applied than in Lebanon.

As the resolution notes, the on-going tragedy of Lebanon has been exacerbated in recent weeks by a dramatic upsurge in violence. More than a thousand have been killed or wounded. Tens of thousands of artillery shells have fallen on Beirut. What is left of the national sovereignty of Lebanon is under massive, new assault by Syrian military forces.

None of us are under any illusion that this resolution is going to end the long-term turmoil, or even the short-term violence, in Lebanon. But we cannot remain silent in the face of what is happening to this once great nation, and once peaceful people.

We cannot remain silent because of the enormous stake we have in the Middle East; and because so many of the problems and threats we face are related to the situation in Lebanon.

We cannot remain silent because of the immense human suffering of a people with so many family and other ties to this country.

We cannot remain silent because what is happening is just wrong, and terrible.

I commend the majority leader for taking the lead on this issue. And I urge immediate and unanimous adoption of this resolution.

Mr. BOSCHWITZ. Mr. President, the world has now witnessed the continuing agony of Lebanon for 14 years. The events in that strife-torn country defy reason. One's inclination is to throw up his hands in despair and walk away from what seems a hopeless situation. Yet, this easy solution is not in the American interest nor in the interest of millions of good, decent Lebanese who struggle daily to survive and to preserve basic human values.

The United States has had the correct policy:

The withdrawal of all foreign forces, involving the Syrians;

The preservation of Lebanese territorial integrity and the reassertion of central government authority throughout Lebanon; and

Reform of the constitutional system so that the Lebanese government better represents all of the people of Lebanon.

Where our policy has failed in Lebanon is in the inconsistency of its implementation. In 1982, the large commitment of funds, military personnel and effort were not sustainable. Our adversary at that time—the Syrians—clearly understood this. Foreign Minister Khaddam bluntly told Secretary Shultz: "The United States is short of breath." He was correct. Our national interest in Lebanon could not justify a commitment of that magnitude. President Reagan wisely reduced our presence once it was determined that American interests were no longer being served.

As is too often the case, the pendulum has swung too far in the other direction. The United States interest does not permit us to ignore Lebanon altogether. International terrorism, drug trafficking, regional conflicts,

American hostages and empathy with the millions of Lebanese who share our values and daily confront our mutual foes are too important to be ignored. In the end, failure to address these problems will harm U.S. interests and reflects poorly on our Government and the American people.

What then is a sustainable position? First and foremost, the American Government must stand unequivocally for the values we cherish. The United States has a clearly stated policy and we must support that policy. Foreign forces, including the Syrians, must be withdrawn from Lebanon. Hostage taking, drug trafficking and international terrorism emanating from areas controlled by the Syrians must be condemned absolutely. Syria must be held publicly responsible for actions emanating from territories which it occupies. Anything less will only encourage Syria to continue its unacceptable policies.

Second, the United States must continue its modest but sustainable aid levels to institutions and people in Lebanon who support our values and are in need of our assistance.

My fear is that too often U.S. policy is distracted by the crisis of the moment. Instead of keeping our eyes on our long-term interests, an ad hoc solution to the immediate crisis becomes our overriding concern. We cannot adopt such an approach in Lebanon, or anywhere else in the world for that matter.

The current crisis is a case in point. In February, the Government of General Aoun confronted the Christian militia of the Lebanese forces and after considerable fighting forced them to relinguish control of the ports in the Christian enclave. Customs had been the single, largest source of revenue for the Lebanese Government. In recent years, however, various militias have controlled the ports, thus funding their own activities and depriving the government of revenues. In addition, some militia-controlled ports have been the center of drug trafficking, the profits of which fund international terrorism.

In a parallel move, the Government of General Aoun used the small Lebanese Navy to blockade the militia-controlled ports of Khalde and Jiye south of Beirut controlled by Syria and its Lebanese surrogates.

In response to General Aoun's closure of their illegal ports, Syria and its allies retaliated by imposing a blockade that has virtually cut off the Eastern Beirut enclave from the rest of the country. Syrian forces also responded by shelling the Christian area with some of the heaviest bombardment in the last fourteen years.

Hundreds of Lebanese civilians have been killed or wounded. Syrian artillery shells and rockets rain down steadily on civilian infrastructure facilities, including schools, hospitals, gas storage tanks, grain silos and water reservoirs. In an attempt to escape the maelstrom of Syrian shells, thousands of Lebanese are fleeing to south Lebanon; others risk Syrian shelling on the coast to flee by boat to Cyprus.

In an attempt to bring this latest round of carnage to an end, an Arab League Mediation Committee has called for a cease-fire: the Government of General Aoun accepted it; Syria has not. General Aoun has called for the withdrawal of all Syrian forces from Lebanon. Syria defiantly rejects this and reaffirms its resolve to remain in Lebanon.

General Aoun's goals is to get Syrian forces out of Lebanon. This goal is shared not only by Christians, but also by many Lebanese Moslems who desire to rid themselves of Syrian domination and intimidation. At this point, I would like to include in the RECORD two articles: One published in the Christian Science Monitor on April 6, 1989, and one from the Washington Post on April 12, 1989.

General Aoun has appealed to the United States to assume a helpful role by supporting the Arab League's call for a cease-fire. The United States should publicly reaffirm its call for an immediate halt in the fighting, support international efforts for a cease-fire, and the withdrawal of Syrian forces. If these efforts prove successful, steps could then be pursued which would bring the two governments in Lebanon together to begin the process of reform and national reconciliation, free from outside interference. So long as 40,000 Syrian troops remain in Lebanon, in a continuing attempt at Syrian domination of the Lebanese people, these goals will remain elusive. Years of strife in Lebanon have shown that no one group can impose its will on another. The Lebanese people—Christian and Moslem—deserve the right to live in peace, and to determine their own future and appear prepared to start on the difficult path to reconciliation.

Furthermore, returning the ports to militia control will only foster further divisions in Lebanon and fund international terrorists and drug traffickers. The precedent will be set that every time the Syrians oppose an action in Lebanon, all that has to be done is shell Beirut and that action will be reversed.

The State of Israel is criticized for the manner in which it reacts to violent demonstrations on the West Bank and in Gaza. In comparison United States reaction to the Syrian bombardment of East Beirut is very mild. The Israeli presence on the West Bank and in Gaza is called occupation but the Syrian presence in Lebanon is not. Libyan support for international terrorism results in the United States bombing of Libya but Syrian support for equally egregious actions is barely criticized. With regard to Syria, this is not a case of a double standard, but one of no standard at all.

Mr. President, the United States has interests in Lebanon, in an end to the conflict there, and in helping Lebanon to restore its territorial integrity and sovereignty. We must not let past policy failures inhibit our ability to act in our own interests. Nevertheless, we must be cautious not to over commit ourselves as we have done in the past. With our limited resources, consistency of actions and rational resolve are much more important.

Today I am joining in submitting this resolution on the current crisis in Lebanon. This resolution is a clear statement of the current situation in Lebanon. It clearly supports the stated long-term objectives of the United States. I urge my colleagues to cosponsor this resolution and support American interests and the people of Lebanon.

I ask unanimous consent that an article from the Christian Science Monitor dated April 6, 1989, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Apr. 6, 1989]

LEBANESE GENERAL TAKES ON SYRIA

(By Jim Muir)

BEIRUT.—"I am not a Christian leader who is going against the Syrians," says Gen. Michel Aoun. "I am the Lebanese prime minister, who is defending his rights on his own territory."

Speaking during an interview in the much-bombarded presidential palace at Baabda, east of Beirut, he continues: "The Syrians have no rights in Lebanon. They are an occupying army, and the world has to support us."

His Syrian adversaries dismiss General Aoun as "the little General." Some Lebanese, with a mixture of awe and anxiety, call him "Napole-Aoun."

The fighting that erupted March 14 between Aoun's regular Army troops and Muslim militia forces backed by Syrian troops is among the worst since Lebanon's civil war began in 1975. At least 123 people have been killed and 473 wounded in artillery duels that have ravaged Beirut during the past few weeks.

The latest strife was sparked by a naval blockade imposed by Aoun on illegal ports operated by Muslim militias, following his earlier takoever of a Christian militia-run berth in Beirut's harbor. The Muslim forces want the blockade lifted, but Aoun insists that a Syrian withdrawal from Lebanon must take precedence over all other issues.

Many sources say that the general's challenge to Syria had struck a responsive chord among ordinary people on the other side of the line.

"They like Aoun because he is standing up to the Syrians," one west Beirut source says. "They know he is not against the Muslims, and that he is a nationalist. Nobody likes the Syrians."

But some sources say that Aoun's bombardment of Syrian-controlled areas has largely undetermined his earlier support among the largely Muslim populations.

"He has alienated them completely," one Shiite says.

Through recent events, the general has emerged as the leading figure the Christian enclave of east Beirut and the mountain and coastal areas north and east of the capital. Yet Aoun deeply resents being called a "Christian leader."

The label is inevitably applied to him by the international press, because his authority as prime minister of a military government and commander of the Lebanese Army, is accepted only in the Christian enclave. In west Beirut and other mainly Muslim areas, the rival government, headed by Selim Hoss, a Sunni Muslim, is recognized.

Their vying governments emerged last September, when President Amin Gemayel left office and attempts to elect his successor failed. Since November, there has also been a rival Army command headed by a Sunni officer, Brig. Gen. Sami al-Khatib.

Mr. Gemayel appointed Aoun, then Army commander, as prime minister—a post traditionally held by a Sunni Muslim. Aoun insists that this makes him the only legal claimant to the job. But his background also gives him reason to reject claims that he represents only the Christians.

Alone among leaders in the Christian area in modern times, Aoun was raised in a mixed Muslim-Christian district. His family, of modest background, lost its home in the southern Beirut suburb of Haret Hreik in the early years of the civil war. The district is now dominated by Shiite Muslims and has been controlled militarily by Syria since last May.

Although his own Maronite Christian sect has traditionally dominated the Army, sectarianism has never had a place in Aoun's thinking. Even his most bitter political enemies cannot accuse him of favoring Christians during his progress through the ranks as a career artillery officer.

Now it is estimated that about 30 percent of his loyalist officers and men are Muslims, mainly Sunnis from rural areas. Lebanese and foreign sources say he also retains great respect and admiration even among the Muslim and Druze Army units which split off during the years of sectarian strain and which now operate in Syrian-controlled areas.

Aoun's nationalism was tested when Israeli troops advanced on the presidential palace during their 1982 invasion. Aoun, then a colonel, prepared to open fire. He had to be ordered by President Elias Sarkis to stand down.

"He was the only Christian officer who saw the Israelis as an invading enemy which should be confronted," a Christian source says. "Among his 500-600 loyalist officers, he is seen as some kind of god."

Three months later Aoun was in charge of Lebanese Army units in west Beirut. The Israelis had moved into the city in the wake of the withdrawal of Palestine Liberation Organization forces. The Israelis asked Aoun to send his men into the undefended Palestinian refugee camps of Sabra and Shatila. He refused. The Israelis turned instead to their Christian militia allies, the Lebanese Forces, who massacred hundreds of Palestinians.

COMMEMORATING THE 50TH ANNIVERSARY OF THE AIRBORNE UNITS OF THE UNITED STATES ARMED FORCES

Mr. MITCHELL. Mr. President, on behalf of Senators FORD, THURMOND and SANFORD I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Concurrent Resolution 28, a concurrent resolution submitted earlier today.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 28) to commemorate the 50th anniversary of the Airborne Units of the United States Armed Forces.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution (S. Con. Res. 28) was considered and agreed to.

The preamble was agreed to.

The concurrent resolution with its preamble, reads as follows:

S. CON. RES. 28

Whereas, the United States Army did not have a parachute or glider troop until 1940;

Whereas, on April 25, 1940, the War Department directed the organization of a test platoon of 2 officers and 48 enlisted men to experiment with the airborne concept;

Whereas, on August 16, 1940, the test platoon carried out the first live parachute jump from a B-18 bomber aircraft;

Whereas, on September 16, 1940, the War Department authorized the development of the first parachute battalion;

Whereas, the first Parachute Battalion received the designation of the 501st Parachute Battalion and later moved to the Panama Canal to reinforce defenses;

Whereas, the Airborne Command was activated at Fort Benning, Georgia, following the declaration of war after the Pearl Harbor attack;

Whereas, at Fort Benning, the Airborne Command activated, trained and equipped for combat the parachute and glider units which participated valiantly in all of the major invasions of World War II;

Whereas, paratroops fought in the Korean War, protected our Vice President in Central America, and fought in Vietnam and Grenada;

Whereas, airborne troops participated in all wars since World War II, protected the citizens of this country during a period of unrest in the 1960's, and continue to be on alert status to defend the freedom of the citizens of this country; and

Whereas, the Airborne units of the United States Armed Forces, a distinct segment of the defense force, have the capability of being deployed anywhere in the world on short notice and are able to fight and win: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress congratulates the Airborne units of the United States Armed Forces for 50 years of faithful service to the United States.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROVIDING FOR CONGRESSIONAL PARTICIPATION IN BICENTENNIAL CEREMONIES IN NEW YORK CITY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 96 just received from the House of Representatives concerning the first meeting of the Congress in New York City.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 96) providing for participation by delegations of Members of both Houses of Congress in ceremonies to be held in April 1989 in New York City marking the 200th anniversaries of the implementation of the Constitution as the form of government of the United States, the convening of the 1st Congress, the inauguration of President George Washington and the proposal of the Bill of Rights as the first 10 amendments to the Constitution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 96) was considered and agreed to.

The preamble was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT OF SENATORS AS MEMBERS OF THE SENATE DELEGATION TO CEREMONIES IN NEW YORK CITY ON APRIL 29-30, 1989

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to House Concurrent Resolution 96, of April 18, 1989, appoints the following Senators as members of the Senate delegation to ceremonies in New York City on April 29-30, 1989, commemorating the 200th anniversary of George Washington's inauguration: The Senators from New York [Mr. MOYNIHAN and Mr. D'AMATO] and the Senator from New Jersey [Mr. LAUTENBERG].

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent the Senate go into executive session to consider the following nominations: Calendar Order No. 61, Richard Thomas McCormack to be U.S. Alternate Governor of several international banks, and Calendar Order No. 62, William P. Barr to be an Assistant Attorney General.

I further ask unanimous consent that the nominations be confirmed en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be tabled en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

INTERNATIONAL BANKS

Richard Thomas McCormack, of Pennsylvania, to be U.S. Alternate Governor of the International Bank for Reconstruction and Development for a term of 5 years; U.S. Alternate Governor of the Inter-American Development Bank for a term of 5 years; U.S. Alternate Governor of the African Development Bank for a term of 5 years; U.S. Alternate Governor of the African Development Fund; and U.S. Alternate Governor of the Asian Development Bank.

DEPARTMENT OF JUSTICE

William Pelham Barr, of Virginia, to be an Assistant Attorney General.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess under the previous order until 8:30 a.m. on tomorrow, Wednesday, April 19, 1989.

There being no objection, the Senate, at 9:22 p.m., recessed until Wednesday, April 19, 1989, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 18, 1989:

DEPARTMENT OF STATE

WALTER J.P. CURLEY, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO FRANCE.

DEPARTMENT OF LABOR

DAVID GEORGE BALL, OF CONNECTICUT, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE DAVID M. WALKER, RESIGNED.

DEPARTMENT OF AGRICULTURE

RICHARD THOMAS CROWDER, OF MINNESOTA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION, VICE DANIEL G. AMSTUTZ, RESIGNED.

JACK CALLIHAN PARNELL, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION, VICE PETER C. MYERS, RESIGNED.

IN THE COAST GUARD

THE FOLLOWING OFFICERS OF THE UNITED STATES COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL:

PAUL A. WELLING
WALTER T. LELAND

IN THE FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE UNITED STATES INFORMATION AGENCY FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS STATED, AND FOR THE OTHER APPOINTMENTS INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR, AND CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

JO ANN CLIFTON, OF OREGON
BETTY K. TASKA, OF NEW YORK

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS ONE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF AGRICULTURE

DAVID W. CULVER, OF VIRGINIA
LLOYD J. FLECK, OF TENNESSEE

AGENCY FOR INTERNATIONAL DEVELOPMENT

DOUGLAS W. ARNOLD, OF CALIFORNIA
KENNETH WAYNE BEASLEY, OF INDIANA
TOBY L. JARMAN, OF VIRGINIA
JEFFREY MALICK, OF CALIFORNIA
HOWARD R. SHARLACH, OF NEW YORK

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF AGRICULTURE

GARY C. GROVES, OF VIRGINIA
CRAIG A. THORN, OF VIRGINIA

AGENCY FOR INTERNATIONAL DEVELOPMENT

IQBAL MOHAMMAD CHAUDHRY, OF NEW JERSEY
CALVIN LINDSAY ELMENDORF, OF VIRGINIA
LARRY E. HIRSCHLER, OF CALIFORNIA
HARRY JOHN MCPHERSON, OF CALIFORNIA

U.S. INFORMATION AGENCY

EVELYN ALEENE EARLY, OF TEXAS

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

CAROL A. HAMMOND, OF NEW YORK
KATHERINE J.M. MILLARD, OF THE DISTRICT OF COLUMBIA
MARCIA L. NORMAN, OF NEW JERSEY
ROSEMARY D. O'NEILL, OF MASSACHUSETTS
SUSAN MARIE SELBIN, OF ALASKA

DEPARTMENT OF AGRICULTURE

ELIZABETH B. BERRY, OF VIRGINIA
MARCUS E. LOWER, OF OHIO
DAVID G. SALMON, OF MISSOURI
KENT D. SISSON, OF VIRGINIA
WILLIAM W. WESTMAN, OF FLORIDA

AGENCY FOR INTERNATIONAL DEVELOPMENT

JAMES F. BEDNAR, OF NEW HAMPSHIRE
JAN PAUL EMMERT, OF OHIO
KAY JACKSON FREEMAN, OF CALIFORNIA
RICHARD PAUL HARBER, JR., OF MISSOURI
JAROSLAW JOSEPH KRYSCHTAL, OF LOUISIANA
KENNETH A. LANZA, OF FLORIDA
JOSEPH FREDERICK LOMBARDO, JR., OF NEW YORK
MARC PAUL MADLAND, OF TEXAS
JOHN JOSEPH MITCHELL, OF NEW YORK
RICHARD STEELMAN, OF TEXAS
CRAIG M. STEFFENSEN, OF VIRGINIA
ROBERT JAMES WILSON, OF CONNECTICUT
ORION YEANDEL, OF NEW YORK

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

GINA KAY ABERCROMBIE-WINSTANLEY, OF OHIO
ANDREW ASKLAND, MARYLAND
GEORGE WALBRIDGE PERKINS ATKINS, III, OF GEORGIA
GRACE HSIAO-LIN BAY, OF NEW MEXICO
MARK J. BEZNER, OF NEVADA
JAMES ROBERT BIGUS, OF CALIFORNIA
ANNE CHRISTY BODINE, OF OREGON
DENISE ANNE BOLAND, OF NEW JERSEY
LINDA MURL COWHER, OF PENNSYLVANIA
RAYMOND STANLEY DALLAND, JR., OF VIRGINIA
CHRISTOPHER RICHARD DAVIS, OF MARYLAND
RICHARD JAMES DOUGLAS, OF FLORIDA
MARY DRAPER, OF CALIFORNIA
DEBORAH W. GLASSMAN, OF VIRGINIA
WILLIAM GARY GRAY, OF OHIO
ALAN ERIC GREENFIELD, OF MAINE
JULIE J. HAGARTY, OF PENNSYLVANIA
KETHRYN ALDEN HARRISON, OF TEXAS
KATHLEEN MARIAN HEFFRON, OF THE VIRGIN ISLANDS
NICHOLAS MANNING HILL, OF RHODE ISLAND
STEVEN ALAN HONLEY, OF LOUISIANA
MICHAEL STEPHEN HOZA, OF SOUTH CAROLINA
LISA BOBBIE SCHREIBER HUGHES, OF PENNSYLVANIA
RUSSELL PIERSON INGRAHAM, OF VIRGINIA
BERNADINE RUTH JOSELYN, OF MINNESOTA
ROBERT KANEDA, OF CALIFORNIA
EDWARD WESLEY KASKA, JR., OF TEXAS
SUSAN ELIZABETH KEMPE, OF NEW MEXICO
LAURA JEAN KIRKCONNELL, OF FLORIDA
JOHN LOUIS LISTER, OF CALIFORNIA
JOEL ROBERT MALKIN, OF NEW YORK
THEODORE ALBERT MANN, OF NEW YORK
SCOT ALAN MARCIEL, OF VIRGINIA
ANDREA STOWE MATHEWS, OF CONNECTICUT
ELIZABETH MONTAGNE, OF ILLINOIS
RICHARD HOWELL MORGAN, OF LOUISIANA
THEODORE ARTHUR NIST, OF SOUTH DAKOTA
SARAH KELLOGG OTIS, OF VIRGINIA
REX-MARC PATTERSON, OF NEW YORK
JULIANA SEYMOR PECK, OF CONNECTICUT
GEORGE DOUGLAS REASONOVER, JR., OF TEXAS
LINDA SUSAN RECHT, OF NEW JERSEY
CHRISTOPHER JOHN RICHARD, OF TEXAS
ELIZABETH MARY HOLZHALL RICHARD, OF TEXAS
ROBERT BRIAN RINK, OF NEW JERSEY
DANIEL RICHARD RUSSEL, OF CALIFORNIA
DAVID R. SALAZAR, OF CALIFORNIA
MELISSA MARIE SANDERSON, OF OHIO
STEVEN R. SLATIN, OF WEST VIRGINIA
GEORGE SMITH SOUTHERN, OF FLORIDA
DERWOOD KEITH STAEBEN, OF WISCONSIN
MARK CHARLES STORELLA, OF MASSACHUSETTS
ELIZABETH D. THOMPSON, OF FLORIDA
TRUDIE ELIZABETH THOMPSON, OF TEXAS
BRUCE IRVIN TURNER, OF COLORADO
RUTH DOROTHY WAGONER, OF CALIFORNIA
WILLIAM DAVID WALLACE, OF NEW JERSEY
SANDRA MARIE WENNER, OF MICHIGAN
CYNTHIA L. WHITTLESEY, OF COLORADO
BRUCE WILLIAMSON, OF CALIFORNIA
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THOMAS FLAKE SKIPPER, OF NORTH CAROLINA
TERENCE J. SPENCER, OF NEW YORK
GERRI LYNNE WILLIAMS, OF MINNESOTA

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENTS OF STATE, AGRICULTURE AND COMMERCE, TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

ROBERT A. AJTAJI, OF VERMONT
FRANCIS X. ARCHIBALD, JR., OF SOUTH CAROLINA
EDWARD J. BARR, OF MAINE
COLOMBIA DE LOS ANGELES BARROSSE, OF VIRGINIA
JAMES M. BEARDSLEY, OF VIRGINIA
VICTOR M. BELZ, OF TEXAS
ROBERT E. BLAIR, OF MINNESOTA
JAMES ALBERT BOUGHNER, OF OHIO
MELINDA M. BRIAN, OF LOUISIANA
RANDALL CLIFFORD BUDDEN, OF MICHIGAN
MARK PAUL CHADASON, OF NEW YORK
DANE L. CHAMORRO, OF CALIFORNIA
BARRY D. COLEMAN, OF DELAWARE
THOMAS FREDERICK DAUGHTON, OF ARIZONA
JOHN WINTHROP DAYTON, III, OF TEXAS
DOROTHY L. DUBOIS, OF TEXAS

CATHLEEN L. DUNFORD, OF VIRGINIA
JAMES P. FINKEL, OF VIRGINIA
ROBERT WILLIAM FORDEN, OF CALIFORNIA
MICHAEL GAFFNEY, OF VIRGINIA
JEROME DOUGLAS GAINES, OF TEXAS
LESLIE K. GOLDSMITH, OF VIRGINIA
DAVID R. GALINDO, OF CALIFORNIA
ROBERT EMILIO GIAN, OF VIRGINIA
ETHAN AARON GOLDRICH, OF NEW YORK
GAMAL R. GRAISS, OF NEW YORK
KATHLEEN DANA HANSON, OF MICHIGAN
FELIX HERNANDEZ, JR., OF CALIFORNIA
JAMES F. HOLMBERG, OF FLORIDA
DANIEL HOLTZMAN, OF NEW YORK
MARGARET A. JEZEK, OF CONNECTICUT
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LAURENCE KENT JONES, OF CALIFORNIA
GERALD W. JOYCE, JR., OF PENNSYLVANIA
RICHARD P. KALLMANN, OF TEXAS
EILEEN KANE, OF NEW YORK
STEPHEN L. KONTOS, OF NEW YORK
MICHELLE LA BONTE, OF MASSACHUSETTS
CHRISTINE LEE, OF THE DISTRICT OF COLUMBIA
JAN C. LEE, OF VIRGINIA
MATTHEW FRANKLIN LEVEY, OF CONNECTICUT
THOMAS M. MAHER, OF VIRGINIA
THOMAS AQUINAS MARTEN, OF VIRGINIA
FRANCIS E. MCLENNAND, JR., OF CALIFORNIA
MARINA MORGENEGG, OF VIRGINIA
WALTER P. MORRISON, OF VIRGINIA
JOHN K. MULLEN, OF WASHINGTON
BRIAN ANDREW NICHOLS, OF RHODE ISLAND
HOLLY A. OGLESBY, OF TEXAS
STEVEN M. O'REILLY, OF MARYLAND
ROBERT W. OUDEMANS, OF MARYLAND
JOHN SANG-GWON PAK, OF WASHINGTON
JOSEPH S. PENNINGTON, OF FLORIDA
BLOSSOM NAOMI SANBORN PERRY, OF VIRGINIA
LISA J. PETERSON, OF NEW YORK
ANN ELIZABETH PFORZHEIMER, OF THE DISTRICT OF COLUMBIA
H. DEAN PITTMAN, OF MISSISSIPPI
MARK JUSTIN POWELL, OF VIRGINIA
LOIS A. PRICE, OF OREGON
RENE A. RAIOLE, OF VIRGINIA
WILLIAM L. RAPP, JR., OF VIRGINIA
TIMOTHY M. REILLY, OF THE DISTRICT OF COLUMBIA
ERIC JAMES RUETER, OF CALIFORNIA
EMMETT JEROME RYAN, JR., OF TEXAS
ROY EDWARD SANDERS, OF VIRGINIA
TIMOTHY GERALD RYAN, OF VIRGINIA
RICHARD SCOTT SACKS, OF MASSACHUSETTS
PATRICIA ANNE SHEEHAN, OF VIRGINIA
ROBERT JOEL SILVERMAN, OF NEVADA
SARAH A. SOLBERG, OF UTAH
WILLIAM LEE STEPHENS, JR., OF MARYLAND
KENNETH THOMPSON STRINGER, JR., OF VIRGINIA
TIFFANY ROBERTA TAFARES, OF FLORIDA
BRUCE TEBSHERANY, OF VIRGINIA
MICHAEL P. TIERNAN, OF VIRGINIA
PEDRO J. TIRADO, OF VIRGINIA
CAROL TRIMBLE, OF ILLINOIS
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JAMES P. VAIL, OF KANSAS
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R. STEVEN VOIEN, OF CALIFORNIA
KEVIN J. WARD, OF VIRGINIA
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DAVID M. WATERMAN, OF CALIFORNIA
JAMES LOUIS WAYMAN, OF VIRGINIA
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MARK CHARLES WESTFALL, OF VIRGINIA
CAROLE E. WEVER, OF VIRGINIA
JANET S. WHITESIDE, OF VIRGINIA
CYNTHIA A. WILHELM, OF FLORIDA
ROBERT W. WOODS, OF VIRGINIA
DONNA KATHRYN WOODWARD, OF PENNSYLVANIA

CONSULAR OFFICERS OF THE UNITED STATES OF AMERICA:

ALI BEN AIDA, OF VIRGINIA
THOMAS BILLAK, OF PENNSYLVANIA

SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

TAPAN BANERJEE, OF VIRGINIA
RICHARD S. KANTER, OF HAWAII
JOHN T. SHEELY, OF VIRGINIA

IN THE ARMY

THE FOLLOWING-NAMED ARMY MEDICAL CORPS OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be permanent major general

BRIG. GEN. RICHARD D. CAMERON, xxx-xx-xxxx U.S. ARMY.
BRIG. GEN. GIRARD SEITTER III, xxx-xx-xxxx U.S. ARMY.

To be permanent brigadier general

COL. JAMES E. HASTINGS, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 611(A) AND 624:

To be permanent brigadier general

COL. MATTHEW A. ZIMMERMAN, xxx-xx-xxxx U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370.

To be admiral

ADM. JAMES B. BUSEY, xxx-xx-xxxx/1230, U.S. NAVY.

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 593 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE. (EFFECTIVE DATE FOLLOWS SERIAL NUMBER)

LINE OF THE AIR FORCE

To be lieutenant colonel

MAJOR PATRICK J. BELANGER, xxx-xx-xxxx 12/20/88
MAJOR GUILLERMO BERTRAND, xxx-xx-xxxx 11/18/88
MAJOR LANCE J. BESSER, xxx-xx-xxxx 1/8/89
MAJOR TERRY R. BISTODEAU, xxx-xx-xxxx 10/21/88
MAJOR BRENDAN P. BONNER, xxx-xx-xxxx 12/3/88
MAJOR ARTHUR J. BUGBEE, xxx-xx-xxxx 1/3/89
MAJOR JAMES E. CALDWELL, JR., xxx-xx-xxxx 12/20/88
MAJOR GEORGE J. CANNELOS, xxx-xx-xxxx 11/5/88
MAJOR JOHN M. DEMPSEY, xxx-xx-xxxx 1/7/89
MAJOR THOMAS L. DICKENS, xxx-xx-xxxx 12/10/88
MAJOR IRVING R. GILSON, xxx-xx-xxxx 12/3/88
MAJOR RICHARD M. GREEN, xxx-xx-xxxx 12/2/88
MAJOR PHILIP G. HALLAM, JR., xxx-xx-xxxx 12/27/88
MAJOR JAN C. HOFFMASTER, xxx-xx-xxxx 1/19/89
MAJOR DAVID K. JACKSON, xxx-xx-xxxx 1/8/89
MAJOR LANGFORD L. KNIGHT, xxx-xx-xxxx 1/12/89
MAJOR ROBERT F. LEMOINE, xxx-xx-xxxx 1/6/89
MAJOR JAMES F. MCCARVEL, xxx-xx-xxxx 10/21/88
MAJOR TERRENCE J. ROGAN, xxx-xx-xxxx 1/7/89
MAJOR ARMANDO ROSADO, xxx-xx-xxxx 11/10/88
MAJOR JOSEPH G. SCAVUZZO, xxx-xx-xxxx 12/29/88
MAJOR ARTHUR F. SCHAEFER, xxx-xx-xxxx 1/8/89
MAJOR GEORGE W. WASHCO, xxx-xx-xxxx 12/11/88

MEDICAL CORPS

To be lieutenant colonel

MAJOR ALI MANSOURI, xxx-xx-xxxx 1/7/89

NURSE CORPS

To be lieutenant colonel

MAJOR BETTY J. KUPP, xxx-xx-xxxx 12/4/88

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE. THE OFFICERS IDENTIFIED WITH AN ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

DENTAL CORPS

To be lieutenant colonel

*JUAN M. RICO, xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be major

*RAYMOND J. STRUTH, JR., xxx-xx-xxxx

IN THE NAVY

THE FOLLOWING NAMED FORMER U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593.

DOUGLAS GIBSON
ARTHUR P. HETHERINGTON
WILLIAM T. MERRITT
CLIFFORD J. NEMETH

THE FOLLOWING MEDICAL COLLEGE GRADUATES TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593.

PEDRO B. FERNANDEZ
JAMES E. KEASLING

THE FOLLOWING FORMER U.S. ARMY OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE SECTION 593.

JAMES N. WHEELER

CONFIRMATIONS

Executive nominations confirmed by the Senate April 18, 1989:

DEPARTMENT OF JUSTICE

WILLIAM PELHAM BARR, OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL.

INTERNATIONAL BANKS

RICHARD THOMAS MCCORMACK, OF PENNSYLVANIA, TO BE UNITED STATES ALTERNATE GOVERNOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF FIVE YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT FUND; AND UNITED STATES ALTERNATE GOVERNOR OF THE ASIAN DEVELOPMENT BANK.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

PRESIDENT BUSH VISITS HAMTRAMCK, MI

HON. WM. S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. BROOMFIELD. Mr. Speaker, yesterday I accompanied President Bush to Hamtramck, MI, where he announced a new economic aid program for Poland. In his speech on the current situation in Poland and its neighboring countries, President Bush put it well: "Liberty," he said, "is an idea whose time has come in Eastern Europe."

The citizens of Hamtramck, many of whom are Polish-Americans, have as sophisticated an understanding of East European politics as virtually anyone in America. Their enthusiastic response to the President's speech, to his proposals for economic aid, and to his insistence on economic and political reform are a good indication that the administration has come up with just the right strategy for dealing with the recent changes in Eastern Europe. I believe his proposals may convince other East Bloc countries that their future lies with greater liberalization and closer ties with the West.

When President Bush arrived at Hamtramck City Hall, he was met by a number of Michigan's leading citizens, including: The Honorable Robert Kozaren, mayor of Hamtramck; Cardinal Edmund Szoka, archbishop of Detroit; The Honorable Walter Paruk, district court judge; Mr. Edward J. Moskal, national president, Polish American Congress; Mr. Paul C. Ordrobina, Hamtramck City Council chairman; Father Stanley Milewski, chancellor of Orchard Lake St. Mary's Seminary; Mr. Nick Frontczak, Hamtramck City Council member; Ms. Helen Justewicz, Hamtramck City Council member; Mr. Edward Rojek, Hamtramck City Council member; Mr. Sam Iaquinto, Hamtramck City Council member; Mr. Bob Cwiertniewicz, aide to the mayor of Hamtramck; Mr. Joseph Grzecki, city treasurer; and Mrs. Ethel Fiddler, city clerk.

Their warm hospitality was greatly appreciated by the President and all of us who accompanied him on this important trip.

I ask that the text of President Bush's speech be included in the RECORD.

REMARKS BY THE PRESIDENT TO CITIZENS OF HAMTRAMCK, MI

Thank you all very, very much. Cardinal Szoka, Your Eminence. Bob, thank you for the warm greeting to your wonderful community. Governor Blanchard—it's an honor to have the Governor of the great state here. And I want to pay my respects to the members of the Michigan congressional delegation that came out here with me—Senator Riegle, and several distinguished members of the House of Representatives sitting over here—and also to Senator John Engler, who is the Majority Leader of the Michigan State Senate, and to other leaders—elected leaders not only from your community, but in other parts of this state.

I'm delighted to be here. Bread and salt are both of the earth, an ancient symbol of a life leavened by health and prosperity. And in this same spirit, I wish you all the same. And now, if I may, I want to address at this important gathering the health and prosperity of a whole nation—the proud people of Poland.

You know, we Americans are not mildly sympathetic spectators of events in Poland. We are bound to Poland by a very special bond—a bond of blood, of culture, and shared values. And so it is only natural that as dramatic change comes to Poland we share the aspirations and excitement of the Polish people.

In my Inaugural Address, I spoke of the new breeze of freedom gaining strength around the world. "In man's heart," I said, "if not in fact, the day of the dictator is over. The totalitarian era is passing, its old ideas blown away like leaves from an ancient leafless tree." [Applause.] I spoke of the spreading recognition that prosperity can only come from a free market and the creative genius of individuals. And I spoke of the new potency of democratic ideals—of free speech, free elections, and the exercise of free will.

And we should not be surprised that the ideas of democracy are returning with renewed force in Europe—the homeland of philosophers of freedom whose ideals have been so fully realized in our great United States of America. And Victor Hugo said, "An invasion of armies can be resisted, but not an idea whose time has come." My friends, liberty is an idea whose time has come in Eastern Europe. And make no mistake about it. [Applause.]

For almost half a century, the suppression of freedom in Eastern Europe, sustained by the military power of the Soviet Union, has kept nation from nation, neighbor from neighbor. And as East and West now seek to reduce arms, it must not be forgotten that arms are a symptom, not a source, of tension. The true source of tension is the imposed and unnatural division of Europe.

How can there be stability and security in Europe and the world as long as nations and peoples are denied the right to determine their own future—a right explicitly promised by agreements among the victorious powers at the end of World War II? How can there be stability and security in Europe as long as nations, which once stood proudly at the front rank of industrial powers, are impoverished by a discredited ideology and stifling authoritarianism? The United States—and let's be clear on this—has never accepted the legitimacy of Europe's division. We accept no spheres of influence that deny the sovereign rights of nations. [Applause.]

And yet the winds of change are shaping a new European destiny. Western Europe is resurgent and Eastern Europe is awakening to yearnings for democracy, independence and prosperity. In the Soviet Union itself we are encouraged by the sound of voices long silent and the sight of the rulers consulting the ruled. We see new thinking in some aspects of Soviet foreign policy. We are hopeful that these stirrings presage meaningful, lasting and far more-reaching change.

So let no one doubt the sincerity of the American people and their government in our desire to see reform succeed inside the Soviet Union. We welcome the changes that have taken place and we will encourage—continue to encourage greater recognition of human rights, market incentives, and free elections. [Applause.]

East and West are now negotiating on a broad range of issues, from arms reductions to the environment. But the Cold War began in Eastern Europe, and if it is to end, it will end in this crucible of world conflict—and it must end. The American people want to see East and Central Europe free, prosperous and at peace. With prudence, realism and patience, we seek to promote the evolution of freedom—the opportunities sparked by the Helsinki Accords and the deepening East-West contact.

In recent years, we have improved relations with countries in the region, and in each case, we looked for progress in international posture and internal practices—in human rights, cultural openness, emigration issues, opposition to international terror.

While we want relations to improve, there are certain acts we will not condone or accept—behavior that can shift relations in the wrong direction—human rights abuses, technology theft and hostile intelligence or foreign policy actions against us.

Some regions are now seeking to win popular legitimacy through reforms. In Hungary, a new leadership is experimenting with reforms that may permit a political pluralism that only a few years ago would have been absolutely unthinkable. And in Poland, on April 5th, Solidarity leader Lech Walesa and Interior Minister Kiszczak signed agreements that, if faithfully implemented, will be a watershed in the postwar history of Eastern Europe.

Under the auspices of the Roundtable Agreements, the free trade union Solidarnosc was today—this very day, under those agreements—Solidarnosc was today formally restored. [Applause.] And the agreements also provide that a free opposition press will be legalized, independent political and other free associations will be permitted, and elections for a new Polish Senate will be held. These agreements testify to the realism of General Jaruzelski and his colleagues, and they are inspiring testimony to the spiritual guidance of the Catholic Church, the indomitable spirit of the Polish people, and the strength and wisdom of Lech Walesa. [Applause.]

Poland faces, and will continue to face for some time, severe economic problems. A modern French writer observed that communism is not another form of economics. It is the death of economics. In Poland, an economic system crippled by the inefficiencies of central planning almost proved the death of initiative and enterprise. Almost. But economic reforms can still give free rein to the enterprising impulse and creative spirit of the great Polish people.

The Polish people understand the magnitude of this challenge. Democratic forces in Poland have asked for the moral, political and economic support of the West. And the West will respond. My administration is completing now a thorough review of our

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

policies toward Poland and all of Eastern Europe. And I've carefully considered ways that the United States can help Poland. And we will not act unconditionally—we're not going to offer unsound credits. We're not going to offer aid without requiring sound economic practices in return. And we must remember that Poland still is a member of the Warsaw Pact. And I will take no steps that compromise the security of the West.

The Congress, the Polish-American community—and I support, I endorse strongly Ed Moskal and what he is doing in the Polish American Congress, I might say, and I'm delighted he's here. Good Chicago boy right here in Hamtramck. [Applause.] That the Congress, the Polish-American community, the American labor movement, our allies and international financial institutions—our allies all must work in concert if Polish democracy is to take root anew and sustain itself. And we can and must answer this call to freedom. And it is particularly appropriate here in Hamtramck for me to salute the members and leaders of the American labor movement for hanging tough with Solidarity through its darkest days. Labor deserves great credit for that. [Applause.]

Now, the Poles are now taking steps that deserve our active support. And I have decided as your President on specific steps to be taken by the United States, carefully chosen to recognize the reforms underway and to encourage reforms yet to come now that Solidarnosc is legal:

I will ask Congress to join me in providing Poland access to our Generalized System of Preferences, which offers selective tariff relief to beneficiary countries.

We will work with our allies and friends in the Paris Club to develop sustainable new schedules for Poland to repay its debt, easing a heavy burden so that a free market can grow.

I will also ask Congress to join me in authorizing the Overseas Private Investment Corporation to operate in Poland, to the benefit of both Polish and U.S. investors.

We will propose negotiations for a private business agreement with Poland to encourage cooperation between U.S. firms and Poland's private businesses. Both sides can benefit.

The United States will continue to consider supporting, on their merits, viable loans to the private sector by the International Finance Corporation.

We believe that the Roundtable agreements clear the way for Poland to be able to work with International Monetary Fund on programs that support sound, market-oriented economic policies.

We will encourage business and private nonprofit groups to develop innovative programs to swap Polish debt for equity in Polish enterprises; and for charitable, humanitarian and environmental projects.

We will support imaginative educational, cultural and training programs to help liberate the creative energies of the Polish people.

You know, when I visited Poland in September of 1987, I was then Vice President, and I told Chairman Jaruzelski and Lech Walesa that the American people and government would respond quickly and imaginatively to significant internal reform of the kind that we now see. Both of them valued that assurance. So it is especially gratifying for me today to witness the changes now taking place in Poland and to announce these important changes in U.S. policy. The United States of America keeps its promises. [Applause.]

If Poland's experiment succeeds, other countries may follow. And while we must still differentiate among the nations of Eastern Europe, Poland offers two lessons for all. First, there can be no progress without significant political and economic liberalization. And second, help from the West will come in concert with liberalization. Our friends and European allies share this philosophy.

The West can now be bold in proposing a vision of the European future: We dream of the day when there will be no barriers to the free movement of peoples, goods and ideas. We dream of the day when Eastern European peoples will be free to choose their system of government and to vote for the party of their choice in regular, free, contested elections. [Applause.] And we dream of the day when Eastern European countries will be free to choose their own peaceful course in the world, including closer ties with Western Europe. And we envision an Eastern Europe in which the Soviet Union has renounced military intervention as an instrument of its policy—on any pretext. We share an unwavering conviction that one day, all the peoples of Europe will live in freedom. And make no mistake about that. [Applause.]

Next month, at a summit of the North Atlantic Alliance, I will meet with the leaders of the Western democracies. The leaders of the Western democracies will discuss these concerns. And these are not bilateral issues just between the United States and the Soviet Union. They are, rather, the concern of all the Western allies, calling for common approaches. The Soviet Union should understand, in turn, that a free democratic Eastern Europe as we envision it would threaten no one and no country. Such an evolution would imply and reinforce the further improvement of East-West relations in all dimensions—arms reductions, political relations, trade—in ways that enhance the safety and well-being of all of Europe. There is no other way.

What has brought us to this opening? The unity and strength of the democracies, yes. And something else—the bold, new thinking in the Soviet Union, the innate desire—the innate desire for freedom in the hearts of all men. We will not waiver in our dedication to freedom now. And if we're wise, united and ready to seize the moment, we will be remembered as the generation that made all Europe free.

Two centuries ago, a Polish patriot, Thaddeus Kosciuskzko, came to these American shores to stand for freedom. Let us honor and remember this hero of our own struggle for freedom by extending our hand to those who work the shipyards of Gdansk and walk the cobbled streets of Warsaw. Let us recall the words of the Poles who struggled for independence: "For your freedom and ours." [Applause.] Let us support the peaceful evolution of democracy in Poland. The cause of liberty knows no limits; the friends of freedom, no borders.

God bless Poland. God bless the United States of America. Thank you all very much. "Nieck Zyje Polska." [Let Poland Live.] Thank you very much. [Applause.]

IF YOU BELIEVE THE MACHINEGUN BAN IS WORKING, THEN SUPPORT H.R. 1190

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. STARK. Mr. Speaker, "The Semiautomatic Assault Weapons Act," H.R. 1190, currently has 75 bipartisan cosponsors. The bill would treat 11 specific types of semiautomatic assault weapons in exactly the same manner as current Federal law for fully automatic machineguns. Future importation and domestic manufacture would be banned. Future purchase of the existing stock of semiautomatic assault weapons would be restricted to those who go through a background check and receive approval from their local police, pay a $200 transfer tax, and register their weapon with the Bureau of Alcohol, Tobacco, and Firearms.

Thus, if Members believe the current ban on importation and domestic manufacture on fully automatic machineguns is working, then they should support H.R. 1190. If Members believe we ought to repeal the machinegun ban, then they should oppose H.R. 1190. It's that simple.

Several responsible national organizations have spoken out in favor of Federal assault weapons legislation, including the National Association of Police Organizations, the International Association of Chiefs of Police, the Fraternal Order of Police, the National Sheriff's Association, the National Education Association, the U.S. League of Cities, and the American Jewish Committee.

Two recent editorials, from Times magazine and the Christian Science Monitor, make some very valid points about the issue. I urge my colleagues to consider the following items:

[From Time, Apr. 3, 1989]

THE N.R.A. IN A HUNTER'S SIGHTS

(By Robert Hughes)

Like George Bush and thousands of other people, I am a Small White Hunter. Which means that, two or three times a year, one scrambles into one's brush pants and jacket, pulls on a pair of snake boots and goes ambling off on a sedate horse with friends and dogs in pursuit of quail in a pine forest in southern Georgia. Or spends cold predawn hours in a punt on Long Island Sound, or a damp blind on a California marsh, waiting for the gray light to spread and the ducks to come arrowing in.

I have done this at intervals most of my life, ever since I was eleven years old in Australia and my father first issued me a single-shot .22 and two bullets and told me to bring back one rabbit. I hope to keep doing it as long as I can walk and see.

I don't shoot deer anymore; the idea of large-game trophy hunting repels me. But I have never thought there was anything wrong with killing as much small game in one day as I and a few friends could eat in the evening—no more than that and always within the limits. On a good day I can break 24 targets out of 25 at trapshooting, and 22 or so at skeet, which is O.K. for an art critic.

In short, I am supposed—if you believe the advertisements of the National Rifle Association—to be exactly the kind of person

whose rights the N.R.A. claims to want to protect. Why, then, have I never joined the N.R.A.? And why do I think of this once omnipotent though now embattled lobby as the sportsman's embarrassment and not his ally?

The answer, in part, goes back to the famous Second Amendment of the American Constitution, which the N.R.A. keeps brandishing like Holy Writ. "A well-regulated militia, being necessary to the security of a free State," it reads, "the right of the people to keep and bear arms shall not be infringed."

The part the N.R.A. quotes is always the second half. The first half is less convenient because it undermines the lobby's propaganda for universal weaponry.

The Founding Fathers, in their wisdom—and more pointedly, their experience—distrusted standing armies. They associated British ones with tyranny and lacked the money and manpower to create their own. Without a citizen's militia, the Revolution would have failed. Does the Constitution let you have the second half of the Second Amendment, the right to keep and bear arms, without the first part, the intended use of those arms in the exercises and, when necessary, the campaigns of a citizens' militia to which the gun owner belongs—as in Switzerland today? That is still very much a subject for legal debate.

The constitutional framers no more had in mind the socially psychotic prospect of every Tom, Dick and Harriet with a barnful of MAC-10s, Saturday night specials and AK-47s than, in writing the First Amendment, they had in mind the protection of child-porn video, which did not exist in the 18th century either. Nowhere does the Constitution say the right to bear arms means the right to bear any or all arms. Which arms is the real issue. At present, firepower has outstripped the law's power to contain it within rational limits.

Where the N.R.A. has always revealed its nature as a paranoid lobby, a political anachronism, is in its rigid ideological belief that *any restriction on the private ownership of* any kind of hand-held gun leads inexorably to total abolition of all gun ownership—that, if today the U.S. Government takes the Kalashnikov from the hands of the maniac on the school playground, it will be coming for my Winchester pump tomorrow. There is no evidence for this absurd belief, but it remains an article of faith. And it does so because the faith is bad faith: the stand the N.R.A. takes is only nominally on behalf of recreational hunters. The people it really serves are gun manufacturers and gun importers, whose sole interest is to sell as many deadly weapons of as many kinds to as many Americans as possible. The N.R.A. never saw a weapon it didn't love. When American police officers raised their voices against the sale of "cop-killer" bullets—Teflon-coated projectiles whose sole purpose is to penetrate body armor—the N.R.A. mounted a campaign to make people believe this ban would infringe on the rights of deer hunters, as though the woods of America were full of whitetails in Kevlar vests.

Now that the pressure is on to restrict public ownership of semiautomatic assault weapons, we hear the same threadbare rhetoric about the rights of hunters. No serious hunter goes after deer with an Uzi or an AK-47; those weapons are not made for picking off an animal in the woods but for blowing people to chopped meat at close-to-medium range, and anyone who needs a banana clip with 30 shells in it to hit a buck should not be hunting at all. These guns have only two uses: you can take them down to the local range and spend a lot of money blasting off 500 rounds an afternoon at silhouette targets of the Ayatollah, or you can use them to off your rivals and create lots of police widows. It depends on what kind of guy you are. But the N.R.A. doesn't care—underneath its dumb incantatory slogans ("Guns don't kill people; people kill people"), it is defending both guys. It helps ensure that cops are outgunned right across America. It preaches hunters' rights in order to defend the distribution of weapons in what is, in effect, a drug-based civil war.

But we who love hunting have much more to fear from the backlash of public opinion caused by the N.R.A.'s pigheadedness than we do from the Government. Sensible hunters see the need to follow the example of other civilized countries. All fireable guns should be licensed; delays and stringent checks should be built into their purchase, right across the board; and some types, including machine guns and semiautomatic assault weapons, should not be available to the civilian public at all. It is time, in this respect, that America enter the 20th century, since it is only a few years away from the 21st.

THE GUN LOBBY IS RUNNING OUT OF AMMO

(By Mary L. Grow)

Every time a madman enters a school yard and sprays children with bullets, we see affirmation of the unfettered right to bear arms—the principle for which the National Rifle Association spends millions each year to influence votes in Congress.

In response to those who are appalled at the ease with which even mentally unstable criminals like Patrick Edward Purdy can obtain arms (including military assault weapons), advocates of gun ownership trot out the old saw: "When guns are outlawed, only outlaws will have guns."

Of course, laws will always be violated. But the imperfection of human nature gives society no excuse for failing to create laws that reflect the behaviors we aspire to.

The National Rifle Association (NRA) puts forward three arguments against gun control: The first is constitutional, the second based on the perceived need to defend home and family, and the third political. None holds up to scrutiny.

The constitutional argument: In a 1939 case involving the use of a sawed-off shotgun, the Supreme Court declared unanimously: "In the absence of any evidence showing that possession or use of [the sawed-off shotgun] has some reasonable relationship to the preservation or efficiency of a well regulated militia, we cannot say that the Second Amendment guarantees the right to keep and bear such an instrument." Constitutional scholars point to this as the clearest statement the court has made on the meaning of the Second Amendment.

Former US Supreme Court Justice Lewis F. Powell Jr., a moderate (who also happends to be a rifle-owning hunter), gave a speech in August to the Criminal Justice Section of the American Bar Association. "Much scholarly debate," he said, "has centered on the extent to which the Second Amendment applies to private ownership of arms, or is restricted to the need for a 'well regulated militia.' With respect to handguns, however—as opposed to sporting rifles and shotguns—it is not easy to understand why the Second Amendment, or the notion of liberty, would be viewed as creating a right to own and carry a weapon that contributes so directly to the shocking number of murders in our country."

The self-protection argument: The medical community has begun to see Americans' high rate of gun-related deaths as a public health issue. The New England Journal of Medicine last spring published an article comparing how often a gun was used successfully in slaying an intruder with how often a privately owned gun was responsible for suicides, accidents, or murders among family members and acquaintances. The findings: A gun in the home is 43 times more likely to be used to kill or injure the homeowner or a family member than it is to kill an intruder.

The political argument: For decades, conventional wisdom has held that it is political suicide for a politician to support gun control. This belief grew out of several well publicized political defeats, engineered and financed by the NRA. Sen. Joseph Tydings of Maryland was a notable example, forever held up, of the inevitable defeat awaiting any politician who took on the NRA.

But, though the myth lives on, it no longer corresponds to reality. The NRA has suffered a number of defeats around the country during the last year or so. Although it spent $6 million to the opposition's $500,000, the NRA lost in its effort to repeal the new Maryland law banning the sale and manufacture of Saturday night specials. In Minnesota, some courageous legislators drew on strong citizen oppositon to turn what looked like certain NRA victory on a "right-to-bear-arms" amendment to the state constitution into defeat.

A Minnesota poll of one year ago highlighted the fact that 80 percent of Minnesotans, including 77 percent of gun owners, support stronger gun control. A recent Gallop Poll showed that 91 percent of all Americans favor a seven-day waiting period for handgun purchases, and 84 percent favor federal licensing of gun owners. It would hardly take political courage to support gun control in today's climate.

Politicians often follow public opinion rather than lead it. My seatmate on a recent flight was a young military intelligence officer with a shirt full of ribbons and, above them, a combat infantryman's badge. In the course of a wide-ranging conversation, he told me that he used to belong to the NRA but had quit in disgust over its irresponsible positions on gun control. When will our politicians begin to catch up with such wisdom?

In the wake of yet another schoolyard slaughter, I feel outrage at those who say that their right to shoot at targets is greater than the right of small children to live free from the perils that result from our lack of safeguards over who may own guns and how they may be used. I feel outrage at the politicians who fail to prohibit the sale of assault weapons and at those who voted against the Brady Amendment, which would have mandated a seven-day waiting period before any handgun purchase. And I feel outrage at the NRA for equating God, the Constitution, apple pie, and freedom with the unregulated ownership of firearms.

I believe that every politician whose vote has been influenced by fear of the NRA or indebtedness to huge NRA campaign contributions must take some responsibility for the tragedy in Stockton, Calif.

(Mary Lewis Grow, a research associate at Carleton College in Minnesota, helped organize a citizens lobbying effort against the right-to-bear-arms amendment to the Min-

nesota State Constitution. The measure was defeated last year.)

INTRODUCTION OF A BILL TO AMEND THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. COELHO. Mr. Speaker, today I am pleased to introduce legislation to help growers of kiwifruit, peaches, pears, nectarines, and plums in California maintain their excellent record of marketing a high quality product. The legislation would result in imported kiwifruit, peaches, pears, nectarines, and plums having to meet the same minimum quality standards as fruit produced in California and marketed commercially in the United States.

California producers are anxious to present the consumer a product of excellent quality. To help achieve this objective, producers of nearly 50 different commodities operate under a Federal marketing order. A marketing order is an instrument whereby growers can enter into an agreement with the Secretary of Agriculture to improve and stabilize markets for their products. Under the marketing orders covered in this legislation, the growers have elected to market only that fruit which meets the approximate minimum quality provisions of the United States No. 1 grade. So their efforts will not be undercut by the importation of poor quality fruits, California growers would like the same minimum quality standards applied to the imported fruit as is applied to their own domestically produced fruit.

My legislation would add kiwifruit, peaches, pears, nectarines, and plums to the list of some 20 fruits, vegetables, and specialty crops listed in section 8e of the Agricultural Marketing Agreement Act of 1937. So listed, the imported fruits would be required to meet the same minimum quality standards as those fruits produced in California and sold through commercial channels in the United States.

Producers of the various commodities included in this legislation believe strongly that a strategy of marketing a high quality product in the United States is key to their continued success in developing and maintaining an economically viable industry. They feel that the principle should apply to fruits produced by foreign producers as well as to their own domestically produced fruit. I strongly support this reasoning and am pleased to introduce this legislation.

HUMAN RIGHTS ABUSES BY THE SANDINISTAS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. MICHEL. Mr. Speaker, 3 days after the Congress voted to send humanitarian aid to the Nicaraguan resistance in support of the principles of the Central American peace plan, the New York Times reported that the Sandinistas, since the cease-fire of March 1988, have killed an estimated 40 to 50 civilians in Nicaragua. These murders appear to be part of a systematic plan of revenge and reprisal against Nicaraguans who have helped or are suspected of helping the resistance. These reports do not offer any hope that the Sandinistas are committed to allowing democracy and justice to come to Nicaragua.

The Times story points out that "it is impossible to do more than estimate the number of Sandinista killings and other human rights abuses," because the Sandinistas do not allow Nicaraguan groups to investigate alleged government atrocities. Since this is the case, how are we going to find out just what is going on in Nicaragua so that we can judge the Sandinistas record of adherence to the principles at the heart of the bipartisan accord between the President and the Congress?

At this point I wish to insert in the RECORD, "Rights Monitors See Increase in Abuses by Sandinista Army," by Lindsey Gruson, the New York Times, Sunday, April 16, 1989.

RIGHTS MONITORS SEE INCREASE IN ABUSES BY SANDINISTA ARMY

(By Lindsey Gruson)

APANTILLO, NICARAGUA.—Felicito Peralta went to his death barefoot.

When Sandinista troops came to his house in this isolated hamlet three months ago, he refused to answer the door. But, neighbors said in recent interviews, the soldiers threatened to throw a grenade into his home, which he shared with this wife and five children.

Mr. Peralta surrendered, leaving without his shoes. His wife, Maria, ran after him with his boots, but he told her not to worry, that Sandinista troops were taking him to a nearby jail, according to neighbors.

"I'll see you in the morning," he added. But by morning he was dead. Residents and human rights groups say he was one of a growing number of victims of a Government drive against suspected rebel sympathizers in northern Nicaragua.

In the last two years, residents and human rights groups say, Sandinista troops have killed at least 13 civilians around Apantillo, a hamlet of 200 peasants about 80 miles northeast of Managua. There are no comprehensive statistics, but human rights groups estimate that Government soldiers have killed 40 to 50 civilians in northern Nicaragua since a cease-fire agreement was signed in March 1988. They say the abuses appear to be limited to the north, where the contras have enjoyed widespread support.

Mr. Peralta had three brothers fighting with the anti- Sandinista guerrillas. His body was found not far from his house. He had been beaten, shot and stabbed repeatedly in the throat and stomach, said Carlos Molinaris, a neighbor and fellow Roman Catholic lay leader.

"These executions are too numerous to be isolated cases," said Juan Méndez, the executive director of Americas Watch, a human rights monitoring group based in New York, in a statement. "They constitute a pattern of abuse by Government forces."

Sandinista officials declined to comment on the charges. They received written questions about the alleged abuses but an Interior Ministry spokesman said the Government would probably not comment until it had a chance to investigate all the cases.

In the past, Managua has blamed such killings on the rebels, or contras, who have often been accused of human rights violations by monitoring groups.

"The contras disguise themselves as soldiers to discredit the army," said Dani Chavarría Rivera, the regional coordinator of a pro-Government group, Families of the Kidnapped and Disappeared by the Counterrevolutionaries.

She charged that the contras had killed or kidnapped 6,000 people in the northern province of Matagalpa in the last eight years. The United States-backed rebels, she said, have killed or kidnapped 300 people in the year since the cease-fire agreement.

WITH REBELS' ABSENCE, A SHIFT

Human rights groups and residents of the area say the rebels still commit abuses. But the vast majority of their troops have withdrawn to camps in Honduras, leading to a sharp drop in human rights violations attributed to them.

In contrast to the rebels, political killings by Sandinista troops were rare for most of the war, according to Americans Watch. Except for some notable cases seven years ago, it said that Government abuses had been "sporadic and that they did not reflect a pattern."

In a report last year, however, the group noted a series of murders of suspected contra collaborators and family members. It charged that "the cases are numerous enough to suggest tolerance or complicity by higher authorities."

That conclusion, Mr. Méndez said, has been confirmed by more recent killings, like the murder of Mr. Peralta, by both army and Interior Ministry troops. Some international relief officials working in northern Nicaragua said they agreed with Mr. Méndez but declined to be identified by name or organization.

"The Government's failure to put an end to this practice merits service condemnation," Mr. Méndez said in the statement. He commended the Sandinistas for prosecuting some human rights violators. But other officials noted that most of those convicted were released after serving only a small fraction of their sentences.

APPARENT EFFORT TO HALT SUPPORT

The series of killings appear to be part of a campaign to crush the vestiges of the civilian support network that fed and sheltered the contras, who used to roam with few impediments across much of this fiercely independent, anti-Government region.

The Sandinista counterinsurgency effort has forced thousands of contra collaborators to flee. Many have risked minefields to escape to contra camps in Honduras; others have taken refuge in the cities, where it is difficult and dangerous for the rebels to contact them.

The few guerrilla patrols that still venture into the jungle-crowned region now must struggle just to feed themselves, according to senior rebel leaders, who were interviewed in recent months in their Honduran camps.

Until the rebel army withdrew, leaving its civilian network unprotected, sympathizers provided much of the food the guerrillas needed and frequently provided advance warning of Sandinista patrols and troop movements.

The Sandinistas security forces responded by putting agents and informers in remote villages, the main front in the war. Both sides soon took political headcounts, noting which peasants had families members with

the contras and those who supported the Government.

Andrea Martínez said the contras accused her son Martín of being a Government informer. Three years ago, they kidnapped him and held him for three days. But his release marked him as a contra in the eyes of the Sandinistas, his mother said.

Mrs. Martínez, who has another son and a daughter with the rebels, said Government troops soon started harrassing Martín, who was then 18-years-old. A neighbor, Lola Pinosa, in mid-November warned him that the army was looking for him and advised him to flee, his mother said.

But he decided to stay long enough to help his mother harvest the family's meager bean crop. At 4 A.M. on Nov. 22, Sandinista soldiers came to their house and arrested him, said Mrs. Martínez. She said she recognized the voice of the local garrison commander.

A few hours later she heard two shots. A neighbor found Martín's body later that day.

"No One Will Be Punished".

Some civilians appear to have used the Sandinista counterinsurgency campaign to settle personal scores. Miguel Angél Ramírez Dávila was denounced by a relative after a drunken fight, according to his wife, Esperanza Blandón, and his brother, Pablo Ramírez Dávila, a former rebel who was captured and released by the Sandinistas.

Mr. Ramírez, who was in his early 20's, had worked briefly as a guide for the contra patrols at least three times, his brother said. He was arrested last August and taken to jail, where he was seen by family members and neighbors.

His wife, who at the time was pregnant with their fourth child, said that when she went to visit him on Sept. 2, she was told he had been released early that morning. His body was discovered later that day about a mile from his house in Zompopera, a hamlet 45 miles northwest of Apantillo.

Mrs. Ramírez said she had complained to the authorities about the murder but that they maintained that her husband was killed by the contras. Residents said the rebels had not been in the area at the time of Mr. Ramírez murder.

Americas Watch officials said it is impossible to do more than estimate the number of Sandinista killings and other human rights abuses. That is because there are no Nicaraguan groups that routinely investigate allegations of Government violations in the countryside. And many of the reported killings and abuses are in extremely remote areas, accessible only by the daylong hikes.

HUMAN RIGHTS VIOLATIONS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. YATRON. Mr. Speaker, today I am pleased to introduce legislation condemning the deliberate and systematic human rights violations by the Government of Iraq.

This resolution enumerates the Government of Iraq's human rights violations according to the Department of State's Country Reports of 1988, Amnesty International, and other credible human rights groups. It calls upon the Secretary of State to engage in direct discussion with the Government of Iraq concerning its human rights practices, to encourage this Government to implement genuine and effective human rights reforms, and to call attention to violations of human rights in Iraq in the United Nations and other international forums. It also asks that the United States provide, and urge others to provide, refugee and humanitarian assistance for those Kurds who have been forced to flee their homeland.

During a hearing held by the Subcommittee on Human Rights and International Organizations, which I Chair, on U.S. human rights policy immediately after the issuance of the 1988 Country Reports, Assistant Secretary for Human Rights and Humanitarian Affairs, Richard Schifter, attested to the dramatic and serious human rights situation in Iraq. Members of the subcommittee also were concerned that not enough had been done to indicate to the Government of Iraq that its horrible record was unacceptable.

The subcommittee has received many requests from the international human rights community, the Kurdish community, and the public-at-large to take some action on this grave matter. Though this resolution is long overdue, it is, nonetheless, essential if we are going to see any improvement in Iraq.

I urge my colleagues to support this vital legislation.

LETTER CARRIERS DO MORE THAN JUST DELIVER THE MAIL

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. YOUNG of Florida. Mr. Speaker, letter carriers who serve the people of Pinellas County, FL, I represent do much more every day than deliver the mail.

In serving an area with the highest concentration of older Americans any where in our Nation, letter carriers have proven to be a valuable friend to the elderly along their routes. In particular, they keep careful watch over the elderly and their homes to ensure that there are no signs of individuals in need of help. Many times letter carriers have called the police or fire department when they found individuals along their route sick or injured.

Just such a situation arose recently in Dunedin, FL, where Linda Heywood, a letter carrier from the St. Petersburg branch, heard a cry for help at one stop along her route. She looked through the mail slot in the door and found an elderly man trapped beneath a grandfather clock.

She promptly asked a neighbor to call the police, then located a spare key and let herself into the house where she lifted the clock off the man who had been trapped there for more than 3 hours. Paramedics transported the man to a local hospital where his injuries were treated and he was eventually released.

Mr. Speaker, this gentleman is alive today because of the quick thinking of Linda Heywood, an alert letter carrier who reminds us that our Nation's letter carriers do more every day than deliver the mail.

ROBERT SNYDER, LEHIGH VALLEY LEADER

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. RITTER, Mr. Speaker, "Everybody who was involved in the community knew him, because he was involved in everything."

With these words, Bethlehem Mayor Ken Smith aptly described Robert P. Snyder, who recently passed away. And, since these words would aptly describe most Members of Congress, it is not surprising that Bob's path and mine crossed many times. I am pleased to have been a recipient of his advice, counsel, and friendship and like so many others will miss him dearly

Bob was more than a devoted husband to his wife, Posey, and a figure prominent in the social activities of the community. He was a leader dedicated to improving the civic, business, political, and educational life of the Lehigh Valley.

Bob was a graduate of Franklin & Marshall College and came to Bethlehem in 1946 after serving as an Army captain where he fought in the Battle of the Bulge. At that time he joined the administrative staff of Moravian College, and worked there for 38 years before retiring as senior vice president. Not a slow starter, by 1952, he had been elected the Jaycees Young Man of the Year. But Bob was just getting warmed up.

Dr. Herman Collier, former president of Moravian College, has fond memories of working with Bob Snyder: "I would suggest that he had unique qualities, but in particular, his diversity of interests and abilities. Beyond that I would say his special qualities would be he cared in a very special way for the institution, its long history, its people and its future."

According to James J. Heller, vice president and dean emeritus at the college, Bob's professional skills helped shape the institution financially. He directed several key programs for Moravian including community relations, the student financial aid program, general fundraising for the school, and planning and development.

While directing college development during a period of rapid growth, he found time for effective involvement in a wide range of business and political activities. Bob was the interim president and CEO of the First Valley Bank in 1976 and became the interim president of St. Lukes Hospital in 1984.

Through the years his civic activities included the presidency of four active groups; the Bethlehem Area Chamber of Commerce, Historic Bethlehem, Inc., Bethlehem Rotary Club, and Community Concert Association. He also was instrumental in helping form the Bethlehem Collegium and served as executive director for United Way of Northampton and Warren Counties.

Yes, Mr. Speaker, Bob Snyder was really an amazing guy who executed all these activities with unique quality yet never tried to make a big splash. Everybody in the Lehigh Valley who was involved will miss his driving force, quiet wisdom, and creative ideas. We will miss

his guidance, his charming wit, his expertise, and most of all, his friendship.

At this point, Mr. Speaker, I included the memorial editorials appearing in the March 11 issue of the Bethlehem Globe-Times and the March 13 issue of the Allentown Morning Call respectively.

[From the Globe-Times, Mar. 11, 1989]

BOB SNYDER WAS ALWAYS THERE AND WILL BE MISSED

There are givers and takers in this world. Bob Snyder was a giver.

Whenever the need arose, Snyder answered the call, whether it was a need for an interim president at St. Luke's Hospital and First Valley Bank or when a speaker was needed at a Rotary Club luncheon.

A gentle man, and a great friend of nature, Snyder was equally at home in the intense world of business, the cut-throat world of politics and the kinder world of charity.

Mr. Bethlehem. The nickname fits.

"When somebody in Bethlehem had a problem, the first person they would call was Bob Snyder," said Globe-Times Publisher Nancy Adams Taylor. "He could mesh discordant factors and bring people together."

And that he did in everything he approached. He was a man of many abilities, a caring man who took part instead of sitting on the sidelines.

Many owe him so much, but he was doing what came naturally.

"What gave him joy was giving back to the community," said Mayor Ken Smith. "What he accomplished was mind-boggling. His resume must look like the resume of five men."

While many people have friends, few communities do. Bob Snyder was a friend to all of Bethlehem. He was the man of the moment in many important moments.

"He was one of a kind. He was kind of a Renaissance man in the modern world," said Eleanor Boylston, who worked with Snyder at the United Way.

Snyder could see the future in most any endeavor he undertook. When he handed off at the end of a job, his successor would find a better situation than Snyder had inherited.

He helped guide Moravian College into the '80s and saw to it that First Valley and St. Luke's shaped up.

Numerous community organizations benefitted from his knowledge and hard work.

But it was his one-on-one influence that will most be remembered by people in this community.

"He was my advisor and counsel in so many ways involving this community," said First Valley Bank Chairman John Howell. "He was the guy I'd turn to for advice all the time. I'm going to miss him greatly. I know the community will too."

[From the Morning Call, Mar. 13, 1989]

ROBERT P. SNYDER: HE'LL BE MISSED

"I don't think there's anybody in Bethlehem who doesn't know of Bob Snyder and the work he's done," declared Bethlehem City Council President Jack Lawrence on learning of Robert P. Snyder's death Friday at age 69.

While that may be an exaggeration, certainly Robert P. Snyder was among the best-known and most popular people in the city he adopted when he arrived here in 1946, following World War II. In 1984, Mr. Snyder retired as senior vice president of Moravian College, after nearly 40 years of helping guide and shape the course of that rapidly growing institution. During that same time, his contributions to the community, both in civic and community affairs, were immeasurable.

Mr. Snyder served as interim president of First Valley Bank and St. Luke's Hospital. He was at the head of United Way fund drives. He was the Bethlehem Jaycees' "Young Man of the Year" in 1952. And he served as president of the Bethlehem Area Chamber of Commerce, Historic Bethlehem Inc., the Bethlehem Rotary Club and the Community Concert. Bob Snyder was very much at home in the outdoors, especially observing and charting the comings and goings of his beloved birds. His renowned sense of humor and wit made him a speaker par excellence, which endeared him to many.

His passing, after a life dedicated to his community, raises the sobering question . . . where do people like Bob Snyder find the time? And why can't more of us follow the example of leadership and commitment he demonstrated throughout his life?

"He was probably more knowledgeable about the history of Bethlehem . . . than anybody I've ever known," observed Chamber Executive Director Richard Strain, summing up the source of the light Bob Snyder had shed along Bethlehem's path. He was a man whose wise counsel on virtually any matter related to his adoptive home was avidly sought and gratefully received by many.

Robert P. Snyder was a man who will prove virtually irreplaceable, Mr. Strain said, a man who will be sorely missed. The Christmas City is diminished by his passing.

A TRIBUTE TO SUGAR RAY ROBINSON

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DYMALLY. Mr. Speaker, I rise today in memory of Walker Smith Robinson, Jr., the man the world came to know as Sugar Ray Robinson. On April 12, 1989 "Sugar Ray" passed away at Brotman Memorial Medical Center after developing breathing complications in his Los Angeles home.

Born in Detroit, MI, on May 3, 1921, Sugar Ray Robinson will go down in history as one of the greatest boxers in American history. In 1946, he captured the welterweight title by defeating Tommy Bell, and then went on to win the middleweight title five times between 1951 and 1960.

Elected to boxing's Hall of Fame in 1968, Sugar Ray was recognized as the fastest and most devastating puncher in the ring. He picked up the name Ray Robinson from another prize fighter whom he wanted to substitute for in the ring. A sportswriter once described him as "the sweetest fighter * * * sweet as sugar"—thus the nickname "Sugar Ray."

Mr. Speaker, today I stand in honor of a legendary athlete, however, Sugar Ray was indeed a man of outstanding character and generosity. We are not only saluting a boxer, but a community servant, philanthropist and dedicated champion of youth sports.

Sugar Ray Robinson proved to be as shrewd a businessman as he was a top ranked prize fighter. At one time his enterprises included a Harlem restaurant, a dry cleaning establishment, a barber shop, a lingerie shop, and real estate holdings in New York, Detroit, Cleveland, Chicago, and California.

Mr. Speaker, I grew to know Sugar Ray personally as a result of his residence in my district. I learned of a man whose claim to fame was far beyond the boxing ring. I grew to love, respect and admire a true humanitarian, statesman and fine example of a sportsman. He was a man America can always applaud.

He is reported to have made charitable donations to a wide range of funds and foundations, both at home, in America, and abroad. Aside from a donation to the Damon Runyon Fund, the Heart Veteran's Fund, the National Foundation for Infantile Paralysis, Sugar Ray reaffirmed his proven sense of commitment to various causes by making a donation to B'nai B'rith. Sugar Ray pledged his entire purse of $25,000 from the May 1951 title bout against Kid Marcel in Paris to the Cancer Society of France.

Mr. Speaker, I hope you and the House of Representatives will join me in saluting a man who was more than just a public figure, but a private giant. In Sugar Ray Robinson, we had a real taste of what humanity, humility and generosity can do in molding an individual.

WASTE DISPOSAL CRISIS

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. MRAZEK. Mr. Speaker, I rise today to address the issue of mass-burn incineration, an issue that requires urgent attention on the part of Congress.

America is facing a waste-disposal crisis of monumental proportions. The traditional way of getting rid of our waste dumping is fast becoming obsolete. Our landfills are almost filled to capacity. Worse, many of these landfills contain hazardous wastes, which in some cases are threatening the continued availability of potable drinking water.

The situation on Long Island is perhaps symbolic of what the Nation may face in a few more years. New York's landfills are reaching their capacity, and many Long Island communities are shipping their waste to other States. The recent expedition of the garbage barge from Islip, Long Island, has graphically dramatized the need for a comprehensive waste-management policy. It is clear that something beyond dumping is necessary to manage our garbage.

New York State enacted legislation in 1983 which imposes strict new regulations on landfills in Nassau and Suffolk Counties on Long Island. The law requires all landfills in deep-water recharge areas to be closed by 1990 and also mandates that landfills outside recharge areas no longer bury raw garbage, but only accept nonhazardous waste material.

After a preliminary review of various alternatives to landfilling, most townships on Long

Island have moved toward mass-burn incineration as a preferred method of garbage disposal. Currently, there are 10 of these facilities in the State, with plans to build several more on Long Island. The EPA estimates that by 2000 there will be 400 incinerators nationwide, disposing 33 percent of the country's waste. Many States, including New York, have viewed incineration as almost a panacea to their waste-disposal problems.

Unfortunately, the reality of incineration is that, unless it is well managed and controlled, it may very well solve one environmental problem only to be responsible for another. This is because the process of incineration emits tons upon tons of toxic chemicals into the air to spread over wide areas. Even a quick inspection of the sorts of garbage which are incinerated could show why incinerators must be strictly controlled. Batteries, plastics, and the like are burned, sending a poisonous chemical cocktail into the air and then into our environment. Among these toxic chemicals are dioxins, one of the most dangerous known.

Despite the fact that the environmental and health risks from the proliferation of dioxins are considerable, few States have taken action to regulate emissions to set limits on dioxins and other dangerous chemicals. Only a handful of States currently have regulations or policies for dioxins.

If incineration is to be the wave of the future, as it seems to be, it is vital that strict limits be set which will prevent incinerators from endangering the health and welfare of us all. For this reason, I am today introducing legislation which responsibly addresses the problem of dioxin emissions.

The bill I am introducting today—H.R. 2452 in the 100th Congress—would amend the Clean Air Act to control emissions of dioxin from resource-recovery plants and municipal-waste incinerators. The bill mandates that each new and modified plant must not emit more than 0.1 nanograms per normal cubic meter at 10 percent carbon dioxide. The bill covers each plant that begins operations after the bill is enacted.

I chose this particular standard because it is the figure that has been adopted by Sweden, the country that has done the most research into the topic. In 1985, Sweden's Environmental Protection Agency halted construction of all new plants when it was thought that it was important to evaluate the health and environmental side effects of incineration, with dioxins the primary concern. The Swedish Government had become concerned about the implications of incineration after high levels of dioxin had been found in Baltic Sea fish and mother's milk.

After the extensive study, Sweden determined that new facilities could be built, but only if serious measures were taken to meet new, more stringent standards. These are the standards my bill would mandate.

Sweden also determined that these standards could be met with current technology. The study concluded that with today's technology, emissions of dioxin could be reduced by up to 90 percent from present levels. Last year, Sweden resumed construction of new incinerators with the new standards in place.

I believe this is a long-overdue and responsible approach to the problem of dioxin emissions. In light of the risks that incinerators pose to our health and environment, swift action must be taken. I also strongly support other efforts to devise a comprehensive plan to control emissions. For too long, the Federal Government has failed to deal effectively with airborne pollution. While EPA estimates that 15,000 airborne chemicals should be assessed for their toxicity, they have only actually regulated 7. And dioxin—perhaps one of the most dangerous of all—is still not regulated by the Federal Government. While EPA has done little to protect America's air. Congress can and must take measures to prevent our air from becoming a dump for toxic chemicals.

I also feel it is important for Congress to take action to deal with the side effects of incineration, such as the ash residue. This ash, which usually contains high amounts of dangerous lead and cadmium, is not presently considered to be hazardous waste. This designation must change so that this particular toxic waste is no longer treated in the same, rather careless manner as less harmful garbage.

It is clear, too, that more emphasis must be placed on recycling of waste, both to help the economy and to reduce the amount of garbage which must be somehow disposed. In my mind, there is no reason why we can't recycle 50 percent of our waste in the 1900's.

It is certain that we can no longer rely on landfills to get rid of our garbage. They are not only an eyesore, but also a very serious threat to our environment. We need a new solution. If incinerators are part of that solution, we need to look at incineration very carefully before signing off on this technology. And, without a doubt, incinerators must only operate with strict emissions standards. This is the only way we can prevent a solution to one environmental problem from becoming the cause for another.

SIPERSTEIN PLAZA DEDICATED

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. GUARINI. Mr. Speaker, last week the mayor and city council of Jersey City, by unanimous resolution performed a most memorable event, naming a section of Jersey City N. Siperstein Plaza.

This action by the community governing body is causing the formal dedication next Friday of an area of Montgomery Street, Colgate Street, York Street, and Center Street as a tribute to the hard work of a Russian immigrant who founded a business in the year 1904 which has grown to the largest chain of paint and wall covering supply stores with more than fifteen locations throughout the State of New Jersey.

The area being designated as N. Siperstein Plaza honors the late Nathan Siperstein who arrived in this country at the turn of the century and settled in downtown Jersey City.

Nathan Siperstein was a third generation house painter in his native land but after his father died he set out for America where he married Lottie and raised a family of four sons, Harry, Oscar, Morris, and Herbert, who worked hard in their first establishment at 369 Montgomery Street, Jersey City, in the shadow of the Statue of Liberty, developing the company which today has more than 250 employees and located in Jersey City, Bergenfield, Bricktown, Flemington, Fords, Linden, Lodi, Long Branch, Manalapan, Middletown, North Plainfield, Toms River, Union, and Wall, New Jersey.

In the Jersey City community they are known as the paint company with heart. Not only have their products been used in tens of thousands of apartments and dwellings, but their generosity to worthy causes has no peer.

Each day they have assisted Yeshiva of Hudson County, Jewish Home and Rehabilitation Center, Yeshiva of North Jersey, and have received recognition from these groups for their generosity.

They have contributed to many worthwhile charities regardless of race, color, creed, or nationality in the areas of education, health, employment, and cultural enrichment. They have assisted St. Peter's Preparatory School, a high school in Jersey City under the direction of the Jesuits, by providing scholarships for worthy students each year.

The Sipersteins have contributed to Straight & Narrow, Inc., a drug and alcohol rehabilitation center, located in Paterson since 1954, which serves people needing assistance throughout the State.

Among the numerous awards presented to the Siperstein family are: heritage award for their work with the State of Israel bonds; Pikuach Nefesh award given by the American Red Magen David Israel—Israel Red Cross Society for their contribution of a life saving ambulance which is inscribed: "He who saves a single life is said to have saved the entire world."

Currently the third generation of the Siperstein family is now serving the fourth and fifth generations of customers who remember the quality of service, loyalty, and generosity of this family.

The area where Siperstein Plaza is located is a block square across from Ferris High School in Jersey City. The Siperstein family about 10 years ago were forced to relocate because of a redevelopment project, and took the new location and turned it into a modern facility which has become the center of the renaissance near the Jersey City Medical Center, and the new Hudson County Vocational School, and where new homes have been built helping Jersey City with its new look.

Nathan did an excellent job with his business, but the highest accolade given to him was for his humane businesslike approach and the raising of his fine family.

According to a Jersey Journal article which appeared during the observance of their 50th annivesary,

More than 35 years ago, Oscar was the first of the boys to actively engage in the business, followed by Morris, the oldest son, who gave up a law practice to devote his time to the family enterprise.

Harry managed several of the locations and is the guiding light of the entire operation working with Herbert, a heavily decorated World War II veteran, who earned the Bronze Star Medal in combat.

On Friday next, in addition to the official city proclamation, which was presented by Mayor Anthony R. Cucci and adopted by all the council members, the New Jersey Senate adopted a resolution on October 24, 1988, presented by Senator Thomas F. Cowan, and I have made available a flag which was flown over the Capitol of the United States which will be prominently displayed on the premises.

This resolution will be part of the family legacy for the ever enlarging family, where the children of the four sons are continuing the business and raising new family members who we feel certain will carry on the Siperstein legacy of hard work and dedication which made America great.

I feel certain that Members of this House of Representatives are pleased to join me in this American success story marking the dedication of N. Siperstein Plaza in Jersey City.

RAIL LINE PRESERVATION AND EMPLOYEE PROTECTION ACT

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. TAUKE. Mr. Speaker, today I am reintroducing legislation to resolve in an equitable way the current uncertainties surrounding the creation of regional railroads. The Rail Line Preservation and Employee Protection Act strikes a balance between the legitimate concerns of railroad employees who face job termination and the interests of the sellers and purchasers of new regional railroads.

In the years leading up to 1980, the railroad industry was suffering the negative effects of decades of cumbersome Federal regulation. Nearly 25 percent of the Nation's railroads had fallen into bankruptcy and much of the rest of the industry was in deep financial trouble. In an effort to reduce operating costs, railroads attempted to restructure their light density lines. However, Federal laws required labor protection payments whenever a railroad attempted to consolidate, merge, or abandon a rail line.

In an effort to minimize the costs of making labor protection payments, railroads embarked on a strategy of abandoning service in order to abandon lines. By driving business off light density lines, railroads could reduce the number of workers who would qualify for labor protection benefits when the line was eventually abandoned. During the decade of the 1970's the mileage of our Nation's largest railroads declined by 37,000 miles.

The Staggers Rail Act of 1980 brought about dramatic changes in the railroad industry through deregulation. Under Staggers, railroads were given new opportunities to rationalize their systems through line sales. Line sales then became an attractive alternative to abandonment.

The Staggers Rail Act allowed the Interstate Commerce Commission to exempt line sales from labor protection requirements if the purchaser was not an existing railroad. The ICC further expanded this authority by voting to exempt all sales to nonrailroad companies and to consider these transactions under expedited procedures. The ICC chose not to impose labor protection conditions on sales under the rationale that these expenses, which run as high as 6 years of each affected employee's salary, would undermine the feasibility of line sales as an alternative to abandonment.

The ICC's blanket exemption from labor protection standards enhanced the financial feasibility of sales of light density lines and led to tremendous growth in regional railroads. Since 1980, over 180 new railroads, including 10 in my own State, have been created. These railroads now operate more than 17,000 miles of line.

Regional railroads are generally not encumbered by the same work rule restrictions used by major rail carriers. This enables them to turn profits on lines which would otherwise be very marginal for class I railroads.

The authority of the ICC to exempt line sales from labor protection requirements came under the scrutiny of the Federal judiciary in 1987. A Federal court of appeals upheld a ruling by a lower court that line sales came under the jurisdiction of the Railway Labor Act and not under the rubric of the Interstate Commerce and Staggers Rail Acts. Under the RLA, rail labor may bargain for a labor protection settlement in a line sale and may strike if not satisfied.

Due to conflicting interpretations on this issue, the Supreme Court agreed to hear the case involving the sale of the Pittsburgh and Lake Erie [P&LE] Railroad. The Supreme Court is expected to render a decision on the P&LE case later this year. However, because of the unique nature of the P&LE case, it is possible that even a ruling by the High Court may not fully resolve the issue of labor protection on light density line sales.

The conflicting signals on the labor protection issue during the past 2 years have had a chilling effect on the sale of light density lines. Lines sales have essentially come to a halt and abandonments and the threat of future abandonments have substantially increased. We face the distinct possibility that the only growth sector in the railroad industry—regional railroads—will be choked out of existence.

I believe that the interests of all concerned parties will be best served by the adoption of clarifying legislation before the Supreme Court renders its decision on P&LE. And I continue to believe that a workable compromise can be reached among buyers, sellers and labor that will establish a fair process for allowing major rail carriers to sell light density lines. I offer the Rail Line Preservation and Employee Protection Act as a focal point for these negotiations.

SCOTT'S DREADFUL WORK OF ART HAS STRENGTHENED ONE VIEWER'S PATRIOTISM

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. HYDE. Mr. Speaker, the American public was understandably outraged when the Chicago Art Institute and the School of the Art Institute displayed an exhibit entitled "What is the proper way to display a U.S. flag?" The exhibit consisted of an American flag placed on the ground in front of a ledger provided for viewers to write their comments. This exhibit encouraged individuals to trample on the flag in order to register their views. The so called artist was named Dred Scott Tyler.

While Americans believe in a broad application of freedom of speech, promoting desecration of the flag only serves to undermine widespread support for this doctrine. With freedom comes responsibility. The Chicago Art Institute has acted irresponsibly and with flagrant disrespect to our Nation and its most revered symbol.

Mr. Hiawatha Bray, a journalist with the Daily Journal in my congressional district has written a most interesting column on this important subject which appeared March 12 and deserves a national audience.

I commend this thoughtful article to my colleagues.

[From the Daily Journal, Mar. 12, 1989]

SCOTT'S DREADFUL WORK OF ART HAS STRENGTHENED ONE VIEWER'S PATRIOTISM

DEAR MR. TYLER: You asked me the other day about the proper way to display an American flag; forgive me for not answering your question then. I had only ten minutes to think about it, a time limit strictly enforced by the guards who hovered about your exhibit at the Art Institute.

Besides, the two notebooks set aside for answers last Friday were nearly full. There was just space enough for a single phrase, the first thing that came to mind as I viewed your work. You will find it about midway through one of the books, written in my distinctive clumsy scrawl.

I had to stretch a bit to reach the notebook, so as to avoid stepping on an American flag that covered the floor directly beneath it. It is this placement of the flag, your own judgment about how it should be displayed, that the created a national controversy.

Veterans' groups, politicians and ordinary citizens have been stirred to outrage by your unpatriotic presentation, part of a display of work by yourself and other students at the School of the Art Institute. You're an unpopular man, Mr. Tyler. A number of visitors have tried to dismantle your work, and many of them would have been happy to give you the same treatment.

I'll Bet You're enjoying all this. I certainly would be, in your place. You're hot with youth, full of fervent ideas and new hormones. My adolescent political passions were rather different than yours—I was, in those days, a radical libertarian—but they seemed to me then a body of absolute, indisputable truths, doubted only by phonies and fools.

Now you've come to your time of commitment, and you're determined to make the most of it. I understand you call yourself Dredd Scott these days, in honor of a famous American slave. You've joined a tiny left-wing outfit called the Revolutionary Communist Party, which looks to Mao Zedong as the greatest interpreter of Marxist thought. And, of course, you've created a display designed to show your contempt for your native land.

As a member of the Art Institute, I wanted to decide whether I should withhold the pittance I've contributed to your education. So I beheld your handiwork, Mr. Tyler, and I pronounce it good. Very good, though not in the way you intended.

When I arrived, two veterans had just raised the flag from the floor. Solemnly, without a word, they folded it in proper ceremonial fashion, placed it on the stand on top of your notebooks, and left.

Immediately, a couple of young visitors picked up the flag, unfuried it, and placed it back on the floor with the same respect the veterans had shown. They just wanted to see your exhibit as you had intended it to be seen.

They and I and several others looked for a time, reaching over the flag to read the notebooks. They were filled with insults, rude sketches, the occasional dispassionate comment.

"Here's my favorite," a young man said, and pointed at the book. Someone had written, "America can handle it."

The same young man looked down at the flag and said, "When I saw this, it made me sad and angry, but I never knew this could make me feel this sadness and anger until I saw it. The people who want to close down this exhibit are trying to deny me the right to feel those feelings."

I Don't Know If you understand this, Mr. Tyler; you can't even spell Dred Scott's name correctly. But what this young man said was deeply patriotic, very American. Indeed, I saw more love of country in my ten minutes in that gallery than I saw in all the political campaigning of the last year.

It wasn't the cloth they were in love with. It was the principles it stands for. Those principles are more important than the American flag. Frankly, they're more important than America herself. And they're certainly more important than the pleasure of silencing you.

Of course, you'd have no grounds for complaint if your exhibit were dismantled. You're a communist, after all, an advocate of a system not known for sensitivity to human rights. Had you pulled a stunt like this in a Beijing art school during the Cultural Revolution, you'd have graduated in a box. Fortunately a lot of wounded and insulted veterans have stood between you and your ideological soulmates, though just now they're probably wondering why they bothered.

You're a jerk, Mr. Tyler, but a young one, and so I can hope that one day you'll grow to be ashamed of this exhibit of yours. Yet it is one of the best art exhibits I've ever seen, intensely inspiring.

How should the flag be displayed? Respectfully, of course. For the sake of the angry veterans, and the curious but loyal spectators, and even for the sake of those who don't merit its protection but get it anyway.

That's what I learned from your exhibit, Mr. Dredd Scott Tyler. But I couldn't find room to write it all in your book. So I settled for a sentence from the Book of Genesis that came to me as I watched the people stepping carefully around the flag on the floor. "You meant it for evil, but God meant it for good."

RECOGNIZING TUFTONIA'S DAY

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DEFAZIO. Mr. Speaker, today, I rise with great pride to join the thousands of my fellow Tufts University alumni throughout the world who today turn their thoughts to alama mater as they celebrate the fifth annual Tuftonia's Day.

I feel fortunate to have had the opportunity to get a higher education; an opportunity increasingly remote for many Americans. When I was a student a Tufts, I never expected to be standing at a podium addressing the U.S. House of Representatives. The education and experiences I received while attending Tufts helped make it possible for me to stand here today and honor that institution.

Alumni of Tufts include some familiar names. Among them is our distinguished colleague from New Mexico, Mr. RICHARDSON, actor William Hurt, Grammy Award singer and songwriter Tracy Chapman, astronaut Rick Houck, speechwriter Richard Goodwin, and businessman David Burke.

I take this opportunity to recognize Tuftonia's Day and join with alumni, from Medford to Melbourne, from Hartford to Hong Kong, and from San Diego to Sao Paulo, in saluting the rich history, great accomplishments and continuing excellence of Tufts University. To Tuft's students, faculty, administration, and alumni, happy Tuftonia's Day.

ST. JOSEPH IS "SCHOOL OF THE YEAR"

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DARDEN. Mr. Speaker, the teachers, students, and parents of St. Joseph Catholic School in Marietta, GA, recently were honored by Today's Catholic Teacher magazine, which named St. Joseph the Nation's top Catholic school of the year. I would like to take a moment to pay tribute to this outstanding institution, which was recognized for its academic excellence and the strong faith of the community which supports it.

St. Joseph serves 425 students from kindergarten through eighth grade, as it has since its opening in 1953. Over the years, it has gained widespread recognition for the quality of its educational environment and the way in which its nurtures the moral and character development of the boys and girls there.

Mr. Speaker, I invite my colleagues to join me in congratulating the community of St. Joseph Catholic School, and in encouraging the teachers, students, and parents to continue striving for excellence. I also would like to have included in the RECORD a feature about the school which appeared recently in the Marietta Daily Journal.

ST. JOSEPH IS "SCHOOL OF THE YEAR"

(By Peggie R. Elgin)

St. Joseph Catholic School in Marietta was named school of the year among Catholic schools across the nation by "Today's Catholic Teacher," March 31 in ceremonies held in Chicago.

Singled out for recognition at the National Catholic Educators Association conference because of its academic excellence and strong faith community, the Marietta school was nominated by the Archdiocese of Atlanta.

"In addition to strong academics, we stress Catholic and Christian values," said Maureen Kane, principal. "We focus on the total development of the child, making them lifelong students and life-long Christians."

As a representative of the archdiocese in the magazine's recognition program, St. Joseph was named school of the month in February, and in March was selected school of the year.

Other finalists for the award were schools of the month, each nominated by different archdioceses throughout the United States.

St. Joseph serves 425 students from Marietta, Cobb and several surrounding counties including Cherokee, north Fulton and Douglas, in kindergarten through eighth grade.

Though the school was recognized as the outstanding school of the year in the United States based on philosophy, faith community, promotion of Christian values, home and school relations, academic achievement and evidence of systematic school evaluation, Ms. Kane believes St. Joseph has a personality that sets the school apart.

"It is the first thing people notice when they visit the school," she said. "They feel a kindness, a graciousness and a warmth. "There is a true feeling of community in this school. That is very important."

St. Joseph's offers full-day kindergarten, before- and after-school day care.

"We have a full-time physical education teacher and a media specialist," said Ms. Kane. "We offer instrument music as well as classroom music."

A strong support staff, supplemented by parent volunteers who serve in the classroom and media center, help students with computer programs, assist teachers and serve in the clinic.

The school also provides a special class for children affected by divorce.

St. Joseph students have won many academic awards, including map and essay competition.

Class size averages 24 to 25 students who are taught completely by lay (non-secular) staff. Opened in 1953, the school charges tuition ranging from $1,135 to $2,300 (for non Catholics).

In 1987, the Home and School Association at St. Joseph School was awarded a plaque as an Outstanding Parent Organization at the NCEA Convention.

MINNEAPOLIS VA MEDICAL CENTER

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. PENNY. Mr. Speaker, I am pleased to bring to the attention of the House an article which appeared in the spring 1989, Premier magazine. "Many Healthy Returns" features the new state-of-the-art Department of Veterans' Affairs Medical Center in Minneapolis, MN, which was fully activated last summer. This is a remarkable facility. It has been so even prior to the time it first received patients, since the project was completed before its scheduled date and came in under budget.

The entire staff of the medical center, from Director Thomas Mullon on down, is on par with the outstanding quality of the physical plant, and we are extremely proud of these devoted individuals. These staff members and the veterans they serve truly understand the meaning of the sculpture which stands at the entrance to the medical center. That sculpture bears the inscription: "The price of freedom is visible here."

[From the Minneapolis (MN) Premier, Spring 1989]

MANY HEALTHY RETURNS—THE NEW STATE-OF-THE-ART VETERANS' ADMINISTRATION MEDICAL CENTER IS A SALUTE TO THOSE WHO SERVED

(By Jane Martin)

In the northwest atrium of the new Veterans Administration Medical Center in Minneapolis a 30- by 50-foot American flag hangs as a majestic reminder of the hospital's *raison d'etre:* providing quality health care to those who bravely served our country.

Beyond the flag, there's little to remind patients and visitors of a stereotypical vet's hospital. It's far from the dim, depressing institutions seen in old war movies. This is a place where even the snobbish Private Benjamin would be content to recuperate.

Gone are stark hallways, harsh lighting and cramped waiting rooms. In their places are expansive glass atria, an abundance of green plants, and walls in soft shades of rose, yellow and blue with textured wallpapers and cheery curtains. Spacious, open-air lounges with comfortable modern furniture provide a relaxing refuge for visiting family and friends.

The Replacement Center, as the new medical center is called by staff, is one of 172 Veterans Administration (V.A.) hospitals across the nation. With support from three other area V.A. hospitals, it serves veterans in Minnesota, North and South Dakota, and parts of Iowa and Wisconsin. The facility integrates patient care, education and research to provide state-of-the-art medical care.

"It was fun to watch the expressions on patients' faces as they entered the new hospital on moving day," says Rob McDivitt, staff assistant to the director of Replacement Medical Center Project. "Many of them were moving from 16-bed wards to new private or double rooms with beautiful views."

The V.A. Medical Center, which has 725 acute care beds and 120 extended care beds, began full operations on June 22, 1988. The patient move from the old hospital was completed in just 90 minutes. Connie Olson, R.N., staff assistant to the chief nurse and nursing coordinator for the in-patient move, describes the massive logistics plan that made the move successful: "Two weeks before the patient move, we went into a plan that had been developed over the course of two years. We systematically reduced our census so that we would be moving only the patients who were too ill to go home. A tunnel had been constructed between the two hospital buildings with three emergency stations along the way. Each critical patient was accompanied by a physician, two nurses and other hospital volunteers, and all patients traveled with their medical charts in case of emergency.

"The flow of traffic went in one direction—toward the new hospital," Olson adds. "All patients, including intensive care patients who traveled in their new beds, were greeted in their rooms, which had been prepared for them in advance. The entire move of 218 patients took place without incident. The hospital community really pulled together to make it organized and fun."

"The most challenging part of the move," says McDivitt, "was the preparation and tremendous logistical coordination to make sure everyone was in place when they were supposed to be. We monitored every patient from the time we started the move."

The logistical plan for the move was the final phase of a building project that began in the late '70s. At that time, the Veterans Administration sent a team of architects and planners to evaluate the existing hospital. "The buildings, which were constructed between 1926 and 1954, were simply not in a condition to provide modern health care," says Greg Shane, supervisory engineer at the hospital's Energy Center. "The Replacement Center project was initiated in the middle of the energy crisis, so the architects worked to integrate energy efficient lighting, heating and air-conditiong systems into the design."

The efficient use of lighting was both an aesthetic and economic consideration. Natural light, from windows or one of the three glass-enclosed atria, illuminates every patient room by day. Where natural light is insufficient or unavailable, energy-efficient fluorescent lamps take over.

NSP approached the Veterans Administration during the planning stages of the medical center to offer assistance in developing energy-efficient lighting systems. The V.A. Medical Center received NSP lighting rebates for its use of energy-efficient fluorescent lamps and ballasts. Under this plan, NSP offers a per-lamp rebate to customers who convert from standard to energy-efficient fluorescent lamps. With 43,992 lamps throughout the medical center, the V.A. received the maximum rebate of $5,000.

Inside each fluorescent light fixture is a small box, or ballast, that starts and controls electric current to the fluorescent lamp. "Combined with an energy-saving lamp, an energy-efficient ballast will save as much as 28 percent of total lighting costs," says Shane. For its 26,533 energy-efficient ballasts, the V.A. received an additional $10,000 rebate from NSP.

"We'll spend this first year settling in and establishing standards," says Shane.

"Once we know where we stand, we can develop long-term energy use goals and evaluate further conservation methods."

Equally state-of-the-art are the patient care and surgical advancements under way at the medical center. "The vast majority of our patients are elderly males—World War II vets who make up the largest population of U.S. veterans," says McDivitt. "We have specialized programs for the elderly, including the Geriatric Research Education and Clinical Center (GRECC) which is at the forefront of research and devoted care for the elderly patient."

The hospital also is developing a pioneering program, primarily focusing on diseases of the brain such as Alzheimer's and epilepsy. The Brain Sciences Foundation, a joint effort of the V.A., the University of Minnesota Medical School and the American Legion will establish a $2 million professorship in the brain sciences utilizing the V.A.'s $20 million in state-of-the-art-radiologic and nuclear medical equipment.

"We're already seeing payoffs from the exhaustive planning that went into this project," says McDivitt. "With continued commitment to clinical excellence and an eye on resource conservation, the V.A. Medical Center is poised for a healthy future."

ON BASE CLOSINGS

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. CAMPBELL of Colorado. Mr. Speaker, I rise in support of the resolution of disapproval of the base-closing recommendations that is to be voted upon today by the House.

One of the bases on the list for closure, the Pueblo Depot Activity, is located in my district. While I agree that we need to close our obsolete military bases, which is supposed to save billions of dollars, I owe it to my constituents to carefully examine the rosy figures on costs savings assumed by the Commission, figures that amount to peanuts in the military budget and do not justify the profound human and economic impact implementation will have.

When just last year the Army informed me in person that the Pueblo facility was a critical base for the military, and then the Commission rates it as useless, I have to question the reasoning of the Commission.

When the Commission acknowledges that it exceeds its authority in recommending closure for Pueblo, but includes those recommendations in its report anyway, I have to stand up and say what is being done is wrong.

When the cost of realigning and closing Pueblo is underrestimated by at least eight times the stated costs, with savings therefore nonexistent, I have to question the recommendations.

However correct we are in trying to close down unneeded military bases, something has gone very wrong in our efforts to do so.

ALFRED PITMAN, JR.

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. LEWIS of Georgia. Mr. Speaker, I would like to take this time to bring to the attention of my colleagues the accomplishments and contributions of an outstanding man, Mr.

Alfred Pitman, Jr. of East Point, GA. Mr. Pitman was a true community leader. He served as the vice president of Georgia Federal Bank, a lay leader at Mount Zion United Methodist Church in Atlanta, a men's bible school teacher, and vice-president-elect of the Fulton County Heart Association.

The following obituary outlines the many activities and accomplishments of Mr. Pitman:

[From the Atlanta Constitution, Apr. 15, 1989]

MR. ALFRED PITMAN JR., 61, WAS VICE PRESIDENT OF GEORGIA FEDERAL BANK

Mr. Alfred Pitman Jr. of East Point, vice president of the Georgia Federal Bank, died early Friday of heart disease at Georgia Baptist Medical Center. He was 61.

The funeral will be at 2:30 p.m. Sunday at Mount Zion United Methodist Church in Atlanta with burial at the church cemetery.

Mr. Pitman had worked at the Georgia Federal Bank since 1972. He was formerly vice president of McCrackin industries in Forest Park. He was a lay leader in Mount Zion United Methodist Church, a men's Bible class teacher, and vice president-elect of the Fulton County Heart Association.

Alfred Teed Pitman was born May 18, 1927, in Saugus, Mass., the son of Alfred T. Pitman Sr. and Myrtle Dunn Pitman. He graduated from Georgia Military Academy and attended Georgia State University.

During World War II, he served with the U.S. Navy in the South Pacific.

He was a past state president of the Gideons International. Mr. Pitman was chairman of the South Fulton chapter of the American Cancer Society and chairman of an East Point committee studying a city manager form of government. He was a member of the board of Metro Atlanta Better Business Bureau and the board of Independent Colleges of Georgia.

Surviving are his wife, Eleanor Morris Pitman; three sons, J.W. "Rusty" Pitman of Lawrenceville, W.J. "Wes" Pitman of East Point, and Andrew W. Pitman of Fayetteville; a daughter, Kaaren Barlett of Marietta; a brother, Robert A. Pitman of Asheville, N.C.; three sisters, Bettye Renew of Saugus, Mass., Doris Lynch of Boston, Mass., and Nancy Gorman of Weschester, Conn.; and seven grandchildren.

OVERSEAS BASE CLOSURE AND REALIGNMENT ACT OF 1989

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mrs. SCHROEDER. Mr. Speaker, next week the gentleman from Massachusetts, [Mr. DONNELLY], and I are introducing the Overseas Base Closure and Realignment Act of 1989. I urge my colleagues to cosponsor this important piece of legislation.

Last year I tried to include overseas bases in the domestic base closure bill. Unfortunately, instead of action on overseas bases, we had to settle for another classified Department of Defense [DOD] report saying that our present overseas basing network is "required to support U.S. forces abroad."

What DOD forgot to mention was a prior DOD report looking into the costs of our overseas assets. The figures are amazing. Our total basing costs overseas have risen nearly 500 percent since 1974. Accounting for most of the increase is the out and out greed of our supposed friends. Our allies have insisted on higher and higher payments for the permission to operate bases on their soil. In essence we are being forced to pay more for the privilege of defending our allies—$2 billion a year, up from $200 million in 1974.

Not including overseas military bases in the domestic base closure bill was a glaring omission. Our bases overseas account for close to 30 percent of all of our military facilities. Yet, DOD continues to give our overseas bases the same sacred cow status that has protected too many wasteful military programs.

In this era of tighter defense dollars, we cannot afford waste either here or abroad. I urge my colleagues to cosponsor the Donnelly-Schroeder Overseas Base Closure and Realignment Act of 1989.

[From the Rocky Mountain News, Apr. 15, 1989]

OVERSEAS MILITARY BASES SHOULD BE TARGETED FOR CUTS

"Why are we preserving waste abroad while closing military bases at home?"

Rep. Pat Schroeder asked that question during early debate over the base-closing bill that eventually became law last year.

Her concern, which made her a critic of the legislation initially, is still relevant today: Our military facilities abroad should get the same scrutiny for cost-effectiveness that Congress decreed for those in the United States.

After years of doing nothing about unnecessary military bases that waste tax dollars, lawmakers finally took a first step by creating a bipartisan panel to determine which domestic bases are still needed. The panel's report, issued in January, cited 86 bases as redundant. The list is being considered by Congress as an entire package (the House may vote next week) in order to avoid an orgy of logrolling in which some unneeded bases live and others die, and to relieve lawmakers from having to cast sensitive votes on individual facilities.

The plan is hardly a brilliant example of legislative courage, but it is serving the public intest all the same.

However, as Schroeder points out, it is glaringly defective in calling for reviews only of domestic installations. The U.S. maintains 374 military bases overseas—40% of the total number of facilities at home and abroad. Over the past 15 years, the cost of maintaining them as risen nearly fivefold, from roughly $1 billion per year to more than $4.5 billion. The costs for permission from our allies to operate these bases have rocketed as well, from $200 million annually in 1974 to around $2 billion at present.

Yet despite these vast outlays, there hasn't been sufficient study of the efficiency of American bases abroad. That's why Schroeder will soon introduce legislation that would set in motion a second round of base reviews focusing on foreign facilities. She's in a good position to push her proposal, because she was recently named head of the House military installations and facilities subcommittee.

Her plan makes sense whether or not you think America has too many troops stationed abroad. It doesn't address the number of U.S. soldiers overseas, merely how efficently they are deployed. When the sums involved are so great, that question deserves more attention than its received so far.

THE COST OF REDTAPE IN THE AMERICAN HEALTH CARE SYSTEM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. STARK. Mr. Speaker, it is estimated that half the difference in cost between the Canadian and United States health care system is due to paperwork.

We are wasting tens of billions of dollars in this Nation because of the inefficiencies in our health system. We could provide a good level of health insurance to all Americans currently uninsured if only we had a more efficient delivery system.

The following portion of an article from the March 2, 1989, New England Journal of Medicine explains how Canada avoids this paperwork waste.

THE PROCESS OF COST CONTROL IN CANADA

How such control has been achieved, and with what effects, continues to form a major part of the agenda for research in health services in Canada. As Iglehart pointed out, virtually the entire difference between Canada and the United States in the share of GNP that is spent on health is accounted for by three components: insurance overhead, or costs of prepayment and administration; payments to hospitals; and payments of physicians' services. In 1985, these three items took up 0.59, 4.18, and 2.07 percent, respectively, of the U.S. GNP, and 0.11, 3.48, and 1.35 percent of the Canadian GNP.

Relative to the expenditures that might have been generated by a system comparable to Canada's, in 1985 Americans spent about $20 billion more for insurance and prepayment costs, and just under $30 billion more for each of physicians' services and hospital costs.

ADMINISTRATION AND PREPAYMENT EXPENSES

In relative terms, the most extraordinary difference between Canadian and American spending is in the area of administration and prepayment expenses. In 1985 the overhead component of health insurance—the share of premiums that goes not to the reimbursement of physicians, hospitals, and other providers, but to paying for the handling of the flow of paper and dollars—cost Americans $95 each, out of their overall $1,710. Canadians spent $21—and those were Canadian dollars. Indeed, Canadians spent less per capita to administer universal comprehensive coverage than Americans spent to administer Medicare and Medicaid alone (about $26 U.S. per capita).

TABLE 2.—AVERAGE ANNUAL PERCENTAGE INCREASES IN TOTAL EXPENDITURES FOR HEALTH CARE, 1971 to 1985 [1]

[In percent]

Measures of health expenditures	Canada	United States	Difference [2]
Current dollars	13.1	12.3	0.7
Constant dollars [3]	4.3	5.8	−1.4
Constant dollars per capita [3]	3.1	4.8	−1.6

[1] Data for the United States are from the Health Care Financing Administration. Gibson et al., and the Department of Commerce; data for Canada are from Health and Welfare Canada and the Department of Finance.

[2] Differences in annual growth rates must be calculated geometrically, not by subtraction [$d = (1 + r_1)(1 + r_2) - 1$]. Rates have been rounded after calculation.

[3] These constant-dollar measures are not real output measures for the health sector; they have not been adjusted by price indexes specific to the health sector. Rather, they are adjusted for changes in the general level of prices, economy-wide, as reflected in price indexes based on gross national expenditures, and they therefore reflect the increase in generalized purchasing power that is absorbed by the health care sector, in the form of either increased resource inputs or health sector-specific inflation.

A universal, tax-financed system can simply be much less costly to administer, at all levels, and the Canadian system is. On the revenue side, once a tax system is in place, as it is in all modern societies—with income tax, sales tax, and everything else—the additional cost of raising more funds is minimal. (Some Canadian provinces continue to collect premiums, which are taxes in all but name. They are related to family size, but not to risk status; they cover only a portion of the total plan outlays; they are compulsory for most of the population; and most important, coverage is not conditional on payment.)

On the expense side, all the costs of determining coverage and eligibility are avoided—everyone is eligible, and for the same benefits. Patients drop out of the payment system entirely, and reimbursement takes place between the public insurer and the provider. There are no marketing expenses, no costs of estimating risk status in order to set differential premiums or decide whom to cover, and no allocations for shareholder profits; the process of claims payment, although not free of costs, is greatly simplified and much cheaper. In this area it is obvious that the public sector is more efficient and less costly than the private sector, a fact that was recognized early on in Canada. The 1964 Royal Commission on Health Services, which drew up the blueprint for Canada's universal system, described the private administration of insurance as "an uneconomic use of * * * limited resources." This "uneconomic use" accounts for nearly one quarter of the difference in cost for health insurance between Canada and the United States.

Nor is that the end of the story. Himmelstein and Woolhandler calculate that in the United States, the provider-borne overheads for hospitals, nursing homes, and doctors' offices (the accounting costs of complying with the requirements for documentation by a multiplicity of insurers, as well as coping with the determination of eligibility, direct billing of patients, and collections) amounted to $62.1 billion in 1983. They estimate that shifting to a national health insurance system could save $21.4 billion in the administrative costs of hospitals and physicians' offices. This would be 6 percent of total health care costs, or 0.63 percent of the GNP in 1983—leading to the startling conclusion that the costs of running the American payment system itself, independent of the costs of patient care, may account for more than half the difference in cost between the Canadian and the U.S. systems.

For the Canadian physician, differences in the costs of insurance administration show up as a lower overhead for practice. The problems of determining insurance status and managing the collections process disappear, along with the problem of uncollectable accounts. The costs of compliance with the requirements of the health care reimbursement system also show up outside the area of health expenditures as it is normally defined, particularly in the budgets of the social welfare services, and to no inconsiderable degree in the monetary and nonmonetary costs borne by individual patients and their families. Furthermore, the considerable research, legal, and regulatory efforts required to put the complex and varied reporting and compliance requirements in place are not without cost, but will be counted as outside the health care system.

There is private insurance for some forms of health care in Canada. But for hospital and medical care, such coverage is prohibited for services that are included in the public plans. The original intent was quite explicit—to prevent private firms from skimming off the good risks, supporting the development of multiclass service, or both. But the restriction also has the very important effect of making provincial governments to all intents and purposes the sole funders of the hospital and medical care, and of creating a bilateral bargaining situation as the foundation for cost control in these sectors.

THE EFFECTS ON HOSPITALS

In Canada, controlling hospital costs is a two-part process. Operating budgets are approved, and funded almost entirely, by the Ministry of Health in each province, but they include no allowance for capital expenditures. New facilities, equipment, major renovations, and the like are funded from a variety of sources, but they require the approval of the same provincial agency, which generally also contributes the major share of financing. This process of centralized approval prohibits hospitals from accessing private capital markets, and has historically limited their efforts to support expansions of capacity from community sources. So far, it has been relatively successful in limiting such expansion, but somewhat less successful in managing the diffusion of major equipment.

Centralized control over operating costs is more complete. Annual global budgets are negotiated between ministries and individual hospitals. Although political pressures have often forced governments to pick up the deficits of hospitals that are unable or unwilling to stay within these budgets, this process has resulted in a significantly less rapid rise in hospital expenditures in Canada than in the United States.

The more rapid rate of escalation of hospital costs in the United States since 1971 has been shown to result from major differences in the growth in hospital costs per patient day at constant hospital input prices, or intensity of servicing. This measure increases in response to increases in the number of nursing hours or drugs, or in the use of operating rooms, magnetic resonance imaging, and other such complex technology, per day of inpatient care. In the case of particular technologies that are embodied in specifically countable items like machines, capacities available per capita have tended to increase less rapidly in Canada. On the other hand, changes in the intensity of servicing in hospitals also include relative increases in internal administrative costs. Therefore, some portion of the apparent relative increase in servicing intensity simply reflects the increasing administrative intensity of the American hospital system.

But the different trends in servicing intensity also reflect quite different patterns in the use of beds in acute care hospitals. In Canada, a growing share of such beds has been occupied by patients over 65 years of age, whose stays exceed 60 days and whose daily care requirements are well below average. These patients prevent physicians from using the beds in question to treat short-term patients.

Thus, Canada can have higher rates of hospitalization and greater average lengths of stay than the United States, yet also have lower per capita hospital expenditures. Even if such expenditures, in terms of the cost of hospital care, are less different than is usually believed (because so much of the U.S. expenditure is for administrative activity), it does appear that the resulting mix of hospital activities favors intensive, high-technology services in the United States and long-term, chronic care in Canada. Nor should this come as a surprise, given the history of cost and procedural reimbursement in the United States, and of global budget-constrained funding in Canada. Which is preferable, in terms of value for money or benefits to patients, is harder to say. Possibly, each system generates its own forms of overuse and underuse.

One product that is clearly generated by the Canadian system, structured as it is to place the sole responsibility for control of hospital resources on the provincial governments, is intense, continuing public debate. The rhetoric of underfunding, shortages, excessive waiting lists, and so on is an important part of the process by which providers negotiate their share of public resources—including their own incomes. Furthermore, there are reasons for the noticeable recent increase in such rhetoric. Increases in the supply of physicians per capita, in the face of a relatively constant supply of beds, have resulted in steady reductions in the number of short-term hospital beds available to each physician since 1971. As bed availability and operating budgets have undergone increasing scrutiny, hospital administrators responded first (in the mid-1970s) by rationalizing administrative operations, and more recently by joining physicians in stepped-up rhetoric and pressure about underfunding.

The difficulty for health policy and funding is that, since the boy always cries wolf (and must do so, given the political system of funding), one does not know if the wolf is really there. The political dramatics should not mislead external observers into believing that the wolf is always at hand. What varies most between the two nations in the method of establishing total hospital expenditures is the centralized, overtly political process in Canada, in contrast to the largely decentalized, institution-centered, and only implicitly political process in the United States. The Canadian controls on hospital expenditures impinge on individual physicians by limiting the complementary resources that are available to them. In this way, the envirionment of medical practice is changed, and practice patterns change in response. But individual physicians are not subject to any substantial direct intervention by hospital management or third parties. In this sense, Canadian physicians are actually much more autonomous than their American counterparts.

CONGRESSIONAL MANAGEMENT FOUNDATION

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. COELHO. Mr. Speaker, I would like to draw attention to the outstanding work performed by the Congressional Management

Foundation [CMF] in helping our newly elected Members of Congress set up their offices in the most efficient and effective manner.

For 13 years, this capable nonprofit organization has provided management information and assistance to Congress for both new and veteran offices. But their work for the 101st freshman class deserves special mention.

The handbook which they publish for members-elect in conjunction with the American University, "Setting Course: A Congressional Management Guide," has been rated by the freshmen offices as the single most useful resource they receive during the orientation process. The third edition, published for the 101st Congress, was by far the most comprehensive version, addressing the needs of both House and Senate freshmen.

This year CMF mounted the most extensive management seminar series for freshmen offices in its history. Either the Member or senior staff from nearly 70 percent of the freshmen House offices attended one or more seminars. The crowning touch was a full-day, first-class conference in Leesburg just a few weeks ago on April 8.

The CMF deserves our thanks for helping us improve the quality of this institution. I hope more Members—freshmen and seasoned Members alike—will take advantage of the many services CMF has to offer.

THE 50TH ANNIVERSARY OF THE PRESS GALLERY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. MICHEL. Mr. Speaker, today we are commemorating the 50th anniversary of the establishment of the House gallery for radio and television correspondents. The resolution, as passed on April 18, 1939, read:

Resolved * * * such portion of the Gallery of the House of Representatives as may be necessary to accommodate reporters of news to be disseminated by radio, wireless, and similar means of transmission * * * shall be set aside for their use * * * reputable reporters thus engaged shall be admitted thereto * * *

Creation of the gallery marked an important milestone in the history of the House of Representatives and continued the tradition of providing access to the democratic process at work.

I would like to commend the men and women who for the past 50 years have made it their profession to chronicle the actions of Government. Although we often have mixed emotions on the coverage of our actions, we all agree that only through an open and public debate can the electorate be well served.

We will continue to look to the press galleries and their employees to make the machinery of Government understandable to those who cover this institution and thus to millions of viewers and listeners nationwide.

BAY PINES VAMC—PROVIDING THE FINEST IN CARE FOR OUR NATIONS' VETERANS

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. YOUNG of Florida. Mr. Speaker, one of my proudest and most fulfilling achievements as a Member of Congress has been seeing through to completion the construction of the $110 million Veterans' Administration Medical Center at Bay Pines, FL.

Years of my life literally were dedicated to seeing this project turn from a dream to reality and today this hospital stands as a living, working memorial to our Nation's veterans. It also reminds us of our commitment to provide the finest in medical care and services to these brave Americans who came to the service of our Nation in its time of need.

The March 1989 edition of VA Practitioner, a private magazine published for the health care professionals who serve the Veterans' Administration, features Bay Pines and the leading role it plays in our Nation's medical research and development. In her article, Nina Tobier, the magazine's editor in chief, chronicles the great strides Richard McElligott, the medical center's director, has made in assembling a top-notch staff of medical professionals and volunteers.

The article also documents the role the recently approved affiliation agreement between Bay Pines and the University of South Florida College of Medicine has played in attracting key personnel to the medical center. Bringing together the finest in medical personnel and students to teach and learn at one of our Nation's most technologically advanced hospitals has provided Florida's veterans with the highest quality in medical care and is the primary reason I worked for years to persuade the Veterans' Administration to approve this affiliation agreement.

Built in 1931, Bay Pines has served the health care needs of veterans for more than 50 years, and with the completion of the new 520-bed hospital, Bay Pines has become a national leader in a number of specialized areas of medical care and research. Some of these programs include nuclear medicine, neurology, audiology, and speech pathology, and a special emphasis on the needs of female veterans.

As Bay Pines' chief of staff, Dr. O. Michael Lilien, points out in the article, Bay Pines is a paradox of sorts. On the one hand, it is one of the oldest hospitals in the VA health care system, and still utilizes many of the original Spanish colonial style buildings that have been declared national historic sites. Bay Pines is also one of the youngest institutions providing state-of-the-art care inside these historic buildings and at the new hospital.

Mr. Speaker, Bay Pines has a long and proud record of serving our Nation's veterans and the following profile makes it clear why I am so proud of my role in making this facility a centerpiece of the VA health care system.

[From VA Practitioner, March 1989]

BAY PINES VAMC, BAY PINES, FL

(By Nina Tobier)

(For a study in contrast, go no further than the Bay Pines VAMC, a vibrant new hospital in a setting of historical charm.)

Located just west of St. Petersburg in Pinellas County, Bay Pines is at the center of the population and economic boom in Florida, the nation's fourth largest state. The area's out-dated reputation as a retirement resort is now more a product of imagination than reality. Yes, Florida is greying, as are its veterans, but St. Petersburg has more residents under the age of 24 than over the age of 65. During the 1970s, Pinellas County's population increased by 40 percent, almost four times the national average. Surrounded by, and in response to this explosive growth, the VAMC underwent a complete metamorphosis.

Opened in 1933, the Bay Pines facility had served Florida's veterans for almost half a century before the dramatic changes began. In 1976, then President Gerald Ford, recognizing the health care needs of the area's growing veteran population, approved a $110 million major replacement project. That project took 10 years to complete and provided the following: a new hospital for 520 acute medical and surgical beds, a 120-bed psychiatric building, a 120-bed nursing home addition, a 200-bed domiciliary, and ambulatory care facilities to accommodate 200,000 outpatient visits.

With a total of 1,118 beds, Bay Pines now spreads across 24 buildings on its 337-acre site. In terms of number of patients served, staffing, budget dollars, and complexity, the VAMC ranks well among the highest in the system. As the level of technology increases, Bay Pines will continue to build upon its half-century tradition of dedicated service.

Other people in his position might be tempted to rest on their laurels for a bit but Richard F. McElligott scoffs at the very idea. "Who can afford the time to do that?" asks McElligott, director of the VA Medical Center at Bay Pines since 1981. "As pleased as I am with the total metamorphosis that has taken place here, we have to keep looking ahead. Our focus has to be on meeting future needs and challenges, rather than gloating over past accomplishments."

But the past accomplishments of the last seven or eight years are legion. In fact, through the $110 million construction project that McElligott helped plan and direct, all health care facilities at the Bay Pines VAMC were completely replaced.

Physically, the transformation has been a dramatic one. But there's no question that "that project affected far more than the buildings," asserts McElligott. "The whole environment has changed, including the treatment programs and the staff. The majority of key personnel retired. Some chose not to make the transition from the old hospital to the new; others waited for the initial experience and left shortly thereafter. Within a few years, there was an almost complete changing of the guard here."

To the new facilities and new staff, another catalyst was added that has given Bay Pines an entirely new dimension. That element is the affiliation with the University of South Florida College of Medicine.

"For several years preceding and following the affiliation," says McElligott, "the college assisted us in recruiting almost one hundred physicians, enabling us to attract a highly qualified staff. Of the current 126 physicians, 94 are board-certified and 22 are

board-eligible. Our staff comes from some of the most prestigious medical schools in the country and includes one former dean and six individuals who previously held department chairs."

With the affiliation fairly well established, McElligott looks forward to even greater things ahead. "The college has a new dean and a new vice president, both quite familiar with and supportive of the VA. We're now in the process of implementing some very important program developments that should take us through the next 10 or 15 years. Beyond the affiliation is an even broader area of collaboration that's critical for our future."

What McElligott is referring to is the planning group in which the key players, besides himself, are the dean of the medical school, the director of the James A. Haley Veterans' Hospital in Tampa, and the chiefs of staff of the VA facilities. "We're working together to outline a plan that we'll turn over to the department chairpeople, the service chiefs of these two hospitals, and other faculty to come up with the specifics that will take us well into the future."

It's no small task to get two huge medical centers to work together, as Chief of Staff O. Michael Lilien, MD, points out. "The best analogy is that of two oil tankers moving side by side at full speed, trying to glide on a noncollision course. We need to develop a noncompetitive mode, maximizing efficiency and avoiding duplication as much as possible, so that we can offer a wide spectrum of quality health care with our sister hospital. If there ever was meaning to the phrase, 'The whole is greater than the sum of its parts,' that's what we hope to achieve."

Lilien has been chief of staff at Bay Pines for just over four years. Prior to his current appointment, he was chief of staff at the Syracuse, New York VAMC and prior to that, professor and chairman of the department of urology at the Upstate Medical Center in Syracuse.

"I really came to Bay Pines on a lark," confesses Lilien. "But when I saw the place and its commitment to quality patient care, I was seduced, and when people ask me what I do for a living I tell them I'm chief of staff in paradise. Physically, this is the most exquisite site I have even seen. That factor certainly helps the recruitment process, giving us something to offer our staff in lieu of the more profitable incomes they could make in the private sector.

"In addition to the sheer beauty, I'm also intrigued by the paradox of the place. It's one of the oldest hospitals in the VA and also one of the youngest. You see that contrast everywhere here. We still have some of the original buildings from 1931, magnificent Spanish colonial-style structures that have been declared historic sites. But within these imposing stucco buildings are brand-new hospitals; the insides have been entirely gutted. And in the middle of this campus is a 520-bed, state-of-the-art hospital which is the most modern one I've seen.

"Bay Pines met patient care needs for 50 years, but with the 850 to 1,000 people moving into this area per day now, a modern acute care facility was mandatory. If I may be somewhat melodramatic, what we accomplished was a transition from the 19th to the 21st century. We've improved the quality of patient care immeasurably. That has been the entire thrust of the administration. Surgery is a perfect example; within the past few years, the volume and specialized skills in that service have progressed to such a degree that our complication rate is really minimal.

"Another example is our women's program. Although the VA is generally regarded as a male environment, our catchment area has more than 15,000 female veterans. Clearly, they're entitled to the same health benefits as their male counterparts, so we have committed ourselves to developing a first-class women's center here and we're fortunate enough to have Robert E. Nesbitt, Jr., MD, leading this effort. Until recently, Nesbitt was professor and chairman of the department of obstetrics and gynecology of the State University of New York Health Science Center in Syracuse."

Nesbitt is just one of several staff members who hail from Syracuse, and although Lilien denies that he is single-handedly responsible for draining the physician population of Syracuse, he does admit that he feels somewhat like the Pied Piper.

A GYN IN THE VAMC

For Nesbitt, the timing couldn't have been better. "I was really looking for a new program that could provide an opportunity to develop something innovative and unique. Our interest is in total delivery and supervision of care: health promotion as well as disease prevention. That includes such services as nutritional counseling, exercise guidance, stress management, mammography, Pap tests, and screening for cancer, osteoporosis, hypertension, cholesterol, and urologic disorders."

To facilitate the smooth operation of such a program, Nesbitt has set up an advisory committee that he chairs. "I wanted to make sure that this venture was not regarded strictly as a gynecological one. Consequently, our committee has a general internist with expertise in family medicine, a psychologist, a nutritionist, a specialist in rehabilitation medicine, a social worker, administrators, and nurse practitioners representing several fields—including ambulatory care and mental health. These individuals give the program an institutional commitment."

The campaign doesn't stop with that committee, however. "We have to educate all personnel within this center about our services," observes Nesbitt, "and encourage them to think beyond their own specific points of reference toward the broader picture of women's health care. If they see a woman veteran with a broken leg, for example, we'd like them not only to set the fracture, but also to alert the patient to our program."

So far, the program has been a great success. Although it only began in July 1988, by the end of the year the center had logged more than 3,000 visits. "That's an impressive figure," remarks Nesbitt, "but current data suggest that we can anticipate a huge increase; between a fourth to a third of women veterans are likely to relocate to the western and southern regions of the country."

Ultimately, Nesbitt would like to see the program serve as a prototype for other centers. "Women veterans will be looking to the VA increasingly and somewhere there should be a model program. I'd like to see this one based on a solid scientific underfooting, with computerized analysis of cost-effectiveness. That information would be invaluable—not only for us but for other centers as well."

For Robert G. Carroll, MD, the invaluable elements in his service are tomography and radiopharmaceuticals in investigational stages. Carroll, assistant chief of nuclear medicine, claims that any department that doesn't have investigational new drugs, or INDs, is automatically three to five years out of touch with nuclear medicine.

"If you want to do the interesting stuff," insists Carroll, "you have to be in a place that has INDs and we do at Bay Pines. The really big developments in nuclear medicine are going to come from monoclonal antibodies and so we've put our major clinical emphasis in that area, focusing particularly on their use against colon cancer. If the cancer can be resected before lymph node spread occurs, a real possibility of cure exists."

THE RIGHT STUFF

"Using monoclonal antibodies, we've demonstrated an 85 percent sensitivity, 85 percent specificity for detecting lymph node metastases from colorectal cancer, but it's only the tip of the iceberg. This is first-generation intact antibodies. Very shortly, we'll have a second-generation antibody system, called a bifunctional antibody, in which one arm of the antibody grabs the cancer while the other waves in the breeze, so to speak. You wait a week until the nonspecific binding is gone, send in a isotope label to shake hands with the arm that's waving, and you have a very much sharper tumor-to-nontumor ratio. You can use that system for diagnosis and potentially for therapy."

Complementing the radiopharmaceuticals is tomographic imaging. The service has several SPECT cameras, both fixed and portable. "When we first looked at the direction diagnostic nuclear medicine was going in," recalls Carroll, "the fundamental emphasis appeared to be on receptor-specific binding. So receptor-specific tomography is our perception of nuclear medicine over the next 20 years, the principles we made our guesses on."

Annually, the service now performs approximately 25,000 radioimmunoassays and 6,600 imaging studies. "The largest increase has been in prostate-specific antigen," comments Carroll, "and obviously, in a male population over age 65, prostate cancer is quite common. Those studies now total more than 2,000."

The future of nuclear medicine, according to Carroll, will have a strong therapeutic orientation as monoclonal antibodies, tagged with good therapy radiolabels, become available. Until that time, the specialty is a diagnostic one.

"For example, if a patient comes in short of breath and with chest pain there's a 30 percent probability of pulmonary embolism, a 50 percent probability of congestive heart failure (CHF), and a 60 percent chance of significant coronary artery disease," observes Carroll. "With three nuclear medicine studies, I can move those probabilities to less than 5 percent or greater than 90 percent. A negative lung scan will shift the chance of pulmonary embolism to less than 5 percent; a MUGA study that shows an ejection fracture of 40 percent will move the probability of CHF to 95 percent; and a thallium study that reveals a large hole on the anterior wall during stress that fills in during redistribution indicates a 90-odd percent chance of having a big left anterior descending lesion. That man needs to have his coronary artery bypassed soon. So you've moved an individual with figures of 20 percent, 50 percent, 65 percent to zero and 90 percent, and those are odds you can work with."

Improving the odds have been top priority for F. Joseph Dagher, MD, chief of surgical

service. This is the first VA experience for Dagher, who came from the University of Maryland, and the transition was an involved one.

"I spent three to six months getting adjusted, learning about the system in general and the service in particular," says Dagher. "It quickly became obvious that the first and foremost issue that we needed to address was patient care. Our patients are older, sicker, and hence very vulnerable. If we wanted to improve our results we needed, first of all, better preoperative evaluation and preparation. The second area that needed serious attention was the immediate postoperative care, the recovery and intensive care stages. I wanted to concentrate there because those are the areas in which patients are most vulnerable.

That was our weakest link. We didn't have specialists in the field of critical care so I began to solicit candidates. We now have a full-time staff in the intensive care unit. That's certainly paid off and the results are self-explanatory. We've lowered our mortality rate—defined as death in the hospital within a 30-day period following an operation. After the first year, it was down to 0.9 percent; by the end of the second, it was 0.85 percent, and I'm very pleased with that figure, given the average age of our patient population and the concomitant disease with which they usually present. It's certainly a challenge."

His next challenge affirms Dagher, is to continue to strengthen the affiliation with the university of South Florida. "We've gone beyond the initial process now and have become fully integrated with the medical school. The task ahead is to maintain our staff at an academic level and that's no small feat, given VA financial constraints. But I'm optimistic.

Whereas Dagher took over a service in need of rehabilitation, Gilbert S. Ross, MD, came to a giant void. Bay Pines had no neurology service at all until Ross arrived.

"That's been the story of my career," jokes the chief of service. "I began the pattern at a city-county hospital in St. Paul, Minnesota, then at the State University of New York Health Science Center in Syracuse, and finally here. Of the three different levels of government, the bureaucracy definitely diminishes as you go up."

As awesome a project as it is, it's sometimes easier to build from scratch, as Ross points out. "Fortunately, the director felt that neurology was an important need here and so the resources were made available very early on. In fact, I initiated the recruiting process prior to ever coming here because I wanted to begin with a running start. Within four to six weeks we had most of our people in place; within a year we really had a good program going."

Having worked "on the other side of the street," the university, Ross knows how affiliated hospitals can be treated on occasion. "If there's a shortage, a sudden need, the residents are pulled in from the affiliates. Consequently, I didn't want to put us in a situation in which we were dependent upon the medical school. We hired a physician assistant who was well trained in general medicine and we quickly trained her in neurology. Now she functions essentially as a resident and when one of the university residents was withdrawn from the service for a week not too long ago, it didn't make a bit of difference to us because we were prepared."

The service's focus is on clinical neurophysiology and depends heavily upon three diagnostic strategies: electroencephalography, evoked potentials, and the new computer-assisted EEG technique of "brain mapping." says Ross, "We hope to use the latter in conjunction with the other advanced technology we have here, such as SPECT and MRI, and see how all three perform in terms of the growing national problem of dementia, both as it appears in Alzheimer's and in other disease states."

Crediting the technology, excellent backup from support services, and new attitudes within the service, Ross points to the great progress neurology has made in terms of moving out of its chronic care stereotype. "In the last three months," boasts Ross, "we've had the shortest length of stay of any service in the hospital. In fact, I think we've achieved more in the last three years here than I accomplished in other places in 10 years or more."

What Harvey B. Abrams, PhD, chief of audiology and speech pathology, contends has been achieved in his service is that it has become a microcosm of the entire center, embodying all the elements of patient care, training, research, and community support. "Additionally," says Abrams, "being very conscious of consumerism, we've attempted to make the service run as much like a private practice as possible.

"For example, we developed a walk-in program in which a patient who is seen in admitting in the morning can come here between 1:00 and 3:00 p.m. for at least a screening exam. In that way we can determine whether that individual needs to return at another date. That can save a visit but if not, at least we're able to make contact."

Group efforts have been particularly effective in his service, remarks Abrams. "All the veterans who have been fitted with hearing aids in the morning attend a mass orientation and counseling session. That not only makes for greater efficiency, it also enables these people to get together and to see that they're not alone. We encourage spouses to attend these sessions so that they can gain an appreciation of the problems of the hearing impaired."

FREEDOM OF SPEECH

Laryngectomies are fairly common surgical procedures at Bay Pines and in cooperation with ENT, the audiology and speech pathology service works with a number of patients who have undergone a trachealesophageal puncture, a procedure that provides an alternative type of artificial voice. Says Abrams, "In addition to training these individuals in the use of the device, we are also involved in some funded research to determine whether this type of prosthesis is superior to other types of alternative voicing, as judged by listeners."

The differential diagnosis of dizziness also comes under the aegis of Abrams' service, although if that is the primary complaint, the veteran is seen by neurology first. Observes Abrams, "We utilize a type of instrumentation called the electronystagmograph to measure eye movements. Those movements tell us a lot about the balance system or whether the dizziness is caused by something else. We're also working to develop some norms for this information, particularly in the geriatric population."

Tinnitus is another common complaint. Explains Abrams, "It's thought that about 40 million people in this country suffer from ringing in the ears to some extent, about 7 to 10 million in a severe form. When it interferes wth the ability to concentrate, tinnitus becomes quite disabling. Our treatment program relies primarily on stress reduction. We've found that although it may have a physiological basis, tinnitus is aggravated by tension and stress. So we train people to control tinnitus through relaxation techniques rather than allow the symptoms to control them."

Abrams and his colleagues are heavily involved in research—on tinnitus and other subjects—and in this effort they work closely with Levy Kopelovich, Ph.D., coordinator of the medical research and development service. The fast-paced momentum in research at Bay Pines is a relatively recent phenomenon, concedes Kopelovich.

"We began in all earnestness around 1985–86. Then, the toal research expenditures were in the range of about $500,000, with 15 funded principal investigators and seven unfunded ones. In contrast, in 1988–89, our funded research exceeded $3 million, with more than 42 principal investigators. Other figures of which we are justifiably proud are seven MERIT grants and one RAG."

One of the best features of doing research at Bay Pines is the ample space. "Compared with other centers, we're extraordinarily lucky," admits Kopelovich. "It's also given us considerable leverage in terms of recruitment, both from within the system and from without."

Like his colleagues, Kopelovich acknowledges that the Bay Pines location is a valuable recruiting tool. "But we also plan to take advantage of the location as an important research source by setting up a marine biology center to look at various therapeutic modalities for cancer, diabetes, and just about anything else."

In the meantime, says Kopelovich, investigators at Bay Pines are quite active. "Our people are working on PTSD, hypertension, Parkinson's, Alzheimer's, and diabetes. One of the main thrusts, however, is cancer. The numbers here are staggering, particularly in prostate, lung, and colorectal cancer. We're in the process of establishing a very strong laboratory for cancer research, the outcome of which would be applied directly to patient care."

Such a lab would also please Lodovico Balducci, M.D., chief of the hematology/oncology section, who sees more than 800 new cases of cancer each year. Balducci is currently preparing a protocol that he hopes will extend beyond the walls of Bay Pines, dealing with the prognostic evaluation of older patients with cancer.

AN AGE-APPROPRIATE FOCUS

"I'm distressed by the fact that most of the articles on geriatric oncology have been written by oncologists and not by geriatricians," says Balducci. "That means that some essential elements of geriatric evaluation, such as activities of daily living and mental status, have been omitted and that should be corrected."

Other research efforts in Balducci's section center primarily on new ways to handle nausea and vomiting in patients undergoing chemotherapy, using combinations of drugs, as well as on some new uses of older antineoplastic agents. Although it's still too premature to make any conclusions, Balducci's team has seen some surprisingly positive results in the area of poorly differentiated tumors, mainly in the lung.

Perhaps even more valuable than medication in the treatment of patients with cancer is the nursing care they receive, and Balducci cannot say enough about the oncology nurses with whom he works. "Not only do they supply the most compassionate

care, but they also instruct the patients on how to be self-sufficient, how to cope with their disease, how to treasure as much as possible—not only the time of life but also the time of death."

Between nursing and other services, the hospital has given him an arsenal with which to establish a holistic oncology program, Balducci says. "What I'd like to do with that is to create a training program because I think we have a lot to offer. First, our cancer cases provide a fantastic range of pathology, a real gold mine for study. And second, our nursing program, the major asset to our section, should serve as a model for other centers. As a larger goal, I would like to develop—together with the Tampa VAMC—a comprehensive cancer center in which we could really focus on the interaction between aging and malignancy, learning how to individualize and optimize the treatment of the older person with cancer."

Summing up the Bay Pines story, director McElligott says: "I really wish we could highlight all our services and the significant contributions of our volunteer and community groups. Their participation is essential. Taken as a whole, these are the most productive, caring, and professional people I've ever had the privilege of working with."

TALL BUILDINGS: 2000 AND BEYOND

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. RITTER. Mr. Speaker, this is 1989, only 11 short years from the 21st century. Every tall building design that is on the drawing board today will spend more time serving its occupants after the turn of the century than before it.

In anticipation of the next century, the Council on Tall Buildings and Urban Habitat will hold the Fourth World Congress on Tall Buildings, November 5–9 in Hong Kong. According to Dr. Lynn Beedle, director of the Council on Tall Buildings and Urban Habitat at Lehigh University in my congressional district, the Hong Kong conference will include a special session on structural engineering as it pertains to the future of skyscrapers.

In that regard, I noted the February 1989 issue of National Geographic contained an excellent article on the design concepts concerning skyscrapers. Mr. Speaker, I am proud to point out that Dr. Beedle is prominently quoted in the article. I am also pleased that Dr. Beedle's project to prepare a worldwide comparison of structural stability specifications was recently approved by the U.S. Trade and Development Program.

Once again the Lehigh Valley contributes world-class work in science and technology. I include the article at this point.

SKYSCRAPERS ABOVE THE CROWD

From the time that the elevators doors close and the cage starts to lift, noiseless and with a rush, like a kite on the wind, it takes exactly 70 seconds to reach the 103rd floor of the tallest building in the world. And that is high enough up in the Sears Tower to look out and see the muscled broadness of Chicago appearing in runty submission to the height of the structure. If not a heroic achievement in design, the Sears Tower, at 110 stories and 1,454 feet, represents an act of wizardry in structural engineering. Indeed, this is a magical time in the evolution of America's urban landscapes, a time of bold (for better or worse), fresh architecture and computer-driven engineering, and a time too of a new generation of skyscrapers rising to be clad in clouds over major cities across the country—Minneapolis, and even Los Angeles with its ill-defined downtown.

All of this is happening at a time when, paradoxically, organized opposition to construction of sunlight-blocking towers is stronger than ever before. It is too late, however, to reverse the reality that the skyscraper has become the logo for urban development in America; from King Kong to Donald Trump, it has bridged the 20th century with its indestructible, prodigious presence.

Today's skyscraper is a creation of economics and the need to escape the press of horizontal crowding. With raw land in midtown Manhattan now costing more than entire buildings a few decades ago, it is not surprising that developers are looking upward rather than outward. And (in the right place, in good times) a prestigious new building can attract tenants who will happily pay more than a thousand dollars for each square foot of lofty floor space they occupy.

And when an entire skyscraper is offered for sale, the sum involved can total hundreds of millions of dollars. Last October, for example, it was announced that the Sears Tower would be on the market, and experts predicted that the selling price would be in excess of one billion dollars, making it the largest single-building real estate transaction in history.

In its making, the skyscraper draws on colossal egos, on financing almost inventive enough to warrant a patent, and on the talents of the world's leading architects and engineers. All else in matters of design and construction pales in comparison to this—to erecting a frame a thousand feet high and then draping it with a curtain of stone or glass, all the while compensating for the winds that play on the upper floors like a pick on the strings of a banjo, and giving to it both beauty and character as well as (lo, the "smart" building is with us) intelligence, and filling the inner cavities with the marrow of serviceability.

And when it is finished and there are souls awash in the pride of it all, the tower then stands as a monument in the service of a bank or an oil company or perhaps a maker of soap. In at least one case of new-generation skyscraper construction, the lofty reach for name recognition was made by an individual.

"Ego is a very important part of the building of skyscrapers," says Donald Trump. "It's probably a combination of ego and desire for financial gain. I mean, once you have enough money so that you can eat and live, then ego enters into it. It's involved with the building not only of skyscrapers but of all great buildings whether they are tall or not."

The eponymous Mr. Trump is in his office on the 26th floor of the Trump Tower, signing checks as he talks. A large window at his back frames a sweep of cityscape, including Central Park, in midtown Manhattan. At such a height as this the scene should be telescoped to a distant, shimmering fusion of earth and sky, but not here, not where towers rise on almost every block to stand floor to floor to one another and cast down overlapping shadows on the streets below.

"I don't think the rising opposition to skyscraper construction is totally justified," Trump said. "Because New York City has done so well, economically, the mood here now is against construction. When the city suffers a downturn—which perhaps it will at one point, although it looks very optimistic right now—then the mood will change to proconstruction. There is another problem, and that is when you build a bad building, it creates a negative impact. When you build a great building—I mean everybody loves the Seagram Building—everyone is for it."

Clearly Donald Trump assigns his 68-story tower at Fifth Avenue and 57th Street ("the world's most talked about address") to the camp of the "greats." It is the flagship of his real estate empire, ranging from casinos in Atlantic City to a house with 118 rooms in Palm Beach.

"And that," he said, with an imprecise gesture toward one of the buildings on view from his office window. "The Plaza Hotel. I just bought that."

Long after one departs the 26th floor and the six-story-high marbleized flume of an atrium, complete with waterfall, the wonder of it all remains—not of Trump's celebration of power and self but of the realization that construction of such magnitude can take place in the center of Manhattan, along streets at near gridlock with traffic. Somehow, they got 90,000 tons of concrete to the site, along with 3,800 tons of steel reinforcing rods, and they sheathed the frame in reflective bronze glass and put in enough electrical wiring to reach south to Richmond, Virginia. There were as many as 5,000 workers there to put it all together in just under three years.

The Trump Tower is but one of several dozen tall buildings erected in New York during the 1970s and early 1980s. Among those is the structure that, more than any other since the early part of the century, lifted interest in building design from the salons of a narrow elite. The AT&T corporate headquarters building, with its distinctive Chippendale top, attracted wide media coverage and, with it, sentiments of love or disdain (like Brussels sprouts, the building brooks no middle ground, only acceptance or rejection).

Certainly, the pigeons knew how they felt about the 200-million-dollar high rise. They flocked to the hundred-foot-high arch over the entranceway, there to roost and defile the stone until they were scared off by a five-dollar plastic owl purchased at K Mart and hung in an air vent above to entrance.

So, pigeonless now, the AT&T tower rises for 37 stories at 550 Madison Avenue, the design work of Philip Johnson and John Burgee, both superstars among today's architects. It is joined in midtown by architect Hugh Stubbins's spectacular Citicorp Center with a crown that slants at a 45-degree angle, and where one of the upper floors has been given over to a 400-ton block of concrete that acts as a "damper"—a computer-controlled hydraulic system allows the block to move around on a slick of oil to counteract heavy winds. It is on the street level, however, that an even more innovative balancing act takes place: The building stands on four massive columns so tall that the first is 14 stories above ground.

Unlike the glass boxes of the last generation of skyscrapers (architects classify them as modernist or international) the new towers abound with style and, in many cases, intelligence. In one manifestation of a

smart building, electrodes in the windows take readings on the intensity of sunlight, and a computer adjusts the interior lighting accordingly. The temperature in an office can be raised or lowered by dialing certain numbers on the telephone. The planning includes integrated services, such as electronic mail and central digital telephone switchboard, shared by all the tenants of the building.

Just one new tall building has given the Philadelphia skyline a fresh look; another has done the same for Atlanta. Seen from the freeways, the skyscrapers of Houston and Dallas mask their oil-bust emptiness with the dazzle of design. But it is in Chicago, birthplace of the skyscraper, that the new architecture—it is called, with a license to set time ahead, postmodernism—has gained the widest acceptance.

There is a vibrancy about Chicago today that may or may not relate to architecture, but it is clear that the city, keeper of the finest classic design in the country, has forsaken terra-cotta ornament for the sleek skins of today's towers. More than ever now Chicago seems a city built for speed, though not enough to completely outdistance the past. After all, it was here that the ten-story Home Insurance Building was erected in 1885 (as American phenomena go, the skyscraper is not old), the first structure to use a frame rather than the walls to fully support the vertical load, thus setting down the simplest definition of a skyscraper. For the purposes of fire and other codes, any structure higher than 75 feet is considered to be a high rise.

Occupation of such heights, of course, became practical only after 1852, when master mechanic Elisha Graves Otis of Yonkers, New York, invented the "safe hoist" from which today's elevators evolved. The swiftest now move about 20 miles an hour—limited chiefly by passengers' ear discomfort.

It was in Chicago that a man named Louis Sullivan worked, blazing trails of tall building design. He gave artistic form to the skyscraper; in his conviction that "form follows function," he utilized design, structure, and ornament to invest a building with an artistic expression of height.

"Chicago architecture was slow to change when the postmodernists first came in," said Paul Gapp, architecture critic for the Chicago Tribune. "It was really the last major city to move away from the international style. But now many architectural firms are working here in the postmodern style."

Among those who came in: William Pedersen, of the firm of Kohn Pedersen Fox. The New York architect brought with him the design of a building that was constructed at 333 West Wacker Drive (pages 160-61). The 36-story tower is skinned in glass and rises from a base of granite, curving in the front to allow for a smooth coupling with its site at a bend in the Chicago River. For this, Pedersen won the 1984 American Institute of Architects' National Honor Award.

Architecture is not a profession where stardom comes easily. Even today, with the widespread changes in the cityscapes of the world, the field of major players in skyscraper design is not crowded, and most of the notables are Americans. In addition to Pedersen, others include Philip Johnson, who, at the age of 82, is in a position to have his artistic judgment override economic concerns of the developer, and his colleague, John Burgee. You can add Richard Keating and David Childs, both with the firm of Skidmore, Owings & Merrill; Kevin Roche, Helmut Jahn, I. M. Pei, and Cesar Pelli. All are men with a certain flair, and more than one, for some reason, elects to be shod in loafers with blinding shines.

William Pedersen keeps pencil and paper in his hands as he talks, pausing now and then to illustrate his thoughts. "One of the problems we face as designers of these buildings is that they are just too damn big," Pedersen said. "That's what it amounts to. They are too bulky; they don't fit comfortably into their sites. So what one tries to do by various compositional means is break down the tall building, both vertically and horizontally, into a series of smaller pieces."

If there is a choice to be had, Pedersen would rather design a low building on a site, for then the structure can shape the space. Other architects, and some developers, would like to see the mile-high building become a reality. From an engineering standpoint, it is possible to build that tall, but such a structure is not likely to turn a profit for its owner (costs begin to soar at about 80 stories). Donald Trump has come closer than anyone to putting up a megatower, but, at 150 stories, it would have fallen far short of a mile.

Trump purchased a parcel of land along the Hudson River in Manhattan for 92 million dollars. It was there that he proposed to erect the tallest building in the world, along with other structures. It would be called Television City, and, he hoped, the National Broadcasting Company would become the flagship tenant. At about the same time, a real estate developer and magazine publisher named Mortimer B. Zuckerman was proceeding with plans to erect two large, shadowcasting towers overlooking a corner of Central Park.

For many residents of New York it was already too cold and dark and windy on the streets of their city. They may have imagined how wonderful it was when steeples were the loftiest structures in the towns and cities of America; at one time even in New York nothing matched Trinity Church in its reach toward God. Sunlight fell there then, and those who walked the streets had no need to be conditioned for an environmental adventure.

Just three years after the century turned, a 20-story building went up at 23rd Street and Broadway, a creation of Daniel H. Burnham, who would also design Union Station in Washington, D.C. It was called the Flatiron Building, and the downdraft it created—a rioting of winds at street level—lifted enough skirts to attract crowds of men to the area. It has been recorded that the police responded with firm orders to the oglers to "23 skiddoo," meaning leave 23rd Street.

From there New York moved into a golden era of skyscraper construction with the Woolworth Building in 1913, followed by the Chrysler Building in 1930 and the Empire State the next year. The streets were becoming canyons; the impact of the towers on life in the city became something to be reckoned with. On the street level traffic increased, and so did the anger of the city dweller. In time, crime increased, and, in many cases, the tall apartments became like cells of safe isolation.

The lofty towers brought other costs, not yet measured; what one architect has called a "rapid deterioration in the quality of the working and living environment" imposed by tall buildings—fewer workers with the privilege of window views or even the sight of daylight, for example. Among New York's high-rise dwellers, one study shows, most children are not allowed out to play by themselves before age ten. At what price to their psychological growth? Some developers are thoughtfully adding a social scientist to the design team.

When Trump and Zuckerman unveiled their proposed megabuildings, some New Yorkers rebelled. Court action blocked Zuckerman's Columbus Circle project as originally proposed. NBC, having tested the rising opposition, announced that it would not move into Trump's supertall building. Construction has yet to start.

New York agreed to sell Zuckerman the land on which to build his two towers provided he paid a 57-million-dollar bonus to the city and spent another 40 million dollars to make improvements to the subway station adjacent to the site. In return he would receive permission to increase the size of his development by 20 percent over the limit set by zoning regulations. That amounted to about 500,000 square feet, or the size of a 40-story building.

"In effect what the city was doing was selling the zoning regulations," said Philip K. Howard, a corporate lawyer and vice president of the Municipal Art Society, a leading force for improving the livability of New York City. "We challenged that in court, and it was held to be unlawful."

Philip Howard came out of the South to fall unashamedly in love with New York, but he knows that city living can become dehumanized when neighborhoods disintegrate and the fun and flavor of it all is lost. What troubles him as much as anything are the residential towers with—deliver him from ever being caught walking on one—plazas.

"We started having these towers built and they didn't look like anything that had ever been built before," he said. "You have here a building of 30 or 40 stories, but the base only covers about 40 percent of the lot. They were built in neighborhoods, some great neighborhoods, and to do that they tore down storefronts and replaced them with some developer's view of a fancy lobby and a plaza that would appeal to a high-class clientele.

"The stores they tore down were where the people gathered. They were the plazas. We don't have *piazzas* in New York. We have a dry cleaner and a bar and a grocery store and a deli. And the neighbors and the people who live there go into those places. They shop, they see each other, they tip their hats, and over the years and the decades you get to know who lives in your neighborhood and you recognize them, and that's fun. But these new towers with their plazas deaden the block, creating a barrier, a moat of lifelessness. This has literally drained the life out of certain neighborhoods, on the Upper East Side, for example."

Howard's vision of the city, then, would have high-rise buildings with full-lot coverage at the base, with stores and shops fronting on the sidewalk, as they do at the Empire State Building. The open, windswept plaza with its piece of sculpture and, more likely than not, display of water (falling, rising, sloshing) is missing but never missed.

Of more immediate concern is the growing threat of the residential towers overtaking the city's infrastructure. Already there are problems with garbage collection; a truck assigned to a route can take its capacity load at just one building. Some of these condominium towers are like needles, rising to

appear like grotesque stanchions for a tent of sky. Such buildings reach 30 stories while having no more than 35 apartment units. By contrast, a proud tower of residential use can become a city, a vertical city, within itself. So it is with the John Hancock Center in Chicago.

Forty-nine of the hundred floors in the Hancock Center—sixth tallest building in the world—are given over to condominiums. There are more than 700 of them. Edward C. Hirschland lives in one and has his business office in another. His daily commuting distance, door-to-door, totals about two feet. "It's terrific," he said of the arrangement, "just terrific. Really comfortable."

For the most part, mixed-use skyscrapers such as this have not been successful. They become capsules, sealing the inhabitants off from each other and the rest of the world. The Hancock Center is somewhat of an exception, in that the building has become a neighborhood in itself. It offers residents a place to park their cars, to eat and sleep, even to vote in their own precinct and buy stamps in their own post office. On Halloween, the children go from floor to floor—spooks in the elevator.

But in the era of new urban architecture and city living, one certainty has emerged: Those who choose to live on, say, the 58th floor of a building such as the Trump Tower, where no unit sells for less than $700,000, do so in part because they can afford to live somewhere else as well.

There is another skyscraper named John Hancock, in Boston. It is 60 stories high, a shining, beautiful rhomboid overlooking Copley Square. In 1973, before its scheduled completion, the building showed signs of becoming a structure under a black cloud. First the windows began to pop out and crash to the streets. All 10,344 panes were replaced. Then, something had to be done to brake the excessive swaying of the building in the wind, so they put in equipment that acted like shock absorbers.

Only recently was its darkest secret revealed: The tower could have toppled over. Despite the addition of the damping feature, the John Hancock Tower was at risk of collapsing in certain wind conditions, and not on its broad face, but, astonishingly, on the narrow one—falling, then, like a book on its spine. The matter was corrected with the installation of additional steel beams, but because of a secrecy agreement ratified by a court, none of this was publicly known until last year, when Robert Campbell, architecture critic for the Boston Globe, uncovered the story.

Structural engineering, as it pertains to skyscrapers, has made major advances since then. And the effects of wind, of course, continue to be of vital concern, since a building of 110 stories, such as the World Trade Center in New York, can sway as much as 36 inches at the top. Many of the solutions to the problems come now from research at such facilities as the Boundary Layer Wind Tunnel at the University of Western Ontario in Canada. Dr. Lynn Beedle, director of the Council on Tall Buildings and Urban Habitat headquartered at Lehigh University in Bethlehem, Pennsylvania, cites the importance of computers in the design and engineering of towers today.

"The computer will ask you what intensity of wind you wish to design for," Dr. Beedle said. "Okay, a hundred miles an hour. It will take your preliminary design and tell you how safe it would be in winds of that velocity. If your design is not up to the task, then you have to go back to the—we used to say drawing board, but now it's computer. It can take this sort of partial information and allow you to proceed. It's incredible and, I think, really exciting."

The Council on Tall Buildings and Urban Habitat is concerned with buildings of ten stories or more because that is the cut-off height for fighting a fire from ladders in New York City. "If it's above the tenth floor, they have to go inside to fight it," Dr. Beedle said.

The threat of fire, of course, continues to be the dominant safety concern in skyscrapers. This was reaffirmed last May 4 when one person died and 40 others were injured in a blaze that tore through five floors of the 62-story First Interstate building in Los Angeles. There are few sights more hellish than a sash of fire—flames licking through shattered glass at the high, cool air beyond reach of the fire engine ladders—drawing tight on the girth of a tower. Like many of the high-rise buildings in Los Angeles, the First Interstate building had no operable sprinkler system, and as a result it took about 300 fire fighters almost four hours to control the blaze. Well, lessons were learned. Tall buildings in Los Angeles are now being fitted with sprinkler systems.

There was an engineer named Fazlur Khan, a partner at Skidmore, Owings & Merrill in Chicago. He understood as well as anyone—better, probably—what it took to build a safe building, a building to stand in defiance of the elements, with muscles drawn tight under cover of smooth skin. He built towers capable of riding out the heaving of an earthquake or the raging of a gale. Among them were the Sears Tower and Chicago's John Hancock Center. He is dead now, but others follow in his steps, making nearly all things possible for building higher and higher with less weight and more strength, like shipwrights leading the way from teak to fiberglass.

In Houston a structural engineer with a string of fine buildings to his name said of Khan, "Just by putting the X's on the outside of the John Hancock Center, he greatly reduced the amount of steel required. He was a genius."

Joe Colaco does much of his engineering work in the South and the Southwest, where the soil often lacks the substance of rock. "In Houston, it's only thick clay," he said, "and in New Orleans—they won't like me saying this—it's like mush." But that doesn't stop him. Building on the clay, he floats the building, in effect, while the New Orleans mush must be laced with pilings.

However he does it, Joe Colaco is always on the lookout for a better method. He thinks there must be a way to increase the strength of concrete used in skyscraper construction from 14,000 pounds to 20,000 pounds per square inch. He is concerned too with finding better ways to tie a building to the ground in an earthquake zone, and to damp the wind-induced swaying of buildings. Research is being conducted around the world, he said, into the use of rubber pads placed under buildings to absorb movement and steady the building.

Postmodernism has left a strong mark on Houston, mainly because of one man, a developer named Gerald Hines. He is a man of wealth and modesty, a builder of towers not only in Houston but throughout the country. And, like kings of old, he is more a patron of architects than an employer.

Among Hines's buildings in Houston are the Republic Bank Center, rising in three stages to 56 stories with a massive banking hall for a base; the Transco Tower, the nation's tallest skyscraper in the suburbs, and Pennzoil Place, a pair of trapezoids in bronze glass, with sloping crowns, one of the buildings that broke the mold in the new generation of towers. All three are the work of Philip Johnson and John Burgee.

On the 50th floor of the Transco Tower, Gerald Hines sits at a table in his office and eats from a plate heaped with macaroni and vegetables. "I believe," he said, "that the architecture of a building should enhance the city, the skyline, and the well-being of all affected by the structure. Take the Pennzoil building. It was one of the first to say that buildings do not have to be inverted boxes. It has been called the building of the decade."

In all, Hines has completed or has under construction more than 375 projects, totaling in excess of 70 million square feet. He engages good architects and works with them, but he lets them have their way for the most part, for he knows that the results are often going to be heavy with prestige and therefore attractive to potential clients.

Jack Kent Cooke is also the owner of a skyscraper—a very good one. He owns the Chrysler Building, the art deco masterpiece in New York, now 59 years old and still more beloved than any other skyscraper in the world. Cooke, who also owns the Washington Redskins professional football team and a variety of other businesses, paid 87 million dollars for the Chrysler and an adjoining building in 1979. To hear him talk, he would not take a billion for it now.

"Well, I guess of the many material things that I own I'd rate the Chrysler Building as my prime pride and joy," Cooke told me. "It is not only a representative icon of this country, it is world famous."

We talked about how skyscrapers last for generations, how the good wood on the walls of the elevator cages still shines, how the marble and other stone is still fit for the sanctuary of some great cathedral, how it all still rises straight and true. "That's right," he said. "So long as you keep them in pristine condition. The Chrysler Building today is in an equally good, if not better, condition than when William Van Alen, its architect, pronounced it fit for Mr. Walter P. Chrysler to take residence, in 1930."

Movements in architecture come and go (the latest is called deconstructivism, with an emphasis on distortion and fracturing of form) and buildings like the Chrysler, Woolworth, and Empire State survive them all, standing proud in the company of all that's new on the New York skyline, including the twin towers of the World Trade Center. There is nothing in the city as tall as those 110-story structures, where more than 100,000 people come and go on a workday.

Ah, for Dan Goodwin, they stood there like candy mountains, delicious treats of challenge. So, on a morning in May of 1983, Goodwin started climbing the north tower of the World Trade Center, using suction cups and metal clamps designed to hook into the tracks used for window-washing equipment.

"Spider Dan" they call him, and, true to the name, he was atop the tower in three hours, 18 minutes. "At the 83rd floor, the window-washing track was pulling away from the building," he told me, "and I thought I was going for the big fall." Instead, he went for a ride—to a police station, under arrest.

It remains for an urban mountaineer to visit Philadelphia and be tempted by a building called One Liberty Place. It is the

first structure in the city to rise higher than the statue of William Penn that crowns City Hall. It stands in good view from a train approaching the city; indeed, from there, Philadelphia wears a look of compelling freshness because of the 61-story tower designed by Helmut Jahn.

In Pittsburgh the skyline appears like an unfurled scrim when seen upon emerging by car from the Fort Pitt tunnel through Mount Washington. And the tower that looms here is the new PPG (Pittsburgh Plate Glass) Place, a great rise of neo-Gothic design by Johnson and Burgee, sheathed in glass. In Atlanta it's the IBM Tower, and in Dallas the Texas Commerce Tower, among others.

Of all U.S. cities, none is more primed for new skyscraper construction than Los Angeles. "I think Los Angeles has that happy medium between Houston's free-for-all way of doing things and San Francisco's heavy restrictions," said Richard Keating, an architect in Los Angeles with Skidmore, Owings & Merrill. "The planners who are thinking and working here understand that the city can still sustain development, and they don't take simpleminded attitudes about 'let's not have high rises' or 'let's not have any development.'" Nevertheless Los Angeles has relatively few new buildings of architectural merit that skyscraper designers would call Class A. "But that's about to change, with Harry Cobb's building of 75 stories now going up," Keating said. "That will be the first of the new buildings."

To the north, San Francisco has put such tight limits on building that architects and developers are complaining of overkill. The restrictions stem not from the fear of towers toppling in earthquakes (engineers are solving that problem with shock absorbing technology) but, rather, from the desire to protect the city's unique vistas.

"San Francisco is where the mini-revolt against construction began," said Keating, who practiced in Houston before moving to Los Angeles. "From San Francisco the movement crossed the country, to Boston, and now it's beginning in New York." Among other things, San Francisco has effectively limited new construction to 475,000 square feet a year, the size of one tower of medium height. It is emphatically in violation of the law too to put up any structure that would cast a shadow over public areas such as parks. Boston and Seattle have adopted similar tough controls. In Washington, DC, since 1910, the height of buildings has been limited by Congress in order to preserve the city's character of monument-studded openness.

The surge of skyscraper construction in the U.S. seems due to slow anyway; much of it was spurred by the favorable tax treatment given to real estate investment by the 1981 tax law. We are, experts say, overbuilt, and one expects a lull that could last for as long as 20 years.

A spate of empty offices notwithstanding (the World Trade Center took more than six years to fill), architects are fingering drawings of several new "world's tallest" buildings. No doubt some will be built, one to outreach another toward the heavens, as ego and economics collide. "Don't underestimate the romance of the skyscraper," cautions Dr. Lynn Beedle. "It's a powerful motivator."

Indeed it is. Consider the person who opens an apartment door on a high floor of the Trump Tower and invites me in for lemonade on a day when heat is pressing through the pores of New York. She and her husband maintain the apartment although their chief residence is in Los Angeles.

If anyone belongs in a skyscraper, it is certainly Fay Wray, star of *King Kong*, the film popularity that rides out the passage of time. She sits beside me, an enchanting, gracious woman at the age of 81, and I see her in the gentle grip of the ape, atop the Empire State Building, writhing and screaming. That screaming and Kong's fascination with her, like that of a boy with a firefly in a bottle—remember? Some have said that the film depicted rare sensuality.

"It was just an adventure piece, plain and simple," Miss Wray said. "That's all. It was not intended to be a horror film, just wild adventure. And the theme was beauty and the beast, of course, But sensual? No."

Fay Wray revealed to me that she had not visited the Empire State Building since 1934, the year following release of the picture. "I feel very possessive about the building," she said. I asked her then if she would go with me to the top of the Empire State, just the way millions of visitors have over more than half a century, and she said she would.

When we got there, to the top, she looked out over the city and then turned back to face the crown of the tower. "This building," she said, "belongs to me."

TRIBUTE TO FRANK A. WEISER

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DYMALLY. Mr. Speaker, I rise today to pay tribute to Mr. Frank A. Weiser, legal counsel to the southern California I.H.M. Hotel/Motel Association, Inc.

Mr. Weiser is a model story of the hard-working son of immigrant parents who has excelled in his profession and consistently promotes the highest ethical standards of the legal profession for his clients, and the greater southern California community. As a result, he has received recognition for significant and lasting contributions to the legal community.

In his capacity as founding legal counsel of this trade organization, Mr. Weiser has been the recipient of several awards and resolutions conferred upon him by the city of Los Angeles and the board of supervisors of the county of Los Angeles. Attorney Weiser has served as judge pro tem to the Los Angeles County municipal court system. His colleagues praise his efforts to make lasting contributions to the legal and judicial community.

He has acted generously on the basis of interethnic cooperation and helped create and promote various Asian-Indian organizations dedicated to preserving the rich Indian culture and business unity among Asian-Indian businessmen. He has demonstrated balance and judiciousness in his representation of the Asian-Indian community on issues of civil rights—and in doing so, exemplified the highest humanitarian traditions of his Jewish cultural background.

For the past several years, Frank Weiser has participated in his association's Christmas contributions to the homeless in the Los Angeles area.

Mr. Speaker, I am certain that you would want to join me in commending such an individual who has contributed greatly to his country. His deeds truly exemplify the highest ideals of this Nation and this honorable body.

A TRIBUTE TO ROBERT H. DAYTON, JR.

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. MRAZEK. Mr. Speaker, I rise today to pay tribute to Lieutenant Robert H. Dayton, Jr., of the Port Washington, NY, Fire Department, who was killed in the line of duty on November 26, 1988, at the age of 28.

Early in the morning of November 26, Lieutenant Dayton responded, as he had done on hundreds of occasions in his career, to a fire in a building on Main Street in Port Washington. Lieutenant Dayton died as the result of smoke inhalation as he was searching for occupants of the burning building.

Mr. Speaker, with the passing of Lieutenant Dayton, Long Island's Third Congressional District lost a brave and dedicated young man. In addition to being a full-time firefighter with the New York City Fire Department, Lieutenant Dayton selflessly gave his time and expertise to his community's volunteer fire department. He joined the Flower Hill Hose Company in 1978 and quickly achieved the rank of first lieutenant due to his exemplary record. He was to have been promoted to the rank of captain in January.

On November 29, 1988, the community of Port Washington and the Port Washington Fire Department paid tribute to Lieutenant Dayton at a memorial service. Thousands of residents, religious leaders, elected officials, and firefighters from across the Nation offered their respects to Lieutenant Dayton's wife, Pamela, his daughter, Kaitlin, and his parents, Mercedes and Robert H. Dayton, Sr.

Chief Charles Lang of the Port Washington Fire Department expressed in the Port Washington News the admiration that the 350 members of the fire department had for Lieutenant Dayton. He said, "Lieutenant Dayton was always willing to share his experience with the younger members. They really looked up to him." To honor their colleague, the Port Washington Fire Department has established the Robert H. Dayton Memorial Fund.

Mr. Speaker, the volunteer fire department is one of the great institutions in America today. Thousands of our citizens freely give their time, effort and sometimes their lives in order to protect our communities. Lieutenant Robert H. Dayton, Jr. proudly represented these ideals of voluntarism and community spirit in their finest tradition.

INTRODUCING EMPLOYEE EDUCATIONAL ASSISTANCE ACT OF 1989

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. GUARINI. Mr. Speaker, I am pleased to join well over a hundred colleagues today, to introduce the Employee Educational Assistance Act of 1989.

Our bill would reinstate and make permanent section 127 of the Tax Code, which enables workers to receive up to $5,250 a year in tax-free benefits to pay for tuition, books, and fees for non-job-related education. A companion measure has been introduced by Senators MOYNIHAN and HEINZ.

Since 1978, employee educational assistance has enabled more than 7 million American workers to upgrade their skills and increase their potential for advancement.

Many of these workers were at the lower rungs of the career ladder. Others needed retraining because their skills were made obsolete because of technological advancements or foreign competition. For many of them, this was the only way they could gain access to higher education or additional training.

Employee education has been endorsed by a broad coalition consisting of business, labor, and higher education. At a time when the world economy has become extremely competitive, the coalition that supports this bill is an excellent example of how management, workers, and educators can cooperate to serve the interests of our people, our country, and our economic future.

ELDERLY AMERICANS GET A RAW DEAL

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. TAUKE. Mr. Speaker, I rise to commend to your attention a recent editorial column by James Kilpatrick regarding the unfair tax burden on older Americans. Citing a study by the National Center for Policy Analysis, Mr. Kilpatrick demonstrates that senior citizens are the most overtaxed age group in the Nation. I believe that the National Center for Policy Analysis study underscores the need to reconsider the regressive financing mechanism for the Medicare Catastrophic Coverage Act.

ELDERLY AMERICANS GET A RAW DEAL

Those at the bottom, and especially those in the middle, get walloped.

Elderly Americans in middle-income brackets are getting a raw deal from their government. Under certain circumstances, the more they earn, the less they have. For them a job may become a costly hobby.

The National Center for Policy Analysis, based in Dallas, exposed his quirk in the tax laws in a recent report. To read the report is to recall that marvelously loony passage in *Through the Looking Glass* in which Alice meets the Red Queen. For no particular reason, they start running, faster and faster, until at last they stop in exhaustion. To her surprise, Alice discovers they have gone no place. In her country, she says, one would generally get to somewhere else.

"A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"

This is the predicament in which elderly Americans find themselves. Those in high-income brackets are not greatly affected. Those at the bottom, and especially those in the middle, get walloped. Two factors have produced this unconscionable result. One is the system by which persons on Social Security lose $1 of benefits for every $2 they earn in private employment. The other is the new surtax on benefits under Medicare.

A specific example may help. Take the hypothetical case of Marta Robinson, 64, a widow who retired in 1987 after many years as a bookkeeper. Mrs. Robinson has continued to work for a wage income of $13,936 a year. In addition, she has her pension of $11,064 and Social Security benefits of $5,072, for a gross income of $30,072, Offsetting this income, she pays $2,950 in income taxes, $1,402 in Social Secutiry taxes and $496 in the Medicare surtax, for a net of $25,224.

Now Mrs. Robinson accepts a new job paying $1,500 more a year. Look what happens. Her wage income goes up to $15,436, but her Social Security benefit drops by $750; she pays $240 more in income taxes, $270 more in Social Security taxes and $87 more for Medicare. She winds up with a net of $25,197. She has run faster and is $27 behind where she started.

The National Center's analysis provides another example, this time of an elderly retired couple. Call them John and Ellen Johnson. Because neither earns more than $8,880 in wages, initially they receive their full Social Security benefits of $11,400. Now John leaps at a chance to earn an additional $1,000 a year.

Again those fine mill wheels of the law grind them down. The Johnsons lose $500 in Social Security benefits; they must pay $150 more in income taxes, $310 more in Social Security taxes and $58 more for Medicare. He has earned $1,000 more and lost $18 in the process.

It is the marginal tax rate that causes the mischief. The National Center's report explains the problem: "This year, with the introduction of the Medicare surtax, almost all elderly taxpayers face higher effective marginal tax rates than any U.S. taxpayers have faced since the early 1960s, when the highest tax bracket was 90 percent for very high-income persons."

Beginning in 1990, elderly workers earning more than $8,880 a year will get some relief: The penalty for working will drop to $1 in lost Social Security benefits for every $3 earned, but increase in the Medicare surtax will take away some of the improvement.

This is all wrong. The fabled Alice might have found this plausible in her looking-glass world, where everything was in reverse, but it is inexplicable in the U.S.A. in 1989.

TRIBUTE TO BURKE ROCHE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. HYDE. Mr. Speaker, it may have been the western landscape of his formative years, with its harsh climate, sheer rocky slopes, and stark isolation, that contributed to Burke Roche's fortitude.

"You could say I'm a workaholic. It's always been my pattern," the business executive says.

One of nine children, and a native of Montana, Burke developed a world view early. He accompanied his father on frequent business trips, including several to Chicago, where he would eventually settle and build a small family business into a worldwide entity.

"I'm probably the only person who goes to Paris only to work," Burke says. "Almost all my travel is for business."

By welding those two interests—work and travel—Burke and his Binks Manufacturing Co. are giving Japanese competition a run for their money.

Under 13 enclosed acres of land in Franklin Park, IL and in other manufacturing plants worldwide, Binks' employees transform steel bars and sheet metal into some of the most advanced spray painting and coating equipment—generating hundreds of millions of dollars in American exports annually.

What Binks makes, the world takes. It is as true today as it was in 1949 when Burke took over management of the company from his brother.

On May 1, Burke will celebrate his 40th anniversary with the firm. Amid all the hoopla, I suspect that he, his wife Mary, and his company's many employees will quietly be celebrating their unique leadership status in American industry. Well done, Burke. Well done, Binks. You have made America stronger and greater through your many contributions.

NEIL BONDS TO SAY GOODBYE TO TEACHING

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DARDEN. Mr. Speaker, the education of our children is one of the most important duties of our society. The men and women who provide that service as teachers in our schools deserve special commendation, and I want to take note today of a man who has devoted the past 35 years to developing the minds of young people—Mr. Neil Bonds of Marietta, GA.

Mr. Bonds, who is retiring this June, has spent 19 of those years as an English teacher at Marietta High School. His teaching career also has included work at other schools in Georgia and his native South Carolina.

He explained in a recent newspaper article that he once considered a career associated with politics, here in Washington. But, as he

put it, he was "in love" with teaching. And so, he stayed in the classroom—a decision for which generations of students, and their parents, can be grateful.

Mr. Speaker, I would like to include in the RECORD that article from the Marietta Daily Journal. And, I invite my colleagues to join me in congratulating Neil Bonds on his long and productive career as an educator.

[From the Marietta Daily Journal, April 17, 1989]

NEIL BONDS TO SAY GOODBYE TO TEACHING

(By Peggie R. Elgin)

Neil Bonds, will say goodbye to a world of chalkboards and final exams in June as he end a 35-year teaching career, spending the last 19 as an English teacher at Marietta High School.

At the end of this school year, Bonds will leave the profession he entered quite unexpectedly, but one in which he remained because he grew to love his work with young people.

"I guess you could say I did it all for love," Bonds said of his beginnings as a teacher.

A native of South Carolina, he earned his bachelor's degree in English and social studies from Wofford College in Spartanburg, S.C. He later earned his master's and educational specialist degree at West Georgia College.

Bonds said he never planned to teach and was actually aiming at a career associated with politics in Washington, D.C.

"But I was in love," said Bonds.

The object of his love remained in college when Bonds graduated.

"Her mother suggested that I try teaching," he said. "The love didn't last."

But Bonds career in teaching did.

Bonds began his teaching career in Abbeville, S.C., where he taught 8th and 9th grade English and world history. In a way, Bonds said he simply continued to go to school.

"I don't think I have ever grown up," he said. "I have never dealt much in the adult world. As I continue to deal with young people, I keep wondering what I'm going to be when I grow up."

Bonds remained at Abbeville for five years, where in addition to teaching, he launched a drama club and was in charge of the junior and senior proms.

His next teaching assignment took him to Calhoun Falls, S.C., where he taught six years at his alma mater—Calhoun Falls High School.

"I was the English department there, teaching 9th, 10th, 11th and 12th grade English," he said. "I was yearbook advisor, worked with the Beta Club, and directed commencement and the senior class play."

After 11 years of teaching, Bonds briefly considered leaving the profession.

"But people channeled me right back into teaching," said Bonds.

Bonds accepted a job in Conyers where he taught 5th grade. That lasted for one year only, since he was required to teach math and science in addition to English.

"During my science class, I tried to incubate eggs and not one hatched," he said. "I knew then I was limited in science and math."

Bonds set out to find a job teaching English and was invited to interview for a position with the Marietta School System.

"They gave me directions by way of the big chicken," he recalled.

Bonds was hired and assigned to the old Waterman Street School and the Keith School, before he was transferred to Marietta High School in August, 1969, where he taught 11th grade English.

In his years at Marietta High School, he said he has taught everything from grammar to literature—British, American and world literature—and now merit English classes.

"I like writing and I love vocabulary," Bonds said. "The more words a person knows, the better he can communicate and write. My favorite period of literature is the romantic period both for American and British literature. I also like grammar, but you really have to know how to motivate students in teaching grammar."

Bonds said teaching has always been a challenge to him.

"I think it is important to be a dreamer when you are a high school teacher," he said. "I believe dreams come true."

When he runs into former students, he doesn't always remember their names, but he says he always remembers where the student sat in class.

"Hardly a day goes by when I don't meet a former student," said Bonds. "Some are teachers in the city schools. A couple are ministers. Once I was in the hospital awaiting surgery. I was on the operating table and looked up and there was a former student in operating room regalia. I remember hoping that I had been good to her."

Another former student, Jack Vaughn, now serves Marietta as a representative to the state legislature.

Bonds praised the quality and ability of his students.

"I have taught so many students," he said. "And so many are brighter than me. I am not being modest. Some of my students have been the brightest and most perceptive individuals."

While at Marietta High School, Bonds began a literary journal and a creative writing class. Calling himself a sentimentalist, Bonds assumed the duties as yearbook advisor in 1972 and has held that position ever since.

"The yearbook is actually a book of history," said Bonds.

While at Marietta High School, Bonds began his own historical project and set out to collect all yearbooks ever produced at Marietta High School.

"It took me 15 years," he said. "But now we have every book ever made at Marietta High School from 1917 up to the present."

Bonds was married once and has no children. His father lives with him in his Marietta home.

After 35 years, leaving teaching was a hard decision, according to Bonds, 57, who entered the profession at the age of 22. On the eve of his retirement. Bonds is looking forward to having more time to work in his yard and vegetable garden. He collects china and loves to entertain.

"I'm also looking forward to having time to read—historical novels and biography," he said.

FATE OF FREEDOM FIGHTERS SEALED

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. HUNTER. Mr. Speaker, last Thursday we all but sealed the fate of the freedom fighters in Nicaragua. Much was said about this toothless, so-called humanitarian aid package bringing democracy to Nicaragua. But Commandante Daniel Ortega has said that the Sandinistas would never voluntarily give up power in Nicaragua, even if there were elections. The Sandinista military, bolstered by $500 million in Soviet aid, and the Sandinista gestapo, Tomas Borge's Ministry of the Interior, will make sure they never lose power.

The bill that the House passed called for the Contra's voluntary reintegration into Nicaragua. Elections would then take place with both the Sandinistas and opposition parties on the ballot. In light of the Sandinistas recent treatment of Contra supporters, I'll be interested to see how many take them up on their offer to return home. The article printed below is from the Sunday, April 16 edition of The San Diego Union. I hope that my colleagues will keep the Sandinistas behavior in mind if we ever again vote to help the freedom fighters in Nicaragua.

[From The San Diego Union, Apr. 16, 1989]

SANDINISTAS QUIETLY KILL OFF CONTRA SYMPATHIZER SUSPECTS

APANTILLO, NICARAGUA.—Felicito Peralta went to his death barefoot.

When Sandinista troops came to his house in this isolated hamlet three months ago, he refused to answer the door. But, neighbors said, the soldiers threatened to throw a grenade into his home, which he shared with his wife and five children.

Peralta surrendered, leaving without his shoes. His wife, Maria, ran after him with his boots, but he told her not to worry, that Sandinista troops were taking him to a nearby jail, according to neighbors.

"I'll see you in the morning," he added. But by morning he was dead. Residents and human rights groups say he was one of a growing number of victims of a government drive against suspected rebel sympathizers in northern Nicaragua.

In the last two years, residents and human rights groups say, Sandinista troops have killed at least 13 civilians around Apantillo, a hamlet of 200 peasants about 80 miles northeast of Managua.

There are no comprehensive statistics, but human rights groups estimate that government soldiers have killed 40 to 50 civilians in northern Nicaragua since a cease-fire agreement was signed in March 1988. They say the abuses appear to be limited to the north, where the Contras have enjoyed widespread support.

Peralta had three brothers fighting with the anti-Sandinista guerrillas. His body was found not far from his house.

He had been beaten, shot and stabbed repeatedly in the throat and stomach, said Carlos Molinaris, a neighbor and fellow Roman Catholic lay leader.

"These executions are too numerous to be isolated cases," said Juan Mendez, the executive director of Americas Watch, a human rights monitoring group based in New York, in a statement. "They constitute a pattern of abuse by government forces."

Sandinista officials declined to comment on the charges. They received written questions about the alleged abuses but an Interior Ministry spokesman said the government would probably not comment until it had a chance to investigate all the cases.

In the past, Managua has blamed such killings on the rebel Contras, who have

often been accused of human rights violations by monitoring groups.

"The Contras disguise themselves as soldiers to discredit the army," said Dani Chavarria Rivera, the regional coordinator of a pro-government group, Families of the Kidnapped and Disappeared by the Counterrevolutionaries.

She charged that the Contras had killed or kidnapped 6,000 people in the northern province of Matagalpa in the last eight years. The U.S.-backed rebels, she said, have killed or kidnapped 300 people in the year since the cease-fire agreement.

Human rights groups and residents of the area say the rebels still commit abuses. But the vast majority of their troops have withdrawn to camps in Honduras, leading to a sharp drop in human rights violations attributed to them.

Political killings by Sandinista troops were rare for most of the war, according to Americas Watch. Except for some notable cases seven years ago, it said that government abuses had been "sporadic and that they did not reflect a pattern."

In a report last year, however, the group noted a series of murders of suspected Contra collaborators and family members. It charged that "the cases are numerous enough to suggest tolerance or complicity by higher authorities."

That conclusion, Mendez said, has been confirmed by more recent killings, like the murder of Peralta, by both army and Interior Ministry troops. Some international relief officials working in northern Nicaragua said they agreed with Mendez but declined to be identified by name or organization.

"The government's failure to put an end to this practice merits severe condemnation," Mendez said in the statement. He commended the Sandinistas for prosecuting some human rights violators. But other officials noted that most of those convicted were released after serving only a small fraction of their sentences.

The series of killings appear to be part of a campaign to crush the vestiges of the civilian support network that fed and sheltered the Contras, who used to roam with few impediments across much of this fiercely independent, anti-government region.

Andrea Martinez said the Contras accused her son Martin of being a government informer. Three years ago, they kidnapped him and held him for three days. But his release marked him as a Contra in the eyes of the Sandinistas, his mother said.

Mrs. Martinez, who has another son and a daughter with the rebels, said government troops soon started harassing Martin, who was then 18. A neighbor, Lola Pinosa, in mid-November warned him that the army was looking for him and advised him to flee, his mother said.

But he decided to stay long enough to help his mother harvest the family's meager bean crop. At 4 a.m. on Nov. 22, Sandinista soldiers came to their house and arrested him, said Mrs. Martinez.

A few hours later she heard two shots. A neighbor found Martin's body later that day. His hands were tied behind his back; his forehead pressed against the ground. The front of his face was blown away.

THE GRAND RAPIDS ORAL DEAF PROGRAM CELEBRATES ITS 90TH ANNIVERSARY

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. HENRY. Mr. Speaker, it gives me a special pleasure to recognize the 90th anniversary of the Grand Rapids, MI, Oral Deaf Program. Nationally recognized for its outstanding program, the Grand Rapids Oral Deaf Program has a reputation for providing the finest in educational facilities for hearing impaired students.

In 1899, Michigan became the second State in the Nation to adopt legislation to provide for the education of deaf children by certified teachers. This law was passed as the result of the hard work and diligence of a Grand Rapids attorney and legislator, Sybrant Wesselius, whose own daughter was deaf. Mr. Wesselius recognized the need to educate deaf children without having to send them away to school, and recruited Margaret Sullivan, celebrated teacher of Helen Keller, to help organize a local school. That same year, the Grand Rapids Oral Deaf Program opened its doors with 16 pupils and 2 teachers. Today, 90 years later, located in an elementary school which has been adapted acoustically to teach both deaf and nondeaf students, the program provides a curriculum of services to approximately 125 students ranging from their early months to 25 years old.

A specialized curriculum, designed to meet the needs of hearing impaired students, as well as ensure their maximum participation with hearing peers, has been developed into one of the finest programs of its kind. Beginning with infant-parent services when a hearing impaired child is just a few months old, the Oral Deaf Program continues through the preschool, elementary, junior-senior high school years, and includes a wide variety of vocational skills training classes as well. Academically talented students are encouraged to continue advanced training at the college level.

The Oral Deaf Program provides individualized and small group instruction to emphasize the development of speech, language, and reading skills programs. A socialization process with their hearing peers is encouraged in academic classes as well as special activities. Approximately 80 percent of the children who become full-time students are mainstreamed into their neighborhood schools, enabling them to experience growing up in a natural, rather than isolated, school environment.

Staffed by outstanding diagnostic and ancillary personnel, the Oral Deaf Program works in tandem with parents and teachers to ensure the best possible services are provided, including speech therapy, auditory training and equipment, occupational and physical therapy, and the availability of medical and counseling personnel.

Mr. Speaker, the Grand Rapids Oral Deaf Program has successfully educated and supported the deaf of West Michigan for 90 years, helping them to become productive members of society. The program continues to honor its primary goal of helping deaf students prepare for active participation with their hearing peers through the maximum use of speech, speech reading, and residual hearing and is continually looking for new advances in technology and programming to better meet the needs of the special individuals it serves.

The success of these efforts has resulted in a number of national and State awards, most recently selection as the 1988 "Program of the Year" by the Michigan Speech and Hearing Association. Two members of the program's staff, as well, were recently recognized by the Foundation on Education Excellence as outstanding educators in 1988 and the program's supervisor was cited in 1987 as "Educator of the Year" by the Michigan Alexander Graham Bell Association. Not only does the Grand Rapids Oral Deaf Program offer a highly rated and excellent program, but its staff are of the highest caliber, as well.

Mr. Speaker and colleagues, on May 19, 1989, a day long special celebration will be held to commemorate the 90th anniversary of this outstanding program. Please join with me in paying special tribute to the Grand Rapids Oral Deaf Program and to the teachers, staff, and parents whose dedication and commitment have contributed to enhancing the quality of life for the individuals served by this exceptional program.

ELDERLY CAREGIVER'S EQUITY PROPOSAL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. FLORIO. Mr. Speaker, the Association of Elderly Caregivers is an informal network of about 100 men and women who are involved in the full-time care of elderly family members.

The association has drafted the following caregiver's equity proposal, which I am pleased to share with my colleagues today. I hope that it will encourage people to think carefully about the important role played by those who care for an elderly family member.

ELDERLY CAREGIVER'S EQUITY PROPOSAL

There is a popular myth that most familymembers care for their elderly parents.

The reality is that care, when necessary, usually falls upon the one familymember, usually the woman, willing to shoulder it, while the others distance themselves, sometimes for years and usually without valid reason.

This is particularly unfortunate when an elderly parent dies intestate, without a Will, or, suffering from Alzheimer's Disease or other mental impairment, has been unable to execute or update one.

In such cases, present probate laws mandate that the parent's estate, monies or other property be arbitrarily divided among immediate familymembers without regard to the caregiver's care and the other familymembers lack of concern.

It is easy to chastize, criticize and penalize for failure to plan ahead, to execute, regularly update and revise Wills, although nothing suggested here urges otherwise.

But the reality is that caregiving costs, insurance inadequacies, financial pressures,

declining physical and mental capacities often prevent it.

Regardless, it is urged that those supporting or encouraging familymember care of needy elderly parents should send a signal.

Probate laws governing Wills, estates and intestate decedants are not 'written in stone.' They like all manmade laws can be revised and updated and, indeed, should be, since there is a strong argument that updating is long overdue to meet problems presented by a growing aging population, rising medical and institutionalizing costs, declining family ties, reduced governmental social expenditures, etc.

Laws that do not meet the needs of the times do not inspire confidence.

It is urged that these laws be updated to encourage family caregiving through recognizing and encouraging the familymember caregiver's role.

Courts and Judges should be given the option of recognizing a caregiver's greater role in caring for parents over those who have evaded, avoided and ignored their needs.

It is the caregiver who has fed, cleaned, bathed, diapered, dressed, sacrificed and comforted while others have not.

It is one thing to give lip service to encouraging loving, sacrificing family care of elderly parents, like praising motherhood, the flag and apple pie—and quite another to strengthen the family member caregiver concept in practical ways.

No "Caregiver Equity" can buy, induce or reward the sacrifices and compassion loving caregivers only can provide, which has to be given only from the heart and invariably is.

But it is also fundamentally unfair to reward those refusing it.

If those of us concerned with elderly caregiving problems do not seek out every way, however small, to strengthen and encourage the elderly caregivers' role who else will care?

"Caregivers Equity" is a very small, but very practical way to signal that we as a society really do value caring, compassionate, sacrificing concern over selfish indifference.

It costs nothing. It creates nor needs no bureaucracy. It embodies fundamentally democratic and religions and humanitarian values which value family life. There is no expense to justify opposition. Tens of thousands of persons are directly affected.

It is a small but morally right step in the right direction. And in this instance, TLC should stand for Tender Loving Care not Total Lack of Concern.

Public Policy should always seek to strengthen not weaken society's highest values, to strengthen not weaken families, to encourage caring caregivers to care for the otherwise abandoned elderly, not to discourage it, to help caring familymembers to do what they are surely, demonstratingly most willing to do themselves without enlarging the role of the State over the individual and the family.

Impersonal institutions, boarding homes and nursing homes can not only never replace caring familymember caregiving. They simply cannot hope to keep pace with a growing elderly population.

Growing costs, mounting pressures on emergency social services, taxpayer demands for economies, a growing elderly population demand it.

"Caregiver Equity" is a concept in concert with the times. It is a concept whose time has come.

AMBASSADOR KIRKPATRICK'S INCISIVE ANALYSIS OF ARAFAT AND THE PALESTINE LIBERATION ORGANIZATION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. LANTOS. Mr. Speaker, Dr. Jeane Kirkpatrick, former U.S. Ambassador to the United Nations, has again written a most insightful analysis of the problems facing the United States in the Middle East. In her column in the Washington Post yesterday, she discusses how Palestine Liberation Organization leader Yasser Arafat has shifted his tactics from terrorism to diplomacy although his goals remain the same.

Ambassador Kirkpatrick notes that:

When Israel objects to submitting its fate to a manifestly hostile body [the international conference that Arafat has been peddling], Arafat and his friends call Israel's prime minister "Dr. No" and work hard to make it appear that Israel is the only obstacle to peace in the region. When Israel proposes for the disputed territories elections, autonomy and "interim arrangements" provided under the Camp David Accords, Camp David is dismissed by the PLO's friends as "outdated." How can Israel have confidence in a deal when the only deal it has been able to make [Camp David] is declared "outdated" soon after Israel delivered the Sinai?

Mr. Speaker, I urge my colleagues to give thoughtful attention to Ambassador Kirkpatrick's excellent analysis, and I ask that it be placed in the RECORD.

[From the Washington Post, Apr. 17, 1989]

STAMPEDED BY ARAFAT?

(By Jeane Kirkpatrick)

Some rulers come to power through elections. Some through civil war. Others by coup d'etat. Yasser Arafat is trying something different. He and his PLO colleagues are attempting to win a state through international diplomacy.

Last week Arafat met with Polish Gen. Wojciech Jaruzelski. Soon he will be received in France by Francois Mitterrand. It is all part of an apparently endless shuttle around the capitals of the world in search of support for the Palestinian state that was unilaterally declared by the PLO at a meeting in Algiers last November.

That state has no territory, no army, no independent financial resources. But it has a government "elected" by PLO proclamation. Yasser Arafat is a president in search of a country. His strategy is clear. He hopes to generate enough support for his nonexistent state that the United States will be persuaded to bring pressure on Israel to capitulate to PLO demands.

In this effort, the PLO is supported by a body of U.N. resolutions stretching back to 1974, when the General Assembly declared the PLO "the sole legitimate representative of the Palestinian people." These resolutions do not have standing in international law, yet they are widely regarded as representing "world opinion."

The General Assembly's session in Geneva in December provided the capstone with a resolution that "acknowledged" the PLO's declaration of the Palestinian state and upgraded the PLO delegation from an "observer mission" to "embassy."

But the General Assembly cannot give Arafat a kingdom because it has none to give.

Arafat believes he can parlay diplomatic recognition into statehood—and already the PLO state has been recognized by more than 100 member states of the United Nations. In the PLO's international campaign, Egypt has special importance.

Egypt has worked tirelessly to legitimize Arafat, lending its credibility and making the PLO case in capitals where Arafat was not welcome, especially in Washington. For its efforts, Egypt has won re-admission to Arab organizations from which it was expelled for signing the Camp David Accords.

The fact that Egypt had made peace with Israel—even if it is a cold peace—gives it special credibility in Washington. It was through Egypt's good offices that Arafat won "recognition" from the U.S. government as an acceptable representative and interlocutor for the Palestinian people.

Now Arafat hopes to translate his status as head of a government-in-exile of a nonexistent state into U.S. pressure on Israel to abandon its claim to the West Bank, Gaza and East Jerusalem, and to attend an "international conference" that would validate PLO claims and establish boundaries for Israel and the new Palestinian state.

Participants in this conference would include: the Soviet Union and China, which have upgraded PLO missions to the status of "embassy" but do not have meaningful diplomatic relations with Israel; Jordan, which has diplomatic relations with the PLO but not Israel; Egypt, which has warm fraternal relations with the PLO and a very cold peace with Israel; and possibly Syria.

When Israel objects to submitting its fate to a manifestly hostile body, Arafat and his friends call Israel's prime minister "Dr. No" and work hard to make it appear that Israel is the only obstacle to peace in the region. When Israel proposes for the disputed territories elections, autonomy and "interim arrangements" provided under the Camp David Accords, Camp David is dismissed by the PLO's friends as "outdated."

How can Israel have confidence in a deal when the only deal it has been able to make is declared "outdated" soon after Israel delivered the Sinai?

The Camp David Accords were, of course, negotiated under U.N. Security Council Resolutions 242 and 338. So far, these have not been declared "outdated." To the contrary, the PLO's deal with the U.S. State Department includes Resolutions 242 and 338. And these are said to be the basis of U.S. policy toward the area.

But no one mentions the fact that these resolutions call for "direct" negotiations between the parties to the 1967 and 1973 wars—negotiations that Israel has sought and its Arab neighbors have refused right down to the present.

Resolutions 242 and 338 say nothing about an international conference and nothing about a Palestinian state. Yet the United States seems to feel that these resolutions can be useful in persuading Israel to hand over control of the West Bank and Gaza to *someone*—and there are no takers today except the PLO. This puts the United States in the position of effectively supporting a PLO state.

Have Arafat and his friends already succeeded in stampeding the new administration in Washington? Secretary of State James Baker has said Israel may have to negotiate with the PLO, but he has not said that Jordan must negotiate with Israel.

President George Bush has said Israel should get out of the West Bank and Gaza, but he has yet to call on Syria's Hafez Assad to evacuate Lebanon, nor on anyone else to meet the requirements of 242 and 338.

So far the Bush administration has not encouraged Arab rulers to make peace with Israel, nor to establish diplomatic relations nor has it adopted any other measures that might give the Jewish state confidence in the reliability of its neighbors.

Still, the Bush administration has offered support for the idea of elections on the West Bank and Gaza, and that is powerful evidence that the President and Secretary of state understand that legitimacy comes neither from international diplomacy nor from U.N. resolutions, but from the consent of the governed.

BILLIONS BLOWN ON HEALTH

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. STARK. Mr. Speaker, every day I get letters and visitors telling me that if a single penny is cut from Medicare, the Nation's health care system will collapse.

First of all, we have no clear health care system, and what we have leaves one-sixth of our people grossly unserved.

Second, there are many places where money can and should be cut. If anyone doubts this, I would like to print below an article from the April 12, 1989, New York Times.

BILLIONS BLOWN ON HEALTH

(By Joseph A. Califano, Jr.)

Each day this year, Americans will spend $200 million more on health care than they did last year. At the year's end, the total will be $620 billion, up from $550 billion in 1988. And in less than two years, America will break the $2-billion-a-day barrier in health-care spending.

Most troubling, the evidence is now overwhelming that at least 25 percent of the money Americans spend on health care is wasted. And those wasted billions would be more than enough to fill the gaps and provide all the health- and long-term care our people need.

After a decade of trench warfare over health-care costs, shell-shocked combatants—hospital administrators, doctors, nurses, insurers, employers, government bureaucrats, politicians and patients—have a sense of winning some battles, but losing the war.

The battles won have not been insignificant. Medicare's system of paying hospitals pre-set amounts based on the patient's ailment rather than picking up whatever tabs hospitals submit has cut admissions and lengths of stay. Since enacting this change in 1983, Medicare has logged savings of at least $25 billion. From 1982 through 1988, Chrysler, a cost-containment warrior, spent $1.3 billion less for health care than it would have if its costs had risen at the same rate they did for business generally.

That's the good news for taxpayers and Chrysler shareholders. The bad news for taxpayers is that Medicare spending is rising so rapidly it will top $600 billion and the cost of Social Security just after the year 2000. The bad news for Chrysler shareholders is that the company's 14 percent hike in 1988 health-care costs was more than triple the rise in the consumer price index.

With cost pressures so great and results so mixed, it was inevitable that some health-care buyers would invoke the specter of rationing and triage. Oregon and Alameda County, Calif., have drawn up plans to ration care for the poor.

Doctors scramble to shift health-care costs to someone else. The Feds dump more Medicaid costs for poor patients on states, and more health-care costs for elderly retirees on large employers. Employers, frustrated by diminishing returns on their managed-care plans, dump costs on their workers and retirees. Insurers try to dump costs back on the Federal Government.

But wallowing in the despair of rationing and tossing the hot potato of costs to the next guy are unconscionable cop-outs. This year, we are spending $155 billion for tests and treatments that will have little or no impact on the patients involved, including at least 30 billion taxpayer dollars.

What are we buying for all those milions?

RIDICULOUSLY EXCESSIVE HOSPITAL CAPACITY

Hospital occupancy rates have been hovering at just over 60 percent nationally for the last three years. Despite the unprecedented pressures of excess capacity that would force any other business to cut back, close down or slash prices, between 1981 and 1987, the number of hospital beds increased by 21,000. And in 1988, hospital room prices jumped more than 10 percent, the largest boost since 1982.

When hospitals do close, they're often the wrong ones, like those in underserved inner cities. Moreover, when a city hospital is full, it is often with AIDS victims or substance abusers, who could be more humanely and effectively treated in less expensive hospices or treatment centers.

MILLIONS OF UNNECESSARY PROCEDURES

There is growing consensus that half the coronary bypasses, most Cesarian sections and a significant proportion of many other procedures such as pacemaker implants and hysterectomies are unnecessary. A former editor of the Journal of the American Medical Association is convinced that more than half of the 40 million medical tests performed each day "do not really contribute to a patient's diagnosis or therapy."

A MEDICAL MALPRACTICE PROTECTION RACKET

In 1987, doctors and hospitals paid at least $8 billion in malpractice insurance premiums. In Florida, obstetricians paid premiums of $153,000; in Long Island, they paid $95,000. Malpractice insurance costs for each baby delivered were $921 in Florida, $572 in New York and $448 in Oregon. Less than half of those premium dollars ever get to injured patients; almost 60 percent of them go to lawyers, insurers and the courts.

Moreover, insurance premiums are the smallest part of the cost of our medical malpractice system. To protect themselves in case of a lawsuit, doctors perform millions of useless tests and procedures, at an annual cost estimated at $20 billion.

FRENETIC AND INCREASINGLY EXPENSIVE, PAPER AND COMPUTER CHASES

America's health care system is the world's most expensive to administer. The proliferation of efforts to track and screen for abuse every patient, procedure and prescription has made it more important for doctors and hospital administrators to master accounting and regulatory manipulation than to master medicine.

What aren't we buying for all those millions?

WE ARE NOT BUYING BETTER HEALTH CARE

The $2,500 we'll spend this year for each man, woman and child in the U.S. is 50 percent more than will be spent in the next highest spending nation, Canada; more than twice that in Japan and almost triple that in Britain. Yet each of these nations had lower infant mortality rates and similar longevity.

The quality of care is declining in half-empty hospitals where doctors and nurses do not perform surgical procedures often enough to maintain proficiency, much less attain excellence. And needlessly exposing patients to risky procedures can hardly be considered better care.

WE ARE NOT BUYING CARE FOR OUR NEEDIEST CITIZENS

From 1981 to 1988, while the cost of Medicaid more than doubled, to $55 billion, the number of people participating remained unchanged at 22 million. And America's enormous expenditures do not buy health care for some 37 million uninsured citizens, most of whom work or are dependents of workers.

WE ARE NOT BUYING PUBLIC SATISFACTION

A recent survey found that 89 percent of Americans believe the health care system needs fundamental change.

WE ARE NOT BUYING THE FREEDOM TO CHOOSE ANY DOCTOR OR HOSPITAL WE WISH

The free choice era of American medicine is drawing to an end. In 1984, 85 percent of all employee coverage was by unmanaged fee-for-service plans that afforded the employee wide open choice of any health care provider; by 1988, only 28 percent of those employees enjoyed such freedom.

What can we do?

SUBJECT PATIENTS ONLY TO TREATMENTS THAT WORK

It's time for a rigorous effort to establish what procedures produce beneficial outcomes under what conditions. That means leadership and funding from Medicare; support from the Congress for the bills of Senator George Mitchell and Representative Bill Gradison to invest up to $350 million in such research; and cooperation from America's physicians.

REVAMP THE MEDICAL MALPRACTICE SYSTEM

Medical professionals should be held accountable for negligence and incompetence, but not for disappointment and grief over events only God can control. States should limit the amount of financial recovery to modest payment for pain and suffering (as California has), link legal damages to costs of health care and compensation for lost income and lingering disability and sharply reduce contingent legal fees. Federal Medicaid contributions to states should be conditioned on reform of medical malpractice.

TAKE BETTER CARE OF OURSELVES

Two-thirds of all disease and premature death is preventable, but only if we as individuals recognize our responsibility to take care of ourselves. The priorities are obvious: quit smoking, stick to proper diet, control drinking, exercise, learn to handle stress and take preventive measures such as regular checkups.

APPLY CAPS, LIMITS, AND PRICING ACROSS THE BOARD

Employers have been burned too often by Medicare and Medicaid savings schemes that allow hospitals and doctors to recoup lost revenues by performing more procedures on private payers and charging them higher prices.

Merely shifting health-care costs from government to employers does not reduce total costs, and makes it even more difficult for American industry to compete in the world marketplace.

In 1988, Chrysler spent $700 on employee health care for each vehicle manufactured—twice as much as French and West German automakers and three times as much as the Japanese. It's no wonder that many large corporations are becoming more sympathetic to national health plan proposals.

The alternatives to action on these fronts is a grim future. Many workers and retirees will lose their employer-based coverage or have it drastically reduced; Medicare beneficiaries will wait in line for lower-quality care; millions of citizens will continue to be denied access to basic health care; and only the wealthiest Americans will be able to afford long-term care.

This future is not a fantasy and it's not far away. Fortunately, the money needed to avoid it is already allocated to health care. We need only spend that money wisely. If we do, we can provide higher quality health care for all our citizens at the same price we're now paying to provide a declining quality of care for only some.

TRIBUTE TO THE UNITED WAY OF BERKS COUNTY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. YATRON. Mr. Speaker, I rise today to recognize the efforts and achievements of the United Way of Berks County, PA. The United Way of Berks County has been responsible for sponsoring many programs and activities which directly benefit the disadvantaged and needy in our community.

As you know, Mr. Speaker, the stated mission of the United Way is to increase the organized capacity of people to care for one another. Volunteers and United Way workers throughout America and abroad have made great strides in caring for others over the years. The many activities sponsored by the United Way range from alcoholism treatment to job training to services for the disabled, and the list goes on.

Recently, the United Way of Berks County received five top honors from the United Way of America. Only one other United Way chapter in the Nation received more awards. Clearly, these honors reflect the unquestioned dedication and outstanding work of the people involved in the United Way of Berks County. I am proud of our local chapter of the United Way and commend the efforts of those involved in its mission. The honors bestowed upon the United Way of Berks County prove that people who care really can make a difference.

Mr. Speaker, it is because of these people that the United Way works for all of us and it is only fitting that their commitment to improving the lives of their fellow man be recognized. I salute the many volunteers and workers of the United Way of Berks County and thank them for helping to make the lives of others better and brighter.

TRIBUTE TO MAHESH PAREKH

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DYMALLY. Mr. Speaker, I rise today to pay tribute to Mr. Mahesh Parekh. As president of the Southern California I.H.M. Hotel and Motel Association, Inc., Mr. Parekh has served as a pillar in the Los Angeles community and a vital asset in the ongoing effort to bring people of different cultures together.

Mr. Parekh is but one example of the success experienced by the over 800,000 Americans of Asian-Indian descent in our country. As insurance and financial specialist by profession, his is the model story of the hard working immigrant whose greatest contribution was his commitment to the environment around him..

Mr. Speaker, his record of public service is outstanding. His dedication to public service includes, but is not limited to, serving as commissioner to the Building Rehabilitation Appeals Board for the County of Los Angeles; commissioner to the Orange County Sheriff's Department Advisory Council and special liaison to the Los Angeles County Board of Supervisors for Asia-Indian Affairs.

I am proud to say that Mr. Perekh has maintained an impressive set of values which govern his business transactions and community activities. He is a paragon of determination and persistence.

Mr. Parekh's record of public service, and the numerous awards presented in commemoration of that service, though noteworthy, is far too lengthy for publication. However, public commemoration is not the only thing we should salute. I believe it is a fitting tribute to a person who has spent his life serving his country, community and humanity.

Mr. Speaker, I invite my colleagues to join me in saluting a man of fine character, public loyalty and commitment to the world in which we live.

END DEPOSIT INSURANCE ABUSE

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. PEASE. Mr. Speaker, as the S&L legislation moves through the Congress, the present structure and coverage of our Federal deposit insurance system will emerge intact and, for the most part, unchanged. However, we should not let the passage of this legislation correspondingly terminate the debate surrounding the present state of this system. On the contrary, the mere fact that the U.S. taxpayer will eventually foot the lion's share of the $100-billion-plus bailout bill demands that we continue to study this issue with the utmost thoroughness.

President Bush's S&L bill rightfully calls for a detailed Treasury study of the federal deposit insurance system. The following op ed piece from the Journal of Commerce, which in essence describes the intent of my bill, H.R. 1260, outlines one approach in rectifying the numerous problems and disincentives which plague our current system. I commend this to the attention of my House colleagues.

The article follows:

[From the Journal of Commerce, Apr. 11, 1989]

END DEPOSIT INSURANCE ABUSE

(By Don J. Pease)

As the congressional debate over President Bush's savings and loan bailout plan begins, most experts will cite corruption and greed, incompetent regulatory supervision, and the ailing economy of the Southwest as the major causes of this financial mess. Yet there is another fundamental problem here, one that lawmakers must address to prevent the recurrence of such a financial debacle: the unlimited nature of federal deposit insurance coverage.

Deposit insurance is one of those "sacred cows" that lawmakers are fearful of touching. But there is no choice. Behavior encouraged by the existing deposit insurance system is at the root of many of our depository institutions' problems.

The primary goal of deposit insurance is to promote financial stability through the prevention of widespread bank runs. Since its inception during the Great Depression, the federal deposit insurance system has achieved this end. Unfortunately, this system has not kept pace with the sophisticated changes occurring in the thrift, banking and finance industries. Consequently, deposit insurance has been used, and abused, in ways for which it was never intended. The thrift industry's current problems are the most vivid illustration.

Unlimited deposit insurance coverage coupled with financial deregulation has encouraged risk taking and imprudent fiscal behavior. By offering high returns on federally protected accounts, many savings and loan associations grew at astounding rates. Deposits brokers spurred this rapid growth. These brokers split large sums of money into $100,000 bundles and channeled these funds, risk free, into the highest-paying and often most reckless thrifts and banks.

In spite of the dizzying speed of thrift expansion, depositors felt no need to monitor their savings banks' financial health, given the government's guarantee. Released from depositor (not to mention Federal Home Loan Bank Board) scrutiny, thrifts could invest in riskier, higher yielding assets such as real estate, and, with their newly brokered cash, many did. Predictably, these investments often went sour, and thrift losses began to mount.

These losses overwhelmed the Federal Savings and Loan Insurance Corp. and its insurance fund, but, nevertheless, insolvent institutions were allowed to operate through the miracle of unlimited deposit insurance. Although thrift owners had lost their equity in these insolvent institutions, money continued to pour into them due to the enticing combination of high rates of return and a government guarantee on deposits.

This precarious hand-to-mouth existence encouraged thrift managers to make risky but potentially lucrative loans and investments. If successful, such deals held out the minute possibility of restoring the institutions' profitability. On the other hand, if these ventures failed, which many did, the federal government would absorb these losses at no additional cost to the thrift

owners. Our current deposit insurance system promoted this taxpayer-financed gambling. Unfortunately, such activities persist today and add to the ever-increasing S&L bailout costs.

How then can this vicious cycle be stopped without disrupting depositor confidence and overall financial stability? By limiting deposit insurance to $100,000 per person rather than $100,000 per account.

This reform would place financial risk back on the appropriate individuals—The owners and managers of the banks and thrifts, not the American taxpayer. Since deposit insurance would guarantee a smaller percentage of their reserves, thrift managers would behave more prudently. Moreover, if applied in a non-retroactive manner, this reform would maintain financial stability and avoid bank runs because old deposits would keep their government guarantee.

Given that new deposits exceeding $100,000 would no longer be guaranteed, depositors would have to monitor the health of their savings and loans more carefully. Such depositor prudence not only would reduce risky behaviour by banks and thrifts but would also limit the continued growth and operation of insolvent financial institutions. Without a government guarantee, insolvent thrifts could not attract jumbo deposits as they do now, even if they offered substantially higher interest rates.

Depositor prudence could also transform the brokered deposit business. Instead of seeking the highest rates of return, brokers could seek and promote financially sound institutions to investors whose deposits exceed the $100,000 insurable limit.

Finally, by curtailing the growth of insured deposits, the $100,000 per person limit would reduce government liability. The federal government currently guarantees around $3 trillion in deposits—an astronomical and ever-growing sum.

The ultimate goal of a deposit insurance system is to promote financial stability through the prevention of bank runs. The current system, however, represents a triumph of means over ends. The limitless nature of deposit insurance coverage has prevented major bank runs, but overall financial stability has certainly not been achieved. On the contrary, we have not witnessed such a financial mess since the Great Depression. To prevent a similar fiasco and assure the future soundness of depository institutions, we should place clear limits on deposit insurance coverage.

A TRIBUTE TO DR. GEORGE BATEZEL

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. SAXTON. Mr. Speaker, I rise today to pay tribute to a constituent of mine who has dedicated much of his life to assure a quality education for thousands of students. This year, Dr. W. George Batezel, Burlington County Superintendent of Schools, is completing a career of outstanding and dedicated service to the students, parents, and citizens of Burlington County, NJ.

For two decades, Dr. Batezel has given of his time as a selfless member of numerous civic and educational boards, including the Burlington County Special Services School District, Burlington County Vocational/Technical Schools, and Burlington County College.

Dr. Batezel has not only served to assure that county school districts are in compliance with State requirements, but has also demonstrated a willingness to work with school districts in implementing innovative programs throughout the county.

Under Dr. Batezel's leadership, the Burlington County Superintendent's Office has provided a continuous, consistent, and high level of service to the 42 school districts of Burlington County.

He has earned the respect and admiration of his colleagues and all who have worked with him to assure that the Burlington County schools strive to achieve a standard of excellence unsurpassed in these United States of America.

Mr. Speaker, I know my colleagues will join with me in commending Dr. W. George Batezel for the vision and enlightened leadership he has demonstrated in the service of students, parents, and citizens of Burlington County.

INTRODUCTION OF A BILL TO PROVIDE FOR FAIR TREATMENT OF SWAP AGREEMENTS IN BANKRUPTCY FILINGS

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. SCHUMER. Mr. Speaker, I am today introducing with my colleagues Mr. FISH and Mr. SYNAR a bill to amend the Bankruptcy Code to provide for the fair treatment of swap agreements when one party to the agreement files for bankruptcy.

Interest rate and currency swap agreements are vital risk management tools used by commercial banks, investment banks, thrift institutions, insurance companies, domestic and multinational corporations, foreign governments, and U.S. and foreign government-sponsored entities. They are widely used to manage mismatches between an institution's assets and its liabilities.

For example, an interest rate swap could be used by an institution that has short-term floating rate liabilities and long-term fixed rate financial assets leaving it with substantial interest rate exposure if interest rates should rise. To hedge this risk, the institution could enter into an interest rate swap under which it would make fixed-rate payments—which can be funded with its fixed-rate assets—and in return receive floating rate payments—which will rise or fall with its floating rate liabilities. With this arrangement, the institution can better withstand the vicissitudes of the financial markets.

Although an institution may enter into a swap directly with another end user, more often it enters into a swap with a commercial or investment bank that creates a portfolio and acts as a dealer in swaps. Liquidity in the swaps market is assured by the readiness of swap dealers to enter into swaps with qualified institutions at any time.

The International Swap Dealers Association has developed a master swap agreement that is commonly used by swap participants. Under that agreement, should a party to the master agreement file for bankruptcy, all swap transactions under the agreement are immediately terminated and the settlement amounts with respect to each swap are offset against each other in order to arrive at a single net payment from one party to the other. The single net amount is paid by the defaulting party to the nondefaulting party.

It is possible that the automatic stay provisions of the existing Bankruptcy Code could be interpreted to bar the terminations needed to net out the swap transactions. Also, under the existing code, it is possible that a trustee in bankruptcy could "cherrypick" the swaps—continuing the transactions favorable to the bankrupt institution and terminating unfavorable ones. Neither the code nor the courts have addressed these issues and the potential exposure for nondefaulting parties is large. We cannot permit one bankruptcy to undermine the basic function of a market as large and important as the swaps market. This proposal would eliminate the uncertainty that now exists in the bankruptcy law.

The bill I am introducing today proposes three major changes to the Bankruptcy Code to address the problems with swaps in bankruptcy; it exempts terminations and setoffs of swaps and forward foreign exchange agreements from the automatic stay provisions of the Bankruptcy Code, thus avoiding exposure of the nondefaulting party to interest rate and other risks during court delays while individual exemptions are sought to allow such termination; it exempts swaps from ordinary preference rules and the preference provisions of section 553(b)(1), thus assuring the right to net positive and negative exposures with one counterparty; and it spells out the contractual rights of a swap participant under the Bankruptcy Code to terminate and net such exposures.

The financial markets are constantly evolving and new products are being developed everyday. Congress must ensure that the laws evolve to keep up with the markets they govern, particularly in the financial markets. The nature of these markets requires that the Bankruptcy Code allow the certain and timely resolution of complex financial transactions. This fact was recognized in 1982 and 1984 when the Code was amended in a very similar way for securities contracts, forward contracts, commodity contracts, and repurchase agreements.

The swaps market is large and growing. The dollar volume of outstanding dollar-denominated swap transactions alone was $541.5 billion at the end of 1987. Unlike ordinary leases or executory contracts, where the markets change only gradually, the financial markets can move significantly in a matter of minutes. The markets do not wait for a court decision. It is imperative that the treatment of swaps transactions in the Bankruptcy Code, like the transactions considered in 1982 and 1984, not be left in doubt.

This proposal is supported by the Federal Reserve Board, the Securities Industry Association, the Public Securities Association, the New York Clearinghouse, the International Swap Dealers Association, many commercial

and investment banks and savings and loans, and others. It was passed by the Senate in the waning days of the last Congress and I am hopeful that it will be expeditiously considered and passed by the 101st Congress.

I urge my colleagues to join Mr. FISH, Mr. SYNAR, and me in supporting these needed amendments to the Bankruptcy Code.

Mr. Speaker, I insert the full text of my proposal at this point in the RECORD.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

Section 101 of title 11, United States Code, is amended by—

(1) redesignating paragraphs (49), (50), (51), (52), and (53) as paragraphs (51), (52), (53), (54), and (55), respectively; and

(2) inserting after paragraph (48) the following:

"(49) 'swap agreement' means an agreement (including terms and conditions incorporated by reference therein) which is a rate swap agreement, basis swap, forward rate agreement, interest rate option, forward foreign exchange agreement, rate cap agreement, rate floor agreement, rate collor agreement, currency swap agreement, cross-currency rate swap agreement, currency option, any other similar agreement, any combination of the foregoing, or a master agreement for any of the foregoing together with all supplements;

"(50) 'swap participant' means an entity that, on any day during the 90-day period ending on the date of the filing of the petition, has an outstanding swap agreement with the debtor;".

SEC. 2. AUTOMATIC STAY.

Section 362(b) of title 11, United States Code, is amended—

(1) in paragraph (12) by striking "or" at the end;

(2) in paragraph (13) by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(14) under subsection (a) of this section, of the setoff by a swap participant, of any mutual debt and claim under or in connection with any swap agreement that constitutes the setoff of a claim against the debtor for any payment due from the debtor under or in connection with any swap agreement against any payment due to the debtor from the swap participant under or in connection with any swap agreement or against cash, securities, or other property of the debtor held by or due from such swap participant to guarantee, secure or settle any swap agreement.".

SEC. 3. LIMITATION ON AVOIDING POWERS.

Section 546 of title 11, United States Code, is amended by adding at the end the following:

"(g) Notwithstanding sections 544, 545, 547, 548(a)(2) and 548(b) of this title, the trustee may not avoid a transfer under a swap agreement, made by or to swap participant, in connection with a swap agreement and that is made before the commencement of the case, except under section 548(a)(1) of this title.".

SEC. 4. FRAUDULENT TRANSFERS AND OBLIGATIONS.

Section 548(d)(2) of title 11, United States Code, is amended—

(1) in subparagraph (B) by striking "and" at the end;

(2) in subparagraph (C) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(D) a swap participant that receives a transfer in connection with a swap agreement takes for value to the extent of such transfer.".

SEC. 5. SETOFF.

Section 553(b)(1) of title 11, United States Code, is amended by inserting "362(b)(14)," after "362(b)(7),".

SEC. 6. CONTRACTUAL RIGHT TO TERMINATE SWAP AGREEMENTS.

Subchapter III of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

"§ 560. Contractual right to terminate a swap agreement

"The exercise of any contractual right of any swap participant to cause the termination of a swap agreement because of a condition of the kind specified in section 365(e)(1) of this title or to offset or net out any termination values or payment amounts arising under or in connection with any swap agreement shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by order of a court or administrative agency in any proceeding under this title. As used in this section, the term 'contractual right' includes a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice.".

MOTHERS AND DAUGHTERS

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to draw to the attention of my colleagues in the House a recent Washington Post article regarding the "March for Women's Equality/Women's Lives" which took place here in Washington on April 9.

The article contains two very different stories told by women who have had abortions. Under the heading "A Mother's Story" Gloria Allred describes her experience before the Roe against Wade decision. Under the heading "A Daughter's Story," Julie Bergman and her mother Marilyn, both of whom are constituents of mine, discuss Julie's experience years later. The contrast between the two women's stories depicts in clear terms why it is so important to retain the right of women to choose legal and safe abortion. I could speak at length about the right to choose, but their words and experiences do not need any further elaboration.

Mr. Speaker, I ask that the Washington Post article be placed into the CONGRESSIONAL RECORD at this point.

[From the Washington Post, Apr. 10, 1989]

MOTHERS AND DAUGHTERS, ON THE MARCH—AT THE RALLY, PERSPECTIVES FROM TWO GENERATIONS

(By Marjorie Williams)

In another age you might have found them down at the department store picking a china pattern, or a dress for the mother of the bride:

Elsie and Debbie Munshower, who traveled from Pittsburgh, Luvenia Finley, who drove from Winchester, Va., yesterday morning with her daughter Willette, on 2½ hours sleep. Cynthia Phinney, who organized buses in Maine for the National Organization for Women, and her mother, who came by bus from Wisconsin. Mother and daughter Gloria Allred and Lisa Bloom: lawyers both, L.A. and New York; one lives with the legacy of an illegal abortion, the other is four months pregnant.

Yesterday's abortion-rights "March for Women's Equality/Women's Lives" brought all manner of family groupings to Washington—grandparents with grandchildren, brothers and sisters, baby-boomer nuclear families of three, and enormous clots of cousins and aunts and uncles, lovers and friends and people all alone—to challenge what they believe to be newly serious threats to legal abortion. But amid the crowd, estimated at 300,000, the most charged combinations were the mothers and daughters.

You could recognize them because they both have that round, knobby little chin. Or they both wear that faintly ski-jump nose. Or there's that distinctive wide brow with the deep-set eyes. And once you looked at enough of them, these mother-daughter pairs—grown women all—you could put your finger on the ghostly feeling of strangeness that comes with seeing so many of them together, in the same place at the same time, in the same political dimension instead of on separate sides of the epochal divide that was the women's movement.

Mother and daughter. The unit contains so many of the abortion issue's thorny parts. It holds the powerful cathexis that binds women to the children they do bring into the world. It contains the transmission of knowledge, from women to girls, that they have all the world's pregnancies and miscarriages and episiotomies and menstrual cramps and Caesarian sections—and abortions. And it offers, especially, a dramatic tableau of the change that has swept—or perhaps is still sweeping—American women's reproductive lives.

Most of these mothers with adult daughters grew up at a time when abortion was illegal. Most of the daughters have lived their entire sexual lives secure in the wide availability of safe abortion. Between them, they compose—at least metaphorically—what abortion rights activists believe is the last best hope for a revitalized political movement: that women of one generation will pass their sense of urgency to a generation sunk in complacency.

Rebecca and Claire Pollack, 24 and 52 respectively, came to Washington with the Hollywood Women's Political Committee. Said Rebecca, "I feel very frustrated that I can't get people my age to take this seriously. They're all curious about what I'm doing, but they're not here."

Said Claire, "Women her age understand the illegality, but they don't understand the degradation . . . It goes back to good girls and bad girls. If you needed an abortion, you were a bad girl."

A MOTHER'S STORY

At 47, Gloria Allred sports jet-black hair, quantities of pale makeup, bright red lipstick. On her left hand is a diamond as dramatic as its owner. By contrast, her 27-year-old daughter, Lisa Bloom, wears tiny pearl studs in her ears and no makeup, a simple cotton sweater and bluejeans. But the affection between the two women is palpable, as Lisa says drily of her mother, "She used to stop gas station attendants to tell them that I went to Yale Law School."

Allred, a high-profile feminist attorney, is Archie Bunker's worst nightmare: She has

sued golf clubs that discriminate against women, dry cleaners that charge men and women unequally, husbands who try to evade paying child support, employers who try to investigate their employees' sexual histories. Not to mention the California state assemblyman who issued a press release calling her a "slick butch lawyeress." When she won a $20,000 settlement, she then sued to prevent the state from paying it on the legislator's behalf.

"A lot of people don't want to make a fuss—don't want to be labeled," she says of her sometimes theatrical feminism. "For me, it's too late."

In the course of a meal, this professional extrovert pulls up her elegant red sweater to expose her pale, pale rib cage, by way of demonstrating how little weight she had to spare when she launched a six-week hunger strike to coax a bill mandating retroactive child support out of the Judiciary Committee of the California Assembly. She slips off her Evan-Picone shoes to show the calluses she earned last month countering "Operation Rescue" demonstrations outside abortion clinics in three California cities. She makes a vigorous pantomime of running a flag up the flagpole as she says, " 'Ladies!' Whenever I hear that word, I always know it's a red flag going up—something terrible is about to happen to women."

But when conversation turns to why she is here, her voice drops to become almost inaudible, her body language reverts to defensive self-embrace.

"I didn't tell anyone about my abortion for years," she says. "I was afraid someone would find out. I didn't want anyone to know. One person knew, and she was the one who took me to the hospital" after the abortion was botched.

Allred was a schoolteacher then. During a vacation, in 1967, she was raped. She already had Lisa, by a brief marriage in college; the father was not paying child support, and on a teacher's salary she was determined to have no more children she couldn't take care of.

"I'd never thought about abortion," she says. "I had to ask someone, 'If a person was pregnant, what would she do?' And they say, 'Well, women get abortions.' I had to ask, 'What's an abortion?' "

Ultimately she was referred to a man—she never learned his name, or whether he was a doctor—who performed the procedure in a downtown office building. As she wrote in a letter filed with the Supreme Court as part of a abortion-rights brief in a pending case, "I was told that he would perform the abortion, but if I had medical problems as a result of it such as hemorrhaging, that he would not be available to assist me."

She hemorrhaged for a full week, then went back to work. "I tried to go back to school, because I didn't want to miss any school. I didn't want anyone to know. And blood just ran down my leg." Uncharacteristically, she takes refuge in euphemism. "And I was—I mean, I was wearing things to prevent that. But I just couldn't stop it, it was flooding out of me."

In the end, when her temperature climbed to 106 degrees, a friend insisted on taking her to the hospital. There, she says, a nurse told her "I was getting what I deserved."

Bloom, a Manhattan attorney, doesn't remember when she first heard her mother talk about that 1967 abortion. But she shares Allred's support of abortion rights—all the more so, she says, since her pregnancy began four months ago.

"I understand a lot more about what a burden it would be to be pregnant if you didn't want to be," she says. "To think that the state could force someone to be nauseous, to be tired, to have backaches—to be sick—is astounding to me. I don't think people realize: Pregnancy can be very disabling. It's not like you just gain a little weight for nine months and that's it."

Bloom just had a standard blood test to rule out various problems that can be identified at this point in her pregnancy, including Down's syndrome. She hasn't gotten the results yet, and says that should she learn that something was wrong with the fetus, "I realize now that it would be a more difficult decision than in the first trimester. But it would be more difficult personally—not politically. It's not a political thing."

Bloom and Allred share a moment of wonder at how much—and how little—has changed to make abortion rights once again the subject of a march on Washington. "It's like the right to vote," says Bloom. "We thought this was basic."

A DAUGHTER'S STORY

Julie Bergman, just a year older than Bloom, is the vice president of a small L.A. production company. She is here with her mother Marilyn, who with her husband Alan wrote the lyrics for the song "The Way We Were" and other movie hits. Julie was no older than 12 when Roe v. Wade was handed down, but you won't find any complacency here.

After a Saturday press conference, mother and daughter were pitched the general question about differing attitudes inherent in their different generations. Julie, a redhead with a level gaze, took a deep breath and said this:

"I feel very strongly about this issue because I am a 28-year-old woman with an extraordinary mother who when I got pregnant at 22, with a man I was very much in love with, saw to it that I was treated the way I would be if I had a broken leg. And I went to my doctor, who was not only my gynecologist but who also brought me into the world, and he took me to Cedars-Sinai, and it was all taken care of safely, and humanely."

As he began, Marilyn's eyes welled in surprise; tears slipped down her cheeks as Julie continued, describing how her birth control method had failed, how much it meant to her that her boyfriend, as well as her mother and father, was part of her decision and her support. "I knew that eventually, I very much wanted to have a family," she said. "If I have a child, a daughter, I want her to experience it in the same way I did. And since I have gone through it personally, I feel very committed."

Brushing away her tears, Marilyn made a gesture of apology, saying, "I didn't know she was going to tell the story."

Julie shrugged, still collected, and said, "I didn't either."

They had a long embrace, in which someone—it sounded like the daughter—could be heard to murmur, Are you okay?

Mmmnn, came the answer. Are you?

And then Marilyn described her feelings. "Because it was possible for our daughter to have this treated the way it should be—privately, medically, legally—I feel so strongly about this right," she said. "I have to say one thing, though. We didn't feel about it as if it was a broken leg."

"No, not feel about it," said her daughter. "Treated it. Feeling was something different."

"She was 22," said Marilyn, "right out of college. And to bring a child into the world at this point, by my child—who was herself a child." Her voice diminished, then rallied: "But I never felt about it as if it were a broken leg."

"If it had been five years later, it would have been a whole other thing," said Julie. "She will have a baby," her mother said. "And it will be the most loved and wanted baby possible."

IN A TIME WARP

Yesterday's march was dominated by fears that the past might overtake the present—that the women's movement, as if in a time warp, could be forced to return to its original battlegrounds. The demonstration itself was organized by NOW, the last major bastion of '60s-style activism, and supported by hundreds of groups ranging from the YWCA to the Religious Coalition for Abortion Rights to such electorally focused organizations as the Women's Campaign Fund and the National Women's Political Caucus.

For every all-American yuppie couple with a plump baby in a perambulator, there was a young activist "facilitator" leading desultory, improbably '60s chants like "Hey, hey, ho, ho, patriarchy's got to go." There was a group of "Members of Congress for Choice," marching together hard on the heels of "Dykes for Choice."

If many of the organizers hoped to demonstrate that the abortion rights movement is "mainstream" then mothers and daughters like Debbie and Elsie Munshower were the answer to that wish.

Common genes are evident in their round, fair faces and in the eyes—though mother's are a little greener, daughter's a little bluer. Elsie, 58, said evenly, "I'm past bearing children. But I have children, I have grandchildren and I believe in the right to choose. In my day we used potash, you know, a little round black pill you inserted in the vagina. And we used catheters. You'd have it in for a few days, and then you would abort. I knew many who went through that in that period. And if you hemorrhaged, you had to get yourself to the hospital."

Debbie, 32, was a little less explicit, a little less talkative. "I went once with my girlfriend" When she needed an abortion, Debbie said. "It was a very supportive environment. It was safe—she came out safely and she could still have children."

The Munshowers came to yesterday's march despite the fact that neither has had an abortion. So did Gaithersburg resident Donna Dymond, 41, with 9-year-old Abigail, the oldest of her four children. "I remember how it was in the olden days, when women's lives were ruined by abortions—and so were men's," Dymond said. "And I know what it's like to carry a child who's wanted and loved. It's tough, even then."

There is no question, activists say, but that abortion-rights supporters have been galvanized by the Bush administration's antiabortion stance and by a Missouri case that will be argued April 26 before a Supreme Court far more conservative than the one that produced Roe v. Wade.

NARAL's direct-mail drive raised $600,000 in March alone—compared with a draw of $108,000 for a similar mailing in the same month last year. As many new members joined in February and March as joined in all of last year.

Similarly, at NOW, President Molly Yard says membership has swelled from 160,000 to 180,000 since the beginniing of the year. Privately, feminists acknowledge that figures like these far outstrip the best fundraising phenomenon of recent memory—

President Reagan's failed nomination of Robert Bork to the Supreme Court.

But the fact remains that the women's movement is growing older. A full 69 percent of NARAL's members are 40 and over. Irene Natividad, who chairs the National Women's Political Caucus, notes that the average age of caucus members is 47. Young women have stayed out of the movement in droves, activists say.

Says Yard, "It's fascinating when you talk to a college campus. I often start out with the story of Margaret Sanger and birth control, and how it wasn't legal until 1965—and then only for married couples. And they're amazed. They've never conceived of a world in which it wasn't available."

Thus Yard, Natividad and others see in the recent alarm over abortion rights a chance to awaken younger women politically. "To me, this is the catalytic, politicizing issue for the 'Me Generation,' " says Natividad. "It is so appropriate. Because these are the women who point to themselves, instead of to themselves and other women. And this is an individual issue."

"It's frustrating," she adds, to be "revisiting" the issue of abortion, "but I guess I would say that if there is a chance of young women coming on board . . . I guess I would say that's a bigger plus, frankly."

Gloria Steinem disagrees vehemently with this line of analysis, saying that the movement has never drawn its activists from among the youngest women: "It's important to remember that women have always been the only group that grows more radical with age." Invited to see a silver lining in the possibility that the abortion issue will lend new energy to the women's movement, she declines. "I don't think so," she says flatly. "Because to be fighting the same issue after 15 years is not an invigorating experience."

Frances Rachel, of East Orange, N.J., might be surprised to hear that. At 71, she marched with a friend and carried a sign saying "Grandmothers for the Right to Choose." "I think that women of my generation can make an important contribution. Grandmothers," she said with a wink. "We're still sacred, right?

"This issue is particularly appropriate for us. Because we know it. We know it from our lives."

CONGRATULATIONS TO JASON E. SKALA, VOICE OF DEMOCRACY WINNER

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. YOUNG of Alaska. Mr. Speaker, it is my pleasure to recognize the writing talents of Jason E. Skala of Eagle River, AK. I wish to commend his performance as Alaska's winner of the Veterans of Foreign Wars script writing contest. This contest was entered by more than 250,000 secondary students throughout the United States each composing an essay on the given subject "Preparing for America's Future." Fifty State winners were chosen and nine national winners will collectively receive $42,500 in scholarships. Jason is the son of Dr. and Mrs. Timothy Skala of Eagle River, AK. He is a junior at Chugiak High School and after graduation hopes to matriculate at an Ivy League university. His hobbies include painting, reading, writing, and powerlifting.

The following is Mr. Skala's winning essay. It shows both maturity and a keen insight of the responsibilities associated with citizenship. I am proud of his patriotic enthusiasm and with him the best of luck in the future.

PREPARING FOR AMERICA'S FUTURE

(By Jay E. Skala)

It seems trivial and decidedly un-American to contemplate the lifespan of our beautiful union. Yet as assuredly as we envision our life style as a constant, we tend to ignore the fact that it is only through the efforts of the brave few who summoned the courage to sacrifice their own personal comfort that we can enjoy the privileged liberty that we so cherished.

We are standing now at a juncture in the life of our country. For our finest hour only tempers our mettle and it is the time in between crisis that truly test it. Our Lady Liberty is not threatened by the savage beasts that would attack her, but is vulnerable rather to the viruses that would seek to debilitate her so that she is rendered defenseless to their attack.

It is the insidious enemy not the obvious one that is the most dangerous. By living peaceably, we are living at our time of greatest crisis. For in the lack of overt threat, we have let our guard down; an invitation to the quick punch.

The inoculation of our great country comes from the decisiveness of its individuals. In times of such crucial "non-crisis", with the alluring chance to "get what's mine", we must have the courage to sacrifice our own personal comfort in order to insure what is "ours".

The means of insurance are as varied and diverse as our beloved country. But by whatever means we should choose to prepare for our country's future, our choice must first insure that we are to have one. It is to this end that I propose the military.

Obligatory military conscription is perhaps the most expedite means to insure our children of the personal liberty and freedom that we enjoy. By enlisting each generation for a short-term of duty, we are ensuring our country of a trained reserve, ready to be mobilized if necessary. But more importantly, it will provide an entire generation with both technical and vocational training. It will afford to them an understanding of the military and the need for having one. But above all, it will teach us the price of peace, upon the purchase of which we must forever pay installments.

It seems paradoxical to ask that someone give of their liberty that they might insure it for later. And it must sound unbelievably illogical or rather unfair to ask this of the "now" generation, born in an age of instant access and computer speed. Yet we cannot forget that there are those among us who can no longer serve, those of us who already have, and those of us who are doing so now, who can remember less peaceful times only history to us, the youth. To us, this history and the threats of foreign minds shouting enticing propaganda at an undecided world is as distant as the satellites which beam these pictures into our homes.

We, the caretakers of destiny, must one day bear the torch of freedom and it will fall into our hands to bring the light of liberty to those portions of the world darkened by opposition and false promises. But foremost in our responsibility is to keep the home fires burning, for they will warm the souls of those who carried the flame before us. And it is our responsibility to those persons who initially sparked it, to those who nurtured it in times of crisis, and to those who one day will inherit it from us to insure that it does not go out, simply by being prepared.

CONGRATULATIONS TO DEBORAH D. GARONE, R.N.

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. THOMAS of California. Mr. Speaker, I rise today to extend my congratulations to Deborah D. Garone, R.N., of Bakersfield, who has been named Nurse of the Year by the Kern County Registered Nurses' Society.

This is a fine and fitting tribute for Ms. Garone from her colleagues inasmuch as she was selected from a large field of candidates and nominated by local organizations and private citizens. A native of Bakersfield and educated in the area schools, Ms. Garone is currently employed as a nurse consultant at the Kern Regional Center. She has an extensive background in nursing and specializes in providing prenatal care to pregnant women who are at risk of having a child born with developmental disabilities. With Ms. Garone's long record of achievements, and most of all, her kindness and compassion in tending to suffering patients on her rounds, I know that this honor will be a source of pride for her, and an inspiration to her colleagues.

The Nurse of the Year award is a testament to the dedicated work of nurses in Kern County and throughout the State of California and I am proud to recognize Ms. Deborah Garone today.

CELEBRATING THE CENTENNIAL OF A GREAT MISSOURI ARTIST

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to recognize the centennial exhibition of the work of Thomas Hart Benton, one of the most important artists in American history. At a time when abstraction and surrealism were the artistic vogue, this man had the transcendent vision to teach us that beauty is best found in the purity of the world around us.

As a lifelong resident of Missouri, I have been given a unique opportunity to bear witness to this man's precise understanding of artistic rhythm and the human form. The son of an ambitious Missouri Congressman, he was named for an illustrious Senatorial forebearer—whose likeness graces our statuary hall. Born into the practical world of the turn-of-the-century Midwest, Benton had the enormously strong aesthetic will necessary to see beyond his mundane world, so that he might later rise to glorify it. Despite his early education in the great art schools of Paris and New York, it was during his father's funeral that he found his true artistic mission. As his father's political colleagues eulogized, he found a

unique truth in their remarks which drove him to paint the world of his childhood.

Benton had the rare genius to paint men free of historical nuance, but as historical figures nonetheless. Painting his subjects in more natural poses than his contemporaries, Benton brought an unprecedented realism to historical painting, and with it, a sort of triumph of the aesthetic value of truth. Benton found beauty at every turn, and it was this voracity for beauty that made him such a prolific painter.

With great pride do I submit that it was one of my fellow Missourians who had the courage to tell Americans that in their quest for beauty, they need look no further than themselves and the world around them.

One of his greatest works "Social History of Missouri" graces the walls of the House conference room in Jefferson City, Missouri's capitol. For 10 years my eyes and my soul would wander to the panorama of real people in history, not explorers and warriors, not presidents and philosophers—although a young politician, Harry Truman is shown meeting with his mentor, Boss Tom Pendergast—but farmers, meatpackers, railroaders, slaves, rivermen, bandits, Jayhawkers, shopkeepers, and to the dismay of proud Missourians—Frankie and Johnny in their lovers' shootout.

I miss those pictures of America—vibrant colors and motion frozen. But that frieze of life is with anyone who served in the Missouri General Assembly. Looking at the murals made one understand just who it was we were to represent—the ordinary people that make our Nation so special.

It would well serve all of us in government to visit with America's artist on this 100th anniversary of his birth. Thomas Hart Benton's simple grandeur will inspire us to be better servants of the people.

Mr. Speaker, I ask that the articles from the Smithsonian Magazine and the St. Louis Post-Dispatch Magazine be included in full as an attachment to these remarks.

[From the St. Louis Post-Dispatch, Apr. 9, 1989]

CELEBRATING THE CENTENNIAL OF A GREAT MISSOURI ARTIST

(By Robert Sanford)

At the time of his death in 1975, Thomas Hart Benton, the artist, was engaged in painting a mural. In his off-time, when the studio light was not right for painting, he was writing a memoir. Its tentative title was "The Intimate Story".

Benton told friends that the book was an attempt to tell the whole truth. Telling the whole truth wasn't easy, he added. Nevertheless, he was trying it. When he died he had written more than 100 pages.

In the manuscript, he recalled that in 1935 he had paid a "legal services" fee of $500, as billed, to a Missouri state senator who was backing the legislation that gave Benton $16,000 to paint the "Social History of Missouri" mural in the Jefferson City capitol. Benton said, "I paid off a politician $500 and that did it".

Benton also wrote that in 1924 Tom Pendergast, the Kansas City Democratic political boss, slipped an $800 roll of bills into Benton's hand after a visit to Benton's father, M.E. Benton. The elder Benton, a former congressman and Democratic politician in southwest Missouri, was dying of cancer.

"The Intimate Story" contained an account of the birth of an infant to a woman with whom Benton was living in Paris in 1909, when he was 20 and an art student. The infant did not survive the delivery.

The "whole truth" of the memoir is put to good use in a new biography of Benton called "Thomas Hart Benton—An American Original", by Henry Adams, curator of the Samuel Sosland Chair of American Art at the Nelson-Atkins Museum of Art in Kansas City. The book is being published in conjunction with the opening of a centennial exhibition of Benton's painting at the Nelson-Atkins Museum. The show of 88 paintings opens to the public on Sunday, April 16, which is a day after the 100th anniversary of Benton's birth. The show will continue until June 18.

Complementing the retrospective expedition and the book is a documentary film made for the Public Broadcasting System by Ken Burns, a New England film maker. The film will be shown at the Winifred Moore Auditorium at Webster University in Webster Groves at 8 p.m. on April 16 and at 8 p.m. on April 19 through 23, plus a 5 p.m. showing April 23.

So there are three cultural endeavors involved: the painting show, the book and the movie. The painting show will travel to Detroit, New York and Los Angeles. The movie, which is done, and the book, to be published in the fall, will have nationwide exposure. The exhibition opening is being observed with parties around Kansas City, including one on April 16 called the Benton Bash, at Kelly's Westport Inn. In Kansas City they are calling 1989 the Benton year.

The legal-services fee paid to the state senator in passing the legislation for the Missouri Benton mural might have caused quite a flap had it been known in the 1930s, but today it is rather insulated by time. But as an old man, Benton put it in the record, as he did with some other things that did not particularly add to his stature. Where did he get the idea that he should "tell on himself," that he should take a "whole-truth" approach to a new memoir?

He said he got it in his late years, when books began to appear about his life that had a flavor of Horatio Alger.

"I don't like that kind of stuff," he wrote. "If there is any part I don't want to play it is that of the boy hero struggling against the world for his ideals."

He explained that in his autobiography, "An Artist in America," written in the 1930s, he had taken a more objective view. He had decided that in delicate personal matters one could not name names. A rule to follow was to honor thy father and mother.

But in the later memoir he wrote about how his father and mother were mostly opposed to each other most of the time, and how the Benton family seemed fated for turmoil. He struggled with the "whole-truth" writing, even penning himself a note suggesting that he write it as a novel. But he concluded in the same note that he would not write a novel.

Something to be avoided in memoir writing is the tendency of the writer to paint a self-serving, egotistical image of himself, Benton wrote. Another tendency to be avoided is to throw in a lot of recollections that simply are not interesting to others because they had had no similar experience. Too much of that would just result in "mush," he wrote.

Benton was quite an accomplished writer. Yet the "whole-truth" notes reveal that he had misgivings at times about writing.

Benton the painter was something else. No qualms. After some rather extensive experiments in abstraction and modernism as a young man, he anchored his art in realistic scenes and figures, confident that the recognizable content of the paintings would assure continued interest.

When he was 81—four years before his death—Benton was enjoying new popularity for his work after some years of neglect. He said, "I think that what occasioned the revival of interest in these paintings was not their place in art history but in American social history. It was because of what they represented in a social scene—a social scene which has passed on but which survives as a living fact in the pictures.

"I think that's why the public interest keeps up in the mural in the Capitol in Jefferson City . . ."

Since his death Benton's works have brought higher and higher prices, with a mural in New York, "America Today," selling for $3.5 million and an easel painting of a nude, "Persephone," selling for $2.5 million in the Nelson-Atkins Museum.

"This exhibition will knock your eyes out," Henry Adams said the other day as he stood in a gallery room that was being prepared for the painting show. It was a remark showing more than the usual enthusiasm for a subject by an exhibition curator. Adams wrote the new Benton biography and organized the show. He has been working on the theme for more than four years.

He explained that the show will occupy five large gallery rooms and an entrance corridor. In subject matter, the objects will progress from early family photographs to small abstract and impressionist paintings to larger easel paintings to murals. The exhibition includes the mural "The Arts of Life in America" that Benton painted for the Whitney Museum of American Art in 1932.

"To understand Benton as a painter, one has to see the Missouri mural in Jefferson City and the 'America Today' mural in New York," Adams said. "To know Benton, you have to know that he painted big. We knew that. We decided that we would not be intimidated by the issue of size. We brought in murals when we could."

The paintings in the show include some color experiments; scenes captured in trips around America; technically polished studio paintings and nudes; portraits of characters encountered, from farmers to musicians; and river-floating vistas.

"Benton experimented in modernism and gave a lot of thought to composing scenes," Adams said. "He learned a lot about the creative carpentry of composing a picture. He used this design knowledge to reconstruct the world. He made clay models as aids for painting, and they were sort of halfway between abstraction and real life.

"He got away from just photographic representation. Just to reproduce something like it was would not be interesting because it would be inferior to the real thing. He used his modernism to comment on what he portrayed. He wanted the lines to move. He gave things a muscular, almost childish energy and made designs that were simple and powerful. These things make you think about life in a new way.

"What saves all this, holds it together, makes it worthwhile is that Benton was just a very good painter. I think he is now seen as a much more central figure in the history of American painting than some had thought. This applies today, now, when there are a lot of painters who are trying to

figure out how to take modernism and make something else of it."

Benton, who painted for more than 60 years, engaged in a lot of windy rhetoric about what was what in art. In 1935, he wrote to Alfred Stieglitz that "to go into painting in all its aspects and with all your heart is to live really a life. You're always in a battle royal. . . . It's one desperate situation after another. . . . But let me live desperately . . . if I can keep tangled up in situations."

Commenting about all the rhetoric that a Benton biographer had to wade through. Adams said, "Benton had the ability to make other people say some incredibly stupid things. He had a sort of country bumpkin manner that was disarming. They would engage him in an argument and find themselves up against a very bright mind, an incredibility well-read and experienced artist."

In light of the turmoil, the title of the exhibition, "Thomas Hart Benton—An American Original," seems a bit bland. One might opt for something a little more pointed, perhaps along the lines of "The Last Romantic."

As a young student Benton had wishful illusions that he was somehow a cut above the run of the mill. In letters to his mother seeking continued financial support, he referred to himself as a budding genius. The word genius kept coming up.

Through the years of finding himself in art this idea was rebuffed and he said so. No genius he. But even much later in life, in his 60s and 70s, he held the idea that a reasonably intelligent person could figure out a problem of any magnitude and fix it—a Romantic stance.

But in his lifetime the world was being changed by technology, and he said in an interview 30 years ago that it seemed that a person "had to have a master's degree in mathematics in order to say anything intelligent anymore."

One of his most spectacular paintings, the "America Today" mural, dealt with the advance of technology in 1930 and showed a bunch of muscular machines that powered American industrial growth. And through the years of painting a "social history" of America, he included a lot of machines—threshing machines, plows, steel furnaces, locomotives, airplanes, tractors and trucks.

He was criticized for it. Purists in the art scene said that his inclusion of machines of the time made his art less than universal and dated it. Benton's active, jump-off-the-wall murals followed a period when some mural painters dressed human figures in Roman togas to give the scene a "universal" quality.

Benton rejected the universal cant. "All I can do," he said, "is paint what is there as I look at it."

But wait. He said, "I think that one of the most interesting philosophical issues of the time (1970s) is man *versus* machine. Machines have been pushed ahead to the point that humans serve machines rather than machines serving humans.

There was no question which side he was on. He was on the side of the humans. He was a Romantic.

THOMAS HART BENTON CAME FROM MISSOURI—AND HE SHOWED 'EM

(By Verlyn Klinkenborg)

Every successful American artist of small-town, Mid-western origins has wondered: How on earth did I get here from there? For Thomas Hart Benton, born April 15 a century ago, here and there were finally one and the same: Missouri. Of all the changes that came over that state in the 85 years of his life, the most important, he might have said, was that at last it made elbow room for the "Big I," as his father called Benton because he would not shut up about himself. That is the Benton we like to remember: a short, cocksure fellow with a mouth as big as his talent and a strong appetite for America. He is the painterly Twain, the populist Michelangelo, the public artist to a fault.

The man on the cover of Time's December 24, 1934, issue—the most famous artist in America—must have marveled at appearing there. Benton had often faced down self-doubt and concerted opposition, but the hardest part of his artistic career was surviving his birthright. He was named for his great-uncle, a prominent U.S. Senator and advocate of Westward expansion. His father, Maecenas Eason (M.E.) Benton, was a Missouri lawyer and politician. To M.E. and to the voters who sent him to Congress, the world's only beauty was its use. A child was born to go down hard, familiar roads laid out by calculating settlers whose minds, as one writer put it, "exasperated the European as a buzz-saw might exasperate a pine forest." A boy born into that world was not supposed to be a painter.

That Benton grew up stubborn and egotistical should surprise no one: stubbornness and egotism in defense of his talent were all that lay between him and filing briefs in a county courthouse for life. What still surprises is that the works for which he is best known—vigorous paintings of the Midwest and South, so familiar now as to seem the natural consequence of his upbringing—came about only because he rebelled against his own rebellion. From the temples of high modernism, Benton was seduced by the vernacular, by the commonplace lives of folk who embodied, as he said, "the most complete denial of aesthetic sensibility that has probably ever been known." Turning from Parisian, avant-garde abstraction, he canvassed the backroads of this country and took it upon himself to show Americans their national face whether they liked it or not.

Benton's works have now been gathered for a centennial exhibition opening this month at the Nelson-Atkins Museum in Kansas City, his home after 1935. It allows us to reconsider what he made of us and what we made of him. For Benton's career, more than that of any other painter, was shaped by a single question: What does America require from its art?

At the heart of Benton's finest work and writing there lies a vision worth restating. He firmly believed that art cannot prosper from genius and abstraction alone: to develop new forms and revive itself, art must turn to life as it is lived around it. "America," he was proud to say in 1924, "offers more possibilities in the field of theme to her artists than any country in the world." But if modern art were vitalized by America's thematic potential, then in simple fairness, Benton thought, America must also be enriched by what painting returns to its culture. Art would thus "function in American life and the American artist would find himself no more a mere exhibitor . . . but a creator within society, paid like a good workman for purposeful work."

The artist as workmen enriching the lives of ordinary people: these are not new ideas. They pervaded the intellectual life of the 1910s and '20s in New York, a time of radical leftist thinking in which Benton shared. They define the works of Mexican muralists Rivera (Smithsonian, February 1986) and Orozco, by whom he was greatly influenced. As he grew famous, the fashion arose of calling Benton a reactionary, a fashion his habits of wild speech only strengthened. But in the sources of his art and its meaning, there is nothing so ill-tempered. Despite his rhetoric, Benton was a native, populist radical, sprung from good Missouri soil. Between the native radical and the native reactionary, it can be hard to distinguish.

Especially among artists. America likes her artists raw, throbbing and drumming in public. Benton played to that preference, painting Persephone in front of his students, and his murals before vistors, living the artistic life in the open as if the privacy and inwardness of the creative impulse were not to be trusted. Benton fits the familiar mold of Jack London, John Steinbeck, Ernest Hemingway—the roughneck artist, the temperamental genius disguised as a Joe. But beneath the denim and swagger, there lurks something else: a soul, Benton said, "impregnated with a deep sense of the value of life, of the beauty of the basic human emotions and of the sadness of the drama of human striving."

To the end, Benton remained an egotist, but his egotism was, so to speak, without a center, capable at once of disarming honesty and unmeditated self-mockery. Of himself, he could say that "In the art field I'm competing with Rembrandt, and as a harmonica player I'm competing with Larry Adler." He could downplay his talent to a "monkeying" with a pencil. Perhaps he came closest to describing himself when he characterized the "bone-headed" boys he knew in the Navy: "Their egos," he found, "were not of the frigid, touchy sort developed by brooding much on the importance of the self. They were objective. They were interested in things, rather than selves." Thomas Hart Benton, the objective egotist: it somehow makes sense.

STUDENT LOAN DEFAULT COLLECTION ACT OF 1989

HON. JIM JONTZ

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. JONTZ. Mr. Speaker, today I am introducing, with a number of my colleagues, legislation to reduce the amount of money currently in default on student loans.

The Federal Government agreed to guarantee student loans so that our young people would be able to afford an education. The funding for these loans and the other forms of Federal assistance for postsecondary education needs to be continued and in many cases increased, however, there is a serious problem that we must address. Currently, U.S. taxpayers are financing over $6 billion worth of defaulted student loans. The combined efforts of lenders, guarantee agencies, collection bureaus, and others has been unsuccessful at getting these loans repaid.

This is a problem that should not be allowed to continue.

The legislation I am introducing today, the Student Loan Default Collection Act of 1989 is legislation similar to an amendment, adopted by voice vote last Congress during the full

Education and Labor Committee markup of H.R. 4986.

The bill would provide incentive to student loan borrowers who are in default and repay all of the remaining principal and interest on their loan(s) during a 6-month grace period. The borrowers would be eligible for three benefits:

1. a borrower's credit record would be cleared with regard to their student loan(s); and

2. no additional penalties would be charged on the loan(s) which is paid in full; and

3. eligibility to receive additional student loan assistance would be restored.

In addition, the bill extends existing law to provide for the resale of defaulted loans on which the borrower has made 12 consecutive payments. Such a rehabilitation of the loan would be beneficial for the borrower, the lender, and the Treasury.

This legislation is supported by a large number of organizations including the American Council on Education, the United States Student Association, the National Association of State Universities and Land-Grant Colleges, the National Association of Independent Colleges and Universities, the Association of Urban Universities, the National Association of Trade and Technical Schools, the American Association of Community and Junior Colleges, Trade and Technical Schools, the American Association of State Colleges and Universities, the Association of American Universities, the Council of Independent Colleges, and the National Association of Student Financial Aid Administrators.

Mr. Speaker, this legislation is a simple but positive way for the Federal Government to reduce the amount of money in default on student loans. I urge my colleagues to support it.

TAX RELIEF SOUGHT FOR THE ESTATE OF WOODY HERMAN

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. CONYERS. Mr. Speaker, today I am introducing a private bill to relieve the estate of Woodrow Charles Herman of its current Federal tax liability.

Woody Herman, one of America's foremost jazz bandleaders, first achieved fame with his popular hit "Woodchopper's Ball" in 1939. During the next 48 years, he produced numerous albums and performed worldwide with his band, the Thundering Herd.

Herman died on October 29, 1987, with a debt of $1.6 million in back taxes, penalties, and interest payments. He had entrusted his financial affairs to an irresponsible business manager who gambled away his money and failed to file his income taxes from 1962 through 1966. When the problem was brought to Herman's attention, his health was failing and his ability to perform and generate income was nonexistent. The Internal Revenue Service proceeded to auction off Herman's home and attached his songwriting royalty payments to begin offsetting the debt.

The bill absolves Woody Herman's estate of the tax liability and directs the Secretary of the Treasury to reimburse the Woody Herman Foundation amount equivalent to the funds already collected on the debt. The foundation was established following Woody Herman's death and has just announced plans to provide financial assistance to needy jazz artists, and promote the study of jazz, an art form which has enriched America's cultural heritage.

Attached is a copy of the bill followed by an article detailing Woody Herman's significant contributions to jazz from the Harmony Illustrated Encyclopedia of Jazz.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELIEF FROM LIABILITY.

The estate of Woodrow Charles Herman of Los Angeles, California, is relieved of liability to the United States for unpaid Federal income taxes for the taxable years 1962 through 1966 and for any unpaid fines and penalties assessed against Woodrow Charles Herman or his estate for such non-payment.

SEC. 2. REIMBURSEMENT OF SUMS PAID.

(a) IN GENERAL.—The Secretary of the Treasury is authorized and directed to pay to the Woody Herman Foundation out of any money in the Treasury not otherwise appropriated an amount equal to the aggregate of any amounts paid by Woodrow Charles Herman or his estate, or withheld from sums otherwise due Woodrow Charles Herman or his estate with respect to the liability to the United States specified in section 1.

(b) LIMITATION ON ATTORNEY'S FEES.—Not more than 10 percent of the amount referred to in subsection (a) shall be paid to or received by any agent or attorney as consideration for any services rendered in connection with the recovery of such amount. Violation of this subsection shall be deemed a misdemeanor punishable by a fine of not more than $1,000.

WOODY HERMAN

Bandleader Woody Herman was born Woodrow Wilson Herman in 1913, starting in vaudeville with his parents at the age of 9, where he was billed as 'Boy Wonder Of The Clarinet'. By 1936, he had taken over the Isham Jones Orchestra, The Band That Plays The Blues (The Best Of Woody Herman) and was featured extensively on clarinet and alto in arrangements that fluctuated between Dixieland and swing.

In 1939, the band recorded the million-selling Woodchopper's Ball and popularity was assured. The First Herd was recruited in 1944, a glittering array of outsize personalities like trombonist Bill Harris, tenorman Flip Phillips, drummer Dave Tough, trumpet prodigy Sonny Berman and arranger-pianist Ralph Burns. It was a band of enthusiasts, and it still sound like it on record. The good-humored vocal on Caldonia capped by the wildly exciting trumpet unison, Phillips' booting solo on The Good Earth, Harris' idiosyncratic brilliance on Bijou, all remain classics of the period (The Best Of Woody Herman, CBS) while the sheer exuberance of the band on Apple Honey, Wild Root or Your Father's Moustache has seldom been equaled. With arrangements by Neal Hefti, Burns and Shorty Rogers, the First Herd scored a radio show sponsored by Wildroot Cream Oil, hosted by Wildroot Cream Oil Charlie, that took the sound into a million homes. Airshots capture the spontaneity of the band better than studio dates, and the trio of releases is worth hunting down (The Great Herd 1946 and Woody Herman—His Orchestra & The Woodchoppers, Vols 1 & 2).

Personnel changes occurred before the band broke up in 1946, Don Lamond replaced Tough at the drums, Shorty Rogers replaced Hefti and vibraphonist Red Norvo replaced Marjorie Hyams.

The Second Herd, despite pessimistic predictions, proved every bit as good. The sax section comprised Stan Getz, Zoot Sims, Herbie Steward and Serge Chaloff, three tenors and a baritone. Jimmy Giuffre scored the famous Four Brothers to spotlight the section, and the smooth, low, close-formation ensemble became a trademark: bebop out of Lester Young (The Best Of Woody Herman, CBS). The Ralph Burns feature for Getz, Early Autumn, made the tenorist's cool lyricism famous overnight. Bebop began to show in the trumpet section with the arrival of Red Rodney, while Shorty Rogers wrote bebop numbers like Keeper Of The Flame and Lollypop, the latter a follow-up to George Wallington's famous Lemon Drop (Early Autumn). Again, airshots are worth a listen (Boiled In Earl) particularly as the recording ban kept the Second Herd out of the studios for a year.

At the end of 1949, Herman disbanded the Herd, formed another, but due to the decline of the big-band market, he was forced to follow a more conservative line. The Third Herd is a blurred category, covering a multitude of personnel changes, though the arrangements remained the province of Burns and Giuffre. 1959 saw the reassembly of many of the Herman stalwarts, Zoot Sims, Conte Candoli, Bill Perkins, Urbie Green, for the Monterey Jazz Festival. With Mel Lewis on drums, the band tears into Four Brothers (Live At Monterey) while Monterey Apple Tree is the classic Apple Honey. An album from 1963 (Live At Basin Street West) reveals a vigorous talent; high-note specialist, trumpeter Bill Chase, lifting the trumpet section for the exciting Caldonia, the fast, driving tenorist Sal Nistico on El Toro Grande, or trombonist Phil Wilson on Body & Soul. With Nat Pierce writing the arrangements, this version of the Herd was a fine mixture of tradition and innovation. An album from the late '60s (Jazz Hoot) showcases the flaring trumpet section of Bill Chase, Dusko Goykovitch, Don Rader, Bob Shew and Gerald Lamy, plus solos by Nistico.

Woody Herman's own playing has remained consistently excellent over the decades, still indebted to Frank Trumbauer, The Glissando Kid, for his alto sound, and still apposite on the unfashionable clarinet. In later years, the Herd's sax section hews close to Coltrane, and the electric piano has appeared, but the identity of the band seems indestructible.

Recordings for Concord in the mid-'80s show that the Herman Big Band can still recreate history when reworking classics like Four Brothers and Perdido in the company of Sal Nistico, Flip Phillips and Al Cohn (World Class).

ALBUMS

The Best Of Woody Herman (MCA/MCA)
The Best Of Woody Herman (Columbia/CBS Realm)
Early Autumn (Capitol)
The Great Herd, 1946 (Swing Treasury/Swing Treasury)
Woody Herman—His Orchestra & The Woodchoppers, Vols 1 & 2 (First Heard/First Heard)

Boiled In Earl (Swing Treasury/Swing Treasury)
Live At Monterey (Atlantic/Atlantic)
Live At Basin Street West (Phillips/Phillips)
Jazz Hoot (Columbia/CBS)
The Kings Of Swing, Vol 2 (Verve/Verve)
Hey! Heard The Herd? (Verve/Verve)
The Band That Plays The Blues (—/Affinity)
Feelin' So Blue (Fantasy/Fantasy)
The Woody Herman Big Band—World Class (Concord/Concord)
Woody Herman Presents A Great American Evening (Concord/Concord)

INTRODUCTION OF TVA COLLECTIVE BARGAINING LEGISLATION

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. COOPER. Mr. Speaker, these are times of change at the Tennessee Valley Authority [TVA]. Last year, Chairman Marvin Runyon began to restructure TVA to make it strong again. Most of us in Congress applauded his first year's effort. He's got a tough job, so we've done what we could to give him the tools needed to do it well.

Last summer, Chairman Runyon laid off over 7,500 TVA workers, nearly 20 percent of the total work force. He found that these staff cuts were needed to keep TVA's electric rates stable. But they were very painful. Virtually the entire TVA community—including ratepayers, civic leaders, labor unions, and elected representatives—agreed that drastic belt-tightening was needed for the long-term health of TVA. We just wanted to make sure that TVA only cut back its work force as absolutely necessary and as fairly as possible.

Last June, TVA's unions brought a disturbing problem to the members of the TVA congressional caucus. The fairness of the massive layoff was threatened by a change in an obscure Federal regulation that the Office of Personnel Management [OPM] had imposed on TVA and other Federal agencies. Before 1986, TVA followed strict seniority when conducting a reduction in force. But in 1986, OPM changed its regulation to require Federal agencies conducting reductions in force to use a new formula to give extra seniority credits to employees based on their evaluations in years past. Although the TVA Act gives TVA freedom to negotiate its own contracts with employee unions, TVA held that it was bound by this regulation.

Let me point out three things about TVA that make this situation unique. First, TVA is not like the typical Federal agency. It is set up with the flexibility of a private power corporation. The workplace needs and employee protections at TVA don't compare well with most Federal agencies.

Second, for employees, TVA's flexibility has advantages and disadvantages. Employees of other Federal agencies have a host of civil service laws and Federal labor laws to protect and benefit them. TVA employees are governed by the TVA law and the contract provisions they bargain for themselves. Usually, it is to their advantage, since their workplace is so different from other Federal agencies. But imposing select civil service regulations on them in a piecemeal fashion can work against their own efforts. For example, with OPM's layoff regulation, other Federal workers have rights to grieve their evaluations; but many TVA union members don't have that right.

Third, no Federal agency in recent years has laid off workers on a scale as dramatic as the TVA layoffs. The grand scale magnified the weaknesses of the OPM regulation for the TVA employment system. It made the unfairness to employees seem even more harsh.

In December 1986 when TVA announced that it would be applying OPM's credit for performance scheme, the TVA unions complained that they had never agreed to the changed formula in the regulation. They contended that such a change should be bargained over or arbitrated. TVA asserted that it had no choice in the matter, that they were required by law to follow the OPM regulation.

The unions filed suit against TVA in Federal court disputing the applicability of the regulations and demanding that TVA enter binding arbitration on the issue. The U.S. district court ordered TVA to arbitrate the issue. With one set of "trades and labor" unions, TVA agreed to arbitrate. But with the other set of "salary policy" unions, TVA appealed the decision.

On February 28, 1989, the Federal appeals court ruled that TVA did not have to arbitrate the issue with "salary policy" unions. This left the controversial regulation in place at TVA. So now it appears that a legislative remedy is needed here.

Under the bill that I and my colleagues are introducing today, TVA will regain the right to bargain freely with its employees on labor issues. This right has long been a fundamental strength of the TVA Act for both labor and management. We believe that its restoration on this point will work to the long-term benefit of TVA and its workers. They are in a much better position to design rules to fit their unique needs than OPM is from its Washington offices.

We do not believe TVA will lose anything from this bill. If TVA wants to consider performance at layoff, it can negotiate with the unions for a fair provision. More importantly, TVA has plenty of flexibility to deal with poor job performance. There is no excuse for TVA accepting poor performance. If an employee is not meeting performance standards, TVA can terminate his or her employment.

This bill is not retroactive. It is our belief that a retroactive bill would cause more problems than it would solve. We have no desire to relive the painful layoffs of last year.

Mr. Speaker, I want to be clear that, instinctively, I support incentives to improve employee performance. And many union members I've talked to feel the same way. So it is not that the idea itself is flawed so much as OPM's extreme provision that doesn't work well at TVA. This regulation failed to improve performance at TVA. It just caused problems.

Under the regulation, an employee with 3 years experience could get 16 years of seniority added for performing "better than fully adequate." A "fully adequate" rating for the same 3 years would give only 12 years credit. Under this formula, an employee with 3 years on the job could end up with more seniority than an employee with 6 years on the job.

For employees, the formula gave far too much weight to fuzzy differences in performance evaluations. The difference between "fully adequate" and "better than fully adequate" seemed like the difference in an "A" and a "B" on a report card—both being good grades, far from failure. The subtle difference in the two grades was based on very subjective evaluations, and they believed strongly that evaluations varied from supervisor to supervisor and office to office. Yet in the OPM layoff scheme, the difference toppled the seniority scale completely. It took little account of the importance of long-term service.

To frustrate the employees further, most of the evaluations in question were made before either TVA or its workers had reason to know that they would be used to calculate seniority this way. Under the OPM regulations, TVA had to use the 3 previous years' evaluations. So employee evaluations from the years 1985, 1986, and 1987 were used. When evaluations in 1985 and 1986 were conducted, they had no bearing on layoffs, which followed strict seniority. And at layoff time, employees had no right to challenge the evaluations previously given.

We need to move this legislation quickly, Mr. Speaker. TVA Chairman Marvin Runyon has committed to the ratepayers of the seven State service region that TVA will not have a rate increase this year or next. We must ensure that, if any more layoffs occur, this regulation will not get in the way.

As you can see, this regulation caused frustration, confusion and anger at TVA. It had little effect on performance, except to the extent that it caused turmoil. TVA and its unions will be much better off drawing up their own provision. I ask your assistance, along with the chairman and members of the House Committee on Post Office and Civil Service, in passing this legislation soon.

FOREIGN INVESTMENT IN UNITED STATES

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. TALLON. Mr. Speaker, Americans know that the United States continues to run a huge Federal budget deficit. They know that the United States continues to run a huge trade deficit. They know that foreign investment continues to compensate for the low level of domestic savings.

But do they know that in the past 5 years, known foreign investment in American factories, banks, businesses, buildings, and other U.S. economic assets has doubled and now exceeds $1.3 trillion?

Do they know that last year alone, it increased by 25 percent? Foreign money has been financing a record borrowing binge, while disguising the fact that we are living dangerously beyond our means. The symbol of our age is the plastic credit card with the interest payments going out overseas.

The United States was the world's largest creditor nation in 1982. Now, it is the world's largest debtor nation, with a foreign debt exceeding those of Mexico, Argentina, and Brazil combined. Foreign investments in the United States are treated as debts owed by the United States because they affect our economy in the same way.

As ownership of U.S. assets moves overseas, so does authority over vital economic decisions affecting American jobs, business goals, and prosperity. Foreign ownership in our high technology industries could narrow our strategic and competitive edge. Foreign ownership in our energy and defense-related industries could endanger our national security.

The world's leading democracy is trading its sovereignty for a security blanket of foreign money, not to foster long-term economic growth, but to sustain a high national lifestyle. To finance its budget deficits and pay for foreign products, America has been selling off its productive capacity—in other words, we've been selling off the family jewels to pay for a night on the town.

This surge of foreign investment and foreign influence is the greatest change now taking place in our economy, but the one we are the least equipped to understand. Unlike other nations, we do not require disclosure of basic information on foreign ownership in this country. Though a hodgepodge of Federal agencies collect various types of data on foreign ownership, the information is useless for sound analysis or informed decisionmaking. Much information is kept secret—even from Congress.

As a result, we are unable to see the growing concentration of foreign ownership in U.S. industries, and unable to see the real consequences of our economic policies.

Opponents of disclosure say we already know enough from lists kept by the Department of Commerce—but the agency refuses to vouch for their accuracy—and from Commerce and Agriculture Department reports—but foreign owners are free to hide behind anonymous dummy corporations.

Most foreign investors in the United States are seeking to acquire existing businesses rather than to establish new ones. In 1987, foreign investors spent $25.6 billion to acquire 306 American companies. Only $4.9 billion went to establish 251 companies.

Foreigners now own 10 percent of the U.S. manufacturing base. Foreign landlords own large commercial real estate holdings in major cities including Washington, DC, Los Angeles, Houston, Minneapolis, and midtown Manhattan. Statistics also indicate that more than 12.5 million acres of farmland in 49 States are owned by foreigners. Those are alarming figures any way you look at them.

I have cosponsored legislation, the Foreign Ownership Disclosure Act, to require disclosure of major foreign-owned interests here; for most, it asks only, "Who are you, where are you from, and what have you got?" For controlling interests in large U.S. businesses, it asks for basic financial data that much smaller publicly traded American corporations already disclose.

The legislation creates absolutely no restrictions; it simply asks major foreign investors to sign in as they walk through our open door. The United States will still have the most open foreign investment policy in the world—in sharp contrast to other nations, which impose strict restrictions, preclearance requirements, and outright prohibition on Americans seeking to invest.

Legitimate foreign investors are here to make money, not to hide it. Why would simple disclosure stop them from investing here, if much more onerous requirements have not stopped Americans from investing abroad? Why should our Government policy be to help those who have something to hide?

In addition to handicapping our ability to responsibly manage our own economy, our current policy of ignorance shields foreign investments here about which all Americans should be concerned.

The Soviet attempt in the 1970's to acquire U.S. companies with access to advanced American technology was discovered by the CIA only by accident.

President Reagan's 1986 order freezing Libya's assets here was a futile gesture because we cannot identify them.

Philippine dictator Ferdinand Marcos siphoned off billions of dollars from his country—and presumably, our foreign aid—and used the money to buy Manhattan real estate.

OPEC nations have reportedly been discreetly buying U.S. oil refining and production facilities and could eventually control vast domestic, as well as foreign, energy supplies.

Opponents of this type of legislation admit that America has become too dependent on foreign investment—but they say this is why we cannot afford to even ask basic questions about it. They overlook the predictions that America may be more than a trillion dollars in debt internationally by 1990—and thus even more dependent on foreign investment, while still knowing very little about it.

Foreign investment helped the United States emerge industrially. It still brings many benefits. But we are no longer an emerging nation; we are the world's leading democracy.

Increasing foreign influence over decisions vital to our future has implications for our national prosperity, sovereignty, and security.

We should no longer be forced to make critical economic decisions in the dark. We need reliable information about foreign flags flying over the American economy.

THE GOOD NEWS ON ACID RAIN

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. BOEHLERT. Mr. Speaker, unlike so many times I have addressed my colleagues, I am not here today to talk about the contentious issue of acid rain. Quite frankly, I'm tired of hearing about it. For the past 3 years, as Chairman of the House Working Group on Acid Rain, I've had my fill of experts and pundits telling us about the bad news on acid rain and how difficult it will be to clean up the problem.

So none of that today.

What I am here to talk about is the GOOD news. I hope our colleagues in the media will hear me when I say that constant reports of worry and conflict and distortion—while accurate in the worst cases—have overshadowed a significant body of agreement and positive potential.

Item No. 1: President George Bush. Governor John Sununu. EPA Chief William Reilly.

What a difference! For the first time in years, the Congress has an opportunity to achieve cleaner air working with the administration, not against it. Very shortly, the President will unveil a responsive legislative proposal. It will not be a trial balloon, sent aloft only to be shot down 3 days later by an unnamed source.

The President's proposal will have the imprimatur of the first environmental activist ever named to head our environmental agency. It will have the tenacious advocacy of a former Governor who brought the disparate regions together in several acid rain initiatives. And the battle will be led by an outdoorsman president, who knows the legacy we leave to our grandchildren must be in harmony, not in conflict, with our economic vitality.

Item No. 2: Forget about the cliches of one region pitted against another. For too long, the conventional wisdom has pitted New York against Ohio, the Northeast and Canada versus the South and West.

My friends, that is history. We have reached a near de facto state of agreement on the outlines of legislation to reverse the effects of acid rain.

This is reflected in the fact that we now have agreement between the Governors of New York and Ohio. Working together, not at cross purposes, these two Governors looked at the local situation and discovered they could propose to us a solution—one that is not all that different from the legislation offered by my good friends, Mr. Cooper and Mr. Sikorski. Who would have thunk it?

That solution would: Cut SO_2 and NO_x emissions by roughly 50 percent, from an appropriate baseline—by the turn of the century—with the maximum flexibility for State Governors and industry to protect local economic resources—credit for prior cleanup achievements—and a minimum of taxpayer involvement. These are the principles advanced by the House Working Group on Acid Rain in 1986 and, I will immodestly suggest, by a wider and wider array of friends in Washington and in the field.

Differences remain, but they are not insurmountable. While I will not settle for less than the full measure of environmental protection that is economically feasible, I have learned it can be done in a way that brings people together behind good public policy.

Item No. 3: While we're at it, let's talk about good public policy:

Crafted properly, the bill will protect and promote jobs in coal, natural gas, and alternative fuels. The bill will create jobs in construction and transportation.

The bill will reinforce our clean coal technology industry, creating new high-tech and manufacturing jobs, and ensuring leadership in the world market. Our toughest competitors in this industry, Japan and West Germany, have

some of the strictest air pollution laws in the world.

The bill will spur energy efficiency, and that means sharply lower program costs in many States, deferment of new capital investments in powerplants, greater energy security, enhanced competitiveness through lower energy costs, and a reduced level of greenhouse gas emissions.

These are the positive benefits we can expect from acid rain legislation above and beyond the restoration of thinning forests, dying lakes and streams, and the health of our hearts and lungs.

In closing, I'll freely admit that I wear my optimism on my sleeve. But I don't believe in pie-in-the-sky.

I'm simply tired of hearing, to quote a recent article that "the same gridlock of conflicting interests that has blocked action since the early 1980's is still in place." After a long period of discussing tradeoffs and building consensus, we have reached a point where people are speaking the same language and looking forward to the best way to solve a serious problem.

So enough of the gloom and doom. This is our year, Mr. Speaker, and I pledge to every one of my colleagues on the Energy and Commerce Committee, and to all parties who are engaged in crafting a solution, my assistance and my best wishes.

FEDERAL MINE SAFETY AND HEALTH ACT AMENDMENT

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. SHUMWAY. Mr. Speaker, today I am initiating legislation to amend the Federal Mine Safety and Health Act of 1977 [MSHA]. If enacted, this legislation would exempt those mines that are owned by five or less working partners and that do not employ any individuals who do not have an ownership interest in the subject mine from the onerous regulations included in the act.

The original intent of the Federal Mine Safety and Health Act was to address a variety of legitimate safety and health concerns which were largely associated with the coal mining industry. The measure was amended to include metal and nonmetal mining, although the underlying motive of the legislation was to protect the health and safety of coal miners.

I represent the "mother lode" region of California. In this region of California there are scores of individuals mining for gold and other precious ores or minerals on small claims located on both private and Federal lands. Most of these individuals work by themselves or with a small number of partners on these claims, In searching for minerals, the small miner will often drive short prospecting tunnels which span only several feet in length.

During the consideration of MSHA, Congress did not properly take into account the unique circumstances of the small miner. Due to this oversight, the individual mine operator must adhere—when forced by Federal mine inspectors—to all the provisions included in MSHA. Burdensome MSHA provisions which a single prospector may be required to comply with include: the installation of a face to portal telephone system when the mine shaft distance is only several yards in length; the placement of backup indicators on vehicles to avoid other individuals from being run over; and the use of special electrical and mine lighting systems as a safeguard against methane gas explosions which can occur in coal but not gold and other precious mineral operations.

The practical effect of subjecting small miners to MSHA requirements is to put them out of business. Under no reasonable circumstances can a small mine operator with extremely limited resources available—comply with rules and regulations which were designed for large operations that employ mine workers.

With this inequity in mind, I urge my colleagues to join me in support of this simple, straightforward legislation to alleviate an unintended, undue hardship on small mine operators.

MEDICARE CATASTROPHIC COVERAGE ACT—MORE WILL PAY THAN EXPECTED WITH LITTLE OR NO BENEFIT

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DEFAZIO. Mr. Speaker, back in February, Representative TAUKE and I distributed copies of a report by the National Committee to Preserve Social Security and Medicare to each Member of the House. The findings, based on information provided by the Joint Committee on Taxation, shows that the number of seniors and disabled who will be paying the supplemental premium for the Medicare Catastrophic Coverage Act is far greater than originally predicted. Almost 15 million senior and disabled individuals will be paying the supplemental premium in 1989.

The report also shows that the majority of tax-paying seniors will experience higher average out-of-pocket costs, and that 9 to 10 million Medicare beneficiaries will spend about $100 more a year for their health care coverage—even after the reduction in medigap insurance is taken into consideration.

Seventy-two percent of Medicare beneficiaries already had most of the coverage provided in the new law through private insurance or Medicaid. Most seniors would be happy to pay their fair share for any new benefit, however, no one is willing to pay more for benefits they already have.

Today, I am submitting a summary of the National Committee's findings for the RECORD. Again, I urge each of my colleagues to reconsider the catastrophic financing method and to work toward true catastrophic protection for our elderly and disabled.

FAR MORE SENIORS THAN EXPECTED WILL PAY MEDICARE CATASTROPHIC SURTAX IN 1989, RECEIVE LITTLE OR NO BENEFIT

SUMMARY

The number of seniors and disabled taxed to pay the supplemental premium required by the Medicare Catastrophic Coverage Act is far larger than forecast. The Congressional Budget Office (CBO), using information provided by the Joint Committee on Taxation, underestimates the number by 24 percent. The widespread tax consequences affect almost half of all seniors in 1989. In addition, 30 to 40 percent of Medicare enrollees—most of the seniors paying the surtax—will suffer greater out-of-pocket costs for Medicare covered services. This is true even after taking into consideration all the new benefits and the reductions in medigap premiums. Not suprisingly, there is broad-based dissatisfaction with the Medicare Catastrophic Coverage Act among middle-income seniors. Far from providing an historic expansion of Medicare, only one-fourth of the legislation's cost over the next five years will buy new protection for all beneficiaries.

NUMBER OF SENIOR TAXPAYERS UNDERESTIMATED

National Committee estimates, based on income tax returns filed by seniors, show that 14.6 million seniors, almost 47 percent of older Americans, will have a tax liability of more than $150 in 1989 and will, therefore, be required to pay the Medicare tax.[1] A state by state breakdown of the 14.6 million seniors with this tax liability appears in the Appendix of this study. The percent of senior taxpayers ranges from 35 percent in Mississippi to 57 percent in New Jersey and Connecticut. By 1993, almost 54 percent of this nation's seniors will pay the Medicare tax.

Medicare enrollees include not only seniors, but about 3.1 million disabled. If the disabled Medicare population is included, 44.1 percent will pay the surtax.[2] This figure is considerably higher than what the government has estimated. According to CBO, only 35.6 percent of Medicare enrollees will pay the supplemental tax in 1989. The percentage will gradually increase over the next five years, but not until 1993 does CBO predict this percentage will reach 42.5 percent.[3]

The National Committee arrived at its estimates by analyzing actual tax return information, published by the Statistics of Income Division of the Internal Revenue Service (IRS) on taxable returns by seniors 65 years and older.

According to IRS data, the percentage of seniors paying taxes above an average of $150 has steadily increased from 1980 to 1985. In 1980, only 34 percent would have been liable for the surtax, had the law been in effect. By 1985, however, about 47 percent, or 13.4 million seniors paid an average of more than $150 in Federal taxes. Applying just the same 47 percent to the number of people aged 65 and older in 1989 shows that 14.6 million seniors will have tax liabilities of more than $150.

The Medicare Catastrophic Coverage Act of 1988, signed into law on July 1, 1988, requires beneficiaries, in addition to an in-

[1] See Appendix A for a methodology presentation.
[2] See Appendix C and D.
[3] The Medicare Catastrophic Coverage Act of 1988. Staff Working Paper, Congressional Budget Office, August 1, 1988.

creased monthly premium, to pay a supplemental premium based on their federal income tax. For every $150 tax liability, seniors will have to pay an additional $22.50 in taxes for Medicare, up to a maximum of $800 for individuals filing singly and $1,600 for those filing as couples. This additional premium amounts to a 15 percent surtax in 1989—the first year the tax is due. The surtax increases each year thereafter, reaching 28 percent by 1993, or $42 for every $150 paid in Federal taxes.[4]

For example, an individual, or couple, with a tax liability of $3,000 will pay a supplemental premium of $450 in 1989. A single person with a tax liability of $5,300 or more will pay the maximum supplemental premium of $800. A couple with a tax liability of $10,667 or more will pay the maximum premium of $1,600.[5]

MOST SENIOR TAXPAYERS WILL BE WORSE OFF

According to CBO, the net result of the Medicare Catastrophic Coverage Act will "reduce out-of-pocket costs for the poor and near-poor enrollees, while increasing costs for other groups." [6] CBO reached this conclusion despite their statement that "Congress attempted to ensure that the full value of new Medicare benefits would accrue in some form to enrollees with medigap insurance as well, although attainment of this goal is uncertain." [7] Based on CBO's own estimates, 30 to 40 percent of Medicare enrollees—most of the seniors paying the surtax—will suffer greater out-of-pocket cost for Medicare covered services after the law goes into effect. This is true even after adjusting for reductions in medigap premiums.[8] In its report, CBO simulates a fully effective law in 1988 including all the benefits which according to the law will not be effective until 1993.

Perhaps most surprisingly, individual with annual per-capita incomes above approximately $13,000 will lose from this legislation. Between nine and ten million beneficiaries will spend about $100 more a year for their health care coverage—even after the reduction in medigap insurance is taken into consideration. Furthermore, if CBO has underestimated the number of enrollees paying the supplemental premium surtax, it would also have underestimated the number of enrollees who will be worse off.

Beneficiaries who have employer-provided medigap benefits and who also pay the supplemental premium will have an average premium increase of $333 in 1989 for no increased benefit. Twenty percent of medicare enrollees receive medigap benefits paid by employers. Some employers are required to make premium rebates, but these will be very small in 1989.[9]

BENEFICIARIES WILL RECEIVE FEW NEW BENEFITS

Many have criticized the new law because it primarily duplicates benefits that most Medicare beneficiaries already received through medigap insurance or Medicaid. Far from being an historic expansion of Medicare, the "new" benefits for all beneficiaries are very limited, consisting primarily of new drug coverage.

Sixty-two percent of all Medicare enrollees and 72 percent of seniors already had medigap coverage. This means that for a majority of enrollees most of the benefits included in the catastrophic benefit package were covered by private insurance. Another 10 percent of Medicare enrollees receive Medicaid assistance and were already protected against these out-of-pocket costs. The remaining 28 percent of beneficiaries who cannot afford, cannot qualify, or have chosen not to purchase medigap policies, stand to gain the most from the catastrophic coverage law.

An analysis of the benefits under the Catastrophic Coverage Act reveals that only 24 percent of the benefits were not usually covered through private medigap policies.[10] The only new benefits Medicare enrollees with medigap coverage will receive are prescription drug coverage, no 3-day prior hospital stay before entering a nursing home, unlimited hospice days, additional home health care, 80 hours of respite care, and mammography tests.

CONCLUSION

The National Committee has found that about 47 percent of seniors will have a tax liability of $150 or more in 1989, thereby paying additional Federal income tax as a result of the new law. In addition, it was found that most senior taxpayers will be worse off and face even higher out-of-pocket expenses for their health care. These factors further explain the broad dissatisfaction currently being expressed by many seniors—a dissatisfaction which is likely to continue to grow as the number of senior taxpayers grows.

ADDENDUM

CBO has stated that supplemental premium information was prepared by the Joint Committee on Taxation also using income tax returns. The Fiscal Year 1990 Administration budget [11] estimates that revenues from the surtax in 1989 are 55 percent higher than estimated just last summer. This supports our conclusion that the percent of Medicare enrollees paying the surtax has been underestimated by Congress.

SENIORS PAYING MEDICARE SUPPLEMENTAL TAX IN 1989 BY STATE

State	Total number of seniors	Seniors paying supplemental tax	Percent
Alabama	527,988	211,245	40
Alaska	19,200	10,198	53
Arizona	438,390	203,961	47
Arkansas	365,858	142,773	39
California	3,044,195	1,474,346	48
Colorado	314,659	152,971	49
Connecticut	449,056	254,951	57
Delaware	76,798	39,335	5
District of Columbia	81,065	45,163	56
Florida	2,207,948	1,085,364	49
Georgia	647,451	292,830	45
Hawaii	110,931	55,361	50
Idaho	119,464	46,620	39
Illinois	1,477,299	690,553	47
Indiana	700,783	316,139	45
Iowa	443,723	193,763	44
Kansas	353,058	163,169	46
Kentucky	478,989	189,392	39
Louisiana	492,788	180,651	37
Maine	166,396	80,128	48
Maryland	503,455	270,977	54
Massachusetts	843,713	461,826	55
Michigan	1,107,174	514,273	46
Minnesota	561,053	270,977	48
Mississippi	334,925	118,006	35
Missouri	740,249	337,992	46
Montana	105,598	43,706	41
Nebraska	232,528	106,351	46
Nevada	106,664	56,818	53
New Hamsphire	126,930	69,929	55
New Jersey	1,041,042	592,944	57
New Mexico	154,663	64,102	41
New York	2,434,076	1,174,232	48
North Carolina	779,715	359,845	46
North Dakota	93,864	40,792	43
Ohio	1,407,967	655,589	47
Oklahoma	438,390	174,824	40
Oregon	386,124	174,824	45
Pennsylvania	1,846,356	871,205	47
Rhode Island	151,463	77,214	51
South Carolina	378,658	160,255	42
South Dakota	104,531	43,706	42
Tennessee	628,252	275,347	44
Texas	1,689,560	715,320	42
Utah	142,930	55,361	39
Vermont	68,265	33,508	49
Virginia	645,318	321,967	50
Washington	554,654	266,606	48
West Virginia	278,393	103,437	37
Wisconsin	665,584	307,398	46
Wyoming	45,866	18,939	41
Total	31,114,999	14,567,183	

SENIORS PAYING MEDICARE SUPPLEMENTAL TAX IN 1989 BY STATE—Continued

[4] PL 100-360, Medicare Catastrophic Coverage Act of 1988.

[5] See Appendix F for the 1989 tax table for the supplemental premium.

[6] CBO Staff Working Paper, p. 20.

[7] Ibid, p. 17.

[8] Ibid. Based on Table 11, p. 22.

[9] The Health Care Financing Administration announced the national average actuarial value of duplicative Part A benefits to be worth $65 in 1989. Federal Register, Dec. 6, 1988.

[10] See Appendix E.

[11] Budget of the United States Government, Fiscal year 1990, p. 4-11.

INTRODUCTION OF THE GUAM REPARATIONS ACT

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. BLAZ. Mr. Speaker, today I am introducing a bill to amend the Organic Act of Guam and for other purposes.

Mr. Speaker, between December 8, 1941, and August 10, 1944, the island of Guam was the largest American territory actually occupied by Japanese forces, the Philippines having been promised its independence prior to the outbreak of hostilities.

During almost 3 years of occupation, thousands of loyal Guamanian Americans suffered atrocities, including, but not limited to, death, injury and internment at the hands of the enemy because of their loyalty to the American flag.

This bill seeks an ex gratia compensation for those Guamanians. While the United States was and is under no legal obligation to extend such relief, I contend that the United States Government has a moral obligation to do so. I believe the record clearly reflects that Congress itself has recognized this moral obligation based on the undisputed loyalty of the people of Guam during the Second World War. Secondly, Congress has previously recognized this moral obligation by enactment of Public Law 79-224 (59 Stat. 583), also known as the Guam Meritorious Claims Act, wherein approximately 4,000 people were compensated.

Nevertheless, there remain approximately 2,000 Guamanians who have yet to receive compensation for personal injury or death because of their inability to meet a one-year deadline. This was due to a language barrier and disruption of the island following its libera-

tion by American forces. Additionally, there remain approximately 1,000 Guamanians who have yet to receive compensation for forced labor, forced marches or interment because these were not among the covered injuries under 59 Stat. 583. Finally, a total of 578 people received insufficient compensation for personal injury or death under 59 Stat. 583.

Mr. Speaker, as far back as 1951, the elected leaders of Guam began requesting the United States Government to extend further reparation relief. However, the rights of American nationals, including those of Guamaninans, to present claims against Japan were waived by the United States by vitrue of the 1952 Treaty of Peace with Japan. Prior to ratification of this treaty, Congress was advised by Secretary of State John Foster Dulles on January 31, 1952, that United States nationals whose claims are not covered by the treaty provisions or by the legislation of other Allied Powers, must look for relief to the Congress of the United States.

I might add that, following ratification, Congress enacted numerous measures extending previous deadlines in which to file claims, to American nationals other than Guamanians, including but not limited to Public Law 87-846, enacted on October 22, 1962, and Public Law 100-383, enacted on August 10, 1988.

Finally, Congress has enacted numerous measures extending reparation relief to Pacific islanders who are neither national or citizens of the United States, including Micronesians and Aleutians, for damages inflicted by the enemy during the Second World War. Nevertheless, Guamanians, who have been citizens of the United States since 1950, have not received as full a measure of consideration. Ironically, Micronesia was under the administration of the enemy from 1917 to 1945.

Mr. Speaker, last week the 20th Guam Legislature passed Resolution 162 supporting introduction of this bill. This resolution was based on a survey of surviving victims of enemy atrocities. Overwhelmingly, they indicated their desire to accept a single set award for one of three categories of injury: death, personal injury, or forced labor, forced marches and internment.

Mr. Speaker, introduction of this bill has a very special meaning for me. I myself was one of those Guamanians who was stripped naked, made to work in a forced labor battalion and herded into an unspeakable internment camp.

Mr. Speaker, I ask my colleagues to show compassion for these martyred Guamanian Americans—the last, unsung and unrecognized heroes of the Second World War.

TWILIGHT OF A SOUTHERN LIBERAL

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. WHEAT. Mr. Speaker, recently my dear friend and predecessor as Representative of the Fifth Congressional District of the State of Missouri, the Honorable Richard Bolling, brought to my attention an article that appeared in the Boston Globe this year concerning a colleague of Mr. Bolling's, the Honorable Carl Elliott.

The article, written by journalist Will Haygood of the Globe staff, chronicles the life and times of a courageous and truly extraordinary legislator. Carl Elliott was a Congressman from Alabama who rose from a poor and humble beginning to become one of the most powerful and principled Congressmen on Capitol Hill.

As a member of the House Rules Committee, he was a critical part of the effort to push the progressive legislative agenda of President John F. Kennedy through an often stubborn and uncooperative Congress. He was a true leader in the struggle for civil rights and equality in this country long before it became fashionable to do so. Carl Elliott did not take the road of political expediency; he chose integrity, he took the high ground, and he hung on to it with a conviction that all of America should applaud and admire.

As Mr. Bolling stated, "Elliott was an extraordinary Congressman and legislator. He is now still remarkable and not yet defeated. In my book, a great man." His story deserves to be retold and remembered. For the benefit of my colleagues and other conscientious Americans, I submit the article that appeared in the Boston Globe on the remarkable Carl Elliott for the RECORD.

[From The Boston Globe, Feb. 28, 1989]

TWILIGHT OF A SOUTHERN LIBERAL—CARL ELLIOTT: FLAT BROKE AND NEARLY FORGOTTEN

(By Wil Haygood)

JASPER ALA.—His creditors, like wild geese, have come and gone, and come again. Sometimes, knowing it is them, he just lets the phone ring; damn the debt. Dead leaves circle the yard and the weeds need cutting. The other day a couple of boys came by, wanting to clean the place up and make a few bucks. The old congressman is flat broke. He waved them off.

Books, literary books, are everywhere in the house. He reads by a naked lightbulb. After supper he grabs a piece of his stomach flesh and sticks himself with a needle's worth of insulin. He was in the kitchen one morning frying something Southern and fell like timber. It wasn't just the diabetes anymore. A muscle disorder popped up out of the blue. He needs a walker to walk. His personal papers are in boxes nudged against the living room wall. Somewhere there's an honorary degree from Tufts University, for his sponsoring "numerous bills in Congress affecting education and welfare of the disadvantaged." He is trying to press the life together now and ship it off to the university in Tuscaloosa. "There is enough," he is saying about his papers, "to keep my friends and enemies busy for a long time."

For much of his 16 years in Congress, Carl Elliott was one of the most powerful legislators in America. In 1958 he pushed the historic National Defense Education Act through Congress, a furious and eloquent reaction against the Russians' launch of Sputnik. The act enabled millions to attend college on student loans. Even in the 1950s Elliott had 1960s passions. He got on the House Rules Committee in 1961 because they needed a Southerner willing to go against other Southerners who were holding up John F. Kennedy's bills. With Kennedy, everything was jets taking off. With Kennedy in the White House, Carl Elliott was in the White House.

But Elliott would attract the kind of hate in Alabama that Kennedy did when he took on George Wallace. Alabamans voted Elliott out of office in 1964. He sat idle for a while, then, sensing victory hissing from the State House door in Montgomery, or something approaching victory, he returned to Alabama in 1966 and took on George Wallace for the governorship, flinging his big brooding body at Wallace and all that Wallace stood for.

It was a brutal campaign, of gunfire and bomb threats, of tiny desperation and loud hopes. When his campaign ran out of money, Elliott told everyone to hold on, he'd get more. He withdrew every red cent from his congressional pension. Tilt at windmills and they sometimes tilt back. He lost.

A kind of darkness has spread over his life since then. Right in front of his eyes they took his house. He couldn't meet the mortgage. The family farm has also been yanked. The car was reprossessed, and that wasn't too long ago. He had been driving around without insurance anyway. Folks do gossip, here and everywhere. It has been hard to stay. "Nearly starved to death," he says. Little wonder he reads poetry, and anything he can get his hands on about Thomas Jefferson. "Jefferson lost his farm. He sold his library to the Library of Congress. He had a lot of the same problems I had. Makes a fella feel kind of kin to him," says Elliott.

ON THE ROAD TO JASPER

You can get here by taking the John Hollis Bankhead highway out from Birmingham. John Hollis was Tallulah Bankhead's granddaddy. She left Jasper for the London stage and became, as they called it in those days, a smash.

The sign in the yard reads "Carl Elliott Sr., Attorney at Law." The sign is big as a door. He hasn't practiced law in a decade. The congressman is sitting in a highback chair. He's 75 now, still huge, the hands, arms, legs, everything. He used to live alone but things got out of hand. When John Williams, the live-in aide, whom Elliott pays for with his military pension and social security, first saw the ad four months ago about a former congressman looking for help, he thought he was coming to interview for a job "for some rich congressman with maids and butlers and Cadillacs in the driveway."

Carl Elliott was born in Vina, Ala. His parents were simple people who took things literally. When George Denny, president of the University of Alabama, gave a speech near Vina and said anyone who wanted an education at the university could get one without regard to income, they sent their son. They gave him $2.38 and told him to be good. President Denny sat in his office, listening to Elliott, and leaned over and told him that his parents had misunderstood, that he had to have *some* money. Elliott had to leave. He went to an abandoned building on campus and fell asleep. "Well, Carl," Denny said the next morning, "if you want to come to school that bad we'll find a place for you." It was 1930. "Every now and then someone would think I was doing well and lend me a hundred dollars," Elliott says. He waited on tables, did others' laundry, kept the campus furnace going, made honor roll and became the first in his family to graduate from college. In 1933 he took a law degree from the university. In the late '30s he did his country lawyering in Russellville, Ala., defending convicted murderers and trying to save them from the abyss. "I never

had a client who got burned in the electric chair."

LIBERALISM IN ALABAMA

Liberalism, oddly enough, has long played a part in this state's political history. Much of it had to do with Lister Hill, a progressive Democrat who was an Alabama congressman from 1923-1937 and a US Senator from 1938-1968. Hill wrote the Tennessee Valley Authority Act in 1933 and went on to help spread the sweet shadow of FDR's New Deal legislation through this state and the country. Bob Jones and Jim Folsom and Albert Rains have all been progressive Alabama politicians. But it never was the kind of go-for-broke liberalism, especially on civil rights, that a Stuart Symington or a Harry Truman, both from Missouri, espoused. The good Alabama politician had to play on a tricky chessboard. Progressive as he was, Lister Hill voted against the 1965 Civil Rights Act. "I would have been defeated," he said, then went on to push Medicare through the Senate. Franklin Roosevelt nominated Alabaman Hugo Black to the Supreme Court. Black tried explaining away his one-time Klan membership. He went on to become one of the most liberal justices in Supreme Court history, still scorned in many parts of this state as a pariah.

It was the Dixiecrat movement across the South that gave George Corley Wallace a cause. By the late '40s, you could hear Wallace's engine revving in the distance.

FEVERISH ABOUT EDUCATION

In 1948 Carl Elliott ran as a friend of labor, and won a seat in Congress. He worked his way up the ladder and got some bills passed. "A little law for veterans' housing and a bill for those who had been severely shot up in the war." He'd spend 10 years working on the bill that would come to be known as the National Defense Education Act. He was crisscrossing the nation talking about education. One Saturday night he strolled through a church over in Cullman County. A schoolteacher named Mary Allen Jolley was on piano. "About midnight in walks this tall guy, looks like the biggest man I ever met in my life," recalls Jolley, who now works at the University of Alabama. "He was introduced by the ministers as a candidate for Congress He was terribly interested in schools." Elliott and Jolley got to talking, and he told her that if she was as feverish about education as he was, she should come to Washington and work for him. In 1955 she became his legislative assistant.

"When Sputnik went up," recalls Jolley, "we were in Sioux Falls, S.D., holding hearings on education. We were looking at the notion of scholarships." Elliott got word of Sputnik, returned to Alabama, cornered Sen. Lister Hill, and said, "It's time to pass the bill."

Elliott and Hill hovered for several days at the Tutwiler hotel in downtown Birmingham. "The decision was that we were to work on the biggest omnibus bill we could think of," says Elliott. He worked on the bill 18 hours a day. He seemed demonlike. When the National Defense Education Act passed—the word "defense" was to make Americans think it was a useful tool against the Russians—it seemed a new day had dawned. "We had opened the door of the colleges to the sons and daughters of the poor," says Elliott. "We had slipped the lock."

GOING TO BAT FOR JFK

In 1960 Carl Elliott went to work in this state for the Kennedy campaign. "You see, this is Baptist country here. I'm not a Baptist myself. The Baptists were strongly against Kennedy. I told Kennedy something had to be done about that, that we'd get beat in the South, not on the racial question, but on religion." Kennedy spoke to Baptists everywhere and it was all pretty convincing. Elliott made more than 100 speeches for Kennedy. "I was putting everything I had in those speeches. We carried this state by 57,000 votes for a man named John Fitzgerald Kennedy. That was a good victory."

Sam Rayburn, speaker of the House, called Elliott before the November elections and told him to come to Tennessee right away for a meeting. "Kennedy's going to win," Rayburn said to Elliott upon arrival in Tennessee. "We'll need a man on the Rules Committee." The Rules Committee is the most powerful committee in the House. It is the committee that determines which bills are to be acted on. Rayburn needed a Southerner to go head to head with Howard Smith, the staunch conservative from Virginia and chairman of the Rules Committee. Elliott accepted. "Now Carl, you really don't want to be on that committee," a few of the Southerners warned him. The battle to get Elliott on the committee lasted 30 days. "He was an inspiration to practically everybody who worked with him," says Richard Bolling, a Missouri congressman from 1949-1983. "What was happening in those days was that anybody in the South who pushed out on civil rights was sabotaged by his colleagues."

Elliott cleared the way for many Kennedy bills, but the Southerners were an enormously strong voting bloc, and there were setbacks to go with victories.

THE WALLACE ROADBLOCK

Then Alabama erupted. George Wallace tried to stop blacks from attending the University of Alabama. Kennedy sent troops armed with bayonets. Wallace got out of the way, but it brought out all his backwoods evangelism, and he launched a presidential campaign. The campaign went nowhere and he came after Elliott. During Elliott's 1964 campaign Wallace stormed into Jasper, at the town square, and drew 5,000. A new census count had determined that Alabama would lose one of its nine congressmen. Wallace thumped for eight of the congressmen; Elliott's name was missing. "Save Alabama," the signs he held aloft said. "Hysteria hit the people," says Elliott. When it was over, after the Klan had threatened voters, after old, bent men had crawled from under the shade of hickory trees and cast their ballots, Carl Elliott had been voted out of Congress and off the powerful Rules Committee. "I saw everything I had worked for shot out from under me with one big shell," he says. He was convinced he had stood for the right things. "But a politician can't do that and succeed," says U.S. Circuit Judge Frank Johnson, a longtime Elliott friend.

Elliott regrouped and came back after George Wallace. In the midst of the campaign, Wallace was told in a state legislature ruling that he could not succeed himself after two terms. Wallace then ran his wife, Lurleen, and continued on the campaign trail himself.

"I told him it was a crazy idea," says congressman Bolling, referring to Elliott's run against Wallace. The news was such that the London Times sent a reporter out to Jasper to do a story about the campaign.

"The oddsmakers must tell you it is a forlorn hope," the Birmingham News said about the Elliott gubernatorial campaign. "But Elliott himself and those who presumably now have decided to get behind him are dedicated, and are not ignorant of the prospect of defeat, though they will wear illusory expressions."

THE GARV IVEY FACTOR

To understand that campaign, and Carl Elliott, it helps to understand Garv Ivey. Garv Ivey is a hillbilly. He will admit as much. But Garv Ivey's got more common sense than a lot of PhDs. He was raised in a coal camp outside Jasper. When he was 7 his daddy was murdered. He ended up hustling work in the coal mines. "First three years I gave my check to my momma," Ivey says. He's seated in the foyer of his home. There's coal in his lungs to this day, which is why his voice is thick as a gangster's. He had sense enough to get out of the mines and get other work: hosting poker games. That job led to brutal fights. "I'd walk down the street and I wouldn't get out of the way, for no one." Blacks lived in Frisco, a section of town across the railroad tracks, during segregation. Ivey once told a friend during those days that if he were black he'd have come "blazing across those tracks with guns drawn."

Ivey punched someone back then and was threatened with a lawsuit. That's when he walked into Elliott's law office. "I had a chip on my shoulder but no one to go to. That's my problem. I came right out of Hoover times and starving. I went to Carl's office and he told me to settle down. Not many people tell me to settle down. He said, 'You got your priorities in the wrong place.' He said he was going to help me. I said to myself, 'Now everybody has been trying to use me. What does this sonafabitch want from me?' I left there for the first time in my life feeling some encouragement."

They kept in touch over the years and when Elliott started assembling a team to challenge George Wallace, Ivey joined up quick. "He was convincing me," Ivey says about Elliott, "that he was for the man going down the downtrodden road. He convinced me he could feel the sting of the whip. Do you understand the feeling that would have gone through a fella who could barely write his name?"

At the time Ivey was working in Alabama and Mississippi, building drive-in theaters. He was over in Tupelo putting up a drive-in theater and saw a pretty lady out of the corner of his eye. Her name was Carol and he married her.

For an entire year Garv Ivey quit work to work the Elliott campaign.

"WE MUST HAVE RACIAL PEACE"

Elliott declared his candidacy at the State House in Montgomery. "This is not an issue of George Wallace or Carl Elliott," he said, "but one where Alabama itself is at stake." Wallace attacked the federal government in Washington and all those "pointy-head liberals." Elliott moved like clouds of billowing smoke through the state. "No power on earth can stop us," he'd yell. "No power on earth." They were riding in cars loaned to them by an auto dealer. "We must have racial peace in Alabama," Elliott told a Birmingham crowd. "We must seize the leadership from the self-serving extremists on both sides who use the race issue as a whipsaw for personal gain or momentary personal fame."

The crowds would swell. "I was feeling, first half of that campaign, that I could win," says Elliott. "Lord, God, you should have seen the crowds. In Talladega I had 1,500. At Auburn I had 3,000. At Tuscaloosa

I had 2,000. At Huntsville I had 6,000." It could get brutal. Someone fired gunshots at the Elliott caravan. There were bomb threats. The women were told not to go out alone. But it could get romantic, Hank Williams Jr. on the campaign bus, singing for glory in nowhere towns, his momma trailing, insisting her young Hank be paid every night, cash. They went from Phoenix City to Hurtsboro, from Eufaula to Troy, from Abbeville to Ozark, from Headland to Mobile. "So we had this caravan traveling across this state with no money," Ivey is saying. "Now if Carl met a good organizer in a town we'd get a motel room. I'd carry the fella in another room and say, 'Now look, this fella Elliott ain't got a damn cent. We don't even have money to get out of this motel room.' Sometimes they'd go raise me some money. If not, I'd say, 'Well, how about paying our motel room here?'" Ivey used to handle poker games. They rolled on.

Ivey, making a plea for the black vote, set up an appointment with Martin Luther King Jr. "First day we were supposed to talk to him, King said he was meditating. That was a put-off." King threw his support to Richmond Flowers, the Alabama attorney general who was campaigning almost exclusively among blacks. Most everyone realized Flowers' strategy would not work. Some in the Elliott camp blamed Flowers for what would eventually happen. "I wasn't campaigning against Carl Elliott," says Flowers, who now lives in Dothan, Ala., "I was campaigning against Wallace." Elliott appealed to Lyndon Johnson to help with the black vote. Flowers believes the move was a crucial mistake. "Johnson wasn't popular in Alabama," says Flowers. George Wallace won and Lurleen Wallace went to the State House. She was dead 15 months later of cancer.

OUT OF STYLE IN WASHINGTON

Carl Elliott set up a lobbying business in Washington after his defeat by Wallace. That was full throttle for a while. Suddenly Richard Nixon was in the White House and the town was crawling with Republicans. Elliott couldn't get any lobbying work. He went back to Jasper and joined the law firm his son, Carl Jr., worked for. It was hard for a 60-year-old man to go back into that kind of jungle, of begging and wooing clients. There was hushed talk he wasn't quite pulling his weight at the law firm. Elliott was pulling his weight all right, but the kind of weight he always pulled, for the needy. He'd make phone calls to Washington to check on folks' social security benefits. The law firm saw his huge phone bill and wondered what in the world was going on. It did not matter that he was once a powerful politician. Carl Elliott Sr. quit, took his briefcase and went home, down his basement, and set that sign—"Carl Elliott Sr., Attorney at Law"—in the yard. Still, his clients, says Garv Ivey, "were people who worked in the campaign who couldn't afford to pay him. These poor folks kept continuing to trip up and down his steps."

His wife, Jane, died, then his son, Carl Jr., who also had diabetes, died. Jane Elliott had meant the world to Elliott. With no one at home except himself, mail piled up, so did bills. There was no congressional pension coming in because he had taken it out for the Wallace campaign, which mystified many. "Elliott is quixotic. He's not shrewd and careful. He's restless," says Virginia Van der Veer Hamilton, a retired professor of history from the University of Alabama at Birmingham.

They turned his phone off. He was sued 39 times by creditors. "His life became an absolute economic nightmare," says Julian Butler, a Huntsville lawyer who has handled Elliott's legal woes. They were hounded by courts. "We would string it out in court," says Butler. "Sometimes we had a friendly judge who would not set cases."

There have been fund-raisers. "We have appreciation dinners for him," says Garv Ivey. "Well, people get appreciated out."

Sometimes a storm gathered without warning. There was a move afoot to take Carl Elliott's name off the street named for him here because of a spat with a local official. Garv Ivey still has his teeth in his head. He picked up the phone and made some calls and stopped that movement in its tracks.

Elliott always has loved books. When he was in Congress he'd return almost every weekend and go into the hills giving books away to school libraries. His wife had a bookstore here, but couldn't make a go of it. Elliott would come in the bookstore like the wind, grab books, put them under his arm, and then go give them away.

It is strange the way history goes, vertically sometimes, sometimes in circles. George Wallace is in a wheelchair. Carl Elliott is in a wheelchair. One put there by a lunatic gunman, the other by the gift of time itself. And time is nothing if not a gift. Poverty has circled up to the congressman again, like in youth, when it laid at his chest like a rock. But it is almost a glorious existence now, the way he has been pushed into the blasted history of this state, of schoolgirls dead in church bombings, of Bull Connor, of bullets, of some blacks forgiving George Wallace, of Birmingham's black mayor, of Alabama's good morning light. "When but for the truth," Carl Elliott says, "man ought to die."

A TRIBUTE TO GREEK AMERICANS

HON. CRAIG T. JAMES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. JAMES. Mr. Speaker, I rise to pay tribute to the millions of Greek-Americans who make our great Nation stronger, and whose ancestors inspired us to the freedom and independence we so fervently pursue.

My deep respect emanates from the recognation that without Greece, there would be no America. In the words of Percy Bysshe Shelly, "we are all Greeks! Our Laws, our literature, our religion, our art, have their roots in Greece."

Two thousand years ago, Pericles formulated the very essence of the form of democracy which has sustained our beloved America for more than two centuries.

He spoke of Greece, but he described America.

Our Constitution is called a democracy because power is in the hands, not a minority but, of the whole people. When it is a question of settling private disputes, everyone is equal before the law; when it is a question of putting one person before another in postions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses.

Two thousand years ago, Pericles envisioned our shining city on the hill.

Thomas Jefferson said, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves out of gothic darkness."

And as we learned and borrowed from ancient Greece, 19th century Greece was inspired by American colonialists. The American Revolution became one of the ideals of the Greeks as they fought for independence in the 1820's. Greek intellectuals translated our Declaration of Independence and used it as their own Declaration of Freedom. Preparing for battle, a Greek commander in chief, Petros Mavomichalis, in a speech to the Messenian Senate of Calmata in 1821, Appealed to the citizens of the United States, saying.

Having formed the resolution to live or die for freedom, we are drawn toward, we are drawn toward you by a just sympathy since it is in your land liberty has fixed her abode, and by you that she is prized as by your fathers. Hence, honoring her name, we invoke at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed in resembling you * * * it is for you, citizens of America, to crown this glory.

1989 marks the 168th anniversary of the beginning of the revolution which freed Greece from the Ottoman Empire. Greece was under Ottoman control for nearly 400 years—from the fall of Constantinople in 1453 until the Declaration of Independence in 1821.

During this dark time, the people were deprived of all civil rights. Schools and churches were down; Christians and Jews alike were kidnaped and raised as Moslems to serve the Sultan. The suffering of the Greek people laid heavy on the conscience of America.

Speaking in December 1823, Massachusetts Representative Daniel Webster said.

This people, a people of intelligence, ingenuity, refinement, spirit, and enterprise, have been for centuries under the atrocities unparalleled Tartarian barbarish that ever oppressed the human race.

President James Monroe, In an address to the 17th Congress, said.

The mention of Greece fills the mind with the most exalted sentiments and arouses in our bosom the best feelings of which our nature is susceptible * * * A strong hope is entertained that people will recover their independence, and resume their equal station among the nations on Earth.

Thousands of American volunteers from throughout our Nation sailed to Greece to participate in the War for Independence.

The Greek people persevered. They won back their independence and freedom. Since that time, the fates of our two nations have been inextricably linked. During the early 1900's, one in every four Greek males between the ages of 15 and 45 departed for the United States.

They worked hard. They pursued education. They raised families. They toiled by the sweat of their brow to contribute to the American society. They became doctors, lawyers, teachers, police officers, mayors, Governors, and Congressmen. Today, Greek-Americans are woven throughout the fabric of American soci-

ety. They are the thread that weaves through the American quilt.

America is better for our friendship with Greece. America is better for the sons and daughters Greece has shared with us.

We share a common struggle, for the Greek people, like Americans, have struggled and strived for every measure of independence and freedom they now enjoy. After Greece had defeated the Communists in the early 1950's, President Dwight D. Eisenhower said,

Greece asked no favor except the opportunity to stand for those rights in which it believed, and it gave to the world an example of battle * * * a battle that thrilled the hearts of all free men and women everywhere.

That spirit of independence and commitment to freedom burns strongly in the hearts of Greeks everywhere. My respect for Greek-Americans is unwavering, and my thanks, as an American, is everlasting. For, I share the belief of Will Durant, who said,

Greek civilization is alive; it moves in every breath of mind that we breathe; so much of it remains that none of us in one lifetime could absorb it all. Greece is that bright morning star of that western civilization which is our nourishment and life.

REFOCUSING THE JOB TRAINING PARTNERSHIP ACT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. HAWKINS . Mr. Speaker, I am pleased to join with my colleagues on the Education and Labor Committee in introducing the Job Training Partnership Act Amendments of 1989. These amendments will enhance substantially the quality of job training for economically disadvantaged individuals in this country.

The Job Training Partnership Act [JTPA] has failed its primary mission as envisioned by its original sponsors: to train adults and youth, particularly those who are most in need and who are unprepared to compete in the labor market.

This bill does not undermine the stability of the current JTPA system. It essentially leaves the existing structures in place. It leaves intact the public/private partnership which has worked well in most service delivery areas across the country. But, by improving targeting and creating a separate, year-round program for youth, it does change existing policies relating to who is being served by JTPA, the types of services being provided, and the outcomes expected under the program.

In my view, the intended recipients of JTPA services should be economically disadvantaged adults and youth with the greatest barriers to employment who are most at risk of failure in the job market. Yet, JTPA essentially underserves them and instead serves the most job ready among the eligible population. For instance, 66 percent of those trained and placed in program year 1987 under JTPA were high school graduates. Although the statute requires special emphasis on school dropouts, they are not receiving equitable services. I believe that we need to refocus JTPA on the harder-to-serve population who are struggling to get into the economic mainstream.

Last September, the Committee on Education and Labor conducted an oversight hearing on the performance of the Job Training Partnership Act. The committee focused its review on studies conducted by the General Accounting Office [GAO] and the Inspector General's [IG] Office of the Labor Department.

The GAO found that JTPA participants spend an average of 18 weeks enrolled in the program. The GAO reported that more than 60 percent of JTPA participants are high school graduates. In addition, the most job-ready group received more intensive services than those who are most in need. Furthermore, the GAO concluded that given more intensive interventions, the program could achieve very positive program outcomes for many participants who otherwise appear to be less ready for jobs.

The Labor Department's IG report also found that JTPA heavily emphasizes short-term training and that the program targets participants who are easiest to place. More troubling is their finding that over one-half of the adults and two-thirds of the youths were unemployed 4 months after completing the JTPA program. In addition, the IG report concluded that the JTPA system has missed a significant opportunity to maximize the return on investment for those most in need of employment and training services.

This new initiative attempts to address many of the concerns raised during the hearing about the effectiveness of this employment and training program. The proposed amendments to JTPA, incorporated in this bill, include:

(1) Improved targeting of JTPA by establishing a separate program for adults and older workers under a revised part A of title II. As in current law, 90 percent of the participants must be economically disadvantaged. However, in order to focus on those with greater barriers to employment, the bill requires that 50 percent of the II-A participants be adults or older workers who are reading or computing below the eighth grade level; or are long-term recipients of public assistance; or have limited work histories.

(2) Retention of the current summer youth employment program under part B of title II with expanded authorization of appropriations.

(3) Creation of a separate year-round program for youth, aged 14 through 21, under a new part C of title II. In order to encourage earlier interventions, the age has been lowered from the current law limitation of 16 years to 14 years for youth receiving services under this program. Furthermore, 50 percent of the II-C participants must be out-of-school youth, with priority given to school dropouts. The remaining 50 percent must be in-school youth, with priority given to youth who are at risk of becoming dropouts, or who are in need of school-to-work transition assistance, or who are parents, or who have limited English-language proficiency.

(4) Providing an additional $500 million authorization of appropriations for youth programs (an additional $200 million for II-B and an additional $300 million for the new II-C youth services).

(5) Allocating 84 percent of the funds to the service delivery areas for both the adult and youth programs.

(6) Redirecting existing incentive grants for serving in excess of the targeted harder-to-serve population.

(7) Modifying the performance standards to promote delivery of services to the hard-to-serve.

(8) Changing the allocation formula for youth services under part C of title II to ensure that funds go to service delivery areas with greater concentrations of economically disadvantaged youth.

(9) Requiring consistent and timely reporting under JTPA, as well as facilitating uniform reporting requirements across different programs—JTPA, Vocational Education, Welfare JOBS Program, etc.

Today's workplace is becoming increasingly technical and demanding of adequate skills. Yet, there is a growing concern about the dearth of workers with adequate employability skills who are equipped to fill the needs and challenges of the job market. Our attempts in this proposal to strengthen JTPA, hopefully, will help to improve this mismatch.

The Workforce 2000 Report of the Department of Labor predicts that the majority of new entrants into the future workforce will include minorities and immigrants, many of whom will be lacking employability skills. We need to begin now to adequately prepare the unemployed and the underemployed, particularly those who are not being served by existing human resource systems, to meet the challenges of the future labor market.

I urge my colleagues to join in supporting this major initiative.

TRIBUTE TO HIS EMINENCE ARCHBISHOP IAKOVOS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. YATRON. Mr. Speaker, I am pleased to take this opportunity to honor and recognize His Eminence Archbishop Iakovos on the occasion of the 30th year celebration of his elevation to the highest position of authority within the Greek Orthodox Church of North and South America.

The achievements of the man as cleric are abundantly evident to people of all religious creeds. he has made many valuable and important contributions to the Greek Orthodox Church and society at large and it is, in my opinion, the blessing of God almighty which has made his tenure so valuable and fruitful. His Eminence is truly a leader among leaders and his very active and successful role in the Nation's civil rights movement provides just one of many examples of the type of outstanding leadership His Eminence has provided.

With reverence, I offer my very best wishes and my prayers for the Archbishop's continued and inspired leadership in the Greek Orthodox Church. I hope that my colleagues will

join me in recognizing this most auspicious of anniversaries.

TRIBUTE TO CHIEF EVERETT LITTLE

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DARDEN. Mr. Speaker, as a former district attorney in Cobb County, GA, I am well-acquainted with the many fine law enforcement officers there, both on the county police force and in the police agencies of Cobb's six municipalities. This spring, we are losing from our law enforcement community one of its most respected members, and surely our most experienced servant of the public safety.

Chief Everett Little, who has headed the Smyrna Police Department since 1976, is retiring, 53 years after he began his law enforcement career. I want to invite my colleagues to join me in extending our thanks and best wishes to Chief Little, who exemplifies the spirit of dedication and service which we must have in our law enforcement officers.

Chief Little spent much of his career with the Atlanta Police Department, and he took part in the investigation of numerous notable crimes during those years. In 1976, when many of his peers were settling into comfortable retirement, Everett Little launched a new career as head of the suburban Smyrna Police Department. Since then, he has established a reputation for outstanding leadership, fairness, and knowledge of law enforcement practices which few in this Nation attain.

Mr. Speaker, order in our society depends on the unselfish dedication of law enforcement officers such as Everett Little. I want to take this opportunity to thank him on behalf of the thousands of people in the Atlanta area he has served over the years, and to wish him a retirement which is as productive as the 53-year law enforcement career which he is now completing.

INTRODUCTION OF LEGISLATION TO REAUTHORIZE THE MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. STUDDS. Mr. Speaker, more than a dozen years ago this House approved H.R. 200, the bill that established the 200-mile fishing limit. Only the conversion of our fishing fleets from sails to modern day engines has rivaled the effect this law has had on the fishing industry and those dependent upon it. What were once only dreams of an American fishing industry fishing off our shores, processing our fishing and providing food for our people has become a reality.

As enacted by the Congress, the 200-mile-limit law was primarily a conservation measure designed to prevent overfishing of fish off our shores. We wanted to preserve a way of life and guarantee the continued survival of the independent fisherman. To accomplish this, we wanted U.S. fishermen and the American economy, in general, to receive the maximum benefit from American fisheries resources; we wanted to put a stop to foreign overfishing; we wanted to guarantee the conservation of important commercial fish species; and we wanted to promote consumption of American-harvested fish both at home and abroad.

Today as I introduce legislation to renew the 200-mile-limit law [Magnuson Fishery Conservation and Management Act], I am proud to report that the 200-mile limit has been a resounding success. No longer are huge foreign factory ships off our shores catching everything in sight. In fact, foreign fishing within our waters has virtually been eliminated.

In the past 12 years, American fishermen have established records for the amount of fish caught, processed, and exported. Last year alone, commercial landings were almost 7 billion pounds valued at well over $3 billion. During the same period, consumption of fish by the American public rose from 12.9 pounds per person to almost 15.5 pounds.

In addition, the vast fishery resources of the North Pacific Ocean * * * once unexplored and undeveloped * * * are now making a tremendous contribution to our economy. Over half a billion dollars has been invested in fishing and processing boats to catch and market U.S. fish products abroad. The development of this last frontier fishery essentially completes the cycle of Americanization started some 12 years ago.

As chairman of the Fisheries and Wildlife Conservation and the Environment Subcommittee, I am looking forward to reviewing even more clearly the performance of the Act as we hold hearings on the reauthorization of the law. Our subcommittee will carefully examine issues like Coast Guard law enforcement efforts, the interception of U.S. salmon on the high seas by foreign driftnet fishermen, the exclusion of tuna from the management authority of the Act, limited entry into our fisheries, funding and research needs, and the fishery management council process.

The subcommittee has scheduled its first hearing on May 2 in Washington and in the coming weeks I hope to announce plans for field hearings in fishing ports throughout the country to hear first hand from those involved in the fisheries about how to improve our fisheries management laws.

Mr. Speaker, I suspect that throughout our hearings we will learn about examples of conflicts between recreational and commercial fishermen, about law enforcement problems, about overfishing and about degradation of our marine environment. All these problems are serious and deserve our attention. For my part, I will attempt to determine whether or not these problems stem from deficiencies in the law or with those who implement it. I anticipate bringing a bill to the floor for my colleagues' consideration early this fall.

Managing a resource as vast as the fisheries of the 200-mile-limit zone is an enormous challenge. We should expect that conflicts will arise and mistakes will be made. However, we cannot under any circumstances let ourselves be paralyzed by the enormity of the task.

As subcommittee chairman, I will insist that, regardless of the fishery involved or the category of fishermen affected, we must respect not only our domestic laws, but the laws of nature, as well; we cannot manage our fisheries just for today or just for one generation of fishermen; our responsibility is to maintain the health of our fisheries so that they may be enjoyed and provide sustenance for generations to come. That was the real purpose of the MFCMA. That remains our purpose today. And that will be our greatest challenge in the months and years ahead.

A TRIBUTE TO LOUISE W. WORTMAN

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. FISH. Mr. Speaker, I would like to take this opportunity to commend Ms. Louise Wortman on a lifetime of community service and family commitment. Louise is being honored April 25, by the Exchange Club of southern Dutchess County in New York.

Louise was born April 27, 1923, the daughter of Eileen and Herbert Williams in Stamford, CT. Upon graduation from Darien High School in 1941, Louise worked as society editor for the New Canaan Advertiser. Her column, entitled "By the Way," dealt with societal happenings around the community.

During World War II, Louise volunteered full-time at the Stamford Hospital. She became an active member of the wartime ration board. In 1942, she met George Wortman, her future husband, an accomplished veterinarian. Soon afterward, she joined the New York Board of Water Supply in Newburgh.

Louise, tireless and cheerful, continued to volunteer her bountiful energy with the Girl Scouts, community fund drives, the gray ladies, and the Highland Hospital auxiliary, where she became a trustee. During this time, Louise was blessed with two daughters Donna and Elizabeth.

Louise remains active in community public service organizations, including the Trinity Episcopal Church, the town of Fishkill Republican Committee, the Brownell/American Cancer Society Pro-Am Golf Tournament, the southern Dutchess Exchange Club. She is a fundraiser for the Blodgett Memorial Library in Fishkill. Louise also is president and trustee of the Fishkill Rural Cemetery, and a patient representative at St. Francis Hospital in Beacon. She served on the town of Fishkill Bicentennial Committee, and the Dutchess County Resources Recovery Agency. She has the distinction of being the first Woman Director of the Mid-Hudson Savings Bank.

Throughout her career of community service, "Weezie" always found time to be a caring wife and mother. She finds ample time for her three beautiful grandchildren, Matthew, Rebecca, and Melissa, and spends many weekends with her sister June, and her two brothers, Jack and Jim.

Mr. Speaker, Louise Wortman can look back on her family endeavors and her many community accomplishments with tremendous

pride. I rise today to pay tribute to Louise for a lifetime of dedicated service to her community and the Nation as a whole.

DISABLED VETERANS AND ASSISTIVE ANIMALS PARTNERSHIP ACT OF 1989

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. KENNEDY. Mr. Speaker, today I am introducing legislation along with my colleague, Congressman TOM RIDGE, that fulfills a national promise to assist the men and women who have fought so bravely to defend our country. This legislation would provide a means by which our service-connected veterans who are quadriplegic can maintain their independence in their homes. By providing quadriplegics with assistive animals, these veterans would be able to complete many daily activities that they otherwise could not perform.

Dr. M.J. Willard of Boston University has developed a program called "Helping Hands." During the last 6 years, her research has been funded by organizations such as the Veterans' Administration and the Paralyzed Veterans of America. This program has trained Simian monkeys (also known as "organ-grinder monkeys") to help quadriplegic and other severely disabled people with everyday problems. These highly trained monkeys can retrieve food and beverages from a refrigerator, heat food in a microwave and then set up a meal for ingestion by its master. They can retrieve and reposition a dropped mouthpiece without which their master could not read or write. They can replace the chin rest, which if accidentally pushed away, would render the quadriplegic immobile by preventing his or her ability to operate their wheelchair. The monkey, guided by a mouth-held laser, can place desired VCR or audio tapes in their respective players. Along with a core of learned tasks, these monkeys are also taught specific procedures to meet individual needs.

Across the country is another program that has been successfully providing assistive animals for quadriplegics. Founded in 1975, Canine Companions for Independence [CCI] in Santa Rosa, CA, has expanded the traditional role of "man's best friend." Like the "Helping Hands" Program, these highly trained dogs are able to pick up dropped objects, turn on and off switches, retrieve items from the refrigerator and other difficult to reach areas. These dogs can also pull and negotiate wheelchairs across streets and through crowds, hit elevator buttons, and carry objects for their masters. And just as important, these dogs provide their masters with a constant source of unconditional loyalty and devotion.

One of the most common complaints of a quadriplegic is having to wait. They must wait for someone to get them a beverage, to pick up a dropped item, to turn switches on and off, and so on and so forth. Both of these programs are designed to increase an individual's independence. These animals cannot do everything a personal attendant can do but certainly they are able to reduce the need for a constant attendant.

This legislation establishes a 4-year pilot program which will train and deliver 20 monkeys and 10 dogs to suitable quadriplegic veterans who have at least a 50-percent service-connected injury. This legislation also provides 10 "signal dogs" to veterans with a service-connected hearing impairment. CCI also trains signal dogs which alert hearing impaired individuals to important sounds such as a telephone ringing and a smoke detector alarm. Shortly after placement in the homes, the veterans will assume the modest costs of caring for their assistive animals.

The projected cost of this program is less than $250,000 per year; a small price to pay for a wealth of invaluable services. Congressman RIDGE and I would like to invite our other colleagues to support the "Disabled Veterans and Assistive Animals Partnership Act of 1989" and help our quadriplegic veterans.

TRIBUTE TO STATE TROOPER JAMES THOMAS BRAMMER

HON. HARLEY O. STAGGERS, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. STAGGERS. Mr. Speaker, flags throughout West Virginia are at half-staff today in honor and tribute to State Trooper James Thomas Brammer of Bruceton Mills, who died in the line of duty this past weekend. State Trooper Ronald J. Hicks, wounded in the same incident, is recovering in Ruby Memorial Hospital in Morgantown.

Trooper Brammer was 42 years old and the father of two. He was a 1965 graduate of St. Albans High School and attended West Virginia State College. Trooper Brammer, a 16-year veteran, had served in Morgantown prior to being assigned to the Kingwood State Police detachment in 1985.

One of those who worked alongside of Trooper Brammer was quoted in Monday's Charleston Gazette as saying that "There will be a number of emotions the troopers will feel. Right now, we are just trying to deal with the loss of a trooper and a friend."

For many of us, the only time we see a State trooper is when they are manning a radar trap alongside the roadway. And, we are thankful when we read or hear about their successes in combating crime in our communities. But for the most part we do not think about the known and unknown dangers they confront each and every day. There is no such thing as a routine assignment for those in law enforcement.

There is little that can be done to ease the anguish and sorrow felt by the family and friends of State Trooper James Brammer. But we can be thankful that there are those, like Trooper Brammer, who are willing to dedicate their lives to the service of others; that there are those willing to confront the dangers that are very much a part of law enforcement.

TROPICAL FOREST INITIATIVE ACT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. LAGOMARSINO. Mr. Speaker, in recent years, there has been an up surge of concern regarding the accelerated loss of tropical forest acreage around the world. This rapid deforestation of the world's growth of tropical forest is considered by many to be a major crisis affecting the peoples of all nations. I, too, share that concern and believe the United States needs to examine what we can do to help slow, stop, or if possible reverse this unprecedented decline.

The United States first took action to protect our own tropical forests decades ago, with the establishment of the Caribbean National Forest in Puerto Rico. Over the years, several other tropical forest areas in Hawaii, Florida, and other U.S. islands have been protected by Federal action.

Just last year, the Congress enacted Public Law 100–571, which I cosponored, authorizing the establishment of the National Park of American Samoa. The new park will save thousands of acres of virgin tropical forest as well as the habitat of numerous unique plants and animals.

Having taken action to preserve our own lands of tropical forests, we should work with other countries to solve this global problem by sharing our experience and expertise. Our joint efforts could be so much more effective and have a significant impact than ours alone. However, the extension of tropical forest management techniques will require the commitment of resources if any initiative is to be effective.

The intent of the "Tropical Forest Initiative Act" is to provide the resources necessary to expand the existing U.S. Institute of Tropical Forestry in Puerto Rico. Additional research and education facilities will be constructed in order to provide an adequate response to the tropical forest crisis.

The United States should benefit in a number of ways from the expansion of the Institute of Tropical Forestry in Puerto Rico. Our own on-island domestic acreage and management techniques will be scrutinized for areas of improvement. The new educational facilities will provide the 3.3 million U.S. citizens in Puerto Rico and the estimated 1 million visitors with an opportunity to learn firsthand the strengths and weaknesses of a tropical forest ecosystem and the negative impact of its loss.

Additionally, the expanded U.S. Institute of Tropical Forestry in Puerto Rico represents an ideal opportunity for international outreach particularly among the Latin American countries which have large stocks of the world's tropical forests. As most tropical forest management personnel in Puerto Rico are bilingual, they can conduct training and research in both English and Spanish with their professional counterparts from Western Hemisphere countries.

I believe the prompt consideration and enactment of the "Tropical Forest Initiative Act"

will demonstrate our commitment to solving international environmental crises due to the annual loss of millions of acres of tropical forests by sharing expertise gained at our own domestic research, training, and educational facilities.

INTRODUCTION OF SAVE, AMERICA ACT OF 1989

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. TAUZIN. Mr. Speaker, It is April 18, the day after tax day, and today I am introducing legislation to address the festering problems facing the savings and loan industry and the Nation's savings rate. The Save, America Act of 1989 proposes something unique to current legislation, the Save, America Act gives Americans an incentive to save and encourages the infusion of private funds into our troubled federally insured savings institutions.

The bill we are introducing will allow every tax-paying American the right to earn up to $5,000 per year in tax-free interest earnings on savings accounts in federally insured banks, savings and loans, and credit unions, with restrictions on how they dispose of those earnings.

By defining qualified institution as a federally insured institution, the Save, America Act of 1989 purposefully targets the incentive in order to particularly address hemorrhaging institutions covered under FSLIC. Today, investors flee these institutions, taking what struggling savings and loans need most—individual savers. The more private money brought into these accounts, the fewer Federal dollars eventually need go out for their rescue. While no panacea for the bailout sickness, the Save, America Act should provide a solid capital base for these federally insured financial institutions.

Addressing the mechanics of this bill, we provide a ceiling on these accounts' interest rates at 3 percentage points below the T-bill auction rate so as not to interfere with other Government obligations. This may allow for a decline in overall interest rates by providing less expensive capital for institutions to invest in our communities for home building and smaller business growth. As we all know, that kind of economic growth pays big dividends to the U.S. Treasury. The prevailing trend in national savings rate—the difference between the Nation's output in goods and services and what is consumed by Government and individuals—since the mid-1970's has been disastrous, dropping from 7.9 percent to the 1985–87 rate of 2.1 percent. This disturbing fall increases the risk of recession and ultimately adversely affects growth in the standard of living.

Rising savings rates translate into more U.S. capital for investment, and resulting lower interest rates are good news for those with big debt. Know anybody with a whopping big debt? You guessed it! Our own best uncle, Uncle Sam. Finally, linking the interest rates with the T-bill rate will make this account concept more sensitive to the marketplace and less susceptible to inflation. Can you think of anything more attractive to the individual saver?

Recently, we have heard debate over a capital gains tax exemption. Granting a more generous capital gains tax break may help some Americans and may spur some investment, but what about a plan giving all taxpaying Americans a chance to save for their future. The Save, America Act will help out the little guy and may motivate the general public to even greater investment—who knows? We might even see the resurgence of payroll savings plans!

Current law taxes interest earned on low yielding passbook savings accounts. Why do we tax people for doing what is fiscally responsible? Why do we discourage citizens from saving for their future? This legislation encourages citizens to save without penalty while retaining liquidity. Best of all, this plan would, for the first time, send out the right message to the American people: "We'll stop penalizing you for saving; we'll encourage you, instead."

At this time, Mr. Speaker, I would like to submit a text of the Save, America Act of 1989 and a list of original cosponsors for the RECORD.

INTRODUCTION OF THE COAL MINER'S JUSTICE ACT OF 1989

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. MILLER of California. Mr. Speaker, over 90,000 miners, totally disabled by the black lung disease, have been deprived of the black lung benefits to which they were legally entitled and which Congress intended they receive. That is an aggregious situation which demands swift remedy. Today, with 37 cosponsors, I am introducing legislation to correct that injustice by ensuring that coal miners eligible for black lung benefits receive them.

Black lung is a horrible disease which affects many coal miners, reducing their final years to agonizing chest pains and endless fits of coughing, leading eventually to their death.

In 1969, as a result of congressional hearings on the reform of the coal mine safety laws and the problems of coal workers' pneumoconiosis, or black lung disease, Congress established a program of monthly cash payments to eligible coal miners totally disabled by black lung disease and to their survivors. This was the first time the Government provided benefits to victims of a single occupational disease.

Through amendments in 1972 and in 1977, the program's eligibility criteria and evidentiary standards were liberalized to allow more coal miners to qualify for black lung benefits.

The responsibility for handling claims for black lung benefits was originally assigned to the Social Security Administration. In 1977, Congress transferred the program to the Department of Labor and explicitly directed the Labor Department to use eligibility criteria "no more restrictive" than those used by the Social Security Administration.

Despite this mandate, the Department of Labor established new, more restrictive, eligibility requirements which differed significantly from those which had been used by the Social Security Administration. The result was that thousands of miners suffering from disease were denied the benefits for which they were eligible and which Congress had intended they receive.

In December 1988, the U.S. Supreme Court ruled that the Department of Labor had failed to follow the directive of Congress and ruled that its eligibility criteria was more restrictive than those of the Social Security Administration.

However, the Court refused to grant relief to the many individuals whose claims were adjudicated under the Department of Labor's improperly restrictive criteria because those claimants had technically failed to pursue their legal appeals on a timely basis.

My legislation requires the Department of Labor to review the claims of those who were denied benefits under the Department of Labor's regulations using the Social Security Administration's criteria, and to allow such claimants to offer additional evidence of disability.

While many of these individuals may have no claim, and many of those eligible for benefits have already died as a result of black lung, those who were unjustly denied benefits deserve their opportunity to receive them.

The Coal Miner's Justice Act will ensure that those coal miners who have labored in the mines and are now disabled and dying as a result of their hard work receive justice from our Government and the black lung benefits they have earned.

INTRODUCTION OF LEGISLATION CONCERNING NURSING EDUCATION

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today to deal with the Health Care Financing Administration's policy toward reimbursing hospitals for expenses of undergraduate nursing education programs. Quite frankly, Mr. Speaker, HCFA's policy ignores the need for quality nursing education programs in this country, and my legislation is designed to correct this counterintuitive policy. I am also pleased that Senator BENTSEN, the distinguished chairman of the Senate Finance Committee, has introduced similar legislation as part of his rural health initiative.

Mr. Speaker, the Medicare Program reimburses hospitals on the basis of a prospective payment system. Payments per case are generally determined in advance and adjusted for certain extra costs incurred by hospitals. One such add-on under the prospective payment system is for costs incurred by hospitals for direct medical education programs operated by providers. Thus, expenses that are directly associated with approved medical education activities are specifically excluded from the

prospective payment system and are reimbursed on a reasonable cost basis.

Central to the issue of direct medical education expenses is the concept of control. As discussed above, the approved medical education program must, under the regulations, be under the direct control of the provider (42 CFR 413.85(d)). Thus, joint educational training programs under which students of a nearby educational institution receive clinical training at a hospital are considered to be normal operating expenses, and as a result, are part of the prospective payment per case. It is this aspect of HCFA's policy that I believe is incorrect.

The legislation establishes 20 demonstration projects for hospitals to engage in joint undergraduate nursing education programs with educational institutions. Under the bill, a hospital awarded demonstration authority which had a written agreement with an educational institution to conduct an undergraduate nursing education program and provide clinical training would be able to treat those costs as direct medical education costs. The provision applies for hospital cost reporting periods beginning after October 1, 1989, and expires in 1994. The Secretary of the Department of Health and Human Services would be required to report to Congress on the effectiveness of these programs.

In addition, my bill expressly overrules a position taken by HCFA with respect to nursing education programs which are under common control with the provider. Under the bill, costs incurred by hospitals to train nursing students from educational institutions which are under the common control with the hospital—that is, identical or overlapping board members—would be treated as approved educational activities. The provision would apply only where the hospital incurs substantial direct cost and the nursing program is operated by the hospital or by corporations controlled by or under common control with the hospital.

No inference is intended, by the introduction of this legislation, as to the proper treatment of costs incurred by hospitals in this situation. The provision applies generally for cost reporting periods beginning after October 1, 1989, except in the case of hospitals which were waivered from the normal principles of Medicare reimbursement for whom HCFA is retroactively applying this policy. In the case of these hospitals, the provision applies for hospital cost reporting periods beginning after the date on which the hospital was no longer waivered from the normal principles of Medicare reimbursement, as described above.

Mr. Speaker, HCFA's policy on this issue is wrong; worse, it is applied arbitrarily and inconsistently. I plan to aggressively pursue enactment of this legislation this year as the Subcommittee on Health begins consideration of its budget reconciliation instructions.

WILDERNESS LEGISLATION

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mrs. VUCANOVICH. Mr. Speaker, today I have reintroduced my wilderness bill which would designate Forest Service wilderness in the State of Nevada. My bill would designate approximately 132,000 acres in 4 areas. It would also designate about 29,000 acres on Mount Rose as a national recreation area.

The wilderness issue in Nevada is extremely controversial and has been hotly debated for several years now. Over the years, bills have been introduced that would designate as little as 132,000 acres and as much as 1.4 million acres of Forest Service wilderness. I believe my bill most accurately reflects the wants and desires of Nevadans on this issue.

Nevada is a public lands State—87 percent is owned by the Federal Government. Multiple-use management is very important to many Nevadans because they rely on these lands for their livelihoods. My bill contains language that would protect existing rights like mining, grazing, and water.

I am very pleased to propose the creation of a national recreation area on Mount Rose. Mount Rose is right in Reno's backyard and has been used for years as a prime recreation area by hikers, off-road vehicle users, cross-country skiers, and snowmobilers. As a national recreation area, the Forest Service would be directed to manage the area to preserve and protect these traditional uses. In accordance with that, the entire area would be closed to timbering and mining. Mr. Speaker, I believe my bill would be good for Nevada. I hope it is favorably considered and that the Nevada Forest Service wilderness issue will be finalized during this Congress.

TEACHER OF THE YEAR

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. BATEMAN. Mr. Speaker, during the first week of April millions of Americans were privileged to see, hear, or read about a Virginia high school instructor, who came to this country from her native Greece at the age of 21, as she was honored as America's Teacher of the Year.

The award to Mary Bicouvaris is of special significance to the people of my congressional district, because Mary Bicouvaris teaches at Bethel HIgh School in Hampton, Virginia. Along with my constituents, I took particular pride in the achievements of this remarkable woman as she received the recognition she had so justly earned.

If, as H. G. Wells warned us years ago, history is becoming "a race between education and catastrophe," then Mary Bicouvaris is a leader among those seeing to it that education wins the race.

When she came to Washington to be honored, she shared with the Nation her philosophy of education in memorable words.

"The rewards of teaching are not external," she said. "The satisfaction in teaching is very much like the pleasure a farmer takes in sowing, watching for growth, praying for rain and finally reaping the harvest."

Mary Bicouvaris—"Mrs. Bic" to her students—has been faithfully sowing, watching, praying and reaping since 1963, when she launched her teaching career in Hampton even before she had become an American citizen. She had been in the United States just 3 years and had just earned her bachelor's degree at Ohio State University. A few years later she received a master's degree from the College of William and Mary.

"As a naturalized citizen," she said when she received her award, "I have an abiding love for my chosen country. It has been my goal to help young Americans understand and appreciate their country, its government and its crucial role in international affairs."

Her success in achieving that goal led to her recognition in her community, her State and ultimately the nation at large.

The organizations which sponsor the Teacher of the Year Award—the Council of Chief State School Officers, Encyclopedia Britannica and Good Housekeeping—noted that among the main factors leading to Mrs. Bicouvaris' selection were a positive approach to teaching and innovative teaching strategies, including involvement of her students in such activities as political campaigns and Model United Stations programs.

"Throughout my teaching career I have looked for ways to bring the world into my classroom and to take my students out into the world," said "Mrs. Bic" as she received her award.

During 3 days in Washington, the Teacher of the Year went through a hectic schedule of interviews and ceremonies. I was privileged to be present at a luncheon in her honor and at a ceremony at the White House where she was honored by President Bush. Throughout this period, Mrs. Bicouvaris displayed a poise and grace under stressful conditions, which like her eloquent words bespeak a dedication to her craft and a commitment to excellence both for herself and for the students she has helped to prepare for the race with catastrophe.

On behalf of her students, the community which she serves and myself, I am proud to congratulate Mary Bicouvaris on her well-earned honor.

During the year ahead Mrs. Bicouvaris will be speaking to educational and business groups and civic organizations all around the nation. I want to close by quoting her own statement about the message she will be bringing to these audiences.

"My message to America would be one of pride, hope, and promise in the educational system of a nation that sent the first man to the Moon and which has yet to reach its greatest potential.

"I would speak of the need to reach a national consensus on what is good for America's children and what is needed for this country to maintain its position on the world stage.

"I would speak, too, about the challenges we face in continuing to strive for excellence in education. I would express the hope that all American children will be given the opportunity to become literate in their own culture and at the same time develop an international perspective that will enable them to work, lead and thrive in a global community.

"Finally, I would assure the Nation that American teachers are ready to help usher

our Nation into the 21st century and into another era of greatness."

PERSONAL EXPLANATION

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Ms. PELOSI. Mr. Speaker, I offer a personal explanation of my absence for yesterday's votes. I was delayed due to air traffic and arrived on the floor after the votes had been taken. Had I been here to vote, I would have voted the following way:

On rollcall No. 28, passage of H.R. 20, the Federal Employees' Political Activities Act, "yes";

On rollcall No. 29, passage of H.R. 1385, the Martin Luther King Commission, "yes."

I ask that my explanation appear at the appropriate point in the RECORD.

A TRIBUTE TO CHARLES KENNY McCLATCHY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. MATSUI. Mr. Speaker, it is with great sadness that I rise today to pay tribute to my close friend, Charles Kenny McClatchy, who passed away this Sunday.

C.K., as he was called by family, friends, employees and the thousands who were fortunate to have met him, was the editor and chairman of the board of McClatchy Newspapers. His nationally-respected newspaper chain includes the Sacramento Bee, the Fresno Bee, the Modesto Bee and nine other west coast newspapers.

As the fourth-generation family member to direct the business, C.K. was far from the impersonal, isolated corporate chief that has become so prevalent in today's business world. Instead, C.K. was more like a concerned neighbor. And unlike most of us who have only one neighborhood, C.K. had many. He was a daily neighbor to residents in Sacramento as well as those in Fresno, Modesto, and even Anchorage, AK, where he took one newspaper from rock bottom to the heights of Pulitzer.

C.K. had a deep and personal commitment to the principle that operating a newspaper was a public trust of the highest order. He set standards that all of us aspire to achieve. He once said that, "An uninformed public is in a fool's paradise, trapped by its own ignorance into accepting the distortions and falsehoods of politicians hiding their misconduct."

Mr. Speaker, C.K. McClatchy was born on March 25, 1927. He attended California public schools and received his high school diploma from Deerfield Academy in Massachusetts. He went on to attend Stanford University where he spent summers working as a reporter for the Sacramento Bee. After graduating in 1950, C.K. served in the U.S. Army where he rose to the rank of first lieutenant.

Following his military service, C.K. worked as a reporter for the Washington Post and as press secretary for Adlai Stevenson. In 1957, he became a reporter for the Washington, DC, Bureau of the American Broadcast Co. One year later, he returned to the Sacramento Bee as a reporter and was later promoted to associate editor and later editor. He was elected president of McClatchy Newspapers in 1978.

Mr. Speaker, it is difficult to find the words to adequately describe the contributions C.K. McClatchy made to our society. Perhaps more than anyone I have ever known, C.K. made a difference in the lives of thousands of people he touched every day. He leaves behind him a legacy of fairness, wisdom, integrity, and commitment. As that legacy lives on, I will miss him very much.

EFFECTIVE USE OF LAND

HON. CHARLES HATCHER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. HATCHER. Mr. Speaker, I am introducing legislation today to allow the citizens of Clay County, GA, to make effective use of a tract of land purchased many years ago from the Army Corps of Engineers.

In 1963 Clay County purchased 50 acres of land from the Army Corps of Engineers. The land was surplus to the needs of the corps, but unfortunately the deed contains a restriction that the property be used solely for the development of public port facilities. Such development has never taken place, and the citizens of Clay County would now like to use their property to bring jobs and economic activity to this depressed area. A retirement complex has been planned for the site and this project has great potential for all of Clay County and the surrounding area.

My legislation will direct the Secretary of the Army to release a reversionary interest in this property so that my constituents may develop the land as they see fit.

I have already been joined by a number of my colleagues from Georgia and I ask that the rest of my colleagues lend their support to this measure.

A CONGRESSIONAL SALUTE TO WILLIAM "WALKIN' WILLIE" CROKER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an unselfish individual who has devoted many years of his life trying to promote cancer awareness. William "Walkin' Willie" Croker finished his second cross-country walk from Los Angeles to Washington on April 16, 1989, in an effort to encourage individuals to get cancer checkups. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment.

Born in Long Beach, CA, raised in Redondo Beach, and now a resident of Hawaiian Gardens, "Walkin' Willie" started walking for cancer awareness after the death of his mother, father, and sister of cancer. In each case, doctors said early detection would have saved their lives. Willie's arrival here in Washington on April 16, marked the completion of his second cross-country walk in 3 years. In addition to his walks across America, in 1988, he walked from Los Angeles to Sacramento. It was a very successful trip culminating with his speech on the floor of the California State Senate.

Willie's other walks for cancer include a journey from Los Angeles to Las Vegas as well as across Death Valley in July. Despite his devotion to promoting cancer awareness, he also works in a service station when not on the road.

"Walkin' Willie" has brought joy and hope to my district, the State of California, and the entire Nation over the years. He also shares his indomitable spirit and love with his wife, Lucy, and his daughter, Catalina. My wife, Lee, joins me in extending our deepest appreciation to this caring and giving person. He is truly a remarkable individual who has devoted so much of his time and energy to enriching the lives of many other people. We wish William Croker, his wife, Lucy, and their daughter, Catalina, all the best in the years to come.

PERSONAL EXPLANATION

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DINGELL. Mr. Speaker, on April 17, 1989, I was absent from floor proceedings because of general legislative business in Michigan and missed rollcall vote 28. I request that the CONGRESSIONAL RECORD reflect that if I had been able, I would have voted in favor of H.R. 20, the Federal Employees' Political Activities Act.

MOTHERS AND CHILDREN HIGHLIGHTED IN FOREIGN AID

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. SMITH of New Jersey. Mr. Speaker, last week during consideration of the rewrite of the Foreign Assistance Act of 1961 by the Foreign Affairs Subcommittee on Human Rights and International Organizations, the subcommittee accepted two amendments to establish the health needs of women and children in the developing world as major goals of U.S. foreign policy. The first amendment will—for the first time—make prenatal, neonatal, and maternal health care a funding priority for U.S. health assistance. The second amendment directs the President to prioritize funding for child survival activities: Simple, low-cost, high yield health technologies such as oral rehydration therapy and childhood immunizations.

As you know, Mr. Speaker, over the last decade there has been a silent revolution waged in the health missionfields, one which has been fought with simple and basically inexpensive technologies. We are beginning to see the tangible results of the child survival revolution—children's lives are being saved from diseases and disorders which can be the kiss of death in developing societies. There is one battle for the lives of mothers and their children, however, which we seem to be losing, or at least not fully addressing.

Mr. Speaker, as many as 50 percent of infant deaths occur during the neonatal period which is the first 28 days after birth, according to a joint statement made by WHO/UNICEF in 1986. It is particularly disturbing to point out that these terribly vulnerable lives are largely unaffected by the current child survival activities. Hence, Mr. Speaker, it is important that U.S. economic development assistance target the care of these children as a priority foreign policy goal.

Appropriate prenatal care can help prevent the deaths of hundreds of thousands—99 percent of the 500,000 women who die annually worldwide are from developing countries—of mothers in developing countries who die annually from complications related to pregnancy such as infections—tetanus, in particular—hemorrhage which is closely tied to anemia, obstructed labor and toxemia—pregnancy-induced hypertension, especially in very young and older mothers. It is clear, Mr. Speaker, that prenatal care such as nutrition supplements and, generally, better medical attention, not only keep the mother strong and healthy throughout her pregnancy but help nurture normal birth weight children and promote intrauterine growth.

Mr. Speaker, a link betweeen iron deficiency anemia and low birth weight, premature babies has been established. The health prospects for low birth weight babies are grim. These children have about 20 times more risk of infant mortality than normal birth weight children because they are more susceptible to diarrhea, contagious diseases, and malnutrition before their first birthday. Of approximately 22 million low birth weight babies born worldwide, 21 million are in the developing world.

Mr. Speaker, claiming at least 800,000 infant deaths each year, neonatal tetanus is the single most important identifiable cause of infant mortality in the developing world. Tetanus for the infant is the child's death knell. Prevention is the key. Providing tetanus toxoid immunization for mothers, and better yet, for all women of childbearing age, is especially important in an effective maternal and prenatal health regimen. AID has already identified the most logical starting point for providing this: Namely, mothers should be vaccinated when their children are given childhood vaccinations.

Mr. Speaker, I was pleased to hear that AID's new 5-year, $17.5 million project for maternal and neonatal health and nutrition is now underway after crossing several hurdles. It is my understanding that a substantial portion of the project will focus on the systematic design, implementation and evaluation of maternal and neonatal health care programs to determine the essential components of a cost-effective package.

Comprehensive research and experience, both internationally and domestically, have proven that proper prenatal care spells the difference between a healthy or health-threatened mother, and a strong or vulnerable child, or even death. Mr. Speaker, we must commit ourselves to promote healthy mothers and healthy babies, as the slogan goes, "right from the start." While survival is critical, strong babies will immediately slice infant mortality in half.

Mr. Speaker, having a strong commitment to prenatal care both in policy and in funding will help complete the arsenal in our revolution for child survival. As I mentioned earlier, Mr. Speaker, the twin engine components of immunization and oral rehydration have driven the revolution in child survival throughout many developing countries. Hundreds of thousands of lives have been saved and diseases such as polio have been prevented. Mr. Speaker, we have only begun the fight to mitigate the incidence of the preventable diseases. We simply must not lose the momentum at this critical time. And while we make progress in our efforts to achieve the goal of universal immunization by 1990, the additional question now is how will we sustain high levels of immunization once achieved?

Mr. Speaker, I am hopeful that the funding for this outstanding and exemplary foreign assistance project will increase. The Child Survival Fund has translated into saved lives and healthier, more productive children.

THE SMALL AUTOMOBILE DEALER INSTALLMENT SALES ACT

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. JENKINS. Mr. Speaker, I am pleased to introduce today, the Small Automobile Dealer Installment Sales Act. This legislation is designed to assist the small independent automobile dealer and the consumer in the purchase of essential transportation. This legislation would correct an unfortunate oversight in the 1987 Omnibus Budget Reconciliation Act [OBRA].

OBRA was passed late in the first session of the 100th Congress. It incorporated an amendment to the Internal Revenue Code which repealed a method of accounting which has been used by dealers in personal property, such as used automobiles, for more than 60 years. The installment method of accounting permitted dealers to make tax payments as purchasers made their payments on installment notes.

Mr. Speaker, when this legislation was passed, I was concerned that it would have unintended effects on many small businesses, which were in effect being called upon to loan funds to the Federal Government prior to the receipt of income. Unfortunately, correspondence from many individual automobile dealers in Georgia, and from the Georgia Independent Automobile Dealers Association and the National Independent Automobile Dealers Association has established that my concerns were well-founded. I have received many comments and letters regarding the adverse impact of the repeal of the installment method of accounting on small automobile dealers.

Most dealers selling used automobiles cannot sell the installment paper they issue. That is because many banks are not interested in this paper, and other financial institutions are either not interested, or charge exorbitant discounts, ranging as high as 50 percent. Such a charge erodes all profit from the transaction. It places a severe financial strain upon dealers who depend on such sales.

Mr. Speaker, this legislation would restore the installment method of accounting for licensed used car dealers selling automobiles over 3 years of age, valued at $6,000 or less. Dealers would be required to pay interest under Section 453(a)(c) of the Code as in the case of sales of other products, which we have permitted to continue under the installment method.

I urge my colleagues to support this legislation.

A TRIBUTE TO JAMES KINNEY

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mrs. LOWEY of New York. Mr. Speaker, I would like to take a few moments today to honor James Kinney for his heroic rescue of three people from a burning apartment house in my district.

Mr. Kinney, a letter carrier in New Rochelle, NY, was making his rounds on March 11 when he saw raging flames coming from an apartment building on his route. He rushed into the wood frame building to rescue an infant from the second floor and help two elderly residents to safety. After he was certain that no others were in the building, Mr. Kinney picked up his mailbag and continued making his deliveries.

Mr. Speaker, I believe that Mr. Kinney's heroism was in the best tradition of the U.S. Postal Service. He saw a need and responded with valor and without expecting recognition. Late last month, on behalf of the community he so meaningfully serves, the East River Savings Bank honored Mr. Kinney. That recognition of this fine gentleman who put his own life on the line to help others was richly deserved.

I am proud of Mr. Kinney and wish him all the best.

THE 90TH BIRTHDAY OF EMILY TAFT DOUGLAS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. DURBIN. Mr. Speaker, I rise to call the attention of this House to a special occasion.

April 19, 1989 marks the 90th birthday of one of our distinguished former colleagues.

Emily Taft Douglas was elected to the 79th Congress in 1944, serving from January 3, 1945, to January 3, 1947. Her career in Congress and in public life was a great example to this body. She dedicated her efforts to women's rights, civil rights, and economic justice. She was truly a pioneer and her legacy as a legislator and author endures.

Mrs. Douglas still holds a special distinction as the only woman in the history of our Nation to precede her husband into Congress. The late Senator Paul Douglas of Illinois and Mrs. Douglas not only made history with their elections, they brought pride to both this House and the Senate with the quality of their service.

I join my colleagues; Mrs. Douglas' daughter, Jean Taft Douglas Bandler and her husband, Ned; her two grandchildren, James Douglas Bandler and Jolen Taft Bandler; and scores of friends in wishing Emily Taft Douglas the happiest of birthdays.

PERSONAL EXPLANATION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. COURTER. Mr. Speaker, due to previously scheduled business in my district I was not present for two rollcall votes on April 17. Had I been present I would have voted "yes" on Journal vote numbers 28 and 29.

TRIBUTE TO THE ST. GEORGE BYZANTINE CATHOLIC CHURCH OF YOUNGSTOWN, OH

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to St. George Parish of Youngstown, OH, on the occasion of their 75th anniversary. This country owes a great debt to the religious institutions of this country. Our tradition of religious worship has shaped the moral fiber of this land, forging the strong bonds that truly make us "one nation under God." In my 17th Congressional District of Ohio, we have been blessed with the presence of a special group of people, who are proud to be celebrating a rich history of religious leadership in our community.

For many years the founding fathers of St. George Parish worshipped at St. Mary's Church in Youngstown. In May 1914 a committee, supported by 100 signatures, took the first steps toward the founding of St. George Parish. On Labor Day, 1917, the untiring efforts of the forefathers culminated with the blessing of the parish's first church building. This marked the beginning of a long and glorious history of religious service to the Youngstown Byzantine Catholic community. In the spring of 1968, the church celebrated its first liturgy in the beautiful house of worship that the church occupies today. Although the church has come a long way from its early beginnings, it is still characterized by the strong love of God, country, and neighbor that marked its early history.

I ask that the House join me today in honoring St. George Parish. May the parish continue to serve the spiritual and cultural needs of the community with the same zeal and dedication it has shown in the past 75 years. Let us extend to the people of St. George Parish our deepest appreciation, our heartiest congratulations on the occasion of their anniversary, and our best wishes for continued prosperity in the future.

CONGRATULATING ARCHBISHOP IAKOVOS ON 30 YEARS AS PRIMATE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Ms. SNOWE. Mr. Speaker, I am pleased to recognize today a distinguished prelate who is celebrating the 30th anniversary this month of his enthronement as primate of the Greek Orthodox Archdiocese of North and South America.

His Eminence Archbishop Iakovos has worked diligently for over three decades now to bring greater vitality and unity to the church, initiating reforms and advancing the frontiers of Eastern Orthodoxy as the spiritual leader of over 2 million Greek Orthodox faithful in the Western Hemisphere.

Not only has Archbishop Iakovos worked tirelessly for the betterment of the Greek Orthodox Church and the Greek-American community, but His Eminence is now the senior religious leader of the United States, and he has been honored by numerous universities and church and political leaders.

It is therefore my pleasure to join other Greek-Americans this month in congratulating Archbishop Iakovos and in wishing him continued success in his important work around our country.

THE 40TH ANNIVERSARY OF THE UNION COUNTY ASSOCIATION FOR RETARDED CITIZENS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. RINALDO. Mr. Speaker, on April 29, 1989, the Union County Association for Retarded Citizens will celebrate its 40th anniversary.

Forty years ago this organization was formed by a group of parents concerned for the future of their retarded children.

In the intervening years the association has grown to a full service agency helping people who are retarded and their families at every stage of life. The Association for Retarded Citizens of Union County provides assistance for infants, preschoolers and adults. The services include adult training centers, recreation programs, group homes, a thrift shop, a summer day camp, and support groups for parents.

Many factors have contributed to the stability and effectiveness of the Union County Association for Retarded Citizens. The most important factor, however, is the dedication of the unit's members. These individuals have worked tirelessly for years and have encouraged the involvement of the general public in volunteer service and financial support.

I wish to commend the outstanding men and women who have contributed so much to the success of the Union County Association for Retarded Citizens during the past 40 years, and I extend my best wishes in their continuing efforts to meet the needs of Union County's retarded population.

NEA PRESIDENT

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to commend Ms. Mary Hatwood Futrell for her 26 years of leadership and service to our Nation's educational system. For the last 6 years, Ms. Futrell has served as president of the 1.9 million-member National Educational Association [NEA]. Her third and final term ends on August 31, 1989.

Ms. Futrell, a native of Virginia, started teaching business courses at Parker-Gray High School in 1963. She served as secretary and president of her local NEA group, and took the office of president of the Virginia Education Association in 1976. Before being elected to the NEA presidency, Ms. Futrell served as secretary-treasurer of the organization. In addition, Ms. Futrell has participated in many task forces, committees, and special studies concerning educational issues.

Ms. Futrell has been actively involved in other organizations as well. She served for 5 years as president of ERAmerica, sits on the executive committee of the Leadership Conference on Civil Rights and the board of the U.S. Commission for UNICEF, and is a member of the Women's and Labor Councils of the Democratic National Committee.

Ebony and Ladies Home Journal have honored Ms. Futrell for her influence, contribution, and achievements in education. She has received honorary degrees from seven different colleges and universities. Her accomplishments and recognitions speak to the dedication and service Ms. Futrell has given to our Nation's school system. I ask that my colleagues join me in thanking Ms. Futrell for her commitment.

ALAR/APPLE SITUATION

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. McEWEN. Mr. Speaker, I rise today to address the disturbing rumors concerning the safety of the apples we feed our children. It seems to me that many people are talking and few are listening to the facts surrounding the apples we grow.

Recently CBS News managed to panic concerned parents with a news broadcast that focused on purported dangers of a chemical used on apples. They cited a recent Natural Resources Defense Council [NRDC] report which asserts that children are subject to serious health problems from pesticide residues in food. One example was the use of Alar on apples. The reaction to this broadcast was so extreme that schools are removing apples from their lunchrooms and parents are taking applesauce down from their shelves.

Mr. Speaker, this report is grossly misleading and irresponsible. The Environmental Protection Agency, which sets the standards of risk of illness for chemical residue, has found the NRDC report to be unreliable and inappropriate. The date used is considered invalid and poor. Moreover, the American Council on Science and Health has also rejected this report. The Council points out many shortcomings in the report, which range from imprecise terminology to critical omissions of scientific knowledge.

Let me take a moment to go over the facts of the situation. Alar is not a pesticide, it is a chemical which stimulates growth in trees. Moreover, Alar was used on only 5 percent of the apples grown in the United States last year. The level of tolerance set by EPA is 40 times less than the actual level at which studies suggest health problems might occur. Moreover, EPA tests on apples generally show no residue, and if they do, the level is a fraction of a fraction of a percentage point. That's a safety margin.

I have four young children. I understand why parents are concerned. But the quickness with which the Government reacted to the fruits from abroad which were contaminated should reassure everyone that health is a major concern of the present Government. The facts concerning our apples need to be acknowledged, and the American public needs to know that an apple a day will still keep the doctor away.

NEW BEGINNINGS IN TROPICAL FORESTRY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. VENTO. Mr. Speaker, the destruction of the world's tropical forests has become a global crisis. Each year 27 million acres, an area the size of Pennsylvania, is logged, burned, and converted to nonforest uses. Tropical forests contain 50 percent of the world's plant and animal species. Scientists predict that 2.5 million species in these forests have not yet been discovered and may never be discovered if the rapid deforestation continues. It is quite likely that this tremendous loss of tropical forests and dependent species is lessening the world's biodiversity, is and will contribute to global climate change and is preventing new medicine, foods, and other forest products from benefiting mankind. The Forest Service, as the world's largest forestry organization, needs to play a lead role in helping to find the means and knowledge to save tropical forests. With its outstanding research branch, the Forest Service has an important capacity to utilize and can make a significant difference. Its Institute of Tropical Forestry in Puerto Rico should expand its tropical forestry research programs.

Working in close partnership in Puerto Rico with the Institute of Tropical Forestry is the Caribbean National Forest, the Nation's only tropical national forest. Also known as the Luquillo Experimental Forest or El Yunque, it serves as a natural, outdoor laboratory for the institute and receives a million recreational visitors a year. The forest has great potential to be a model of quality tropical forest management for tropical countries throughout the world.

Tragically, as the global tropical deforestation crisis has worsened, the Forest Service's tropical forestry research efforts have shrunk just when they are needed the most. The agency, ironically, has no congressional mandate for tropical forestry research and, in the past 10 years, the administration has deeply cut the budget for this program, has eliminated important long-term tropical forestry research projects and has reduced the number of Forest Service scientists working in this field. Furthermore, the Caribbean National Forest is far from reaching its potential as a management model. For example, it lacks facilities to house visiting researchers and managers from other countries.

I have introduced the Tropical Forestry Initiative Act to strengthen the Forest Service's Tropical Forestry Research Program. Joining me as cosponsors are Mr. VOLKMER, chairman of the Agriculture Subcommittee on Forests, Family Farms and Energy, Mr. Fuster, resident commissioner from Puerto Rico and Mr. MARLENEE and Mr. LAGOMARSINO, the ranking minority members of the Subcommittee on National Parks and Public Lands. I appreciate their support of this bill and their commitment to the world's tropical forests.

This bill strengthens the Forest Service's tropical research program in the following ways:

1. It gives the Forest Service a Congressional mandate to conduct a research program that focuses on methods to slow or reverse tropical deforestation.

2. It requires the Secretary of Interior to assist the Secretary of Agriculture in this research through a memorandum of understanding between the two Secretaries.

3. It establishes a line item in the Forest Service's budget for tropical forestry research.

4. It gives the Forest Service's Institute of Tropical Forestry a congressional mandate to expand its current program to include research on recreation and tourism, alternative economic uses of tropical forests that sustain them as forests including the development of new products, and the affects of tropical deforestation on biodiversity and global climate change.

5. It directs the Institute to share its findings with other countries and to assist researchers and natural resource managers throughout the tropical world.

6. It directs the Secretary of Agriculture to manage the Caribbean National Forest as a model of tropical forest management with an international outreach progam and with the necessary training and educational facilities to fulfill this role.

Another important Forest Service tool to help slow tropical deforestation is the agency's international forestry program which provides technical assistance to other countries. However, this program needs to expand to be effective during the current crisis in the tropics. Out of an organization of 37,000 full-time employees, only 9 are on overseas assignments. Hampering expansion is the lack of clear authority and direction from Congress for international forestry and restrictions in the annual Interior appropriations bill which requires the Forest Service to go to other agencies for approval for its international projects. These restrictions, for example, prohibit the Forest Service from giving assistance to Brazil, one of the places where the tropical deforestation crisis is the most severe. I am working closely with Mr. DE LA GARZA, chairman of the Agriculture Committee, on an international forestry bill for the Forest Service which he will introduce and I will cosponsor. This bill would provide the agency with the direction and authority it needs to increase its technical assistance to tropical countries. I commend Chairman DE LA GARZA for taking the leadership on this issue.

Both of these proposed laws are important steps in giving the Forest Service and our Nation a leadership role in helping the world to solve the growing crisis in the world's tropical forests. Such resources are far too important for America to stand on the sidelines and passively watch their gradual destruction. Americans and people everywhere need tropical forests. The very health of our planet depends on our Nation actively becoming involved in their protection and management. The Forest Service needs to mobilize its resources and expertise to lead the way. These legislative measures will provide a much needed focus on the proper policy path to achieve the objective of proper utilization and preservation of our global environments.

TUFTONIA DAY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. RICHARDSON. Mr. Speaker, I rise to bring to my colleagues' attention that tomorrow throughout the world my fellow Tufts University alumni are celebrating the fifth annual university holiday of reminiscence and revelry we call Tuftonia Day. Held every year on April 19, Tuftonia Day is a special time for the

60,000-plus alumni of this great international institution located in Medford, MA. It is a day for Tuftonians to get together with one another to remember, recognize, and celebrate their alma mater.

Tuftonia Day derives its name from the title of the venerable Tufts football fight song written by E.W. Hayes, class of 1916. This Tufts holiday has been celebrated in diverse ways and recognized by people throughout the world. In past years, official proclamations for Tuftonia Day have been issued by the Governor of Massachusetts and the mayors of Boston, Medford, and Somerville, MA. In addition to a formal ceremony on campus, there are local and international observances ranging from small gatherings in restaurants to champagne receptions in museums, art galleries, and private homes; from a group trolley ride to a ride on a jumbo elephant in India. Tufts alumni from Hartford to Hong Kong and from San Diego to Sao Paulo come together to think Tufts, thank Tufts, and toast Tufts.

This year, Tufts' male a cappella singing group will make a musical journey, via Amtrak, down the Northeast corridor. "The Great Tuftonia Train Ride" will stop at railway stations to serenade alumni, parents, and accepted students in Boston, Providence, New Haven, New York City, Trenton, Philadelphia, Wilmington, Baltimore, and Washington. The trip will end with a celebration at Union Station on Sunday, April 23.

Tufts University was founded in 1852 and enrolls approximately 7,200 students from 48 States and 75 foreign countries. The main campus in Medford/Somerville houses the College of Liberal Arts, College of Engineering, Jackson College, Boston School of Occupational Therapy, Graduate School, College of Special Studies, School of Nutrition, and Fletcher School of Law and Diplomacy. The Boston campus features the Schools of Medicine and Dentistry, while Grafton is the site of the only School of Veterinary Medicine in New England.

A TRIBUTE TO COMSTOCK TOWNSHIP PUBLIC LIBRARY

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. WOLPE. Mr. Speaker, I rise to pay tribute to the Comstock Township Public Library on the occasion of its 50th anniversary. The Comstock Township Public Library was the first library in Kalamazoo County. Started in 1938 as part of the Works Progress Administration county-wide library service, it brought a wealth of knowledge to our community.

Like the minds of those who read have grown, so has the Comstock Township Public Library. The reading facility has had many homes, starting first with 500 books in a space offered by a food store on River Street. In 1956, after voters approved the establishment of a free library and $1 million for its support, a newly constructed library was opened with 6,000 volumes. Today, after two expansions, the Comstock collection boasts over 55,000 volumes and is now physically attached to Comstock Township Hall.

Mr. Speaker, the successful evolution of the Comstock reading collection was made possible by residents dedicated to education and growth. On the 50th anniversary of the Comstock Township Public Library, I salute the citizens of Comstock and their extraordinary library, the educational cornerstone of their community.

JEFFERSON NATIONAL EXPANSION MEMORIAL

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. COSTELLO. Mr. Speaker, today I joined Senator PAUL SIMON in introducing legislation to make possible an Illinois extension of the Jefferson National Expansion Memorial. This park, better known as the home for the Gateway Arch in St. Louis, was built as a monument to Thomas Jefferson and the Nation's Westward Expansion.

The completion of the Gateway Arch and Missouri section of the park in 1965 was an historic milestone for project architect Eero Saarinen. However, it was Mr. Saarinen's intention to include land on the east side of the Mississippi, in Illinois, as part of this memorial.

In 1984, Congress passed legislation to create a 20-member commission to study the expansion proposal and come up with recommendations to move forward with the Illinois park plans. In an effort to do so, some small language in the original act needs to be amended. With the legislation we are introducing today, these concerns will be met, and I am hopeful that the proposal will be acted on quickly.

Mr. Speaker, expansion of the Jefferson National Expansion Memorial will not only fulfill the designer's original intentions for the landmark. It will provide a source of pride and beauty to the residents of southwestern Illinois, and will serve as a cornerstone for economic development in that area.

I feel that there is great promise for this project. It would be the only national park in my State. There are plans to construct a museum on the expansion site, and it would complement its Missouri counterpart by bringing added tourism and excitment to the region. I want to thank my colleagues in Illinois and Missouri for their support for this project, and hope that we can soon make this worthwhile memorial a reality.

H.R. 1487

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. LEWIS of Florida. Mr. Speaker, last week the House passed H.R. 1487, the State Department authorization. Although budget deficit considerations compelled me to vote against this bill, I would like to take this opportunity to reaffirm my support for three programs which are included in this legislation.

The first of these programs is the $100 million in supplemental appropriations for assisting refugees, primarily from the Soviet Union. As you know, these added funds became necessary because of the Soviet Union's new rules regarding emigration. Mr. Speaker, it is imperative that those who flee religious persecution are given every opportunity to be reunited with their families. This supplemental appropriation is essential to accomplishing that goal.

Another extremely worthwhile program in this legislation is the funding for Radio Marti, and the possibility of funding for Television Marti. These broadcasts are irreplaceable sources of truthful information for the people of Cuba. If the President deems it feasible, Television Marti will begin broadcasting into Cuba by the end of the year. After 30 long years, the people of Cuba will be able to see the world as it really is, not how Castro says it is.

Finally, I applaud the decision to authorize danger pay for Drug Enforcement Agency agents stationed in dangerous positions abroad. These agents risk their lives every day to end the scourge of drugs in our country, and this is but one small way in which we can show our appreciation.

Mr. Speaker, I urge the members of the conference committee to work to retain these programs, while structuring the State Department authorization so that it takes on an air of fiscal responsibility. In these times of budget deficits, we must prioritize our spending so that programs such as the aforementioned are retained while other, less imperative programs are studied more closely.

THE 90TH BIRTHDAY OF THE CURTIS BAY COAST GUARD YARDS

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to honor the Nation's only U.S. Coast Guard shipbuilding and repair yard, in celebrating its 90th birthday, the Curtis Bay Coast Guard Yard. Founded in 1899, the 112-acre yard, located in Curtis Bay, MD, was the first permanent home of the Coast Guard Academy.

As the Coast Guard's most modern, industrial plant, the yard is responsible for the construction, repairs, and renovation of vessels and various aids to navigation, and for the manufacturing of miscellaneous Coast Guard equipment.

Besides its principal shipyard role, the Coast Guard yard serves as host facility for the Baltimore Group and Curtis Bay Station. It is also home for the Coast Guard Cutter *Sledge* and the Coast Guard Cutter *Red Birch.*

Last year there were calls to close down the yard, dismantling not only the facility but ending the history of this fine facility. Through the work of the Maryland congressional delegation we succeeded in keeping the yard open, and it's now looking to a bright new future—having been selected to build the pro-

totype of the new Heritage class Coast Guard cutter. Today, over 819 civilian employees and 250 military personnel are stationed at the yard.

The U.S. Coast Guard has a rich history, from the Revolutionary days when it was named the Revenue Marine, to today's task of patrolling our southern shores in the war on drugs. The Curtis Bay Coast Guard Yard has complemented that mission with excellence, professionalism, and patriotism.

I hope that all of you will join me in commemorating the yard and its employees on their 90 years of success.

THE STUDENT AID READJUSTMENT ACT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

Mr. FORD of Michigan. Mr. Speaker, postsecondary education is increasingly necessary for our Nation's workplaces. Today, 50 percent of all job classifications require some education beyond high school. That percentage is expected to increase to 75 percent by the middle of the next decade. However, the obstacles faced by those trying to pursue their educational goals are mounting.

As the price of postsecondary education is rising, the Federal grant assistance for students is falling. We are telling our high school students that there is student aid available to help them achieve their educational goals, yet, their college financial aid administrator tells them that this aid is in reality a loan, which they must repay.

At the beginning of this decade, the maximum Pell grant covered about 50 percent of the average cost of postsecondary education. That figure has slipped to below 30 percent. In fact, in the last 16 years, the Pell grant program was fully funded only three times. We have created a marvelous irrigation system for delivering student aid and are only running a trickle of water through it.

That is why I introduced H.R. 2020, the Student Aid Readjustment Act [SARA]. This bill would restrict borrowing under the Stafford loan program to only those students who have successfully completed their first 2 years of postsecondary education.

In exchange for this limitation, Pell grants to students in their first and second year of postsecondary education would be increased. Someday Pell grants should increase for all students, but due to budgetary constraints, this legislation would restrict Pell eligibility to students in their first 2 years of study.

This legislation would also make Pell grants an entitlement program, thus preventing Federal budget problems from denying students access to education.

The end result would be to provide students, who are now receiving Federal aid in the form of a Pell and a Stafford loan, a grant in their first 2 years of education and a loan in their last 2 years. Since the majority of Federal student financial assistance goes to students in their first 2 years of study and the majority of student dropouts occur in the first 2 years of study, this legislation would help many students achieve their educational goals.

The purpose of this legislation is twofold—to restructure our student aid programs to again provide equal educational opportunity for needy students and, second, to reduce the costs to the Federal Government of student loan defaults.

The Pell Grant Program was established to allow needy students to pursue postsecondary education—to remove the financial barriers which at one time made postsecondary education a luxury reserved only for the wealthy.

The law still states that the Pell grant's purpose is to provide "75 percent of a student's cost of attendance" when combined with parental assistance, State grants, and the smaller Federal grant programs. As recently as 1986, in the higher education amendments, Congress reaffirmed its commitment that students could only afford to finance 25 percent of their total educational expenses and this should be done through work and loans.

However, Federal grant aid has decreased to such a degree that the guaranteed student loan is no longer a loan of convenience, but the primary foundation of a student's financial aid package—a purpose this program was not designed for.

Students from low-income families, who do not have experience as borrowers, are being forced to borrow an average of $4,000; 20 percent of student borrowers came from households with annual incomes of under $5,000; 60 percent of student borrowers come from families who earn less than $20,000 per year. Allowing a student to borrow a significant portion of their annual income is not assisting the student.

Also, studies have shown that minority students have an aversion to borrowing. The recent declines in minority enrollment in postsecondary education are in large measure due to the requirement that these students borrow to finance their education.

The original vision of Senator PELL was to extend free education to the postsecondary level, so that students would have at least 14 years of free education. The current funding levels of student aid programs do not permit this. Providing enough grant assistance cover need in the first 2 years of postsecondary education would be an effective strategy to ensure educational opportunities for all students.

H.R. 2020 would also save the Federal Government on student loan default costs. In fiscal year 1989, the Stafford Student Loan Program cost the Federal Government about $4.5 billion. This represents in-school interest payments, special allowance for lenders, reinsurance for guaranty agencies, and about $1.7 billion in default costs.

About 62 percent of student loan borrowers are in their first 2 years of postsecondary education; almost 80 percent of defaulters are in their first 2 years. Disallowing borrowing on the part of first and second year students could save about $1.8 billion and could reduce default costs by almost $1.4 billion.

The U.S. Department of Education is interested in this idea. In a hearing before the House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Kenneth Whitehead, then-Assistant Secretary for Postsecondary Education described SARA as "an idea that deserves some attention." He went further, "We have reached a stage where the grant-loan ratio is tilting more toward loans. This is clearly something we should examine."

Furthermore the National Council of Higher Education Loan Programs [NCHELP] has endorsed the principal of lending only to those students who have completed some of their postsecondary education.

They wrote me saying:

NCHELP believes that the idea of providing substantial assistance at the beginning of a student's academic career makes a good deal of sense, both for the student and for the Federal Government. The transition from high school to postsecondary education, or the return to postsecondary education from a working career, is a substantial one.

The student should be allowed to focus on this transition, and to develop the study skills necessary for success in postsecondary education, without having the spectre of debt hanging over his head from the outset. Studies have shown that students who persist in their educational programs have a substantially higher probability of repaying their loans than those who drop out early. Thus, a restructuring of student aid such as you propose makes sense for the student and will also significantly lower federal program costs.

By providing grant assistance to first and second year students and restricting loan eligibility to those who have completed their first 2 years of postsecondary education, the student aid system would be restructured to both reduce loan default costs, but more importantly, to again provide equal educational opportunity for all students, regardless of economic background.

The maximum Pell grant is currently $2,300. The maximum guaranteed student loan for students in their first 2 years of postsecondary education is currently $2,625, at least $125 of which goes immediately to origination and insurance fees. Therefore a maximum Pell grant of $4,800 would provide students with the same amount of Federal assistance they currently receive under both the Pell and GSL Programs.

The Department of Education estimates that increasing the Pell grant maximum to $4,800 would cost $8.381 billion, or a $3.898 billion increase; $1.36 billion would be saved through reductions in loan default costs; 80 percent of defaults would be eliminated by disallowing borrowing to first and second year students. The Department of Education estimates that defaults cost about $1.7 billion a year. Another $896 million would be saved by making this program an entitlement.

Estimates show that between 55 and 65 percent of borrowers are students in their first 2 years of postsecondary education. The Federal dollars saved by not having to pay in-school interest subsidies and special allowance costs for first and second year borrowers would cover the remaining costs of increasing the Pell maximum.

I look forward to comments on this bill from those interested in Federal student financial assistance. I would like this legislation to be

considered as part of any proposal considered by the House in addressing the issue of student loan default costs. Any legislation addressing the issue of loan defaults must also address the problem of excessive borrowing by low-income students.

I am also hopeful that SARA will be seriously considered in the next few years during discussions of the reauthorization of the Higher Education Act.